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London is one of the most successful cities in the world. Yet we face huge challenges to our position on the global stage. One such challenge is the fact that parts of our workforce lack the skills businesses need today. In particular, we must give more young people, especially women and girls, the chance to develop digital skills.

For our economy to thrive, and for all Londoners to have the opportunity to share in the capital’s growth and prosperity, we need to develop new talent and skills. To help, I’ve launched the £114 million Skills for Londoners Capital Fund to invest in further education and skills. It will be available to London’s skills providers over the next four years to invest in buildings and equipment.

We must do our best to develop our home-grown talent, to both complement and compete with the talent that London draws from around the world as an open, global city. That goal will be made easier when the government’s adult education budget is devolved to City Hall, helping to improve Londoners skills along with the investment of this Capital Fund.

This prospectus invites innovative and sustainable project proposals from across London. If your project is large-scale, our development support funding can help by making a contribution to design and development costs. I’ll soon be publishing a prospectus and bidding details for my Construction Academy Scheme too.

My new Skills for Londoners Taskforce will also give Londoners the chance to build the skills our economy needs. Working with London’s businesses, it will develop a new London Skills Strategy and set priorities for investment in education and skills.

I look forward to working with you to support London’s further education and skills offer. Together, we can make it world class.

Sadiq Khan
Mayor of London and Chair of LEAP - London’s Local Enterprise Partnership
INTRODUCTION

The Mayor of London and the London Economic Action Partnership (LEAP) – of which the Mayor is chair – are committed to supporting the delivery of skills which enable Londoners to progress in learning and access the job opportunities available in the capital. That means supporting the delivery of high quality skills that employers say they need, in buildings that are inspiring and fit-for-purpose and reflect the facilities, collaborative spaces and new ways of working seen in the workplace.

LEAP will work with the Mayor’s Skills for Londoners Taskforce to develop a city-wide strategic approach to skills, ensuring all Londoners and London’s businesses can access the skills they need to succeed. The new taskforce will provide strategic oversight for the development of a new post-16 skills and adult education strategy for London over the course of the next year. The Mayor and LEAP are clear that investment in London’s skills estate must continue to ensure that Londoners and London’s businesses can benefit, and invite eligible skills providers to make strong, evidence-based proposals for investment.

A total of £114 million is expected to be available to support investment in the estate and equipment of skills providers over the next four years. Approximately £40 million is available now.

This prospectus invites skills providers and their partners to propose capital investments in projects which best meet the current and future skills needs of the capital. In particular, projects are welcomed which demonstrate innovation in:

• partnerships and collaboration with employers and local stakeholders in the design and delivery of provision;
• approaches to delivery which secure the highest levels of social, economic and environmental value; and
• place making and high quality design, strengthening links with local communities.

Case studies of best practice in these areas can be found at www.london.gov.uk/fund-case-studies.

LEAP is committed to delivering a flexible bidding process to support both investment-ready projects and proposals which require more time or support to develop. A total of £3 million funding is available for small projects and equipment purchases of less than £200,000 grant funding. A process for applications will be launched in June 2017. A limited amount of £1.5 million funding will also be available to support the development costs of large-scale projects ahead of funding becoming available in later years of the funding period. A process for applications will be launched in the autumn of this year.
STRATEGIC CONTEXT

The following section sets out the policy context for the fund. Further information on the national and London policy context is provided in Appendix 1.

In his manifesto, the Mayor committed to leading a new skills agenda and to creating Skills for Londoners, consisting of business leaders and employers, skills education experts, and London government representatives, to take this agenda forward. He pledged that his Skills for Londoners Taskforce would work with LEAP to develop a city-wide strategic approach to skills, ensuring all Londoners and London’s businesses can access the skills they need to succeed.

2.1 Current skills context

London has a strong, dynamic, global economy, but the region’s employment rate has lagged behind the national average for three decades. Almost 300,000 Londoners are unemployed, with particularly high rates of youth unemployment. London also has a growing problem of in-work poverty, associated with low-skilled, low-paid work. Developing an effective and responsive skills system is critical to tackling these issues.

An effective skills system is also critical to meeting the needs of London’s businesses. Employers repeatedly report skills shortage vacancies and skills gaps in their workforce, impacting on growth and productivity. Given the uncertainty surrounding the terms of Britain’s exit from the European Union, ensuring a more responsive skills system – as well as continued access to global talent - is more important than ever in meeting employers’ needs, both now and in the future. Automation will be another key challenge over the coming decades and the skills system has an important role in ensuring Londoners are trained to secure the opportunities of new growth sectors and those displaced by advances of automation are reskilled.

Recommendations from the London Area Review have been published by the Department for Education in four sub-regional reports which can be found here: www.gov.uk/government/collections/post-16-education-and-training-area-reviews.

These include recommendations for some new strategic partnerships and mergers between FE colleges and other institutions. All recommendations are subject to due diligence and public consultation. Implementation is likely to involve curriculum development and rationalisation with associated implications for estates.

Primary responsibility for implementation of Area Review recommendations rests with the colleges concerned, but London government is working with the colleges and with central Government to support and monitor progress against the recommendations. A London Area Review Implementation Group has been established with officer representation from the Department for Education’s funding agencies, the Greater London Authority (GLA), London Councils, the sub-regional partnerships of boroughs, the Association of Colleges and the Sixth Form Colleges Association.

1 Vacancies which are proving difficult to fill due to the establishment not being able to find applicants with the appropriate skills, qualifications or experience (UKCES Employer Skills Survey, 2015).
As part of the implementation phase, colleges are able to apply to Government for a transition grant of up to £100,000 for each significant change arising from the recommendations of an Area Review.

This is intended to support colleges in putting the right skill set in place to implement recommendations.

For more information see www.gov.uk/government/collections/post-16-education-and-training-area-reviews.

Depending on the availability of funding and the financial position of the colleges undertaking restructuring as the result of an Area Review recommendation, colleges can also make an application to the Government’s Restructuring Facility for a loan to support implementation of an Area Review recommendation.

The Skills for Londoners Capital Fund will seek to support implementation of Area Review recommendations, where other funding cannot be accessed and where capital investment may be required for example:

- the disposal of excess land or property;
- land acquisition for consolidation of merged institutions on sites;
- land acquisition and development of satellite sites for new merged institutions;
- repurposing or making fit for purpose existing estate; and
- the development of or growth in particular specialisation areas identified.

2.3 Institutes of Technology

The Government announced in the Post-16 Skills Plan that it will create a network of Institutes of Technology (IoTs), to ensure we have sufficient provision targeted at delivering high-quality technical education at higher skills levels, tailored around the needs of employers in local areas.

Government expects most IoTs to grow out of high-quality provision. All IoTs would be expected to:

- specialise in technical disciplines - such as science, technology, engineering and maths (STEM) - that are aligned to technical routes;
- offer high quality provision at levels 3, 4 and 5 (i.e. the equivalent of A-level to just below degree); and
- have a local focus to deliver qualifications of value that meet the skills needs of local employers.

These institutions will help to deliver excellence in technical education across the country, providing students with a clear route to employment or higher education. They will harness the expertise of local employers, both in leadership and design of the curriculum, to fill local skills gaps.

Reiterating in the Industrial Strategy green paper its intention for IoTs, Government announced it has identified £170 million of capital funding nationally to deliver this commitment. Government has published a call for engagement in IoTs including information on the approach and timing for the process, as well as inviting potential applicants to register their interest.

Whilst the fund can support IoTs we are not yet inviting EoIs for IoT projects. Applicants intending to apply for IoT funding support are required to provide a statement of intent by 12th June, and where possible provide an indication of the total capital cost requirement to deliver the IoT.

