

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2522

### Title: Changes to the Mayor's apprenticeship programme

#### Executive Summary:

The Mayor's apprenticeship programme (the "programme") is a £1.235m programme to support projects that will contribute to the delivery of the Mayor's Skills for Londoners Strategy by creating new, high quality apprenticeships in London through better use of apprenticeship funding for both apprenticeship levy-paying and non-levy paying businesses. The programme has three funding strands:

- feasibility research to support effective targeting of business engagement;
- the GLA's contribution to the London Progression Collaboration to increase the use of apprenticeship funding in key sectors; and
- two upcoming commissioned projects (from now referred to in brief as 'Apprenticeships for Londoners') to increase use of apprenticeship funding in key sectors.

This decision has arisen following a review of costings for the Programme, which were formally approved through MD2356. The changes do not affect other aspects of the programme or have an impact on the GLA's contributions to the apprenticeship levy or the apprenticeship levy rules.

Following approval of the proposed changes, the prospectus eliciting bids for Apprenticeships for Londoners will be published.

#### Decision:

That the Mayor approves the following changes to the previously approved programme:

1. changes to the Apprenticeship for Londoners programme targets;
2. an extension of the delivery timeline for Apprenticeships for Londoners projects by one year to complete in December 2022; and
3. adjustments to the overall programme budget from £1.265m to £1.235m as a result of the above changes (as per section 2.5).

#### Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

28/10/19

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR**

### **1. Introduction and background**

- 1.1 The Mayor's apprenticeship programme (the "programme") is a £1.235m programme to support projects that will contribute to the delivery of the Mayor's Skills for Londoners Strategy to create new, high quality apprenticeships in London through better use of apprenticeship funding for both levy and non-levy paying businesses.
- 1.2 The programme has three strands:
- Feasibility research to support effective targeting of business engagement which has been completed.
  - The GLA's contribution to the London Progression Collaboration – a joint project with the Institute for Public Policy Research (IPPR) – which is focusing on creating sustained apprenticeships in the retail, construction and hospitality sectors. This strand has now commenced with an envisaged end date of September 2021.
  - Two commissioned projects under the banner of 'Apprenticeships for Londoners' with the aim of supporting employers to utilise apprenticeship funding (levy and non-levy paying) in key sectors, due to commence in January 2020 and conclude in December 2021. Approval is sought for this to be extended by one year to December 2022.

#### Previous decision

- 1.3 This report follows MD2356 which authorised expenditure of £1.265m relating to:
- contract management (£82k);
  - research (£60k);
  - London Progression Collaboration (£383k); and
  - commissioned projects (£740k).
- 1.4 Whilst the overall aims and objectives of the programme remain unchanged, this MD sets out proposed changes to the programme including payment terms and targets to adequately incentivise providers to deliver the apprenticeship starts and sustained starts that the programme aims to achieve.
- 1.5 The need to extend the dates for the Apprenticeships for Londoners projects was presented corporately to the Chief Officer and Chief of Staff as part of the 2020/21 budget setting process and the Q2 finance reporting.

### **2 Objectives and expected outcomes**

#### Revisions to the Apprenticeships for Londoners commissioned projects

- 2.1 MD2356 included an overall unit cost for each apprenticeship of £1,100. This MD proposes that the £1,100 payment cost is split between starts (£800) and sustained apprenticeships (£400) (assuming 75% of starts are sustained for 52 weeks). The latter is an incentive to encourage better outcomes for Londoners. As a result of this and changes in the budget envelope outlined below, it is now anticipated that the programme will provide for 715 apprenticeship starts.
- 2.2 The changes to the outcomes and payment approach for the Apprenticeships for Londoners commissioned projects are set out in the following table and explained below in more detail.

Item	Previous MD	Proposed
Number of Apprenticeship starts	747	715
Number of apprenticeships sustained for 52 weeks (75% of starts)	560	536
Value of contract paid up front to support set up costs	30%	Up to 20%
Unit payment for apprenticeship start	£1,100	£800
Unit payment for sustained apprenticeship	£0	£400 (applies to 75% starts only)

- 2.3 The length of the commissioned projects is proposed to be increased from two years to three years to ensure reasonable time is provided to deliver the target volume of apprenticeship starts and achievement of 52-week sustained apprenticeships by programme end. Successful projects will start to recruit apprentices in January 2020 but recruitment is expected to take place over time, with the last sustained apprenticeships completing in February 2023. Budget implications are noted in the section below.
- 2.4 MD2356 stated an upfront project set up fee of 30%. On the advice of the Skills for Londoners Apprenticeships Advisory Group, this has been reduced to a realistic maximum 20%, based on previous experience of delivery with the upfront fee to be recouped against payment for apprenticeship starts in year 1.

