

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2474

Title: Skills for Londoners Programme Evaluation

Executive Summary:

The Skills for Londoners Capital Fund (SfLCF) programme was approved by the Mayor on 7 August 2017 under cover of MD2142. In MD2142 the Mayor also delegated approval of allocations of £114 million of SfLCF funds to the Executive Director of Development, Enterprise and Environment, considering the recommendations of the London Economic Action Partnership (LEAP).

The SfLCF continues to invest in the estate and equipment of skills providers, with a further funding round planned in 2020. The SfLCF continues to support the delivery of high-quality skills that employers need, in settings that are modern, fit-for-purpose and provide spaces that will support learners across London.

This decision form requests approval for expenditure of up to £150,000 of revenue funding, from the £5 million of revenue funding contained within the overall SfLCF as detailed in MD2142, to cover the costs of a programme evaluation of funding programmes to date. The evaluation will include SfLCF Round 1 and 2, Small Projects and Equipment Fund Round 1 and 2, Development Support Fund and the earlier Further Education (FE) Capital Fund Round 1 and 2 which was a precursor to SfLCF and was launched in 2015 and has several projects still in delivery.

The evaluation will also research the sector's future funding needs, including estate renewal as well as London's future economy and skills requirements to help inform future funding rounds.

Decision:

That the Executive Director of Good Growth approves revenue expenditure of up to £150,000 on services required to conduct a programme evaluation of skills funding delivered to date and to research the FE sector's future funding needs to help inform future funding round needs as well as London's future economy and skills requirements.

AUTHORISING DIRECTOR

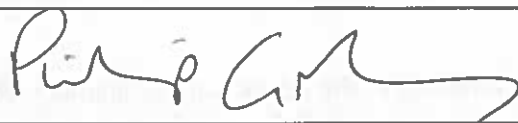
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Philip Graham

Position: Executive Director, Good Growth

Signature:



Date:

16/3/2020

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 The Further Education Capital Fund was a precursor to the Skills for Londoners Capital Fund. In May 2017 the previous LEP endorsed 14 projects with a value of £53.5 million as part of Round 1 of the Further Education Capital Fund. This was then followed by Round 2 which endorsed 7 projects with a value of £46.5 million.
- 1.2 The SfLCF was then launched under the current administration in April 2017, with a total of £114 million available for investment in the estate and equipment of London's skills providers. It supports the delivery of high-quality skills that employers need, in buildings that are inspiring and fit-for-purpose and reflect the working environments, collaborative spaces and the new ways of working of industry's workplaces and spaces.
- 1.3 Round 1, held in 2017/18, awarded £32 million to 62 projects through the main fund, the Small Projects and Equipment Fund (SPEF) and the Development Support Fund.
- 1.4 The LEAP Investment Committee in April 2019 awarded 17 projects in Round 2, seeking £57.6 million of SfL funding, of which £7.2 million is Mayor's Construction Academy (MCA) funding. Projects are currently entering grant agreements.
- 1.5 Round 1 of SPEF, held in 2017/18, awarded £3.6 million of SfL funding to 39 providers. In response to continuing sector demand SPEF Round 2 was launched in October 2019 with a targeted £3.75 million investment by April 2020.

2. Objectives and expected outcomes

- 2.1. The GLA is seeking to procure and appoint a consultant/s to carry out a programme evaluation of our funding programmes delivered to date, as well as conduct research into the FE sector's needs for future funding. This will enable the LEAP Delivery Team and Skills and Employment Unit to gain an in-depth understanding of the impact of funding to date and the FE sector's needs for future investment which will inform decisions on how future funding programmes are designed.

Activity one: Evaluation of the Skills for Londoners Capital Fund programme

- 2.2. The LEAP Delivery Team is seeking to better understand how the funds allocated through the funding programmes set out above have responded to the funding criteria of the various prospectuses supported the Mayor of London and the LEAP's commitments to the delivery of skills, which enable Londoners to progress in learning, and access London's job opportunities now and in the future.
- 2.3. The service provider/s will engage with the relevant projects and stakeholders to assess whether the aims and objectives were met, what the impact has been, the strengths and weaknesses of implementation, and to make a set of recommendations for future funding programmes of this nature.
- 2.4. The evaluation will provide evidence on the funding's impact on social, economic and environmental value and the influence on place making.
- 2.5. The evaluation will look at the impact of the funding on the integration of learners which are representative of London's diversity and its communities as well as those who struggle to access further skills (this includes a strong emphasis on learners previously or at risk of becoming 'Not in Education, Employment or Training' (NEET), Special Education Needs and Disability (SEND), and Black Asian and Minority Ethnic (BAME) learners, women, offender learners and parents and carers).

- 2.6. The overall outcome of this first activity will be an in-depth and thorough evaluation of the Skills capital funding rolled out to date and will be presented in a comprehensive report which also captures the specific outputs achieved by each of the funding rounds.

