

Building Better Opportunities

Project outline

For use in England only



Project title	Project 1 of 1 - Intermediate Labour Market support for disadvantaged individuals
Project reference number	Sol/2/1
LEP area	Solent
ESF Thematic Objective	9: Promoting social inclusion and combating poverty
ESF Investment Priority	1.4: Active inclusion
Funding available	£1,159,100
Project start period	July 2016 to November 2016
Latest date for completion	December 2019
Date open for applications	8 October 2015
Deadline for stage one applications	12 noon on 30 November 2015

Important information about this project outline

This project outline represents just one strand of the overall funding that is available through Building Better Opportunities. As this is a joint programme with the European Social Fund, we will only consider applications that clearly meet a project outline and meet the requirements set out in our **programme guide**.

As you read this project outline, please note the following:

- This project outline is subject to any changes made by the European Commission or the Managing Authority to the rules governing ESF in England. The Big Lottery Fund will upload any updates to <https://www.biglotteryfund.org.uk/esf>. It is your responsibility to review the page regularly to keep abreast of any changes that may have an impact on your application.
- You must apply for the full amount of **funding available** shown, which we will award to just one applicant or partnership to deliver the project described in this outline.
- The project must be delivered in the **LEP area(s)** shown and within any specific **project location** we've identified within this outline.
- You must plan to **start** and **complete** your project by the dates indicated. By 'complete' we mean that you must have spent and claimed all of the grant and closed your project.
- Your proposed project must align with the **project description** we've provided within this outline and include any specific activities listed.
- You must submit your stage one application by the **deadline** we've given above.
- Your proposed project should include appropriate links to potential employers and self-employment opportunities. The specific interventions must enable a comprehensive assessment of an individual's needs that are tailored to help them move towards work and out of poverty.
- You must demonstrate that the activities you are proposing will be additional to any national and statutory provision. This could include, for example, wrap around support that works with people to overcome the barriers that prevent them engaging effectively with statutory provision, or more in-depth and intensive support to the most disadvantaged people, which they can access alongside the statutory provision they are entitled to.
- Activities must be locally accessible and be led by skilled front line staff.
- The people who will benefit from the project must come from the eligible participant groups we've identified in our programme guide, with a specific focus on those unemployed or economically inactive, furthest from the labour market, and most at risk of social exclusion. We may also specify particular **project participants** within this outline that must benefit from some or all of the activities you'll deliver.
- You must be confident that you'll be able to deliver the **project outputs and results**, taking into account the value, length and nature of the project we've described. We will monitor the delivery of the project to ensure these outputs and results will be met over its lifetime.
- You should have experience of delivering similar services and of identifying and working with people who face significant challenges to engaging with the labour market. You must demonstrate an understanding of the needs of local people, and show how you will work with existing local providers of related services and engage those most in need in the local area.
- Organisations can be involved in more than one application, either as a lead or a partner. However, lead partners might set their own requirements on partners' involvement in other applications so please check local requirements with the lead partner.
- Subject to satisfactory performance, there may be the potential to extend the project duration and/or increase the funding available for this project once activities have commenced.

If you think your organisation, or a partnership led by your organisation, would be able to deliver the project we've described then you can request a stage one application form on our website www.biglotteryfund.org.uk/esf.

Project background

With a population of more than 1.3 million (2011) and more than 50,000 businesses, the Solent Local Enterprise Partnership (LEP) area is an internationally-recognised economic hub anchored around the Isle of Wight, the two cities of Portsmouth and Southampton, the M27 corridor and the Solent waterway. The cities of Portsmouth and Southampton and their ports lie at the heart of the Solent economy, providing nearly 40 per cent of the region's high-skilled jobs, though the LEP area is still characterised by areas of high public sector dependency.

In May 2013 6,000 people across the LEP area had been claiming Jobseekers Allowance (JSA) for over a year. This compares with a figure of 1,750 in 2007, a rise of around 250 per cent. In addition, there were 10,600 people in the LEP area who had been on Incapacity Benefit or Employment Support Allowance (ESA) for over a year.

