

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3099

Title: Adult Education Budget (AEB) Funding Adjustments and 2023-24 AEB Final Allocations

Executive Summary:

This Mayoral Decision (MD) seeks the Mayor's approval of: the final AEB and Free Courses for Jobs (FCFJ) Grant allocations for the 2023-24 academic year (the 2023-24 final allocations are based on the 2023-24 indicative allocations and, where necessary, have been adjusted where a provider has submitted a successful business case for growth); a change to one Good Work for All (GWfA) allocation for the 2022-23 academic year; the revised AEB Grant payment profile from the 2023-24 academic year to align with national policy and subsequent changes to the 2023-24 grant agreement template for AEB Grant providers; and the Jobs and Skills for Londoners grant agreement template.

Decision:

That the Mayor approves:

1. the final Adult Education Budget (AEB) grant allocations for the 2023-24 academic year and the adjustments to final 2023-24 allocations (following the business case for growth process), set out in Appendix A
2. a change to one Good Work for All (GWfA) grant allocation for the 2022-23 academic year set out in Appendix B
3. a revised payment profile for AEB Grant Funded providers from the 2023-24 academic year, to reflect an equal distribution of funding across all 12 months of the academic year and to align to changes implemented to the National Profile by the Department for Education (DfE)
4. the 2023-24 grant agreement template for: AEB Grant providers as set out in the Appendix C (Part A); and the proposed Jobs and Skills for Londoners (JSFL) grant agreement Appendix C (Part B), noting that future changes to grant agreement templates related to the AEB will be made by the Mayor at future AEB Mayoral Board meetings, in accordance with process approved under cover MD2736.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

27/3/23

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

Decision required – supporting report

1. Introduction and background

2023-24 AEB Grant final allocations

- 1.1. In November 2022, the Mayor approved the indicative Adult Education Budget (AEB) and Free Courses For Jobs (FCFJ) allocations for the 2023-24 academic year (under cover of MD3066¹). The final AEB and FCFJ grant allocations for the 2022-23 academic year were used as the basis for the 2023-24 indicative allocations.
- 1.2. In line with the funding approach adopted by the Mayor in previous academic years, providers were sent letters communicating their indicative AEB and FCFJ grant allocations in December 2022, in order to provide grant-funded providers with an early indication of funding for the 2023-24 academic year.
- 1.3. Providers were also invited to submit a business case with supporting evidence, where they considered they would be able to utilise an increase in funding above their indicative 2023-24 AEB allocation.

Changes to AEB Grant, GWfA and AEB Procured 2022-23 allocations

- 1.4. In December 2022 providers across the AEB Grant, Good Work for All (GWfA) and AEB Procured programmes were invited to submit business cases for growth to their 2022-23 allocation or contract value. Approval is sought for the reduction for one GWfA provider, which requested a voluntary reduction to its 2022-23 allocation at an amount above the threshold at which approval must be sought by Mayor (as set out in the AEB Assurance Framework).

AEB Grant and Jobs and Skills for Londoners Agreements

- 1.5. The Department for Education (DfE) have implemented a change to the payment profile for AEB Grant Funded providers from the 2023-24 academic year to put in place an equal distribution of funding across all 12 months of the academic year. The payment profile for AEB Grant Funded providers in London will be revised to align to this national policy.
- 1.6. In preparation for the 2023-24 academic year, it is proposed that this change, and other minor clerical changes, be made to the AEB Grant Agreement and approval is sought of those changes accordingly. Approval is also sought for the grant agreement for the Jobs and Skills for Londoners (JSFL) fund, which commences in August 2023. The JSFL grant agreement has been adapted from the 2023-24 AEB Grant Agreement mentioned above.
- 1.7. Under cover of MD2736 approval was granted to make certain AEB decisions by the Mayor at the AEB Mayoral Board meetings. This included decision-making that falls within the scope of any MD form setting the strategic direction or Mayoral priorities (and where these do not affect the basis of the original decision) and/or where a decision is not, according to the rules set out in 'Mayoral Decision-Making in the GLA', reserved to the MD process. As such, and in line with the provisions set out in MD2736, any future changes to grant agreement templates related to the AEB will be made by the Mayor at future AEB Mayoral Board meetings.

¹ MD3066 is deferred from publication until 30 April 2023.

