

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2536

Title: ERDF Funding Agreement for Better Futures three-year extension

Executive Summary:

The Environment Team has been granted a three-year extension of the Better Futures project, which commenced in February 2017. The European Regional Development Fund has approved a total of £4,260,430 for Better Futures to continue until December 2022. The project, led by the GLA, is a partnership of leading cleantech organisations from the public and private sectors in London, which requires 50% match funding. The extension means that the GLA will manage additional expenditure of £2,613,386. The GLA will provide £415,596 match funding over the six years (mainly as staff time) with the remaining match funding being provided by project partners, including £63,122 from Old Oak and Park Royal Development Corporation.

Under MD2077, the project has already delivered advice and support to over 100 Greater London Small and Medium Enterprises (SMEs) that have developed low carbon, circular economy and clean technologies. The project helps SMEs to test and verify their cleantech products and services, grow their businesses and bring their products to market. As a result of the additional funding, that will increase to 200 such SMEs.

Other project outcomes to be delivered by December 2022 include 50 SMEs working with research institutions on product or service development; 55 enterprises to design, develop and introduce new products to the firm; and trial up to 20 new innovations.

Decisions:

That the Mayor:

- 1) approves the three-year extension of the Better Futures project to now end in December 2022
- 2) approves additional expenditure of £2,613,386, taking the new total up to £4,260,430 to deliver the Better Futures Project from financial years 2016/17 to 2022/23
- 3) approves receipt of £2,130,215 from the European Regional Development Fund (ERDF), representing 50% of the costs, and £1,714,619 from project delivery partners
- 4) delegates authority to the Executive Director of Development, Enterprise and Environment, to agree and execute changes to the delivery of the Better Futures Project within the above budget envelope
- 5) approves the continued expenditure for two existing roles; 1) 0.5 FTE project compliance officer 2) 1 FTE Project Manager. Both roles will be funded by ERDF funding at grades 7 and grade 8 respectively for the additional three years.

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:

2/12/19

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

Decision required – supporting report

1. Introduction and background

- 1.1 The Better Futures (BF) project was originally approved as a three-year project with a total project budget of £1,067,044 under MD2077. Following a recent funding call, we have been given approval by the European Programme Management Unit to extend the project for three more years to 2022 and increase our total project budget to £4,260,430.
- 1.2 MD2077 in April 2017 approved the delivery, budgets, outputs, outcomes, resources and labour for the BF project for three years. This MD incorporates the extended delivery period and related increases in budget, outputs, outcomes, resources and labour, to ensure the project continues to achieve the original objectives and mayoral priorities, as set out in that MD.

ERDF background

- 1.3 The GLA Environment team have applied for and been offered a further 3 years of European Regional Development Funding (ERDF) to extend the delivery of the BF project, which supports the delivery of mayoral programmes and priorities including:
 - the Mayor’s Economic Development Strategy
 - the Mayor’s draft London Plan
 - the Mayor’s London Environment Strategy.
- 1.4 ERDF is used to tackle regional disparities across Europe. The ERDF supports regional development through actions such as business innovation, support and regeneration.
- 1.5 The vision for the London ERDF Operational Programme is to: “promote sustainable, environmentally efficient growth, capitalising on London’s innovation and knowledge resources with a focus on promoting social inclusion through extending economic opportunities to communities, in areas where this is most needed”.
- 1.6 The BF project is in line with, “Priority Axis 4: Supporting the Shift Towards a Low Carbon and Circular Economy in All Sectors”.
- 1.7 Since the EU referendum, central Government has guaranteed ERDF funding for the remainder of the current funding programme in 2023: <https://www.gov.uk/government/publications/the-governments-guarantee-for-eu-funded-programmes-if-theres-no-brexite-deal/the-governments-guarantee-for-eu-funded-programmes-if-theres-no-brexite-deal>

