

# UKSPF Investment Plan for London

Version 1 (15 August 2022)

(abridged and subject to approval from UK government)

## Notes for readers:

This is an abridged version of the UKSPF Investment Plan submitted by the Greater London Authority to UK government on 28 July 2022.

The investment plan is subject to approval from UK government (anticipated in October 2022) and must therefore be read in the knowledge that amendments to the narrative and figures may be requested.

Provisional funding allocations, outputs and outcomes are included below, in addition to narrative which respond to questions posed by UK government.

There is some repetition in the narrative. This is deliberate as it accommodates the method for uploading the investment plan to the UK government's online portal.

## **UK government's introduction to the UKSPF Investment Plan**

### **Communities and Place, eligible for funding from 2022-23**

The Communities and Place investment priority will enable places to invest to restore their community spaces and relationships and create the foundations for economic development at the neighbourhood-level. The intention of this is to strengthen the social fabric of communities, supporting in building pride in place.

### **Supporting Local Business, eligible for funding from 2022-23**

The Supporting Local Business investment priority will enable local areas to fund interventions that support local businesses to thrive, innovate and grow.

### **People and Skills, eligible for funding from 2024-25 only**

Through the People and Skills investment priority, places can use their funding to help reduce the barriers economically inactive people face to employment and support them to move towards employment and education. Places can also target funding into skills for local areas to support employment and local growth.

# Communities and Place

## Proposed funding allocation in London

Ref	Intervention	Revenue	Capital	Total
E1	Funding for improvements to town centres and high streets, including better accessibility for disabled people, including capital spend and running costs.	£1,193,128	£10,806,872	£12,000,000
E3	Creation of and improvements to local green spaces, community gardens, watercourses and embankments, along with incorporating natural features into wider public spaces.	£861,400	£7,138,600	£8,000,000
E4	Enhanced support for existing cultural, historic and heritage institutions that make up the local cultural heritage offer.	£1,165,960	£4,834,040	£6,000,000
E6	Support for local arts, cultural, heritage and creative activities.	£736,932	£4,263,068	£5,000,000
E9	Funding for impactful volunteering and/or social action projects to develop social and human capital in local places.	£3,000,000	£0	£3,000,000
E13	Community measures to reduce the cost of living, including through measures to improve energy efficiency, and combat fuel poverty and climate change.	£6,126,812	£0	£6,126,812
	<b>TOTAL</b>	<b>£13,084,232</b>	<b>£27,042,580</b>	<b>£40,126,812</b>

## Proposed outputs and outcomes

Output	E1	E3	E4	E6	E9	E13	TOTAL
Number of commercial buildings developed or improved (numerical value)	50						50
Amount of commercial buildings developed or improved (m2)	50,000						50,000
Amount of public realm created or improved (m2)	40,000						40,000

Number of organisations receiving non-financial support (numerical value)						2,000	2,000
Number of households receiving support (numerical value)						1,500	1,500
Number of local events or activities supported (numerical value)				1,000			1,000
Amount of green or blue space created or improved (m2)		25,000					25,000
Number of trees planted (numerical value)		20,000					20,000
Number of Tourism, Culture or heritage assets created or improved (numerical value)			100				100
Number of volunteering opportunities supported (numerical value)				1,000	500		1,500

<b>Outcome</b>	<b>E1</b>	<b>E3</b>	<b>E4</b>	<b>E6</b>	<b>E9</b>	<b>E13</b>	<b>TOTAL</b>
Jobs created (numerical value)	1,000						1,000
Jobs safeguarded (numerical value)	1,000						1,000
Increased footfall (% increase)				15			15
Increased visitor numbers (% increase)		15					15
Improved perceived/experienced accessibility (% increase)			20				20
Improved perception of facilities/amenities (% increase)			20				20
Increased use of cycleways or paths (% increase)		10					10
Improved engagement numbers (% increase)					10		10
Increased take up of energy efficiency measures (% increase)						15	15

## ARE THERE ANY LOCAL CHALLENGES YOU FACE WHICH THAT FALL UNDER THE COMMUNITIES AND PLACE INVESTMENT PRIORITY?

### **London's recovery from the Covid-19 pandemic**

The context for the recovery is extremely challenging. Long-standing, socially embedded inequalities made many Londoners' experiences of Covid-19, and life afterwards, significantly worse (particularly for people from Black and Minority Ethnic communities; older Londoners; Deaf and disabled Londoners; members of LGBTQ+ communities; and women). Likewise, London's businesses and economy have seen particular sectors (such as tourism, hospitality, creative industries and the night-time economy) and particular places (such as the West End) more profoundly impacted than others.

This is also an opportunity. London's business and community groups, the Mayor of London, London Councils, the London Recovery Board (LRB), and leaders of London boroughs have been working together in an unprecedented way to implement a recovery plan that reimagines our city as a fairer, greener and more resilient place than it was before the pandemic. Successful delivery of the recovery plan will help address social, economic and health inequalities; achieve a cleaner, greener London; and ensure Londoners are at the heart of recovery.

The Economic Recovery Framework for London (London Councils/Mayor of London, 2021) identifies the need to restore confidence in the city, provide targeted support to London's most vulnerable communities, and rebuild the city's economy and society. The framework sets out action for dealing with the structural changes to London's economy, and fostering economic recovery, via five pillars: Jobs, Business, Thriving Neighbourhoods, Connected City and Global London. The framework articulates roles and responsibilities for the constituent parts of London's government. To achieve a 'full system response', it also identifies key opportunities for government, major institutions and business, to support recovery activities and levelling up.

The Building a Fairer London Plan (London Councils/Mayor of London, 2022) demonstrates an innovative, partner-driven shift in London's work to tackle deep-seated inequalities. It focuses on solutions and actions that LRB members can take on as employers, service providers and influencers. It also seeks to build a broader coalition across public, private, voluntary or charity sectors – one that is committed to targeted and sustained action to create striking, positive and enduring change.

This coordination of action, collaboration and analysis means we have a detailed understanding of the challenges facing London, and the partnerships in place to act purposefully and with impact.

### **Neighbourhoods, high streets and communities**

London's diverse and thriving local neighbourhoods are among the city's greatest strengths. Currently, 90 per cent of Londoners live within ten minutes of their local high street. For many people, the vitality of their immediate neighbourhood is a litmus test for London's economic strength and quality of life. Beyond their importance for those that live in and around them, dynamic high streets, markets and public spaces are also central to a city's global appeal.

London's high streets and town centres are the heartbeat of the capital's economy, and central to everyday life for most Londoners. The Central Activity Zone (CAZ) is London's vibrant centre: one of the world's most attractive and competitive business locations, and renowned worldwide for its shopping, culture and heritage. Outside the CAZ, pre-Covid Office for National Statistics (ONS) data showed that London's 600-plus high streets and their immediate surroundings make up 41 per cent of all businesses (200,000) and 28 per cent of all jobs in the capital (1.5m). They adapt to meet the varied needs of the diverse communities they serve.

Shifting consumer behaviour, the changing nature of work, dwindling local authority resources and the climate emergency mean that London's high streets have been facing challenges for some time. Covid-19 and the cost-of-living crisis have accelerated this process. Across the city, the picture is uneven. Where high streets are flourishing, local businesses, start-ups and existing communities can be priced out. Where high streets are struggling, the number of empty shops is increasing and food deserts are emerging, making these places even less attractive to visit and invest in. In both scenarios, community organisations struggle to access space to deliver services – and communities struggle to access services.

