



CLLR PAT HACKETT

CABINET BRIEFING
Monday, 7 March 2016

HEALTH RELATED WORKLESSNESS

Councillor Pat Hackett, Cabinet Member - Business and Tourism, said:

“A thriving economy brings huge benefits for the entire borough. People in work tend to have better health, better housing and a better quality of life. We are determined to do all we can to be innovative and imaginative, providing new solutions to help those residents furthest away from work, including those with health conditions, access the right support on their journey back into the employment market as we work towards achieving our 20 Pledges”.

REPORT SUMMARY

This report updates Members on the progress and findings of Phase One of the Wirral Health Related Worklessness Programme and seeks authority to commission activity to progress Phase Two: Implementation.

The Health Related Worklessness Programme has been developed using the guiding principles of the Wirral Plan and supports the aspirations of improving the health and wellbeing of residents and their active engagement in the labour market, specifically:

- **PLEDGE 8: GREATER JOB OPPORTUNITIES IN WIRRAL**
Growth Plan – ‘Wirral will be a place where employers want to invest, business thrives and high quality jobs are provided and where all our residents are able to contribute to and benefit from sustained prosperity and a good quality of life’.
- **PLEDGE 16: WIRRAL RESIDENTS LIVE HEALTHIER LIVES**
Draft Healthier Lives Plan – ‘The Department of Health estimates that health services, although important to our health and wellbeing, only contribute about 20% of our health status. The other 80% is determined by access to employment and education opportunities, our income, good housing, education, transport links and supportive social networks’.

This matter affects all Wards within the Borough, with a specific focus on the Parliamentary Constituency of Birkenhead.

This is a key decision requesting member approval for use of Council resources which exceed £500,000.

RECOMMENDATION/S

Members are recommended to:

- Note the findings of the research phase of the Health Related Worklessness Programme and approve the approach for progressing to implementation phase;
- Authorise the use of the £1m Transformation Challenge Award to support the workstream activities identified in the report;
- Authorise the Assistant Chief Executive to finalise details of the commissioning process and selection of suppliers in consultation with the Strategic Director Families and Wellbeing regarding the use of Public Health Grant.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 Despite some success in reducing health related worklessness, Wirral has persistent levels that far exceed regional and national averages. The guiding principles of the Wirral Plan: A 2020 Vision are embedded in the delivery model and the activities proposed meet a number of aspirations of the Wirral Plan, specifically Pledge 8: Greater Job Opportunities and Pledge 16: Wirral residents live healthier lives.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The option to maintain the status quo in the delivery of employment and health services for residents in receipt of health related benefits has been considered as part of the case for change detailed in section 3 of this report. Health Related Worklessness remains a persistent issue for Wirral, despite the scale of investment in current public services.
- 2.2 A range of options for workstream activities have been considered as part of the extensive engagement with residents, stakeholders and public sector commissioners as detailed in this report. The activities proposed are a result of a comprehensive appraisal exercise and provider capacity has been tested via a Market Engagement event attended by over 40 potential suppliers as detailed in section 7 of this report.

3.0 BACKGROUND INFORMATION

- 3.1 In 2014 Wirral Council embarked on the Health Related Worklessness Programme with Wirral's Public Service Board (PSB). This was identified as one of four programmes as part of Wirral's involvement in the Public Service Transformation Network (PSTN) to understand how we may better target public sector resources in Wirral.
- 3.1.1 The PSB endorsed a programme, with a focus on the parliamentary constituency of Birkenhead, starting with detailed engagement and conversations with residents, stakeholders and employers to explore how best to integrate and sequence a bespoke package of support to reduce health related worklessness and importantly reduce the cost to the public sector. Health related worklessness is defined as residents of working age who are claiming welfare benefits as a result of their health ie: Employment Support Allowance/Incapacity Benefit (ESA/IB).

3.2 CASE FOR CHANGE

- 3.2.1 Wirral has for many years sought to address health related worklessness and has had success in doing so by reducing it at a rate that is double the national average. However high levels remain, with rates that far exceed the regional/national averages, and significant concentrations within the parliamentary constituency of Birkenhead.

