

Committee(s): Finance – For decision Court of Common Council – For decision	Dated: 4 th June 2024 20 th June 2024
Subject: Pioneer Support – 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?	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 of 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.

Pioneer Support is an employment programme managed by CLF. The delivery of Pioneer Support was approved by Finance Committee and Court of Common Council in July 2023. The programme supports residents who are disabled and economically inactive into work. Pioneer Support is funded by the Department for Work and Pensions (DWP), with an initial programme value of £3.1m. The programme is delivered by Ingeus. The CLF Pioneer Support programme is currently the second top performing of 11 contracts nationally. The programme has supported 146 residents into work so far and job outcomes are 197% of target.

Demand for Pioneer Support has been high. Over 1,000 central London residents have started on the programme so far, 6% above target. Other Pioneer Support contracts are significantly below target for contract starts.

CLF has requested £1.5m of additional funding from DWP for CLF to continue delivering Pioneer Support at higher volumes. DWP has informed CLF that they have agreed in principle to provide the additional funding for Pioneer Support. The CLF Chair has approved CLF accepting additional funding, up to £1.5m. Should DWP offer the full £1.5m, the CLF Pioneer Support programme would be able to support an additional 720 residents. Of these, 360 residents are expected to enter work.

This paper seeks approval to accept additional funding from DWP, up to the value of £1.5m. And the signing of 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 additional funding up to the value of £1.5m.
- Increasing the contract value of Pioneer Support to reflect the additional funding.

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 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.
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.
3. Pioneer Support is an employment programme managed by CLF. The programme is an extension of the Work and Health Programme, which was devolved to CLF in 2017. Pioneer Support is funded by the Department of Work and Pensions (DWP), with an initial value of £3.1m. The programme is delivered by Ingeus.
4. Pioneer Support supports residents who are disabled and economically inactive into work.²
5. The programme is based on the 'place, train and retain' model of supported employment. These are structured and well-evidenced models, which have

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

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. Pioneer Support seeks to help residents into good jobs, paying at least the London Living Wage.

6. The delivery of Pioneer Support was approved by Finance Committee and Court of Common Council in July 2023. Delivery of Pioneer Support commenced in September 2023. The programme is due to continue taking new starters until the end of September 2024, at which point it will be replaced by Universal Support. This is a new multi-year programme that will use the same support model, and which will be devolved to CLF.

Current Position

7. The CLF Pioneer Support programme is performing well.
8. Performance has been strong compared to target. The programme has supported 146 residents into work so far and job outcomes are 197% of target.
9. The programme is also performing well compared to other Pioneer Support contracts. The CLF programme is currently second top performing out of 11 contracts nationally for programme starts and job outcomes.
10. Demand for the programme has been high. The number of programme referrals and starts is 106% of target contract to date. This contrasts with other Pioneer Support contracts, where programme starts are well below target.
11. Given the higher than anticipated levels of starts on the programme, Ingeus has had to cap the number of starts, to avoid exceeding the budget available.
12. CLF has requested an additional £1.5m of funding for Pioneer Support. 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 720 central London residents. At least 360 of these residents are expected to enter employment.
13. DWP has informed CLF that the funding has been approved in principle. The additional funding has been approved by the CLF Chair.
14. 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 increase in value (maximum of £1.5m) does not exceed 50% of the original contract. The

original Work and Health Programme contract was worth £53.4m. The Pioneer Support element of the programme is worth £3.1m.

Options

15. Approving the receipt of the additional DWP funding, up to the value of £1.5m. And increasing the contract value of Pioneer Support by this amount. This would enable the programme to continue delivering at higher volumes. The additional £1.5m would allow Pioneer Support to support an additional 720 residents, with 360 expected to enter work.
16. Not approving the additional of funding. This would mean the number of starts on Pioneer Support would remain capped. Fewer residents would be supported into work than if we were able to accept the funding.

Proposals

17. Members are recommended to approve the acceptance of the additional funding, up to the value of £1.5m. This will involve signing an addendum to the Finance and Costings Framework for the programme with DWP.
18. Members are further recommended to approve the increase in contract value of Pioneer Support. 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.
19. The additional £1.5m would enable Pioneer Support to support an additional 720 residents, with 360 expected to enter employment. It would enable the programme to continue delivery at higher volumes until the end of September 2024.

Key Data

20. 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.
21. CLF's Pioneer Support programme is performing well both against target and compared to other Pioneer Support contracts. It is the second best performing contract nationally, with programme starts being **106%** of target, and job outcome **197%** of target.
22. Over the last two years, CLF's employment programmes supported over **10,000** residents into work. This represents **116%** of the cumulative job start targets for our programmes.

Corporate & Strategic Implications

Strategic implications

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

Financial implications

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

Resource implications

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

Legal implications

26. 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 (maximum of £1.5m) does not exceed 50% of the original contract (£53.4m). This has been confirmed by Comptrollers and City Solicitors.

Risk implications

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

Equalities implications

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

Climate implications

29. There are no climate implications. Ingeus are required to minimise emissions as part of delivering Pioneer Support.

Security implications

30. There are no security implications.

Conclusion

31. CLF has requested an additional £1.5m of funding from DWP for the Pioneer Support Programme. DWP has informed CLF that the funding has been approved in principle. The funding would support the continued high performance of the programme. The funding will enable the programme to support an additional 720 residents by the end of September 2024, with 360 expected to enter employment.

32. 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

[Increase in Contract Value – Work and Health Programme \(Central London Works\),
Court of Common Council, 20th July 2023](#)

Background Papers

None

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