

REPORT TO: Employment, Learning & Skills and Community Policy & Performance Board

DATE: 21 November 2016

REPORTING OFFICER: Strategic Director – Enterprise, Community and Resources

PORTFOLIO: Economic Development

SUBJECT: ESF Ways to Work Project

WARD(S) Borough-wide

1. **PURPOSE OF THE REPORT**

To update members on the Combined Authority ESF Ways to Work contract.

2. **RECOMMENDATION: That Members welcome the progress made to date and support the growth and development of the Ways to Work project.**

3. **SUPPORTING INFORMATION**

- 3.1 The Ways to Work project is co-financed by the European Union. It is a project being delivered across the Liverpool City region by the 6 local authorities. The project has a value of £42 million over 3 years and Halton's allocation is worth £3.3 million. The Project commenced January 2016 and ends December 2018. The Ways to Work project is one of a suite of projects currently being funded through the European Union. Appendix 1 provides further details on these.
- 3.2 The aim of the Ways to Work project is to provide an individualised approach to supporting residents in overcoming barriers to employment through a broad range of interventions. The project is designed to provide support for residents furthest away from employment such as care leavers, young offenders, those with long term health issues and low levels of literacy.
- 3.3 The main eligibility criteria are: the customer is a Halton resident; is legally able to work in the UK; over 16 years old and is unemployed. Within the programme participants are generally divided into two groups: young people (up to 29 years of age; and adults (aged over 30).
- 3.4 Ways to Work builds on the existing practice of the Employment and Careers Team in the provision of Information, Advice and Guidance, and the Adult Learning Service in providing training opportunities in areas such as basic skills and IT support. The project also delivers additionality over existing practice by supporting a specialised coaching and mentoring service specifically for 16-18 year olds and Intermediate Labour Market placements (ILMs) for all age residents. ILMs are funded employment opportunities to incentivise employers

to create opportunities for residents that have traditionally faced barriers to employment. The initial proposal was that 90 ILM placements were to be offered in Halton (with 720 in total across the city region).

3.5 The outputs of the project are based on the outcomes of Halton residents as a result of their engagement with Ways to Work, for example:

- the number of residents who were long term unemployed who are in employment, training or education after leaving the project, and
- participants who are in employment 6 months after leaving.

3.6 Table 1 below provides a breakdown of the activity to date (end October 2016). Several targets for Halton for 2016 are listed. Please note that the 2016 target is presented to provide a general overview. There are different targets depending on whether the resident is registered in the 16-29 NEET or 29 plus age categories. A more detailed breakdown of targets is available upon request.

Table 1

Resident Category	Total (to end October 2016)	2016 target (to end December 2016)
Total Number of registrations	201	358
Male	128	207
Female	73	151
Over 25	14	N/A
Over 50	1	20
Ethnic minority	4	25
Number lacking basic skills	35	N/A
Unemployed	143	247
Long term unemployed	58	68
Residents with Dependent children	7	14
Disability/long term health condition	34	35
Resident in Runcorn	135	N/A
Resident in Widnes	66	N/A

3.7 The original targets set were based on the project starting in January 2016. Due to the late reception of the Ways to Work contract from DWP the Liverpool City Region as a whole is currently behind profile. In Halton the contract delay meant that staff recruitment to the Ways to Work project was also delayed with many of the team only beginning their roles at the end of August 2016. With staff now in post, activity is increasing and the capacity is now in place to increase referrals and outputs. The targets for Halton and Liverpool City Region are subject to change as a reflection of the current activity. This means that certain targets can

be altered through a 'change control' process where justification of the required alteration is provided by the Combined Authority. To date, 2 Change Controls have been submitted to the DWP for authorisation.

3.8 The referral process is a key component of Ways to Work. A resident can initiate their own contact with the project but it is also important that other organisations are aware of Ways to Work so that residents can be directed to the project. Information about the project is circulated to local network groups like the Halton Employment Partnership and directly to contacts within referral organisations. Staff schedule regular attendance at key referral organisations (such as Job Centre Plus offices in Runcorn and Widnes) in order to increase the number of referrals from other organisations.

3.9 Ways to Work Marketing plans include:

- Dedicated online presence
- Presence in Widnes/Runcorn retail areas incorporating manned displays, posters and advertising on local public transport
- Newsletter creation to keep information circulated to local press and Halton websites (e.g. social media groups, HBC sites, community groups) up to date with information about how residents and local businesses have benefited
- Attendance at Business networking events (e.g. First Tuesday at the HCC, the recent Halton Business Fair etc.) to increase awareness of ILM opportunities

To host an ILM an organisation must primarily be an SME and preferably located in Halton. The organisation must have an annual turnover of less than €50 million and have received less than €200,000 in State Aid over the last three years. Table 2 gives some details of the current ILM placements.

