

TRAFFORD COUNCIL

Report to: The Executive
Date: 23rd January 2017
Report for: Decision
Report of: Director of Legal and Democratic Services

Report Title

Proposal for the procurement of The Greater Manchester Work and Health Programme

Summary

This report provides an overview of GM's Working Well Programme and it provides an update on the development of GM's Work and Health Programme. It also provides information on the proposal for Trafford Council to act as lead financial body in the application for funding to support the Work and Health Programme and the lead procuring authority in the procurement of a Work and Health Programme, together with associated timelines, and it identifies the objectives of the future programme

Recommendation(s)

- 1) That the contents of this report be noted.
- 2) That Trafford Council assumes the lead authority role for the procurement process to procure a provider or providers on behalf of GMCA to carry out the services required under the Working and Health Programme.
- 3) That the publication of an OJEU notice for the required services, as set out in paragraph 2.3 of the report, be approved.
- 4) That the Director of Legal and Democratic Services in consultation with the Chief Executive be authorised to negotiate the terms of an Inter Authority Agreement to regulate the position between Trafford Council, GMCA and the other AGMA authorities in relation to the proposed funding arrangements, the procurement of and the delivery of the services to be procured.
- 5) That a report be brought to the Executive setting out the outcome of the procurement process and terms of the Inter Authority Agreement in relation to the delivery of the required services for the Executive to consider and approve any proposal to proceed with an award of contract(s) for the provision of such services prior to any such contract being confirmed.

Contact person for access to background papers and further information:

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Background Papers:

None.

Relationship to Policy Framework/Corporate Priorities	The Work and Health Programme will support the Council's corporate priority of providing Employment and Skills services to vulnerable people
Financial	Funding for the Work and Health programme will come from a combination of European Social Fund Co-Financing Organisation and Central Government Grant funding. The value of the contract with providers is up to £44m, depending on the achievement of outcomes and confirmation of the scope of activity.
Legal Implications:	As Lead Procuring Authority Trafford Council will have regard to Public Procurement Regulations and follow the ESIF Procurement Guidance.
Equality/Diversity Implications	None arising from this report
Sustainability Implications	None arising from this report
Staffing/E-Government/Asset Management Implications	None arising from this report
Risk Management Implications	The proposed IAA will mitigate risks arising as a result of Trafford Council acting as lead authority for the purposes of the proposed procurement
Health and Wellbeing Implications	None arising from this report
Health and Safety Implications	None arising from this report

1.0 Background

1.1 The Work Programme is a government welfare-to-work programme introduced in Great Britain in June 2011. Under the Work Programme the task of getting the long-term unemployed into work is outsourced to a range of public sector, private sector and third sector organisations.

- 1.2 The Department for Work and Pensions (“DWP”) has developed with the Greater Manchester Combined Authority (“GMCA”) the pilot Working Well Programme to get people back into work and since March 2014, GMCA has been piloting a Working Well Programme.
- 1.3 The Working Well Programme offers several key differences to the Work Programme. It integrates all other mainstream public services into bespoke packages of support; it has lower caseloads for key workers and can intervene on a whole family basis where appropriate.
- 1.4 All participants in the Working Well Programme are long-term unemployed with a health condition and therefore require intensive support provided through keyworkers. All participants are eligible for up to two years of support (though some may require less), and up to a year of in-work support. Support is given to address health, housing, family and skills needs in addition to debt management advice and training and work experience being given.
- 1.5 Previously the pilot Working Well Programme went out to tender and it was agreed by the GMCA in a decision of 25 October 2013 that the lead authority role for the procurement process would be provided by Salford City Council who would procure a provider or providers to carry out the services required under the pilot Working Well Programme.
- 1.6 Following a decision by GMCA and by Trafford Council’s Leader on 15th July 2015, Trafford Council assumed the lead authority role for the procurement process to procure a provider on behalf of GMCA to carry out the services required under the Working Well Expansion Programme.
- 1.7 Pursuant to further decisions of Trafford Council’s Executive, Trafford Council entered into two contracts with providers in order to deliver the Working Well Expansion Programme on behalf of GMCA in consideration for the GMCA Authorities agreeing to work with each other pursuant to an Inter Authority Agreement.
- 1.8 GMCA Authorities entered into an Inter Authority Agreement for the purposes of indemnifying Trafford Council from time to time in accordance with the terms of the Inter Authority Agreement.

2.0 Devolution

- 2.1 In November 2014 a devolution deal was agreed with Central Government for Greater Manchester. Part of the devolution of power was around the skills and employment landscape. The vision is: ‘Our ambition is to create an integrated employment and skills eco-system, which has the individual and employer at its heart, and that better responds to the needs of residents, business and the economy’.

