

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2374

Title: European Regional Development Fund and European Social Fund commitment of funding: Technical Assistance

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

Mayoral Decision 1613 approved the commitment and award of ESF and ERDF funding via Technical Assistance to support the GLA's Intermediate Body functions until December 2018 for ERDF and December 2019 for ESF.

This Mayoral Decision seeks approval for a further commitment and award of ERDF and ESF funding via Technical Assistance to support the GLA to continue to undertake its Intermediate Body functions from 2019 until 2021 (and until 2023 for ESF).

Decision:

The Mayor approves:

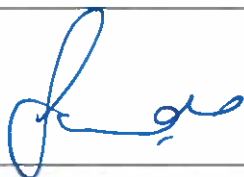
1. The commitment and award of up to £1.57m European Regional Development Fund (ERDF) to the European Programmes Management Unit at the GLA for Technical Assistance funding to support programme management, publicity and capacity building for ERDF funded projects in London in accordance with the designated roles and functions as set out in MD1583 and MD1613.
2. The commitment and award of up to £1.82m European Social Fund (ESF) to the European Programmes Management Unit at the GLA for Technical Assistance funding to support programme management, publicity and capacity building for ESF funded projects in London in accordance with the designated roles and functions as set out in MD1583 and MD1613.

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:

25/10/18

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

Decision required – supporting report

1. Introduction and background

- 1.1. The Ministry for Housing, Communities and Local Government¹ (MHCLG) and the Department for Work and Pensions (DWP) are 'Managing Authorities' (MAs) 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, MHCLG and DWP agreed 'Operational Programmes' with the European Commission (EC) for ERDF and ESF that set out the activities and targets (such as people into employment and businesses supported), in exchange for the funding. The ERDF and ESF programmes are delivered across England's 38 Local Enterprise Partnership (LEP) areas, each of which has an ESIF Strategy to support local delivery. The £6 billion funds within the programmes have been notionally allocated to LEP areas. LEP Area ESIF Committees, including the London ESIF Committee, provide advice to the Managing Authority (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 MHCLG or DWP.
- 1.3. MHCLG and DWP have devolved responsibility for managing London's share of England's ERDF and ESF programmes to the GLA as a designated IB. The GLA's European Programmes Management Unit (EPMU) had already held this responsibility for the 2007-13 ERDF and ESF programmes, which are now closed. The relevant arrangements between MHCLG, DWP and the GLA are formally recorded in two Memorandums of Understanding.
- 1.4. The GLA's IB role comprises day-to-day responsibility for the ERDF and ESF funds: developing calls for funding and tendering opportunities, appraising applications, signing contractually-binding funding agreements, performance monitoring and management, carrying out pre- and post-expenditure checks on projects and reclaiming ERDF and ESF funds where necessary. The detailed functions of the GLA as an IB and approval to accept devolved responsibility for the programmes in London were set out in MD1583.
- 1.5. As with the 2007-13 programme, MHCLG and DWP agreed to contribute to EPMU's staffing costs for 2014-20. This is matched by 'Technical Assistance' funding from the ERDF and ESF programmes, claimed quarterly in arrears by EPMU.
- 1.6. Mayoral Decision 1613 approved the commitment and award of ESF and ERDF funding via Technical Assistance to support the Intermediate Body function until December 2018 (ERDF) and December 2019 (ESF).
- 1.7. This Mayoral Decision seeks approval for a further commitment and award of ESF and ERDF funding via Technical Assistance until 2021 for ERDF and up to 2023 for ESF (subject to agreement of the end date by DWP). Further extensions will likely be sought in 2021. As ERDF and ESF funds a) remain available to be committed to projects across London, and b) projects run beyond the existing end dates of the Technical Assistance funding, additional funding will ensure the GLA can effectively continue its role as detailed in paragraph 1.4 above.

¹ In April 2018, the Department for Communities and Local Government (DCLG) was renamed the Ministry of Housing, Communities and Local Government (MHCLG). 'MHCLG' is used in this document.

