

Subject: Application to the DWP's Flexible Support Fund

Report to: Housing & Neighbourhoods Committee, 8th December 2016

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SUBJECT MATTER/RECOMMENDATIONS

In response to rising demand on services run by the council and the voluntary sector as a result of the introduction of Universal Credit, the Council has approached the East Anglia District DWP to consider the allocation of additional resources into the area. This has opened up the opportunity for the council to make an application to the DWP's Flexible Support Fund providing that outcomes to achieving job readiness and job entry outcomes can be achieved.

1. INTRODUCTION/BACKGROUND

Great Yarmouth has been a pilot area for the full rollout of Universal Credit (UC) to all new claimants since February 2016. Since the pilot went live, the council has seen rising levels of demand on its support staff, particularly staff working in housing, rent and neighbourhood management teams. This rise in demand has been mirrored in the voluntary sector, with the council-led and Big Lottery funded Neighbourhoods That Work project showing a sharp uplift in demand since the introduction of UC, resulting in the council having to make the decision not to use this project as match funding for complementary bids made to the European Social and Regional Development Funds as the burden of additional reporting would have taken practitioners away from addressing immediate needs. The impact of UC has been especially noticeable amongst people who are furthest away from the labour market, who do not have the IT skills to manage a smooth transition to managing their household incomes online, and who experience more complicated life challenges leading to worsening levels of anxiety and mental health. In many cases, the demand is from people who have traditionally been hidden from mainstream services, only accessing them when their circumstances reach the point of crisis. When things reach this point the interventions required are costly for the council including managing housing arrears along with a need for statutory services to respond to the social, environmental and economic costs associated with homeless individuals and families.

2. **MAIN BODY**

In response to the context provided in section 1, the Council have approached the East Anglia District Manager of the DWP to discuss opportunities for additional resource to support the roll out of UC. In response to this, the council has been advised to make an application to the DWP's Flexible Support Fund, which can provide resource up to the value of £100,000 over a 12 month period.

The process for making an application is outline here:

- The council draft an application making clear the need for the project, how it is additional to current provision, and the results it will achieve.
- These results need to include the minimum number of people who will be supported to become more job-ready and capable of undertaking their UC and job search activities independently.
- The results will also need to include a minimum projection of the number of people who will move into employment.
- The application will then be reviewed by the DWP's local partnership manager, who will make recommendations on the VFM of the project.
- Thereafter, the council will submit a final application for assessment, with a proposed start date of 01 April 2017 and operational for an initial 1 year period.

A summary of the proposed application:

Following initial conversations with the DWP's local partnership manager, it is proposed that the council considers the following application:

- To employ a full time Community Advocate (term suggested by DWP) to provide one to one support for people identified as being most vulnerable and who are at risk of defaulting on their UC requirements and falling into housing arrears.
- This Community Advocate to take referrals direct from the council's housing, rent and neighbourhood management teams, as well as outreaching to other community venues that are identified as experienced high levels of crisis demand (this might include food banks and drop-in centres).
- To employ a part time Project Coordinator. They will respond to intelligence provided by the Community Advocate to support the administration of £30,000 of grants to local voluntary and community organisations who can prove that their project ideas will encourage participation in the labour market for UC customers.
- That the grants are administered via a community budgeting model, with the grants panel comprising 50% local residents and 50% sector specialists including local councillors and representatives of other grant providers.
- Representation on this group and panel from other grant providers helps to

ensure that successful projects commissioned via the community project have the opportunity to grow their ideas beyond the initial funding period and to become more sustainable, going on to create new jobs for people who are long term unemployed or economically inactive.

- Overall and based upon the performance of recent neighbourhood-based employment projects, it is suggested that the project will provide one to one support to 250 local residents, helping them to manage their UC independently, with a further 100 supported via the community budget.
- With regard to results and based upon local evidence, the project will support a minimum of 70 people into employment, representing a 20% conversion rate against the total number of participants (350).

3: FINANCIAL IMPLICATIONS

There are no negative financial implications or associated costs to the council of putting forward an application to this fund. The council would seek to write in the necessary management fee to ensure that recruited personnel have the support needed over the 12 month delivery period, and that the council's back office services were able to respond to quarterly reporting requirements. To do this and within acceptable practice, it is suggested that the council sets a 15% charge for indirect costs set against direct salary costs.

3. RISK IMPLICATIONS

As a grant application, this represents a low risk to the council. It does include the usual clauses relating to clawback but these are standard with all external funds in the event of under-performance. As all performance targets have been set against current or recent performance for similar activity, the risk of clawback is considered low, supported by the complementary work provided by the council-led Neighbourhoods That Work project. Nevertheless, the final application and its financial detail will be submitted to the 151 Officer prior to final submission and the terms and conditions of the fund will be forwarded to the council's procurement lead to ensure no hidden terms apply.

4. CONCLUSIONS

Given the pressures presented by UC over the last few months and which are being felt across the council and its partner organisations, it is recommended that the council pursues this application providing that the risk notes above are applied in advance of submitting the final bid. Requesting the DWP's terms and conditions in advance of making the final submission is advised for comment by the council's procurement lead. These will need to be incorporated into our own project risk assessment and the SLA's provided to recipients of grants via the proposed £30,000 community budget.

5. RECOMMENDATIONS

That Housing & Neighbourhoods Committee approves the submission of an application and that in the event of a successful submission it a) captures interim impact as part of a strategy of sustaining the arrangement with DWP beyond the initial 12 month funding period and b) that it agrees with DWP to share learning with other districts across the New Anglia LEP area and beyond as a blueprint for making UC work more efficiently.

6. BACKGROUND PAPERS

None.

Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?

Area for consideration	Comment
Monitoring Officer Consultation:	Pre submission
Section 151 Officer Consultation:	Pre submission
Existing Council Policies:	Corporate plan and associated aims and objectives relating to Neighbourhoods and Communities and connecting people to the benefits of economic growth. In particular, Neighbourhoods That Work.
Financial Implications:	None but the final submission and budget will be checked with the 151 Officer.
Legal Implications (including human rights):	Procurement consulted, and to be further consulted ahead of final submission for compliancy with all legal implications including any specific citations made within the DWP's terms and conditions.
Risk Implications:	Low, results are based upon previous and related performance. Risks of not pursuing are high given rising demand for council and other support services.
Equality Issues/EQIA assessment:	It is expected that the project will have a positive impact on equality and given that this is a DWP application, a project-specific equalities plan will need to be submitted as part of final submission.
Crime & Disorder:	Expected to be positive, will be monitored as part of participant profile data including the number of participants who have recent criminal justice involvement.
Every Child Matters:	Working adults only but employed personnel will be inducted in this area as part of a first month soft launch. They will also be encouraged to work within the Early Help Hub, giving them opportunities to draw upon immediate support where matters relating to the wider family and children arise.