#### Changes to the programme budget

- 2.5 A detailed review of the programme has been undertaken by the GLA Skills and Employment delivery and policy teams. Taking into account the findings of the review and the revision of costs, such as staffing, proposed adjustments to the programme budget are set out in the table below:

Budget (£000s)	Previous MD	Proposed
Apprenticeship for Londoners Staffing (Contract Management)	82	91
Evaluation (Contract Management)	0	56
Research	60	0
London Progression Collaboration	383	302
Apprenticeships for Londoners Projects	740	786
Total Expenditure	1,265	1,235

- 2.6 The above budget changes are summarised as follows:
- £30k budget, following delays in recruitment, was lost in carry forward between 2018/19 and 2019/20 in accordance with GLA financial management rules: the "Closing of Accounts Guidance 2018-19". Specifically, clause 12 stipulates that [the] carry forward of GLA funded budget underspends below £50,000 will not normally be considered and any related slippage will need to be managed within the Directorate's 2019/20 budget allocation. Consequently, the £30k was reallocated to the wider budget and will be used for other purposes.
  - The Apprenticeships for Londoners staffing budget line has been increased slightly to take account of additional staffing costs required to manage the extended programme. However, the impact to budget has been mitigated by reducing staffing from a full time Senior Project Officer to a 0.5 full time equivalent Senior Project Officer (no change in grade) which is considered adequate to contract manage the projects.
  - Headroom in the budget has been identified to provide for evaluation of the programme in 2023. The evaluation will inform further GLA work on apprenticeships to increase utilisation of apprenticeship funding to support London employers and residents.

- The London Progression Collaboration budget has been reduced due to a reduction in expected funding from the JP Morgan Foundation, which is part funding the project (related to an unfavourable change in the US:GBP exchange rate) and an increase in costs following the introduction of a new internal GLA charge on job creation (£6k per post per annum).

### 3 Equality considerations

- 3.1 GLA officers commissioned GLA Economics to undertake a review of apprenticeship participation amongst Londoners with protected characteristics, in line with the Public Sector Equality Duty. Reliable data was identified for age, disability, race and sex and the findings of this review have informed the design of this apprenticeship programme.
- 3.2 The review from GLA Economics highlighted that specific groups of Londoners are under-represented groups in apprenticeship take-up in certain sectors, including construction and digital. Therefore, the projects will have diversity targets specifically to address this including 50% female starts, 42% Black and Minority Ethnic group ("BAME") starts and 10% disabled starts. GLA officers are also working jointly with the Education and Skills Funding Agency to engage apprenticeship providers in London that have trained the highest number of BAME apprentices. This will enable us to understand how the work in this programme can learn from approaches taken to remove barriers faced by BAME Londoners, encourage BAME Londoners to participate in apprenticeships, and foster good relations between BAME Londoners and others with protected characteristics and those without protected characteristics.

### 4 Other considerations

- 4.1 There are no conflicts of interest to note for any of those involved in the drafting or clearance of the decision.

#### *Risk management issues:*

- 4.2 There is a risk that the programme experiences slippage and that this impacts on the aims and outcomes of the programme. Additional staff resource has been allocated from the programme team to mitigate risk. The staff resource has supported recruitment of a dedicated Senior Project Officer to oversee the Apprenticeship for Londoners programme, finalisation of the prospectus and selection of the final projects, and on finalising the governance structures for the overall programme.

#### *Links to Mayoral strategies and priorities:*

- 4.3 This apprenticeship programme will interact with and be complemented by ongoing work elsewhere in the GLA, including the expansion of the London Enterprise Adviser Network, the GLA's coordination of apprenticeship ambassador activities in London, the Mayor's Good Work Standard, the Skills and Employment Knowledge Hub, and the London Growth Hub.

