

Report for: Cabinet

Title: Increase to the award for Haringey Higher Level Skills Sponsorship Agreement

Report authorised by : Peter O'Brien, AD for Regeneration and Economic Development

Lead Officer: Helen McDonough, Head of Employment and Socio Economic Regeneration

Ward(s) affected: All

**Report for Key/
Non Key Decision:** Key

1. Describe the issue under consideration

- 1.1. This report seeks to increase the provision of higher level skills qualifications in Haringey, which are required to enable residents to access Good Work opportunities in the neighbourhood and in the London labour market. The Council and the GLA currently jointly commission North London Partnership Consortium (NLPC) to deliver level 3 provision to both unemployed and lower paid residents in key sectors of Health and Social Care, Engineering, Childcare (childminding focus) and Construction, supporting residents into work or better paid work. This grant funding agreement delivers the Haringey Higher Level Skills (HHLS) project.
- 1.2. Based on strong performance and well evidenced need locally we are proposing to extend this programme in partnership with the Greater London Authority (GLA) increasing the overall grant funding agreement and employment outputs matchfunding a proposed increase in investment by the GLA.
- 1.3. To meet the increased demand being seen by NLPC as a result of the rise in unemployment in the borough, GLA proposes to invest a further £67,428 into the programme, subject to match funding agreement from Haringey Council as the Project Sponsor. The heightened need has resulted in NLPC meeting all existing claimable outputs for supporting unemployed people with continued demand from residents for higher level skills qualifications.
- 1.4. The report is to be considered by Cabinet as the increase would take total LBH commitment from £450,000 to £517,428 for the HHLS programme. GLA's proposal was approved to progress by GLA Delivery Group on 17 August and is due for final decision from GLA at its Skills for Londoners Programme Board on 21 September. October is the earliest Cabinet meeting this can be discussed at in order to avoid a long break in delivery to residents.

2. Cabinet Member Introduction

- 2.1. The Haringey Higher Level Skills programme is a jointly commissioned employment and skills support programme with the GLA, providing residents with the higher level skills needed to gain employment in Haringey and the wider London labour market. As unemployment has recently risen substantially in the borough, our delivery partner, North London Partnership Consortium, has experienced increased demand for their service from residents, and has exceeded performance targets. The project cannot continue delivering qualifications to unemployed residents without additional funding.
- 2.2. The GLA has proposed increasing their contribution, subject to Haringey matching the amount, in order to meet the increase in demand. This report outlines the case for matching the potential investment to lever more opportunities for higher levels skills qualifications for our residents, to equip them with the right skills to take advantage of improvements and opportunities in the post-pandemic jobs market.

3. Recommendations

Cabinet is asked to:

- 3.1 Approve match funding the GLA's proposed investment into HHLS by a further £67,428, taking overall commitment to £517,428, and continuation of the GLA's management thereof;
- 3.2 Approve the reprofiled performance (4.3.1)

4. Reasons for decision

4.1 Need for higher level skills in fluctuating labour market

- 4.1.1. Most opportunities for Good Work in London, work that provides at minimum London Living Wage with opportunities for progression, require residents to have higher level skills to access. Higher level skills are considered as those at Level 3 (L3) and above (L3 is equivalent to A levels and BTEC Nationals). Only 4% of jobs in the London Labour market require no qualifications and just 9% require NVQ1 (equivalent to GCSE grades 3,2,1).
- 4.1.2. Residents with L3 and above qualifications are under represented in Haringey compared to the wider labour market, meaning local people are locked out of accessing opportunities available to them.
- 4.1.3. The HHLS programme delivers L3 courses to unemployed residents focused on specific growth sectors identified in the Good Economy Recovery Action Plan (Construction, Railway Engineering, Health and Social Care). It also supports in work progression, providing the same L3 opportunities to residents in work with lower skills levels.

4.2 Demand

- 4.2.1. Since the Covid-19 pandemic, NLPC has seen a significant rise in the demand for the programme from residents, and has achieved all of its targeted output numbers for unemployed residents for the lifetime of the grant (original grant April 2019-March 2022, additional year agreed due to Covid19 disruption, end date

March 2023). NLPC continues to provide employment support but is no longer able to register unemployed residents for L3 courses as funding to do so has been exhausted.

4.3 Value for money

4.3.1. By match-funding the GLA investment, we maximise the number of opportunities for higher level qualifications we can lever for residents from our investment, by March 2023:

	Unemployed	Employed	Total	Value
Starters	48	20	68	£12,769
Achieving one unit L3	42	11	53	£31,989
Entry to Employment/Job Progression	24	6	30	£38,409
Sustained	16	4	20	£45,500
LLW bonus			18	£6,188
Total	£101,491	£27,177		£134,855
Overall Unit Cost				£6,743

4.3.2. The overall unit cost submitted with the original contract was £6,923.08; the overall unit cost for the increase of 20 sustained results is £6,742.74, delivering better value for money whilst being as close to original conversion and unit cost rates as calculations allow.

