



SUPPORTED BY
MAYOR OF LONDON



Building Better Opportunities

Project outline

For use in England only

Project reference	Project 5 of 8 - Intermediate Labour Market Disability and Health (South and Central London)
LEP area	London
ESF Thematic Objective	9: Promoting social inclusion and combating poverty
ESF Investment Priority	1.4: Active inclusion
Funding available	£2,255,000
Project start period	March 2016 to August 2016
Latest date for completion	December 2019
Date open for applications	Friday 5 June 2015
Deadline for stage one applications	12 noon on Monday 3 August 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 to the ESF Operational Programme in England when it is officially adopted by the European Commission. The 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 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 in 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

The London Local Enterprise Partnership (LEP) has shown an ongoing commitment to support Londoners' to have the skills to gain sustainable jobs. Focussing on the Skills and Employment theme, the European Social Fund (ESF) programme will add value to the priorities already presented in the LEP's Jobs and Growth Plan and ESIF strategy.

The ESF will support sustainable employment opportunities, careers progression and advancement in learning for Londoners', with a particular focus on supporting skills and employment growth in some of the most deprived parts of London.

The Europe 2020 goal is to raise the employment rate of women and men aged 20-64 to 75 per cent. Investment under this priority will aim to support Londoners' to take part in the capital city's economic success.

Funding will be targeted at the hardest to reach and most disadvantaged people. This project is focused on helping those aged over 24 with long term health problems or disability (as defined by the Equality Act 2010). Target beneficiaries will not have been employed for spells that together total more than six months within the past two years. In 2011, around 350,000 people in London had a long term health condition or disability that limited their daily activities and were out of work (excluding students and retired people). Department for Work and Pensions (DWP) working age client group data shows that in February 2014 there were around 315,000 people claiming at least one health related benefit, such as Employment Support Allowance (ESA) and Disability Living Allowance (DLA)/Personal Independence Payment (PIP).

Intermediate Labour Market (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.

There are eight projects being delivered in the London area through Building Better Opportunities in tranche one:

- Project 1 - Long term unemployed and economically inactive BAME women - Central
- Project 2 - Long term unemployed and economically inactive BAME women - North & East
- Project 3 - Long term unemployed and economically inactive BAME women - South
- Project 4 - Long term unemployed and economically inactive BAME women - West
- Project 5 - Intermediate labour market disability & health - South & Central
- Project 6 - Intermediate labour market disability & health - North, East & West
- Project 7 - Carers - North, East & West
- Project 8 - Carers - South & Central

Applicants should ensure they are fully aware of the other projects we will be funding in the London area (even if they only plan to submit an application for this project).

Further information that should be considered when completing the application, can be found on the LEP website which can be accessed via the link published on the Big Lottery Fund website:

<https://www.biglotteryfund.org.uk/global-content/programmes/england/building-better-opportunities/london>

Assessment will include consideration of how well applications address the information contained in the additional information published on the LEP website and in this document.

Project aim

This project aims to support those aged over 24 with long term health problems or disabilities into

sustained employment in the open labour market. The programme should support those with a disability as defined by the Equality Act - that is those who have a “physical or mental impairment that has a ‘substantial’ and ‘long-term’ negative effect on their ability to do normal daily activities”.

This provision will provide a temporary job with additional support to those with health conditions and disabilities, tailored to meet the needs of the individual client based on an initial assessment carried out by the provider on entry onto the programme.

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.

Any support should have a strong focus on overcoming barriers to entering and sustaining work related to the participant’s health condition or disability.

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.

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

The provider will need to engage with these and any other referral partners to ensure enough participants are recruited onto the programme. The applicant must also outline how they will ensure that the programme can recruit enough customers through outreach.

Minimum Service Requirements

Applicants should provide the following to all participants:

- **an initial interview and assessment;**

In order to fully understand each participant's health condition or disability, providers should consider delivering a health and disability related work focussed assessment similar to the Work Focussed Health Related Assessment (WFHRA)¹ in the earliest stages of their engagement with potential participants, in order to assess eligibility and what support would be most appropriate. In addition, the assessment should determine whether the participants requires an ILM job, whether they should receive other (non-ILM) support within this programme to enter work, or whether they should be referred to alternative provision if considered not suited for this programme (for example, because they are closer to the labour market).

