

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2420

Title: Skills for Londoners technical due diligence

Executive Summary:

The Skills for Londoners Capital Fund (SfLCF) programme was approved by the Mayor on 7 August 2017 under cover of MD2142. The Mayor also delegated (under cover of the same Decision form) approval of allocations of £114m 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 Fund 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 requests approval for expenditure of up to £150,000 funding from the £5m of revenue funding contained within the overall SfLCF, as detailed in MD2142, to cover costs of technical/specialist due diligence in support of assessment of proposals received for the remaining delivery of the SfLCF.

Decision:

That the Executive Director of Good Growth approves revenue expenditure of up to £150,000 on services required to conduct technical due diligence activity including cost consultancy and building advice for the remaining delivery of the SfLCF.

AUTHORISING DIRECTOR

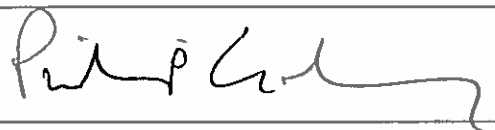
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Philip Graham

Position: Executive Director, Good Growth

Signature:



Date:

9/3/2020

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 Skills for Londoners Capital Fund (SfLCF) launched in April 2017 with a total of £114m 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.
- 1.2 Round 1, held in 2017/18, awarded £32m to 62 projects through the main fund, the Small Projects and Equipment Fund and the Development Support Fund. In April 2019 as part of SfLCF Round 2, the LEAP Investment Committee awarded 17 projects £57.6m funding including £7.2m from the Mayor's Construction Academy (MCA) fund.
- 1.3 It is proposed that expenditure of up to £150,000 is approved for enhanced specialist due diligence services for upcoming rounds of SfLCF.
- 1.4 The expenditure of £150,000 for enhanced specialist due diligence services was endorsed at the LEAP Programme Board meeting on 12th September 2019.

2. Objectives and expected outcomes

- 2.1. We are seeking to procure and appoint specialist due diligence services to carry out an assessment of project applications (including cost and building surveying), to ensure the viability of projects applying to the SfLCF. The advice will be separated into a separate consultancy contract for cost and construction/property advice respectively.
- 2.2. Building surveyor services will provide the GLA (for individual project applications) an appraisal of construction/property issues including technical, risk management, programme, legal, environmental, building regulation and restoration matters.
- 2.3. Cost consultant services will provide the GLA with an appraisal of individual project applications which may include, but not limited to the assessment of construction costs against project outcomes; projected construction costs against industry benchmarks; the adequacy and value of any contingencies included in the project and any other related activities to complete the due diligence and appraisal of project applications.
- 2.4. The current due diligence service contract is due to expire, and a new contract is required. The remaining SfLCF will be delivered through a forthcoming round and will require detailed due diligence on successful proposals. In order to ensure procurement efficiencies, the service will be sourced for ongoing services through a call-off contract in line with the previous procurement, to allow for future rounds, with appropriate break clauses in place should the service not be required.
- 2.5. Officers will liaise with TfL Commercial to procure the services required competitively in accordance with the GLA's Contracts and Funding Code.

3. Equality comments

- 3.1. The GLA is required, in the exercise of its functions, 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. Proposals for the due diligence contract will have to demonstrate their understanding of the Mayor's Equality, Diversity and Inclusion Strategy to ensure projects are evaluated and monitored will meet the strategies priorities 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 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

<i>Risk</i>	<i>Impact</i>	<i>Mitigation</i>
Too few bidders from the framework apply	If fewer bids are submitted than expected or poor-quality bids are received, the programme will be unable to appoint a suitable specialist(s).	The procurement methods which are to be utilised will ensure frameworks are engaged to procure the service(s). Frameworks have been used for similar procurement previously and have been successful in only putting forward those who are suitable. This will be on a call off basis to ensure the best response to the specification as when required.
Delays in appointing suitable specialist(s)	Any delays will mean some projects are not able to receive essential feedback on their proposals and will in turn delay the grant agreement process.	The procurement process will begin as soon as possible, and potential specialists will be made aware they will be required to begin delivering promptly after a contract is signed.

b) links to Mayoral strategies and priorities

- 4.1 The due diligence exercise will assess SfLCF projects at application stage to determine if they will deliver high-quality learning and training environments through the development, modernisation and rationalisation of facilities through viable good value construction projects and as necessary will also be subject to design review during the design and implementation phase. Design reviews will be undertaken by a panel of Mayor's Design Advocates.
- 4.2 Investments through the SfLCF will contribute to the Mayor's and the LEAP's drive to make London a better place in which to live and work and to visit, through delivery approaches that secure the highest levels of social, economic and environmental value.
- 4.3 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.
- 4.4 In alignment with the London Environment Strategy, SfLCF programme is supporting projects to integrate creative solutions to environmental sustainability and demonstrating how they align with the

Mayor's environmental priorities. The due diligence exercise will assess project ambitions to achieve maximum environmental benefits by meeting BREEAM 'Outstanding' for new build projects and 'Excellent' for refurbishment projects.

- 4.5 The Economic Development Strategy (EDS) priorities are supported by the SfLCF and due diligence of the outputs of projects to encourage collaboration with local businesses, employers and local authorities to support the creation of jobs within the local area and the delivery of training to support growth sectors.
- 4.6 The wider programme aims to align with the key priorities set in the Skills for Londoners Strategy and this will be detailed in the specification during procurement.

c) consultations and impact assessments

- 4.8 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.
- 4.9 No one involved in drafting or clearing this form has any conflicts of interest to declare.

5 Financial comments

- 5.1 Approval is being sought for expenditure of up to £150,000 on technical advice services relating to technical due diligence activity including cost consultancy and building advice for the remaining delivery for the Skills for Londoners Capital Fund.
- 5.2 The proposed expenditure of £150,000 will be funded from the £5m revenue allocation earmarked to support the Skills Londoner Programme as approved by MD2142. It is expected that the procurement of the specialist advice will commence in 2019-20 but costs will be incurred in the 2020-21 financial-year supporting delivery of the next phase of projects.

6 Legal comments

- 6.1 The foregoing sections of this report indicate that the activity in respect of which approval and approval of the same concerns the exercise of the GLA's general powers to do such things as may be considered to be facilitative of and conducive to the promotion of economic development and wealth creation in Greater London and have complied with the GLA'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 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 Director should have particular regard to section 3 (above) of this report.
- 6.3 The services required must be procured by Transport for London's Commercial team who will determine the detail of the procurement strategy to be adopted in accordance with the GLA's Contracts and

Funding Code. Officers must ensure that appropriate contract documentation is put in place and executed by the successful bidder(s) and the GLA before the commencement of the services required.

7 Planned delivery approach and next steps

Activity	Timeline
Procurement of contract	March 2020
Appointment of contractor	April 2020
Delivery Start Date	April 2020
Delivery End Date	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:

Karen Brar has drafted this report in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service:

Patrick Dubeck 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 9 March 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

9.3.20