

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD3296

### Title: Mayor's Skills Academies programme hub extensions

#### Executive summary:

This decision seeks approval for expenditure of £2.175m in the 2025-26 financial period comprising:

- £1.855m to extend the delivery of the Mayor's Skills Academies (MSA) phase one hubs
- £320k for staffing to administer delivery until 30 September 2025.

The proposed extension of MSA phase one hub funding and associated GLA management and administration staffing arrangements will enable officers to design and procure MSA phase two, while also ensuring continuity of service and support hub partnerships whilst the programme transitions to phase two.

#### Decision:

That the Mayor approves expenditure of £2.175m in 2025-26 comprising:

- £1.855m grant funding to the Mayor's Skills Academies' 23 phase one hubs to extend their delivery by six months to 30 September 2025, allowing time for the development and commissioning of a second phase of the programme
- £320,000 on GLA staff costs for the management and administration of the extension period.

#### 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:

15/4/24

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

### Decision required – supporting report

#### 1. Introduction and background

- 1.1 The Mayor's Skills Academies programme (MSA), formerly known as the Mayor's Academies Programme, was developed in response to the work of the London Recovery Board<sup>1</sup> in the wake of the Covid-19 pandemic. The programme was part of the Good Work for All mission which aimed to '*support Londoners into good jobs with a focus on sectors key to London's recovery*', with a strong emphasis on Londoners who had been disproportionately impacted by the pandemic and face structural inequalities.
- 1.2 The sectors identified by the London Recovery Board (creative, digital, tech, health and social care) had significant vacancies and/or growth potential. In addition to the five sectors listed, following GLA engagement with London employers, hospitality was also identified as facing similar challenges.
- 1.3 The MSA was originally approved under cover of [\(MD\)2846](#) in 2021, with a further decision relating to the MSA hubs and linked Adult Education Budget (AEB) funding approval under [MD2919](#). Subsequent additional funding from the NHS to fund an additional health hub and funding from Mayor's Construction Academy (MCA) underspend to fund the Workforce Integration Network (WIN) evaluation was later approved under [Director Decision \(DD\)2590](#).
- 1.4 The programme work strands were:
  - Hubs – revenue funding to support the development of partnerships between employers, training providers and others and AEB funding for job outcome incentive payments to training providers
  - a Quality Mark awarded by the GLA to training providers who deliver high-quality, accessible and employer focussed provision
  - bespoke support for excluded groups, to help those facing structural barriers to accessing employment in the key sectors
  - a communications campaign to champion adult education and careers in the key sectors to London learners
  - capital funding – supporting the FE sector to deliver effective and relevant provision.
- 1.5 The GLA funded staffing resource to facilitate partnerships of skills providers, employers and other skills and employment sector stakeholders to deliver new and improved training programmes to address sectoral skills gaps and support for Londoners to enter good work.
- 1.6 There have been two rounds of hub funding procured since the programme started: 22 hubs went live in March 2022 for a period of two years across the creative, digital, green, health and hospitality sectors. A second round of seven hubs (two in health and five in social care) went live in March 2023.
- 1.7 In September 2023, the first round of hubs due to end in March 2024 were invited to apply for one additional year's funding. A total of 16 round one hubs were successfully extended for a third year of delivery. In total 23 round one and two hubs have continued to deliver in 2024-25.

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<sup>1</sup> The London Recovery Board was a non-statutory group led by the Mayor of London and London Councils, comprising elected leaders and senior stakeholders to provide strategic direction to, and democratic oversight of, London's Covid-19 recovery work.

1.8 Work is underway on the development of proposals for the second phase of the MSA programme which builds on the success of the original programme and is informed by the evaluation findings and feedback from programme partners and stakeholders. In particular:

- The Quality Mark accreditation recognises quality sectoral provision that responds to employer needs and is accessible to Londoners. Based on feedback from providers that achieved the accreditation as well as wider stakeholders, this is currently being reviewed in order to make it more impactful in phase two.
- The WIN provided employer-focussed research and tools to help address structural inequalities in the sectors and formed part of the wider MSA programme. Whilst it is anticipated that both programmes will continue to work together closely, this is being reviewed in order to build on learning and maximise impact in phase two.
- The communications campaign element is also being reviewed based on feedback from providers, hubs and wider stakeholders.

