

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2709

### Title: Skills for Londoners: Emergency Recovery Support Fund, COVID-19

#### Executive Summary:

The Emergency Recovery Support Fund (ERSF) responds to pressures faced by skills providers as a result of the COVID-19 pandemic. It will enable them to invest in equipment and adaptations to support delivery of online/remote learning and to provide 'COVID-19 secure' facilities for staff and learners to return to onsite teaching and learning. Skills providers were invited to bid for between £25,000 and £200,000. 94 applications were received.

MD2667 approved expenditure of £6m to be made available from the unallocated Skills for Londoners Capital Fund for the ERSF fund. In September 2020, the London Economic Action Partnership Board (LEAP) endorsed an increase from £6m capital to up to £10.7m to respond to the much higher demand for funding. Since then the total GLA grant value required is now £10.3m as some adjustments have been made to the values being requested by the projects.

This MD seeks:

1. approval for the additional £4.3m expenditure, taking the total expenditure to £10.3 million; and
2. approval for expenditure of this £10.3m for the 91 successful applications.

MD2667 delegated to the Executive Director of Good Growth in consultation with the LEAP Programme Board to approve grants to third party recipients on individual tranches of the unallocated Skills for Londoners Capital Funding for the COVID-19 capital ERSF. On the 7 October 2020, the LEAP Programme Board endorsed the 91 successful projects.

#### Decision:

That the Mayor approves:

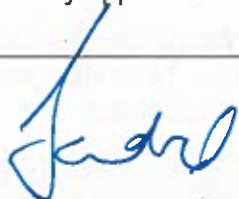
1. an additional £4.3m expenditure of remaining, unallocated Skills for Londoner Capital Funding for the Emergency Recovery Support Fund, taking total expenditure to £10.3m; and
2. up to £10.3m to be invested in the 91 successful Emergency Recovery Support Fund projects as set out in Appendix 1 and as endorsed by the London Economic Action Partnership Programme Board.

#### 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:



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

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. In June 2020, the London Economic Action Partnership (LEAP) , (which is the local enterprise partnership for London) Investment Committee (IC) endorsed the GLA's COVID-19 Emergency Recovery Support Fund (ERSF); a fund of £6m capital to respond to the IT and online learning pressures that London's skills providers are facing as a result of the coronavirus pandemic and to create COVID-19 safe learning environments by making physical adjustments enabling skills providers to reopen their premises. At the same time, LEAP also endorsed a delegation to the Executive Director for Good Growth in consultation with the LEAP Programme Board to consider and approve the final programme of projects for funding. The £6m ERSF funding and delegation were approved in MD 2667.
- 1.2. The ERSF was launched on the 30 July 2020. In September 2020, the LEAP Board endorsed an increase from £6m capital to up to £10.7m to respond to the much higher demand. The quality of applications received was high and a very clear need for this funding was demonstrated. Increasing the funding to £10.7m enables more of London's learners to engage in online learning and in the classroom, both of which will be made possible as a result of this investment.
- 1.3. Since £10.7m was endorsed by the LEAP Board, the total GLA grant value now required is £10.3m for 91 projects. The reduction in value is due to having reduced the amount offered to a small number of projects where their cost plans were only partly eligible. The £10.3m is being sourced from the £20m of remaining Skills for Londoners unallocated capital funding. The remaining unallocated funding has been endorsed by the LEAPIC to be used as contingency funding in response to the likely impacts of COVID-19 on existing projects' budgets. Any funds left uncommitted from ERSF will be returned to the contingency availability for Skills for Londoners projects.
- 1.4. The GLA's LEAP Delivery Team officers actively engaged with a range of providers, including Institutes of Adult Learning (IALs), Further Education (FE) colleges, Sixth Form colleges and private training providers to understand what is needed to be put in place to enable learners to return to the classroom, in addition to extra digital learning equipment to support remote learning.
- 1.5. These providers have sought the advice from consultants to draw up plans on how to make their premises safe for onsite learning. Some of the measures required include desktop counter screens, adaptations to reception areas, floor standing protection screens, adaptations to toilet facilities and changing areas, sanitiser stations, provision for one-way circulation, signage and adaptations to fire doors to reduce human contact.
- 1.6. The FE and skills sector are required to wholly fund the adaptations required to create safe learning spaces. There is no funding available from Central Government or other sources to date to support the sector with the costs associated with re-opening their facilities for learners. Furthermore, the sector has asked for financial support to help fund the required modifications. Most providers are either already able to offer limited COVID safe access to their facilities now or are planning for this from the start of the September term. Match funding for the ERSF is not required.
- 1.7. 94 applications were received by the GLA for the ERSF, requesting a total of £10,730,637 LEAP funding.
- 1.8. Providers have bid for between £25k and £281k per establishment depending on the size and nature of their learning offer/facilities and the extent to which they have been able to supply learners with the necessary online learning equipment such as laptops during lockdown.
- 1.9. Several projects have indicated they will fund costs relating to multiple learning locations. The proposed investments will see funds awarded to providers for locations in each London Borough and the City of London.

