
**Manchester City Council
Report for Information**

Report to: Economy Scrutiny Committee – 20 July 2016
Subject: Welfare to Work Programmes
Report of: Head of Work and Skills

Summary

To provide an overview of welfare to work schemes to support Manchester residents into work.

Recommendations

That Scrutiny Committee members consider and comment on the content of this report.

Wards Affected: All

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above:

Reports to Economy Scrutiny 28 October 2015

- *Update on the Work Programme*
- *Working Well*
- *Worklessness and Health*

1.0 Introduction

- 1.1. The purpose of this report is to provide an overview of welfare to work programmes delivered across the city. Information is provided on nationally commissioned programmes and the report makes reference to the changes to DWP commissioning and further commissioning of Greater Manchester (GM) welfare to work provision under the Employment and Skills Devolution Agreement.

2.0 Background

2.1 Worklessness in Manchester

According to the latest DWP data release for November 2015, there were approximately 49,306 people claiming out of work benefits in the city, of whom 32,065 were claiming a health related out of work benefit. A further 2,246 Universal Credit claimants were working some hours but there is no information on how many hours they are working. Those claimants are still expected to undertake job search activities to increase their hours or find better paid work.

- 2.2 Of those claiming out of work benefits, a high proportion are claiming due to their poor health and this cohort has fared least well in finding and sustaining employment through mainstream Department for Work & Pensions (DWP) welfare to work provision. Significant volumes of claimants are also defined as *entrenched workless*, meaning that they have spent at least three of the past four years out of work and in receipt of benefits. DWP's own research has identified the following common inter-related barriers to work of the entrenched workless cohort: ex-offenders; debt; homelessness; addiction; low confidence/motivation; childcare problems; low skills; limited transport; limited job search (geography).

- 2.3 In recent years the national mainstream approach to tackling worklessness has been consolidated into support programmes for a broader range of claimants; first through the introduction of the Flexible New Deal (FND) in 2009, and latterly the Work Programme, launched in 2011. The Work Programme replaced FND and other remaining centrally-commissioned contracts. Alongside the Work Programme, DWP established one, much smaller, alternative programme - Work Choice, intended for people with more substantial barriers to employment arising from disabilities or long-term health conditions. As well as being much smaller in scale than the Work Programme, Work Choice differs in that it is a voluntary programme and participation is unrelated to benefit-type. Consolidating contracts in this way has produced economies of scale, efficiencies in procurement processes and contract management and thereby reduced costs but has not necessarily effectively moved those with health conditions and other complex needs into work. This Committee has previously received reports around performance of DWP's Work Programme.

- 2.4 The current Work Programme and Work Choice contracts expire in 2017. Further reductions in public funding will significantly reduce the amount of funding available to future programmes. Greater Manchester has an opportunity to shape future provision through its Employment and Skills Devolution Agreement and to integrate employment and skills support into a new public service 'ecosystem'. Although the Work Programme will not be re-commissioned, DWP has committed to co-commissioning the new Work and Health programme with Greater Manchester from April 2017. Working Well, which pre-empted the Devolution Agreement, is a first example of a Greater Manchester welfare to work programme co-commissioned with DWP as previously reported to this committee at the 28 October 2015 meeting.
- 2.5 Jobcentre Plus is the starting point for all out of work benefit claimants who are expected to actively look for work, providing a face to face service to support claimants into work, alongside other tools such as Universal Jobmatch which allows claimants to upload their CV onto a central database which is matched to vacancies uploaded by employers. The regularity of appointments with Jobcentre plus depends on the type of benefit claimed and for most active benefit claimants, appointments are mandatory. Claimants who are not expected to actively look for work e.g. those in the Employment Support Allowance Support Group can also attend the Jobcentre for support. For the vast majority of claimants (circa 90%), the support provided by Jobcentre Plus work coaches and through additional services including work clubs, Jobs fairs and training provides them with the support to move into work before they become eligible for the Work Programme or without the need for specialist provision. Jobcentre provision is increasingly becoming digitalised so MCC has a role in working with Jobcentre Plus around community digital training and access to PCs. A separate report is being presented to this committee by DWP on the changes to Jobcentre Plus delivery, including the move towards a single work coach supporting a claimant throughout their support lifetime, regardless of any benefit changes.
- 2.6 Greater Manchester was previously split between two Jobcentre Plus (JCP) districts. Since June 2016, the two districts have been brought together under a single management structure to match the GMCA footprint and support better spatial alignment between Job Centre Plus direct delivery and DWP commissioned programmes and GMCA structures and services. The ten GMCA local authorities are also working with the DWP to develop co-location of DWP and other public services. The rationale for this move is to be more efficient, reduce duplication, enhance the customer experience and deliver improved outcomes. This will also drive greater quality and consistency across the Greater Manchester Jobcentre Plus network and support the design and delivery of new ways to support people with difficult and complex lives.

