

REQUEST FOR DIRECTOR DECISION – DD2448**Title: Mayor's Digital Talent Programme budget reallocation and performance****Executive Summary:**

The Mayor's Digital Talent Programme (DTP) aims to connect young Londoners with jobs by tackling the emerging skills gaps in digital, creative and technology occupations across London's economy. MD1563 delegated authority to the Executive Director of Development, Enterprise and Environment to approve changes to the proposals for individual elements of the DTP as may be required for delivery. Due a corporate restructure, the Digital Talent Programme is managed by the Communities and Skills Directorate and therefore the Executive Director of Communities and Skills is asked to approve these changes to the programme.

This Director Decision (DD) form seeks approval of expenditure up to £196,525 on a newly created Digital Work Placement project under Strand 2.3 of the Digital Talent programme, which will support a minimum of 150 learners to gain new skills and work experience through digital work placements.

This new project will be funded from an underspend on a match-funded Digital Skills Training project (Strand 2.1 of the programme), where there is a total underspend of £393,050 (£196,525 LEAP and £196,525 European Social Fund (ESF)) due to the provider being unable to reach the target audience effectively and to transit them onto sustained employment. The LEAP funding will be assigned to this new project and the unused ESF funding will be returned to the ESF team to reassign.

Approval is also sought for any further LEAP revenue underspend identified from Strand 2.1 (up to £500,000) to be reallocated to the best performing strand(s) as measured by the agreed Key Performance Indicators (KPIs). Proposals for reallocation would be brought through internal programme governance processes as well as the LEAP Programme Board for endorsement.

Lastly, approval is also sought to vary the programme-level expenditure to £6,223,475, noting that the £196,525 unused ESF revenue funding is ringfenced and will be returned to the ESF team to reassign, and any further capital funding underspend from the programme (expected to be up to £500,000 in Strand 4 - Capital kit fund) will be returned to LEAP to reassign. Formal approval of any future expenditure will be taken in line with the 'Mayoral Decision-Making in the Greater London Authority' document.

The reduction of overall funding is not expected to have any adverse impact on the lifetime performance targets. The LEAP Investment Committee approved in-principle the approach to the decisions set out in this report at its meeting on 12 December 2019.

Decision:

That the Executive Directors of Communities and Skills approve:

- Expenditure of up to £196,525 LEAP funding on a newly-created Digital Work Placement project under Strand 2.3 of the Digital Talent Programme to support a minimum of 150 learners to gain new skills and work experience through digital work placements;
- Expenditure of up to £500,000 funded by any further revenue underspend in Strand 2.1, Digital Skills Training, on additional funding for the best performing strand(s) of the programme, as measured by the agreed Key Performance Indicators (KPIs); and
- A request to vary the programme-level expenditure to £6,223,475, noting unused ESF revenue funding is ringfenced and will be returned to the ESF team to reassign, and any further capital funding underspend from the programme (expected to be up to £500,000 in Strand 4, Capital kit fund) will be returned to LEAP.

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 Director,
Communities & Skills

Signature: *Halima Khan*

Date: 27.2.20

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 The **Mayor's Digital Talent Programme** is a £7m investment to help young people obtain the skills to fill digital, creative and technology occupations across London's economy. The programme is co-funded by LEAP – London's Local Enterprise Partnership (£5m) – and European Social Fund (ESF) monies (£2m).
- 1.2 The **overall objective** of the programme is to connect young Londoners with jobs by tackling the emerging skills gaps in digital, creative and technology occupations across London's economy. The Programme is organised into six main strands, each with their own aims, funding and outcomes. This decision is relevant to Strand 2.1 (Digital Skills Training), Strand 3 (Higher Level Digital Skills), and Strand 4 (capital funding) and further information on each of the strands can be found in MD1563 (2015) Mayor's Digital Talent Programme.
- 1.3 This DD form seeks approval of expenditure of £196,525 on a newly-created Digital Work Placement project (Strand 2.3) that will support minimum 150 learners to gain new skills and work experience through digital work placements.
- 1.4 MD1563 delegated authority to the Executive Director of Development, Enterprise and Environment to approve changes to the proposals for individual elements of the Digital Talent programme as may be required for delivery.
- 1.5 Due a corporate restructure, the Skills & Employment Unit is now a part of the Communities and Intelligence Directorate. Therefore the Executive Director of Communities and Intelligence has delegated authority to approve changes to the proposals for individual elements of the Digital Talent programme as may be required for delivery.
- 1.6 This project will be funded from an underspend on a match-funded Digital Skills Training project (Strand 2.1 of the programme), where there is a total underspend of £393,050 (£196,525 LEAP and £196,525 ESF) due to the provider being unable to reach the target audience effectively and to transit them onto sustained employment. The LEAP funding will be assigned to this new project and the unused ESF funding will be returned to the ESF team to reassign.
- 1.7 Approval is also sought for any further LEAP revenue underspend (up to £500,000) in Strand 2.1 to be reallocated to the best performing strand(s) as measured by the agreed Key Performance Indicators (KPIs). Proposals for expenditure will be brought through the LEAP Programme Board and the Skills for Londoners Programme Board for endorsement.
- 1.8 It should also be noted that any further capital funding underspend from the overall programme (expected to be up to £500,000 in Strand 4) will be returned to LEAP.
- 1.9 In light of the above, approval is sought to reduce the overall programme expenditure to £6,223,475.
- 1.10 This decision follows a series of previous decisions which have authorised development work for the Programme. Those relevant to this decision are below:
 - MD1563 (2015) Mayor's Digital Talent Programme;
 - MD2040 (2016) Digital Talent Programme;
 - DD2118 (2017) Digital Talent Programme – revised financial allocation;
 - DD2204 (2017) Digital Talent Programme – Young Entrepreneur;