We will invite Expressions of Interest for IoT funding support once central Government has launched their programme. LEAP and the GLA will require applicants to demonstrate if and how they expect any bids for capital and / or equipment will align with any applications made to Government’s separate IoT process, including how they fit with any strategic economic priorities that are published by LEAP or the GLA.

Applications for funding to deliver an IoT will also need to be packaged as a discrete proposal from any wider capital investment and must be capable of delivery in isolation.
Expressions of Interest for other capital support (non-IoT related) are still invited for the deadline of 12th June.

2.4 Adult Community Learning (ACL)

Adult Community Learning (ACL) includes a range of community-based and outreach learning opportunities primarily delivered by local authorities, specialist designated institutions (now known as Institutes for Adult Learning) and further education colleges. It is designed to help people of all ages, backgrounds, cultures and income groups re-engage with learning, pursue an interest, develop new skills, prepare to progress in learning and into work, and learn how to better support their children.

ACL supports a range of local and national government priorities including improved social mobility, digital inclusion, stronger communities and better health and wellbeing outcomes. It helps a wide range of learners – often those furthest from the labour market - to develop the skills they need to better integrate into society and to find and progress in work.

London government recently conducted a strategic review of ACL provision in the capital in parallel with the Area Review. The review was designed to help provide a comprehensive picture of adult education to inform the future commissioning and delivery of this provision in London. The London ACL Review made recommendations relating to delivery infrastructure including supporting the development of sub-regional community education hubs either through a single local authority, college or Institute for Adult Learning.

Recognising the important role of ACL in local communities and economies, the Skills for Londoners Capital Fund will support projects to enhance ACL provision and deliver improved employment and wider social outcomes.

2.5 Offender Learning

Providers of offender learning can apply for the fund. Enabling offenders to have the skills that employers want and need will allow them to find and keep jobs on release and contribute to a reduction in re-offending and the associated personal, social and economic costs. With local influence on skills training including involvement of employers in the design and delivery of provision, offenders can be equipped with skills that enable them to compete for work once they have completed their custodial sentence. Key to this is supporting learning providers operating in prisons with appropriate space, facilities and equipment, including virtual learning environments. In supporting the Government’s prison reform programme, LEAP investment can play a key role in securing the delivery of high quality vocational and technical training and employability skills that prepare individuals for jobs on release.

2.6 Mayor’s Construction Academy Scheme

In contrast to previous funding rounds from the Government’s Growth Deal which were allocated through the FE Capital Investment Fund, the Skills for Londoners Capital Fund will not be available for investment where there is a focus on construction skills training delivery. Instead, a separate fund of up to £8 million has currently been ring-fenced for the Mayor’s Construction Academy Scheme which will focus specifically on construction-related skills training provision.

A separate ‘Mayor's Construction Academy Scheme’ prospectus inviting applications for hub leads to make up the regional network is expected to be published in late spring 2017.
3.1 Fund Priorities

Proposals are invited to deliver high quality well-designed learning spaces that:

• respond and adapt to both 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 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;

• support increased levels of apprenticeship delivery and/or progression to the highest levels of vocational and technical study, for example through higher level apprenticeships or projects able to demonstrate strong progression links with higher education;

• demonstrate strong and innovative collaboration and partnership with employers and local stakeholders, in particular through bringing businesses directly into the institution to influence the design and development of provision and supporting the creation of jobs (see section 3.2.3), as well as working closely with schools, other education providers and local authorities; and

• where appropriate, support the implementation of recommendations of the central Government-led Area Review of the FE sector.

Case studies of best practice in these areas can be found at www.london.gov.uk/fund-case-studies.
3.2 Wider benefits of investment

In addition to the fund priorities, projects should also demonstrate how they will contribute to the Mayor and LEAP’s drive to make London a better place in which to live and work and to visit. In particular, projects should demonstrate approaches to delivery which secure the highest levels of social, economic and environmental value.

3.2.1 Making Better Places

Place Making

With London’s population growing to unprecedented levels the challenge is not only to deliver growth on the scale required but to harness the opportunity to create successful, inclusive and sustainable places of high quality.

The Mayor has recently responded to this challenge by setting out a vision for A City for All Londoners\(^2\), based on the principles of ‘good growth’ (development that is socially, environmentally and economically inclusive). The Mayor has made clear that he wants to see good architectural and design quality principles in new buildings, public spaces and neighbourhoods. As the city grows, it is also important that new developments are designed well and look good, that unique things about the city are not lost, and that we create a pleasant and interesting urban environment.

Effective planning and good design can help to create a socially inclusive environment, and it can support a wide range of civic activities. London’s architecture, design and urbanism sector has a crucial role to play in finding positive responses to the pressures of growth, as does every one of London’s neighbourhoods and diverse communities – each of which need to be supported through and included in the process of change.

Architectural and urban design schemes are most successful when they have considered the inherent assets of a given locality or context as part of sensitive place-based proposals that benefit the wider neighbourhood.

In the context of the Skills for Londoners Capital Fund it is crucial that design proposals for new and improved buildings are developed in a holistic way, so that they fully integrate with their neighbourhoods and contribute positively to the vitality and attractiveness of the area.

Particular consideration should be given to potential synergies with surrounding place-based physical projects including public realm improvements and developments.

Applicants must demonstrate that their design brief aligns with and contributes positively to the spatial ambitions of the area. We will look for projects that can demonstrate understanding of, engagement with, and reaction to the local authorities’ strategic plans. These plans may take the form of spatial plans, such as Opportunity Area Planning Frameworks, Area Action Plans, master plans, public realm and urban design strategies supporting local neighbourhoods to accommodate good growth.

The Mayor supports London as one of the global centres of design talent, and applicants are encouraged to engage architect-led consultant teams with the broad skills required to deliver solutions that provide better skills and better places for London.

Off the shelf solutions will be less attractive for funding than design team-led projects reacting to the educational requirements as well as the community and place where the project is located.

Specific interventions to achieve a high quality place based solution could for example include:

- the creation of high quality mixed-use development opportunities on parts of the site to help make good development a reality by preparing sites through: site purchase and assembly; transfer of surplus land; land swaps; site remediation; and local access works;
- the creation of a public welcome through well-designed and attractive building frontages and the accessible location of public uses such as: exhibition space and cafes where safeguarding and similar practical issues are handled with designed-in solutions rather than barriers

\(^2\) [https://www.london.gov.uk/sites/default/files/city_for_all_londoners_nov_2016.pdf](https://www.london.gov.uk/sites/default/files/city_for_all_londoners_nov_2016.pdf)
and fences; restoration and enhancement of heritage features; well-designed signage and lighting; and public art; and

- targeted public realm improvements that make the college and its surroundings more desirable and usable, for example through: improved connections to existing local amenities including high streets and town centres; improved streetscape in line with the Healthy Streets agenda; rationalisation of parking; improved sustainable transport facilities as well as crossings, footways, lighting and street furniture; provide natural surveillance; reduce clutter and requirement for clean up; and tree planting.

Sustainability

The Mayor and LEAP have clearly identified that, while London needs development, growth can also unlock investment in infrastructure delivering local environmental quality, and resource efficiency and resilience benefits. Growth which is not properly managed can result in adverse environmental impacts and a low quality experiences. LEAP is committed to improving London’s environment and wishes to see innovative projects that contribute to making London a resilient, green and resource-efficient city.

We wish to see applications which are highly aspirational and offer creative solutions to sustainability interventions. Applicants should demonstrate how their projects can align with delivering the Mayor’s environmental priorities by making full use of the Sustainability Charter (which can be downloaded from www.london.gov.uk/skillsfund) which is based on the Mayor’s London Plan and Sustainable Design and Construction Supplementary Planning Guidance, in developing their proposals. Where relevant, projects should link to the curriculum supporting the development of green skills and involve student participation where appropriate.