GLA bid proposal - Better Futures

- 1.8 In 2017/18 the London low-carbon and environmental sector was worth £39.7bn in sales and had 13,900 companies employing 246,073 people. The annual growth rate for the sector in 2017/18 was 10%.¹
- 1.9 The most significant impediment to the development of the low-carbon sector in London occurs when young, innovative low-carbon enterprises try to grow (Green Means Business, London Sustainable Development Commission, 2014

¹ London’s Low Carbon Market Snapshot 2019

https://www.london.gov.uk/sites/default/files/london_low_carbon_market_snapshot_-_2019.pdf

http://www.londonsdc.org/documents/LSDC_GreenMeansBusiness.pdf). At the outset of this project, failure in the low-carbon innovation pipeline meant that London's growth rate in the sector was 6% compared to a global growth rate of 11%. Ref: <https://newclimateconomy.report/TheNewClimateEconomyReport.pdf> London's growth rate in this sector has increased to just over 10% since then, but that is still behind the global rate.

- 1.10 This reflects the raft of legislation, policy and environmental targets set by the GLA and national government as well as the drive to decarbonise the global economy. These targets are often not attached to distinct pathways and technologies, which leaves a great deal of flexibility and scope for entrepreneurs to develop new products, services and ideas which can be used to meet them.

Delivery partners and model

- 1.11 Better Futures is an extension of an existing project which provides tailored innovation support (and access to managed co-working space) to improve the success rate and speed of low-carbon enterprises seeking to achieve innovation-led growth. It will build on the success and momentum of the existing project, responding to continued market failures (negative externalities, imperfect information and innovation coordination problems) and strong levels of demand from the business community.
- 1.12 The GLA is the lead delivery partner for this project, supported by a team of public and private sector delivery partners who have specific roles (listed below) on the BF project and all of whom bring match-funding to the BF project.
- 1.13 Existing delivery partners remain in place for the three-year extension as they are delivering effectively and providing match funding. One additional delivery partner has been brought on to the project: West London Business, who will enable the BF project to make deeper connections in west London business communities and drive engagement and leads from their network.
- 1.14 Having delivered the project for the first 2.5 years and undertaken an interim evaluation to critically assess the model and outcomes, the project team have learned through this evaluation and continued improvement process that the BF model is effective in its role to support cleantech SMEs in London to grow, that the objectives of the project are being met, and that the project should be continued. The evaluation showed that we have supported participating SMEs to employ more staff, increase their turnover, make contact with new collaborators and win funding or investment bids. The impact of the project to date includes:
- 22% of SMEs have increased their staff
 - 26% have received additional investment following support
 - 18% have successfully won grant funding bids
 - 17% have been accepted onto other accelerator/growth programmes to develop their business further
 - 25 new cleantech products have been developed and are now market ready.
- 1.15 There is still a clear need to support London's cleantech SMEs to develop the products and services that will help to meet low carbon and circular economy Mayoral priorities.
- 1.16 The project will be delivered in a consistent way with the current BF project, which is tested and has delivered positive outcomes for businesses and London's Cleantech ecosystem. There are some minor enhancements, such as proposed access to Imperial College's hackspace, paid internships and meet the market events which have been developed from the learnings from the delivery of the existing project. The project will continue to provide support to cleantech start-ups until a Centre for Cleantech Innovation (CCI), with funding from the Mayor, in west London is fully-functioning. The CCI will provide a hub and development space for early-stage cleantech SMEs, such as those supported by

BF. BF will continue to complement the CCI's role in supporting and growing the London cleantech ecosystem.

1.17 The project has six main delivery components:

- SME engagement and promotion through partner networks and high-profile marketing and engagement events
- SME business support including business plan review/feedback and support for: funding strategy, investment readiness, grant targeting and review. More broadly support will include: diagnostics, signposting and brokering relationships with relevant networks, agencies and complementary cleantech programmes
- Innovation support - a flexible package of innovation support focusing on technology readiness levels (TRL) 4-6, including: access to workspace (some co-located), access to hackspace, 1-2-1 support from Innovation advisors, funded internships, peer-to-peer workshops, a 3rd party consultancy fund and access to innovation finance and research collaboration support
- Product development, including through research collaborations to support product development
- Scaling products - specialised support to scale products which are market proven but need design for manufacturing, sales support and /or further investment
- Access to market – access to market events and opportunities.

