



West London Economic Prosperity Board

8 June 2016

Title	Devolved WLA Work and Health Programme
Report of	Dan Gascoyne, Director WLA
Status	Public
Urgent	No
Key	No
Enclosures	Appendix 1 – Extract of West London Economic Prosperity Board Functions and Procedure Rules Appendix 2 – Draft Agreement on Roles and Responsibilities for Work and Health Programme in London
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Summary

In London, the Department for Work and Pensions (DWP) has agreed to devolve co-design and co-commissioning of the Work and Health Programme (the replacement for the Work Programme) from October 2017. The responsibility for commissioning and managing the devolved programmes will fall to the sub-regions, which in West London is the WLA.

Recommendations

The Board is requested to:

1. To note that the Work and Health programme will be co-commissioned with the Department for Work and Pensions at a sub-regional level and the detail of the proposed service set out in section 2.2
2. To agree to work with the Department for Work and Pensions to co-commission the Work and Health programme in West London and that this will be procured by Ealing on behalf of the West London Boroughs (with involvement of DWP officials).

- 3. To agree that in West London, governance and delivery of the programme will be integrated into the WLA Growth, Jobs and Skills programme.**
- 4. To delegate authority to the Director of the West London Alliance, following consultation with Ealing's Director of Legal and Democratic Services:**
 - i) to enter into any agreements, if required, with Department for Work and Pensions necessary for the devolved funding to be transferred; and**
 - ii) any other agreements required to access additional funding e.g. ESF**
- 5. To support:**
 - i) Active involvement of staff from west London boroughs and other local partners to ensure that the Programme is designed and commissioned in line with borough priorities and services, using existing networks and task groups where possible**
 - ii) Efforts to seek funding applications and make bids to maximise impact of the programme and reach as wide a pool of residents as possible**
- 6. To agree to seek funding applications and make bids; and to commit the WLA boroughs to supporting the programme**
- 7. To agree that the West London Economic Prosperity Board should review its "Functions and Procedure Rules" to, inter alia, clarify the definition of whether "approving joint procurement" includes decisions to invite Tenders and to Award contracts**

1 WHY THIS REPORT IS NEEDED

- 1.1 The report is required in order for the London Borough of Ealing, acting on behalf of the West London Alliance, to establish the programme of work required in order to support the devolved work programme.

2 REASONS FOR RECOMMENDATIONS

2.1 Background

1. In the 2015 Autumn Statement Chancellor George Osborne announced that *"from 2017, local areas including London will work with DWP to co-design employment support for harder-to-help claimants, as part of wider Devolution."* The WLA Mental Health and Employment Trailblazer was subsequently cited in the London health devolution agreement in December 2015.
2. Since these announcements, London Councils, and the lead London Chief Executive (Lesley Seary, Islington), have been negotiating with DWP on the

detailed design of a devolved employments support programme for London. It has been established that a new Work and Health programme, replacing the nationally procured Work Programme from October 2017 will be, co-designed and co-commissioned with DWP at the sub-regional level, with WLA leading for West London. The current draft split of accountabilities is attached at Appendix 2.

