	Officer Key Decision
	Report from the Corporate Director of Children, Young People & Community Development
	Lead Member: Cabinet Member for Children's Services, Employment and Climate Action (Councillor Jake Rubin)

Approval to Enter into a Memorandum of Understanding and Accept Grant Funding for the Delivery of the DWP Jobs Guarantee (18 to 24) Programme in Brent

Wards Affected:	All
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Part Exempt – Appendix 1 is exempt as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)"
List of Appendices:	Appendix 1 – MOU & Grant Funding Agreement (exempt)
Background Papers:	N/A
Contact Officer(s): (Name, Title, Contact Details)	Joanne Thomas Head of Employment & Opportunity Joanne.thomas@brent.gov.uk

1.0 Executive Summary

1.1. This report requests approval for the Council to enter into a Memorandum of Understanding (the "MoU") with the Council of the London Borough of Ealing ("Ealing"), as Lead Authority for the West London Alliance ("WLA"), and to accept grant funding of £1,151,325 under the MoU for the delivery of the Department for Work and Pensions ("DWP") Jobs Guarantee programme in Brent from November 2026 to March 2029.

2.0 Recommendation(s)

That the Corporate Director of Children, Young People & Community Development and the Corporate Director Finance and Resources:

2.1 Approves the Council entering into the MoU with the Council of the London Borough of Ealing ("Ealing") until completion of the programme and submission of the final claim, substantially in the form at Appendix 1.

2.2 Approves the acceptance of a grant of £1,151,325 under the MoU for the delivery of the Jobs Guarantee in Brent, based on a profile of 595 participants.

3.0 Detail

3.1.1 Brent's new Council Plan, *Believe in Brent 2026 – 2030*, provides our strategic direction for the next four years. It sets out what we will deliver for residents, and how we will work to deliver for them. The Council Plan includes three priorities:

1. A borough to be proud of
2. A borough where people thrive
3. A Council that delivers for you

3.1.2 This decision will contribute to the delivery of the **A borough where people thrive** priority by creating additional paid employment opportunities for young residents who are long-tern unemployed and helping them develop the skills, confidence and experience needed to succeed in work. The programme directly contributes to the Council's ambitions to ensure more residents can access the skills and opportunities needed to secure good jobs and progress in their careers.

3.1.3 It particularly supports delivery of the Council's focus on **tackling the cost of living by unlocking potential** by reducing barriers to employment, creating structured pathways into work for young people, and providing opportunities to gain meaningful workplace experience, skills development and progression support. The programme aligns with the Council's commitment to create more opportunities for residents to access training, employment and routes into good-quality jobs.

3.1.4 The decision all supports the priority **A council that delivers for you**, by demonstrating Brent Council's role as an anchor institution and leading by example through the creation of employment opportunities within its own workforce. It reflects the Council's commitment to working collaboratively across services, taking preventative action, and using its jobs, resources and relationships to deliver wider social and economic benefits for local residents.

3.2 Background

3.2.1 The Jobs Guarantee is a national DWP programme providing a fully funded six-month paid job for eligible 18- to 24-year-olds who have been on Universal Credit and looking for work for 18 months, with wraparound support to help them move into sustained employment. Participants are referred only by Jobcentre Plus. DWP takes all decisions on eligibility and sanctions; delivery partners must refer a participant back to DWP after a period of non-engagement.

3.2.2 DWP has appointed one lead delivery partner for each of 25 delivery areas under a Grant Funding Agreement (the "GFA"). The signed GFA between DWP and the London Borough of Ealing (on behalf of the West London Alliance) is at Annex A to the Grant Agreement at Appendix 1. The programme timetable is: first referrals 23 November 2026; last funded employment to end by November 2028; DWP funding period ending 1 March 2029; GFA term ending 31 March 2029, with an option to extend by 12 months.

3.2.3 On 29 June 2026 the Children's Services Leadership Team (CSLT) considered options for the Council's participation in the Jobs Guarantee, and the Lead Member for Children's Services, Employment and Climate Action was consulted at the Lead Member Briefing on the same day. Ealing submitted an application to DWP on 10 July 2026 on behalf of the WLA, naming the seven West London boroughs, including Brent, as delivery partners. DWP confirmed the award on 28 September 2026.