### **The need to level up across London**

We know that London has its strengths, and that the UK needs London to remain a top-tier global city that can attract investment, tourism, students and talent from around the world for the benefit of the whole country. At the same time, London also has its problems. It is the most unequal region in the UK and, due to its high costs of housing, it has some of the highest levels of poverty. Due to its geography, demographics and the types of industries that drive our economy, it has also been particularly hard hit by the pandemic.

The cost-of-living crisis is now hitting Londoners hard. Polling in May 2022 found that 28 per cent of Londoners say they are 'just about managing', while 15 per cent are 'financially struggling'. Meanwhile, 83 per cent of adults in London say their household cost of living has increased over the past six months.

Before the pandemic, 40 per cent of small businesses on the high street performed a social function; for example, barbershops are a place for young people to come together within London's Black communities. Many high streets play a significant role in supporting the most marginalised, vulnerable, or under-represented groups in society.

### **Climate change**

We are facing a climate emergency. The Mayor has moved forward London's net-zero target from 2050 to 2030 in response to the need for more urgent climate action. Investing wisely in our communities and places is essential to respond to the climate emergency. London is experiencing the impacts of climate change – from surface water flooding events in July 2021, closing hospitals, transport stations, schools and homes, to summer heatwaves that led to 500 excess summer deaths in 2019.

London's business sector produces around one-third of London's greenhouse emissions. Promoting active travel within our high streets and town centres will be important, as well as creating more climate-resilient green spaces across the city. All activity funded under this investment priority will need to support these and other actions to address the climate emergency.

#### **ARE THERE ANY LOCAL OPPORTUNITIES UNDER THE COMMUNITIES AND PLACE INVESTMENT PRIORITY THAT YOU INTEND TO SUPPORT?**

The partner-driven approach to co-design between London boroughs, London Councils and the GLA has driven the definition of this investment plan. It has also confirmed that aspects of the UKSPF investment priority 'Communities and Place' resonates strongly at a local level, namely:

- strengthening social fabric and fostering a sense of local pride and belonging, through investment in activities that enhance physical, cultural and social ties, and access to amenities, such as community infrastructure and local green space, heritage and culture projects and community-led projects
- building resilient, healthy and safe neighbourhoods through investment in quality places in which people want to live, work, play and learn, through targeted improvements to the built and natural environment, and support for volunteering.

The London Recovery Board's 'High Streets for All' mission aims to create thriving, inclusive and resilient high streets and town centres that are within easy reach of all Londoners. It is promoting local employment and near-home working, protecting existing community and cultural spaces and introducing new types of businesses and civic organisations. It is seeking to create better public spaces and exciting new uses for underused buildings in every borough by 2025.

The Economic Recovery Framework for London highlights opportunities to be grasped as a result of the pandemic. Since lockdown the importance of high-quality public realm and green space has never been more clearly recognised. Challenges remain but investing in London's high streets and neighbourhoods in ways that support their individual strengths is key to stronger and fairer economic growth and levelling up.

Having a diverse offer beyond simply retail is vital to the health of high streets, town centres and neighbourhoods. Culture and heritage that is reflective of London's diverse communities is an important part of this. The creative economy is estimated to provide one in six jobs in London, and the creative industries generate around £47bn for the London economy. The creative sector is also one of the fastest growing in London. London's night-time economy and diverse cultural offer are vital to its role as a 21st-century global city.

Parks and green spaces support the climate change agenda. They store carbon from both trees and soil, with London having 2.3m tonnes of carbon in its soil and 3.1m tonnes in its trees. They also improve the city's resilience to climate change. Trees and greenery help reduce the heat island effect. Parks can be used as flood defences. Other greenery, such as rain gardens and trees, also help absorb water and lessen the impact of flood events. Green space can improve biodiversity through rewilding and increase

local food supply. They can improve the mental well-being of communities through a connection with nature and encourage physical activity.

The UKSPF will also be used to tackle structural inequalities, which were laid bare during the pandemic. The Building a Fairer London Plan identified four priority actions, with the following two of relevance here:

- Public services tackle structural discrimination head on to eradicate all forms of inherent bias. Communities are involved in service design, having a say in how services are run; and organisations look like the communities that they serve.
- Civil society plays a central role, with thriving community and neighbourhood networks. Funding for civil society makes long-term continuity easier and rewards expertise in working with, and reaching out to, communities.

Interventions supported under this investment priority will be expected to demonstrate that equality, diversity and inclusion considerations have been incorporated into distinct delivery plans.

This investment plan represents an enabling framework for maximising use of Communities and Place funding across London. The activity delivered under this investment priority and reflected in this plan – including the allocations for each of the interventions – will inevitably evolve as the plan is operationalised and delivery starts. Priority interventions to maximise local opportunities and address local challenges have been identified as follows:

#### **E1 – Improvements to town centres and high streets**

This is a broad intervention, and high streets are a clear priority for London boroughs. We are including activities relating to E7 ‘Support for active travel enhancements in local area’ and E8 ‘Campaigns to encourage visits and exploring of local area’, ensuring they are supported within this intervention. Air quality, energy, green adaptation and green-space measures are also covered.

#### **E3 – Creation of and improvements to local green spaces**

This is a priority for London boroughs and linked to steps taken to ensure there are specific actions to drive nature’s recovery and provide wider environmental benefits. Climate change mitigations will be captured under this intervention. We are planning for this to also include the types of activities under E10 ‘Local sports facilities’.

#### **E4 – Enhancing existing cultural, historic and heritage institutions offer**

Supporting cultural and heritage is a priority for London government and boroughs, as it in turn supports the creative industries – a key growth sector for London. This intervention will consider decarbonisation measures to address the climate emergency.

#### **E6 – Local arts, cultural, heritage and creative activities**

Supporting local arts and culture activities is a clear priority for London government and boroughs, as it in turn supports the creative industries – a key growth sector for London.

#### **E9 – Impactful volunteering and/or social action projects**

This intervention will be funded to seek to align activity under the UKSPF People and Skills investment priority – including, for example, for pre-employment support. It will also capture relevant activity under E11 ‘Capacity building and infrastructure support local groups’ and E10 ‘Tournaments, teams and leagues’.

### **E13 – Community measures to address the cost of living**

Addressing the cost-of-living crisis is a priority for London government. The UKSPF is a limited funding source but will be used to promote energy efficiency to local communities (including climate change adaptation as well as mitigation); and to work with voluntary and community-sector organisations to deliver advice and support to London's most disadvantaged communities.

It is proposed that the programme of activities to support Communities and Place will achieve a series of outputs and outcomes, including: 90,000m<sup>2</sup> of commercial buildings developed or improved, or public realm improve; 25,000m<sup>2</sup> of green or blue space; 20,000 trees planted; 1,500 households supported to reduce the cost of living; and 2,000 jobs created/safeguarded.

The GLA, working with London Councils, has purposely selected a limited number of interventions to both achieve focus and ensure sufficient breadth to capture activities important for a global city as diverse as London. In addition, London boroughs have reflected that local opportunities include targeting interventions towards young people and older people, and activities to improve mental and physical health awareness and address cost-of-living inequalities.

