

REPORT TO: Executive Board

DATE: 16 March 2017

REPORTING OFFICER: Strategic Director –
Enterprise, Community and Resources

PORTFOLIO: Economic Development

SUBJECT: Liverpool City Region Employment & Skills
Projects: Apprenticeship Services & Household
Approach to supporting residents into work

WARD(S) Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 To update Members on a recent Skills Funding Agency (SFA) European Social Fund application to deliver Apprenticeship Services in the Liverpool City Region (LCR) and to update on the business case being submitted to Government for the City Region to deliver a household approach to supporting residents into work.

2.0 RECOMMENDATION: That

- 1) Progress is noted on both projects; and**
- 2) Halton Borough Council accepts the SFA contract on behalf of the Liverpool City Region Combined Authority to deliver Apprenticeship Services.**

3.0 SUPPORTING INFORMATION

3.1 SFA ESF application

3.1.1 In June 2016, Management Team received a report asking for approval for Halton to be the lead Local Authority, (on behalf of the Combined Authority), on an SFA ESF application to deliver Apprenticeship Services. The evaluation of the applications was delayed but the SFA have now agreed to offer Halton the contract, subject to terms and conditions.

3.1.2 The funding will be used to deliver on a series of Apprenticeship Hub related activities across the City Region. The value of the contract is approximately £875k and will include:

- Further Apprenticeship promotion capacity funding, with a focus on preparing employers and training providers for

Apprenticeship Reform;

- Skills Show related activity to inspire and engage young people in understanding their future careers opportunities; and
- Labour market intelligence including research and policy work to understand Liverpool City Region's skills supply and demand and improve economic growth by creating a more productive workforce.

3.1.3 If accepted, the contract would commence with immediate effect and end in July 2018. Elements of the activity will be commissioned out to partner organisations. Overall financial management would rest with Halton Borough Council, for which the Council would receive a management fee. Outputs and milestones will be agreed between Halton Borough Council (on behalf of the CA), SFA and LCR LEP in early January 2017.

3.2 **Household Approach to supporting residents into work**

3.2.1 In line with the introduction of Universal Credit, the City Region recognises the importance of working with, and better understanding, household poverty and unemployment. Local insight shows that many residents are trapped in a low pay, no pay cycle and analysis shows that nationally, there are at least 40,000 low income households with children. To address this, there is a need to work with whole households to improve the retention and progression of residents in work, reduce the number of Universal Credit claimants and support private sector economic growth and productivity.

3.2.2 The household approach will focus on households where more than one adult is unemployed, rather than programmes that target individuals. The definition of 'a family' and the linked eligibility associated with this, needs to be undertaken carefully and flexibly. This will be reflected in the city region's definition and eligibility assessments to ensure that this error is avoided.

3.2.3 An integrated model of delivery across city region agencies will not only create efficiencies but will lead to a more effective and streamlined offer for residents and businesses. The model will challenge policies that focus exclusively on a 'claimant' and, in line with Universal Credit, will test whether engaging a whole household will make a difference to the number of residents gaining, and retaining work.

3.2.4 The programme will focus on 4 key principles:

- *Household Focus* - Targeting households where more than one individual over the age of 16 is unemployed, working with them for up to 18 months.
- *Holistic Focus* – we will take a 'whole person' approach to

barriers to work that takes account of social, health and economic circumstances.

- *Employer Focus* – providing an ‘end-to-end’ service for employers that works in parallel with support for households to develop a seamless vacancy support service.
- *Partnership Focus* – we will create an integration group of experts across public services to: underpin delivery; align and prioritise public sector support; data sharing and assess the reduction in public sector costs across households.

3.2.5 Each household will be provided with individually tailored support and assigned an Employment Advocate for the duration of the programme, with engagement to continue for 6 months after gaining employment.

3.2.6 According to the DWP, there are potentially 18,000 eligible households in the city region. Many of these households will include individuals experiencing long-term barriers to work, including poor health. Working with 800 households to increase the number of adults and NEETs moving into work could accrue annual fiscal savings of £3.290m and cumulative net savings of £3.876m to 2020/21. Local arrangements in each of the six Council areas (through direct delivery or through extending existing contracts in place) will ensure that the provision is locally situated and integrated. The number of Halton families to be included is yet to be finalised.

