

SOC for 2nd February Internal Investment Panel

Project Name & Number	Ways to Work	Number	CAP0015-01
Applicant	Constituent Local Authorities		
Nature of Applicant	Public Sector Body		
Sector and Location	Employment and skills	LCR	
Total Project Costs	£4.52m		
Indicative Funding Sought	Capital	£0	Revenue £4.52m
Indicative Funding Type	Grant	£4.52m	Loan £0
Indicative Funding Source	Gainshare revenue		
Call or Commission	Commission		

SIF Investment Team Lead	Jo Leek		
Investment Team Members	Holly Scarisbrick		
Deal Team Members	Legal	Gareth Burroughes	Policy Rob Tabb
	Finance	Paul Collins	PMO Louise Chamley

Project Summary: Outcomes from Investment Team's Diligence and Points for the Investment Panel's Consideration		
Project Specifics	Ways to Work is a city region wide response to unemployment and economic inactivity and has been in operation since 2016. The programme is currently funded by the European Structural Fund which is due to end during the course of 2023. The replacement fund, UKSPF, is not available for people and skills projects for public bodies until April 2024. This application for funds seeks to bridge the gaps between the two funds to allow the continuation of service provision.	
Fit with LCR investment priorities	This programme aims to tackle key issues which continue to undermine our regions productivity and aligns with the Plan for Prosperity and the Employment and Skills Strategy.	G
Inclusion of good growth characteristics	The programme seeks to engage with those furthest away from the labour market.	G
Impacts	The current programme is meeting or exceeding targets and this funding will enable this impact to continue.	G
Financial performance	Match funding is unavailable for the gap funding period, however, discussions with	A



	the LAs are ongoing on the potential use of match funding from April 2024.	
Deliverability	The LAs will use existing delivery structures and established teams to continue the programme.	G
Value for money	VfM has been carried out on the programme regularly. An external appraisal has been carried out and the programme provided good VfM.	G
Key risks to project and CA	<ul style="list-style-type: none">• Programme reshaping takes longer than anticipated• Uncertainty in relation to the amount of LA match funding for the UKSPF programme• Reshaped programme unable to offer a universal service to all, resulting in reputational damage• Procurement of LA contractors creates delays in delivery	
Points for Investment Panel to Consider	<ul style="list-style-type: none">• Agree the recommendations set out in the paper and for the programme to progress to Combined Authority.• Provide any considerations that Panel would like to feed into the reshaping work.• Note that match funding is currently unavailable for the gap funding period, but discussions are ongoing with Local Authorities on match funding from April 2024.	

The Project

Background

UK Shared Prosperity Fund (“UKSPF”) is the UK’s replacement for European Structural Investment Funds (“ESIF”), which includes the European Social Fund (“ESF”). Central government released the prospectus for UKSPF in April 2022 which set out the three priority areas for UKSPF: Communities and Place, Supporting Local Business and People and Skills. There are some key points to note regarding changes to UKSPF in comparison to previous EU funding:

- The People and Skills element of the funding is not available until 2024/25, which leaves a gap in funding for previous ESF programmes.
- Central government have allowed for some early spend on People and Skills interventions for community and voluntary organisations – this does not apply to public bodies delivering services.
- Across the board UKSPF funding is significantly less than the previous ESIF funds Liverpool City Region (“LCR”) has benefitted from.
- The scope of UKSPF in relation to employment support has been narrowed to focus on economic inactivity, rather than unemployment and economic inactivity.

The change in funding regime means there is a gap for two of the LCR’s key employment support programmes – Households into Work and Ways to Work. In July 2022, the CA approved funding to continue the Households into Work programme from Jan 2023 – March 2024. The LAs have requested that the CA also supports the Ways to Work programme through this gap period.

The Programme

Ways to Work is the operating brand for the employment support programmes that operate within each of the six LAs within the City Region. Conceived as a response to the EU 2014-2020 programme and building upon the existing track record of delivery, the £38m 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 ESF provision.

The programme is currently targeted at those who are unemployed (i.e. on Universal Credit and actively looking for work) and those who are economically inactive (i.e. those who are not working and require help and barriers to be removed before they can consider actively looking for work). Through a suite of tailored interventions, the programme aims to:

- Add value to mainstream provision;
- Respond to employer needs; and
- Yield better outcomes

The support provided currently includes:

- Employability skills – CV creation, job searches, application forms and interview preparation
- Coaching and mentoring support
- Improving basic skills
- Funding to help participants get back into work (subject to eligibility criteria)
- Access to jobs/apprenticeships/training/education
- Ongoing support when participants start work
- 6-12 month paid work placements via Intermediate Labour Market (“ILM”) scheme
- Guidance on setting up your own business

- Recruitment support for local employers

As of 31 December 2022, over 35,013 people had registered for support, with 14,299 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.

Delivery of the programme

Delivery of the programme varies between each Local Authority, however, there is a close working between each of the local teams, and with local employers and Jobcentre Plus offices locally. The models tend to operate around a number of physical venues for people to have open access to (e.g., Halton People into Jobs in Runcorn Old Town, Knowsley Works at Kirkby Centre) and some outreach and engagement with local communities.

The current programme has an established 5-stage service to support participants on the programme, as is detailed in Appendix 1. The delivery model will need to be adapted to meet the targets of the programme under UKSPF funding but provides a sound basis for service delivery and consistency of approach across the region. The gap funding period will, therefore, be used to reshape the programme so that it is ready for delivery from April 2024, and details of the work underway to reshape the programme are detailed later in this report.

Feedback from Internal Investment Panel

The gap funding request for the Ways to Work programme was taken to the Internal Investment Panel on 2nd February 2023. The project was endorsed by the Panel, subject to the following points being clarified:

- Confirmation from the Local Authorities on how the transition period will be managed during the gap funding period to maximise the European funding available but ensuring the gap funding period supports the reshape of the programme so UKSPF targets can be met. The work underway to reshape the programme has been outlined later in this report.
- An independent economic appraisal of the gap funding to ensure value for money. This is included later in this report.

Summary of Investment Team considerations

Given the current national policy and funding context, there is a need to ensure continuity of provision for those individuals furthest away from the labour market. The CA is being asked to provide gap funding to allow that continuity until UKSPF is available in 2024/25. The CA has also stepped into support the Households into Work programme due to the same gap funding issue.

Despite some improvements in the regional picture in relational to unemployment and economic inactivity, the challenges and complexity of the barriers facing those that are economically inactive are worse than ever, with impacts relating to the pandemic and cost of living crisis prevalent. The case for change presented here is an important one, particularly considering the LCRCA's ambition to ensure that no one and no place is left behind.

In order to maintain continuity of the provision, the CA is being asked to fund £4.52m to avoid a gap in provision in 2023/24 until UKSPF becomes available. Under UKSPF, £7.5m has been ringfenced for an updated, modernised and refocused programme to continue. The work to update and refocus the programme is ongoing, as detailed later in this report – although it should be noted that the timescale for this work to be completed is particularly tight.

Case for Change

National Policy Alignment

Recently, the levels of vacancies being advertised nationally and in the Liverpool City Region have flattened out and returned to pre-pandemic levels. However, businesses are still struggling to find candidates with the right skills and experience to fill vacancies, and at entry levels there have been significant increases in wage rates as a result.

Furthermore, there has been a reduction of around 1 million people nationally from the labour market, with this largely thought to be women aged over 50. Additionally, there has been an increase in health-related economic inactivity, potentially due to illnesses contracted during the pandemic and NHS backlogs meaning longer term conditions have gone untreated. There is a significant focus within Government on tackling economic inactivity and further announcements are expected in the Budget in March 2023. Although, it should be noted that Central Government is yet to release its plans for what will happen when national intensive support programmes, such as Restart, end later in 2023.

