

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2195

Development Support Fund

Executive Summary:

The Development Support Fund (DSF) received 24 applications requesting a total investment of £1.87m Skills for Londoners revenue funding. The applications have been evaluated and moderated and a programme of 17 projects was endorsed by the LEAP Programme Board in November 2017. This decision seeks approval for the award of DSF (revenue) grant funding to these 17 projects, with a total value of up to £1,424,450. The Mayor (under cover of MD2142) delegated approval of funding allocations to the Executive Director of Development, Enterprise and Environment.

Decision:

The Executive Director of Development, Enterprise and Environment approves expenditure of up to £1,424,450, through the Development Support Fund, by way of grant funding towards the costs of 17 projects listed at paragraph 1.9.

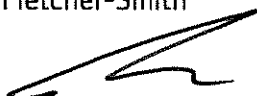
AUTHORISING DIRECTOR

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: Fiona Fletcher-Smith

Signature:



Position: Executive Director-Development,
Enterprise & Environment

Date:

20.12.17

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 The Mayor approved (under cover of MD2142) spending of up to £5m revenue expenditure for costs both to support applicants in the development of their proposals, and to provide for associated operational expenditure and programme-support costs to enable the delivery of the Skills for Londoners capital programme. Within this sum, £1.5m has been ring-fenced to enable a DSF, which targets projects that would like to bid to Round 2 of the SfLCF but require support in being able to reach the investment ready stage required by the fund. This paper seeks a decision on investment into 17 applications to the DSF.
- 1.2 Applicants could request from £10,000 up to £100,000 per project. Applications above the upper limit could be considered in exceptional circumstances. One applicant submitted a request for £120,000 but did not demonstrate reasonable grounds for receiving funding above the limit; therefore, this paper requests approval to award funding of £100,000 to this applicant.
- 1.3 Applicants were required to confirm the following in order to be considered for funding:
- That applicants, provided their application to the DSF was deemed successful, also intended to apply to Round 2 of the SfLCF, expected to launch in Spring 2018.
 - That the total funding agreed from DSF would be paid in arrears and spent by 30th April 2018, in time for the launch of Round 2 of the SfLCF.
- 1.4 The DSF Application Guidance was published on 25th September 2017 inviting applications by 30th October 2017. In total 24 applications were received with a total funding request of approximately £1.87m and total project value of approximately £667m (N.B.: the total project value is the capital project value, not the initial feasibility and development work being funded by the DSF).
- 1.5 Bids were received from 24 organisations including: ten Further Education (FE) colleges; five Private Providers; two Institutes for Adult Learning, Sixth Form Colleges, and other types of providers; one Group Training Association, Local Authority, and one Third Sector Provider of FE. Of the 24 projects three were at project concept stage and sixteen¹⁶ were at feasibility/research stage. Applications were received from across all four London college partnership sub-regions. Nine applications were received from the central-sub region, eight from the eastern, five from the southern and two from the western. The table below shows a relatively even split from each region bar the west. LEAP Delivery Officers are working to understand why a smaller number of applications were received from the west sub region. Please note that additional applications from the western sub-region may still be received for Round 2 of the SfLCF.
- | Sub-Region | No. | % |
|--------------|-----------|----------------|
| Central | 9 | 37.50% |
| East | 8 | 33.33% |
| South | 5 | 20.83% |
| West | 2 | 8.33% |
| Total | 24 | 100.00% |
- 1.6 A cross departmental team of officers evaluated the bids in October 2017; this included a process of clarification questions. Bids were moderated in November 2017. Each proposal was assessed against the criteria published alongside the wider Skills for Londoners prospectus; the scores for bids demonstrated the total score achieved out of a possible 100 marks. On the basis of this

analysis the recommendations for the programme of 17 projects were made (scores are summarised in Appendix 1).

- 1.7 Endorsement was given at the LEAP Investment Committee on 17 November 2017 for the programme level delivery strategy for the DSF, which sees programme level principles approved by the LEAP Investment Committee, and project level funding decisions delegated to the LEAP Programme Board. This is in accordance with the LEAP's scheme of delegation. The projects will then be recommended to the Mayor, in line with the Scheme of Delegation, and reported back for information to the next meeting of the LEAP Investment Committee and Sfl Steering Group. This approach was endorsed by the Skills for Londoners Steering Group on 2 November 2017 and is in line with the LEAPs Schedule of Funding Responsibilities, which sees programme level strategic guidance presented to and endorsed by the LEAP Investment Committee (such as programme funding stream principles), and investment endorsement of projects requesting less than £500k being made by the means of the LEAP Programme Board.
- 1.8 At its November 2017 meeting, the LEAP Programme Board endorsed the 17 projects being presented in Appendix 1 and rejected 7 on the basis that these applications failed to meet the minimum scoring criteria or the fund requirements.
- 1.9 The below table shows the grant amounts. Approval of applications was subject to evaluation by a team of GLA Officers (in line with the criteria set out in the prospectus).

