

WIRRAL COUNCIL

ECONOMY AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE

7TH NOVEMBER 2011

SUBJECT:	EUROPEAN SOCIAL FUND
WARD/S AFFECTED:	ALL
REPORT OF:	ACTING DIRECTOR OF REGENERATION, HOUSING AND PLANNING
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR PHIL DAVIES REGENERATION & PLANNING STRATEGY
KEY DECISION	NO

1.0 EXECUTIVE SUMMARY

1.1 This report was requested by Members at Economy and Regeneration Overview and Scrutiny Committee to analyse progress against delivery of Wirral's European Social Fund (ESF) activity to include:

- Progress report on the contract with the Reachout (Involve Northwest) consortia
- Comparisons with arrangements/results at other local authorities.

2.0 RECOMMENDATION/S

2.1 That the detail of the ESF programme be noted

3.0 REASON/S FOR RECOMMENDATION/S

3.1 Supporting Wirral residents who are workless to gain sustainable employment is a fundamental element in the delivery of Wirral's Investment Strategy

4.0 BACKGROUND AND KEY ISSUES: EUROPEAN SOCIAL FUND

4.1 Background

4.1.1 On 4th November 2010 Cabinet approved Officers (minute 212 refers) to submit proposals to maximise ESF opportunities from Government Office North West (routed through Knowsley Council as lead accountable body for the City Employment Strategy) for activity to address worklessness and support the provision of apprenticeships. As requested by Members at Economy and Regeneration Overview and Scrutiny Committee this report will detail progress against the worklessness element of this funding.

4.1.2 On 9th December 2010 Cabinet were informed that Wirral Council had received notification of an award of £1,220,310 of ESF for the development of activity to tackle worklessness. Cabinet agreed (minute 262 (4) refers), for the match funding sum of £1,220,310 to be allocated to draw down this ESF resource, providing a total allocation of £2,440,620. Members were also advised that a

tendering procedure via the Official Journal of the European Union (OJEU) had been instigated for elements of the worklessness programme.

4.1.3 On 3rd February 2011, following receipt of a funding agreement from Knowsley Council, Cabinet agreed to delegate authority to finalise and agree the funding agreements for worklessness with Knowsley Council, to enable the Council to be accountable body for the ESF resources (minute 321 (a) refers). The funding agreement outlined the following outputs to be delivered by 31st May 2012.

- 963 participants engaged on the programme
- 562 job outcomes of which 365 to be sustained at 26 weeks

4.1.4 Additionally Members were also advised of the recommendations from the procurement process to select a delivery partner for an element of the worklessness programme. Cabinet agreed (minute 300 (a) refers) to accept the most economically advantageous tender in terms of quality/price and appoint a consortium led by Involve Northwest. The tender, to the value of £1,461,484, proposed to deliver the following outputs from 1st April 2011 to 31st May 2012:

- 1755 participants engaged on the programme
- 702 job outcomes of which 456 to be sustained at 26 weeks.

4.1.5 Authorisation was also agreed by Cabinet on 3rd February 2011 (minute 300 (a) refers) for the Interim Director of Corporate Services to progress other enabling actions to support the delivery of Wirral's worklessness contract to the remaining value of £979,136. This included activity such as an Intermediate Labour Market Option and pre-recruitment training linked to employer vacancies; to be managed either through the Council or through a tendering process.

4.1.6 On 14th April 2011 Cabinet approved (minute 395 refers) a delivery model for Wirral's Intermediate Labour Market Programme.

4.2 The Reachout Partnership

4.2.1 Following their successful tender application to deliver elements of Wirral's ESF worklessness programme, the consortium led by Involve Northwest branded the programme The Reachout Partnership.

4.2.2 Members of The Reachout Partnership include:

- Advocacy in Wirral
- Inclusive Access
- Involve Northwest
- Remploy
- The Social Partnership
- Wirral Change
- Wirral Partnership Homes

4.2.3 The partnership provides a programme of activity to support workless Wirral residents into employment. The person-centred approach starts with engagement and continues after participants have started work to support them to sustain their employment. The range of partners across the consortium demonstrated at tender stage the knowledge and understanding and the appropriate skills and experience to deal with the target group.

