

Committee(s): Finance Committee – For decision Court of Common Council – For decision	Dated: 4 th June 2024 20 th June 2024
Subject: Universal Support – Grant funding for new CLF employment programme	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	Diverse and engaged communities Dynamic economic growth Providing excellent services
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: Joe Dromey, Director, Central London Forward Laura Davison, Research and Intelligence Director, Innovation and Growth	

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.

Universal Support is a new DWP-funded employment programme which will run from October 2024 – March 2029. The programme seeks to help economically inactive and disabled people into work.

Universal Support will be devolved to sub-regional partnerships of boroughs in London. DWP has identified CLF as the accountable body for Universal Support in central London. This involves developing a delivery plan, establishing the service locally, developing governance arrangements, and managing the programme. The programme will support an estimated 18,000 central London residents, with at least 6,000 expected to enter employment. The budget for the programme is estimated to be around £70m between 2024/25 and 2028/29.

The CLF Programmes Board and the CLF Partnership Board have approved CLF receiving this funding, and acting as the accountable body for the programme. The

Boards have approved a mixed delivery model, whereby some member authorities will deliver this service directly, and in other areas a commissioned provider will deliver.

This paper seeks approval for CLF to receive this funding, to act as the accountable body for Universal Support, and the signing of the associated grant agreements. This approval is required in order to proceed with delivering the programme. The paper also seeks approval to delegate funding to CLF member authorities that want to deliver the programme. Where member authorities do not want to deliver Universal Support, CLF will commission a provider to deliver Universal Support. A separate committee paper will be brought subsequently seeking approval to undertake the procurement.

Universal Support is a multi-year programme. CLF member authorities may want to change their approach to delivery during the programme. This might involve switching from direct delivery, to delivery by a commissioned provider. DWP may also increase funding for the programme in future years. Members are therefore asked to recommend to Court of Common Council that authority to vary the funding agreements is delegated to the committee.

Recommendation(s)

Members of the Finance Committee are asked to recommend that the Court of Common Council approves:

- CLF acting as the accountable body for Universal Support, and managing the programme on behalf of member authorities, including the development of the procurement strategy, as approved by CLF Board;
- The signing of any associated grant agreements with DWP to enable receipt of the funding, as approved by CLF Board;
- The delegation of funding to member authorities that want to deliver the programme direct;
- The signing of associated grant agreements with these member authorities;
- That the Court delegates to the Finance Committee the authority to vary the grant agreements with DWP. Vary grant agreements with member authorities delivering the programme. And vary the contract with the provider commissioned to deliver the programme. Subject to approval by CLF Programmes Board.

Subject to the above recommendations being approved by the Court, the Finance Committee is asked to approve a standing delegation to the Town Clerk, in consultation with the Chairman and Deputy Chairman, to consider any such variations.

Members are asked to note:

- A subsequent paper will come to the Projects and Procurement Sub-Committee and the Finance Committee relating to procurement of a provider. The provider will deliver Universal Support in the areas where boroughs do not want to deliver direct.

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 It focuses on delivering inclusive and sustainable growth in central London, in particular by managing and delivering employment and training programmes for central London residents. And by securing funding to support these goals.
2. The City of London Corporation is the Contracting Body for CLF. As such, the City Corporation enters into contracts on behalf of the member authorities. Such contracts need to be approved by Court of Common Council when they reach the relevant value threshold.
3. CLF employment and training programmes are overseen by the CLF Programmes Board. The Town Clerk represents City of London Corporation on the CLF Programmes Board. CLF's wider work is overseen by the CLF Board. The Chairman of the Policy and Resources Committee represents the City of London Corporation on the Board.
4. Universal Support is a new employment programme, funded by the Department of Work and Pensions (DWP). The programme will primarily support people who are disabled and economically inactive.² The programme will be based on the 'place, train and retain' model of supported employment. These are structured and well-evidenced models, which have been shown to be effective at supporting disabled people into work. They focus on vocational profiling, early engagement with employers, and supporting people into work quickly. Ongoing support is then provided to the participant and their employer to help them sustain in work. This model is being trialled in the Pioneer Support programme, which CLF is managing in central London.
5. Universal Support will replace the Work and Health Programme, an employment programme which supports disabled people. And Pioneer Support, an employment programme which supports economically inactive disabled people. The Work and Health programme and Pioneer Support – which are both devolved to CLF – will stop taking new starters on 30th September 2024. Universal Support is due to roll-out between October 2024 and spring 2025. The programme is due to run until the end of March 2029.

Current Position

6. DWP will devolve Universal Support to sub-regional partnerships of boroughs in the capital. This represents significant progress in devolution, building on the successful devolution of the Work and Health Programme and Pioneer

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

² This refers to people who are not in employment and not actively looking for work, or immediately available to start work

Support. It represents a good opportunity to ensure the programme is tailored to local needs, and integrated into wider local services.

