

Greater Manchester Combined Authority

Date: 30th September 2022

Subject: Working Well Work and Health Programmes and Specialist Employment
Service Contract Extensions

Report of: Councillor Eamonn O'Brien Portfolio Lead for Education, Skills and Work and
Joanne Roney Portfolio Lead Chief Executive for Education, Skills and Work

Purpose of Report

To propose and seek delegated authority for a 23 month extension to the Working Well Work and Health Programme (WHP) and to seek approval for the contract extensions of the Working Well Specialist Employment Service (SES).

Recommendations:

The GMCA is requested to:

1. Approve in principle the proposed Working Well: Work and Health Programme contract extension.
2. Approve in principle the proposed Working Well: Specialist Employment Service contract extension for the continued delivery of the existing contracts.
3. Delegate authority to the GMCA Treasurer and Monitoring Officer to agree the final terms of the contract extensions and execute all necessary documentation.
4. Note the Chair of Scrutiny has agreed that this report is exempt from call-in is for the following two reasons:
 - a. **Working Well Work and Health Programme:** GM is required to extend the delivery of the WHP alongside DWP from the 31st October (as per legally binding requirement of the shared MoU between DWP and GMCA).
 - b. **Working Well Specialist Employment Service:** the programme is due to cease referrals from 30th September 2022. The extension will need to progress for referrals to continue from the 1st October 2022 to prevent a break in service and should therefore be considered urgent.

Contact Officers

Thomas Britton, Working Well Portfolio Manager

Thomas.Britton@greatermanchester-ca.gov.uk

Equalities Impact, Carbon and Sustainability Assessment:

Recommendation - Key points for decision-makers

Insert text

Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion	G	
Health	G	
Resilience and Adaptation		
Housing		
Economy	G	
Mobility and Connectivity		
Carbon, Nature and Environment		
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target	The contract extensions have no direct positive or negative impact.	

Further Assessment(s): Equalities Impact Assessment

G Positive impacts overall, whether long or short term.	A Mix of positive and negative impacts. Trade-offs to consider.	R Mostly negative, with at least one positive aspect. Trade-offs to consider.	RR Negative impacts overall.
--	--	--	-------------------------------------

Carbon Assessment

Overall Score

Buildings	Result	Justification/Mitigation
New Build residential	N/A	
Residential building(s) renovation/maintenance	N/A	
New build non-residential (including public) buildings	N/A	
Transport		
Active travel and public transport	N/A	
Roads, Parking and Vehicle Access	N/A	
Access to amenities	N/A	
Vehicle procurement	N/A	
Land Use		
Land use	N/A	

No associated carbon impacts expected.	High standard in terms of practice and awareness on carbon.	Mostly best practice with a good level of awareness on carbon.	Partially meets best practice/ awareness, significant room to improve.	Not best practice and/ or insufficient awareness of carbon impacts.
--	---	--	--	---

Risk Management

- 1) Working Well Work and Health Programme:** as GM's earliest flagship Devolution Deal (with commitments dating back to 2014), GM is required to extend the delivery of the WHP alongside DWP. There would be a significant risk to GM devolution commitments in not progressing the extension.
- 2) Working Well Specialist Employment Service:** there are no foreseen risks to the extension of the WW SES contract. However, should the extension not be approved a break in GM's IPS access would occur resulting in GM falling behind its IPS performance trajectory as submitted to NHS England. An 18-month extension to the existing contract would prevent disruption to GM's IPS provision during the transition phase.

Legal Considerations

- 1) Working Well Work and Health Programme:** the existing Memorandum of Understanding between GMCA and DWP has been re-drafted (subject to final sign off) to include the contract extension.
- 2) Working Well Specialist Employment Service:** advice has been sought from our legal teams to ensure the extension can take place within contractual parameters.

Financial Consequences – Revenue

- 1) Working Well Work and Health Programme:** the contract extension will be funded by a DWP grant to the sum of £12,435,109.49. In addition to this there is an agreed £1,098,000 in Programme Office Administration costs.