2. Objectives and expected outcomes

Programme Level Targets

- 2.1 London's 2014-20 programme allocation is €745million (doubled once match-funding is included). The projects funded within the ERDF and ESF programmes include support skills, employment, green infrastructure and business support projects across London.
- 2.2 ESF in London seeks to provide support for over 400,000 Londoners, of whom 100,000 are expected to progress into jobsearch, education, training or employment and a further 30% will gain qualifications;
- 2.3 ERDF in London is designed to create over 2,200 jobs, help over 9,000 small businesses and achieve greenhouse gas reduction of over 37,000 tonnes per annum.

3. Equality comments

- 3.1. ERDF and ESF funds are accessible to all organisations and individuals across London. The ERDF and ESF Operational Programmes set out the requirements for ensuring adherence to a mandatory equalities 'cross-cutting' theme. Both ERDF and ESF 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) 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 Programmes at local level, including in London, are 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. In particular, 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. 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. Programmes are 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 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 or ERDF allocated to an applicant (in this case EPMU) may be revised during the approval process as officers negotiate contracts. However, they are not expected to exceed the amounts stated on the cover page of this Mayoral Decision.
- 4.2 Once Funding Agreements have been issued and signed, GLA officers will monitor the delivery of the projects to ensure activity takes place and outputs and/or results are achieved, in the same way as for any other ERDF or ESF project awarded funding. The Grant Recipient (project management) function will be undertaken by different IB officers to ensure that a separation of duties is maintained.
- 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 scenario. The full statement is available on gov.uk. This means the ERDF and ESF programmes in London will continue through to closure, expected in 2023, whether a withdrawal agreement with the EU is successfully concluded or not.

Links to Mayoral strategies and priorities

- 4.4 EPMU oversees London's share of the national ESF and ERDF 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.
- 4.5 EPMU oversees London's share of the national ESF and ERDF Operational Programmes, under which Calls for Proposals are launched. As part of their appraisal all projects are assessed on their alignment with the LEP's ESIF Strategy which, in turn, supports Mayoral economic objectives for a competitive and fairer London.

Consultations and Impact Assessments

- 4.6 In accordance with MHCLG and DWP business processes, the views of the London ESIF Committee (LEC) must be sought on the strategic fit of applications for funding. For both ERDF and ESF the comments of the LEC are taken into account in decisions regarding the approval of projects. On 17 July 2018 the LEC advised that the GLA's application for ERDF Technical Assistance funding be supported. As the existing ESF Technical Assistance project has a further year to run, the LEC's advice will be sought next year.

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 €745 million (which is doubled once match funding has been secured).
- 5.2 Approval is being sought for the commitment and award of ESF and ERDF funding to the total of £1.57m ERDF until December 2021 and up to £1.82m ESF until December 2023 to support the GLA to continue to undertake its Intermediate Body functions.
- 5.3 The European Programmes Management Unit (EPMU) will continue to be responsible for managing the programme on behalf of the GLA until the end of this funding programme; the Government has agreed to contribute up to 50% towards staffing and overheads for the 2014-20 period. This is matched by Technical Assistance funding from the ERDF and ESF Programmes, which is claimed in arrears. The annual budgeted salary costs for the team in 2018-19 total £1.406m.

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, the Mayor must have due regard to the Public Sector Equality Duty; 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 share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). 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 ERDF and ESF to the GLA.

7. Planned delivery approach and next steps

7.1. ERDF Technical Assistance

Activity	Timeline
Delivery Start Date	1 January 2019
Delivery End Date	31 December 2021
Project Closure	31 December 2021

7.2. ESF Technical Assistance

Activity	Timeline
Delivery Start Date	1 January 2020
Delivery End Date	31 December 2023
Project Closure (subject to DWP approval)	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:

Catherine Crocker 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:

David Bellamy 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 22 October 2018.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. J. Allen

Date

22. 10. 18

CHIEF OF STAFF: MAYORAL DIRECTOR, POLICY

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

Signature

N. Brown

Date

23-10-18