

CABINET MEMBER DELEGATED DECISION 19 AUGUST 2020

Report title: Talent Development Grants, South London Innovation Corridor

Wards: All

Portfolio: Cabinet Member for Jobs, Skills & Community Safety: Councillor Jacqui Dyer

Report Authorised by: Eleanor Purser and Sara Waller: Strategic Directors for Sustainable Growth and Opportunity

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Report summary

The South London Innovation Corridor (SLIC) is partnership between Lambeth, Lewisham, Southwark and Wandsworth councils. The partnership has received a total grant of £8,000,000 funding from the City of London, with £1,000,000 to deliver talent development in digital and creative industries. Lambeth Council is responsible for managing the funding and proposes to use a grant process, to invite applications and to have a selection process based on key requirements and best value. This report seeks approval for this route, as well as delegated authority to enter into grant agreements with the successful applicants.

Finance summary

The South London Innovation Corridor is funded through the Strategic Investment Pot, which is administered by the City of London. The Talent Development strand of this programme is budgeted for £1,000,000 revenue. The Programme Management team would like to run three bidding rounds for this fund from August 2020 until April/May 2021. Outputs will be delivered until March 2022.

Recommendations

1. To approve the use of a grant process to appoint delivery partners, to deliver outputs
2. To delegate the authority to approve Talent Development Grants to the Assistant Director for Economy and Inwards Investment

1. CONTEXT

1.1 Creative and Digital Industries in Lambeth

In 2018 Lambeth published 'Creative Ways to Grow – Lambeth's Creative & Digital Industries Strategy for Growth'. This document set out the vision that for Lambeth to have an integrated approach to industry partnerships, workspace, skills, culture and lifestyle and encourage inclusive growth in its communities. The strategy noted five actions –

- Space – We will protect and grow workspace across the borough
- Business friendly services – We will join together service areas across the council to support inclusive growth
- Networks and support – We will develop a strong business 'ecosystem' for creative and digital businesses
- Place – We will foster culturally vibrant places that showcase the borough's creative past and future
- Talent – We will work with employers and innovate to tackle inequality in the creative and digital industries.

One of the initiatives that Lambeth proceeded with, following the strategy is the South London Innovation Corridor. This programme encompasses all five of the actions, working in conjunction with four partner boroughs.

The South London Innovation Corridor (SLIC) is partnership between Lambeth, Lewisham, Southwark and Wandsworth Councils, with Lambeth as the accountable body. SLIC is funded through Strategic Investment Pot (SIP), which is managed by the City of London, who Lambeth entered into contract with in 2019. SLIC is an £8,000,000 programme which seeks to tackle inequality in the Creative, Digital and Tech sectors, through a series of interventions such as providing workspace, business support and talent development. Interventions must have at least 50% BAME and 50% Women outcomes.

This report is focused on the £1,000,000 talent development strand. We intend to use this funding to commission a wide variety of projects, that will be delivered to residents across the four partner boroughs.

The outputs associated with this strand are 500 people receiving one or more of the following –

- Paid work experience
- Pre employment or Pre apprenticeship training
- Employment
- An apprenticeship either entering into one that exists or one that has been created
- In work progression

The programme management team are ready to begin appointing providers for these outputs. It is envisaged that there will be a range of programmes from the smaller, from £5,000 up to £50,000, to the larger £50,000 up to £180,000. The SLIC programme management team would like to procure a range of providers of different sizes. This will ensure that the appointment is inclusive and fosters innovation.

- 1.2 Extensive consultation has occurred with the Council's Procurement Team. Due to the innovative nature of the programme, coupled with the need to ensure a wide range of providers and offerings,

the Programme Management have been advised that the grant process is the most suitable and expedient method of appointing providers.

2. PROPOSAL AND REASONS

2.1 It is proposed to use the grants process to appoint providers to deliver the South London Innovations Corridor's, Talent Development outputs.

2.2 This process relates to the approval of a grant to a range of specialist talent development services in the cultural, digital or tech industry for the SLIC programme, across the four partner boroughs.

