

**ECONOMY REGENERATION & DEVELOPMENT COMMITTEE**

Thursday, 4 March 2021

<b>REPORT TITLE:</b>	<b>EUROPEAN STRUCTURAL AND INVESTMENT FUND PROGRAMME FOR ENGLAND 2014-2020: WIRRAL WAYS TO WORK PROGRAMME</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF REGENERATION &amp; PLACE</b>

**REPORT SUMMARY**

This report seeks authority for the Council to enter into an extension of a supplier agreement with Involve Northwest whilst the Council awaits formal award of European Social Fund (ESF). Following a competitive tender exercise, Involve Northwest has been selected as preferred supplier to deliver the Worklessness Support Service, which is part of the Wirral Ways to Work Programme. The contract is due to expire on 30<sup>th</sup> June 2021, however there is scope within the current contract to extend for 16 months until October 2022.

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

**RECOMMENDATION/S**

The Economy Regeneration and Development Committee request that Policy and Resources Committee approve the following recommendations:

- authorise the Law and Governance in consultation with the Director for Regeneration and Place to enter a contract extension and sign the supplier contract with Involve Northwest to continue delivery of the Wirral Ways to Work Worklessness Support Service.
- authorise an option for the Director of Regeneration and Place in consultation with the Director of Law and Governance to enter a 3-month contract extension from July to September 2021 to cover off the risk of awaiting a grant funding agreement from Liverpool City Region Combined Authority and then proceed to a full extension once confirmation of EU funds is received, should this option need to be utilised.

## SUPPORTING INFORMATION

### 1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The Ways to Work Programme is helping to address worklessness in Wirral. Wirral is an area which has had persistent levels of worklessness far exceeding regional and national averages for many years. Ways to Work provides services that support adults and young people into employment and training, and therefore successfully supports the Inclusive Economy theme of the Wirral Plan 2025.

### 2.0 OTHER OPTIONS CONSIDERED

- 2.1 **Do Nothing:** The council takes no action and does not extend the contract with Involve Northwest from 1<sup>st</sup> July 2021. This option would significantly impact Involve Northwest by jeopardising the jobs of 35 staff employed to deliver the contract. Doing nothing would seriously reduce highly valued employability provision within Wirral which supports unemployed and inactive adults and young people into jobs and training.
- 2.2 **Delay/reduce the commissioned service:** If the Council chooses to delay or reduce the commissioned service beyond 1<sup>st</sup> July 2021 (until a finalised grant agreement is formally awarded via the Liverpool City Region Combined Authority), this will seriously risk the financial viability of Involve Northwest. The charity would declare staff redundancies thereby losing the staff to run the contract before it is formally awarded. Delay would therefore also seriously jeopardise Wirral Council's ability to deliver any future expected outputs of the Ways to Work Programme.

### 3.0 BACKGROUND INFORMATION

- 3.1 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.
- 3.2 The Ways to Work programme supports a number of key pledges in the Wirral Plan. The current programme has been delivering since April 2016 and has achieved the following outcomes as of 30<sup>th</sup> December 2020:
- Engaged 7,468 Wirral residents onto the programme
  - Supported 4,051 Wirral residents back into employment or training; and
  - Positive outcome rate of 54%
- 3.3 Ways to Work has provided immense benefit to residents who have been supported into local and regional employment and training opportunities, which not only supports a more inclusive Wirral economy, but also improves the health and wellbeing and life chances of individuals and their families through increased household incomes, improved mental and physical health, personal confidence, social networks and aspirations.

- 3.4 Wirral's Ways to Work Programme is currently broken down between two services under two ESF priorities. Involve Northwest deliver our Worklessness Support Service under Priority Axis 1.1 which is aimed at adults aged 16-64. The Council's 14-19 team deliver an Intermediate Labour Market (ILM) programme through Priority 1.3 Axis which is a stream of funding aimed at disadvantaged young people aged 16-29.
- 3.5 Involve Northwest delivers the programme through its 'ReachOut Partnership' model which operates and supports residents in some of the most deprived areas of Wirral through a network of community work clubs and dedicated job coaches. The service has been funded in various forms by Wirral Council over the last thirteen years and is a highly valued service which has made positive inroads into improving the lives and life chances of local residents.
- 3.6 Liverpool City Region Combined Authority (LCRCA) has Intermediate Body status which means they draft all ESF funding calls for the LCRCA, these are approved by the Department for Work and Pensions as Managing Authority. These are then published and authorised by European Structural Investment Funds committee.
- 3.7 The LCRCA has fully committed its initial funding of around £100m to calls and projects since 2016. Nationally, there are some areas who have not done so and there are further areas who have underspends on their delivery, this additional funding has been transferred to a National Reserve Fund and areas have been asked to apply for further elements of funding. To date, Liverpool City Region has secured an additional £20m through the Reserve Fund and this includes a further £13m for extended delivery of Ways to Work.
- 3.8 The Department for Work and Pensions as Managing Authority, are seeking to commit all reserve fund by September 2021, with all calls agreed and published before the end of April 2021. The Worklessness Support Service is reliant on the publishing of an ESF call against Priority Axis 1.1, which is the stream of funding targeting people aged 16-64. This is due to be published before April, which would then need to be appraised and authorised before 30<sup>th</sup> June 2021 for the Council to confirm the grant funding is available to continue this contract.

#### 4.0 FINANCIAL IMPLICATIONS

- 4.1 Wirral Council has identified £515,733.33 of match-funding to the Ways to Work Programme from 1 July 2021 to 31 October 2022 through the Public Health grant. This will enable the Council to draw down c£733k of additional ESF grant, providing a total Wirral programme worth £1.289m. Table 1 outlines the Worklessness Support Service contract value.
- 4.2 The values estimated for monthly contract costs are based on current average spend.