Table 1 – Programme of 17 projects seeking approval for DSF investment:

Applicant	DSF revenue funding
Barts Health	£48,300
Big Creative	£63,650
Hadlow College	£65,000
Haringey, Enfield, NE London	£100,000
Harrow College HCUC	£99,000
Havering college	£100,000
Kingston College	£100,000
LB Bexley	£100,000
Lewisham, Southwark College	£100,000
London SE Colleges	£100,000
Mary Ward Centre	£33,000
New City College	£100,000
Newham College	£100,000
Newham Vic College	£100,000
Richmond and Hillcroft Adult Learning	£100,000
Sutton and District Training Ltd	£15,500
Waltham Forest College	£100,000
Total grant amount	£1,424,450

2. Objectives and expected outcomes

- 2.1 The SflCF Prospectus, launched in April 2017, invited applications that deliver high quality well-designed learning spaces that:

- respond and adapt to both current and future requirements of employers and learners through development, modernisation and rationalisation of facilities;
- improve quality of provision and learner satisfaction, progression and success rates, including for example those learners previously or at risk of becoming NEET (not in education, employment or training), learners with special educational needs and disabilities (SEND) and offender learners;
- support increased levels of apprenticeship delivery and/or progression to the highest levels of vocational and technical study, for example through higher level apprenticeships or projects able to demonstrate strong progression links with higher education;
- demonstrate strong and innovative collaboration and partnership with employers and local stakeholders, in particular through bringing businesses directly into the institution to influence the design and development of provision and supporting the creation of jobs, as well as working closely with schools, other education providers and local authorities; and
- where appropriate, support the implementation of recommendations of the central Government-led Area Review of the FE sector.

In addition to the fund priorities, projects also needed to demonstrate how they would contribute to the Mayor and LEAP's drive to make London a better place in which to live and work and to visit.

The GLA will ensure that the 17 projects recommended for approval are indeed aligned to the Mayoral strategies and priorities (listed in paragraph 4.4) by involving a number of key internal stakeholders who will put their specialist knowledge at the service of the applicants to help them maximise the benefits of their project from its early stages.

The key output from the DSF is a fully worked up application to the SfLCF, that reflects the priorities of the latter. However, on the basis that the DSF leads to capital projects, the approximate primary outcomes delivered per year from these projects are summarised below; and further outputs are detailed in appendix 1 (reserved from publication). Table 2 quantifies the yearly outputs following completion of the projects.

Table 2

Output/Outcome	Total
No. of additional learners	45,791
Cost savings	4,339,200
No. of jobs created	294
No. of apprenticeship starts	4,097
No. of SEND learners supported	1,359
Reduction in no of NEET learners	3,656
No. of learners supported at risk of becoming NEET	2,460
No. of students progressing into employment	13,410
Total space created/provided	84,000

3. Equality comments

- 3.1 The GLA Regeneration Team work with delivery partners to target investments in places with the greatest potential to secure inclusive jobs and growth opportunities, and ensure all investments promote equality and work to deliver new and secure existing diverse and inclusive opportunities and services.
- 3.2 Although the proposals under examination are not fully developed due to the early stage of the projects, the GLA Community and Social Policy Team have already provided specialist comment on

their potential social impact and those comments have been taken into account in the evaluation process.

- 3.3 Future applications to the SfLCF will then have to demonstrate how they give due regard to the requirements of the Public Sector Equality Duty Act and will be duly assessed and scored by the GLA Diversity and Social Policy Team, will have to demonstrate social value as per the SfLCF prospectus.

4. Other considerations

a) key risks

- 4.1 Risks associated with individual projects have been identified as part of the bidders' applications, and the overall GLA evaluation process considers risk and deliverability when prioritising projects.
- 4.2 Further, applicants that have received funding in previous rounds were assessed on their performance on delivering and reporting against LEAP funded projects in accordance with the GLA grant agreement to ensure that applicants remain compliant to the terms and conditions of funding.

b) links to Mayoral strategies and priorities

- 4.3 A new Skills and Adult Education Strategy for London is currently published for consultation. It is the intention to reflect the strategy within the SfLCF round 2 prospectus.
- 4.4 The current SfLCF prospectus, published for round 1 applications, made reference to the following Mayoral strategies and priorities:
- The Mayor's vision A City for All Londoners, is based on the principles of 'good growth' (development that is socially, environmentally and economically inclusive).in which particular consideration is given to potential synergies with surrounding place-based physical projects including public realm improvements and developments. Design brief is to align with and contribute positively to the spatial ambitions of the area. Technical due diligence consultants will be appointed to provide an independent assessment of projects. Applicants must be available to respond to queries and clarifications within the assessment periods. At either the expression of interest stage or full application stage, dependent on the stage of development of designs, some level of design review will be undertaken by experts, with recommendations which may become conditions of funding for successful projects.
 - Environmental priorities: Bidders were to demonstrate that they had put in place measures to ensure their projects help deliver on the Mayor's environmental priorities for making London a cleaner, greener and more resource-efficient city. Bidders could make use of the Sustainably Charter to develop proposals which aligned with the Mayor's environmental priorities. RE:Fit funding support may also be available for public building refurbishment projects. Finally, whilst applicants were historically required to achieve BREEAM Excellent rating in new-build projects and BREEAM Very good in refurbishment projects, the SfLCF prospectus called on projects to achieve BREEAM 'Outstanding' for new build projects and 'Excellent' for refurbishment projects
 - Social value: applicants should aim to provide evidence of how they apply the social value principles in their procurement; which impacted an applicant's evaluation scores.

