

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2878

Title: European Social Fund Academies Programme

Executive Summary:

This Mayoral Decision (MD) seeks approval of expenditure of £6.7m of the GLA Co-Financing Organisation's European Social Fund (ESF) allocation to deliver a programme of activity that will support underrepresented groups and those most affected by the COVID-19 pandemic on the journey to employment as part of the London Recovery Programme, in support of the Good Work for All Londoners mission. Approval is also requested to use an additional sum of up to £5m of the Adult Education Budget (AEB) procured funding as match funding to enable the ESF funds to be drawn down.

The AEB Mayoral Board considered the decisions set out in this MD at its meeting on 30 September 2021.

Decision:

That the Mayor:

- 1) approves the use of:
 - (a) £6.7m of unallocated European Social Fund (ESF) funding (the original expenditure of which was previously approved under cover of [MD2375](#), [MD2011](#) and [MD1642](#)) to deliver the ESF Academies Programme
 - (b) up to £5m of Adult Education Budget (AEB) Procured funding (in addition to that originally approved under cover of [MD2371](#)), as match funding to enable draw down of the ESF funds
- 2) delegates authority to make future ESF Academies programme-level decisions within the scope of this decision to the Executive Director for Communities and Skills, noting that if any decisions relating to AEB expenditure are required they will be made by the Mayor in line with the separate processes approved under cover of [MD2736 – Changes to AEB Decision-Making](#).

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:

14/10/21

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

Decision required – supporting report

1. Introduction and background

- 1.1 The London Recovery Board¹ established the London Recovery Programme (LRP) to deliver its challenge to restore confidence in the city, minimise the impact of the COVID-19 pandemic on communities and build back better the city's economy and society.
- 1.2 The Helping Londoners into Good Work mission, which forms part of the LRP, includes a recommendation to establish new academies in key sectors, including creative, digital, green and health & social care. Hospitality was subsequently identified as another priority sector due to the high vacancy rates as the sector reopened earlier this year following the relaxation of COVID-19 restrictions.
- 1.3 The Mayor's Academy Programme (MAP) hubs opportunity was launched on 2 August 2021, utilising £3m of core funding for coordination and up to £6m of AEB for AEB providers to support learners into sustainable employment, subject to confirmation of the annual AEB allocation from the Department for Education (DfE).
- 1.4 The Workforce Integration Network (WIN) plays a key role in the delivery of the MAP and will aim to address underrepresentation of specific groups within the priority sectors. MAP hubs will be expected to engage with the WIN through the promotion of sectoral toolkits which will be produced later in Quarter 4 2021. In addition, priority sector Design Labs will be rolled out in 2022-23 for large organisations to address underrepresentation in the workforce.
- 1.5 The European Programmes Management Unit (EPMU), which acts as the ESF Managing Authority for London on behalf of the Department for Work and Pensions (DWP), has allocated £83.6m ESF to the GLA's Skills and Employment Unit for its ESF Co-Financing Programme.² Outline programmes of activities were approved under cover of MDs [2375](#), [2011](#) and [1642](#). The majority of these activities have now been commissioned or funded (as applicable), however, £6.7m of approved ESF funding remains unallocated. This unallocated funding could therefore be utilised to complement the aims of the MAP.
- 1.6 Match funding of 50 per cent is required to draw down ESF. AEB Procured delivery valued at £71m was approved as match funding under cover of MDs [2371](#) and [2375](#) and up to a further £5m³ will be required as match funding to draw down this £6.7m ESF.
- 1.7 To note, the funding for the ESF Academies Programme is not being made available for the current MAP activity. It is not intended to provide additional funding to the MAP hubs directly nor to be used to establish more hubs. Funding for the ESF Academies Programme will fund a new programme of activity complementing the aims of the MAP.

¹ The London Recovery Board is a non-statutory group led by the Mayor of London and London Councils, comprising elected leaders and senior stakeholders to provide strategic direction to, and democratic oversight of, London's COVID-19 recovery work.

² EPMU allocated the GLA £12.6m for its original ESF 2014-20 Co-Financing Programme which was approved under MDs 2011 and 1642 and subsequently the GLA's £71m ESF Co-Financing Programme was approved under MD 2375 as "the Mayor's ESF 2019-23 Programme". The current Memorandum of Understanding with the ESF Managing Authority combines the GLA's two programmes into a single programme, with a value of £83.6m ESF.

³ The current ESF Programme is matched funded via AEB and other sources in excess of how much ESF has been committed to date, therefore this MD only seeks approval for a further up to £5m of AEB match to maximise the ESF that can be drawn down.

