

# GREATER LONDON AUTHORITY

## REQUEST FOR DIRECTOR DECISION – DD2652

### Title: Royal Docks Internship Programme – Cohort Three

#### Executive summary:

In August 2018, the Mayor (under cover of Mayoral Decision (MD) 2338) approved expenditure of up to £212.5m for the Royal Docks Enterprise Zone (EZ) Delivery Plan to deliver an integrated and catalytic package of projects under the five strategic objectives of Place, Connectivity, Economy, Activation and Promotion; and delegated authority to the Executive Director of Housing and Land to approve, through Director's Decisions (DD), the income and detailed spending proposals for each project that is to be funded within this initial £212.5m expenditure budget envelope.

This DD seeks approval to spend up to £150,000 revenue funding to deliver the approved third cohort of interns as part of the Royal Docks Internship Programme.

In accordance with Royal Docks EZ Programme Board governance and funding responsibilities for all Royal Docks EZ projects, the investment set out in this DD was considered and endorsed by the Royal Docks EZ Programme Board on 21 June 2023.

#### Decision:

That the Executive Director of Housing and Land approves expenditure of up to £150,000 revenue funding to recruit the approved third cohort of up to 14 interns as part of the Royal Docks Internship Programme.

#### AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

**Name:** Tim Steer

**Position:** Executive Director, Housing and Land

**Signature:**



**Date:**

27/11/2023

## PART I – NON-CONFIDENTIAL FACTS AND ADVICE

### Decision required – supporting report

#### 1. Introduction and background

- 1.1. The Royal Docks is one of London's most distinctive economic locations, and one of its largest regeneration projects, with the potential to generate 35,000 additional jobs and 4,000 new homes within the Enterprise Zone (EZ). The Mayor of London and the Mayor of Newham are jointly leading the regeneration of the area through its EZ status, which is funded through the ringfencing of business-rate income collected within the EZ. The EZ is projected to deliver over 7m square feet of commercial space, primarily at three key development sites: Royal Albert Dock, Silvertown and Albert Island.
- 1.2. The former London Economic Action Partnership Board endorsed the Royal Docks EZ Delivery Plan in June 2018. The Mayor approved (under cover of MD2338) expenditure of up to £212.5m for the Royal Docks EZ Delivery Plan to deliver an integrated and catalytic package of transport infrastructure, connectivity, economic development, placemaking, estate management and creative programming projects. These will deliver the cohesive transformation of the Royal Docks, and accelerate the delivery of EZ commercial space.
- 1.3. The economic purpose of the area is outlined in the Royal Docks Economic Purpose Report, jointly commissioned by the London Borough of Newham (LBN) and the Royal Docks team (RDT) in 2019. The report states:

*"The Royal Docks will become established as a nationally significant hub of enterprise, employment and culture. It will be recognised as a testbed for environmental, social and technological innovation. It will be globally fluent and internationally focussed, harnessing the potential of Newham's diverse community."*

- 1.4. This definition of the EZ's economic purpose takes into account the need for the Royal Docks to create jobs in a distinctive way; recognises the wider need to include environmental and social issues in the making of economic decisions; and captures the potential for the Docks to be a home for international business and culture.
- 1.5. MD2338 approved a budget envelope of £51.3m, under the economy strategic objective, to invest in and deliver projects across four overarching programmes of Good Growth, Employment and Skills, Business Support, and Workspace. The request for expenditure of up to £150,000 revenue will come out of the economy budget set in MD2338, to recruit the approved third cohort of interns as part of the Royal Docks Internship Programme (RDIP) which includes:

Purpose	Amount
Subsidy of up to 25% of the intern's salary, for 14 interns, to employers.	£77,000
Our Newham Works admin support	£2,000
The intern Training Programme, with A New Direction	£66,000
Hardship, Training and Contingency	£5,000

- 1.6. The RDIP is the Royal Docks EZ's flagship employment and skills initiative. The programme is critical in helping to establish a healthy and productive work ecosystem within both the Royal Docks and Newham more widely. It was created to support local residents into quality, high-skilled jobs across the Royal Docks, thus addressing a major priority in the area to invest in the skills and talent of local people.