4.3 Performance Management

4.3.1 To performance manage the contract with The Reachout Partnership, Wirral Council has developed the following processes:

- **Wirral Council/The Reachout Partnership:** Wirral Project Manager responsible for correspondence with partnership. Systems developed for regular performance/financial monitoring, reporting and review.
- **Wirral Council Internal Scrutiny:** Wirral Council internal processes to scrutinise performance/financial delivery. Includes an officer led group to examine performance, processes reviewed by internal audit and reporting to Economic & Regeneration Overview and Scrutiny Committee
- **Wirral Council/Knowsley Council:** Wirral Council responsible for performance/financial reporting to Knowsley Council in line with ESF requirements. Knowsley Council collate responses from all local authority partners and submit combined programme report to the Department for Work and Pensions.

4.4 Management Information System

4.4.1 As a requirement of the contract, Wirral Council and The Reachout Partnership are required to use a specific management information system to monitor performance. The licenses for this system were purchased and funded centrally across the Liverpool City Region (LCR) by Knowsley Council as accountable body for the ESF resource and Wirral Council was therefore not required to meet these costs out of its ESF allocation

4.4.2 Wirral Council was one of the first local authorities in the city region to implement the system and for some time the system was not developed to the required standard to meet ESF reporting requirements. As such the Wirral Council Project Manager responsible for managing this programme has been integral in the ongoing design and development of the system to meet the needs of the city region. This has been a lengthy process and has resulted in significant delays in performance reporting.

4.4.3 There are still ongoing issues to be resolved; however the system can accurately report the ESF requirements for monitoring participants and job outcomes. The system has much wider benefits which when fully operational will be able to provide a much richer source of performance data with the capacity to synchronise participant, employer and vacancy information and track participants patterns of service use.

4.5 Scope of Performance Data

4.5.1 Unless stated otherwise, the performance data in this report relates to the first 6 months of activity delivered across The Reachout Partnership from 1st April 2011 to 30th September 2011. Members of Overview and Scrutiny Committee should note that where possible analysis will be reported against the following performance outcome targets, namely those:

- that Wirral Council is contractually obliged to achieve in line with our contract with Knowsley Council as accountable body for City Employment Strategy funds (as outlined in paragraph 4.1.3 of this report)
- that The Reachout Partnership is contractually obliged to achieve in line with their contract with Wirral Council (as outlined in paragraph 4.1.4 of this report)

4.5.2 Members will observe the variance in contracted volumes and should note that Wirral Council tendered the worklessness contract with output expectations and key participant priorities based on the original parameters of the ESF specification. However the Council's subsequent funding agreement with Knowsley Council required reduced participant and output reporting targets. Additionally at procurement stage The Reachout Partnership exceeded the performance targets in the tender specification. This formed part of the criteria that scored them as the most economically advantageous tender in terms quality/price.

4.6 Participants Engaged

4.6.1 At the procurement stage, applicants were informed that while engagement should be a permanent feature of the programme, it should be frontloaded to ensure that participants are engaged early enough in the process to ensure they have the required time to progress into employment. Consequently, The Reachout Partnership is profiled to achieve the total number of participants on programme by November 2011.

4.6.2 Analysis of performance reported to date (September 2011) demonstrates the partnership has over achieved against the total number of participants engaged on the programme. To date they have engaged 2282 participants which exceed their full programme target of 1750 by 30%.

4.6.3 Table 1 of this report provides a full profile of participants. The sub groups listed in the client profile are predetermined in line with ESF contractual requirements and reporting. Members should note that participants can belong to one of more of the client profiles listed in Table 1.

4.6.4 Members will observe the variance in contracted volumes by individual client profiles in columns 2 and 3 of the table. As previously outlined in paragraph 4.5.2 of this report, Wirral Council tendered the Worklessness contract with key participant priorities based on the original parameters of the ESF specification. This included a specific requirement to tackle economic inactivity and health related worklessness. However the Council's subsequent funding agreement

with Knowsley Council required reduced key participant priorities. This accounts for the majority of the variance in the figures in Table 1, along with the increased target profiles offered by The Reachout Partnership at tender stage.

- 4.6.5 Members should also note that the targets passed contractually to The Reachout Partnership are still in line with the level of need within the borough. E.g. With regard to requirement to address health related worklessness, over 19,000¹ Wirral residents are currently claiming Incapacity Benefit or Employment Support Allowance.

