

REPORT TO: Employment, Learning & Skills and
Community Policy & Performance Board

DATE: 26 September 2016

REPORTING OFFICER: Strategic Director, Enterprise, Communities
and Resources

PORTFOLIO: Economic Development

SUBJECT: DWP Work Programme Contract Update

WARDS: Borough wide

1.0 PURPOSE OF THE REPORT

- 1.1 To provide Members with an overview of the Department for Work & Pensions (DWP) Work Programme contract currently being delivered by Halton People into Jobs, including achievements to date, income and expenditure and future strategy. A presentation will be provided at the meeting.
- 1.2 To provide opportunities to members to raise any questions with regards to the DWP Work Programme.

2.0 RECOMMENDATION: That

- 1) **the report be noted**

3.0 SUPPORTING INFORMATION

3.1 Background information

- 3.1.1 In June 2011 Halton Borough Council entered into a subcontracting arrangement with two Prime Contractors (Ingeus Deloitte and A4E (now PeoplePlus)) who had been tasked with delivering the Department for Work & Pensions Work Programme over the next 4-5 years. The Work Programme replaced all other welfare to work programmes at that time.
- 3.1.2 The programme is mandatory although some voluntary referrals can be made by certain 'customer' groups. There are 10 different customer groups with referrals to the programme coming from Job Centre Plus (JCP).

Group	Customer Type	Paid Outcome Fee Stage
PG1	Aged 18-24 in receipt of Job Seekers Allowance	26wks in employment
PG2	Aged 25+ in receipt of Job Seekers Allowance	26wks in employment
PG3	JSA Not in Education, Employment or Training	13wks in employment
PG4	JSA claimants (Ex-Incapacity Benefit claimants)	13wks in employment
PG5	Employment Support Allowance (Work Related Activity Group 12MTH MANDATORY)	13wks in employment
PG6a	Employment Support Allowance (Work Related Activity Group 3/6MTH MANDATORY)	13wks in employment
PG6b	Employment Support Allowance (Work Related Activity Group 12MTH MANDATORY)	13wks in employment
PG7	Employment Support Allowance (Work Related Activity Group 12MTH MANDATORY – Ex-Incapacity Benefit claimants)	13wks in employment
PG8	Incapacity Benefit and Income Support (Volunteers)	13wks in employment
PG9	Job Seekers Allowance claimants – Day 1 Prison Leavers	26wks in employment

3.1.3 The programme offers ‘Payment by Results’, which are received on achievement of sustained job outcomes.

3.1.4 Performance is measured against Priority Group (PG) customers as follows:

- PG1 (18-24 Job Seekers’ Allowance (JSA) claimants)
- PG2 (25+ JSA claimants)
- PG6a and PG6b (Employment Support Allowance (ESA) claimants)

3.1.5 Those referred to the Work Programme have been unemployed for 9+ months (unless they are ESA volunteers or newly released from prison)

3.1.6 Two ‘Prime’ Contractors (Ingeus Deloitte & PeoplePlus) were awarded the Work Programme contract covering the ‘Contract Package Area’ of Merseyside, Lancashire and Cumbria (*Halton being part of Merseyside*). Ingeus subcontracted 100% of their Halton contract to Halton People into Jobs; whilst PeoplePlus subcontracted 50% of their Halton contract to Halton People into Jobs (*A4e delivers the other 50% of their Halton contract from their own PeoplePlus Runcorn office*).

Therefore, HBC (through HPIJ) delivers a total of 75% of the Halton Work Programme contract from Runcorn and Widnes office bases.

3.2 Performance/achievement

3.2.1 Contract delivery commenced in June 2011, meaning we are now in year 6 (April 2016). Performance is comprehensively managed and monitored through a range of internal and external measures. DWP does not allow for individual provider performance to be shared publicly, therefore, the data provided below is a combination of performance on both the Ingeus and PeoplePlus contracts.

3.2.2 Performance – years 1 to 5 (June 11 to end of March 16)

- 3665 customers started on the Work Programme overall
- 1514 customers have been supported into employment (*1st job starts only*)
- 710 customers have been supported back into employment (*subsequent job starts not including 1st job starts above*)

3.2.2 The Work Programme contracts are now into year 6 and below shows HBC's current position April to August 2016

- 85 customers have started on the Work Programme this year
- 72 customers have been supported into employment (*1st job starts only*)
- 80 customers have been supported back into employment (*subsequent job starts not including 1st job starts above*)

3.2.3 At the end of July 2016 HBC achieved 193% referral to job outcome rate during the last 12mth rolling MPL period achieving the highest performance out of Ingeus's 5 delivery partners in the Northwest and the highest performance nationally out of 27 delivery partners (including Ingeus's internal delivery sites).

3.3 Income and expenditure

3.3.1. Income is generated from job outcome payments (paid at 13 weeks and 26 weeks in employment) and sustained job outcome payments, whilst customers remain in sustainable employment.

3.3.2 Income and expenditure is closely monitored, through a combination of internal and external mechanisms, to ensure that contracts are delivered efficiently.

3.3.3 Where possible, access to other available services and/or funding streams are maximised to support the delivery of the Work Programme contracts and their challenging targets. The Work Programme is delivered by HPIJ and the services delivered by the rest of the Employment, Learning & Skills Division within which it sits provide valuable opportunities for Work Programme clients at nil cost. Both

Ingeus and A4e have commended the infrastructure arrangements in place during review meetings.