Fit with LCR Investment Priorities

LCRCA is committed to building a City Region which is fairer, stronger and cleaner – with no one left behind. This sentiment is prevalent throughout the Mayoral Manifesto and Plan for Prosperity, both of which place reducing inequalities across the LCR as a priority. Locally, economic inactivity has been falling over the last 18 months, but there has been a recent rise which gives some cause for concern. Supporting people to get into and to progress in work is at the heart of the City Region's approach to creating a truly inclusive economy. The scale of the challenge is such that no single organisation can solve the issue, which has been prevalent in the LCR for many years. There is nationally contracted provision in place through the Work and Health Programme, but the number of people able to be supported through this in the LCR are not at the scale of what is needed.

On a local level, the Ways to Work programme aligns with local goals by providing a second chance for people to get back into work by supporting them to work multiple-complex barriers to employment. The programme complements a number of other local initiatives aimed to reduce economic inactivity in the region, such as:

- The Economies for Healthier Lives programme, which seeks to improve the design, commissioning, and delivery of support for people who have a condition which prevents them from being able to work. Initial findings are due to be reported in Summer 2023.
- The Households into Work programme, which provides targeted support for households who are economically inactive and tend to have more profound and complex barriers.

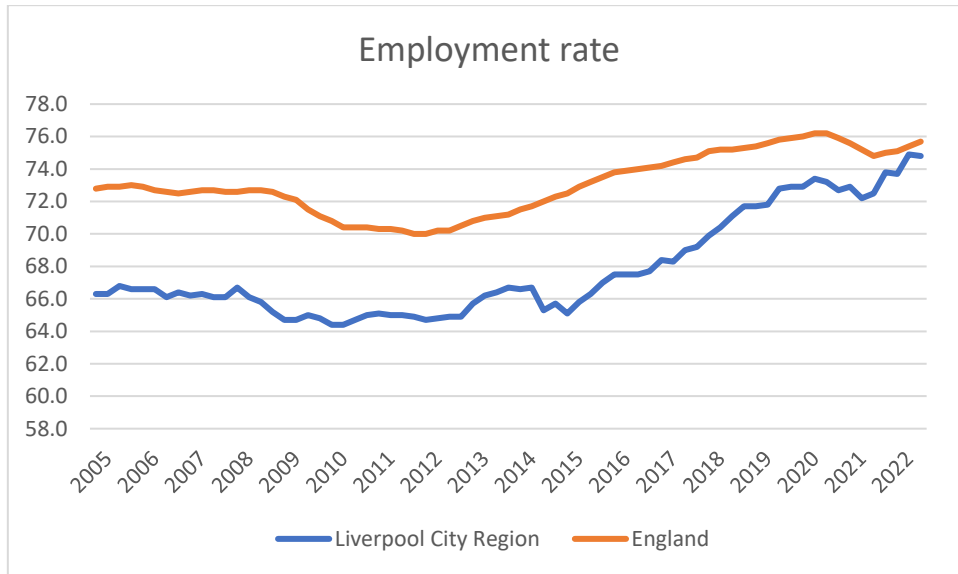
Current Context

For many years, the Liverpool City Region has seen lower levels of employment and higher levels of unemployment & economic inactivity than national rates. This can be attributed to a number of factors, including:

- The composition of the employment and business base in the LCR;
- The overall skills levels locally; and
- The health of residents being worse in the LCR than nationally.

Whilst the long run trend since 2016 has overall been positive, there has been a significant closing of this gap since 2021, with employment rates increasing more quickly in the LCR than nationally, as can be seen in Figure 1.

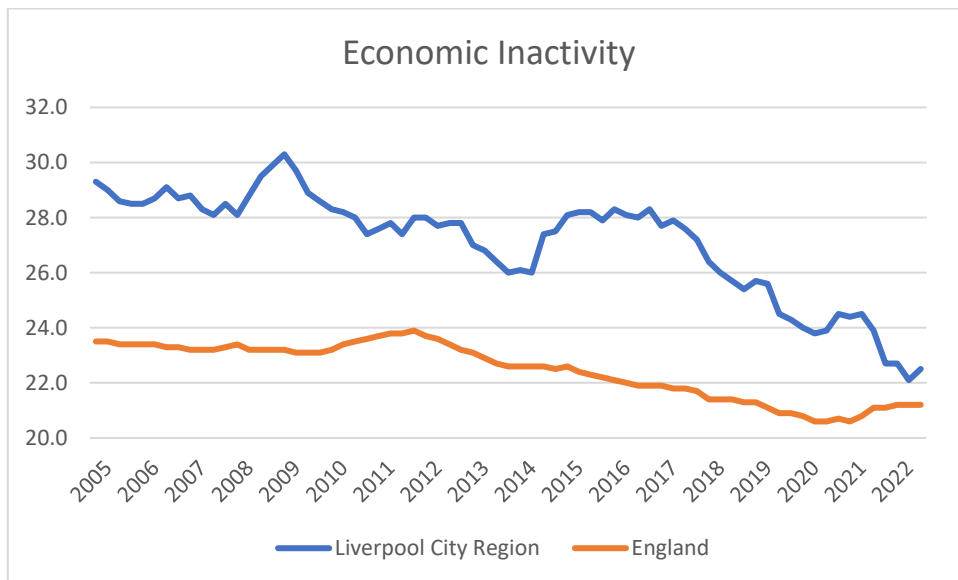
Figure 1: Employment rate in the Liverpool City Region compared to England average, 2005-2022



Source: Annual Population Survey query via NOMIS, December 2022

Likewise, there has been a similar reduction in the economic inactivity levels in the City Region, with a particularly steep overall fall in the LCR since 2016, as shown in Figure 2.

Figure 2: Economic inactivity in the Liverpool City Region compared to England average, 2005-2022



Source: Annual Population Survey query via NOMIS, December 2022

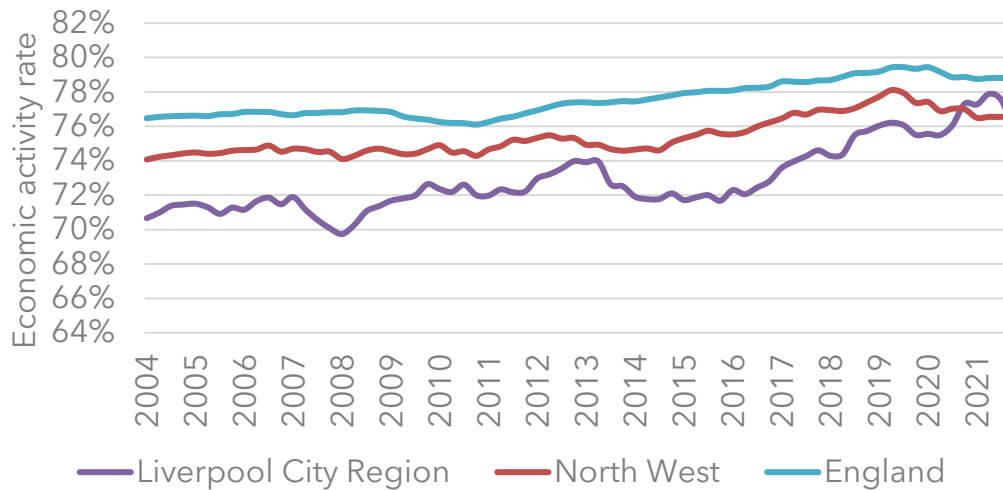
These improvements are due to a number of factors, including:

- The general improvement in the economic prospects locally and more broadly have contributed to the creation of more jobs;
- The tightening of the welfare to work regime, with a requirement for more people to be actively searching for work; and

- The significant number of additional programmes and support in place, locally funded through the EU 2014-2020 programme.

However, these improvements appear to have slowed in recent months. The most recent set of data shows a sharp decline in the economic activity rate for LCR, as can be seen in the Figure 3 below.

Figure 3: Economic activity in the Liverpool City Region compared to North West and England averages, 2004-2021



Source: Annual Population Survey, 2005-2022

The increased conditionality on who can be targeted for support that the DWP have introduced means that it is harder to find people who are out of work, in need of support, and who are not on other national programmes. This group of people are also those who are more likely to be further away from the labour market, have more complex & profound needs, and require a greater depth of support.

