

REQUEST FOR DIRECTOR DECISION – DD1202

Title: LLDC grant assistance to Hackney Community College for post-education training

Executive Summary:

The London Legacy Development Corporation (“Legacy Corporation” or “LLDC”) seeks Mayoral consent to the LLDC’s decision to provide grant assistance of £380,000 to Hackney Community College (“HCC”) for post education training provision in the Growth Boroughs over the period 2014 to 2016, focusing on employment opportunities in the former International Broadcast Centre (“Here East”). 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 delegation level for giving financial assistance by grant as approved under DD854.

Decision:

To give consent to the LLDC’s decision to provide a grant of £380,000 to Hackney Community College related to post education training provision, under Paragraph 3.2 of the LLDC Governance Direction 2013, for the purposes of section 213 of the Localism Act 2011.

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: David Lunts

Position: Executive Director Housing and Land

Signature:

Date: 29 April 2014

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 Section 213 of the Localism Act 2011 requires that the Mayor consents to the giving of financial assistance by LLDC. The General Grant Consent 2012 approved by DD854 gives a general consent for the LLDC to give financial assistance by way of grant under certain defined circumstances, and up to a threshold of £100,000. The value of the grant proposed in this decision exceeds this threshold. The LLDC Governance Direction 2013, approved under MD1227, states at Paragraph 3.2 that Mayoral consent must be obtained under the Direction to any LLDC decision to provide financial assistance by way of grant that does not fall within the scope of General Grant Consent. LLDC approved the project as part of the 'post education contribution' S106 commitment for the Legacy Communities Scheme.
- 1.2 The London Legacy Development Corporation is seeking approval to grant fund Hackney Community College to the value of £380,000 over the three financial years, 2014/15, 2015/16 and 2016/17. This will enhance post education training provision for residents of Hackney, Newham, Tower Hamlets and Waltham Forest. The grant will contribute to the delivery of the Legacy Careers programme that provides pathways for local people to access and benefit from the employment opportunities being generated on, and around, Queen Elizabeth Olympic Park.
- 1.3 "Here East", the former International Broadcast Centre used during the London 2012 Olympic and Paralympic Games, is expected to generate 5,300 direct jobs, with an additional 2,200 jobs created in the surrounding boroughs. There is a focus on creating high-quality, high-skilled and well-paid positions, with 70% of jobs expected to be management, professional and technical. However, without a correlating investment in skills growth, the people that live in communities around Queen Elizabeth Olympic Park may not be able to compete for these jobs.

To address this, the grant funding will enhance post 16 training provision to deliver apprenticeships and training that meet the needs of employers and benefits residents of the Growth Boroughs. The cluster of businesses and the presence of HCC and Loughborough University, coupled with the ambition of iCity who run the "Here East" buildings, presents an ideal opportunity to enhance the training provision to build pathways into careers within the creative, digital and technology industries. 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 in "Here East", Tech City and across London's growing digital economy.

- 1.4 The grant is part of the Legacy Corporation's Legacy Communities Scheme S106 commitment to 'Post Education Contribution'. It will meet the objectives set out in the LEP funded 'Hackney Wick Station Project' to use LLDC resources to unlock the human capital potential of the area by investing in skills training to benefit local people and to give employers access to an appropriately skilled workforce and support growth. The grant will be used to add value to the investment made by HCC to enhance and extend the education and training offer in "Here East" to Growth Borough residents.

