

## REQUEST FOR MAYORAL DECISION – MD2614

### Adult Education Budget (AEB): 2019/20 Annual Report to the Department for Education

#### Executive Summary:

In February 2020, the AEB Mayoral Board endorsed the reprofiling of the £306,444,875 Adult Education Budget (AEB) for the 2019/20 Academic Year as previously agreed by the [Mayor under cover of MD2462 \(Financial Management of the 2019/20 AEB\)](#). This Mayoral Decision (MD) form seeks the Mayor's approval of this reprofile noting that any future reprofiles will generally be agreed by the Mayor at the AEB Mayoral Board and effected through the GLA's budget management processes. Approvals for any budget transfers between the four top-level AEB budget lines (see Table 1 at section 2.1 of this MD form) or matters reserved within the [AEB Assurance Framework](#) will continue to be sought and recorded by way of MD form.

Approval is also sought of the first annual report to the Government on the delivery of delegated adult education functions (see Appendix A) as required under '[The exercise of delegated adult education functions: Guidance for the Mayor of London and Greater London Authority](#)'. Once approved and signed by the Mayor, the report will be submitted to the Department for Education (DfE) by 31 March 2020 as required. In summary, the final report covers delivery of the adult education functions in Greater London, Mayoral policy on the same, financial commitments based on budget reprofiles contained within this MD form and AEB expenditure from the start of 2019/20 Academic Year (1 August 2019) to the end of February 2020. As AEB functions and funding only transferred to the Mayor on 1 August 2019, more comprehensive analysis and performance data will be included in annual reports from the 2020/21 Academic Year.

#### Decision:

That the Mayor approves the:

1. reprofiling of the AEB budget for the 2019/20 Academic Year, and that any future reprofiles will generally be agreed by the Mayor at the AEB Mayoral Board meetings and effected through the GLA's budget management processes, and that budget transfers between the four top-level AEB budget lines or matters reserved within the AEB Assurance Framework will continue to be sought and recorded by way of Mayoral Decision form; and
2. Mayor's annual report as at Appendix A for submission to the Department for Education (DfE) by 31 March 2020.

#### 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: 01 April 2020

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

### Decision required – supporting report

#### 1. Introduction and background

- 1.1 Since 1 August 2019, the Mayor has been responsible for the commissioning, delivery and management of London's Annual Education Budget (AEB). The overall allocation from the DfE for the 2019/20 Academic Year was £306,444,875 comprising £191,987,714 for expenditure incurred within the 2019/20 Financial Year and a further £114,457,161 for expenditure up until 31 July 2020 (the Academic Year End). The original profile was aligned with the national profile as set by the Education and Skills Funding Agency (ESFA)<sup>1</sup> for delivery providers and approved by the Mayor under cover of [MD2462 \(Financial Management of the 2019/20 AEB Budget\)](#). A revised profile was endorsed by the AEB Mayoral Board on 19 February 2020 to reflect projected provider performance and this MD seeks the Mayor's approval of the same.
- 1.2 In July 2019, the DfE published '[The exercise of delegated adult education functions: Guidance for the Mayor of London and Greater London Authority](#)' ("the London Guidance"). This guidance provides support to the Mayor when exercising the specified adult education functions and should be considered alongside the '[Delegation of certain adult education functions to the Mayor of London: Memorandum of Understanding](#)' agreed between the Mayor, DfE and the ESFA in January 2019.
- 1.3 The London Guidance details what reports the Mayor should provide to HM Government about the delivery of delegated adult education functions each year as follows: in January, an indicative draft, incorporating the key financial information; and in March, the final, signed document covering delivery of the adult education functions in Greater London.
- 1.4 As specified by the London Guidance, the annual report should include, but not be limited to:
  - the Mayor's policies for adult education;
  - spend from the Adult Education Budget;
  - analysis of the Mayor's delivery of the adult education functions in Greater London. This can draw on published data from DfE and use other data where necessary to present this analysis;<sup>2</sup> and
  - local impact – it should consider the impact the Mayor's exercise of adult education functions has had upon skills in Greater London, with regard to:
    - a) overall participation in AEB-funded provision;
    - b) number of learners exercising their statutory entitlement to full funding for: i) English and maths up to Level 2; ii) first full level 2 (learners aged 19-23); and iii) first full level 3 (learners aged 19-23); and
    - c) completion and achievement rates.
- 1.5 The Mayor is also encouraged to produce further monitoring and evaluation which goes beyond the data sets DfE publishes annually such as relevant employer or learner surveys.
- 1.6 As AEB functions and funding were only transferred to the Mayor on 1 August 2019, more comprehensive analysis and performance data (as required under 1.4 above) is not available at this time but will be included in annual reports from January 2021 onwards. This is soon after the first comprehensive data sets become available.