Table 2

Employer	Location	Runcorn/ Widnes	Job Role	Number of hours per week	Number of weeks	Training
Adam Lythgoe Estates	Gorse Lane	Widnes	Administrator	35	26	
Beechwood Community Centre	Beechwood	Runcorn	Café Assistant	35	52	
Beechwood Community Centre	Beechwood	Runcorn	Café Assistant	20	52	Lifeguard course
Beechwood Community Centre	Beechwood	Runcorn	Café Assistant	35	52	

Derbyshire & Sons	Marshgate	Widnes	Machine Operator	35	26	
Dunkys Day Nursery	Weston Point	Runcorn	Nursery Assistant	35	26	NVQ3 Childcare
Dunkys Day Nursery	Widnes	Widnes	Nursery Assistant	35	26	
E-Scape	Preston-on-the Hill	Runcorn/Widnes	Basis Off Road Assistant	35	52	
E-Scape	Preston-on-the Hill	Runcorn/Widnes	Basis Off Road Assistant	35	26	
Espositos	The Heath Park	Runcorn	Café Assistant	35	26	
Halton & St Helens Voluntary & Community Action	Foundry Lane	Widnes	Receptionist/Admin	35	52	
Halton CAB	Foundry Lane	Widnes	Receptionist/Admin	35	26	In House programme
Halton CAB	Foundry Lane	Widnes	Receptionist/Admin	35	26	
Halton CAB	Foundry Lane	Widnes	Trainee Advisor	35	52	
Halton Play Council	Mersey Road	Runcorn	Retail Assistant	30.5	26	
Loose Studio	Widnes	Widnes	Media/General Assistant	35	26	
MAKO	Widnes Road	Widnes	Media	35	26	
Norton Priory Museum	Norton Priory	Runcorn	Trainee Gardener	35	26	

3.10 Interest in ILM placements is growing and there are currently an additional 15 applications going through the validation process, including within Halton Borough Council.

- 3.11 Contact details for Halton residents (including referrals from other organisations) w2wreferrals@halton.gov.uk / 0151 511 7555

ILM queries: ILMS@halton.gov.uk

Ways to Work Manager: Michael Harley - michael.harley@halton.gov.uk / 0151 511 7414

4. **POLICY IMPLICATIONS**

- 4.1 Existing Welfare to Work programmes are available in Halton, specifically the DWP Work Programme, of which the Employment, Learning & Skills Division delivers 75% within Halton. The Work Programme contracts is a mandatory programme and has very challenging targets so careful management of both the Work Programme and Ways to Work project will be necessary in order to maximise outputs and results for both. Work Programme clients can access the various interventions offered through Ways to Work but Ways to Work must not duplicate any interventions that are already available in the Combined Authority.

5. **OTHER/FINANCIAL IMPLICATIONS**

- 5.1 The Ways to Work project brings a potential investment of £3.3m into the borough upon the successful achievement of outputs and results. Successful delivery of the project would place Halton (and the rest of the Combined Authority) in a very good position for the next round of ESF Access to Work funding, should this become available.

6. **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

Children & Young People in Halton

Residents from age 16 who are not in employment are eligible for the Ways to Work project. The 14-19 Team have responsibility for the Coaching & Mentoring element of the Ways to Work project.

Employment, Learning & Skills in Halton

The Ways to Work project focuses on upskilling residents to obtain sustainable work placements and employment.

A Healthy Halton

It is expected that referrals into and from the Ways to Work project will include health agencies and individuals with health related worklessness.

A Safer Halton

N/A

Halton's Urban Renewal

N/A

7. **RISK ANALYSIS**

The match funding for the project has been identified and there is confidence that the outputs and results will be achieved. As such we feel there are no significant risks arising from this project.

8. **EQUALITY AND DIVERSITY ISSUES**

The report seeks to promote equality of access in regard to how the Borough's young people and adults are supported in their journey to sustainable employment.

9. **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None.

Appendix 1

European Structural and Investment Funds 2014-2020 Programme Update

Background to development of ESIF, structures and decision making

The Government are the Managing Authority for the ESIF Programme in England, however it put in place a mechanism for sub-regional allocations and advice on decision making via Local Enterprise Partnership (LEP) area geographies.

The ESIF Programme primarily covers the European Regional Development Fund (ERDF) and European Social Fund (ESF) grant schemes. The funds have been allocated notionally, with Liverpool City Region (LCR) receiving €221.9m (circa £185m). Halton as a 'More Developed' area will receive a notional allocation of £16.9m. LCR will also receive £22.2m from the Youth Employment Initiative Fund which aims to help young people aged 16 to 29 years find work and will be matched by an equal amount from the European Social Fund.

Halton Projects

Liverpool City Region Integrated Business Support Programme (LCRIBS)

HBC is part of project along with a consortium of LCR Partners for the 'LCRIBS' Project that will provide free business support to businesses who are at an early stage of development. The CA is the accountable body for the project but delivery varies by LA area depending on Chamber/LA/other body relationships. The total amount of ERDF allocated is £2.7m, with HBC accessing £230k of this for the three year project. The GFA has been issued to this project therefore the government are legally committed to this project. Project delivery has commenced in Halton after recruitment and procurement processes was completed in March. The project has already received enquiries from 93 businesses, of these, 42 have completed the Diagnostic Support stage and are now receiving further specialist support.

