

SURREY COUNTY COUNCIL**CABINET****DATE: 25 JUNE 2024****REPORT OF CABINET MEMBER: MATT FURNISS, CABINET MEMBER FOR HIGHWAYS, TRANSPORT AND ECONOMIC GROWTH****LEAD OFFICER: KATIE STEWART, EXECUTIVE DIRECTOR, ENVIRONMENT, INFRASTRUCTURE & GROWTH****SUBJECT: APPROVAL TO PROCEED: UNIVERSAL SUPPORT****ORGANISATION STRATEGY PRIORITY AREA: NO ONE LEFT BEHIND / GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT / TACKLING HEALTH INEQUALITY / EMPOWERED AND THRIVING COMMUNITIES****Purpose of the Report:**

Surrey County Council has been awarded funding from Department for Work and Pensions (DWP) to deliver a new employment support programme, Universal Support (US).

US will provide employment support to adults with long term conditions or disabilities and more complex barriers to work, to help them access and maintain work in the longer term. This in turn will directly contribute to our nurturing talent agenda, supporting businesses with employment, up-skilling and staff retention challenges. This supports our organisation wide objectives to 'grow a sustainable economy from which everyone can benefit', ensure no one is left behind, and everyone is able to fulfil their potential. It recognises employment as a social determinant of health and wellbeing that will support improvements in health inequalities.

The indicative US grant allocated to the Council totals £3.1m and will be used to deliver a number of services to support access to skills development and employment.

Cabinet approval to proceed with delivery of US up to the value of the final allocation of the DWP grant is requested – this will be a potential combination of procured and delivered services.

Recommendations:

It is recommended that Cabinet:

1. Notes the benefits and opportunities that the Universal Support programme will bring to Surrey's residents
2. Approves the Council taking on the Accountable Body role for this county-wide programme
3. Gives 'Approval to Procure' for the potential commissioning of Universal Support in Surrey up to the value of the final allocation (indicated at £3.1m)

4. Approves the delegation of the appropriate procurement route to market and any contract award decisions to the Executive Director responsible for Economic Growth in consultation with the Cabinet Member for Highways, Transport and Economic Growth

Reason for Recommendations:

The Council has the opportunity to secure £3.1m in DWP grant funding for US. The programme activity will be funded through this DWP grant which will enable the Council to support up to 900 adults with long term conditions or disabilities into employment in Surrey.

If a commissioning route is chosen, this procurement will recognise the role of the voluntary, community and social enterprise sector in Surrey who have the potential to be the key delivery partners in specialist areas.

Executive Summary:

Context

1. It is known that skills development and accessing and maintaining employment are key wider determinants of health. Employment is known to be positive for good physical and mental health, with the NHS Long Term Plan recognising that mental health and musculoskeletal conditions remain the main reason for sickness absence increasing. High quality work provides people with income, social interaction, a sense of fulfilment and purpose among many other benefits. We know work has a positive effect on people's physical and mental health, and their wellbeing, while unemployment often has a harmful impact.
2. In Surrey, the approach of tackling barriers to support people into work to help reduce health inequalities is well understood. It is a key priority of the Health and Wellbeing Strategy ("*Supporting people to reach their potential by addressing the wider determinants of health*") as well as the Economic Strategy Statement ("*Maximising opportunities for all within a balanced, inclusive economy*") and a key part of the Surrey Skills Plan ('Supporting People' is one of the four key priority work strands).
3. From an employer's perspective, there were 34,944 unique job postings in Surrey in April 2024. Whilst, in line with the national picture, there is a slowing down of vacancies – the number was 49,280 in April 2023 – it is clear that there is significant demand from employers but not a co-ordinated approach to access this latent talent pool.
4. Too often people face a vicious circle of declining health which excludes them from work, which in turn causes further deterioration in health. This is increasingly significant with the growth of common mental and physical health conditions post-Covid-19. The number of working age people in the UK with long term health conditions who are economically inactive market has increased by 9% over the last two years to 2.5million, increasing pressure on the health system.