# Supporting Local Business

## Proposed funding allocation

Ref	Intervention	Revenue	Capital	Total
E19	Increasing investment in research and development at the local level. Investment to support the diffusion of innovation knowledge and activities. Support the commercialisation of ideas, encouraging collaboration and accelerating the path to market so that more ideas translate into industrial and commercial practices.	£6,000,000	£0	£6,000,000
E23	Strengthening local entrepreneurial ecosystems, and supporting businesses at all stages of their development to start, sustain, grow and innovate, including through local networks.	£37,350,000	£0	£37,350,000
E24	Funding for new and improvements to existing training hubs, business support offers, 'incubators' and 'accelerators' for local enterprise (including social enterprise) which can support entrepreneurs and start-ups through the early stages of development and growth by offering a combination of services including account management, advice, resources, training, coaching, mentorship and access to workspace.	£7,375,000	£0	£7,375,000
E29	Supporting decarbonisation and improving the natural environment whilst growing the local economy. Taking a whole-systems approach to invest in infrastructure to deliver effective decarbonisation across energy, buildings and transport and beyond, in line with our legally binding climate target. Maximising existing or emerging local strengths in low carbon technologies, goods and services to take advantage of the growing global opportunity.	£6,973,004	£0	£6,973,004
E30	Business support measures to drive employment growth, particularly in areas of higher unemployment.	£4,500,000	£0	£4,500,000
	<b>TOTAL</b>	<b>£62,198,004</b>	<b>£0</b>	<b>£62,198,004</b>

## Proposed outputs and outcomes

Output	E19	E23	E24	E29	E30	TOTAL
Number of businesses receiving non-financial support (numerical value)	300	2100	800	400	400	4,000
Number of businesses receiving grants (numerical value)	150	150		50		350
Number of potential entrepreneurs provided assistance to be business ready (numerical value)		1500				1,500
Number of decarbonisation plans developed (numerical value)				250		250

Outcome	E19	E23	E24	E29	E30	TOTAL
Jobs created (numerical value)		100	600	100	166	966
Jobs safeguarded (numerical value)		1500	800	300		2,600
Number of new businesses created (numerical value)		200	100	25		325
Increased number of businesses supported (% increase)					10	10
Number of businesses introducing new products to the firm (numerical value)	200	150	100			450
Number of organisations engaged in new knowledge transfer activity (numerical value)	250					250
Number of premises with improved digital connectivity (numerical value)				100		100
Number of new to market products (numerical value)	50					50
Greenhouse gas reductions (% decrease in Tonnes of Co2e)	1			1		2
Number of businesses with improved productivity (numerical value)	250					250

Number of businesses engaged in new markets (numerical value)		400				400
Number of early stage firms which increase their revenue following support (numerical value)			400			400

## ARE THERE ANY LOCAL CHALLENGES YOU FACE WHICH FALL UNDER THE SUPPORTING LOCAL BUSINESS INVESTMENT PRIORITY?

As described above, London Councils and the Mayor of London have developed an Economic Recovery Framework for London, working closely with London boroughs and sub-regional partnerships. The framework has been endorsed by the London Recovery Board, which includes business and community leaders, and sets out a framework for action for dealing with the structural changes to London's economy and fostering economic recovery via five pillars: Jobs, Business, Thriving Neighbourhoods, Connected City and Global London. The framework coordinates action among the different levels of London government, whilst supporting a whole-systems approach through working with central government, business and key organisations such as anchor institutions. It is this Economic Recovery Framework on which the 'Supporting Local Business' investment priority has been based.

### Business

London is comprised of a diverse range of businesses – from some of the UK's most innovative and highly specialised companies, to firms carrying out the core activities that make the city function, employing millions of Londoners. London firms account for around a fifth of all UK businesses and 29 per cent of business turnover. But the pandemic has had a significant impact.

There was an 8 per cent decrease in the number of businesses in London between 2020 and 2021, and a 10.4 per cent decrease in the number of businesses with no employees (i.e. sole traders) during the same period. In 2020, London's business death rate (12.2 per cent) was higher than any other UK region (source: UK Parliament, 21 December 2021). The majority of businesses with no employees in the UK were negatively impacted by the pandemic, with 45 per cent reducing their operations and 33 per cent closing temporarily. In 2020, 60 per cent of businesses with no employees in the UK reported a fall in turnover.

Despite the economy showing signs of recovery, businesses and jobs are still at risk, particularly in sectors that rely heavily on face-to-face interaction or international travel. Supporting our businesses – particularly small firms that make up 99 per cent of the total – to adapt to the economy of the future is now more important than ever. We will promote a strong innovation-led recovery in which London's businesses, small and large, in both knowledge-intensive and foundational sectors (our 'everyday' businesses), can turn this crisis into an opportunity to become more resilient, increase productivity and support good growth.

The majority of London's businesses are within sectors that provide day-to-day goods and services. 'Everyday' small and micro businesses typically serve consumers and other local businesses. They include restaurants and local retailers, as well as businesses offering facilities management; cleaning services; construction services; IT services; legal, professional and administrative services; and specialised training. Everyday businesses often have revenue-based models and are not seeking investment to rapidly grow. They do, however,

build and strengthen local communities; bring investment and vibrancy to town centres; contribute to thriving high streets; and provide access to stable, local jobs. The challenge is to sustain this.

These businesses are crucial to maintaining the city's competitiveness and ensuring London remains a well-functioning and liveable city. Support is needed for those businesses and sectors that have been hardest hit by the pandemic. Some firms are bouncing back on their own, while others will benefit from support to build resilience, continue to provide employment, and help make London an attractive place to live, work and do business.

Concerns are rising about the level of debt that small and micro businesses are holding. In 2021, one-third of UK small businesses were classed as highly indebted, more than double the pre-pandemic level. Recent research highlights the strain that two years of extraordinary financial pressures have had on thousands of UK companies. The report reveals a 19 per cent jump in the number of companies in critical financial distress with government support measures cut off and costs spiralling (Begbies Traynor, Redflag report 2022).

The cost of doing business alongside rising inflation, and skills and labour shortages, is having an impact on small businesses at a time when the economic recovery is only just under way. The London Chamber of Commerce and Industry's (LCCI's) Capital 500 survey showed 61 per cent of London businesses reporting an increase in their fuel costs and a 69 per cent increase in their energy costs during the first quarter of 2022. LCCI research also found that nearly three-fifths (58 per cent) of London firms said they had a skills or resource gap in the second quarter of 2021.

Furthermore, a group of major developments – namely the end of the moratorium on eviction for non-payment of commercial rent; temporary changes to insolvency law restricting winding-up petitions in March 2022; changes to corporation tax thresholds; and business rate revaluation in April 2023 – could see business closures and insolvencies rise in the coming months.

## **Entrepreneurship**

New businesses and start-ups are especially important for job creation in London. As smaller firms, they face particular challenges as a result of the pandemic – from quickly having to adapt to digital work, to liquidity problems. To support a strong recovery, we must provide a more targeted and integrated offer to those wanting to start or grow a business in London. This provision would also help to maintain the vibrancy and dynamism of London's economy and includes support to business owners and the self-employed who face challenges and have had less access to government support.

