

CABINET

20 March 2018

Title: Delivering the Work and Health Programme in Barking and Dagenham	
Report of the Cabinet Member for Economic and Social Development	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Zoinul Abidin – Head of Universal Services - Community Solutions	Contact Details: Tel: 07974 241 820 E-mail: Zoinul.Abidin@lbbd.gov.uk
Accountable Director: Mark Fowler, Director - Community Solutions	
Accountable Strategic Director: Anne Bristow, Strategic Director; Service Development and Improvement	
Summary <p>Officers leading on employment and skills within Community Solutions have been successful with a bid to Maximus UK to become part of their supply chain to deliver the Work and Health Programme (WHP) in Barking and Dagenham. This programme is designed to support people with health problems, disabilities or those who are long-term unemployed into work and integration with local services is at the heart of the programme.</p> <p>The programme is jointly funded by Department for Work and Pensions (DWP) and the European Social Fund (ESF) and replaces the current DWP Work Programme. It is contract managed by LB Redbridge on behalf of the Local London Partnership.</p> <p>Maximus UK staff will deliver support to residents focusing on the Northern half of the borough, with the Job Shop Teams in Barking Learning Centre and Dagenham Library covering residents in wards closest to each of those facilities. The precise coverage is in the process of being agreed, with Maximus UK looking at a range of delivery venues including libraries and Children's Centres.</p> <p>The programme will run from April 2018-March 2023 and, subject to performance, would generate up to £1.4m in income to fund the Job Shop Service within Community Solutions.</p>	
Recommendation(s) <p>The Cabinet is recommended to:</p> <p>(i) Agree that the Council enters into a contract with Maximus UK to deliver the Work and Health Programme service in the Borough, in accordance with the Council's Contract Rules and the strategy set out in the report; and</p>	

- (ii) Delegate authority to the Strategic Director for Service Development and Integration, in consultation with the Director of Law and Governance, to enter into the contract and all other necessary or ancillary agreements with Maximus UK to effect the arrangements.

Reason(s)

To assist the Council in achieving its Inclusive growth priorities. This proposal is in line with Recommendations 90 and 91 of the independent Growth Commission's report published in February 2016.

1. Introduction and Background

- 1.1 The Work and Health Programme will provide employment support for a number DWP claimants in receipt of Employment Support Allowance, Job Seekers Allowance for more than two years plus some early entrants from disadvantaged groups e.g. ex-offenders, ex-armed forces, or homeless persons. Around 75% of beneficiaries are expected to be voluntary participants with health problems, 8% voluntary early entrant with the remaining 17% mandated to attend as long-term unemployed.
- 1.2 The programme is jointly funded by Department for Work and Pensions (DWP) and the European Social Fund (ESF) and the programme replaces the current DWP Work Programme. Barking and Dagenham has over 7,900 residents claiming health related out of work benefits. Funding for the Programme has been devolved to the Local London Partnership, with LB Redbridge acting as accountable body. Following a tender exercise Maximus People Services were appointed as the prime contractor.
- 1.3 The Employment & Skills Team within Community Solutions engaged with a range of providers including the successful bidder, Maximus, who have included the Job Shop Service in their supply chain and have been selected to deliver 50% of the contracted outputs in Barking and Dagenham. This equates to c735 residents over the contract period April 2018 to March 2023 and will generate an income of £1.403m subject to delivery of outcomes.

2. Proposal and Issues

- 2.1 Jobcentre Plus will be the gateway to the service and no clients can be enrolled directly onto the programme. All clients will receive an initial screening telephone call by Maximus to ascertain whether any health or disability-related issues are being appropriately managed and supported. Where this is not the case referrals will be made to a health-qualified key worker. Otherwise referrals will be made to generalist key workers who will provide a range of employment support.
- 2.2 Proposed delivery is for existing staff within the Job Shop teams within Community Solutions to deliver employment support to residents. The teams have collectively had many years' experience of delivering externally funded welfare to work projects.

- 2.3 The delivery will be via the current Job Shop delivery model whereby residents are allocated a dedicated, qualified Job Broker who will develop a bespoke individual action plan detailing actions required for their journey into sustainable employment.
- 2.4 The Job Shops have successfully delivered externally funded projects over the past ten years and are currently delivering on the Growth Boroughs ESF Unlocking Potential Programme. ESF, as for most externally funded programmes, has strict evidencing requirements of eligibility, intervention and outcomes.
- 2.5 Over 2016/17 the Job Shop Staff worked with over 400 residents with health conditions and are currently delivering a DWP Flexible Support Fund Project for this group of residents. This is an opportunity for the Council to improve on the outcomes achieved under the last programme for this client group. The location of the service within Community Solutions should lead to quicker access to a range of other services such as housing advice or financial inclusion services.
- 2.6 The expected volumes of clients is shown below:

