

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD399

Title: Initial implementation budget for the GLA's European Social Fund 2014-20 programme

Executive Summary:

This decision seeks approval for expenditure of up to £50,000, including match funding of £25,000 ESF, to support project costs associated with the set-up and implementation of the GLA Group's European Social Fund 2014-20 programme. The £25,000 budget required from the GLA will be met from a carry-forward from 2014-15 of GLA budget underspend on the EU-funded iCity programme. This carry-forward has already been approved via the GLA's year-end carry forward request process.

Decision:

The Assistant Director approves expenditure of up to £50,000 to be used to support project (non-staff) costs associated with the set-up and implementation of the GLA Group's European Social Fund 2014-20 programme.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

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: Assistant Director, Regeneration

Signature:



Date: 24/02/16

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

The GLA Group ESF 2014-20 programme

- 1.1 Central Government is the Managing Authority, responsible for the delivery of the ESIF programme in England, but it has delegated responsibilities for the London programme to the GLA's European Programmes Management Unit (EPMU), the Intermediate Body. EPMU reports to the Mayor and to Government and is responsible for the implementation of the regional programmes.
- 1.2 EPMU is a separate team and function from the GLA's ESF Delivery Unit, based within the Regeneration team, which is responsible for coordination, commissioning and project management of the GLA Group's own programme of ESF-funded projects.
- 1.3 At its meeting of 19 March 2015, the GLA's Investment and Performance Board (IPB), approved a proposal that the GLA apply for a European Social Fund (ESF) allocation from the 2014-20 European Structural and Investment Fund (ESIF) to support GLA Group projects and programmes.
- 1.4 The GLA has now submitted two applications to EPMU for consideration. These applications consist of a number of projects, grouped thematically, and sponsored by various teams within the GLA and the wider GLA Group. They are at varying stages of development and so all are individually subject to formal approval through the GLA's normal project approval processes.
- 1.5 The value of the Priority 1 application, which aims to support workless people to progress towards and into employment, is £13.86m (£6.93m of which would be ESF funding). The value of the Priority 2 application, which aims to support training and partnerships between employers and educational establishments, is £11.4m (£5.7m ESF). These applications include £2m (£1m ESF) towards the cost of management and administration over the life of the programme. Match funding will come from a variety of sources, including GLA funding, GLA Group budgets and private sector contributions. The programme will run for 5 years.
- 1.6 The ESF Delivery Unit has extensive experience of managing the LDA and GLA's £57m 2007-13 ESF Co-Financing Programmes. The Unit consistently achieves low-risk audit ratings from the Managing Authority and the ESF Audit Authority. IPB agreed at its 19 March meeting that the Unit will be responsible for managing the GLA Group's ESF 2014-20 Programme on behalf of the GLA group. It will do so in a 'clienting role', working in partnership with colleagues in the respective policy units or GLA family teams acting as 'project sponsor'. As set out in the IPB report, it is assumed that core funding will continue to be available to enable the GLA to deliver its ESF project and programme management responsibilities on behalf of the sponsoring teams, with 50% funding being recovered from ESF as normal. If further staffing costs are required these would be subject to approval via the GLA's normal budget-setting process.
- 1.7 However, as outlined in the IPB report of 19 March, some non-staff funding is required to cover the costs of developing, procuring and managing the GLA Group ESF programme. Activities in 2015-16 are expected to include, among others: adapting/replacing the current participant database, marketing/promotion events for commissioning and procurement, and commissioning of a programme evaluation.

The iCity Programme

- 1.8 The iCity project was an EU-funded project initially designed to take forward the smart city agenda in London through the development of web based and smart data applications. It was intended that the programme would help shape the future requirements and design of the next generation 'Open Data Platform' London Datastore. The iCity consortium was led by the municipality of Barcelona. The Mayor approved the GLA's involvement in the iCity project (MD1081, 31 October 2012).
- 1.9 Following a GLA internal project review in 2013 and 2014, progress on the project was considered to be unsatisfactory and the value to London of a continued contribution to the project was considered low. The GLA therefore decided to withdraw from the iCity consortium, retaining an option to continue as a non-funded, cooperation project partner, subject to agreement with Barcelona on the terms of reference. The Mayor confirmed his agreement to this in MD 1347 (6 May 2014).
- 1.10 Participation in the iCity project was subsequently discontinued but it was unclear at this stage if Barcelona would honour the final iCity claim. As a result, based on a worst case scenario, a 2014/15 budget of £70k was agreed. In the event, the iCity outturn for 2014/15 was -£30,908. However, EU income of 46,358 Euros (approximately £33,593) was owed to the GLA and was accrued to 2014/15, resulting in an underspend against the 2014-15 budget of -£64,500.
- 1.11 As part of the GLA's year-end processes, a request was approved for £25,000 of this budget to be carried-forward and allocated to the non-staff development, commissioning and management costs of the GLA Group 2014-20 ESF programme.

