

OPEN

Adults and Health Committee

23 June 2025

Connect to Work Funding

Report of: Helen Charlesworth-May, Executive Director of Adults Health and Integration

Report Reference No: AH/41/2025-26

Ward(s) Affected: All Wards

For Decision

Purpose of Report

- 1 The Council stands to benefit from a new significant DWP fund called Connect to Work. Starting in October 25, this will invest around £3.9m worth of provision in total to Cheshire East. Of this, £2,090,769 will be allocated directly to the Council for delivering services over the next five years to boost employment support for economically inactive people and disadvantaged groups.
- 2 A significant boost via external funding into this service area, supports the benefits of early intervention as laid out in the Transformation and Corporate Plan:
<https://centranet.cheshireeast.gov.uk/news/2024/october/transformingcheshireeast-a-plan-on-a-page.aspx>

The purpose of this report is to seek Adult Health and Integration Committee's approval for the delivery proposals and for a recommendation to be made to Full Council for approval to receive and spend the grant. (See Paragraphs 20-23 for delivery proposals).

Executive Summary

- 3 This report will provide key information and proposals as follows:
 - Background information about the DWPs new Connect to Work fund
 - Summary proposals for how the Department can make best use of this fund

- Strategic considerations (eg links to Get Britain Working and Council transformation objectives)
- Governance issues (Cheshire West & Chester Council are the lead accountable body)
- Recommendations for the necessary authorisation routes culminating in the need for a report to Full Council in July
- How the Shared Prosperity Fund extension year will act as a bridge to the Connect to Work programme starting in October 25

RECOMMENDATIONS

The Adults Health and Integration Committee is recommended to:

1. Agree that the funding be accepted and approve the proposed spend to use this additional funding as set out in paragraphs 20-22.
2. Approve the proposed “Connect to Work Action Plan” as set out in Appendix 1
3. Recommend to Council the approval of a Supplementary Revenue Estimate (SRE) of the value of £2,090,769 referenced in para 35 over the 2025-2030 financial years

Background

- 4 The Department for Work & Pensions has provided all the required detail about Connect to Work (CtoW), including how much money we will receive, the target number of starts and the expected outcomes. Work is underway with Cheshire West and Chester, and Warrington Borough Councils to develop all the delivery, governance, performance, finance and partnership arrangements. A sub-regional working group has been set up to plan all delivery. An additional working group is tasked to prepare for the skills and learning elements of an anticipated devolution arrangement. The Connect to Work programme is considered to be of significant importance in its connection to the anticipated devolution agenda.
- 5 Existing staff on the Council's Supported Employment team will be aligned to the CtoW outcome objectives. As a result, CtoW will not only be able to fund some of the existing supported employment team, but will fund a significantly expanded provision. This will generate further job outcomes for customers and increased adult social care deflections and cost savings for the Council.
- 6 CtoW is expected to start at the beginning of October 2025. The recommended strategic approach is to use the UK Shared Prosperity Fund extension year, to act as a bridge to cover the April 25 – September 25 period. The recommended use of £566k UKSPF for this purpose was approved by the Corporate Policy Committee and at Full Council in February as part of the MTFS report. This incorporates the financial support of the internal team and an extension of the commissioned Inspiring Futures programme delivered by

FedCap. This provision exceeded all its targets for the first two years funded by SPF.

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889	Cheshire East residents were referred to the programme for support
211	Starts on Programme
120	First Job starts
32	Subsequent Job Starts (Participants moving from a voluntary role to a paid role, or supported to find an alternative opportunity)
55	Sustainments (Participants in work for 13 weeks or more)

- 8 One of the Government's five missions is to kickstart economic growth with good jobs and improved productivity in every part of the country. The ambition is for a more inclusive economy which enables people to get into work and to get on at work, ensuring employment opportunities for all. In the UK, there are 1.9 million people who would like to work but are not participating in the labour market – often due to health issues and/or disability. There are currently 104,000 economically inactive people in Cheshire East, West and Warrington, 47,000 of whom reside in Cheshire East.
- 9 The new UK Get Britain Working Strategy will bring fundamental reform that transforms our relationship with local areas and ensures that we have a strong foundation to work in partnership and to support people into good, sustainable work. CtoW will be a key component of this.
- 10 CtoW will support those, primarily, currently outside the workforce and facing greater labour market disadvantages, to get back into work and to stay in work. This in turn, supports the Government's ambition for a more inclusive economy.
- 11 The relevant CtoW allocation is for the sub-region of Cheshire East, Cheshire West & Chester and Warrington which has a total value of £14.3m over 5 years.

