

REPORT TO: Employment, Learning, Skills and Community PPB

DATE: 8th June 2011

REPORTING OFFICER: Strategic Director - Children and Enterprise

SUBJECT: Single Work Programme Progress Report

1.0 PURPOSE OF THE REPORT

The purpose of the report is to provide an update on the Single Work Programme and to set out progress being made to implement the programme in Halton.

2.0 RECOMMENDATION

It is recommended that members note the progress made to date and that members support the negotiations and proposed next steps in delivering the programme in Halton.

3.0 SUPPORTING INFORMATION

- 3.1 At its meeting on 7th March 2011 the PPB agreed that a key priority for the year ahead would be maximising single work programme opportunities for Halton.
- 3.2 Members will recall that as part of the Government's welfare reform proposals, a number of existing employment support programmes have ceased and have been replaced by a new initiative called "The Single Work Programme".
- 3.3 The work programme will be a mandatory programme for residents reaching key milestones of unemployment. For 18 – 24 year olds, referral will be after 9 months of claiming Jobseekers Allowance. Those aged 25 and over will be mandated to attend after 18 months of claiming benefit. Other groups, for example, those on sickness benefits found fit for work, will also be referred. Once referred, support will be given for a period of up to 3 years.
- 3.4 The work programme is being delivered through a number of contract areas. Halton is part of a large contract area which includes Merseyside, Lancashire and Cumbria.
- 3.5 In April the Department for Work and Pensions (DWP) awarded contracts for the Merseyside, Lancashire and Cumbria area to A4e and Ingeus. They are described as 'Prime Contractors'. A description of the two companies is set out in appendix 1.0
- 3.6 Prior to the awarding of the contracts, Halton Borough Council undertook to meet bidders with the purpose of ascertaining whether successful bidders would wish to enter into a Sub-Contracting arrangement for the Council to deliver the contract in Halton.
- 3.7 Both A4e and Ingeus have expressed an interest in working with Halton Borough Council via the Halton People into Jobs team.

- 3.8 Discussions regarding how the contract will be operated in Halton are at an early stage. For example, further clarification is needed regarding the potential TUPE transfer of employees from Ingeus and A4e as well as other contractors who provide frontline services under the current arrangements. Confirmation on targets and numbers of beneficiaries is still being worked up by the two external organisations and will be subject to formal ratification by the Council. There is a remote possibility that the proposed transferees will not be acceptable in its entirety. The support of our HR and Legal colleagues has been invaluable to date and it is proposed that an internal implementation group will be established to oversee and scrutinise the process.
- 3.9 Similarly further negotiations are taking place regarding an implementation date in June.

4.0 POLICY IMPLICATIONS

- 4.1 Members are advised that as part of the contract negotiations, a balance will need to be achieved which ensures that the priorities of the organisation are met, whilst at the same time the maximum number of residents benefit from a close working relationship between the prime contractors and Halton Borough Council. On the one hand prime contractors see the benefit of working with Halton Borough Council; not least in respect of the networks and expertise that we can provide. On the other hand, by operating as a sub-contractor this is an advantage to the Council, as we will have influence and a degree of control in how the contract operates in the Borough.

5.0 OTHER IMPLICATIONS

- 5.1 Members are advised that The Single Work Programme operates on a payment by results basis. This means that if a person is helped into work, a fee will be provided. In summary only 10% of the total fee will be paid by Government when an individual starts the work programme. A job outcome fee is paid only after an individual has been in work for 6 months. Then a sustainment payment is spread over 1-2 years once this person has been in work longer than 6 months. This approach will result in Halton Borough Council being required to invest staff in managing the process, but a return on this investment will only take place once a person has entered into work. Therefore, it is probable that payment will only be paid to Halton Borough Council, 6 months after the initial support provided by Halton People into Jobs has been made.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People

Government policy places emphasis on getting people off benefits and into work and 'making work pay'. Economic Regeneration colleagues will work with other colleagues within the wider Children and Enterprise directorate to ensure that training and development opportunities provided by the Single Work Programme dovetail into existing courses and provision provided in our schools and college. By working with Learning and Achievement Services and the Education

Business Partnership, we will promote employment as a viable option for our young people.

6.2 Employment Learning and Skills in Halton Borough Council

Some aspects of the Single Work Programme will build on a model that has been used for many years through the Halton People into Jobs 'one stop' job brokering and job support initiative.

6.3 A Healthy Halton Borough Council

There is a relationship between poor health and low levels of wealth in the borough and, therefore, by reducing the number of people on benefits and increasing the income of local people, will help to reduce levels of illness often associated with low levels of income in families.

6.4 A Safer Halton Borough Council

It is argued that by helping people into work the risk of some individuals resorting to crime and anti-social behaviour is reduced.

6.5 Halton's Urban Renewal

There are a number opportunities in the pipeline arising from Halton's portfolio of employment sites and this makes Halton an attractive proposition for the prime contractors; i.e. they can see a return on their investment as they can see the availability of jobs in the Borough over the next few years.

7.0 RISK ANALYSIS

It is clear that prime contractors will be waiting for a number of years before realising a return on their investment. The extent to which sub-contractors share this payment risk will vary. However, once targets and volumes are known, a cash flow analysis will be prepared which will seek to minimise risk to the Council. A further area of risk relates to the transfer of employees from existing frontline providers to the council as it takes on the role of service provider under the new scheme. High quality, accurate and comprehensive information from existing providers about liabilities transferring to the Council is essential. This information will include details of numbers and identities of employees. This will include compensation claims by employees and claims associated with the TUPE duties to consult and inform. Information will need to be transferred to the Council in a timely way well before the transfer takes place and before the Council begins providing services.

8.0 EQUALITY AND DIVERSITY ISSUES

The Single Work Programme is open to all and indeed is founded on the premise that work must pay. There is, however, a danger that prime contractors will be tempted to work with those residents who will find it easier to get into work. The role of the Council will be to work with the prime contractors through our networks and existing arrangements to work with our more disadvantaged residents.

9.0 LIST OF BACKGROUND PAPERS UNDER THE SECTION 100D OF THE LOCAL GOVERNMENT ACT 1992