1.18 The project will take place at a number of locations across London, dependent on the delivery component and nature of support provided. Engagement with target SMEs will be city wide, whereas the main direct support activities will be location-specific, linked either to a delivery partner or contractor. This includes on-site activity at Imperial College and Sustainable Workspaces.

1.19 The project will continue to target and benefit eligible cleantech SMEs from across the capital, who are seeking to innovate, grow and create jobs, bring new low carbon solutions to market and make a contribution towards helping to reduce London's greenhouse gas emissions.

1.20 The project will be a seamless continuation of the existing Better Futures project which was due to come to an end on 31st December 2019. It will now complete on 31st December 2022.

1.21 Output breakdown:

Output definition	Previous target (number of SMEs supported)	Revised target (number of SMEs supported)
C1 = Enterprises receiving support (12 hours)	50	150
C5 = A subset of C1, specifically for SMEs less than 12 months old.	5	40
C26 = Enterprises cooperating with research entities	20	50
C29 = Enterprises supported to develop new to the firm products (developed through our support)	25	55

1.22 Delivery partner roles:

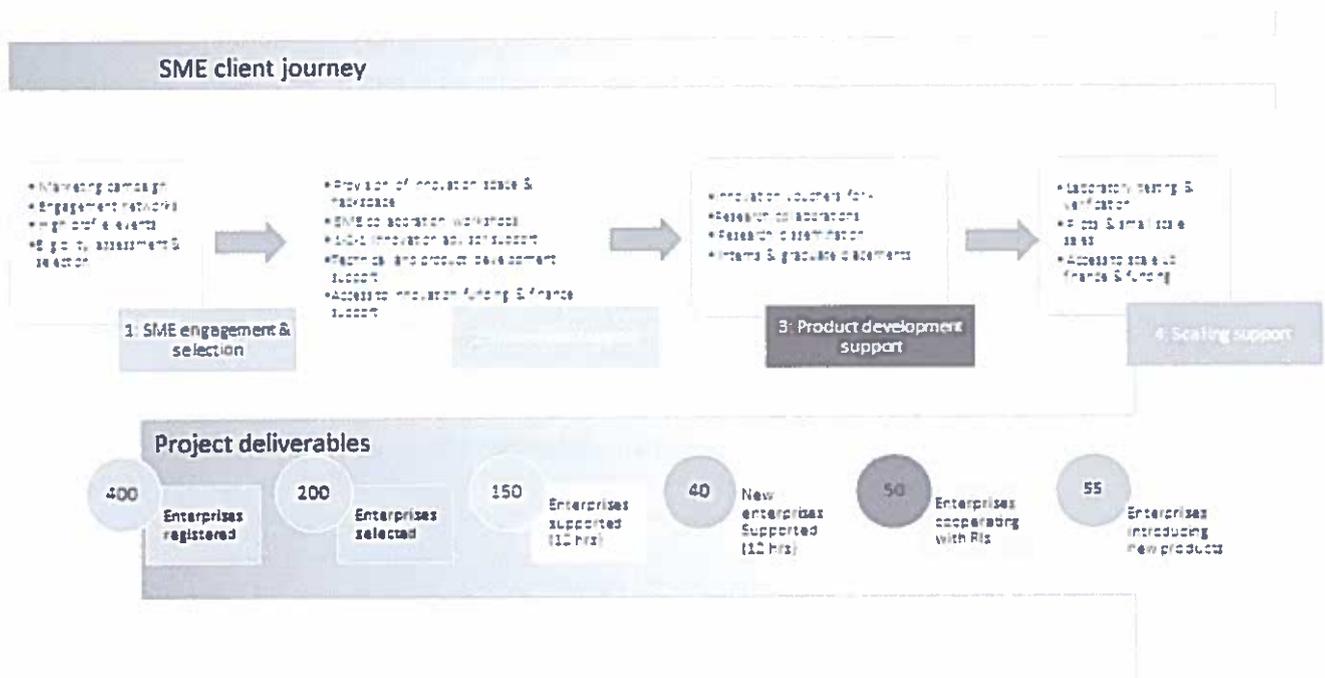
Delivery partner	Role in delivery
Greater London Authority (GLA)	Lead delivery partner. Led by a Senior Project Officer and ERDF Compliance Project Officer, the GLA will undertake to provide management of the overall budget, reporting to EPMU and the GLA, project governance and compliance, project communications and marketing, and overall management.
Sustainable Workspaces (SW) – previously named Sustainable Bridges, a formal name change took place in 2018	<p>Lead partner for delivering the 1-2-1 business support and workshops. ERDF requires that we support each company for 12 hours to achieve our 'C1 and C5 enterprises receiving support' output. This will be a mixture of 1-2-1 support from the team of Innovation Advisers (a team of advisers with varying specialities including science, marketing, crowdfunding, market segmentation and more), and workshops that offer developmental skills, e.g. HR practices, creating pitch videos, understanding R&D tax credits.</p> <p>SW and its sister companies (set out below) also lead delivery of the 'C29 enterprises supported to introduce new to the firm product' output – helping companies develop new products or process that may or may not be launched commercially. This entitles the SME to up to 10 hours more support to enable this to happen.</p>
Agile Impressions (AI)	Sister company of SW – AI employs two of the Innovation Advisers and provides project administration and management support to the GLA.
Sustainable Home Surveys (SHS)	Sister company of SW – SHS employs an Innovation Adviser and Project Manager for the SW companies.
Sustainable Ventures (SV)	Sister company of SW – SV employs an Innovation Adviser and the company co-founder who gives strategic direction to delivery as well as undertaking direct delivery by working with the SMEs on a 1-2-1 basis.
Imperial College London (IC)	Lead partner for delivering 'C26 enterprises cooperating with research entities' output. Responsible for strategic input and management of the internship placement for collaboration.
Imperial Consultants (ICON)	Supporting delivery partner to IC for C26 output delivery, ICON deliver our Innovation Vouchers, enabling SMEs to access fully-funded support from the academic teams at IC.
Old Oak and Park Royal Development Corporation (OPDC)	Supporting delivery partner to link the project with the SMEs, corporate partners and opportunities for trialling and testing products within the OPDC area.
West London Business (WLB)	Supporting delivery partner to promote and market within west London. WLB will be responsible for further lead generation and have a programme of events to run. WLB will work with OPDC to support the creation of opportunities to trial and test products in west London organisations.