3.0 National Welfare to Work schemes

At the tail end of the Coalition Government and under the current Government, there have been some changes to nationally commissioned welfare to work

provision, based on what has worked for those on the Work Programme and the pre-Work Programme 'Get Britain Working' support services.

3.1 The Work Programme

- 3.1.1 The Work Programme was launched throughout Great Britain in June 2011 as part of the Coalition Government's programme of welfare reform and was the largest ever payment by results welfare to work programme. Nationally given the size of the contract package areas and financial risk they have been delivered primarily by large prime contractors. As previously reported to this committee, the Work Programme is being delivered in the city by three prime contractors; G4S, Seetec and Avanta and their supply chains to longer term claimants or those who are at risk of becoming long-term unemployed. Referrals to the Work Programme are due to end in March 2017. The average number of referrals per month is now in the low 100s (Dec 2015), having been as high as 875 per month at the start of the programme. This is due to the 'backlog' of long-term claimants being cleared and reductions to the numbers of jobseekers generally. To date, 24,820 claimants have been referred to the Work Programme in the city.
- 3.1.2 In contrast to previous UK welfare-to-work programmes that have often been designed for specific groups – including for younger and older unemployed people, people with limited capability for work because of sickness or disability and lone parents, the Work Programme supports a wide range of participants. DWP commissioned using a 'black box' approach which means that prime contractors had the ability to design their own model, rather than work to a uniform model. As pricing was a key consideration in the appraisal of bids, this approach has meant that the funding mechanisms have not necessarily allowed for intensive support for those with complex needs over a two year period on programme.
- 3.1.3 Individual participants stay on the programme for up to two years, and will stay in contact with their provider once they move into work. This gives providers longer than in previous UK welfare-to-work programmes to build a relationship with each participant and to personalise support to meet their needs.
- 3.1.4 Job outcomes for some groups within the Work Programme have been good and better than the programmes that have preceded it e.g. jobseekers under the age of 25. However, certain groups of claimants have not moved into or sustained work and there have been limited examples of an integrated approach to working with other public services to achieve positive outcomes.

3.2 Work Choice

- 3.2.1 DWP introduced Work Choice alongside the Work Programme. This is a specialist employment programme supporting people with more substantial barriers to employment arising from disabilities or long-term health conditions.

- 3.2.2 Work Choice helps people with disabilities whose needs cannot be met through other services, Access to Work or workplace adjustments. This might be because they need more specialised support to find employment or keep a job once they have started work.
- 3.2.3 The aim is to provide a voluntary, tailored, coherent range of specialist employment services which can respond more flexibly to the individual needs of disabled people and their employers and make better use of resources. Work Choice focuses on helping individuals to achieve their full potential and move towards being more independent. It also supports employers to get the support that they need to employ more disabled people. Work Choice has however been relatively limited in scale and the initial support phase is limited to six months to help someone to move into work so is not suitable for those who need a longer term approach to become job ready.
- 3.2.4 The 'Access to Work' scheme contributes towards the extra costs that will help a disabled person to do their job, beyond what is reasonable for their employer to meet.

3.3 Specialist Employability Support (SES)

- 3.3.1 This programme provides tailored help for those disabled people who require the most support to move closer to the labour market and for whom other provision is unsuitable. It is designed to support people with all types of disability including mental health and learning disabilities. SES will help individuals overcome barriers to work not necessarily directly connected to their disability. This will enable them to move nearer to work of 16 hours or over per week, by giving them the support they need to be able to access other work related provision, like Work Choice, or directly secure employment of 16 hours or more per week. Again, it is a relatively small scale service (1,700 individuals per annum nationally) which is currently due to end in 2017.