All projects, regardless of size, must align with London Plan requirements including high levels of design and environmental performance.

Historically, projects were required to achieve a Building Research Establishment Environmental Assessment Model (BREEAM) certification of ‘Excellent’ for new build projects and ‘Very Good’ for refurbishments. Building on this, the Skills for Londoners Capital Fund is calling on projects to be ambitious in the desire to achieve the maximum environmental and practical benefits of excellent sustainable design by meeting BREEAM ‘Outstanding’ for new build projects and ‘Excellent’ for refurbishment projects. As such, projects that aspire to high quality sustainable design and environmental measures will be looked on favourably.

We recognise that there may be cost implications associated with achieving effective and sustainable design, notably BREEAM certification. If applicants struggle to meet the costs of achieving the design and sustainability measures required, or this puts undue financial pressure on organisations, consideration will be given to increasing the proportion of grant to match funding. In such cases, projects must provide clear rationale as to how achieving design and sustainability measures will result in financial pressure that cannot be met from match funding.

Mayor’s RE:FIT Programme

RE:FIT London is an award-winning programme to help make London’s public buildings and assets more energy efficient. Established in 2009, the programme not only reduces carbon emissions, but also results in large guaranteed energy savings for the public sector (typically around 15-25 percent).

The Mayor is encouraging all Further Education Institutions to take advantage of the scheme which can support the retrofitting of buildings to significantly reduce energy usage and CO2 emissions with guaranteed cost savings. Applicants proposing refurbishment projects are required to engage with the services of the RE:FIT programme. More information can be found at www.london.gov.uk/refit.

3 https://www.london.gov.uk/what-we-do/planning/implementing-london-plan/supplementary-planning-guidance/sustainable-design-and
3.2.2 Empowering London’s People

Social Value

The public sector is increasingly conscious of the need to measure, maximise and demonstrate the social value it creates to inform decision making. In recent years there has been a shift in understanding how value for money, which is the over-riding factor determining public sector procurement decisions, should be calculated, and growing support for the idea it should include social and economic requirements. The Public Services (Social Value) Act 2012 was therefore designed to encourage the use of social value in procurement of public services which are over the European Union threshold by placing a legal obligation on public bodies.

The legislation in the Act, which has driven the move toward procuring social value in contracts, is intentionally vague. The Act gives commissioners and procurement officials the freedom and flexibility to determine what kind of additional social or environmental value would best serve the needs of their local community, to maximise social value where appropriate, as well as creating an opportunity for providers to innovate.

LEAP is committed to the Social Value Act in maximising the impact of funding they allocate. Therefore, while this Act calls upon public bodies to seek social value in their procurement activities, applicants for Skills for Londoners capital funding, while not necessarily public bodies themselves, should nevertheless strive to achieve the same high societal value via the procurement they commission with LEAP funding. In this request, we acknowledge some organisations will be better placed to integrate this into their procurement practices than others. If you are unfamiliar with the Social Value Act you might find it helpful to look at the Social Value Hub website to learn more: www.socialvaluehub.org.uk. Applicants should aim to provide evidence of how they apply the social value principles in their procurement; this will impact an applicant’s evaluation scores.

Examples of how the Social Value Act can be factored into procurement include where an organisation consistently considers social value in decisions. For instance an organisation may consider social value formally for every procurement opportunity above a certain threshold, aspire to include one social value outcome in every procurement awarded and aim to ensure the social value outcomes are built into the contract management. While another organisation may decide to work with its supply chain to help them understand how they can support the colleges social value objectives.

Equalities, fairness and inclusion

The Mayor is committed to economic fairness and creating the conditions for communities to integrate and interact with each other is a priority.

The Mayor wants:

• many more people of all ages to progress in learning to reach their full potential;
• to ensure all Londoners and London’s businesses can access the skills they need to succeed;
• London to be a city where people of every background feel connected with each other, and can realise the benefits of London’s diversity;
• to promote social contact between different groups and tackle the inequalities that exist which prevent people from being active citizens;
• more young people to have the knowledge, skills and life experiences to succeed;
• to reduce the number of jobless young people; and
• to create greater equality, diversity and inclusion (which includes gender parity in terms of career outcomes and greater social mobility within professions).

The proposal should reflect the diverse needs of all learners and help to reduce the disability, gender and race employment gaps. There are currently unacceptable levels of inaccessible facilities therefore proposals should positively support opportunities for disabled learners by including Inclusive Design Standards in your building design.
Each proposal must explain how it meets the Public Sector Equality Duty and provide details of how inclusive design is to be promoted and considered through the process. A copy of the applicant’s Equal Opportunities Policy is to be included with the detailed application.

The applicant is to provide and reference any evidence of inclusive design in the supporting design documentation, if available.

3.2.3 Growing Prosperity

Supporting Business

London’s economy is a global success story, but we need to ensure our local economies are also strengthened through growth. Growth can be constrained by a number of factors; not least the high cost of living and premises costs. Entrepreneurs who wish to start or grow a business need more support to access affordable space to operate out of, funding to grow their business, or simply training to develop the skills required to get their ideas off the ground.

In response to the challenges set out above, we need to tackle barriers to SMEs (small and medium sized enterprises) starting and scaling up, grow more businesses and social enterprises that contribute to their local areas, improve digital connectivity, find new ways of boosting productivity, and broaden employment opportunities for London’s residents.

Projects should identify how they plan to engage and collaborate with local businesses, employers and local authorities to support the creation of jobs within the local area and delivery of training to support growth sectors. This could include, but is not limited to:

- securing additional funding from an employer or business;
- working with a partner to deliver work space, shared space or shared services to support SMEs and encourage entrepreneurship;
- collaborating with local employers including SMEs to identify local training needs to support growth sectors; and
- establishing business growth hubs.
FUNDING AND ELIGIBILITY

4.1 Pathways to funding

We would like to support innovative and creative proposals for funding, and bidding processes aim to be flexible to enable both funding-ready projects and those that will take longer to fully develop to access funding. Those projects which take longer to develop may be considered for funding which will be available in later years, dependent on their timeline.

Expressions of Interest are invited which request capital funding of more than £200,000. Dependent on the readiness of proposals, there are various paths that an application may then take:

- **Expression of Interest is acceptable and demonstrates a project that is able to provide an application within two months.**

- **Expression of Interest demonstrates a project that aligns to the strategic priorities of the fund and delivers tangible outputs and outcomes, but requires further time to be developed into a full application. A deadline for the application will be set in consultation with the applicant.**

- **Expression of Interest demonstrates a project that aligns to the strategic priorities of the fund and delivers tangible outputs and outcomes, but requires further time and support to deliver a full application. A recommendation of referral to apply for development support funding will be made.**

- **Expression of Interest does not meet requirements to proceed.**

Applications for small projects or purchase of equipment requesting £200,000 or less grant funding may apply through a separate bidding process. Further details will be made available in June 2017.

Development support funding is limited to a total of £1.5 million with individual grants not expected to exceed £100,000.
4.2 Eligibility for funding

Eligible applicants must be:

- an FE college or approved training organisation that is on the Register of Approved Training Providers and/or Register of Apprenticeship Training Providers
- in receipt of funding from the Education and Skills Funding Agency (ESFA) to deliver education and training in 2017/18 and/or expects to hold a contract in future years.

Eligible bodies and institutions might include (list not exhaustive):

- private providers and third sector providers of further education
- local authorities
- General Further Education colleges
- Institutes for Adult Learning
- National Skills Academies (NSAs)
- Group Training Associations (GTAs)
- Sixth Form Colleges
- Offender learning and skills providers
- Higher Education Institutions developing IoTs in partnerships with other eligible institutions and/or bidding for a project relating to a specific partnership project with an FE college

Ineligible institutions include:

- Schools
- Academies
- Maintained school sixth forms
- UTCs
- Providers that are privately funded or not in direct receipt of ESFA funding.