4.4. Supporting the Employment and Skills Recovery Action Plan (ESRAP)

4.4.1. Haringey has experienced exponential rise in unemployment within the borough since March 2020 (177% increase), and has the highest claimant count rate for central London (11.3%). ESRAP, collaboratively produced with borough partners, identifies priority growth sectors for employment support in the medium term, which HHLS delivers courses in (STEM, Construction and Health and Social Care). ESRAP also outlines a need to address in work poverty in the borough, which HHLS works to support by supporting residents who are in work to upskill.

4.4.2. Funding has already been agreed to support the delivery of the Good Economy Recovery Plan and associated ESRAP, which this programme and extension continues to play a pivotal role in.

5. Alternative options considered

5.1. Option to not extend

The project could be delivered to the existing grant award. However this would result in the high demand of residents seeking support being turned away. With its base in Northumberland Park, the localised reach of NLPC means many of the residents accessing its services are not likely to access other employment provision in the borough.

5.2. Option to increase profile only for unemployed participants

It is possible to increase the performance targets for unemployed residents with no further additions to support employed residents. There is however limited in-work support within the borough outside of this programme at a time where in-

work poverty is increasing and is not met by national provision. Reducing the focus for in-work support through this programme at this time feels counter to the Council's commitment to support Good Work principles, which includes a focus on progression.

5.3. Option to increase by £49,928 keeping total commitment below £500,000

This option was considered for expediency of decision making, in order to respond to the need not to continue stalling delivery. However, the loss of additional £35,000 to the project with GLA match would result in missing out on sufficient additional outputs to reflect a worthwhile variation.

6. Background information

6.1. In February 2012, Cabinet approved match funding of the GLA's funding allocation to Haringey, as part of a funding and investment package for the Tottenham Regeneration Programme. The HHLS programme was part of a 1.5M funding agreed in principle by Cabinet as one-off additional funding identified in the Medium Term Financial Strategy. The Sponsorship Agreement with GLA was agreed by the s151 Officer in September 2016 with use of reserves.

6.2. On 22 February 2019, Haringey entered into an agreement with GLA for the Sponsorship and Delivery of the HHLS project and in respect of this agreement for the GLA to act as the agent for the ESF funding managing all contract arrangements.

6.3. NLPC entered into a grant agreement with the GLA in March 2019 with active delivery commencing in August 2019; a Deed of Variation was executed in May 2021 reprofiling and extending the project end date to March 2023 to enable delivery over a longer period on account of forced closures and disruption from lockdowns and covid restrictions.

6.4. The original maximum sum grant value award is £900k, of which £728k relates to Unemployed and £172k to Employed participants. £450k is ESF funding and £450k is Haringey match funding. NLPC's bid application specified that NLPC would be able to deliver up to an additional £135k of services if monies became available through the lifetime of the project.

6.5. Performance compared to profile as of 30 June 2021 is:

	Unemployed			Employed			Total		
	Profile	Actual	Variance	Profile	Actual	Variance	Profile	Actual	Variance
Starters	303	403	100	57	55	-2	360	458	98
Achieving one unit L3	174	280	106	36	40	4	210	320	110
EET and Progression	53	103	50	9	5	-4	62	108	46
Sustained	7	14	7	1	2	1	8	16	8
LLW bonus							37	45	8

7. Contribution to strategic outcomes

- 7.1. Economy: A growing economy which provides opportunities for all our residents and supports our businesses to thrive.
- 7.2. Employment and Skills Recovery Action Plan: The contract supports sector focus on Construction, Health and Social Care and Engineering, and in work progression.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

8.1. Finance

There is sufficient funds in the GERP budget within the £250,000 allocation for ESRAP to match fund this addition and the project meets the aims of the associated recovery plans.

8.2 Procurement

There is no procurement related activity in result of this increase, as the contract with the existing delivery partner will continue to be managed by GLA.

8.3 Legal

The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of the report.

In accordance with Contract Standing Order 10.02.1(b) and Contract Standing Order 17.3 Cabinet has authority to approve the recommendations in the report.

The Head of Legal and Governance (Monitoring Officer) sees no legal reasons preventing Cabinet from approving the recommendations in the report.

8.4 Equality

The council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not

The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

H HLS aims to equip Haringey residents with the higher-level skills necessary to attain successful jobs and careers in the London labour market. The project has a focus on recruiting participants with disabilities or health conditions, those from BAME groups, aged under 25 or 50 & over and lone parents and will therefore serve to promote equality of opportunity for people with protected characteristics.

Equality issues were considered in the procurement process and awarding of the grants by GLA. As the recommended reprofile and increase does not represent a change to the project methodology or the target cohort, this will not have a negative impact on equality.

9. Use of Appendices

- 9.1. Appendix A - GLA ESF 2014-20 Grant Agreement H HLS
- 9.2. Appendix B – H HLS Reprofile

10. Local Government (Access to Information) Act 1985

- 10.1. [Cabinet Report Feb 2012 Funding and Investment Package for the Tottenham Regeneration Programme](#)