

OFFICER DELEGATED DECISION 7 OCTOBER 2021



Wards: All

Report title: Workwise Project – St Mungo’s – Extension Request 2021/22

Portfolio: Councillor Maria Kay, Cabinet Member for Housing and Homelessness

Report Authorised by: Bayo Dosunmu, Strategic Director for Resident Services

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Report summary

The St Mungo’s Workwise service provides employment and training services. The service is primarily targeted at those in rented housing (Council tenants, private sector tenants and homeless in temporary accommodation) who are in receipt of benefits and adversely affected by welfare reforms including the Size Criteria, Benefit Cap and Universal Credit. The service has extended to assist those who have been furloughed or lost their jobs due to the Covid-19 pandemic.

This service contributes to the Council’s aims of preventing homelessness by sustaining tenancies and building community resilience by reducing dependency on benefits. The service has helped to sustain tenancies, prevent evictions, and reduce the risk of homelessness to a large proportion of households affected by welfare reforms.

Finance summary

The cost of the contract extension for 2021/22 is £100,000, for which there is a provision in existing service budgets within Home Ownership and Rents. The cumulative value of the contracts from February 2015 to April 2021 is £560,295.89.

Recommendations

1. Note, the contract with St Mungo’s to deliver the Workwise project commenced from 1 May 2021 and will conclude on the 29 April 2022 at a total cost of £100,000.
2. Note: to approve the waiver to Lambeth’s Contract Standing Orders which require competitive tender for contracts over £100,000 was granted to extend the contract with St Mungo’s from 1 May 2021 to 29 April 2022. At a Total cost of £100,000, to continue the delivery of the Workwise project. A procurement process will take place during 2021/22 to put in place a new contract once the extension expires.

1. CONTEXT

- 1) St Mungo's is a leading provider of services to homeless and vulnerable people. Workwise is a successful partnership between St Mungo's and Lambeth Council to provide employment, training, and advice to Lambeth residents. It is an important part of the Council's approach to mitigate the impact of welfare reforms and prevent homelessness.
- 2) The Workwise project adopts a holistic approach to the service and supports residents across an array of complex issues. The eventual aim is to support residents into sustainment employed. However, along the journey there is usually a series of issues that will need addressing prior to a resident obtaining employment. The work coordinators have the expertise to provide benefit support, housing support, welfare support and effective liaison with council departments, partners and external agencies within the borough. The knock-on effect of the pandemic was the main reason why this report is being published after the continuation of the contract.
- 3) Once residents are successful with obtaining employment, they are then provided with an aftercare service, where they are supported into their new role. The aftercare service supports residents by providing finance for their uniforms or travel expenses as well as supporting the processing any in-work benefit entitlements they may be entitled to. It is also at this stage Workwise and the resident liaise with the rents team to create a practical payment plan towards any arrears. The Aftercare service from the Work coordinators is on hand to provide advice and support making a seamless transition to sustainable employment.
- 4) As a response to the pandemic, workwise expanded their support to residents who were furloughed or made redundant in 2020/21. Due to the pandemic, there has been a significant increase in unemployment levels in Lambeth and Workwise has played a pivotal role in supporting residents during this time.
- 5) Services such as Workwise focusing on training and employment are key to Lambeth's recovery from the pandemic.
- 6) To date, major achievements of the Workwise Project since 2015 have included:
 - 859 clients attended initial appointment and registered with the service
 - 389 clients supported into full time employment
 - 477 clients improved their income
 - 206 clients supported with obtaining a work placements or volunteering opportunities.
 - 198 supported with obtaining a qualification
 - 100% of tenancies sustained for clients engaging with the service
- 7) A more detailed outcomes report is included in Appendix 1 and case studies included in Appendix 2

3. PROPOSAL AND REASONS

- 1) A waiver to Lambeth's Contract Standing Orders which require competitive tender for contracts over £100,000 was granted to extend the contract with St Mungo's from 1 May 2021 to 29 April 2022. At a Total cost of £100,000, to continue the delivery of the Workwise project. A procurement process will take place during 2021/22 to put in place a new contract once the extension expires.
- 2) Two full-time Workwise staff are embedded within the Council's Housing Needs Division. We have considered bringing the service in-house. There are minimal cost savings from this as two full time equivalent senior officers directly employed by the Council would have combined salary and on costs of £90,708 pa, so would achieve a saving of less than £10,000 per year compared to the contract. This is outweighed by the positive benefits gained from partnership working, such as being better able to utilise St Mungo's voluntary sector networks to access additional support for clients.
- 3) Given the specialist nature of the service, its success to date and the risks posed to clients by changes in provider, continuity of provider is preferred. Over the past six years, the Workwise team have embedded into the Housing Support Team and have gained an in-depth understanding of available welfare and housing solutions. They have liaised and shared case management with council officers to support households with their options whilst maintaining a primary focus on employment and training. The employment service is embedded and integrated within the service to mitigate and prevent the risk of homelessness.
- 4) The recommendation meets the priorities in the Council's borough plan - *Future Lambeth* – to reduce inequalities and build strong and sustainable neighbourhoods.
- 5) The Homelessness Reduction Act 2017 places a strengthened duty to provide advisory services to assess all eligible applicants that are considered to be at risk of homelessness and imposes new obligations to take reasonable steps to prevent and relieve homelessness as part of their personalised plan.
- 6) The project has capacity to provide support for up to 150 households annually, due to the holistic and detailed nature of the service.
- 7) Target Groups under the project includes:
 - Social Sector Size Criteria (all categories),
 - Benefit Cap (all tenures),
 - Universal Credit,
 - Lone Parents on Income Support (Youngest child 3+),
 - Long Term Unemployed (24+)
 - Care Leavers.

