

Report to: Lead Member for Economy

Date of meeting: 25 November 2024

By: Director of Communities, Economy and Transport

Title: Department for Work and Pensions (DWP) Supported Employment programme (Connect to Work)

Purpose: To seek approval for East Sussex County Council (the County Council) to be the Accountable Body for a new devolved DWP Supported Employment funded programme and agree to submit a proposal to the DWP outlining programme delivery.

RECOMMENDATIONS: The *Lead Member for Economy* is recommended to:

- 1) Agree that the County Council accepts the request from the DWP to be the Accountable Body for the management and delivery of a countywide Supported Employment programme (Connect to Work) from April 2025; and**
 - 2) Delegate authority to the Director of CET to take any actions necessary in relation to the implementation of the Connect to Work programme.**
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1. Background Information

1.1 Before 2023, the County Council benefitted from approximately £2.5m pa of European Social Fund for employment support programmes. Since then, local providers have delivered the DWP Work and Health and Pioneer programmes to support those with mental and physical health needs into employment, while the recruitment company, Reed in Partnership has delivered the RESTART employment programme. These programmes were extended until October 2024 but have now substantially ended.

1.2 The County Council secured c.£1.2m pa of UK Shared Prosperity Fund (UKSPF), COVID Management Fund and Homes for Ukraine (HfU) funding to create locally led employability programmes for homeless, long-term unemployed adults, refugees and Ukrainian visitors. The programmes (Moving on Up and Support into Work), have proven effective, moving 600+people into local jobs and have helped retain expertise with employment support partners in the voluntary, community and social enterprise sectors. However, UKSPF funding ends in March 2025 and the County Council programmes funded by the HfU end in September 2025.

1.3 The new Government has committed to devolving skills funding to Upper Tier Authorities, and Connect to Work funding, overseen by the DWP, is one such fund. As a key plank in the government's 'Get Britain Working' strategy, the supported employment programme will help disabled people, people with health conditions, and those with complex barriers to work who are outside the labour market in 'Hidden Unemployment', to find and sustain work. The Employment and Skills Team have been part of a small DWP working group helping shape the criteria and content of the programme.

1.4 The DWP has invited the County Council to be the Accountable Body for funding allocated by the DWP and to manage and oversee delivery of the programme in the county, with an allocation of up to £3.8m per annum for three years to support up to 1000 individuals into work each year. The programme will last for five years with those starting on the provision in 2028 completing in 2029/30. There may be an additional year of delivery up until March 2030 (to be confirmed).

1.5 The fund supports all four of the County Council's core priority outcomes (i) driving sustainable economic growth; (ii) keeping vulnerable people safe; (iii) helping people to help themselves; and (iv) making best use of resources now and for the future.

2. Supporting Information

2.1 Current unemployment in the county stands at 11,760 of whom 3,100 are aged over 50 and over 800 declared homeless. Economic Inactivity is high at 57,800 and includes at least 15,600 residents with long term physical or mental health conditions or disabilities. Of the 57,800 over 14,000 have declared a desire to work. Data suggests that there are 420 care leavers and as many as 5,000 working age carers across the county.

2.2 The Connect to Work scheme can help the County Council and its partners address the needs of vulnerable adults, carers, care leavers, those who are 18-25 and have an Education, Health and Care Plan (EHP) and some Not in Education, Employment or Training (NEET) groups. It offers positive outcomes for participants in terms of financial wellbeing and supporting positive mental health, can help support families and reduce financial pressures on housing, health and benefits. Moving people into work also ensures that residents make tax contributions and have income to spend in the local economy.

2.3 In East Sussex there are known skills gaps in construction, engineering, green jobs, adult social care, the visitor economy, early years, the land-based and food production sector and in digital skills and leadership and management across all sectors. The programme will work with employers helping fill skills shortages and supporting people into sustainable roles.

Mapping provision

2.4 In preparation for project delivery, the Employment and Skills Team has worked with several County Council departments to identify where the programme could support residents for whom East Sussex has a statutory responsibility and for wider vulnerable cohorts.

2.5 Adult Social Care has identified that the project could add to the current Department of Health Individual Placement and Support provision for those with severe mental health diagnosis by offering supported employment to those with less substantive mental health needs who are currently unable to access the programme. Support for adults with physical disabilities into work is needed, as well help for carers who wish to move into employment. Public Health are keen to see homeless cohorts continue to be supported into work. Continuing the positive work of Support into Work for Ukrainian visitors and refugees when HfU funds cease is also a priority. The scope of the role of the 'Employment Specialists' has also been explored, and consideration given to the range of 'support they could be tasked to provide to their caseloads with, such as key advice around benefits, budgeting, childcare, housing, referrals to wider support services (drug and alcohol, childcare, mental health etc) in order to support financial inclusion and wellbeing and community priorities.