This ADD request

- 1.12 This decision therefore seeks formal approval of this expenditure. This budget will then be matched by £25,000 ESF, paid in arrears once expenditure has been defrayed and claimed from the ESF Managing Authority, making a gross 2015-16 budget of £50,000.

2. Objectives and expected outcomes

- 2.1 The ESF 2014-20 GLA Group programme reflects the LEP's skills and employment priorities of facilitating sustained employment, career progression and progression in learning. Due to the different stages of development of the proposed projects, the outcomes of the programme are indicative at this stage.
- 2.2 This £50,000 expenditure will provide resources to market, procure, and evaluate the projects in the GLA Group programmes, as well as ensuring that Management Information is available to meet LEP and ESF reporting requirements.

3. Equality comments

- 3.1 The budget for non-staff costs will be used for activities associated with the management and administration of the GLA Group's ESF programme.
- 3.2 The ESF programme will support equality of opportunity for Londoners since ESF targets support on those most disadvantaged in the labour market. Ethnic minority groups, women and people with disabilities are over-represented amongst unemployed and economically inactive people, young people who are not in education, employment or training (NEET) and groups in work but at risk of becoming unemployed.

- 3.3 The GLA will periodically monitor successful projects, (including an initial visit to verify that appropriate procedures are in place), to verify that equalities procedures and processes are understood and followed by staff and project participants; that they are being applied, monitored and reviewed; and that any underperformance against agreed equalities targets is being investigated and relevant mitigation actions are being applied.
- 3.4 Where external services or consultancy support are procured using this budget, the GLA will comply with the its Procurement Code. The Code is also designed to ensure that third parties with whom the GLA deals are treated equally, given the same opportunities and information and evaluated (where applicable) fairly. TfL Commercial is responsible for the development and co-ordination of a corporate approach to the purchase of goods and services including monitoring performance on equalities.

4. Other considerations

4.1 a) Key risks and issues

- We cannot enter into commitments until the ESF application is approved by the Intermediate Body and Funding Agreements have been signed. Conditional offers have been made to the GLA for 100% of the ESF funding requested in the Priority 1 and Priority 2 applications, and it is anticipated that the GLA could be in receipt of a signed Funding Agreement before January 2016.
- If Funding Agreements are not signed and the GLA does not deliver an ESF programme, any activities carried out to prepare for implementation of the ESF programme prior to the signature of a Funding Agreement will need to be funded by the GLA. The majority of these costs will be staff costs, but there may be some expenditure which would need to be met from the £25,000 GLA budget (e.g. travel or catering for meetings).
- Once a Funding Agreement has been signed, the GLA will need to commit to the database and procurement activity promptly in order to meet profiled expenditure and outcome targets.

4.2 b) Links to Mayoral strategies and priorities

- The Mayor's 2020 Vision aims to create a city with the skills, workplace opportunities, and opportunity areas to enable economic growth and social inclusion. The ESF programme contributes to this and the LEP's Jobs & Growth Plan by extending employment opportunities and developing a skilled & adaptable workforce.

5. Financial comments

- 5.1 Approval is requested for expenditure of £50,000 to support project (non-staff) costs associated with the set-up and implementation of the GLA Group's European Social Fund 2014-20 programme. The expenditure is to be funded from £25,000 budget currently held in the ESF programme budget and £25,000 match funding from the European Social Fund.
- 5.2 Any changes to this proposal , including budgetary implications will be subject to further approval via the Authority's decision making process. All appropriate budget adjustments will be made.

6. Planned delivery approach and next steps

Activity	Timeline
Programme implementation development start date (backdated – earliest allowable date for claimable expenditure)	3 July 2015
Procurement commences (earliest expected date)	Mid-March 2016
Delivery commences (earliest expected date)	June 2016
Evaluation procurement commences	July 2016
Delivery completes	December 2020
Final evaluation completes	March 2021
Programme closes (latest possible date)	June 2021

Appendices and supporting papers:

GLA Group ESF 2014-20 programme

Reports to IPB, 19 March 2015 and 19 January 2016, requesting approval to submit an application for ESF funding for a GLA Group programme. An MD/DD was not required to submit the bid for funding as it does not constitute a commitment.

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:

N/A

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:

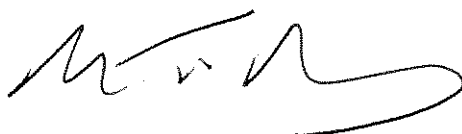
Julie Sexton has drafted this report in accordance with GLA procedures and confirms that the Finance and Legal teams have commented on this proposal as required, and this decision reflects their comments.

✓

HEAD OF GOVERNANCE AND RESILIENCE:

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

Signature:



Date:

23.02.16