

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2218

### Title: Skills for Londoners Capital Fund: Small Projects and Equipment Fund

#### Executive Summary:

The Mayor, under cover of MD2142 (August 2017), approved the use of £3m of Skills for Londoners Capital Funding (from Growth Deal 3 funding) to create a Small Projects and Equipment Fund.

Skills providers were invited to apply for between £25,000 and £200,000 of capital grant from this fund to invest in equipment and small projects that contribute towards creating fit for purpose and inspiring learning environments. Applicants were required to provide a minimum of 50 per cent match funding.

Projects and equipment purchases will support the delivery of high quality skills that employers say they need, in accessible learning environments that reflect real life work spaces.

The Small Projects and Equipment fund has proven to be very popular with 46 applications received and an oversubscription of funding by £1.2m. This Mayoral Decision form seeks approval to invest into a 41 of the 46 projects, including approval to an additional £948,834 investment over and above the £3m approved by MD2142. The London Economic Action Partnership (LEAP) Investment Committee and LEAP Programme Board have endorsed this additional funding on the basis that this will enable a larger number of high quality projects to be funded, resulting in good quality learner outputs.

#### Decision:

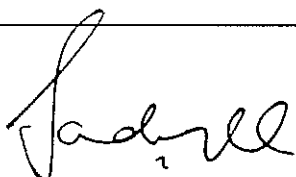
That the Mayor approves expenditure of up to £3,948,834 Skills for Londoners Capital Funding by way of grant funding to 41 projects through the Small Projects and Equipment Fund, and including £948,834 from Skills for Londoners Capital Fund underspend over and above the £3m agreed through MD2142.

#### 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:

18/12/12

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

### Decision required – supporting report

#### 1. Introduction and background

- 1.1 London has available £114m Growth Deal funding to invest in the estate and equipment of skills providers, over the period 2017/18 to 2020/21, through the Skills for Londoners Capital Fund. This funding has been awarded to the LEAP to deliver a programme of capital expenditure on infrastructure which will support the facilitation of delivery of skills services in London and does not amount to the funding of education services. £3m of this funding was ringfenced to create a Small Projects and Equipment Fund. Skills providers and their partners were invited to apply for £25,000 up to £200,000 capital grant funding to invest in equipment and small projects, which contribute to creating fit for purpose and inspiring learning environments. Applicants were required to provide a minimum of 50 per cent match funding.
- 1.2 The Small Projects and Equipment Fund application deadline closed on 2 October 2017 and 46 applications were received from a wide range of providers, ranging from general further education colleges (24 per cent), sixth form colleges (15 per cent) and local authorities (20 per cent) to offender learning institutions (2 per cent), adult learning institutions (15 per cent), private skills providers (21 per cent) and third sector providers (6.5 per cent). The total funding requested from the Small Projects and Equipment fund was £4,140,593, an oversubscription of circa £1.2m.
- 1.3 Forty-six per cent of applications received were for equipment purchases, 20 per cent for refurbishment, and 35 per cent for both equipment and refurbishments. Projects and equipment purchases range from creating brand new state of the art hospitality training facilities, nurse simulators and virtual reality and augmented reality technologies to creating sensory rooms for learners with SEND and STEM skills centres.
- 1.4 The applications have been through a thorough validation and appraisal process. Applications were appraised by the LEAP Delivery Team, with comments provided by the Skills and Digital teams in the Economic and Business Policy Unit, Equalities and Diversity Team and Environment Team. Projects were shortlisted and underwent due diligence checks by GLA Economics before then being moderated and approved by an internal moderation panel chaired by the Assistant Director of Regeneration. Endorsement by the moderation panel was then followed by Group Finance's scrutiny of applicants' financial health and confirmation that projects proposed were capital and not revenue.
- 1.5 LEAP Delivery Team Officers also presented the Small Projects and Equipment fund at a programme level to the Skills for Londoners Capital Fund Steering Group on 2 November and to the LEAP Investment Committee on 8 November. The Skills for Londoners Steering Group noted that for the scale of investment, substantial learner outcomes were being driven and that this fund makes a valuable difference to the sector, in that it enables providers to significantly enhance their curriculum offer for learners. For this reason, it was noted that this fund offers good value for money. The Chair of the steering group commented that skills providers struggle to raise money to invest in equipment and thus it was to be expected that this fund would be oversubscribed. The steering group noted that demand for this funding in future is anticipated and some discussion was had around running a future round. This formed part of the discussion at the LEAP Programme Board on 30 November who acknowledged that there may be demand for a future round of the fund and that this would be monitored within the sector over time.
- 1.6 LEAP Delivery Team Officers explained at the moderation meeting that the quality of applications received was very high and as a result it was very difficult to draw a line between recommended projects and a reserve list. While eight projects were added to a reserve list, it was strongly believed and evident that the reserve projects were fundable, ready to start delivering and would deliver good quality outputs. Further, the LEAP Investment Committee endorsed that unallocated budget from