3.2.4 On 7 December 2026 a request to General Purposes Committee will be made to exempt all DWP Job Guarantee placements within the Council from being paid London Living Wage (LLW), via a Progression Pathway Framework. This would enable the Council to offer a proportion of placements while mitigating the associated unfunded financial risk. Under current arrangements, the DWP reimburses salary costs at the applicable National Minimum Wage or National Living Wage rates. Without an approved exemption, the Council would be required to meet the additional cost of topping up participants' pay to the LLW as per the Council's current Pay Policy Statement, creating a financial pressure that could limit the scale of internal placement opportunities available through the programme.

The grant and the MoU

3.2.5 Ealing applied to DWP on behalf of the WLA for grant of £5,375,000 at £2,150 per participant for approximately 2,500 participants across West London. Under the application, 90% of the grant is allocated to the seven boroughs and 10% retained by the WLA for programme management, and Brent is to support 23.8% of participants (595). Brent's grant is confirmed as £1,151,325 on a pro rata basis.

3.2.6 The MoU is a legally binding agreement (clause 8.7) under which Ealing will pass grant to the Council. The Grant is paid quarterly in arrears against defrayed expenditure supported by full evidence, and is repayable if misused, unspent or paid in error.

3.2.7 Through this funding the Council will deliver all participant facing activity in Brent: engagement, assessment and support planning, job matching, employer engagement, wraparound support during funded employment, and progression planning. Delivery staff will be a combination of existing staff and two new employees recruited on fixed term contracts.

Employment of participants within the Council

3.2.8 Ealing's application states that Brent will offer 20% - 40% of the 595 funded employment opportunities within the Council, which translates to a minimum of 119 placements.

3.2.9 DWP reimburses wages for funded employees separately, only up to the relevant National Minimum Wage or National Living Wage, for 25 hours a week, with employer National Insurance and minimum employer pension contributions. Higher wages and pension contributions are not eligible for reimbursement. However, the GFA requires employers to pay funded employees at the normal rate for similar jobs and no less favourably than other staff, and the Council's Pay Policy Statement 2026/27 requires all staff to be paid at least the London Living Wage.

3.2.10 The Council will therefore seek an exemption from General Purposes Committee regarding the payment of LLW to participants as set out at 3.2.4. Subject to General Purposes exemption being approved, the Council will still incur additional employment costs associated with mandatory enrolment in the Local Government Pension Scheme (LGPS). These costs arise because the DWP only reimburses employers pension contributions at the statutory 3% whereas the Council's employer contribution rate is 23%.

3.2.11 Wage reimbursement is paid by DWP to Ealing, which must pass it to the employer within five working days. The first payment is made six weeks after notification of the job start and monthly after that. Participants will be employed on the Council's standard fixed term contract for the DWP Required Term of six months less one working day (see section 8).

4.0 Stakeholder and ward member consultation and engagement

4.1 The Lead Member has been consulted and is in support of the Programme.

4.2 Local businesses as part of Brent Works established outreach activity are being made aware of the programme and opportunities that could emerge for them by employing participants.

5.0 Financial Considerations

5.1 Brent's grant under the MoU is confirmed as £1,151,325 over the programme, profiled as follows: Year 1 - £239,859.38, Year 2 – £575,662.50, Year 3 - £335,803.13 The grant is paid quarterly in arrears against defrayed and evidenced expenditure, so the Council will meet delivery costs before reimbursement.

5.2 At year-end, only costs paid by 31 March qualify; accruals, commitments, purchase orders and later-paid invoices are excluded. Unused funding cannot roll forward. Spending above the annual profile requires prior written WLA approval; WLA will confirm any repayment following validation.

5.3 Employers' pension contributions would create an unfunded financial pressure as the programme funding provides for statutory pension costs of 3%, whereas the Council's employer contribution rate is 23%. The total cost will depend on both the number of placements offered and the age profile of participants, as programme funding varies by age. Based on the assumed participant age distribution of 35% aged 18-20 and 65% aged 21-24, the estimated additional pension cost ranges from £46,991 for 30 placements (5% of Brent's allocation) to £186,399 for 119 placements (20% of Brent's allocation). It is worth noting that participants would be auto enrolled into the pension scheme and would have the statutory right to opt out of the scheme if they wished to.

5.4 If the General-Purpose Committee approves an exemption from the requirement for Council-hosted placements to pay the London Living Wage (LLW), participants would be paid at the rate funded through the programme. In this scenario, the Council would only incur the unfunded pension contribution pressure outline in 5.3 above.

5.5 If the exemption is not approved, the Council would be required to pay the LLW to participants hosted within Council services. As programme funding is based on age-related wage rates that are below the LLW, an additional unfunded cost would arise. Based on assumed participant age distribution of 35% aged 18-20 and 65% aged 21-24, the estimated additional wage cost ranges from £73,760 for 30 placements (5% of Brent's allocation) to £292,583 for 119 placements (20% of Brent's allocation).

