

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2337

Title: Skills Strategy Research – Skills Vision and Local Industrial Strategy

Executive Summary:

The Skills for Londoners Strategy (the Skills Strategy) was launched in June 2018 and supports the Mayor's commitment to create a post-16 technical and vocational education and skills system that meets the needs of Londoners and businesses. The strategy sets out priorities and measures to improve education and skills provision for Londoners aged 16+, with a focus on technical (vocational) skills and adult education.

This decision form seeks approval to use uncommitted budget (£30,000 from the 2018/19 skills strategy budget and £30,000 income transferred from the Regeneration and Economic Development Unit's LIS research budget received via LEAP from the Government's Cities and Local Growth Unit) in 2019/20 to support activity designed to deliver on the commitments made within the Skills Strategy.

Specifically, the expenditure will pay for a consultant to undertake research and analysis to further the GLA's understanding of the changes to the skills sector that are required to develop a vision for a single, integrated skills and employment offer for the capital. This research will inform the development of the Mayor's Skills and Employment Vision for London and the 'people' strands of London's Local Industrial Strategy (LIS). Note this will take total spend on preparatory activity for the LIS to £200,000 (with other elements of spend approved by the Mayor under cover of MD2429).

Decision:

That the Interim Executive Director of Development, Enterprise and Environment approves:

Expenditure of £60,000 on consultancy services to undertake research and analysis required to develop an evidence base for the 'people' strands of London's Local Industrial Strategy (LIS) submission and the Mayor's Skills and Employment Vision for London.

AUTHORISING DIRECTOR

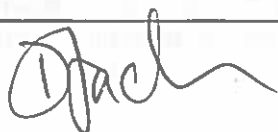
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Debbie Jackson

Position: Interim Executive Director,
Development, Enterprise and
Environment

Signature:



Date:

21/03/19

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

Decision required – supporting report

1. Introduction and background

- 1.1 The Skills for Londoners Strategy (the Skills Strategy), published in June 2018 is the first post-16 skills and adult education strategy produced by a London Mayor. It sets out the contextual skills challenges London faces, along with the priorities and actions required to make the London skills system the envy of the world and achieve the Mayor's vision for:

'A City for all Londoners - making sure Londoners, employers and businesses get the skills they need to succeed in a fair, inclusive society and thriving economy.'

- 1.2 Alongside the Skills Strategy, the Mayor also published his Skills for Londoners Framework which outlines how the objectives of the Strategy will be delivered in the context of the delegation of the Adult Education Budget (AEB) in London to the Mayor from the academic year 2019-20. It sets out the implementation plans for the AEB, as well as the European Social Fund (ESF) and the Skills for Londoners Capital Fund.
- 1.3 The Skills Strategy budget for 2019/20 is £192,000 comprised of carry forward from the 2018/19 financial period. £162,000 is currently committed to a suite of activity designed to support the implementation of the commitments made within the Skills Strategy. (Refer to Appendix 1 for further details).
- 1.4 This DD seeks approval to utilise the remaining Skills Strategy budget (£30,000) and £30,000 funding received from the Government's Cities and Local Growth Unit for further Skills Strategy activity, specifically research and analysis to inform the development of a Skills Vision and the 'people' strands of London's Local Industrial Strategy (LIS).

1.5 London's Local Industrial Strategy

- 1.5.1 The Government has emphasised the need for Mayoral Combined Authorities and Local Enterprise Partnerships to promote productivity by delivering Local Industrial Strategies and that it will work with them on their development. It is intended that the GLA will agree its LIS with Government by early 2020. The LIS should identify the economy's strengths and weaknesses and set out a clear approach to raising productivity, supported by a robust and granular evidence base.
- 1.5.2 The GLA intends to publish its evidence base in advance of the strategy document to provide transparency about the evidence informing the strategy. GLA is working towards publishing the evidence base in July 2019.
- 1.5.3 The LIS evidence base will build on existing evidence bases produced for other Mayoral strategies, along with wider analysis conducted by the Intelligence Unit. New research is valuable in addition to this to address identified knowledge gaps around the dynamics of the London economy and enable better policymaking. A LIS that meets Government's expectations, including in the quality and coverage of its evidence base, is a necessary basis for claiming future funding for local growth.
- 1.5.4 The Government's Cities and Local Growth Unit (which spans the Department for Business, Energy and Industrial Strategy and the Ministry of Housing, Communities and Local Government), has granted £200,000 to the London Economic Action Partnership (LEAP) to support the production of the LIS evidence base.
- 1.5.5 It is proposed that the GLA uses this grant to procure five research projects, each addressing areas of particular interest and relevance to London, and where important knowledge gaps have been identified by officers, specifically:

1. The relationship between productivity and wages;
2. The diffusion of innovation;
3. Barriers to the development of new enabling technologies;
4. London's role in the UK economy, and
5. People.