Performance to date

1.11 The **overall performance** to date is on track and several strands are expected to over-deliver. The key outputs for the programme are set out in the table below:

Key Performance Indicator (KPI)	Achieved to date	Progress (by Strand)
a) Support 800 young Londoners to access new, industry approved learning opportunities	846	Strand 2 (2.1 & 2.2): On track . Stretch targets are put in place to achieve 1,591 by March 2021.
b) Support 400 start-ups and SMEs to access higher-level skills that will support business growth	0	Strand 3: On track . Project commenced late in July 2019 and provider has put in place a short-term plan to make up for the late start. A claim for 45 businesses is expected in Q3.
c) Support 400 school and FE teachers to deliver industry-relevant digital skills learning and qualifications	508	Strand 5: On track . Stretch targets are put in place to achieve 600 by March 2021.
d) Support 500 university students to gain new skills and work experience through SME placements	0	Strand 3: Behind . The revised target agreed with the provider is to support SMEs to provide 125 work placements opportunities for higher-level students. In order to help to meet the target, this KPI will be amended to ' 500 learners to gain new skills and work experience through digital work placements '.
e) Support 2,000 young Londoners to access better information, sign-posting, careers guidance and inspirational events for digital, technology and digital-creative roles	1,541	Strand 6: On track . A recent careers event held at the Barbican attracted over 250 attendees and 36 organisations, demonstrating strong engagement with the programme and wider opportunities.
f) Five new or enhanced digital learning hubs across London to support skills provision; funding industry-standard training facilities, equipment and related capital assets that enable learners to have first-hand experience of working with the tools industry use, and which employers require new employees to have	7	Strand 4: On track . Seven providers have been funded with approx. £1.3m and there is a current underspend of approximately £0.5m. This is due to providers not bidding to and not achieving the full amount of capital funding.

2. Objectives and expected outcomes

2.1 **Two issues** with the Programme have arisen and proposals to address these are set out below.

1. Under-delivery of digital skills training projects (Strand 2.1)

- 2.2 One ESF match-funded project has under-delivered, as the provider was unable to reach the target audience effectively and to transit them onto sustained employment. This has resulted in an **underspend of £393,050** (£196,525 LEAP: £196,525 ESF).
- 2.3 It is proposed that the LEAP element of this underspend is allocated to a new Digital Work Placement project (Strand 2.3) that will support a minimum of 150 learners to gain new skills and work experience through digital work placements. As set out above, the unused ESF funding will be returned to the ESF team to reassign.
- 2.4 The funding approach for the new Digital Work Placement project is as follows:
- a) to achieve maximum efficacy, the funding would be made available to bid for by current Digital Talent Programme providers through a competitive grant award process; or
 - b) if current providers did not wish to apply, an open grant making round would be launched, with all eligible London providers able to bid.
- 2.5 To ensure value for money, the KPIs would be benchmarked against similar GLA programmes, such as the recently launched Apprenticeships for Londoners prospectus, which provides £800 per participant start and £400 per participant sustained for 52 weeks.
- 2.6 Beyond this funding, any further underspends (up to £500,000) from Strand 2.1 would be reallocated to the best performing strand(s) as measured by the agreed KPIs. Proposals for this would be endorsed by the LEAP Programme Board and the Skills for Londoners Programme Board before the decision is taken through the formal decision-making processes.
- 2.7 Due to the underspends set out above, the overall programme budget will be reduced to £6,223,475. It should be noted that this could reduce further as any unused ESF funding is ringfenced and would be return to the ESF team to reassign. In addition, any capital funding underspend in Strand 4 of the programme (up to £500,000) would be returned to LEAP.

