

Report for:  
**ACTION**



<b>Contains Confidential or Exempt Information</b>	<b>No</b>
<b>Title</b>	Extension of the WLA Health and Work Programme Contract and JETS Programme Contract
<b>Responsible Officer</b>	David Francis, Director WLA
<b>Author</b>	David Lillicrap, WLA Head of Health and Employment Programmes
<b>Portfolio</b>	Councillor Bassam Mahfouz - Decent living Incomes
<b>For Consideration By</b>	Cabinet
<b>Date to be Considered</b>	14 <sup>th</sup> July 2021
<b>Implementation Date if Not Called In</b>	24 <sup>th</sup> July 2021
<b>Affected Wards</b>	All
<b>Keywords/Index</b>	WLA, Unemployment, ESF, Work and Health Programme, Covid-19 Employment Response Programme

**Purpose of Report:**

As a result of the continuing impact of Coronavirus pandemic on the economy additional money is being made available for Employment Support Programmes

This report seek approvals required to obtain funding, including ESF; to vary and extend the two existing contracts with The Shaw Trust Limited for the Work and Health Programme (WHP); and the Job Entry Targetted Support (JETS) Programme. The variations will be in place from September 2021 (i) extending the WHP contract term for a further period of 2 years (ii) to increase volumes of places made available on the Work and Health Programme (iii) to extend the JETS contract by up to a year and (ii) to increase volumes of places made available on the Work and Health Programme

## 1. Recommendations

It is recommended that Cabinet:

- 1.1 Authorise the Director of WLA, , to extend the WLA Work and Health Programme contract with The Shaw Trust Limited dated 13 November 2017 (“Work & Health Contract”) for a further period of 2 years in accordance clause F.11.1 for a cost of £6m in total.
- 1.2 Authorise the Director of WLA, following consultation with the Director of Legal and Democratic Services and the Chief Finance Officer to vary the Work & Health Contract for £1m to increase volumes of places made available on Work and Health Programme from September 2021.

- 1.3 Authorise the Director of WLA to extend the WLA Job Entry Targetted Support contract with The Shaw Trust Limited dated 2<sup>nd</sup> November 2020 (“JETS Contract”) for a further period of 1 year in accordance with clause Clause F.11.1 for a cost in the region of £11.7m.
- 1.4 Authorise the Director of WLA following consultation with the Director of Legal and Democratic Services and the Chief Finance Officer, to increase the contract value of the IPS Service for Users of West London Drug and Alcohol Services with Westminster Drug Project Limited dated 20<sup>th</sup> December 2018 (“Westminster Contract”) by up to £400,000 in total .

## **2. Reason for Decision and Options Considered**

### **2.1 Background to the Programme**

- 2.1.1 As a result of the Coronavirus pandemic, the furlough rate in West London is higher than any other part of the country. As a result DWP are bidding to Treasury for additional funding to extend the Work and Health Programme, and the Job Entry Targetted Support Programmes, as many of the people who are on furlough, meet the criteria for participating in the Work and Health Programme and the JETS Programme.
- 2.1.2 The initial contract for the Work and Health Programme, started taking referrals in Feb 2018, with the programme stopping taking referrals in October 2022. The contract extends beyond the period for referrals, as the last person referred continues to receive services for up to 21 month after referral.
- 2.1.3 In 2020, as a result of the Coronavirus pandemic DWP devolved additional funding for a Covid 19 unemployment support programmes which became known as Job Entry Targetted Support. The initial contract for the Job Entry Targetted Support, started taking referrals in October 2020, with the programme stopping taking referrals in October 2021. The contract extends beyond the period for referrals, as the last person referred continues to receive services for up to 6 month after referral.
- 2.1.4 They are seeking to extend the existing Work and Health Programme funding beyond its current term, for a duration of up to 2 years of additional referrals from October 2022, as allowed for in the contract. DWP have not confirmed the exact length of the extension.
- 2.1.5 They are seeking to extend the existing Job Entry Targetted Support Programme contract beyond its current term, for a duration of up to 1 year from October 2021, as allowed for in the contract. DWP have not confirmed the exact length of the extension.
- 2.1.6 As the Job Entry Targetted Support Contract (Referral Window) ends in October 2021, we have presented this Cabinet paper on the assumption that the funding will be agreed by Treasury. This is because delaying the Cabinet report until there was final confirmation of funding would result in the contract variation not being able to be put in place in time, resulting in a service interruption of West London Residents. In the event of DWP not providing funding for the extension, the contract will not be extended.
- 2.1.7 In addition GLA, European Programme Management Team have indicated that ESF matched funding can now be defrayed until September 2023, as opposed to March 2023 when we originally bid for ESF. The original DWP grant extends beyond the period for ESF claims, so this change allows for more of the DWP grant to be treated as matched funding, We are bidding for an additional £0.8M. As with the other grants, if the application is not successful, the contract will not be extended.
- 2.1.8 Separately we have put in an expression of interest with Public Health England, to add additional capacity to the contract we have with Westminster Drug Project, that is delivering IPS employment support to service users of 9 West London borough.