7. CLF will act as the accountable body for Universal Support in central London. This will involve:
 - developing a delivery plan,
 - commissioning or establishing a Universal Support service locally,
 - establishing governance arrangements for the programme with other local authorities within the area;
 - day-to-day management of the programme.
8. We expect around 18,000 central London residents will start on our Universal Support programme by the end of March 2029. We expect to support at least a third of these residents – 6,000 – into employment. The budget for the full programme is expected to be in the region of £70m. The final figures will be confirmed in the final prospectus in June.
9. The programme will ramp-up over time. DWP has confirmed that 4,800 central London residents will start on Universal Support in 2026/27. The budget for the programme in 2026/27 will be £18.4m.
10. A draft prospectus was issued by DWP to local authorities on 10th April. A full prospectus is expected in June. The delay in issuing the prospectus risks leaving a gap in provision between the end of the Work and Health Programme and Pioneer Support, and the start of Universal Support.
11. DWP has given local areas the option either to deliver the programme direct, or to commission a provider to deliver in their area.
12. The CLF Programmes Board and CLF Partnership Board have approved a hybrid delivery model. This will involve direct delivery by some boroughs, and delivery by a commissioned provider in the areas where boroughs do not want to deliver direct. This is the same delivery model as CLF used in the Connecting Communities programme. It is the same delivery model used by Local London, the sub-regional partnership of east London boroughs.
13. CLF will soon be seeking a decision from member authorities as to whether they want to deliver direct. Some boroughs that opt to deliver direct may later decide to switch to commissioned delivery.
14. CLF will commence a procurement exercise later this year to commission a provider to deliver Universal Support. This provider will deliver the programme in the areas where member authorities do not want to deliver direct. This will come back to Committee as a separate paper subsequently for decision.
15. Central London Forward has a track record of effectively managing similar employment programmes and meeting or exceeding KPIs:
 - **Central London Works** – This is the devolved Work and Health Programme in central London. The programme is funded by DWP, and

managed by CLF. The programme has supported over 11,000 residents into work since it was rolled out in 2018. Job outcome performance has been 132% of target since the contract extension in 2022. Central London Works is fourth out of 11 Work and Health Programme contracts nationally for job outcomes.

- **Pioneer Support** – This is a DWP-funded programme which supports disabled and economically inactive people into work. The programme is testing the model of supported employment that will be used on Universal Support. The programme is devolved to CLF. CLF's Pioneer Support programme has supported over 1,000 residents so far. As of the end of April, 146 residents have already been supported into work, and job outcomes are 197% of target. CLF's programme is currently the second highest performing out of 11 Pioneer Support contracts nationally.
- **Connecting Communities** – This ESF-funded programme provided employment and skills support for unemployed and inactive residents. The delivery model for Connecting Communities was the same as the proposed model for Universal Support. Eight member authorities delivered the programme direct, with a commissioned provider delivering in the other four boroughs. The programme supported 6,603 residents. Of these, 2,095 entered employment, representing 99% of the job start target. A further 2,211 residents entered education or training, representing 113% of the education and training target.

16. CLF has a programmes team in place, with extensive experience of successfully managing similar programmes.

17. The 12 local authorities that make up CLF have extensive experience of delivering employment support. In 2023/24, the boroughs collectively supported over 10,000 residents through their local employment services.

Options

18. Option 1 - Approving CLF receiving the funding, and acting as the accountable body for Universal Support. And approving delegating funding to CLF member authorities that want to deliver the programme. This would implement the approach agreed by the CLF Programmes Board and Partnership Board. It would enable boroughs that want to deliver Universal Support to roll-out support quickly. This would minimise any gap in provision following the end of the Work and Health Programme and Pioneer Support.

19. Option 2 – Not approving CLF receiving the funding, and acting as the accountable body for Universal Support. And not approving delegating funding to CLF member authorities. This would mean central London boroughs would not be able to access the funding or deliver the programme. The programme would likely have to be managed by DWP, limiting the ability to tailor support to local needs. This would likely lead to a long gap in provision between the end of the Work and Health Programme and Pioneer Support, and the start of Universal Support. This may also mean the programme might not proceed at all within central London.

20. Subject to approval of option 1 above, members will have two further options on how variations are handled:
21. Option 3 – Delegating authority to the Finance Committee to vary the grant agreement with DWP, grant agreements with CLF member authorities, and the contract with the commissioned provider. Subject to approval by CLF Programmes Board. Subject to these delegations being made, the Finance Committee may wish to consider what further delegations could be put in place to assist in streamlining the approval process of variations to the grant agreements. These variations might include boroughs switching their delivery models or the receipt of additional funding that DWP might offer. This has happened in previous cases, for example in response to an increase in unemployment during a recession. This would help to provide an agile response in such cases.
22. Option 4 – Not approving delegated authority to vary the grant agreement with DWP and delivery partners. This could mean a loss of agility in processing any change for member authorities from a direct delivery model to commissioned support. Or in receiving additional funding for the programme. And a consequent gap in the provision of support.