## 2. Objectives and expected outcomes

### Outputs and outcomes targets

2.1 Hub funding is provided for staffing resource and marketing support to deliver coordination activities between employers, training providers and other organisations operating in the priority sectors. The key outcome target is supporting Londoners into 11,880 'good work'<sup>2</sup> employment outcomes across the priority sectors over the lifetime of the programme. By the end of Q4 2023-24 (most recent reporting period to date) it has achieved 12,340 good work outcomes. There are a number of other output targets linked to existing delivery as well as outputs directly linked to new hub partnerships activity which are listed in Table 1 below.

**Table 1 – MSA hubs targets**

1	New employers engaged from Academy sectors as a result of Hub activity
2	Employers committing to undertaking work to improve their organisation's diversity and inclusion through use of WIN toolkits and other resources
3.1	Londoners participating in training and education relating to Academy Sectors
3.2	...of which Londoners participating in new training and education, as a result of Hub activity, relating to Academy Sectors
4.1	Londoners into work experience placements in Academy sectors
4.2	...of which are work experience placements with NEW employers engaged as a result of Hub activity
5.1	Londoners with relevant skills entering employment, apprenticeships or paid work placements in Academy sectors as a result of Hub activity
5.2	... of which are entering apprenticeships
6.1	Londoners from underrepresented groups entering into employment, apprenticeships or paid work placements in Academy sectors as a result of Hub activity
6.2	...of which are entering apprenticeships

<sup>2</sup> For the purpose of the MAP 'good work' is defined as employment which pays at or above the London Living Wage, does not involve the use of zero hours contracts and lasts for a minimum of 16 hours per week for 4 weeks, (or a minimum of 64 hours in a four-week period in sectors that require more intense hours over a shorter period, aligned to employment standards set out by sectoral trade bodies and trade unions, and in agreement with the GLA).

2.2 Work is underway on the development of proposals for the second phase of the MSA programme which builds on the success of the original programme and is informed by the evaluation findings and feedback from programme partners and stakeholders. This includes a review to align the priorities of the programme with the London's Local Skills Improvement Plan (LSIP) as well as the London Growth Plan, which is currently in development.

2.3 A review of existing hub models is also underway to ensure proposals for phase two build on learning from phase one. Other elements of the programme are also under review and an updated model will be ready in Autumn 2024.

2.4 Stakeholder engagement will take place over the summer to ensure the programme fully responds to the needs of each sector. Approval for phase two of the programme will be sought in late Autumn and commissioning of the programme will follow to secure the launch of phase two by September 2025 at the latest. With grant funding for the hub partnerships due to end in March 2025 there is a risk to continuity of the programme should the extension funding outlined in this decision not be granted.

Spending proposals

*Sustaining the Hub partnership*

2.5 GLA funding is provided to the hub partnerships to provide resourcing of staff to deliver partnership building, coordination and collaboration activities. These activities have been ongoing since March 2022 with strong, effective partnerships developed over the period. With current funding due to end in March 2025, there will be a period where no funding is available for the hubs and it is likely that delivery will cease. There is also a high risk that key staff on fixed term contracts will leave post as the end of their contract approaches, without certainty of further funding. The impact of this would be substantial, risking damage or loss of key relationships, collaboration and partnerships.

2.6 Officers are therefore recommending approval for £1.855m from the 2025-26 Skills budget to be made available for award of extension funding to phase one hubs, sustaining their activity through to September 2025 and securing continuity of the programme. This figure is based on 50 per cent of the grant total of 2024-25 delivery, with a small increment for each hub to enable a small cost of living increase for staff.

2.7 The additional period of hub extension will allow officers to develop and seek approval for phase two proposals, and, should it be agreed, commission delivery to commence in September 2025 to ensure seamless delivery.