2.3 There are a number of key issues which this process aims to address:

- SLIC seeks to increase the number of women and BAME participants in the Cultural, Digital and Tech sectors, by giving participants the skills that employers in these industries require. This will contribute to reducing inequality through training opportunities provided as result of courses commissioned on completion of the procurement exercise.
- The current system is not delivering the diversity in these sectors that the partner boroughs are wanting to see. Therefore, we are seeking projects that have an aspect of innovation and system change to them, that will trial new approaches and seek to imbed these longer term.
- SLIC would like to develop relationships with good quality, community-based providers who could offer niche provision for some of the most underrepresented citizens, who perhaps have not engaged with the council before.
- Smaller providers are likely to need some coaching to go through the granting and monitoring process. This support is likely to be in the form of seminars and question and answer sessions.
- SLIC will need to balance this out with some larger grant recipient who are able to deliver high volume outcomes and are likely to have had local government funding previously so will be prepared for the monitoring requirements.

2.4 We propose carrying out a grant process to ensure the allocated funding is spent in a timely manner, allowing outcomes to be realised by the 2021/22 financial year. There are to be at least three bidding rounds. The first will see grants awarded by August/September 2020. The second is likely to be run in the winter/spring of 20/21 – this will give providers who may have received smaller amounts of funding, a chance to scale up successful activity. The third is to be run in the first quarter of 2021/22. This also ensures that any business who may currently be affected by the Covid-19 crisis, will have a chance to bid at a later stage. The grants process will be split into two separate contract elements.

2.5 Piloting Innovation

Firstly, £250,000 for packages of up to £50,000 for smaller organisations who have perhaps not worked with the council before, or who have less infrastructure to enable large scale delivery. We have been approached by a number of smaller organisations who would like to work intensively with a small number of people. These organisations are also less likely to have large bid writing teams to help them secure the funding. These small interventions should be innovative in their approach and reach to those in the partner boroughs who have perhaps not been involved in this type of project before. They are likely to deliver interventions such as, but not limited to – one to one bespoke training in how to pitch for a creative project such as a video advert, plan the project, film and edit, then deliver to the client, or take part in cloud computer training, or become an apprentice to a digital or creative company.

2.6 Scaling Innovation

Secondly, £550,000 for packages of up to £180,000 with the possibility of being extended to £250,000 if the application is exemplary and there is confidence that a large number of outcomes

could be reached. These are likely to be the more traditional training providers, who have had experience of delivering local government contracts. These activities could include but are not limited to – formal training in visual arts, pre-apprenticeship training, training in essential computer programmes for the creative and digital industries or further training for those already in work.

- 2.7 Both packages should be aiming to reach at least 50% outcomes for BAME and/or women, as required in the SLIC contract. These groups are shown to be under represented in the Creative, Digital and Tech industries and are the focus of the SLIC programme. This is an outcome noted in the contract with the City of London.
- 2.8 All delivery of the outcomes noted above in the context section, will take place in the boroughs of Lambeth, Lewisham, Southwark and Wandsworth. Some of the smaller commissions may only deliver in one or two of these boroughs, but it is expected that the larger commissions will deliver across all four.
- 2.9 There is a possibility that an organisation who receives funding in the Small Grants/Innovation funds, could bid in a later round for the Scaling /promising innovations, should they have been successful with their delivery.
- 2.10 There are a good number of education and training providers who will be interested in tendering for these services. There are a range of providers already in existence, who possess the capability and expertise to deliver the services as set out in the core specification. We are confident that there will be a sufficient number of bidders.
- 2.11 Rounds and funding splits are proposed as follows –
- **Package 1: Piloting innovation.** With a total budget of £100,000 in Round One, we will fund smaller scale projects of between £5,000 - £50,000.
 - **Package 2: Scaling Innovation.** With a total budget of £200,000 in Round One, we will fund larger scale projects of between £50,001 to £180,000.

 - **Round one** – August/September 2020. Total budget – capped at £300,000 total allocated grant – (£100,000 to Piloting Innovation and £200,000 to Scaling Innovation)
 - **Round two** – November/December 2020 – capped at £300,000 total allocated grant
 - **Round Three** – April 2021 – capped at £350,000 total allocated grant.

Grant Management

- 2.12 Grants will be monitored on a quarterly basis in line with the requirements from the City of London.
- Each organisation will be paid for a certain number of outputs, as detailed in 1.1. Smaller organisations who are granted funds under the Piloting Innovation category, may receive a small percentage of funds to enable the commencement of delivery. They will be required to detail spend and outputs on a quarterly basis and will receive payments as per the schedule of payments in their grant agreement.
 - Larger organisations will be paid upon delivery of outcomes which will be detailed in the schedule of payments in their grant agreements.

Statement of Requirement

- 2.13 A statement of Requirement has been drafted and is attached to this report as Appendix A.

3. FINANCE

- 3.1 The total SLIC grant is £8,000,000 of which £1,000,000 is allocated to Talent Development strand.
- 3.2 From the approved Talent Development allocation, £988,000 remains to fund the procurement of employment and training services.

