

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2837

Title: European Social Fund commitment of funding: Education and Skills Funding Agency Priority 1 Programme

Executive summary:

Mayoral Decision 1583 approved the designation of the GLA as an 'intermediate body' for the European Social Fund (ESF), in accordance with the functions set out in the Memorandum of Understanding with the Department for Work and Pensions (DWP).

Mayoral Decisions 1613 and 2391 approved the commitment and award of ESF funding to co-financing organisations, including the Education and Skills Funding Agency (ESFA), up to December 2023.

This Mayoral Decision seeks approval for a further commitment and award of ESF funding to the ESFA to procure additional ESF provision up to 2023.

Decision:

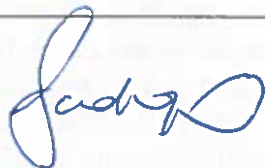
The Mayor approves the commitment and award of an additional £4,478,129 ESF to the ESFA to support additional activity under ESF Priority Axis 1 'Inclusive Labour Markets'.

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:

13/7/21

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

Decision required – supporting report

1. Introduction and background

- 1.1. The UK still benefits from seven-year €450bn European Union (EU) programmes known as European Structural and Investment Funds (ESIF). They are the EU's main funding programmes for supporting growth and jobs across the EU. They comprise the European Social Fund (ESF), European Regional Development Fund (ERDF), European Agricultural Fund for Rural Development (EAFRD) and European Maritime and Fisheries Fund (EMFF).
- 1.2. DWP is the managing authority (MA) in England for the ESF. DWP have agreed an Operational Programme with the European Commission (EC) for the £4bn England ESF programme that sets out activities and targets (such as people into employment) across England. The ESF programme in London will continue until it closes in 2023-24.
- 1.3. The ESF programme is delivered across England's 38 Local Enterprise Partnership (LEP) areas, each of which has an ESIF Strategy to support local delivery. The £4bn has been notionally allocated to LEP areas. LEP Area ESIF Committees, including the London ESIF Committee, provide advice to the MA on the needs and opportunities in an area and on the strategic fit of applications for funding.
- 1.4. Article 123 of EC Regulation 1303/2013 states that a member state may designate one or more intermediate bodies (IBs) to carry out certain tasks of the MA under the responsibility of the DWP. Responsibility for managing London's share of England's ESF programme has been delegated to the GLA as a designated intermediate body (IB). The relevant arrangements between the DWP and the GLA are formally recorded in a Memorandum of Understanding (MOU) and were approved via Mayoral Decision (MD) 1583 in March 2016. The London ESIF Committee provides advice to the GLA in its role as an IB.
- 1.5. Most ESF in London is committed by the GLA's European Programmes Management Unit (EPMU) via co-financing organisations (CFOs). CFOs in London include government departments, sub-regional partnerships and a separate team in the GLA. MD1613 approved the commitment and award of ESF funding via CFOs.
- 1.6. CFOs provide the required eligible match-funding and use their expertise to procure and contract manage, or grant-fund, ESF provision. The provision is contracted on the basis of skills and employment programmes agreed by the London Economic Action Partnership (LEAP) and local partners. In order to become a CFO, organisations must first apply for CFO status (only organisations that meet the government's criteria can apply) and subsequently submit an application for ESF funding to deliver locally agreed activities. Once their application is approved, a Memorandum of Understanding (MOU) is signed by EPMU and the CFO setting out the CFO's obligations relating to delivery, performance and compliance.
- 1.7. The Education and Skills Funding Agency (ESFA) is a government agency, accountable for funding education and skills for children, young people and adults and for bodies including the National Careers Service and the National Apprenticeship Service. The original MOU with the ESFA for the award of ESF in London, was signed in December 2015. In 2018, MD 2391 approved the commitment and award of additional ESF funding to the ESFA to deliver a transitional programme until December 2023, when all activity related to the delivery of the ESF programme must end.
- 1.8. Since 2015 the ESFA has been awarded over £147m of ESF funding in London.

2. Objectives and expected outcomes

- 2.1. London's ESF programme allocation is €584m (doubled once match-funding is included). The programme's aim is to increase labour market participation, promote social inclusion, and develop the skills of the existing and future workforce.
- 2.2. ESF in London provides support for over 400,000 Londoners, of whom 100,000 are expected to progress into jobsearch, education, training or employment and a further 30 per cent will gain qualifications.
- 2.3. The ESFA's Transition Programme, under ESF Priority Axis 1 (Inclusive Labour Markets), has funded activity under two of the ESF investment priorities (IPs): IP1.2, which provides support for young people aged 15-24 not in education, employment or training (NEET); and IP1.4, which is known as Community Grants and provides small grants to local grassroots organisations.
- 2.4. As agreed with the LEAP, the ESFA has invested £9m ESF in London under IP1.2, across four contract package areas.¹ The aim is to support over 10,000 young people, of whom 44 per cent are expected to progress into employment, education or training upon leaving.
- 2.5. Two of the four NEET contracted providers have performed particularly well and are overachieving against their targets. Both of the providers were awarded additional funding in 2020, within the limits allowed by procurement rules. However, the providers have now reached their maximum contract value and both contracts will end this year instead of in 2023, leaving a gap in provision in the South and North East London contract package areas, unless action is taken.
- 2.6. The ESFA is therefore now requesting an additional £4.48m ESF in order to procure replacement NEET provision for these two contract package areas until July 2023. This has been done via a project change request (PCR) to its MOU with the GLA. The PCR was submitted in May 2021, and EPMU has 60 calendar days to assess it and notify the decision to the grant recipient.
- 2.7. Subject to the approval of the PCR, the ESFA expects to sign contracts with new providers later in the summer so that delivery can commence in October 2021.