Programme Baseline Data:

(Source: Department of Work & Pensions (DWP) Working-age Client Group August 2013)

- Health related worklessness (18,750) accounts for 62% of all worklessness within the borough; this represents almost 1 in 10 working age residents compared to a national rate of 1 in 17;
- 7,700 constituency residents in Birkenhead claim the health related benefits of ESA/IB accounting for 41% of the Wirral total; this represents 1 in every 7 working age residents;
- 50% (3,885) of health related worklessness in the Birkenhead Constituency is attributed to residents aged 25/49 with a significant working career remaining (635 are aged 16/24);
- Mental Health is the most common primary condition accounting for 50% of all claims, and
- Small area constituency data demonstrates further significant levels. For example, 36% of the working age population in the Vittoria Dock area are claiming health related benefits; this represents over 1 in every 3 residents.

3.2.2 Costs to Public Sector

A financial case for change has been modelled on 'New Economy: Supporting Public Service Transformation: Cost Benefit Analysis Guidance for Local Partnerships'. Using this model, the headline total estimated fiscal cost of 7,700 ESA/IB claimants in the parliamentary constituency of Birkenhead is £69,758,150 per annum.

3.2.3 It is important to note that any reductions in numbers claiming health related benefits are likely to provide the majority of fiscal savings to central government agencies, namely DWP. However, there is a clear social and economic impact which justifies the case for a concerted partnership approach. This supports us to fulfil the objectives of the Wirral Plan in terms of improving the health and wellbeing of residents and their active engagement in the labour market, specifically:

- **PLEDGE 8: GREATER JOB OPPORTUNITIES IN WIRRAL**
Growth Plan – 'Wirral will be a place where employers want to invest, business thrives and high quality jobs are provided and where all our residents are able to contribute to and benefit from sustained prosperity and a good quality of life'.
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Draft Healthier Lives Plan – 'The Department of Health estimates that health services, although important to our health and wellbeing, only contribute about 20% of our health status. The other 80% is determined by access to employment and education opportunities, our income, good housing, education, transport links and supportive social networks'.

3.3 **ACTIVITY TO DATE**

3.3.1 The Health Related Worklessness Programme is taking a phased approach: Phase One: Research & Testing; Phase Two: Implementation of New Models/Expansion of Test Activities; Phase Three: Longer Term System Change.

3.3.2 As part of Phase One, extensive engagement and research has been conducted with a view to informing new models of delivery for Phase Two. Activity has been guided by the Operating Principles of our Wirral Plan as outlined in report sections 3.3.3 to 3.3.6.

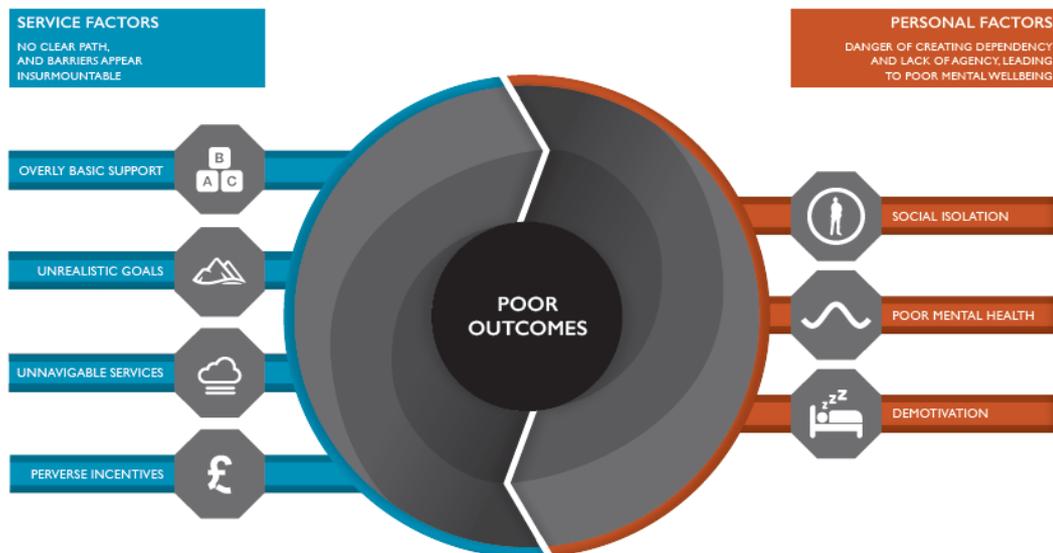
3.3.3 Organising Internally: As the agenda aims to meet the a number of aspirations within the Wirral Plan, officers from the Investment Strategy and Public Health Teams have worked collectively, sharing skills, knowledge and resources and bringing health and

