

# GREATER LONDON AUTHORITY

## REQUEST FOR DIRECTOR DECISION – DD2461

### Title: Royal Docks Employment & Skills Pioneer Programme

#### Executive Summary:

Mayoral Decision (MD) 2338 approved expenditure of up to £212.5million for the five-year Royal Docks Enterprise Zone (EZ) Delivery Plan to deliver an integrated and catalytic package of projects under the five strategic objectives of Place, Connectivity, Economy, Activation and Promotion. A budget of £56.2million is allocated to Economy over the five years. MD2338 delegated authority to the Executive Director of Housing and Land to approve through Director's Decisions, the income and detailed spending proposals for each project that is to be funded within this initial £212.5million expenditure budget envelope.

This Director's Decision (DD) requests approval of up to £325,000 of revenue expenditure to deliver an Employment & Skills Pioneer Programme whereby 10-12 young people within the Royal Docks area will be given internship opportunities across a range of target sectors and industries. This programme will be implemented in partnership with London Borough of Newham (LBN), local employers and an external specialist delivery partner with the Royal Docks subsidising the cost of the interns' salary by 50%.

In accordance with London Economic Action Partnership (LEAP) governance and funding responsibilities for all Royal Docks EZ projects, the investment set out in this Decision request was considered and endorsed by the Royal Docks EZ Programme Board on 17 December 2019.

#### Decision:

That the Executive Director of Housing and Land approves up to £325,000 of revenue expenditure from the £56.2million Economy budget to deliver on the Employment & Skills Pioneer Programme.

#### 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:** Rickardo Hyatt

**Position:** Interim Deputy Executive Director  
Housing and Land

**Signature:**



**Date:**

17 March 2020.

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE**

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

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

- 1.1 The Royal Docks is one of London's most distinctive economic locations and largest regeneration projects, with the potential to generate 35,000 additional jobs and 4,000 new homes within the Enterprise Zone (EZ) over the next 20 years. The Mayor of London and the Mayor of Newham are jointly leading the regeneration of the area through its Enterprise Zone status, which is funded through the ringfencing of business rate income collected within the Zone. The EZ is projected to deliver over seven million square feet of commercial space, primarily at three key development sites at Royal Albert Dock, Silvertown Quays and Albert Island.
- 1.2 The LEAP Board endorsed the Royal Docks EZ Delivery Plan in June 2018. MD2338 approved expenditure of up to £212.5million for the Royal Docks EZ Delivery Plan to deliver an integrated and catalytic package of transport infrastructure, connectivity, economic development, placemaking, estate management and creative programming projects that will deliver the cohesive transformation of the Royal Docks and accelerate the delivery of EZ commercial space.
- 1.3 The Economic Purpose of the area is outlined in the Royal Docks Economic Purpose Report, jointly commissioned by LB Newham and the Royal Docks Team (RDT) in 2019 and defined as: "A nationally significant hub of enterprise, employment and culture, recognised as a testbed for social, environmental and technological innovation. Globally fluent and internationally focussed, harnessing the benefits and Newham's diverse community." This definition takes into account the need for the Royal Docks to create jobs in a distinctive way, recognises the wider need to include environmental and social issues in the making of economic decisions, and captures the potential for the Docks to be a home for international business and culture.
- 1.4 MD2338 approved a budget envelope of £56.2million for Economy to invest in and deliver projects across four overarching programmes of Good Growth, Employment and Skills, Business Support and Workspace. The request for expenditure of £325,000 revenue, the subject of this decision, will come out of the Economy budget set in MD2338. The expenditure has been requested to pay for the costs associated with the set up and delivery of the internship programme which includes:
  - 50% of interns' salaries at London Living Wage (LLW)
  - additional resource to develop and deliver the internship programme
  - the Intern Training Programme
  - a Participant Hardship Fund
  - additional expenses