- **competitive interview preparation training (if required);**

In this phase, providers will need to provide support for participants to enter work, either an ILM job or, if possible, unsupported work in the open labour market. This will involve a range of pre-employment support, and applicants should outline what support they will deliver to participants at different stages of their journeys towards unsubsidised work.

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. Applicants should set out their capabilities in matching individuals to jobs. Applicants should be able to describe how they will circulate/advertise the ILM vacancies to potential candidates and show how their methods for circulation of vacancies will attract candidates from the target groups.

- **timely communications and feedback for all participants;**
- **a 'Preparing for Work' training session;**

Providers should offer a session on 'Preparing for Work' to all successful candidates. The session (along with information in writing) should set out their benefits position and where they can get detailed advice if required. It should also clearly set out the responsibilities of the candidate, the employer, and what support the provider will be offering.

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

Providers 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;

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

- a named work buddy or mentor;
- information given to the provider 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 provider 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 providers are encouraged to 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 providers 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, providers 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

Applicants should provide the following to all employers:

- assistance with identifying, preparing and/or creating ILM vacancies;
- keeping to a minimum any bureaucracy and additional burdens (For example, when arranging interviews, it is helpful to offer employers a choice: 1) all interviewing and appointments to be conducted by the provider; 2) the provider undertakes agreed administrative tasks (if any) for employers to conduct interviews.);
- 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 provider 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 provider will have the following flexibilities:

- The programme will generally fund a maximum of 26 person weeks per job but the provider can extend employment 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.
- Providers will have 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.
- Providers should have 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.

The skills and knowledge of the personal adviser will be crucial to the success of the programme. Applicants must demonstrate how their staff have and will be trained to deliver support to people with health conditions and disabilities and to work with employers.

More detailed information about what works in supporting this group can be found in the additional documentation.

In total, from initial referral 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 provider finds them a job).
- We estimate that the provider will find a job before starting 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 Central and South area of the London LEP area, covering the boroughs of Camden, Islington, Westminster, Kensington and Chelsea, City of London, Southwark, Lambeth, Lewisham, Bexley, Bromley, Croydon, Sutton, Kingston, Richmond, Wandsworth, Merton.



Project participants

All participants must be unemployed or economically inactive as defined in our programme guide and Guide to managing European funding.

The project will have a specific focus on those out of work and people who are most at risk of social exclusion. Participants should be people aged over 24 who have a health condition or disability and also have another severe labour market disadvantage, which we define as:

- people with low qualifications (Level 2 and below);
- black and minority ethnic (BAME) groups;
- refugees;
- lone parents;
- carers;
- people who are homeless or in temporary accommodation and at risk of becoming homeless;
- ex-offenders;
- people with substance abuse or addiction problems.

In addition, all participants must have been out of work for the last six months and not have been employed for spells that together total more than six months with the last two years (during which time they were also not a student).

Project outputs and results

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

- At least 420 people are engaged in activities to improve their work readiness, including at least:
 - 210 men;
 - 210 women;

- 84 people who are unemployed;
- 336 people who are economically inactive;
- 168 people who are 50 or older;
- 420 people with disabilities;
- 168 people from ethnic minorities.

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

The primary results that this programme will achieve will be entry into unsubsidised work in the open labour markets and sustainment of that work.

- At least 36 per cent of people move into employment, including self-employment, on leaving. Of these, 20 per cent must have been unemployed when joining the project and 80 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.
- At least 106 people sustain employment for 26 out of 32 weeks after entering unsubsidised employment.

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.

All successful applicants will be required to participate in the London Employability Performance Rating, which uses management and performance information, supports participant choice and collects evidence of participant satisfaction, provides an evidence-based track record of delivery against grant, improves transparency of contract management and provides a framework for lead delivery partners to performance manage partners and subcontractors.

Further information about the London Employability Performance Rating can be found on the Greater London Authority's website: <http://data.london.gov.uk/london-employability-performance-rating>

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