Need for Intervention

There is an allocation of £7.5m available for Ways to Work delivery in 2024/25 from UKSPF. The programme will be required to adjust focus to working with those who are economically inactive and not those who are unemployed and seeking work. This shift will result in a reduction in the overall numbers of those eligible for support, and those who do access support will likely require a higher level of support and engagement. The Ways to Work programme will therefore need to be reshaped and to evolve its delivery to meet these specific needs.

The expected principles for service delivery under the new, reshaped programme are as follows:

- Organising around people's needs and integrating with other service provision (e.g., health, support, housing);
- Consistent offer across the City Region;
- More flexible and response support, which may need to be focused on outreach and engagement;
- An open referral approach, not necessarily open access;
- Well-motivated and delivery-focused staff team; and
- Efficient and accessible back-office systems which enable effective service delivery.

As outlined later in this report, work will be undertaken with Ways to Work service managers and staff to prepare for this change in delivery focus and way of working.

Objectives

Under the current delivery model, the objectives for the EU-funded programme have been defined as the following:

- To support unemployed and inactive adults and young people, including disadvantaged and those furthest from the labour market, into sustainable employment, through an offer of a co-ordinated, personalised, case-managed advice and practical support offer
- To be innovative and creative in supporting those workless people most excluded by local structural and cultural disadvantage, through provision which ensures equal access for those most excluded from the labour market
- To build on existing good practice in the LCR and be innovative in the Ways to Work offer for young people aged 16-29 years to ensure sustainable integration into the labour market
- To deliver a range of transitional job opportunities and pathways through Intermediate Labour Market (“ILM”) initiatives throughout LCR, which tackle the lack of access and opportunity for some groups furthest from the labour market.
- To ensure that the Ways to Work support package/offer effectively complements/links with support offered throughout LCR’s existing provision

A logic model for the current programme is presented in Appendix 2. Part of the reshaping work for the programme will involve a review of the above objectives to ensure that they align with the UKSPF requirements and are still relevant given the longevity of the programme and the shifting economic landscape.

Critical Success Factors (CSFs)

The programme’s current CSFs, as detailed in the Centrifuge evaluation report, are:

- Integrate the programme with the wider LCR offer;
- Provide tangible support to employers, through subsidies within the Intermediate Labour Market offer; and
- Tailor solutions to individual needs, with the added ability to provide direct financial support.

As with objectives, the CSFs are currently being updated as part of the reshaping of the programme and will be agreed ahead of delivery under UKSPF in April 2024.

Impact and Value for Money

Over the duration of the programme a number of value for money assessments have been carried out by DWP. The original application was for £42.7m and was submitted in response to a call for projects in 2015. The programme underwent a rigorous appraisal process by the DWP, and the application was approved in 2016.

Between January 2016 and December 2022, requests were sent to DLUHC for additional funds to extend delivery. Each request has been subject to re-appraisal by DWP, a summary is provided in Appendix 3. Areas assessed as part of the DWP appraisal process include assessing value for money; reviewing performance to date; consideration of results from external audit reports; and feedback from the Contract Manager.

An independent evaluation to June 2018 was conducted by Centrifuge Consulting in December 2018. At the point of evaluation, it was found that the social return on investment was over £200m, with a final social impact of £4.85 for every £1 spent on the project, alongside a cost per person into work of £4,581.

A summary of the performance against targets to December 2022 and recommendations from the 2018 evaluation can be found in Appendix 4. This shows that, with 9 months remaining on the programme, 90% of the target for unemployed people and 77% of the target for economically inactive people has been achieved.

For the gap funding period 4 options have been considered:

1. Do nothing
2. Continue current EU funding levels
3. Transition to the new model in the gap funded period
4. Move to UKSPF model from start of gap fund period

An independent value for money appraisal has been completed by Mickledore in February 2023 demonstrates that, while option 2 presents the best value for money (5.7), it is also the most expensive option and is not viable to take forward. This option also does not account for a transition into the new UKSPF model.

Option 3 is the preferred option as it still demonstrates good value for money (4.8) but is also the most pragmatic given the timing of the reshaping work and the notice required to implement any staffing changes. A summary of the economic appraisal can be found in Appendix 5.

Financial Performance

The current programme is contracted for delivery in Liverpool City Council until the end of May 2023 and until the end of September across all other LCR boroughs. The total funding required to maintain Ways to Work at current delivery levels for this period is £5.5m. A breakdown of this is shown in Table 1.

Table 1: Costs to maintain programme until UKSPF available in 2023/24

	Delivery costs*	Overheads**	Participant Costs***	Overall Totals
HBC	£194,896	£29,234	£82,898	£307,028
KMBC	£785,784	£117,868	£262,350	£1,166,002
LCC	£1,650,000	£247,500	£361,429	£2,258,929
SHBC	£239,313	£35,897	£60,412	£335,622
SMBC	£390,000	£58,500	£39,000	£487,500
WBC	£712,000	£19,800	£212,458	£944,258
CA	£36,425	£5,464	n/a	£41,888
Total	£4,008,418	£514,263	£1,018,546.57	£5,541,227

**Delivery costs based on current salary and contract costs for Wirral*

***Overheads calculated as ESF rate of 15% of salary costs*

****Participant costs based on current % in contract that partners are able to use for this*

The Ways to Work programme is currently contracted to deliver £80.3m of funding from. This funding is made up of £54.3m from ESF and YEI grant funding, delivered through DWP, and £26m matching funding from the Local Authorities. The intervention rate for each LA will have varied, but across the whole programme LA's have committed to a 32% match against the EU funding.

In order to maintain a level of provision until UKSPF funding becomes available it is proposed that the CA provided funding to cover delivery costs and overheads, totalling £4,522,681. This funding amount provides circa 81% of the funding required for the programme. This quantum of funding also aligned with the equivalent level of UKSPF funding available for the programme is 2024/25, as detailed in Table 2.

Table 2: ESF funding comparison with UKSPF funding

Funding source	Approx. annual programme Costs	Available UKSPF funding for 2024/25	UKSPF available if LA match provided at 24%
Halton	£2,332,004	£579,626	£718,736
Knowsley	£2,710,714	£746,811	£926,046
Liverpool	£671,243	£2,442,971	£3,029,283
St Helens	£975,000	£897,794	£1,113,264
Sefton	£1,888,516	£1,236,584	£1,533,364
Wirral	£614,056	£1,461,216	£1,811,908
Prog. management	£83,777	£135,000	£135,000
Total	£9,275,311	£7,500,000	£9,267,600

It should be noted by panel that the approximate annual programme costs include match contributions from the LAs. Confirmation from the LAs of match funding from the LA's for UKSPF has yet to be agreed. However, it is noted that as LA's have already had budgets agreed for 2023/24, match funding for the gap funding is unlikely.

The other key point to note is that the impact of the changing funding regime impacts each of the LAs to varying degrees. This is due to the difference in methodology being used to calculate LA allocations under ESF and UKSPF. The investment team will present details information to the UKSPF programme board, CEXs and Leaders and Mayors to agree how the breakdown in funding for each LA during the gap funding period.

Deliverability

As the programme has been running since 2016, the LAs have established teams, delivery partners and processes that can be adapted in order to support the refocused programme to align with UKSPF. The programme currently has an established 5-stage service to support participants, as is detailed in Appendix 1. This is likely to remain core to the service provided by the Local Authorities, although with some adaptations that will build upon these existing practices.

The Ways to Work programme is delivered internally by Ways to Work teams within each LA, with the exception of Wirral who contract their delivery to community organisations, Involve Northwest and Careers Connect. The contract with Career Connect is due to end in line with the end of ESF funding (September 2023), whilst the Involve Northwest contract has a break clause in place at April 2024, with continuation dependent on funding.

Organisation charts showing the current staffing levels for each Local Authority are provided in Appendix 6 and summarised in Table 3 below. The impact on staffing numbers over the gap funding period and for delivery under UKSPF are not yet fully understood, as Local Authority splits have not yet been confirmed, as detailed above. An ongoing strand of the reshaping work during the gap period will be understanding the impact of the transition on staffing numbers.