4.0 Get Britain Working

- 4.1 Get Britain Working is the umbrella term for initiatives that were developed under the Coalition Government to support out of work benefit claimants pre-Work Programme. These measures have included: Sector Based Work Academies; Work Experience; New Enterprise Allowance; Work Together and Work Clubs.

4.2 Sector Based Work Academies

- 4.2.1 Sector Based Work Academies (SBWA) are designed to support claimants who are close to the labour market but who need sector specific insight and training to find work in a sector with vacancies. The SBWA lasts for a maximum of six weeks and will usually consist of pre-employment training, a work experience placement and a guaranteed job interview with an employer in the sector or support with an employer's recruitment processes.

- 4.2.2 In Manchester, this model has been used effectively to support the needs of both claimants and employers through the Manchester Employer Suite which is run by Job Centre Plus in partnership with the City Council. It provides a free, centrally located and bespoke recruitment service for the city's employers and provides a channel through which Manchester residents can access jobs with some of the city's top employers. This approach incorporates integrated pre-employment support and close working with a range of organisations working with unemployed people e.g. Big Life who are able to prepare clients for screening and interviews based on employer insight.
- 4.2.3 Being based in the Town Hall Extension allows the service to maintain an accessible and professional environment that matches the needs of recruiters whilst remaining open to residents across the city. It also allows easy integration and cross-referral between services based in the building.
- 4.2.4 The Employer Suite is regularly used by a range of both local and national companies. Successful and recurring recruitment campaigns have been run for many high-profile businesses including Royal Bank of Scotland, Barclays and Aegis – filling 100 vacancies each annually.

4.3 Work Experience

- 4.3.1 Work experience provides a period of work experience between 2 and 8 weeks in length for unemployed 18-21 year olds. It is targeted at those who want to work but find a lack of experience a barrier (for example, first-time jobseekers). Young people continue to receive their benefit whilst participating in work experience and, if required, will be provided with contributions towards the costs of travel and childcare.

4.4 New Enterprise Allowance

- 4.4.1 The New Enterprise Allowance supports unemployed people who want to start their own business. It is available to pre Work Programme claimants, including some on Universal Credit. Individuals receive support from a business mentor who will provide guidance and support as they develop their business idea and through the early stages of trading.
- 4.4.2 For the first 26 weeks on programme, participants continue to receive benefits, to allow them to transition gradually into self-employment. In the city, this offer forms part of a wider business start up support offer, including the Growth Hub and access to loan funding.

4.5 Work Together

- 4.5.1 'Work Together' allows claimants to gain work experience through volunteering. Jobseeker's Allowance customers can do unlimited volunteering as long as they continue to meet the requirements of their benefit.

4.6 Work Clubs

- 4.6.1 Work Clubs provide local and more informal support workless residents through a voluntary support model, although referrals can be made by Jobcentre Plus.
- 4.6.2 There are 50 local work clubs delivered across Manchester by the voluntary and community sector, housing providers, Manchester Adult Education Service and other providers to support residents to improve their employability skills. Most of these are integrated within existing provision e.g. housing offices, learning hubs, advice services and some are supported by mainstream services such as the National Careers Service (NCS). Citywide there are three work clubs providing specialist support to residents with additional support needs - Manchester Deaf Centre, Booth Centre (homeless) and Back on Track (drugs, alcohol, criminal records). The Works in Moss Side is a good example of an employer-led initiative. Led by the University of Manchester, the Works is a one stop shop supporting local people to access training and to develop the skills to find local jobs. Jobs recruited by some of the Corridor Manchester employers are ring-fenced to work club attendees.
- 4.6.3 Since work clubs were introduced, the Economic Development Unit, now Work and Skills Team has supported a number of work clubs with small grants and provided access to the Work Star online tool to enable work club leaders to assess and monitor the progress of their service users. A city wide network of work clubs has been developed to provide a platform for co-ordinators and their volunteers to come together to receive and share information. An evaluation undertaken by Sheffield Hallam University in 2013 concluded that Manchester's work clubs were an effective tool for supporting people to move into work and had some other positive impacts such as reduction of social isolation.