Target Outcomes for 2021/22 (3 May 2021 – 30 April 2022) are detailed below:

- 85 jobs overall
- 65 Full Time Jobs
- 20 Part Time Jobs

- 25 Training Outcomes
 - 25 Volunteering Outcomes
 - 5 Paid Work Placements
 - Mitigating the impact of the Benefit Cap for 30% of the cohort
- 8) The report titled; “A detailed study of unemployment in London” -commissioned by Volterra Partners LLP in March 2021 states the following findings
- The average number of unemployed residents in a London borough is around half the estimated number of unemployed Lambeth residents.
 - Lambeth is forecast to be the hardest hit CLF (Central London Forward) borough in absolute terms (and across London as a whole) and have the second-highest peak unemployment rate after Westminster.
 - Naturally unemployment amongst all residents will, therefore likely be prevalent, but particularly so for the younger (16-24) and older (50+) demographics.
 - At peak in the core scenario (December 2021), it is forecast that 11,000 young and 4,100 older Lambeth residents will be unemployed.
 - Ethnic minority males working in elementary occupations are considered to be a particularly at-risk group of residents in Lambeth.
 - In work poverty: The proportion of Universal Credit claimants who are also in employment has increased during 2020, signalling, more significant issues of in-work poverty since Covid-19 emerged and a need to focus on this demographic of residents in recovery strategies.
 - There is a need for better alignment between skills programmes provided for unemployed Londoners.
- 9) A further report titled; Labour market in the regions of the UK released in April 2021 compiled by the Office for National Statistics stated:
- London's unemployment rate reached 7.2% in the three months to February 2021.
 - The capital's jobless rate was the highest in the country.
 - All regions saw a rise in unemployment, but London saw the largest jump, with an increase of 2.7 percentage points.
 - London's workforce decreased by 60,000 in just the final 3 months of 2020.
- 10) Findings from the aforementioned reports reinforce the need for employment projects like Workwise. Such data and forecasts provide more emphasis and impetus for Lambeth Council to extend the contract for 2021/22. This project is posed to play a vital role in response to the pandemic, as it will be directly supporting Lambeth residents enter or re-entry the workforce post-pandemic.

3. FINANCE

- 3.1 Funding is available to cover the cost of this project within existing budgets within Home Ownership and Rents for the next year (2021/22). The duration of the project extension is for one year and the costs are as follows:

Salaries for 2 Workwise Work coordinators £100,000

4. LEGAL AND DEMOCRACY

- 4.1 The authority to approve the recommendation in this report is delegated to the Cabinet Member for Housing and Homelessness.
- 4.2 The Homelessness Reduction Act imposed new duties on local authorities to provide information and advice free of charge to any person in their district on, amongst other matters, preventing homelessness, any help which may be available, and how to access that help.
- 4.3 The Council's contract standing orders require that contracts with a value in excess of £100,000 are to be competitively tendered, so this recommendation requires a waiver. Waivers may be granted if they are demonstrably in the best interests of the Council. The services are Schedule 3 light touch services within the meaning of the Public Contracts Regulations. For such contracts, the threshold above which the full application of the regulations apply is £663,540.
- 4.4 The Council's Constitution requires that all key decisions, decisions which involve resources between the sums of £100,000 and £500,000, and important or sensitive issues, must be published on the Council's website for five clear days before the decision is approved by the Cabinet Member or Director concerned (Constitution, Part 2, Section 3). Any representations received during this period must be considered by the decision-maker before the decision is taken.

5. CONSULTATION AND CO-PRODUCTION

No external consultation was undertaken.