Table 3: Current staffing levels on the Ways to Work programme per LA

Local Authority	Delivery	Current number of staff	Vacant posts
Halton	Internal	12	4

Knowsley	Internal	38	5
Liverpool	Internal	47	0
Sefton	Internal	25	1
St Helens	Internal	14	2
Wirral	Contracted	7	0
Total		143	12

To understand the delivery implications relating to transition to UKSPF, the Investment Team has held consultations with officers from each Local Authority. Local Authorities flagged the key dependencies that will determine the impact of the transition of the programme as:

- The definition of 'economically inactive' and how much flexibility there is with the definition. Staffing levels are determined by the size of target groups, and the size of the target group will be determined by how economically inactive is defined.
- Associated risks of the reduced scope – multiple Local Authorities noted the reputational risks that may come if teams have to turn clients away as they are classed as 'unemployed' rather than 'economically inactive'.
- Monitoring and evaluation requirements – reshaped delivery models will be determined by the agreed outputs and outcomes of the programme under UKSPF, and the associated monitoring and evaluation requirements.

Once the new principles and preferred option for delivery under UKSPF have been agreed, the Local Authorities will be asked to develop and agree their own delivery plans. The plans will need to include detail on how they will transition to the new UKSPF model over the gap funding period and what the impact of this will be locally. A workplan showing the proposed development activity for both the Households into Work and Ways to Work programmes can be found in Appendix 7. An indicative timeline is shown in Table 4.

The Employment and Skills Officers Group has been actively engaged with the CA on the development of the UKSPF Investment Plan. To ensure the reshaping work is pushed forward throughout the gap funding period, this group will now meet fortnightly. CA officers will also provide policy and programme to help meet the challenging timescales for this work.

Further to the regular fortnightly meetings, separate targeted workshops will take place to work through the key dependencies flagged by the Local Authorities in the consultations, to work through the detail and enable thorough discussion. DWP have also advised that, since national programmes are also due to end in September 2023, further announcements on the continuation of intensive employment support are expected. The LCR's regional DWP representative has offered their support with the reshaping of the programme, to reduce the risk of any duplication of provision, given the changing national policy landscape.

Table 4: Indicative timescales

Reshaping work begins	Jan 2023
Internal Panel	2 nd February 2023
Investment Panel	23 rd February 2023
CA to consider Programme Funding request	3 rd March 2023
LAs to work up delivery arrangements	March 2023 – September 2023

LA plans to be agreed with the CA for mobilisation	July 2023
CA to submit plans for large scale recruitment element of programme to DLUHC for approval	July 2023
Acceptance of SIF funding by individual Councils	April 2023 – June 2023
LAs start to mobilise plans to transition to new delivery arrangements	September 2023
SIF funding period starts	October 2023
LA arrangements from April 2024 confirmed and UKSPF funding accepted by LAs	December 2023
UKSPF funding period starts	April 2024

Key Risks and Concerns

The most significant risks to the project are as follows:

- **Programme reshaping timescales:** There is a risk that the reshaping of the programme to align with UKSPF and match the reduced funding and remit will 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 CA on the development of the UKSPF investment plan and will now meet fortnightly to ensure that the reshaping work is progressed. CA officers will also provide policy and programme support to help meet the timescales for this work.
- **Uncertainty in relation to LA match funding:** LA have yet to confirm their positions in relation to match funding for the wider UKSPF programme and therefore it is unclear the staffing impact in relation to UKSPF is likely to be, further details on this is unlikely to be known until the wider reshaping work is complete.
- **Political risk:** There is a political risk associated with the programme no longer being able to offer a 'universal' service, and potentially having to turn those classed as unemployed away resulting in reputational damage. This was flagged by a number of Local Authorities, particularly those who offer a 'shop front' drop-in offer in the community.
- **Delivery risk:** Wirral contract their delivery to two community organisations, Involve Northwest and Career Connect. Whilst Career Connect's contract is due to finish in line with ESF funding (September 2023), Involve Northwest's is longer-term, with a break clause in April 2024 and continuation dependent on funding. This means any changes to the delivery of the programme throughout the gap funding period that are deemed to be a material change to the contract will require Wirral to reprocure the contractor, creating potential delays in delivery.

A full risk register for the current Ways to Work programme can be found in Appendix 8.

Summary of Considerations for the Investment Panel

The programme is well established and, despite regional gains and changing national policy, there is still a need for the Ways to Work programme to continue, albeit refocused and refreshed.

Existing delivery structures and teams will be used, however, they may need to adjust their delivery models and practices to ensure the programme fits within the requirements of UKSPF. The CA will provide some leadership and project management support to LAs through this process.

The Investment Team note that the change in funding regime will create challenges for the amount of delivery in each area and will be presented to senior LA officers for consideration. Although there is no formal requirement within UKSPF for match funding, the LA's would need to provide circa 24% match to get to the equivalent programme size for 2023/24. This is less match than LAs would have contributed under ESF.

Recommendations

The Investment Team recommends that the external panel provided endorsement to the CA subject to the following conditions:

- LAs provide the CA with a delivery plan for how they will transition to the new UKSPF funding regime over the next 12 months.
- The methodology for the allocation of the funding is agreed by senior LA officers and Leaders and Mayors.