Activity two: Research of the Skills for Londoners Capital Fund programme

- 2.7. If the GLA is successful in securing future FE Capital Funds in London, it will be vital that London government directs how and why future investments are to be made.
- 2.8. To date the Mayor has supported 79 projects which combined have leveraged in a private funding commitment in excess of £300m. However, through the processes undertaken to determine these investments, City Hall is now aware that London providers' demand far outstrips what the Mayor can currently fund. This, in effect, is capping the skills sector's capacity to grow and London government's ability to unlock further private investment.
- 2.9. An evidence base is needed to support such future investment and how this will allow London to respond to the needs of London's economy. These needs are set to change, in the face of drivers including the future role of colleges as community hubs, which embrace automation, the adoption of EdTech, and the need for more skills to support the green economy, particularly as this expands in response to environmental and political pressures.
- 2.10. Greater certainty over future capital investment streams would support further education providers not only to make these adjustments and repairs but also to invest in new equipment, thereby ensuring that course content is supported by state of the art, industry standard facilities that keep pace with technological developments and reflect new ways of working.
- 2.11. The research will develop an evidence base of pipeline projects in order to understand better the financial needs for future funding rounds. The research will utilise recently available data on the existing state of FE and adult learning estates and analyse factors in emerging and changing college business plans and estate strategies to allow future programmes to be better shaped according to needs.
- 2.12. It will also inform how the existing grant intensity rates are complying with the financial needs in the adult learning sector, if higher/lower intensity rates are recommended and consider the need, effectiveness and nature of any ongoing potential sub programmes.
- 2.13. A research exercise to develop such an evidence base would need to demonstrate how well employers and other stakeholders are collaborating with skills providers. Such collaboration would not only help to ensure industry informed curriculums are improving learner outcomes, but that these are agile enough to respond to unforeseen drivers such as migration regulation or changes to planned infrastructural investment.
- 2.14. Overall, the outcome of this second activity will provide a comprehensive review of what the current and future funding needs are within the FE sector and this intelligence will be used when designing future anticipated funding rounds. This work will also help develop an evidence base and investment case for continued funding for FE capital investment in London.
- 2.15. Up to £150,000 is required to carry out the full programme evaluation and research pieces as set out above. LEAP Delivery team officers have consulted with the Regeneration and Economic Development's Programme team who carried out an evaluation for the Good Growth Fund (GGF). The Skills Unit have also been consulted and a comparison drawn between the programme evaluation for the Adult Education Budget and the Skills Capital evaluation as set out in this paper. The £150k has been informed by the costs for the level of work required for the GGF and AEB evaluation. Bids will be invited to provide detailed costings for the work.

- 2.16. Officers will liaise with TfL Commercial to procure the services required competitively in accordance with the GLA's Contracts and Funding Code.
- 2.17. It is proposed that work under Activity Two will be undertaken following the 2020 Budget statement and the 2020 London Mayoral Election. This would allow any research specification to fully consider relevant announcements and manifesto commitments.

3. Equality comments

- 3.1 The GLA is required, in the exercise of its functions, to have due regard to the need to:
- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 3.2 In the context of the SfLCF, the Mayor's Equality, Diversity and Inclusion Strategy launched in 2018 includes the SfLCF's relevant objectives.
- 3.3 SfLCF projects proposals have been required to reflect the diverse needs of all learners and help to reduce the disability, gender and race employment gaps in addition to meeting the Public Sector Equality Duty. This encompasses integration of the Accessible London Supplementary Planning Guidance and Policy D3 of the draft London Plan (both of which support the latest inclusive design standards BS8300-1:2018 and BS8300-2:2018). The LEAP Delivery Team work with delivery partners to target investments in places with the greatest potential to secure inclusive jobs and growth opportunities and ensure all investments promote equality, diversity, inclusive opportunities and services. The SfLCF application processes invite bidders to demonstrate how they give due regard to the requirements of the Public-Sector Equality Duty Act and how they will integrate relevant equality, fairness and inclusion considerations into all areas of delivery. They are also be required to foster good relations between persons who share a relevant protected characteristic and persons who do not share it in the delivery of funded projects. This is reinforced by the requirements set out in the contract of any successful project.
- 3.4 Bidders for the programme evaluation contract will have to demonstrate their understanding of the Mayor's Equality, Diversity and Inclusion Strategy to ensure that the programme evaluation covers the Mayor's strategic priorities helping to assess disability, gender and race employment gaps in addition to meeting the Public Sector Equality Duty. This encompasses integration of the Accessible London Supplementary Planning Guidance and Policy D5 of the draft London Plan (both of which support the latest inclusive design standards BS8300-1:2018 and BS8300-2:2018).