*Academies Phase One programme budget*

2.8 The most recent MSA budget in DD2590 totalled £14.478m, which included match funding of £750k from NHS England (NHSE) and Health Education England (HEE - later rolled into NHSE) funding of £750k to fund three health hubs over a period of two years each.

2.9 Table 2 sets out the revised forecast for phase one of the programme. Slippage in delivery has resulted in forecast spend moving between years.

Table 2

<b>Budget</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>Total</b>
Hubs - phase one	521,604	1,338,750	2,936,717	3,734,465	2,635,880	<b>11,167,416</b>
Quality Mark	0	25,098	25,488	25,448		<b>76,034</b>
Bespoke Support	472,454	330,013	524,340	460,000		<b>1,806,633</b>

Evaluation	0	4,180	20,940	107,000		132,120
Marketing	0	30,504	131,124	73,428		235,056
Staffing	224,232	24,444	935,296	974,000	320,000	3,058,146
<b>Total</b>	<b>1,218,290</b>	<b>2,352,989</b>	<b>4,573,905</b>	<b>5,374,341</b>	<b>2,843,961</b>	<b>16.475,405</b>

*Academies Phase Two programme budget*

2.10 Indicative budgets of £4.546m for 2025-26 and £4.542m for 2026-27 have been secured for the MSA programme, as set out in the GLA Budget 2024-25. Allocation of funding beyond the phase one hub extensions and staffing to administer this delivery will be detailed in a further decision later in the year.

2.11 Officers are working with the WIN team to explore how both teams can continue to work in alignment, however WIN are currently exploring options to be a separately funded programme.

2.12 Other elements of the programme such as the Quality Mark and marketing/promotional activity are in the process of being reviewed.

2.13 Full approval will be sought for the phase two programme in the Autumn. This decision seeks approval only for the costs required to extend hub funding through to September 2025.

*Hub – AEB funding*

2.14 For the first phase of MSA delivery, a funding facility of up to £6m AEB job outcomes funding was made available over three academic years (£2m in 2021-22, £2m in 2022-23 and £2m in 2023-24). This was approved by the Mayor under cover of MD2846 to incentivise the focus of training providers on employability support to drive the progression of Londoners not in employment into employment in good work in the priority sectors.

2.15 This funding facility has been available to AEB providers in receipt of AEB Grant, Procured or AEB Good Work for All funding, and confirmed as members of a hub partnership either at the point of award of hub funding or subsequently confirmed as a hub partner to the GLA and with the GLA's approval.

2.16 Take-up of this funding facility has been lower than expected and feedback has been sought from the sector on the mechanism for incentivising the capture of good work outcomes. Officers are reviewing this for phase two. It is not proposed that any further AEB funding is made available during the six-month extension period.

**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
- 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 interventions outlined in this decision were aimed at supporting learners from Black, Asian and minority ethnic communities; learners without basic skills; learners with special needs or disabilities; lone parents; and low-paid learners as well as young people; newly unemployed people; people with caring responsibilities; people at risk of redundancy; and Londoners with the most complex needs, such as disabled Londoners and the long-term unemployed. The GLA consulted on the equalities impact of these changes with key sector representatives, and will closely monitor, review, and evaluate their impact. These priority groups will continue to be supported throughout the hub extension of phase 1, however any new groups emerging from the Growth Plan will be incorporated.

3.4 The WIN commissioned a sectoral workforce analysis of priority sectors to better understand the obstacles facing under-represented Londoners hardest hit by the Covid-19 pandemic which then helped to inform the development of the toolkits and Design Labs. The research found that young Black men, older (50+) Black men, Black women, Pakistani and Bangladeshi women were particularly underrepresented in the sectors as well as reasons for this under-representation; and opportunities to address under-representation through the activities of the Good Work for All mission.

3.5 An Equality Impact Assessment is underway for phase two of the MSA. This will respond to any underserved Londoners emerging from the Growth Plan.

