

# URGENT OFFICER DECISION

## WorkWell

### Report of the Chief Officer -Sustainable Growth

#### PURPOSE OF REPORT

**Purpose of Report:**

To seek approval for the authority to accept £589,894 allocated from the Lancashire and South Cumbria Integrated Care Board (LSCICB) as a result of a successful bid to the Department for Work and Pensions (DWP) and the Department for Health and Social Care (DHSC) to be a WorkWell Partnership Programme (WWPP) Vanguard. This will enable the creation of a multi-disciplinary team (MDTs) to support residents who are in employment and have health conditions to remain in the workplace and support residents with health conditions who are looking to move into employment.

<b>Key Decision</b>	<b>X</b>	<b>Non-Key Decision</b>	<b>Referral from Cabinet Member</b>
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<b>Date of notice of forthcoming key decision</b>	Not applicable for reasons of urgency – Decision taken under Rule 15 – Special Urgency. Call-in has been waived on this decision.
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**This report is** *This report is public*

#### RECOMMENDATIONS

- (1) To approve the Workwell Vanguard and accept the allocation of funding as a matter of urgency.

#### 1.0 Introduction

- 1.1 The WWPP vanguard aims to test approaches to stemming the growth in Economic Inactivity, aligning with the deep dive and outcomes of the pan-Lancashire Economic Inactivity research undertaken in 2023. This research identified the need to 'stem the flow' of people leaving the labour market due to health conditions.
- 1.2 The programme will target people in work with disabilities and/or health conditions who are at risk of dropping out of employment and those that are newly unemployed, with view to retaining people in work and pivoting people into new roles before they move from unemployment to economic inactivity.
- 1.3 The service will provide coaches to participants from a range of disciplines (including mental health, vocational rehabilitation and employer liaison). Participants will be supported by the coaches to maintain work, be supported through employer liaison, and signposted to a range of services.

- 1.4 It is anticipated that the programme will be launched in Autumn 2024, with delivery until the end of March 2026.
- 1.5 The Vanguard started on 1st October 2024. There have been delays in the mobilisation of the project, which may be at risk with any further delays.
- 1.6 If we are unable to get this project started before the end of December (Q3), we risk losing £54,810, which is £26,486 of guaranteed funding and £28,324 of participant dependant funding. Further delays could impact the funding for Q4 – January – March 25, which equates to £125,620 (£68,972 guaranteed funding and £56,648 participant dependant funding) plus the implementation funding which would be £45,327.48. This funding cannot be carried over to year 2 of the project. In total, the amount of funding at risk for Q3 and Q4 of year 1 is £225,802.48.

## **2.0 Proposal Details**

- 2.1 WorkWell is a new service, that will integrate health and work advice at a local level. The WorkWell pilots were launched by the DWP and DHSC and will cover 15 areas of UK. From October these pilots will connect 59,000 people to local support services including physiotherapy and counselling so they can get the tailored help they will need to stay in or return to work.
- 2.2 The WorkWell service provides a single, joined-up assessment and gateway into both employment support and health services locally to help residents manage their conditions and to identify workplace adjustments or support that would enable them to stay in work or return sooner.
- 2.3 Participants do not need to be claiming any Government benefits and will receive personalised support from a Work and Health Coach to understand their current health and social barriers to work and draw up a plan to help them overcome them. Evidence shows that work is an effective way to improve wellbeing – reducing the risk of depression, improving physical health, and building self-confidence and financial independence.
- 2.4 WorkWell is for anyone with a health condition or disability, including mental health conditions, who wants to work. It is a voluntary service, so people will be able to self-refer, or may be referred to WorkWell through their GP, employer or the community sector.
- 2.5 The health and work coaches will also provide advice on workplace adjustments, such as flexible working or adaptive technology, facilitate conversations with employers on health needs, and provide access to local services such as physiotherapy, employment advice and counselling.

## **3.0 Local Context**

- 3.1 A deep dive into the rise in Economic Inactivity was commissioned under the umbrella of Lancashire 2050 earlier in the year, with funds from LCC and both Blackpool and Blackburn with Darwen Councils. The Lancashire Skills and Employment Hub oversaw this research, with support from a steering group of partners, reflecting the Lancashire 2050 themes of Employment and Skills, Health and Well-Being and Economic Prosperity, with lead CEOs and lead officers, as well as the unitary authorities, ICB, DWP and other stakeholders.