1.23 The project contains 4 delivery workstreams, each targeted at a different stage in the process of supporting cleantech SMEs to develop new products and grow their business. Those workstreams are detailed in Appendix A and listed below:

- Marketing and engagement
- Innovation support
- Product development support
- Scaling support.

1.23 Grant funding agreements are already in place between the GLA as lead partner and all current delivery partners, detailing roles and responsibilities, outputs and governance of the provision of funding. The funding agreements would be subject to a deed of variation to extend the agreement by three years and incorporate the relating increase in budget, outputs, deliverables and milestones. A new funding agreement will be issued to the new delivery partner, WLB, also under the standard GLA terms and conditions.

Better Futures – Delivery Model



2 Objectives and expected outcomes

2.1 The Better Futures objectives directly respond to the investment priorities of London's European Structural Investment Fund (ESIF) strategy (which ERDF is part of) and the specific requirements of the Low Carbon call – 4f promoting research and innovation in, and adoption of, clean technologies or 'cleantech' (low carbon and circular economy technologies), by increasing the number of firms in the cleantech arena who are developing innovative cleantech products and services. The project will also support the increased adoption of new low carbon technologies in the capital. The project aims to stimulate innovation in London's Cleantech SMEs by providing direct support to help them innovate and bring new ideas to market; delivering growth for their business and jobs for London. It will provide tailored technical and business development support. The project will focus on addressing the

following market failure: the poor success rate of cleantech SMEs in achieving business growth and innovation through investment and sales.

