

Cabinet Member Report

Meeting or Decision Maker:	Deputy Leader and Cabinet Member for Business, Culture and Heritage
Date:	15 th June 2017
Classification:	General Release
Title:	Work & Health Programme
Wards Affected:	All
City for All	The Council's ambition is to work with partners to reduce long term unemployment.
Key Decision:	This report is included on the Forward Plan of Key Decisions
Financial Summary:	There are no direct financial implications. In-kind support from the City Council to support Central London Forward's management of the Work and Health Programme has been profiled and will be led by Growth Planning & Housing and absorbed in existing budgets.
Report of:	Ed Watson, Executive Director of Growth, Planning & Housing ewatson@westminster.gov.uk

1. Executive Summary

- 1.1 This report seeks formal approval for the City Council to enter into a Memorandum of Understanding with Central London Forward. This to support the management and delivery of the new Work and Health Programme.
- 1.2 Formal approval of the Memorandum of Understanding will provide transparency and accountability over the reasons for the decision and enable officers to continue to support the design of the new programme. Overall, the ambition is to shape mainstream employment services, a priority of the City Council's Employment Programme and to drive better outcomes for long term unemployed residents – a City for All Priority.

2. Recommendations

- 2.1 The Cabinet Member is asked to:
 - i. **Agree** that the Council enters into a joint agreement with Central London Forward, which will enable the City Council to support the design and delivery of the new Work and Health Programme.
 - ii. **Agree** to delegate sign off of the joint agreement through a Memorandum of Understanding to the Chief Executive.
 - iii. **Note** key issues relating to this Memorandum of Understanding, the new Work and Health Programme and the local impact set out at section 5.

3. Reasons for Decision

- 3.1 The Work and Health Programme is part of ambitious devolution which Westminster and Central London Forward has long championed. The City Council's ongoing involvement will demonstrate our commitment to making devolution work and to supporting better employment outcomes for local residents aligning to City for All.
- 3.2 A Memorandum of Understanding¹ seeks confirmation of the Council's commitment to support delivery of the new Work and Health Programme.

¹ The Memorandum of Understanding is not attached to this report as it contains commercially confidential information relevant to the commissioning of the new provision which will be overseen by Central London Forward.

Day-to-day and contract management of the new provision will be led by Central London Forward.

- 3.3 There are potential risks associated with delivering and managing employment programmes, however, the model designed by the boroughs with expert input overcomes constraints of the previous Work Programme.
- 3.4 Local authorities will be able to support outcomes for residents by harnessing their convening powers with local employers that can offer employment opportunities. Services to help residents prior to work including adults skills courses, health provision and childcare support can also be effectively co-ordinated by local authorities to help drive better performance and outcomes.

4. Background

- 4.1 Since 2008, the City Council has been part of Central London Forward – a strategic partnership of local authorities which supports Central London interests through both lobbying and programme delivery. All authorities originally entered into a joint agreement in 2008 and subsequently agreed in 2015 that the delivery of any Special Projects will be agreed through a Memorandum of Understanding (MoU).
- 4.2 Boroughs have been asked to sign a Memorandum of Understanding to underpin joint working and participation in a new project – the Work and Health Programme. The MoU has been reviewed by Council officers and sets out the principles of collaboration, the key objectives, roles and responsibilities, governance and arrangements with DWP.
- 4.3 This project which the MoU relates to is a 5 year employment scheme and which will provide support for benefit claimants with health conditions across Central London. Funded to the amount of £55m from the Department for Work and Pensions (DWP) and European Social Fund, Central Government has agreed to devolve the programme to London. The Corporation of London is the lead accountable body for the Central London sub-region which Westminster falls within.
- 4.4 The Work and Health Programme represents the first real devolution to London government and is part of a wider, ambitious set of devolution proposals being

progressed by Central London Forward and London Government which includes adult skills budgets.

- 4.5 The rationale for devolving the programme is that design and commissioning at a local level will lead to improved outcomes. Specifically, this includes the ability of local authorities to integrate the new service with health provision and other local employment services as well as harnessing opportunities for local investment.
- 4.6 The core client groups to be supported by the new Work and Health Programme and agreed with the DWP are claimants living in central London with a health condition or disability. The contract package area for the programme has been agreed with DWP Chief Executives and borough Leaders. It includes Haringey, Hackney, Tower Hamlets and Lewisham – see the map below and as highlighted in red / orange.

Commercial geographies



- 4.7 A specification for the new provision and additional resources to support commissioning and implementation has been agreed. A single provider will be appointed by the boroughs in September 2017 with the go-live date for the new service to be March 2018. The expectation of the new provider is that their service will be integrated with borough provision including health and local authority provision.

5. Key issues and matters arising

5.1 Financial implications – there is no direct cost to the Council. Funding for the Work & Health programme is through the DWP and the Mayor's Office which oversees the European Social Fund. Borough subscriptions to support new project staff at Central London Forward has been previously agreed. In kind staff time for commissioning and support following the launch of the service can be met through the existing team based in Growth Planning and Housing (Economy).

5.2 Service volumes and priority groups – although fewer long term workless residents will be supported than the previous Work Programme, this is due to national changes in funding and a tighter focus on beneficiaries with health conditions.

