

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2366

Title: Adult Education Budget – 2018/19 Implementation Funding Memorandum of Understanding

Executive Summary:

In preparation for the Secretary of State for Education delegating statutory functions relating to the Adult Education Budget (AEB) to the Mayor of London from the 2019/20 Academic Year (1 August 2019), this decision seeks approval of the GLA's entry into a Memorandum of Understanding (MoU) with the Department of Education, to be signed by the Mayor and the Secretary of State, setting out the latter's intention to provide up to £1,920,054 to the GLA to build capacity during the period 1 April 2018 to 31 July 2019 for managing the AEB once the relevant functions have been delegated to the Mayor.

Claims may be made by the GLA from this implementation funding for expenditure which will include staffing, accommodation and other operating costs including IT.

Decision:

That the Mayor approves:

1. The GLA's entry into a Memorandum of Understanding (copy attached at Appendix A for the Mayor's signature) as a pre-requisite to HM Government's award of funding of up to £1,920,054 to the GLA, which will cover costs incurred during the period 1 April 2018 to 31 July 2019 to help build capacity for managing the AEB once the relevant functions have been delegated to the Mayor; and
2. Claims for and receipt of the above maximum amount which will be paid to the GLA in arrears in three instalments over the financial years 2018/19 and 2019/20.

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:

27/7/19

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

Decision required – supporting report

1. Introduction and background

- 1.1. The GLA is expecting to take on responsibility for the Adult Education Budget (AEB) for London from the 2019/20 academic year (1 August 2019) pursuant to a formal delegation of powers from the Secretary of State for Education to the Mayor of London.
- 1.2. Under cover of MD2255 – Devolution of the Adult Education Budget to the Mayor, the Mayor accepted the delegation of AEB functions, subject to the final arrangements being confirmed by the Secretary of State.
- 1.3. For the Secretary of State to delegate the functions and funding for AEB to the Mayor, he needs to be satisfied that the Mayor meets a number of readiness conditions and agrees to a number of key documents. The documents include an Implementation Funding MoU (Appendix A) which must be signed by the Mayor before being signed by the Secretary of State.

2. Objectives and expected outcomes

- 2.1. The GLA's entering into the MoU is a prerequisite of the award by the DfE of implementation funding to reimburse certain costs incurred by the GLA during the period 1 April 2018 to 31 July 2019, and the DfE's entering into the MoU confirms the DfE's intention to award that funding. It is intended that the award of funding will be made under Section 31 of the Local Government Act 2003 ('a Section 31 grant') to build capacity for managing the delegated AEB from 2019/20 onwards, in line with activities outlined in the GLA's business case for the period April 2018 to July 2019.
- 2.2. Once this is agreed, funding of up to £1,920,054 will be available for GLA claims in respect of evidenced costs incurred in respect of AEB implementation activities such as those specified in the GLA April 2018 to July 2019 business case (available on request). It is proposed that claims will be made and paid in arrears upon submission to DfE of evidence of expenditure in three instalments: October 2018, April 2019 and August 2019. The GLA will need to inform the DfE of actual expenditure for the relevant periods in order to receive the funding as set out in the table below. Please see Appendix B for more information.

Period	GLA accounting officer declaration of matched spend directly by the GLA sent to DfE by	DfE section 31 demand led grant payment made by
1 April to 30 September 2018	12 October 2018	26 October 2018
1 October to 31 March 2019	12 April 2019	26 April 2019
1 April 2019 to 31 July 2019	9 August 2019	30 August 2019

- 2.3. At the time of writing, according to the GLA's period 5 management accounts, the GLA has incurred expenditure of £822,307 in respect of which we will make a claim in October 2018 (as indicated above).

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; and
- 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 to have due regard detailed above in making any decisions relating to the AEB. In respect of the currently proposed funding arrangement for capacity building, the extent of the regard due is likely to be limited.

3.4 Once delegated, the AEB will support a range of people who need skills and training to access and progress in work, including those at a particular disadvantage in the labour market, such as people with no basic skills, those who are long-term unemployed, lone parents, people from black and minority ethnic backgrounds, people with disabilities, and people in low paid or low skilled jobs.

4 Other considerations

4.1 GLA officers have worked closely with DfE officials to agree the terms of this MoU. The MoU was submitted for approval by the Mayor on 19 September at his AEB Mayoral Board before formal approval and submission to the Secretary of State for signature.

4.2 Following the signing of this MoU, the final AEB delegation letter and MoU are due to be signed by the Secretary of State and the Mayor in early 2019 and will be subject to the GLA's Mayoral decision-making processes. Once signed, the letter will constitute the legal transfer of the statutory functions, whereas the MoU will underpin the relationship between each involved party but will not be legally binding.

4.3 All expenditure before receipt of implementation funding from DfE has the appropriate approval in place. The majority of funding will go towards staffing costs which have been approved through the Head of Paid Service process.

5 Financial comments

5.1 The MoU is a pre-requisite to DfE's provision of up to £1,920,054 to the GLA in total for incurred and evidenced AEB implementation activity costs as specified in the GLA April 2018 to July 2019 business case to Government. The grant will be made by way of a Section 31 transfer and will span two financial-years as follows:

- 2018-19 - £1,441,767
- 2019-20 - £478,287

6 Legal comments

6.1 Section 39A of the Greater London Authority Act 1999 permits the delegation of ministerial functions to the Mayor, subject to certain limitations and conditions. This forms the basis for the proposed delegation of AEB functions from the Secretary of State for Education to the Mayor. A particular and onerous limitation of a delegation under s39A is that the usual power of delegation by the Mayor is excluded in respect of s39A delegated functions. The proposed memorandum of understanding

relates to the funding of the GLA, by the Department for Education, of preparations for the exercise by the Mayor of these functions.

- 6.2 It should be noted that the memorandum of understanding makes clear that, whilst setting out the parties' broad intentions, it is not intended to be legally binding and the award of the implementation funding remains subject to the Department for Education's exercise of its power to make such grants under section 31 of the Local Government Act 2003. Should the Mayor be minded to make the decision sought and sign the memorandum of understanding, officers should therefore exercise care in incurring any expenditure in reliance on the funding before the section 31 grant has been made, including liaison with the Department of Education to ensure that the funding may be claimed in respect of expenditure proposed.
- 6.3 In taking the decision 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 Mayor should have particular regard to section 3 (above) of this report.

7 Planned delivery approach and next steps

Activity	Timeline
The Mayor and the Secretary of State for Education sign the Memorandum of Understanding	September/October 2018
Award of funding from the Department for Education	TBC by DfE

Appendices and supporting papers:

Appendix A: Memorandum of Understanding – To be signed by the Mayor
Appendix B: AEB devolution implementation and operational funding letter

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? NO

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:

Jamie Davies has drafted this report in accordance with GLA procedures and confirms the following: ✓

Sponsoring Director:

Lucy Owen 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 24 September 2018.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

Date

24/09/18

Tom Middleton on behalf of Martin Clarke

CHIEF OF STAFF:

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

Signature

Date

25/9/2018