- 3.2 The report has now been published: <https://www.lancashireskillshub.co.uk/wp-content/uploads/2023/11/L2050-Economic-Inactivity-Insight-Report-2023.pdf>
- 3.3 There are positive reasons for Economic Inactivity (for example, being a student or retiring early due to wealth), however the most common reason for inactivity in Lancashire is ill health. The study showed that over a third of the inactive group (70,000+ residents) are inactive due to health reasons. A further 15% of the 220,000 are looking after family/home, with several of this group indirectly affected by health as they are caring for unwell relatives or a child with disabilities. This has grown since the onset of the pandemic, with the gap between the national average and Lancashire growing from +0.4% to +3.2%, with the proportion relating to ill health continuing to grow.
- 3.4 The study shows a significant cost in lost economic output to Lancashire of £3bn (residents closer to the labour market), with the total cost to Lancashire estimated to be around £5bn. The cost to the taxpayer is estimated to be around £1.3bn per year.
- 3.5 In terms of characteristics, the study identifies that around half of claimants on Universal Credit with 'no work requirement' due to ill health are aged under 40 in Lancashire – residents with decades of potential work ahead of them. The data indicates that the most prevalent condition is Mental Health (30% of 65+, growing to 70% in the 18-24 group). The other biggest driver is musculoskeletal conditions, which increases the older the resident.
- 3.6 A key finding was the limited integration across health, employment support and welfare systems. Qualitative insights indicated that residents needed to be better informed of support available to help them manage health conditions and consider how their knowledge and skills could adapt to new occupations and sectors. Another key finding was that Fit Notes were being under-utilised, with 94% stating the patient was unfit for any work.

#### **4.0 Focus: Stemming the Flow**

- 4.1 A number of priorities and recommendations were identified, with a focus on 'Stemming the Flow' and considering how best to retain people with health conditions in employment (either in their existing job or by pivoting jobs or sectors to better manage their health condition) and to target individuals in the early stages of unemployment, where they have left work or not transitioned from education to work due to a health condition (with a focus towards those under 40).
- 4.2 A task and finish group has been initiated with key partners by the Skills and Employment Hub to take forward the development of an action plan, which will focus on the recommendations of the research, looking at actions that partners can take forward locally, where there are gaps, and identifying where the WWPP could add value. Andrew Bennett, Director of Population Health, ICB is chairing the group.

#### **5.0 WorkWell Partnership Programme (WWPP)**

- 5.1 In parallel to the study, the intention to commission 'WorkWell Partnership Programme' (WWPP) vanguards was announced by the Joint Work and Health Directorate of DWP and DHSC. In essence, WWPP aims to target people in

work, to help people with health conditions 'thrive in work' and to draw unemployed people with health conditions to 'strive to work' – both of which align with the findings and priorities of the study.

- 5.2 It is intended that the WWPP vanguards will be strategic partnerships between ICBs and upper tier authorities, working with local stakeholders, to better integrate health and employment provision, with ICB the lead applicant. WWPP provides an opportunity for Lancashire to initiate place-based projects that could test different approaches to better integrate systems, in line with the recommendations of the research. There is an intention to award approximately 15 areas around £57M over 2024/25 and 2025/26.
- 5.3 The study provides an excellent starting point and evidence base to underpin a proposal and the Task and Finish Group is now focusing on the development of a proposal. The prospectus was published on 30/11/2023: <https://www.gov.uk/government/publications/workwell/workwell-prospectus-guidance-for-local-system-partnerships>
- 5.4 Due to the scale of funds available it is not feasible to undertake activity across the whole of the Lancashire and South Cumbria ICB footprint, moreover the programme is a 'test and learn' which will inform future activity. At present, based on the research and the associated evidence base, is intended that place-based projects form the basis of the WWPP submission, with projects focused in the two unitary authorities (as hot spots of economic inactivity) and three to four districts of Lancashire. Due to the footprint of the ICB there is also enthusiasm from Westmorland and Furness and interest in including a place-based project in South Cumbria as part of the submission – which will likely focus on Barrow.
- 5.5 A review of data in the districts of Lancashire has been undertaken to identify three to four areas for place-based projects. The places that have been identified from the data are Lancaster and Morecambe, Burnley, Preston and West Lancashire. The bid team are keen to engage with partners in these areas to take forward the proposal – including the local authority, primary care, hospital trusts, business networks, the voluntary and community sector and district level groups that bring mixes of these partners together.