These ineligible organisations, however, are encouraged to support applications by forming partnerships with eligible institutions.

Joint and collaborative applications are welcomed; however where there is more than one organisation involved, a ‘lead partner’ should be identified to enter into the funding agreement. The lead partner will act as an accountable body for the project and must hold a funding contract with the ESFA.

Applications for funding for phased capital works are eligible; however each phase must be capable of delivery in isolation as discrete, standalone phases. Applicants should note that where funding is awarded for one phase of the development, it may not be possible to provide assurance of funding for future phases where this has not been secured. It is important that applications are based on clear and coherent objectives. Should an application be made for a package of projects which are not interdependent or related to the key objectives, the GLA may wish to only consider part of the package for funding, or may advise that elements within the package need to be treated as separate applications.

Applications should reflect how proposals impact or work with the recommendations of the London Area Review.

Projects are required to achieve a minimum BREEAM certification of ‘Excellent’ for new build projects and ‘Very Good’ for refurbishments. However, we calling on projects to be ambitious in the desire to achieve the maximum environmental and practical benefits of excellent sustainable design by meeting BREEAM ‘Outstanding’ for new build projects and ‘Excellent’ for refurbishment projects.

Proposals for investment to support the delivery of construction skills will not be accepted and organisations are encouraged to make an application to the Mayor’s Construction Academy Scheme prospectus. More information on the Mayor’s Construction Academy scheme is expected to be published in the late spring 2017.
4.3 Financial Requirements

- Due to the limited amount of funding available, we envisage that successful projects will require less than £10 million grant funding. All applications will need to demonstrate that all other funding sources available have been considered (including loan funding available as set out in section 4.4). Applications should also set out options for scaling back the costs of the project and demonstrate the implications for doing so.

- Applicants should demonstrate an ability to provide 2:1 match funding to grant (meaning for every £1 grant requested an additional £2 should be invested from other sources). LEAP remains committed to offering some flexibility to this requirement for projects which are innovative, provide strong justification and seek to address poor estate condition, poor financial status of the provider, a market failure resulting in a significant skills shortage and/or are located in areas of high deprivation.

- It is expected that projects are delivered over a two-year period. In some circumstances a longer delivery timeline will be considered.

- Unless in exceptional and demonstrable circumstances, match funding should be expended at a proportionate rate to the Skills for Londoners Capital funds (i.e. where match of 2:1 is provided, projects should evidence £2 match spend for every £1 LEAP funding drawn).

- We recognise that there may be cost implications associated with achieving aspirational sustainability measures. Where applicants will struggle to meet costs of achieving ambitious environmentally beneficial measures, or this puts undue financial pressure on organisations, consideration will be given to increasing the proportion of grant to match funding.

- Match funding to meet the costs of a capital investment should be capital only. Examples of match sources might include organisation reserves, bank financing, capital proceeds from estate rationalisation, local authority funding or employer sponsorship. Match funding for the project can be sourced from other public sources. Other revenue funding is encouraged but will not count towards the match to grant ratio.

- All funding will be drawn down in arrears against achievement of milestones and/or outputs and either evidence of cost incurred or certified expenditure.

- All applicants will be required to ensure that funding requested can be capitalised in their year-end accounts.

4.4 Loan Funding

Due to the expected demand and competitive nature of the bidding process, applicants may wish to propose all or part of the funding is provided as a loan. This would be particularly relevant to applicants who may have short term cash flow issues where they intend to dispose of a site to provide match funding or where applicants may struggle to meet the match funding ratio requirement.

The interest rate to be applied for individual projects will be determined by an assessment, carried out by the GLA, based on the financial standing of the bidding organisation and level of physical asset based security offered. In such cases, repayment should be within five years of the commencement of the loan.

The GLA will discuss loan options and requirements, as appropriate, with applicants at the Expression of Interest stage.
BIDDING FOR FUNDING

Expression of Interest
Applicant submits a Skills for Londoners Capital Fund Expression of Interest and supporting documents

Assessment and Approvals
Assessment by core GLA team
May include clarification with applicants
LEAP approval sought

Full Application
Shortlisted applicants invited to submit a full application
Successful applicants receive feedback on their EoI
Applicant submits a Skills for Londoners Capital Fund Application and supporting documents

Assessment and Approvals
Assessment by core GLA team
Expert technical due diligence is sought. Applicants must respond to clarification questions and may be requested to attend a meeting to discuss the application
LEAP and GLA approvals sought

Project delivery and monitoring
Successful applications announced
GLA and applicant enter grant agreement
Delivery partner is responsible for delivering the approved application in accordance with the terms and conditions of the grant agreement
The following section provides information on how to apply for funding. Applications will be invited in a two-stage process, with an Expression of Interest stage followed by a full application. Deadlines and details of how to submit are set out in section 7.

You are advised to read the prospectus and all supporting documents carefully before applying. Questions should be directed to skillscapital@london.gov.uk and answers will be published on the fund website.

5.1 Expression of Interest

To allow for consideration of some proposals which may take longer to develop to full application, it is expected that Expressions of Interest will vary in how developed project plans are. To support the application process, it is important that all applicants set out in their Expression of Interest their timeframe for development of a full application.

In the Expression of Interest stage, we need to know your overall objectives and intended project outcomes. We would expect to see architectural proposals with relevant drawings and supporting documentation developed to at least RIBA Stage 1 (Preparation and Brief) in accordance with the RIBA Plan of Work 2013.

This initial Project Brief should set out:

- the vision, aims and objectives, including quality objectives and project outcomes;
- sustainability and place making aspirations;
- project budget; and
- other parameters or constraints including the urban design context feasibility studies and review of site information.

All projects should champion collaborative working and high quality design in the widest definition of the term. At inception we are keen that you engage collaboratively with a wide range of businesses and local stakeholders to test ideas and to use local knowledge in defining the concept and scope of your project.

During the Expression of Interest appraisal process the GLA will consider your funding request, taking into account a variety of factors, including: quality and strategic fit of the proposal; available funding; other applications received; other funding sources that may be available to deliver the project; and possible State aid implications. If you are invited to progress to full Application stage, we may require you to revise the amount of requested funding or the nature of funding requested (either loan or grant). More details of the assessment process are available in section 7.

5.2 Application Stage

Following evaluation of the Expressions of Interest form, shortlisted applicants will be invited to submit a full application.

Between Expressions of Interest and Application stage applicants must highlight where there is a change to the proposal; for example where there is an increase in total funding requested, a change in grant profile in a financial year, change to the extent of capital works being undertaken or change in deliverables. LEAP reserves the right to reject what it considers to be material changes, and as such applicants are advised to discuss these with relevant officers at an early stage.

Before submitting a detailed application, providers should develop proposals up to a stage where costs can be identified properly and programme plans provided with certainty. As a minimum the following should be in place:

- projects should be developed to a minimum to Stage 2 - Concept Design (RIBA Plan of Work 2013) with supporting drawings and cost plans;
- applicants should be able to confirm a firm budget and provide evidence of match funding;
- project should be able to provide a valuation if assets are being disposed of to provide match funding; and
- proposals should set out a clear delivery timetable demonstrating relative certainty.
5.3 Key Requirements of Application

5.3.1 Rationale and the case for investment

Applications should demonstrate a strong case for the proposed investment, providing a clear rationale for changes to provision together with a detailed analysis of the current supply of provision and expectations for current and future demand. This analysis must clearly demonstrate evidence of demand through local labour market analysis including identified skills shortages or expected growth industries and clear evidence of employer engagement. This should address how the proposals relate to existing supply of provision locally, in the sub-region and where relevant on a pan-London basis and must include an assessment of the supply of similar provision to ensure that proposals are complementary.

