

Meeting: Enterprise Partnership Board

Date: 8 September 2009

Report Title: Renegotiating the Incapacity Related Benefits Stretch Target

Report of: Martin Tucker – Regeneration Manager (Employment & Skills)

Purpose

To inform the Enterprise Board about the progress made in attempting to renegotiate the incapacity related benefits stretch target.

Summary

Officers from the Council's Economic Regeneration team have been working with the Government Office for London (GOL) in attempt to renegotiate the incapacity related benefits (IB) stretch target, which is currently set at supporting 180 long-term IB claimants into sustained employment.

The renegotiation request was in two parts:

To remove the condition in the stretch target agreement that prevents the Haringey Guarantee from engaging with people on a mainstream programme (in this case, Pathways to Work). To this end, we agreed a SLA with Reed in Partnership (the Pathways to Work provider), outlining a partnership arrangement that would still demonstrate added value.

To change the makeup of the target so that the Haringey Guarantee supports:

- 120 long-term incapacity related benefit claimants into sustained employment
- 60 people on Statutory Sick Pay to return to sustained employment

The process we agreed with GOL was for the request to be presented to the Department for Work and Pensions (DWP) for their agreement before being sent to Communities and Local Government (CLG) for final approval.

DWP agreed to all the elements of our request on 12 June 2009. However, CLG refused the request to change the makeup of the target, mainly on the grounds that this would undermine the value for money element of the target.

Although CLG also refused to remove the condition around engaging with clients on a mainstream programme we have received clarification from GOL on where this condition applies. Essentially, people initially registered on the Haringey Guarantee **can** be referred to Reed for job brokerage support. The

condition only comes into play when a resident is initially registered with Reed. This is a positive development, which means that we can now work in partnership with Reed and this should help to improve performance. However, it should be noted that the risk of not achieving the performance reward trigger remains very much on the upside.

The letter sent by GOL, which provides this clarification is appended to this report.

Recommendations

That the Enterprise Board notes this report

Financial/Legal Comments

N/A.

For more information contact:

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Appendix 1: Letter from GOL regarding the incapacity benefits related stretch target



Martin Tucker
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London Borough of Haringey

From: Janet Capstick
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By email only

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Date: 13 August 2009

Dear Martin

ROUND 3 LOCAL AREA AGREEMENT – INCAPACITY BENEFIT STRETCH TARGET 13

I am writing to set out our final response to discussions and correspondence in relation to Haringey's LAA Round 3 reward target 13 "The number of Haringey residents in receipt of incapacity related benefits supported into employment". We also met on 29 July to discuss further Haringey's proposals for changing the make up of the target and the SLA drawn up with Reed in Partnership, linked to condition 4 attached to this reward target.

Status of the existing reward target

Since our meeting with you we have also met CLG colleagues to explore what, if any options are open to us. CLG has confirmed that any renegotiation of the target itself at this late stage is not an option. This means we are unable to approve the business case submitted by Haringey for this.

Condition 4

This leaves the issue surrounding condition 4. The Council and Reed in Partnership both maintain that the condition has hampered partnership efforts and reduced the potential success of key initiatives aimed at tackling worklessness. Following discussion with CLG we do think that further clarity about the status of clients moving between mainstream and partnership programmes would be helpful. We are not able to remove the condition itself. This is because the condition is designed to avoid the stretch being achieved by the mainstream effort and therefore such a condition has been applied across these stretch targets nationally. This helps to ensure the focus of the

reward effort on those harder to engage individuals who do not voluntarily come forward for support.

This letter therefore provides clarification in relation to the wording of the condition, sets out our understanding of the local circumstances in Haringey, and how it can support joint working and demonstrate added value in relation to claiming the outcomes for reward purposes.

For the purposes of claiming outcomes for stretch target 13 the starting point is whose client they are at the point of referral. For those clients who start off with the partnership programmes - Haringey Guarantee or Families into Work – and then get referred across to Pathways to Work (for the job brokerage element) there is not an issue and the condition does not apply. However, the condition comes into play for those clients who are already engaged within a mainstream programme. So the individuals you count towards the reward target cannot be involved in an employment scheme operated by JCP (or its contracted delivery partners) at the point of referral. But those customers who are on specialist adviser caseloads but not engaged within a training or employment initiative can be counted as assisted. However, Reed in Partnership and Haringey Council will need to reach agreement on this so as to be clear for those outcomes which can be counted for the reward target.

In terms of evidencing the added value I understand that each client is given a personalised action plan. This will assist with the tracking of delivery, evidencing the added value for reward purposes and any claim in respect of this. You will need to be able to demonstrate that it is the partnership interventions rather than the mainstream provision which has made the difference and enabled the individual to move off benefit and into work.

Haringey's approach

Through discussions with Government Office colleagues and in correspondence the Council, Job Centre Plus and Reed in Partnership (Haringey's Pathways to Work provider) have explained the complex and intensive work required to support clients in receipt of Incapacity benefits and get them ready for work. This includes the added value provided through Haringey's own partnership programmes – mainly the Haringey Guarantee but also the Families into Work project based at Northumberland Park.

In February you met with DWP colleagues to discuss your concerns around delivery of this target caused by the perceived restrictions imposed by the condition. At that meeting you agreed to devise a partnership agreement which would set out how the support provided by Haringey Guarantee complements that available through the mainstream programme of Pathways to work. The SLA you have now developed sets out the way in which these programmes will work to provide the right overall package of support necessary to meet individual client needs. It also includes gateway contacts for referral between mainstream and partnership programmes. One observation on the SLA is that you will want to ensure key staff and contacts are clear about the eligibility in relation to counting for reward purposes. I understand the responsibility for tracking clients and reporting in relation to outcomes lies with those who make the referrals. Again these individuals will need to understand the eligibility criteria for the reward element.

I hope this letter provides a satisfactory resolution to this matter and enables Haringey partners to maximise the outcomes over the remaining period for this target. We would strongly advise you to seek a view from your local auditor on this.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Janet Capstick', written in a cursive style.

Janet Capstick
Head of North London, Performance & Analysis