

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD358

Title: FE Capital Investment Fund Valuation Due Diligence

Executive Summary:

Subsequent to LEP, this ADD seeks approval for up to £30,000 of expenditure for technical due diligence in relation to valuation services, in support of assessment of proposals for future rounds and independent monitoring for the Further Education (FE) Capital Investment Fund. This expenditure will be contained within the £127,000 revenue allocation for technical due diligence contained within DD1368.

Decision:

The Assistant Director approves revenue expenditure of up to £30,000 on technical due diligence for valuation services.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

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: Debbie Jackson

Position: Assistant Director, Regeneration Unit

Signature:



Date:

29/10/15

PART I – NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 The London Enterprise Panel (LEP) has been awarded £55m in 2015/16, an indicative £65m for 2016/17 from Growth Deal 1 and a further indicative £38m from 2017/18 as part of Growth Deal 2 for capital investment in further education colleges and providers. This paper seeks a decision on 15 applications for funding from the 2015/16 provision. This FE Capital Investment Fund is for a programme of capital expenditure on infrastructure which will facilitate the delivery of further education services in London.
- 1.2 The FE Capital Funds provided by Government are capital only and as such there is a revenue requirement to support delivery of the programme. MD1420 approved in principle £147,000 from the Growing Places Fund budget to support specialist due diligence costs of the programme. DD1307 provided full approval for £120,000 and DD1368 approved a further £627,000 for technical due diligence and independent monitoring services, from FE Capital Investment Revenue Funding.
- 1.3 Currently, approval has been granted via DD1368 for up to £127,000 of technical due diligence including cost consultants and building surveyors advice. A further £150,000 has been approved for Architecture and Sustainability advice.
- 1.4 Current spend on due diligence for FE Capital Round 2 is projected as 0.17% of the requested amount of FE Capital Grant and 0.09% of the total project value of the FE Capital Round 2 applications.
- 1.5 The provider of valuation technical due diligence has provided an estimate of £27,250 to complete the valuation on one application. This ADD seeks approval for up to £30,000 to allow for any unforeseen costs in completing the valuation. This will be funded from the £127,000 already approved for spend on technical due diligence by DD1368.

2. Objectives and expected outcomes

- 2.1 Valuation services are required to ensure that the match funding will be achievable in cases where projects have declared that match funding will be made available through the disposal of an asset, such as the rationalisation of land and/or no longer required buildings.

3. Equality comments

- 3.1 The FE Capital Investment Fund seeks to address issues of modernisation and rationalisation of FE Estate. In doing so, specific equality benefits include;
- a. Increase in accessibility of college estate (measured in m²)
 - b. Increase in opportunity for Learners with Learning Difficulties and Disabilities to be engaged and retained in vocational and academic study.
 - c. Increase in course provision, enabling more learners per annum.
 - d. Increase in apprenticeships and traineeships, allowing students from deprived areas an economic incentive when obtaining a qualification.

- 3.2 The procurement of this contract has been conducted fairly using a competitive process, which has been evaluated by three independent officers. This procurement is not expected to demonstrate an effect on equality requirements.

4. Other considerations

- 4.1 Projects are not deliverable. There is a risk that without the valuation advice, proposed projects do not receive the required match funding required to deliver the project.

5. Financial comments

- 5.1 The expenditure of up to £30,000 (expected to be in the 2015-16 financial year) can be funded from the budget provision of £127,000 approved by DD1368 for technical due diligence.

6. Planned delivery approach and next steps

- 6.1 All services have been competitively procured (in accordance with the GLA's Contracts and Funding Code) from an existing available framework on a call-off basis and services required will be appropriate to the scale, complexity and risk associated with each project.
- 6.2 Following a competitive procurement process, AECOM was the preferred provider of valuation technical due diligence. A call off contract (number: GLA 80750) was confirmed on 14 October 2015 (copy appended to this decision).

Activity	Timeline
Procurement of contract	Completed
Delivery Start Date	October 2015
Delivery End Date	September 2018

Appendices and supporting papers:

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:

Commercially sensitive financial information until under contract.

Until what date: 30 November 2015

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:

Elizabeth North has drafted this report in accordance with GLA procedures and confirms that the Finance and Legal teams have commented on this proposal as required, and this decision reflects their comments.

✓

HEAD OF GOVERNANCE AND RESILIENCE:

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

Signature:



Date:

28.10.15