#### **Employment & Skills Pioneer Programme**

- 1.5 With the Royal Docks set to become one of London's leading economic centres, one key priority is to invest in the skills and talent of local people, in support of the ambition to develop one of the most productive and creative work ecosystems in the capital. This is supported by the recently launched Newham Community Wealth Building Strategy (January 2020), where improving skills, training and the future of work are seen as integral to the borough's success. Ensuring that residents are supported into quality high-skilled jobs, particularly those that go beyond the realm of entry level roles and instead provide the foundation for career progression, is considered an integral mechanism to achieving these objectives.
- 1.6 In line with the targets outlined in the Royal Docks Economic Purpose and the rapid economic growth Newham has experienced in the last decade within the knowledge intensive, ICT and Digital

and creative/cultural sectors, this internship programme will primarily focus on placing young people within these industries. Newham's commitment to raising its youth employment rate by supporting young people to access a variety of education and skills pathways highlights the increasing need to ensure that the programme also targets underrepresented priority groups including those with disabilities or from Black, Asian and Minority Ethnic (BAME) backgrounds. Achieving this will help the identified priority sectors become more inclusive and accessible to groups that would otherwise find it difficult to establish careers in them.

#### *Internship for Young People*

- 1.7 Approximately 10-12 placements will be identified with each internship being comprised of two six-month placements which can either be undertaken with the same organisation throughout or, depending on availability, two separate organisations. The interns' start date has been proposed for the end of July 2020 to accommodate the end of the academic school year, helping ensure the programme can be accessed by school leavers.
- 1.8 Participants will be provided with peer-to-peer support throughout as well as opportunities to be mentored by experienced professionals. Alongside actively working with, and for, the host employers, a number of training sessions will be organised over the 12-month period, offering a development programme of learning, skills development and networking activities. These will be organised and facilitated by an external specialist delivery partner helping ensure that the cohort is provided with the experience and information they need to be able to successfully apply for and secure roles within the industry or sector they are placed. Funding has also been allocated within the budget to provide additional financial support to young people where necessary. This will cover any expenses that may initially be unaffordable for participants such as workwear and travel.
- 1.9 Host employers will be provided with ongoing support throughout the duration of the internship. Prior to recruiting interns, employers will be required to undertake training to ensure they are suitably prepared to support their new interns. Employers will be assigned an external contact through LBN's employment brokerage scheme called Workplace, who will be available to assist them with any enquiries they may have or challenges they are facing. LBN as a partner to the Royal Docks Team, will provide this support to employers. At the end of the internship, employers will be encouraged to retain interns where possible, however, it is understood that this is dependent on a number of factors and as such is not mandated.
- 1.10 The external specialist delivery partner will be identified through a robust procurement process through the GLA/TfL Frameworks. They will be directly responsible for writing, organising and delivering the 12-month 'wrap around' training programme. They will also support the Royal Docks Team and LBN with identifying host employers and recruiting interns. The specialist delivery partner will be responsible for paying the interns. The RDT will contribute 50% towards their salary, with the host employers paying the other 50% but it will be administered to the interns by the procured delivery partner. Their performance of each of these activities will be managed and monitored by a dedicated specialist resource, expected to be sourced through LBN Workplace (see Additional Resource comments below).

#### *Additional Resource*

- 1.11 Dedicated specialist resource is required to enable the internship programme to be developed and delivered. This resource will support the Royal Docks Team to develop, plan, deliver and monitor the twelve-month internship programme (including set-up time preceding the initial cohorts start date in July). The Royal Docks Team will fund this additional resource and employment brokerage specific expertise to LBN Workplace.

