

Report – Finance Committee

Pioneer Support – Additional Grant Funding and Increase in Contract Value

To be presented on Thursday, 20th June 2024

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

SUMMARY

The City Corporation acts as the Contracting Body for Central London Forward (CLF). In this respect the Honourable Court's decision is required to passport the recommendations put forward by the CLF through your Finance Committee.

This report concerns an update to the delivery of the Pioneer Support programme previously reported to, and approved by, this Honourable Court in July 2023. The Court's approval is now required to accept additional funding from DWP, up to the value of £1.5m, and to sign the associated grant agreement documentation. Further this Honourable Court is asked to approve the increase in the contract value with Ingeus.

RECOMMENDATION

That the Court of Common Council 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.
- The increasing of 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. The City of London Corporation is the Contracting Body for CLF and, as such, enters into contracts on behalf of member authorities as requested. Pioneer Support is an employment programme managed by CLF and is an extension of the Work and Health Programme, funded by the Department of Work and Pensions (DWP) with an initial programme value of £3.1m. It aims to support residents who are disabled and economically inactive to work. The programme is delivered by Ingeus. The delivery of the Pioneer Support programme was previously reported to, and approved by, this Honourable Court in July 2023.

Current Position

2. The Pioneer Support programme has been performing well, and is currently the second top performer nationally, with 146 residents supported into work. However, demand for the programme has been high, with levels of starts on the programme at 106% of target contract to date. Therefore, Ingeus has had to cap the number of starts to avoid exceeding the budget available.
3. CLF has requested an additional £1.5m of funding for Pioneer Support, to allow the programme to continue delivering at higher volumes until the end of September 2024. It is anticipated that this would support an additional 720 central London residents, with at least 360 of these expected to enter employment. The DWP have informed the CLF that this funding has been approved in principle, and subsequently the additional funding has been approved by the CLF Chair.
4. This would increase the contract value of Pioneer Support. A decision to increase the contract value is permissible under Regulation 72(1)(b) of the Public Contracts Regulations 2015, as the increase in value (up to £1.5m) does not exceed 50% of the original Work and Health Programme Contract. The Work and Health Programme Contract was worth £53.4m, of which the Pioneer Support element is worth £3.1m.

Proposals

5. Your Finance Committee recommends that the Court approves the acceptance of the additional funding, up to the value of £1.5m, and the signing of an addendum to the Finance and Costings Framework for the programme with DWP. Further, your Committee recommends the increase in the contract value of Pioneer Support, which is compliant with Regulation 71(1)(b) of the Public Contracts Regulation 2015s.

Corporate and Strategic Implications

Strategic Implications

6. The Universal Support programme will support the delivery of diverse, engaged communities, providing excellent services, and dynamic economic growth. Further, it will enable the delivery of priority 1 of the CLF Strategy.

Financial Implications

7. 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.

Resources Implications

8. There are no resource implications.

Legal Implications

9. The increase in the contract value is permissible under Reg 72(1)(b) of the Public Contracts Regulations 2015. 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

10. There are no risk implications.

Equalities Implications

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

Climate Implications

12. There are no climate implications.

Security Implications

13. There are no security implications.

Conclusion

14. The proposal will enable Pioneer Support to support a potential 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. Your Finance Committee therefore **recommends** that this Honourable Court approve the acceptance of the additional funding, up to the value of £1.5m, and the signing of an addendum to the Finance and Costings Framework for the programme with DWP. Further, it is also recommended that this Honourable Court approves the increase in contract value of Pioneer Support in compliance with the Public Contracts Regulations 2015. In doing so, the City Corporation fulfils its responsibilities as the Contracting Body for Central London Forward (CLF).

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

DATED this 4th day of June 2024.

SIGNED on behalf of the Committee.

Deputy Henry Nicholas Almroth Colthurst
Chairman, Finance Committee