### **3. Key Implications**

#### **3.1 Agreements and Contracts**

- 3.1.1 A variation in funding agreements will be signed between Ealing and GLA who manage ESF funds in London.
- 3.1.2 A variation to the funding agreement will be signed between Ealing and DWP.
- 3.1.3 For the duration of the contract, Ealing (acting on behalf of WLA) will continue to manage the Work and Health Programme and Job Entry Targetted Support contracts; and be responsible for ensuring the provider meets the contract requirements.
- 3.1.4 The variation and extension to the WLA Work and Health Programme; and the Job Entry Targetted Support contracts with The Shaw Trust, will be completed in accordance with the contract variation procedures set out within those contracts and the execution by the parties of an Agreement to formally vary the contract.
- 3.1.5 Ealing will enter into a funding agreement with PHE
- 3.1.6 The additional capacity on the IPS employment support for service users of Drug and Alcohol treatment in West London, with Westminster Drug project will be changed in line with the contract variation process set out in the current contract.

#### **4. Financial**

- 4.1 There is no financial impact on the budget. The programme will be entirely funded by external sources, including ESF.
- 4.1.1 While negotiations are on-going with funding bodies including DWP and GLA, it is estimated that the additional funding for WHP will be in the region of £6M to £9M; and the additional funding for JETS will be in the region of £12M to £18M, in the event the bid for additional ESF funding is not successful, the contract extension will be in the region of £6M to £9M.
- 4.1.2 Resources to manage the programme will be funded from the Management and Administration element that is allowable under ESF guidelines.
- 4.1.3 In the event of not being able to reach agreement with external funders, the contract extensions will not be implemented.

### **5 Legal**

- 5.1 The existing WLA Work and Health Programme and Job Entry Targetted Support contracts with The Shaw Trust includes provisions expressly permitting the variation and extension of the contract in accordance with the 'Change Control Procedure' as set out in the contract. Accordingly, the parties will adhere to the 'Change Control Procedure' and enter into an agreement to formally vary the contract to extend the contract term by two years and to increase volumes of places made available on Work and Health Programme from September 2020.
- 5.2 Variations to contracts (which do not contain options to extend) are permitted under Regulation 72 of the Public Contracts Regulations 2015 where the grounds set out in Regulation 72 (c) are met, namely:

(c) where all of the following conditions are fulfilled:-

- (i) the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;
- (ii) the modification does not alter the overall nature of the contract;
- (iii) any increase in price does not exceed 50% of the value of the original contract or framework agreement.

It is considered that for the Work & Health Contract the COVID-19 emergency was unforeseen and for the Westminster Contract the grant of further monies was unforeseen. For both contract their overall natures will not be altered given that the type of services remain unchanged and no changes are to be made to the specification. The additional monies will enable the Council to provide additional services of the same type which are required due to Covid 19. The value of the modifications fall within the 50% threshold. Multiple such modifications are permitted during the lifetime of contracts provided that on each variation the above conditions are met.

The Work and Health Contract's original value was £26.681M and the intended increase under Regulation 72 is in the region of £1m.

The Westminster Contract's original value was £1.834M and the intended increase is in the region of £0.40M

The WLA Job Entry Targetted Support contract's original vaue was £12.41M and the intended increase is £11.82M

- 5.3 The Work & Health Contract permits Ealing at its absolute discretion to texetnd the contract for up to 2 years in accordance with clause F11.2

F11.1 The Lead Authority may, at its absolute discretion, by giving written notice to the Provider not less than six (6) Months (or on such shorter notice period as may be agreed by the Parties) prior to the end of the Referral Period End Date, extend the the period by which Referrals of Participants can be made by the Lead Authority by one (1) or more extensions up to a maximum of twenty-four (24) Months in total. The provisions of this Contract shall continue to apply (subject to any Variation or adjustment to the Fees pursuant to clause F3) throughout any such extended period.

