

Report

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Report to:	Enterprise Resources Committee
Date of Meeting:	2 February 2011
Report by:	Executive Director (Enterprise Resources)

Subject:	Delivery of the Work Programme in South Lanarkshire
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ inform the Committee of the development of the Work Programme, the new UK wide employment programme being implemented by the Department for Works and Pensions (DWP)
- ♦ seek approval to negotiate and agree appropriate arrangements for the Council's role in its delivery

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the Council agrees to engage the selected Prime Contractors and develop a supply chain for the effective delivery of the Work Programme in South Lanarkshire.

3. Background

3.1. South Lanarkshire Council and its partners are committed to promoting employability and access to sustainable employment opportunities, particularly for targeted priority groups, through the implementation of its long established Routes to Inclusion policy.

3.2. The UK Government, through the Department for Work and Pensions, is currently procuring the services of Prime Contractors (Primes) to manage the delivery of the Work Programme. Scotland is being treated as one "lot" in contract terms and it is anticipated that two Primes will be selected. The Work Programme will be operational from early summer 2011.

4. Indicative DWP Proposals

4.1 DWP have concluded an intensive Pre Qualification stage and are now entering the competition stage although details of this have yet to be issued. The eight identified potential bidders are – The Wise Group, REED in Partnership, Working Links, Ingeus/Deloitte, JHP, G4S, BBWRemploy and AtosOrigin. DWP have signalled their intent that the provision will be largely awarded on the basis of credibility, i.e. how credible is the Prime Contractor and their chosen supply chain and how realistic is their job entry offer.

- 4.2 The Work Programme is very different from previous national employment programmes. It will be a “black box”, i.e. there will be no prescription of services or a rigid programme. It will take the form of any support it takes to get a person into work. The contracts will be offered on a 5-7 year basis, the payments are made largely on sustained job outcomes and this “programme” will engage the vast majority of typical claimant customer groups.
- 4.3 Since the competition for the Primes is still ongoing, much of the detail remains unclear. The Instruction to Tenderers was issued on 22 December and bidders were expected to sign their framework agreements by 20 January 2011. The Council has entered into initial discussion with all of the principal bidders. Regardless of which of the Prime Contractors are ultimately selected, all would require to subcontract to existing delivery infrastructure to one degree or another to ensure sufficient capacity is available to meet anticipated need. The Council is proposing to be the managing agent for much of the activity to be undertaken in South Lanarkshire.
- 4.4 The processes are complex and a range of activities require to be undertaken in support of the development of our approach to this activity, including the procurement of a Framework contract to ensure the Council has in place an adequate quality of delivery infrastructure. This will be developed over the coming months with a view to implementation by the turn of the financial year to meet with the selected Prime Contractors’ requirements.
- 4.5 The outcome of the planned negotiations with the selected Prime Contractors and the finalised implementation arrangements will be the subject of a further report to Committee in the new financial year.

5. Employee Implications

- 5.1 There are no direct employee implications.

6. Financial Implications

- 6.1 Subcontracting arrangements will be negotiated with the selected Prime Contractors. Given the nature of the proposed outcome based funding structure, there will be initial delivery costs. These will be supported through existing budgets within Enterprise Resources in 2011/2012 subject to final Committee approval.

7. Other Implications

- 7.1 The Council has operated a well managed set of programmes in this field for a number of years. However, there will be potential risks involved in taking forward this proposal. These will be assessed and addressed as part of the contract negotiation process.

8. Equality Impact Arrangements and Consultation Arrangements

- 8.1 This report does not introduce a new policy, function or strategy or recommend a change to existing policy, function or strategy and, therefore, no impact assessment is required.
- 8.2 Partners, local communities, service users, employers and local delivery organisations have been consulted in the design and development of the relevant components of the Routes to Inclusion programme. The Works Programme is being introduced as part of the UK Committee policy.

Colin McDowall
Executive Director (Enterprise Resources)

24 December 2010

Link(s) to Council Objectives/Values/Improvement Themes

- ◆ Tackling disadvantage and deprivation.
- ◆ Supporting the local economy by providing the right conditions for growth
- ◆ Improving skills and employability.

Previous References

None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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