- 2.2 The ambition of the devolution agreement is to achieve better outcomes for residents by securing significant influence, and ultimately control, over public spending in Greater Manchester (GM).
- 2.3 The Working Well programme and the new Work & Health programme form an integral part of the GM Devolution deal. It has been outlined previously in three distinct phases:
- **Phase 1a – Working Well Pilot** – supporting 800 individuals who attached to the programme between 1st October 2015 and 31st March 2016.
 - **Phase 1b – Working Well Expansion** – supporting 14,588 individuals attached to the programme and receiving support through the Personalised Key Worker Service and referrals to the Mental Health IAPT Talking Therapies service between March 2016 and September 2017.
 - **Phase 2a – Work & Health Programme** – supporting c.18,000 individuals attached to the programme between late 2017 / early 2018 and March 2022.
- 2.4 The November 2015 devolution agreement stated:-

Government re-confirms its commitment to joint commissioning with Greater Manchester of employment programme support outside of the Jobcentre Plus regime, to assist the long term unemployed and those with health conditions and disabilities to (re)-enter work, as outlined in the November 2014 Agreement and the subsequent agreement announced as part of the 2015 Summer Budget....

In particular Government and Greater Manchester agree that following the publication of the Spending Review they will commence detailed discussions on how Greater Manchester can shape every element of the commissioning process - from strategy to service design, managing provider relationships and reviewing service provision. The intention is to finalise all of these discussions by the end of this financial year.

3.0 Work and Health Programme Proposal

- 3.1 GM has been working closely with DWP and has used learning from Working Well Programme to help shape the design thinking for the national Work & Health Programme. Moreover, through its co-commissioning powers GM has the ability to design a local programme that responds to local need and is able to deliver the aspirations of the Greater Manchester Strategy.
- 3.2 A new specialist Work and Health Programme for claimants with health conditions or disabilities and those unemployed for over two years will replace the national Work Programme and Work Choice once contracts expire on 31st March 2017.
- 3.3 In line with GM's public service reform principles it is expected that the Work and Health Programme will adopt an asset-based approach; support tailored and bespoke solutions and an integrated response to complex issues.
- 3.4 Using the learning from Working Well and other programmes dealing with complex need, there is a sound business case for the Work & Health Programme adopting a keyworker approach to delivery.

3.5 The Working Well Programme currently provides the following support:-

- a) Transport: An agreement has been reached with Transport for Greater Manchester to offer free or subsidised travel passes for clients undertaking work experience or moving into work.
- b) Skills & work experience: Through devolution of the Adult Education Budget (AEB) GM is able to make investment decisions to meet the skills needs of local residents, with the potential to build skills outcomes (and related funding) into the Work & Health programme. This has already been piloted through the Skills for Employment programme, which has been commissioned to support Working Well clients improve their employability skills and undertake work experience.
- c) Health: Talking Therapies have been commissioned to support clients on the Working Well programme, and there is occupational health and physiotherapy support available through the keyworker service providers.

3.6 The health system is complex and identifying the right access channels to support has at times proven difficult. However, devolution provides an opportunity to pilot a more integrated approach to delivering integrated employment, skills and health support, which could be used as a test and learn case to inform future planning and longer-term commissioning decisions. A task & finish group has been established through the Joint Commissioning Board working group and provider reference group has also been set up. There is consensus that a keyworker approach to delivery is required and that strong links to health interventions need to be part of the delivery menu. The groups are using available evidence of best practice to determine which interventions should be incorporated and whether:-

- a) They can be delivered as part of the keyworker service
- b) Locality plans will ensure they are available at the right scale through mainstream provision
- c) Additional capacity is required in existing services and/or new provision needs to be made available.

3.7 The development of the Work and Health programme provides GM an opportunity to fundamentally change the shape of mainstream welfare to work provision, by commissioning a programme that addresses employment and health inequalities in a coherent, effective and efficient manner. This provides GM a test-case to deliver the rhetoric of public service reform and develop a Work & Health programme specification that addresses local need.

3.8 The replacement of the Work Programme offers an opportunity to change this – to ensure that welfare-to-work services are much more tailored to the often complex needs of those with a health condition or disability. This means making sure that specialist organisations with deep local knowledge and expertise in different conditions are involved in delivering those services. The new Work and Health Programme will be commissioned with this in mind.

4.0 Procurement Proposal

4.1 Trafford Council have the resource and expertise to lead on the procurement of the future Work and Health Programme. Work is gathering pace to ensure adherence to critical timelines and project plans to ensure that the Work and Health Programme can commence by March 2018 at the latest.

