

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2391

Title: European Social Fund commitment of funding: the Education and Skills Funding Agency Priority 1 Programme

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 the Ministry for Housing, Communities and Local Government for ERDF and the Department of Work and Pensions for ESF.

Mayoral Decision 1613 approved the commitment and award of ESF funding to Co-Financing organisations, including the Education and Skills Funding Agency (ESFA), up to December 2019.

This Mayoral Decision seeks approval for a further commitment and award of ESF funding to the ESFA to procure additional ESF provision up to 2023. The ESFA's current ESF provision ends in March 2019 and the additional ESF monies will be utilised by the ESFA to procure two new ESF programmes in London, which will commence delivery from April 2019.

Decision:

The Mayor approves the commitment and award of an additional £16,666,666 European Social Fund (ESF) to the Education and Skills Funding Agency to support additional activity under ESF Priority Axis 1 "Inclusive Labour Markets".

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:

11/12/17

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

Decision required – supporting report

1. Introduction and background

- 1.1. The Department for Work and Pensions (DWP) is the 'Managing Authority' (MA) in England for the seven-year 2014-20 €450bn EU programmes managed by the EU's 28 member states, from the European Structural and Investment Funds (ESIF). In 2015, DWP agreed an 'Operational Programme' (revised in October 2018) with the European Commission (EC) for ESF that set out the activities and targets (such as people into employment), in exchange for the funding. 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 fund within the programmes have been notionally allocated to LEP areas. LEP Area ESIF Committees, including the London ESIF Committee, provide advice to the MA (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.
- 1.2. 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.
- 1.3. 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.
- 1.4. Mayoral Decision 1613 approved the commitment and award of ESF funding via Co-Financing Organisations (CFO).
- 1.5. 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 to deliver locally-agreed activities.
- 1.6. The Memorandum of Understanding (MOU) between ESFA and the GLA (acting in its capacity as IB) was signed in December 2015 with variations agreed in May 2016 and May 2018.
- 1.7. For CFOs, any amendments to be made to the MOU must be submitted through a Project Change Request. The ESFA submitted theirs in October 2018; EPMU has 60 calendar days to assess it and notify the decision to the grant recipient.
- 1.8. Having previously declared its intention to cease operating as a CFO, the ESFA has since changed course and confirmed its intention to continue as a CFO beyond 2019, and to deliver a 'Transition Programme,' giving LEPs an opportunity to continue to invest ESF through the ESFA until the introduction of the Government's new UK Shared Prosperity Fund.

2. Objectives and expected outcomes

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

- 2.2 ESF in London seeks to provide support for over 400,000 Londoners, of whom 25 per cent are expected to progress into job search, education, training or employment, and a further 30 per cent will gain qualifications.
- 2.3 The ESFA's new programme will fund activity under two of the ESF Investment Priorities (P1.2, P1.4): Support for 15-24 year olds not in education, employment or training (NEET) or those at risk of being NEET; and Community Grants.
- 2.4 As agreed with the LEAP, the ESFA will invest £9m ESF in London across 4 contract package areas to support young people who are NEET to improve their education, employability and personal skills and to help them to progress into sustained education, training or employment. The aim is to support over 10,000 participants below 25 years of age; of whom 44 per cent are expected to progress into employment, including self-employment, or education/ training upon leaving.
- 2.5 The ESFA will invest £6m ESF to deliver a London-wide 'Community Grants' programme. Working with the voluntary and community sector, the programme will support nearly 4,000 people with multiple and complex barriers to participation to move closer to or into the labour market through small community-led projects with a maximum value of £20,000 each.
- 2.6 The ESFA expects to sign contracts with providers in February 2019 so that delivery commences in April 2019.

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) of the 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. The 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 ESFA 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. Should the sum being allocated to the ESFA exceed the amounts stated, further approval will be obtained.
- 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 On 24 July 2018 HM Treasury announced that funding secured by applicants through EU programmes until the end of 2020 (the official end date for the ERDF and ESF 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 the ESF programme in London will continue through to closure, expected in 2023, whether a withdrawal agreement with the EU is successfully concluded by the United Kingdom 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. The GLA is the designated Intermediate Body for the management and administration of the 2014-20 ERDF and ESF Programmes in London. The London 2014-20 programme allocation totals €584 million and is doubled once match funding has been secured.
- 5.2. Approval is being sought for a further commitment and award of ESF funding to the ESFA to procure additional ESF provision of up to £16,666,666 until December 2023.
- 5.3. The GLA is the designated Intermediate Body for the management and administration of the 2014-20 ESF on behalf of DWP. The European Programmes Management Unit (EPMU) will continue to be responsible for managing the programme on behalf of the GLA.
- 5.4. Should changes in the sterling/euro exchange rate result in fluctuations in individual claims, and in turn the overall total level of funding required, EPMU officers should ensure variations are authorised

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>

in line with the financial delegation limits laid out in MD1583. Any gains or losses in sterling/euro exchange rate fluctuations will be contained and managed by DWP.

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 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 the ESFA.

7. Planned delivery approach and next steps

Activity	Timeline
Variation to ESF MOU	December 2018
Contracts awarded to providers	February 2019
Delivery Start Date	1 April 2019
Delivery End Date	31 July 2021
Project Closure	31 December 2023

Appendices and supporting papers:

None.

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

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:

Laure Farret 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 10 December 2018.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Allen

Date

10.12.18

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date

10/12/2018.