3.3 The proposed funding schedule is split into 3 rounds and is shown in table 1 below

Table 1: Proposed Funding of SLIC Talent Development Grant

Proposed Round of Funding	Allocated Budget	Notes
Round one – August/September 2020	£300,000	
Package 1: Piloting innovation	£100,000	fund smaller scale projects of between £5,000 - £50,000
Package 2: Scaling Innovation	£200,000	fund larger scale projects of between £50,001 to £180,000
Round two – November/December 2020 – capped at £300,000 total allocated grant	£300,000	Packages tbc
Round Three – April 2021 – capped at £350,000 total allocated grant	£350,000	Packages tbc
Unallocated Funding	£38,000	
Projected Total of Funding	£988,000	

3.4 Lambeth Council is the host body for the SLIC grant and will be responsible for procuring the education and training services for the partnership boroughs. (Lewisham, Southwark and Wandsworth)

3.5 Payments of the grants will only be made once the agreed milestones and outcomes are reached.

4. LEGAL AND DEMOCRACY

4.1 The authority to enact this report's recommendations is delegated to the Cabinet Member for Jobs, Skills & Community Safety. Before exercising that authority, it would be prudent to have this paper peer-reviewed by the Procurement Board.

4.2 Section 1 of the Localism Act 2011, which provides the Council with the power to do anything that individuals generally may do. This power can be used for commercial purposes. The Council may exercise this power for, or otherwise than for, the benefit of the authority, its area, or persons resident or present in its area.

4.3 Section 111 of the Local Government Act 1972 provides powers for a local authority to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.

4.4 Should any of the awards fall under the purview of the Public Contract Regulations, then, as the services are to do with education, training, social matters, the "Light Touch Regime" would apply only if the value of any individual arrangements exceeded £615,278 in value. For awards below that threshold, the Council's duty is to act reasonably and proportionately when identifying candidates and evaluating the efficacy of making awards to particular service providers.

- 4.5 This proposed key decision was entered in the Forward Plan on 20 August 2020 and the necessary 28 clear days' notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5. CONSULTATION AND CO-PRODUCTION

- 5.1 The Lambeth Creative and Digital Industries strategy, from which the South London Innovation Corridor was created, was informed by a significant amount of evidence building and engagement, primarily through the Lambeth Creative and Digital Industries Study 2017 and the production of our London Borough of Culture bid — *Radical Hearts Open Minds*.

This included:

- The formation of an Advisory Group made up of representatives from across Lambeth's existing CDI organisations (including B3 Media, BFI, Champion Agency, ITV, Southbank Centre) Business Improvement Districts, education providers (including King's College London, London South Bank University, Morley College), workspace operators, pan-London business support organisations (Capital Enterprise) and other partners (including Greater London Authority, Guys and St Thomas' Charity, Young Lambeth Coop).
- Several events with over 100 local stakeholders, exploring the cultural distinctiveness of Lambeth and future ambitions for change.
- A survey of local businesses, with 160 responses.
- A literature review, including research already undertaken by organisations such as Creative Industries Federation and Tech UK.
- In-depth interviews with 40 stakeholders.
- A review of the property market and planning framework relating to the creative and digital economy.
- Workshops — with businesses, sector-focused business support bodies, property developers, and education providers

6. RISK MANAGEMENT

- 6.1 The Programme Team have developed a risk register in Table 1 below. The main risks that might impeded on the successful delivery of this procurement and contract are:

Table 1. – Risk Register

Item	Risk	Likelihood	Impact	Score	Control Measures
1	Lack of interest in proposal	Unlikely (2)	Serious (4)	8	Approach providers proactively and engage market to encourage interest and allow early preparation if interest is low.

2	A large number of bids are received	Likely (3)	Significant (2)	6	Ensuring that there is sufficient resource to evaluate bids and feedback on proposals. This could be officers from the other boroughs participating in the scoring and possible interviewing of providers bids.
3	Poor standard of bids	Unlikely (2)	Significant (2)	4	Ensure process clearly states minimum expectations.
4	Delays to planned timeline	Likely (3)	Major (8)	24	Routine monitoring of plan to avoid delays. Resource planning to ensure officers within the wider division (from Economic Inclusion team) and partner boroughs make time to assist SLIC colleagues with the procurement and contracting process. Ensure providers are able to deliver immediately at invitation stage. Should procurement start during the Covid 19 lockdown period, proposals will need to show how they can deliver under these conditions.
5	Providers are not able to meet their contracted target numbers.	Unlikely (2)	Major (8)	16	Regular monitoring of enrolments from each provider each month. Support for recruitment and targeted actions. Payment will be in stages and noted in the contracts of each provider. Payment will be on delivery of milestones agreed at contracting stage.
6	Continuity of service provisions	Unlikely (2)	Significant (2)	4	A business continuity plan will be sought for all providers at contract award to ensure there are robust actions to minimise disruption to service. This should include actions during the Covid 19 lockdown and recovery time. Additionally, there are a range of providers who could deliver the services in the event of provider failure.

