

# LIVERPOOL CITY REGION COMBINED AUTHORITY

To: Metro Mayor and Members of the Combined Authority

Meeting: 26 July 2019

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: No

## REPORT OF THE PORTFOLIO LEAD: EDUCATION, EMPLOYMENT AND SKILLS AND DIRECTOR OF POLICY AND STRATEGIC COMMISSIONING

### HOUSEHOLDS INTO WORK: YEAR TWO DELIVERY UPDATE

#### 1. PURPOSE OF REPORT

The purpose of this report is to report on the delivery of Households into Work to March 2019 and identify the key conclusions to date.

#### 2. RECOMMENDATIONS

It is recommended that the Liverpool City Region Combined Authority:

- (a) Note the performance update on Households into Work through to March 2019; and
- (b) Consider the findings from the qualitative evaluation, and the impact that the services have had in supporting people in difficult circumstances.

#### 3. BACKGROUND

- 3.1 Liverpool City Region has experienced issues associated with long term worklessness, which has seen generations of the same Household being unable to sustain work over periods of time. A range of complex and often-interlinking issues associated with poor health remain at the forefront of cases where residents are accessing out of work benefits. According to recent data, around 130,000 residents are in receipt of 'out of work benefits'; with sickness benefit claims comprising 77% of this cohort. This represents one of the highest rate of any economic area nationally.
- 3.2 Building upon experience from a range of programmes including the Troubled Families Programme, Working Well and the Youth Employment Gateway, the Liverpool City Region Combined Authority and its partners sought to develop the Households into Work Programme. Launched in February 2018 and funded by the Liverpool City Region Combined Authority and the Department for Work and Pensions (DWP) through the Devolution Deal, the Households into Work

programme is a significant innovative employment project for the Liverpool City Region. The programme aims to identify and work with Households where more than one adults in a households are out of work and because of their complex circumstances, find themselves unable to engage in a sustained search for employment. Households into Work builds upon existing relationships with service providers including Job Centre Plus, NHS and third sector organisations, to deliver outcomes for those involved on the programme.

- 3.3 Households into Work embodies a holistic approach to intervention on Household issues. These may include removing barriers to people securing and maintaining work, and are addressed through a combination of interventions, designed to enable Households to move closer to the labour market and to engage in the search for work. The programme currently works with members of Households who are currently disengaged from the labour market, across 800 Households for up to 12 months.
- 3.4 For many of the individuals being supported, the prospect of getting into work within 12 months is a stretch, given their multiple and complex barriers. In order to evidence and track their progress, those receiving support are expected to complete a regular series of self assessments using a Pathways Star. This covers eight dimensions (such as self esteem and ability to manage money) and allows people to see their progress over time. This also provides evidence to Department for Work and Pensions that progress is being delivered and provides a further seam of insight.
- 3.5 The Heseltine Institute of Public Policy and Practice at the University of Liverpool have been commissioned to undertake a qualitative evaluation of the Households into Work Programme. Their insights and research have been used in the production of this report.
- 3.6 Referrals to Households into Work started in March 2018, with Advocates in place across the City Region following a common induction process. Referrals were accepted through a range of avenues including self-referral, agencies, Council services and Jobcentre Plus.

#### 4. PERFORMANCE UPDATE – MARCH 2019

- 4.1 The summary of performance to the end of March 2019 against high level targets was:

**Table 1 – Performance Summary: March 2019**

	<b>Target for Year 2 (March 2019)</b>	<b>Current position (March 2019)</b>	
Number of Households who have started on the programme	800	834	
Number of Households where individuals have completed at least one agreed activity	400	460	
Number making significant improvements / moving close to work	200	376	
Moved into employment (16 hours per week for 4 weeks)	15%	11%	

Early indications suggest that performance against the job outcome measure has improved to around 14% at the end of May 2019: the latest position will be reported verbally to the Combined Authority.

- 4.2 Individuals predominately identify themselves as White – British (91%), with 9% identifying themselves as coming from different ethnic backgrounds. This is broadly in line with the overall Population for Economically Inactive individuals. 59% of individuals on the programme identify as Females, with Males at 41%. This is thought to be due to significant promotion within Children’s Centres, where the majority of individuals attending are female. The majority of people are aged between 16 and 45, with a fair proportion of these aged 16-25:

**Table 2 – Age Profile of Individuals**

<b>Age Group</b>	<b>%</b>
16-25	29%
26-35	25%
36-45	21%
46-55	17%
56-65	7%
66+	0%
<b>Total</b>	<b>100.00%</b>

- 4.3 The intention of the Households into Work Programme has been to focus on those people who are the furthest away from the labour market. In supporting more than one person in a Household, it may be that individuals who are closer to the labour market are being engaged and supported. This is balanced with the additional help and support they can provide within a Household.

