

## THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA

### CABINET AND CORPORATE SERVICES SCRUTINY COMMITTEE 24 OCTOBER 2016

#### REPORT BY THE DIRECTOR OF STRATEGY AND LOCAL SERVICES

#### WORK AND HEALTH PROGRAMME

##### 1. SUMMARY

- 1.1. This report provides the members of the Committee with a briefing on the Department of Work and Pensions' (DWP) proposed Work and Health Programme (WHP) and the potential involvement of the Council in the arrangements for its development and delivery in central London.

##### 2. BACKGROUND

- 2.1. The DWP's existing Work Programme aims to support those claiming Jobseekers Allowance for over 12 months into work. It is delivered by contracted providers appointed following a national DWP procurement exercise.
- 2.2. The Spending Review 2015 announced the creation of a new Work and Health Programme (WHP) that will be introduced in September 2017. The Spending Review contained a specific commitment that the Mayor of London and London boroughs would jointly commission employment support (outside the Jobcentre Plus regime), to assist the very long term unemployed and those with health conditions and disabilities to (re)-enter work. London local government has therefore been in discussion with DWP seeking devolved responsibility to commission and deliver the WHP.
- 2.3. WHP will provide employment support for Jobseekers Allowance (JSA) claimants who have been unemployed for two years or more and for Employment Support Allowance (ESA) claimants with health conditions and disabilities. It is expected that ESA claimants will make up 75% of WHP beneficiaries, with JSA claimants making up the remaining 25%.
- 2.4. Central London Forward (CLF) is the sub-regional partnership for central London formed of eight members: RBKC, Westminster, Islington, Camden, Wandsworth, Southwark, Lambeth and the City of London. CLF has coordinated partnership action on a range of areas of joint interest.

- 2.5. It is expected that the WHP will be delivered in London via four sub-regional groupings. The expected contract area for the WHP in central London will cover the CLF boroughs plus the additional boroughs of Tower Hamlets, Hackney, Haringey and Lewisham. The total funding for the contract area is expected to be £25 million.
- 2.6. CLF member boroughs are involved in an existing DWP employment pilot. The Working Capital pilot is funded by £10 million of DWP European Social Fund money and supports a programme of locally integrated support for Work Programme leavers within the CLF region.
- 2.7. Working Capital was developed following criticism of the Work Programme and is testing an approach to employment support commissioning and delivery that involves greater integration between the appointed provider and local organisations (including authorities) that also provide support to the unemployed.
- 2.8. Working Capital was launched in October 2015 and is currently working with over 550 referrals across central London. It will accept its last referral in Autumn 2018. The WHP specification for central London will draw upon the experience gained during the development and implementation of the Working Capital pilot.

### **3. PROPOSAL**

- 3.1. London Councils, with involvement from the four London sub-regions, is engaged in discussions with DWP regarding co-financing and the devolution of funds for the Work and Health Programme. London's proposal to the DWP seeks the devolution of the funding for the Work and Health Programme along with the responsibility to refine the specification, select a provider and manage the programme.
- 3.2. If the above is secured then the boroughs in each sub region will be expected to develop and take forward the WHP in their area. They will also take on the risks and liabilities arising from the transfer of responsibilities from DWP to local government.
- 3.3. Within the central London contract area it is expected that the City of London will assume the role of the accountable body for the WHP. A Joint Venture Agreement is in place to ensure that liabilities arising from CLF activities are shared equally between CLF member boroughs rather than borne by the City of London alone. If responsibility for commissioning and running the WHP is devolved these governance arrangements would need to be adjusted to accommodate the four additional boroughs.

#### **4. CURRENT SITUATION AND NEXT STEPS**

- 4.1 Negotiations are continuing between DWP and London Councils. These have been affected by changes within Government over the summer period. The DWP has a timetable to introduce the WHP by the Autumn of 2017. There will need to be clarity on the degree of devolution for commissioning the WHP by the time of the Autumn Statement in November 2016. The participation of RBKC (through Central London Forward) in the WHP commissioning process will be the subject of an Executive Decision.

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**Public background papers used in preparation of this report:**

None.

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