

## Executive Board – 17 January 2022

<b>Subject:</b>	Employment Support for Individuals with Health Related Barriers to Work
<b>Corporate Director(s)/Director(s):</b>	Sajeeda Rose – Corporate Director Growth and City Development Catherine Underwood – Corporate Director for People
<b>Portfolio Holder(s):</b>	Cllr Rebecca Langton – Portfolio Holder for Skills Growth and Employment Cllr Linda Woodings-Portfolio Holder for Adult Social Care and Health
<b>Report author and contact details:</b>	Owen Harvey Tel: 07834105996 Email: owen.harvey@nottinghamcity.gov.uk
<b>Other colleagues who have provided input:</b>	
<b>Subject to call-in:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Criteria for Key Decision:</b>	
<b>(a)</b>	<input checked="" type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision
<b>and/or</b>	
<b>(b)</b>	Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Type of expenditure:</b>	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date:
<b>Total value of the decision:</b>	<b>£6,503,245.22</b>
<b>Wards affected:</b>	<b>All</b>
<b>Date of consultation with Portfolio Holder(s):</b>	<b>15/09/2022</b>
<b>Relevant Council Plan Key Outcome:</b>	
Clean and Connected Communities	<input type="checkbox"/>
Keeping Nottingham Working	<input checked="" type="checkbox"/>
Carbon Neutral by 2028	<input type="checkbox"/>
Safer Nottingham	<input type="checkbox"/>
Child-Friendly Nottingham	<input type="checkbox"/>
Healthy and Inclusive	<input checked="" type="checkbox"/>
Keeping Nottingham Moving	<input type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input type="checkbox"/>
Financial Stability	<input type="checkbox"/>
Serving People Well	<input type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>	
<p>The Department for Work and Pensions (DWP) and Department of Health and Social Care (DHSC) are providing Grant Funding for around 6 Upper Tier LAs (Local Authorities) in England, to take part in Individual Placement and Support in Primary Care (IPSPC) (the “Initiative”).</p> <p>The IPSPC Initiative is aimed at adults who have a physical or mental health disability, or long term health problem, as defined by the Equality Act 2010, to help them to move into competitive employment providing the support they need to maintain that employment</p> <p>Nottingham City Council in partnership with Nottinghamshire County Council and Derby City Council (D1N2), (“together the cluster”) have submitted a Grant Application, to Department for</p>	

Work and Pensions (DWP) to secure £6,503,245 from the national Individual Placement Support Fund (IPSF).

Nottingham City Council would act as the Grant Recipient and Accountable Body for this grant and be responsible for the administration of the fund locally if the application is approved.

Grant Recipients will then begin the procurement process for third-party organisations (activity delivery partners) to carry out any part of the IPSPC provision on behalf of the Grant Recipient and training partners, if applicable, as well as resourcing and staff training.

Grant Recipients will have a 6-month Implementation Period before beginning to deliver the Initiative from April 2023 to March 2025.

If successful, IPSPC funding will support 3,500 people with disabilities or long term health problems gain and remain in employment across D1N2 (the Participants). Participants for IPSPC will come from 2 distinct cohorts. out-of-Work Participants who require assistance and support to move into sustainable employment, and In-Work Participants who are employed and either off sick or struggling in the workplace due to their disability or health problems.

At present, official statistics (NOMIS) estimate that over 17,000 people of working age are economically inactive in Nottingham City due to long term health problems or disability. People with disabilities (physical and mental) are less likely to be in work than people without disabilities. People with disabilities or long term health problems may face additional challenges to remaining in work and this then has an impact on their social and economic wellbeing.

This project will use the evidence-based model of 'Individual Placement Support' to carry out intensive 1-2-1 employment related activity with people identified as having disabilities or long term health problems, as defined by the Equality Act 2010, which meet prescribed eligibility criteria and , who are looking to work, or are in work and are in danger of losing that work because of their illness. It will include people with musculoskeletal issues as well as for example depression.

Participants will be identified through close working with community and primary health partners, and links with social prescribing. This model has been trialled elsewhere in the country and is quality controlled by an organisation called IPS Grow.