employment networks together to work in partnership to develop and design solutions. To assist in delivery, officers sought and secured resource opportunities to support our outcomes including 30 days consultancy support from the Systems Leadership Programme, DWP dedicated officer support; £100k to deliver pilot activity (DWP Flexible Support Fund) and £1m for Phase 2 Commissioning (Department of Communities & Local Government (DCLG) Transformation Challenge Award).

- 3.3.4 Leading Collectively: In order to agree a set of clear priorities for Phase Two, significant robust insight has been gathered and analysed from various stakeholders. Practitioner workshops were held with a range of health, employment and voluntary/community organisations to share professional insight and experience, examine issues and agree desired outcomes. Business perspectives were gathered via an employer workshop hosted by Wirral Chamber and facilitated by Systems Leadership identifying important insight into potential recruitment barriers for residents with long term conditions and mental health issues. The Council's Investment Strategy and Public Health Teams jointly commissioned multi-method research agency ESRO to carry out insight work, tasked with testing professional assumptions and engaging residents first hand to detail their true experience of health and wellbeing services and health related worklessness. 150 interviews were conducted with residents and stakeholders, which included a range of in-depth ethnographies across the borough.
- 3.3.5 Empowering Locally: Engaging communities in the conversation has been an integral part of work to date. Voluntary and community sector organisation Involve Northwest delivered a small scale pilot project supporting 60 residents claiming ESA referred by Jobcentre Plus, offering non-medical therapeutic interventions to improve wellbeing and employability, such as creative arts, 1-2-1 mentoring and volunteering. This project supplied additional insight and several participants also trained and volunteered alongside ESRO in conducting ethnographic research interviews. To support outcomes to be planned, agreed and delivered at a local level, Phase Two delivery will be prioritised and influenced according to local need in consultation with the relevant Neighbourhood Team.
- 3.3.6 Acting Regionally: As part of the Liverpool City Region devolution deal with Government, officers are working with the Work and Health Unit at a City Region level to co-design and co-commission the national successor to the Work Programme, inputting research evidence and influencing longer term system change. As part of the devolution deal, the Combined Authority will set out how they will join up local public services in order to improve outcomes for this group, particularly how they will work with the Clinical Commissioning Groups (CCG), the third sector and NHS England to enable timely health based support. As one of NHS England's 50 "Vanguard" areas, this presents further opportunities for Wirral's Health Related Worklessness Programme to influence and ensure that residents get the best possible deal.

3.4 KEY FINDINGS

- 3.4.1 The diagram below provides a simple overview of the key issues identified by research conducted as part of the Health Related Worklessness Programme. These issues demonstrate the extent of failure of existing public sector investment.



3.4.2 Characteristics

One of the key findings from the ethnographic work undertaken in Wirral has been the deep sense of isolation and loneliness that many residents in receipt of health related benefits experience. Few had positive role models around health and fitness and many had restricted social networks. There was a prevalence of low level mental health problems with many experiencing inertia, fatigue and lack of hope, self-belief, and confidence. When prompted, many struggled to identify hobbies or interests, there was a strong tendency to be 'illness-focussed' and lack of aspiration to work was rife. The researchers noted a widespread inability to visualise positive progression, compounded by lack of resilience in the face of even minor setbacks.