2.2 The Proposed Work and Health Programme for West London

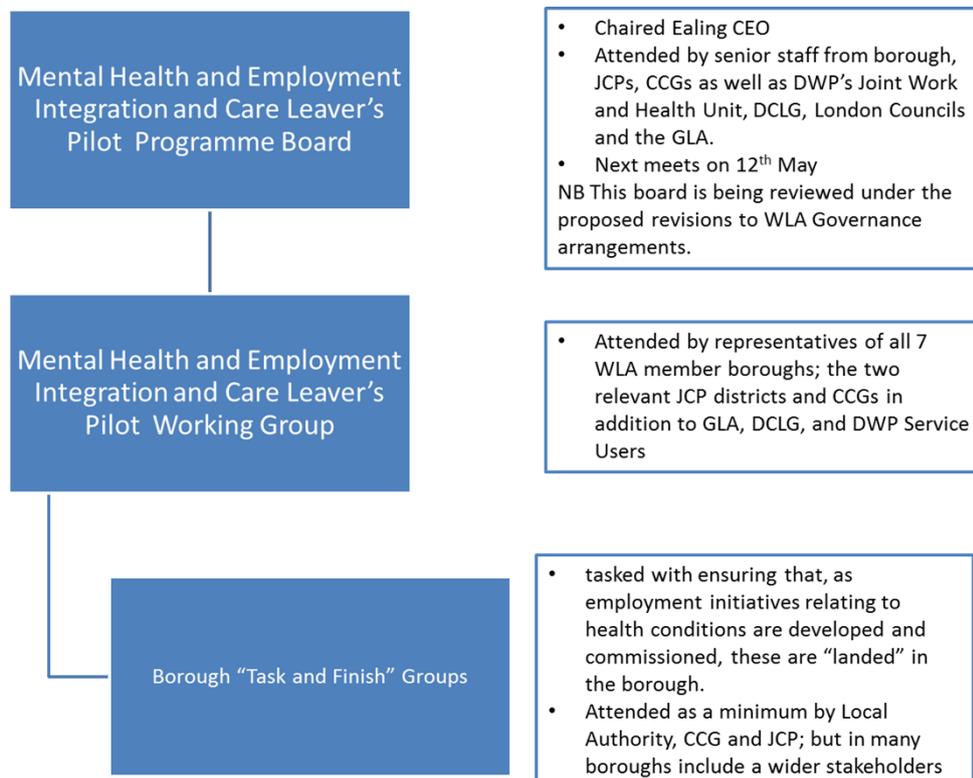
3. The central objective of the Work and Health programme will be to provide holistic support to vulnerable and long-term unemployed residents across West London boroughs enabling them to overcome (primarily health) barriers to work. The programme will be funded by DWP although local areas will have the opportunity to supplement DWP funds with local investment. Eligibility criteria for referring clients to the Work and Health programme have not yet been clearly defined by DWP however it is expected to include those who have been unemployed for longer than two years as well as a proportion of those in receipt of ESA where both DWP and the customer agree they would benefit from the programme.
4. While negotiations are on-going it is anticipated that the devolved funding from DWP for the Work and Health Programme for London will be between £50 and £60m as a whole over five years (before any ESF match). WLA's proportion could be around £10m and allocations between boroughs will be in proportion to their cohort sizes.
5. In addition to the funding being provided by DWP, London Councils is exploring on behalf of the Sub-Regions whether the Sub Regions can take on "co-financing" status with respect to ESF funding which would allow sub-regions to directly match fund devolved employment support funding with ESF monies. Consideration is also being given to other potential sources of locally controlled funding for the programme. The procurement will be structured in a way that is sufficiently flexible regardless of the outcome of discussions on additional funding.
6. As part of the discussions between London Councils and DWP, it is clear that the Programme will include minimum national standards set by DWP which will take a "grey box" approach, allowing the Service Provider a degree of flexibility to decide what interventions are appropriate for an individual from within an agreed range. However, West London Alliance will also be able to specify requirements. These are likely to include an holistic assessment of the clients' barriers to work and the inclusion of specific interventions proven to have a beneficial impact with the most prevalent groups among West London's sick and disabled residents (specifically those with mental health, learning difficulties and behavioural problems (46%) and those muscular skeletal health issues (15%)) within the agreed range.
7. A key aim of the devolved Work and Health Programme from a WLA perspective will be to integrate employment support into other services being provided to these individual residents, for example Cognitive

Behaviour Therapy being delivered by the Improving Access to Psychological Therapy (IAPT) service; drug based treatments provided by GPs; or Adult Services Care Packages. As such the Service Provider will need to be flexible on delivery location

8. Consideration is also being given as to how best to ensure customers accessing the Work and Health programme access can any skills development support needed, particularly in the context of a potentially devolved Adult Education Budget (AEB) from September 2018. Prior to devolution of the Adult Education Budget (AEB) it is expected that participants on the Work and Health programme will be able to access funded skills training within their entitlement from local skills providers. To prepare for devolution from September 2018 it is also proposed that in West London a facility to capture information about additional skills needs of those entering the work and health programme should developed, to inform decision-making about whether and to what extent additional investment in the skills element of the work and health programme is needed following AEB devolution.

