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| Report Title | | |
| Portfolio Holder | | |
| Summary of decision being sought | | |
| Is this report exempt? | No | Reason for Exemption Can be found at pages 126 & 127 |
| Is this a Key Decision | | Yes |
| Local Authorities affected | | All |
| <u>Impact and implications of this report</u> | | |
| Financial impact | | Yes |
| Dispensation of decision sought and details of approval | | |
| Supporting the Corporate Plan | | A Fairer City Region |
| <i>Tick which ones are appropriate</i> | | A Stronger City Region |
| | | A Cleaner City Region |
| | | A Connected City Region |
| | | A Vibrant City Region |
| Climate Change Implications | | No |
| Equality and Diversity implications | | Yes |
| Social Value implications | | Yes |
| Human Resources implications | | Yes |
| Physical Assets implications | | No |
| Information Technology implications | | No |
| Legal implications | | No |
| Privacy implications | | Yes |
| Communication and consultation implications | | Yes |
| Contact Officer(s) | | Aileen Jones, Executive Director of Investment and Delivery aileen.jones@liverpoolcityregion-ca.gov.uk 07775110317 |
| Appendices | | No |
| Background Documents | | No |

LIVERPOOL CITY REGION COMBINED AUTHORITY

To: LCR Combined Authority

Meeting: 22nd July 2022

REPORT OF THE EXECUTIVE DIRECTOR OF INVESTMENT AND DELIVERY AND PORTFOLIO HOLDER FOR INCLUSIVE ECONOMY AND THIRD SECTOR

Strategic Investment Fund – Households into Work

1. PURPOSE OF REPORT

- 1.1. This report seeks Combined Authority approval of the material change request to allocate an additional £2.004m of Strategic Investment Fund (SIF) finance to extend the Households into Work programme (“The Project”).

2. RECOMMENDATIONS

2.1. It is recommended that the Liverpool City Region Combined Authority:

- (a) Notes the successful delivery of the HiW programme. The significant impacts that this employment programme has had on residents of the City Region and the positive changes made to the programme following independent evaluation.
- (b) Approves the material change request for the allocation £2.004m additional SIF revenue and the extension of the HiW programme together with carrying forward anticipated underspend in the original programme of £200,000 ; and

3. BACKGROUND

- 3.1. Households into Work is an innovative employment support programme designed to engage with unemployed people who are far away from the labour market and who need additional intensive support to get into work. National funding for the initial phase of delivery of £3.5m was secured through the devolution deal with the balance of £1m being provided by the Combined Authority. This enabled the initial phase of delivery to run from February 2018 through to February 2020, and an update on this delivery was provided to the Combined authority at its meeting on September 2020.
- 3.2. Members will recall that at the meeting on the 25th September 2020, the Combined Authority approved that the extension of the HiW programme staff contracts be extended through to June 2020 and underwritten by SIF funds.
- 3.3. Members will also recall that the meeting of the Combined Authority on 06 November 2020 there was an approval in principle to accept an anticipated grant

offer of £1.995m of ESF funding from the Department for Work and Pensions (DWP) for the HiW programme.

- 3.4. At the 18th December 2020 CA meeting, members approved a SIF application of revenue funding to provide the match requirements to the ESF funding application of £1.995m.
- 3.5. To date HiW has supported over 2,500 of the Liverpool City region's most economically disadvantaged unemployed residents. Households into Work consists of a team of 32, comprising of 23 Employment Advocates, 5 Senior Employment Advocates, 3 Programme Support team and 1 apprentice.
- 3.6. Employment Advocates work across all 6 local authorities providing 1:1 support tailored to the requirements of the individual, each of whom receive a maximum of 12 months support. The Employment Advocate also work collaboratively with or introduce the client to other organisations or services that might help the client tackle particular issues e.g. housing, mental health, domestic violence, creditors.
- 3.7. Each household also has access to a household budget which can be used by the Employment Advocate to purchase goods or services which might help tackle issues that are preventing the householder(s) from seeking or sustaining employment.
- 3.8. The programme was developed in partnership with each of the City Region's 6 local authorities and Jobcentre Plus. This collaboration is reflected in the programme's governance arrangements.
- 3.9. Although HiW is not due to complete the current phase of the programme until December 2022, it has already made good progress towards its targets. This is in spite of the challenges COVID19 has brought about and confidence is high that all contract targets will be achieved.
- 3.10. Two independent evaluations of the programme have been carried out, one by Amion and one by the Heseltine Institute for Public Policy, Practice and Place at University of Liverpool. Two key recommendations of the evaluations have been incorporated into the programme. Firstly, the implementation of a new CRM system and secondly, the introduction of new metrics that better reflect the outcomes of the programme. The new metrics will be incorporated in the next iteration of the programme.
- 3.11. HiW's ESF funding ends in December 2022 and there is a gap of 15 months before UKSPF could be used to fund employment and skills programmes. Further details of plan for use of UKSPF are set out elsewhere in the agenda. Without bridging this gap:
 - 3.11.1. The Combined Authority would be unable to continue to provide this service to this cohort of individuals and families in high levels of need;
 - 3.11.2. there would be a need to redeploy existing employees, where possible, with potential redundancy if unable to do so.There is likely to be loss of capacity, experience and knowledge to recommence the service if funding becomes available through UKSPF.

