

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD3037

**Title: Adult Education Budget and Free Courses for Jobs Commissioning – Jobs and Skills for Londoners**

### Executive summary:

This Mayoral Decision (MD) form seeks approval of proposals for: expenditure, on Adult Education Budget (AEB) and Free Courses for Jobs (FCFJ)<sup>1</sup> provision, of up to £130m over a period of up to three years (Jobs and Skills for Londoners funding); and the process to be conducted to identify the recipients of that funding.

### Decision:

That the Mayor approves expenditure of up to £130m over three academic years (2023-24, 2024-25 and 2025-26) on the Jobs and Skills for Londoners programme, of which up to £30m per year will be ringfenced to spend on learning aims delivered through the FCFJ Level 3 Offer.

### 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:**

3/10/22

<sup>1</sup> Formerly known as the National Skills Fund.

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

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. Under cover of [MD2371](#), the Mayor approved the competitive procurement of AEB provision with a value of approximately £130m used to match-fund a proportion of the European Social Fund allocation for London. As a result of the procurement, the GLA entered into contractual agreements with training providers over four academic years (2019-23) to deliver AEB provision. These contracts are to conclude at the end of the 2022-23 academic year.
- 1.2. Under cover of [MD2718](#) and [MD2763](#), the Mayor approved the commitment up to £16m of unallocated funding from the AEB and the National Skills Fund, to be awarded through a competitive process. This funding is delivered through the Good Work for All (GWfA) programme over two academic years, which is scheduled to conclude at the end of the 2022-23 academic year.
- 1.3. As the GWfA and AEB procured programmes conclude at the end of the 2022-23 academic year, arrangements need to be put in place to secure future provision from that point (for up to three academic years, starting from the 2023-24 academic year). A competitive process must be conducted to identify recipients of AEB and FCFJ funding, in order to allow agreements to be entered into and to allow new, independent training organisations to apply for such funding.

#### **2. Objectives and expected outcomes**

- 2.1. To support continuity of provision, it is recommended that the recipients of grant-funding are identified via a competitive process covering funding for up to three academic years (2023-26). This will include the approval of up to £100m of AEB funding; and up to £30m of ringfenced FCFJ budget.
- 2.2. Subject to Mayoral approval and budget availability at the point of award, grant awards will be made for two academic years (2023-24 and 2024-25) with the possibility of extending the funding agreement for an additional academic year (2025-26). A minimum grant award value of £100,000 per academic year, and a maximum of £1.8m per academic year, will apply – of which providers can spend up to a ringfenced £750,000 per academic year on qualifications funded through the FCFJ Level 3 offer. Bidders will be required to bid for the same level of funding for each of the three academic years, but in case of underperformance will be able to carry forward up to 3 per cent of their annual allocation across academic years, subject to GLA approval and budget availability. Any underperformance will be subject to a monitoring review process by the GLA, which will be outlined in the GLA AEB Funding Rules document. The GLA will arrange quarterly monitoring and review visits to discuss performance against annual and lifetime financial profiles. The frequency of monitoring and review visits, and reporting requirements, may be increased if a provider is underperforming or there are other concerns around delivery. As payments will be based on actuals, underperformance may lead to reduced grant values.
- 2.3. The proposed expenditure and related competitive process is aimed at supporting the Mayor's priority sectors. The policy intent for this programme will have an emphasis on progression into jobs in the digital, health and social care, hospitality, green economy and creative industries sectors. It is envisaged that this programme will include job outcome payments at the flat rate of £400 per job, in addition to the funding secured via relevant AEB provision, which will meet the GLA defined standard for "good work".
- 2.4. A prospectus document, application materials and funding agreement will be prepared and issued, setting out these priorities as well as outlining the overall approach to the award of funding in line with the prevailing GLA AEB Funding Rules.