Table 1: Participants engaged on programme (April 2011 to Sept 2011)

Client Profile	Wirral Council Target	Reachout Partnership Target	Reachout Partnership: Number profiled to achieve by Sept 2011	Reachout Partnership: Number actually achieved by Sept 2011
Total number of Participants engaged	963	1755	1630	2282
Participants who are Economically Inactive	599	1053	978	617
Participants who are Unemployed	364	702	652	1650
Participants with Disabilities or Health Condition	192	1053	978	763
Participants aged 50+	144	263	245	454
Participants from Ethnic Minorities	48	88	82	203
Female Participants	317	579	538	819
Participants that are Lone Parents	96	175	163	265

- 4.6.6 Analysis against each individual client profile identifies that in terms of Wirral Council's contract with Knowsley Council, the programme is over achieving.
- 4.6.7 Against The Reachout Partnership contract with Wirral Council, the programme is currently under-performing against the following client groups:
- Economically Inactive (63% of profile to date)
 - Disability or Health conditions (78% of profile)
- 4.6.8 As stated previously the Reachout Partnership is currently over performing against Wirral Councils contract with Knowsley. However the Programme Manager has taken steps to identify areas of under performance in terms of their contract with the Council and has instigated improvement actions.

¹ Source: Nomis - DWP Benefit Claimants - Working Age Client Group Data

4.7 Job Outcomes Achieved/Sustained at 26 weeks

- 4.7.1 To support the achievement of the required number of job outcomes sustained at 26 weeks, The Reachout Partnership is profiled to achieve their actual job outcome performance in full by November 2011. This target of 702 job outcomes is profiled monthly from May 2011 to November 2011.
- 4.7.2 Members should note that at this stage in the programme there are no target profiles for participants sustained in employment at 26 weeks. These are profiled to commence in November 2011, to be delivered in full by 31st May 2012.
- 4.7.3 In terms of ESF requirements, there is no requirement to report job outcomes/sustained at 26 weeks by each individual client sub group as detailed in Table 1 of this report.
- 4.7.4 To date, The Reachout Partnership has achieved 475 job outcomes against a profile of 500 to be achieved by September 2011. This performance represents 95% achievement against their profile to date, with regard to their contract with the Council. Once again the Programme Manager has taken steps to identify areas of under performance and to instigate improvement actions. This has included working with all organisations across the partnership to ensure that the correct process steps are taken on the management information system to accurately record job outcomes.
- 4.7.5 In terms of the Councils contract with Knowlsey Council, this achievement of 475 job outcomes represents 85% of achievement against the end of year target. Members should note that the Council does not have a monthly contracted performance profile with its contract with Knowsley Council.

Table 2: Job Outcome Performance (April 2011 to September 2011)

Client Profile	Wirral Council Target	Reachout Partnership Target	Reachout Partnership: Number profiled to achieve by Sept 2011	Reachout Partnership: Number actually achieved by Sept 2011
Job Outcomes	562	702	500	475
% Achievement to Date	85%	68%	95%	-

- 4.7.6 Out of the target of 702 job outcomes, The Reachout Partnership is contracted to achieve 85 job outcomes in the “green economy” sector and/or one of the 4 LCR Transformational sectors as listed below. :
- Visitor Economy
 - Low Carbon Economy
 - Knowledge Economy
 - Superport

4.7.7 At this stage this level of data cannot be extracted from the management information system. Members should note this target does not form part of the Council's contract with Knowsley.

4.8 Other Enabling Actions

4.8.1 As previously outlined in paragraph 4.1.5 and 4.1.6 of this report the Acting Director of Regeneration, Housing and Planning (formerly Interim Director of Corporate Services) has the delegated authority from Cabinet to progress other enabling actions to support the delivery of Wirral's worklessness contract. This includes activity such as an Intermediate Labour Market (ILM) programme and pre-recruitment training linked to employer vacancies. Activity delivered to date is detailed below:

4.8.2 Pre-recruitment Training: At the time of securing the ESF resource, the future landscape for employment and skills provision was unclear. Therefore the Council included in its application the flexibility to deliver and fund prompt and responsive pre-recruitment training linked to employer vacancies.

4.8.3 Since the programme commenced in April 2011 there have been a number of inward investment opportunities where Officers have worked alongside Jobcentre Plus to support employers with their recruitment; specifically to arrange pre-employment training to support workless Wirral residents to prepare for these opportunities. However prior to utilising ESF resources, Officers have consistently explored the potential of other funding streams. As a result, ESF funds have only been accessed on one occasion to date to fund activity to prepare Wirral residents to apply for the job opportunities at the new ASDA store in Birkenhead.