It will benefit citizens in that a number of people will be supported to gain employment and stay in employment and a number of employers will be supported to understand how better to take on disabled people and change attitudes towards people with disabilities, creating employment opportunities for others in the future.

This programme will also support community and primary health services to respond to the wider social and economic needs of the people they see, where poor health is a barrier to work.

The project is in addition to the current Individual Placement and Support services which work with people in contact with secondary mental health services and substance use services, both of which have been very successful.

In order to create a viable tender Nottingham City Council collaborated with Nottinghamshire County Council and Derby City Council. If the Grant Application is successful these parties propose to enter into a formal partnership agreement to manage the initiative within the local authority areas.

**Does this report contain any information that is exempt from publication?**

No

**Recommendation(s):**

1. To note submission of the Individual Placement and Support in Primary Care (IPSPC) (the "Initiative") Grant Application (attached at appendix A), to the Department for Work and Pensions (DWP)

2. Subject to approval of the Grant Application to:

- I. To delegate authority to the Corporate Director for Growth and City Development to enter into a Grant Funding Agreement on behalf of the Council (as set out in a Grant Funding Letter from the DWP) to accept IPSPC grant funding paid under section 2 of the Employment and Training Act (1973) up to £6,503,245.22
- II. To delegate authority to Corporate Director for Growth and City Development to enter into partnership agreement on behalf of the Council with Activity Delivery Partners
- III. To approve the staffing budget allocation from within the Grant Funding for the creation of project management roles (noting recruitment is delegated to the Corporate Director for Growth and City Development as a non-executive staffing decision)
- IV. To delegate authority to the Corporate Director for Growth and City Development to allocate funds for delivery of the Initiative in accordance with Grant Funding Agreement; including:
  - the procurement and appointment of Activity Delivery Partners and training partners, if applicable
  - relevant training
  - development of supporting processes and procedures ready for service; and
  - marketing of the IPSPC Initiative
- V. To delegate authority to the Corporate Director for Growth and City Development to determine the outcome of tenders and award and enter into contracts with Delivery Partners and additional grant agreements associated with the project delivery.
- VI. To delegate authority to the appropriate Officer to appoint external procurement support
- VII. To delegate authority to the appropriate Officer to advise on project evaluation.

**2. Reasons for recommendations**

- 2.1 Compared to national averages, Economy, Research & Development, Health & Wellbeing and Devolution represent Nottingham's most significant Levelling Up gaps.
- 2.2 Nottingham continues to see high levels of inequality and deprivation across a number of indicators important for quality of life (e.g. Pay, Employment, Basic Skills Attainment, Healthy Life Expectancy, Anxiety)
  - The disability employment rate in Nottingham stands at just 46% compared to the England average of 53% (DWP 2022)
  - Current published evidence shows that 17,500 people of working age are out of work due to long term health problems in Nottingham.

- On average, people in Nottingham start to experience long term health problems at a younger age than regionally or nationally, men at 57.4 years and women at 57.1 years (2018-20 figures).
  - Nottingham's healthy life expectancy for men is ranked 139th of 150 local authorities and 143rd for women. DWP information ranks Nottingham City at 129<sup>th</sup> of 151 Local Authorities for the proportion of the working age population receiving Employment Support Allowance (ESA), due to a health condition or disability, at 5.6% of the working age population.
  - In the 2019 Indices of Multiple Deprivation (IMD), Nottingham ranked as the 11th most deprived Local Authority out of 317 in England.
- 2.3 At a local level, the Nottingham Economic Recovery Plan, led by the Nottingham Growth Board, sets out a bold vision for Nottingham's post Covid economic recovery and renewal, reimagining Nottingham as an inclusive, green, creative, and digitally enabled city.
- 2.4 Delivering IPSPC will help operationalise the recovery plan, translating ambitions set out in the plan into local delivery, increasing employment rates in the City, particularly for those with disabilities and other protected characteristics (e.g. BAME, older workers).
- 2.5 Accepting IPSPC funding will also help mitigate the loss of European Funding at the end of 2023 and will support the continuation of organisations and projects that have played an integral role in the City's economic development.