**Table 3- Time since last work for Individuals on Programme**

<b>Time band</b>	<b>Proportion</b>
0-6 months	14%
6-12 months	7%
12-18 months	4%
18-24 months	4%
24-36 months	10%
More than 36 months	39%
Never employed	20%
Unknown	1%

- 4.4 Further analysis on this has shown that the highest proportion of people who have not worked are aged 16-25 year olds. Of this group, 63% self-report that they have mental health issues, 27% report that they have a learning disability, 12% report that they are parents and 11% report that they have misused drugs.

**Table 4- Age profile of those out of work for more than 36 months/never employed**

	16-25	26-35	36-45	46-55	56-65	66+
More than 36 months	14%	26%	25%	22%	12%	0.22%
Never employed	47%	23%	17%	10%	3%	0.00%
Grand Total	25%	25%	22%	18%	9%	0.14%

- 4.5 Additional insight will be developed with this group to gain a further understanding of the common barriers facing this group, and whether there are any public service changes that might address them specifically. Upon starting engagement, individuals are asked to assign their own support needs, with the following table showing the breakdown of needs:

**Table 5 – Self reported support needs by individuals**

*Support Need	%	*Support Need	%
Mental health issues	65%	Drug misuse	10%
Parent (with children under 18)	30%	Problem drinking	6%
Has care responsibilities	26%	English is not first language	4%
Chronic health condition	22%	Care leaver	4%
Lone parent	22%	Sensory impairment	4%
Victim of domestic abuse	16%	On community sentence	2%
Homeless/temporarily housed	16%	Teenage parent	1%
Learning disability	15%	Refugee	1%
Physical disability	13%	Ex-armed forces	1%
Not in education, training or work	11%	Asylum seeker	1%
Ex-offender	11%		

- 4.6 Mental health is a significant issue across the programme, with 65% of individuals identifying as having a mental health issue. Interviews with Employment Advocates and Households indicate that Advocates are working with individuals who have long term conditions for which they are under medical supervision and in some cases have resulted in them being sectioned under the Mental Health Act.
- 4.7 In addition, through the Pathways Star, Advocates are able to track the progress of individuals, and demonstrate the impact that the support is having. These can be measured in different ways, and the table below shows the number of progress measures being achieved.

**Table 6 – Number of progress improvement secured**

	Progress Measures	Job Outcomes	*Work related activity	*Course (5+ hours)
Liverpool City Region	2,438	89	106	325

- 4.8 This underlines the point that for many people who are receiving support that making progress towards being ready for work is a realistic outcome for their time in receipt of support. Lives are not always linear and events, circumstances and

unintended consequences can have significant impacts on the prospect for people to be ready for the transition to work.

## 5. QUALITATIVE EVALUATION

- 5.1 Researchers at the Heseltine Institute for Public Policy and Practice have spent time with 44 households and 24 advocates to capture their insights and experiences in both receiving and providing support.
- 5.2 When Households were asked to reflect upon their experience of the programme, they talked about the relationship they had built with the advocate, describing it as one of professionalism but of also one which was rewarding because they felt there were engaging with someone who was *'on their side'*. Many individuals spoke about their progression on the programme, which enabled them to combat issues such as social isolation, through the support of their Advocate, allowing them to play a greater role in both the labour market and society as a whole. This viewpoint is also underpinned by the perception that Advocates were responsive to individuals' needs, acting swiftly to find solutions, even when faced with obstacles that interrupted progress, to ensure new pathways to the labour market were implemented.
- 5.3 Households into Work has led to a number of positive outcomes for the individuals who participated. A running theme throughout case studies has shown that individuals who may have felt 'disenfranchised' from interaction with support services, employment or members of the public, tend to credit the positive experience they have with Households into Work in giving them greater autonomy and agency within the lives.

