

Greater Manchester Combined Authority

Date: 27th September 2024

Subject: Contracts for Working Well: Work and Health Programme and Individual Placement and Support in Primary Care

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

Purpose of Report

To propose and seek delegated authority to direct award a contract for the Working Well: Work and Health Programme (WHP) under regulation 32 (2)(c) and to seek approval for a contract extension to Working Well: Individual Placement Support in Primary Care (IPSPC).

Recommendations:

The GMCA is requested to:

1. Approve the proposed award of the Working Well: Work and Health Programme contract on the basis set out in this Report.
2. Approve the proposed Working Well: Individual Placement and Support in Primary Care 12-month contract extension and increase in value on the basis set out in this Report.

Contact Officers

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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	<input type="text"/>	
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 continue the delivery of the WHP alongside DWP. There would be a significant risk to GM devolution commitments in not awarding a contract to continue the existing WHP service. The request coincides with the planned end of referrals to the existing WHP offer (Sept 24) and a delayed start to the government's Universal Support plans (national issue). A direct award to allow the continuation of this service will mitigate the risk of having no employment support for vulnerable residents out of work due to poor health and disability.
- 2) Working Well: Individual Placement and Support in Primary Care:** there are no foreseen risks to the extension of the IPSPC contract, as this was already allowed for in the original procurement process and contractual documentation. However, should the extension not be approved there would be a gap in provision between the wind down of IPSPC (and other health and disability employment provision i.e. WHP) and the go live of GM's Universal Support offer.

Legal Considerations

- 1) Working Well: Work and Health Programme:** the existing Memorandum of Understanding between GMCA and DWP will be re-drafted to include the continuation of this provision. The existing contract has already been extended to the limits of its 50% increase and so the use of regulation 32 (2)(c) of the Public Contract Regulations 2015 to direct award a contract to the current provider by way of negotiated procedure without prior publication is recommended. This award can be made on the basis that the provision is strictly necessary because, for reasons of extreme urgency brought about by events unforeseeable by the GMCA, the time limits for the open or restricted procedures or competitive procedures with negotiation cannot be complied with. We are unable to procure a new contract for the continuation of this service due to the extremely tight timescales, a full procurement process would take 3-6 months and a mobilisation period of around 6 months would also apply.

2) Working Well: IPSPC: The initial period of this contract is due to come to an end on the 31st of March 2025, with the participant start (onboarding) period ending in November 2024. This extension of 12 months was allowed for in the original process and governance (with the option to extend for another 12-month period if necessary), this will give the contract a new end date of the 31st of March 2026, with the participant start (onboarding) period ending in April 2025.

There is also a recommendation to approve increasing the contract value, the initial value of this contract was £2.82m, the value of the allowed for 12-month extension is £1.69m giving a total allowed for value of £4.51m. The recommendation is to increase the contract value by a further £810,000 which is allowed for under regulation 72(1)(b) of the Public Contract Regulations.

Financial Consequences – Revenue

1) Working Well: Work and Health Programme: the contract will be funded by a DWP grant to the sum of £7,500,000. In addition to this there is an agreed £230,000 in Programme Office Administration costs. Both indicative at this stage and to be finalised following ministerial sign off.

Total Starts	3538
Additional grant funding to January 2027	£7,500,000
Management fee to January 2027	£230,000
Total	£7,730,000

2) Working Well: Individual Placement & Support in Primary Care: the contract extension will be funded by a DWP grant to the sum estimated to be around £2.5m (yet to be determined). In addition to this there is a provisional c£400k in Programme Office Administration costs. Both indicative at this stage and to be finalised following ministerial sign off.