#### 4. Other considerations

##### Links to Mayoral strategies

4.1 The MSA is also proposed as a key intervention as part of two of the proposed new programmes being established under the Mayoral Delivery Board:

- *Supporting Londoners to Benefit from Growth*: developing a more employer-led careers, skills and employment eco-system, and breaking down barriers to opportunity.
- *Boosting London's Growth Sectors*: creating the conditions for growth sectors to thrive and supporting city wide coordination across specific sectors to address sectoral needs.

4.2 The programme is also expected to support implementation of the London Growth Plan by seeking to ensure London's economy and businesses have the skills needed to grow, allowing Londoners to benefit from economic expansion by securing well paid and sustainable employment.

4.3 The MSA is plays a key role supporting objective eight of the Mayor's Equality Diversity & Inclusion Strategy. This aims to help Londoners at risk of marginalisation in the labour market to get the skills and support they need to secure good quality jobs. It also supports objective nine – ensuring London's workforce reflects its population at all levels and in all sectors by ensuring all Londoners can upskill to access the opportunities for good work in in London's priority sectors.

##### Risks arising/mitigation

4.4 Key risks and mitigation measures are outlined below. This may be refined following further stakeholder engagement.

Risk	Description	RAG	Mitigation
Loss of key hub staff ahead of approval of MD.	Most Hub Coordinators are on fixed term contracts and will start looking for alternative employment ahead of the MSA phase one end. The loss of these staff could mean that partnerships	A	Providing an additional six months' funding gives short term certainty to MSA funded staff. This extended time period will enable the MSA procurement exercise to be completed. Hubs

	built over the past two/three years would be lost.		have been advised that the GLA will be seeking approval to extend existing hubs to September 2025.
Insufficient GLA funds to build successor programme	The programme is unable to deliver the impact for London's businesses and Londoners.	A	Additional funding from AEB will be sought. In addition, hubs applying for funding will need to identify match funding that can augment the model.
Phase two delivery does not factor in lessons learned from phase one	Challenges from the first phase of delivery are not addressed in the design of the second phase of delivery.	A	An independent evaluator, ICF, delivered an interim evaluation in late summer. Based on interviews with hubs, employers, learners and wider partners, this report includes recommendations for the next phase of delivery which will feed into the extension period and the development of a successor programme.

#### Subsidy Control

4.5 The Subsidy Control Act 2022 requires that grant funding comply with its subsidy control principles. Officers have assessed the proposed extension of the hub funding and are satisfied that the proposals align with the seven subsidy control principles as set out below.

4.6 The proposed extension of funding pursues specific policy objectives, enabling jobs and skills key interventions, aligning with the overarching policy objectives set out in the Mayor's Manifesto and the forthcoming London Growth Plan. It also directly responds to the Department for Education (DfE) funded [London Local Skills Improvement Plan \(LSIP\)](#):

- The proposed extension of funding is proportionate to the specific policy objectives and covers staffing costs and other direct costs related to the delivery of the project. The beneficiaries act as a conduit of the benefits of the subsidy, which flows through them to support end beneficiaries, Londoners, to achieve good work employment outcomes.
- No direct benefit accrues to the hub funding recipients as no profit is allowable under the terms of the grants and so the subsidies' beneficial effects outweigh any negative effects. Jobs and skills support is not a statutory obligation and therefore without the extended funding the activity would not continue to take place.
- The project would not be pursued in the absence of the subsidy, leading to the policy objectives not being achieved and support not being delivered. The proposals have been designed specifically to achieve the respective policy objective and as such there is a low risk of the subsidy producing negative effects on competition or investment within the United Kingdom.

#### Conflicts of interest

4.7 There are no conflicts of interest from those involved in the drafting or clearance of this decision form.

## 5. Financial comments

5.1 This report seeks approval for the expenditure of £2.175m in 2025-26 financial year comprising:

- £1.855m grant funding to the Mayor's Skills Academies (MSA) phase one hubs to extend their delivery by six months to 30 September 2025, allowing time for the development and commissioning of a second phase of the programme
- £320,000 for GLA staff costs for the management and administration of the extension period.

5.2 This would be funded from the Mayor's Skills Academies programme (MSA) budget (formerly known as the Mayor's Academies Programme) in the 2025-26 financial year.