the Skills for Londoners Capital Fund should be used to fund reserve SPEF projects that were of a high quality and strongly aligned to the fund's priorities. For this reason, it was endorsed by the moderation panel that the eight reserve projects should receive funding. All endorsement was agreed on the condition that clarification questions that arose throughout the meeting would be followed up with applicants and grant agreements would only be entered into once satisfactory responses have been received by the prospective projects. To date the majority of clarification questions have been answered and discussed with the Senior Capital Project and Programmes Manager. Any outstanding clarification questions that have not yet been fully addressed have been noted in Appendix 1 in the 'recommendation' box at the bottom of the individual score sheets. It can be seen that the outstanding requests are mostly asking for more detailed breakdowns of project costs, which already forms part of the grant agreement/signing process and so costs will be scrutinised by LEAP Delivery Team Officers as well as Group Finance. An additional £984,834 is therefore required to add to the £3m pot of Small Projects and Equipment funding. See Appendix A which sets out the recommendation for each of the 41 projects for funding.

## **2. Objectives and expected outcomes**

2.1 The Small Projects and Equipment fund prospectus was developed in consultation with sector and skills specialists. It identified the following priorities and objectives to deliver high quality and inspiring learning environments:

- Improvements to building efficiency
- Increase and improve accessibility of College estate
- Equipment purchases which enhance innovation and enable a more employer responsive curriculum
- Equipment purchases which respond to the needs of the skills sector
- Refurbishment of facilities and equipment in need of upgrading
- Projects which enhance learner experience and lead to better training outcomes
- Projects which lead to better progression outcomes for learners
- are responsive and adaptable to 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 for 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;
- where appropriate, support the implementation of recommendations of the HM Government-led Area Review of the FE sector.

2.2 The Small Projects and Equipment Fund prospectus places strong emphasis on measuring and assessing the outcomes and benefits delivered either directly or indirectly by investments. Proposals were invited to demonstrate how projects would deliver both quantitative and qualitative measures, with the core outputs and benefits including:

- number of learners supported as a result of the Small Projects and Equipment fund investment
- cost savings (in terms of maintenance and running costs);

- jobs created within the organisation as a result of the investment;
- number of apprenticeship starts;
- number of SEND (Special Education Needs and Disabilities) learners supported;
- reduction in the number of people who are NEET (Not in Education, Employment or Training);
- support to learners at risk of becoming NEET;
- improvement in teaching and learning;
- improved educational outcomes; and
- number of students progressing to employment as an indirect result of the project.

- 2.3 Successful applications are required to deliver the full project outputs and benefits by an agreed date, providing appropriate evidence of the achieved output and/or benefit. Individual project outputs will be clarified during the grant agreement process.
- 2.4 Applicants must undertake a self-evaluation of the project at both six months and three years after completion of the project to assess whether and how well the original project objectives have been met and the output and benefits that have been achieved.

### **3. Equality comments**

- 3.1 The Small Projects and Equipment fund will support skills providers to invest in improving their estate that has poor accessibility.
- 3.2 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.
- 3.3 The GLA's Social Policy Team provided specialist comments on the applications which were then incorporated into the appraisal process.
- 3.4 As a condition of funding agreements, recipients of funding are required to assist and co-operate with the GLA in the fulfilment of its Public Sector Equality Duties.

### **4. Other considerations**

- 4.1 Key risks and issues:  
Funding required to deliver projects exceeds that available – the projects which are being recommended for funding exceed the initial ringfenced £3m Small Projects and Equipment Fund by £948,834. The LEAP Investment Committee and LEAP Delivery Board agree and endorse that additional funding should be sought from the underspend of the Skills for Londoners Capital Fund to fund the additional £948,834.
- 4.2 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. Thorough due diligence is carried out on shortlisted projects by Economics and Finance before investments are made and individual grants will then be monitored through the GLA's Budget and Performance Review process.
- 4.3 It should be noted that bidders recommended to receive funding may have received funding for separate projects through the Further Education Capital Fund, the predecessor to the SfLCF. Officers assessed the applications against the criterion set out in the SfLCF Prospectus independently, with the highest scoring applications proceeding for endorsement. Using this approach helped mitigate against the chance of being challenged in instances where funding is awarded to an organisation that has received LEAP funding in the past, as it means that a

competitive and rigorous evaluation process has been followed. 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.