- 4.2 It is proposed that Trafford Council assume the lead authority role for the procurement process and would procure a provider or providers on behalf of GMCA to carry out the services required under the Work and Health Programme
- 4.3 The Working and Health Programme will be delivered across all ten Local Authority areas of the GMCA:
Bolton
Bury
Manchester
Oldham
Rochdale
Salford
Stockport
Tameside
Trafford
Wigan
- 4.4 It is proposed that Trafford Council will enter into a contract with one or more providers to deliver the services on behalf of the GMCA in consideration for the GMCA Authorities agreeing to work with each other pursuant to the terms and conditions of an Inter Authority Agreement.
- 4.5 At the time of writing, options around the requirements of the Inter Authority Agreement are being considered and enquiries as to whether the current Inter Authority Agreement can be varied to include the Work and Health Programme are being explored.
- 4.6 The award of any contract by subsequent to the procurement exercise will be linked to a key decision.

5. Timescales for Implementation

- 5.1 It is proposed that the procurement process will be commenced with the publication of an OJEU Notice in January 2017 to facilitate an award of a contract in November 2017

Date	Action
January/February 2017	Issue of PQQ Documentation
17 th March 2017	Evaluation of PQQ's
17 th April 2017	Issue of Tender Documentation
5 th July 2017 – 4 th September 2017	Competitive Dialogue
27 th September 2017	Final Tenders Submitted
November 2017	Contract Award
March 2018	Contract Commencement

6. Management of the Work and Health Programme

- 6.1 The Work and Health Programme is a significant piece of work which is requiring a robust and detailed project plan and substantial resources from across GMCA.

- 6.2 For the Work & Health Programme, the GMCA approved in June 2016 that a political oversight group, chaired by the Portfolio Lead for Skills, Employment and Worklessness, would be established to oversee the commissioning process. This will be built upon to ensure the strong oversight and management of the Work & Health Programme.
- 6.3 A full approach to management of the Work & Health contracts, along with the Inter-Authority Agreement will therefore be developed in conjunction with the political oversight outlined above.
- 6.4 Governance around the project includes reporting to various boards and partnerships including: GMCA Executive; Joint Commissioning Board; The Reform Board; The Skills and Employment Partnership; Skills and Employment Executive; GMCA Skills and Employment advisory group Learning provider Network and the Employment Support Network

7.0 Funding for the Work and Health Programme

- 7.1 Funding for the Work and Health Programme will come from a combination of European Social Fund (ESF) Co-Financing Organisation (CFO) and Central Government Grant. Tenderers will be made aware that award of contract is dependent on the ESF element of the funding being secured.
- 7.2 The match funding for the ESF Bid above is as follows:
- Phase 1a/b match funding of £10m is secure and in place - £4m Transformational Challenge Award and £6m from DWP / HM Treasury. The contracts for Phase 1 a/b have already been awarded and were procured to allow for European funding to be added at a later date
 - For the Work & Health programme (Phase 2a), DWP funding of £22.7m has been identified. This would be subject to a full procurement process
- 7.3 An ESF application for Phase 1a and Phase 1b was already being progressed, under GM's devolved Co-Financing Organisation (CFO) powers. The Chancellor's announcement that EU funding contracted before the point the UK departs the EU, as per the announcement on 3rd October 2016 would be secure, and the devolution of the Work and Health Programme, has led to an opportunity to increase this ESF application to £32m to cover the whole of Working Well (including the Work and Health Programme) up to 2022.
- 7.4 As agreed at the June 2015 meeting of GMCA, Trafford Council, on behalf of GMCA, has submitted an outline CFO application to gain initial feedback from the ESF Managing Authority (DWP). As from January 2016 this was agreed in principle by DWP Managing Authority with a full application being submitted in June 2016.
- 7.5 The proposal is for a two-phased approach which encompasses phase 1 activity (Working Well Expansion), based on confirmed eligible match available in GM at this present time up to the value of £8-9m; and phase 2 activity, which is based

on what GM expects it could use as ESF match through a combination of devolved funding and other national / local funding streams from 2017 onwards.

- 7.6 As the timescales for Work & Health Programme as now clear, GMCA are required to submit the Phase 2 application to allow support of the potential 30,000 individuals, as stated in the previous report this could be up to the value of c.£30m ESF funding.
- 7.7 As a co-commissioner GM is able to put its own funding into the Work & Health programme, draft the business specification and determine the outcomes (provided national minimum standards are met). If additional funding is made available, GM would be able to extend the scope and reach of the Work and Health programme, specify additional outcomes and build additional support into the programme
- 7.8 The financial structure will to be captured within an Inter Authority Agreement to provide financial indemnities for Trafford Council.

Other Options

The other option would be for Trafford Council not to act as lead procuring authority for the Work and Health Programme and GMCA having to appoint an alternative lead procuring authority, causing a delay to the procurement exercise and resulting in the loss of funding from ESF and Central Government.

Consultation

None of the proposals require formal consultation.

Key Decision (as defined in the Constitution): No.
If Key Decision, has 28-day notice been given? N/A.

Finance Officer Clearance **PC**
Legal Officer Clearance **JLF**

CORPORATE DIRECTOR'S SIGNATURE



To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.