London's small and medium-sized enterprise (SME) support ecosystem is not well designed to meet the needs of SMEs (Capital Enterprise and JP Morgan, 2020). London's ecosystem has the following issues:

- It is complicated and uncoordinated: research suggests there are many business support schemes, but these are difficult/labour-intensive to navigate by the SME.
- It is not client-centric: services are duplicated, and there is a lack of central coordinator who owns the SME end-to-end client experience.
- Services do not necessarily align with needs: generic pan-London support is available, but there is less specialised support, particularly for Black, Asian and Minority Ethnic (BAME)-owned SMEs and disconnected SMEs, and for certain industry sectors.
- There is a data and insights gap: outcomes and efficacy are not tracked or evaluated across the business-support ecosystem, making it hard to assess value for money and differentiate high-quality/low-quality schemes.

A service/system that simplifies the business-support ecosystem, and thus addresses the issues above, is needed to ensure that each SME's user-journey experience is effective and efficient – and to sustain and grow businesses in the heart of our communities.

### **Growth sectors**

London has a global competitive advantage in some key sectors and industries that are particularly important to drive the UK's future growth and productivity. These include the culture and creative industries; financial and business services; life sciences; low-carbon and environmental goods and services (LCEGS); and tech and digital. London's world-leading green finance sector will also play a key role in supporting growth and achieving sustainability. However, in order to succeed, firms face the challenge of looking for new market opportunities (across the public sector and globally); collaborative partners; the right space/infrastructure (including physical clusters of growth along innovation corridors); data; risk capital; and skills. The UKSPF will contribute to the support and facilitate access to these vital elements to enhance the growth of firms in these critical sectors.

### **Supporting levelling up across the country**

London continues to offer huge economic potential for the UK as a whole, generating 24 per cent of UK GDP despite having 13 per cent of the population, with world-beating strengths across many sectors (listed above) – all of which have deep connections with the wider region and country, as well as internationally.

The economy is complex and interdependent, and growth in one area does not automatically impact on the expense of another. The cities, towns, regions and nations of the UK are interdependent. Growth in London creates demand for goods and services from other parts of the UK (24 pence of production is generated elsewhere in the UK for each £1 consumed in London (source: GLA Economics)), and demand from other parts of the UK and the world creates jobs in London. The data shows that the economic fortunes of the capital and the rest of the country are strongly correlated.

### **Innovation and productivity**

Innovation is key to supporting productivity gains across all sectors, not just the newer, faster-growing sectors of the economy. In the long term, improvements in productivity can enable increases in living standards, and are therefore a necessary condition for good growth. We will support the adoption of existing technologies; improve business management and leadership practices; invest in skills; and foster collaboration.

### **Decarbonisation**

We are facing a climate emergency. The Mayor of London has moved forward London's net-zero target from 2050 to 2030 in response to the need for more urgent climate action. London's business sector produces around one-third of London's greenhouse emissions. The sector needs capacity and resources to enable it to respond, particularly at the SME level, to decarbonise their buildings and businesses, whilst growing the low-carbon and environmental goods and services sector.

SMEs will be critical in driving the innovations that are needed to grow the green economy and to help respond to climate change. London has set the target to double the green economy by 2030; this is a significant opportunity for London's growing cleantech sector.

London is also seeing the impacts of climate change – from surface water flooding events in July 2021, closing hospitals, transport stations, schools and homes and businesses, to summer heatwaves that led to 500 excess summer deaths in 2019. The UKSPF funding for Supporting Local Business is limited in scope to address this directly; however, it will help SMEs build resilience in response to the impact of climate change on their businesses.

A recent report by Aviva found that 57 per cent of SMEs believe climate change will impact their business over the next decade. Despite these concerns, three-quarters do not have business continuity plans and even fewer have flood insurance. Engaging businesses and helping them to make sure London is adapted for the impacts of climate change, are also critical actions. They could be performed through delivering more sustainable urban drainage and sustainable cooling measures for SMEs' buildings.

A 2021 YouGov poll reported that despite a welcome rise in awareness of net-zero targets, it had not led to an increase in businesses acting to reduce their environmental impact – nearly a quarter were not taking any actions. The most common barrier to reducing environmental impact was businesses believing it was not appropriate to do so (14 per cent). And of those businesses that were keen to make changes, only three in 10 hold the skills to reduce their carbon emissions (London Chamber of Commerce and Industry/London Councils, London Business 1000 Survey (2021)). The UKSPF can address these challenges.

Energy used to heat and power our buildings produces 74 per cent of London's emissions. To get to net-zero by 2030, we must make London's homes and workplaces far more energy-efficient. UKSPF funding is limited in scope to address the capital investments necessary; however, by providing technical assistance to public agencies and workplaces this will aid in making the case for retrofitting London's domestic and public sector buildings driving the ambitions set out by the Mayor of London.

### **Addressing structural inequalities**

As noted in earlier sections, in 2022 the London Recovery Board published its 'Building a Fairer City' report addressing structural inequalities across London. One of the 14 key actions was to increase opportunities for London's diverse businesses, and voluntary and community-sector organisations. Many small, local London companies – especially those run by Black, Asian and Minority Ethnic people, disabled people and women – miss out on tenders for public or voluntary contracts. Yet their specific experience and expertise brings a wider social value to the product or service they can supply. We need to take steps to ensure that more supply-chain spend goes to local, micro or small diverse, minority-owned businesses.

Other research outlines how Black, Asian and Minority Ethnic-owned SMEs have been hit particularly hard by the Covid-19 pandemic due to the sectors in which they tend to operate, and to broader structural inequalities faced by these businesses. Recovery support should be focused on the businesses that need it most (sources: All-Party Parliamentary Group (APPG) BAME business owners; NatWest Bank and the Centre for Research in Ethnic Minority Entrepreneurship at Aston University; British Business Bank's "Alone together" report on entrepreneurship and diversity in the UK). It is vital that all our recovery activities are targeted at narrowing such economic inequalities.

## ARE THERE ANY LOCAL OPPORTUNITIES UNDER THE SUPPORTING LOCAL BUSINESS INVESTMENT PRIORITY THAT YOU INTEND TO SUPPORT?

The partner-driven approach to co-design between London boroughs, London Councils and the GLA has driven the development of this investment plan. It has also confirmed that UKSPF 'Local Business' activities outlined below resonate strongly with the programme's objectives, namely the following:

- Creating jobs and boosting community cohesion through investments that build on existing industries and institutions, and range from support for starting businesses to visible improvements to local retail, hospitality and leisure-sector facilities.
- Promoting networking and collaboration through interventions that bring together businesses and partners within and across sectors to share knowledge, expertise and resources, and stimulate innovation and growth.
- Increasing private sector investment in growth-enhancing activities, through targeted support for small and medium-sized businesses SMEs to undertake new-to-firm innovation; adopt productivity-enhancing, energy-efficient and low-carbon technologies and techniques; and start or grow their exports.

This investment plan represents an enabling framework for maximising use of Supporting Local Business funding across London. The activity delivered under this investment priority and reflected in this plan – including the allocations for each of the interventions – will inevitably evolve as the plan is operationalised and delivery starts.

