

Committee(s): <ul style="list-style-type: none"> • Finance – For decision • Court of Common Council – For decision 	Dated: 24 September 2024 10 th October 2024
Subject: Extension of Central London Works and Pioneer Support programmes	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 (and accountable) body for CLF. CLF promotes inclusive and sustainable growth in central London and manages employment and training programmes for central London residents.

These programmes include the devolved Work and Health Programme – known as Central London Works – and Pioneer Support. These two programmes were due to be replaced in October by the new Universal Support programme, approved by the Court of Common Council in June 2024. However, with the subsequent change in government, these existing programmes will be extended, while Universal Support is reviewed.

The Central London Works (CLW) Programme has been running for over six years; Pioneer Support since 2023. Members approved their inception and the subsequent rounds of extension and government funding uplifts. Both programmes are deemed to be performing well.

However, with the change of government, the roll-out of Universal Support has been paused. Instead, DWP is seeking to extend the current two programmes until the end of April 2025, to avoid a gap in provision. To enable this, DWP will provide additional funding of around £8.3m to CLF, subject to Treasury approval.

This paper seeks approval for CLF to accept the additional funding and extend the contracts for the Work and Health Programme and Pioneer Support.

Recommendation(s)

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

- A seven-month extension of Central London Works and Pioneer Support, to the end of April 2025;
- CLF accepting up to £10m of additional funding from DWP to fund this extension;¹
- The signing of associated documents with DWP to accept the funding and extend the programme;
- The signing of associated documents with Ingeus to extend the programme.
- That the Court delegates to the Finance Committee the authority to:
 - vary the extension agreements with DWP if the transition period and/or funding arrangements change; and
 - vary the contract with the provider commissioned to deliver the programme(subject to approval by the CLF Programmes Board). This would enable CLF to accept any adjustment to the extended delivery period and funding, should this be proposed by DWP, and minimise the likelihood of associated gaps in provision.

¹ We anticipate this will be in the order of £8.3million, but are requesting a higher cap in case more funding is offered.

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.² It aims to support inclusive and sustainable growth in central London. CLF manages employment and training programmes for central London residents.
2. The City of London Corporation is the Contracting Body for CLF. As such, the City of London enters into contracts on behalf of the member authorities. This includes the two programmes in this paper – Central London Works and Pioneer Support. These programmes were approved by Members at inception, and with subsequent government-funded extensions and grant uplifts.
3. Central London Works is the devolved Work and Health Programme in central London. The programme supports residents who are unemployed and disabled, and those with significant barriers to work, to move into sustainable employment. The programme was rolled out in 2018. It is funded by DWP, managed by CLF, and delivered by Ingeus.
4. Pioneer Support helps residents who are economically inactive and disabled into sustainable work. The programme uses the ‘place and train’ method of employment support. The programme was rolled out in 2023 as an extension of the Work and Health Programme. The programme is funded by DWP, managed by CLF, and delivered by Ingeus.
5. Both programmes are due to stop taking referrals on 30th September 2024.
6. Universal Support is a new DWP employment programme which was due to be rolled out from October 2024. It was due to support unemployed and economically inactive people into work, replacing both the Work and Health Programme and Pioneer Support.
7. DWP had designated CLF as the accountable body for Universal Support locally with associated funding of circa £70m. This was approved by the Court of Common Council in June 2024.

Current Position

8. Both Central London Works and Pioneer Support are operating effectively:
 - **Central London Works** has supported nearly 30,000 residents and since it started in 2018. 11,214 residents have been supported into work. Since the extension of the programme in 2022, Central London Works is third out of 11 Work and Health Programmes nationally in terms of the proportion of participants entering and sustaining in work.
 - **Pioneer Support** has supported 1,792 residents since it started in September 2023. 403 residents have been supported into work. CLF’s Pioneer Support programme is currently top-performing out of 11 programmes nationally in terms of the proportion of participants entering and sustaining in work.

² City of London, Camden, Hackney, Haringey, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth and Westminster

9. These programmes are the largest specialist employment programmes for disabled residents in central London. Around 550 residents join the programmes each month.
10. Both Central London Works and Pioneer Support are due to stop taking new starters on 30th September 2024 – the point at which Universal Support had been due to replace them.
11. Following the change of Government, DWP has paused the roll-out of Universal Support in order to review the policy. DWP is seeking to extend the Work and Health Programme and Pioneer Support in all areas nationwide for seven months in order to avoid a significant gap in provision. If these programmes ended before the roll-out of any successor programme(s), there would be a shortage of specialist employment support for residents.
12. DWP is looking to provide CLF with around £8.3m of additional funding for the extension period, to support the continuation of these two programmes in central London (subject to approval by HM Treasury). This includes £110,000 of management and administration funding to cover CLF's costs in managing the programme.
13. This would enable CLF to support an additional 3,901 residents through the programmes. With a goal of 1,950 of these residents entering work, and 1,300 sustaining in employment.
14. The extension is permissible under Reg 72(1)(b) of the Public Contracts Regulations 2015 as the increase is below 50% of the original value and because a change of contractor would cause significant inconvenience and duplication of costs.