- 1.7. From its outset, the RDIP has been closely aligned to the ambitions outlined in the Royal Docks' Economic Purpose Report, Newham's Community Wealth Building (CWB) strategy and, more recently, the recovery plans of both the Mayors of London and Newham. These plans aim to:
- support the culture of enterprise within the Royal Docks
  - raise the aspirations of local residents, particularly the underemployed and unemployed
  - increase young people's (those aged 18-30) access to, and awareness of, the various sectors that exist within the Royal Docks
  - improve representation across the target sectors and industries
  - equip local young people with the skills, experience and knowledge they need to secure sustainable employment within these sectors.
- 1.8. The programme was approved in November 2019, before the pandemic took full effect in the UK. However, it was delayed to early 2021, when the impacts of COVID-19 had largely been managed. Its importance has increased as the need to create more youth employment opportunities has escalated dramatically as a result of the pandemic.
- 1.9. The RDIP continues to be coordinated by the GLA's Royal Docks Economy team, with support from Our Newham Works (ONW), LBN's job brokerage service, and A New Direction (AND), GLA's procured provider of recruitment support and training delivery services. Delivery details are outlined in section 8.

#### The project

- 1.10. The current RDIP programme for cohorts one and two has worked very well. Therefore, the ambition is to largely repeat the programme for a third cohort, to start in spring 2024. This means a further 14 interns (to repeat the experience for cohorts 1 and 2) benefitting from a 12-month placement at London Living Wage, supported with a mentoring and career-development package.
- 1.11. For cohort three, there are some notable changes proposed:
- The programme will be open to Newham residents, with a premium placed on those from the Royal Docks. Evidence from cohorts one and two suggests that restricting the beneficiary group to the Royal Docks area creates too narrow a field to find a suitable group of interns.
  - AND will take a lead in the recruitment of both employers and young people. This process will align with the STEP programme (in the Olympic Park) and lead to more efficiencies and more effective on-boarding of partners and participants.
  - Cohort one had no target sector; and cohort two (current) focuses on creative and cultural roles. Cohort three will focus on digital roles to align with the ambitions of Newham Sparks, as well as creative and cultural opportunities.
  - To date, employer subsidies have almost exclusively been 50 per cent; cohort three will have a maximum 25 per cent subsidy threshold. This is because, after two cohorts, a 50 per cent contribution is no longer desired nor, in many cases, appropriate. This also aligns with the STEP programme offer.
- 1.12. There was a previous ambition to 'twin' small and medium-sized enterprises (SMEs), so that they shared an intern. This was to help with the financial burden on SMEs. However, it proved unworkable due to the relatively small availability of suitable employer partners. It is hoped that with more networking and a broader target market there may be more SMEs involved for cohort three. AND's experience in leading the recruitment of employers will help in this regard.

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

- 2.1. The primary aim of the RDIP is to support disadvantaged local residents into high-quality skilled jobs across the Royal Docks by investing in the skills and talents of local young people. The objective of cohort 3 is to recruit 14 interns to the RDIP on a 12-month placement at London Living Wage, supported with a mentoring and career-development package.
- 2.2. This programme is currently the flagship employment and skills initiative to support career pathways for local residents – a fundamental ambition for the Royal Docks EZ programme. It targets key priority sectors and clusters of activity; in the case of cohort three a focus on digital and creative roles responding to the ambitions of both Newham Sparks (a local Newham focus on the growth of a data and digital economy) and the borough and Royal Docks Cultural Placemaking ambitions. It also targets cohorts of the community to have the greatest impact on community wealth building (e.g. young people), in line with the principles of inclusive growth.
- 2.3. Evidence from cohort 1 and cohort 2 is that participants have been able to secure ongoing employment and training as a result of this valuable early career step. This includes some leaving the programme halfway through to be taken on full-time by the host employer.