### *Budget Breakdown*

- 1.12 The project expenditure breakdown is as follows:

Activity Detail	Costs
Interns' Salary - 12 interns paid at LLW (includes 50% subsidy)	£160,000
Additional specialist resource to manage the internship programme	£25,000
Bespoke 12-month Training Programme that will develop the core flexible skills to support professional development (including administration costs)	£60,000
Hardship Fund - to cover unaffordable intern expenses (see 1.13)	£5,000
Ad hoc support and expenses -support with recruitment and employer training and additional expenses	£10,000
<b>Overall Cost</b>	<b>£260,000</b>
25% contingency (see 1.14)	£65,000
<b>Total</b>	<b>£325,000</b>

- 1.13 The Hardship Fund – money has been allocated for supporting interns who are unable to afford some of the costs associated with being on the intern programme including travel, workwear and specialist equipment they may need for their role.
- 1.14 Contingency – the contingency for this programme has been set at 25% because the pilot cohort may comprise of more than 12 interns making it necessary to factor in additional salary costs. The ambition is to recruit a minimum of 12 interns onto the programme, however, host employers will be encouraged to create additional placements where appropriate. Moreover, some employers may need more than a 50% contribution from the EZ towards the cost of their interns' salary, particularly smaller organisations who have the potential to create valuable placements but lack the resources required to fund it. Lastly, the cost of the training provider and administration of the programme is an estimate based upon similar training programmes to the one being proposed. However, it is likely to incur a higher cost than the amount currently ringfenced for these expenses because some elements of the training will be customised to meet the specific requirements of this particular programme. Nonetheless, should the programme be able to save money across any of these items, it will do so.

### *Procurement and Delivery*

- 1.15 Following this approval, the RDT will commence procurement and full due diligence for the proposed programme to ensure that services are properly procured and ensure that any funding is distributed fairly and transparently, in accordance with the GLA's equality duties and policy, State Aid rules and in a manner which affords value for money in accordance with the GLA Contracts and Funding Code. This will be done in conjunction with TfL Procurement and TfL Legal.

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

- 2.1 The objectives of the commission(s) are to:
- support the culture of enterprise within the Royal Docks.
  - raise the aspirations of local residents.

- increase young people's (16-30) access to and awareness of the various sectors that exist within the Royal Docks.
- improve representation across the target sectors and industries.
- equip local young people with the skills, experience and knowledge they need to secure sustainable employment within these sectors.

2.2 The additional benefits of the programme support the philosophy of the Royal Docks' Economic Purpose to make the Royal Docks a 'nationally significant hub of enterprise, employment and culture'. This:

- recognises the wider need for the Royal Docks to create jobs in a distinctive way
- captures the potential for the area to be a hub for innovation
- ensures social issues are addressed in the making of economic decisions
- highlights the importance of integrating inclusive economy with inclusive growth
- lessens the economic inequalities that exist within the Royal Docks
- reflects ambitions to create higher-value jobs for local residents
- maximises the role of local employers in addressing the long-term needs of the market
- builds career opportunities for local residents
- support LBN's residents and in particular youth to acquire skills and access opportunities that translate to career-level jobs, as highlighted in LBN community wealth building priorities.

### 3. Equality comments

3.1 Under Section 149 of the Equality Act 2010, as a public authority, the GLA must have 'due regard' of the need to:

- eliminate unlawful discrimination, harassment and victimisation; and
- advance equality of opportunity and foster good relations between people who have a protected characteristic and those who do not.
- foster good relations between people who share a relevant protected characteristic and those who do not. Protected characteristics under section 149 of the Equality Act are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status.

3.2 The Royal Docks EZ Delivery Plan projects are aimed at implementing a number of the Mayor's policies such as the London Plan, A City for All Londoners, Healthy Streets Approach, Culture Strategy, London Housing Strategy, Transport Strategy and is aligned with the Mayor's Equalities Framework to consider the requirements of relevant equalities groups. Impact assessments will determine whether any persons with those characteristics will be unduly impacted by the activities described in this paper, and the course of action in order to mitigate any impacts.