Where necessary, proposals must make clear reference to recommendations of the Area Review and implementation plans where these apply to institutions and should set out how the proposals support the delivery of these recommendations. Where a recommendation is not being followed due to issues that have arisen during due diligence, institutions should make this clear in their application and provide an outline of the rationale. Any such issues should have been shared with the London Area Review Implementation Group.

Where applicable, applicants should also reference any recommendations of OFSTED inspections to demonstrate how the investment will support their implementation.

Proposals should demonstrate how they have engaged and collaborated with key stakeholders (e.g. local authorities, businesses, employers and third sector organisations) in the development of their proposals. The type of engagement and collaboration should be aligned to local and strategic plans, in addition to wider economic employment and training demand.

5.3.2 Outputs and Benefits

A strong emphasis is placed on assessing and measuring the impact and benefits of investments. Applicants will need to identify the outputs and benefits that their project will deliver. In particular, LEAP is inviting applicants to demonstrate how their project will deliver against both:

- the outputs and benefits identified below which focus specifically on the skills sector (these aim to monitor, for instance, what qualifications or courses will be delivered or increased in size or quality as a result of investment and the social value that will be delivered as a result of investment); and

- wider outputs and benefits which help to drive performance and value for money through investments.

Applicants should quantify their expected outputs and benefits as far as possible and clearly indicate where delivery of these can be measured and evidenced. To that end, applicants are requested to:

- provide as comprehensive a picture as possible of the expected outputs and benefits (applicants are requested to record periods of delivery in financial years);

- be clear about how the outcomes derive from the objectives (and rationale) and what the evidence is for them being achieved or influenced by the proposed outputs;

- provide suitable baseline information for the specified project outputs and benefits which will change as a result of the intervention (this information will form an important part of the monitoring and evaluation processes). In the event that baseline information is not available, applicants must provide evidence that a strategy is in place to begin collecting data;

- demonstrate that the benefits of the project are additional, i.e. that the intervention does not simply displace other existing activity or would have been smaller or of a lower quality;
• state whether the benefits are direct or indirect. If indirect, applicants should explain how the project is enabling the delivery of these benefits; and
• explain other wider benefits (including social and environmental) that the project will generate.

If an application is successful the applicant will be required to deliver the full project outputs and benefits by an agreed date. Failure to do so will result in the project being at risk of having funding reduced or repayment of previous funding receipt may be sought by the GLA. If however there are justifiable reasons why outputs change or are not delivered then they will be taken into consideration.

Core outputs and benefits:

• number of learners supported as a result of the Skills for Londoners intervention;
• 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; and
• support to learners at risk of becoming NEET.
• improvement in teaching and learning;
• improved educational outcomes;
• number of students progressing to employment.

Other outputs and benefits:

Additional project benefits may include, but are not limited to, the following:

• number of businesses supported;
• number of new businesses formed;
• new or improved commercial space or business space (m2);
• number of construction jobs created or vacancies filled (through the building works);
• increased space efficiency;
• amount of space with improved energy efficiency (m2);
• installation of low carbon energy;
• innovation or improvement in water efficiency, materials recycling/reuse and green infrastructure;
• reduced dependency on central Government funding; and
• additional investment attracted.

All applicants will be required to report (where applicable) on total space to be improved or created as part of the baseline information provided at application stage and, if the bid is successfully awarded investment from Skills for Londoners Capital Fund, the outcome data provided to the GLA on project completion.
5.3.3 Design Stage

At detailed application stage we would expect to see more developed architectural concept designs with relevant drawings and supporting documentation developed to at least RIBA Stage 2 (Concept Design).

This Final Project Brief should set out:

- the vision, aims and objectives, including quality objectives and project outcomes;
- concept design, including outline proposals for structural design, building services systems, site appraisals and collated site information, including surveys as deemed required;
- outline specifications and preliminary cost information;
- analysis of planning issues; and
- other information related to the project delivery:
  - Construction Strategy
  - Maintenance and Operational Strategy
  - Health and Safety Strategy
  - Project Execution Plan
  - Project Risk Assessment
  - Procurement strategy
  - Project Programme

5.3.4 Value for Money

Projects must provide a full investment appraisal at detailed application stage.

However, at Expression of Interest stage, applicants are required to provide headlines from an initial analysis of the investment proposed including a do nothing or do minimum option. This would include as a minimum requirement:

- an indicative assessment of the overall capital costs;
- an indicative assessment of the expected changes in running and maintenance costs and any other savings; and
- a statement of the main types of outputs and outcomes, quantified in volume terms and in terms of duration and persistence/growth/decay where possible.

If a full Net Present Value calculation has been undertaken against the base case, the results should be included. However where applicants are not in a position to provide this they will not be penalised, so long as the bulleted points have been addressed.

A full and more detailed investment appraisal including sensitivity analysis will be required at the detailed application stage.

Funding will only be provided to projects with a Net Present Value (NPV) better than the base case NPV and which demonstrate affordability through efficiencies such as lower premises costs, lower staff costs or additional revenue over an investment period of 20 years.

5.3.5 Cost Plan, Programme and Risk Management

Applicants should include a clear cost plan (in the template provided) based on independent advice, and the projects expenditure profile and programme. The cost plan should detail the building cost breakdown analysis, the breakdown of the costs of the project in the template provided along with an explanation of how costs are arrived at and any evidence, any assumptions used and how value for money is demonstrated including reference to relevant cost benchmarks. We will seek independent advice on these costs.

Applicants must provide a detailed programme plan preferably in MS Project format or on an Excel spreadsheet which illustrates timescales and milestones. The project should clearly state various stages of delivery which should include the design stage, tendering period, construction phase and project completion.
The applicant needs to provide a detailed risk assessment of all project associated risks and where applicable, a costed risk register with an appropriate mitigation strategy. For all projects developed beyond RIBA stage 2, or those of a greater project value than £15 million we will require a costed risk register. Risks should include (but not limited to) an assessment of cost, deliverability, management, construction and financial risk.

5.3.6 Affordability

Each applicant needs to demonstrate how the project is affordable by submitting cost plans, and an option analysis.

Match funding evidence should include secured funding from organisation reserves, bank financing, capital proceeds from estate rationalisation, local authority funding or sponsorship. The evidence could be in the form of financial statements, letters from the Bank Manager or Investor/Sponsor of funding confirmation or a legally signed contract. Alternatively it can be unsecured (i.e. pending) but evidence must demonstrate progress towards commitment to the project. This could be a condition to release the funds once an asset is sold (i.e. land for residential development) stated in a signed letter on letter headed paper. Match funding should be for capital costs only.

Where project delivery is dependent on match funding sourced from land disposal, or land acquisition the following should be provided:

- evidence of a Red Book valuation of the land proposed for disposal or acquisition and where a buyer is secured, agreed Head of Terms;
- consents required; and
- timeline to completion.

Where land is to be acquired, the GLA reserves the right to secure a charge.

5.3.7 State Aid

EU State aid rules regulate the use of public resource by member states which is considered to potentially distort competition and trade between member states. The law regarding State aid is complicated and therefore, if you are unfamiliar with the State aid rules you might find it helpful to look at the guidance available at: www.gov.uk/guidance/state-aid. Please note the information provided on the UK Government website is not a substitute for the official documentation available through the EU Commission's website or taking specialist legal advice.