4.8.4 Jobs and Information Fair: Wirral Council hosted a Jobs Fair and Information Day at the Floral Pavilion in May so that Jobseekers could speak with 22 recruiting employers with over 700 vacancies; this included businesses planning to locate at the new Marine Point development in New Brighton. 20 skills and employment support agencies such as Jobcentre Plus, Reachout Partnership, Wirral Biz, Wirral Met College, Volunteering Wirral and Next Step were also on hand to provide 1:1 advice on the day. 4,000 people attended this event, notably 36% aged 16-24, and evaluation feedback from both employers and visitors was overwhelmingly positive.

4.8.5 The Wirral ILM: The Wirral ILM programme part funds a fixed term employment contract and training with a local employer. This option supports workless residents experiencing a range of barriers to employment to a position where they are able to compete for work in an open labour market. Barriers can range from those with little or no work experience to those who have previously worked but have been absent from the labour market for some time and require a supported work environment or the opportunity to demonstrate they can transfer their skills and experience to a new working environment.

4.8.6 In order to meet ESF eligibility criteria, participants on the Wirral ILM programme have to be currently registered on, or eligible for The Reachout Partnership worklessness programme. In order to defray the ESF expenditure

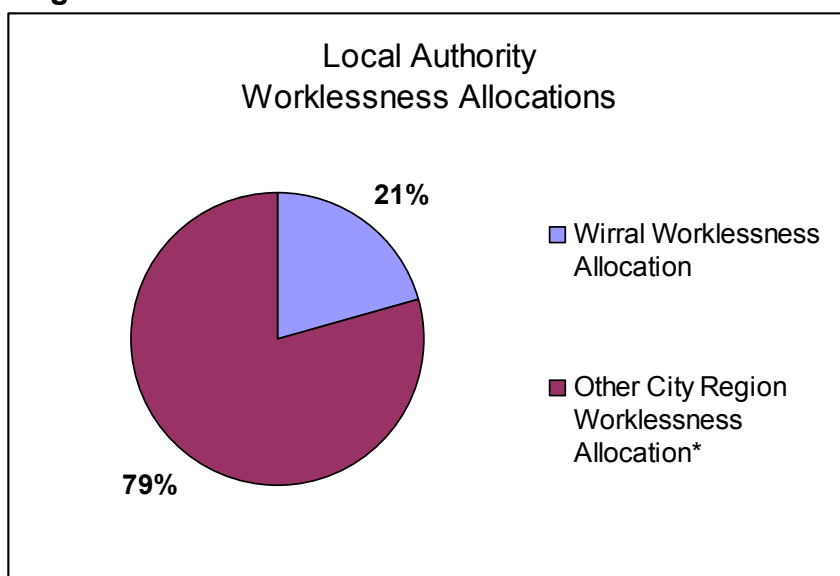
by the end date of the programme, 31st May 2012, participants must commence their ILM activity by 28th November 2011.

- 4.8.7 Activity to identify potential employers commenced in July 2011, with the ILM programme advertised via the local press, the Invest Wirral Business Forum and as a featured campaign on the Wirral Council website. This prompted applications from 79 businesses.
- 4.8.8 A multi-agency panel was established and met in August 2011 to assess employer applications. This was based on good practice identified from The Wirral Apprentice Programme and included staff from:
- Jobcentre Plus
 - National Apprenticeship Service
 - Wirral Council Invest Wirral and Economic Policy Team
- 4.8.9 This process resulted in 61 ILM posts being approved initially, however 17 of these did not fully progress for the following reasons:
- ILM post no longer viable due to lack of contact from employer
 - Unable to recruit to post (Specialist post/candidates unsuitable)
 - Company since decided not seeking to recruit at this time
 - Company advertised/recruited outside the ILM scheme requirements
 - Company not able to sustain 26 week wage period
- 4.8.10 Out of the 44 ILM posts that progressed, to date:
- 25 applicants have commenced their ILM opportunity
 - 1 applicant appointed and due to start imminently
 - 18 ILM positions are still at the recruitment stage
- 4.8.11 The initial planning assumption to deliver a 100 ILM posts was not achieved in the first round of employer advertisement/assessments. Additionally ESF resource for pre-recruitment training was under-utilised (paragraph 4.8.2 of this report). Therefore, through the delegated authority approved by cabinet on 3rd February 2011, the Acting Director of Regeneration, Housing and Planning, authorised a second round of employer advertisements to secure further ILM posts. Additionally to ensure the timescales for ILM starts by 28th November are met, two additional staff with the relevant skills and experience have been assigned to the programme in order to support employers and to source the required training provision once the ILM applicants are in post.
- 4.8.12 A second round ILM process commenced in October 2011 and this resulted in applications from 41 employers. This resulted in a further 66 posts being approved, of which 65 are progressing. Activity is currently underway to recruit to these ILM opportunities.
- 4.8.13 Across both rounds, the total number of ILM opportunities that are being progressed is 109. Further potential employers are still coming forward to offer ILM positions within their organisation and their details are being recorded on file.