5. However, establishing the scale of how many people potentially require employment support in Surrey is a complex picture. On the one hand, Surrey has low out of work benefit rates (2.1% vs 3.8% nationally) and low economic inactivity due to long-term sickness or disability (16.9% of economic inactivity is due to long-term sickness compared to 27.2% nationally).
6. Yet it is also known that two boroughs have lower disability employment rates than the national average; in fact one has a disability employment gap nearly twice that of the national average, and four Surrey Lower Super Output Areas (LSOAs) are in the 20% most economically deprived areas in England. We also know that 19.5% (23,300) residents who are economically inactive state that they want a job. This is a higher proportion than both the South East (16.2%) and national (17.6%) rates, suggesting there is significant untapped potential in the market in which employers could be investing.
7. In order to help address this market failure, there has been significant investment by DWP and the Department of Health and Social Care (DHSC) into employment support programmes at both a national and Surrey level. In Surrey, the Council and a range of partners are already delivering a wide range of programmes to provide skills for the workplace and breakdown barriers for those moving into work. This includes the recently established Work Wise, a free employment service available to any person with a mental or physical health condition, disability, or neurodivergence; and Local Supported Employment (LSE), which is delivered through Surrey Choices. Annex 1 sets out further details on these programmes.
8. With multiple programmes with differing eligibility criteria, funding streams and timelines, it can be a confusing landscape for both an individual requiring support and for an employer wanting to hire individuals through such programmes. It is expected that US will provide a solution to this.

Universal Support

9. US is a key plank in DWP's Back to Work Plan. Its ambition is to help disabled residents, those with health conditions who are outside the labour market and who wish to be in employment, and those with more complex barriers to work, to find a suitable job and sustain work through the proven Supported Employment model, 'place, train and maintain.'
10. Broadly, there are five stages to the Supported Employment model:
 - 10.1. *Engagement*: An opportunity for potential participants to find out about the Supported Employment model and make an informed choice on whether it is right for them. The Employment Specialist will begin to learn about the characteristics of the participant, and how they may be best supported into work or to retain employment.

- 10.2. *Vocational Profiling*: A detailed and unique discovery and planning process that enables the participant to identify their passions, strengths and needs, their employment goals and work out a plan for getting there.
- 10.3. *Employer Engagement*: The Employment Specialist builds partnerships with employers. They find out about their business, their openness to engage with the Supported Employment service and their job needs.
- 10.4. *Job Matching*: The Employment Specialist and participant work together using the vocational profile and job analysis to identify vacancies that meet the participant's employment goals. These vacancies may already exist, or they might come from working with employers.
- 10.5. *On and Off the Job Support*: The participant is supported to learn whist in their role and to sustain their employment. For example, through job coaching at work, training, support from a workplace mentor and regular workplace reviews. Participants are also encouraged to discuss longer-term career planning and progression goals and are supported to make informed choices.

11. US will build from existing DWP funded Supported Employment programmes, LSE and IPSPC, to deliver support to up to 100,000 participants per year in England, once fully rolled out. It is a voluntary programme which will be targeted at the right people, at the right time and based on an individual's circumstances. US is primarily aimed at the out of work cohort, however there will be a proportion of support available for those who are in work.

Delivering Universal Support in Surrey

12. The Council will be the Accountable Body for a DWP grant of £3.1m to roll out US across Surrey and support 900 individuals. The Council is still in negotiations with DWP regarding exact timelines, but it is expected that the programme will run from late autumn 2024, although a spring 2025 start is also possible.

13. As the Accountable Body, it will be up to the Council to decide how to create a delivery model that best supports the needs of all participants. There are a range of options available, including:

13.1. *Full in-house delivery* – Funding could be used to develop a new in-house team to deliver the supported employment programme. Whilst this would require additional effort to establish, it would enable the Council to be future proofed for other employment support funding opportunities, which are expected through County Deal devolution.