5.6 When combined with the employer pension contribution shortfall, the total estimated unfunded financial pressure on the Council would range from £120,751 for 30 placements to £478,982 for 119 placements.

5.7 These estimates are subject to variation as the final age profile of participants will not be known until referrals and recruitment have been completed. The actual cost to the Council may therefore be higher or lower than those currently forecast depending on the actual age of the participants. Consequently, any funding source identified to support this proposal should allow for a degree of flexibility to accommodate variations in participant demographics and the resulting funding gap.

5.8 Any unfunded financial cost arising from this proposal would need to be absorbed through existing budgets, alternative grant funding or other identified resources. Where no such funding is available, these costs would create additional pressure against individual directorates' general fund budgets.

6.0 Legal Considerations

6.1 The Corporate Director of Children, Young People & Community Development has delegated authority pursuant to paragraphs 9.5 and 9.7 of Part 3 of the Constitution to enter into funding agreements subject to the conditions in item 3(a) of the table at paragraph 9.5. As set out in paragraph 5.2, those conditions are met.

6.2 The MoU is a funding agreement within condition (c) of item 3(a) of the table at paragraph 9.5 of Part 3 of the Constitution, as the Council will receive a grant and no funding will pass from the Council to another organisation. If the MoU were treated as an agreement under which the Council provides a service to Ealing, condition (b) would also be met, as the funding received would be below £1 million a year.

6.3 A copy of the proposed MoU is attached as Appendix 1. Legal Services have reviewed the MoU and can confirm that it is legally permissible for the Council to enter into it.

6.4 The Council has power to enter into the MoU and accept the grant under the general power of competence in section 1 of the Localism Act 2011 and section 111 of the Local Government Act 1972.

6.5 Paragraph 9.5 item 9(c) of Part 3 of the Constitution requires bids for resources to be made in consultation with the relevant Cabinet Member, and Financial Regulation 8.2.2 requires grant applications to be signed off by a member of the Corporate Management Team. The Lead Member was consulted on 29 June 2026.

6.6 Where the Council employs participants it is an Employer under the GFA. It must sign an Employer Declaration before engagement and annually, meet the employer standards in clause 6.2 of the GFA (including paying funded employees at the normal rate for similar jobs and not reducing the hours of existing staff), and comply with the WLA's arrangements for managing the conflict of interest that arises where a delivery partner is also an employer. Participants employed by the Council will have the normal statutory rights of employees, including protection under the Fixed-term Employees (Prevention of Less Favourable Treatment) Regulations 2002 and the Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000.

6.7 This is a Key Decision under Access to Information Rule 27, because it will result in the Council incurring expenditure of more than £500,000 and will affect communities in two or more wards. Officers confirm it was included on the Forward Plan for 28 clear days.

7.0 Equity, Diversity & Inclusion (EDI) Considerations

7.1 Pursuant to s149 Equality Act 2010 (the "Public Sector Equality Duty"), the Council must, in the exercise of its functions, have due regard to the need to:

(a) eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act;
(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

7.2 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

7.3 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.

7.4 There is no prescribed manner in which the Council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary.

7.5 The programme will affect some of the most vulnerable young people in the borough, who have been out of work and on Universal Credit for over 18 months. Data in Ealing's application indicates that a high proportion of young people on WLA programmes report mental health conditions as their main barrier to work. The programme is intended to advance equality of opportunity, but the mandatory nature of the programme and the potential for DWP sanctions may have a disproportionate impact on participants with protected characteristics.

8.0 Human Resources/Property Considerations (if appropriate)

8.1 Any additional delivery staff for the programme will be filled by redeployment or fixed term recruitment, ending no later than 31 March 2029, and the redundancy exposure under clause 4.1.17 of the MoU.

8.2 Subject to the exemption being approved by General Purposes Committee participants employed by the Council will be appointed to fixed term posts at the National Minimum or National Living Wage rate for their age, on the Council's normal terms and conditions, through a ring-fenced recruitment route for DWP referrals agreed with HR. The posts must be additional and must not reduce the work or hours of existing staff. The recognised trade unions will be consulted. The forecast in Ealing's application that 60% to 80% of internally placed participants will remain with the Council is not a commitment to create permanent posts; any permanent appointment will follow the Council's normal recruitment

8.3 There are no property implications.

Report sign-off:
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