

10 July 2017

**To: Members of the Sheffield City Region Combined Authority  
Appropriate Officers**

This matter is being dealt with by:

Gill Richards grichards@syjs.gov.uk 01226 772806

Dear Member

**SHEFFIELD CITY REGION COMBINED AUTHORITY**  
**Monday 17 July 2017**

Please find enclosed the item(s) marked to follow on the above agenda.

Yours sincerely



Gill Richards  
Democratic Services Officer

Encs.



**SHEFFIELD CITY REGION COMBINED AUTHORITY**

**AMP TECHNOLOGY CENTRE, WAVERLEY, ROTHERHAM, S60 5WG 2.00 PM, 17  
JULY 2017**

**SUPPLEMENTARY AGENDA**

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17th July 2017

## Devolution – Early Intervention Pilot Acceptance of Grant

### Purpose of Report

The paper updates the Combined Authority on the progress of the bid for the Early Intervention Support Pilot.

### Thematic Priority

1. Develop the SCR skills base, labour mobility and education performance.

### Freedom of Information and Schedule 12A of the Local Government Act 1972

This paper is not exempt from FOI requests and will be included in the Combined Authority Publication Scheme.

### Recommendations

That Leaders:

1. Note that, should the Combined Authority be successful in securing the Early Intervention Employment Support Pilot, there is provision in the Scheme of Delegation for the Finance Director to accept this grant offer on behalf of the Authority, after considering acceptable all the terms and conditions imposed by the grant awarding body.

## 1. Introduction

- 1.1 The Combined Authority is nearing notification of the outcome against our Business Case submission to pilot a programme of support through the DWP Innovation Fund, titled the SCR Early Intervention Employment Support Pilot. The bid is predicated on commencing delivery of the pilot in the autumn, if successful, it is likely that the grant will be made before September 2017. This paper seeks to inform Leaders that should the Combined Authority be successful in securing the Early Intervention Employment Support Pilot, there is provision in the Scheme of Delegation for the Finance Director to accept this grant offer on behalf of the Authority, after considering acceptable all the terms and conditions imposed by the grant awarding body.

- 1.2 This pilot, combined with our Health Led Employment Trial, will provide a breadth of provision for residents working alongside other support to increase employment across the city region. We will only achieve our inclusive growth objectives if we remove barriers to employment for those in our communities who want to work.
- 1.3 Both of these test programmes put Sheffield City Region in the forefront of this agenda. Learning from these approaches put us in a strong position to continue our important discussions with DWP about future devolution asks and to grow the scale of these programmes built on a strong foundation of evidence.

## 2. Proposal and justification

- 2.1 The SCR Early Intervention Pilot seeks to test whether a SCR solution to the long-established and well evidenced issue that long term unemployment is prevalent amongst those individuals will multiple and complex barriers. Specifically, whether:
- a. Early referral to support for those with complex needs reduces incidence of long term unemployment
  - b. A co-ordinated local approach reduces welfare benefits and other service dependence

### 2.2 Service Design

The delivery of the service is built around Employment Advisors, co-located with local support teams and managed through the Local Integration Boards (LIBs). No Employment Advisor will have a case load of greater than 40 (national benchmarks for caseloads tend to be c100).

In addition, the proposal is to create a small development fund. Whilst the basis of the offer will be more effective targeting of existing local services, it is acknowledged that some developmental activity may need to be commissioned separately.

- 2.3 The CA has Ministerial approval for £4.3m of investment from the Work and Health Unit Innovation Fund across the next 5 years.
- 2.4 Our intent is to match this with ESIF funding creating a pilot funded by c£11m delivering support to over 5000 SCR residents. The cohort based on this figure is modelled below.

