

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2326

Title: TfL's Construction Skills Programme

Executive Summary:

Transport for London (TfL) is in the process of developing a construction training programme that can be utilised by construction industry partners to meet the skills needs both on its own Property Development Programme and across a number of partner boroughs. To support this, TfL is seeking to establish a Mayor's Construction Academy hub and bidding for additional Government funds to provide both capital and revenue investment into skills.

As it stands, TfL does not have the legal powers to provide training for third parties unrelated to its primary transport activities. TfL is therefore requesting a delegation of Mayoral powers under section 30 of the GLA Act 1999 to expand its powers to enable it to coordinate the delivery of housing construction-related training by partner training organisations.

Decision:

That the Mayor approves:

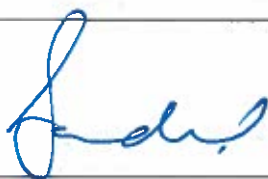
1. A delegation, under section s38(1) of the Greater London Authority Act 1999 as amended ("the GLA Act"), to TfL to exercise the GLA's functions under sections 30 and 34(1) of the GLA Act to do anything that TfL considers necessary or expedient for the purposes of the coordinating the provision of skilled construction training in Greater London by partner training organisations.
2. That, in the event of a successful bid(s) by TfL for capital or revenue grant funding for the purposes outlined in the attached delegation, the granting of such funds by the GLA to TfL under section 120 and/ or 121 of the GLA Act

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:

27/7/18

PART 1 - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1. Objective 6 of the Mayor's Skills Strategy outlines a number of programmes to 'improve the relevance and quality of training in some of London's key sectors and occupations.' It sets out the Mayor's vision of a construction academy scheme to address *'London's growing need for construction skills by recognising high quality construction skills provision, facilitating better collaboration between industry and skills providers, and delivering major capital investment into construction skills training facilities.'*
- 1.2. With its commitment to deliver at least 10,000 homes by March 2021, alongside major upgrades to the transport network, TfL's programmes will form a major part of construction activity in the capital. Alongside the delivery of these objectives, TfL is also committed to playing its part to delivering a skills system where more Londoners can play their part in delivering the housing and infrastructure that our city needs.
- 1.3. This role has been identified by the Mayor in the London Housing Strategy, with Paragraph 3.114 stating that *'the Mayor will work with TfL to ensure its training academy in Ilford is a centre of best practice in construction skills for both housing and infrastructure needs.'*
- 1.4. The initial labour forecasting for TfL's Property Development Programme has shown that there will be a requirement for more than 7,000 skilled construction operatives working across the property development sites, including on housing sites, at the peak of the programme in 2021. Running in parallel to this, an additional 6,500 – 7,000 construction workers are required to support the delivery of TfL's infrastructure upgrade programme. This will create an additional requirement for an employment market that is already likely to be stretched by all the additional housing activity that is projected to be underway as a result of the Mayor's Homes for Londoners programmes.
- 1.5. TfL seeks approval to broaden its remit to work collaboratively with industry, education and London Borough partners to develop construction training initiatives that will support the attraction, development and retention of talent in the construction industry to help deliver TfL's Property Development Programme. It will do this by establishing a Hub for construction skills that will include enabling mechanisms for demand-led training and the movement of skills across projects to ensure Londoners can access long-term, sustainable employment opportunities. The skills training proposed to be provided include those that are housing construction related as well as those required for TfL's infrastructure upgrade programme. TfL already has the powers to work in this manner in relation to transport projects.
- 1.6. Through this collaborative model, TfL's proposed programme will also support the delivery of the following aims, detailed as part of the Mayor's Construction Academy (MCA) initiative and also referenced in the draft London Housing Strategy:
 - Improve the supply of skilled construction workers required by the sector, creating more opportunities for Londoners to benefit from the available job opportunities (including more women and BAME Londoners)
 - Scale-up and extend high-quality provision and initiatives that are already working well across the capital to train Londoners in the skills needed to enter and progress in careers in the construction sector
 - Intensify local collaboration, particularly between small and medium sized businesses and construction skills training providers

