

 Executive 1st October 2014		Agenda Item No.
Title	Skills Initiative Funding	
For further information about this report, please contact:	Joseph Baconnet, Economic Development and Regeneration Manager 01926 456011	
Wards of the District directly affected:	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number:	Executive 12 th February 2014	
Background Papers:	As above	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	Yes
Equality & Sustainability Impact Assessment Undertaken:	No

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive		Chris Elliott Bill Hunt
Head of Service		Tracy Darke
CMT		Andrew Jones
Section 151 Officer		Mike Snow
Monitoring Officer		Andrew Jones
Finance		Mike Snow
Portfolio Holder(s)		John Hammon Andrew Mobbs Stephen Cross
Consultation & Community Engagement		
Final Decision		Yes
Suggested next steps (if not final decision please set out below)		

1 SUMMARY

- 1.1. This report makes recommendations on the use of the £50,000 employment initiatives support fund approved by Executive in February 2014.

2. RECOMMENDATIONS

- 2.1. That Executive agrees the programme of activities set out at Appendix One.
- 2.2. That, subject to approval of 2.1, Executive delegates authority to the Economic Development Manager and Head of Development Services, in consultation with the Development and Finance Portfolio Holders to finalise the necessary procurement and delivery arrangements for the full programme ensuring appropriate monitoring arrangements are in place.
- 2.3. That Executive agrees an exemption to the Code of Procurement Practice to allow procurement of the delivery of the business support elements of the programme (proposals 3 & 6) from the Coventry and Warwickshire Chamber of Commerce (CWCC) at the agreed 2012 prices.
- 2.4. That Executive delegates to the Head of Development Services, in consultation with the Finance and Development Services portfolio holders the authority to reallocate funding from one project area to another in the event of high demand or underperformance of a project area.

3. REASONS FOR THE RECOMMENDATION

- 3.1. Further to the allocation of £50,000 at the meeting of the Executive in February 2014 for skills initiatives to support the development of the local economy, a series of proposals has been developed to address identified needs within the Warwick District economy and labour market.
- 3.2. These proposals aim to address both prosperity and growth as well as attempting to identify and address barriers to entering the job market.
- 3.3. The core objectives and intended outcomes of the proposed programme are:-
 - To use Small and Medium Enterprises (SMEs) as the engine for growth for both business and employment within Warwick District;
 - To raise the standard of skills in business to ensure the sustainability and robustness of the business sector in the district (a weakness identified in the CWLEP's Strategic Economic Plan);
 - To identify gaps & barriers to jobs and training with our own tenants with the aim of assisting WDC tenants to get a job paying the living wage;
 - That proof of concept pilots be included which will inform bids for funding from April 2015 (eg: European Structural & Investment Funds)
 - That any work should be additional and complimentary to work already being provided by other organisations within the sub-region

(eg: DWP, work programme providers, business support, C&W Clearing House, jobs clubs etc).

- 3.4 The range of support available has increased throughout the sub-region with City Deal, Rural Growth Fund (RGF) and the Coventry and Warwickshire Local Enterprise Partnership (CWLEP). However, there are a number of identified gaps in provision within the area. The proposals attempt to bridge these gaps, test new ideas and introduce a greater level of cross authority working – such as that identified through the internal WDC Welfare Reform Working Group.
- 3.5 The outline proposals for the utilisation of the £50,000 involve a spread of investment across a number of areas. These are attached at Appendix 1. It is intended that Development Services will lead on the delivery of this programme and work closely with Housing and Property Services, the Community Partnership Team and Finance.
- 3.6 Recommendation 2.3 sets out the means of addressing the procurement issues, however, the programme does include a number of elements that require the setting up of mechanisms for administering grant funding and the delegation will allow this to happen without needing to seek further authority. The business grants assessment will include the proof of need, output monitoring, and the need for expenditure to be spent with approved providers. In order to provide additionality, this will exclude firms already eligible for support through other avenues.

Recommendation 2.3

- 3.7 Executive previously agreed in August 2013 to set aside the Code of Procurement Practice on the basis that the CWCC business support contract rates were far superior to the other quotes received – which were 537% and 414% more expensive.
- 3.8 Under the code of practice procurement rules WDC was unable to extend our contract with CWCC, as it would result in a cumulative spend on business support, with CWCC, in excess of £20,000.
- 3.9 Although the previous exemption was only until March 2014, the CWCC contract was considered to be excellent value compared to the other two quotes received, and CWCC are willing to hold the quote and prices from 2012.
- 3.10 There is currently no urban area business start-up support available within Warwick District that officers are aware of.
- 3.11 Proposal 6 aims to re-engage with all the start-up businesses funded through the initial programmes for start-up business support. This work can only be commissioned through the CWCC which delivered the support. However an exemption is still required. The aim is to identify which businesses can be assisted to deliver further growth and to provide further information on start-up survivals.

Recommendation 2.4

- 3.12 As there is limited time within the remainder of the financial year, there may be a need for some reallocation of funding to address any projected underspend or to further capitalise on successful elements of the project by releasing more funding from one area of the project to another. This will allow the expenditure within the year.

4. POLICY FRAMEWORK

4.1. Fit for the Future:

Sustainable Community Strategy

5. Finance

- 5.1 Allocation of £50,000 from reserve to be spent in 2014/15 financial year.

6. RISKS

- 6.1 Procurement: That the exemption for procuring the business support and follow up contracts is non-compliant. This will be mitigated by following the advice of the Procurement Manager.
- 6.2 That the grant scheme for business becomes too complex for the relatively low level of funding and that businesses do not adhere to the any reporting mechanisms required.
- 6.3 That the amounts allocated are not taken up. This will be mitigated by the delegated authority to shift finance to the area of greatest need.

7. ALTERNATIVE OPTION(S) CONSIDERED

- 7.1. To allocate the whole £50,000 funding to the three existing jobs clubs (JCs): This has been discounted as the funding is for the 14/15 financial year and the JCs are in receipt of existing funding. This test of add on services allows an assessment of how we can increase the effectiveness of the JCs. Officers will also continue to seek private sector contributions to the Jobs Clubs to bolster existing support. .