5.0 Help to Work

- 5.1.1 Help to Work is the umbrella term for support introduced nationally in 2014 to help those who have completed the Work Programme but have still not been able to find employment. Jobcentre Plus work coaches work with individuals to understand their needs and tailor their back-to-work plans according to the particular barriers to work they may have.
- 5.1.2 Work coaches can refer claimants to three different types of intensive support:
- i. extra intensive support from their Jobcentre Plus work coach and other local support, for example training schemes
 - ii. attending the Jobcentre every day for three months to talk to their work coach about the job applications they have made and review work searches
 - iii. an unpaid Community Work Placement for up to 6 months to gain work experience

5.2 Community Work Placements

- 5.2.1 A Community Work Placement (CWP) is aimed at those claimants whose primary barrier to work is a lack of work experience or motivation, and who may have spent a great deal of time away from a structured work environment. The scheme aims to equip jobseekers with a valuable period of experience in a work-based environment, enabling them to develop the disciplines and skills associated with sustained employment, as well as to move them into employment. Work placements are arranged for 30 hours a week lasting 26 weeks either in one single placement or several shorter placements.
- 5.2.2 Referrals to CWP ended on 31 March 2016 meaning that by the end of October 2016 no claimants will be taking part in the programme. From 1 April 2016 claimants on the Help to Work Package will be supported as referenced above with CWP replaced by the Mandatory Intervention Regime (MIR) which lasts for 26 weeks, delivers all the employment support measures available through the JCP Offer and, provides more intensive, personalised support through increased work coach interviews.

6.0 Greater Manchester/Northwest Welfare to Work provision

In addition to nationally commissioned welfare to work provision, DWP District Offices have traditionally used their flexible support fund to commission other local provision, e.g. additional ESOL (English for Speakers of Other Languages).

- 6.1 Highways to Work is a bespoke provision procured via the DWP GM District Manager's flexible support fund: a responsive and personalised service which assists and helps claimants to identify and overcome barriers. It includes a full diagnostic assessment and the creation of sector specific CVs. Jobseekers are trained in digital/online job applications, Universal Job Match, interview techniques, registering with employment agencies and how to broaden job searching capabilities.

7.0 Greater Manchester Combined Authority programmes

Manchester City Council has a strong track record in working with JobCentre Plus to understand where there are gaps in mainstream provision, an approach which is replicated across Greater Manchester. There have been many examples of services commissioned by MCC to test new approaches to moving more residents with complex needs into work where mainstream services have not been able to do so. Whilst the DWP is the key funding department for welfare to work provision, in recent years, negotiations with the Cabinet Office in particular, have led to the commissioning of additional services for specific cohorts identified by the Greater Manchester authorities as needing a more targeted approach.

7.1 The GM Youth Contract Extension – Nu Traxx

- 7.1.1 The Nu Traxx service was commissioned in early 2014 by Oldham Council on behalf of AGMA to support 18–24 year olds across Greater Manchester who

have been out of work and claiming Job Seekers Allowance/Universal Credit for 3 months (or from day one of their benefit claim where young people are facing multiple barriers to securing work). The specification was co-designed by the GM local authorities and DWP, based on our experience of what works with that age group and where the gaps in provision were pre-Work Programme.

- 7.1.2 The Nu Traxx model delivered by APM across Greater Manchester has delivered an intensive support model with a personal budget to allow young people to make the transition from benefits into work. Referrals to the service stopped in June 2016 and there are no current plans to extend this approach, in part because youth (18-24) unemployment figures have reduced significantly across Greater Manchester but also because of the Chancellor's announcement around the Youth Obligation for Universal Credit claimants aged 18-21.