## **6.0 Implementation Plan**

- 6.1 A small core team is being established to co-ordinate the whole programme. support each of the seven districts and liaise with the national team. This will include a project management resource which will be available to all seven districts, the cost of which totals £497K which will be top sliced from the funding leaving £3.542M participant dependent funding available across the two years
- 6.2 The modelling suggests that in 2024/25, 30% of cases across the programme will have been onboarded, which is the equivalent of 1,500 participants. There is £1.058M for Year 1 participants, which would make spend on participants £705.33 per participant. For year 2, the remaining 70% would be onboarded, which is the remaining 3,500 participants, with £2.484M available, an average spend of £709.57 per participant.

Area	New Estimates with Overspend (£708.30 per participant, £40k Work and Health Coach)				
	Estimated Funding	Number of Coaches	Participants Per Year	Participants Per Year Per Practitioner	Per Month
Barrow-in-Furness	£ 296,777.70	4	279	70	6
Blackburn with Darwen	£ 755,047.80	9	711	79	7
Blackpool	£ 531,225.00	7	500	71	6
Burnley	£ 391,689.90	5	369	74	6
Lancaster	£ 531,225.00	7	500	71	6
Preston	£ 559,557.00	7	527	75	6
West Lancashire	£ 475,269.30	6	447	75	6

6.3 Each of the seven areas has specific themes and targets based on areas of need that was highlighted by the research. For our district we have health, digital upskilling, 50+ and youth customers.

6.4 Over the 18 months we will work with 750 participating residents and employ up to seven Work Coaches over the course of the 18 months. As onboarding will increase in Year 2, we are aiming to start with a small number of Work Coaches and then increase the number for Year 2.

6.5 We have had initial discussions with potential external partners that we can collaborate with, this was the advice from the LSCICB, and we have identified a local partner, with a proven track record in this field who we can partner with and who will have staff resources that they can allocate to this project.

## 7.0 Details of Consultation

7.1 The bid that led to this grant from DWP and ICB was based on both extensive evidence base and consultation with a wide range of stakeholders, partners and service users.

## 8.0 Options and Options Analysis (including risk assessment)

	<b>Option 1:</b> That the City Council receives the funding available and agrees to be the authority that manages the place-based project within the Work Well Partnership Programme (WWPP) Vanguard for the Lancaster district	<b>Option 2:</b> That the City Council does not agree to be the authority that manages the place-based project within the Work Well Partnership Programme (WWPP) Vanguard for the Lancaster district
Advantages	The Council already has strong links and relationships with partner agencies that we would collaborate with to create our MDT to support 750 residents with health conditions to stay in work or move into employment. This will also support local business and contribute towards economic growth within the district.	None identified.

Disadvantages	There will be initial resource implications prior to a Programme Lead being starting in post. This can be resourced from within the Economy and Skills Team.	It is unclear who would lead the WorkWell project for the Lancaster district and indeed if there would be any other authorities or organisations that would agree. If it was an authority from outside the district, then they would not have the local knowledge and links with local stakeholders that we have. The worst-case scenario would be that there was no one able to take the project lead for the district which would mean that the Lancaster district would be unable to take part in this Vanguard and 750 residents would not receive the support this programme will provide, and businesses would not benefit from the indirect support.
Risks	<p>There are risks to the funding allocation if targets are not made. Circa 40% of the budget is reliant on targets being met. We can mitigate against this risk as we will not be staggering the employment of Work Coaches, which are the main cost to the project, we will not recruit more unless we are on course to meet our targets.</p> <p>There will also be risks that we cannot recruit to the temporary Work Coach positions, but by collaborating with external partners we can reduce these risks, including the use of secondment opportunities.</p>	Damage to reputation.

## 9.0 Officer Preferred Option

The officer preferred option is Option 1. That Lancaster City Council implements and manages the WorkWell service in the Lancaster District, accepting the proposed funds as outline above and that Officers are authorised to progress with establishing the service.

## 10.0 Conclusion

- 10.1 Implementing WorkWell within the Lancaster district offers a great opportunity for residents, businesses and organisations to benefit from the support that it will provide and aligns with the strategic principles of our Council Plan.