The GLA has an obligation to ensure that all financial arrangements under the Skills for Londoners Capital Fund comply with State aid requirements. Therefore:

all applicants need to take steps to satisfy themselves that any grant to them or their use of public funding will not amount to unlawful State aid (confirmation of this will be required at the application stage); and

applicants are required to secure and provide supporting expert advice on State aid so that their individual proposal can be specifically assessed to ensure compliance with State aid rules (please note that it is for applicants to satisfy LEAP that the proposals made in their applicants do not constitute unlawful State aid; before applicants receive funding they must provide the GLA with such written advice from a solicitor, regulated in England and Wales, specialising in State aid rules, confirming how the project complies with State aid rules, or a declaration confirming with supporting evidence that any grant to them or their use of public funding may be considered compatible State aid as it will fall below the De Minimis aid threshold in compliance with the De Minimis Regulations).

Please note that, if your project is awarded funds from LEAP and it is determined subsequently that any grant to you or your use of LEAP funding constitutes unlawful State aid you will be required by the GLA to repay such sums upon demand and may also be required to pay interest on such sums.
HOW WE CAN SUPPORT YOU

6.1 Procuring high quality design teams

The Mayor invests a considerable amount of funding into physical place shaping projects from transport and public realm to housing, colleges and parks as well as on strategic work aimed at coordinating wider change. The procurement of associated design services is an intrinsic part of the way the Mayor and the public sector more generally shapes the quality of London’s built environment. Good procurement of these services therefore is essential to the delivery of good quality growth and the delivery of value for money over the longer term.

There are a number of options to select design teams. One route available is the Architecture, Design and Urbanism Panel (ADUP) is a pre-approved panel of built environment consultants. ADUP makes it quicker and easier for organisations to commission high quality consultants for publically funded projects to deliver the best quality building and design work.

There are currently 14 categories of consultancy support available through ADUP:

1. Urban strategies and area plans
2. Architecture
3. Site master-planning and development feasibility
4. Public realm and landscape
5. Transport architecture and interchange design
6. Underground, rail and specialist infrastructure
7. Design advice and design management
8. Environmental design and sustainability advice
9. Community engagement and local regeneration
10. Heritage and conservation advice
11. Graphic design and place-based marketing
12. Interior design and space planning (commercial and retail)

13. Public art strategy advice

14. Modelling and visualisation

6.2 Other support

For proposals at Expression of Interest stage, members of the Regeneration Team will be available to discuss your ideas and respond to questions.

The Specialist Assistance Team (SAT) is a pre-procured panel of consultants and spanning 12 areas of expertise. SAT sessions can help prospective project partners to address specific issues and questions that have been identified in the setting up and scoping of projects. This is a limited resource and allocation of SAT sessions will be on a case by case base. More information can be found here: https://www.london.gov.uk/what-we-do/regeneration/advice-and-guidance/specialist-assistance-team.

Small amounts of development support funding will be available and a process for allocation of these funds will be explained in due course. Through assessment of Expressions of Interest, it may be judged that proposals may benefit from development support funding and in these instances a referral will be made.

The Strategic Access Panel (SAP) will assist the Mayor in delivering an inclusive and accessible city in accordance with the ambition behind ‘London Plan Policy 7.2 – An Inclusive Environment’ and help to provide Inclusive design support. More information can be found here: www.london.gov.uk/what-we-do/planning/who-we-work/planning-working-groups/strategic-access-panel-sap.

7.1 Assessment and Criteria

Applications will be evaluated in accordance with this prospectus and the assessment criteria set in Appendix 2. Applications will be evaluated by a team from the GLA, including Regeneration, Housing and Land, Environment, Education, Finance, Intelligence, Diversity and Social Policy and Economic and Business Policy. It will also draw on external advice as set out in 7.3 where appropriate. Applicants must provide further clarifications as and when required. The proposals and results of the evaluation will then be provided to LEAP and the Skills for Londoners for consideration.

This is a strategic programme that aims to support the delivery of a higher quality and more responsive FE provision in London. The Mayor and LEAP have a responsibility to ensure this funding is directed to support a balanced programme of investment and one that provides both a range of exemplary projects and responds to need. As such, LEAP has the discretion to prioritise projects for funding and may wish to withhold funding for future rounds in order to deliver this.

7.2 Key Dates

The following table sets out indicative dates for the bidding process through to entry into agreement. Applicants should note that the timeframe involves a number of steps in the process for seeking approval of funding awards with consideration given by the Skills for Londoners Taskforce and LEAP, with ultimate approval provided by the GLA’s Corporate Investment Board and the Mayor or relevant Director, as such this timetable is subject to change.
### Activity

<table>
<thead>
<tr>
<th>Activity</th>
<th>(Indicative) Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deadline for Expression of Interest</td>
<td>12th June 2017</td>
</tr>
<tr>
<td>Invitation to submit Application</td>
<td>July 2017</td>
</tr>
<tr>
<td>Deadline for Application</td>
<td>September 2017 (dependent on time required to develop application)</td>
</tr>
<tr>
<td>Assessment, clarifications and due diligence of Application</td>
<td>September – October 2017 onwards</td>
</tr>
<tr>
<td>Announcement of successful projects</td>
<td>November 2017 onwards</td>
</tr>
<tr>
<td>Enter Agreement and Commence delivery</td>
<td>December 2017 onwards</td>
</tr>
</tbody>
</table>

#### 7.3 Technical Due Diligence

Technical due diligence consultants will be appointed to provide an independent assessment of your project. Applicants must be available to respond to queries and clarifications within the assessment periods. At either the expression of interest stage or full application stage, dependent on the stage of development of designs, some level of design review will be undertaken by experts, with recommendations which may become conditions of funding for successful projects.

Should there be any circumstance where further technical due diligence is required, for example due to a change in project scope, we may require the costs of this (as incurred by the GLA) to be funded by the applicant.

#### 7.4 Financial Due Diligence

Financial due diligence checks will be undertaken on all organisations prior to any agreement to award funding. The financial due diligence checks will provide an indication of the financial risks (if any) to the GLA of making an award to the lead organisation and partnership. It may also suggest mitigations to offset these risks. The outcome of due diligence checks are always considered alongside other aspects of the appraisal process, but where the GLA considers that the risks are too high, or are such that they threaten the viability of the programme, it may decide not to award a grant.

In order to facilitate the due diligence process, lead organisations that progress to detailed application stage will be asked to provide the following documentation:

- evidence of consents and approvals, including approval of the application by the organisation’s Governing body or equivalent;
- evidence of match funding, including all receipts from land transactions including disposals or valuations;
- audited accounts for the previous three financial years, signed by an independent and qualified accountant;
- high level capital budget versus outturn for the previous three financial years;
- 5 year financial forecast with commentary (note that student number forecasts will be tested and assumptions challenged through the assessment process), including estate strategy and business plan;
- financial regulations (including procurement rules);
- evidence of Public and Employer’s Liability Insurance;
- legal opinion on State aid; and
- detailed project budget including expenditure profile and build cost breakdown.

Applicants applying for funding as part of a joint application may be asked to supply Financial Due Diligence Documentation for all members.

Applicants that are currently undergoing a merger process should provide the financial forecast models that have been completed as part of the due diligence process or if due to undertake a merger, should provide this as soon as it is available. This information will be used to ensure that, if funding is approved, the merged organisation has the financial security to deliver the project.
7.5 Governance Arrangements

London Economic Action Partnership

All funding decisions will be subject to LEAP agreement. LEAP is the local enterprise partnership for London. Chaired by the Mayor, LEAP is the body through which he works with London's boroughs, business and TfL to take a strategic view of the regeneration, employment and skills agendas for London. While LEAP makes recommendations to the Mayor with regard to funding and policy decisions, it does not directly deliver services. For more information on LEAP, visit www.lep.london.