Ways to Work Programme

HBC is part of a project with a consortia made up of all six Local Authorities and Merseytravel for the 'Ways to Work' Programme, which is designed to **help people of all ages into work**. It extends the current Youth Employment Gateway provision to support young people with advice and mentoring, with some accessing Intermediate Labour Market opportunities. The CA is the accountable body for the project but each LA delivers through numerous Council staff that have been employed using these funds. The total amount of ESF allocated is £29.5m, with HBC accessing £2.1m for the three year project. The GFA has been issued to this project therefore Government are legally committed to this project. Project delivery commenced in Halton in January 2016 and is now supporting up to 201 local residents.

New Markets 2

This is a business support programme for more developed businesses to help them access new market opportunities by using specialist consultants for activities such as marketing etc. This project will draw down £5.6m of ERDF for a

range of delivery bodies across the City Region including Sci-Tech Daresbury.

Place Marketing for Investment

HBC are part of a consortium project with the LCR LEP as the lead applicant and the Combined Authority as the Accountable Body. The project would assist the City Region promote itself to attract inward investment etc. and is still in appraisal so not yet approved. If the project is approved HBC will provide cash match up to the value of £25k each year, for a three year period.

Include IT-Mersey

HBC are also part of a LCR wide consortium bid with VOLA who are the lead applicant for a Digital Inclusion Project through the Big Lottery Fund Building Better Opportunities call. BLF are an 'Opt In' provider of the European Social Fund who have recently released two calls; 'Digital Inclusion' and 'Financial Inclusion'. The total amount of funding available is £1.6m for Digital and £2.5m for Financial. The 1st stage application, submitted by VOLA, has been successful and have now been invited to submit a 2nd stage application by November. HBC are working closely with VOLA to put a quality bid together. If successful the project commencement would be March 2017.

Autumn Statement

The Government issued a statement regarding EU funding on Saturday 13 August, following the EU referendum in June. The Treasury Statement has now confirmed that all ESIF projects with a GFA signed prior to the autumn statement will be fully funded. Further details on projects signed after this are being put in place, but is likely to include a stronger focus on Value for Money and alignment with domestic policy priorities.

Also included in the statement, was a commitment to fund R&D projects beyond the UK's departure from the EU, so a longer term commitment than that provided for ESIF projects.

A joint statement from by the CA and the LEP has been prepared with quotes from Mayor Anderson, Cllr Davies and Asif Hamid. Click [here](#) to view the statement.

This is focused on securing the full commitment from Government to the full ESIF allocation till 2020, so that core city regions (and urban areas) have parity with rural areas. Approximately £102m of the £193m ESIF allocation is now secured and will provide valuable support for our businesses and people through ERDF and ESF projects. It is also understood that Liverpool City Region has a comparatively high proportion of its overall allocation legally committed, compared to many other areas across England.

Negotiations

The outcome of the EU referendum will mean that the UK will leave the EU and is unlikely to be able to access Structural Funds after the date it leaves. Access to other EU funds such as R&D funds will depend on the exit agreement. The process of leaving the EU could take two years. The working assumption therefore is that if the UK was paying into the EU for a further two years it will still

receive its structural fund allocation over that period.

The current position is that Government has not yet provided any guidance on 'what next' as regards EU funding programmes following the EU referendum. Requests have been made by all areas of the UK and officer level discussions have been had, and various statements were made by proponents of the leave campaign suggesting that any end to EU funds would be replaced by Government funds.

The LEP and CA have a suggested position to continue as before on the expectation that all projects will be funded, through whichever route, and we expect influence to be devolved to the City Region as was anticipated.

Update from DCLG

- the line continues to be 'business as usual'
- appraisals of projects (ERDF and ESF) are continuing up to, and including, seeking the advice of ESIF sub committees
- live calls will continue and any outline applications submitted will be appraised
- existing projects (i.e. those with GFAs) will be expected to deliver agreed targets and outputs and continue to be paid; this includes projects with the opt-in organisations which are currently procuring delivery from delivery organisations
- monitoring visits (to ensure compliance) will also continue.

However, the likelihood is that all EU funded delivery will not go beyond 2 years at the latest and Projects are continuing to flow through the application system. The LEP are continuing to develop ERDF call text as planned (the potential for ESF is likely to be less as we have already achieve high levels of commitments).

Impact

There is likely to be an impact on the delivery capacity within the City Region as a number of individuals are employed by EU funded projects, in both the LEP and the CA as well as in local organisations. These EU projects are often fundamental to the city region's growth aspirations.

There is likely to be a serious impact on a number of people employed by EU funded projects. The LEP and CA will work with partners to understand the scale of this, promote other opportunities, seek to minimise loss of delivery capacity, etc. over the 2 year period.