

Fiona Twycross AM
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Dear Fiona

Thank you for your letter of 14 October 2015 in which you detail the findings of the Assembly's investigation into the role of voluntary, community and social enterprise (VCSE) organisations in employment support programmes.

I share your view that VCSE organisations are a fantastic resource for the Capital and I value the excellent work that they do in supporting those often furthest from the workplace into employment.

Recent Greater London Authority (GLA) employment support programmes have been funded via the 2007-13 European Social Fund Programme and going forward will be funded via the 2014-20 European Structural and Investment Funds (ESIF). I am delighted to report that my officers have devised and implemented these programmes in a way which fortuitously address many of the recommendations that you have made within your report.

I will respond to each of your recommendations to the GLA in turn:

Recommendation 1

The Mayor and London Enterprise Panel should champion the GLA's approach to advance payments within the payment by results model and a system which recognises milestones, rather than final outcomes only

In agreement with your recommendation, the European Social Fund (ESF) 2007-13 Priority Axis 1 London evaluation report confirmed that some of the best performing programmes utilised mixed payment models where payments were made at fairly regular intervals in the customer journey to support provider cashflows. The evaluation also recognised that in some cases, providing an advance payment to support initial set up costs was useful.

Some successful commissioners described having a roughly even split between payments for outputs and milestones (that is, paying against the delivery of a service) and Payment by Results (that is, only paying for a defined outcome such as a job).

In addition, the 2014-20 European Structural and Investment Funds (ESIF) strategy for London outlines how the London Enterprise Panel (LEP) and the GLA will support projects, and base Value for Money judgements 'on the proportion of outputs and results that will be delivered, and the

MAYOR OF LONDON

qualitative, value added and strategic-fit aspects of activities'. Some of the future ESF programmes about to be commissioned by the Department for Work and Pensions, Skills Funding Agency and Big Lottery Fund include 'soft outcomes', built in throughout the project lifecycle, to recognise and reward progress measures achieved by participants who are furthest away from the labour market whilst also providing cash-flow to providers.

Recommendation 3

The Mayor, London Enterprise Panel and partners should develop a resource of shared good practice and lessons learnt to improve front-line delivery, showcase London and build the case for devolving employment programmes. This should include pilots, interim findings and case studies as they emerge, not just final evaluations. This could take the form of an interactive map illustrating the range of employment programmes and London-led initiatives in the capital

The ESF 2014-20 Operational Programme states that all projects will be required to comply with the publicity requirements of EU regulations, which may include a website Portal to help publicise the project activities and achievements, regular publishing of project literature and bespoke newsletters and effective communication strategies.

Robust evaluation and monitoring are also integral parts of all ESF programmes. A number of ESF 2007-2013 programmes delivered by the London Development Agency (LDA) and later by the GLA, commissioned external evaluations which comprised of network meetings of providers, interim and final evaluation reports, case studies, regular presentation of interim findings at public events, and the publication of lessons learnt, evaluations and research reports on the GLA and LEP websites. An evaluation of the 2007-13 ESF Priority Axis 1 London Programme can be viewed on the City Hall website at: <https://www.london.gov.uk/file/22031/download?token=sAGNoPIK>.

Recommendation 5

The Mayor and London Enterprise Panel should champion choice-based and voluntary approaches within employment programmes and call for an end to mandatory placements. This should include robust analysis of the outcome within voluntary programmes, allowing robust comparison with analysis of mandatory schemes

The programmes funded through the 2014-20 European Social Fund in London will be voluntary programmes.

All programmes will be subject to robust governance and accountability with regards to programme related analysis, monitoring and evaluation. The analysis and evaluation will include a number of activities and data collection such as baseline data provision to measure programme performance, particularly results and output indicators and value for money; policy updates for the Annual Implementation Reports; and evaluation and impact studies at suitable intervals, including at mid-term and programme completion points.

Recommendation 6

The Mayor and London Enterprise Panel should champion programmes which support in-work progression and build a picture of good practice in this area.

As part of the 2014-20 ESF Programme the LEP is recommending an In-Work progression programme to support 175,000 Londoners who have been in low pay jobs for at least 10 years. The programme would test innovative approaches to in-work progression where the providers can work either with employees or through employers or both.

MAYOR OF LONDON

The planned ESF 'Employment support for those living in social housing' programme builds on the highly successful 'Jobs Plus' model from the USA, to improve the employment rate and income of people living in public housing, and includes financial incentives to move into work, personal adviser support, peer to peer support and community engagement.

The LEP has requested that all ESF projects will use the Employability Performance Rating system, which is a comprehensive tool to benchmark the achievements of employability service providers in London. The rating system awards a star rating based on three key areas: delivery performance, quality, and contract compliance and thus provides delivery incentives to the providers in London. The 'star rating' awarded to each provider is published on the London Datastore.

Recommendation 7

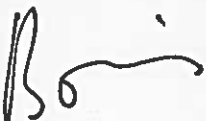
The Mayor and London Enterprise Panel should set out how devolving employment programmes to London will address a number of shortfalls in programmes currently commissioned at a national level which inhibit the involvement of the widest range of VCSE

The LEP has taken the strategic lead in the design and development on the 2014-20 London ESIF Programme. Of its £678m (subject to exchange rates) allocation the LEP has dedicated £502m to investment priorities which support the objectives of the European Social Fund and £176m which support the objectives of the European Regional Development Fund. The activities add value to the four key priorities presented in the LEP's Jobs & Growth Plan for London. Throughout the process of developing the ESF programme a range of local partners (including London Councils, London Voluntary Service Council and many others) have been involved to ensure that the programmes are targeted at the greatest needs and designed to encourage broad partnerships of organisations are able to access and deliver the provision.

The ESF 2014-20 Programme includes a range of programmes, such as the Growth Deal programme, Working Capital pilot to support long-term unemployed devolving of powers to borough councils. Planned pilots include a Gangs prevention programme, Employment support for those living in social housing and in work progression.

Other examples include the Troubled Families programme which has been developed by London Councils in line with CLG programme, and Mental health provision programme led by sub-regional partnerships of boroughs working with CCGs and local authorities.

Yours ever,



Boris Johnson
Mayor of London