Total extension starts	5,866
Extension grant funding 22/23	£869,845
Extension grant funding 23/24	£4,281,843
Extension grant funding 24/25	£5,151,688
Extension grant funding 25/26	£1,954,089
Extension grant funding 26/27	£177,644
Total	£12,435,109.49

Management & Administration Funding

23/24	24/25	25/26	26/27
£195,000	£394,000	£354,000	£155,000

- 2) Working Well Specialist Employment Service:** The contract extensions will be funded by available Local monies (£939,000), alongside this, a verbal agreement in principle with Integrated Care Partnership (ICP) to fund the IPS element (£850,000) of the contract extension.

Headlines: Supported Employment Service	
Lot 1	£876,000.00
Lot 2	£663,000.00
Programme Office Costs	£250,000.00
Total Contract Extension Cost	£1,789,000

Financial Consequences – Capital

N/A

Number of attachments to the report:

Note background papers below

Comments/recommendations from Overview & Scrutiny Committee

N/A

Background Papers

N/A

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution

No

Exemption from call in

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?

1. Note the Chair of Scrutiny has agreed that this report is exempt from call-in is for the following two reasons:
 - a. **Working Well Work and Health Programme:** GM is required to extend the delivery of the WHP alongside DWP from the 31st October (as per legally binding requirement of the shared MoU between DWP and GMCA).
 - b. **Working Well Specialist Employment Service:** the programme is due to cease referrals from 30th September 2022. The extension will need to progress for referrals to continue from the 1st October 2022 to prevent a break in service and should therefore be considered urgent.

GM Transport Committee

N/A

Overview and Scrutiny Committee

N/A

1. Introduction/Background

The background of each programme and proposed extension is offered below.

2. Working Well Work and Health Programme

2.1. The Programme Background

Greater Manchester launched its Working Well (Work and Health Programme) (WW(WHP)) in January 2018. The programme continues to support long term unemployed and disabled people into sustainable employment across the city-region.

First announced as part of the 2014 Devolution agreement, Greater Manchester successfully negotiated for the opportunity to co-design, procure and deliver a localised version of the new Work and Health Programme. As a result, the £52 million programme will support 22,600 individuals across Greater Manchester between 2018 and 2024.

InWorkGM delivers the Programme across Greater Manchester; it is an alliance partnership between Ingeus and The Growth Company, and also includes specialist health, wellbeing and disability support organisations. The programme offers over 200 different health interventions through a keyworker based delivery model.

Similar to the Working Well programmes that preceded it, the programme brings together expertise and local knowledge to include integrated health, skills and employment support, and offers all participants individually tailored and personalised support from their own dedicated key worker to support them on their journey back to work.

Integration with local services is at the heart of the Working Well (Work and Health Programme). An Integration Coordinator in each of the ten boroughs across the region works closely with Local Authority leads and key partners to understand the needs of participants, and maintain and create new partnerships with local providers or specialist organisations to ensure the right support is available at the right time.

In 2020 the programme was extended (alongside DWP contract package areas) to include the WW WHP Job Entry Targeted Support Service. A covid response service that will deliver support to those who find themselves recently (13 weeks) out of work as a result of the pandemic and its impacts on labour market sectors until March 23.

2.2. The Extension Proposal

Over recent months the GMCA has worked closely with the DWP to agree a 23-month extension to the WW(WHP), exercising an existing contract option set out in the original MoU. The original MoU states that “if DWP extends the WHP then the LGP (Local Government Partner) shall extend its WHP provision to be coterminous with the national programme subject to DWP providing the LGP with appropriate grant funding for the period of the extension” (para 43 of the original MoU between DWP and the GMCA, dated February 2017).

The extension is intended to continue the referral window from the anticipated end date of 31/10/22 for a further 23-months to 30/09/24; this will enable at minimum of 5,866 additional service starts (with the programme totalling at least 28,466 starts). The contract (inclusive of its extension) will expire 791 days immediately after the date of the last participant start (circa January 2027). This will include the 15 months of out of work support and should the participant achieve work, 6 months of in work support (as per original contract).

