

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2190

Title: LLDC grant assistance to deliver 3D Printing and Virtual Reality Training

Executive Summary:

The London Legacy Development Corporation ('Legacy Corporation' or 'LLDC') is seeking Mayoral consent to the provision of up to £490,000 of grant assistance to Hobs Studio for post-education training provision in the Growth Boroughs over the period 2018 to 2020. The training will equip people from diverse communities and underrepresented groups with advanced digital skills and thereby support those individuals into high-value employment opportunities in Here East (the former International Broadcast Centre) and across London.

Approval is required under Section 213 of the Localism Act 2011 and Paragraph 3.2 of the LLDC Governance Direction 2013 because the grant value exceeds the Legacy Corporation's standing approval for the giving of financial assistance by grant (as approved under DD1245). Under the Governance Direction and Mayoral Decision Making in the GLA, that consent can be provided on behalf of the Mayor by a specified senior officer.

Note that this decision also represents a variation of DD1022, which gave consent for a grant £380,000 for Hackney Community College. The College is no longer establishing a training facility at Here East; and those funds are therefore being reallocated to part fund the £490,000 grant to Hobs Studio.

Decision:

That the Executive Director of Resources consents, on behalf of the Mayor and under Paragraph 3.2 of the LLDC Governance Direction 2013, to:

LLDC providing a grant of up to £490,000 to Hobs Studio for post-education training provision, subject to the grant not contravening any EU state aid rules.

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: Martin Clarke

Position: Executive Director of Resources

Signature:



Date:

12.12.17

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. Section 213 of the Localism Act 2011 required that the Mayor consents to the giving of financial assistance by LLDC. The LLDC General Financial Assistance (Grant) Consent 2014 approved by DD1245 gives a general consent for the Legacy Corporation to give financial assistance by way of grant under certain defined circumstances, and where the total lifetime value of the grant is up to a threshold of £150,000. The value of the grant proposed in this decision exceeds this threshold and so specific consent is required. LLDC has already given in principle approval to the project as part of the post-education contribution S106 commitment for the Legacy Communities Scheme.
- 1.2. In April 2014, DD1202 gave LLDC approval to award a grant of £380,000 to Hackney Community College ('HCC' or 'the College'). This grant was intended to enhance the post-education training facility that HCC were establishing in Here East, with £205,000 of capital funds going towards the costs of fit-out and £175,000 of costs going towards training provision. However, in 2016 lease negotiations between Here East and HCC broke down and the College is no longer establishing a training facility in Here East; furthermore, the grant award has expired.
- 1.3. LLDC have been exploring alternative options to provide an employer-led digital training facility in or near to Here East. This will contribute to convergence and support LLDC's Corporate Business Aim for 'WORK' by enabling local people from diverse communities who are under-represented in the workforce to increase their skills and access high-value, well paid jobs.
- 1.4. In this context, the London Corporation is seeking approval to grant fund Hobs Studio to the value of £490,000 over two years (2018 to 20). The grant will contribute to the costs to establish a post education training provision for residents of Hackney, Newham, Tower Hamlets and Waltham Forest. This will enable people from diverse communities and people who are underrepresented in the workforce to get advanced digital skills and support to access high value jobs on Queen Elizabeth Park and across London.
- 1.5. It will contribute to costs to pump-prime a state of the art training facility focusing on 3D printing and Virtual Reality (VR). It will also enable a cross-industry partnership to co-create a training programme that serves wider industry needs and enables a range of businesses to access appropriately skilled labour to support business growth.
- 1.6. There is a strategic and business need for the training facility. At a macro level, the training facility responds to an identified industry skills gap within the UK labour market - UK Commission for Skills predicts 1.2m new workers are needed in this sector. Despite the huge growth potential of 3D printing and VR there is no provision currently available in this area. The training facility is needed to enable local people to access a range of jobs across London and the UK.
- 1.7. At a micro-level, the training provision is needed to ensure local people have the right skills to access jobs that are being generated on the Park. Of the 5,300 jobs expected to be generated by Here East, about 70 per cent are anticipated to be management, professional and technical. The cluster of businesses and the presence of higher education institutes like Loughborough University London and UCL's Robotic Institute, coupled with the ambition of iCITY London who run the Here East buildings, present an ideal opportunity to provide a clear route into employment through vocational training.
- 1.8. The project will do this by enabling residents from Hackney, Tower Hamlets, Waltham Forest and Newham to access employer-led apprenticeships and training, giving them the skills, information and experience they need to compete for jobs and advance their careers with creative and tech employers on the Project Partnership, in Here East and across London's growing Digital Economy. Without this investment in skills growth, the people that live in communities around Queen Elizabeth Olympic Park may not be able to compete for these jobs.

2. Objectives and expected outcomes

2.1. The project aims to:

- Better prepare young Londoners, particularly those from disadvantaged backgrounds and from under-represented groups, for digitally-skilled occupations.
- Create clear vocational routes to employment through vocational industry-led training.
- Inspire more young women into tech.
- Improve the pool of talent for businesses.