- Support the development of training provision for the construction of precision-manufactured housing in London
- 1.7. As part of this programme, TfL is keen to broaden the curriculum offer at the Tunnelling and Underground Construction Academy (TUCA) to align with training requirements required by its own Property Development Programme as well as other housing developments in London. It is proposed this centre, to be called the Mayor's Construction Academy, will focus on skills development for modern methods of construction in both housing and infrastructure, as part of a Centre of Excellence Network in East London. Working with training provision experts in this field, this is proposed to become a 'Centre for best practice in construction skills for both housing and infrastructure', as per the Mayor's vision in the draft London Housing Strategy.
 - 1.8. At present TfL's legal powers to deliver construction-related training is confined to facilitating the delivery of its transport related functions, including those required for TfL's infrastructure upgrade programme. The provision of housing-related construction training (unlike transport-related construction training) is currently outside TfL's powers. Therefore, a delegation of mayoral powers under s 30 and s34(1) of the GLA Act 1999 is sought to expand TfL's powers to enable it to co-ordinate the delivery of housing construction-related training by partner training organisations.
 - 1.9. TfL intends to apply for funding to deliver these initiatives, which will be applied for through the MCA Fund Stage 2 application round and third-party funding. TfL is also working with MCA quality-marked providers to explore the future of TUCA, including accessing MCA Stage 3 funding in partnership with these organisations to update the facilities to deliver training related to modern methods of construction. If successful, this will provide funding to support the employment of a Hub Coordinator to work closely with partners to deliver initiatives and capital funding to invest in the facilities at TUCA. TfL will also be applying for funding through other third-party initiatives, such as the Department for Education's Construction Skills Fund to develop 'pop-up' onsite training facilities, which will primarily support unemployed Londoners into jobs on both TfL and their partners' housing and infrastructure projects. The provision of funding between the GLA and its functional bodies is exclusively by means of the grants under sections 120 (capital) and 121 (revenue) of the GLA Act. In order for TfL to be awarded the capital and revenue funding for the Hub the Mayor must consent to making of grants under sections 120 and 121 to TfL.

2. Objectives and expected outcomes

- 2.1. TfL is seeking to create a coordinated construction skills and training offer in collaboration with its partners and training bodies, to ensure access to the skilled workforce required to deliver TfL property and infrastructure investments.
- 2.2. Through doing so, it will seek to maximise employment and skills opportunities across the programme to support local communities and ensure employment and skills are central to TfL's Property Development Programme, with a focus on increasing participation from underrepresented groups. These interventions will include:
 - Hardest to reach – this includes supporting ex-offenders, young offenders and young people living in estates near to TfL projects that have been involved in / are at risk of being involved in gang activities. We will also be exploring interventions to support people with disabilities access career opportunities in construction.
 - Mid-level interventions – targeting long-term unemployed and adults from underrepresented groups who need support/ training to re-join the workforce including women into construction.
 - Low-level interventions – supporting adult career changers, including individuals already working in construction or related industries. We will also be working with partners to develop a

programme to support individuals into construction training positions through a 'train the trainer' initiative.

- 2.3. It will also seek to develop an innovative training delivery model, with a focus on modern methods of construction to ensure TfL can support the development of a future focused talent pipeline, which will also enable skills to deliver new homes through precision manufactured approaches.
- 2.4. If successful with bids, expected outcomes include:
- Support for over 1,300 individuals to access work experience, training and/ or support into employment by 2022 across a TfL led Mayor's Construction Academy Hub
 - Enable over 18,000 training weeks by 2021/2
 - Targeting for women to make up at least 30% of new entrants into jobs and for at least 32% to be from a Black, Asian or Minority Ethnic backgrounds
- 2.5. TfL intends to bid to the GLA for revenue funding for the proposed Hub from the MCA and part of the Department for Education Construction Skills Fund. The MCA Fund provides capital and revenue grants for investment into skills. Funding between the GLA and functional bodies is carried out by means of capital and/ or revenue grants under sections 120 and 121 of the GLA Act, for which mayoral approval is required. TfL will be applying to the GLA for Stage 2 funding and in partnership with a quality-marked provider to access Stage 3 funding from the MCA Fund. Mayoral consent is therefore sought now for the GLA to provide TfL with the necessary s 120 and/ or s 121 grant funding in the event TfL is successful in its Stage 2 application and in partnership for Stage 3 funding for the Hub from the MCA Fund.

3. Equality comments

- 3.1. Public authorities, such as the GLA and TfL, must have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation as well as to the need to advance equality of opportunity and foster good relations between people who share a relevant protected characteristic and those who do not, under section 149 of the Equality Act 2010. This involves having due regard to the need to remove or minimise any disadvantage suffered by those who share a relevant protected characteristic that is connected to that characteristic, taking steps to meet the different needs of such people; and encouraging them to participate in public life or in any other activity where their participation is disproportionately low.
- 3.2. The relevant protected characteristics under section 149 of the Equality Act are: age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, and sexual orientation. Compliance with the duty may involve treating people with a protected characteristic more favourably than those without the characteristic.
- 3.3. TfL's Construction Training programme will focus on improving diversity in the construction industry by ensuring an inclusive environment on all TfL construction projects, both housing and infrastructure. As part of this programme, there will be a focus on encouraging and supporting individuals with protected characteristics access opportunities in the construction industry, in accordance with the Public Sector Equality Duty.
- 3.4. The KPIs for the project will include targets specifically relating to addressing the underrepresentation of women and Black, Asian and Ethnic Minorities in the construction industry, including a minimum of 30% women and 32% BAME.