- 2.2 Project success is judged against delivering technically viable and carbon saving technologies with high growth potential. The first three years of the project have successfully developed 25 viable, low-carbon, clean technologies that are now market-ready and will deliver a further 30 such products in the next three years. Participating SMEs have also achieved financial and business growth. In addition, the project is assessing the efficacy of co-locating cleantech SMEs at an incubation hub within Sustainable Workspaces with 'on-tap' access to technical and business development support, compared to distributed cleantech SMEs with scheduled access to technical and business development support. The interim evaluation shows the early-stage benefits of co-location on the growth of cleantech SMEs and recommends further development and review over the next three years. The success of this project has already helped to strengthen the business case for setting up and funding the CCI. BF provides a pipeline of SMEs to occupy and benefit from the CCI. This and the data on the cost base provides a sustainable business model for how London can best support cleantech SMEs into the early stages of business growth and provides the blueprint for further hubs for example in OPDC's area and the wider west London area.
- 2.3 The BF delivery model provides a unique approach to fostering innovation – including building on peer to peer support through co-location in a single space coupled with access to industry leading support organisations to help drive ideas through the technology development curve. At the heart of our methodology is our approach to partnership working, bringing the best combination of organisations together to create a unique offering for London's cleantech SMEs. The project will continue to develop cleantech start-ups as a pipeline for the CCI, as well as maintaining momentum around the development of the cleantech network until the CCI is fully operational.
- 2.4 The project will support London SMEs to stimulate innovation activity, trigger business growth through securing new sources of revenue and funding, create new jobs and bring new products forward which can contribute to lowering greenhouse gas emissions across London. These achievements will be framed by the new outputs which we expect to deliver over an additional three year duration.
- 2.5 We have increased all outputs based on our experience of delivering the first three years of the project, and the fact that we have a pipeline of SMEs we are already working with. This means we can keep momentum on delivery and have already identified the SMEs we are likely to claim as part of our increased targets. We have also identified several SMEs from our current SMEs programme that are likely to develop new products or processes in the next three years to ensure continued delivery. We have also established referral networks during the first years of the project, including sources of new start-up companies. The volume of cleantech SMEs beyond the network we had when we started the project is higher than we anticipated, and we have found through experience that we have an eager pool of cleantech SMEs to work with. Furthermore, our new delivery partner West London Business will help drive leads from the west London area.

3 Equality comments

- 3.1 Under Section 149 of the Equality Act 2010, as a public authority, the GLA must have due regard to the need to eliminate unlawful discrimination, harassment and victimisation and to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not. Protected characteristics under the Equality Act comprise age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation and marriage or civil partnership status.
- 3.2 Due to systemic barriers that some groups face, SMEs do not always realise their full potential. In terms of targeting high growth potential SMEs, the project will seek to engage and support

Black, Asian and Minority Ethnic (BAME) Londoners, women and disabled groups who own and run low carbon sector businesses or have the potential to develop innovations to support that market.