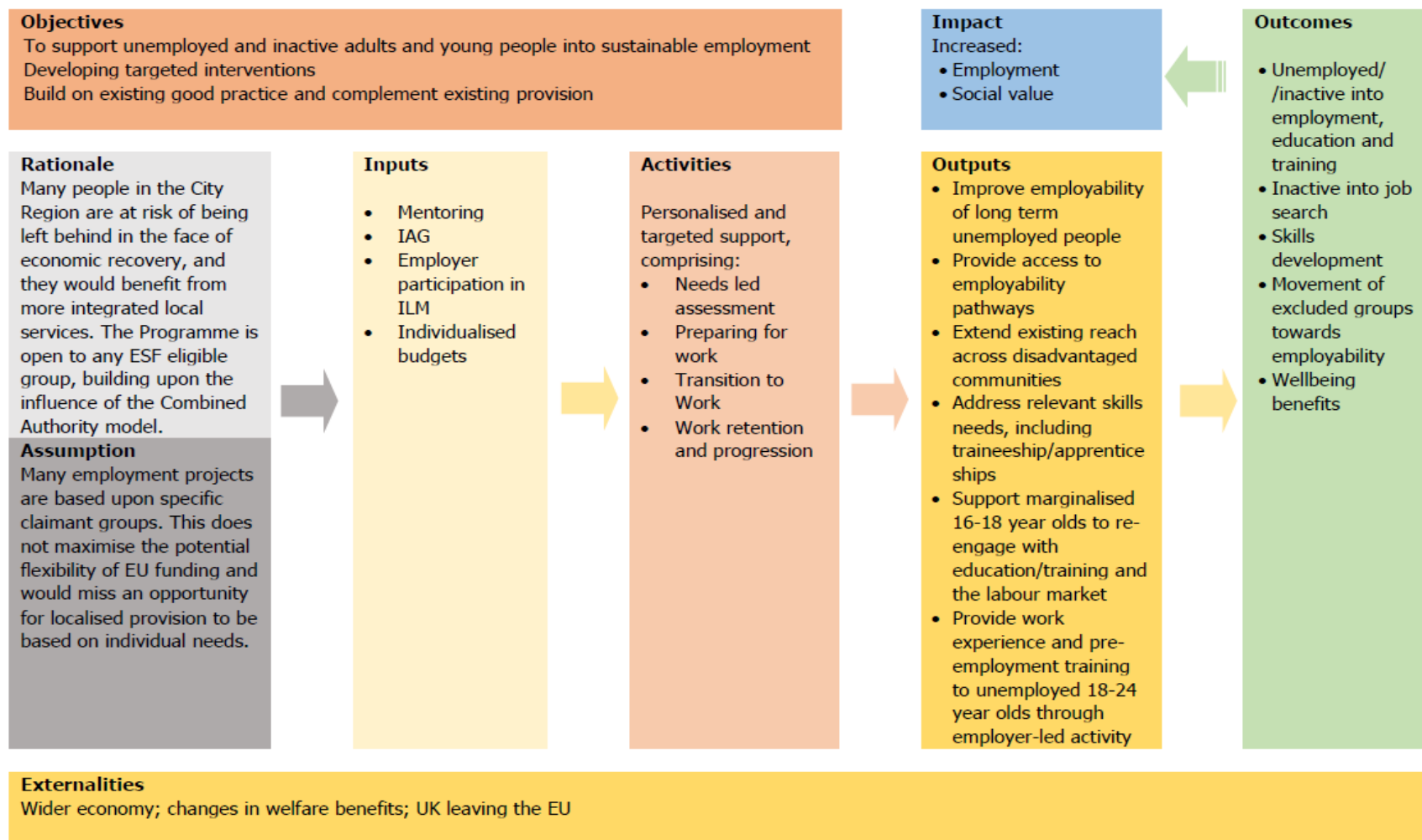
Appendix List

1. Current Ways to Work programme stages of support
2. Logic model for the current Ways to Work programme
3. Change requests where value for money on the programme was reassessed
4. Summary of current programme performance
5. Summary of Mickledore Appraisal
6. Local Authority Ways to Work organisation charts
7. Employment support proposed development activity workplan
8. Summary of key risks for the current Ways to Work programme

Appendix 1: Ways to Work – Stages of Support

Stage	Description
1. Engagement with Participants	There are 3 primary routes into the programme: <ul style="list-style-type: none"> • Self-referral or referral from mainstream provision • Public sector service referrals
2. Needs Led Assessment	Use Workstar diagnostic tool to assess individual needs and develop an action plan. This may include accessing funding to overcome practical barriers to employment
3. Preparing for Work Stage	Participants progress through agreed interventions with ongoing and regular support from their advisor. The advisor has access to a personal budget to cover the participants' eligible expenses
4. Transition to Work	More intensive support to get participants ready for going back to work and landing an employment offer. This includes intensive work search, Intermediate Labour Market* support access to Employability Fund, Employer Advocacy and work trials.
5. In-Work Retention and Progression	Advisors work with the participants and employers to track and monitor progress. The advisor's role here is to identify early warning signs of participants falling back into worklessness and skills support and development. This support is available for up to 12 months.
*The Intermediate Labour Market offer placements as part of the programme that supports participants and employers to take them on. These placements are paid and typically last between 26-52 weeks.	

Appendix 2: Logic model for the current Ways to Work programme



Appendix 3: Change requests where value for money on the programme was reassessed

Change Request Submitted in:	Result of Request:
Jan 2019	Project was awarded additional funds to increase the value to £48.8m and to extend delivery until June 2019.
Oct 2019	Project was awarded additional funds to increase the value to £58.7m and to extend delivery until June 2021.
June 2020	Project was awarded additional funds to increase the value to £64.3m.
July 2021	Project was awarded additional funds to increase the value to £83.4m and to extend delivery until September 2023.
Oct 2022	Project request was accepted to reduce overall project value to £80.3m. The request included a reduction in grant for the More Developed area only (Halton), due to them no longer requiring all of the money they originally requested.

Appendix 4: Summary of current programme performance

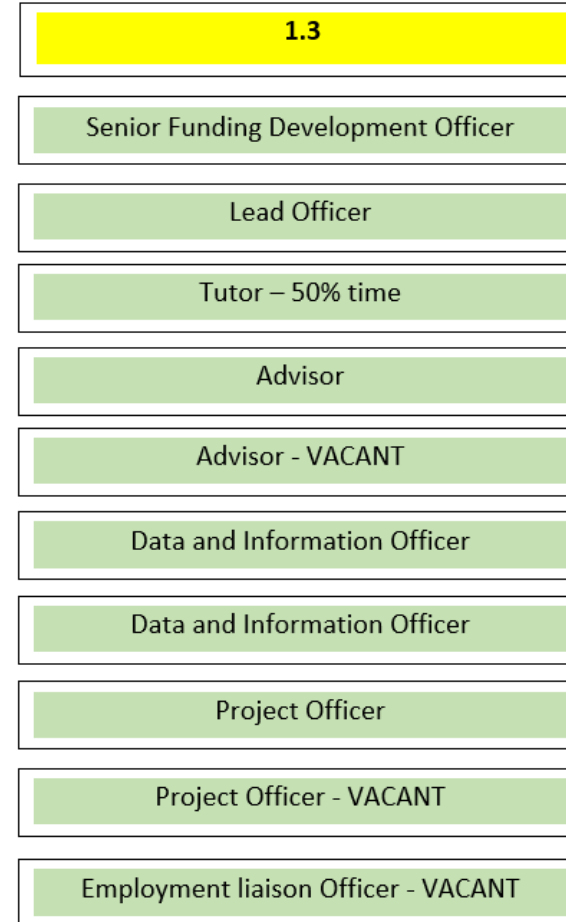
Current Programme Performance			
<ul style="list-style-type: none"> An independent evaluation to June 2018 was conducted by Centrifuge Consulting in December 2018. The project found that <i>“the project made a significant impact on the lives of the many people it supported, helping them to change their circumstances and build their confidence and self-esteem, improve their mental health and access employment opportunities”</i>. At the point of evaluation, it was found that the social return on investment was over £200m, with a final social impact of £4.85 for every £1 spent on the project. The cost per person into work was recorded at £4,581. Performance against programme targets are summarised below. 			
Output	Total (Jan 2016 – Dec 2022)	Programme target (to Sep 2023)	% achieved
Unemployed into employment, training or education on leaving	10,696	11,930	90%
Inactive into employment, training or education on leaving	3,603	4,689	77%
<ul style="list-style-type: none"> This shows that, with 9 months remaining on the programme, 90% of the target for unemployed people and 77% of the target for economically inactive people has been achieved. 			
Recommended improvements			
<ul style="list-style-type: none"> The evaluation included a number of recommended improvements to the programme, as follows: <ul style="list-style-type: none"> Establishing a consistent and comprehensive approach to evidencing distance travelled through a shared participant assessment tool and associated CRM/database. Improvement of staff awareness of support available, including part-time ILM and follow-through support for those entering employment. A consistent approach to mental health and wellbeing support. Following evaluation, Local Authority teams acted upon these recommendations in a number of ways to ensure a more consistent and effective offer across the region. This was done through integrating the programme more effectively with other support offered by LAs. Local Authorities reported that, following the Covid-19 pandemic, there has been an increased number of clients requiring mental health and wellbeing support in addition to the support offered through the programme. A number of boroughs now include a mental health worker as part of the Ways to Work delivery team to address this or refer clients to other support services. 			