1.10. Applications were scored by two GLA officers against a pre-published set of criteria. Following this, a management moderation was carried out and the list of shortlisted projects was then presented to the LEAP Programme Board for approval.

## **2. Objectives and expected outcomes**

- 2.1. The objective of this funding pot is to respond to the IT and online teaching needs of London's skills providers necessitated by the measures that have been put in place in response to COVID-19. The funding will also respond to the sector's needs to invest in creating safe learning spaces so that they can reopen their facilities and deliver onsite learning where possible.
- 2.2. 94 applications were received via the online GLA-OPS application portal.
- 2.3. This decision seeks to invest £10.3m in the 91 successful applications. Applicants are required to agree to spend the grant funding, once in contract, by no later than March 2021.
- 2.4. Successful applicants were notified via email in early October 2020 that they have been shortlisted for funding, subject to a formal decision. The applicants will be required to review their costings and take out any identified revenue costs that are ineligible for this capital only funding.
- 2.5. The 91 successful applicants will be required to enter into a funding agreement with the GLA.
- 2.6. To ensure that the impact of the funding is evaluated, it will be a condition of the funding that all recipients must complete a self-evaluation/closure form. As the grants will be relatively small, it would not be proportionate to measure outputs for a given period after the funding has been drawn down. Self-evaluation forms will be collated, and the impact of the funding reported back to the LEAPIC.

## **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 emergency support funding, the Mayor's Equality, Diversity and Inclusion Strategy launched in 2018 includes the following relevant objectives:
  - a) many more people of all ages progressing in learning to reach their full potential;
  - b) ensuring all Londoners and London's businesses can access the skills they need to succeed;
  - c) promoting social integration and contact between different groups and tackling the inequalities that exist which prevent people from being active citizens;
  - d) more young people having the knowledge, skills and life experiences to succeed;
  - e) reducing the number of jobless young people;
  - f) London being a city where people of every background feel connected with each other and can realise the benefits of London's diversity; and
  - g) creating greater equality, diversity and inclusion (which includes gender parity in terms of career outcomes and greater social mobility within professions).

- 3.3. Applicants were required to demonstrate how they would utilise the capital funding to ensure that those who are the most digitally disadvantaged and learners with special educational needs (SEND) and learners from Black Asian and Minority Ethnic backgrounds were prioritised to receive the IT and digital equipment needed to ensure effective learning.

#### **4. Other considerations**

##### *a) Key risks and issues*

- 4.1. There is a risk that unsuccessful applicants challenge the appraisal process. Officers followed a fair process with two officers evaluating applications, solely by reference to published evaluation criteria and scoring methodology followed by a manager review. The three unsuccessful applicants to this fund were all rejected as their organisation and/or planned expenditure was ineligible for ERSF. This has been explained to the three projects.
- 4.2. The GLA's Skills Unit launched £9m of Adult Education Budget (AEB) funding to help providers meet the training needs of key groups in London including furloughed workers and self-employed. There was a risk that there could have been an overlap in funding/duplication. For this reason, a question was included in the ERSF application which asked what other funding delivery partners were receiving. This has enabled the LEAP Delivery team to ensure there is no duplication of funding.
- 4.3. As with all funding programmes, there is a risk that an applicant will be awarded funding and then be unable to deliver the project which could lead to underspend in the overall programme. Where an applicant has already spent some of the funding but cannot complete the project, the funding agreement permits the GLA to be able to claw back the funding. Where the funding hasn't already been spent, and the applicant withdraws, the funding agreement will be terminated, and no monies lost. In both cases, any programme underspend as a result of projects falling away will be reinvested into the programme contingency pot. This funding pot is in high demand as existing Skills for Londoners Capital Funded projects are applying for contingency funding as a result of having to divert some or all of their originally agreed match funding to COVID related recovery works.
- 4.4. To mitigate against risks of fraudulent applications, the LEAP Delivery team sought support from the GLA's Finance team to carry out due diligence on the organisations who had applied.

