

REQUEST FOR MAYORAL DECISION – MD2501

Title: European Social Fund commitment of funding to Co-Financing Organisations: GLA, Big Lottery Fund, London Borough of Ealing

Executive Summary:

Mayoral Decision 1583 approved the designation of the GLA as an 'Intermediate Body' for the 2014-20 European Regional Development Fund (ERDF) and European Social Fund (ESF) programmes, in accordance with the functions set out in the Memorandums of Understanding with Ministry for Housing, Communities and Local Government for ERDF and Department of Work and Pensions for ESF.

Mayoral Decisions 1613 and 2094 approved the commitment and award of ESF funding to Co-Financing organisations, including the GLA, Big Lottery Fund and London Borough of Ealing.

This Mayoral Decision seeks approval for a further commitment and award of ESF funding to the GLA, Big Lottery Fund and London Borough of Ealing to support additional ESF provision up to December 2023.

Decision:

The Mayor approves:

The commitment and award of an additional £78.4m European Social Fund (ESF) to the GLA, Big Lottery Fund and London Borough of Ealing to support additional activity under ESF Priority Axis 1 "Inclusive Labour Markets" and Priority Axis 2 "Skills for Growth".

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:

27/7/19

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

Decision required – supporting report

1. Introduction and background

- 1.1. The UK benefits from seven-year 2014-20 €450bn EU programmes managed by the EU's 28 member states known as European Structural and Investment Funds (ESIF). The Department for Work and Pensions (DWP) is the 'Managing Authority' (MA) in England for the European Social Fund (ESF). In 2015, DWP agreed an 'Operational Programme' (revised in October 2018) with the European Commission (EC) for the £4bn England European Social Fund (ESF) programme that set out the activities and targets (such as people into employment) that would be undertaken across England.
- 1.2. The ESF programme is delivered across England's 38 Local Enterprise Partnership (LEP) areas, each of which has an ESIF Strategy to support local delivery. The £4 billion has been notionally allocated to LEP areas. LEP Area ESIF Committees, including the London ESIF Committee, provide advice to the Managing Authority (and the GLA as an Intermediate Body in London), on the needs and opportunities in an area and on the strategic fit of applications for funding.
- 1.3. Article 123 of EC Regulation 1303/2013 states that a Member State may designate one or more 'Intermediate Bodies' (IB) to carry out certain tasks of the MA under the responsibility of DWP.
- 1.4. DWP has devolved responsibility for managing London's share of England's ESF programme to the GLA as a designated IB. The GLA's European Programmes Management Unit (EPMU) had already held this responsibility for the 2007-13 ESF programme which is now closed. The relevant arrangements between DWP and the GLA are formally recorded in a Memorandum of Understanding and were approved via MD1583 in March 2016.
- 1.5. Mayoral Decisions 1613 and 2094, in March 2016 and April 2017 respectively, approved the commitment and award of ESF funding via a number of Co-Financing Organisations (CFO).
- 1.6. CFOs provide the required eligible match funding and use their expertise to procure and contract manage, or grant fund, ESF provision. The provision is contracted on the basis of skills and employment programmes agreed by the London Economic Action Partnership (LEAP, the LEP for London) and local partners. In order to become a CFO, organisations must first apply for CFO status (only organisations that meet the Government's criteria can apply) and subsequently submit an application for ESF funding from London's allocation to deliver locally agreed activities.
- 1.7. EPMU signed a CFO Memorandum of Understanding with the GLA in October 2016, with Big Lottery Fund in June 2015 and with London Borough of Ealing in January 2018 (in its capacity as lead-borough for the sub-regional 'West London Alliance' partnership managing the Work and Health Programme).
- 1.8. For CFOs, any amendments to be made to the MOU must be submitted through a Project Change Request process. A request has been received from all three CFOs and EPMU has 60 calendar days to assess it and notify the decision to the CFO.
- 1.9. For the GLA CFO, a separate approval was granted via Mayoral Decision 2375 in October 2018 to commission ESF projects to the value of £71m.

2. Objectives and expected outcomes

- 2.1 London's 2014-20 programme allocation is €584million (doubled once match-funding is included). The projects funded within the ESF programme aim to increase labour market participation, promote social inclusion and develop the skills of the future and existing workforce.