3.3 In addition to the above, this programme will also help deliver the following Mayoral policies and strategies:

- The Mayor's Skills for Londoners Strategy
- The Mayor's Equality, Diversity and Inclusion Strategy, Inclusive London
- The Mayor's London Health Inequalities Strategy
- The Mayor's Economic Development Strategy for London

- 3.4 LBN's Community Wealth Building strategy ensures that growth in the borough:
- is shared locally and held democratically;
  - builds on internal strengths and opportunities; and
  - realises the potential of Newham's community, residents, businesses, and voluntary sector.

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

- 4.1 There are no conflicts of interest to declare from anyone involved in the drafting or clearance of this Decision form.

##### *Key Risks*

- 4.2 Limited engagement and buy-in from employers and other stakeholders leading to an insufficient number of internship placements across businesses in the Royal Docks. This will be mitigated by subsidising the interns' salary helping incentivise the creation of placements and providing a robust offer of support to all businesses involved in the programme.
- 4.3 As a pilot programme there are expected to be some barriers to overcome such as incentivising employers to create placements, ensuring placements provide a high-quality experience for interns and ensuring that the training provider delivers a robust programme. Key stakeholders including relevant economic development and regeneration teams at LB Newham and the LDCC have been consulted on the programme specifications and outputs required through this decision.
- 4.4 Delays in the programme may occur. To mitigate this risk, a detailed project plan, outlining timescales will be created. Contingency time will be incorporated into the project plan to manage over-runs.
- 4.5 A summary of the most significant project level risks is reported to the Royal Docks EZ Programme Board on a quarterly basis. A risk register is maintained to continuously review programme delivery.

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

- 5.1 This decision requests approval for funding of up to a total of £325,000 revenue expenditure in 2020-21 to deliver an employment and skills pioneer programme.
- 5.2 A specialist delivery partner will administer the scheme with the GLA contributing 50 percent towards the intern's salary and the host employers the other 50 percent.
- 5.3 This expenditure will be funded from within the £212.5 million approved delivery plan budget confirmed in MD2338 and the costs will be incurred in 2020/2021.

#### **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, conductive 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.

- 6.2 In implementing the proposals in respect of which a decision is sought, officers should comply 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.
- 6.3 In taking the decisions requested, the Executive Director must have due regard to the Public Sector Equality Duty under section 149 of the Equality Act 2010, namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, to advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation) and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. To this end, the Executive Director should have particular regard to section 3 (above) of this report.
- 6.4 Section 1 of this report indicates that the GLA intends to procure services. Section 9 of the GLA Contracts & Funding Code requires the GLA to engage with TfL Procurement, develop a procurement strategy with TfL Commercial (if valued over £100,000) and seek a call-off from a suitable framework where possible or, if not, undertake a formal tender process to procure such services in relation to all contracts for services with a value above £150,000 before the commencement of the services.
- 6.6 Section 1 of this report indicates that part of the sought budget will amount to the provision of grant funding and not payment for services. Officers must ensure that the funding is distributed fairly, transparently, in accordance with the GLA's equality policy, State Aid rules and in manner which affords value for money in accordance with the GLA Contracts and Funding Code. Officers must ensure that an appropriate funding agreement is put in place and executed by the GLA and the recipient before any commitment to funding is made.

## 7. Planned delivery approach and next steps

Activity	Timeline
DD Approved	March 2020
Delivery Start Date:	April 2020
Internship Start Date (Cohort 1):	July 2020
Internship Start Date (Cohort 2):	September 2020
Delivery End Date:	September 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 (FOI Act) 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 approval 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: commercial confidentiality while procurement is underway.

Until what date: 30 June 2020

**Part 2 Confidentiality:** Only the facts or advice considered to be exempt from disclosure under the FOI Act should be 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:**

Tomi Moronkola has drafted this report in accordance with GLA procedures and confirms that:

✓

**Assistant Director/Head of Service:**

Simon Powell 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:**

The Corporate Investment Board reviewed this proposal 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

*M. J. Ollé*

Date

*16.3.20*