2.2. The project objectives are to:

- Open a Training Academy comprising of 1,550 sq. ft. within the 7,200 sq ft 3D Bureau that Hobs Studio is taking in Here East by January 2018.
- Give local people access to advanced digital skills training on cutting edge equipment.
- Work with industry leaders to co-create a mixed training programme of courses and apprenticeships that focuses on 3D printing, scanning and virtual reality.
- Provide 'follow-on' education modules to advance the skills of local school and college students who have been through the Design Engineer Construct curriculum.
- Provide progression into a wide range of digital jobs, including opportunities from the Thames Estuary Production Corridor.
- Provide support for disabled learners and learners with special educational needs
- Provide wrap-around employability support to ensure people receiving technical training are job-ready.
- Leverage links across the industry to broker paid work opportunities (including work experience, internships, apprenticeships or jobs) for people during and/or after their training completes.
- Link with other businesses and organisations at Here East, including the Global Disability Institute (GDI) Hub and Loughborough University London, to explore collaborations and degree apprenticeships.
- Use the state of the art facility and employers to inspire people who live around the Park by hosting a number of school visits, taster skills sessions and inspirational talks.

2.3. Outputs and outcomes:

- Enable a minimum of 60 people from the Boroughs of Hackney, Newham, Tower Hamlets and Waltham Forest each year for a minimum of five years to benefit from industry-led training (300 people benefiting in total).
- Of the total number of people trained at least 50 per cent will be BAME, 50 per cent women and 10 per cent disabled people to support under-represented groups to access digital jobs.
- At least 90 per cent of people who complete training will be placed into an employment opportunity (paid internship, apprenticeship or job), of which 85 per cent will be in sustained employment (26 weeks).

- Increase numbers of under-represented groups and number of people from disadvantaged backgrounds in digital jobs.
- At least 250 people a year will increase their understanding of digital careers by attending an 'inspirational visit' to the training facility through employer talks, career sessions and skills-tasters.

3. Equality comments

- 3.1. The decision to provide grant funding to deliver the training academy will have a positive impact on equalities and will support LLDC's Priority Theme 'championing equalities and inclusion'. It will enable local people and groups who are under-represented in the workforce to access industry-led skills training that will enable them to get and sustain high value jobs. The Training Academy will connect with local and community organisations, disability providers, schools and colleges to develop robust referral pathways from grass-roots provision.
- 3.2. LLDC's grant agreement will stipulate that learners must meet the following minimum targets:
 - 50 per cent BAME
 - 50 per cent women
 - 10 per disabled people.
- 3.3. Consideration will be given to ensure the training is accessible to all those people with protected characteristics. An equalities impact assessment will be undertaken on all aspects of delivery, this will include reviewing recruitment plans, training content and delivery plans, pastoral support and in-work support.
- 3.4. The GLA must have due regard to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not under section 149 of the Equality Act 2010. This may involve, in particular, removing or minimising any disadvantage suffered by those who share a relevant protected characteristic, taking steps to meet the needs of such people; and encouraging them to participate in public life, or in any other activity where their participation is disproportionately low, including tackling prejudice and promoting understanding. The protected characteristics and groups are: age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation and marriage/ civil partnership status. Compliance with the Act may involve treating people with a protected characteristic more favourably than those without the characteristic.
- 3.5. By providing this grant no adverse impact is anticipated on equalities issues or any protected characteristic groups.

4. Other considerations

Key risks and issues

- 4.1. LLDC funding is required to pump-prime the training activities for two years after which time there is a requirement that the training facility will continue to deliver training for local people and under-represented groups for at least a further minimum of three years to 2023. There is a risk that resources will not be secured to enable the continuation of the training post the LLDC investment.
- 4.2. This is a low risk as Hobs Studio is contributing over £500,000 to deliver the training facility and ensure the benefits are sustained. To mitigate the risk, Hobs Studio has appointed a consultant to help them to develop a robust financial model and sustainability plan. This will be set as a 'deliverable' within the grant agreement with LLDC.

- 4.3. There is a low risk that participants won't be sourced from the local area. To mitigate this, Hobs Studio will be employing a partnership manager to ensure that they connect into local infrastructure and build on relationships facilitated by LLDC with Boroughs, schools and colleges (particularly those participating in other LLDC curriculum projects such as Design Engineer Construct) and local community and voluntary organisations.
- 4.4. There is a low risk that there will not be a sufficient number of jobs sourced to enable people who have completed the training to progress into employment. To mitigate this, Hobs Studio will build a strong cross-industry partnership and proactively engage their HR team, supply-chain and client base to source employment opportunities.

