

Report – Finance Committee

Extension of Central London Works and Pioneer Support programmes

To be presented on Thursday, 10th October 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). 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. This report concerns an update to the delivery of the Pioneer Support programme previously reported to, and approved by, this Honourable Court in June 2024. These two programmes were due to be replaced in October, however, with the subsequent change in government, these existing programmes will be extended, while Universal Support is reviewed.

In this respect the Court's decision is now required to process the recommendations put forward by the CLF through your Finance Committee, to accept the additional funding and extend the contracts for the Work and Health Programme and Pioneer Support.

RECOMMENDATION

That the Court of Common Council approves:-

- i. A seven-month extension of Central London Works and Pioneer Support, to the end of April 2025;
- ii. CLF accepting up to £10m of additional funding from DWP to fund this extension;¹
- iii. The signing of associated documents with DWP to accept the funding and extend the programme;
- iv. The signing of associated documents with Ingeus to extend the programme.
- v. That the Finance Committee be authorised to:
 - a. vary the extension agreements with DWP if the transition period and/or funding arrangements change; and
 - b. vary the contract with the provider commissioned to deliver the programme (subject to approval by the CLF Programmes Board).

¹ It is anticipated that 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. The City of London Corporation is the Contracting Body for CLF and, as such, enters into contracts on behalf of member authorities as requested.
2. 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.
3. Pioneer Support helps residents who are economically inactive and disabled into sustainable work. 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.
4. Both programmes are due to stop taking referrals on 30th September 2024. 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.
5. DWP had designated CLF as the accountable body for Universal Support locally with associated funding of circa £70m. This was approved by this Honourable Court in June 2024.

Current Position

6. 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.
7. These programmes are the largest specialist employment programmes for disabled residents in central London. Around 550 residents join the programmes each month.
8. 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.
9. Following the change of Government in July 2024, 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.

10. 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.
11. 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.
12. 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.

Proposals

13. Your Finance Committee recommends that the Court approves the extension of Central London Works and Pioneer Support, to the end of April 2025; Your Committee also recommends that CLF should accept such additional funding up to £10m and sign the associated documentation with DWP and Ingeus, and note that any further expenditure shall be limited to the amount of funding finally received. Finally, the Court is also asked to authorise its Finance Committee to approve any variations to the transition arrangements in order to enable CLF to accept any adjustment to the extended delivery period and funding, if proposed by DWP, and minimise the likelihood of associated gaps in provision.

Corporate and Strategic Implications

Strategic Implications

14. 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

15. 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.

Resources Implications

16. 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

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

Risk Implications

18. 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.
19. 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

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

Climate Implications

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

Security Implications

22. There are no security implications.

Conclusion

23. The proposal will enable Pioneer Support to support a potential additional 3,901 residents. It would enable the programme to continue delivery until the end of April 2025. Your Finance Committee therefore **recommends** that this Honourable Court approve these proposals

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

DATED this 24th day of September 2024.

SIGNED on behalf of the Committee.

Deputy Henry Nicholas Almroth Colthurst
Chairman, Finance Committee