

**TITLE OF REPORT:** Department for Work and Pensions' Restart Programme

**REPORT OF:** Peter Udall, Strategic Director, Economy Innovation and Growth

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### **Purpose of the Report**

1. To seek approval from Cabinet for the Council to appraise opportunities to deliver the Department for Work and Pensions' (DWP) 'Restart' employment programme as a subcontractor and seek a delegation to agree the terms of a subcontract.

### **Background**

2. The economic shock arising from the COVID 19 pandemic has been widespread but uneven, with place and person specific characteristics influencing the impact upon individuals, families and communities and exacerbating existing inequalities.
3. Sector shutdowns, weaker customer demand and business uncertainty resulted in redundancies, furloughing and a fall in the number of vacancies within the labour market. Nationally, there were 395,000 redundancies between September and November 2020<sup>1</sup>, a peak of 8.9m employments furloughed in May 2020<sup>2</sup> and with rising unemployment levels<sup>1</sup>, increases in the Universal Credit Claimant Count<sup>3</sup> and a disrupted labour market, considerable uncertainty remains for millions of individuals and their working lives.
4. Evidence from previous recessions suggests that some of those falling out of work will be able to bounce back quickly with light touch or no support, while others will take longer to find work and are likely to benefit from more intensive support. The uneven sectoral impacts suggest that many people may also need help to retrain and move sectors or occupations.
5. Whilst the level of Government intervention has been unprecedented, and the Coronavirus Job Retention Scheme has enabled businesses to retain staff in the short-term, the labour market outlook remains stark with a potential surge in redundancies from April 2021 when the scheme comes to an end.
6. The DWP's immediate response to COVID 19 focused on ensuring that it could sustain core services in the face of massive increases in demand, while developing plans to assist with economic recovery. For the DWP this included significant additional measures to help people back to work quickly and prevent new labour market scarring including doubling the number of Jobcentre Plus work coaches,

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<sup>1</sup> ONS Labour Force Survey, 26 January 2021 Release

<sup>2</sup> HMRC CJRS and RTI 8 May 2020, 28 January 2021 Release

<sup>3</sup> DWP Claimant Count, 26 January 2021 Release

increasing the Flexible Support Fund by £150m, expanding sector-based work academies and introducing the Kickstart youth employment scheme.

7. However, for some people long-term unemployment has become a reality and the risk of those who were managing or just coping before the pandemic now facing increasing adversity presents significant challenges for 'Making Gateshead a place where everyone thrives'.
8. The scarring effect of long-term unemployment and potential for multi-generational worklessness when factoring in the impact of the pandemic on opportunities for young people means that action is required if people's working lives are to restart and recover.
9. In December 2020 HM Treasury confirmed a new national large-scale programme to provide support for those who have been out of work for a longer period to help maximise employment and reduce the impacts of rising long-term unemployment on individuals, families and communities.
10. The 3-year £2.9bn Restart programme ('Restart') will start in summer 2021 and will provide intensive support to help people into sustained work. It will initially target support for people who have spent at least 12 months claiming Universal Credit meaning it will help those who have become unemployed since the beginning of the pandemic and have been unable to get back into work quickly.

## **Proposal**

11. The programme is being procured through Government's 'Commercial Agreement for Employment & Health Related Services' and prime providers that have been awarded a place on the national agreement have been invited to participate in a mini-competition to deliver Restart.
12. The DWP's mini-competition procurement process commenced in December 2020 and DWP expects contracts to be awarded to successful prime providers by Spring 2021.
13. Prime providers can deliver the programme directly, through sub-contractors or a mixture of both. This means there is a potential opportunity for the Council to become a sub-contractor to deliver the Restart programme in the borough if a prime provider offers the Council a place within its supply chain.
14. As a nationally commissioned programme, the specification for Restart is centralised and whilst prime providers will be required to work strategically with local authorities and employers to identify skills gaps and growth sectors, the Council will have limited scope to influence delivery without a subcontract.
15. If the Council secured a subcontract it would provide the opportunity to directly influence how Restart is delivered in Gateshead, making it an integral part of local economic recovery planning and action, embedding the Council's strategic approach to making Gateshead a place where everyone thrives and fundamentally directly contributing to the individual experience of every resident participating in the programme.