2. Objectives and expected outcomes

- 2.1 The objectives of the grant are:
 - a) To enhance and extend the post education training facility within "Here East" to deliver training, apprenticeships and tailored career information, advice and guidance to the residents of Hackney, Newham, Tower Hamlets and Waltham Forest in the summer 2015 and will include:
 - 580 sq m of flexible education and training space;

- An apprenticeship hub to provide additional support to apprentices, including mentoring, professional development sessions and guest speakers.
 - Provide careers Information Advice and Guidance and job brokerage.
- b) To develop and deliver a package of apprenticeship and traineeships, that are employer-led and tailored to meet the requirements of employers based within “Here East” and across London’s creative and digital economy. A pilot with BT Sport will be developed to commence in September 2014. On-site delivery will commence once the facility is open in September 2015 with 50 apprenticeships, rising to 150 in year 2 and over 250 in year 3.
- c) To embed mentoring schemes within apprenticeships to start from September 2014.
- d) To employ a member of staff by June 2014 to develop the programme and engage employers. This person will be present on site from June 2014 to engage businesses thinking of taking space within “Here East”. The role will be to understand employers’ future workforce requirements and use this to tailor training and apprenticeship modules within National Frameworks, including working with the National Apprenticeship Service.
- e) To produce a business plan to install a 3-D printer within Hackney Community College to identify target users and potential revenue streams by September 2014. This will help to lever European funding to purchase, install and operate the 3-D printer within HCC.

2.2 The expected outcomes of the grant are:

- Employers within “Here East” and across the creative, digital and technology industries take-on apprentices and recruit locally.
- Apprenticeship frameworks and training courses are developed and delivered to meet the requirements of employers, in particular tenants within “Here East”.
- Londoners gain skills to meet the needs of new and existing industries.
- Londoners from disadvantaged groups have the necessary skills they need to succeed.
- Skill levels increase in the most deprived parts of London to contribute to the Convergence agenda.
- Londoners and particularly those from the Growth Boroughs that surround Queen Elizabeth Olympic Park gain the skills, experience and networks they need to compete for jobs and advance their careers.
- Promote innovation to SMEs by providing access to a 3-D printer, reducing waste from manufacturing and driving growth.

3. Other considerations

a) Key risks and issues

This project is low risk and there are no anticipated reputational or financial impacts on the GLA. The budget for this is included within LLDC’s revenue budget as part of the ‘post education contribution’ S106 commitment for the Legacy Communities Scheme and is incorporated within the Legacy Corporation’s 3- year business Plan.

Payments are based on the achievements of milestones relating to the fit-out of the training facility and as stated in the delivery plan.

LLDC’s risk assessment for this project has identified the following risks:

- There is a delivery risk that the apprenticeships will not meet the needs of employers in “Here East”. This is a low level risk as iCity has set out its intention to lead this process. The risk is mitigated by providing grant for a new post that will act as the architect between employers and the training provision, with support from partners such as National Apprenticeship Service and Skills Funding Agency.

- There is a delivery risk that FE colleges in Newham, Tower Hamlets and Waltham Forest will not link with the apprenticeship and training facility. This is a low level risk as HCC engage with other colleges through the Growth Borough Skills Partnership, and are aware of HCC's investment to secure space within "Here East". This risk will be mitigated by consulting the boroughs on the delivery plans and establishing protocols for candidate referrals.

b) Links to Mayoral Strategies & priorities

The Mayor's London Plan states that: "The Mayor will work with partners to develop and implement a viable and sustainable legacy for the Olympic and Paralympic Games to deliver fundamental economic, social and environmental change within East London, and to close the deprivation gaps between the Olympic host boroughs and the rest of London. This will be London's single most important regeneration project for the next 25 years." The project contributes to the Mayor's Convergence objective and the LEP's 'Jobs and Growth Plan for London'.

It will:

- Provide Londoners with the skills they need to compete for and sustain London's jobs.
- Enable the integration between employers and skills providers, to ensure training provision meet employers workforce needs and that employers can build apprenticeships into their workforce.
- Support the Mayor to achieve his target for apprenticeships and expand the portfolio of apprenticeships.
- Ensure that Londoners from disadvantaged groups have the necessary skills they need to succeed
- Ensure that skills growth occurs in the most deprived parts of London as part of the wider convergence agenda.
- Promote science, technology and innovation to SMEs enabling them to reduce waste from manufacturing.

c) Impact assessments

"Here East" is expected to generate 5,300 direct jobs, with a focus on creating high-quality, high-skilled and well-paid positions. This reflects the general trend in demand for higher skills, with employment projections showing an increase in the number of jobs requiring degree level or higher qualifications of 800,000 between 2011 and 2036. Whilst the number of London residents qualified to degree level or higher and in employment is projected to increase by 560,000 between 2011 and 2036 (source: Jobs & Growth Plan for London). This project will impact positively to address this skills gap by providing a range of apprenticeships including advanced and higher apprenticeships to level 4.