### **A programme to support everyday businesses**

As noted above, the SME-support ecosystem is not functioning optimally and the UKSPF provides an opportunity to address this. The GLA has been consulting with stakeholders across London (from the public and private sectors) to address this market failure.

With support from the UKSPF, the Mayor of London will create the most advanced and integrated business support offer that London has seen, with a range of programmes helping start-ups and scale-ups across the key sectors of our economy. Building on the new London Business Hub (an online business support portal) and a network of businesses advisers across London, the GLA will work with London boroughs and the private sector to create a 'single front door' so business owners and aspiring entrepreneurs can easily access the right advice and support. As a result, London has selected:

- E23: Strengthening local entrepreneurial ecosystems, and supporting businesses at all stages of their development to start, sustain, grow, and innovate, including through local networks.
- E30: Business support measures to drive employment growth, particularly in areas of higher unemployment.

### **A programme to support growth companies**

Building on the award-winning Mayor's International Business Programme, we will also design a programme for supporting growth businesses in priority sectors to be delivered by the Mayor's agency for growth, London & Partners.

This programme will create resilient, quality jobs for Londoners aligned to the Mayor's priorities for recovery, by delivering proven business growth interventions where they are most effective and in priority sectors. The aim is, specifically, to offer a programme for high-growth companies from pre-seed stage (start-ups) through to IPO (unicorns), including support for entrepreneurial companies with services that address barriers to funding, talent, innovation and access to global supply chains.

The programme will also include structured interventions across the London ecosystem with local councils, universities and business support agencies to connect them with entrepreneurial companies to help people gain better access to employment within the technology sector, raising skills and realising local ambitions. As a result, London has selected:

- E24: Funding for new training hubs, and improvements to existing ones; business support offers; and 'incubators' and 'accelerators' for local enterprise (including social enterprise) which can support entrepreneurs and start-ups through the early stages of development and growth by offering a combination of services including account management, advice, resources, training, coaching, mentorship and access to workspace.

#### **A programme of demand-led, thematic interventions**

The Mayor has moved forward London's net-zero target from 2050 to 2030 in response to the need for more urgent climate action. London's business sector produces around one-third of London's greenhouse emissions. The sector needs capacity and resources to enable it to respond (particularly at the SME level) to decarbonise their buildings and businesses.

SMEs will be critical in driving the innovations that are needed to grow the green economy and to help respond to climate change. London has set the target to double the green economy by 2030; this is a significant opportunity for London's growing cleantech sector.

To make London's homes and workplaces more energy-efficient UKSPF will support technical assistance projects providing support to public agencies and workplaces - making the case for retrofitting London's domestic and public sector buildings, driving the ambitions set out by the Mayor of London.

All activity funded under this investment priority will need to support these and other actions to address the climate emergency and the Mayor's net-zero targets.

UKSPF funding will provide advice and guidance to SMEs about resilience planning; support their decarbonisation aspirations; support the continued growth of the LCEGS sector; and provide technical advice to support the acceleration in decarbonisation of buildings. The following intervention has been selected:

- E29: Supporting decarbonisation and improving the natural environment whilst growing the local economy. Taking a whole-systems approach to invest in infrastructure to deliver effective decarbonisation across energy, buildings and transport, and beyond, in line with our legally binding climate target. Maximising existing or emerging local strengths in low-carbon technologies, goods and services to take advantage of the growing global opportunity.

Working with London boroughs, the GLA will design programmes that will support SMEs in mitigating the impacts of digital exclusion. In London, an estimated 270,000 Londoners are completely offline, and almost 2m Londoners have very low online engagement (GLA, Digital Access for All). The increased shift towards the digital world due to the pandemic has excluded these groups yet further. Not all households have internet access; not all children can learn online at home; not all adults can send an email; and not all enterprises have the capabilities to digitally transition their business following the pandemic, and many are struggling to survive without this facility.

Currently 8m people in the UK do not use the internet, with 90 per cent of these suffering from economic or social disadvantage. These individuals are also more likely to be in the lowest income bracket and/or be disabled with long-standing health conditions (King's College London, Tackling the Digital Divide, 2019).

This is the reason for London proposing to invest the UKSPF into the following interventions:

- E19, E23, E24, E30 and design a programme that will bridge the digital divide for SMEs, particularly for our everyday businesses and in areas of the capital with high deprivation.

Working with the capital's globally renowned higher-education sector and research base, the UKSPF will support the diffusion of innovation, knowledge and activities; support the commercialisation of ideas; encourage collaboration and accelerate the path to market; and increase the number of innovative firms so that more ideas translate into industrial and commercial practices, products and growth, as set out under intervention E19.

Working with London boroughs and specialist agencies, we will advance the growth potential of Black, Asian and Minority Ethnic businesses by dedicated programmes, such as:

- supply-chain readiness support, and links to responsible procurement programmes with anchor institutions, to support diverse businesses
- investment-readiness support for diverse businesses
- business support for fast-growing/early-stage SMEs for under-represented founders.

Support for BAME businesses will be a cross-cutting principle within our London programme. However, our everyday businesses programme will focus specifically on areas of London that need levelling up. This accounts for investment in the following intervention:

- E23: Strengthening local entrepreneurial ecosystems, and supporting businesses at all stages of their development to start, sustain, grow and innovate, including through local networks.

It is proposed that the programme of activities to support the Local Business priority will achieve a series of outputs and outcomes including: 4,000 businesses receiving non-financial support; 1,500 potential entrepreneurs receiving assistance to be business-ready; development of 250 decarbonisation plans; and the creation/safeguarding of 3,566 jobs. Recently published UKSPF guidance has changed the deliverable for low carbon measurement from a percentage decrease to actual decrease (tonnes CO<sub>2</sub>e saved). However, the deliverables table, which the GLA was required to submit, was not amended. Therefore, we have included an indicative figure, to be confirmed at a future date.

# People and Skills

## Proposed funding allocation

Ref	Intervention	Revenue	Capital	Total
E33	<p>Employment support for economically inactive people: Intensive and wrap-around one-to-one support to move people closer towards mainstream provision and employment, supplemented by additional and/or specialist life and basic skills (digital, English, maths* and ESOL) support where there are local provision gaps. This provision can include project promoting the importance of work to help people to live healthier and more independent lives, alongside building future financial resilience and wellbeing. Beyond that, this intervention will also contribute to building community cohesion and facilitate greater shared civil pride, leading to better integration for those benefitting from ESOL support. Expected cohorts include, but are not limited to people aged over 50, people with a disability and health condition, women, people from an ethnic minority, young people not in education, employment or training and people with multiple complex needs (homeless, care leavers, ex/offenders, people with substance abuse problems and victims of domestic violence).*via Multiply.</p>	£25,000,000	£0	£25,000,000
Bespoke	Support for Young Londoners	£13,119,027	£0	£13,119,027
	TOTAL	£38,119,027	£0	£38,119,027

## Proposed outputs and outcomes

<b>Output</b>	<b>E33</b>	<b><i>Bespoke Intervention:</i> Support for Young Londoners</b>	<b>TOTAL</b>
Number of economically inactive people engaging with keyworker support services (numerical value)	1398	500	1,898
Number of people supported to engage in job-searching (numerical value)	5590	1000	6,590
Number of people supported to participate in education (numerical value)		1000	1,000
Number of people taking part in work experience programmes (numerical value)		4000	4,000

