

Report – Finance Committee

Report of Urgent Action Taken: Extension of Contract Waiver - Work and Health Programme - Central London Works

To be presented on Thursday, 13th October 2022

*To the Right Honourable The Lord Mayor, Aldermen and Commons
of the City of London in Common Council assembled.*

SUMMARY OF ACTION TAKEN

1. Central London Works is a Department for Work and Pensions (DWP) funded employment programme, managed by Central London Forward (CLF). Whilst the money comes from central Government and there are no direct costs to the City, the Corporation has taken on responsibility for its management and distribution under this programme. The contract was awarded in 2018 for 5 years with the possibility of an extension of up to 2 years. The initial 5-year period was valued at £53.4m and jointly funded by the DWP and the European Social Fund (ESF). The programme provides support for residents who lost their jobs during the pandemic.
2. The programme was due to stop taking new referrals in October 2022. DWP subsequently sought to use the clause in the original contract to extend the programme for 23 months, so it could take new referrals until the end of September 2024. The extension was to be fully funded by DWP, including CLF's management and administration costs, so there would be no resource implication or risk for the City of London Corporation.
3. DWP confirmed funding for the extension too late for the July cycle of committee meetings to be made. Rather than seeking to extend the full contract under urgency procedures, it was felt that it would be preferable, in the interests of Member decision-making and transparency, to seek a contract extension waiver, so as to allow for services continue for a short period whilst formal approvals were sought through the appropriate committees for the full 23-month extension. Due to the timing of relevant committees, the final sign-off (should Members support the proposals) would be 8 December 2022; therefore, a temporary extension was sought until that date.
4. Approval was, therefore, sought to continue the temporary interim delivery of the *Central London Works* Work and Health Programme for a time-limited period (up to 8 December 2022). The proposals were approved by your Operational Property and Projects Sub-Committee and Finance Committee and

recommended to the Court as the as the increase in contract value exceeded £4m as per Section 31.2 of the Procurement Code Part One.

5. The Court of Common Council subsequently approved, under urgency procedures, the continuation of the contract (which will be funded through a grant from DWP) through an extension of contract waiver until 8 December, upon which a formal 23 month extension of the contract can be considered in full by the Operational Property and Projects Sub-Committee (28/09), the Finance Committee (15/11), and the Court of the Common Council (08/12).
6. It was not viewed to be in the City's interests to stop the CLF Programme Supplier from taking referrals during this interim period, given the implications for beneficiaries of the programme and given the City's responsibilities for delivering this on behalf of Government. Despite the reasons for the delays being out of the City's immediate control, any negative impacts of a temporary break to the provision could have been damaging to the City's reputation in its capacity as Lead Authority and damaging to residents who could benefit from support provided by the programme.
7. Whilst there was a meeting of the Court of Common Council on Monday 12th September, this was a special one-item meeting intended to deal solely with the consideration of an address of condolence to the Sovereign, so a report could not be taken there. As the next formal Court meeting thereafter was not until 13 October, approval under urgency procedures was requested.

RECOMMENDATION

8. We **recommend** that the action taken be noted.

All of which we submit to the judgement of this Honourable Court.

DATED this 3rd day of October 2022.

SIGNED on behalf of the Committee.

Deputy Henry Colthurst
Chairman, Finance Committee