Options

15. Option 1: Approving the extension of Central London Works and Pioneer Support, and the signing of associated documents with DWP and Ingeus. This would minimise the gap in provision before any new programme is rolled out and ensure disabled residents continue to be able to access specialist employment support. The goal would be a further 3,901 residents supported, with 1,950 expected to enter employment.
16. The Court is also asked to authorise the Finance Committee to approve variations to extension agreements and the contract. This would enable CLF to accept any adjustment to the extended delivery period and funding, should this be proposed by DWP, and minimise the likelihood of associated gaps in provision.
17. Option 2: Not approving the extension. This would mean a gap in provision – potentially substantial - until the new government has reviewed and approved any new programme, and a subsequent lack of specialist employment support for disabled residents in central London. It would also likely mean central London becoming an outlier, as the programme is due to be extended elsewhere.

Proposals

18. Members are recommended to approve Option 1, the extension of Central London Works and Pioneer Support. As part of this, Members are further recommended to approve CLF accepting the additional funding, and signing the associated documentation with DWP and Ingeus. The Court is also asked to delegate authority to the Finance Committee to approve any variations to the transition arrangements. This would enable CLF to accept any adjustment to the extended delivery period and funding, should this be proposed by DWP, and minimise the likelihood of associated gaps in provision.

Key Data

19. There are **100,000** unemployed and **478,000** economically inactive residents in central London.
20. Over the last two years, CLF's employment and skills programmes supported over **10,000** central London residents into work.
21. Central London Works has supported **11,214** residents into work since it was rolled out in 2018. Pioneer Support has supported **403** residents into work since it was rolled out a year ago.

Corporate & Strategic Implications

Strategic implications

22. The funding will support the following outcomes of the City of London's Corporate Plan; Diverse and engaged communities; Dynamic economic growth; Providing excellent services.

Financial implications

23. There are no financial implications for the City Corporation. DWP will be providing grant funding to cover both the cost of the programmes, and CLF's costs in managing the programmes.

Resource implications

24. The resource implications for the City Corporation are very limited. Completing the contractual documents with DWP and Ingeus would require some support from City Solicitors. While the CLF team manage the finances of the programme, there would be some support required from Comptrollers. In both cases, the work required would be minimal, and CLF would be able to cover the cost from the DWP funding.

Legal implications

25. Extending the contract is permissible under Reg 72(1)(b) of the Public Contracts Regulations 2015.

Risk implications

26. There are no risk implications for the City Corporation from extending the programmes. There would potentially be reputational risk if there was not agreement to extend these programmes. This would likely mean central London is the only area that does not extend the programmes, and it would leave a gap in provision of employment support for disabled residents.
27. This is a Payment By Results Contract and the money will be drawn down from DWP in line with performance achieved. If the full performance were not to be achieved, the full funding allocation would not be claimed.

Equalities implications

28. The extension of these programmes would have a positive impact through tackling labour market inequalities.

Climate implications

29. There are no climate implications. CLF require Ingeus to minimise emissions as a result of the programme.

Security implications

30. There are no security implications.

Conclusion

31. The Central London Works and Pioneer Support programmes support disabled residents in central London into sustainable work. Both programmes are performing effectively and currently ranked 1st and 3rd in the country. Both are due to stop taking new referrals at the end of September – with the new Universal Support programme originally proposed to replace both of these.

32. Following a pause in roll-out of Universal Support, DWP is seeking to extend the programmes by 7 months until the end of April 2025 to prevent a gap in provision. The extension would enable referrals on the programme to continue until the end of April 2025 and would allow CLF to support a planned additional 3,901 residents.

33. Members are asked to approve CLF extending these two programmes and accepting the DWP funding to enable this, and to authorise the signing of the necessary contracts and documentation to enable this to happen. Members are further asked to establish delegations to the Finance Committee to approve any variations to the transition arrangements.

Appendices

None

Background Papers

[Universal Support – Grant funding for new CLF employment programme](#) June 2024

[Pioneer Support – additional grant funding and increase in contract value](#) June 2024

[Central London Works – additional grant funding and increase in contract value](#) April 2024

[Increase in contract value - Work and Health Programme - Central London Works](#) July 2023

Contract Extension Central London Works September 2022 non-public

Contract Variation (Central London Work: Work and Health Programme) July 2021 non-public

[Presentation: Health and Work Programme](#) September 2017

Work and Health Programme Tender Award November 2017 non-public

London Work and Health Programme January 2017 non-public

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