Starts and Eligibility

- 12 The expectation is that the subregion will take on 1,300 starts a year, (at peak level). The focus will be on people who are economically inactive. All targets relate to employment outcomes.
- 13 There have already been a number of productive conversations with Cheshire West & Chester Council (who are the lead accountable body) and Warrington Borough Council. Initial DWP allocations show the splits (at peak) as follows:

- Cheshire East Council – 400 starts per year
- Cheshire West & Chester Council – 700 starts per year
- Warrington Borough Council – 200 starts per year

This allocation is a good fit for Cheshire East with regards to known demand and experience of supporting this cohort.

- 14 This will yield around £3.9m a year activity into Cheshire East with £2,090,769 being delivered directly by Cheshire East Council. The overall duration will be 5 years.

Strategic Fit

- 15 The use of UKSPF money as a bridge from April 25 to September 25 will allow key developmental work in preparation for CtoW in October 25. This will include working proactively with front line teams to establish effective referral pathways and supply chains. It will also allow for service development eg key actions to help develop some aspects of day services, Shared Lives and Mental Health Reablement provision. As this provision will have significant early-intervention benefits and cost savings (as people's social care supports reduce via increased independence via work), it also provides significant contributions to the Council's transformation agenda.
- 16 In collaboration with Cheshire West & Chester Council and Warrington Borough Council, there will be a need, this year, to draft a local Get Britain Working Plan. CtoW and UKSPF will be key ingredients to this plan. A delegated authority may be needed to prepare and agree a local Get Britain Working Plan with Cheshire West and Chester and Warrington Councils. Get Britain Working Plans require no additional investment from Councils. The purpose of the plans is to create a more integrated approach of existing assets.

Governance Performance and Quality

- 17 As Cheshire West and Chester Council has the lead accountable body status, the DWP money will be received directly by them. Early discussions are underway to design all the required agreements, legal and financial frameworks, targets, reporting and claims systems. It is expected that an overall strategic governance lead will be allocated to Enterprise Cheshire & Warrington. The decision to allocate lead authority status to Cheshire West & Chester Council was taken at the national level by DWP.
- 18 A DWP necessary pre-requisite for delivery will be clear evidence that all provision will follow the two crucial quality frameworks:
- *SEQF (Supported Employment Quality Framework)
 - *IPSQF (Individual Placement & Support Quality Framework)

This approach is an extremely good fit for the preferred delivery model in Cheshire East. This is because these models of delivery used by the Council's Supported Employment team and Supported Internship development, has shown exemplary outcomes and quality.

* IPS stands for Individual Placement and Support. This is a well-established approach aimed at supporting people with severe and enduring mental ill health into work. SE stands for Supported Employment. This is the well-established approach to supporting people with learning disabilities and/autism into work.

- 19 A target and outcomes-based culture is already embedded into the existing Supported Employment team. This will be a necessary approach to the target model of CtoW delivery.

Proposal for Delivery and Staffing Structure

- 20 Cheshire East Council will receive around £3.9m of investment with £2,090,769 being delivered directly by Cheshire East Council. This will be used exclusively on operational services to support people who are economically inactive into work.
- 21 The internal provision will focus on customers with more complex needs. The focus will be people already known to adult social care. As these people are supported into work it becomes a great quality of life outcome for them and at the same time reduces the care plans and creates savings. The commissioned-out provision will still be for economically inactive people but will not focus exclusively on people with existing ASC Support Plans.
- 22 The commissioned provision of CtoW will build on the excellent results already achieved via the UKSPF. It is expected that any commissioned elements will not commence until year two. This is because the current DWP required profile of spend is smaller in year 1, peaks in year 2/3 and then starts to tail off in year 4/5. During the peak years a commissioned element will be added. The commissioned element will be sub-regional in nature and arranged by Cheshire West and Cheshire so whilst the total investment to Cheshire East will be £3.9m, the direct expenditure will be £2,090,769. Therefore, the Supplementary Revenue Estimate figure will be £2,090,769.