- 2.2 ESF in London seeks to provide support for over 400,000 Londoners, of whom 100,000 are expected to progress into jobsearch, education, training or employment and a further 30% will gain qualifications.
- 2.3 The Mayor's ESF programme 2019-23, commissioned by GLA CFO, will fund activity under all five of the ESF Investment Priorities, focusing on providing support to disadvantaged groups and individuals facing multiple barriers to employment within London. In addition, GLA will fund a further round of 'Careers Clusters' projects which seek to encourage collaboration between schools, colleges and employers.
- 2.4 GLA CFO will invest £71m ESF in London to support 100,000 individuals and 200 small businesses (SMEs) to improve their education, employability and personal skills. 55,000 people will gain a qualification or be helped to progress into sustained education, training or employment, or to progress within work. 200 SMEs will also be engaged via the Careers Clusters.
- 2.5 Big Lottery Fund is seeking £6.7m to extend a number of projects already being funded through ESF in London that work with individuals who are furthest from the labour market and face multiple and complex barriers to participation to address these underlying issues and move closer to or into the labour market. The additional funding will support 5,000 individuals, 3,200 of whom will progress towards, or into, employment or training by the end of 2022.
- 2.6 London Borough of Ealing is seeking an additional £640,000 to be able to support a further 600 individuals within West London under the Work and Health Programme, of whom 210 will progress into employment.

3. Equality comments

- 3.1. ESF is accessible to all organisations and individuals across London. The ESF Operational Programme set out the requirements for ensuring adherence to a mandatory equalities 'cross-cutting' theme. It will promote equality in accordance with European Union and national requirements.
- 3.2. The GLA as a public authority must comply with the Public Sector Equality Duty set out in section 149 (1) Equality Act 2010. This provides that, in the exercise of their functions, public authorities must have due regard to the need to:
 - Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
 - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 3.3. This means that delivery of the Operational Programme at local level, including in London, is required to consider the needs of all individuals and have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people.
- 3.4. The ESF programme targets its support to individuals; and seeks to make positive contributions to: long-term unemployed people, inactive people, lone parents, disabled people, people from ethnic minorities, ex-offenders, young people and older people. DWP has set output targets to ensure the programme helps appropriate numbers of these people; London projects are required to contribute to these targets.
- 3.5. The Programme is required to record equality and diversity data on individuals receiving support to ensure there is no inherent bias in the provision of help and that it is accessible by all. This monitoring data will be submitted by ESF grant recipients as part of the claims process and is reviewed by GLA

officers. Where a project has a particular objective to work with people with specific protected characteristics (as defined in the Equality Act 2010), this will be inherent in the project application; grant recipients capture and report this data as part of their project management processes.

4. Other considerations

Key risks and issues

- 4.1 The amount of ESF allocated to the CFOs may be revised during the approval process as officers negotiate contracts. However, it is not expected to exceed the amounts stated on the cover page of this Mayoral Decision.
- 4.2 Once a revised Memorandum of Understanding has been issued and signed, GLA officers will monitor the delivery of the project to ensure activity takes place and outputs and/or results are achieved, in the same way as for any other ESF project awarded funding.
- 4.3 Last year, the Government confirmed that funding secured by applicants through EU programmes will be guaranteed by the UK government even in a no deal Brexit scenario. The full statement is available on gov.uk¹. This means that the ESF programme in London will continue through to closure, expected to be in 2023, whether a withdrawal agreement with the EU is successfully concluded or not.

Links to Mayoral strategies and priorities

- 4.4 EPMU oversees London's share of the national ESF Operational Programmes, under which Calls for Proposals are launched, and decisions are made on which applications are funded. The programmes are aligned to the LEP's ESIF strategy and support Mayoral economic objectives for a competitive and fairer London.

Consultations and impact assessments

- 4.5 In accordance with DWP business processes, the views of the London ESIF Committee (LEC), must be sought on the strategic fit of applications for funding. The comments of the LEC are taken into account in decisions regarding the approval of projects.

5. Financial comments

- 5.1 Approval is being sought for the award and commitment of ESF funding to GLA, Big Lottery Fund and London Borough of Ealing, up to a total of £78.4m (£75m for contracts and £3.4m in relation to the administration of the programmes), to procure additional ESF provision, as agreed with the LEAP, with the breakdown of funding sought by each body detailed within this report.
- 5.2 It should be noted that the GLA is the designated Body for the management and administration of the ESF funding on behalf of DWP and the European Programmes Management Unit (EPMU) will continue to be responsible for managing the programme on behalf of the GLA.

6. Legal comments

- 6.1 Section 1-4 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

¹ <https://www.gov.uk/government/publications/the-governments-guarantee-for-eu-funded-programmes-if-theres-no-brexit-deal/the-governments-guarantee-for-eu-funded-programmes-if-theres-no-brexit-deal>

environment in Greater London; and in formulating the proposals 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, as noted in section 3 above, the Mayor 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, 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 persons who do not share it and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. To this end, the Mayor should have particular regard to section 3 (above) of this report.

6.3 The GLA must ensure all appropriate documentation is put in place in relation to the award of ESF to each of the CFOs named above.

7. Planned delivery approach and next steps

Activity	Timeline
Variation to ESF MOU	July/August 2019
Contracts/extensions awarded to providers	From August 2019
Delivery End Date	31 December 2023
Project Closure	31 December 2023

Supporting papers:

MD1583
MD1613
MD2094
MD2375

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

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:

Catherine Crocker has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Alex Conway 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 29 July 2019.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Lelle

Date

29.7.19

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date

29/7/2019.