13.2. *Fully contracted provision* – the Council could act as the strategic commissioner, procuring external providers to deliver a range of services on our behalf. This would enable maximisation of the existing market that has been cultivated in Surrey through previous/current employment support

programmes (such as IPSPC) and utilisation of different areas of expertise for different audiences. For example, provision will need to be quite different to support those with physical disabilities as compared to supporting ex-offenders or armed forces veterans. However, work will also need to be done to explore where potential gaps in the market exist and where the Council may need to look beyond Surrey to find suitable delivery partners.

13.3. *Hybrid model* – A combination of the two options above, with a smaller core team acting as co-ordinators of provision, owning employer engagement at the strategic level and providing ‘triage’ support for individuals who self-refer, backed up by contracted external provision.

14. Work is already underway to review the existing employment support market in Surrey and to understand what the strengths are and what potential gaps in provision may exist.

Consultation:

15. Consultation has been undertaken with key colleagues in the Council, including with Communities and Prevention, Public Health and Children, Families and Lifelong Learning teams.

16. In recognition of the cross-cutting nature of employability and skills and the need to put a multi-directorate approach in place to maximise impact, the implementation of a new Employability and Skills Programme Board (ESPB) has been agreed by CLT. This will work to ensure that there is a holistic approach to employability and skills work that completely aligns with the Council’s strategic ambitions. ESPB will review progress on the US programme and a number of other workstreams, such as Skills Bootcamps and Multiply and enable the Council to draw the links between this range of provision wherever possible.

17. ESPB will report to CLT, the One Surrey Growth Board and the Health and Wellbeing Board. An update on US programme outcomes will be brought to Cabinet at a future date.

18. External partners, such as the Surrey Skills Leaders’ Forum and the No One Left Behind Network, which brings together more than 100 partners working to improve skills and employment in Surrey, will be consulted as development of the delivery model progresses and when greater clarity on expectations is received from DWP.

19. The views of residents who are experiencing exclusion from the labour market will be included within the US programme design. Ethnographic research with a diverse range of Surrey residents who are further from the labour market has captured residents’ experiences in their own words and will help to inform service design.

Risk Management and Implications:

20. Due to delays in receiving clarification on the programme details and funding from DWP, the timescales for delivery of US may be a challenge. In order to mitigate this potential issue if a procurement approach is taken, market engagement will take place to prepare for the procurement activity. There is also an opportunity to build on existing delivery programmes IPSPC and LSE to support a faster transition to full implementation of US.
21. If an internal delivery approach is taken, there is a risk that resourcing levels will not be flexible enough to mitigate any changes in funding from DWP in future years. Resource implications will be reviewed with HR and consideration given to the different resourcing options available that will carry the least financial and operational risk to the Council. The Council will also work with closely DWP to identify funding changes as early as possible.
22. There is a risk of not recruiting enough participants on to the programme, for both an in-house delivery approach and procured delivery - this would have financial, operational and reputational impact. To manage this risk the Council will build on existing relationships and partnerships and implement a targeted communications and marketing campaign to potential participants. With a procured approach, robust contracts would be put in place with clear obligations around resident and stakeholder engagement and KPIs regarding participant numbers and outputs. Ability to deliver would also be tested at procurement stage.
23. The proposed schedule of funding has not been set out beyond the first year. There is a risk further funding may not be available or that there may be a change in direction should a new Government be formed later in 2024. In order to mitigate this risk, a feasibility study to develop future funding models has been included within the IPSPC work programme and this will be used to inform US delivery.
24. Any commissioned providers will be required to develop a robust closure plan to ensure residents accessing US are supported into alternative forms of support in a timely way in line with the end of the programme.
25. Financial risk is minimal as no match funding is required to deliver the programme. Any requirement for upfront financial investment to get the programme operational will be delivered through existing core budgets.

Financial and Value for Money Implications:

26. US will be funded entirely by grant funding received from DWP, at no additional cost to the Council. There is no requirement for match funding.
27. DWP have yet to confirm details of timeframes, although likely to be 12 months from programme start, or the proportion of funding available for programme management. As an indicator, DWP gave the Council flexibility to propose

appropriate management resourcing as part of the vanguard IPSPC programme proposal. A similar approach is anticipated for US.