<b>Outcome</b>	<b>E33</b>	<b><i>Bespoke Intervention:</i> Support for Young Londoners</b>	<b>TOTAL</b>
Number of people reporting increased employability through development of interpersonal skills funded by UKSPF (numerical value)		600	1,887
Number of people engaged in job-searching following support (numerical value)	1887	750	2,935
Number of people in employment, including self-employment, following support (numerical value)	1048	450	1,048
Number of people in education/training (numerical value)		450	0
Number of people familiarised with employers' expectations, including, standards of behaviour in the workplace (numerical value)		4000	0

### **ARE THERE ANY LOCAL CHALLENGES YOU FACE WHICH FALL UNDER THE PEOPLE AND SKILLS INVESTMENT PRIORITY?**

**(In Scotland, Wales and Northern Ireland, this should also include challenges relating to Multiply)**

As described in the previous sections, London Councils and the Mayor of London have developed an Economic Recovery Framework for London, working closely with London boroughs and sub-regional partnerships. The framework has been endorsed by the London Recovery Board, which includes business and community leaders and sets out a framework for action for dealing with the structural changes to London's economy and fostering economic

recovery via five pillars: Jobs, Business, Thriving Neighbourhoods, Connected City and Global London.

It is this Economic Recovery Framework that the UKSPF People and Skills priority has been based upon.

As outlined in other sections, London has a significant number of challenges, exacerbated by the pandemic. They include the following.

### **High unemployment levels and rates**

The London unemployment rate has consistently been above the UK rate, and one of the highest among the UK regions. At 4.8 per cent in the three months to April 2022, it was 1 percentage point above the UK-wide rate of 3.8 per cent. Nearly a fifth of unemployed people in the UK live in London. Since the pandemic more Londoners have lost their jobs and are claiming unemployment-related benefits. From March 2020 to May 2022, the claimant count (the number of people claiming Jobseeker's Allowance plus people claiming Universal Credit who are required to seek work) rose from 184,000 to 297,000.

### **High youth unemployment and NEET rates**

Young people in London faced higher unemployment rates before and during the pandemic. The unemployment rate has been the highest amongst those aged 16-24, reaching 18.7 per cent for the 12 months ending December 2021, compared to 4.1 per cent among those aged 25-49. There were 89,000 Londoners aged 18-24 not in employment, education or training (NEET) in 2021 – this works out at 12.1 per cent of people in this age group.

### **Variation in economic inactivity**

There are 1.3m economically inactive Londoners. While the inactivity rate declined during the initial stages of the pandemic, recent data has found a rise in inactivity rates amongst those aged 50 and above. There is also significant variation in economic inactivity at borough level; inactivity rates are highest (above 25 per cent) in Enfield; Redbridge; Barking and Dagenham; and Kensington and Chelsea.

### **Variation in outcomes for different groups**

Labour market indicators highlight long-standing inequalities in London. For the most marginalised groups – such as the over-50s, women, disabled people, ethnic minorities and NEET young people – who, prior to the pandemic, faced barriers in accessing education, lower educational attainment levels and a lower likelihood of employment – these inequalities in outcomes continue to exist.

### **The incidence of low-quality and low-paid jobs has been on the rise in London and varies by borough**

Around 700,000 employees (17.2 per cent) were paid below the London Living Wage in 2021, up from 14.8 per cent a decade earlier. The proportion of borough residents who were low paid in 2021 ranged from a high of 29.5 per cent in Brent to a low of 10.5 per cent in Kensington and Chelsea.

### **There is variation in education outcomes between London boroughs**

There is also low take-up of apprenticeships relative to the London population, and a declining rate of participation in job-related training or education by employees.

## Challenges exist in meeting employer skills requirements

Brexit and the pandemic have exacerbated skills shortages across a range of sectors. Online job advert estimates are up 32.9 per cent compared to February 2020. Technological change, digital inclusion and the need to meet net-zero commitments present particular challenges for marginalised groups in London.

## Wellbeing

Levels of wellbeing in London are lower than in other UK regions across measures of life satisfaction, feeling worthwhile, levels of happiness and anxiety. The high cost of living has been a long-standing issue for Londoners, with recent shocks exacerbating the existing challenges.

## Poverty

Around 2.4m Londoners (27 per cent) were in relative poverty, after taking housing costs into account, in the run-up to the pandemic. This proportion has been consistently higher in London than in any other UK region since 2000. In 2009-10, 870,000 working-age adults in working families were in poverty, compared to 1m in 2019-20 (a 15 per cent increase over the decade).

## ARE THERE ANY LOCAL OPPORTUNITIES UNDER THE PEOPLE AND SKILLS INVESTMENT PRIORITY THAT YOU INTEND TO SUPPORT?

(In Scotland, Wales, and Northern Ireland this should also include challenges relating to Multiply)

For certain groups of people, education and labour market outcomes are poorer; interventions could be targeted to these groups to participate in education and ultimately enter the labour market.

London has comparative economic strengths in areas including finance, digital and creative industries – potential growth sectors post-Covid-19, where clustering of activity in the capital has created fertile ground for innovation and expansion. A high share of the capital's labour force is employed in higher-paying and skilled industries and occupations, and London is one of the most productive regions in Europe. Supporting London's ambitions to become a net-zero carbon-neutral city also presents opportunities; and through the London Recovery Programme, the GLA (working with London's boroughs) has committed to doubling the green economy by 2030.

A high and growing share of London residents have higher-level qualifications, and London has the highest rate of progression to higher education of any region in England. London has highly rated further education and skills providers and several world-leading universities, including four universities ranked among the world's top 40. The capital has seen strong working-age population growth over recent decades – drawing in workers and graduates from across the UK and beyond. London saw significant improvements in headline labour market indicators up to 2019, with employment rates improving significantly in the decade before the coronavirus pandemic.

However, London continues to face persistent inequalities in skills and labour market outcomes, with some groups – e.g., Black Londoners, disabled Londoners and those with lower qualifications – facing greater challenges finding jobs and progressing in work. It is

through a future programme of activity under the People and Skills investment priority that we can tackle some of these inequalities. These challenges have been highlighted and, in some cases, exacerbated by the economic impacts of the pandemic, with (for example) the steepest rise in the claimant rate in the capital's most deprived neighbourhoods. Many groups of Londoners are under-represented in key sectors – including the creative industries, which have fewer women and disabled workers. There are also signs of an increase in low-quality work, with a rise in low pay and insecure employment. There is also variation in education outcomes between London boroughs; low take-up of apprenticeships relative to the population; and a declining rate of participation in job-related training or education by employees. There are continued challenges meeting employer skills requirements, with increasing recruitment difficulties and risks to labour supply in relation to Covid-19 and EU exit.

As part of a post-Covid-19 recovery, it has been important to explore the diversity picture in London's growth sectors, and identify future opportunities for under-represented groups. This provides a vital basis to identify future priorities for action.

**Do you plan to use any interventions not included on this list?**

**(If yes) State the name of each of these additional interventions and give a brief description of each of these**

With the people and skills funding delayed until 2024-25, we reserve the right to address emerging need through additional interventions throughout the duration of the programme.