Consultation and Engagement

- 23 Cheshire West and Chester Council has the CtoW lead authority status for the sub-region. This was a DWP decision taken at the national level. Growth Directors and Enterprise Cheshire & Warrington are keen to see CtoW funding maximised for this area due to its strong links to economic growth. Planning at officer level to prepare all the necessary legal, financial, claims, reporting and governance structures is underway. There will also be a need to fully integrate any CtoW planning with discussions around a Get Britain Working Plan and the skills/employment devolution agenda. The Cheshire & Warrington Into Work Board has received numerous reports and data briefings over the past year with a particular focus on economic inactivity.

CtoW funding has been especially welcomed, due to its focus on this target group. From April to October (when CtoW is due to start), Shared Prosperity extension year funding will be used to pave the way for CtoW. This will include full engagement and consultation with all front-line social care and SEND teams, voluntary sector provision, Health and JobCentre Plus. The Shared Prosperity funded provision also has a commissioned-out element. This is FedCap's Inspiring Futures programme. This is a continuation of their two-year SPF funded service which exceeded all targets.

- 24 UNISON were briefed about CtoW on the 1.5.25.

Reasons for Recommendations

- 25 Approval of the recommendation relates to the Cheshire East Plan 2025 – 29, to unlocking prosperity for all, creating opportunities for all communities across the borough and working with our world leading industries and local businesses.
- 26 The proposed Connect to Work Action Plan outlines the steps required working with Cheshire West and Chester and Warrington to commence delivery of this service.
- 27 Recommending to Council the approval of the Supplementary Revenue Estimate (SRE) of the value of £2,090,769 referenced in para 35 over the next 5 financial years (25/26-29/30) will ensure that we are able to receive the funding in line with the Council's constitution.
- 28 This report is cross cutting over three service committees (Adults and Health, Economy and Growth and Children and Families), the rational for Adults and Health being the decision maker is due to the funding will be overseen by that Directorate.

Other Options Considered

- 29 The only other option is to not receive external funding and not support economically inactive residents into work

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Option	Impact	Risk
Do nothing	Loss of £3.9m investment in Cheshire East	Reputational and economic

Implications and Comments

Monitoring Officer/Legal

- 31 The proposals within the report fall within the remit of the committee and it is appropriate for full Council to approve the supplementary estimate due to the funding level.

- 32 It is noted that Cheshire West and Chester (“CWaC”) are acting as lead authority, this Council’s legal will advise upon any formal agreement or memorandum outlining CWaC’s proposals as to how to operate the scheme, the obligations of this Council as regards the administration of claims and other aspects of the arrangement. The terms set by the DWP on awarding funding to CWaC are likely to provide for an element of “pass through” requiring the Council to be bound by terms which should reduce the possibility of clawback. Legal Services will review the terms provided by CWaC and advise accordingly.
- 33 It is also recommended that the Cheshire and Warrington Joint Committee are updated on the decision of the committee in due course.

Section 151 Officer/Finance

- 34 The Cheshire and Warrington “Connect to Work” grant has been announced as £14.3m, over 5 years. This table estimates the allocation per local authority by the proportion of targeted new employment “starts” (at their peak):

	Total Grant for 5 Years	£	14,300,000
Local Authority	Peak Starts to Allocate Funds	Estimated Total Grant Receipt (over 5 years)	
CE	400	£	3,960,000
Warrington	200	£	1,980,000
CWAC	700	£	6,930,000
CWAC (Project Management 10%)	-	£	1,430,000
Total	1,300	£	14,300,000

The project management costs are an estimate at this stage.

- 35 This next table shows the provisional profile of the grant over the next 5 financial years. This includes the total invested in our area, the amounts that will be direct cash and expected starts on programme.