3.4 New Basket of Measures

3.4.1 In 2014 DWP introduced a new basket of measures for all Prime Contractors/Sub-Contractors delivering the Work Programme. This included a significant change to the way in which performance was being contractually measured.

In April 2016 we received notification from DWP confirming updated targets for the Work Programme in 2016/17. Progress against Work Programme targets is reported to Ministers and the DWP Executive Team. The purpose of the targets is to drive continuous improvements across the Programme.

DWP Stretch Targets 2016/2017

Below is a table that gives the performance stretch targets for 2016/17 that we are required to achieve on a rolling 12 month basis.

PG1	<110%	110% - 129.9%	130% - 144.9%	>145%
PG2	<120%	120% - 144.9%	145% - 172.9%	>173%
PG3	<160%	160% - 189.9%	190% - 221.9%	>222%
PG4	<145%	145% - 164.9%	165% - 184.9%	>185%
PG5	<20%	20% - 29.9%	30% - 41.9%	>42%
PG6A	<160%	160% - 189.9%	190% - 219.9%	>220%
PG6B	<175%	175% - 209.5%	210% - 243.9%	>244%
PG7	<65%	65% - 84.5%	85% - 105.9%	>106%
PG9	<60%	60% - 79.9%	80% - 93.9%	>94%
All PG	<115%	115% - 134.9%	135% - 159.9%	>160%

How the profiled cohort performance is calculated:

There are four pieces of information used to calculate the End of Cohort Profile:

- The number of referrals to the Work Programme provider each calendar month;
- The minimum performance level for each cohort of referrals;
- The profile or distribution for the length of time between claimants being referred to the Work Programme and achieving a job outcome; and
- A one month lag has been added between a job outcome being achieved and a job outcome being claimed to allow for administrative activities.

These four pieces of information are combined to calculate the number of job outcomes required to meet the Quarterly MPL(s) or the Twelve Month Rolling MPL(s).

Worked Example of how the profiling cohort is calculated:

Consider a contract where for PG 1 (MPL = 38.4%) if there were 1,000 referrals in June 2011, allowing the 1 month lag:

- We would not expect any Job Outcomes until January 2012 as it takes 6 months to gain a Job Outcome and we allow a month for Providers to report JOs to DWP.
- In January 2012 we expect $1000 * 1.8\% = 18$ Job Outcomes
- In February 2012 we expect $1000 * 2.7\% = 27$ Job Outcomes
- In March 2012 we would expect $1000 * 2.6\% = 26$ Job Outcomes
- By December 13, the last month in the profile trajectory (month 31) this cohort should provide a total of 384 Job Outcomes. This represents the 38.4% MPL for PG 1

3.5 Key Successes

- 3.5.1 At the end of July 2016 HPIJ continued to exceed the above stretch targets against all key priority payment groups on the Ingeus contract (PG1, PG2, PG6a and PG6b).
- 3.5.2 HPIJ were asked by Ingeus to deliver a presentation to other sub-contractors to share best practice on we have consistently achieved market leading performance levels with ESA customers.
- 3.5.3 In June 2015 HPIJ were the only delivery partner to achieve a STRONG rating for the Ingeus Delivery Partner Annual Review which reviews how the overall contract is managed and delivered to participants.
- 3.5.4 In June 2016 HPIJ were the first delivery partner to achieve a STRONG rating for the People Plus quarterly quality and compliance review.

3.6 Key issues

- 3.6.1 In February 2016 HPIJ received a formal notice to improve (PIN) from People Plus as a result of not achieving the minimum performance level for customer group PG6a. Staffing issues significantly affected performance on this contract during 2014-2016. We have implemented a performance improvement action plan (PIP) to continue to drive up and improve performance levels for all ESA customer groups (PG4-PG8) up to 31st March 2017.

3.7 Concluding comments

3.7.1 Overall performance, quality and compliance standards have continued to improve year on year since both Work Programme contracts were implemented in June 2011.

3.7.2 Partnership working between Halton Borough Council and People Plus / Ingeus is valued highly by both Prime Contractors. We have submitted expressions of interest forms to seek further partnership and funding opportunities once referrals to the Work Programme cease.

4.0 POLICY IMPLICATIONS

4.1 We are almost half way through year 6 delivery. It is not clear yet if DWP will award a further extension to the Work Programme (year 7). This may happen if the new Work and Health Programme contract (successor programme to the Work Programme) will be awarded and/or implemented on schedule in 2017.

5.0 FINANCIAL IMPLICATIONS

None

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children & Young People in Halton

Some Work Programme customers also engage with the Troubled Families project and the 2 projects complement each other in supporting local residents with a range of issues.

6.2 Employment, Learning & Skills in Halton

The fantastic achievements that have come out of the Work Programme delivery by Halton Borough Council by getting so many people into work is a very positive outcome for the local economy. Many of the individuals that have accessed the programme have also gained vital maths, English and employability skills along the way, in addition to sector specific qualifications such as CSCS cards, SIA licences, etc.

6.3 A Healthy Halton

None

6.4 A Safer Halton

None

6.5 Halton's Urban Renewal

none

7.0 RISK ANALYSIS

- 7.1 As can be seen in the main body of the report, the management of the Work Programme contract has been meticulous and close monitoring both internal and external ensure any risks identified are carefully mitigated, with clear action plans in place to address any underperformance, quality and compliance factors.

8.0 EQUALITY AND DIVERSITY ISSUES

None

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None under the meaning of the Act.