

Committee(s): <ul style="list-style-type: none"> • Finance – For decision • Court of Common Council – For decision 	Dated: 9 th April 2024 25 th April 2024
Subject: Central London Works – additional grant funding and increase in contract value	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	1,3 and 4
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	Department for Work and Pensions
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: Damian Nussbaum, Executive Director, Innovation and Growth	For Decision
Report author: Laura Davison, Research and Intelligence Director, Innovation and Growth Joe Dromey, Director, Central London Forward	

Summary

Central London Forward (CLF) is the partnership of the 11 central London local authorities and the City of London Corporation. The City of London Corporation acts as the contracting body for CLF.

CLF promotes inclusive and sustainable growth in central London. It manages and delivers employment and training programmes for central London residents. CLF also secures funding to support these goals.

Central London Works is the largest employment programme managed by CLF. The programme is the devolved Work and Health Programme, and it supports disabled residents into employment. Central London Works is funded by the Department for Work and Pensions (DWP) and delivered by Ingeus.

Demand for Central London Works has been high, with referrals and starts above target. DWP has just offered CLF £2.5m of additional funding to continue delivering Central London Works at higher volumes. The additional funding has been approved by the CLF Programmes Board, and by the CLF Chair. The funding would enable the programme to support an additional 1,200 residents, with 600 expected to enter work.

This paper seeks approval to accept the additional £2.5m of funding and sign the associated grant agreement documentation. And to increase the contract value with Ingeus. The increase is permissible under Reg 71(1)(b) of the Public Contract Regulation 2015.

Recommendation(s)

Members are asked to approve:

- The signing of an addendum to the Finance and Costings Framework with DWP to enable the receipt of this £2.5m.
- Increasing the contract value of Central London Works by £2.5m.

Main Report

Background

1. Central London Forward (CLF) is the sub-regional partnership of the 11 central London local authorities and the City of London Corporation.¹
2. The City of London Corporation is the Contracting Body for CLF. As such, the City of London Corporation enters into contracts on behalf of the member authorities.
3. CLF's work is overseen by the CLF Board. The Chair of Policy and Resources represents the City of London Corporation on the Board. CLF programmes are overseen by the CLF Programmes Board. The Town Clerk represents City of London Corporation on the CLF Programmes Board.
4. Central London Works is the devolved Work and Health Programme in central London. The programme is funded by the Department of Work and Pensions (DWP), and managed by CLF. The programme is delivered by Ingeus. Central London Works commenced in 2018, and it was extended in 2022. The programme is due to take new starters until the end of September 2024.

Current Position

5. Central London Works is currently delivering above target. The primary measure of performance is the proportion of participants who enter work, and reach the Lower Earnings Threshold. This is the level of earnings equivalent to working for 16 hours a week, for 6 months, on the National Living Wage. The programme is required to support a third (34%) of programme participants to reach the Lower Earnings Threshold. Ingeus are currently achieving a conversion rate of 45%.
6. Since Central London Works was extended in 2022, performance on job outcomes has been 138% of target. Central London Works is currently the top performing Work and Health Programme contract of four in London for job outcomes. Central London Works is the third best performing out of eleven nationally for job outcomes.
7. Demand for the programme has been very high. The number of referrals was 202% of target in the quarter to February 2024. The number of programme starts was 158% of profile for the same period. As a result, CLF has had to limit the number of programme starts in recent months, in order to avoid exceeding the budget. Without additional funding, Central London Works will have to cease taking new starters in May 2024. This is significantly before the planned end date of September 2024.

¹ City of London, Camden, Hackney, Haringey, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth and Westminster

8. DWP notified CLF on 22nd March that they have approved an additional £2.5m of funding for Central London Works. This would allow the programme to continue delivering at higher volumes until the end of September 2024. This would enable the programme to support an additional 1,200 central London residents. At least 600 of these residents are expected to enter employment.
9. The additional funding has been approved by the CLF Programmes Board, and by the CLF Chair.
10. CLF has received advice from Chamberlain's and Comptroller's that it is permissible to increase the contract value. The increase is permissible under Reg 72(1)(b) of the Public Contracts Regulations 2015. This is because a change of contractor at this stage would '*cause significant inconvenience or substantial duplication of costs for the contracting authority*'. And because the increase in value (£2.5m) does not exceed 50% of the original contract (£53.4m). The end date of the contract would remain unchanged.

Options

11. Approving the receipt of the additional DWP funding of £2.5m. And increasing the contract value of Central London Works. This would enable the programme to continue delivering at higher volumes. It would allow Central London Works to support an additional 1,200 residents, with 600 expected to enter work. It would enable the programme to continue taking new starters until the end of September 2024.
12. Not approving the additional £2.5m of funding. This would mean Central London Works would help fewer residents. The programme would cease taking new starters in May 2024, significantly before the planned end date of September.

Proposals

13. Members are recommended to approve the acceptance of the additional £2.5m. This will involve signing an addendum to the Finance and Costings Framework for the programme with DWP.
14. Members are further recommended to approve the increase in contract value of Central London Works. This is compliant with Reg 72(1)(b) of the Public Contracts Regulations 2015. Ingeus are currently delivering the programme effectively, and meeting targets. Re-procuring the contract at this stage would '*cause significant inconvenience or substantial duplication of costs*'. And because the increase in value does not exceed 50% of the original contract.
15. This would enable Central London Works to support an additional 1,200 residents, with 600 expected to enter employment. It would enable the programme to continue delivery until the end of September 2024.

Key Data

16. Across the 12 central London local authorities, there are **80,000** unemployed residents. Disabilities, health and mental health conditions are a major barrier to work for these residents.
17. Central London Works is performing well against target, and compared to other Work and Health Programme contracts. At present, **45%** of programme starts

are reaching the Lower Earnings Threshold, against a target of **34%**. Central London Works is currently the top performing Work and Health Programme contract in London and 3rd nationally for job outcomes. Performance on job outcomes for Central London Works has been **138%** of target since the contract extension in 2022.

18. In 2022/23, CLF's employment and skills programmes supported **14,848** central London residents, exceeding the target of **13,063**. CLF's programmes supported **7,958** residents into employment, exceeding the target of **6,523**.

Corporate & Strategic Implications

Strategic implications

19. The funding will support the delivery on outcomes 1, 3 and 4 of the City of London Corporate Plan 2024-29. It will enable the delivery of priority 1 of the [CLF Strategy](#).

Financial implications

20. There are no financial implications for the City Corporation. Both the programme itself, and the CLF staff managing the programme are funded by grant from DWP.

Resource implications

21. There are no resource implications on the City Corporation.

Legal implications

22. The increase in the contract value is permissible under Reg 72(1)(b) of the Public Contracts Regulations 2015. This is because a change of contractor at this stage would '*cause significant inconvenience or substantial duplication of costs for the contracting authority*'. And because the proposed increase in value (£2.5m) does not exceed 50% of the original contract (£53.4m).

Risk implications

23. There are no risk implications for the City Corporation.

Equalities implications

24. The additional funding would have a positive impact through tackling labour market inequalities. The programme has equalities targets which will be monitored.

Climate implications

25. There are no climate implications. Ingeus are required to minimise emissions as part of delivering Central London Works.

Security implications

26. There are no security implications.

Conclusion

27. DWP has allocated £2.5m of additional funding to Central London Works, the devolved Work and Health Programme in central London. The funding will enable Central London Works to support an additional 1,200 residents, with 600 expected to enter employment.

28. Members are asked to approve the signing of an addendum to the Finance and Costings Framework with DWP. Members are further asked to approve the increase in the contract value with Ingeus.

Appendices

None

Background Papers

None

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