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<sup>1</sup> The ESFA is an executive agency of DfE and responsible for funding education and skills for children, young people and adults.

<sup>2</sup> This analysis could be released into the public by government departments. For example, presenting the impacts to Parliament of the delegation of the exercise of adult education functions to the Mayor.

## 2. Objectives and expected outcomes

### Reprofile of AEB Academic Year (AY) 2019/20 expenditure

- 2.1 Due to the projected performance in FY 2019/20, AEB expenditure forecasts have been updated (see Table 1 below) across the 2019/20 and 2020/21 financial years. This will enable expenditure to be transferred to 2020/21 as a part of GLA year-end processes, and to increase funding allocated to the Skills for Londoners Innovation Fund.
- 2.2 This transfer of funds to the next Financial Year will enable the Mayor to make timely funding decisions related to provider performance (subject to budget availability) and it is expected that grant-funded providers who overperform in 2019/20 will be considered for growth funding after final provider claims in October 2020.
- 2.3 Regarding potential growth for over-performing AEB procured providers, this will be agreed as soon as possible following the performance management point in May 2020 as set out in the Funding and Performance Management Rules for Procured Providers.
- 2.4 The increase of the Skills for Londoners Innovation Fund was agreed separately under the cover of MD2581 in light of the quality of applications received. Increasing the funding has enabled the Mayor to fund a greater number of projects across each of the priorities set out in the Skills for Londoners Strategy. This includes a number of projects which aim to address the mayoral priority in relation to disabled Londoners.
- 2.5 The objectives and expected outcomes of the AEB remain unchanged as a result of the re-profiling of funding to the next Financial Year. The outcomes expected with the increased Skills for Londoners Innovation Fund are clearly set out under cover of MD2581 including achievement of 6,000 qualifications to be met by the fund.
- 2.6 The updated forecast was endorsed by the AEB Mayoral Board on 19 February 2020 and reflected in the annual report to HM Government attached at Appendix A.

**Table 1:**

<b>Budget line</b>	<b>Budget (£)</b>	<b>2019/20 FYE (August - March 20)</b>	<b>2020/21 FYE (April-July)</b>
<b>Grant provision</b> (including Exceptional Learning Support)	262,497,602	164,141,498	98,356,104
<b>Procured provision</b>	32,500,000	15,166,900	17,333,100
<b>Skills for Londoners Innovation Funding</b>	7,319,523	2,283,152	5,036,371
<b>Management and Administration (M&amp;A)</b>	4,127,750	1,881,235	2,246,515
<b>Overall Total</b>	<b>306,444,875</b>	<b>183,472,785</b>	<b>122,972,090</b>

- i. The table includes an increase of £901,258 added to the Skills for Londoners Innovation Funding.
- ii. Based on performance information available by March 2020, any monies available for reallocation identified by the Financial Year End (31 March 2020) will be transferred to the 2020/21 Financial Year as part of GLA Finance year-end processes.

### AEB Annual Report to HM Government

- 2.7 As required by the London Guidance, the proposed annual report to HM Government (set out at Appendix A) provides an update on delivery of delegated adult education functions in London.
- 2.8 As explained in the guidance, the annual report should ‘...demonstrate how delivery of the adult education functions is aligned to the Mayor’s strategic skills plans and supports delivery of local economic objectives. This should include a description of the arrangements for enabling effective and meaningful engagement of local and national partners in proposed use and evaluation of the AEB,

including but not limited to providers and their representative organisations, employers, National Careers Service and DfE/ESFA.’

- 2.9 The report is also required to include key financial information. The forecast against the budget shown at Table 1 in the Annual Report is based on the information in section 2.5 above. The final signed report is due for submission by 31 March 2020.