	Cohort size (lifetime)
• Barnsley	607
• Doncaster	854
• Rotherham	736
• Sheffield	1413
• Bassetlaw	236
• Bolsover	369
• Chesterfield	483
• Derbyshire Dales	139
• North East Derbyshire	341
	5179

- 2.5 Delays in approval have now put our ability to match funds with ESIF in doubt. Options are being reviewed at this time. DWP approval is not contingent upon ESIF investment, however, the impact of this would effectively be to half the size of the pilot.

### 3. Consideration of alternative approaches

- 3.1 **Do nothing approach** - The alternative to progressing the pilot is to rely upon the offer available within the current national Work and Health Programme. The Work and Health Programme will go live in November 2017, however, it will not be at the scale needed (25% of the current programme size) to meet the needs of our residents with more severe and/or complex barriers to work at this early stage in claim.
- 3.2 **Do something (small scale pilot)** – Continue with the pilot based only on the DWP investment reducing volumes and length. Whilst this would require modelling, it is likely that the maximum cohort size would be no greater than c2,500.
- 3.2 **Maintain scale** – There are a number of options to enable this:
- i. Approach DWP with a view to exploring the viability of a joint procurement – tendering both the pilot and European Funds as a single process.
  - ii. Proceed on the basis of assumed contracting volumes, initially with a smaller timeframe, flagging that we expect to invest further funds as they become available i.e. Gainshare.
  - iii. That we appoint the delivery partner for the pilot (as per the small scale pilot option) and then request DWP to issue the ESF Call enabling the partner to use the DWP pilot as match for that funding.

### 4. Implications

#### 4.1 Financial

DWP investment in the pilot is not contingent upon local match funding contribution. To achieve a strong cohort size across the SCR the business case was modelled based upon achieving ESF match funding. If the co-procurement option discussed above is not approved and in the absence of other local funding being available, the Pilot will be a maximum of £5m.

Costs of running the pilot will be top sliced from the allocation.

#### 4.2 Legal

There are no legal implications arising directly from this report, however, any confidentiality obligations imposed upon SCRCA by central government must not be breached because to do so may lead to government legal action and, possibly more importantly, would lead to a loss in confidence in central government in dealing confidentiality with SCRCA – to say nothing of the reputational risk.

#### 4.3 Risk Management

The proposal is that under the auspice of the Skills, Employment and Education Board an Employment Steering group is established to provide detailed oversight of both the Pilot and the Trial. Whilst this Steering Group will consider the detailed operational risks and mitigations, the Executive Board will take responsibility for risk management and mitigation, agreeing any escalation to the full CA.

A summary of key programme design risks is included in appendix 2.

#### 4.4 Equality, Diversity and Social Inclusion

An equalities impact assessment will be completed.

#### 5. Communications

5.1 Should SCR be successful, an initial press announcement will be issued jointly from SCR CA in conjunction with the DWP Ministerial announcement. A more detailed communications plan will then be prepared. In securing sustained employment the Pilot is based upon a significant programme of work with employers to provide employment opportunities. SCR CA will work with local partners to undertake a further detailed employer engagement programme of activity.

#### 6. Appendices/Annexes

6.1

- Appendix 1 – Scheme Risk summary table

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ  
Other sources and references: n/a