- 1.5.6 Each will be procured separately via a competitive tendering process in accordance with the GLA's Contracts and Funding Code. Approval for funding projects 1-4, totalling £170,000, has been requested under cover of MD2429 and will be led by the Regeneration and Economic Development Unit.
- 1.5.7 This DD seeks approval for the transfer to and expenditure of the remaining £30,000 by the Skills and Employment Team for the purposes of funding the fifth research project, 'People' which will be match-funded by £30,000 from the skills strategy budget and focus on skills and employment in the capital. The 'People' strands of the strategy are at the early stages of development and will build on existing priorities including empowering Londoners to succeed and thrive in London's society and economy; meet the needs of London's economy and employers by creating a skilled talent pipeline; and to create a strategic-city wide offer for skills in London.

1.6 **Skills and Employment Vision**

- 1.6.1 Alongside the development of the 'People' section of the LIS, the Skills and Employment Unit is working with London Councils to develop a Vision for an integrated skills and employment offer that will meet future needs of the capital. This document will be published alongside the LIS making the case for London's access to future funding. This is important in the context of the UK's impending departure from the European Union and the associated loss to London of access to European Structural and Investment Funds.
- 1.6.2 It will include an assessment of London's skills and employment strengths and challenges, and the development of evidence-based policy and programme proposals to empower Londoners to access opportunities in the capital, meet the needs of London's economy now and in the future, and to deliver a strategic, city-wide technical skills, employment support and adult education offer.
- 1.6.3 The development of the vision will allow City Hall and London Councils to develop a strong evidence base for skills and employment proposals. This will ensure that London Government is well positioned to make a robust case for future funding from government, including from the forthcoming UK Shared Prosperity Fund, following the development of London's LIS.
- 1.6.4 The Cities and Local Growth Unit (which spans the Department for Business, Energy and Industrial Strategy and the Ministry of Housing, Communities and Local Government), has granted £200,000 to the London Economic Action Partnership (LEAP) (Endorsed at the 6 December 2018 LEAP Programme Board and 19 December 2018 LEAP Board Meeting) to support the production of the LIS evidence base. As set out above, it is proposed that £30,000 of this funding is transferred to the Skills and Employment Unit to develop an evidence base for the 'people' strand of London's LIS submission and the Mayor's Skills and Employment Vision for London. This will be match-funded by £30,000 from the Skills Strategy Budget.

2. **Objectives and expected outcomes**

- 2.1 It is anticipated that the research and analysis commissioned as a result of this approval will further the GLA's understanding of the changes to the skills sector that are required to develop a vision for a single, integrated skills and employment offer for the capital (The Skills Vision) and develop an

evidence base for the 'People' strand of London's Local Industrial Strategy (LIS) submission, to make the business case for future skills and employment funding for London, including the UK Shared Prosperity Fund.

3. Equality comments

3.1 Section 149(1) of the Equality Act 2010 provides that, in the exercise of their functions, public authorities – of whom the Mayor is one – 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.

Relevant protected characteristics are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

3.2 The proposed research and analysis to be commissioned under cover of this approval will provide an evidence base that is conducive to the aims of the Equality Act, ensuring GLA skills policy is cognisant of the issues and barriers faced by Londoners with protected characteristics and informing a Skills Vision and LIS response which promotes greater equality and social cohesion.

4. Other considerations

a) Key Risks and Issues

- A failure of the appointed provider to deliver the Local Industrial Strategy research on time could delay the production of the Local Industrial Strategy and the Mayor's vision for skills and employment. The research contract will be closely managed to mitigate this risk.
- A failure to present a robust evidence base to underpin London's Local Industrial Strategy and the Mayor's vision for skills and employment would undermine the credibility of these documents and severely limit their potential impact. Skills and Employment officers will work closely with GLA Economics to ensure the evidence base is sufficiently robust.

b) Links to Mayoral strategies and priorities

4.1 The proposed activity links to several of the commitments made within the Skills Strategy, including to:

- Create a more collaborative and strategic skills system in London, which considers London's specialisms, particularly in key growth sectors; and
- Lobby to ensure London gets a fair funding settlement in the UK Shared Prosperity Fund.

4.2 The research analysis for the LIS and Skills and Employment Vision contributes to many of the strategic objectives in the Mayor's Equality, Diversity and Inclusion Strategy; notably Strategic Objectives 18-22 of the 'A great place to work and do business' section, which aims to ensure that all Londoners, including minority groups, individuals from lower income backgrounds and those

with protected characteristics, have access to the learning and employment opportunities they need to get on in life.

