

PART 2 – CONFIDENTIAL FACTS AND ADVICE

DD2354

Title: Skills for Londoners Capital Fund - Round 2

Information may have to be disclosed in the event of a request under the Freedom of Information Act 2000. In the event of a request for confidential facts and advice, please consult the Information Governance team for advice.

This information is not suitable for publication until the stated date because:

The disclosure of the information contained in this part 2 report could prejudice the commercial interests of the GLA, funding applicants and proposed recipients, impacting adversely on the:

- proposed recipients' procurement of goods and services for the development of the proposed projects;
- applicants' and proposed recipients' ability to leverage third party funding and other investment; and
- GLA's evolution of its prospectus for future rounds and the efficiency with which it is able to enter into funding agreements with the proposed recipients.

This information will cease to remain confidential upon completion of individual projects.

Date at which Part 2 will cease to be sensitive or when this information should be reviewed with a view to publication: **31st March 2024**

Legal adviser recommendation on the grounds for not publishing information at this time:

In the event of any request for access to the information contained in this document under section 1 of the Freedom of Information Act 2000 ("the Act") it is considered that access may be denied on the basis that the disclosure of such information risks prejudicing the commercial interests of applicants for and proposed recipients of GLA funding and the GLA itself, as its release would:

- provide bodies from whom proposed recipients from which they may seek to procure goods and services with knowledge of proposed project budgets and distort the market(s) for the same;
- publicise financial details of applicants for and proposed recipients provided in confidence which may impede their ability to optimise their leveraging of third-party funding or investment required for GLA funded or other projects; and
- by virtue of publicly acknowledging the potential availability of additional Brexit related contingency funding, prejudice the GLA's ability to optimise value for public money.

Therefore, the exemption from release of the information set out in part 2 of this report is covered by section 43 of the Act.

Section 1 of the Act creates the general right of access, which provides that any person making a request for information to a public authority is entitled:

- to be informed in writing by the public authority whether it holds information of the description specified in the request; and
- if that is the case, to have that information communicated to him/her.

Part II of the Act contains a number of exemptions from disclosure for certain classes of information. In particular, section 43 of the Act provides that information is exempt information, if its disclosure under

the Act would, or would be likely to, prejudice the commercial interests of any person (including the public authority holding it). The paragraph above states that the information could be considered commercially sensitive, as its release could affect the commercial interests of applicants for and the proposed recipients of GLA funding and the ability of the GLA to secure best possible outcome in respect of funding it awards, and therefore, is covered by the exemption under section 43 of the Act. The Section 43 exemption is a qualified exemption and, accordingly, its valid use is subject to a public interest assessment.

Public Interest Assessment

On balance it is considered that the public interest is best served if the information is not disclosed at this point. As noted above, disclosure by the GLA could, as explained above:

- have a detrimental effect on the commercial interests of applicants for and the proposed recipients of GLA funding;
- affect the GLA's ability to optimise value for money in its award of Skills for Londoners Capital funding; and
- cause unnecessary strain on public funds.

For these reasons, it is considered that the information below is exempt from publication in reliance upon the exclusions contained in section 43(2) (commercial interests) of the Act and because the public interest in withholding the information outweighs the public interest in releasing it.

Legal Adviser - I make the above recommendations that this information is not suitable for publication at this time.

Name: Stephen Fernandes-Owen, TfL Legal

Date: 12 April 2019

Once this form is fully authorised, it should be circulated with Part 1.

Decision and/or advice:

That the Executive Director of Development, Enterprise & Environment approves the ringfencing of up to £12m from the SfL Capital Fund to provide for a Brexit contingency endorsed by the LEAP.

This Decision is confidential and the confidential information and advice is presented in the below summary of the proposal and the results of the evaluation which is attached.

1. Confidential facts

- 1.2 The decision in this part 2 is for the ringfencing of £12m for Brexit contingency which was approved by LEAPIC and LEAP as part of the remaining Skills for Londoners Capital Fund (SfLCF) budget to provide for a programme contingency to address the potential delivery risks and uncertainties resulting from Brexit. Once there is greater clarity on the actual and potential impacts of Brexit, a set of rules and principles will be agreed in order to provide a governance structure for how this contingency is applied. This is reserved as if its availability is known about then projects may seek reliance on this rather than their own contingency. The expenditure and allocation of this will be subject to LEAPIC/LEAP endorsement and Director Decisions/ Assistant Director Decisions as appropriate as this decision merely approves the principle.

