

<b>Report Title</b>	Strategic Investment Fund - Ways to Work
<b>Portfolio Holder</b>	Portfolio Holder for Education, Skills, Equality and Diversity
<b>Summary of report</b>	This report seeks approval to award Strategic Investment Funding to gap fund the Ways to Work Programme until UK Shared Prosperity Funding becomes available in April 2024.
<b>Is this report exempt?</b>	No
<b>Is this a Key Decision</b>	Yes
<b>Is the report urgent</b>	No
<b>Is this decision to be exempt from call in</b>	No
<b>Local Authorities affected</b>	(All Local Authorities);
<b>Impact and implications of this report</b>	
<b>Financial impact</b>	Yes, see paragraph 4.1
<b>Delegation (s) sought</b>	Yes, see recommendation 2 (b)
<b>Supporting the Corporate Plan</b>	A Fairer City Region √ A Stronger City Region √ A Cleaner City Region x A Connected City Region x A Vibrant City Region x
<b>Climate Change Implications</b>	No
<b>Equality and Diversity implications</b>	Yes, see paragraph 4.3
<b>Social Value implications</b>	Yes, see paragraph 4.4
<b>Human Resources implications</b>	No
<b>Physical Assets implications</b>	No
<b>Information Technology implications</b>	No
<b>Legal implications</b>	Yes, see paragraph 4.5
<b>Risk and Mitigation</b>	Yes, see paragraph 4.6
<b>Privacy implications</b>	No

**Communication and consultation implications**

Yes, see paragraph 4.7

**Contact Officer(s)**

Joanne Leek, Investment Manager

**Appendices**

Yes

**Background Documents**

No

# Liverpool City Region Combined Authority

Friday, 3 March 2023

## Report of the Executive Director - Investment and Delivery and the Portfolio Holder for Education, Skills, Equality and Diversity

### STRATEGIC INVESTMENT FUND - WAYS TO WORK

#### 1. PURPOSE OF REPORT

- 1.1. This report seeks Combined Authority approval to award Strategic Investment Funding (SIF) to gap fund the Ways to Work Programme until UK Shared Prosperity Funding ("UKSPF") becomes available in April 2024.

#### 2. RECOMMENDATIONS

- 2.1. It is recommended that the Liverpool City Region Combined Authority:
  - (a) approve the provision of up to £4.8m funding from the Strategic Investment Fund for the Ways to Work Programme; and
  - (b) grant delegated authority to the Executive Director of Investment and Delivery to finalise negotiations of detailed funding terms and associated agreements for the Programme specified at (a) above in consultation with the Combined Authority Monitoring Officer and Combined Authority Treasurer.

#### 3. BACKGROUND

- 3.1. Ways to Work is the operating brand for the employment support programmes that operate within each of the six Local Authorities within the City Region. Conceived as a response to the EU 2014-2020 programme and building upon the existing track record of delivery, this £83m programme started delivery in January 2016 and is currently scheduled to run until 30 September 2023: this is the maximum length of funding that is available for this European Social Fund ("ESF") provision.
- 3.2. Over 34,150 people have registered for support to 30 September 2022, with 14,019 having progressed into employment, education or training. An independent evaluation to June 2018 conducted by Centrifuge Consulting calculated that the social return on investment to that date was over £200m with an overall benefit cost ratio of 4.85 alongside a cost per person into work of £4,581.
- 3.3. UKSPF is the UK's replacement for European Structural Investment Funds ("ESIF"), which includes ESF. Central government released the prospectus for UKSPF in April 2022 which set out the priority areas for the fund: Communities and Place; Supporting Local Business; and People and Skills.
- 3.4. Ways to Work has previously been funded as part of ESF and has been in delivery in its current guise since January 2016 and is due to end delivery at the end of

September 2023. The People and Skills element of UKSPF funding will not be available until April 2024.

- 3.5.** This means a gap remains for two of the City Region's key employment support programmes (Households into Work and Ways to Work) when there continues to be economic uncertainty and people need more help to get into and stay in work. In July 2022 the Combined Authority approved funding to continue the Households into Work programme from January 2023 – March 2024. Funding is now being requested to support the Ways to Work programme until UKSPF funding becomes available in April 2024.
- 3.6.** The current funding ask is for £4.8m to gap fund the programme until April 2024 when UKSPF funding becomes available.

### **3.7. The Programme**

Ways to Work is an £83m city region-wide programme for young people and adults that is designed to improve personal resilience and progress to sustainable employment. It is currently targeted on workless and economically inactive people, including those furthest away from the labour market who access a suite of tailored interventions to support them on their journey into employment.