- 3.3 London SMEs are more likely than larger companies to be owned by women, BAME or disabled people and to this extent the project therefore is more likely to support equality and diversity.² The project will monitor equality performance throughout its lifetime to see if there is more that it can do to reach women, BAME or disabled owned SMEs.
- 3.4 Better Futures has already delivered a project to understand the issues, barriers and opportunities for women within cleantech. Working with LSDC, we have run a number of events and workshops that have enabled the project to reach more female-led cleantech SMEs and will continue to support the resulting Women in Cleantech Action Plan and Workstreams. The project is reflected on the LSDC's Women in Cleantech web pages and report³. The learnings from the report have already been embedded in our practices: e.g. how we structure events to be more inclusive, more diverse women on event panels, alternatives to traditional (male dominated) pitching-style events and the Better Futures project manager inputs into, and learns from, the Women in Cleantech Steering Group by attending steering group meetings. The steering group is developing work plans and best practice to support more women to enter the cleantech industry.
- 3.5 The project will also work with relevant business organisations to attract referrals to the project for example the Asian Business Association, the Prince's Initiative for Mature Enterprise and Business in the Community. We will actively monitor the volume of applicants from minority groups and if they are underrepresented, look to proactively drive participation through specific engagement techniques such as 'women in innovation' workshops or working with third sector organisations to find and target suitable companies. To date, the project has supported SMEs from the following minority groups:
- 50% or above ownership by someone with a disability = 2%
 - 50% or above ownership by someone from BAME communities = 12%
 - 50% or above ownership by women = 26%.
- 3.6 There is some evidence that the low carbon sector is giving rise to employment opportunities that are far less gender biased e.g. supply chain coordinators, quality assessors. The delivery activities will be planned to account for the working patterns of both men and women, arranging events at a range of times to enable carers and people with school age children to attend.
- 3.7 As part of capturing the outcomes for this project, we will monitor the equality mix of new jobs created by the beneficiary companies and actively promote success stories from SMEs with a protected characteristic who develop and introduce new products and services to the market.
- 3.8 Additionally, the project will be marketed to a diverse range of entrepreneurs and early start cleantech SMEs through established networks, press and social media. It will specifically target and engage women cleantech entrepreneurs, where there is clear under-representation in those that go on to form start-ups. This will be done through the provision of support and advocacy from successful female role models in the sector.
- 3.9 In order to prevent discrimination against those with protected characteristics, the delivery partners will:
- ensure that selection and assessment of innovation SMEs, applicants and sub-contractors is non-discriminatory on the grounds of the 'protected characteristics' of the applicants

² BIS (2014) Small Business Survey p.9.

³ Women in Cleantech Report: Is cleantech Entrepreneurship missing out on the Diversity Dividend https://www.london.gov.uk/sites/default/files/lcdc_women_in_cleantech_2018_report.pdf

- work to ensure business support is open and accessible to all by removing barriers to participation whenever encountered
- encourage feedback from participants on equality of opportunity in terms of access and participation in competition events and business advice sessions: difficulties encountered will be addressed as a priority and appropriate adjustments made
- make all promotional information available in accessible formats when requested.

3.10 As part of the support offered to SMEs in market readiness and accessing innovation procurement opportunities, we will promote the importance of adhering to Equalities Act 2010, reinforcing the message that this will not only result in social benefits but considerably improve their chances of securing commercial supply chain opportunities, for example highlighting the advantages of gender balanced boards. We will also highlight the benefits of diversifying and to attracting a more diverse market for their products or services e.g. developing products and services to alleviate fuel poverty.

4 Other considerations

4.1 The GLA as lead partner is ultimately responsible for the ownership and management of risks within the project. However, the partnership as a whole has a shared approach to risk identification and is clear where ownership of risks and issues lie between the partners.

4.2 A detailed risks and issues log is held by the project team and updated regularly during delivery. The risk register will be reviewed and managed by the Senior Project Officer, with support from delivery partners. A risk will either not materialise due to the mitigation actions or other factors and can be closed, or, if the risk is realised it is moved to the issues log where the impact of the risk occurring is managed. High impact risks will be escalated and discussed at programme management board level.

4.3 The following table details the key risks currently identified by the project team:

Ref No.	Description of risk	Organisation responsible	Probability	Impact	Risk reduction (reduce probability)	Mitigation (reduce impact)
1	Delivery partners' match-funding becomes difficult to fully secure.	GLA	Low	High	Partners have identified secure match funding sources and have undergone GLA financial due diligence.	Partners to identify alternate match sources as a contingency. Renegotiation of funding agreement if required.
2	Project is not able to engage and recruit a sufficient number of innovation-focused SMEs to engage with programme.	GLA / SW	Low	High	Effective marketing and recruitment of suitable SMEs by all partners from different networks.	Ensure target beneficiary definition is broad enough to support a wide variety of SMEs.
3	Project budget changes due to external factors and becomes insufficient to deliver required outcomes.	SW	Medium	Low	Update project budget using known costs (from first three years) and adjust based on lessons learned if needed.	Source additional match funding throughout project lifetime to meet additional SME needs.
4	Quality of delivery of SME support is not appropriate to their needs or innovation life cycle stage.	SW	Medium	Low	Ongoing auditing of activity / customer feedback, interim evaluations from external sources to inform delivery and decision-making.	Delivery model encompasses a wide range of support, from advisers from diverse backgrounds, to meet SME needs.