2.6 Children's Services recognises that supporting adults who are parents with employment can have a positive effect on their children, but are also keen to see a bespoke element of the project for care leavers, young people involved in the youth justice system, NEET young people in the 'exceptional circumstances category' who are at risk of falling out of an Apprenticeship programme, young people with an EHP, as well as young refugees and Ukrainian visitors, or young people with mental health needs aged 18-24.

2.7 Mapping is being undertaken to identify the range of employment support organisations that the Council has in place, and their ability to deliver against the Individual Placement and Support (IPS) and Supported Employment Quality Framework (SEQF) models, to help inform the shape of the proposed programme and identify any gaps in local provision and/or a need to scale up during the project's implementation phase.

2.8 A cross-departmental working group is meeting regularly to agree the project outline, and with input from key support services (legal, financial, procurement, HR) the Employment and Skills Team will build on the outline proposal to create the East Sussex County Council (ESCC) DWP Delivery Plan and governance arrangements.

Project oversight and delivery

2.9 The programme will be led by the Employment and Skills team, managed jointly by the Communities, Economy and Transport department and Children's Services Department. An Employment and Skills Oversight Board will be established to provide wider governance, of this and other programmes.

2.10 The programme will be managed by the Employment and Skills, ESTAR Team. Principal responsibilities will include overall programme management, commissioning contracts and funding agreements, data management and processing, completing regular monitoring, reporting and evaluating performance, and ensuring quality assurance and compliance standards are met. The team will engage and enrol participants in line with DWP guidance. Fixed term staff will include a programme manager, partnership delivery coordinator, employer and participant engagement staff and administrative/data staff. A project implementation timeline (Appendix 1) and further project detail (Appendix 4) is provided.

2.11 Some in-house delivery is proposed to be undertaken, specifically the continuation of the successful Public Health funded Homelessness Prevention Employment Service. However, most delivery will be undertaken by procured contractors. Using data from current projects and stakeholders, we are developing the target volumes.

2.12 The project will be delivered from April 2025-March 2029, with potentially one extra year (to be confirmed in Spending Reviews). The DWP project proposal will profile starts and outcomes over the project lifetime. Funding will be issued to ESCC via a grant agreement and will be claimed quarterly in arrears. It will not be paid on outcomes but on actual spend against a budget proposal that will be put forward by the Council in the project proposal. This means that project management costs will be secure regardless of delivery outcomes.

Resource capacity

2.13 Finance officers have reviewed the initial suggested budget apportionment between Implementation 1%, Management 16%, and Delivery 83% and will support the ongoing development of costs for the full proposal, to be submitted to DWP by December 2024. Their time will be reclaimed at cost from the DWP.

2.14 Procurement and legal officers have been notified of the funding and it is on the procurement forward plan. HR will advise regarding any East Sussex County Council staffing changes identified – although generic, Project Management and Project Officer Job Descriptions are used in the Employment and Skills Team to enable fluidity between programmes. Procurement, legal officer and HR time will be claimed as part of the DWP implementation phase. Project Equality Impact Assessments (EQIAs) and Data Protection Impact Assessments (DPIAs) will be developed during the implementation phase.

Risk/liability for ESCC (Mitigation of risks are considered in Appendix 2).

2.15 Project Management costs are permitted and are paid retrospectively in line with the budget proposal which forms part of the DWP Grant agreement.

2.16 Delivery funds are paid quarterly in arrears against spend. Accountable Body claims are submitted and paid within one month of DWP validation.

2.17 Although the project is not paid on outcomes, the DWP will monitor delivery and will intervene should the project not deliver in line with expectations. The DWP has introduced a performance review system, with four levels of DWP intervention. (See Appendix 3: DWP monitoring and review). Only in extreme circumstance (few or no positive outcomes) after a range of previous interventions have been trialled, will there be discussion about revising the grant allocation. ESCC contracts with delivery payments will contain clauses to enable us to cease payments to partners or reclaim payments accordingly, to mitigate risk.

2.18 Main programme risks sit with delivery partners and this will be covered in contracts.

2.19 To mitigate risk, the DWP enables ongoing review and amendments to provision. ESCC would ensure that delivery contracts would specify that provision may be transferred to an alternative provider if there is substantial underperformance.

2.22 As lead applicant, ESCC will be required to report to the DWP on progress throughout the project at regular intervals including via the DWP Provider Referrals and Payments online system.

3. Conclusion and reasons for recommendations

3.1 The County Council has identified that Connect to Work will support the county's more vulnerable residents and those for whom the Council has a statutory responsibility to help into employment, simultaneously filling gaps in economic priority sectors.

3.2 The Lead Member for Economy is therefore recommended to consider and approve that the County Council accepts the request of DWP to be the Accountable Body for the management and delivery of a countywide Connect to Work programme.

3.3 The Lead Member for Economy is also recommended to delegate the authority to the Director of Communities Economy and Development to take any actions necessary in relation to the implementation of the Connect to Work programme.

RUPERT CLUBB

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LOCAL MEMBERS

All

BACKGROUND DOCUMENTS:

None