

REPORT TO: Executive Board

DATE: 22 September 2011

REPORTING OFFICER: Strategic Director – Children and Enterprise

SUBJECT: Department of Work and Pensions / European Social Fund Programme for Families with Multiple Problems

WARDS: All

1.0 PURPOSE OF REPORT

1.1 To inform the Board of the progress to date on the development and roll-out of the Department for Work and Pensions(DWP) / European Social Fund (ESF) programme and proposed next actions.

2.0 RECOMMENDED: That the Board endorse and support the actions to date.

3.0 SUPPORTING INFORMATION

3.1 Background to the DWP / ESF Programme

The following information summarises key points relating to this funding:

European Social Fund (England) 2011 – 2013

The Department for Work and Pensions (DWP), as an approved co-financer, has been delivering European Social Fund (ESF) provision since 2007, with current contracts finishing in summer 2011.

A second phase of ESF funding is now available to DWP and the Minister for Employment, Chris Grayling, has agreed this should be used to support workless households and, in particular, families with multiple problems. This is in line with the ESF objectives that DWP operates under, which are:

- Priority 1: extending employment opportunities;
- Priority 4: tackling barriers to employment (Cornwall and Isles of Scilly only).

Families with multiple problems are a priority for the government. In December 2010, the Prime Minister made a commitment to try to turn around every troubled family in the country by 2015. These families have complex needs, the worst outcomes and make significant and costly demands on local services. The second phase of ESF provision is being developed alongside the national roll-out of Community Budgets for families with multiple problems.

Contracts for this provision will be let through the Department's Framework for Employment Related Services. DWP is currently finalising the specification and supporting documentation in readiness for the start of the procurement exercise. They anticipate provision will start in late 2011/early 2012.

The Minister is keen to provide an integrated approach that aligns with other activity across government, including services for families with multiple problems delivered by Local Authorities.

DWP's approach involves Local Authorities being the prime means of identifying those families/households that will benefit from the additional support which will be provided through the contracts that they let. It is expected that families with multiple problems who could benefit from employment focussed support will be prioritised. This could include families that have been stabilised following intensive support from family intervention services. It is a DWP requirement that local arrangements are put in place to ensure alignment with Local Authority support. As part of these arrangements DWP expects providers to work closely with Local Authorities to explore local opportunities and to ensure that their proposals are appropriate for the area.

3.2 How the funding will be targeted

This provision is aimed at individuals in multi generational families with multiple problems that require support to move into employment. Many of these families are already known to and receiving support from local authorities; therefore, local authorities will identify families to participate in this provision.

DWP expects individuals identified for this provision to have significant and/or multiple barriers to work. Therefore the ESF provision will require a whole family approach to tackling the entrenched worklessness and complex need of these families.

To be eligible, families will have to have at least one member on DWP out of work benefits and a history of worklessness in the family.

3.3 The DWP / ESF process

- The process is as follows:
 - DWP has developed a Framework of approved providers (Prime providers, or "primes") which have been invited to bid for the ESF contracts
 - Primes have been allocated regional footprints within which they can operate
 - Primes contact LAs within their regional footprint – not all primes allocated to a region have been or will be in contact with each LA

- Only one prime will operate in each CPA (contract package area)
- Primes make direct contact with the LA single point of contact (this sits with commissioning – in this instance, the single point of contact is myself) and ask for information via a series of pre-set questions – this is implemented via face to face meetings or telephone conferencing
- LAs provide all primes allocated to their region with precisely the same information, whether or not the prime has made contact
- LAs identify how many families would be appropriate for this programme, how the additional support would add value, how families will be referred, how ongoing joint work would be implemented throughout the life of the contract etc
- Primes then develop their bid and share this with the LA – the LA will then agree or otherwise to support the bid. Bids can only go forward to DWP with LA support. Closing date for submission is 30 August 2011
- DWP reviews the bids and decides which prime is successful – LAs are informed in mid-October which prime has been successful, with work to start in December 2011

