

For Publication

For General Release

REPORT TO:	CABINET MEMBER FOR COMMUNITIES, SAFETY & BUSINESS RECOVERY
SUBJECT:	South London Partnership Work & Health Programme Job Entry: Targeted Support (SLP WHP JETS)
LEAD OFFICER:	Sarah Hayward, Interim Executive Director of Place Heather Cheesbrough, Director of Planning and Strategic Transport
CABINET MEMBER:	Councillor Shahul-Hameed, Cabinet member for Communities, Safety and Business Recovery Councillor Callton Young Cabinet member for Resources and Financial Governance
WARDS:	All

CORPORATE PRIORITIES 2020-2022

Covid-19 has had an unprecedented impact on unemployment in the UK with London seeing the biggest impact. The South London Partnership Work & Health Programme Job Entry: Targeted Support (JETS) strand addresses both Croydon priorities and South London Partnership priorities.

The programme supported Croydon's corporate plan priority of, *'Everybody has the opportunity to work and build their career.'*

JETS can support Croydon Renewal priorities:

- *Live within our means, balance the books and provide value for money for our residents.*

By utilising a programme which supports residents into employment and involves no cost to the council budget we are gaining value for money whilst living within our means.

- *Following the evidence, focus on tackling ingrained inequality and poverty in the borough.*

Successful Employment and Skills provision can play a key ingredient in tackling inequality and poverty in the borough. To date the programme has supported 357 residents of Croydon into employment.

The programme also supports South London Partnerships priorities:

South London Partnership priorities:

For Publication

- Support all residents towards or into work and to progress through their career
- Increase employer participation and investment in skills
- Align the skills offer to our growth and strategic sectors

[Council's priorities](#)

FINANCIAL IMPACT

The Work and Health Programme was awarded in March 2018 for a maximum expenditure of £13.4m. The contract value has since been increased to bring the JETS's programme in scope of the contract to the value of £16.8m. Further funding has been agreed by DWP to cover performance payments from August-October as a result of stronger performance than originally anticipated, this requires the variation of £820,000. In addition to this, DWP have provided a provisional figure of £2.364m for a JETS extension for a further 12 months.

Funding has been formally agreed by the DWP by £3,184,000 for the variation value and the extension value (£2,364k) provisionally agreed for the 12 months extension.

Included below is a summary of the costs or other financial issues arising from the recommendations and how these will be addressed within the budget strategy.

Details	Internal		Period of funding	External		Period of funding
	Capital	Revenue		Capital	Revenue	
Cost of original contract	0	0	Oct 18 – Nov 22		£16.845m	Oct 18 – Nov 22
Cost of variation	0	0	n/a		£820,000	Oct 18 – Nov 22
Cost of extension	0	0	n/a		£2.364m	Oct 21 – Oct 22
Aggregated value	0	0			£20.029m	Oct 18 – Nov 22

Original financial allocations were formally confirmed as the below by Department for Work and Pensions following DWP Grant Approvals Board August 2020.

	20/21	21/22	Total
South London Partnership	£1.348m	£2.117m	£3.465m.

The programme requires no spend from Council Budget and revenue funding is allocated to cost code C15326.

To date the WHP has spent £7,878,527 of DWP and ESF grant funded money. The JETS programme has spent £2,667,164 against a profiled spend at this stage of £1,626,279.

For Publication

FORWARD PLAN KEY DECISION REFERENCE NO.: 4021CSBR

This is a Key Decision as defined in the Council's Constitution. The decision may be implemented from 1300 hours on the expiry of 5 working days after it is made, unless the decision is referred to the Scrutiny & Overview Committee by the requisite number of Councillors.

The Leader of the Council has delegated to the Cabinet Member for Communities, Safety & Business Recovery in consultation with the Cabinet Member for Resources & Financial Governance the power to make the decisions set out in the recommendations below:

1. RECOMMENDATIONS

The Cabinet Member for Communities, Safety & Business Recovery in consultation with the Cabinet Member for Resources & Financial Governance is recommended to:

- 1.1 Agree, in accordance with Regulation 30.3 of the Council's Tenders & Contracts Regulations, to vary the contract between the London Borough of Croydon (as Co-Financing Organisation on behalf of the South London Partnership) and Reed in Partnership to include additional top up funds for services exceeded in light of Covid-19 at a value of £820,000 till October 2021.
- 1.2 Agree in accordance with Regulation 30.3 an extension for a further 1 year from October 2021 to September 2022 on behalf of the South London Partnership for the continuation of the JETS programme to a value of £2.364million at a maximum contract value of £20,029,000 (including the value of recommendation 1.1 above) to further the support currently provided.