Greater London Authority

The GLA will be the accountable body for the disbursement and management of funding awarded, and therefore all recommendations from LEAP will be subject to formal approval from the GLA's Corporate Investment Board (CIB) and the Mayor or relevant director (as applicable). The CIB meets on a weekly basis to discuss a range of matters in relation to investment, financial and output driven performance against year-end expectations, GLA Group budget priorities, budget strategies and outcomes. For information on the Board's membership and terms of reference please refer to https://www.london.gov.uk/about-us/governance-and-spending/good-governance/decision-making

Skills for Londoners Taskforce

The Skills for Londoners Taskforce will have a twin focus on ensuring that London's 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. SfL will take a strategic view on priorities for capital investment in London's skills sector and will advise LEAP on funding allocations.

For more details on the Skills for Londoners Taskforce or membership please visit www.london.gov.uk/skills-taskforce.
PROJECT MONITORING AND EVALUATION

When the project has been approved by LEAP and the GLA, the applicant will enter into a grant agreement with the GLA. Upon receipt of full approval, the applicant will be given a deadline by which the project must be formalised in grant agreement. If the grant agreement is not confirmed within the specified time period, the offer of funding may be withdrawn.

8.1 Reporting and Claims

Funding will be paid quarterly in arrears or as agreed in the grant agreement, taking account of the agreed project budget, cash flow, progress of the scheme and on submission of detailed evidence of costs incurred and goods / services received. Invoices will be processed and paid within 30 days of the date of receipt by the GLA payment team.

Please be aware that if you are awarded funding, you will need to be able to provide evidence that the funds have been spent as proposed and we reserve the right to audit your project, in addition to the requirement to provide evidence of invoices, staff salaries, and achievement of milestones with claims for funding.

From the point at which a funding agreement is entered, progress and performance reporting will be required on a monthly basis until practical completion. All projects will be required to provide monitoring information beyond the end date of the capital expenditure.

8.2 Design Dialogue Arrangements and Project Reviews

The Regeneration Unit will monitor the design development of successfully funded projects, and specifically track the stated design and project aims and ambition at bid stage in the design development and delivery.

With the delivery partner we will agree a set of design dialogue arrangements for inclusion the funding agreement. These arrangements are bespoke for each project, and will set out how the delivery partner will communicate and share information and how the Regeneration Unit can have a continued involvement in the quality management of projects, providing design and regeneration advice during the different stages ranging from scoping, procurement, concept and detail design development through to delivery.

Design dialogue arrangements in all cases will include project reviews, an important part of how we make sure we are investing in high quality projects.

All of our projects are subject to a series of informal, internal and formal reviews as part of the design dialogue arrangements so we can ensure high standards of design. The Regeneration Unit can draw from a pool of external built environment experts in delivering these project reviews. The reviews enable us to looks at the funded proposal, but also the wider place, i.e. how the project is experienced, how it looks and feels, and how it contributes to an overall strategy for change, enhancement and economic uplift.

Each review panel is put together to fit each particular project and to be proportionate to the level of intervention. The panel contributes expertise and provides an external check on progress. The reviews are loosely structured as a design surgery to encourage constructive conversation with the project partner and the design team.

In some cases, a design to delivery milestone will be included where certain conditions for design must be met (to be assessed at design review stage) to enable drawdown of funding for the delivery of the project to commence.

8.3 Independent Monitoring Surveyor

Some projects may be monitored by the GLA's Independent Monitoring Surveyor (IMS) services. The IMS will provide the GLA with initial, monthly or quarterly (as required) and final reports as your project reaches practical completion. Applicants must comply with the monitoring requirement of the IMS and provide information in a timely manner as these reports allow the GLA to verify your claims and approve payments. Information required by the IMS will depend on the stage of the project but typically includes contractor progress reports, tender
documentation, statutory and other consent documentation, completion certificates and policies such as insurance and collateral warranties. As part of the process, projects may be required to facilitate site visits. All documentation required by the IMS is information that the project would be required to make available for audit purposes. More information on the requirements of the IMS monitoring will be shared with the applicant when entering into a grant agreement.

8.4 Evaluation

A strong emphasis is placed on measuring and assessing the outcomes and benefits delivered either directly or indirectly by investments, most importantly the outcomes of student’s progression into employment. A requirement of the grant agreement is that 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. Applicants will need to provide evidence of the achievement of outputs and benefits. Further guidance on definitions will be made available in due course.
APPENDIX 1 - POLICY CONTEXT

Post-16 Skills Plan

In July 2016 the Government published the Post-16 Skills Plan, its ambitious framework to support young people and adults to secure a lifetime of sustained skilled employment and to meet the needs of our growing and rapidly changing economy.

Having appointed an expert panel chaired by Lord Sainsbury to offer advice on reforms to the system, the plan set out the Government’s response which was to broadly accept the panel’s recommendations.

The ambition of the plan is that every young person, after an excellent grounding in the core academic subjects and a broad and balanced curriculum to age 16, is presented with two choices: the academic or the technical option.

The technical option will prepare individuals for skilled employment which requires technical knowledge and practical skills valued by industry. It will cover college-based and employment-based (apprenticeship) education, building on reform of the apprenticeship system, including arrangement for the introduction of a new levy.

A streamlined new system will comprise a common framework of 15 routes across all technical education. The routes will group occupations together to reflect where there are shared training requirements.

The current qualifications landscape will be overhauled to ensure that only high-quality technical qualifications which match employer-set standards are approved by the new Institute for Apprenticeships and Technical Education.

The Government’s commitment to the Post-16 Skills Plans was set out in its green paper, published in January 2017, Building Our Industrial Strategy:

1. Action to improve basic skills
   - Exploring how to support FE colleges to be centres of excellence in teaching English and maths.
   - Introducing new legislation through the Digital Economy Bill to introduce a statutory entitlement to digital skills.

2. Creation of a new system of technical education
   - Creating 15 core technical “routes” as set out in the Post-16 Skills Plan (see above). The first routes are expected to be delivered in September 2019.
   - Working with the sector to explore ways to attract more industry specialists to work with and in the sector to increase the quality of technical training.
   - Providing £170 million of capital funding nationally to support higher level technical education via Institutes of Technology (IoTs) in all regions (see below).
   - Reviewing the current loan system for technical education for 19+ learners and the various restrictions on accessing it.
   - Reviewing the option to create maintenance loans for technical education.
   - Exploring a similar platform to UCAS for technical education.

3. Addressing STEM shortages
   - Proposing measures to improve the take up of advanced maths and close large regional imbalances.
   - Considering how to enable the specialist maths school model pioneered by Exeter and King’s College London to spread, and seek partners to open maths schools of this kind across the country.
4. Identifying and addressing sector-specific skills gaps

- Working towards a single, authoritative view of the skills gaps faced by the UK now and in the future.

5. Higher quality careers information and advice

- Reviewing the careers offer for people of all ages, with a view to publishing a comprehensive strategy later this year for careers IAG.

6. Testing new approaches to lifelong learning

- Promoting retraining through direct outreach and the ‘contact moments’ people have with government.
- Compiling information on training opportunities, costs, government support and likely employment benefits.
- Ensuring better signposting and promotion of online training.

London’s economic evidence base 2016

London is an international city with a long history shaped by globalisation. The capital’s interconnectedness with the global economy has led to increased trade and allowed industrial specialisations to emerge; over time, this has caused significant changes to the structure of London’s economy.

Many of these specialised activities have grouped together in specific areas of London, meaning that some areas (particularly central) have relatively high levels of employment compared to the London average. Reflecting the higher demand for specialist skills, the jobs within these specialisations generally have higher annual pay compared to the London average.

The higher earnings prospects, together with high levels of transport connectivity, mean that employers can draw on a broad pool of labour. Generally less than half of London’s workforce works in the same sub-region they live in.

