

Cabinet (Resources) Panel

20 March 2024

Report title	Restart Contract Update		
Decision designation	AMBER		
Cabinet member with lead responsibility	Councillor Jacqui Coogan Jobs, Skills and Education		
Key decision	Yes		
In forward plan	Yes		
Wards affected	All Wards		
Accountable Director	Charlotte Johns; Executive Director of Economy		
Originating service	Skills		
Accountable employee	Julie Obada	Head of Skills	
	Tel	01902 556456	
	Email	julie.obada@wolverhampton.gov.uk	
Report to be/has been considered by	Education Leadership Team	21 December 2023 and 18 January 2024	
	Strategic Executive Board	30 January 2024	
	Leader's Briefing	5 February 2024	
	Cabinet Member's Briefing	9 February 2024	

Recommendation for decision:

The Cabinet (Resources) Panel is recommended to:

1. Agree for the Council to negotiate with Serco to withdraw as a supply chain partner on the Restart Scheme.

Recommendations for noting:

The Cabinet (Resources) Panel is asked to note:

1. The continued priority to support more local people into good jobs and training as a city.
2. The significant changes to the Restart Scheme contract, which will result in greater financial risk to the Council should it not withdraw.
3. That Wolverhampton residents will not be negatively impacted as the Restart Scheme will continue to be delivered to Wolverhampton residents by another sub-contractor.

1.0 Purpose

- 1.1 This report outlines proposed financial and operational implications to Wolves at Work based on new modelling and discussions with the prime contractor, Serco, in relation to the delivery of the Restart Scheme.
- 1.2 It seeks approval to formally withdraw from the contract as a supply chain partner.
- 1.3 The report summarises recent discussions with Serco, the prime provider for the Restart Scheme, and the implications, contractually, financially and operationally for Wolves at Work.
- 1.4 It outlines the options to the local authority for consideration, decision and action.

2.0 Background

- 2.1 The Wolves at Work Employment Support service aligns with the Our City: Our Plan objectives to ensure:
 - More local people into good jobs and training
 - Thriving economy in all parts of the city
- 2.2 It also delivers against the Wolverhampton Education, Skills and Employment Strategy (ESES) action area of ***Lifelong learning and employment pathways to good quality work***, by:
 - Providing wrap around support and dedicated work coaches for local people looking for work or to retrain through our Wolves at Work service, including targeted support for those aged 18-24 and 50+
 - Delivering employment support programmes for our most vulnerable residents
- 2.3 Employment support has been delivered by the Council, under the Wolves at Work brand, since 2017. In that time, it has worked with 4,302 people, and achieved 2,654 job starts for residents with local employers, with around 40% of these jobs sustaining for 12 weeks or more.
- 2.4 Wolves at Work has traditionally been a voluntary service of which residents of all ages can access to support them in their journey to employment.
- 2.5 The Wolves at Work service has continued to be delivered on a voluntary basis since 2021 through Towns Deal funding, following the initial four years of delivery where it was funded through the Council.
- 2.6 In July 2021, the Council's Wolves at Work team began delivery of Department for Work and Pensions (DWP's) national welfare to work programme, Restart Scheme, as a supply chain partner, to the regional prime provider, Serco; one of four supply chain partners in Wolverhampton.
- 2.7 The Restart Scheme was devised by the DWP during the Covid-19 pandemic to address the expected impact of high levels of redundancy to the economy and workforce.

2.8 Restart was designed to support those closest to the labour market back into work with minimal interaction or specialist support over short turn-round times (an average of 3 months from start of programme to employment).

3.0 Subsequent Changes to the Restart Scheme

3.1 In early 2022, DWP revised the number of referrals to its prime providers, which led to a revision for supply chain partners.

3.2 This reduction in referrals came about due to the less than anticipated impact of redundancies following the pandemic nationally.

3.3 A further consequence of this was to lead the DWP to change the referral criteria to the Restart Scheme, essentially making all Universal Credit claimants eligible regardless of their circumstances.

3.4 The change of eligibility rules has had a marked impact on the participant profile, which in turn has required more intensive support.

4.0 Current Position

4.1 Serco had informed all sub-contractors that they would be reducing the number of sub-contractors in the region.

4.2 At the end of November 2023, the City Council attended a meeting with Serco Senior Management to discuss the current situation.

4.3. As a result of the meeting there are two options:

- Wolves at Work accept a reduction in referrals, by 35%,
- Or Wolves at Work agree with Serco on a phased exit from the contract by 31 March 2024 exit date to align with the financial year end.

5.0 Evaluation of alternative options

5.1 Option 1: Reduction in referrals - This option would be financially unsustainable, with a significant reduction in income, but not an equal reduction in cost.

5.2 Option 2: Withdrawal from Restart Scheme - This option would not put financial pressure on the Council to deliver the programme.

5.3 Wolves at Work Restart customers will be moved to other sub-contractors in the region.

5.4 Wolves at Work will continue to support residents until this process is completed. There will be no break in the journey of any resident, and DWP will be fully involved throughout.

5.5 Wolves at Work work coaches will transfer from working on Restart to its other employment support programmes, e.g. Commonwealth Games, Shared Prosperity Fund.

6.0 Reasons for decision(s)

6.1 It is proposed to follow **Option 2**: withdraw from the Restart Scheme.

7.0 Financial implications

7.1 The recommendations of the report seek to minimise financial implications of the Council's direct involvement with the Restart Scheme.
[LD/04032024/A]

8.0 Legal implications

8.1 Subject to approval of the recommendations in this report and the preferred option under point 6, the City of Wolverhampton Council ("the Council") must seek legal advice on the process of termination under the contract between the Council and Serco Limited ("Serco") and must understand and comply with its obligations and responsibilities on termination.

8.2 The Council must consider and take into account any potential Transfer of Undertakings Protection of Employment ("TUPE") implications under the contract with Serco.

8.3 The Council to ensure that the appropriate procedure is in place for the participants should the Council decide to progress with the termination of the contract.

8.4 Where personal data is involved, the Council must be compliant with the general data protection regulation (GDPR) and Data Protection legislation.
[AS/12032024/A]

9.0 Equalities implications

9.1 An Equality Impact Assessment has been completed, and if the preferred option is adopted, no negative impacts have been identified.

10.0 Schedule of background papers

10.1 [Link to decision to enter into Restart Scheme, 16 June 2021](#)