2. EXECUTIVE SUMMARY

- 2.1. JETS programme was initially introduced in October 2020 as a response to Covid-19 and the unprecedented impact this had on unemployment and inequality. The effects of this are still being felt with research suggesting unemployment figures may rise again towards the end of 2021 due to the reduction of furlough support.
- 2.2. The demand for the programme has been greater than anticipated with programme starts currently at 112% against profile and job start figures at 209%.
- 2.3. This report is presented before the cabinet members to approve a £3,184,000 contract variation and extension to the South London Partnership (SLP) WHP contract held with Reed in Partnership to provide additional funding for JETS 20/21 and an extension for a further year beginning from October 2021.

For Publication

- 2.4. The SLP Work and Health Programme was awarded for £13.3million, jointly funded via DWP and ESF for 5 years from March 2018 to 2023. A contract modification to include for the addition of WHP JETS in September 2020, increased the value of the contract to £16.77 million. A further variation of £3,184,000 would increase the total contract value to £20.029 million.
- 2.5. The provision of the additional variation would see the total residents of SLP boroughs supported on the programme increase from 3520 to 6310.
- 2.6. The outcome of the decision will commit the Council to spending a total of £6.64million to date including the previous modification to enable Reed in Partnership to provide JETS provision. Any proportion of the budget that is spent on this provision will be paid to the council in the form of grant funding paid in advance by DWP. This will result in a nil effect on the Council's revenue budget.
- 2.7. The JETS programme will be delivered via the same Grant Funding mechanism as the core Work & Health Programme, which will form the basis of the formal agreement between DWP and each Local Growth Partnership for their responsibility towards the delivery of WHP JETs. These will be formally ratified through the existing Joint Governance Arrangements and a new Memorandum of Understanding will be entered into.
- 2.8. The contract variation will confirm that no payments will be made unless and until this new MoU is signed and the funding secured.

3. DETAIL

- 3.1. The South London Partnership (SLP) a sub-regional collaboration of five London boroughs: Croydon, Kingston, Merton, Richmond upon Thames and Sutton. Working together and with partners, building on many years of collaborative working. SLP adds value to what individual boroughs could achieve on their own, whilst seeking to build on the many strengths of South London as a place to live, work and thrive.
- 3.2. Croydon is the lead accountable body for DWP/ESF Work and Health Programme on behalf of the SLP and will be responsible for the management of the programmes.
- 3.3. The Covid-19 pandemic had a huge impact on businesses and employment within the South London Partnership region resulting in a significant rise in Universal Credit claimants. It was noted that these individuals would benefit from rapid intervention in order to support them back in the job market.
- 3.4. The SLP WHP JETS was introduced for a period of 1 year, to respond to the impact of the Covid-19 pandemic and complement the existing WHP programme with the same core objectives.

For Publication

- 3.5. The aim of the programme is to support people who have been unemployed and in receipt of benefits for at least 13 weeks, to find sustained work.

In broad principles, the SLP WHP JETS will:

- Provide a light touch provision that includes, but is not limited to, transferable skills analysis, CV writing, job search support, interview skills, self-efficacy and confidence building.
- Be delivered and managed separately from the core WHP programme (in order to ensure separation from ESF funding);

- 3.6. The contract modification to include DWP WHP JETS programme was approved by Cabinet on 21st September 2020 at a value of £3.47 million for a period of 12 months (maximum value of £16.85m) to deliver the JETS provision, (CCB ref: 1607/20-21), key decision reference was 2620CAB.

- 3.7. The contract has a number of performance KPI's including:

3520 - Programme starts.
1071 - Job Starts.
774 - Employment Outcomes.

- 3.8. The below figures show contract performance as of the 26th July 2021 for the entire SLP.