5.3 The MSA was originally approved under cover of [MD2846](#) in 2021, with a further decision relating to the MSA hubs and linked Adult Education Budget (AEB) funding approval under [MD2919](#). Subsequent additional funding from the NHS to fund an additional health hub and funding from Mayor's Construction Academy (MCA) underspend to fund the Workforce Integration Network (WIN) evaluation was later approved under [Director Decision \(DD\)2590](#).

5.4 Table 2 above in paragraph 2.9 sets out the expenditure to date and the revised forecast for phase one of the programme. Slippage in delivery has resulted in the forecast spend moving between financial years.

5.5 The expenditure of £2.175m from the Mayor's Skills Academies programme (MSA) budget in the 2025-26 financial year is agreed in principle and subject to the outcome of the normal budget-setting process for future financial years.

5.6 Any contract that commits the GLA in future years must be subject to appropriate break clauses.

## 6. Legal comments

6.1 Under section 30 of the Greater London Authority Act 1999 (the Act) the GLA may do anything that it considers will further one or more of its principal purposes, which are promoting: economic development and wealth creation in Greater London; social development in Greater London; and the improvement of the environment in Greater London.

6.2 In determining whether to exercise its power to further one or more of its principal purposes, the GLA is required to consider the effect this may have on the remaining purpose or purposes — in so far as that is practicable — and, over a period of time, to secure a reasonable balance between furthering each of its principal purposes.

6.3 Section 33 of the Act requires the GLA to make appropriate arrangements with a view to securing that, in the exercise of its general power, there is due regard to the principle that there should be equality of opportunity for all people. The GLA is also subject to the public sector equality duty imposed by section 149(1) of the Equality Act 2010 in relation to the exercise of its functions (see section 3 above).

6.4 Section 34 of the Act enables the GLA to do anything that is incidental to the exercise of its functions, including its general powers under section 30.

6.5 Sections 1 to 4, above, concern the award of grant funding by the GLA. Officers must ensure that such grant funding is distributed fairly and transparently.

6.6 The Subsidy Control Act 2022 requires that grant funding comply with its subsidy control principles. Subject to section 6.7(a) below, the officers have set out at section 4 above how the proposed grant complies with those principles.

6.7 If the Mayor makes the decisions sought officers must ensure:

- No reliance is placed upon future years' funding until the related budgets are definitively approved and, in any event that the funding agreements contain termination for convenience rights in favour of the GLA
- as the proposed grant exceeds £100,000, that the grants are registered on the Department for Business and Trade's Transparency Database
- that GLA grant-funding agreement(s) with the current hub recipients are varied to reflect the proposed extension and award of additional funding before any commitment to provide the additional funding is made
- if applicable all GLA staffing matters are conducted and approvals sought in accordance with the GLA's HR protocols.

## 7. Planned delivery approach and next steps

Activity	Timeline
Interim evaluation to inform phase two	September 2024
Phase 2 development	October - December 2024
Hub opportunity launch	January 2025
Inform successful hubs	April 2025
Execution of agreements	April - July 2025
Final independent evaluation of MSA phase one delivered	August 2025
Phase two hubs go live	September 2025

## 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 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: Defer until after the variations to extend have been executed on the basis that publication now may prejudice the GLA's position in agreeing the terms of the extension.

Until what date: 31 March 2025

## 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:

Rachel Roberts has drafted this report in accordance with GLA procedures and confirms the following:



### Sponsoring Director:

Tunde Olayinka has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.



### Mayoral Adviser:

Howard Dawber has been consulted about the proposal and agrees the recommendations.



### Advice:

The Finance and Legal teams have commented on this proposal.



### Mayoral Delivery Board

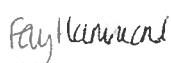
This decision was agreed by the Mayoral Delivery Board on 28 October 2024.



## CHIEF FINANCE OFFICER:

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

### Signature:



### Date:

18/11/2024

## CHIEF OF STAFF:

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

### Signature:



### Date:

15/11/2024