6. RISK MANAGEMENT

- 6.1 The contract will be monitored and managed by the Housing Support Team which is closely supervised by the Housing Support Team Manager. St Mungo's will produce a monthly outcome report will be presented every month by St Mungo's.
- 6.2 St Mungo's has insurance cover for Employer's Liability with limit of indemnity of £25,000,000 and Public/Products Liability with limit of indemnity being £10,000,000.
- 6.3 The risks associated with this arrangement are mainly related to:

Item	Risk	Likelihood	Impact	Score	Control Measures	Risk Owner
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1	St Mungo's fails to provide required quality of service	2	4	8	Monthly performance reports. Staff embedded within Council so can be supervised as required.	Lionel Ighodaro
2	Ensuring that residents provide information in a timely manner to the benefits department in relation to changes in their income as a result of obtaining employment.	3	2	6	Run organisational reports that detect changes in benefits on a weekly or monthly basis. Utilise the Housing Support Team to assist and encourage residents to report changes to the benefit department on the acceptance of employment promptly.	Lionel Ighodaro
3	Managing demand and expectation levels associated with employment and training opportunities	3	1	3	Outlining eligibility criteria from the onset of the project and managing resident's expectations in initial face to face appointment and on an ongoing basis.	Lionel Ighodaro
4	Service delivery may be disrupted due to Covid-19 and Brexit	1	4	4	Service has switched to online/telephone based due to lockdown restrictions.	Lionel Ighodaro

Key

Likelihood	Very Likely	4	Likely	3	Unlikely	2	Very Unlikely	1
Impact	Major	8	Serious	4	Significant	2	Minor	1

7 EQUALITIES IMPACT ASSESSMENT

The service targets those in receipt of benefits or on a low income, and therefore helps to address inequalities which are related to poverty and homelessness due to gender, race and disability.

In 2019/20, 85% of services users were from BAME groups, 77% were female, and 16% had disabilities.

There is no reason to believe that there are any disadvantaged groups that would be impacted by the project on the basis of race, gender, disability, age, sexual orientation, religion and belief, pregnancy, maternity, health etc.

8 COMMUNITY SAFETY

N/A

9 ORGANISATIONAL IMPLICATIONS

There are no organisational implications

9.1 Environment

Not applicable.

9.2 Staffing and accommodation

The two advisors from St Mungo's have been co-located with the Housing Support Team during the last four years at London Living Wage.

9.3 Responsible Procurement

St Mungo's have confirmed that they pay at above the London Living Wage. This will be a contractual requirement when the contract variation is issued.

9.4 Health

N/A

9.5 Corporate parenting

N/A

10. TIMETABLE FOR IMPLEMENTATION

Activity	Proposed Date
Date published on Forward Plan	n/a
Publication on Decisions online	29.9.21
End of Publication on Officer Decisions (5 work days) or (10 work days) if CMDRR	7.10.21
Standstill Period Prior to Decision	n/a
Officer or Cabinet Member Decision	8.10.21

Audit Trail				
Consultation				
Name/Position	Lambeth directorate / department or partner	Date Sent	Date Received	Comments in paragraph:
Councillor Maria Kay	Cabinet Member for Housing	13.09.21	13.09.21	
Bayo Dosunmu Strategic Director	Resident Services	28.06.21	02.07.21	
Lee Georgio Assistant Director of Housing Needs	Resident Services	20.05.21	24.05.21	
Chris Flynn Assistant Director – Home Ownership and Rents	Resident Services	27.05.21	27.5.21	
Neil Euesden Director of Housing	Resident Services	24.05.21	24.5.21	
Andrew Ramsden Assistant Director of Finance	Finance – Corporate Resources	24.05.21	26.5.21	
Nazyer Choudhury Democratic Services	Democratic Services	27.05.21	3.6.21	
Procurement Category Manager	Finance – Corporate Resources	24.05.21	26.05.21	
Michael O’Hora Senior Contracts Lawyer	Legal and Governance	24.05.21	27.05.21	
Procurement Board		17.05.21	20.05.21	

Report History`	
Original discussion with Cabinet Member	
Part II Exempt from Disclosure/confidential accompanying report?	No
Key decision report	No
Date first appeared on forward plan	N/A
Key decision reasons	N/A
Background information	<ul style="list-style-type: none"> • Workwise Extension authorised 2016/17 (via low waiver) – approved 20.01.2016 under contract number C005710 • Workwise Extension authorised 2017/18 (15th May 2017) (authorised for 6 months). Further

	<p>extension for 6 month granted Oct 2017 under contract C005710.</p> <ul style="list-style-type: none"> • Officer Delegated Decision, 02 May 2018: Workwise Extension 2018/19 • Officer Delegated Decision, 02 May 2019: Workwise Extension 2020/21
<p>Appendices</p>	<p>Appendix 1: Workwise outcomes Appendix 2: Workwise Case Studies Appendix 3: “A detailed study of unemployment in London” Appendix 4: Labour market in the regions of the UK</p>

APPROVAL BY OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board and taken account of their advice and comments in completing the report for approval:

Signature: _____ **Date:** _____

Post: Lionel Ighodaro
Housing Support Team Manager

I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:

Signature: _____ **Date:** _____

Post: Bayo Dosunmu
Strategic Director, Resident Services

Any declarations of interest (or exemptions granted): None

Any conflicts of interest: None

Any dispensations: None