Appendix 5: Summary of Mickledore Economic Appraisal

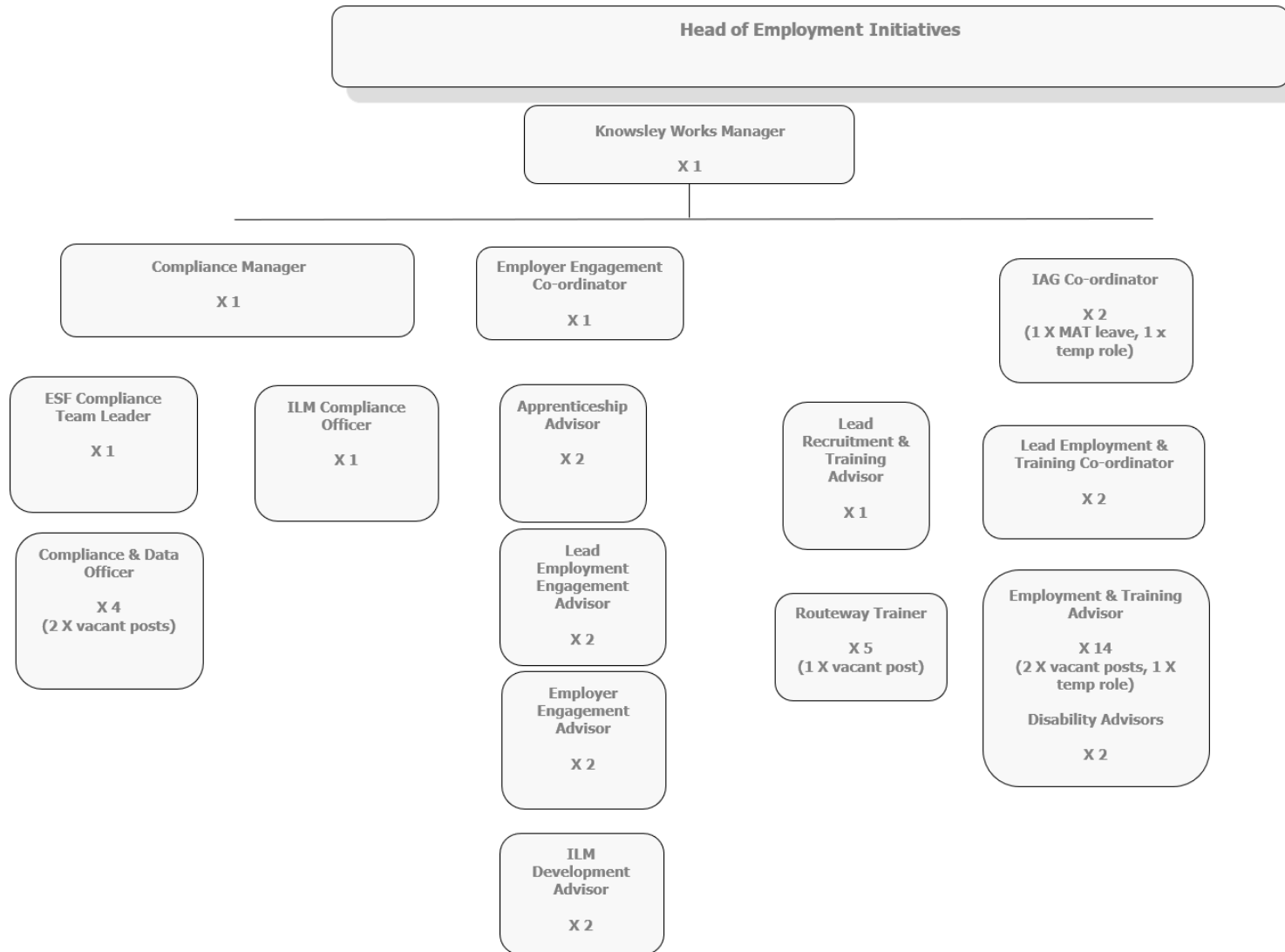
	Continue current EU funding levels	Transition to the new model in the gap funded period (preferred option)	Move to UKSPF model from start of gap fund period
Employment	1315	936.1	583.1
Total cost	-£5,541,227	-£4,552,680	-£4,572,616
GVA from employment creation	£34,965,043.38	£24,890,396.08	£15,504,613.55
Total	£29,423,816.38	£20,337,716.08	£10,931,997.55
Discount rate	3.50%	3.50%	3.50%
NPV costs	-£5,353,842.51	-£4,398,724.64	-£4,417,986.47
NPV savings	£33,117,080.78	£24,048,691.86	£14,980,302.95
BCR	6.2	5.5	3.4
BCR after optimism	5.6	4.9	3.1