- 3.5. Employability skills, resilience and support for mental health and wellbeing will be embedded through all training and development as part of a TfL led Mayor's Construction Academy Hub, as well as on-going in-work support to ensure TfL can help industry partners retain a diverse workforce once recruited.

4. Other considerations

4.1. Key risks include:

- If TfL is not granted powers to support construction skills development, TfL's bid to become a MCA Hub will not be able to proceed as it will not have the necessary powers to provide the training and the application window will need to be reopened to provide the opportunity for TfL's bid partners to redevelop their proposal.
- If TfL is not successful in applying for investment through the MCA Stage 2 fund or the Construction Skills Fund, there will be limited investment to establish these activities. This will likely result in TfL having to pursue other sources of funding or reducing the level of training and skills activity as part of the TfL programme.

- 4.2. These risks have been mitigated through working closely with funding bodies to understand bid requirements and collaborating with partners to ensure we can meet the aims of these initiatives.

5. Financial comments

- 5.1. Mayoral consent is sought for a delegation to TfL, under section s38(1) of the Greater London Authority Act 1999 as amended ("the GLA Act"), to exercise the GLA's functions under sections 30 and 34(1) of the GLA Act to do anything that TfL considers necessary or expedient for the purposes of the coordinating the provision of skilled construction training in Greater London by partner training organisations. In order for TfL to be awarded the capital and revenue funding for the construction skills training the Mayor must also consent to making of grants under sections 120 and 121 to TfL.
- 5.2. TfL is seeking and bidding for funding of £3,250,000 this will be made up of a combination of capital and revenue investment into skills. On-going support will also be explored through Section 106 funding, within the development budget to deliver project-by-project skills and employment commitments and co-investment from industry partners.
- 5.3. The table below shows the sources of funding and expected profile spend.

| Activity | Costs | Timescales | Funding Source |
|---|------------|--------------|--|
| Skills Coordination & Management (revenue) | £250,000* | 2018 – 2022* | GLA/ MCA |
| Facilities development & Improvements (capital) | £2,000,000 | 2018/19 | Approximately £1-£1.5m from GLA/MCA subject to assured-provider assessment and application. Remaining from DfE / Third Party |
| Employment & Skills Initiatives (revenue) | £1,000,000 | 2018/19 | DfE / Third Party |

*GLA/MCA revenue funding bid per annum:

| Year | Sum |
|---------|---------|
| 2018-19 | £50,000 |

| | |
|---------|----------|
| 2019-20 | £100,000 |
| 2020-21 | £100,000 |

6. Legal comments

- 6.1. TfL has powers to provide advice assistance and training in areas where it currently has expertise related to its normal transport related functions (paragraph 23(1) of Schedule 11 to the GLA Act 1999). This includes training to its own staff and to those of contractors involved in the implementation of TfL's infrastructure upgrade programme. The provision of training to support housing construction generally falls outside this power.
- 6.2. The Mayor, on behalf of the GLA, has the power under s30(1) of the GLA Act to do anything that he considers will further any one or more of the GLA's principal purposes. The relevant purposes to this delegation are promoting the economic development and wealth creation in Greater London and promoting social development in Greater London. It is anticipated that the proposed plans will increase the number of skilled construction workers in Greater London to support housing construction, thereby helping to achieve the economic and social improvement of Greater London.
- 6.3. The delegation of the Mayor's powers to TfL are designed to supplement its existing powers. The Mayor can delegate his powers to TfL under s38(1) of the GLA Act and the authorisation granted may be subject to conditions. By section 38(7) the functions delegated becomes TfL's functions. This has the added advantage that TfL can use TUCA as a venue to facilitate the construction training.
- 6.4. The making of grants between the GLA and its Functional Bodies is subject to the framework set out in sections 120 and 121 of the GLA Act, under which the Mayor can consent to the payment of a grant for capital expenditure (s120) or for revenue expenditure (s121) for the undertaking of activities as referred to in part 2 of this Delegation.
- 6.5. The Delegation is made subject to the normal conditions concerning reporting, cost, mayoral guidance and co-operation with the GLA monitoring officer.

7. Planned delivery approach and next steps

| Activity | Timeline |
|---------------------|----------------|
| Announcement | September 2018 |
| Delivery Start Date | September 2018 |
| Delivery End Date | March 2021 |
| Project Closure | March 2021 |

Appendices and supporting papers:

Appendix A – Delegation

Appendix B – TfL's Application to become a Mayor's Construction Academy Hub

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

Stephen Mann has drafted this report in accordance with GLA procedures and confirms the following: ✓

Sponsoring Director:

Lucy Owen has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities. ✓

Mayoral Adviser:

Heidi Alexander 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 24 September 2018.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

Date

M. J. A. 24.09.18
TONY MIDDLETON ON BEHALF OF MARTIN CLARKE

CHIEF OF STAFF:

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

Signature

Date

D. Bellamy

24/9/2018.