The Work Programme provides support for long-term JSA claimants and ESA claimants who are considered capable of work. The latest outcomes data, released in June 2013, shows that, since it started in 2011, 132,000 people have found sustained jobs through the Work Programme, a success rate of 13.4 per cent. This represents a considerable improvement on its first year. However, outcomes for some groups remain extremely low. For example, just 5.5 per cent of people who were moved to the programme from ESA found work. These are some of the most disadvantaged members of our community, who require intensive support.

Economic analysis undertaken to support the Southampton and Portsmouth City Deal suggests that almost 10,000 jobs will be created in the two cities over the next decade. Solent LEP is committed to opening up economic growth and opportunity across the Solent to people who are socially excluded and who face multiple barriers to finding and sustaining work. At the Census 2011, there were 34 wards in the area with unemployment of 5 per cent or over. Of these, 16 were located on the Isle of Wight, 5 in Gosport and Southampton and 4 in Portsmouth and Havant. Four wards had an unemployment rate of over 7 per cent, above the England average of 4.4 per cent. Depression and anxiety are higher than previously assumed, with between 50 and 70 per cent of people on Incapacity Benefit (IB) and Employment Support Allowance (ESA) reporting having mental health issues. Work Programme Providers comment that they are often unable to place ESA claimants in employment. 50 per cent of people in this group have been 'workless' for more than five years.

Through the local City Deal agreement there is an aim to support 1,000 Work Programme returners with health conditions across the Solent. This will be done partially through this Building Better Opportunities project and partially through the Solent jobs pilot, which will be implemented from 2015. Both of these projects will help people with health issues who have been out of work long term to move towards and into employment. It is recognised that people with health conditions often have additional complex and multiple barriers to work alongside their health conditions.

The Building Better Opportunities project will support people who are affected by complex and multiple barriers towards and into work. It will tackle the barriers faced by people in this group in a holistic way, which will include support with caring responsibilities, drug or alcohol dependency, life skills, debt management or homelessness.

These two projects will provide the opportunity to work with and support those who are most in need and help them to move towards economic activity. It is recognised that, for some, conventional job-search will have failed and that a different approach is needed in order to enable them to attain the confidence and employability skills required to compete in the open labour market. For this reason, the Intermediate Labour Market (ILM) approach is being used for these two projects. ILM models have been assessed as being particularly useful in tackling the barriers to employment faced by those furthest from the labour market. ILMs are not wage subsidies and they are not intended to be permanent jobs. Evidence from the Future Jobs Funds and StepUp suggest that to be successful ILMs need to be targeted at the most disadvantaged, the nature of the work needs to be appropriate, employers need to understand the objectives but crucially continued job search is integral and personal support is often needed.

This project will need to work in partnership with other providers who will be delivering the job

pilot initiative as part of the City Deal agreement for the Solent.

Project aim

This project aims to support disadvantaged people to employment to move towards and into work. It will provide a temporary ILM job with additional support to participants, tailored to meet the needs of the individual, in order to support them to secure employment in the open labour market. It will do this in a holistic way by providing intensive integrated health, employment and wider support to people, in addition to any statutory support they may be receiving. This project will offer an integrated and person-centred approach, which addresses the complexity of individual needs to enable participants to move towards work.

The project will comprise three main elements:

- pre-employment support, information, advice and guidance and employability training;
- a temporary ILM job, for up to 25 hours per week for up to six months, paid at the national minimum wage, alongside ongoing caseworker support, skills and job search/enterprise support;
- intensive post-placement support and job matching.

Intermediate Labour Markets are intended to mirror as closely as possible the process for recruitment in the open labour market. This includes a delivery model based upon different phases which include:

- 1) Assessment and preparation for interview;
- 2) Job brokerage to get the best fit between participant and ILM-job, plus support for participants to enter work;
- 3) Support whilst in an ILM job;
- 4) Post-ILM help to enter unsubsidised work;
- 5) Once customers have entered unsubsidised work in the open labour market, support to sustain work for six months.

ILM projects should provide additional economic activity, comply with State Aid regulations, and have identifiable benefits to the wider community.

Project description

The delivery model for this programme is set out in more detail than some other Big Lottery Fund ESF programmes. The model is based on detailed research into what works in delivering ILMs.

The skills and knowledge of the personal advisers working with participants will be crucial to the success of the project. Applicants must demonstrate how their staff have and will be trained to deliver support to people with multiple and complex needs, health conditions and disabilities and to work with employers.