5	Staff changes in project delivery partners impacts on delivery and securing project outputs and outcomes.	All	Medium	Low	Effective recruitment and incentivisation to ensure continuity of delivery.	Ensure detailed job descriptions & work flow procedures in place for all activities.
6	External factors affecting SMEs that impact the project's ability to deliver target outcomes within project timeframe (new products & C26 projects).	GLA	Medium	High	Ensure SME signs up to clear package of support and agrees to intention to develop specific product outcomes within project timeframe.	Agree definition of outcomes - particularly the verification requirements to prove product development has occurred - with EPMU prior to project start.
7	Compliance of ERDF reporting and accounting requirements are not met.	GLA	Medium	Low	Maintain our current rating from EPMU of 'low risk' by maintaining effective compliance procedures across all partners - included in SLA.	Regular internal audit & verification to check compliance.

4.4 **Links to Mayoral strategies and priorities:** Delivery of this project will contribute to improving the quality of life for Londoners. The BF project is linked to the delivery of the Mayor's:

- i. London Environment Strategy which contains policies and programmes to develop demand and market opportunities for low carbon and resource efficient businesses
- ii. Economic Development Strategy which includes support programmes to grow the low carbon, resource efficient business sector
- iii. The Mayor's Equality, Diversity and Inclusion Strategy
- iv. Sustainable Development Policy
- v. Responsible Procurement Policy
- vi. The draft new London Plan
- vii. Draft London Industrial Strategy

4.5 The project also helps to contribute to various mayoral manifesto commitments including:

- establish a pipeline of talent in the technology sector and develop a city-wide STEM strategy to boost London's workforce
- diversification of London's economic base including manufacturing
- commit London to becoming a zero-carbon city by 2050 to help tackle the global climate emergency
- work in partnership with industry to deliver skills, infrastructure and growth to achieve economic fairness and inclusion.

4.6 **Impact assessments and consultations:** The project was reviewed and approved under the ERDF Round 2 application stages by GLA and EMPU officers using the Local Management Committee (LMC)-agreed assessment framework, moderated by a project selection committee aimed at ensuring objectivity in the appraisal process. Furthermore:

- The project is overseen by an advisory group, made up of strategic partners including GLA, OPDC, Imperial College and other experts.

- An external interim evaluation of the project has been conducted and the recommendations are being reviewed for inclusion in the extension period. A second evaluation is planned for 2021.

4.7 **General Data Protection Regulation 2018 and data protection:** During the first two years of the project, Better Futures worked with the GLA Information Governance Team to undertake an audit of our data sets and ensure they comply with General Data Protection Regulation 2018 and all other applicable legislation and regulations. Those practices are still in place and are now fully embedded in project practices.

4.8 There are no conflicts of interest to note for any of those involved in the drafting of the decision.

5 Financial comments

5.1 Approval is being sought for the receipt of £3,844,834 and the expenditure of up to £4,260,430 to extend the Better Futures Project by an additional three years.

5.2 The European Regional Development Fund (ERDF) will fund 50% of the expenditure totalling up to £2,130,215. The remaining 50% match funding will be composed of £415,596 from the GLA's Environment budget and £1,714,619 from the project's delivery partners.

5.3 The GLA's contribution of £415,596 will fund the proportion of direct Environment staff time on the Better Futures project. The personnel involved with the project have different specialisms within the Environment team providing support in the fields of project and business management.