### **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 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 decisions set out in this report 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 2019/20 due consideration was given to its impact on learners with protected characteristics to ensure no groups of learners should be disadvantaged as funding will continue in line with prior actual delivery.
- 3.5 The Mayor’s Skills for Londoners Innovation Fund will fund a range of different projects across each of the priorities set out in the Skills for Londoners Strategy. This includes a number of projects which aim to address the Mayoral priority in relation to disabled Londoners.
- 3.6 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, people without basic skills and people who are workless. It will also support Londoners in low-paid/low-skilled jobs.

### **4 Other considerations**

- 4.1 Financial reprofile: future reprofiling will generally be agreed by the Mayor through the AEB Mayoral Board and effected through the GLA’s budget management processes. Any budget transfers between the four top-level AEB budget lines (see Table 1 above) or matters reserved within the [AEB Assurance Framework](#) will continue to be sought and recorded by way of a Mayoral Decision form.
- 4.2 Annual Report: as AEB functions and funding only transferred to the Mayor on 1 August 2019, more comprehensive analysis and performance data is not available at this time but will be included in annual reports from January 2021 onwards. This is soon after the first comprehensive data sets become available.
- 4.3 The AEB Mayoral Board endorsed the proposals set out in this decision on 19 February 2020. It should be noted that since the draft Mayor’s report was presented to the Board, it has been updated to provide further detail on the steps the Mayor has taken to tailor the AEB to the needs of Londoners.
- 4.3 The overall AEB programme risks are included on the GLA’s corporate risk register.

- 4.4 The successful delivery of the AEB is a commitment 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; and
  - deliver a strategy city-wide technical skills and adult education offer.
- 4.5 There are no conflicts of interest to declare from those involved in the drafting or clearance of this decision.

## **5 Financial comments**

- 5.1 This decision seeks approval for the annual report to DfE which predominantly provides an update on the forecast financial performance against the £306m AEB budget for the 2019-20 academic year. It identifies how the budget has been committed between financial years to deliver AEB provision based on reprofiles endorsed at the February 2020 AEB Mayoral Board.

## **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 of the delegation to the Mayor of AEB functions from the Secretary of State for Education. A particular limitation of the delegation is that the usual power of delegation by the Mayor is not available in respect of s39A delegated functions.
- 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 Mayor should have particular regard to section 3 (above) of this report.
- 6.3 Should the Mayor be minded to make the decisions sought officers must ensure that:
- 6.3.1 to the extent that the re-profiling of the AEB budget for the 2019/20 academic year, necessitates the variation of any funding agreements or contracts for services with AEB funding recipients or contractors respectively those funding agreements and contracts for services are varied in accordance with the provisions of the same; and
- 6.3.2 the GLA continues to comply with the London Guidance and [Delegation of certain adult education functions to the Mayor of London: Memorandum of Understanding](#) liaising with the Department for Education and ESFA as necessary from time to time.

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

- 7.1 The annual report at Appendix A will be submitted to the DfE by 31 March 2020.

**Appendices:**

- **Appendix A** – annual report to HM Government regarding the delivery of delegated adult education functions

**Background Documents:**

The following documents are available upon request:

- [Delegation of certain adult education functions to the Mayor of London: Memorandum of Understanding](#) (January 2018)
- [The exercise of delegated adult education functions: Guidance for the Mayor of London and Greater London Authority](#) (July 2019)
- [Adult Education Budget \(AEB\) Assurance Framework](#) (First published in August 2019)
- [Mayoral Decision \(MD\) 2462 – Financial Management of the 2019/20 AEB Budget](#) (April 2019)

## 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

Until 1 April 2020 (after the Mayor's report has been submitted to DfE)

## 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:

Ayo Akande has drafted this report in accordance with GLA procedures and confirms the following:

✓

### Sponsoring Director:

Sarah Mulley and Halima Khan have reviewed the request and are 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.

✓

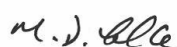
## Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 16 March 2020

## EXECUTIVE DIRECTOR, RESOURCES:

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

### Signature



### Date

24 March 2020

## CHIEF OF STAFF:

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

### Signature



### Date

31 March 2020