3.4.3 Services

Despite the vast numbers of people with diagnosed and undiagnosed mental health conditions and symptoms, very few were in contact with any mental health services. Indeed, despite a diverse range of services (leisure, health, wellbeing and employment support) observed by the research team on offer in communities, many respondents were not accessing them and felt that there was "literally nothing to do" and nothing that would help them improve their health and work prospects. Large proportions were not in regular contact with any services. Researchers also found some issues with current service delivery, observing activities aimed at the most basic level regardless of ability of participants; providers creating a 'handholding' culture, leading to dependency; and affirming negative views without challenging behaviour.

3.4.4 Job Opportunities

Contributing to a universal sense of hopelessness was a series of job myths such as 'there are no jobs' and, 'there are too many people applying for every job' leading to many feeling it was not worth putting the effort into applications, attributing external factors to lack of success. Employers however, spoke about difficulties in recruiting, receiving hundreds of poorly written, non-specific CVs and were desperate for CVs written with some care and attention. These myths, sometimes perpetuated by professionals, can damage individuals' sense of control over their aspirations, self-confidence and motivation. There is evidence that some employers hold some prejudices against those diagnosed with mental health conditions; support for employers with adaptations for physical disabilities was considered more readily accessible than for mental health conditions.

3.4.5 System Issues

Whilst many valued and successful services were highlighted by practitioners throughout the research phase it is clear that this takes place despite of the 'system' which is not designed to support health and employment professions to work collaboratively to meet shared outcomes. Communication between health and employment professionals is extremely limited, with the 'fit note' forming the only statutory dialogue between DWP and Health. Perverse incentives to improve well-being exist within the welfare system with individuals fearful that improvements may count against them in assessments and result in reduced benefits. Equally, health services are prioritised at the 'crisis or episode-focussed' point of a health condition – this is particularly prevalent in the case of mental health. As a result those with mental illness often have to reach a threshold of severity to access services; hence many individuals do not perceive themselves in need of support, limiting improvements to their condition over long periods. The disjoint between professions is compounded by a focus on binary outcomes on either side. For example, there are only two outcomes driving funding for employment services – find a job (success) or do not find a job and remain on benefits (failure), with little or no reward for achieving progress measures along the way, therefore disincentivising providers from working with those furthest from the labour market.

- 3.4.6 As a result, many of our respondents are perpetually existing in a 'grey area', not sick enough to be accessing mainstream health services, not close enough to the labour market to be a viable prospect for mainstream employment services, and not problematic enough to be on the radar of other services. There has been widespread consensus on the findings across all professions and stakeholders and a strong desire to effect a change of approach in Wirral; however it has been abundantly clear throughout this research phase that mainstream public services have little impetus, be that resource or authority, to take ownership of this 'grey area'.

3.5 **PHASE TWO IMPLEMENTATION PROPOSALS**

- 3.5.1 Achieving strategic, large-scale change requires effort over a long time, requiring a cultural shift in how the current system is working, and changes to many operational aspects. With closer dialogue between healthcare and employment professionals, a more complete 'treatment' solution for the individual can be established, looking at the impact of healthcare decisions on an individual's trajectory back to work. This will not be achieved through one discrete programme. The Investment Team and Public Health Teams have been working towards a collaborative commissioning exercise to launch Phase Two: Implementation which can take account of this and resource pilot activity targeting this 'grey area' to demonstrate how new models of delivery can effect better outcomes. This involves the introduction of a 'first steps' programme for ESA claimants to encourage greater engagement with, and effectiveness of, existing 'next step' mainstream employment support services. The aim over the longer term is to influence mainstream health and employment programmes, including DWP and CCG commissioning.
- 3.5.2 Two design workshops took place in January with key health and employment commissioners (DWP, Public Health, Liverpool City Region Team Employment & Skills Team, CCG & Birkenhead Constituency Manager) to shape Phase Two activity, followed by a 'market engagement' Supplier Event in February, held at the Floral

Pavilion and attended by over 40 delegates. The proposed workstreams combine a mix of activity to develop longer term systems change, and shorter term projects to maximise the use of existing health and employment provision and focusing on improving delivery effectiveness for residents in the short term; detailed as follows:

