

REQUEST FOR DIRECTOR DECISION – DD1185

Title: LEP Economic Development Plan

Executive Summary:

This is formal approval for (a) £50,000 as the GLA's contribution to the development of an economic development plan (EDP) for the London Enterprise Panel and (b) £50,000 from the London Enterprise Panel. These contributions will add to £200,000 committed by London First as its contribution to this work.

Decision:

That the Executive Director approves expenditure of £100,000, by way of the award of grant funding, to London First as a contribution to its cost of the work that it is undertaking to develop an economic development plan for London.

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: Fiona Fletcher Smith

Position: Executive Director-Development,
Enterprise & Environment

Signature:

Date: 18 July 2014

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

This DD seeks approval for the award of grant funding to London First as a contribution to its costs of coordinating the production of a Economic Development Plan. The plan will correspond with and support the objectives of members of the LEP (including the GLA). The funding will be used predominantly for McKinseys, who were selected after a competitive process to support the work.

The proposed plan would correspond with and assist in the implementation of the Mayor's Economic Development Strategy (EDS) and also the Mayor's 2020 Vision and other relevant developments since the last revision of the EDS in 2011.

£50,000 has been requested by the LEP from the GLA's Central Programme Budget to support the development of an Economic Development Plan for London, matching investment of £200,000 from London First. This funding was agreed by the Central Programme Panel on 3rd March for onward approval via the Director Decision (DD) process. At its meeting on 13 March 2014, the LEP also agreed to fund £50,000 from the LEP's "Strategic Plans and EU Funds Investment Strategies" funding.

2. Objectives and expected outcomes

The objectives of the proposed plan are: to provide a data-driven analysis using consultants and GLAE; to produce hypotheses – where London Government should prioritise resources; to consult and test these hypotheses with stakeholders; and to develop an Action Plan – how to best support the private sector in delivering jobs and growth, including metrics to enable the tracking of the effectiveness of interventions. The GLA contribution would be focussed on the third of these objectives, i.e. the development of an Action Plan. This contribution would be in addition to the contribution in-kind to the development of the plan from both GLA Economics and the Economic and Business Policy team.

3. Equalities comments and other considerations

There are no specific equalities considerations for this decision. Equalities though will be an important matter to consider in the development of the economic plan and we will ensure that London First take this into account as the work progresses.

The risks are relatively few and minor.

| | Risk description | Mitigation / Risk response | Current probability (1-4) | Current impact (1-4) | RAG rating | GLA risk owner |
|----------|---|--|---------------------------|----------------------|------------|----------------|
| 1 | The scope of the research is too ambitious | We will work with the consultants to prioritise, and notify DCST | 1 | 2 | G | MK |
| 2 | The consultants are unable to develop plans that can be implemented | We will work with the consultants to test the feasibility of proposals as they are developed | 1 | 2 | G | MK |

| | | | | | | |
|---|--|--|---|---|---|----|
| 3 | There is widespread disagreement on the EDP priorities | We will work with the consultants to ensure the priorities are evidence based and secure the buy-in from a wide variety of stakeholders. | 1 | 2 | G | MK |
|---|--|--|---|---|---|----|

4. Financial comments

- 4.1 Approval is being sought for expenditure of £100,000 as grant funding to London First as a contribution to the development of an economic development plan for London. Of the total cost of this proposal, £50,000 will be funded from the Authority's 2014-15 Central Programme budget, with the remaining £50,000 funded from the LEPs 2014-15 Strategic Plans and EU Funds Investment Strategies budget.
- 4.2 Any changes to this proposal, including budgetary implications, will be subject to further approval via the Authority's decision-making process. All appropriate budget adjustments will be made.
- 4.3 The Economic and Business Policy Unit will be responsible for managing the proposed work expenditure and ensuring that all project activity and expenditure complies with the Authority's Financial Regulations, Contracts & Funding Code and Expenses & Benefits Framework.

5. Legal comments

- 5.1 The foregoing sections of this report indicate that the decisions requested of the Director fall 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 in 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:
 - 5.1.1 pay due regard to the principle that there should be equality of opportunity for all people;
 - 5.1.2 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
 - 5.1.3 consult with appropriate bodies.
- 5.2 Section 1 of this report indicates that the contribution of £100,000 to London First amounts to the provision of grant funding and not payment for services. Officers must ensure that:
 - 5.2.1 the funding is distributed fairly, transparently, in accordance with the GLA's equalities and in a manner which affords value for money in accordance with the GLA's Contracts and
 - 5.2.2 an appropriate funding agreement is put in place between and executed by the GLA and London First before any commitment to fund is made.

6. Planned delivery approach and next steps

Consultants have been contracted to carry out the main analytical work, organise workshops and complete the reporting. They will report to a sub group of the LEP, the EDP Working Group. A wide advisory group is currently being set up. London First will provide the day to day project management support to the consultant team.

Key milestones

| Activity | Timeline |
|---|-----------------|
| Start Date (initially utilising London First funding) | March 2014 |
| Initial analysis complete with draft EDP hypotheses | June 2014 |
| Main period of stakeholder discussions | Jun-Oct 2014 |
| Refinement of hypotheses testing and draft reporting | Sep-Oct 2014 |
| Publication / launch | Nov - TBC |

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? NO

If YES, for what reason:

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

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: Jeremy Skinner has drafted this report in accordance with GLA procedures and confirms that: ✓

Assistant Director/Head of Service: Mark Kleinman 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. ✓

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

Date