3.2.8 This discrete service will be based around the existing city region ESF Ways to Work delivery and, as such, is low risk and effective to implement. Delivery could start 16 weeks after confirmation of availability of the funding. However, the timescale from a business case being developed to a contract coming to fruition is likely to take until January 2018.

4.0 **POLICY IMPLICATIONS**

4.1 **SFA Opt-in ESF application**

4.1.1 A series of Apprenticeship Reforms will come into play in April 2017 and will include introducing an Apprenticeship Levy on larger employers; a target for public sector bodies to have 2.3% of their workforce as Apprenticeships; and a curriculum change to the way Apprenticeships are delivered. The SFA contract will enable the city region to support employers, providers and residents in preparing and delivering on these.

4.1.2 The city region’s Apprenticeship Hub’s Strategy and Strategic Action Plan for 2015-2020 was launched during National Apprenticeship Week in March 2016 following approval at the city region’s Employment & Skills Board on behalf of the Local Enterprise

Partnership. The principles and aims include:-

- Contributing to the Government's target of 3 million new starts by 2020;
- Promoting Apprenticeships as high quality career development;
- Ensuring Apprenticeships are aligned to meet the current and future needs of the local economy; and
- Raising quality standards and improving success rates, making the Apprenticeship brand stronger and attractive to employers and young people.

4.2 **Household Approach**

4.2.1 The national evaluation of Troubled Families (which will help to inform the Household Approach) noted:

“The understanding of the relationship between the importance of employment in improving the emotional health and wellbeing of individuals also helped the local authority and public health staff work together to address a common purpose. In this way, key workers described how they worked with a Troubled Families Employment Advisor and health staff to address the practical barriers to work (such as having the right clothing for work or dealing with childcare or travel issues), work on the emotional and health barriers, and improve basic skills and literacy levels through training and volunteering opportunities.”

(Section 2.4.7 - National Evaluation of the Troubled Families Programme - Final Synthesis Report)

5.0 **FINANCIAL IMPLICATIONS**

5.1 **SFA Opt-in ESF application**

An allocation of c.£875k is available over a 19 month period. Halton Borough Council will recoup management delivery costs from the overall allocation.

5.2 **Household Approach**

The business case asks Government to allocate £4.42m to the city region to pilot this new approach as a proof of concept: this would be delivered over 30 months from an agreed start date. Halton's proportion of this is yet to be determined; however, the recommendation is that the funding will be awarded to the Employment, Learning & Skills Division as current deliverer of the ESF Ways to Work project.

6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

6.1 **Children & Young People in Halton**

6.1.1 Young people across the city region, including Halton, will have access to a range of apprenticeship opportunities supported by the

Apprenticeship Services SFA contract.

6.1.2 Children and young people within eligible families for the Household Approach will benefit from the interventions offered.

6.2 **Employment, Learning & Skills in Halton**

6.2.1 The Apprenticeship Hub has 3 key priority areas of work which aim to promote the growth and type of apprenticeships in the city region and therefore support employment, learning and skills, namely:

- Employers
- Learners
- Providers

6.2.2 The overall objective for the Household Approach is to support city region residents into employment, through a range of interventions, including skills development.

6.3 **A Healthy Halton**

None

6.4 **A Safer Halton**

None

6.5 **Halton's Urban Renewal**

None

7.0 **RISK ANALYSIS**

7.1 Should Halton Borough Council lead a Combined Authority bid, there is a potential risk that the Council would be responsible for any claw back of funding arising from, for example, ineligible activities, under-performance and/or underspend on the project. To minimise this risk, 'back to back', contracts with providers/delivery agencies will be developed to ensure that this risk is reduced. It is worth noting that Halton Borough Council already has comprehensive processes in place for managing European Funded projects and, therefore, the risk is considered to be low.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 The Apprenticeship Hub is a city region resource to support young people and their families in all matters relating to apprenticeships. The Hub includes representation from all local authorities, Merseyside Colleges' Association, the Greater Merseyside Learning Providers' Federation, Higher Education and employers and members are there to act on behalf of their respective beneficiaries to ensure equal access to the Hub's resources. The Hub also has its own website www.apprenticeshipwork.org.uk

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

None.