AREA	OVERVIEW	NEXT STEPS	PERIOD	BUDGET	NUMBERS
Workstream 1: Driving Change – Creating a Shared Narrative	<p>VISION: A shared vision and new way of working to improve outcomes for those affected by health related worklessness</p> <ul style="list-style-type: none"> - To continue to work on developing a shared narrative and joined up way of working across all services that are involved in health related worklessness; - To provide relevant training for professionals to better understand health and employment issues, including Make Every Contact Count (MECC); - To monitor and evaluate progress through ongoing Action Research. 	<p>Employ Lead Officer to Coordinate Programme.</p> <ul style="list-style-type: none"> - Develop job role; - Agree departmental responsibilities; - plan programme of supporting activities, including training for professionals and evaluation. 	May 2016 to July 2018	£250,000	200+ Staff trained
Workstream 2: Community Connectors	<p>VISION: To engage the disengaged; low level community activation will provide health benefits and lead to greater readiness for work.</p> <ul style="list-style-type: none"> – To set up a network of new resource roles in the community to tackle the issues of social isolation. - To provide outreach and 121 support for individuals within their community; - To encourage greater access to existing services, social groups and activities within the community; - To create structural enablers in the community, such as volunteer connector recruitment. 	<p>Commission New Service.</p> <ul style="list-style-type: none"> - Develop brief; - Commence procurement exercise; - Appoint Supplier. 	July 2016 to June 2018 (to be extended dependent on Public Health funding)	£850,000	1,885 residents supported

Workstream 3: 'Low Mood' Therapeutic /Recovery Support	VISION: To increase availability of non-medical recovery services for low level mental health conditions. - To add to existing limited service provision filling the gap between formal mental health services and universal services; - To provide 'gateway' support to improve self-confidence/reduce anxiety/improve self-esteem and help people towards more mainstream services.	Commission New Service. - Develop brief; - Commence procurement exercise; - Appoint Supplier.	July 2016 to June 2018	£350,000	150 residents supported
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3.5.3 Measuring Progress

The various strands of research highlighted the perverse incentives associated with commonly used performance measures and outcomes in existing commissioned services for this client group. Common binary targets of 'in work' versus 'out of work' as measures of success or failure are not appropriate (as outlined in section 3.4.5 of this report); a key reason why current services have not systematically led to significant reductions in ESA figures over time. Instead, a new ESA progression framework which offers an alternative way to measure a person's progress and development has been drafted to support this 'first steps' programme. With particular relevance to ESA claimants, the framework draws upon a variety of recognised performance frameworks (Outcomes STAR; WEMWBS; PHQ-9) and will enable commissioners to measure individual project performance against participants' steps towards improved health and well-being, confidence/self-esteem, and securing sustained employment.

4.0 **FINANCIAL IMPLICATIONS**

- 4.1 The report seeks approval for a maximum of £1,450,000, of Council funding to be utilised for Phase Two of the Health Related Worklessness Programme for a period extending over three financial years with activity scheduled to commence May 2016. The funds are held by Wirral Council as follows:
- Investment Strategy Budget: £1,000,000 grant secured via a competitive bidding process from DCLG Transformation Challenge Award specifically for delivery of a Wirral Health Related Worklessness Programme via Grant Determination (2015/16) No.31/2556;
 - Public Health Grant: £400,000 to be confirmed;
 - Public Health Vanguard Value Proposition: £50,000 to be confirmed.
- 4.2 Should the Vanguard Value Proposition be unsuccessful, the MECC activity will be removed from Workstream 1 resulting in a reduced 'training for professionals' work programme.
- 4.3 The Public Health Grant allocation is subject to current review, with funds anticipated for release September 2016. Workstream 2, the Community Connectors Project, is scaleable; as such, this proposed commission will be designed to take account of this.

4.4 Future sustainability will be dependent on successful evaluation which will be carried out on an ongoing basis through the Action Research project which will include performance and value for money analysis. The programme is in itself designed to embed systems change within mainstream public sector delivery (eg: DWP, CCG), therefore sustainability will be subject to adoption of new practices and new models of delivery within mainstream provision. A further report will be brought back to Members advising on progress.