Programme Starts	3200
Starts profile	2922
Starts performance	110%
Job Entries	950
Job Entries Profile	447
Job Entries performance	212%
Job Outcomes	725
Job Outcomes profile	208
Job Outcomes Performance	348%

- 3.9. If referrals continue at the current rate the programme would reach its funding ceiling by mid – August 2021, meaning referrals would need to be stopped 2 months short of the contracted end period of October 2021.
- 3.10. DWP have been provided with performance forecasts and have agreed **in principle** to provide additional funds required to avoid the success of the WHP JETS programme resulting in a premature end, negatively impacting the SLP local economies.
- 3.11. The Department for Work & Pensions (DWP) provided funding for, the Job Entry Targeted Support (JETS) additional scheme, as part of the existing Work and Health Programme. The scheme is in response to the impact of the Covid-19 pandemic.

For Publication

- 3.12. The proposal presented before the cabinet members is to seek approval for a further variation of the contract with Reed in Partnership to increase the contract value and extend for a further one year for continuation to deliver WHP JETS to a maximum value of £20,029,000.
- 3.13. The proposed variation is a 18.9% increase of the original contract value and considered to fall within the PCR Regulation 72(1) (c):
- Contracts and framework agreements may be modified without a new procurement procedure in accordance with this Part:—
- 72 (1) (c) where all of the following conditions are fulfilled:—*
- (i) the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;*
 - (ii) the modification does not alter the overall nature of the contract;*
 - (iii) any increase in price does not exceed 50% of the value of the original contract or framework agreement.*
- 3.14. DWP have indicated (**though not confirmed**) a further top up of funding covering the period until October 2021 and a further one year extension of the JETS programme.
- 3.15. At the time of the previous JETS modification, it was not known when the Covid-19 restrictions would end and therefore how long the JETS scheme may need to continue. It is still not known exactly how much funding is to be provided by DWP for the top up and continuation of the service.
- 3.16. The service would not otherwise be provided without funding and any re-procurement is therefore dependent on DWP. Market intelligence indicates other consortiums nationally are not undertaking an additional procurement process other than one consortium – Local London Forward.
- 3.17. The Covid-19 pandemic is an external circumstance that still continues. The full extent of its impact on the jobs market and the level of support service required (covered by JETS) is still unknown. In particular, the impact of reduced support from the Furlough scheme starting in July with a planned end on 30th September 2021 is not known.
- 3.18. Following the consideration of legal advice, the Council would seek to rely on Regulation 72(1) (c) of the Public Contracts Regulations 2015 to recommend the option to vary the existing SLP WHP JETS contract.
- 3.19. Details regarding the contract options considered are set out in *Appendix 1* and discussed within points 6.9 and 13.

4. CONSULTATION

- 4.1 All South London Partnership (SLP) boroughs have been consulted in regards to a JETS variation for additional funding and an extension for a further year and have formally approved this approach during Growth Directors Meetings.
- 4.2 Each of the five South London boroughs nominated Lead Officers have been involved and contributed to this process throughout.
- 4.3 We are currently the only sub-region within the wider Work and Health Programme to request additional funding for JETS so no consultation has been completed with the other regions.
- 4.4 Wider Work and Health Programme sub regions (including Central London Forward and West London Alliance) have been consulted in regards to their plans for a JETS extension and one have confirmed their plans to vary the existing contract whilst West London Alliance completed a full procurement during the inception of the JETS in September 2020 as their programme is dual funded with DWP and ESF funding.

5 PRE-DECISION SCRUTINY

- 5.1 The council has responded at pace to accommodate the new funding set out in this report as an immediate response to the higher than anticipated performance of the programme. The process of receiving additional funding and extending the JETS provision has followed set procurement and contractual rules and as such has not been considered for scrutiny.

6 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

6.1 Revenue and Capital consequences of report recommendations

	Current year 2019/20 £'000	Medium Term Financial Strategy – 3 year forecast		
		2020/21 £'000	2021/22 £'000	2022/23 £'000
Revenue Budget available				
Expenditure	0	0	0	0
Income	0	0	0	0
Effect of decision from				
Expenditure	0	1,348	4,119	1,182
Income	0	(1,348)	(4,119)	(1,182)
Remaining	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

For Publication

Capital Budget available

Expenditure	0	0	0	0
Effect of decision from				
Expenditure	0	0	0	0
Remaining	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

6.2 The effect of the decision

The effect of the decision is that the Council will commit to spending an additional £820,000 on top of the £3.465million already allocated to JETS for 20/21 element of the contract. Whilst also committing to spending £2.364million as part of the extension of JETS on the basis of funding from DWP.

