

AGENDA ITEM 13

REPORT TO THE TEES VALLEY COMBINED AUTHORITY CABINET

5 FEBRUARY 2018

REPORT OF HEAD OF EDUCATION, EMPLOYMENT AND SKILLS

PORTFOLIO: EDUCATION, EMPLOYMENT & SKILLS

ROUTES TO WORK

SUMMARY

This report summarises the plans for the local delivery of the Routes to Work Pilot.

RECOMMENDATIONS

It is recommended that the Tees Valley Combined Authority Cabinet:

- i. Note the progress to date with the Tees Valley Routes to Work Pilot
- ii. Support the Local Delivery Plans for each Local Authority area subject to further refinements in the light of further analysis and experience with the pilot over time.

DETAIL

Background

1. In February 2017 Tees Valley Combined Authority Cabinet agreed to the submission of an application for funding to the Department for Work and Pensions (DWP) to support those most distant from the labour market to prepare for and access work. The submission was successful and £6m was awarded to the Combined Authority. Cabinet agreed to provide £1.5m as match funding for this pilot.
2. The pilot is an opportunity to test new ways of collaborative working at a local level that take a person centred and responsive approach to address the multiple barriers that some people face when trying to access work. The pilot will test if greater collaborative and person centred approaches deliver better and more sustainable outcomes for these vulnerable people.
3. The Pilot will provide holistic support from a range of service providers for those unemployed or inactive individuals across the Combined Authority area, who are deemed to need the most help and support to move back into work.

4. Local delivery would be designed to:
 - Create multi agency delivery approaches, led by each local authority.
 - Bring together existing services with innovative holistic support to move people through their journey towards and into work.
 - Provide ongoing 'in-work support', for both the individual and the employer, over the first 12 months of employment.
 - Provide flexible funding to support individuals and employer incentives where appropriate.

Customer Group

5. The target customer group is those **aged 30 and over**, who face a number of barriers or challenges, for example:
 - the long term unemployed;
 - those with significant/multiple barriers who are therefore unlikely to find work in the next 12 months;
 - those for whom a claim to Employment Support Allowance (ESA) has been rejected;
 - the ESA Support Group (those with a significant health issue or disability but who may be able to work with assistance);
 - Those who are not in work but who are disengaged from the support system and therefore not claiming benefits.
6. Since the formal announcement of our success in June 2017, work has been underway to:
 - Develop and agree Local Delivery Plans with the five local authorities.
 - Develop and agree the required Tees Valley customer journey model for the Department for Work and Pensions, the Combined Authority and our local delivery partners.
 - Reach an agreed 'Memorandum of Understanding' (MoU) with the Department for Work and Pensions, on the profiling of targets and finance across the life of the pilot.
 - Secure a formal Grant Offer Letter from Government and so release funding to support local delivery.

Funding

7. The first two instalments (of £1.5 and £2 million) are due to be paid by 31st March 2018, subject to the Memorandum of Understanding (MoU) between the Department for Work and Pensions and the Combined Authority being agreed. The remaining instalment of £2.5million, will be paid subject to satisfactory progress being made on achieving the set targets.

Key Performance Indicators /Targets

8. Overall performance indicators were set for the pilot in the submitted business case. These have recently been re-profiled to account for the fact that a formal start has been delayed awaiting agreement of the Memorandum of Understanding and receipt of the Grant Offer Letter from the department. This has effectively extended the end-period of the programme by a further six months.
9. The targets for the pilot are:

Routes to Work Performance Indicators						
FINANCIAL YEAR	Year 1 1.10.17 - 31.3.18 (6mth)	Year 2 1.4.18 - 31.3.19 (1yr)		Year 3 1.4.19 -31.3.20. (1yr)	Year 4 1.4.20 - 31.3.21 (1yr)	Totals
Engaged in the programme	50	1050		1100	300	2500
Making positive outcomes	25	950		1000	275	2250
Making significant progress/ moving closer to securing work	10	200		500	228	938
Moved into employment	0	50		250	75	375

TVCA-DWP Memorandum of Understanding

Agreement to an MoU with DWP is a precondition of funding. Progress has been slow , as the Combined Authority has challenged unexpected detail and expectations from the DWP provided after the agreement to award funding, and amendments to the definitions within the performance framework, following receipt of the business case. More recently, good progress has been made, and we are confident that the MOU can now be signed. This agreement will then release the Grant Offer Letter. Once these arrangements are in place, we are confident there will be sufficient local discretion to ensure an effective locally-led approach.

