

CLLR ANGELA DAVIES	DELEGATED REPORT OF THE PORTFOLIO HOLDER FOR JOBS AND GROWTH 6TH JULY 2018 EUROPEAN STRUCTURAL AND INVESTMENT FUND PROGRAMME FOR ENGLAND 2014-2020: WIRRAL WAYS TO WORK PROGRAMME EXTENSION
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REPORT SUMMARY

This report notifies of the application to DWP for an extension of funding regarding the Liverpool City Region Ways to Work Programme. The report sets out how any successful extension proposal will be funded and delivered in Wirral following confirmation from DWP of the award of funds. The report also seeks authority for the Director for Economic & Housing Growth to progress and finalise any future commissioning contract variations and/or extensions.

The Wirral Ways to Work Programme is part of the Liverpool City Region Combined Authority Ways to Work programme. The programme is designed to engage eligible workless young people and adults and support their progression into education, employment and training via a suite of flexible, tailored employment support services.

The Ways to Work programme supports the following pledges from the Wirral Plan:

- Young people are ready for work/adulthood
- Vulnerable children reach their full potential
- Workforce skills match business needs
- Greater job opportunities
- Wirral residents live healthier lives

The Wirral Ways to Work Programme consists of 4 services:

- Worklessness Support Service (*commissioned*)
- Youth Employment Gateway Service (*commissioned*)
- Careers Information Advice and Guidance Service (*commissioned*)
- Intermediate Labour Market (ILM) Programme (*in-house delivery*)

Currently, the programme has been delivering since April 2016 and has achieved the following outcomes as at 31st March 2018:

- Engaged 3,935 Wirral participants onto programme,
- Supported 1,959 Wirral participants back into employment or training,
- Positive outcome rate of 49.7%.

An example of the programme's success can be seen in Appendix A.

The proposal to extend the Wirral Ways to Work Programme consists of a mixture of both staff time and cash match funding, these funding sources have been identified by Council departments as shown in Table 3 from existing budgets. If the extension proposals are successful the programme would continue to be delivered until March 2020.

This is a key decision and matter affects all Wards within the Borough.

RECOMMENDATIONS

The Cabinet Member for Jobs and Growth is recommended to:

- Approve the extension of the Wirral Ways to Work Programme and the sources and allocation of match funding for any successful extension as set out in this report;
- Approve the future delivery model for any successful extension as set out in this report;
- Authorise the Director for Economic & Housing Growth to authorise any changes to the programme and where appropriate/in consultation with the Director of Governance and Assurance sign any future contractual agreements with the Combined Authority on behalf of the Council.
- Authorise the Director for Economic & Housing Growth where appropriate/in consultation with the Director of Governance and Assurance to progress and finalise any future commissioning contract variations and/or extensions.

SUPPORTING INFORMATION

1.0 REASON FOR RECOMMENDATION

- 1.1 Continuation of the successful Wirral Ways to Work Programme is reducing worklessness in Wirral, an area which has had persistent levels far exceeding regional and national averages for many years. The Ways to Work programme provides services to support adults and young people into employment and as such supports a number of pledges within the Wirral Plan.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Within this report members are requested to authorise Chief Officers to finalise and accept the extension of funding for ESF investment and commence procurement/delivery of Wirral's local programme as set out in the report. Wirral's programme consists of four main elements with a mix of commissioned contracts and in-house delivery. Other options considered include:
- 2.2 **Non-submission of extension request:** Should the application for extension of funding not have been submitted the Council would not be able to maximise existing funds already allocated to support this agenda which are maximised threefold by securing the additional ESF investment. Additionally, this could jeopardise the Combined Authority bid as this was submitted as a city region wide programme.

- 2.3 **In house delivery:** The Council has significant experience in commissioning services with European investment to support adults and young people into employment. Additionally, should the Council choose to switch delivery of these services in-house then TUPE could apply from existing suppliers. The Council could additionally have the risk of significant surplus staff at the end of the delivery period owing to the scale of the programme and the time limited nature of the funding.
- 2.4 **Procure the Intermediate Labour Market through external providers:** The 14-19 Team has extensive experience of directly delivering this type of programme via the existing Ways to Work ILM programme and has built up strong links with local employers. This activity supports the work of the 14 to 19 Team in supporting young people leaving care and other vulnerable NEET young people. Finally the majority of funding for the activity is paid in grants to employers leaving a minimal amount of funding to administer the programme as a commissioned contract.

3.0 BACKGROUND INFORMATION

- 3.1 On 21st March 2016 Cabinet (Minute 119) welcomed the Letter of Intent from DWP notifying the Liverpool City Region Combined Authority of a successful application to the 2014 to 2020 European Social Fund programme.
- 3.2 The Liverpool City Region Ways to Work Programme is funded by European Social Fund (ESF) and Youth Employment Initiative (YEI) as part of the European Structural Investment Fund Programme for England 2014-2020 and is worth approximately £42m; Wirral's Ways to Work programme accounts for £6.4m of this total. Wirral Ways to Work Programme has been in delivery since April 2016.
- 3.3 Existing Programme

Currently, Wirral Ways to Work Programme delivery is split between four projects across 2 priority axis of funding:

Contracts -

- LOT 1 – Wirral Worklessness Support Service – Involve Northwest (Priority Axis 1.1)
- LOT 2 – Youth Employment Gateway – People Plus (Priority Axis 1.3)
- LOT 3 – Careers Information Advice and Guidance Service – Career Connect (Priority Axis 1.3)

In-house Delivery -

- Intermediate Labour Market (ILM) Programme (Priority Axis 1.3) delivered by Children & Young People's 14-19 team.