- 5.4 The JETS contract permits Ealing at its absolute discretion to extend the contract on not less than 3 writtens months (or on such shorter notice period as may be agreed by the parties to the contract) as set out in the clause F11 of the contract reproduced below.

**F11 Extension of Contract**

The Lead Authority may, at its absolute discretion, by giving written notice to the Provider not less than three (3) Months (or on such shorter notice period as may be agreed by the Parties) prior to the end of the Referral Period End Date, extend the the period by which Referrals of Participants can be made by the Lead Authority by one (1) or more extensions up to a maximum of twelve (12) Months in total. The provisions of this Contract shall continue to apply (subject to any Variation or adjustment to the Fees pursuant to clause F3) throughout any such extended period.

**6. Value For Money**

- 6.1 N/A

**7. Sustainability Impact Appraisal**

- 7.1 The programme provides a high quality employment intervention for client groups who struggle to obtain employment through current initiatives

## 8. Risk Management

8.1 A risk register for the overall Programme is retained. The key risks are as follows:

Risk	Mitigating Actions
ESF Risks – there is a risk that future ESF audits lead to a recovery of funding.	The WLA Team is increasingly experienced handling the evidence requirements of ESF programmes, and across 2 existing ESF funded programmes totalling c£30m over 5 years have not had any adverse financial penalties.  When the application for CFO status was submitted, the 6 S151 officers from the other WLA boroughs agreed to share any costs arising from ESF clawback.

## 9. Community Safety

9.1 Not applicable

## 10. Links to the 6 Priorities for the Borough

10.1 The proposals support the following Priority:

- Prosperous

## 11. Equalities and Human Rights and Community Cohesion

11.1 An initial EAA screening forms were completed for the 2 contracts, and no adverse impact on Equalities has been identified. The services in the programme will be offered to all Universal Credit (UC), JSA Claimants and ESA claimants; who are eligible.

11.2 These were reviewed as part of the development of this report and no changes were noted.

## 12. Staffing/Workforce and Accommodation implications

12.1 There are no staffing implications. Given the planned integrated nature of the services, Ealing services may be required to provide hot-desk space for service providers.

## 13. Property and Assets

13.1 There are no Property or Assets associated with this programme

## 14. Any other implications:

14.1 No other implications

## 15. Consultation

15.1 The WLA Work and Health Programme has a Working group that includes representatives from all WLA Authorities, CCGs and JCPs. This has included Service Users and organisations representing Service Users.

## 16. Timetable for Implementation

16.1 The aim is to have the JETS contract extension in place by the end of September 2021. The high level milestones are as follows:

<b>Milestone</b>	<b>Date</b>
Funding Confirmation by DWP and EPMU	31 <sup>st</sup> August 2021
Contracts in place	30 <sup>th</sup> September 2021
Extension Commences	October 2021

## **17. Appendices**

None

## **18. Background Information**

Cabinet Report 14th June 2016, recommendations to commence a procurement process to identify a provider to deliver the Work and Health Programme

Cabinet Report 17<sup>th</sup> October 2017, Awards the contract for the delivery of the West London Alliance (WLA) Work and Health Programme (WHP) to Shaw Trust for an initial contract period commencing in Quarter 1 2018 and ending 31<sup>st</sup> October 2022 with an option to extend for a further 2 years

Cabinet Report 16<sup>th</sup> June 2020, recommendations to commence a procurement process to identify a provider to deliver the Job Entry Targetted Support contract, which at the time was referred to as Covid-19 Employment Response Programme (job search services)

Key Officer Decision – 9<sup>th</sup> September 2020 Awards the contract for the delivery of the West London Alliance (WLA) Job Entry Targetted Support Programme (JETS) to Shaw Trust for an initial contract period commencing in October 2020 and ending referrals in October 2021 (Contract term runs 6 months after the final participant is referred onto programme), with an option to extend for a further 1 year

## Consultation

Name of consultee	Post held and Department	Date sent to consultee	Date received from consultee	Comments appear in report paragraph:
<b>Internal</b>				
Chuhr Nijjar	Contracts Lawyer			Legal
Sajal O'Shaughnessy	Lawyer, Legal Contracts			Throughout
David Francis	Director of West London Alliance			Throughout
Shabana Kauaer	Assistant Director of Strategic Finance			Finance
Paul Najsarek	Chief Executive			Throughout
Councillor Mahfouz	Portfolio Holder			Throughout
<b>External</b>				

## Report History

<b>Decision type:</b>	<b>Urgency item?</b>
Key decision	No

Report no.:	Report author and contact for queries:
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