## **3. Equality comments**

- 3.1. Under section 149 of the Equality Act 2010, as a public authority, the GLA must have ‘due regard’ of the need to:
  - eliminate unlawful discrimination, harassment and victimisation
  - advance equality of opportunity
  - foster good relations between people who share a relevant protected characteristics and those who do not.
- 3.2. Protected characteristics, under section 149 of Equality Act, are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status.
- 3.3. The implications of this proposal have been assessed against the public sector equality duty, and it is considered that it will have a positive impact. Whilst progress has been made over the last decade in linking residents to emerging employment opportunities in Newham, significant inequality persists locally. No adverse implications for any group sharing a protected characteristic have been identified during this process.
- 3.4. The Royal Docks EZ Delivery Plan projects are aimed at implementing several of the Mayor’s policies – such as the London Plan; A City for All Londoners; the Healthy Streets Approach; the Culture Strategy; the London Housing Strategy; and the Transport Strategy. The projects are aligned with the Mayor’s Equalities Framework to consider the requirements of relevant equalities groups. Impact assessments will determine whether any persons with protected characteristics will be unduly impacted by the activities described in this paper, and the course of action needed to mitigate any impacts.
- 3.5. LBN’s CWB strategy ensures that growth in the borough:
  - is shared locally and held democratically
  - builds on internal strengths and opportunities
  - realises the potential of Newham’s community, residents, businesses and voluntary sector.

- 3.6. A stated purpose of the RDIP is to improve representation across the target sectors and industries. It is the main current delivery vehicle through which the EZ can target and support young people from diverse backgrounds with high-value careers opportunities. It is an important part of the programme's commitment to CWB, and the recovery ambitions of both the Mayors of London and Newham, particularly in support of young people.
- 3.7. The successes of cohorts one and two include supporting a very diverse group of interns, with circa 70 per cent coming from global majority backgrounds, truly reflecting the local community of the Royal Docks and Newham. These methods will continue, and further benefit from the leadership of AND, and the alignment with the STEP programme.
- 3.8. As with previous cohorts, applicants with disabilities, or who were looked-after children, were automatically invited to the information day to help increase their likelihood of success.
- 3.9. For cohort three, the aspiration is to work with more local SMEs remains.

#### 4. Other considerations

##### *Declarations of Interest*

- 4.1. There are no known conflicts of interest to declare for those involved in the drafting or clearance of the Director's Decision (DD).

##### *Risks Arising/Mitigation*

- 4.2. The risks, and mitigating actions, are detailed in the table below:

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation</b>
EZ unable to secure enough suitable placements	Medium	High	<ul style="list-style-type: none"> <li>• Minimum requirement for 10-12 placements to make the programme viable, although by aligning with STEP there is even more flexibility than with previous cohorts.</li> <li>• Early engagement with businesses.</li> <li>• Creative negotiations possible to support businesses in difficult economic times.</li> <li>• Better alignment with STEP programme to access wider range of opportunities.</li> <li>• Accept the risk – if the RDT cannot find enough businesses, it suggests demand from the business community isn't currently there.</li> </ul>
EZ unable to secure enough quality candidates	Low	High	<ul style="list-style-type: none"> <li>• Work closely with ONW to find a range of candidates.</li> <li>• Flexible requirements at a range of levels and experience.</li> <li>• Varied recruitment methods.</li> <li>• Continuity of process from successful cohort one experience.</li> <li>• Direct learning from STEP experience.</li> <li>• Evidence from cohorts one and two suggests that the majority of candidates are more than capable, and in some cases excellent additions.</li> </ul>

Insufficient resource support from ONW coordinator	Low	Medium	<ul style="list-style-type: none"> <li>Regular discussions with ONW Coordinator as well as the line manager to ensure support is sufficient.</li> </ul>
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## 5. Financial comments