The Wirral Ways to Work Programme has been delivering since April 2016 and has achieved the following outcomes as at 31st March 2018:

- Engaged 3,935 Wirral participants onto programme,
- Supported 1,959 Wirral participants back into employment or training,
- Positive outcome rate of 49.7%.

3.4 Proposed Extension

Services delivered under Priority Axis 1.1 are due to end on 31st December 2018 and services delivered under Priority Axis 1.3 are due to end on 31st July 2018. The LCR has been asked by DWP to submit a revised application to apply for both an extension of current funds and also to apply for additional funding. This will enable the programme as a whole to be delivered until March 2020.

Wirral is currently on track to fully spend its current allocation. Wirral is the only authority within the LCR programme that solely requires additional funds due to good performance. Therefore, if the programme were not to be extended then Wirral would be the only authority not to be delivering Ways to Work across the Liverpool City Region.

Wirral has applied for a further £3.168m as part of the wider City Region's proposed £12m extension; this will allow Wirral to continue delivery at the same level as the current programme.

3.5 New Programme Model

The extension of the programme would see the service delivered in the following model:

- LOT 1 Extension – Wirral Worklessness Support Service (Priority Axis 1.1 & Priority Axis 1.3) – Tailored Employment Support Service for all eligible residents aged 16+ ¹
- LOT 3 Extension – Careers Information Advice and Guidance Service (Priority Axis 1.3) Tailored Careers Support for eligible young people aged 16-29.
- Intermediate Labour Market Programme (Priority Axis 1.3) - Providing grants to employers to support waged job opportunities for young people aged 16-29. Targeted at some of the most vulnerable NEET residents including Care Leavers, SEN and ex-offenders.

4.0 FINANCIAL IMPLICATIONS

4.1 The extension proposals require funding for extension of the services identified in section 3.5.

4.2 Table 1: Overall Wirral Ways to Work Programme

Priority Area	Existing Programme	Proposed Extension	Total Programme Value
1.1	£3,455,013.00	£1,225,000.00	£4,680,013.00
1.3	£3,037,635.00	£1,943,000.00	£4,980,635.00
TOTAL	£6,492,648.00	£3,168,000.00	£9,660,648.00

4.3 A budget exercise was undertaken to identify sources of match funding with relevant budget holders. The following tables show the breakdown of match funding required and the current sources which have been identified:

¹ LOT 1 has delivered to the 16-29 cohort since 1st October 2017 as per the original contract design.

Table 2: Wirral Ways to Work Extension Breakdown

	2018/19	2019/2020	2020/21	TOTAL
ESF / YEI	£569,585.36	£1,601,768.52	£20,896.12	£2,192,250.00
Match Funding	£201,958.19	£762,506.97	£11,284.84	£975,750.00
Total Programme	£771,543.55	£2,364,275.50	£32,180.96	£3,168,000.00

Table 3: Wirral Ways to Work – Match Funding Breakdown

Match Required:	2018/19	2019/20	2020/21	TOTAL
CYP Cash Match	£100,000.00	£120,000.00	£0.00	£220,000.00
Public Health Cash Match	£84,958.19	£265,041.81	£0.00	£350,000.00
Wirral Council Staff Match	£17,000.00	£95,000.00	£0.00	£112,000.00
YEG Underspend Match²	£0.00	£100,000.00	£0.00	£100,000.00
Council Reserves³	£0.00	£182,465.16	£11,284.84	£193,750.00
TOTAL MATCH FUNDING	£201,958.19	£762,506.97	£11,284.84	£975,750.00

5.0 LEGAL IMPLICATIONS

- 5.1 Currently, delivery of three of the Wirral Ways to Work Programme is contracted to the following suppliers:
- LOT 1 – Involve Northwest – Worklessness Support Service
 - LOT 2 – People Plus – Youth Employment Gateway
 - LOT 3 – Career Connect – Careers, Information, Advice and Guidance Service
- 5.2 If the Council is successful with the proposed extension application to DWP the following contracts will require either extension and/or variation from legal services:
- LOT 1 – Involve Northwest – Worklessness Support Service
 - LOT 3 – Career Connect – Careers, Information, Advice and Guidance Service
- 5.3 Provisions for extension of these contracts were made in the initial OJEU process as part of the original procurement process in 2016.
- 5.4 At this stage the Combined Authority has not received a decision on the extension of funding from DWP. On notification of a successful application it is recommended the Director for Economic & Housing Growth be able to authorise where appropriate/in consultation with the Director of Governance and Assurance and sign any future commissioning contract variations and/or extensions.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

² This budget line is non-ESF Funding.