### 3. **Background (including outcomes of consultation)**

- 3.1 The Department of Work and Pensions (DWP) with the Department of Health and Social Care (DHSC) have announced a programme of new support to fund about 6 programmes of new employment support with a national budget of £40m.
- 3.2 This new support will be for people known to primary and community health services who are out of work or find keeping work a struggle due to long term health problems or disability.
- 3.3 The aim of the programme would be to embed employment support within or alongside community health services so that employment support is considered an integral part of holistic care.
- 3.4 Individual Placement Support (IPS) is an evidence-based model of delivering intensive employment support and is already well established locally with people using secondary mental health services and Substance Misuse services
- 3.5 The Initiative based on an adapted IPS model which has been trialled elsewhere.
- 3.6 Engagement with the programme would be voluntary, for people who want to work, and would include access to relevant benefits advice.
- 3.7 Delivery of IPSPC will follow the 8 key principles

- I. It aims to get people into competitive employment in the open labour market
- II. It is open to eligible people who want to work
- III. It aims to find jobs consistent with people's preferences
- IV. It works quickly – a Place, Train and Maintain model of rapid activation and job search alongside delivery of work, health, and wider support needs
- V. It brings IPS Employment Specialists into clinical teams
- VI. IPS Employment Specialists develop relationships with employers based upon a person's work preferences
- VII. It provides time limited, individualised support for the person and their employer
- VIII. Access to specialist benefits advice is included
- IX. As well as limiting the length of time that an Employment Specialist can support a Participant, to an expected maximum of 12 months for Out-of-Work Participants, or 4 months for In-Work Participants. Limiting the support period in this way for most Participants has been shown to allow more people to use the service without impacting outcome

3.8 IPSPC will support people to achieve their employment aspirations with a focus on:

- Paid, competitive employment, including self-employment where relevant
- Voluntary participation underpinned by informed consent and a focus on understanding and supporting Participant needs
- IPS PC will aim to be closely aligned with primary and community care and physical health care teams where appropriate, with Participants receiving employment advice alongside other healthcare support.
- Supported Employment via the Place, Train and Maintain model of rapid activation and job search, followed by in-work support tailored to the individual needs of a person.
- Rapid support for in-work participants needing support with their health issues and involvement of employers as appropriate.
- 'Zero Exclusion' based on the nature of health condition and barriers to work (within the Eligibility Criteria)
- Employment support inputting into the treatment/discharge or clinical assessment and review process as appropriate.
- Working alongside community health services and primary care networks to ensure that an employment support offer is available to people where their health condition is a barrier to work.

3.9 Nationally, IPSPC will build on two national pilots that showed the effectiveness of the approach in helping people with disabilities into work/to retain work.

- 3.10 If successful, it will build on the current IPS programmes being delivered in D1N2 that focus specifically on people with severe mental health issues and another on people with problems caused by substance abuse
- 3.11 If successful, the project will support 3,500 people across D1N2 access and remain in employment
- 3.12 The funding for the IPSPC runs until the end of March 2025
- 3.13 There is no match funding required for this project and as such is fully funded via grant income, with no requirement for any city council funding. i.e. delivered at zero cost to the Council
- 3.14 Due to the timeline between DWP launching the call and application deadline (4 weeks), a planned consultation with the public and stakeholders will be undertaken if the bid is successful.
- 3.14.1 However, it has the support of many stakeholders including the Integrated Care Board for Nottingham and Nottinghamshire, and the one for Derby and Derbyshire
- 3.15 If successful, IPSPC will support delivery of key Council plan priorities:
- The strategic council plan in Outcome Two: Keeping Nottingham Working
  - The strategic council plan in Outcome Six: Healthy and Inclusive City

### **IPSPC Internal Resourcing**

- 3.16 To manage the fund, NCC will employ a project management team fully funded through project management fees
- 3.17 This team will be responsible for managing the fund, project compliance, submitting claims, administration, and monitoring & evaluation
- 3.18 Officers are already liaising with procurement, legal and commissioning colleagues to ensure appropriate capacity is in place to commission out IPSPC
- 3.19 DWP are yet to confirm what local governance structures are required (e.g. ESIF Sub Committee). Once known, NCC will establish a relevant governance group
- 3.20 Next Steps include:
- DWP announce successful applicants October 2022
  - If successful
    - commence recruitment for project management team
    - establish project steering group
    - Work with Local Authorities in N2 to identify and agree joint working
    - Establish local governance structures
    - Develop delivery plan including risk management plan