##### *b) Links to Mayoral strategies and priorities*

- 4.5. The investment supports the priorities set out in a *City for All Londoners* based on the principles of 'good growth' and investment in London's future. The funding will form an integral part of London's recovery post COVID-19. The Government have been clear that London's skills and education providers are critical in enabling the economy to recover and grow. The Skills for Londoners Capital Fund (from which capital is being provided for the Emergency Recovery Support Fund) provides a significant foundation and support for the skills sector to ensure that London's skills system meets the needs of London's businesses while supporting all Londoners to access the skills they need to find and progress in work.
- 4.6. The Skills for Londoners Capital Fund, which the ERSF sits under, also supports the London Infrastructure Plan 2050 by enabling skills providers to understand London's forward infrastructure investment pipeline and ensure that skills provision aligns to the capital's requirements. It aligns to the government's Post-16 Skills Plan and Industrial Strategy green paper's commitment to 'developing skills' by providing investment in FE estate and machinery to enable the delivery of high quality skills provision.

#### **5. Financial comments**

- 5.1. MD2667 approved an initial £6m capital allocation for the Emergency Recovery Support Fund, supporting learning providers from the effects of the COVID-19 pandemic. Subsequently, it was agreed at the LEAP board meeting in September 2020 to increase the available capital funding to £10.7m, due to a higher demand of support needed. As a result of this, approval is now being sought

to increase the capital allocation for the fund by £4.3m, thus increasing the total grant value to £10.3m. The remaining £0.4m of uncommitted funds will be returned to the contingency pot.

- 5.2. As part of this increase in capital funding for this programme, approval is also being sought to award funding totalling up to £10.3m from the Skills for Londoners Capital Budget as approved by MD2142 to 91 successful applications to the GLA's 'Emergency Recovery Support Fund'. This was endorsed by the LEAP board in September 2020.
- 5.3. One of the conditions of the award of funding is that expenditure must be incurred by the delivery partners by the 31 March 2021 and that all costs are capital in nature. All delivery partners will be subject to financial due diligence to ensure sound financial probity of the applicants and to minimise any potential monetary loss that the GLA could incur.
- 5.4. As detailed within the main body of this report, the funding for this proposal has been sourced from the £20m of remaining Skills for Londoners unallocated capital funding. The remaining unallocated funding has been endorsed to be used as contingency funding in response to the likely impacts of COVID-19 on existing project budgets. Any funds left uncommitted from the Emergency Recovery Support Fund (including any under-spends accruing from current proposed grant awards for which approval is being sought by this decision) will be returned to the contingency pot and its utilisation will be subject to further approval via the Authority's decision-making process.

## **6. Legal comments**

- 6.1. Paragraphs 1 to 2 of this report indicate that the decisions requested of the Mayor 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 GLA's related statutory duties to:
  - pay due regard to the principle that there should be equality of opportunity for all people;
  - 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
  - consult with appropriate bodies.
- 6.2. In taking the decisions requested, the Mayor 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 between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to Section 3 (above) of this report.
- 6.3. Officers have indicated that the contribution of £10.3m to the 91 recipients as set out in Appendix 1 amounts to the provision of grant funding and not payment for services. Officers must ensure that the funding is distributed in accordance with the Contracts and Funding Code. Officers must ensure that an appropriate funding agreement is put in place between and executed by the GLA and successful applicants before any commitment to fund is made.

## 7. Planned delivery approach and next steps

| <b>Activity</b>                      | <b>Timeline</b>          |
|--------------------------------------|--------------------------|
| Public announcement of award outcome | October 2020             |
| Contract with delivery partners      | October 2020 onwards     |
| Applicants will draw down funding    | November 2020-March 2021 |
| Final evaluation by applicants       | March 2021 onwards       |
| Activity                             | Timeline                 |

### **Appendices and supporting papers:**

Appendix 1 - ERSF Project Applications Successful

**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: When contracting with the GLA, successful applicants will be required to ensure that their cost plans are strictly capital and thus take out any revenue costs which may have been included accidentally. The project's total grant value may in some cases decrease as a result of eliminating the revenue elements of the bid. Deferring the publication of this decision to 1 December 2020 will enable the GLA to discuss and agree with applicants the correct amount of capital funding and an accurate total will be reached by early December.

Until what date: 1 December 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:

✓

**Sponsoring Director:**

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

✓

**Mayoral Adviser:**

Jules Pipe has been consulted about the proposal and agrees the recommendations.

✓

**Advice:**

The Finance and Legal teams have commented on this proposal.

✓

**Corporate Investment Board**

This decision was agreed by the Corporate Investment Board on 19 October 2020.

**EXECUTIVE DIRECTOR, RESOURCES:**

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

**Signature**

**Date**

*D. Gane*

22 October 2020

**CHIEF OF STAFF:**

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

**Signature**

**Date**

*D. Bellamy*

19 October 2020