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 jobs. It will have a positive impact to narrow the gap in level 2, 3 and 4 qualifications 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:

19 year olds achieving Level 2 qualifications	Sep-09	Sep-10	Sep-11	Sep-12	2015 Target
6 Growth Boroughs	73.9	78.3	81.1	83.5	Narrow gap to 1-1.5%
London	78.5	81.0	83.5	85.9	
Gap	4.6	2.7	2.3	2.4	

19 year olds achieving Level 3 qualifications	Sep-09	Sep-10	Sep-11	Sep-12	2015 Target
6 Growth Boroughs	45.3	49.0	53.4	55.9	Narrow the

London	52.7	55.8	59.0	61.0	gap to 3-4%
Gap	7.5	6.8	5.6	5.1	

Working age population qualified to at least Level 4	Sep-09	Sep-10	Sep-11	Sep-12	2015 Target
6 Growth Boroughs	32.2	34.5	41.1	41.8	Narrow gap to 3-4%
London	39.7	41.8	45.9	47.6	
Gap	7.5	7.3	4.8	5.8	

The source of the tables above is the Convergence annual report 2012-13, which sets out progress towards Convergence as part of the Action Plan 2011-15 to monitor against key performance indicators in the Growth Boroughs, to bring these in line with the rest of London.

It is not considered that any further impact assessment is required for this particular decision.

d) Consultations

The London Borough of Hackney, Hackney Community College, iCity have been consulted, in addition to a round table discussion hosted by BT Sport, that also including Loughborough University, University of East London, Newham Education Business Partnership and Skillset. Further stakeholder engagement to develop the offer will be undertaken with tenants of "Here East" through iCity management structures, and with the Growth Boroughs and colleges through the 'Post Education Contribution Consultation'.

It is not anticipated there will be any further consultation prior to the anticipated start of the project. As the project includes 'pilot' aspects to the delivery, these will be evaluated on an ongoing process as the project progresses.

It is not considered that the Mayor needs to undertake any further consultation in respect of this specific decision.

4. Financial comments

LLDC will be providing a revenue grant to Hackney Community College of £185,000 in 2014-15, £152,500 in 2015-16 and £42,500 in 2016-17. It has provision for these amounts within its revenue budget which takes into account the revenue grant funding it receives from the GLA. There are no direct implications for the GLA arising from this decision.

5. Legal comments

No particular legal implications arise from the proposal. The Executive Director of Housing and Land, or any member of staff specified in Annex 2 to the Mayoral Scheme of Delegation is authorised (under MD1166) to discharge and exercise the Mayoral functions under the LLDC Governance Direction 2013 and Localism Act 2011.

6. Planned delivery approach and next steps

- 6.1 The project will be delivered by Hackney Community College through London Legacy Development Corporation grant funding. A member of the Corporation's Regeneration team will be embedded within the project delivery team and involved in all the key aspects of the project. Progress reports will be submitted to the Legacy Corporation and incorporated into the Chief Executive's update to the LLDC Committee and Board, as appropriate.

Activity	Timeline
Grant agreement executed to enable input into the internal design	End April 2014

of “Here East”	
Announcement to coincide with opening of “Here East” marketing suite	c Mid-May 2014
Staff recruitment	May 2014
Delivery Start Date for pilot apprenticeships off site	September 2014
Deliver start date of first cohort of 50 apprenticeships on-site	September 2015
Final evaluation start and finish (self) – with bi-annual assessments to review progress	September 2014 – March 2016
Delivery End Date	March 2016
Project Closure	April 2016

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

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:

Katherine Talbot has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Fiona Duncan 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