2.3 Governance

9. Given the need to mobilise rapidly to meet DWP expectations for the procurement start date (see below), it is proposed that work to develop the Devolved Work and Health Programme uses the existing governance structures for the Mental Health and Employment Integration Trailblazer and Care Leavers' Pilot (see diagram below). These currently fit within the overall WLA Growth, Jobs and Skills Programme already accountable to the West London Economic Prosperity Board.



10. These arrangements will provide a sound basis to commence the programme, and will be revised to ensure they evolve to meet the requirements of the Devolved Work and Health Programme, ensuring that all relevant partners are represented, as well as the new governance arrangements being established for WLA programmes.

2.4 Procurement Approach and Timetable

11. DWP have prescribed a procurement timetable starting in July 2016 in order to commence the new Programme when the current Work Programme finishes in October 2017, The aim will be to take the decision to award the contract for provision of a Devolved Work and Health Service in West London at July 2017 meeting of the WLEPB
12. DWP have issued an OJEU PIN notice for the Work and Health Programme for the National procurement exercise
13. Procurement of the current WLA Work and Health programme initiatives is being led by Ealing. Given the high profile nature of the Work and Health Programme, it is recommended that the decision to commence the procurement be supported by a Cabinet Decision from Ealing. This will need to be presented to a June Cabinet meeting to fit with the DWP timetable.
14. DWP have proposed that the procurement be conducted as a Competitive Dialogue. The Public Contracts Regulations 2015, allows for Competitive Dialogue on the following grounds (among others):
 - Where the contract includes design or innovative solutions
 - Where the requirement is complex in nature, in its legal and financial make-up or because of its risks
15. It should also be noted that under the 2015 Public Contract Regulations, this initiative can be procured under the Light Touch regime, which covers Health, Social and Related Services, specifically under the CPV (Common Procurement Vocabulary) code of "Job Search Services". While the approach currently being prescribed by DWP is fully OJEU compliant, this gives flexibility to the process, if West London boroughs feel that deviation from the defined process is required

2.5 Implications for West London Economic Prosperity Board (WLEPB)

16. The West London Economic Prosperity Board has a wide range of functions relating to promoting economic prosperity. The relevant functions are listed in Appendix 1.
17. In order to progress the Programme the WLEPB needs to agree recommendations that commit all WLA boroughs to supporting the joint procurement;

18. The WLEPB will also be asked to agree the recommendation to delegate sign off of a number of formal agreements to the Director of WLA, in consultation with the Growth Directors. These may include an agreement with DWP and any agreements relating to ESF funding
19. Legal opinion is split as to whether the phrase “approving joint procurement” includes decisions to invite Tenders and to Award contracts. Given that this was the intention, it is proposed that West London Economic Prosperity Board reviews its “Functions and Procedure Rules”. This review is timely, as in order to agree the changes for the 1 year annual stocktake of the role of the West London Economic Prosperity Board, any proposed changes would need to start to be drafted now in order to allow any necessary democratic decisions to be put in place.
20. London Borough of Hillingdon is to be included within the geographical scope of the West London Work and Health programme and Hillingdon’s residents will be able to access Work and Health programme services. While Hillingdon is a member of the WLA, it is not a formal member of the WLEPB, at it will be important to ensure Hillingdon is engaged in the co-design and commissioning process. The proposed governance structures set out in section 2.3 will endeavour to achieve this engagement.

3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 None

4 POST DECISION IMPLEMENTATION

- 4.1 Formal agreement to commence procurement is being presented for a decision at Ealing’s Cabinet meeting on 14 June 2016. Subject to this being agreed, the procurement will commence in July 2016.

5 IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

The proposals support the following priority: Securing Jobs and Homes

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

This report concerns the delivery of the Work & Health Programme, from October 2017, by the WLA. As reported, negotiations are continuing about funding transferring from the DWP, but around £10m is expected, with allocations between Boroughs based on cohort sizes. There will also be the opportunity to bid for external funding, eg ESF.