There are key employment interventions ending for groups of Londoners most in need of support following the end of the current ESF Programme, which the GLA and London's boroughs wish to see continue using the UKSPF. This includes support for young people who are not in education, employment or training (NEETs); careers education for young people; creating a 'no wrong door' so that any Londoner who needs help can access the support that they need; and support for economically inactive and the most disadvantaged people. Further detailed information on these interventions is outlined in the following section.

**(If yes) Explain how each of these interventions meet the investment priority. Give evidence where possible, including why it is value for money and the outcomes you want to deliver.**

The GLA, working with London's boroughs, will prioritise a total of £38m to support Londoners who are furthest away from the labour market to progress into training, or who need support with finding good jobs to access the help that they need. This investment will complement existing skills provision in the capital including the circa £320m per annum Adult Education Budget, Skills Bootcamps, Free Courses for Jobs, the Mayor's Skills Academies, and Multiply. Investment via the UKSPF will ensure that Londoners can get support to progress into training in areas where skills are needed most (such as green skills), and move into good jobs. The GLA and London Councils are also working closely with the Department for Work and Pensions to ensure complementarity with mainstream employment support provision.

The proposed investment will respond to the key commitments and actions set out by the Mayor and London's boroughs in the Economic Recovery Framework for London. The proposed interventions will support young Londoners, and adults who are economically inactive or unemployed, building on the programmes that London currently funds as part of the European Social Fund that are ending in 2023.

## **1. Support for Young Londoners**

A total of £13.1m is being invested to support young people, in particular those from disadvantaged groups, to give them the best chances to develop their skills and employability, and to progress in work and society. The interventions that will support young people, and the resulting outcomes, are outlined below.

In total, 6,500 young Londoners will be supported through the Support for Young Londoners strand of this People and Skills element of our programme. The unit cost – assuming some drop out, and noting the GLA aims to include support for those NEET groups who are most disadvantaged in the labour market – would be £2,000 for each Londoner supported. The strand therefore offers value for money when compared to the average unit cost for the ESF Priority 1.2 programme, which is £1,712 per participant supported.

### **Careers Education for Young Londoners**

The lives of many young Londoners were significantly impacted by the Covid-19 pandemic, with deep-seated inequalities further exacerbated. With limited available mainstream government support as well as current European Social Fund programmes ending after 2023, there is a need to ensure that crucial gaps in support can be met by the UKSPF so that London's young people, particularly those from the most disadvantaged backgrounds, are not left behind and can lead more prosperous, happier and healthier lives.

London's Recovery Programme has focused on supporting Londoners most impacted by the pandemic to access good-quality jobs in key sectors. This includes priorities to help young people to get the education, training and support that they need to succeed into good work, progress in further or higher education, and participate in society.

The GLA and the Careers and Enterprise Company (CEC) are presently funding a package of support as part of the London careers programme – providing support to secondary schools, Alternative Provision, Special Schools, and post-16 institutions and further education colleges. ESF funding enables schools to work with employers and further education establishments to develop and deliver additional joint activities that build labour market expertise and knowledge within schools, and enable young people to experience the world of work. The £11.1m programme started in October 2021 and is due to end in August 2024.

It aims to improve the standard of careers education in secondary and post-16 education through delivering employer-led careers interventions. Specific interventions are targeted at young people who suffer disadvantage, and include:

- support for young people with special education needs or disabilities (SEND)

- addressing under-representation (specifically BAME communities) in key sectors and more highly skilled jobs
- promoting vocational progression pathways (including apprenticeships) leading to good employment prospects
- raising awareness of London's labour market opportunities among careers leads, teachers and students to support progression choices towards good employment prospects
- engaging employers in careers education to increase motivation, aspiration and work readiness for young people progressing to the world of work
- improving the quality of careers education in schools that are not performing well (as measured against the Gatsby Benchmark quality standards).

The Careers Programme contributes to levelling-up aims by securing employment for young people, through reducing the number of young people who:

- are NEET, specifically young people who have additional needs and are from BAME communities
- do not sustain good employment.

It also meets the needs of business by:

- addressing London's recruitment needs/vacancies through young people making informed choices about progression to available employment opportunities
- increasing the supply of skills to support business sustainability and business growth in London's key sectors through young people making education and progression choices that provide the skills to meet business needs.

The GLA plans to continue support for London's careers programme using the UKSPF, following the end of ESF and government support so that careers education and work experience remain at the heart of young Londoners' education. The provision would continue to work with education providers, employers and young people; and would support the delivery of 4,000 work experience and other employer engagements with students, to ensure they have a better understanding of employer expectations and can make better decisions about careers.

### **Young people who are not in education, employment or training (NEET)**

Support for NEET young people, and those facing the greatest challenges, remains a priority for the GLA, the London Recovery Programme and the New Deal for Young People Mission. Young Londoners have told us that accessing employment, education and training is one of their top priorities. Mentors can play a key role in transforming a young person's life, giving them the skills, confidence and relationships to be able to access opportunities and networks to support them with their next steps. During the pandemic, young people were disproportionately and adversely affected in the labour market, with younger people being one of the groups most likely to be furloughed and most likely to have lost their jobs. Employment levels are 3 per cent down since the start of the pandemic for 16-24-year-olds, compared to only 1 per cent down for 25-64-year-olds. Time out of the labour market early in people's careers is expected to hamper future progression, and as such additional and continued support remains necessary.

There are particular concerns around NEET young people who already have significant barriers to work. London's current ESF NEET programme has shown that the repeated

lockdowns during the pandemic have meant that many NEET young people with significant barriers to entering employment or education have disengaged with existing services, raising concerns that they will struggle to re-engage without targeted support. The mainstream services offered through Jobcentre Plus may not reach these groups, and our projects have found that these young people do not engage well with virtual services.

At present, there are ESF-funded programmes worth over £25m delivering support to NEET young people in London. These programmes will all come to an end in 2023, leaving a large gap in provision in targeted, face-to-face support and outreach if the current ESF projects are not replaced.

The GLA's NEET programmes are currently contracted to support the most disadvantaged and the hardest to help young people, including those:

- with disabilities or health conditions
- with caring or parental responsibilities
- who are in debt
- who have had experience with the criminal justice system
- with substance misuse issues
- who are looked after or are care leavers
- who are homeless.

Interventions include supporting young people who are NEET to improve their education, employability and personal skills, and helping them to progress into sustained education, training or employment, by equipping them with personal and transferable skills, work experience and vocational skills to improve their chances of remaining in education, gaining employment, starting an apprenticeship or retraining in education.

For 2024-25, the GLA plans to use its UKSPF allocation to commission interventions that build on existing NEET programmes in London. Support will be aimed at young people aged 16-24, who are unemployed or economically inactive, to help them develop interpersonal skills that increase their employability, and progress into job searching, education, employment or further training. Given funding is available initially for only one year, it is impractical to deliver sustained results. However, it is the GLA's preference to deliver sustained results where possible.