### 5. Financial comments

- 5.1 MD2356 approved a budget provision of £1.265m to deliver the apprenticeships programme over four financial-years from 2018-19 to 2021-22, with the phasing of the earmarked budget being as follows:

18-19 (£000)	19-20 (£000)	20-21 (£000)	21-22 (£000)	<b>Total (£000)</b>
269	448	437	111	<b>1,265</b>

5.2 As detailed within this report, the programme is now being revised, specifically to take into consideration the change in output targets, an extension of the delivery timeline by one year to complete the programme in December 2022 and the subsequent re-profiling of the budget (including the reduction of the total programme budget to £1.235m). The revised budget and profiling for the programme is summarised below:

	Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Total
	£000	£000	£000	£000	£000	£000
Contract management	0	16	35	35	61	147
London Progression Collaboration	17	73	135	76	0	301
Commissioned pilots	0	177	173	349	89	788
<b>ANNUAL TOTALS</b>	<b>17</b>	<b>265</b>	<b>343</b>	<b>460</b>	<b>150</b>	<b>1,235</b>
<b>Funding</b>						
Apprenticeship budget	17	115	158	460	150	900
DEE Minor Programmes Budget	0	150	185	0	0	335
<b>Total Funding</b>	<b>17</b>	<b>265</b>	<b>343</b>	<b>460</b>	<b>150</b>	<b>1,235</b>

5.3 There is no change in the funding sources for the programme as previously approved by MD2356. £900,000 (including the £17,000 already incurred in 2018-19) is being funded from the core Apprenticeships budget held within the Skills & Employment Unit, with the balance of £335,000 being sourced from the Development, Enterprise & Environment (DEE) Minor Programmes budget.

## 6. Legal comments

6.1 Section 1-4 of this report indicate that the decisions requested of the Mayor concern the exercise of the GLA's general powers, falling within the GLA's statutory powers to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of economic development and wealth creation, social development or the promotion of the improvement of the environment in Greater London; and in formulating the proposals of which a decision is sought officers have complied with the GLA's related statutory duties to:

- pay due regard to the principle that there should be equality of opportunity for all people;
- consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
- consult with appropriate bodies.

6.2 In taking the decisions requested, as noted in section 3 above, the Mayor must have due regard to the Public Sector Equality Duty under section 149 of the Equality Act 2010, namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. To this end, the Mayor should have particular regard to section 3 (above) of this report.

6.3 Expenditure to be incurred on:

- 6.3.1 The procurement of works, services or supplies: officers must ensure that the works, services or supplies are procured in accordance with the GLA's Contracts and Funding Code and that

appropriate contract documentation is put in place and executed by the proposed providers and the GLA before the commencement of any works, services or supplies;

6.3.2 Any award of grant funding: officers must ensure that the proposed funding is disbursed in a fair and transparent manner in accordance with the GLA's Contracts and Funding Code and a funding agreement is put in place between and executed by the GLA and proposed recipients before any commitment to the provide funding is made; and

6.3.3 Staffing costs officers: must ensure that they comply with all GLA HR policies and protocols (including HoPS approvals if applicable) in this regard.

6.4 Given that the programme proposed extends beyond the current mayoral term officers must also observe the principle that an incumbent administration should not unreasonably fetter the discretion of any future administration, ensuring that all of the necessary documentation contains provisions enabling the GLA to terminate at any point for convenience and any project milestones, outputs and claims and payments are structured so as to minimise the impact of the exercise of such termination rights.

## 7. Planned delivery approach and next steps

7.1. The original programme spanned four financial years, from 2018-19 to 2021-22 (see paragraph 5.1 of the original MD for reference). The expected revised timeline following approval of this MD is as follows:

<b>Activity</b>	<b>Timeline</b>
Delivery of feasibility stage of London Progression Collaboration begins	September 2018
Procurement of Apprenticeship for Londoners programmes	October - December 2019
Delivery of Apprenticeship for Londoners begins	January 2020
LPC Evaluation start and finish (external)	August - December 2021
LPC Delivery End Date	September 2021
Apprenticeship for Londoners Delivery End Date	December 2022
Evaluation of Apprenticeship for Londoners capturing entire programme	January 2023
Project Closure	February 2023

## Appendices and supporting papers:

MD2356

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) 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 it has been approved or on the defer date.

**Part 1 – Deferral**

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

Until what date: (a date is required if deferring)

**Part 2 – Sensitive information**

Only the facts or advice that would be exempt from disclosure under FoIA should be included 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:**

Manuel Casertano has drafted this report in accordance with GLA procedures and confirms the following:

✓

**Sponsoring Director:**

Debbie Jackson has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

**Mayoral Adviser:**

Jules Pipe has been consulted about the proposal and agrees the recommendations.

✓

**Advice:**

The Finance and Legal teams have commented on this proposal.

✓

**Corporate Investment Board**

This decision was agreed by the Corporate Investment Board on 28 October 2019.

**EXECUTIVE DIRECTOR, RESOURCES:**

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

Signature

Date

28.10.19

TOM MIDDLETON ON BEHALF OF MARTIN CLARKE

**CHIEF OF STAFF:**

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

Date

28/10/2019.

