

REQUEST FOR DIRECTOR DECISION – DD1206

Title: LLDC grant assistance to LB Newham for Employment & Skills relating to the Stadium

Executive Summary:

The London Legacy Development Corporation (“Legacy Corporation” or “LLDC”) seeks Mayoral consent to the LLDC’s decision to provide grant assistance of £210,000 to the London Borough of Newham for a training/brokerage resource over the period 2014/15 to early 2016/17. Approval is required under Section 213 of the Localism Act 2011 and Paragraph 3.2 of the LLDC Governance Direction 2013, because the grant value exceeds the Legacy Corporation’s delegation level for giving financial assistance by grant as approved under DD854.

Decision:

To give consent to the LLDC’s decision to provide a grant of £210,000 to the London Borough of Newham related to Employment & Skills services for the Stadium works, for the purposes of section 213 of the Localism Act 2011

AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor’s plans and priorities.

It has my approval.

Name: David Lunts

Position: Executive Director Housing and Land

Signature:

Date: 7 May 2014

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 Section 213 of the Localism Act 2011 requires that the Mayor consents to the giving of financial assistance by LLDC. The General Grant Consent 2012 approved by DD854 gives a general consent for the LLDC to give financial assistance by way of grant under certain defined circumstances, and up to a threshold of £100,000. The value of the grant proposed in this decision exceeds this threshold. The LLDC Governance Direction 2013, approved under MD1227, states at Paragraph 3.2 that Mayoral consent must be obtained under the Direction to any LLDC decision to provide financial assistance by way of grant that does not fall within the scope of General Grant Consent.
- 1.2 One of the core purposes of the Legacy Corporation is that its programmes will deliver, “social [and] economic regeneration in the Olympic Park and the surrounding area”, making a contribution to Convergence by delivering elements of the Mayor of London’s manifesto pledge to ensure a “true Olympic legacy” and create 10,000 new jobs through the Park’s development.
- 1.3 A key objective for the LLDC and the London Borough of Newham (LBN) investing in the Stadium legacy is to ensure that it supports the economic, physical and social regeneration of the surrounding area. This project will contribute to those aims and objectives and the regeneration of the Park and surrounding area by:
- Improving employability of local residents
 - Reducing worklessness and increasing income levels in the Host Boroughs
 - Improving the competitiveness of SMEs in the Host Boroughs
- 1.4 The requested funding represents a long-term investment in the skills development of Newham residents, providing a skilled workforce that contractors will be able to call upon. Investing now in construction job and apprenticeship opportunities will enable those accessing opportunities during the Stadium’s Transformation to improve their chances of sustained employment and develop careers in construction.
- 1.5 As part of the Stadium Transformation works, the Legacy Corporation is keen to build on the job and apprenticeship performance that was delivered on site over the last 18 months or so. Fundamental to that approach has been a commitment by the LLDC to source demand-side information relating to contractors’ workforce requirements, and for it to work with, and coordinate supply-side agencies to respond to that demand, including through the provision of grant funding to the Growth Borough brokerages to a) support brokerage services to source/match job-ready candidates and b) to fund demand-led training in areas of identified skill shortages.
- 1.6 As the Stadium development is a particular arrangement that involves the LBN having rights of first refusal on job/apprenticeship opportunities, LLDC are proposing to fund a training/brokerage resource that is specific to the Stadium over the period 2014/15, 2015/16 and the first part of 2016/17, just before handover to West Ham United FC, the Stadium’s long-term tenants. As part of the Members Agreement of the LLDC/LB Newham Special Purpose Vehicle [E20 Stadium Partnership LLP], there is a commitment to use the LB Newham employment programmes to achieve the 75% target of employees sourced from Newham.
- 1.7 The funding will provide a dedicated Stadium Employment and Skills Manager (ESM) for the entire duration of the Stadium’s Transformation phase. The ESM will engage with contractors directly, sourcing vacancies and promoting candidates as well as coordinating the development and delivery

of demand-led training programmes. The ESM is also responsible for monthly monitoring and reporting of workforce data. In addition, a proportion of the funding will be used to commission and deliver demand-led training for local residents.