Year	2025/26	2026/27	2027/28	2028/29	2029/30	Total
Full Grant	£800,000	£2,500,000	£4,800,000	£4,500,000	£1,700,000	£14,300,000
Estimated CE allocation with commissioned out investment	£221,538	£692,308	£1,329,231	£1,246,154	£470,769	£3,960,000
Estimated CE allocation without the commissioned out element	£221,538	£450,000	£560,000	£450,000	£409,231	£2,090,769

(ie direct cash)						
Expected starts on programme for CE	48	300	400	300	152	1200

- 36 The profile of the grant is still to be finalised with the DWP. The region has requested a more even distribution of funds over the 5 years period.

Please note, if the above profile remains, then year 1 is unlikely to have a commissioned element. This is worth pointing out as the commissioned element is likely to be arranged at the sub-regional level by Cheshire West & Chester. This will still add service value to our area, but not direct cash. So for year 1 (as there is no commissioned element) the £221,538 will be the total income and is therefore the Supplementary Revenue Estimate figure. For years 2-5 there will be a commissioned element and so the direct cash input to the Council will be lower. The expectation is that the commissioned element will be about 50% of total annual values. For the full 5 years the expected total Supplementary Revenue Estimate will be £2,090,769.

- 37 In 2025/26 there are two additional grade 7 work placement officers funded on 6-month fixed term contracts. These are initially being funded by UKSPF grant. The current provisional profile of the CtoW grant is sufficient to afford the extension of these posts to the end of 2025/26. If the funding profile is revised and the value of CtoW grant received during 2025/26 increases, CE may consider employing additional staff on fixed term contracts from October 2025. However, such decisions will be subject to further agreement from Adults Health and Integration and only considered once the value of CtoW funds for CE is confirmed.
- 38 To date the grant has been announced as “up-to” £14.3m. The funds will be received based on evidence of expenditure incurred on achieving the targeted number of starts. If targets are not achieved, its possible that the DWP could withdraw future commitments for funding, reducing the £14.3m.
- 39 As the sums of money are over £1m, acceptance of the grant requires a Full Council decision to approve the estimated supplementary revenue to the MTFS

Policy

- 40 All the recommendations outlined in this paper are closely aligned with the Council’s Corporate Priority: “A council which empowers and cares about people” and in particular these objectives:
- 41 Reduce the reliance on long term care by improving services closer to home and providing more extra care facilities, including dementia services.

42 Increase opportunities for all young adults with additional needs.

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Commitment 1: Unlocking prosperity for all: Supporting Economically Inactive People into employment	Commitment 2: Improving health and wellbeing The majority of the beneficiaries will be people with disabilities including mental ill health. Employment is known to have a very positive effect on improving health and wellbeing	Commitment 3: An effective and enabling council CtoW will fully integrate with a Get Britain Working local plan and the benefits of devolution. This will be a good news story for the people of Cheshire and showcase the enabling abilities of the Council
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Equality, Diversity and Inclusion

44 All the recommendations set out in this paper are exclusively focused on people who are economically inactive and from disadvantaged groups. This means that there is a built-in focus on people from protected characteristic groups. This will be positively-reflected in an Equality Impact Assessment

Human Resources

45 There will be an increase in staffing levels but all fully-funded externally. Initially an additional 2 Work Placement Officers (under 12 months fixed term contracts to begin with) will be recruited June/July time 2025. These will be fully funded by the Shared Prosperity Fund. This will aid a gearing up of staffing resources in time for the Connect to Work start in October.

Risk Management

46 The lead authority for this project will be Cheshire West & Chester. Due consideration will need to be given therefore, to ensuring all financial and reputational risks are minimised by rigorous attention to all legal, financial, performance and governance agreements.

