

WMCA Board Meeting

Date	8 September 2017
Report title	Employment Support Pilot
Portfolio Lead	Councillor George Duggins
Accountable Chief Executive	Nick Page - Chief Executive, Solihull Metropolitan Borough Council email: npage@solihull.gov.uk tel: (0121) 704 6018
Accountable Employee	Rachel Egan email: regan@solihull.gov.uk tel: (0121) 704 8219
Report has been considered by	WMCA Programme Board - 25 August 2017

Recommendation(s) for action or decision:

The WMCA Board is asked to:

1. Agree to procure the delivery and evaluation of the employment support pilot activity
2. Agree the geographic areas to be targeted by the Employment Support Pilot as set out in paragraph 3.6.

1.0 Purpose

- 1.1 To outline and agree the actions required to progress the delivery of the employment support pilot.

2.0 Background

- 2.1 The Devolution Agreement states that: “The Combined Authority will develop a business case for an innovative pilot to support those who are hardest to help [into employment]. The business case should set out the evidence to support the proposed pilot, cost and benefits and robust evaluation plans, to enable the proposal to be considered for funding at a later date, subject to Ministerial approval.”
- 2.2 Government indicated that the pilot should be innovative and designed to fill gaps in the ‘what works’ evidence. The results will be used to inform future government policy and the next spending review.
- 2.3 A business case was submitted to government on 24th February 2017 seeking funding of £4.5m. Following submission, officers were able to negotiate an increase in the budget to £4.7m to support the management and development costs of the pilot. Government formally announced the award of funding on 1st August 2017.

The Approach

- 2.4 In communities with high levels of worklessness it has been shown that people cope better with unemployment due to social support. The WMCA employment support pilot will evaluate what the role of social support is in relation to employment and whether social capital can be developed to create and adapt social networks to support employment as the norm. The approach builds on lessons learned particularly from the US Jobs Plus model which included an element on Community Support for Work (CSW). The rationale for Community Support for Work (CSW) rested on a growing appreciation of social capital to individual and community well-being.
- 2.5 The pilot will contain the following elements:
 - a) A place-based ‘saturation’ approach – focusing on those who are out of work but also working with those in work on low incomes
 - b) Pre and post-employment job coaching delivered in neighbourhoods – i.e. within or adjacent to housing estates, the rationale being that an in-location service would find it easier to engage local residents, including those in employment in low-paid work
 - c) Using social networks to promote employment – this is the idea of ‘community support for work’, the rationale being that information about work opportunities coming from peers and neighbours can help strengthen residents’ work-related norms

2.6 In the context of devolution it is important that where the Combined Authority has stated that it will achieve better outcomes through the opportunity that devolution provides to join up funding and activity on the ground, it should take the opportunity to do so. It was agreed by WMCA Board in January 2017 that a proportion of devolved Adult Education Budget will be directly aligned with the employment support pilot. Initial discussions with representatives from Further Education Colleges and Adult Education Services on what could be delivered to support the pilot have been around the possibility of building on the Learning & Work Institute's activity to develop a 'Citizen's Curriculum'; an innovative, holistic approach to ensure everyone has the English, maths, digital, civic, health and financial capabilities that they need. During the feedback session on the draft business case government were very interested in this aspect of the proposal and suggested that it be identified as a key element of innovation within the pilot.

3.0 Matters for Consideration

Geographic Targeting

- 3.1 Officers have been able to secure support from government to allow the Employment Support Pilot to be delivered in non-constituent member areas.
- 3.2 The Cabinet Member agreed that each constituent member local authority be given the opportunity to select their preferred target area and that non-constituent member areas be asked to express an interest in being involved in the pilot so that the approach can be tested across the Combined Authority area. Through this process, all seven Metropolitan Councils identified potential pilot areas as have Tamworth and Redditch Borough Councils, Cannock District Council and Nuneaton & Bedworth District Council.
- 3.3 The Combined Authority is developing a Health-Led Employment Trial with the Department for Work & Pensions, the Department for Health, and NHS England to trial a new model of integrated health and employment support. The aim is to deliver a transformational improvement in employment, health, and wellbeing outcomes for people who are out of work with a health condition. The trial will work with 4,000 people over a period of three years and anticipates that around 1,050 will return to work. The geographic areas that the Health-Led Employment Trial will focus on are Dudley, Wolverhampton, Sandwell, South Birmingham and West Birmingham.
- 3.4 Officers have been aware for a number of months that there may be an issue relating to whether the health-led trial and employment support pilot can take place within the same geographic area. Following a request for clarity from WMCA, the Department for Work & Pensions wrote to WMCA on 12th July to confirm government's position that it is not feasible for the two pilots to co-exist for a number of reasons relating to the evaluation of each pilot as well the potential operational issues that this would cause. Therefore it is not possible to deliver the employment support pilot in the same areas as the health-led trial.
- 3.6 Detailed modelling of contract values and volumes has been carried out in relation to the proposed areas based on the proportionate share of out of work benefit claimants within each individual pilot area, the payment model and the overall budget. This modelling has led to the identification of nine target areas as follows:

- a. Birmingham – Washwood Heath
- b. Birmingham – Shard End
- c. Cannock Chase – Cannock North
- d. Coventry – Binley & Willenhall
- e. Nuneaton & Bedworth – Camp Hill
- f. Redditch – Batchley & Brockhill
- g. Solihull - Chelmsley Wood
- h. Tamworth – Glasgote
- i. Walsall – Birchills Leamore

Procurement

- 3.7 It is proposed that delivery of the pilot be externally procured for the following reasons:
- a. To mitigate against risks of non-delivery
 - b. To allow WMCA to demonstrate the ability to deliver DWP style contracts, thus supporting the case for further devolution
 - c. To support consistency in terms of quality of delivery and performance management
 - d. To secure specialist expertise
- 3.8 The value of activity to be procured is a maximum of £4m with funding to be dispersed through a payment by results model. The payment by results model has been designed to incentivise activity with those who are hardest to help into work, therefore mitigating against the risk that providers focus on quicker, easier and more profitable wins. A procurement design workshop will be held with key experts in September in order to finalise the detailed procurement strategy prior to going to market. This workshop will include the consideration of contract package areas and any issues of commercial viability relating to target areas.
- 3.9 A key aspect of the employment support pilot is gathering evidence of ‘what works’. £200,000 has been identified to carry out rigorous independent evaluation of the pilot. It is proposed that procurement of the evaluation aspect will be carried out in tandem with the procurement of delivery so that providers of both aspects are identified in advance of the pilot commencing. This will enable any mechanisms that are required to be built in to the delivery model to support the evaluation process to be identified before the pilot goes live.
- 3.10 A Programme Manager has been appointed to manage all aspects of the development and delivery of the pilot and will be in post in early Autumn.

4.0 Financial implications

- 4.1 The proposed budget for the pilot is £4.7m.
- 4.2 The pilot will involve the alignment of a proportion of the Adult Education Budget.

5.0 Legal implications

- 5.1 Legal support and resource will be required in terms of the creation of any contractual terms and conditions as part of the procurement exercise.

6.0 Equalities implications

- 6.1 The activities of the portfolio are reflected in the WMCA Equalities Scheme.

7.0 Other implications

7.1 N/A

8.0 Schedule of background papers

8.1 N/A