The funding under UKSPF will require a majority focus on those who are economically inactive (less emphasis on unemployed), with some support available for large scale recruitment and redundancy support. This will be a change from the current focus and it is intended that this gap funding will enable delivery to be pivoted towards what will be required from April 2024.

- 3.8.** The programme seeks to support a wide range of individuals where there are multiple and complex barriers to be overcome before entry to the labour market can be considered.

### **3.9. External Investment Panel Comments**

The programme is due to be presented to the SIF External Investment Panel on the 23<sup>rd</sup> February 2023. Due to the timing of the publication of this report, it was not possible to include comments in this main report. A separate written update will be published with Investment Panel comments ahead of the Combined Authority meeting on the 3<sup>rd</sup> March 2023.

## **4. IMPACT AND IMPLICATIONS**

### **4.1. Financial**

The programme requires up to £4.8m of SIF for the delivery of the programme between June 2023 and March 2024.

### **4.2 Supporting the Corporate Plan**

The programme supports the Fairer City Region part of the corporate plan by supporting those furthest away from the labour market the opportunity to enter education, employment or training. It supports the Stronger City Region part of the

corporate plan through supporting employers to recruit and retain individuals who may have been out of employment for some time.

### 4.3 Equality and Diversity

An equality impact assessment has been carried out for the gap funding of the programme and will be finalised as the reshaping work moves forward.

This programme aims to support some of those individuals furthest away from the labour market to overcome often multiple and complex barriers to employment. These barriers could, and are likely to, include specific issues relating to protected characteristic. By design the programme make required adjustments for any specific needs and seeks to support individuals and employers in overcoming these challenges.

### 4.4 Social Value

The gap funding for the programme will cover a period of 6-9 months of delivery during a transition period to a new programme. In reshaping the programmes toward UKSPF requirements the programme teams will be asked to consider how they will embed social value principles into the programme design.

### 4.5 Legal

If approved, grant funding agreements drafted by Legal Services will be put in place with each Local Authority to set out the requirements of the gap funding for the programme. This funding will not be subject to the subsidy control regime as the end beneficiaries of the support will be economically inactive or unemployed individuals.

### 4.6 Risks and Mitigation

The provision of this funding will enable two significant risks to be mitigated:

- (a) that support ceases to be available for vulnerable, unemployed and economically inactive people, this would impact the ability to help those currently enrolled on the programme, meaning support would suddenly be removed from those on the programme with no alternative service available
- (b) the current workforce providing this support would be at risk of redundancy, and it may be difficult to resume services once UKSPF funding comes on line, as valued staff will no longer be available.

Both of these risks would lead to a decrease in the impact and deliverability of the UKSPF programme.

The risks and mitigations associated with provision of the gap funding are:

- **Programme reshaping timescales:** There is a risk that the reshaping of the programme to align with UKSPF and match the reduced funding and remit may take longer than anticipated. This means that the programme may not be ready for delivery when UKSPF is available in April 2024. To mitigate this, the

Employment and Skills Officers Group has been actively engaged with the Combined Authority on the development of the UKSPF investment plan and will now meet fortnightly to ensure that the reshaping work is progressed. Combined Authority officers will also provide policy and programme support to help meet the timescales for this work.

- **Uncertainty with funding requirements:** There remains some uncertainty the expected funding amount. Combined Authority officers will continue to work with the Local Authorities on this as the reshaping work continues.
- **Reduced funding and loss in capacity for Local Authorities:** Staffing implications for the reduction in funding are currently being considered, but there is a risk that the reduction in funding will result in a loss of capacity to deliver the programme for the Local Authorities. There is a risk of staff leaving prematurely knowing that the end of the current programme is near. This will need to be managed by the Local Authorities

#### **4.7 Communication and Consultation**

The funding recipients will be required to comply with the Combined Authority's branding guidelines and publicity requirements within the Funding Agreements.

### **5. CONCLUSION**

- 5.1.** This report presents the proposed Ways to Work gap funding until UKSPF is available to support the programme from April 2024. The programme supports some of the Region's most vulnerable residents into education, employment or training.
- 5.2.** The programme will be refreshed, along with Households into Work, to ensure that both programmes are fit for purpose for the current and emerging labour market conditions and fits with the requirements of UKSPF funding.
- 5.3.** Delegated approval is sought for the Executive Director of Investment and Delivery to proceed with finalising the funding agreements in consultation with the Combined Authority Monitoring Officer and Combined Authority Treasurer

DR. AILEEN JONES  
Executive Director - Investment and  
Delivery

MAYOR JOANNE ANDERSON  
Portfolio Holder for Education, Skills,  
Equality and Diversity

#### **Appendices:**

1. External Investment Panel paper
2. External Investment Panel feedback