5. Liverpool City Region (LCR) Comparisons

- 5.1 The Wirral worklessness programme, forms part of a larger £11.9m programme (including match funding) delivered across the Liverpool City Region (excluding Halton).
- 5.2 In terms of delivery models, Wirral and St Helens Council have both procured external organisations to deliver elements of activity on their behalf. However Liverpool, Knowsley and Sefton Council have utilised this allocation of ESF to continue to fund their in-house delivery teams.
- 5.3 Diagram 1 demonstrates the proportion of Wirral's ESF allocation against the total resource for the LCR. Members should note that Wirral Councils allocation of £2.4m accounts for 21% of the Liverpool City Region resource to deliver activity to address worklessness.

Diagram 1

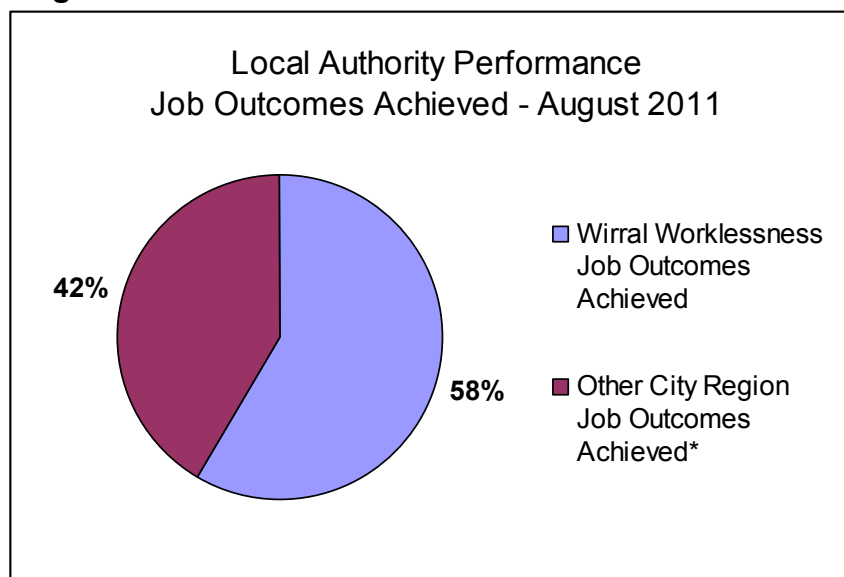


*This includes Sefton LA, St Helens LA, Knowsley MBC, Liverpool CC and Merseytravel

- 5.4 Partners across the LCR are required to forward ESF performance returns to Knowsley Council on a quarterly basis. Diagram 2 provides details of Wirral's job outcome performance for its ESF worklessness programme, compared to that of the rest of the city region. Members should note that ESF reporting periods alter from that of Wirral Council internal processes and as such the latest information across the LCR relates to August 2011 as opposed to September 2011 as detailed in other sections of this report.
- 5.5 Diagram 2 demonstrates that Wirral Council's job outcome performance currently accounts for 58% of the LCR performance to date, despite Wirral receiving only 21% of the ESF resource to tackle worklessness across the city region. It is thought that some of this may be attributable to Wirral's prompt action to procure its worklessness programme and subsequently commence delivery of activity from April 2011, whilst other partners across the city region have not commenced activity at the scale or speed as Wirral. Para 5.6 of this

report provides further detail of a city region review of ESF worklessness performance which should inform this.