2. Objectives and expected outcomes

2023-24 AEB Grant final allocations

- 2.1. Final AEB Grant allocations for the 2023-24 academic year are set out in Appendix A. These values reflect any changes following the submission of growth business cases. As the result of a merger between HCUC and Richmond Upon Thames College, their allocations have been combined and sit under the renamed college, HRUC. Final allocation letters will be issued to providers in March 2023. The GLA received confirmation of its 2023-24 AEB and FCFJ budget from the Department for Education in February 2023. The budget covers the cost of the AEB Grant allocations for 2023-24.
- 2.2. In December 2022, the GLA, in response to indicative allocation letters, invited AEB Grant providers to submit business cases for growth funding to be added to their 2023-24 AEB and/or FCFJ allocations. Taking into account published criteria, including alignment to mayoral priorities, budget availability and an assessment of providers' ability to deliver, 15 business cases were successful or partially successful, resulting in an aggregate increase of AEB grant funding of £3,526,161 and an increase of £1,579,941 FCFJ funding. The extra funding will be covered by unallocated AEB/FCFJ funding or underspend from previous years. A summary of the business cases was presented to the AEB Mayoral Board on 8 March 2023.

Changes to AEB Grant, GWfA and AEB Procured 2022-23 allocations

- 2.3. Following the submission of business cases for growth or voluntary reduction requests from AEB Grant, GWfA and AEB Procured providers, a number of changes have been made to 2022-23 allocations or contact values in line with the process set out in the AEB Assurance Framework. All but one of the changes were approved by the SfL Programmes Board as they fell within the thresholds set out in the AEB Assurance Framework and therefore do not require Mayoral approval.
- 2.4. One GWfA provider requested a voluntary reduction to their 2022-23 allocation at an amount above the threshold at which approval must be sought by Mayor (as set out in the AEB Assurance Framework). After endorsement by the AEB Mayoral Board on 8 March 2023, this decision approves the reduction of £465,124 to the GWfA allocation of this particular provider. Further information on this request is included in Appendix B.

AEB Grant and Jobs and Skills for Londoners Agreement Templates

- 2.5. From the 2023-24 academic year the payment profile for AEB Grant Funded providers will be revised to reflect an equal distribution of funding across all 12 months of the academic year. This policy will align to changes implemented to the National Profile by the Department for Education (DfE).
- 2.6. The above change is reflected in the new 2023-24 AEB Grant Agreement which is included in Appendix C (Part A). The 2022-23 AEB Grant Agreement was used as the basis for the 2023-24 Grant Agreement. Other updates to the agreement include aligning all dates to the 2023-24 academic year, updating definitions to match those of the Education and Skills Funding Agency's (ESFA), updating clause 11: Support and Intervention to match GLA's current approach and adding clause 39: Withholding, Suspension and Repayment of Funding (again to align with ESFA terms). However, other than the new payment profile, all changes to the Agreement are covered by the AEB internal Assurance Framework.
- 2.7. The Jobs and Skills for Londoners (JSFL) fund is due to commence in August 2023. The 2023-25 JSFL Grant Agreement is adapted from the 2023-24 AEB Grant Agreement to account for the multi-year nature of the fund. Whereas AEB Grant providers will be paid on profile (as detailed in 2.5), JSFL providers will be paid monthly on actual delivery reported via the Individualised Learner Record (ILR). The JSFL Grant Agreement template is included in Appendix C (Part B).

3. Equality comments

- 3.1. Section 149(1) of the Equality Act 2010 provides that, in the exercise of their functions, public authorities, of whom the Mayor is one, must have due regard to the need to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 3.2. Relevant protected characteristics are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 3.3. The Mayor is required to comply with the duty set out above in making the decision set out and any future decisions relating to the AEB made pursuant to those arrangements which will be subject to separate decision forms.
- 3.4. In determining the GLA's grant allocations approach for the 2023-24 academic year, due consideration was given to its impact on learners with protected characteristics. The approach to use the 2022-23 academic year allocations for AEB Grant funded providers as the basis for 2023-24 academic year allocations will ensure that funding arrangements will not reduce the existing range and breadth of provision available to London residents. This approach means that no groups of learners should be disadvantaged as funding will continue in line with prior actual delivery.
- 3.5. The aim of the AEB and European Social Fund (ESF) is to improve opportunities for people who are disadvantaged in the labour market. Many potential AEB participants have protected characteristics listed above. The GLA's AEB provision will support a range of groups, particularly the most disadvantaged people not currently receiving sufficient support into employment or education. These include young adults who are not in employment, education or training (NEET), people without basic skills and people who are workless. It will also support Londoners in low paid/low-skilled jobs.

