

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2673

### Title: Changes to the Mayor's Apprenticeship Programme

#### Executive Summary:

The Mayor's Apprenticeship for Londoners programme (AFL) is a £1.235m programme designed to deliver the commitment made within the Mayor's Skills for Londoners Strategy to 'work with industry in London to develop and promote high-quality apprenticeships and to maximise the use of levy contributions'.

The programme has a focus on progression by promoting apprenticeships as a means to improve the social mobility of low skilled and low paid Londoners and testing innovative ways of adapting the apprenticeship levy system to create apprenticeship opportunities in the capital.

The programme comprises:

- the GLA's contribution to the London Progression Collaboration (AFL 1) to increase the use of apprenticeship funding in the key sectors of Hospitality, Retail and Construction; and
- two similar pilots commissioned with specific geographical focuses: Croydon Apprenticeships Growth Hub (AFL 2) and Local London Apprenticeships Accelerator (AFL 3).

Following the change in GLA priorities in light of the COVID-19, approval is being sought to implement changes to the programme to ensure it can better support wider GLA recovery efforts.

#### Decision:

That the Mayor:

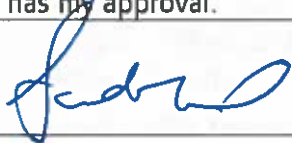
- approves the expansion of the scope of AFL 1 to include all sectors and occupations in London;
- approves the delegation of future AFL programme level decisions to the Executive Director for Communities and Skills; and
- notes the decision not to issue contracts for AFL 2 and 3; resulting in a reduction in programme expenditure from £1.235m to £345,000.

#### 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:

4/9/20

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

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

- 1.1 Approved under cover of MD2356 and MD2522, the Mayor's Apprenticeship for Londoners programme (AFL) is a £1.235m programme designed to deliver the commitment made within the Mayor's Skills for Londoners Strategy to 'work with industry in London to develop and promote high-quality apprenticeships and to maximise the use of levy contributions'.
- 1.2 The programme has a focus on progression: specifically, by using apprenticeships as a means to improve the social mobility of low skilled / low paid Londoners and test innovative ways of adapting the apprenticeship levy system to create apprenticeship opportunities in the capital.
- 1.3 The programme comprises:
  - the London Progression Collaboration (AFL 1) – a joint pilot between the GLA, the Institute for Public Policy Research (IPPR) and JP Morgan – which is focused on creating sustained apprenticeships in the retail, construction and hospitality sectors. This strand is currently in delivery and is expected to end in September 2021. The pilot is led by IPPR which receives grant funding from JP Morgan. The GLA's contribution to the pilot is two dedicated Business Engagement Officers (1.8 full time equivalents) which is set out in a "benefit in kind" agreement with IPPR; and
  - two similar externally procured pilots, commissioned with specific geographical focuses: Croydon Apprenticeships Growth Hub, led by Croydon College and Croydon Council (AFL 2) and the Local London Apprenticeships Accelerator, led by Local London Sub-Regional Partnership (AFL 3).

#### AFL 1

- 1.4 In response to the COVID-19 outbreak, AFL 1 has broadened its offer to help employers meet current challenges. This support focuses on current apprentices and planning new learning during this period. AFL 1 has compiled advice for employers on supporting apprentices during COVID-19, including those on furlough, and continuing online provision, and the pilot team is providing one to one calls to provide tailored support to employers.
- 1.5 AFL 1 also launched its 'Reskilling the Recovery' campaign on 9 June 2020. The campaign seeks commitment from levy payers to contribute unspent levy contributions into a pot which can be accessed by non-levy paying employers to rebuild and re-skill their workforce during the economic recovery.
- 1.6 In order to maximise the ability for AFL 1 to support apprenticeships in a post COVID-19 economy and complement GLA recovery efforts, the Mayor is asked to approve a decision to expand the scope of the pilot into all sectors and occupations in London. This will enable AFL 1 to work with employers in sectors and occupations expected to experience growth following the pandemic, such as health and social care and digital, and other sectors which are the focus of the emerging London recovery programme e.g. the green economy and creative and cultural sectors, to address key skills gaps.

#### AFL 2 and 3

- 1.7 AFL 2 and 3 were due to start delivery in January 2020 and conclude in December 2022. However, following the outbreak of COVID-19 and the associated public health / business restrictions, the commencement of the pilots was paused, and no grant agreements were entered into.
- 1.8 The AFL programme was conceived at a time of high employment with a focus on using apprenticeships to aid progression for low skilled/low paid Londoners currently in employment. With the UK entering into a period of recession, high levels of unemployment, GLA policy priorities have changed, placing greater emphasis on providing opportunities for unemployed young and vulnerable Londoners most at risk of long-term economic scarring.

- 1.9 AFL 2 and 3 were procured competitively, and it is therefore not legally possible to change the scope of the pilots to align with the change in GLA priorities.
- 1.10 Grant agreements will not be issued, and the associated funding returned to the GLA budget will be repurposed to support wider recovery efforts, including initiatives related to skills and employment priorities.

## 2 Objectives and expected outcomes

- 2.1 Through this approval, the planned outcomes associated with AFL 2 and 3 will not be realised as the pilots will not be progressed.
- 2.2 AFL 1 will continue albeit with an expanded scope and officers will work with the Deputy Mayor for Planning, Regeneration & Skills to revise and agree appropriate KPIs to capture the full range of benefits delivered by the pilot.

### Changes to the programme budget

- 2.3 Table 1 details the impact the proposed changes will have on the programme budget and identifies the total savings realised as a result of not continuing with AFL 2 and 3.