Sourcing ILM jobs

To deliver this programme will require a pool of temporary jobs provided by employers who understand the particular requirements of an ILM job. The applicant will be responsible for:

- sourcing a sufficient number of suitable jobs;
- sourcing a range of jobs across different industries;
- ensuring a balance between private, public and voluntary sector employers.

ILM jobs can be created either as distinct projects or within an existing organisation. It is anticipated there will be a mix of the two to create the pool of jobs. 'Projects' are defined as five

or more ILM employees that are engaged to deliver a set objective which will be additional economic activity and have identifiable benefits to the wider community.

Applicants should:

1. set out how they intend to identify employers that will offer ILM jobs, including the business networks they have links with and intend to use;
2. set out any projects that will operate under the programme (as initial ideas, for the stage one application) and outline what their offer to employers will be (see 'support to employers' section below);
3. identify the key delivery risks for the programme and employers;
4. give their estimate of the size of the pool of jobs needed for the number of ILM jobs taken up by participants;
5. give their estimate of the number of participants they will support to start ILM jobs (we would expect this to be around 85 to 90 per cent of participants).

It will normally be expected that the provider (including all members of any partnership) will not directly employ any ILM employees. Any applicants that wish to do this must set out the numbers and reasons and gain agreement from the Big Lottery Fund.

The provider must demonstrate that every ILM job will:

1. be additional to the normal staff complement of the host employer;
2. if in an ILM project, provide an identifiable benefit to the wider community.

Engaging and assessing potential participants

The project is responsible for engaging enough suitable participants. Referrals could come from a range of sources, including Jobcentre Plus, local VCSE organisations, Local Authorities, health services and other employment programmes, particularly those supporting people with health conditions and disabilities and common mental health conditions, if those projects have failed to support participants into work. The project will need to engage referral partners such as these and use outreach to ensure enough participants are recruited.

It should assess potential participants to determine whether ILM support is suitable for them. If they are deemed not to require ILM support, as they are closer to the labour market, they should be referred to other local services to receive other support to enter work.

Those participants who are judged to require ILM support to enter work will follow one of two routes:

- 1) It is hoped that most will start an ILM job, as outlined below.
- 2) Some will fail to be accepted onto an ILM job. They will continue to receive other support through the project to enter work and move closer to the labour market

Service to participants

We would expect the service to participants to provide the following:

- **an initial interview and assessment;**

In order to fully understand each participant's needs, the project should offer an initial interview. This should also be used to determine whether the participants requires an ILM job, whether they should receive other (non-ILM) support within this project to enter work, or whether they should be referred to alternative provision (for example, because they are closer to the labour market). For participants with health problems, this might include a health and disability related work focussed assessment similar to the Work Focussed Health Related Assessment (WFHRA)¹, in order to assess eligibility and what support would be most appropriate.

¹ For details see: <http://www.publications.parliament.uk/pa/cm201415/cmselect/cmworpen/302/30210.htm>

- **pre-employment support;**

In this phase, the project will provide support for participants to enter work, either in an ILM job or, if possible, unsupported work in the open labour market. This could include activities such as support to tackle barriers to employment, information, advice and guidance, training, mentoring and confidence-building support.

It should also give participants clear information on how ILM jobs will work: the responsibilities of the participant, the employer and the project; what support the project will be offering; any impact that acceptance of an ILM job would have on their benefits position and where they can get detailed advice if required.

If participants are unable to enter an ILM job, they should continue to receive support to enter unsupported work in the open labour market. Participants can enter an ILM job at any point, as long as there is enough time before the end of the programme for them to complete an ILM job of a suitable duration and receive at least six weeks of support afterwards.

- **ILM job brokerage;**

The success of ILM programmes is in large part dependent on identifying the right job match - both for the employer and the individual. The project should circulate/advertise the ILM vacancies to potential candidates and ensure the methods for circulation of vacancies will attract suitable candidates.

- **timely communications and feedback for all participants;**

- **advice and support for ILM employees;**

The project must provide regular and appropriate engagement with the employee during ILM employment, deal promptly with any problems at work and provide appropriate advice and support to the employee on any issues outside work that may inhibit their ability to work.