28. The DWP grant value is £3.1m, and although the grant funding procedure has not been confirmed, draft proposals from DWP include a schedule of quarterly payments in arrears.

Section 151 Officer Commentary:

29. The Council continues to operate in a very challenging financial environment. Local authorities across the country are experiencing significant budgetary pressures. Surrey County Council has made significant progress in recent years to improve the Council's financial resilience and whilst this has built a stronger financial base from which to deliver our services, the cost-of-service delivery, increasing demand, financial uncertainty and government policy changes mean we continue to face challenges to our financial position. This requires an increased focus on financial management to protect service delivery, a continuation of the need to deliver financial efficiencies and reduce spending in order to achieve a balanced budget position each year.

30. In addition to these immediate challenges, the medium-term financial outlook beyond 2024/25 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority, in order to ensure the stable provision of services in the medium term.

31. The recommendation is to spend up to the grant allocation as such, the Section 151 Officer supports the recommendation.

Legal Implications – Monitoring Officer:

32. In order to access this grant the Council is required to assume accountable body status which requires it to administer and be financially responsible for the available funds. The Council is experienced in exercising the accountable body role so provided the usual governance safeguards are in place, there are no particular legal implications of concern.

Equalities and Diversity:

33. US is aimed at adults who have a disability, as defined by the Equality Act 2010, and those with health conditions and other complex barriers to work, increasing diversity and inclusion in employment.

34. Ethnographic research amongst Surrey residents, highlighted 15 cohorts most at risk of being excluded from employment. These are: young people leaving care; people over 50; people with disabilities; single parents; young people; people from ethnic minorities; people on low incomes; refugees; people with low skills; ex-

offenders; veterans; carers; people who are homeless; people with mental health conditions; and modern slavery survivors. US will provide additional employment support to these groups within Surrey - many of whom have characteristics protected under the Equalities Act 2010 - due to the complex nature of the barriers they face to employment.

35. The US programme will support the Council's organisational equalities, diversity, and inclusion action plan by:

- 35.1. Working with employers across Surrey, including the Council, to improve employee experience
- 35.2. Working with employment support organisations across Surrey to ensure services are more inclusive
- 35.3. Drawing on previous experience of similar programmes, including feedback from residents and representative groups

36. Appropriate equalities impact assessments will be initiated at the programme design stage and completed as elements of US are procured.

Other Implications:

37. The potential implications for the following Council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	The US programme will work with the Council's youth support offer, ensuring young people leaving care, in touch with the justice system, or at risk of exclusion are supported to develop skills and move towards employment.
Safeguarding responsibilities for vulnerable children and adults	All providers will be required to work in line with safeguarding principles.
Environmental sustainability	The programme will support green sector skills and jobs, developing capacity to meet the skills demand and support the county in delivering on our green ambitions.
Compliance against net-zero emissions target and future climate compatibility/resilience	The programme will work in a place-based way developing local workers for local jobs. This approach will impact carbon emissions locally.

Public Health	Access to good quality employment is a social determinant of health. Through US, the Council expects to help tackle health inequalities experienced by Surrey residents. In addition, the programme provides opportunity to work with employers promoting schemes such as disability confident and carer-friendly, promoting healthy workplaces for all.
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What Happens Next:

38. The Economy and Growth team (E&G) and ESPB will continue discussions with DWP and seek further clarifications on funding mechanisms and programme design and implementation.

39. E&G will work with the new cross-directorate ESPB to design the US programme and agree the most suitable route to market, with a view to commence delivery in late autumn 2024.

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CLT were also consulted on the establishment of the EPSB and informed of forthcoming US programme on 7 May 2024.

Annexes:

Annex 1 – Overview of employability provision in Surrey

Sources/background papers:

US Prospectus Letter to LA CEOs (IPSPC) – US Delivery Area36 Surrey