The contract extension will be funded by a DWP grant to the sum of £12,435,109.49 which is set out in the below table.

Total extension starts	5,866
Extension grant funding 22/23	£869,845
Extension grant funding 23/24	£4,281,843
Extension grant funding 24/25	£5,151,688
Extension grant funding 25/26	£1,954,089
Extension grant funding 26/27	£177,644
Total	£12,435,109.49

As well as the above, the MoU 2017 stated that GMCA and DWP would ‘work together, to identify and agree solutions for covering the LGP’s administrative costs post 2022’. DWP have now agreed to cover the ongoing WHP management and administration costs once ESF monies are no longer available (September 2023). Management and administration grant funding is outlined below (total c£1.1m over the post ESF extension period):

23/24	24/25	25/26	26/27
£195,000	£394,000	£354,000	£155,000

whilst the variation will make clear the split between European Social Fund (ESF) and non-ESF cohorts, those starting the programme as non-ESF (post April 2022) participants will continue to have the same checks/ paperwork/evidence as ESF participants. This will significantly reduce any transitional risks. For non-ESF participants GMCA will pay out based on DWP HMRC data, which is currently used by GMCA and is consistent with the DWP's National approach.

In addition to the time bound extension of the contract, GMCA have worked closely with DWP to ensure appropriate performance expectations during the extension period. The original contract expectations in GM were that 46% of all participants would achieve an employment outcome (16 hours x £Real Living Wage x 26 weeks). This position was similarly reflected across all Contract Package Areas – whether DWP led (although based on the National Living Wage) or devolved.

For the extension, performance expectations have been agreed (bilaterally between DWP and Local Government Partners) for all Contract Package Areas to a more realistic 34%. This is based on a value for money position led by HM Treasury and on a universal acceptance that that original contract expectations were too high given the nature and depth of the WHP participant needs alongside labour market closures through the pandemic. GM's current performance position is 30.3% (5225/5842 or 89% of the business case expectation). It is important to note that consistent with DWP's approach and advice, the programmes unit cost has increase slightly from £2100 to £2120 per participant.

The contract variation also seeks to adjust the existing social value commitments of the 2017 contract. This will support a refresh of commitments, beyond those already achieved over the 5 years of WHP delivery to date and will include locally specific commitments alongside the introduction of a Community Investment Fund (1% of provider revenue) framework to directly monitor the providers purchase of additional necessities/support for WHP participants in order to alleviate cost of living challenges and their journey into work (this was offered in the providers original bid and enhanced for the extension).

Finally, alongside the variation will be an extension to the existing evaluation of WHP to support the ongoing evidence base and the programmes continuous improvement agenda (a separate contract valued at £54K) .

3. Working Well Specialist Employment Service

3.1. The Programme Background

The Working Well Specialist Employment Service (SES) provides both supported employment for people with a learning disability and/or autism and Individual Placement and Support for people with a severe mental illness. SES is currently funded by a blend of funding (NHS mental health monies via GMHSCP, European Social Fund and a contribution from GM's ten local authorities and one CCG) and is delivered through two contracts: Lot 1 covering the west of Greater Manchester (Bolton, Manchester, Salford, Trafford and Wigan) and Lot 2 covering the east of the city region (Bury, Oldham, Rochdale, Stockport and Tameside).

Procured in 2019, the service went live on 1st August 2020 after being delayed by four months due to the Covid 19 pandemic. The contract start date was 1st April 2020 and service delivery was due to end 31st March 2023. At the outset, the providers were commissioned to deliver up to 418 supported employment service starts and 954 IPS starts through SES. However, delivering the SES contract over the pandemic was particularly challenging. This was both due to the clinical vulnerability of the eligible population groups to Covid-19 and the significant impact of the pandemic on referral partners (Adult Social Care and GM's NHS mental health trusts). The Service Start expectations were therefore revised down to 358 for Supported employment and 739 for IPS.