Appendix 6: Local Authority Ways to Work organisation charts

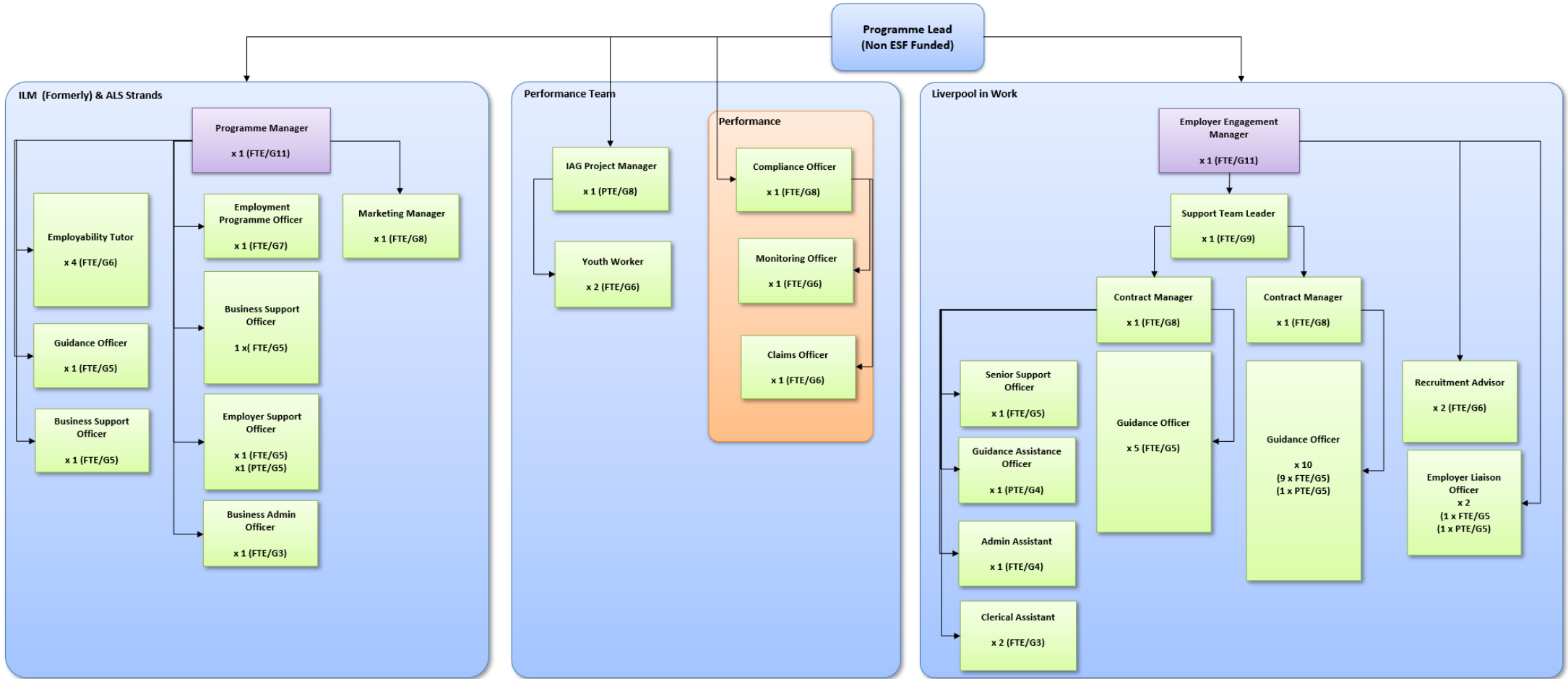
Halton Borough Council – February 2023



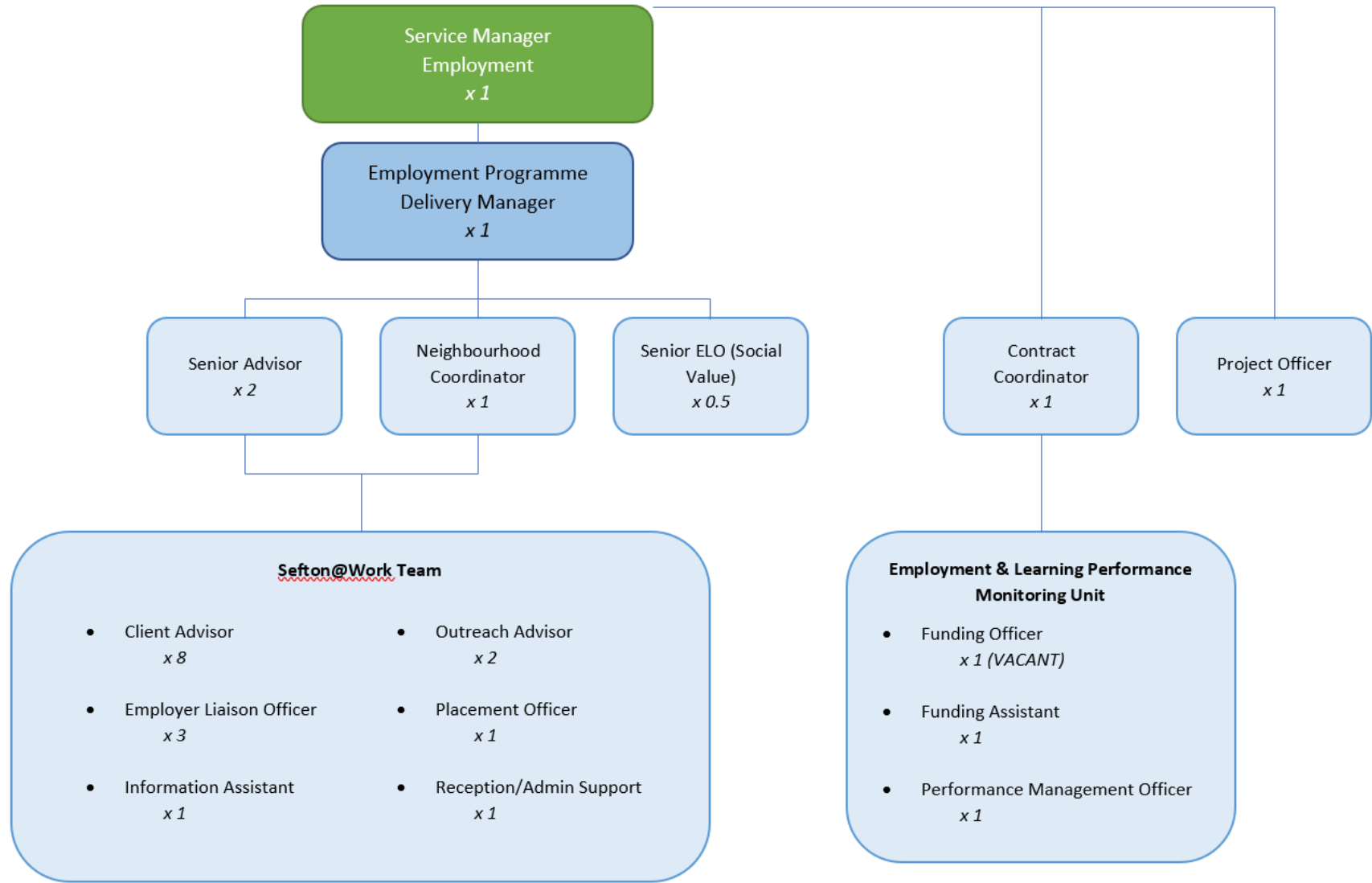
Knowsley Metropolitan Borough Council – February 2022