Local Delivery Profiles

10. Delivery targets were provided in the business case for the pilot at a Tees Valley level. The local authority officer operational group have agreed indicative targets to each local authority delivery area, based upon their percentage split of those residents who are out of work and on active benefits as set out in the following table.

Unemployed Benefit Claimant split per area (Nov 2016)			'Indicative' RTW targets per LA area based on same % split as benefits in the area			
Local Delivery Area	Claimants not in Employment	% of overall number on benefits per LA area.	Engagements for RTW pilot	Number achieving positive outcomes	Making significant improvements /moving closer to securing work	Moved into employment/self-employment
Middlesbrough	13,983	26%	650	585	244	97
Hartlepool	8,687	16%	400	360	150	60
Redcar and Cleveland	11,012	20%	500	450	188	75
Stockton-on-Tees	13,753	25%	625	563	235	94
Darlington	6,933	13%	325	293	122	49
Total for Tees Valley	54,368	100%	2500	2250	938	375

NB: This is not a fixed allocation per area and may need to flex to allow for additional or lower take up on the programme in certain areas as the pilot progresses. The overall aim of the pilot will be to collectively achieve targets across Tees Valley.

Local Delivery Plans

11. Local Authorities were asked to submit local delivery plans prior to the Christmas Break. These have now been received from all five local authorities and have been collated by the Combined Authority. These included both a contextual element on the delivery approach and financial profiles.
12. Following much discussion at the Pilot Steering Group and with individual operational leads, the local delivery models to be used are fairly similar across Tees Valley. All will include multi-agency approaches and work closely with other local partners, utilising shared accommodation and community venues. All will dove-tail with existing Local Authority services and those of the Voluntary, Community and Social Enterprise Sector. This will include other programmes such as the Youth Employment Initiative (which has now been extended until 2023) and with 'Step Forward Tees Valley', the Big Lottery and ESF funded programme to help adults with particularly complex needs.
13. There follows a short summary of each of the local delivery plan narratives. Full versions are included as Appendix A-E **(to follow)**.

Darlington

14. The Darlington delivery model is based on a single hub approach, comprised of a Project Co-ordinator and a team of key workers with admin support to deliver their 13% indicative share of the Pilot. Staff will be recruited from local partner agencies where possible and will work closely with other existing service providers including Early Help services, Troubled Families, Housing, Benefits, Education, Learning and Skills, Public Health, Offender, Anti-social Behaviour services and other teams within the Council. Together this will offer a holistic service, working alongside the voluntary, community and social enterprise sector, external providers and employers.

15. Key workers will provide one to one support for customers and will maintain regular contact with other service providers working to support the individual. Staff will be based within a Council property in the heart of the Town Centre Marketplace, but will also operate from within a number of community venues including children's centres, local Jobcentre Plus offices, schools and libraries.