17/18	18/19	19/20	20/21	21/22	22/23
15	184	189	194	112	41

- 2.7 The Job Shop Staff are considered to be the most qualified to deliver this contract therefore no alternatives have been explored. Subcontracting is not permitted under ESF funding rules.
- 2.8 If progressed the Job Shop team would deliver 50% of programme outputs for the Borough, with Maximus proposing to deliver the remaining 50%. Close partnership arrangements will be put into place including the possibility of co-location although officers within Inclusive Growth and Community Solutions will be pushing for delivery in venues that provide good coverage across the borough and which minimises required travel.
- 2.9 The Job Shop Service Employer Engagement Team have been targeting disability confident employers and promoting the Access to work offer to aid employers to recruit clients with health conditions. These relationships with businesses are an important element of delivery under WHP, as for any employment related programme.
- 2.10 Funding available is £1,403,720 payment subject to successful delivery of all outcomes. 30% of this funding (£421k) will be provided as a service fee and is not tied to outcomes. The remaining funding is tied to participants securing income equivalent to working 16 hours for 26 weeks which will be verified by HMRC. Those paid at a higher rate or working more than 16 hours will trigger an earlier outcome payment.

3. Options Appraisal

- 3.1 The main alternative to direct delivery through the Job Shop would be to encourage Maximus to deliver all outcomes or to allocate the funding to another provider within their supply chain. However, we feel there remains strength in a council and partner offer especially as Job Shop is now situated within community solutions connecting

to wider support mechanisms. This approach will further enable a comparison of the effectiveness between the Council and Maximus's provision.

4. Consultation

- 4.1 Meetings have been held with internal partners along with key stakeholders. Formal consultation has not been required as the approach is built on the current service provision, along with the development of community solutions, where helping residents into work is seen as a key outcome.

5. Financial Implications

Implications completed by: Katherine Heffernan, Group Manager - Finance

- 5.1 The Council currently provides an European Social Fund Employment programme which is now part of the Community Solutions service offer. The ESF income is timelimited and is due to end in the course of the next financial year. This was recorded as a pressure in the MTFS and the budget framework assumes that Community Solutions will either absorb this funding loss or find alternative funding.
- 5.2 This report proposes that the Council enter into a contract with Maximus (itself a contractor of the DWP) to provide employment support for people with disabilities, long term health conditions or other barriers to find and keep work. The total value of the contract is up to £1.4m over five years and would provide a partial solution to the loss of ESF.
- 5.3 However it should be noted that this is in part a payment by results contract. The Council will receive £0.42m as an administration fee in the first three years linked to levels of activity and the balance of £0.98m as a performance payment dependent on the achievement of particular outcomes. This means that the Council is exposed to some level of financial and performance risk. The administration fee will cover part but not all of the cost of running the programme (and it is possible it is not fully achieved if for some reason activity is lower than expected.) However the level of the performance payment is such that it could potentially generate a surplus for reinvestment in the service.

6. Legal Implications

Implications completed by: Kayleigh Eaton, Contracts and Procurement Solicitor

- 6.1 This report is seeking approval for the Council to enter into a contract with Maximus UK for the Council's Job Shop Service to provide 50% of the employment support and advice service, under the Work and Health Programme, within the borough which could generate a maximum income of £1.4m. It is noted that Maximus UK has been selected following a tender exercise conducted by the London Borough of Redbridge on behalf of the Local London Partnership.
- 6.2 Under section 1 of the Localism Act 2011 the Council has a general power of competence meaning that it is able to do anything which individuals generally may do. This power permits the Council to enter into an arrangement such as the one set out in this report in order to deliver the said services.

- 6.3 The proposed arrangement does not fall within the scope of the Public Contracts Regulations 2015 and therefore there are no implications arising under these regulations as a result of the arrangement between the Council and Maximus.
- 6.4 The arrangement between the Council and Maximus is to be subject to a written contract which the Law & Governance Team will assist in reviewing and sealing in accordance with the Council's Contract Rules.
- 6.5 The Law & Governance Team will continue to be on hand and available to assist and advise.

7. Other Implications

- 7.1 **Risk Management** – Risk will be managed on a monthly basis by the officers within Inclusive Growth and Community Solutions. A Risk Register will be completed and owned by the Commissioner together with a Regeneration Manager in Community Solutions. Monthly performance meetings will be used to monitor performance and improvement plans put in place where required.
- 7.2 **Staffing Issues** – Existing Job Shop staff within Community Solutions have been identified to deliver the programme, as they have the track record of successfully delivering welfare to work programmes.
- 7.3 **Corporate Policy and Customer Impact** - Delivery of outcomes for this project will directly meet recommendations 90 and 91 of the Independent Growth Commission. Project delivery will contribute to delivering the vision and aspirations for the borough as set out in the Borough Manifesto, in particular around employment.
- 7.4 **Health Issues** – The impact of health issues stopping residents securing employment is intended to be addressed through this programme. Good work is positively link with better health outcomes.

Public Background Papers Used in the Preparation of the Report:

None

List of appendices:

None