We want employers to commit to providing good support to ILM employees, for example:

- a named supervisor;
- a named work buddy or mentor;
- information given to the project on any concerns or incidents that may lead to discipline or dismissal;
- a work/training plan for the participant;
- appropriate on-the-job training;
- time off for training, commensurate with the contracted hours per week.

Having a mentor and supervisor is to ensure there is a distinction between personal support (mentor) and management responsibilities such as applying disciplinary procedures. This might not be possible in some small employers, in which case the project should source an external mentor or cover this role themselves.

- **access to appropriate off-the-job training;**

The provision of training is an integral part of the ILM programme and the project should help every employee undertake training that will improve their employability. There can be flexibility in how training and work is structured, especially if the employee is part-time, except that they must be working for a minimum of 16 hours per week. Our expectation is that the project will (wherever possible) ensure the training is free to the employee and the employer, by referring to mainstream or other funded provision, or covering any charge themselves.

- **ongoing job search support throughout the programme.**

The purpose of ILMs is to help disadvantaged people **sustain employment in the open labour market**. To achieve this, the project must provide job search support, particularly in the period leading to the end of the ILM job. Some employers may wish to retain the employee at the end

of the ILM job. This should be encouraged although it is recognised that this will not be possible for many employers.

Employers should commit to:

- allow time-off for job search in the latter part of employment if the employee is in a full-time job;
- notify the employee of suitable internal vacancies at any point during their employment;
- consider retaining the employee at the end of their temporary contract;
- provide an exit interview and a written job reference.

Early leavers to unsubsidised jobs should be encouraged. Support should be given to all ILM completers without a job for a minimum of six weeks after the ILM to help them get a job, and then support to sustain that job for six months. Providers must outline how they will deliver job search support for a job in the open labour market in order to maximise job outcomes for all leavers at all points.

Support to employers

The project should provide appropriate support to all ILM employers, such as:

- assistance with identifying, preparing and/or creating ILM vacancies;
- keeping to a minimum any bureaucracy and additional burdens and being responsive to the systems and requirements that individual employers may have;
- providing timely communications and information - for example, candidates should not have to repeat information given to the project and the employer must have knowledge of the relevant personal information that might affect how they are supervised.;
- offering to conduct all sifting and interviewing of ILM candidates;
- offering mentoring support to employees (if not provided by the employer);
- offering dispute resolution between employer and employee;
- offering to arrange and fund off-the-job training, where other funding is not possible.

Specific conditions for ILM jobs

The following are the specific conditions that apply to the ILM jobs:

- Each job should be a minimum of 16 hours per week and a maximum 37 hours per week. On average, they should last for 25 hours per week;
- If full-time then time-off must be allowed for training and job search activities (the participant will not be paid using ESF funding during this time, although the employer may continue to pay them);
- If part-time then training and job search activities should be provided in addition to the hours worked;
- Jobs have to be paid at least the appropriate Minimum Wage for the age of the ILM employee. The programme will only contribute the Minimum Wage rate but employers may top-up;
- The jobs should normally be for 26 weeks (but planned for 20 weeks minimum) and are required to be additional posts to the employer's staff complement;
- ILM projects should provide additional economic activity, comply with State Aid regulations, and have identifiable benefits to the wider community.

In addition the project will have the following flexibilities:

- The project will generally fund a maximum of 26 person weeks per job but employment can be extended for up to a further eight weeks where it can be reasonably expected a positive

outcome will result.

- Extensions will be funded from accumulated person weeks as a result of early leavers.
- The project has the freedom to determine and/or negotiate appropriate combinations of wage rates, hours of work, and hours of training/job search within the overall framework of the specific conditions.
- The project should include a discretionary budget which it will use to overcome particular barriers to work faced by participants. This might be used to provide interview clothes, for example, or to make small payments to employers to cover reasonable costs if thought to be appropriate, although the latter would be in exceptional circumstances and by agreement with the Big Lottery Fund only.

In total, from initial referral of a participant we would expect support to enter work in the open labour market to last for up to 12 months, plus an additional 6 months of support to sustain work in the open labour market. This period can be extended, through discussion with Big Lottery Fund, if required.