Total extension starts	c600
Extension grant funding to March 2026	c£2.5m
Management Fee to July 2026	c£400k
Total	c£2.9m

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

Work and Health:

[Microsoft Word - Item 09 Work Programme Co Commissioning 080915
\(greatermanchester-ca.gov.uk\)](#)

[Economic Development \(greatermanchester-ca.gov.uk\)](#)

[GMCA Part A Report Template \(greatermanchester-ca.gov.uk\)](#)

[Microsoft Word - Update on Work and Skills \(greatermanchester-ca.gov.uk\)](#)

Individual Placement & Support in Primary Care:

[Economic Development \(greatermanchester-ca.gov.uk\)](#)

[GMCA Part A Report Template \(greatermanchester-ca.gov.uk\)](#)

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?

- a. **Working Well: Work and Health Programme:** GM is required to continue the delivery of the WHP alongside DWP from the 30th of September (as per legally binding requirement of the shared MoU between DWP and GMCA).

The contract award will need to progress to prevent a gap in provision for vulnerable residents out of work as a result of health conditions and disabilities.

- b. **Working Well: IPSPC:** the programme is due to cease referrals from 30th November 2024. The extension will need to progress to prevent a gap in provision for vulnerable residents out of work (or at risk) as a result of health conditions and disabilities.

Bee Network Committee

N/A

Overview and Scrutiny Committee

N/A

1. Introduction/Background

Employment support for GM's long-term unemployed and economically inactive residents – particularly those with health conditions and disabilities – has been provided in recent years under the GM Working Well suite of programmes. That suite encompasses a number of commissioned programmes and services, supported by national and local funding streams of varying durations.

As the previous Parliament and Spending Review periods drew to a close, no decisions could be taken by UKG about successor funding/programmes, despite recognition that both the national contracted employment support offer and those programmes that have been delegated to Greater Manchester faced a funding cliff-edge.

That cliff-edge affects much of the current commissioned employment support offer, meaning new referrals for support would cease over the coming months; **in the absence of additional funding, Greater Manchester's capacity to deliver employment support to help vulnerable residents move towards/ into work would halve by March 2025.**

With the Government's longer term spending plans currently under development, and recognising the need to take urgent steps in the meantime, the Department for Work & Pensions (DWP) has now offered funding extensions for some of the core programmes. If approved as set out in this paper, these funding extensions will mitigate the immediate risk of programme closure. The background of each programme and proposed extension is offered below.

With continuity of the offer secured in the short term, GMCA will continue its transformational journey toward a GM 'Live Well' system (as per mayoral commitments). With that, GMCA will submit propositions to UKG ahead of forthcoming fiscal events and will contribute to the thinking that will shape the English Devolution White Paper (expected in the Autumn). Those propositions will set out the place-based functions and levers needed to deliver GM's whole-system approach to education, skills, work and health that will deliver inclusive growth to which all of our residents can contribute – and from which they can all benefit. Those propositions will reflect the established direction of travel in Greater Manchester and the Mayoral manifesto, including the Live Well agenda, and will seek to maximise the opportunities of GM's Integrated Settlement as agreed in the devolution Trailblazer.

2. Working Well Work and Health Programme

2.1. The Programme Background

Greater Manchester launched its Working Well: Work and Health Programme (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 programme (originally valued at £52m) has supported more than 29,000 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 WHP. 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 maintains and creates 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. It was a covid response service that delivered support to those who found themselves recently (13 weeks) out of work as a result of the pandemic and its impacts on labour market sectors until March 23. It supported 19,666 residents across its life span.

In 2022 the WHP was extended again for 23 months which included 5,866 additional service starts (to be achieved by September 24). This extension has performed well

with both start and outcome rates amongst the best in the country. It was entirely funded by DWP to a total of £12.43m inclusive of a post ESF agreement to cover GMCA management administration costs.

In 2023, adaptations were made to the delivery of WHP to include 'Pioneer' – a £3.3m Universal Support test and learn pilot which using a 'place, train and maintain model' delivers an additional c1500 starts through the original contact but operates a moderately adjusted operating/delivery model. Pioneer's aims to move individuals quickly into work with wraparound in-work support once they start a job (work first approach). Unlike the core offer the programme predominantly uses 'outreach methods' to engage with residents through a range of different signposting organisations across communities - a new approach to referrals in Working Well.