Diagram 2



*This includes Sefton LA, St Helens LA, Knowsley MBC, Liverpool CC and Merseytravel

5.6 LCR Programme Review/Programme Extension

5.6.1 The City Employment Strategy Board has commenced activity to review the performance of the ESF worklessness projects across the city region. This is overseen by a steering group of members who have no conflict of interest and have not accessed this ESF resource.

5.6.2 Alongside this, the city region has also gained an 'in principle' agreement to, if required, extend elements of the ESF worklessness programme from its original end date of May 2012 to June 2013.

5.6.3 As a result of this, local authorities received on 20th October notification outlining the details of specific performance review process. Within this, local authorities have been requested to supply updated performance information to 31st October 2011 and, if required, re-profile spend and performance outputs past the original end date of the programme. This is required in order for the Steering Group to make recommendations to the City Employment Strategy Board and approve allocations for any programme extensions to June 2013.

5.6.4 The Acting Director of Regeneration, Housing and Planning has the authority from Cabinet to progress worklessness activity in line with the original remit of Wirral's bid to secure this ESF resource to tackle worklessness. However any decision to extend delivery of activity, spend and performance outputs past the original end date of the programme requires further consideration and approval by Cabinet.

6. RELEVANT RISKS

6.1 The Council is the Accountable Body for ESF resources and in addition to managing and accounting for the money also has to ensure compliance with all existing European financial and audit requirements. These are standard ESF

requirements and ones which the Council has previously undertaken in relation to other ESF programmes.

6.2 The Council has passed its contractual liabilities to the suppliers and have developed a payment model based on performance outputs. This model includes a retention fee of 5% payable if targets for the programme are met.

6.3 Members should note from the information supplied in section 4 of this report that The Reach Out Partnership is currently over achieving in terms of Wirral Councils contract with Knowsley Council. Therefore at this stage there are no risks identified relating to the Councils contractual requirements. With regard to The Reach Out Partnership contract with Wirral Council the Programme Manager has taken steps to identify areas of under performance and to instigate improvement actions.

7. OTHER OPTIONS CONSIDERED

7.1 Options for delivery of the ESF Worklessness programme were considered and agreed by cabinet at each stage of the process.

7.2 Officers from Regeneration, Housing and Planning will work with Officers from Law, Asset Management and HR and Finance regarding the potential options to extend the scope of the current ESF worklessness programme. This will be presented to Cabinet for consideration and approval at the meeting to be held on 24th November 2011.

8. CONSULTATION

8.1 The ESF worklessness programme meets key priorities from the recommendations of the Economy and Regeneration Task Force as agreed by Cabinet on 9th December 2010.

9. IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

9.1 The Reachout Partnership, who deliver an element of the ESF worklessness contract, is a consortium led by Involve Northwest that includes a number of organisations from Wirral's voluntary, community and faith sector.

10. SOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

10.1 A further report will be taken to Wirral Council Cabinet on 24th November outlining options against the potential to extend the scope of the current ESF worklessness programme. This will include Wirral Council financial and staffing implications, as well as outlining any resource the Council would be liable for relating to programme management costs payable to Knowsley Council as accountable body for the city region ESF funds and licenses for the required management information system.

11. LEGAL IMPLICATIONS

11.1 A further report will be taken to Wirral Council Cabinet on 24th November outlining options against the potential to extend the scope of the current ESF worklessness programme. This will include legal and procurement implications.

12. EQUALITIES IMPLICATIONS

12.1 This programme supports a range of priority customer groups who are currently under-represented in the labour market to secure sustainable employment.

12.2 Equality Impact Assessment (EIA)

(a) Is an EIA required? No.

(b) If 'yes' has one been completed? The Regional ESF Framework has already been subject to an Equality Impact Assessment

13. CARBON REDUCTION IMPLICATIONS

13.1 This activity will support and contribute to the Regional ESF Framework by supporting workless adults to secure "green" jobs.

14 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

14.1 There are no direct planning or community safety implications arising from this report.

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SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Liverpool City Region European Funding Proposal report to Wirral Council Cabinet	4th November 2010
Tackling worklessness and supporting apprenticeships in Wirral through the European Social Fund report to Wirral Council Cabinet	9th December 2010
Tackling worklessness and supporting apprenticeships in Wirral through the European Social Fund report to Wirral Council Cabinet	3rd February 2011
Tackling worklessness through the European Social Fund: Wirral Intermediate Labour Market programme report to Wirral Council Cabinet	14th April 2011