16. To pursue this opportunity, the Council will be required to appraise subcontracting opportunities within the procurement timetable set by the DWP and, where a subcontracting opportunity is forthcoming from prime provider(s), terms of the subcontract will need to be agreed within the specified timescales in readiness for the launch of the Restart programme, this will require a delegation.

## **Recommendations**

17. It is recommended that Cabinet approves:
- i. the Strategic Director, Economy, Innovation and Growth, following consultation with the Strategic Director, Resources & Digital and Strategic Director, Corporate Services & Governance appraises subcontracting opportunities arising from the Restart mini-competition;
  - ii. a delegation to the Strategic Director, Economy, Innovation and Growth, following consultation with the Strategic Director, Resources & Digital and Strategic Director, Corporate Services & Governance to agree the terms of a resulting subcontract with prime provider(s) and provide an update to Cabinet on the outcome.

For the following reasons:

- (i) To pursue opportunities to deliver the DWP Restart programme as part of the Council's employment response to COVID 19
- (ii) To pursue opportunities to directly influence the local delivery of the national Restart programme to help make Gateshead a place where everyone thrives
- (iii) To ensure that the Council is able to meet the requirements of the procurement timetable set by the DWP.

## APPENDIX 1

### Policy Context

1. The proposal is consistent with the Council's strategic approach 'Making Gateshead a Place Where Everyone Thrives' and supports the pledges to:
  - Put people and families at the heart of everything we do
  - Tackle inequality so people have a fair chance
  - Support our communities to support themselves and each other
  - Invest in our economy to provide opportunities for employment, innovation and growth
  - Work together and fight for a better future for Gateshead

### Background

2. DWP anticipates that Restart will benefit over 1 million people in England and Wales and will provide up to 12 months tailored support for each individual participating in the programme. In Gateshead, there are currently <sup>4</sup>9,365 residents receiving Universal Credit not all of whom will be eligible for the programme as this figure includes people who have limited or no work-related activity requirements and people who may be employed but have a low income and/or low hours that make them eligible for Universal Credit support (including furloughed workers).
3. Restart will initially target support for people who have spent at least 12 months claiming Universal Credit meaning it will help those who have become unemployed since the beginning of the pandemic and have been unable to get back to work quickly. Specifically, it will help people who are expected to look for and be available for work and have no sustained earnings. Early access to the programme can be considered on a case-by-case basis by Jobcentre Plus work coaches.
4. Referrals will be made over a 3-year period and will provide additional intensive support above what is available through Jobcentre Plus. This will include developing a strong understanding of individuals' employment history, skills, aspirations and needs to develop the right package of support to help them into sustained employment.
5. The programme will be tailored to local labour market conditions and providers will need to work closely with employers, local government and other service providers to identify skills gaps and growth sectors and complement the wider strategic landscape of support.

### Consultation

6. In preparing this report the Leader, Deputy Leader and Cabinet members for Economy have been consulted.

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<sup>4</sup> NOMIS Claimant Count 10 December 2020

## **Alternative Options**

7. The Council does not appraise opportunities to deliver the DWP Restart programme in the borough as a subcontractor and is unable to directly influence delivery of the programme in Gateshead.
8. The Council appraises opportunities to deliver the DWP Restart programme but does not put in place a delegation to agree terms of a subcontract(s) within the tight procurement timescale which would make it extremely difficult to meet DWP deadlines.

## **Implications of Recommended Option**

9. **Resources:**
  - a) **Financial Implications** – The Strategic Director, Resources and Digital, confirms that there are no additional financial implications resulting from the appraisal process and any costs relating to the delegation will be met from existing resources.
  - b) **Human Resources Implications** – There are no direct human resources implications arising from this report.
  - c) **Property Implications** - There are no direct property implications arising from this report.
10. **Risk Management Implication** – There are no direct risk management implications arising from this report.
11. **Equality and Diversity Implications** – Delivery of Restart will help address inequalities in employment and income.
12. **Crime and Disorder Implications** – There are no crime and disorder implications arising from this report.
13. **Health Implications** – Delivery of Restart will help achieve positive outcomes for long-term unemployed residents and will have a beneficial impact on health and wellbeing through the life course.
14. **Climate Emergency and Sustainability Implications** - There are no implications arising directly from this report.
15. **Human Rights Implications** - There are no human rights implications arising from this report.
16. **Ward Implications** - All

## **Background Information**

17. None