10.2

The funding is available to be allocated to the Lancaster district and support will be provided by the core WorkWell project team for the Vanguard. Although there are risks of implementing WorkWell, we have identified the steps we can take to mitigate against these.

### RELATIONSHIP TO POLICY FRAMEWORK

This vanguard programme fits in with the strategic principles of our Council Plan 2024-2027, particularly:

- An Inclusive and Prosperous Local Economy
- Happy and Healthy Communities
- A Co-operative, Kind and Responsible Council

### CONCLUSION OF IMPACT ASSESSMENT

**(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)**

This project will have no impact

### LEGAL IMPLICATIONS

By virtue of the General Power of Competence under s1 Localism Act 2011 the Council has the power to do anything that individuals may do and can therefore enter into any form of agreement regarding grant funding.

Legal Services has reviewed the terms of the grant agreement and is happy that this is in an appropriate form. Legal Services will be able to assist in respect of any contracts or legal agreements relating to this matter in the future to ensure that the same are suitable and serve to best protect the Council.

### FINANCIAL IMPLICATIONS

The total allocation for the Lancaster District is £589,894 for the length of this project.

The total for the Vanguard comprises of £1.058M for Year 1 participants, which would make spend on participants £705.33 per participant. For year 2, the remaining 70% would be onboarded, which is the remaining 3,500 participants, with £2.484M available, an average spend of £709.57 per participant.

	Implementation Funding	Y1Q3	Y1Q4	Y1 Total	Y2Q1	Y2Q2	Y2Q3	Y2Q4	Y2 Total	All years Total
Salaries LCC		£10,942	£10,942	£21,884	£23,764	£23,764	£23,764	£23,764	£95,057	£116,941
Admin/Internal/Indirect charges		£4,814	£4,814	£9,629	£10,456	£10,456	£10,456	£10,456	£41,825	£51,454
Salaries/on costs CVS		£14,562	£14,562	£29,123	£23,026	£23,026	£23,026	£23,026	£92,103	£121,226
Project costs		£5,000	£5,000	£10,000	£12,089	£12,089	£12,089	£12,089	£48,357	£58,357
<b>Total</b>		<b>£35,318</b>	<b>£35,318</b>	<b>£70,636</b>	<b>£69,336</b>	<b>£69,336</b>	<b>£69,336</b>	<b>£69,336</b>	<b>£277,342</b>	<b>£347,978</b>
Guaranteed Funding	£45,372	£26,486	£68,972	£140,830	£60,072	£60,072	£60,072	£26,930	£207,147	£347,978
Participant Dependant Funding	£0	£28,324	£56,648	£84,972	£44,741	£44,741	£44,741	£22,720	£156,944	£241,916
Target Participants		150	150	300	128	128	128	65	449	749
Participant Dependant PP		£283.24	£283.24		£349.54	£349.54	£349.54	£349.54		

## **OTHER RESOURCE IMPLICATIONS**

### **Human Resources:**

The core staffing resource and costs are planned for and will fall within the guaranteed funding. If agreed HR will provide professional support to ensure roles and responsibilities are clear to support delivery of the project.

### **Information Services:**

N/A

### **Property:**

N/A

### **Open Spaces:**

N/A

## **SECTION 151 OFFICER'S COMMENTS**

Funding is dependent on activity and reaching the participant targets set. Circa 60% of funding is paid upfront with the remainder being dependent on reaching the targets. As participant numbers are not guaranteed, to avoid a call on Council resources, staffing will need to be structured in a way that ensures the amount of funding available will, as a minimum, cover staffing costs.

The plan is to extend the contracts of some temporary staff currently employed using UKSPF. We need to consider the potential impact on redundancy if contracts are extended and if these staff are relocated to this project, salary savings on the UKSPF Business Support Project should be quantified and allocated to other projects/areas in time for the 31<sup>st</sup> March 2025 spend deadline.

## **MONITORING OFFICER'S COMMENTS**

Acceptance of external funding over the key decision threshold is subject to executive approval

## **BACKGROUND PAPERS**

<https://www.lancashireskillshub.co.uk/wp-content/uploads/2023/11/L2050-Economic-Inactivity-Insight-Report-2023.pdf>

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