Links to Mayoral strategies and priorities

- 4.5. The project responds to the Mayor's Good Growth agenda by empowering people and by making London more inclusive by assisting under-represented groups to overcome barriers and provide access to the opportunities created by growth.
- 4.6. The project aligns with the Mayor's Digital Talent Programme, it will:
- Focus on advanced digital skills across digital/creative /technology industries – the project will respond to an identified industry skills gap to provide training in 3D printing and VR.
 - Inspire more young women into tech (currently only 17 per cent of workforce) – the training academy will run a programme of inspirational visits, talks and skill-taster sessions to enable women and girls to get inspired. Michelle Greeff, the Managing Director, will actively promote STEM subjects by participating in events like 'Stemmettes' and by acting as an ambassador for digital careers.
 - Facilitate industry and education/skills sector co-designing curricula – the training academy will work with organisations like 'A Class of your Own' to design 'follow-on' training provision to ensure a pathway for graduates of the Design Engineer Construct programme, which delivers modules like Building Information Modelling as part of the curriculum.
 - Create clear routes to employment through vocational training – the training facility will be built within Hobs Studio and will be co-created and delivered by industry experts. As well as appropriate training, learners will benefit from direct experience of the workplace which will help them to prepare for jobs in the industry.

Impact assessments

- 4.7. The project will deliver skills growth in the most disadvantaged parts of London. It will give east Londoners and particularly those from disadvantaged groups opportunities to gain the right skills to compete for and sustain high value jobs. It will have a positive impact to narrow the gap in level 3 and 4 qualifications and in the employment rate and median earnings, between residents living in the growth boroughs and the average Londoner thereby contributing to the convergence agenda. The current gap is highlighted in the tables below (source: Convergence annual report 2016-17).

19 year olds achieving level 3 qualifications	2009	2010	2011	2012	2013	2014	2015	2016	2020 Target
Growth Boroughs	45.6	49.2	53.4	56.0	58.1	60.5	61.9	62.5	1.5%
London	52.9	55.9	59.0	61.1	62.6	64.0	64.9	65.4	
Gap	7.3	6.7	5.7	5.1	4.5	3.5	3.0	3.0	

Table 15. 19 year olds achieving level 3 qualifications - Source: DfE

Working age population qualified to at least Level 4	2009	2010	2011	2012	2013	2014	2015	2016	2020 Target
Growth Boroughs	32.2	34.5	41.1	41.8	42.4	41.1	43.2	47.5	3.5%
London	39.7	41.8	45.9	47.6	49.1	49.1	49.9	51.9	
Gap	7.5	7.3	4.8	5.8	6.7	8.0	6.7	4.4	

Weekly median earnings	Sep 10	Sep 11	Sep 12	Sep 13	Sep 14	Sep 15	Sep 16	2020 Target
Growth Boroughs	£568.2	£570.5	£574.7	£569.7	£579.6	£575.9	£593.3	3%
London	£606.4	£608.8	£613.3	£613.3	£617.1	£621.1	£632.4	
Gap	6.3%	6.3%	6.3%	7.1%	6.1%	7.5%	6.2%	

Table 7. Weekly median earnings - Source: Annual Survey of Hours and Earnings, ONS

Employment Rate	Sep 09	Sep 10	Sep 11	Sep 12	Sep 13	Sep 14	Sep 15	Sep 16	2020 Target
Growth Boroughs	62.5	62.9	62.6	63.5	64.5	65.4	68.5	71.0	-2.5%
London	67.8	67.5	67.2	67.9	69.1	71.1	72.3	73.5	
Gap	-5.3%	-4.6%	-4.6%	-4.4%	-4.6%	-5.7%	-3.8%	-2.5%	

- 4.8. The project will provide a monitoring report on the numbers of people trained and their employment destination as well as providing detailed equalities information. This will identify if there are any areas that need improving as well as identifying successes, positive outcomes and good practise.

Consultations

- 4.9. The London Boroughs of Hackney, Tower Hamlets, Newham and Waltham Forest have been consulted through the Legacy Community Scheme Careers Programme Group.

5. Financial comments

- 5.1. The activities proposed are contained within the existing budget lines for the socio-economic budget that has been approved as part of the LLDCs 10-year business plan, and forms part of the Legacy Communities Scheme s106 agreement that has been approved by LLDC's Planning Policy and Decision Team and the four neighbouring boroughs.
- 5.2. Specifically, funding was ear-marked to provide a "park-wide 'Post-Education Training facility' that enables people living in the four boroughs around the Park to access skills training and apprenticeships in creative, digital and technology sectors." This forms part of the LCS post-16 contribution S106 contribution.
- 5.3. This has no net impact on the GLA's financial support for LLDC.

6. Legal Comments

- 6.1. No particular legal implications arise from the proposal.

7. Planned delivery approach and next steps

Activity	Timeline
Delivery Start Date	15 December 2018
Fit-out complete & equipment in place	15 January 2018
Financial model & sustainability plan agreed	28 February 2018

Formalise partnership	28 February 2018
Training programme developed	30 May 2018
Flipside starts delivery	15 January 2018
First 60 local people complete training	31 March 2019
First 50 local people progress into employment (paid at least London Living Wage)	30 May 2019
Develop year 2 training programme, including expanding accredited learning options and apprenticeships	1 June 2019
120 local people complete training	31 March 2020
90 local people progress into employment (paid at least LLW)	31 March 2020
Evaluation start and finish (/external)	1 September 2018 – 31 March 2020
Delivery End Date	31 March 2020
Project Closure	31 March 2020

Appendices and supporting papers:
None

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:

Tim Somerville has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Tom Middleton 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:

The Corporate Investment Board reviewed this proposal on 11 December 2017.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Bell

Date

12.12.17