4. Other considerations

Links to Mayoral Strategies and priorities

- 4.1. Both AEB Grant and FCFJ funding will support Londoners to develop the skills needed to move into employment in some of the sectors considered critical to London's Recovery Programme.

Risks arising/mitigation

- 4.2. There is a risk that the additional AEB and FCFJ funding awarded through the January 2023 business case process is not fully utilised by AEB Grant providers during the 2023-24 academic year. Provider performance against their allocation is constantly measured, and where underperformance is identified in-year, AEB funding can be reallocated to other providers.
- 4.3. There are no conflicts of interest to declare from those involved in the drafting or clearance of this decision.
- 4.4. This decision was considered by the AEB Mayoral Board on 8 March 2023.

5. Financial comments

- 5.1. There is no direct financial implication arising from the proposed changes to the AEB grant allocation, the revised payment profile to AEB Grant Funded Providers and the updated grant agreement template for 2023-24.
- 5.2. The final AEB grant allocations for the 2023-24 academic year are set out in Appendix A reflect any changes following the submission of growth business cases by grant providers. The GLA received confirmation of its 2023-24 AEB and FCFJ budget from the DfE in February 2023. The budget covers the cost of the AEB Grant allocations for 2023-24.
- 5.3. The change to the GWfA grant allocation for the 2022-23 academic year set out in Appendix B is for the reduction of £465,124 to the GWfA allocation of one GWfA provider. This adjustment would be contained within the overall AEB budget.

6. Legal comments

- 6.1. The foregoing sections of this report indicate that the decisions it is proposed be requested of the Mayor concern the exercise of:
 - 6.1.1 the GLA's general powers, falling within the GLA's statutory powers to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of economic development and wealth creation, social development, or the promotion of the improvement of the environment in Greater London and in formulating the proposals in respect of which a decision is sought officers have complied with the GLA's related statutory duties to:
 - (a) pay due regard to the principle that there should be equality of opportunity for all people
 - (b) consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom
 - (c) consult with appropriate bodies
 - 6.1.2 ministerial functions delegated, by the Secretary of State for Education, to the Mayor pursuant to section 39A of the Greater London Authority Act 1999.
- 6.2. Should such decisions be sought the Mayor must, in making those decisions, have due regard to the Public Sector Equality Duty – namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic (race, disability, sex, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it (section 149 of the Equality Act 2010). Particular attention should be paid, therefore, to section three of this MD.
- 6.3. If the Mayor makes the decisions sought, officers must ensure that:
 - 6.3.1. grant funding agreements (using the new templates) are put in place between and executed by the GLA and (AEB and JSFL) recipients before any commitment to fund is made
 - 6.3.2. to the extent required, the reduction of GWfA funding to be made is reflected by varying the agreement in place with the relevant provider before any reliance is placed upon the amount of the reduction by the GLA

6.3.3. to the extent that the proposals in respect of which decisions are sought involve the making of commitments which extend beyond the current Mayoral term officers must ensure that the terms of all agreements entered into in respect of the expenditure do not have the effect of fettering the discretion of any successor administration, considering in particular the London elections taking place in May 2024. Accordingly, officers must ensure that all agreements which involve making such commitments include a GLA right to terminate at any point for convenience (at no cost to the GLA) and all such agreements are managed in such a manner, and any deliverables, milestones and/or output requirements are structured so as to mitigate risks of the GLA incurring abortive expenditure (which might be reasonably be taken to fetter, practically, the exercise of such discretion).

7. Planned delivery approach and next steps

7.1. The table below outlines future activity related to the AEB and grant allocations process for the 2023-24 academic year:

Activity	Timeline
Final allocations letters sent to providers	March 2023
2023-24 academic year commences	1 August 2023

Appendices and supporting papers:

Appendix A – Final AEB and FCFJ grant allocations 2023-24

Appendix B – GWfA voluntary reduction request 2022-23

Appendix C – 2023-24 AEB Grant (Part A) and JSFL (Part B) Grant Agreement

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 – Deferral**Is the publication of Part 1 of this approval to be deferred? YES**

If YES, for what reason: AEB Grant delivery will commence on 1 August 2023 with publication of allocations data expected in September 2023.

Until what date: 1 September 2023.

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Harry Sanders has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Tunde Olayinka has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Jules Pipe has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

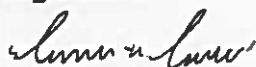
✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 27 March 2023.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature:**Date:**

27 March 2023

pp. Enver Enver on behalf of David Gallie

CHIEF OF STAFF:

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

Signature:**Date:**

27 March 2023