## **4. Grant Conditions**

- 4.1 As accountable body for the fund, the Council will be required to meet the following indicative grant conditions. (Final grant conditions will be confirmed upon receiving the Grant Funding Agreement).
- 4.2 **Financial**
- 4.3 Leads will receive upfront payments DWP will require authorities to report how the money was spent as part of 6 monthly returns demonstrating evidence of defrayal and successful delivery of performance outputs.
- 4.4 **Publicity**
- 4.5 Lead local authorities and project deliverers must ensure that the appropriate DWP logos are used prominently in all communications materials and public facing documents relating to funded activity – including print and publications, through to digital and electronic materials. Failure to adhere to publicity guidelines could lead to financial penalties.
- 4.6 **Subsidy**
- 4.7 Leads will be asked to detail how their proposed interventions will be delivered within the subsidy control regime and their capacity and capability to manage subsidy. Failure to adhere to subsidy control regulations could lead to financial penalties.
- 4.8 **Performance**
- 4.9 Lead Authorities will be asked to report data to us to ensure that allocations are being spent to agreed timescales and milestones, including achievement of outputs and outcomes at the project level. We will also ask local authorities to report individual project outputs and outcomes at UK Parliament constituency level. DWP will ask lead local authority to notify of any current or emerging operational or financial risks, or issues, and any contingency measures put in place.
- 4.10 This will help us determine the level of support we may provide, and/or enhanced monitoring that we may require. This may also result in reduced delegation, reduced payment periods or withholding of funds in the affected area
- 4.11 **Meeting Grant Requirements**
- 4.12 IPSPC will be managed by experienced officers within Growth and City Development, a department with a successful track record of managing and delivering projects on behalf of government. Under the 2014 to 2020 European Structural Investment Fund Programme
- 4.13 Economic Development has successfully delivered £54 million of provision without incurring any financial claw back from government and has the capacity and expertise to manage the IPSPC initiative in accordance with all grant conditions, avoiding any financial claw back.
- 4.14 To manage the potential risk of financial claw back due to under performance by external delivery partners, NCC will have the right to

withhold funding or request the return of any overpaid funding under individual grant agreements or service contracts as applicable.

4.15 Officers will continue to work with partners to monitor outputs and deliverables throughout the lifetime of the project, reviewing processes and performance monthly.

## 5. Other options considered in making recommendations

5.1 Apply just as Nottingham. This was rejected as we would not have sufficient numbers to meet the size threshold for funding. All upper tier authorities across D2N2 were invited to join. All agreed to do so and help with developing the bid except Derbyshire.

5.2 Not bidding. D1N2 would lose out on the opportunity to support 3,500 residents gain and remain in employment and improve health outcomes.

As such, both options were rejected.

## 6. Consideration of Risk

6.1 The project will be managed by experienced officers within Growth and City Development, a department with a successful track record of managing and delivering projects on behalf of government.

6.2 Under the 2014 to 2020 European Structural Investment Fund Programme, Economic Development has successfully delivered £54 million of employment and skills provision without incurring any financial claw back from government

6.2.1 The project has limited financial risk, as the project is forward funded by DWP.

6.2.2 Nottingham City Council will then fund Delivery Partners on a quarterly basis to deliver and manage the project. Using existing well tested reporting and management already in the city council, the project risks will be well managed.

6.3 Full risk management plans will be developed. Early risks have been identified:

Risk	Mitigation
1. Underperformance leading to financial clawback	Clawback remains the responsibility of NCC as the recipient of the funds. The grant allows a management fee which allows resources to work with partners and monitor outputs and deliverables. This will ensure any underperformance is also monitored and recorded. NCC will have the right to withhold funding or request the return of any overpaid funding under individual grant agreements or service contracts as applicable.
2. There is a risk in that the project needs to be operational	To achieve that, work to recruit staff and procurement activity to start as soon as the

