



West London Economic Prosperity Board

21 September 2016

Title	DWP Work and Health Programme
Report of	Paul Najsarek, London Borough of Ealing Chief Executive
Wards	All West London Boroughs
Status	Public
Urgent	No
Enclosures	Appendix A – Draft Memorandum of Understanding <i>[Exempt item under paragraph 3, Part 1 of Schedule 12A. Local Government Act 1972 - Information relating to the financial or business affairs of any particular person (including the authority holding that information)]</i>
Officer Contact Details	Dan Gascoyne, West London Alliance Director, GascoyneD@ealing.gov.uk , 07545 412433

Summary

At the June meeting of the Board, it was agreed to delegate to the Chief Executive of LB Ealing authority to agree the detail of the agreement between the West London Alliance (WLA) and Department for Work and Pensions (DWP) in respect of the Devolution of the Work and Health Programme. At the time there was uncertainty as to who would have financial control.

Since the June meeting, the DWP has prepared a [confidential] draft Memorandum of Understanding (MOU) for signature between DWP and London Government that appears to be inconsistent with the devolution agreement in the 2015 Spending Review.

The West London Economic Prosperity Board is invited to join with London Government and other sub regional groupings in pan-London negotiations with a view to securing the best outcomes for west London.

Recommendations

The Board is requested to:

1. **Confirm that the West London Economic Prosperity Board will enter into negotiations with London Government and Department for Work and Pensions to secure a devolution deal in line with the 2015 Spending Review statement.**
2. **Agree that the West London Economic Prosperity Board Chairman be requested to contact the chairmen of the other London sub-regions, the Chairman of London Councils and the London Mayor setting out the West London position.**
3. **Delegate authority to the Chief Executive of LB Ealing to engage with West London boroughs, other London sub-regional groupings, the Greater London Assembly and London Councils to agree a better deal.**
4. **Encourage on-going engagement with the Department for Work and Pensions to influence the Work and Health Programme in order to drive local integration with other services and drive out better performance within the constraints of any commissioning arrangements finally put in place.**

1. WHY THIS REPORT IS NEEDED

- 1.1 As part of the Spending Review in November 2015, the government committed to jointly commissioning and designing the Work and Health Programme with London government.
- 1.2 The proposed devolution of the Work and Health Programme was presented to the West London Economic Prosperity Board (WLEPB) at its last meeting on Wednesday, 8 June 2016 with the agreement between the Department for Work and Pensions (DWP) and London Government attached as an appendix to the papers for the June WLEPB meeting in draft form at that stage.
- 1.3 For the Programme to go ahead based on four London contract package areas, the London Borough of Ealing, on behalf of the West London Alliance (WLA) boroughs, would need to sign-up to a legally binding Memorandum of Understanding (MoU) setting out the respective obligations of the DWP and WLA, for the period covering the procurement of the Work and Health service-delivery partner, up to the point of contract signature, estimated to be summer 2017.
- 1.4 However, a draft MoU issued on 12th August, indicated that DWP has a different understanding from London Government about the nature of a devolved Work and Health Programme.
- 1.5 Negotiations are underway to address this during September.

- 1.6 The purpose of this report is to seek agreement from the WLEPB that no agreement will be signed with DWP unless and until progress with the conditions listed in section 2 is achieved.

2. REASONS FOR RECOMMENDATIONS

- 2.1 A number of issues are being explored across London as key to the agreement with DWP, to bring it closer to the intent within the 2015 Spending Review statement, including: the respective roles and responsibilities of DWP and London; how DWP funding will be spent and governed (c. £55m over four years); match funding with European Social Fund (or equivalent post-Brexit); leadership on procurement issues; the importance of retaining four sub-regional Contract Package Areas; clarity over areas of flexibility from the national programme; access to performance data and overall governance and communications.
- 2.2 These issues and others will be part of the negotiations between London and DWP.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Signing the draft MoU as currently proposed. This would not meet the expectations of WLA boroughs either in terms of specific discussion and agreement already held by WLEPB on the expectations of the Work and Health Programme, nor in terms of the wider functions of the Joint Committee in terms of securing devolved powers and responsibilities. This may also undermine the collective London position, limit future opportunities for further devolution and lead to poorer outcomes than could be achieved through a devolved approach.

4. POST DECISION IMPLEMENTATION (APPROACH AND NEXT STEPS)

- 4.1 WLEPB Chairman to contact Leaders / Chairman of the other London sub-regions, the Chairman of London Councils and the London Mayor setting out the West London position.
- 4.2 Officers to continue to engage with other London sub regional groupings, Greater London Assembly and London Councils to secure a better deal in line with the conditions in Section 2.
- 4.3 Delegate authority to the LB Ealing Chief Executive to enter into agreement with DWP and London Government once negotiations have concluded.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 Agreed priorities will underpin the boroughs' shared West London Vision for Growth and Action Plan.

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

5.2.1 The recommendations of this report concern the collective position of the WLEPB boroughs on the DWP Work & Health Programme, for example, in terms of trying to secure sufficient resources, input into the tendering process and performance management. There are no specific financial implications at this point.

5.3 Legal and Constitutional References

5.3.1 As the WLEPB is not a legal entity then it has to nominate a borough to enter in to the agreement on behalf of the other boroughs.

5.3.2 The Functions and Procedure Rules for the West London Economic Prosperity Board include the following functions:

- 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.
- Seeking to influence and align government investment in West London in order to boost economic growth within the local government areas of the participating authorities.

5.4 Risk Management

- 5.4.1 A locally led approach offers significant levels of additionality but does require local government to bear increased financial, reputational and political risk to make this a reality.

5.5 Equalities and Diversity

- 5.5.1 A locally commissioned Work and Health programme will provide services to unemployed people with Health conditions; a EIA has been completed and no equalities issues have been identified.

5.6 Consultation and Engagement

- 5.6.1 West London chief executives have been engaged in developing the recommendations in this paper in consultation with London Government and the other London sub regions.

5.7 Insight

- 5.7.1 N/A

6. BACKGROUND PAPERS

- 6.1 None.