- 2.5. It is proposed that only UK-registered learning providers with an established delivery site located within London and the London fringe (see Appendix A) are eligible to apply for this funding. Bidders will also need to meet criteria concerning quality of provision and financial due diligence, as set out in the GLA AEB Funding Rules, in order for their bid to be considered.
- 2.6. It is proposed that the competition is launched in mid-October 2022 with applications closing in the second half of November 2022, giving bidders six weeks to complete their applications. The prospectus and other necessary documentation will be sent out to the AEB Mayoral Board, for them to note and comment upon, closer to the launch date. Existing grant and procured AEB providers (including GWfA providers) will also be eligible to apply to this competition.
- 2.7. Market-warming events will take place after the Jobs and Skills for Londoners competition launch. Bidders will complete their applications on GLA OPS. Bids will also be evaluated by officers using the GLA OPS system. Successful bidders will be awarded funding based on the highest-scoring submissions (subject to meeting all GLA financial due diligence requirements).
- 2.8. Awards will be made (subject to budget availability at that point) in accordance with the full bidding amount or on a pro-rata basis if necessary, for either AEB or FCFJ funding.

### **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 reassignment, 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 in this decision form and any future decisions relating to the AEB or the FCFJ made pursuant to those arrangements, which will be subject to separate decision forms.
- 3.4. The aim of the AEB and the FCFJ is to improve opportunities for people who are disadvantaged in the labour market. Many potential AEB and FCFJ participants have one of the protected characteristics listed above. The GLA's AEB and FCFJ 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 education, employment or training; people without basic skills; and people who are workless. It will also support Londoners in low-paid/low-skilled jobs.
- 3.5. An Equality Impact Assessment has been prepared setting out how the grant-award competitive approach might impact on different groups, including those who share protected characteristics. The Equality Impact Assessment will ensure that the grant-award competitive approach will not reduce the existing range and breadth of provision available to London residents. Furthermore, the assessment will focus on the fairness and inclusivity of the competitive approach by analysing and addressing, with appropriate mitigations, the impact on learners in equality groups, i.e. Londoners who share protected characteristics under the Equality Act 2010 or are part of other vulnerable groups.

#### 4. Other considerations

4.1. The allocation of AEB funding via competition is part of the implementation of the commitments made in the Mayor's [Skills for Londoners Strategy](#), to:

- empower all Londoners to access the education and skills to participate in society and progress in education and work
- meet the needs of London's economy and employers, now and in the future
- deliver a strategic city-wide technical skills and adult education offer.

4.2. The key risks are set out in the table below:

Risk	Mitigation	RAG rating
The GLA share of the national AEB or FCFJ budget being subject to reductions in future years, which could lead to insufficient budget to deliver the programme. Indications from the Department for Education (DfE) do not suggest that there will be a significant change in the allocation.	All annual grant allocations will be conditional on budget availability. The agreement will allow for annual allocation amounts to be adjusted in future years if required.	Green
Insufficient bids to deliver proposed budget, leading to under-delivery. This is seen as unlikely due to this programme using funding that has been previously earmarked to other GLA programmes.	Market warming events and extensive communication with potential bidders will be used to mitigate against this potential risk.	Green
The DfE has advised that it will be publishing a list of eligible independent training organisations that can enter into funding agreements with the Education Skills Funding Agency and all Mayoral Combined Authorities with respect to delivering AEB provision. There is a small risk that successful organisations will not be on the list of eligible training organisations.	The prospectus document will mention the forthcoming DfE list of organisations; in the event that the list is published before the competitive process is finalised, it will include the requirement for successful organisations to be on the list before grant agreements could be signed. In case the list has not been published after the competitive process had been finalised, GLA officers will monitor the latest developments and endeavour to reach an agreement with the DfE in advance before confirming all successful organisations, in attempt to mitigate the small risk of these organisations being deemed ineligible for funding by the DfE in the future.	Amber
There is a risk of AEB Funding Rules and Rates documents changing over the three-year period of the agreements, since these documents are issued on an annual basis and especially in light of the upcoming Funding and	The prospectus document and agreements will clearly state that these documents are subject to change from time to time and all successful organisations must deliver in accordance with the latest issued documents. The	Green

Accountability reform. This could lead to providers delivering in line with previously published documents.	prospectus will have annual break clauses for any funding agreement.	
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- 4.3. No GLA officer involved in the drafting or clearance of this MD is aware of any conflicts of interest with the proposals set out in this form.