Table 1: Value of Worklessness Support Contract:

Contract	Awarded to	Total Value	Monthly Value	Contract duration
Wirral Worklessness	Involve	£1.120m	£70,000	1 July 2021 to 30 October

Support Service	Northwest			2022 (16 months)
-----------------	-----------	--	--	------------------

## **5.0 LEGAL IMPLICATIONS**

- 5.1 The Council decision will be authorising the Director of Law and Governance in consultation with the Director of Regeneration and Place to authorise agreement and commencement of the extension to the existing Worklessness Support Service contract for 16 months in total in line with the current provision for the maximum contract length within the original Official Journal of the European Union (OJEU).
- 5.2 Should the Council not receive a grant funding agreement in sufficient time to exercise an extension from 1<sup>st</sup> July 2021 for the full period the Council will exercise the option to extend the contract at risk for 3 months July to September 2021, with full extension to come for a further 13 months once the legal GFA is received.
- 5.3 The proposed extension will be procured in accordance with Wirral Council's Contract Procedure Rules. Any new commission beyond the legal limits of the current OJEU notice will be competitively tendered as per Public Contracts Regulations 2015.

## **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

- 6.1 Securing grant funding from ESF funds enables the Council to fund the relevant compliance and support roles that are needed to ensure successful delivery of the Worklessness Support contract. This therefore creates a saving to the Council's budget as these posts are original substantive Council positions.

## **7.0 RELEVANT RISKS**

### **Financial**

- 7.1 The risk of ESF funds not being committed by DWP is now assessed to be medium, given that the process of development of a ESF call is underway and the LCRCA has been ringfenced an amount of the National Reserve Fund to bid for. This has been confirmed in writing by DWP. Officials at DWP have informed the LCRCA that they will try to speed up the appraisal process of applications, as there has been a delay over recent months due to COVID and other resource issues.
- 7.2 If in the event that DWP do not award the LCRCA the ESF funds in sufficient time to execute an extension from July 2021 for the full period then there is a risk that the Council will need to commit to funding the Worklessness Support contract at risk for 3 months using the match funding until the grant funding agreement is in place.

### **Reputational:**

- 7.3 There is a high risk of reputational damage to the Council of not commencing the contract on time; stemming from the negative impact on unemployed Wirral residents who rely on the support provided by the service.

- 7.4 Any delay to the commencement of the Worklessness Support contract would likely put Involve Northwest, a Wirral based charity who locally employ 35 staff to deliver this valued service under significant financial stress and would risk an immediate commencement of staff redundancies. Other employees within their partnership delivery model which includes the Community Connectors Programme and Wirral Change, another local charity, could also potentially be put at risk.

**Operational/contractual:**

- 7.5 Any delay to the commencement of the Worklessness Support contract could jeopardise the Council's (and Involve Northwest's) delivery of expected ESF outputs and results as profiled in the revised grant funding agreement once executed.
- 7.6 As a relatively small local operator, Involve Northwest would be unable to deliver the service 'at risk' without the security of a contract and payment from the Council. Nor would the organisation be able to make staff redundant to then re-employ at a future date, which itself presents a significant risk to Wirral's programme if the Worklessness contract extension were to be delayed.
- 7.7 Currently the funds being applied for by LCRCA are for delivery up to September 2023 therefore re-commissioning of Priority 1.1 service may need to happen due to the limitations of the current OJEU notice period covering the current commission. If the existing contract is extended, then it is anticipated this would need to be from November 2022 to September 2023.

**Brexit:**

- 7.8 The UK Government has guaranteed that it will continue to sign new to the full value of the ESIF programme allocations.
- 7.9 The guarantee ensures that UK organisations will continue to receive funding over a project's lifetime if they successfully bid into EU-funded programmes before the end of 2020. The guarantee covers the full Multiannual Financial Framework allocation for structural and investment funds over the 2014-20 funding period, with payments to beneficiaries made up to the end of 2023.

**8.0 ENGAGEMENT/CONSULTATION**

- 8.1 This project supports the Inclusive Economy theme of the Wirral Plan 2025 which is being developed in 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, which were made accessible as possible to all stakeholders involved.

**9.0 EQUALITY IMPLICATIONS**

- 9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment (EIA) is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.

9.2 The potential impact of the Worklessness Support Service Contract has been reviewed with regard to equality and links to the existing EIA conducted for Wirral's Growth Plan, which can be found here: <https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments>. No material changes to the EIA are required because of this report.

## 10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 The recommendations within this report have no impact on emissions of Greenhouse Gases.

**REPORT AUTHOR: Sarah Dodd**  
(Sarah Dodd, Regen and Inward Investment - Economic Development Lead)  
telephone:  
email: sarahdodd@wirral.gov.uk

## BACKGROUND PAPERS

Liverpool City Region Employment & Skills Portfolio Holders meeting 13.01.2021 – Item 3 ESF Update  
DWP ESF/YEI Call guidance: <https://www.gov.uk/european-structural-investment-funds/youth-employment-initiative-oc50s21p1801>  
Evaluation of Ways to Work Liverpool City Region (Draft) December 2018. Centrifuge Consulting

## SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Delegated Decision Report of the Portfolio Holder for Jobs and Growth - European Structural and Investment Fund Programme for England 2014-2020: Wirral Ways to Work Programme Extension	6 <sup>th</sup> July 2018
European Structural and Investment Fund programme for England 2014-2020: Wirral Ways to Work Programme	7 <sup>th</sup> March 2019