- 5.1. The Executive Director's approval is sought to spend up to £150,000 revenue funding to recruit the approved third cohort of up to 14 interns as part of the Royal Docks Internship Programme. The expenditure for this project will be incurred in 2024/25.
- 5.2. The funding for this expenditure is expected to be from the ringfenced business-rate income collected within the Enterprise Zone, as agreed in MD2338. However, current projection shows that the forecast business rates receivable from the RD Enterprise Zone will be lower than originally projected, therefore there is a risk that there would be insufficient business rates income generated from the RD Enterprise Zone to fund the planned expenditure for the RD programme. Any shortfall in income for future years would be met with available funds from the RD Enterprise Zone Reserve Account.
- 5.3. The spend for this decision is part of the GLA's 2024-25 budget setting process, which is still in progress. Therefore, to further mitigate against this risk of insufficient funding, a break clause should be included in the contracts, should funding not be available for future years.

## 6. Legal comments

- 6.1. The foregoing sections of this report indicate that the decisions requested of the Executive Director concern the exercise of the GLA's general powers, falling within the GLA's statutory powers to do such things considered to further or that 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.
- 6.2. In implementing the proposals in respect of which a decision is sought, officers should comply 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.
- 6.3. In taking the decisions requested, the Executive Director 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, to advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sex, sexual orientation) and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. To this end, the Executive Director should have particular regard to section 4 (above) of this report.
- 6.4. The report above indicates that the GLA intends to procure services via a variation to an existing contract with AND. Officers should ensure that the variation is processed by TfL Procurement and Commercial, properly prepared and executed by the GLA and AND before the additional services are provided by AND.

- 6.5. The report above indicates that part of the sought budget will amount 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 equality policy, Subsidy Control rules and in a manner which affords value for money in accordance with the GLA Contracts and Funding Code. Officers must ensure that an appropriate funding agreement is put in place and executed by the GLA and the recipient before any commitment to funding is made. Officers should ensure that a break clause as detailed in paragraph 5.3 above is included in the relevant contracts.

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

- 7.1. The RDIP continues to be coordinated by the Royal Docks Team. An element of the administration is delivered (funded) by ONW. The role played by ONW has proven invaluable – firstly as a resource to manage all stages of the process, and second as a source of direct and indirect contacts which have helped with systems and managing issues, and linked the RDIP to parallel programmes (e.g. Kickstart).
- 7.2. AND was procured to coordinate the support services of the RDIP, including mentoring, careers advice, pastoral support and group project coordination. TfL Procurement and Commercial have advised on the proposed variation and expansion of the existing AND contract in accordance with procurement legislation.
- 7.3. To support a more seamless recruitment process for the third cohort, the RDIP will be brought into greater alignment with AND's STEP programme, leading to increased delivery efficiencies and shared learning between the two. This means that not only will AND coordinate and support the interns, it will also take responsibility for the recruitment of interns and employers, including more significant communication outputs. This includes:
- leading the long and shortlisting process
  - holding engagement/information sessions
  - coordinating assessment days
  - ensuring unsuccessful applicants are provided with constructive feedback and signposted to other opportunities.
- 7.4. Interns will continue to be employed directly by employers and claim for salary costs from the Royal Docks EZ quarterly. All liability for employment lies with the employer.
- 7.5. The next steps for the project are outlined below:

<b>Activity</b>	<b>Timeline</b>
Secure cohort three funding	October 2023
Begin business engagement	Winter 2023
Open intern recruitment	Early 2023
Cohort three begins	Spring 2024 (24/25 FY)

## **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 be published either 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 the 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:

Abdul Awwal has drafted this report in accordance with GLA procedures and confirms the following:

✓

#### Assistant Director/Head of Service:

Simon Powell has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

#### Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

#### Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 27 November 2023.

✓

### INTERIM CHIEF FINANCE OFFICER:

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

#### Signature:



#### Date:

27/11/2023