3.12. The recommendation is therefore to continue with the current programme but to extend the current end date from 31 December 22 to at least 31 March 2024 and request additional grant funding of £2,004,000 together with carry forward of underspend from existing allocated funding until other funding sources are identified to support the programme.

4. INTERNAL INVESTMENT PANEL CONSIDERATIONS

4.1. The change request was presented to the Internal Investment Panel (“the Panel”) on the 26th May 2022. The panel were supportive of the programme and recognised the difficulties in the funding landscape at this moment and need to retain provision and capacity in this space.

4.2. The panel recommended that the project end dates were brought in line with the forthcoming UKSPF in 2024/25 so that a review can be conducted on future for this type of provision, need and availability of funding at the time.

5. IMPACT AND IMPLICATIONS

5.1. Financial

The total cost of the delivering the programme over the 15-month extension has been estimated to be £2.2m, comprising of:

- A £200,000 underspend from current activity to be carried forward
- An addition amount of £2.004m revenue funding from the Strategic Investment Fund.

The budget has been based on a review of the current level of activity and estimates at the increased level of demand for the programme over the extension period. This will enable a consistency of the existing provision.

4.2 Supporting the Corporate Plan

The programmes fits into the Fairer City Region strand of the corporate plan and is one of LCRCAs corporate plan priorities.

4.3 Climate Change

The delivery of the programme is covered by the wider CA plan to consider climate change implications within its operations.

4.4 Equality and Diversity

There are no specific equality and diversity implications with the extension of the programme. The overall programme has been subject to an Equality Impact Assessment, which sets out how protected groups are engaged and supported.

4.5 Social Value

The delivery of the programme is covered by the wider CA plan to consider social

value within its operations.

4.6 Human Resources

The Investment Team and Legal Team will lead the negotiation to agree the outputs and outcomes of the programme. The Project Management Office will have responsibility for monitoring the delivery of the LCRCA investment.

As previously noted if additional funding is not allocated, existing employees will need to be redeployed in line with Combined Authority employment policies.

4.7 Physical Assets

There are no physical asset implications arising as a result of the implementation of the recommendations in this report.

4.8 Information Technology

There are no information technology implications arising as a result of the implementation of the recommendations in this report.

4.9 Legal

There are no legal implications arising as a result of the implementation of the recommendations in this report.

4.10 Risks and Mitigation

| Risk | Potential Mitigation |
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| Design | |
| The project fails to engage with enough people in the target group | Households into Work is an established programme with evidence of successfully delivering support to unemployed residents from across all 6 local authority areas. |
| Reputational | |
| The project fails to engage with an appropriate number of organisations from across the LCR which work with or on behalf of the programme's target group | Jobcentre Plus and the Liverpool City Region's 6 local authority areas have an advisory role and this helps to ensure the programme is focused on areas/communities that are most in need of this support |
| Delivery | |
| Referrals to the programme fall below the expected number. | There are robust reporting and monitoring arrangements in place to help ensure the programme is on track to achieve all its targets. |
| Impact | |
| The project fails to achieve its key objectives and the support provided by the advocates makes little difference to the lives of those who start on the programme | Robust and regular reporting arrangements will ensure activities and outcomes are closely monitored and if required, appropriate actions will be taken in a timely manner. |
| Funding | |
| The programme failed to obtain | The LCR CA is confident that its record of delivering |

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| additional SIF funding | programmes which are of high quality, provide excellent value for money and have such a positive impact on the City Region’s residents, will help to ensure the application is successful. However failure to secure funding will result in the termination of Households into Work at a time of impending social, economic and financial hardships and upheaval for LCR residents. |
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4.11 Privacy

Households into Work complies with all GDPR requirements and operates in a strict accordance with the Combined Authority’s data protection procedures. Where there is need to share client data with or between partners, data sharing agreements are in place and these are approved by the Combined Authority’s legal team before being signed by the appropriate person within the CA and the partner organisation.

The overall Households into Work programme has been subject to a Data Protection Impact Assessment (DPIA). The DPIA demonstrated a privacy by design approach has been undertaken to ensure any privacy risks relating to client data have been addressed at any early stage in the programme’s development.

4.12 Communication and Consultation

The project is subject to the LCRCA branding guidelines and publicity requirements placed upon it as part of the funding agreement. In addition, the Combined Authority will, through its adopted communication protocols, publicise the change to award if funding this project and the associated envisaged outcomes.

6. CONCLUSION

6.1. This report considers the change request for the extension of the Households into Work programme. The changes required are to extend the date and increase funding allocation to cover this extension. Endorsement to support the extension of the programme has been provided by the Internal Investment Panel. It is recommended that the Combined Authority considers approval of the change required for Households into Work to allocate up to £2.004m of Strategic Investment Fund to extend the programme until at least 31 March 2024.

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