Hartlepool

16. The overall Hartlepool delivery model which will be used to deliver Hartlepool's indicative 16% of the pilot, is based on a core team of employment advisers and employer engagement specialists led by a Routes to Work Co-ordinator. Staff will operate predominately from Community Hubs, including Hartlepool Enterprise Centre and a new mobile hub, but will also go out to a number of community based venues across the town. Referrals will be received from the community based organisations and multi-disciplinary locality teams as well as from Jobcentre Plus, grass roots community organisations and also from mainstream partners such as Public Health.
17. The team will offer a broad range of support including their graduated 'Three steps to employment' programme which has been used successfully in the past and can be flexible enough to help those with the greatest need. There will also be a local multi-agency steering group to monitor progress and ongoing relationships with wider services

Middlesbrough

18. Middlesbrough has the largest indicative share of delivery at 26%, and will deliver their model using a network of existing Community Hubs and libraries where there are already activities underway to attract those residents who are most in need of help. This will include working closely with other existing services, both mainstream, e.g. Public Health, Troubled /Stronger Families, Housing, Property services and Middlesbrough Inclusion Service. It will also work alongside the voluntary, community and social enterprise sector, Middlesbrough Achieving Partnership and the 'Breaking Down the Barriers' service which assists those with issues associated with homelessness.
19. The Routes to Work Team will include a Co-ordinator and a team of Key Workers who will support individuals with holistic support both in the customer journey stages through to in-work support through the first year of employment.

Redcar & Cleveland

20. Redcar and Cleveland has a share of the pilot of 20% and will operate their Routes to Work service from three geographically separate sites to cover a broader area of the borough. This will include Grangetown and Skinningrove Training and Recruitment Hubs, and Redcar Central Library. Other venues will include libraries and community centres for drop in sessions to meet customers. The team will operate alongside other agencies such as the community foodbanks, credit union and other existing teams, to maximise referrals and provide a more integrated service offer.
21. The teams will consist of a co-ordinator and a number of key workers, some of whom will concentrate on the engagement side, and others who will provide the holistic support and mentoring for individuals as they progress on the pilot. The team will also form a close partnership relationship with the Redcar and Cleveland Transformational Challenge Team (a multi- agency approach to community development) the Works Health Programme and Step Forward Tees Valley, who will all be represented on the local steering group for the Pilot.

Stockton on Tees

22. Stockton have a 25% indicative share of the delivery targets and will offer their holistic service from a number of community hubs across the borough, including a number in central Stockton, Billingham, Roseworth and Thornaby areas. All Routes to Work activities will be delivered in conjunction with wider existing services including Housing Gateways, Public Health, the Youth Employment Initiative team, Adult and Community Learning, and the STEPS Service for people with learning difficulties and disabilities. Other voluntary, community and social enterprise sector organisations will be involved in the local partnership, including Thirteen Group, Northstar Housing, Step Forward Tees Valley and Stockton District Advice and Information Services with opportunities for 'hot-desking' and sharing of accommodation to maximise distribution and referrals, whilst building strong professional services between staff, often supporting the same individuals.
23. Stockton are very keen to introduce intermediate labour market opportunities (involving paid work within community of public sector venues – e.g. the Community Cafe) into their delivery programme as a way of moving people back into paid work, increasing their confidence and providing vital experience. These would be for a limited number of hours and cover a 3-4 months duration providing a useful stepping stone into full employment and away from benefits, which could also be used across other areas.

FINANCIAL IMPLICATIONS

24. Routes to Work should be delivered flexibly, according to the needs of the client group. However, to assist with planning and encourage local discretion, financial profiles have been established between the Combined Authority and the five councils leading the programme in each area. These are **summarised at Appendix F**.
25. The overall finance allocated to this pilot is across four financial years and is within the TVCA budget, with £6m in additional income provided by DWP and a match funding contribution from the TVCA of a further £1.5m approved by Cabinet. Additional staff are required to deliver the programme within each borough, and project lead and analysis roles within TVCA.

LEGAL IMPLICATIONS

26. There are no specific legal implications within this proposal other than those included within a typical grant award agreement with a government department (DWP) and subsequently between the Combined Authority and delivery contractors.

RISK ASSESSMENT

27. This agreement to move forward into full delivery stage for the Tees Valley Routes to Work Pilot programme is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

CONSULTATION

28. Consultation has taken place with the Pilot Steering Group, the local authority operational group, the portfolio lead and the elected Mayor.

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