5.3 It is proposed that the GLA's funding for the project will be profiled as follows:

	Previous figures	Revised figures
2016/17	£0	£13,165
2017/18	£84,983	£64,933
2018/19	£68,961	£65,682
2019/20	£52,250	£73,173
2020/21	£0	£71,325
2021/22	£0	£72,320
2022/23	£0	£54,998
TOTAL	£206,194	£415,596

5.4 It is also proposed that two fixed-term posts will be funded from the ERDF funding until the completion date (December 2022).

5.5 ERDF permits the GLA to claim an additional amount of 25% of the project expenditure on staff costs to cover "indirect" costs (or overheads). This report is proposing that the income for indirect costs generated from all GLA staff working on the project is used for the project to fund the remaining 0.4 FTE for the project manager (grade 8) for this post, thereby making it a full-time post for up to six years in total.

Job Title	Grade	Prior FTE	Proposed FTE	Job Position Status
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Senior Officer (Project Manager)	8	0.6	1	Extension (CO-108)
Project Compliance Officer	7	-	0.5	Creation (CO-02)

5.6 The staff costs associated with this proposal are based on mid-point salaries, on-costs, the corporate vacancy factor and the £6,000 support service recharge for the newly created Project Compliance Officer role which are summarised below:

Job title	2019-20	2020-21	2021-22	2022-23	Total
Senior Officer (HOPS240) (CO 108)	£14,000	£56,000	£57,000	£41,000	£168,000
Project Compliance Officer (CO-02)	£12,000	£25,000	£26,000	£18,000	£81,000
Grand Totals	£26,000	£81,000	£83,000	£59,000	£249,000

5.7 Any additional income for indirect costs left over will be returned to the project to supplement the evaluation budget.

6 Legal comments

6.1 Sections 1 to 5 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 in respect 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
- Consult with appropriate bodies.

6.2 In taking the decisions requested, the Mayor must have due regard to the Public Sector Equality Duty; 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 foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to Section 3 (above) of this report.

6.3 The Mayor may, under section 38 of the Greater London Authority Act 1999, delegate the exercise of the GLA's functions to the Executive Director of Development, Enterprise and Environment.

6.4 Section 1 above indicates that the contribution of £4,260,430 amounts to the provision of grant funding and not payment for services. Officers must ensure that the funding is distributed fairly, transparently, in accordance with the GLA's equalities duty and in a manner which affords value for money in accordance with the Contracts and Funding Code.

- 6.5 Officers must ensure that appropriate funding agreements are put in place between and executed by the GLA and recipients before any commitment to fund is made. Any variations to the current delivery partners' funding agreements should also be put in place before the additional services are provided.
- 6.6 Under the Greater London Authority Act 1999 (as amended), the Head of Paid Service (the "HoPS") may, after consultation with the Mayor and the Assembly and having regard to the resources available and priorities of the Authority:
- appoint such staff as the HoPS considers necessary for the proper discharge of the functions of the Authority (section 67(2))
 - make such appointments on such terms and conditions as the HoPS thinks fit (section 70(2)).
- 6.7 Therefore, should this budget be approved, the matter should be referred to the HoPS in order that the HoPS may consider creating and extending the posts referred to above.
- 6.8 If the Mayor is minded to make the decisions sought, officers must ensure that the proposed arrangements do not fetter unreasonably the exercise of a successor administration's discretion following the 2020 GLA elections by including in the agreements the right to terminate for convenience at the discretion of the GLA without incurring termination costs.

7. Planned delivery approach and next steps

Activity	Timeline
Deed of Variation signed by GLA and ERDF	October 2019
Grant Agreements/Deeds of Variation signed by Delivery Partners	November 2019
Announcement	November 2019
Delivery Start Date	February 2017
Final evaluation start and finish (external):	October 2022 - December 2022
Delivery End Date	September 2022
Project Closure:	October 2022 - December 2022

Appendices and supporting papers: Appendix A: Workstreams Detail

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

If YES, for what reason:

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:

Heather Hodgins 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:

Shirley Rodrigues 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 18 November 2019.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature *M. D. Ollie*

Date *27.11.19*

CHIEF OF STAFF:

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

Signature *D. J. Kelly*

Date *28/11/2019.*