5.3 Social Value

N/A

5.4 Legal and Constitutional References

The Functions and Procedures for the West London Economic Prosperity Board allow for WLA boroughs to discharge functions related to promoting economic prosperity. The decision that will be presented to them are cross a number of their functions, as follows:

- Making funding applications and/or bids to external bodies, in relation to economic prosperity for the benefit of the local government areas of the participating local authorities
- Allocating any such funding awards to appropriate projects for the benefit of the local government areas of the participating local authorities, including, where applicable, approving joint procurement.
- Seeking to be the recipient of devolved powers and/or funding streams for the local government areas of the participating local authorities, which relate to the economic prosperity agenda
- Exercising any such powers and allocating any such funding
- Representing the participating local authorities in discussions and negotiations with regional bodies, national bodies and central government on matters relating to economic prosperity for the benefit of the local government areas of the participating authorities.
- Representing the participating authorities in connection with the Greater London Authority, London Councils and the London Enterprise Panel, for the benefit of the local government areas of the participating authorities, in matters relating to the economic prosperity agenda.
- Representing the participating local authorities in discussions and negotiations in relation to pan-London matters relating to economic prosperity.

5.5 Risk Management

A risk register for the overall Programme is retained. The key risks are as follows:

Risk	Mitigating Actions
Failure to Deliver Employment Outcomes	The contract with the provider will be structured in a way to deliver the behaviours we want to see. For example, where a specific client group requires more support than average, after finding a job, the contract will incentivise providing this support Integration of health and social care packages with employment support to minimise barriers to job entry and retention

Risk	Mitigating Actions
Not improving on the outcomes from the Work Programme	<p>The employment interventions that are commissioned will be evidence based, and the Grey Box approach allows for more direction as to how the provider delivers the service. This should overcome a key issue on the Work Programme of putting people in to jobs they did not want in order to trigger the outcome payment.</p> <p>Sub-regional performance management, to ensure actions to address underperformance are relevant to the locality.</p>
Central Government departments integration with the programme	<p>WLA are in a good position, as we have active participation, at both Programme Board and Working group level in the existing programme, from DWP staff. Clear agreements / Terms of Reference between DWP, GLA and WLA detailing roles and responsibilities of each party.</p>
Demanding timescales for co-design process	<p>Again with a Working Group that is already in existence and has experience of delivering co-design, WLA is ahead of the curve</p> <p>The team also proved its ability to turn around a co-designed employment programme is very rapid timescales at the start of the Trailblazer programme</p>
Failure to maintain multi borough engagement and buy-in over a long period of time	<p>On-going engagement of boroughs at Political, senior officer and working levels. Explore potential for establishing Performance reporting to boroughs for the Work and Health programme. KPI's in place which demonstrate how local need is being met</p>
Market Failure, with all regions of England and Wales procuring Work and Health provision simultaneously, there is a risk that suppliers will not be willing to bid for the WLA contract package	<p>The Programme has an active and on-going Market Engagement plan that has, to date, ensured potential suppliers are keen to develop proposals for WLA commissions</p>
Insufficient budget to address support needs of clients	<p>Continue to explore sources of match funding, e.g. European Social Fund.</p>

5.6 Equalities and Diversity

An initial EAA screening form has been completed for the Programme.

5.7 Consultation and Engagement

Name of consultee	Post held and Department	Date sent to consultee	Date received from consultee	Comments appear in report paragraph:
Dan Gascoyne	Director of West London Alliance	3/5/2016	17/5/2016	Throughout
Kim Archer	Director, DWP	3/5/2016	17/5/2016	Throughout
Luke Ward	WLA Interim Growth Lead	3/5/2016	17/5/2016	Throughout
WLA Growth Directors	Growth Director	21/4/06 (initial discussion)	20/5/2016 (final comments received)	Throughout

5.8 Insight

N/A

6 BACKGROUND PAPERS

6.1 None