4. Other considerations

- a) *Key risks and issues*

Risk	Impact	Mitigation
There is a risk that we do not receive a range of good quality applications	<i>A consultant/s cannot be picked and the programme evaluation will not be carried out</i>	The procurement methods to be utilised will ensure frameworks are engaged to procure the services. Frameworks have been used for similar procurement exercises previously for the Good Growth Fund and have been successful in attracting good quality providers.

Delays in appointing suitable service provider(s) may mean that the programme set out in this paper is not met	The evaluation findings will not be able to be used in designing future funding rounds	The procurement process will begin as soon as the LEAP Programme Board approves the spending and the potential bidders will be made aware that they would be required to begin delivering promptly after a contract is signed
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b) Links to Mayoral strategies and priorities

- 4.2 The Mayor of London and the London Economic Action Partnership (LEAP) – of which the Mayor is chair – are committed to supporting the delivery of skills which enable Londoners to progress in learning and access the job opportunities available in the capital. This means supporting the delivery of high-quality skills that employers say they need, in buildings that are inspiring and fit-for-purpose and reflect the facilities, collaborative spaces and new ways of working seen in the workplace. The Mayor with his Skills for Londoners Taskforce developed and published London's first ever post-16 skills and adult education strategy whereby the key focus is on ensuring all Londoners and London's businesses can access the skills they need to succeed. Furthermore, the research piece set out in this paper will provide an in-depth insight into how the funding programmes delivered to date have responded to the Mayor's skills strategy and how they have supported the Mayor and LEAP in ensuring a fair and accessible education offer is delivered across the capital. These programmes have been created to deliver high quality learning and training environments through the development, modernisation and rationalisation of facilities, contributing to the Mayor's and LEAP's drive to make London a better place in which to live and work and to visit. Projects funded by these programmes are aligned with the Mayor's Skills for Londoners, Economic Development and Environment strategies and relevant policies of the draft London Plan.
- 4.3 A risk to London's capacity to grow and thrive is the number of complex FE estates that are in poor or inoperable condition – concentrations of which often lie in areas of high deprivation. The capital has the highest density of approved training organisations and the largest number of further education establishments by geographic area in the country – and as the city's economy evolves providers need to re-engineer their physical offer to respond to the new growth sectors. This creates an exceptional pipeline of need for new capital infrastructure investment that the LEAP is best placed to support. To ensure that future funding rounds are appropriately designed and are accessible, we need to understand exactly what this need is and how best to respond to it in the future.
- 4.4 The SfLCF programme overall aligns with relevant policies of the draft London Plan and contribute positively to the Mayor's planning objectives relating to Design (Chapter 3), Social Infrastructure (Chapter 5), Green and Sustainable Infrastructure (Chapters 8 and 9), transport (Chapter 10), affordable housing (Chapter 4, Policy H6 and H7) and the Mayor's Affordable Housing and Viability Supplementary Planning Guidance. These wider benefits of funding will be included in the evaluation piece.

c) Consultations and impact assessments

- 4.5 Any future round will be based on a direct response from existing and potential providers. Currently officers are gathering evidence of need to support a new round of SfLCF. There is also an email address on the SfLCF webpage to send any queries. Officers have complied with GDPR legislation.
- 4.6 No one involved in drafting or clearing this form has any conflicts of interest to declare.

5. Financial comments

- 5.1 The proposed expenditure of up to £150,000 for programme evaluation and research as detailed in the main body of this report will be funded from the £5m revenue budget earmarked from within the overall Skills for Londoners Programme that totals £114m as approved by MD2142.
- 5.2 The procurement exercise will be conducted in-line with the GLA's contracts and funding code with expenditure scheduled to commence and be completed in the 2020-21 financial-year.

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; and in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:
- 6.1.1. pay due regard to the principle that there should be equality of opportunity for all people;
 - 6.1.2. 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
 - 6.1.3. consult with appropriate bodies.
- 6.2 In taking the decisions requested, the executive director must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010 and to advance equality of opportunity and foster good relations 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 (section 149 of the Equality Act 2010). To this end, the executive director should have particular regard to section 3 (above) of this report.
- 6.3 Officers must ensure that appropriate contract(s) are in place and executed by the successful bidder(s) and the GLA before the commencement of the services.

7 Planned delivery approach and next steps

Activity	Timeline
TfL procurement exercise	March/April 2020
Announcement of successful bidder(s)	June 2020
Get into contract with successful bidder (s)	June 2020
Activity one - first draft report submission	October 2020
Activity two - first draft submission	November 2020
Activity one and two: final full report submission	March 2021
Activity one and two: presentation to stakeholders	March 2021

**NB the procurement process may be carried out after the pre-election period. Officers are awaiting advice from the GLA's Monitoring Officer.*

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: a consultant is required and so a procurement process will be carried out from April to the end of May 2020. The amount available for the piece of work is confidential in order to seek the best value for money from consultants who apply for the work.

Until what date: 20 May 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

Beth Lackenby 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 16 March 2020.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

Date