2. Finance Comments

- 2.1 The £12 million contingency recommended for approval means that taken together with the decisions in part 1, there is £8.65 million uncommitted of the £114 million Skills for Londoners budget approved in MD2142. As outlined above, if it can be demonstrated that the Brexit contingency is required for the delivery of projects, a methodology will be put in place to ensure this is drawn down consistently.

3. Project Summaries - CONFIDENTIAL

SfLCF only - Approved Applications

Project title	Applicant name	SfL contribution	Applicant contribution	Total project value	GLA funding ratio (target <33%)	Rational e and strategic fit (25%)	Outputs and wider outcomes and benefits (30%)	Deliverability (25%)	Value for money (20%)	Overall	Difference (target <10%)	Post-moderation recommendation
London Institute of Transport Technology	Queen Mary University of London	£10,000,000	£28,312,501	£38,312,501	26%	4.67	4.33	3.33	4.00	82.0%	-2%	Approved
Surbiton Adult Learning Centre and Community Hub	Richmond & Hillcroft Adult & Community College	£ 2,827,865	£ 5,655,732	£ 8,483,597	33%	4.67	4.50	3.07	4.00	81.7%	4%	Approved
Digital and Skills for Work Academy	HCUC	£ 5,330,520	£ 2,870,280	£ 8,200,800	65%	3.67	4.00	3.40	4.00	75.3%	-3%	Approved
Future Greenwich and Greenwich Digital Village	London South East Colleges	£10,000,000	£13,999,999	£23,999,999	42%	4.00	4.00	3.27	3.50	74.3%	-4%	Approved
Barts Health Learning Hub	Barts Health NHS Trust	£ 148,950	£ 148,950	£ 297,900	50%	4.33	3.83	2.67	4.00	74.0%	5%	Approved
Meadowbank - Digital Technology Training Centre	London Borough of Hounslow	£ 254,100	£ 515,900	£ 770,000	33%	3.83	3.67	3.33	4.00	73.8%	-3%	Approved
Big Creative Digital Futures	Big Creative Training Ltd	£ 800,000	£ 1,600,000	£ 2,400,000	33%	3.83	3.67	3.33	4.00	73.8%	3%	Approved
The Mary Ward Adult Education Centre East	Mary Ward Centre	£ 5,680,001	£11,359,569	£17,039,570	33%	4.00	3.50	3.33	4.00	73.7%	8%	Approved
The Ardleigh Green Campus Re-development Project	Havering College of Further and Higher Education	£ 7,500,000	£ 7,500,000	15,000,000	50%	4.00	3.83	3.33	3.00	71.7%	0%	Approved
Open Learning and Digital Environment	Working Men's College	£ 559,000	£ 1,118,000	£1,677,000	33%	3.50	3.00	3.73	3.00	66.2%	2%	Approved
Resourcing - IOT Industrial Digitalisation	Barking & Dagenham College	£ 1,452,000	£ 2,948,000	£4,400,000	33%	3.83	3.00	3.13	3.00	64.8%	-2%	Approved

SfLCF only – Approved Reserve Applications

Project title	Applicant name	SfL contribution	Applicant contribution	Total project value	GLA funding ratio (target <33%)	Rationale and strategic fit (25%)	Outputs and wider outcomes and benefits (30%)	Deliverability (25%)	Value for money (20%)	Overall	Difference (target <10%)	Post-moderation recommendation
Hammersmith and Fulham Gateway	Ealing Hammersmith and West London College	£ 20,000,000	£ 95,000,000	£115,000,000	17%	4.17	4.00	2.40	3.00	68.8%	2%	Approved reserve
RENEWAL: East Ham campus project	Newham College of Further Education	£ 10,000,000	£ 47,819,000	£ 57,819,000	17%	4.17	3.83	2.47	3.00	68.2%	-1%	Approved reserve
RENEWAL: Stratford Campus project	Newham College of Further Education	£ 10,000,000	£ 33,064,000	£ 43,064,000	23%	3.83	3.67	2.60	3.00	66.2%	-7%	Approved reserve