For IPS, the Five Year Forward View for Mental Health, the NHS Long Term Plan sets out an ambition that 55,000 people will have access to IPS services by 2023/24. Greater Manchester's fair share of this ambition is 3,010 people by this date. In short there is a GM responsibility to provide IPS and NHS have plans going forward to commission further/future support in GM. However, an extension of the SES contract

would support a much-needed continuation of IPS delivery whilst an NHS led procurement of future IPS services is underway.

Supported Employment is achieving programme Job Start targets CTD, with **45% of participants who have received their pre-work support time, finding employment** against a target of 39%. For IPS, **37% of those who start the programme achieve a job outcome**; this is slightly below the contract target of 29%. This extension provides the opportunity to continue support and to approach the historical deficits in relation to referrals and starts for both cohorts whilst adding further SE starts beyond the original scope.

3.2. The Extension Proposal

It should be noted that the GM Directors of Adult Social Services group (responsible for SE referrals) were made aware of a provisional agreement to extend the contract at their meeting in late May 2022. Discussions have also been held with the GM Integrated Care (September 2022) regarding a desired approach to extend the IPS delivery.

The variation is made up of three key elements:

- Ensuring that any participants that are referred to the service before the original referral end date of 30th September 2022 are able to have their full time on programme ensuring parity of service to all participants. To note, currently final starts with SES only have six months of pre-work support – for supported employment participants the full time on programme is up to 12 months pre-work support and up to six months in work support.
- Extending the referral window a further nine months, allowing time to make up the original service start target for IPS (preventing any GM break in service) and SE and deliver 143 additional Supported Employment places;
- Deliver 97 supported work experience placements for people with a learning disability and/or autism.

Individual Placement Support

It is anticipated that the service will offer IPS Access to up to 500 individuals across Greater Manchester and in doing so allow a further 150 individuals to start the service. The extension will offer an additional 18-months of programme delivery to service users. Referrals will continue until end June 2024, by which time the NHS expansion service should be ready to take referrals. This will prevent any break in service whilst the NHS commission GM's future IPS services.

Final allocations between Lots 1 & 2 to be calculated when grant funding is finalised.

Additional Supported Employment places and Work Experience

In addition to the remainder of the current contractual supported employment service start target of 358 the extension will deliver an additional 143 starts:

Provider	Service starts	Job Starts	Job Outcomes
Lot 1	78	30	26
Lot 2	65	25	22
Total	143	56	48

The rationale for the number of additional places has been reached using each providers existing staffing levels; keeping within the fidelity criteria set out by the British Association of Supported Employment. Each Local Authority's Service Start places have been allocated, based on population fair shares within each Lot.

Following discussions with Adult Social Care teams in local authorities and SEND colleges (in collaboration with the GMCA Careers HubTeam) the need for providing supported work experience placements has been identified. These placements would boost individual's confidence aiding their journey to work, provide meaningful experience and engage a wider range of employers.

Each work experience participant will receive a written testimonial from the employer and complete a GMCA Reasonable Adjustment Passport. This is a document owned by the individual will support both the employer and individual in relation to their disability and reasonable adjustments.

Provider	Number of Supported Work experience placements
Lot 1	60
Lot 2	37
Total	97

Financial Summary

The programme extension will be locally funded using new investment from the GM Integrated Care Partnership (grant funding for £850,000 to be finalised) and GM's Youth Contract underspend – (to a cost of £939,000 currently held in GMCA reserves). The extension cost will total £1.79m.

The original contract contains an option to extend the contracts, the proposed value of this contract extension is lower and would fit well within the legally permitted extension values:

Headlines: Supported Employment Service	
Lot 1	£876,000.00
Lot 2	£663,000.00
Programme Office Costs	£250,000.00
Total Contract Extension Cost	£1,789,000

A grant funding agreement between the GMCA and ICB for the delivery of IPS is yet to be finalised. However, a verbal agreement in principle has been reached based on the above costings. The costing have been developed to reflect the current open book account costing of the providers delivery to date. Any extension will be dependent on adequate funding agreements and signed off by the Treasurer.