3.4 Risks and Opportunities

Risks

- Potential risks for families are focused upon the implications for any families on the programme who do not complete the action plan they agree with providers, including escalation of their needs due to the additional pressure arising from participation in this programme
- The DWP stance has been that additional support via this programme can be delivered to a family for a maximum of 12 months and that the support should commence only when the family has been 'stabilised' following intensive support. At the same time, DfE is very clear that the programme is designed for the 120,000 families nationally with the most complex problems. Our concern is that this position is untenable, as it presumes that families with the most complex problems will make linear progress on an upward trajectory, which we know is not necessarily the case. In practice, using this assumption as the basis for a delivery model will result in the exclusion of some families at the outset in case they 'fail' within the prescribed timescale. It could also lead to families dropping out of the programme and possibly escalating to specialist services due to the additional employment-focused commitment required from them, because there is no provision for a 'stop and start again' approach that is responsive to changes in circumstances. We have re-negotiated this element of the contract but must remain aware that we will not necessarily be able to

monitor all elements of the contract, depending upon which provider is successful in being awarded the contract

- If the successful bid does not involve the LA or its partners as subcontractors, Halton would not be able to claw back funding for any service delivery and would inevitably incur some costs, at the very least through the DWP requirement to assess and refer families. LAs nationally are working to address issues of full cost recovery (Lancashire is leading on this) but there is no indication to date that DWP will release funding in recompense. There is also the very significant concern relating to some of our most vulnerable families being subject to lengthy, intensive interventions that take place outside our quality assurance processes and which may not be in their best long-term interest, therefore incurring LA and partner services' costs if additional problems arise

Opportunities

- There is potential for subcontracting arrangements to generate resources for HBC services – at recent meetings, it was agreed that the focus of this would be funding for FIP (Family Intervention Project within Team around the Family) to support the ESF programme
- The majority of LAs within Halton's CPA (Contract Package Area) have agreed to take a sub-regional approach with a view to maximising the value and opportunities from this programme across the whole CPA. This will also ensure that subcontracting to LAs is a largely collective requirement and is therefore more likely to meet DWP criteria stating that bids must demonstrate that they meet the needs of the specific CPA – thus maximising the potential success rate for those bids that propose subcontracting to LAs
- Further embedding of links across Halton People Into Jobs/Enterprise/Adult Learning/Children and Families services, with enhanced opportunities to develop a cohesive approach
- Achieving progress in employability for some of our most vulnerable families, and the subsequent impact this will have upon Child and Family Poverty in Halton, together with a developing focus upon this area of work as a targeted medium/ longer term outcome for families with multiple problems

3.5 Next Actions and Timeline

- Once information is available regarding which providers have been successful in moving to the next stage, meetings with partner agencies to develop processes, systems, links and outcomes (September – November 2011)

- When DWP inform LAs of outcome of bidding process and identify the single successful provider, meeting to take place with all partners to develop next actions (November 2011)

4.0. IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

4.1 Children and Young People in Halton

This project will work with the families with multiple and complex problems to improve providing additional support to improve their outcomes and increase their chance of obtaining work..

4.2 Employment, Learning and Skills in Halton

The aim of the project is to support problems with multiple problems to that they can gain employment.

4.3 A Healthy Halton

N/A

4.4 A Safer Halton

N/A.

4.5 Halton's Urban Renewal

N/A

5.0 RISK ANALYSIS

5.1 Risks are identified under paragraph 3.4 of this report..

6.0 EQUALITY AND DIVERSITY ISSUES

6.1 The DWP/ESF project is aimed at addressing a major source of inequality within the borough through by attempting to address worklessness in some of the families with the most complex needs.

7.0 REASON FOR DECISION

7.1 To support the actions and progress to date..

8.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

The authority could choose not to support bids by providers. This option was rejected as providers will still be working with Halton Families even if Halton does

not participate in the scheme. By supporting and agreeing to work with providers the Authority can better join up support to families, provide support and influence the project.

9.0 IMPLEMENTATION DATE

9.1 It is anticipated that provision will start in late Autumn 2011 or early Spring 2012..

10.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
DWP/ESF Guidance	C&YPD	Julie Karmy Commissioning Manager –
Letters and contacts with prime providers	C&YPD	As above