- 1.8 ESF project delivery needs to be completed ahead of a hard end date of August 2023, to allow ESF programme close down by the end of December 2023. The GLA would seek to secure the most appropriate provision for the target groups within the limited timescale available by:
- applying a payment model based on reimbursement of actual delivery costs rather than Payment by Results
 - keeping the target groups and activities broad, so delivery can focus on MAP priority groups⁴ within the broader spectrum. The only addition to these groups would be broadening the focus to include men where there is documented underrepresentation in the sector
 - focusing on providing wraparound, sectoral-focused guidance and employability support to unemployed people and economically inactive Londoners to help them get jobs in the MAP sectors
 - embedding employability focussed training in delivery, but not requiring this to lead to qualifications.
- 1.9 The ESF opportunity would deliver targeted support which would help to mitigate the risk that hubs only support those Londoners closest to the labour market into employment. The funding model, without payment being tied to employment outcomes, would enable delivery to include Londoners who require further support to become job-ready.
- 1.10 The WIN team is commissioning research into workforce underrepresentation in priority sectors and potential opportunities to address this. This work will be completed in early December 2021 and any grant award round would reference the underrepresentation highlighted in this research.
- 1.11 Whilst the programme would need to be kept broad to maximise delivery, this research could highlight areas of particular need and where suitable, influence specific targets relating to sectoral underrepresentation.
- 1.12 This MD form also seeks the Mayor's delegation of authority to the Executive Director for Communities and Skills to make future ESF academies programme level decisions within the scope of this decision form. If any further decisions relating to the AEB expenditure are required, these will be subject to separate processes approved by the Mayor under cover of [MD2736 – Changes to AEB Decision-Making](#). In line with this, and where applicable, AEB-related decisions may be made by the Mayor at future AEB Mayoral Board meetings.

2. Objectives and expected outcomes

- 2.1 It is proposed to utilise £6.7 million of the GLA Co-Financing Organisation's ESF allocation for this programme. Up to the end of August 2023, this funding could support:
- 3,000 Londoners from priority groups starting on the programme
 - 600 Londoners from priority groups progressing into further education (20 per cent of starters)
 - 450 Londoners from priority groups progressing into employment, a paid apprenticeship or a work placement (15 per cent of starters).
- 2.2 For the purposes of any employment outcomes, successful providers would need to deliver 'good work' outcomes, as defined in the MAP hub prospectus. Job outcome targets would relate to any job, apprenticeship or paid work placement which:

⁴ Priority groups include Black, Asian and minority ethnic (BAME) Londoners, women, young people (16-24), older people (50+), lone parents, people with caring responsibilities, Deaf and disabled Londoners.

- relates to a priority sector, is a minimum of 16 hours/week and is expected to last at least four consecutive weeks (or a minimum of 64 hours in a four week period in sectors that require more intense hours over a shorter period, aligned to employment standards set out by sectoral trade bodies and trade unions, and in agreement with the GLA)
- pays at or above the London Living Wage and does not involve the use of zero hours contracts
- supports the learner to achieve self-employed status for sectors where self-employment is a pre-requisite to employment. Evidence of a consultancy role meeting the above requirements would need to be met.

Grant award process

- 2.3 A competitive grant award process will be required to ensure compliance with ESF regulations. Potential providers will be mandated to engage with MAP hubs, which will be considered at the AEB Mayoral Board on 30 November 2021. The details of hub providers would be included in the grant award process documents and Hub Leads would not be prevented from bidding to deliver these complementary activities.
- 2.4 Social care has not been included in the current MAP hub opportunity due to the risk of duplicating work currently underway with the Association of Directors of Adult Social Services (ADASS). However, this ESF opportunity with the focus on employability focussed training, could complement planned activities of ADASS and add value to existing plans to support this sector, so it is proposed that social care be included in any grant funding opportunity, subject to consultation with stakeholders.

Project management

- 2.5 The ESF Academies project will be managed by provider managers in the Skills and Employment Unit. To mitigate the risks of clawback due to ineligible claims, all ESF projects are subject to compliance checks on a sample of the evidence held by providers to support their claims. These checks will either be undertaken in-house or outsourced. This is in line with the decision taken under the cover of [MD2840](#) that sample checks on ESF 2019-23 projects could be outsourced to the audit firms which are currently contracted to audit the AEB grants and contracts, subject to Skills for Londoners (SfL) Programmes Board approval on numbers and cost.

3. Equality comments

- 3.1 Section 149(1) of the Equality Act 2010 provides that, in the exercise of their functions, public authorities must have due regard to the need to:
- 3.1.1 eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010
 - 3.1.2 advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
 - 3.1.3 foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Relevant protected characteristics are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

- 3.2 The interventions outlined in this report are in part aimed at supporting those most at risk from the impact of the economic crisis brought on by COVID-19. This includes young people, women and BAME people who tend to work in the occupations and sectors adversely affected by the pandemic, as highlighted by the SfL Recovery Task & Finish Group which is tasked with overseeing the delivery of the Good Work mission. The GLA has consulted on the equalities impact of these changes with key

sector representatives, and will closely monitor, review and evaluate their impact. The priority groups will include men in sectors where there is documented underrepresentation, such as social care.