The concentration of specialised activities – and the inflows of people and workers it attracts – also generates demand for further economic activities in other parts of London and the rest of the UK. In addition, London’s growing population generates a demand for localised services (such as education, healthcare, retail and other customer services). These industries are likely to continue to grow in line with London’s future population.

As measured by GVA, London’s total economic output was worth around £364 billion in 2014, 6.8 per cent higher than in 2013. In 2014, London accounted for 22.5 per cent of the UK’s total GVA, up from 18.9 per cent in 1997.

In 2014, London’s service exports totalled £92.1 billion, with London accounting for over two-fifths of the UK’s total export of services. London’s largest exporting sectors were in financial services, travel services; and in the real estate and professional, scientific and technical activities sector.

Europe accounted for 52 per cent of total UK service exports in 2013, with the European Union accounting for around three-quarters of the European continent total.

London exported around £28.7 billion worth of goods in 2014, a 23 per cent increase on 2003. Therefore London’s total exports (goods and services) were estimated to be worth £120.8 billion in 2014.

The structure of London’s economy has changed over the last 40 years, with significant increases in jobs in service sector activities. However the number of jobs in the manufacturing sector in London has fallen by 85 per cent since 1971.

Between 1971 and 2015, the total number of jobs in London has increased by almost one million. The Professional, scientific and technical activities sector accounts for the largest number of jobs, at 755,000 (or 14 per cent).
Compared to Great Britain, London is specialised (in terms of jobs) in both the Information and communications sector and the Financial and insurance activities sector.

Within these broad sectors there are a large number of significant subsectors of particular specialisation within London. In addition to this specialisation, there are significant levels of employment in a number of broad sectors – making for quite a diverse economic structure.

London has higher levels of labour productivity when compared to the rest of the UK. The GVA per workforce job for London is around 36.5 per cent higher than the UK as a whole.

In terms of economic output, the Financial and insurance activities sector is the largest single sector in London, generating £68.7 billion of GVA and accounting for 18.9 per cent of London’s total economic output.

The spatial make-up of London’s economy shows that other industrial sectors are important to different boroughs. The Financial and insurance activities sector accounts for 66.6 per cent of total output in the City of London; whereas in Hillingdon, the distribution, transport, accommodation and food sector accounts for 39.7 per cent of output; and in Barking and Dagenham, the production industries account for 21.2 per cent of total output.

Through trade and specialisation, London has become a major global city. However, in terms of sheer size, New York and Tokyo generate more total output; whereas cities such as Shanghai and Singapore have been growing faster, with compound annual growth rates averaging over five per cent between 2006 and 2014, compared to 2.4 per cent in London.
APPENDIX 2 - ASSESSMENT CRITERIA

Expression of Interest Stage Criteria

<table>
<thead>
<tr>
<th>Criteria and scoring framework</th>
<th>Description</th>
<th>Score</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rationale and strategic fit</strong></td>
<td>Assessment of the strategic fit with priorities</td>
<td>0-5</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Measurable Outputs, wider outcomes and benefits</strong></td>
<td>The extent to which the project will deliver tangible and measurable outputs and benefits and contribute to wider regeneration, social value, equality and inclusion, sustainability and place-making objectives</td>
<td>0-5</td>
<td>30%</td>
</tr>
<tr>
<td><strong>Value for money</strong></td>
<td>Assessment of value for money of the proposal</td>
<td>0-5</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Deliverability of proposed project</strong></td>
<td>Affordability and deliverability</td>
<td>0-5</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Key documents</strong></td>
<td>Projects must provide a full set of key documents required to qualify for consideration</td>
<td>Y/N</td>
<td>N/A</td>
</tr>
</tbody>
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<th>Scoring</th>
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## Application Stage Criteria

### Criteria and scoring framework

<table>
<thead>
<tr>
<th>Criteria and minimum requirements</th>
<th>Description</th>
<th>Score</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligibility and minimum requirements</td>
<td>Continued demonstration of eligibility for funding and must meet the minimum requirements</td>
<td>Y/N</td>
<td></td>
</tr>
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</table>

### Strategic fit

<table>
<thead>
<tr>
<th>Description</th>
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<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment of the strategic fit with priorities as outlined in the prospectus</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Responsive and adaptable to current and future requirements of employers and learners through development, modernisation and rationalisation of facilities</td>
<td>0-5</td>
<td>(20%)</td>
</tr>
<tr>
<td>Improves quality of provision and learner satisfaction, progression and success rates</td>
<td>0-5</td>
<td>(15%)</td>
</tr>
<tr>
<td>Supports increased levels of apprenticeship delivery and/or progression to the highest levels of vocational and technical study</td>
<td>0-5</td>
<td>(15%)</td>
</tr>
<tr>
<td>Demonstrates collaboration with employers, in particular through bringing businesses directly into the institution and supporting the creation of jobs, as well as collaboration with schools, other education providers and local authorities</td>
<td>0-5</td>
<td>(20%)</td>
</tr>
<tr>
<td>Assessment of the strategic fit with priorities as outlined in the prospectus</td>
<td>0-5</td>
<td>(30%)</td>
</tr>
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### Measurable outputs and benefits

<table>
<thead>
<tr>
<th>Extent to which the project will deliver tangible and measurable outputs and benefits</th>
<th>Score</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5</td>
<td>(60%)</td>
<td></td>
</tr>
<tr>
<td>Of which - Project demonstrates that it will make a positive architecture and design contribution and is aligned to local planning frameworks</td>
<td>0-5</td>
<td>(10%)</td>
</tr>
<tr>
<td>Of which - Project contributes to making London a resilient, green and resource efficient city through sustainability interventions and BREEAM certification</td>
<td>0-5</td>
<td>(10%)</td>
</tr>
<tr>
<td>Of which – Project delivers against social value objectives</td>
<td>0-5</td>
<td>(2.5%)</td>
</tr>
<tr>
<td>Of which – Project reflects the need of all learners and delivers inclusive design</td>
<td>0-5</td>
<td>(7.5%)</td>
</tr>
<tr>
<td>Of which – Project provides support to local economies</td>
<td>0-5</td>
<td>(10%)</td>
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### Measurable outputs and benefits

<table>
<thead>
<tr>
<th>Extent to which the project will deliver wider benefits of investment</th>
<th>Score</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>As below</td>
<td></td>
<td></td>
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<td>-----------------------</td>
<td>-----------------------------------------------------------------------------</td>
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<td>Value for Money</td>
<td>Assessment of value for money of the proposal including assessment of costs, outline net present value (NPV) of the project</td>
<td></td>
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<td></td>
<td>Assessment of costs (explanation and evidence to support cost estimates)</td>
<td>0-5</td>
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<tr>
<td></td>
<td>Assessment of value for money based on investment appraisal (NPV) and assessment of full benefits</td>
<td>0-5</td>
</tr>
<tr>
<td>Deliverability</td>
<td>Suitability of proposed delivery and governance arrangements covering the following</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Affordability (assessment by GLA Finance of the affordability of the proposal in relation to recent financial performance and prospective financial stability)</td>
<td>0-5</td>
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<td></td>
<td>Clear and robust procurement and delivery approach and governance arrangements</td>
<td>0-5</td>
</tr>
<tr>
<td></td>
<td>Provision of a clear and robust risk register and realistic mitigation strategy</td>
<td>0-5</td>
</tr>
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<td></td>
<td>Approach to monitoring and evaluation</td>
<td>0-5</td>
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FOR MORE INFORMATION

Regeneration Team
Greater London Authority,
City Hall, The Queen's Walk,
London SE1 2AA

www.london.gov.uk/skillsfund

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Public Liaison Unit  Telephone 020 7983 4100
Greater London Authority  Minicom 020 7983 4458
City Hall, London SE1 2AA  www.london.gov.uk

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