³ In order for the Council to deliver the programme at full capacity, there has been an identification of £193,750 to be administered as a further contribution to the reserve held for the current project.

- 6.1 The Council manages the Wirral Ways to Work programme through staff in the Place and Investment, Business Support and 14 to 19 teams; with any new posts appointed on a time limited basis. Table 4 provides the breakdown of staff for the proposed extension programme model:

Table 4: Staff for Wirral Ways to Work Programme ESF Extension

Description of Post	Grade	Status	Team
Contract Manager	PO 10	Existing	Business Support
Project Officer	PO 2	Existing	Business Support
Audit and Compliance Officer	PO 10	Existing	Place & Investment
Compliance Support Officer	Band H	Existing	Place & Investment
ILM Delivery Manager	PO 6	Existing	14 to 19
ILM Support Officer	Band G	Existing	14 to 19
ILM Support Officer	Band G	Existing	14 to 19
ILM Support Officer	Band G	Existing	14 to 19

7.0 RELEVANT RISKS

- 7.1 The extension of the Wirral Ways to Work Programme comes with the same risk profile as the original programme which is set out in 7.2 of this report.
- 7.2 Merseytravel, as accountable body for the Combined Authority has entered into a legally binding agreement with DWP and will carry the liability to ensure that the terms of the funding agreement are met; failure to do so may result in claw-back of funds because of the failure of the Council or its subcontractors to comply with those requirements. As such Merseytravel contracts with the constituent local authorities as delivery partners and passes on this liability. The subsequent risk (which is assessed as being high) to the Council of claw-back of funds will be mitigated by:
- The Council's previous experience in managing ESF programmes and ensuring compliance with European Union procurement, financial and audit requirements;
 - Staff (referred to in Table 4) appointed to monitor closely the Council and the Council's subcontractors' compliance with EU audit requirements;
 - A robust Due Diligence exercise already conducted by Compliance Officers from the Combined Authority in advance of the full extension proposal to DWP;
 - Specialist legal advice gained at the outset of procurement in 2016 has succeeded in passing on the risk of default to the Council's subcontractors but their indemnity to the Council will not obviate the risk of their inability to defray the cost of claw back (e.g. by reason of insolvency), and
 - Compliance with State Aid regulations for the ILM programme will be met via the application of De Minimis procedures which the 14 to 19 team have extensive experience of applying via their delivery of the existing Ways to Work Programme.
- 7.3 As the current extension proposals are still awaiting a decision from DWP, there are a number of associated risks to the new proposed programme model:

1. **No extension of DWP Funds:** Review of delivery model, budgets and design. Progress delivery of a significantly reduced programme using Council funds only.
2. **Successful extension of Priority 1.1 ONLY:** No extension to LOT 3 Supplier Career Connect for the Careers Information Advice and Guidance Service and the ILM Programme from DWP funds. Progress delivery of a significantly reduced programme using Council funds only.
3. **Successful extension of Priority 1.3 ONLY** No extension to LOT 1 Supplier Involve Northwest for the Worklessness Support Service from DWP funds. Progress delivery of a significantly reduced programme using Council funds only.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 This project supports the 20 pledges with the Wirral Plan: A 2020 Vision which was developed following full consultation with partner organisations and residents. The Wirral Growth Plan has also been informed by consultation which has taken place with a number of public and private sector partners and with local businesses.

9.0 EQUALITY IMPLICATIONS

(a) Yes and impact review is attached –

The potential impact has been reviewed with regard to equality and links to the existing EIA conducted for Wirral's Growth Plan. <https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments/equality-impact-assessments-2014-0>

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SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet – European Issues Paper	21 st March 2016

Appendix A

Case Study – Involve Northwest Client presented with The ReachOut Partnership Award on 16th June 2018

Client A had been desperately trying to find employment but with no luck. As a result of this Client A's confidence and self-esteem was really low. Client A had previously suffered with mental health issues and had previous convictions which were impacting on the employment prospects.



**Saturday 16th June 2018
Tranmere Rovers Football Club**

Client A started to attend Birkenhead Central Library, one of ReachOut's 22 weekly community work clubs.

At first Client A was challenging to work with as the client felt quite worthless. ReachOut supported the client with confidence building, job search, CV preparation and interview skills.

Client A was successful in gaining an interview as a kitchen assistant which was something the client had experience in and enjoyed. The advisors supported the client with interview techniques and agreed to accompany Client A to the interview for moral support. After the interview Client A was offered the job and was delighted with the news.

Client A was hesitant to tell the employer about previous convictions which happened over 20 years ago and the client had turned life around since, as all Client A hoped for was an employer to give them a chance.

After a frank discussion with the manager this was no longer an issue and Client A was able to start a part-time job and was like a new person. After a few months Client A called in to see the ReachOut advisors to update them on the new position and the news that Client A was offered a full time contract at County Homes Care Home.

Client A still calls into the ReachOut office every now and again to give an update on how the job and life are going. Client A has progressed so much that the employer has now asked the client to provide basic training to new kitchen staff – something which Client A absolutely loves.

Client A believes that ReachOut's support has been the best thing that has ever happened as the service supported the client 100% and never gave up on their efforts to help the client find sustainable employment.