## Appendix 1

Fig 1. Key Innovations in the Early Intervention Pilot

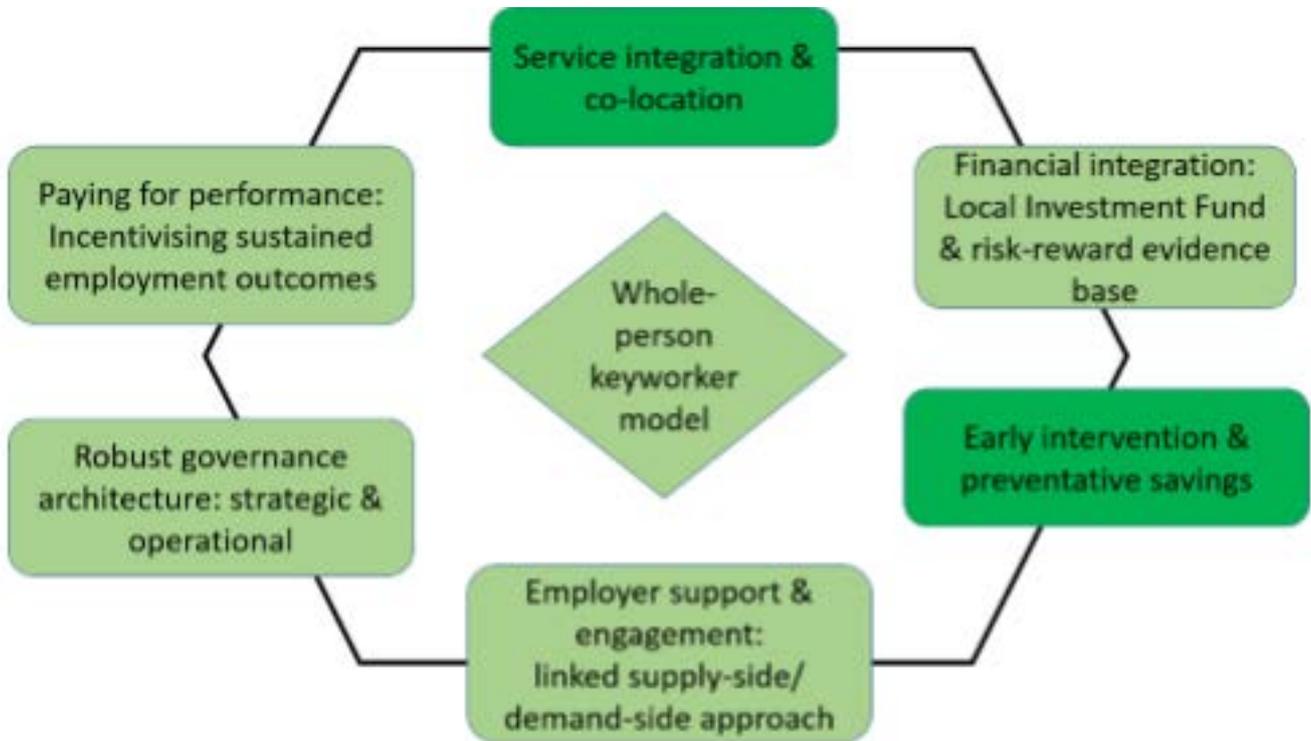
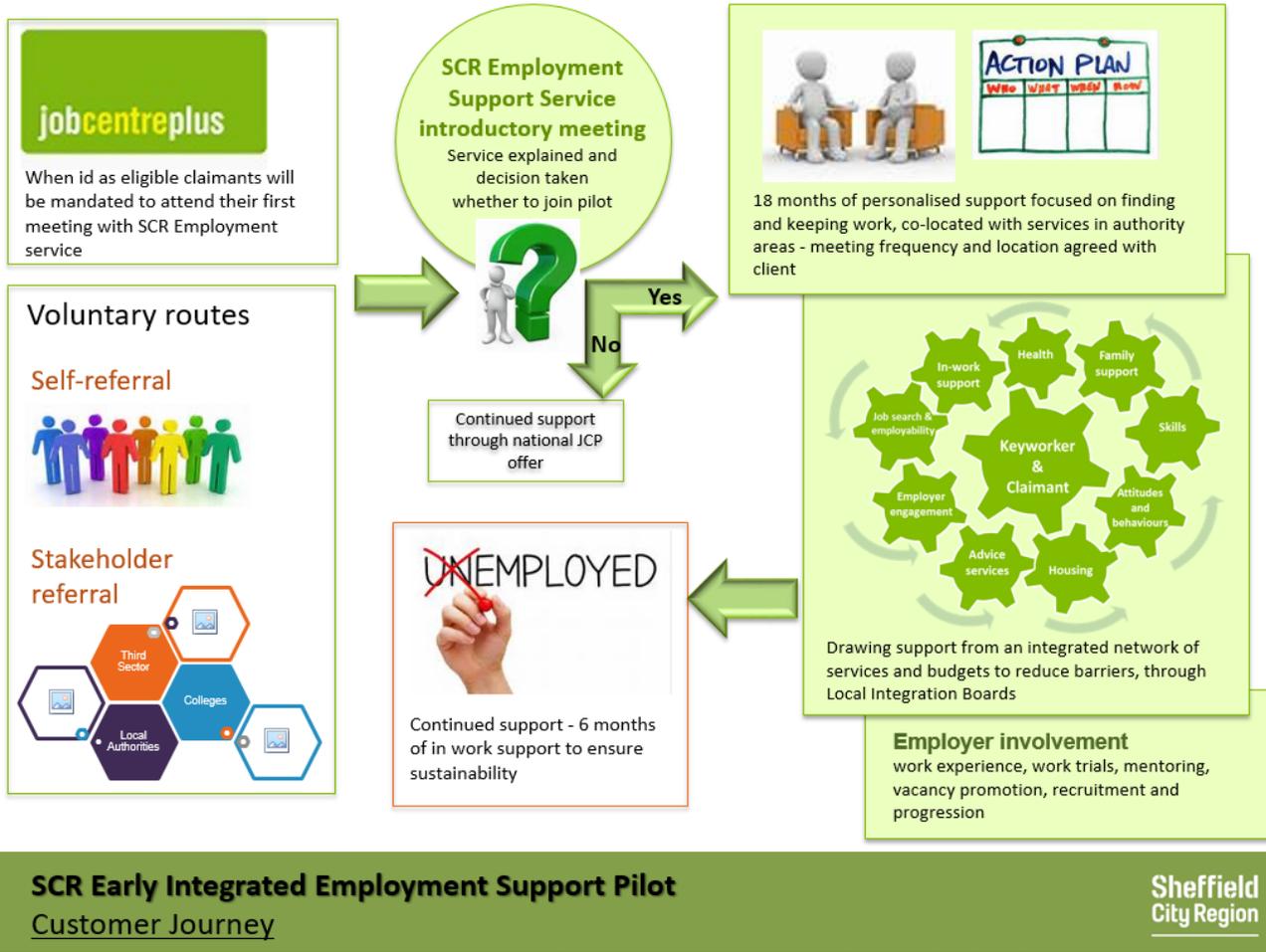