Table 1

Budget (£000s)	MD2522	Proposed
Apprenticeship for Londoners Staffing (Contract Management)*	91	13
Evaluation	56	54
AFL 1**	302	278
AFL2 and 3***	786	0
<b>Total Expenditure</b>	<b>1,235</b>	<b>345</b>
<b>Total savings to be returned</b>	<b>N/A</b>	<b>890</b>

\* Budgetary Provision made for GLA Delivery staff to performance manage the pilot – reduced as resource for AFL 2 and 3 will no longer be required.

\*\* Budget line comprising the cost of two Business Engagement Officers' salaries plus on costs for the duration of the pilot.

\*\*\* Budget line comprising grant funding allocated for AFL 2 and 3 now no longer required.

- 2.4 Given the significant reduction in the size of the programme and the associated spend, approval is being sought to delegate future AFL programme level funding decisions to the Executive Director for Communities and Skills.
- 2.5 This delegation would include any future decisions related to the delivery, operations, remit and monitoring of the London Progression Collaboration that did not require changes to the programme budget. For example, this would include the development of qualitative KPIs to capture the broader impacts of the programme in response to COVID-19. Any changes to the programme budget would be sought through the usual processes.

### **3 Equality considerations**

- 3.1 Apprenticeships provide opportunities for Londoners from diverse backgrounds to earn and learn. London's apprentices are broadly representative of London's Black, Asian and Minority Ethnic (BAME) and female population.
- 3.2 A reduction in the number of apprenticeships available in London may restrict the pipeline for BAME and female Londoners into the workforce.
- 3.3 Therefore, it will be crucial for the Mayor to continue to work with London's businesses to create apprenticeship opportunities for Londoners from under-represented backgrounds.
- 3.4 A review by GLA Economics highlighted that specific groups of Londoners are underrepresented 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% 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

##### *Risks associated with AFL 1:*

- 4.2 The Mayor's manifesto and Skills for Londoners Strategy articulate the benefits of apprenticeships for Londoners and London businesses. As a result of the pandemic, the environment in which AFL 1 is operating is significantly more challenging, which could put at risk the realisation of these benefits. Broadening its sectoral scope will help mitigate that risk.
- 4.3 The project is co-funded by JP Morgan Foundation which supports the sectoral expansion. A decision not to expand the scope of AFL 1 will likely result in project partners withdrawing their support and ultimately the cessation of the pilot.

##### *Risks associated with AFL 2 and 3:*

- 4.4 This decision poses no direct financial or legal risk to the GLA because contracts have not yet been awarded. The organisations that had been selected to lead AFL 2 and AFL 3 have been notified of the redirection of GLA resources to support London's recovery from the COVID-19 pandemic (which could include further support for apprenticeships).
- 4.5 While AFL 2 and AFL 3 can no longer be delivered under the current circumstances, the Mayor retains a commitment to apprenticeships in London through the London Progression Collaboration and the Apprenticeships Sub-Group of the Skills for Londoners Business Partnership.

#### Links to Mayoral strategies and priorities

- 4.6 AFL was developed in direct response to the Mayor's aspirations on apprenticeships set out within the Skills for Londoners Strategy; i.e. to 'work with industry in London to develop and promote high-quality apprenticeships and to maximise the use of levy contributions'.

4.7 AFL 1 continues to complement 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 Approval is being sought to expand the scope of the AFL 1 section of the Mayor's Apprenticeship programme to allow the LPC pilot to include all sectors and occupations in London. This is to increase the use of apprenticeship funding in the key sectors of Hospitality, Retail and Construction. There are no financial implications regarding this approval request.

5.2 Approval is also being sought to reprofile the Mayor's Apprenticeship programme budget (from the profile approved under MD2522), specifically to take into consideration the change in the decision not to issue contracts for AFL 2 and 3 and for the associated budget to be returned to central GLA funds to support wider COVID-19 recovery efforts.

<b>Mayor's Apprenticeship Programme</b>	<b>£'000</b>
Profile as approved by MD2522	1,235
Savings as a result of not progressing with AFL 2 and 3	(890)
<b>Revised Mayor's Apprenticeship Programme Profile</b>	<b>345</b>

5.3 The revised budget and profiling for the programme is summarised below:

<b>Revised Mayor's Apprenticeship Programme Profile</b>				
<b>18-19 Actuals (£000)</b>	<b>19-20 Actuals (£000)</b>	<b>20-21 Budget (£000)</b>	<b>21-22 Budget (£000)</b>	<b>Total (£000)</b>
17	65	133	130	345

## 6. Legal comments

6.1 Sections 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 To the extent that the proposals involve the modification of the agreement between the GLA and IPPR officers must ensure that it is varied in accordance with the provisions of the same before making any commitment to the expansion of AFL 1.
- 6.4 The Mayor may, under section 38 of Greater London Authority Act 1999, delegate the exercise of the GLA's functions to the Executive Director for Communities and Skills should he so wish.

**7. Planned delivery approach and next steps**

7.1 The expected revised timeline following approval of this MD is as follows:

<b>Activity</b>	<b>Timeline</b>
Notify AFL 2 and 3 of decision to not to issue contracts	September 2020
Notify AFL 1 of decision to expand the scope of the pilot	September 2020
AFL 1 Evaluation start and finish (external)	September - December 2021
AFL 1 Delivery end date	September 2021
Project Closure	December 2021

**Supporting papers:**

MD2356 - Apprenticeship Pilot Programme

MD2522 - Changes to the Mayor's apprenticeship programme

**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:**

James Spacey has drafted this report in accordance with GLA procedures and confirms the following:

**Sponsoring Director:**

Sarah Mulley 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 1 September 2020.

✓

✓

✓

✓

**EXECUTIVE DIRECTOR, RESOURCES:**

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

**Signature**

**Date**

*D. Gane*

4 September 2020

**CHIEF OF STAFF:**

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

**Signature**

**Date**

*D. Bellamy*

1 September 2020