SfLCF only – Unsuccessful Applications

Project title	Applicant name	SfL contribution	Applicant contribution	Total project value	GLA funding ratio (target <33%)	Rationale and strategic fit (25%)	Outputs and wider outcomes and benefits (30%)	Deliverability (25%)	Value for money (20%)	Overall	Difference (target <10%)	Post-moderation recommendation
Southgate STEM Hub	Barnet & Southgate College	£ 4,500,000	£ 9,000,000	£13,500,000	33%	3.17	2.83	3.80	2.50	61.8%	2%	Unsuccessful

MCA – Approved Applications

Project title	Applicant name	MCA contribution	Applicant contribution	Total project value	GLA funding ratio (target <33%)	Rationale and strategic fit (25%)	Outputs and wider outcomes and benefits (30%)	Deliverability (25%)	Value for money (20%)	Overall	Difference (target <10%)	Post-moderation recommendation
London South East Colleges MCAS Hub	London South East Colleges	£ 819,720	£ 1,639,440	£ 2,459,160	33%	4.33	3.83	3.40	4.00	77.7%	5%	Approved
Waltham Forest BECI Centre	Simian Risk Management Limited	£ 213,900	£ 71,300	£ 285,200	75%	4.17	3.67	3.20	4.00	74.8%	-7%	Approved
Construction Skills Centre	HCUC	£ 1,412,633	£ 2,623,463	£ 4,036,096	35%	4.00	3.50	3.47	4.00	74.3%	-4%	Approved
Construct Your Future	The STC Group	£ 150,000	£ 300,000	£ 450,000	33%	4.00	3.17	3.13	4.00	70.7%	-2%	Approved
Mayors Construction Academy LB Camden Partnership	United Colleges Group	£ 440,000	£ 4,020,000	£ 4,460,000	10%	3.50	2.83	3.00	3.50	63.5%	0%	Approved

SfLCF/MCA – Approved application

Project title	Applicant name	SfL contribution	MCA contribution	Total GLA contribution	Applicant contribution	Total project value	GLA funding ratio (target <33%)	Rationale and strategic fit (25%)	Outputs and wider outcomes and benefits (30%)	Deliverability (25%)	Value for money (20%)	Overall	Difference (target <10%)	Post-moderation recommendation
Wembley Park	United Colleges Group	£ 5,836,253	£ 4,163,747	£ 10,000,000	£ 96,499,000	£ 106,499,000	9%	3.83	3.33	3.27	3.50	69.5%	9%	Approved

Financial Profile – approved applications

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Total
GLA spend	£ -	£1,114,457	£12,534,833	£21,835,586	£17,239,053	£4,745,366	£119,394	£ 57,588,689
Applicant spend	£ -	£10,386,158	£21,762,137	£47,265,726	£60,412,268	£40,203,711	£ 1,152,134	£181,182,134
Total	£ -	£11,500,615	£34,296,970	£69,101,312	£77,651,321	£44,949,077	£1,271,528	£238,770,823

Financial Profile – approved reserve applications

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Total
GLA spend	£-	£-	£3,966,000	£12,012,000	£11,417,000	£9,448,000	£3,157,000	£40,000,000
Applicant spend	£9,627,000	£4,112,000	£12,600,000	£45,550,000	£33,928,000	£18,898,000	£51,168,000	£175,883,000
Total	£9,627,000	£4,112,000	£16,566,000	£57,562,000	£45,345,000	£28,346,000	£54,325,000	£215,883,000

Financial Profile – approved and approved reserve applications

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Total
GLA spend	£-	£1,114,457	£16,500,833	£33,847,586	£28,656,053	£14,193,366	£3,276,394	£ 97,588,689
Applicant spend	£9,627,000	£14,498,158	£34,362,137	£92,815,726	£94,340,268	£59,101,711	£52,320,134	£357,065,134
Total	£ 9,627,000	£15,612,615	£50,862,970	£126,663,312	£122,996,321	£73,295,077	£55,596,528	£454,653,823