- Equality, fairness, and inclusion: the proposal was to reflect the diverse needs of all learners and help to reduce the disability, gender and race employment gaps.
- Supporting businesses: projects was to identify how they planned to engage and collaborate with local businesses, employers and local authorities to support the creation of jobs within the local area and delivery of training to support growth sectors.

5. Financial comments

- 5.1 As approved by MD2142, £1.5m in capital funding has been swapped for the equivalent value in revenue funding, to support the first round of the Development Support Fund (part of the overall Skills for Londoners Programme). The maximum value of the proposed allocations for DSF funding as detailed within the main body of this report is £1,424,450. As such, the sum of the proposed maximum grant values does not breach the £1.5m limit allocated for the development funding.
- 5.2 The grant agreements between the GLA and each successful applicant will set out the conditions for use of the grant, including the deadline of 30 April 2018 for spending the funding awarded through the Development Support Fund.
- 5.3 It should be noted that applicants were not required to submit separate financial information as part of the application process; rather they were required to confirm that they are a further education college or training provider on the Education and Skills Funding Agency (ESFA) registers of training organisations or apprenticeship providers. In addition, applicants must be in receipt of funding from ESFA to deliver education and training in 2017/18 or expect to hold a contract in future years. In order to receive funding from ESFA, the Agency requires providers to submit financial information; this information is used to assess the organisation's financial health. General FE colleges are subject to a separate comprehensive financial monitoring regime. Evidence that an organisation is contracting with ESFA therefore provides a degree of assurance about the provider's financial health.

6. Legal comments

- 6.1 The foregoing sections of this report indicate that:
- 6.1.1 the decisions requested of the Mayor concern the exercise of the GLA's general powers, falling within the statutory powers of the GLA to do such things as may be considered to further, and or be facilitative of or conducive or incidental to the furthering of, the promotion of wealth creation and economic development in Greater London; and
- 6.1.2 in formulating the proposals in respect of which a decision is sought 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 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
 - (c) consult with appropriate bodies.
- 6.2.1 The GLA must, in the exercise of its functions, have due regard to the need to:
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010 ("the Act");
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

6.2.2 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; and
- (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

6.2.3 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

6.2.4 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to: tackle prejudice; and promote understanding.

6.2.5 Compliance with the above duties may involve treating some persons more favourably than others, but that is not to be taken as permitting conduct that would otherwise be prohibited by or under the Act.

6.2.6 The relevant protected characteristics are: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation.

6.2.7 A reference to conduct that is prohibited by or under the Act includes a reference to a breach of: an equality clause or rule; or a non-discrimination rule.

6.2.8 To this end the director should have particular regard to section 3 (above) of this report.

6.3 Officers have indicated that the expenditure proposed will amount to the provision of grant funding as a contribution to the project costs of successful funding applicants and not a payment for services to be provided. They must ensure that the proposed funding is disbursed in a fair and transparent manner in accordance with the GLA's Contracts and Funding Code and a funding agreement is put in place between and executed by the GLA and successful applicants before any commitment to the provide funding is made.

7. Planned delivery approach and next steps

7.1 The GLA will enter into a grant letter with the FE Capital provider for each project. Individual projects will be required to monitor and report their progress on a monthly and quarterly basis and each will be required to complete an evaluation following completion.

Activity	Timeline
Approval by Corporate Investment Board (CIB)	18 th December 2017
Confirmation of 2017/18 funding allocation expected (Directors Decision)	December 2017
Enter funding agreements and delivery commences	January 2018
Announcement	January 2018
All funding is spent by the relaunch of the SfLCF	30 th April 2018

Appendices:

Appendix 1 – Project descriptions and outcomes

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? YES**

If YES, for what reason:

Until funding agreements are in place and executed.

Until what date: expected 28 February 2018

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 – YES

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Manuel Casertano has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director:

Debbie Jackson 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.

✓

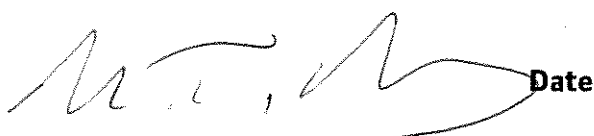
Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on 18 December 2017.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature



Date

20.12.17

TOM MIDDLETON ON BEHALF OF MARTIN CLARKE