4.3 Budget Detail:

Activity	Budget	Value (£)	Approx Value per annum (£)	Period	Status
Shared Narrative: Job Role & Associated Training Programme & Evaluation Budget	Public Health	50,000	£25,000	01.05.16 to 31.07.18	Subject to Vanguard Value Proposition
	Investment Team: TCA	200,000	100,000		Secured
Sub-Total		250,000	125,000		
Community Connectors	Public Health	400,000	£200,000	01.09.16 to 31.08.18	Annual Grant Allocation to be confirmed
	Investment Team: TCA	450,000	225,000	01.07.16 to 30.06.18	Secured
Sub-Total		850,000	425,000		
Therapeutic/Recovery Support	Public Health	0	0	01.07.16 to 30.06.18	Secured
	Investment Team: TCA	350,000	175,000		
Sub-Total		350,000	175,000		
TOTALS		1,450,000	725,000		

5.0 LEGAL

5.1 The proposed commissioning activity outlined in Section 3 of this report will be procured in accordance with Wirral Council's Contract Procedure Rules.

5.2 The £1m Transformation Challenge Award was granted as a result of a competitive bidding exercise to DCLG. Wirral Council was granted the award for delivery of the Wirral Health Related Worklessness Programme by the Parliamentary Under Secretary of State for local government ("the Parliamentary Under Secretary of State"), in exercise of the powers conferred by section 31 of the Local Government Act 2003. The purpose of the grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred by them. There are no further terms and conditions of grant applied to this award.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 Phase One project activity within the Health Related Worklessness Programme has been met to date by existing resources in the Investment Strategy and Public Health Teams. In order to deliver Phase Two at pace, it is proposed to establish a new post

on a fixed term basis as part of the Workstream 1 activities identified in Section 3.5.2 of this report. Approval for the new post will be taken through the appropriate channels and all costs will be met from the Wirral Health Related Worklessness Programme budget as outlined in 4.3 of this report.

7.0 RELEVANT RISKS

- 7.1 There is always a risk of attracting suitable suppliers in any commissioning exercise. This risk has been mitigated by engagement of key stakeholders throughout Phase One and the delivery of a market engagement Supplier Day which attracted over 40 participants. This workshop provided the opportunity for potential suppliers to understand the scope, challenges and desired outcomes for the services, shape the proposals for new services, explore opportunities for innovation, develop new partnerships and consider service delivery models with other suppliers.
- 7.2 There is a risk that the level of Public Health funding designated to support the Community Connectors project will be reduced as a result of the current commissioning review. Maximum impact will be achieved with the full funding package; however the project is scaleable and remains viable at a reduced resource.

8.0 ENGAGEMENT / CONSULTATION

- 8.1 The Health Related Worklessness Programme has embedded extensive engagement with residents and consultation with a wide range of stakeholders throughout the development phase as detailed in Section 3 of this report; timeline outlined below. Activity proposed for Phase Two will be subject to ongoing engagement and consultation through an action research project which will monitor, evaluate and inform continuing activity.

Date	Activities
November 2014	Consultation Workshop with local stakeholders
January 2015	Supported volunteering pilot launched in January 2015 (aiming to support those claiming ESA get back to work through volunteering placements). Feedback from participants incorporated into Programme.
Summer 2015 – ongoing	Qualitative research conducted by ESRO across the Wirral in mid-2015, in a joint commission between Public Health and Investment Strategy. This research looked at the issues from the perspective of local residents and explored the reality of service provision.
September/October 2015	Consultation with local employers.
September-November 2015	Research validation workshops with ‘Design Team’ representatives from across the Wirral.
Ongoing	Engagement and liaison with a range of stakeholders from across Wirral, Liverpool City Region and Government Departments.
January 2016	Focussed innovation workshops with representatives from a range of public sector commissioners.
February 2016	Supplier Feedback Day.

9.0 EQUALITY IMPLICATIONS

- 9.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(a) Yes and impact review is attached – (insert appropriate hyperlink).

Wirral Growth Plan: <https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments/equality-impact-assessments-2014-0>

REPORT AUTHOR: **Helen Carney**

Economic Lead

telephone: (0151) 691 8421

email: helencarney@wirral.gov.uk

APPENDICES

REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

Council Meeting	Date