2.2. The 2024 Contract Award Proposal

Over recent weeks the GMCA has worked closely with the DWP to agree (in principle) a 7-month extension to the WHP participant start (onboarding) period which would also include the extension of the Pioneer provision (part of the WHP contract). Due to the exhaustion of the available current value of the existing contract under procurement regulations, a new contract needs to be directly awarded to cover this start period.

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 contract is intended to continue the referral window from the anticipated end date of 30/09/24 of the current contract for a further 7-months to 31/04/25; this will enable a minimum of 3,538 additional service starts (with the programme totalling at least 32,000 starts). The contract end date will be the 30th of June 2027 and 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).

Provisionally (and subject to DWP's internal governance) the contract will be funded by a DWP grant to the sum of £7,500,000 and will remain consistent with the existing contractual terms and conditions. In addition, to this there is an agreed £230,000 in

Programme Office Administration costs. Both indicative at this stage and to be finalised following DWP ministerial sign off.

Total starts	3538
Grant funding to January 2027	£7,500,000
Management fee to 2027/28	£230,000
Total	£7,730,000

DWP have now agreed (in principle) a management fee of £230,000 to be paid to GMCA to cover administration costs.

The contract will also seek to adjust the existing social value commitments of the current contract. This will support a refresh of commitments, beyond those already achieved over the last 7 years of WHP delivery to date and will include the continuation of provider contribution and management of the Community Investment Fund (1% of provider revenue). This being a framework to purchase additional necessities/support for WHP participants in order to alleviate cost of living challenges and their journey into work (this was offered in the provider's original bid and enhanced for the extension).

Finally, alongside the new contract we will consider an extension to the existing evaluation of WHP to support the ongoing evidence base and the programme's continuous improvement agenda (a separate contract valued at £8K).

3. Working Well: Individual Placement Support in Primary Care

3.1. The Programme Background

Working Well: Individual Placement and Support in Primary Care (IPSPC) is designed to support residents with physical or mental health disabilities to access or retain paid employment. The programme will support up to 1,500 residents between September 2023 and March 2025. The Individual Placement and Support (IPS) model that underpins the programme has traditionally focused on supporting individuals with severe mental illness accessing treatment through Secondary Mental Health services. Working Well: IPS in Primary Care will expand on the IPS model by taking referrals from primary care (e.g. Living Well, GP Practices, Primary Care Networks, Mental

Health Practitioners, Social Prescribing Networks), including a wider cohort of participants (anyone with a physical or mental health disability) and introducing a job retention element for those struggling in work or off sick.

As an interim Universal Support pilot offer, IPSPC was procured in 2023 and the service went live on 18th September 2023. At the outset, the providers were commissioned to deliver up to 1500 starts. IPSPC is achieving programme service start and job start targets. This extension provides the opportunity to continue support beyond existing contracted timelines, taking advantage of a '1+1 year contract extension option' built into the original contract.

3.2. The IPSPC Extension Proposal

In light of delays to the go-live of Universal Support (nationally), DWP and the GMCA have been engaging with regards a proposed extension to the current IPSPC provision. This would be the first contract variation for the IPSPC Contract and would be delivered under an existing provision (within the contract) to extend on a 1+1 year basis.

The GMCA team are currently working with DWP to finalise start numbers however these are anticipated to be an additional c600 starts within a period from December 2024 to April 2025 (5 months).

Financial Summary

Individual Placement & Support in Primary Care: the contract extension will be funded by a DWP grant to the sum estimate to be around £2.5m (yet to be determined). In addition to this there is a provisional c£400k in Programme Office Administration costs.

Both indicative at this stage and to be finalised following ministerial sign off.

Total extension starts	c600
Extension grant funding to April 2026	c£2.5m

Management Fee to July 2026	c£400k
Total	c£2.9m