5. Financial comments

- 5.1 The estimated £60,000 cost of this proposal will be equally funded from the Skills Strategy budget, specifically via a budget carry forward from 2018-19 and grant income from Government's Cities and Local Growth Unit (£30,000 each).
- 5.2 With regards to the grant income of £30,000 for this proposal, this forms part of the Government's Cities and Local Growth Units (which spans the Department for Business, Energy and Industrial Strategy and the Ministry of Housing, Communities and Local Government), contribution of £200,000 to the LEAP to support the production of the LIS evidence base.

6. Legal comments

- 6.1 The foregoing sections of this report indicate that the activity in respect of which approval is sought may be considered to be facilitative of and conducive to enabling the exercise of the GLA's general powers to promote economic development and wealth creation and officers have complied with the GLA's related statutory duties to:
- (a) pay due regard to the principle that there should be equality of opportunity for all people;
 - (b) consider how those 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
 - (c) consult with appropriate bodies.
- 6.2 Officers must ensure that the services required are procured in accordance with the GLA's Contracts and Funding Code in liaison with TfL Commercial and that appropriate contract documentation is put in place and executed by the successful bidder(s) and the GLA before the commencement of the services.
- 6.3 In any event, officers must ensure that no reliance is placed upon the Government's Cities and Local Growth Unit party funding until legally binding arrangements are in place with the funder and they are content that the GLA can comply with any conditions applicable to the provision of such funding.
- 6.4 In taking the decisions requested, the Director 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 and foster good relations 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 (section 149 of the Equality Act 2010). To this end, particular regard should be given to section 3 (above) of this report.

7. Planned delivery approach and next steps

Activity	Timeline
	LIS / Skills Vision
Procurement of contract	March 2019
Announcement	March 2019
Delivery Start Date	March 2019
Delivery End Date	June 2019
Project Closure:	Sept 2019

Appendices and supporting papers:

Appendix 1 Approved activity underway, funded by the Skills Strategy budget

Appendix 1

A. Approved activity underway, funded by the Skills Strategy budget.

A.1 Data

Burning Glass technologies were commissioned to deliver data and analysis on London's labour market. Burning Glass will produce a report matching the capital's labour market vacancies in the context of skills supply through the AEB and adult learning. Approved under cover of MD2357.

A.2 16-18 Education Trajectory Research

In order to inform the case for the devolution of the 16-18 Department for Education budget to the Mayor and to inform policy on 16-18 skills provision in London, research has been commissioned to explore progression patterns for London learners at and below Level 3. Approved under cover of ADD2196.

A.3 London Enterprise Advisor Network (LEAN) Evaluation

An enhanced London-specific evaluation of the LEAN has been commissioned to assess the impact of the intervention on young people and teachers through deployment of additional survey tools; and will also include administrative data analysis that looks to identify any impact on educational, employment and progression outcomes. Approved under cover of ADD2265.

A.4 Knowledge Hub Consultation

A commitment to better align provision with labour market need led to the conception of a "Skills and Employment Knowledge Hub". This Hub will be a source of data for learners, providers and local policy makers to better understand prevalent skills in the capital and the routes and pathways to progress in careers. An internal scoping of the Knowledge Hub has taken place, and this year (2019) an external consultation will take place to ensure those plans meet the needs of London's skills stakeholders. Approved under cover of ADD2318.¹

A.5 Outcomes Research and Consultancy

In the Skills Strategy, the Mayor set out his plan to take a strategic approach to commissioning the devolved AEB, ensuring that funding is targeted to better meet need. This includes a commitment to move incrementally and over time, towards outcome-based commissioning to ensure that funding is focused on effective skills provision in London that supports adults to gain the relevant skills they need to enter and progress in employment as well as wider social outcomes. A procurement exercise is in train to appoint a delivery partner to develop an outcomes framework for London's AEB. Approved under cover of ADD2302.²

A.6 Skills for Londoners Framework Consultation

The draft Skills for Londoners Framework was published for consultation on 17 July 2018, outlining how the Mayor will support the delivery of the objectives of the Skills Strategy. Hatch Regeneris were procured through a competitive tendering process to oversee a public consultation on the Framework which ran until 17 August 2018. Approved under cover of ADD2235.

¹ ADD2318 is deferred from publication until 5 March 2019 in order to ensure the GLA is able to get value for money in the procurement process.

² ADD2302 is deferred from publication until 31 March 2019 in order to ensure the GLA is able to get value for money in the procurement process.

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

To ensure the GLA is able to get value for money in the forthcoming procurement.

Until what date: 1 September 2019

Part 2 – Sensitive information

NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

James Spacey has drafted this report in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service:

Michelle Cuomo Boorer 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

This decision was agreed by the Corporate Investment Board on the 18 March 2019

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Boorer

Date 22.3.19