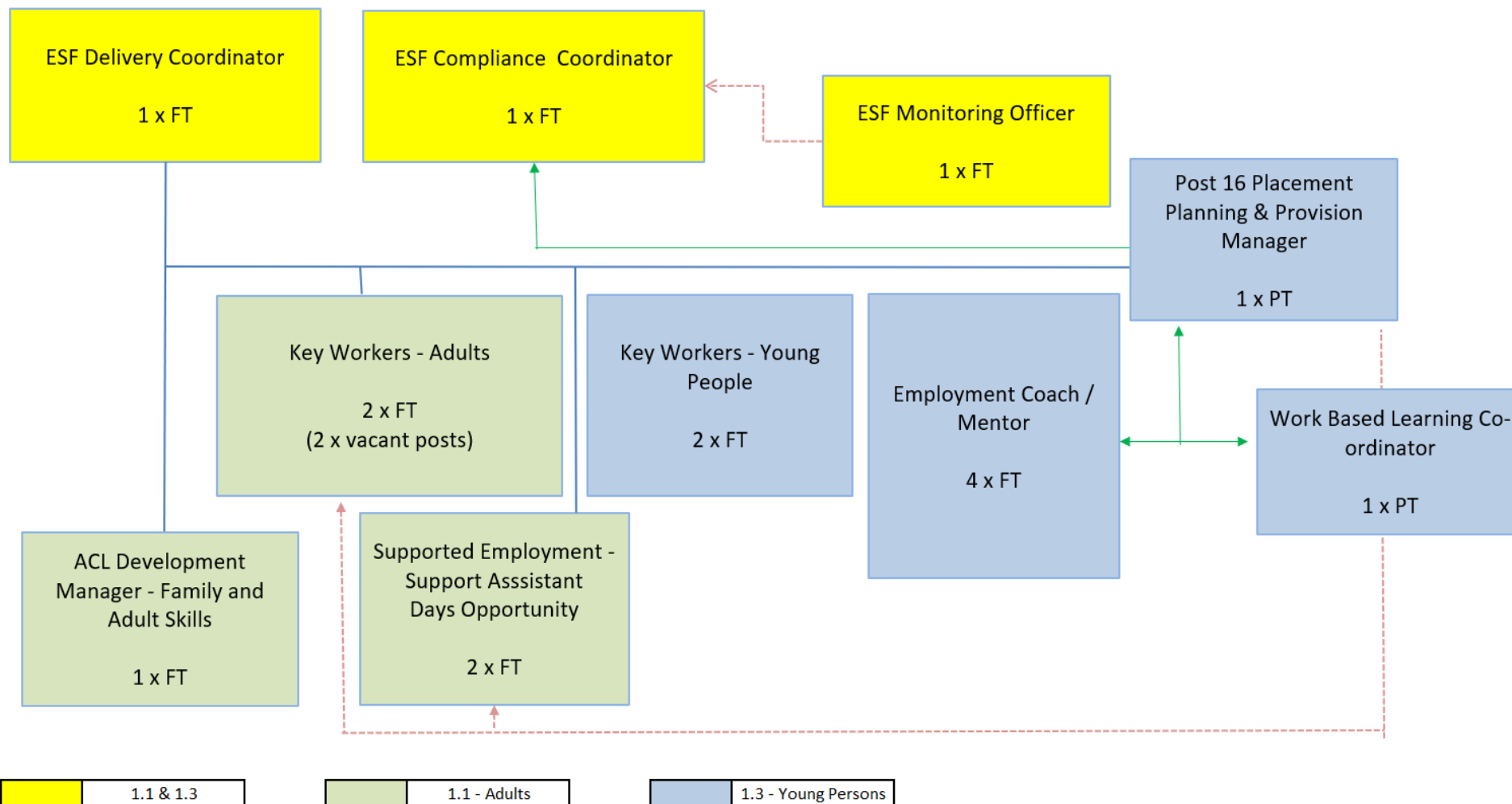
Liverpool City Council – February 2023



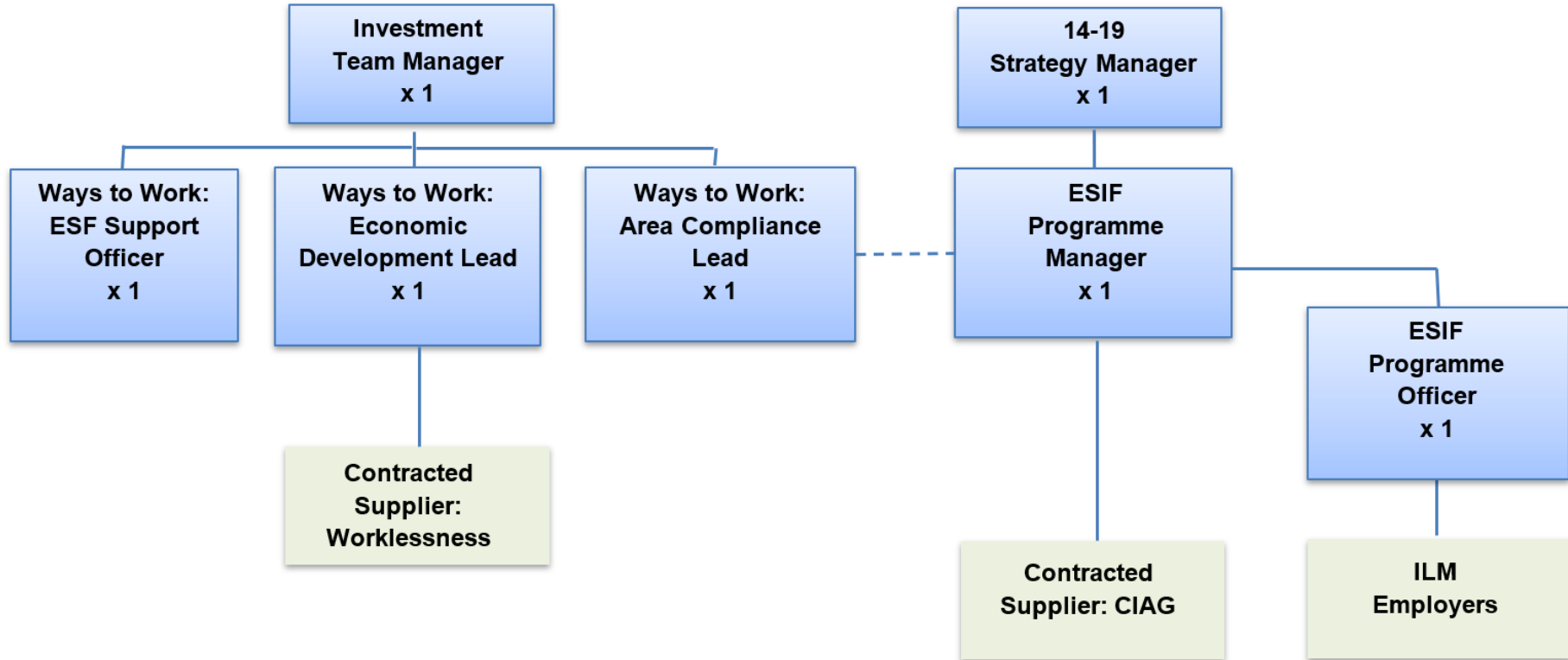
Sefton Metropolitan Borough Council – May 2022



St Helens Borough Council – February 2023



Wirral Borough Council – February 2023



Appendix 7: Employment support proposed development activity

Activity		Comments
Project objectives	February to March 2023	The future focus for the Ways to Work and Households into Work programmes for 2024/25 (funded by UKSPF) - Critical Success Factors Principles of agreement of reshaping SIF and UKSPF Allocation split agreement
Programme Co-design	March to May 2023	Consideration and review of options Engagement with staff and service users Development of detailed design (includes sessions on objectives and economic inactivity) Preferred way forward identified
Economic Appraisal of options	March 2023 to May 2023	Value for money of the preferred way forward, counterfactual case and other options Non-monetary benefits considerations
Determination of recommended option	June 2023	Discussions around preferred option at various relevant forums, TBD but will include ELT, UKSPF programme board, CEXs and Metro Mayor, Leaders and Mayors. Information presented on deliverability, value for money, risk and other relevant factors
Options appraisal decision	June 2023	Decision to be taken on the preferred option
UKSPF Delivery Plans	June 2023 – Aug 2023	Delivery plans developed by each of the LA, including details on how transition to UKSPF will be managed
Start to move to transition arrangements	October 2023*	SIF Gap funding. LCC alternative arrangements June 2023 <i>*Noting LCC are working to different dates, so a separate approach needs to be agreed for their gap funding period of June 2023 – September 2023</i>
UKSPF arrangements	April 2024	Move to UKSPF funding and governance arrangements

Appendix 8: Summary of key risks for the current Ways to Work programme

Risk	Probability & Impact	Potential Mitigation
Inadequate involvement of critical stakeholders.	Probability: Low Impact: Medium	High level endorsement of Liverpool City Region Ways to Work Programme already secured at Combined Authority level. Use appropriate representative governance structures and regularly review membership. Any issues will be escalated to Combined Authority.
Inadequate management capacity.	Probability: Low Impact: High	Extensive previous experience of managing EU and other Government funded programmes across the Combined Authority. Periodically review management performance and demands.
Ineligible activities proposed and/or not followed; Activity and expenditure is not eligible; Clawback from Funding Body.	Probability: Low Impact: High	Marketing and information campaign in place. Clear specification of required skills and capacity during procurement process; Requirement of evidence of capabilities/skills forms part of assessment.
Other successful partners/projects through open calls and opt-ins do not complement the Liverpool City Region Ways to Work Programme; Communication issues between other partners/contractors; Potential impact on reputation; inefficiency/duplication; fewer beneficiaries, outputs, results.	Probability: Medium Impact: Medium	Relevant partners invited to working groups to share best practice, ways of working together and avoiding duplication. Good working relations between partners and providers already in place Retain flexibility in contracting to allow for adjustments. Regularly review position and routinely include contingency plans where outcomes are uncertain.
Lack of delivery capacity.	Probability: Low Impact: Medium	Assess delivery capacity as part of annual work planning.
Overall failure to achieve outputs.	Probability: Low Impact: High	Project outputs and results have been calculated against a robust evidence base strengthened by extensive local delivery experience to inform the development of challenging but achievable targets to meet local demand. Deploy appropriate and sufficient contract management systems; ensure expectations and sanctions fully spelled out to providers. Regular performance reviews at the Performance Board – identifying output issues early and addressing them as a partnership.
Failure to meet spending profile.	Probability: Medium Impact: Medium	Approach realistically, learning from typical issues with earlier programmes. Continual monitoring and inclusion of ways to solve all contract management systems and training. Regular performance and spend reviews at the Performance Board – identifying spend issues early and addressing them as a partnership.
Fraud, bankruptcy or misconduct amongst providers.	Probability: Low Impact: High	Early risk assessment at key stage in procurement and contract management. Regular auditing and targeted intervention where issues suspected.

Match Funding may be reduced as City Region partners' savings; Potentially leading to reduced project size, early termination of project, potential clawback of funding; damage reputation.	Probability: Low Impact: Medium	Stringent due diligence pre-application to risk assess match provision expectations. Identify additional or substitute provision where problems identified. Public Match Funding Certificate will be signed by the Combined Authority Section 151 Officer. Ensure auditing and monitoring systems fully explained and their use monitored. Throughout lifetime of the project, keep Chief Officers Management Team and Executive Board fully up to date with progress and outcomes. Embed project within the strategic employment and skills governance structures within the City Region.
Inadequate monitoring systems.	Probability: Low Impact: Medium	Extensive previous experience of managing EU and Government funded programmes across the Combined Authority, with effective systems already in place. Compliance and monitoring team with sufficient capacity up and running prior to the start of project delivery. Regular project reviews with delivery partners and contractors.
Ineligibilities or problems with audit.	Probability: Medium Impact: High	Early and regular risk assessments. Full training and information to programme managers and providers. Compliance checks and visits to partners programmed throughout the project.
Inability to recruit/deploy appropriate staffing resources.	Probability: Low Impact: Medium	Experienced staff already in place to commence delivery. Early recruitment prior to project delivery. Monitor needs and assess capacity across City Region Partners. Make training available as necessary and cost into proposal.
Changes of Project Management, Senior Management; Impact upon project management; May result in clawback from Managing Authority; damage reputation.	Probability: Low Impact: High	Throughout the lifetime of the project - report quarterly via Performance Board providing updates on project progress, achievements, outcomes and results and future spend.
Existing staff leaving project before the project ends; As contracts come to an end staff look for more secure employment elsewhere; Liaison and partnership may be adversely affected; Close of project incomplete due to lack of resources.	Probability: Medium Impact: Medium	Identify staff capacity issues in advance by regular performance review. Effective recruitment policies in place.
Changes to Government Policies; impacts on local policies and priorities.	Probability: Low Impact: High	Keep up to date with National Government policy changes, retain flexibility to respond to changing contexts – local or national.
ICT failure.	Probability: Low Impact: High	Regularly monitor and identify emerging problems and solutions. Identify contingency options for critical infrastructure.