Key

Likelihood	Very Likely	4	Likely	3	Unlikely	2	Very Unlikely	1
Impact	Major	8	Serious	4	Significant	2	Minor	1

7. EQUALITIES IMPACT ASSESSMENT

- 7.1 As the South London Innovation Corridor emerged as an action from the 'Creative Ways to Grow-Lambeth's Creative and Digital Industries Strategy for Growth', document, the EIA that was developed for this document applies.

8. COMMUNITY SAFETY

- 8.1 Not applicable

9. ORGANISATIONAL IMPLICATIONS

Environmental

- 9.1 None

Health

- 9.2 None

Corporate Parenting

- 9.3 None

Staffing and accommodation

- 9.4 None

Responsible Procurement

- 9.5 There has been extensive consultation with the Procurement Team, who have advised that the issuing of grants is the most suitable way to obtain the services required.

Good Quality Jobs with Fair Pay and Decent Working Conditions

- 9.6 As noted in 1.1 the SLIC programme is seeking partners to deliver 500 – jobs, apprenticeships, work experience, training or internships.

Quality Apprenticeships, targeted Employment for Lambeth residents and Lambeth Priority Group

- 9.7 As noted in 1.1 this programme is seeking partners to deliver some apprenticeships across the partner Boroughs

Reduce Emissions: Lambeth Council has a commitment to being Zero Carbon by 2030

- 9.8 None.

Single Use Plastics

- 9.9 None

Positive Health and Wellbeing

- 9.10 None

Other Offers (Innovation)

- 9.11 None

10. TIMETABLE FOR IMPLEMENTATION

Activity	Proposed Date
Date published on Forward Plan	20 July 2020
Submission to Procurement/Category Board Administrator	27 May 2020
Procurement/Category Board Date	16 June 2020
Publication of Grant	3 August 2020
Submission Deadline	5pm 27 August 2020
Officer or Cabinet Member Decision	19 August 2020
Grants Awarded	31 August 2020
Mobilisation Period for Contract	September 2020
Commencement of Contract	October 2020

AUDIT TRAIL				
Consultation				
Name and Position/Title	Lambeth Directorate	Date Sent	Date Received	Comments in paragraph:
Councillor Jacqui Dyer	Cabinet Member for Jobs, Skills and Community Safety	6.8.20	11.8.20	
Eleanor Purser and Sarah Waller	Strategic Directors for Sustainable Growth and Opportunity		10.08.20	
Nabeel Khan	Sustainable Growth and Opportunity	10.8.20	10.8.20	
Paul Badiani/Matthew Gaynor, Finance	Finance and Property	28.7.20	3.8.20	3
Michael O’Hora, Legal Services	Legal and Governance	28.7.20	29.7.20	4
Maria Burton, Democratic Services	Legal and Governance	28.7.20	04.08.20	4
Sasa Glisic	Procurement	29.7.20	4.8.20	1,6

REPORT HISTORY	
Original discussion with Cabinet Member	10.7.20
Report deadline	N/A
Date final report sent	N/A
Part II Exempt from Disclosure/confidential accompanying report?	No
Key decision report	Yes
Date first appeared on forward plan	20.07.20
Key decision reasons	2. Expenditure, income or savings in excess of £500,000.
Background information	Cabinet Member Delegated Decision Report, 28 March 2019 – South London Innovation Corridor Programme Cabinet, 25 June 2018: Lambeth Creative & Digital Industries Strategy for Growth Equality Impact Assessment – Creative and Digital Strategy
Appendices	Appendix A – Statement of Requirement

APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board, and taken account of their advice and comments in completing the report for approval:

Signature: _____ **Date:** _____

Post: Nicola Whyte
Programme Manager, South London Innovation Corridor

I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:

Signature: _____ **Date:** _____

Post: Councillor Jacqui Dyer, Cabinet Member for Jobs, Skills & Community Safety