<p>by April 1<sup>st</sup>, 2023 with procured delivery partners who have recruited and trained staff, plus links with primary care providers etc establishing</p>	<p>outcome is known, including the appointment of external procurement support if needed.</p> <p>The risk is that there may not be sufficient time or resource in place to achieve this requirement in the early parts of the project, however, existing project management teams within Economic Development will manage the project until such time as new staff are recruited.</p>
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**7. Finance colleague comments (including implications and value for money/VAT)**

- 7.1 This report seeks to accept £6.5m of Funding, of which Nottingham will be the accountable body within the D1N2 partnership (Nottingham City Council, Nottinghamshire County Council and Derby City Council).
- 7.2 The funding for the IPSPC runs until the end of March 2025. The Service is responsible for the spend and this will be monitored to avoid risk of overspend.
- 7.3 There is no match required for this project and as such is fully funded via grant income, with no requirement for any City Council funding. i.e. delivered at zero cost to the Council. This will be monitored for any variance.
- 7.4 To manage the fund, NCC will employ a project management team fully funded through project management fees. This will require further information from the service and appropriate HR staffing decision forms completed and approved.

Paul Rogers  
Finance Business Partner (G&CD)  
12<sup>th</sup> October 2022

**8. Legal colleague comments**

- 8.1 This report seeks authority to accept and spend Individual Placement and Support in Primary Care (IPSPC) (the “Initiative”) Grant Funding. The receipt and use of the funding will be subject to grant funding conditions with the Government which must be complied with, failing which the grant funding could be subject to clawback.
- 8.2 Any procurement of service contracts proposed to be entered into using the grant funding must be awarded in accordance with the Council Contract Procedure Rules (and Public Contract Regulations 2015) and should flow down any relevant provisions from the Government’s funding conditions, such as monitoring and reporting outputs.
- 8.3 Grants, if awarded, are not governed by the Public Contract Regulations 2015 and so whilst a tender process will not be required, a fair open competition process must have been followed to identify who is permitted to receive the funding. Appropriate grant agreement terms should be put in place between the parties in order to reflect this. In addition, appropriate consideration of the Subsidy Control Rules should also be made prior to any awards to ensure compliance.

8.4 The approval to create new internal posts as per recommendation two of this report is a non-executive decision to take in accordance with the scheme of delegation (delegation 16) and must therefore be in accordance with the Council's Constitutional requirements and associated HR policies and procedures.

8.5 Legal services will support as required.

8.6 Richard Bines, Solicitor, Contracts and Commercial, 6<sup>th</sup> October 2022

## 9. Procurement Colleague Comments

10. This report relates to an application for funding from the Department for Work and Pensions from the national Individual Placement Support Fund (IPSF). The decisions relate to the receipt and allocation of funding, should the bid be successful. All funding must be used in accordance with the Government's grant conditions and in compliance with the UK Public Contracts Regulations and the Council's Contract Procedure Rules (Article 18 of the Constitution). The award of contracts to external organisations for the provision of goods, works or services should be through a compliant procurement process and the Procurement Team will provide support and advice as appropriate.

Jo Pettifor, Category Manager – Strategy & People, 6 October 2022

## 11. Other relevant comments

**Not applicable.**

## 12. Crime and Disorder Implications (If Applicable)

12.1 **Not applicable**

## 13. Social value considerations (If Applicable)

13.1 **Not applicable**

## 14. Regard to the NHS Constitution (If Applicable)

14.1 **Not applicable**

## 15. Equality Impact Assessment (EIA)

15.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because:  
(Please explain why an EIA is not necessary)

Yes

## 16. Data Protection Impact Assessment (DPIA)

16.1 Has the data protection impact of the proposals in this report been assessed?

No

A DPIA is not required because we will not hold any personal data on individuals or businesses

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

**17. Carbon Impact Assessment (CIA)**

17.1 Has the carbon impact of the proposals in this report been assessed?

No

A CIA is not required because:

Within all government funded projects used to support people, place and businesses, robust sustainability plans are in place ensuring the Council and partners reduce carbon emissions (e.g. Zero carbon working – no travel, no paper, no waste, no consumption)

Yes

**18. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

18.1 Application Form to DWP in Appendix A which includes details on funding and partners

**19. Published documents referred to in this report**

19.1 **None**