

## REQUEST FOR DIRECTOR DECISION – DD2449

### Title: Impact Evaluation of the GLA's European Social Fund (ESF) Co-Financing Programme 2014-20 and 2019-23 – Skills and Employment

#### Executive Summary:

The GLA has developed a suite of European Social Fund (ESF) projects to support unemployed people and low paid workers to gain the skills they need to find jobs and progress in their careers. The projects respond to the priorities identified within LEAP's<sup>1</sup> European Structural Investment Fund (ESIF) strategy and the Mayor's Skills for Londoners Strategy.

This Director Decision (DD) relates to the procurement of ESF programme evaluation services enabling the GLA to:

- meet contractual requirements to evaluate the programme;
- demonstrate the impact of its ESF co-funded projects; and
- shape the design and commissioning of future programmes.

MD2375<sup>2</sup>, approved in October 2018, proposes the use of up to £6.5 million for management and administration (M&A) costs, including a programme evaluation.

#### Decision:

That the Executive Director of Communities and Skills approves:

Expenditure of up to £120,000 from the European Social Fund (ESF) 2019-23 Management and Administration budget on services required for the evaluation of the ESF Co-Financing Programme, to assess the effectiveness and impact of the programme to inform future work in this area.

#### 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:** Sarah Mulley and Halima Khan

**Position:** Executive Directors,  
Communities and Skills

**Signature:**



**Date:** 17.02.20

<sup>1</sup> The London Economic Action Partnership (LEAP) - London's local enterprise partnership.

<sup>2</sup> MD2375 is deferred from publication until February 2020.

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE**

### **Decision required – supporting report**

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

1.1. The European Social Fund (ESF) provides funding for skills and employment projects in London through two main 'Priority Axes':

Priority Axis 1, "Inclusive Labour Markets", provides support to enable:

- Jobseekers and economically inactive people, particularly those most disadvantaged in the labour market, to access and sustain employment, including through skills development;
- Young people aged 16-24 who are not in employment, education or training (NEET) to access and sustain further education, training or employment; and
- People who are marginalized and/or have multiple and complex barriers to participate in the labour market.

Priority Axis 2, "Skills for Growth", provides support for:

- Adults who are in work, but face barriers to progressing to a better or more secure role, particularly due to having low or out-of-date skills; and
- Partnership activities which aim to increase employer participation in further education and training and improve its responsiveness to the needs of the local economy.

1.2. The Mayor's ESF Programme comprises a mix of youth and adult skills and employment projects under these Priority Axes.

1.3. The Mayor's ESF Programme focuses on areas which aim to most add value to existing national and regional programmes including those for which the Mayor is or will be responsible in the future, such as the Young Londoners Fund and the Adult Education Budget (AEB). The proposals also reflect areas where there are currently gaps in provision, limited support available to meet needs, or where innovative approaches might help to identify improvements in the outcomes from current mainstream provision.

1.4. The Mayor's ESF 2019-23 Programme will also reflect LEAP's skills and employment priorities of sustained employment, career progression and progression in learning, with funding incentives in place to reward providers for progression and job sustainability.

1.5. Contained within the Memorandum of Understanding (MoU) dated 22 October 2019 with the Managing Authority, European Programmes Management Unit (EPMU), a combined allocation of £120k from Priority 1 and £87.7k and Priority 2 £32.3k (1.8% of the management and administration (M&A) budget) is noted specifically for overall programme evaluation, as required in accordance with ESF funding requirements.

1.6. The GLA is seeking to commission an evaluation of the ESF Co-Financing Programme. The commission is primarily an impact evaluation to measure the effectiveness of the programme for delivering the outputs and outcomes specified, and the programme's value for money.

1.7. In October 2018, the Mayor approved the following expenditure under MD2375:

- Expenditure on delivery of the Mayor's ESF 2019-23 Programme services is expected to be in the region of £64.5 million. Up to 10% of the value of this delivery expenditure may be claimed to cover the M&A costs of the programme. The maximum budget available for M&A costs up to 30 September 2023 is therefore approximately £6.5 million. Based on current estimates, GLA officers do not anticipate that the full £6.5 million will be required for M&A, but the situation

will be reviewed once the current procurement process has been completed and any potential underspend may be reallocated to project delivery at a later stage.

- In addition to the staff costs associated with developing, procuring and managing the Mayor's ESF 2019-23 Programme, other M&A activities which may be supported include commissioning a programme evaluation (in accordance with the ESF funding requirement that an overall programme evaluation is completed by the end of the programme delivery period).