2. Under-commissioning of work placement targets (Strand 3)

- 2.8 The target of '500 industry placements in start-ups and SMEs' has been under-commissioned by 375 (i.e. the provider's target is 125). This is due to the project being co-funded with ESF under Investment Priority 2.2: *"Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality..."*. Activities funded under this priority are centred around SME engagement, capacity building, collaboration, apprenticeship promotion etc. By design, payments on this project are based on SME engagement, and the focus is less on student support. Consequently, the provider's target for 'supporting university students to gain new skills and work experience through SME placements' was reduced from 500 to 125.
- 2.9 In order to address the under-commissioning, the KPI will be widened to 500 'learners to gain new skills and work experience through digital work placements'. Strands 2.1 and 2.2 already support learners (both university and non-university students/graduates) into work placements in start-ups, SMEs and larger corporations, with the total lifetime target of 225, and this will address existing barriers to entry for non-graduates to undertake work placements.
- 2.10 Amending the KPI in this way will enable the remaining target to be met through the newly created Digital Work Placement project detailed above.
- 2.11 The change to the KPI has been agreed by the local Skills for Londoners Programmes Board (3 December 2019) and the LEAP Investment Committee (12 December 2019) and the change will be recorded in the quarterly Corporate dashboard change control log.

3 Equality comments

- 3.1 Strand 2.1, from which funding would be reallocated, aims to support young women and young people from Black, Asian and minority ethnic (BAME) and disadvantaged backgrounds who are currently under-represented in the digital and technology sectors. It is proposed that the funding be transferred to a new Strand 2.3, whose target beneficiaries would be aligned with Strand 2.1, and no adverse impact is expected as a result of this funding reallocation.
- 3.2 Strand 2.3, like other Digital Talent Programme strands, will recruit from a diverse pool of Londoners, advance equality of opportunity, foster good relations between people who share a protected characteristic and those who do not, and integrate learners from different segments of society.
- 3.3 The widened scope will ensure greater diversity and inclusion in the digital skills landscape, as there will be greater outreach to non-university students.

4 Other considerations

Links to Mayoral strategies

- 4.1. The Digital Talent Programme is one of the key programmes under the Skills for Londoners Strategy; improving digital skills provision is identified as a key mayoral priority.
- 4.2. This programme also aligns with the Smarter London Together roadmap, which sets out the Mayor's plan to make London the smartest city in the world, including a commitment to increasing diversity in the tech sector.

Risks and mitigation

- 4.3. The funding reallocation would further reduce overall ESF match funding by £1,136,525, bringing the total programme value from £7m (£5 million LEAP and £2 million ESF) to **£6,223,475** (£5m LEAP, £863,475 ESF and £360,000 GLA). However, the reduction of overall funding is not expected to have any adverse impact on the lifetime performance targets.

Other

- 4.4. The LEAP Investment Committee approved in-principle the approach to the decisions set out in this report at its meeting on 12 December 2019.
- 4.5. There are no interests to be declared from those involved in drafting or clearance of this decision.

5. Financial comments

- 5.1. Approval is being sought for expenditure of up to £196,525 LEAP funding on a newly created Digital work Placement project. This will be funded from an underspend of £196,525 under Strand 2.1 of the match funded Digital Skills Training project programme. In addition, any additional underspend identified under Strand 2.1 up to £500,000 to be reallocated to the best performing Strands.
- 5.2. There are no additional costs associated with the request to vary the programme level expenditure to £6,223,475. The overall programme budget financial implications have been outlined in 4.3 of this report.
- 5.3. In line with the usual GLA process for commissioning contracts and grants; and to ensure we maximise the potential for successful delivery of the programme, contracts and grants awarded for all strands of the programme will be subject to satisfactory financial due diligence.

6. Legal comments

- 6.1. The foregoing sections of this report indicate that the decisions requested of the Mayor fall within the statutory powers of the Authority to promote and/or to do anything which is facilitative of/ or conducive/ or incidental to social development and economic development and wealth creation within Greater London. In formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:
- a. pay due regard to the principle that there should be equality of opportunity for all people;
 - b. 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
 - c. 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. As regards the use of the revised budget, officers are reminded to ensure that they comply with the requirements of the Authority's Contracts & Funding Code, when awarding grants or contracts in furtherance of the Digital Talent Programme.

7. Planned delivery approach and next steps

- 7.1. The next milestones for the programme are set out below:

Activity	Timeline
Approval of DD	February 2020
Grant giving activities - assessment and selection	February-March 2020
Award of funding	March 2020
Delivery start date	April 2020
Delivery end date, project closure	March 2021

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? NO

If YES, for what reason:

Until what date: (a date is required if deferring)

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:

PeiChin Tay 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 considered by the Corporate Investment Board on 16 December 2019 (as MD2561) when it was agreed that it would be redrafted.

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

26.2.20