Fig 2. The Customer Journey



Appendix 2

HEADLINE RISKS	
Challenges/Issues	Mitigating Actions
<p><b>There is a risk that the approval delays will mean that the SCR are unable to secure ESF investment which is critical to bolstering volumes in both the Employment Support Pilot.</b></p>	<ul style="list-style-type: none"> <li>The SCR Executive is modelling the pilot with a reduced cohort size and would still aim to run the programme in order to collect the evidence needed to continue discussions with DWP and grow the devolved investment in future years.</li> </ul>
<p><b>There is a risk we fail to establish Local Service Integration Boards with coverage across the whole of the SCR. These are a critical element in the implementation from our Employment Support Pilot and in the effective implementation of our implementation of employment support as part of our long term devolution agenda</b></p>	<ul style="list-style-type: none"> <li>Chief Executives received a report in August 2016 and supported the model endorsing a development framework in January 2018.</li> <li>Chief Executives are receiving progress updates.</li> <li>All 8 of the 9 local authorities have identified operational Leads who meet monthly and a Strategic Responsible Officer.</li> <li>The SCR will recruit 2 Local Integration Officer, housed within the SCR Exec with dedicated geographical areas as a resource for the LA's.</li> <li>A readiness checklist has been prepared to enable officers to regularly check progress and next steps.</li> <li>The SCR is developing a local integration fund as an incentive to involve local authorities within the Local Integration Boards. In the long term this will involve a shared risk and reward offer.</li> </ul>