*"While on this course, the staff, they sit and listen to your experiences of your past and stuff. And they look at you and they put you on the right track of trying to change well, change your life. Having someone who...that wants to sit and actually listen to give you the right direction of where...where to go and helping you get in touch with the right people."*

**Female Mid 40s**

*"I wasn't sure about it at first, you know, 'cause I've been put on quite a few schemes and nothing's come of it. So I thought the same thing was gonna happen again, while I was at into work. But I was completely wrong about it. Like a godsend, actually. Really helped me a lot"*

**Male Early 20s**

- 5.4 Interviews with Households and analysis of secondary data from Pathways Star has begun to reveal a body of evidence from across the HiW area which points consistently in the same direction, suggesting that improvements have been secured in the following:
- (a) Emotional Wellbeing and development of soft skills.
  - (b) Participant's confidence and engagement with services.
  - (c) Stability – making wider improvements to individuals' lives by improving areas such as the condition of housing or access to Household goods.

- 5.5 These support needs in isolation represent key challenges to reengaging with the labour market. The interlinked nature of these issues in the lives of the Households indicate that a skills strategy/skills based intervention alone will not engage this Group easily re-enter the labour market.
- 5.6 During the cycle of interviews with both Employment Advocates and Households, the relationship between housing and worklessness emerged as a theme. Access to safe affordable housing is often the first step towards employment, and although Housing does not have its own Pathways Star measure, resolution of issues related to housing appears to be integral to the achievement of progress measures against Pathway Star indicators including Stability, Money, Physical health, Emotional well-being and Family.
- 5.7 Interviews with Employment Advocates and Households indicate that qualities required for the role include:
- (a) Resilience/perseverance,
  - (b) Ability to identify, understand and address complex needs,
  - (c) Knowledge of services,
  - (d) Emotional intelligence,
  - (e) Ability to find innovative solutions to participant's issues
- 5.8 In comparison to other employment service provision e.g. Job Centre Plus staff, where colleagues are mainly office based, there is some mobility and flexibility embedded within the Employment Advocate role. As the programme is designed to engage with hard to reach groups, this mobility and flexibility is perhaps an essential element of the role. Additionally, the Household Support Budget provides the Employment Advocates (providing costs are eligible) with the mandate to take responsive decision required to progress the programme participants. At this stage, there is evidence to suggest that since the programme became operational in March 2019 the Advocates have been able to achieve the following outcomes:
- (a) Engaged and built effective relationships with those Households that are traditionally harder to reach, or whose previous engagement with mainstream services had been minimal;
  - (b) Worked with those individuals/Households with the highest levels of need;
  - (c) Identified and started to address wider, and in some circumstances, long standing issues within the Household, which had become a barrier to employment;
  - (d) Created effective referral routes to other entitlements or to wider generic services;
  - (e) Increased the visibility and accessibility of services; including counselling and debt management for Households in need;
  - (f) Developed effective working relationships with local agencies including; Job Centre Plus, Training Providers, Community Groups, Registered Social Landlords and the NHS;
  - (g) When required, established an effective multi-agency approach to address complex issues at a Household level; and
  - (h) Achieved generally high levels of satisfaction with the service provided.
- 5.9 Further insight interviews will be conducted during the year with both individuals and households to develop a fuller and richer picture.

## 6. CONCLUSIONS TO DATE

6.1 The following conclusions can be drawn from the delivery to March 2019:

- (a) Economic assessment/cost benefits: As the programme remains in its early stages, and research into the outcomes made remains limited, an overall assessment of the value for money cannot be offered at this stage. However, there is reason to further examine the claim that via its engagement of people with complex needs, the programme is demonstrating some promise in terms of economic value and programme effectiveness.
- (b) A flexible, user-led service: This was one of the most common factors identified which supported delivery of positive outcomes. Rather than being prescriptive about the structure and approach, it was felt to be crucial to tailor the types of support, locations, activities and ways of working to each Households' needs.
- (c) Practical and solution-focused support: Households valued the fact that the meetings with the Employment Advocates went beyond listening. Instead, they came away with pathway strategies and referrals to appropriate services that helped them manage and make positive changes in their lives. Employment Advocates also noted that the emphasis on building resilience helped Households to sustain positive outcomes and move towards independence, which both Advocates and Households felt were a positive outcome of the programme.
- (d) Consistent and trusted source of support: Households felt that having a consistent source of support that was both separate and distinct from other employment services was an important factor in moving towards the achievement of positive outcomes. Households felt that the qualities of the Employment Advocates, such as being non-judgemental, caring, respectful, accepting, patient and motivating, were important for achieving positive outcomes.
- (e) Managing referrals and recruitment: At the design stage of the programme it was anticipated the largest number of referrals would be from Job Centre Plus. Though this has been validated by the programme data, there have been some challenges in recruitment particularly for one of the local authority areas who have put other referral pathways in place via Children's Centres. Discussions between stakeholders and the Combined Authority regarding the diversification of referral pathways have already begun.
- (f) Exit Strategy: The most frequent constructive feedback from service users was that the end of the support could be challenging for them. They described having to cope with feelings of disconnection after the loss of the positive relationship with the Employment Advocate. Though it is clear to the individuals involved from the start of the programme about its time-limited nature, it may be useful to consider a more phased exit strategy for participants, and where necessary, transitioning Households to other service provision available, e.g. Ways into Work.
- (g) Experience of Employment Advocates: Employment Advocates reflected on the benefits of longer-term and Household approach nature of HiW in comparison to the short-term commissions that they had previously worked on. They noted that HiW allowed them to take an in-depth and holistic approach to addressing the needs of the programme participants with the hope of achieving sustained positive outcomes. Though Advocates where