5.3 Risks & management - risks and mitigations are summarised in the table below.

Area	Potential risks	Mitigation
Managing referrals and volumes to the provider	Referrals to the provider are lower than anticipated impacting on the perceived success of the programme.	DWP design teams continue to develop the referral mechanism with the sub-regions, Jobcentre and other providers including NHS services.
Financial risks of managing the Work & Health Programme	That City of London and participating boroughs managing the Programme are liable for any overspend.	Programme spending will be tightly controlled by capping overall expenditure of the scheme, and through limiting participant volumes to prevent any risk of overspend. Cash-flow risks associated with European Social Fund (ESF) claims will be offset by upfront grants to CLF from DWP, and dedicated personnel to ensure ESF claims are made efficiently and accurately.
Conditions of funding including European Social Fund	That match funding for the programme from European Social Fund isn't fully compatible with the eligibility and participant definitions agreed with DWP.	Assurances have been secured from the GLA (the managing agent for European Social Fund) regarding compatibility. A funding agreement for the match incorporating definition and eligibility criteria is expected to be signed off by the GLA and Central London Forward in June.
Capacity and expertise to manage the Work & Health Programme	There is a potential risk that CLF does not have commissioning and programme management expertise within the team.	CLF staff are experienced in running employment programmes and managing European Social Fund, and will have dedicated staffing to managing the contractor, financing, and administration of the devolved Programme.

		<p>The Management and Administration costs associated with delivery will be funded through the programme budget devolved from DWP and ESF.</p> <p>New governance arrangements are being put into place to provide strategic oversight, and where necessary provide additional capacity through the membership of CLF.</p>
Integration with local borough services & other provision	That the new provider isn't connected in with health services, employers and other provision which will support better outcomes.	<p>This is a key aspect of the Invitation to Tender document and expectations are set out for prospective providers which will be assessed.</p> <p>All boroughs have confirmed an approach to supporting integration with local provision including through senior office buy in, a borough induction plan for the provider, key referral points and support in designing and implementing plans for advisors working with clients.</p>

- 5.4 Opportunities for Westminster Employment Service.** The expectation is that the new provider will co-locate employment advisors with the Westminster Employment Service, including at the Maida Vale adult employability centre managed by City of Westminster College.

6 Financial Implications

- 6.1 As referenced above there are no direct financial implications and in-kind support to Central London Forward's management of the Work and Health Programme has been profiled and will be led by Growth Planning & Housing through existing budgets

7 Legal Implications

- 7.1 The City Council is a signatory to the CLF MoU which specifies that for each special project, such as the extant Work and Health Programme (WHP), the CLF members would enter into a further project related MoU. The participation of the CLF members and four additional boroughs for the governance of the WHP is covered in this proposed MoU. The actual MoU has been prepared by City of London's appointed solicitors and covers the obligations of the CLF and other members under the WHP as well as for the procurement and funding related

obligations under the DWP and ESF grants. This MoU is in order for execution by the City Council.

- 7.2 The Work and Health programme will be delivered through a service provider for the CLF and other participating boroughs. The procurement of such service provider is being led by City of London for the participating boroughs. The proposed procurement route of a competitive dialogue process would be in compliance with the Public Contracts Regulations.

8 Staffing Implications

- 8.1 There are no staffing implications arising from the implementation of this report. All commitments to supporting the MoU and provisions therein will be from existing staffing arrangements.

9. Consultation

- 9.1 The following parties have been consulted to date as part of the development of the Memorandum of Understanding and service specification for the Work and Health Programme:
- All Central London boroughs where the new service will be delivered – see map above
 - Clinical Commissioning Groups (CCGs)
 - Prospective providers through market warming events and briefings
 - Within the Council – the Public Health Team, Policy, Performance and Communications, Extended Executive Management Team

If you have any queries about this Report or wish to inspect any of the

Background Papers please contact:

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For completion by the **Deputy Leader and Cabinet Member for Business, Culture and Heritage**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____

NAME: **Councillor Robert Davis MBE DL, Deputy Leader and Cabinet Member for Business, Culture and Heritage**

State nature of interest if any
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(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled

Work and Health Programme

Signed

Councillor Robert Davis MBE DL, Deputy Leader and Cabinet Member for Business, Culture and Heritage

Date

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:
.....
.....

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, Strategic Director Finance and Performance and, if there are resources implications, the Strategic Director of Resources (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.

Other Implications

1. Resources Implications

- 1.1 See Financial Implications in the main body of the report.

2. Business Plan Implications

- 2.1 All the commitments in the MoU will be incorporated into the relevant departmental business plans for 2017/18.

3. Risk Management Implications

- 3.1 Risks for the Service, mitigations and their management are set out above at 5.3

4. Health and Wellbeing Impact Assessment including Health and Safety Implications

- 4.1 Clinical Commissioning Groups and Public Health Teams within the Council have been briefed on the new service which will provide employment support for residents with health conditions and disabilities. Other provision including the Council's Westminster Employment Service will continue to provide additional capacity for residents ineligible for the new Work and Health Programme.

5. Crime and Disorder Implications

- 5.1 The Work and Health Programme provider will be connected in to Community Protection teams and the Police and residents at risk of offending and young people not in education or employment.

6. Impact on the Environment

- 6.1 The service will more effectively connect local employers with residents thereby having a positive contribution on the environment.

7. Equalities Implications

- 7.1 The Work and Health Programme will support the City Council's equalities policies by supporting underrepresented groups in the labour market which include residents with disabilities and health conditions.

8 Staffing Implications

- 8.1 See Financial Implications in the main body of the report.

9. Human Rights Implications

9.1 There are no human rights implications.

10. Energy Measure Implications

10.1 There are no energy measure implications.

11. Communications Implications

11.1 The Service will be promoted across Council and partner channels to maximise uptake.