- 3.3 The WIN team research will provide details of workforce underrepresentation in priority sectors and opportunities to address this. The research will be completed in early December 2021 and will help to inform the specification.
- 3.4 Applications for ESF funding will include an assessment of how the groups outlined above will be supported and providers will be monitored to ensure they meet their grant obligations.

4. Other considerations

Links to Mayoral strategies

- 4.1 The programme outlined in this MD aligns with commitments made in the Mayor's Skills for Londoners Strategy. It will support the London Recovery Programme and the Helping Londoners into Good Work mission.

Risks arising/mitigation

- 4.2 Key risks and mitigation measures are outlined below:

Risk	Description	Mitigation
Capacity to deliver the grant award process and manage projects once in grant	The grant award process will be led by the Skills and Employment Unit. The ESF Academies grant award process will be launched in January 2022, allowing for current ESF grant award processes to be concluded and releasing resource for this new activity. A high number of bids is anticipated and so, for scoring in March 2022, additional resource will be required. Additional fixed-term provider manager resource will be required to manage the delivery of these grants. The number of posts will depend on the number of grant awards to be made.	Additional resource will be drawn in from other teams outside of the Unit which are engaged with the Academies sectoral hubs to support the scoring of bids. The anticipated requirement for additional fixed-term provider manager resource to manage the delivery of these grants has been flagged in the initial stages of the 2022-23 budget setting process. These posts will be match funded from the ESF Management and Administration (M&A) budget. ⁵
WIN research could be delayed beyond current forecast delivery of December 2021	WIN team research will provide details of workforce underrepresentation in priority sectors to inform the specification. This research is to be completed in early December 2021, which may be too late to include.	Interim findings should be available from November 2021, which should be sufficient to identify key areas of underrepresentation. Richer information can be shared with successful providers at the pre-grant negotiation stage.

- 4.3 There are no conflicts of interest to note from those involved in the drafting or clearance of this decision form.

⁵ From the GLA's ESF allocation, up to 10 per cent of the value of actual expenditure on project delivery can be claimed for M&A costs. As described in MD2375, the estimated maximum available M&A budget is £6.5m over the programme lifetime.

5. Financial comments

- 5.1 This decision is seeking approval in principle of expenditure of £6.7m from the ESF to deliver the ESF Academies programme and this was approved under MD2375, MD2011 and MD1642.
- 5.2 This decision is also seeking approval for expenditure of an additional sum of up to £5m of AEB Procured budget as match funding. This expenditure will be funded from the AEB.

6. Legal comments

- 6.1 The foregoing sections of this report indicate that certain of the decisions requested of the Mayor concern the exercise of the:
- 6.1.1 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
- 6.1.2 ministerial functions delegated, by the Secretary of State for Education, to the Mayor pursuant to section 39A of the Greater London Authority Act 1999.
- 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 and foster good relations between persons who share a relevant protected characteristic (race, disability, sex, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) 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 of this report.
- 6.3 The Mayor may delegate the exercise of the GLA's powers to the Executive Director as proposed but care must be exercised to ensure that such delegated exercise does not concern in any way AEB related decision making.
- 6.4 Should the Mayor be minded to make the decisions sought officers must ensure that to the extent that proposed expenditure concerns the:
- 6.4.1 use of ESF and AEB funds, they comply fully with all ESF and AEB protocols and related guidance from EPMU and the Skills and Employment Unit
- 6.4.2 award of grant funding, such funding is awarded on a fair and transparent basis in accordance with the GLA's Contracts and Funding Code and appropriate funding agreements are entered into and executed by the GLA and counterparties before commencement of the same
- 6.4.3 purchase of works, services or supplies, those works, services or supplies must be procured by TfL procurement in accordance with the GLA's Contracts and Funding Code and appropriate contracts are entered into and executed by the GLA and counterparties before commencement of the same.

7. Planned delivery approach and next steps

7.1 Following approval of this MD, funding for the ESF Academies Programme will be awarded through a competitive grant award process. Next steps are set out below.

Activity	Timeline
Development of detailed Project Requirements and approval of these by the European Programmes Management Unit	November - December 2021
Launch of ESF Academies grant tender opportunity	January 2022
Notification of successful bidders	May 2022
Delivery Start Date	June 2022
Delivery End Date	August 2023
Project Closure:	September - December 2023

Appendices and supporting papers:

None.

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

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:

Sejal Patel has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Halima Khan 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 11 October 2021.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

Date

12.10.21

CHIEF OF STAFF:

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

Signature

Date

13.10.21