7.2 Working Well

- 7.2.1 As previously reported to this committee, the Working Well pilot was commissioned by the ten Greater Manchester Local Authorities to support up to 5,000 people with 80% of the funding provided by DWP and the other 20% by the local authorities. It has been designed to test whether a locally developed and delivered model of welfare to work can deliver better outcomes for Greater Manchester residents with health conditions and other complex needs than nationally commissioned programmes. The Working Well project supports Employment Support Allowance (ESA) Work-Related Activity Group (WRAG) claimants who have completed two years on the Work Programme but have not moved into sustained work. Jobcentre Plus make referrals to Big Life when claimants return to them from the Work Programme. The agreement with DWP to develop this model included the ability to refer claimants onto Working Well, rather than the other service outlined in section 5 of this report, namely 'Help to Work'.
- 7.2.2. Big Life delivers the programme in Manchester using a key worker model and is underpinned by a local integration board which supports service delivery by plugging gaps in provision and ensuring that public services work together effectively. The programme began in April 2014 and stopped taking new referrals at the end of March 2016.

7.3 Working Well Expansion

- 7.3.1 The 2014 Devolution agreement gave Greater Manchester the ability to expand the Working Well project. In March 2016 the project was expanded to support up to an additional 15,000 people with complex needs across GM. The Working Well Expansion provides an opportunity to take the principles and learning from the pilot and apply them to a much larger cohort and different claimant groups, including former Lone Parent Income Support claimants and Jobseeker's Allowance claimants for whom universal services are not sufficient. Learning from the pilot, the Working Well Expansion programme is based on an early assessment of a person's needs, a key

worker approach for those with complex needs with wider public services integrated within the provision to reduce the length of time and cost taken to get people back to work.

- 7.3.2 The service is being managed in Manchester by the Manchester Growth Company and delivered by the Work Company, Big Life and Armstrong Works. Referrals began in April 2016. Referrals to the service are made by Jobcentre Work Coaches based on a client's eligibility for the programme
- 7.3.3 In four Local Authorities including Manchester, there is an additional referral route to allow GP surgeries and health providers to refer patients to Working Well Expansion. The GP should consider that the patient would benefit from the holistic support provided by the programme and would benefit from moving into work. In Manchester, this process is delivered by Pathways CIC who have existing relationships with GPs across the city through the MCC commissioned Fit for Work and HEALTHY Manchester services which are described in the Worklessness and Health paper presented to this committee in October 2015. Clients referred via this route must be on an out of work benefit and not currently on the Work Programme or Community Work Placement. Following attachment, the client has access to the same three core service elements as Jobcentre Plus referrals, namely

(i) The Personalised Support Service which acts as a key worker for the client to assess their barriers and needs, managing the client's action plan and working with other services to overcome client barriers and proactively sourcing employment and work placement opportunities;

(ii) The Skills for Employment service is a separate but linked programme which is funded via the European Social Fund and the Skills Funding Agency. It is a voluntary programme, delivered by the Manchester Growth Company and its supply chain. It has been designed to work alongside the other core elements of Working Well Expansion to provide a bespoke skills service for the participant. The service can also support clients who are not on Working Well Expansion.

(iii) The Talking Therapies service which offers a range of mental health therapeutic interventions. Mental health issues were the most commonly reported barrier to work for clients on the Working Well Pilot, and the Talking Therapies service enables fast tracked support for clients on Working Well Expansion.

8.0 Work and Health Programme

- 8.1.1 DWP is commissioning a national Work and Health Programme that will replace the Work Programme and Work Choice from October 2017. The national programme will target those with disabilities and health issues who have been out of work for over two years. Greater Manchester has negotiated the opportunity to design and co-commission the GM programme and to shape future provision through the devolution agreement. This will allow us to integrate employment and skills support for those with the most complex

needs and will build on the principles embedded in the Working Well pilot and Expansion.

9.0 Conclusion

The GM Devolution Agreement has given the GMCA the ability to co-commission employment support which is better tailored to the needs of our communities and we have the infrastructure in place to better integrate skills and public services locally and at GM level. We have the evidence through the Working Well pilot that this approach produces better employment and wellbeing outcomes for those with complex needs. We will continue to work with the DWP GM District to ensure that more of our residents move into sustained employment before moving into a more intensive support model where possible. However, it should be noted that nationally, there will be a reduction in DWP funded provision which will affect the volume of support in the city and that GM has previously relied on European Social Fund provision to add value to mainstream provision. It is also critical that we continue to integrate employment and skills provision to ensure that workless residents are able to move into work which pays well and offers progression opportunities.