The additional £3.184million will be paid to the Council in the form of grant funding from the DWP. This will result in a nil effect on the Council's revenue budget.

6.3 Risks

- 6.4 There is a low risk of legal challenge given that the Council would seek to rely on Regulation 72(1) (c) of the Public Contracts Regulations, particularly given delivery of the service is dependent on funding from DWP. The risk of challenge is further lowered as the recommended variation does not exceed 50% of the original contract value.
- 6.5 The extension of the JETS programme would not impact performance of the core Work and Health programme in addition the spend to date related to WHP is lower than forecasted.
- 6.6 Any future risk to the Council associated with financial or procurement challenge would be minimised through the application of the existing MoU with other South London Partnership boroughs, which sets out the terms for shared financial and procurement risks, liabilities including claw back of any ESF funding. This will also be reviewed and, if needed, a variation to cover WHP/JETS specifically will be proposed (and the contract variation would confirm that no payments will be made unless and until this new MoU variation is signed)
- 6.7 In addition the following mitigation has been considered:
- The variation itself includes provisions to allow termination of WHP JETS if DWP withdraw funding.
 - There may be costs incurred which cannot be drawn down from DWP funding such as council legal costs. SLP have agreed to share these costs between the five members.
 - The variation itself will include provisions to allow termination of WHP JETS if either DWP withdraw funding or ESF seek claw back.

For Publication

- There will be a clear separation of the ESF funding which is already subject to audit as part of the ESF MoU.

6.8 Options

Further to the options considered in Appendix 1, the recommended option 5 is to vary and extend the current WHP contract. The benefits of this are:

- Reed in Partnership will be able to build on their existing model of delivery which is embedded and well established across the five SLP boroughs. This will be more efficient and cost effective than a new supplier developing new delivery models from scratch for what is seen as a short term programme.
- Only London and Manchester have been devolved funding from DWP to locally commission activity for the original WHP programme and the new strand is of national significance and leads the way for wider devolution of funding in the future.

6.9 Future savings/efficiencies

This extended provision of support will maximise employment opportunities for local residents and support the Council in delivering value for money in performance, delivery and cost.

1.2% of the additional funding for the JETS 20/21 programme could be allocated to cover costs in relation to legal or procurement expenses as staff costs were covered through the original funding.

As the expenditure will be covered from DWP grant funding, there are no saving opportunities, but the delivery of the programme will be at a net nil cost to the Council.

Approved by: Matthew Davis, Interim Director of Finance (Deputy S151)
Finance.

7 LEGAL CONSIDERATIONS

- 7.1 The Interim Head of Commercial & Property Law comments on behalf of the Interim Director of Law & Governance that the Leader of the Council has delegated to the Cabinet Member for Communities, Safety & Business Recovery in consultation with the Cabinet Member for Resources & Financial Governance the power to make the decisions set out in the recommendations pursuant to a variation to the Leader's Scheme of Delegation (reference 5521LR). The Legal considerations are as set out within this report, including reliance on Regulation 72(1)(c) of the Public Contracts Regulations 2015 to enable modification of the contract without requiring a new procurement (as set out at paragraph 3.13).

For Publication

Approved by: Nigel Channer, Interim Head of Commercial & Property Law on behalf of the Interim Director of Law & Governance.

8 HUMAN RESOURCES IMPACT

- 8.1 The original funding for JETS allocated 1.2% of total funding (£41,484) towards funding a Project Manager who is overseen by the Head of Service.
- 8.2 Agreement has again been given for local admin costs equating to 1.2% of the total funding (£28,368) to be allocated towards funding a Project Manager who is overseen by the Head of Service. The Project Manager will be a council employee on a fixed term contract.
- 8.3 There will be an HR impact in regards to this report, in terms of when the Project Manager's fixed term contract comes to an end. The post holder will be entitled to a redundancy payment and redeployment.
- 8.4 If any other issues arise these will be managed under the Council's policies and procedures.

Approved by: Jennifer Sankar, Head of HR Place & Housing for and on behalf of the Human Resources Department.