3. Equality comments

- 3.1. ESF is accessible to all organisations and individuals across London. The ESF Operational Programme promotes equality in accordance with EU and national requirements, with a requirement for grant recipients to adhere to a mandatory equalities cross-cutting theme.
- 3.2. The GLA as a public authority must comply with the Public Sector Equality Duty set out in section 149 (1) of the 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
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 3.3. The obligation in section 149(1) is placed upon the Mayor, as decision maker. Due regard must be had at the time a particular decision is being considered. The duty is non-delegable and must be exercised with an open mind.

¹ Central, North and East, South and West.

- 3.4. This duty applies in the delivery of ESF and means that the implementation of the England Operational Programme in London must 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. 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. The 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. The programme is required to record equality and diversity data on all 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 is submitted by ESF 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 expressly stated in the project application and grant recipients will be required to capture and report this data as part of their project management processes.

4. Other considerations

a) Key risks and issues

- 4.1. The government has confirmed that funding secured by applicants through EU programmes is guaranteed although the UK has left the EU. This means the ESF programme in London will continue through to closure until 2023-24.
- 4.2. The amount of ESF allocated to the ESFA may be revised during the approval process as officers negotiate contracts. However, it is not expected to exceed the amounts stated on the cover page of this MD.
- 4.3. Once a revised MOU has been issued and signed, GLA officers will monitor the delivery of the agreement with the ESFA to ensure activity takes place and outputs and/or results are achieved, in the same way as for any other ESF project awarded funding.

b) Links to Mayoral strategies and priorities

- 4.4. All contracts approved for ESF contribute to London's share of the England ESF Operational Programme targets. As part of their appraisal, all projects are assessed on their alignment with the LEAP's ESIF Strategy which, in turn, supports the Skills for Londoners Strategy, as well as the Mayor's Economic Development Strategy for London, and the Mayor's Equality, Diversity and Inclusion Strategy.

c) Impact assessments and consultation

- 4.5. The views of the London ESIF Committee (LEC) were sought on the scope and strategic fit of the Transition Programme when it first launched in 2019. The additional funding will be used to procure the same activity and there have been no changes to the scope or strategic fit of the activity, so it was not considered necessary to seek the views of the LEC again for this request.

d) Conflicts of interest

- 4.6. There are no conflicts of interest to note for any of the officers involved in the drafting or the clearance of this decision form.

5. Financial comments

- 5.1. Approval is being sought for the award and commitment of ESF funding to the ESFA, up to a total of £4,478,129, to procure additional ESF provision.
- 5.2. It should be noted that the GLA is the designated body for the management and administration of the ESF funding on behalf of the DWP.
- 5.3. Should changes in the sterling/euro exchange rate result in fluctuations in individual claims, and in turn the overall total level of funding required, EPMU officers should ensure variations are authorised in line with the financial delegation limits.
- 5.4. Any gains or losses in sterling/euro exchange rate fluctuations will be contained and managed by DWP.

6. Legal comments

- 6.1. Sections 1 to 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 in respect of which a decision is sought officers have complied with the GLA's 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 to the achievement of sustainable development in the United Kingdom
 - consult with appropriate bodies.
- 6.2. In taking the decisions requested, as noted in section 3 above, the Mayor must have due regard to the Public Sector Equality Duty under section 149 of the Equality Act 2010, 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 do not share it and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. 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 ESF to the ESFA.

7. Planned delivery approach and next steps

- 7.1. The key milestones are set out in the table below.

Activity	Timeline
Variation to ESF MOU	August 2021
Contracts awarded to providers	September 2021
Delivery start date	October 2021
Delivery end date	31 July 2023
MOU closure	31 December 2023

Appendices:
None

Supporting papers:

- MD1583
- MD1613
- MD2391

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

Until what date: (a date is required if deferring)

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:

Laure Farret has drafted this report in accordance with GLA procedures and confirms the following: ✓

Sponsoring Director:

Philip Graham 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 5 July 2021.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

D. Gane

Date

8 July 2021

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date

8 July 2021