## 5. Financial comments

- 5.1. Mayoral approval is being sought for expenditure of up to £130m on both AEB provision and FCFJ programme to provide training and qualifications with an emphasis on progression into jobs in the Digital, Health and Social Care, Hospitality, Green Economy and Creative Industries sectors. This will include the approval of up to £100m of AEB funding and up to £30m of ringfenced FCFJ budget funded by the DfE as per their memorandum of understanding letter. The FCFJ funding from the DfE will be £30m over the three academic years and is ringfenced, with a risk of decreased allocation for future years if there are any underspends. If there is an overspend by any of the providers, there is a provision of up to 110 per cent of the grant allocation as agreed within the MOU letter from DfE.
- 5.2 The funding is expected to be used across three academic years (2023-24, 2024-25 and 2025-26), however this will straddle across the Authority's financial years as per the indicative expenditure profile in Table 1 below. Budget allocations for 2023-24 up to 2026-27 will be subject to approval through the annual budget setting process. The funding for this programme is external funding with no staffing costs anticipated to arise. As this funding is multi-year, it is subject to available funding and there should be appropriate break clauses in the agreement. Underspends from each year will be clawed back from the DfE for the FCFJ and will not lead to a call on GLA core resources whilst underspends from the main AEB provision will be added back the larger AEB pot that can be reused in the future with no impact in core GLA resources.

**Table 1:**

Financial year (FY)	£000's
2023-24 FY	27,000
2024-25 FY	43,000
2025-26 FY	43,000
2026-27 FY	16,000
TOTAL	£130,000

## 6. Legal comments

- 6.1. The foregoing sections of this report indicate that certain of the decisions requested of the Mayor concern the exercise of the:
- GLA's general powers, falling within the GLA's statutory powers to do such things considered to further or that are facilitative of, or 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:

- pay due regard to the principle that there should be equality of opportunity for all people
- consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom
- consult with appropriate bodies
- 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. In taking the decisions requested, the Mayor must 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). To this end, the Director should have particular regard to section 3 of this report.

6.3. Should the Mayor be minded to make the decisions sought, officers must ensure that they:

- do not commit to any expenditure which relies upon AEB, FCFJ or any other funding before its availability is confirmed
- conduct the funding application process in a fair and open manner by reference to published objective evaluation criteria, in accordance with the GLA's Contracts and Funding Code and all applicable AEB funding rules
- enter into and execute funding agreements with successful applicants before any commitment to fund is made
- as it is proposed that funding be awarded that extends beyond the current Mayoral term, ensure that the funding agreements contain termination for convenience rights in favour of the GLA; and that the milestones/outputs associated with the GLA funding are configured and managed in a way so as to avoid abortive expenditure being incurred should a successor administration choose to exercise such rights.

## **7. Planned delivery approach and next steps**

7.1. The activities and timelines are as follows:

<b>Activity</b>	<b>Timeline</b>
Launch of procurement process	Mid-October 2022
Market warming events	Late October 2022
Deadline for applications	Late November 2022
Application scoring	January – March 2023
Notification of providers and execution of agreements	May – June 2023
Mobilisation and onboarding of providers	July 2023
Jobs and Skills for Londoners delivery start	August 2023

### **Appendices and supporting papers:**

#### **Appendix A – Map of London and its fringe authorities**

**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: All necessary information regarding the competition will be published on the GLA website in due course. Any preliminary information might confuse potential bidders or distort competition, and give undue advantage to some organisations. The deferral of the decision form will lower the risk of legal challenges during the competition and could be published after the successful bidders have been informed and the agreements signed.

Until what date: (a date is required if deferring) **1 September 2023**

**Part 2 – Sensitive information**

Only the facts or advice that would be exempt from disclosure under the 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:**

Lubomira Anastassova-Chirmiciu 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 26 September 2022.

✓

**EXECUTIVE DIRECTOR, RESOURCES:**

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

**Signature**

*D. Gane*

**Date: 26/9/22**

**CHIEF OF STAFF:**

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

**Signature**

*D. Bellamy*

**Date 26/9/22**