9. EQUALITIES IMPACT

- 9.1 An equality analysis was completed in August 2020 as part of the initial contract variation and was signed off by the Equalities Manager.
- 9.2 All protected characteristics have been adversely affected by COVID-19. This employment programme is an extra strand of work supporting the wider Work & Health Programme. The only criteria for this programme is that an individual must have been claiming benefits for 13 weeks and as such does not discriminate against any protected characteristic in particular.
- 9.3 The outcome is no major change, the Equality Analysis demonstrates that the policy is robust and that the evidence shows no potential for discrimination and that all opportunities to advance equality have been taken.

Approved by: Gavin Handford Director of Policy, Programmes & Performance.

10. ENVIRONMENTAL IMPACT

- 10.1 With the original contract, Reed in Partnership was required to create, submit and maintain a Sustainable Development implementation plan. The plan covers various areas such as minimising waste, energy efficiency, reducing transportation/travel and staff awareness training. That plan applies to this strand.

For Publication

11. CRIME AND DISORDER REDUCTION IMPACT

- 11.1 There are no adverse Crime and Disorder impacts arising from this report. The expected increase in number of residents becoming employed will have a positive impact across the boroughs potentially reducing crime and disorder within the borough.

12. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 12.1 The success of the JETS programme has highlighted the demand for the programme by continuing for a further year we would be able to support the London recovery mission of 'good work for all'.
- 12.1 The original funding for JETS was aimed at supporting 3,520 residents into employment. By increasing the funding the contract will be able to meet the larger than anticipated demand for employment support and increase the number of residents we are able to be supported to gain employment.

13. OPTIONS CONSIDERED AND REJECTED

- 13.1 Croydon council could turn down funding for both a top-up and an extension. This option was not considered due to the following:
- A negative effect on our relationship with SLP boroughs who are keen to receive the additional funding potentially effecting further collaborative work.
 - The lack of employment support could have a detrimental effect on unemployment figures and economic growth.
 - Refusing this funding could lead to not being considered for future devolved programmes.
 - Potential negative impact on the Council, the SLP reputation and capabilities.
- 13.2 Croydon council could undertake a new procurement just for the Borough. This option was not considered due to the following:
- Breaking away from the SLP could lead to a breakdown of relationship, effecting future collaborative work.
 - Separately procuring WHP JETS may risk funding availability with DWP potentially rejecting this approach.
 - Legal costs may be incurred due to breaking away from the SLP.
 - Any delays in the procurement process would impact the performance of what is viewed as a short-term contract.
- 13.3 Croydon Council could undertake a new procurement with SLP. This option was not considered due to the following:
- The resources required to run a full OJEU procurement are considerable and would take at least 5-6 months to complete. A new contract for the JETS work stream would need to be in mobilisation status by October 2021.

For Publication

- SLP members have suggested they are happy to continue JETS as it is, undertaking a new procurement process may require lengthy negotiations with the other boroughs, increasing the likelihood of procurement running over the required timelines.
- 13.4 Undertake a new joint procurement with another Borough. This option was not considered due to the following:
- Currently all London boroughs are within their own Sub regional partnerships, resulting in members already established, limiting Croydon's option to join new arrangements.
- 13.5 Tender the Opportunity for JETS via open competitive / procurement procedure.
- Confirmation of funds not yet received from DWP, unable to confirm tender / contract value impacting on endorsement of a procurement strategy.
 - SLP members need to agree with this route. Requirement to formalise all contractual agreement to suit a new contract highlight risk for the provision to be in place by October 2021.

14. DATA PROTECTION IMPLICATIONS

14.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

YES - Any data shared between Reed in Partnership, the Council and SLP is anonymised and therefore does not include any personal data.

This is a contract variation and the contractor processes personal data. There is existing detailed governance and approved protocols around GDPR.

Reed in Partnership have confirmed the same protocols will apply.

14.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

NO

Information management team have confirmed no DPIA is required.

Approved by: Louise Edwards, Acting Information Manager, Legal Services.

CONTACT OFFICER:

Gurvinder Doal, JETS Project Manager
07736 286 174

APPENDICES TO THIS REPORT

Appendix 1 Options Table
Appendix 2 Equality impact assessment

BACKGROUND PAPERS

None