## **2. Employment support for unemployed and economically inactive adults**

Many Londoners have more substantial barriers to getting and retaining a job, including health problems, insecure and/or high-cost housing, access to childcare or drug/alcohol addiction. As part of the London Recovery Programme, the Mayor, London's boroughs and key stakeholders have committed to support Londoners disproportionately impacted by the pandemic to get the support that they need to progress into good jobs in key sectors. The current Work and Health Programme and European Social Fund programmes are important to achieving this but are due to end or reduce in funding in the next year. Other GLA and borough-led programmes such as the Creative Enterprise Zones also end next year. The interventions outlined here will

look to build on these programmes, to ensure that residents can get the support that they need to progress into good-quality jobs.

Working with London's boroughs, the GLA will invest a total of £25m in employment support for unemployed and economically inactive adults. This will help approximately 7,000 people at a unit cost of £3,220 per person to progress into good-quality jobs – including in key growth sectors such as the green economy and creative industries.

This investment will comprise a package of support for groups of Londoners disproportionately and adversely affected by the pandemic; and groups facing structural barriers to employment, who are unlikely to participate in mainstream employment support. This will include economically inactive Londoners, and Londoners who are in receipt of benefits and facing significant barriers to getting a job.

The focus of interventions will be on supporting groups of Londoners that have been disproportionately affected by the Covid-19 pandemic and are at risk of the 'scarring' effects of recession – that are unemployed or economically inactive. These groups include, but are not limited to:

- those aged 50 and over
- Londoners qualified at Level 2 or below
- ethnic minorities (particularly Black, Pakistani and Bangladeshi Londoners)
- people with a disability or health condition
- women
- parents and carers
- Londoners with multiple and/or complex barriers to employment (for example, people with health conditions; care leavers; people with experience of the justice system; homeless people or those living in temporary accommodation; people with drug or alcohol dependencies)
- refugees and asylum seekers (where possible)
- Londoners at risk of long-term unemployment (including many of the groups listed above).

### **Work and Health Programme and support to the most vulnerable Londoners**

The Work and Health Programme (WHP) was launched in late 2017 against a backdrop of more than 2m people being recognised as economically inactive due to ill health. In London and Greater Manchester funding for, commissioning and oversight of the programme has been devolved. Four sub-regional partnerships (groups of boroughs working together) manage the programmes. WHP provides employment support for people with health conditions, disabled people, the long-term unemployed (one year or more) and early-access groups (including people with experience of the justice system, carers, ex-HM Armed Forces, people with drug and alcohol addiction, refugees and young people in gangs).

The programme will support between 50,000 and 55,000 Londoners over the course of five to seven years. Its initial phase will come to an end in October 2022. A two-year extension has been agreed with the DWP until October 2024. The WHP was extended in London using European Social Fund to meet anticipated demand. We plan to extend it further using the UKSPF during 2024-25, in terms of both volume and time for

referrals. London's proposals for additional places on the WHP for its two-year extension could not be funded from the DWP, so the UKSPF will meet some of this gap.

London will provide a package of support for other Londoners facing significant barriers to getting a job, who are not eligible for WHP and/or need a different type of support and engagement onto employment support programmes – for example, using local voluntary and community sector organisations, or taking a neighbourhood approach. This will help replace support funded under ESF for these groups, such as the Big Lottery Fund ESF programme in London worth £8m-£10m a year.

### **No Wrong Door**

To support the delivery of the interventions outlined above, London residents, and users of skills and employment services, will be supported more effectively into employment and good work through more integrated, accessible and visible provision. In alignment with the GLA and London Councils' recovery priorities, the UKSPF will help to continue the No Wrong Door initiative that was established to strengthen coordination and multi-agency partnership working across London's skills and employment services, including the UKSPF. The aim of the No Wrong Door programme is to ensure Londoners can access the right employment and skills provision at the right time. It includes the establishment of integration hubs across London's four sub-regional partnerships. The hubs will work with practitioners and Londoners to improve access to employment and skills support, focusing on particular groups of Londoners – such as young people or refugees.

## Approach to delivery and governance

<b>Summarise the governance structures you have in place, including how any advisory panels or associated partnership groups are made up.</b>
<p>The GLA and London Councils (representing the 32 London boroughs and the City of London Corporation) have co-designed this UKSPF investment plan.</p> <p>The existing London Recovery Board has been designated the Local Partnership Group. This was confirmed at its public meeting, chaired jointly by the Chair of London Councils and the Mayor of London, on 21 June 2022. Terms of Reference were approved. The membership of the Local Partnership Group reflects the requirements set out in the UKSPF prospectus. Members will provide strategic oversight of the delivery of the UKSPF across London.</p> <p>The London Recovery Board was established and is managed jointly by the Mayor and London Councils to address the impact of the pandemic on London.</p> <p>For People and Skills, other key stakeholder boards in London are: the SfL Board; and the Jobs and Skills Business Partnership. Several subordinate bodies sit underneath the Board (the Higher Level Skills Advisory Group and the Outcomes for Londoners Task and Finish Group) and the Business Partnership (the Green Skills Task and Finish Group). The GLA, London Councils and the London-region DWP have also established an employment support working group, which will provide input to the development of the people and skills strands of the UKSPF.</p> <p>The GLA, as lead authority, will be accountable to UK government, and it will coordinate activity alongside London Councils throughout the lifetime of the fund. This includes, for instance, the co-design of specifications and the assessment of awards for funding. The GLA will ratify decisions due to its lead authority status in accordance with its existing decision-making and governance procedures. This can include the Mayor of London approving details of expenditure for UKSPF activity in line with this investment plan, and as the plan evolves to reflect actual delivery.</p> <p>To help ensure transparency, all Local Partnership Group meeting papers, and any Mayoral or other formal decisions, will be published on the GLA's website.</p>

## Project selection

<b>Are you intending to select projects in any way other than by competition for funding?</b>
Yes
<b>(If yes) Describe your approach to selecting projects, and why you intend to do it this way</b>

The GLA will select projects using a combination of competitive bidding, direct allocations to London boroughs, direct allocations to Mayoral agencies such as London & Partners, and procurement for contracts where relevant. This approach will achieve the best possible outcomes for London, its 32 boroughs and the City of London Corporation.

### **Supporting Local Business**

This priority will directly award UKSPF funding to London boroughs, Mayoral agencies and external organisations via competitive bidding.

The GLA, in consultation with London Councils, has engaged with London boroughs early in the process. Direct allocation of funds to boroughs will allow local business support teams to address business support needs within their own communities.

The Mayor of London's business growth agency, London & Partners, will receive a direct allocation of funding to support international trade programmes and businesses in high-growth sectors. London & Partners will, in part, oversee competitive bidding arrangements for the UKSPF growth programmes.

### **Communities and Place**

Many decisions and investments are best made at the local level. Boroughs are well positioned to understand their local communities; they can bring different interests together around a common plan.

UKSPF funding for Communities and Place will be allocated in full to London boroughs and the City of London. This will be done within the context of the London-wide overarching framework that this investment plan provides.

### **People and Skills**

UKSPF funding for People and Skills will be used in 2024-25. It is anticipated that all funding under this priority will be allocated via either direct grants or through competitive commissioning.

For example, the proposed employment strand in the People and Skills investment priority will be allocated as a direct grant to the accountable body of each sub regional partnership which may then extend existing contracts with Work and Health Programme providers and/or commission discrete elements where relevant. Extension of existing agreements will enable the People and Skills investment priority to achieve its spend and deliverable targets, despite having only one year to deliver.

**END**