Once participants move into unsubsidised employment, in work support must be provided for a period of six months. For this reason, engagement of new participants in the last year of the project will be limited and applicants should ensure they plan to engage the majority of participants before this.

Payment model and assumptions about budget

The number of participants this programme can support is based on a number of assumptions:

- We estimate that 12.5 per cent of those engaged will get some support but not start an ILM job. (Participant drops out of the programme early, is referred to another programme, finds a job themselves or the project finds them a job).
- We estimate that the project will find a job for the participants before they start an ILM job for 2 per cent of those engaged (included in the 12.5 per cent above).
- ILM jobs are paid at the minimum wage, for 25 hours per week and for 26 weeks.
- Of those who start an ILM job, not all will complete it. Drop-out may be for a number of reasons, including the participant not liking the work or not being able to cope with it, or entering work in the open labour market. Our assumptions for the proportions of ILM starters completing certain numbers of weeks are below:
 - 75 per cent of ILM starters completing 6 weeks of the ILM job;
 - 70 per cent of ILM starters completing 12 weeks;
 - 60 per cent of ILM starters completing 18 weeks;
 - 50 per cent of ILM starters completing 26 weeks.
- Our costs also make assumptions about the levels of the minimum wage over the course of the programme. The programme runs in 2016, 2017 and 2018. We anticipate an average national minimum wage of £6.90 over this period: that is 20p more than the National Minimum Wage rates that will come into force from October 2015.¹

Our model suggests around 50 per cent of the total project costs will be ILM wages and therefore we expect applications to show a significant proportion of the budget spent on ILM wages, with the remainder spent on other support costs (including training).

Project location

The project should be delivered across the Solent area with particular focus on areas of deprivation experiencing high levels of unemployment and economic inactivity, e.g. the Isle of White, Gosport, Portsmouth, Southampton and Havant.

Project participants

All participants must be unemployed or economically inactive as defined in our programme guide.

The project will have a specific focus on those people furthest from the labour market who are most at risk of social exclusion and who need support beyond conventional job-search support.

All participants will be in receipt of Income Support, ESA or JSA with health conditions and not on the Work Programme.

Within this group, there will be a specific focus on people who are affected by complex and multiple barriers to work.

Individuals with multiple and complex needs are defined as individuals who experience at least two of the following: mental ill health; substance misuse; homelessness; and offending/reoffending behaviour. However other people may include other needs within that, such as domestic abuse, disability, long term health issues, financial difficulties and isolation.

Whilst we can support activities for young people between the ages of 15 and 18, there is a new statutory requirement for this age group to remain in education, employment or training. We can only pay for activities working with young people who are aged 16-29 and who are not in education, employment or training (NEET) and young people aged 15-18 who are NEET or at risk of becoming NEET. Young people below the age of 15 are ineligible participants. Unless the project is specifically aimed at young people, those aged 29 plus remain eligible participants.

Project outputs and results

The project must deliver the following outputs and results within its lifetime:

- At least 226 people are engaged in activities to improve their work readiness, including at least:
 - 113 men;
 - 113 women;
 - 113 people who are unemployed;
 - 113 people who are economically inactive;
 - 36 people who are 50 or older;
 - 45 people with disabilities;
 - 14 people from ethnic minorities.

N.B. each person can be counted against more than one category.

- At least 17 per cent of the people enrolled on the project move into education or training on leaving.
- At least 14 per cent of people move into employment, including self-employment, on leaving. Of these, 50 per cent must have been unemployed when joining the project and 50 per cent must have been economically inactive.
- At least 27 per cent of people who were economically inactive when joining the project move into job-search on leaving.
- In addition, you must ensure that anyone who needs access to childcare in order to participate in the project receives childcare support. This will be checked through a survey run by the Managing Authority.

These are the **minimum** targets we expect your project to deliver within its lifetime. Tell us if you will be able to support more people through the project, as this could have a bigger impact. Our assessment of your stage one application will take into account the different types of change that participants of the project will experience. If you are successful at stage one, we will ask you to develop a set of project outcomes that you will deliver alongside the outputs outlined above.

ⁱ <https://www.gov.uk/government/news/pm-and-dpm-announce-increase-in-the-national-minimum-wage>