

Report to CABINET

DWP Restart contract extension for Get Oldham Working service

Portfolio Holder: Councillor Fida Hussain, Cabinet Member for Business, Employment and Enterprise.

Officer Contact: Matt Bulmer, Director of Education, Early Years and Skills

Report Author: Jonathan Phillips, Head of Service Employment and Skills

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Reason for Decision

To approve the acceptance of the Restart contract extension for a further three years, from July 2024 to 30th June 2027, which will maintain Get Oldham Working's delivery to a further thousand Oldham residents, supporting them back into work and sustainable employment.

Recommendations

Authorise the Council via GOW to accept and act in the role of sub-contractor to Ingeus to deliver the Restart contract extension from July 2024 to 30th June 2027.

DWP Restart contract extension for Get Oldham Working service.**1 Background**

- 1.1 The purpose of the report is to request approval for Oldham Council to act in the role of sub-contractor (via the Get Oldham Working service) to continue delivering the DWP Restart contract as part of the extension from 1st July 2024 to 30th June 2027.
- 1.2 Oldham Council (via the Get Oldham Working Service) have been delivering a Restart contract as sub-contractor to Ingeus since 1st June 2021. The council have authorised acceptance of this contract back in 2021, including relevant due diligence, governance, data security and legal review.
- 1.3 The current contract is to support 1,350 customers for a monetary value up to £2.6m. Delivery period 1st June 2021 to 30th June 2025.
- 1.4 Oldham Council's (via the Get Oldham Working Service) delivery of the contract has currently (29th Feb 2024) generated £1.61m of the £2.6m contract, supporting 1,220 (104% against expected profile) Oldham residents with intensive employment support, equating so far to 555 (90% against expected profile) job starts and 278 (89% against profile) job outcomes.
- 1.5 The quality and compliance aspects are reported via internal and external observations and checks. External checks (by Prime contractor, Ingeus), the service has an excellent rating for CSS (customer Service Standards), has passed all site and file audits to date (including DWP audit), and currently on zero financial penalties in last 12 months from file audit checks.
- 1.6 Recommended areas of improve include, increasing the overall outcome profile, from 89% to 100% and ensuring all monthly cohorts of customers reach a minimum of 37% into outcome within a 12–18-month period. The service has developed a working action plan to strive for these improvement areas over the next six to twelve months and are required to report on this plan monthly direct to the Prime contract team at Ingeus.

2 Current Position

- 2.1 DWP announced back in November 2023 that they were planning on extending the National Restart scheme for a further two years to support another 500's people.
- 2.2 Negotiations have taken place with each DWP and the Primes and most recently with Primes and sub-contractor for a new allocation of volumes and monetary value for each contract area.
- 2.3 Oldham Council have been offered a further £2.6m for a new contract to continue with Restart from 1st July 2024 to 30th June 2027, to work with approx. 1,000+ Oldham residents with an expectation that at least 455 Oldham residents will secure sustainable employment.
- 2.4 The contract commitments are mostly the same as the existing contract, apart from a 1% uplift in job outcome expectations.

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- 2.5 Due diligence is already in place re governance, data security and information management.
- 2.6 Staff have remained consulted throughout this process, however if Option 2 isn't approved and staff maybe at risk of redundancy formal consultation will take place in accordance with council policies and procedures. The extension to the contract of the DWP Restart contract as a subcontract to Ingeus will provide opportunities to the residents of Oldham in line with the Councils priorities and objectives.

3 **Options/Alternatives**

- 3.1 Option 1: not accept the new contract. This isn't seen as a preferred option, as it could jeopardise the high performance we have in place so far, plus the Get Oldham Working service would be hit with an extensive funding gap for staffing and require making redundancies. It would also put the funding coming into Oldham at risk, as this would have to be re tendered / commissioned to another provider.
- 3.2 Option 2: Agree to accept the new contract through GOW to deliver the services. This will support our residents first approach, enable GOW and the council to not make redundancies for exiting staff working on other contracts coming to an end and ensure we can work towards exceeding on contractual volumes and get more for Oldham residents across the National programme.

4 **Preferred Option**

- 4.1 Option 2.

5 **Consultation**

- 5.1 Senior council staff have been consulted about the approach and agree to the preferred option. We have also consulted staff who are currently working on the contract and at Get Oldham Working.

6. **Financial Implications**

- 6.1 This report is seeking approval for the Get Oldham Working Service to accept and act in the role of sub-contractor to Ingeus to continue to deliver the DWP Restart contract extended from 1st July 2024 to 30th June 2027.
- 6.2 The service has been offered up to a further £2.6m for a new contract to continue with Restart, to work with approx. 1,000+ Oldham residents with an expectation that at least 455 Oldham residents will secure sustainable employment.
- 6.3 The contract will cover contributions towards existing staff salaries, travel and expenses, corporate overheads and insurance, IT, DBS, accommodation, stationery, marketing and other participant spend.
- 6.4 The income is received via a self-bill which is signed off by the Get Oldham Working Head of Service each month and then an audit of transactions is done every quarter.
- 6.5 The previous award was up to £2.6m, however over a longer period, the contract if accepted is awarded on is the same as the existing one; a 25% monthly service fee monthly and 75% performance based. The staffing and expenditure is expected to be in line with current arrangements. The only element of clawback are penalties for non-compliance, to date none have been incurred.

(Catherine Dunkerley - Accountant)

7 Legal Implications

- 7.1 The Council's Contract Procedure Rules do not apply where the Council is acting in a contractor or sub-contractor role (rather than commissioner). Therefore, whether or not it is appropriate for the Council to continue to act as a sub-contractor and enter into a new sub-contract with Ingeus in relation to the delivery of part of the Restart Contracted Employment Programme in the Greater Manchester region is a corporate and commercial decision.
- 7.2 The power for the Council to charge for its delivery of discretionary services stems from section 93 of the Local Government Act 2003. Under this section, the Council can recover any costs it will incur in delivering the services. If the Council wishes to trade commercially for profit in respect of function related activities, section 95 of the LGA 2003 requires that it do so through a company.
- 7.3 Prior to entering into a new sub-contract with Ingeus, conformation is needed that the Head Contract is in place and that the DWP has complied with all relevant internal and statutory procurement rules. In addition, the form of sub-contract should be shared with Legal Services for general review and comment so that any relevant implications and risks can be identified. It is anticipated that the terms of the proposed sub-contract will largely be in line with the terms of the Head Contract. Any approval of the terms and conditions of a new sub-contract would, ideally, be subject to such a legal review and due consideration of any risks and implications together with confirmation that the terms can be complied with. This will form part of the Council's due diligence.

8 Equality Impact - including implications for Children and Young People

8.1 None.

9 Key Decision

9.1 Yes

10 Key Decision Reference

10.1 ERS-03-24

11 Background Papers

11.1 None.

12 Appendices

12.1 None.