Impact on other Committees

47 As per Ch 2 Part 2 para 3 of the Councils constitution: Where a matter covers more than one Committee's Terms of Reference the Committee that would be responsible and have greatest impact on the budget would be Adults and Health Committee. This report also cuts across the following Committees:

- 48 Economy and Growth - Determination of policies and making of decisions in relation to economic development, regeneration, skills and growth.
- 49 Children and Families - Oversight, scrutiny, reviewing outcomes, performance, budget monitoring and risk management of the Directorates of Prevention and Support, Education and 14-19 Skills.
- 50 As per constitution the report on the matter has been circulated to the non-majority committee members ('the minority committee') for comments, which will be provided by way of a verbal update to the majority committee, when the matter is presented. The Chair or any other member of the minority committee may attend that meeting to speak on the item and the Chair of the majority committee will exercise their discretion in favour of allowing them to do so, subject to time constraints and the effective conduct of the meeting.

Rural Communities

- 51 All sectors of the economy stand to benefit from this project including the rural economy

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

- 52 A strong and beneficial aspect of Supported Employment, is the ability to work with young people with special educational needs and support them into work as a positive alternative to care destinations. This early intervention approach has been proven to be effective in Cheshire East via the roll out and development of the highly successful Supported Internship programme.

Public Health

- 53 It is extensively evidenced that employment reduces the risk of needing mental health services.

Climate Change

- 54 More people in work means that there are less people at home during the day. In many cases, people will start jobs in premises that will not require any additional heating/energy when they start. However, they will not be using energy at home and so overall there is an energy saving. It is true that some people will start a job and work from home. This however, has a net-nil effect as they would already have been at home for the most part if they were unemployed.

Name of Consultee	Post Held	Date Sent	Date returned
<i>Statutory Officer (or deputy):</i>			
Adele Taylor	S151 Officer	21/05/25	21/05/25
Janet Witkowski	Acting Monitoring Officer	21/05/25	21/05/25
<i>Legal & Finance</i>			
David Hallworth	Finance Business Partner	12/05/25	12/05/25
Adrian Leslie	Lawyer Contracts & Procurement Team	30.4.25	30.4.25
TBC	HR		
<i>Other Consultees: Executive Directors/Directors</i>			
Helen Charlesworth- May	Executive Director of Adults Health and Integration	10.6.25	10.6.25
Brian Reed	Head of Democratic Services - Democratic and Governance Services	2.6.25	2.6.25

Access to Information	
Contact Officer:	Colin Jacklin colinjacklin@cheshireeast.gov.uk
Appendices:	Appendix 1: Project Action Plan
Background Papers:	

Appendix 1 - Action Plan

Connect to Work Action Plan

Background

The expectation is that the Connect to Work programme will be operational by October 25.

This will be across Cheshire East, Cheshire West and Warrington.

Cheshire West and Chester has the lead authority status and they will hold the primary contract with the Department of Work and pensions. All necessary agreements would therefore need to be drawn up between ourselves and Cheshire West for claims and outcome reporting.

Full details of all staffing structures, delivery mechanisms, costs, quality assurance and referral supply chains et have already been drawn up.

Actions With Timeframes		
Action	Details	Timeframe
Working with legal and finance to agree with Cheshire West all necessary finance reporting and claims agreements and processes	Initial conversations with Cheshire West have already progressed well riyal requirements. The next stage is to engage legal and finance in drawing up the relevant documents	MOUs and agreements to be agreed by mid-August
Referrals	Develop all necessary referral supply chains to ensure an adequate intake in time for programme start.	The two project managers are already (12.5.25) engaged in these activities (currently funded by a shared prosperity fund)
Recruit additional work placement officers for the internal team in time for programme start	Another 2 FTE WPOs to be recruited in time for programme start. DWP stipulate a maximum size caseload. The total WPO count by October for the internal team will be 8. This figure is the correct match for the expected starts and outcome requirements	Recruitment to begin (beginning of June) as there will be competition for these roles

Agree with Cheshire West a specification for the commissioned out element of this programme which will be sub regional in nature	Our own Procurement will be invited to add their expertise (but Cheshire West will lead to the overall procurements for the sub region.	Agree specification by the end of June
To agree with Cheshire West a suitable promotion and marketing campaign	To involve our own comms team.	Marketing plan to be agreed by the end of July
To agree with Cheshire West an overall reporting and governance structure	Need for overall subregional Governance and strategic over sight	By early August