- 4.4 It is the expectation that grants will be managed through the GLA-OPS system currently being built within the GLA.
- 4.5 Links to Mayoral strategies and priorities:  
The Skills for Londoners Capital Fund supports the Mayor's manifesto commitment in that it provides a significant foundation and support for the skills sector to ensure that London's Further Education skills system meets the needs of London's businesses while supporting all Londoners to access the skills they need to find and progress in work. Projects supported through the Small projects and Equipment fund are also broadly supportive of the new Skills and Adult Education Strategy for London that is currently out for consultation.
- 4.6 The Small Project and Equipment Fund investment also supports the priorities set out in a *City for All Londoners* based on the principles of 'good growth' and investment in London's future. This includes further developing London's strengths in innovation by encouraging collaboration across sectors, promoting more productive links between business and academia, providing support for innovation activities, fostering entrepreneurial skills and helping access funding.
- 4.7 If applicable to the nature of the proposal, capital projects will be subject to design review during the design and implementation phase. Reviews will be undertaken by the independent panel of Mayor's Design Advocates – a newly appointed pool of experts with skills across the breadth of the built environment disciplines. Design review will be in line with the Mayor's Design Review Charter, following best practice principles of proportionality, timeliness, continuity and independence. Officers will work closely with the GLA Regeneration Good Growth by Design team to ensure that appropriate and meaningful scrutiny is applied to each project as required.
- 4.8 The Skills for Londoners Capital Fund also supports the London Infrastructure Plan 2050 by enabling skills providers to understand London's forward infrastructure investment pipeline and ensure that skills provision aligns to the capital's requirements.
- 4.9 Links to national strategies and priorities:  
The Skills for Londoners Capital Fund aligns to the government's Post-16 Skills Plan and Industrial Strategy green paper's commitment to 'developing skills' by providing investment in FE estate and machinery to enable the delivery of high quality skills provision.

## **5. Financial comments**

- 5.1 The Small Projects & Equipment Fund forms part of the overall Skills for Londoners Capital Fund for which a total of £114m has been earmarked for this programme, previously approved by MD2142. The proposal to invest £3,948,834 in capital grant will be funded from this ring-fenced budget allocation. It should be noted that the initial budget allocation for the Small Projects & Equipment Fund was £3m, thus meaning an overallocation of £948,834, which is being offset by some under allocation within the Overall Skills for Londoners Capital fund.
- 5.2 All proposed grant recipients have gone through a robust due diligence process and no significant issues have been highlighted with those for which approval is being sought. The proposed grants will be governed by the GLA's standard grant agreement with each provider and will set out the conditions for use of the grant, including the indicative project completion date of March 2019 for spending the funding awarded through the Fund and the phasing of the proposed grants. In addition, the Government imposes various conditions on the use of this capital funding; these

conditions will be reflected in the grant agreement for each of the approved projects. This minimises the risk that the Government will seek to 'claw back' any funding.

## **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 The GLA must, in the exercise of its functions, have due regard to the need to:

6.2.1 eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010 ("the Act");

6.2.2 advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

6.2.3 foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

6.3 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:

6.3.1 remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;

6.3.2 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

6.3.3 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.

6.4 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.

6.5 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.

- 6.6 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.
- 6.7 The relevant protected characteristics are: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation.
- 6.8 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.
- 6.9 To this end the Mayor should have particular regard to section 3 (above) of this report.
- 6.10 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 This report seeks approval for the allocation of £3,948, 834 to invest in the projects set out in Appendix 1.
- 7.2 Once in grant agreement the 41 projects will be managed by project leads within the Regeneration team by the LEAP Delivery team.
- 7.3 Projects will draw down all funding in arrears against achievement of milestones and/or outputs and either evidence of cost incurred or certified expenditure.
- 7.4 Following completion, projects will also be required to undertake a self-evaluation after completion of the project and, as part of the grant funding conditions, will be required to undertake a longitudinal evaluation sometime after completion which should be submitted to the GLA. This will include the benefit or impact of the project, lessons learnt and dissemination of information and risk and issues.
- 7.5 Due to the successful experience of running this first round and confidence gained that there is high demand for such funding, the LEAP Delivery Board and LEAPIC will explore the potential of running a future funding round.

Activity	Timeline
CIB, MD signed off	18 December 2017
Privately announce (to individual projects) the outcome of this funding round	20 December 2017
Projects in grant agreement	Jan 2018
Public announcement of this funding round	Mid Jan 2018
Projects in delivery	Jan/Feb 2018
Projects complete	March 2019

## Appendices and supporting papers:

### Appendix 1: 41 projects for funding

## **Appendix 2: Small Projects and Equipment Fund Application Guidance/Prospectus**



**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:

Please defer until 12 February 2018 as the public announcement of successful and unsuccessful projects will have been made by this date.

**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:**

Beth Lackenby has drafted this report in accordance with GLA procedures and confirms the following:

✓

**Sponsoring Director:**

Fiona Fletcher-Smith has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

**Mayoral Adviser:**

Jules Pipe 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 the 18/12/17.

**EXECUTIVE DIRECTOR, RESOURCES:**

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

**Signature**

**Date**

TOM MIDDLETON ON BEHALF OF MARTIN CLARKE 18.12.17

**CHIEF OF STAFF:**

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

**Signature**

**Date**

D. Bellamy

18/12/2017