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

- 2.1. The organisation appointed will deliver a mixed methods evaluation of the ESF Co-Financing Programmes 2014-20 and 2019-23. Primarily, the GLA would like to evaluate the impact of ESF activities on Londoners over the lifetime of the combined programme to inform future regional skills and employment delivery.
- 2.2. This is principally an impact evaluation however we would like evaluators to capture insights on a yearly basis with a view to informing ongoing project delivery, future programme design and future funding decisions. In addition, and consistent with the GLA's commitment to transparency and value for money, the evaluation will also need to provide summative insights via an interim report and a final report.
- 2.3. The four overarching research questions are:
  - What is the impact of provision funded through the co-financed ESF on Londoners, in particular disadvantaged groups, employment support/training providers, employers and the wider community?
  - Where variation in project impact and performance occurs, why is this the case?
  - What is the economic impact of provision funded through the GLA's ESF Co-Financing Programme?
  - What are the views and experiences of Londoners, in particular disadvantaged groups, employment support/training providers, project sponsors, businesses and the wider community in respect of ESF provision?
- 2.4. Indicative deliverables for this commission are:
  - An interim evaluation report setting out findings and actionable insights on lessons learned from delivery to date, to include: a draft report and presentation; a final interim evaluation report, and; a summary of key findings for sharing with a range of external audiences;
  - A final evaluation report summarising the impact and lessons learned from the 2014-2023 ESF Programme, to include: a draft report and presentation; a final evaluation report; a slide pack for use with external audiences, and; a summary of key findings for sharing with a range of external audiences; and
  - Up to three presentations of findings to audiences of GLA stakeholders.
- 2.5. In addition to the outputs set out above, the organisation appointed will attend regular monitoring meetings to support ongoing improvements across the programme, administered through the GLA Skills & Employment Unit Delivery Team.
- 2.6. A maximum of £120,000 is available for this work. TfL Commercial are advising on the procurement process.

### **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:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
  - advance equality of opportunity between persons who share a relevant protected characteristic 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.
- 3.2. Relevant protected characteristics are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 3.3. The procurement and commissioning of the activities described above will confirm with requirements made under the public sector equality duty, and that any learning pertaining to people who have protected characteristics will be used to inform future specifications for work.
- 3.4. The evaluation specification includes a requirement to evaluate the effectiveness of the programme in engaging and supporting Londoners from diverse demographic and disadvantaged groups (e.g. lone parents, ex-offenders, NEETs, BAME).

### **4. Other considerations**

- 4.1. These projects respond to the priorities identified within the LEAP's European Structural Investment Fund strategy and the Mayor's Skills for Londoners Strategy. Specifically, the projects meet obligations set out in the GLA's agreement with the ESF Managing Authority and failure to complete would risk breach of ESF requirements and previously arranged obligations of the agreement.
- 4.2. The selected organisation will be required to enter into suitable data sharing arrangements with the GLA, which will be developed in consultation with the Skills and Employment Data Sharing Group and GLA Governance and Resilience Unit.
- 4.3. There are no conflicts of interest to declare from those involved in the drafting or clearance of this decision.

### **5. Financial comments**

- 5.1. Approval is being sought for expenditure of up to £120,000 to commission an evaluation of the ESF Co-Financing Programme 2014-20 and 2019-23. This evaluation is to measure the impact of the programme and inform future regional skills and employment delivery.
- 5.2. The expenditure of £120,000 will be spread across four financial years covering 2020/21 to 2024/25 (£30,000 per year). The net budget required will be nil as the evaluation will be 100% funded from ESF (to be claimed in arrears). This will be part of the £167m ESF 19-23 programme budget covered by MD2375.
- 5.3. This expenditure will be funded from the ESF 19-23 programme and will be claimed from the Department for Work and Pensions (DWP) in arrears.
- 5.4. This funding is dependent on the successful delivery of AEB procured as ESF match funding is also claimed against it. Should the AEB procured not be delivered as expected this expenditure will be underwritten by the GLA and need to be contained within the Skills & Employment unit.

## **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 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.
- 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; and
  - 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.
- 6.3. 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, 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 3 (above) of this report.
- 6.4. Section 2 of this report indicates that the GLA intends to procure services. Section 9 of the GLA Contracts & Funding Code requires the GLA to, in respect of services valued at more than £25,000 and up to £150,000 (i) develop a procurement strategy with TfL Commercial and (ii) seek a call-off from a suitable framework where possible or, if not, undertake a formal tender process.

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

<b>Activity</b>	<b>Timeline</b>
Procurement of contract	February 2020
Delivery Start Date	April 2020
Interim evaluation delivered	April 2021
Final evaluation delivered	September 2023

### **Appendices and supporting papers:**

Appendix A – ESF Co-Financing Programme Evaluation specification (draft)

**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? YES**

If YES, for what reason: This form contains information the disclosure of which would prejudice the GLA's ability to secure value for money in its procurement of the required services.

Until what date: April 2020

**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:**

Sarah Randall has drafted this report in accordance with GLA procedures and confirms the following:

✓

**Assistant Director/Head of Service:**

Michelle Cuomo-Boorer 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 the 17 February 2020.

**EXECUTIVE DIRECTOR, RESOURCES:**

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

Signature

*M. D. Allen*

Date

*17.2.20*