Proposals

23. Members are recommended to approve CLF managing Universal Support and the signing of the associated grant agreement with DWP. This would implement the decision of the CLF Board and enable CLF to manage the programme. It would allow CLF to help thousands of disabled central London residents into work.
24. Members are recommended to approve the delegation of funding to CLF member authorities that want to deliver direct and the signing of grant agreements with these member authorities. This would allow member authorities to commence delivery, and to provide employment support to local disabled residents.
25. It is recommended that the Court of Common Council authorises the Finance Committee to approve any future variations to the grant agreements with DWP and with delivery partners. And any variations to the contract with the commissioned provider. As long as such changes are approved by the CLF Programmes Board. As detailed at paragraph 21, this would provide an agile response if any member authorities wish to change their delivery model, or if DWP offers additional funding for the programme.
26. The Court may also wish to consider whether the Finance Committee should approve a standing delegation to the Town Clerk, in consultation with the Chairman and Deputy Chairman, to approve such variations.
27. Members are asked to note that a subsequent paper will come back to Committee relating to procurement of a provider. The provider will deliver Universal Support in the areas where boroughs do not want to deliver direct.

Key Data

28. There are **1.3m** economically inactive Londoners. Of these, over **300,000** are inactive as a result of a health or mental health condition. **One in 6** economically inactive Londoners would like to work.
29. Over the last two years, CLF's employment and skills programmes supported **10,580** central London residents into work. This represents **116%** of the cumulative job start targets for our programmes.
30. Every one of the 12 CLF member authorities has a local employment service. In 2023/24, the boroughs collectively supported over **10,000** residents.
31. We estimate Universal Support will support **18,000** residents by March 2029, with at least **6,000** entering work. We estimate the budget for the programme will be around **£70m**.

Corporate & Strategic Implications

Strategic implications

32. The Universal Support programme will support delivery of the following Corporate Plan outcomes: diverse, engaged communities, providing excellent services, and dynamic economic growth.
33. The programme will enable the delivery of priority 1 of the [CLF Strategy](#).

Financial implications

34. Delivering the programme will require no funding from the City of London Corporation. Both the programme itself, and the costs of CLF in managing the programme, will be covered by DWP.
35. As the contracting body, the City Corporation would make payments to the delivery partners, and receive funding from DWP.
36. Chamberlain's Department are aware of the financial implications of the programme.

Resource implications

37. The City of London Corporation will be able to opt to deliver the programme to local residents in the City of London. This would involve c. £150k funding annually for the City of London Corporation to support inactive and unemployed residents into work.
38. There are some modest resource implications for City of London Corporation in setting up and managing the programme. These include:
 - Support from Comptrollers and City Solicitors to agree the grant agreement with DWP and with delivery partners, and the contract with the commissioned provider;
 - Support from Commercial Services to carry out a procurement exercise;
 - Support from Chamberlain's to comply with DWP audits

39. The resource implications will be relatively limited for the City of London Corporation. CLF will be able to cover the cost of any City of London resourcing required to support the programme, funded by the DWP grant.

Legal implications

40. City of London Corporation would need to sign a grant funding agreement with DWP. The Corporation will need to sign grant funding agreements with CLF member authorities that opt to deliver the programme. And a contract with the provider that will be commissioned to deliver the programme where boroughs do not want to deliver direct.
41. Comptrollers and City Solicitors are aware of the legal implications of the programme.

Risk implications

42. There are minimal financial risks relating to the programme. Universal Support will be delivered on a 'cost' basis. This means delivery partners are reimbursed for eligible costs incurred in delivering the programme. The programme will not be based on payment by results. This means financial risks for City of London Corporation are very limited.
43. There would be reputational risk for the City of London Corporation if performance of the programme was poor. However, the likelihood of this risk is minimal. CLF has a record of successfully delivering similar programmes as set out in point 15. CLF has an experienced programmes team in place to manage the programme. There would also be potential reputational risk if the City of London Corporation did not proceed with the programme.

Equalities implications

44. The additional funding would have a positive impact through tackling labour market inequalities. CLF will establish targets relating to protected characteristics to ensure the programme supports all groups of residents.

Climate implications

45. There are no climate implications. CLF will ensure all delivery partners put in place measures to minimise emissions as a result of the programme.

Security implications

46. There are no security implications.

Conclusion

47. DWP has offered to devolve Universal Support to Central London Forward. This would build on the success of previous devolution, and allow the programme to be adapted to local needs. The funding would enable CLF and member authorities to support around 18,000 residents by March 2029, with around 6,000 expected to move into employment.

48. Members are asked to approve CLF acting as the accountable body for Universal Support. Members are further asked to approve the delegation of funding to CLF member authorities that want to deliver the programme.

49. Members are asked to note that a subsequent paper will come back to Committee relating to procurement of a provider. The provider will deliver Universal Support in the areas where boroughs do not want to deliver direct.

Appendices

None

Background Papers

None

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