enthusiastic about the implementation of a formal qualification, opportunities for peer-to-peer mentoring/support across the programme would be welcomed, particularly as the Advocate role is so distinctive when compared to other employment/skills development roles based within their local authorities. Some Advocates noted that this made it difficult for them to reflect on their progress within the role.

- (h) Household Budget: Advocates and Households welcomed the Household Support Budget as a mechanism to take speedy action and achieve effective outcomes.
- (i) Household level engagement: The innovative element of this programme is the engagement on a Household basis, rather than individual. This has proved more difficult to secure than initially anticipated. There is a reluctance and a built-in resistance within systems and processes to work on this basis, and it is appreciated that this is delivering the biggest element of change within the programme. There are glimmers of hope with a number of cases showing that there are different models of Households, and these will be examined in the next phase of the evaluation. This will be retained as a focus in delivery, ensuring that whole Households are being supported, with Advocates encouraged to take that broader view.

- 6.2 One of the understandable impacts of funding reductions and austerity over the past decade has been the reduction in the number of partnership based staff within services and areas, as front line delivery has been prioritised. The unfortunate impact of this has been a reduction in the number of organisations and teams who take a holistic view of the needs of individuals before them, as service, time and funding constraints mean that organisations are retreating into just delivering their core activities as a result.
- 6.3 The benefit of the Households into Work Programme has been that it provides additional capacity to support individuals and Households within the totality of their needs, asking the question about how barriers can be removed, rather than trying to deliver or sell a service. The case management and advocacy that they offer, co-ordinating and integrating input from a range of public sector organisations, is filling a gap in provision which individuals themselves are unable to do. In many ways, this is reminiscent of the situation found by Lord Laming in his 2003 inquiry into children's services, which found that there are many areas of input but no one taking an overall or holistic view.
- 6.4 The support by Households into Work has enabled this broader integrative and case management approach to be put into place, but it has only been possible through additional capacity and input. At a time when public funding is expected to continue to reduce, further pressures will be placed on budgets and delivery as demands increase. This capability building has a benefit and lessons for broader public services in its implementation, which need to be taken forward in localities and across the City Region as a whole. This element of the programme will be the focus for learning through 2019/2020.

## **7. RESOURCE IMPLICATIONS**

### **7.1 Financial**

An indicative three year allocation was provided by DWP which was used to form the basis for the spending plans for the pilot. There is, however, an element of uncertainty about the actual grant receipt for the final year of the project as payment is linked to achievement of outcomes. The current assumptions are based on a conservative grant allocation and to the extent that more grant funding is received, then the option to extend the pilot will be progressed.

### **7.2 Human Resources**

There are no immediate Human resources implications arising from the implementation of the recommendations in this report.

### **7.3 Physical Assets**

There are no Physical Assets implications associated with the implementation of the recommendations in this report.

### **7.4 Information Technology**

There are no Information Technology implications associated with the implementation of the recommendations in this report.

## **8. RISKS AND MITIGATION**

There is a full risk assessment which is reviewed regularly by the Households into Work Operational Management Group.

## **9. EQUALITY AND DIVERSITY IMPLICATIONS**

The Households into Work Programme has been subject to an Equality Impact Assessment and actions identified for implementation. There is a clear focus around narrowing gaps for particular groups, which is identified on the Equality Impact Assessment.

## **10. COMMUNICATION ISSUES**

A series of films detailed the case studies of some households have been recorded and will be released in the coming months.

## 11. CONCLUSION

This report has provided a performance update on Households into Work to March 2019 and identified the key conclusions to date.

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