- 1.8 Delivery will be channelled through Newham Workplace so as to build on, and add value, to existing, tried and tested delivery models. In using this grant, LBN will only use the funding to:
- provide capacity to meet the Stadium contractors' workforce requirements,
 - set up and manage a quality monitoring system to check the right Beneficiaries are being put forward
 - screen beneficiaries to verify their right to work and job readiness, to complete security checks, and ensure that any required licenses are held,
 - refer suitable beneficiaries to the Stadium contractors
 - co-ordinate a training programme and quality assurance framework

- 1.9 The proposed funding breakdown is as follows:

Activity	2014/15	2015/16	Total
Dedicated Stadium ESM	£70,000	£70,000	£140,000
Training for residents	£35,000	£35,000	£70,000
Total funding	£105,000	£105,000	£210,000

2. Objectives and expected outcomes

- 2.1 Through this funding, the Stadium employment and skills partnership involving the LLDC and LBN Workplace will deliver training and brokerage support to Newham residents that will support the delivery of the following employment and skills targets for the Stadium Transformation:

Priority Area	Target	Project workforce numbers based on 400 peak operatives
% of Workforce from Host Borough	40%	140
% BAME workforce	40%	140
% previously unemployed	23%	60
% disabled workforce	5%	20
% women workforce	8%	32
% apprentice workforce	9%	36

In addition, approximately 400 Newham residents will be supported through skills development/training programmes linked to the demand identified by contractors on site.

3. Other considerations

a) Key Risks & Issues

The project is relatively low risk as LBN has good experience of delivering similar projects. The training payment is in arrears upon demonstration of training having been delivered, and is matched 50-50 by LBN. The approach is building on established delivery models that proved successful during Transformation, putting employer-demand at the centre of the commissioning model and then, through the ESM, proactively working to place candidates into identified vacancies. This has been shown to minimise non-delivery of targets and outcomes.

LLDC have identified a number of risks, for which mitigation factors are already in place. The delivery of this grant will ensure that the delivery of employment and skills commitments made in transformation, will be met by this project by identifying job opportunities and training needs. The commitment to embed employment and skills requirements will be embedded within the procurement process. The project will be centrally co-ordinated to ensure employer engagement. The dedicated Employment & Skills programme will ensure that trained candidates are converted into Stadium employment roles; this will be achieved through having dedicated staff, an on-site training facility, by teaching employment skills to ensure job readiness and a centrally maintained pool of trained candidates. There are also risks of underperformance in under-represented groups, particularly disabled people. The project will work with contractors to create specific opportunities and run disability awareness programmes.

b) Links to Mayoral strategies and priorities

The Mayor's London Plan states that: "The Mayor will work with partners to develop and implement a viable and sustainable legacy for the Olympic and Paralympic Games to deliver fundamental economic, social and environmental change within East London, and to close the deprivation gaps between the Olympic host boroughs and the rest of London. This will be London's single most important regeneration project for the next 25 years."

This project will contribute to Convergence by helping to raise median earnings, the achievement of higher skills qualifications and increase the employment rate.

c) Impact assessments and consultations

LLDC have consulted and worked closely with LB Newham and Balfour Beatty on the development of the programme. The programme and funding arrangements have also been shared with other Growth Boroughs by way of the Construction Operations Group.

Internally, the project is the key vehicle by which commitments set out in the Stadium Members' Agreement and the Stadium Full Business Case will be delivered. The Full Business Case has been through LLDC approval processes.

The project will promote equality and inclusion by enabling local people, including those from diverse backgrounds and equalities groups, to gain employment, skills, and business opportunities. It will directly help business partners work towards achieving the LLDC's Equalities & Inclusion policy objective 2: maximise the positive opportunities the legacy development creates for the diverse communities of east London.

There are no further impacts, or requirements for consultation, arising from this specific decision.

4. Financial comments

LLDC will be providing a revenue grant to London Borough of Newham of £105,000 in 2014-15 and £105,000 in 2015-16. It has provision for these amounts within its revenue budget which takes into account the revenue grant funding it receives from the GLA. There are no direct implications for the GLA arising from this decision.

5. Legal comments

No particular legal implications arise from the proposal. The Executive Director of Housing and Land, or any member of staff specified in Annex 2 to the Mayoral Scheme of Delegation is

authorised (under MD1166) to discharge and exercise the Mayoral functions under the LLDC Governance Direction 2013 and Localism Act 2011.

6. Planned delivery approach and next steps

Activity	Timeline
Balfour Beatty start on site	Jan 2014
Stadium Employment and Skills Plan delivered	Mar 2014
Stadium employment and skills manager on-site	Apr 2014
Stadium-specific training interventions commence	Apr 2014
Delivery of on-site contractor-led training facility	May 2014
End of phase 1 construction works	June 2015
Final cohort of training beneficiaries commences	Dec 2015
Handover of venue	May 2016

Appendices and supporting papers:

- None

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Note: This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Katherine Talbot has drafted this report in accordance with GLA procedures and confirms that:

✓

Head of Service:

Fiona Duncan has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

Date