

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2839

Title: Adult Education Budget Funding Rules – July 2021

Executive summary:

This Mayoral Decision (MD) form sets out the proposed changes to the GLA's Adult Education Budget (AEB) Funding and Performance Management Rules for Grant-Funded Providers (the Grant Rules); the GLA's AEB Funding and Performance Management Rules for Procured Providers (the Procured Rules); and the GLA AEB Funding Rates and Formula (the Funding Rates) documents for the 2021-22 academic year (AY).

Draft AEB Funding Rules and Rates for the 2021-22 AY were approved under the cover of MD2764 and published in March 2021.

All documents have been updated to reflect the changes made by the Education and Skills Funding Agency (ESFA) in their respective versions of these documents published ahead of the 2021-22 AY. The main changes made since publication of the Draft Rules and Rates for 2021-22 relate to changes in eligibility, funding continuing learners through the high value courses offer, and a new section on job outcome payments relating to the Sectoral Academy Hubs.

In line with the provisions set out in MD2736 – Changes to AEB Decision-Making, any further substantive in-year changes relating to these documents can be made by the Mayor at future AEB Mayoral Board meetings.

Decision:

That the Mayor approves:

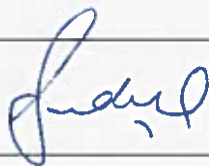
1. the proposed changes to the Grant Rules for the 2021-22 AY as set out in Appendix A
2. the proposed changes to the Procured Rules for the 2021-22 AY as set out in Appendix A
3. the proposed changes to the Funding Rates for the 2021-22 AY set out in Appendix A.

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:

22/7/21

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

Decision required – supporting report

1. Introduction and background

- 1.1 In February 2021, MD2764 – AEB Funding Rules – 2021, approved the updating of the AEB Funding Rules and Rates to include the following AEB policy interventions, introduced for the 2021-22 AY to support London's recovery from the social and economic impacts of Covid-19:
 - the application of a 'London factor' of 10 per cent to the weighted base rate of all AEB-fundable qualifications up to and including Level 2
 - the use of AEB funding to run a competitive grant award process – AEB Good Work for All – aligned with the London Recovery missions.
- 1.2 Under cover of MD2764, the Mayor also approved to continue to offer AEB policy changes introduced during the 2020-21 AY as part of the London Recovery Flexibilities in the 2021-22 AY. These were:
 - fully funding Level 3 qualifications (equivalent to A-level), lasting for a year or less, for any adult Londoner unemployed or earning below the London Living Wage
 - enabling all AEB grant providers to use up to 10 per cent of their budgets more flexibly to provide Londoners with employability and wraparound support alongside retraining.
- 1.3 In May 2021, the ESFA published Version 1 of the national AEB Funding Rules and Version 1 of the national AEB Funding Rates for the 2021-22 AY. This included revisions to AEB eligibility in light of the UK's exit from the EU.
- 1.4 The London Recovery Board established the London Recovery Programme to deliver its grand challenge to restore confidence in the city, minimise the impact on communities and build back better the city's economy and society as a result of the Covid-19 pandemic. The Good Work for All mission includes a recommendation to establish new academies in key sectors, such as creative, digital and the green economy.
- 1.5 A further decision form will come forward that proposes that AEB funding is used to incentivise provider focus on delivery of training and support, to enable and drive progression of out-of-work Londoners into good jobs. This will be done by introducing fixed payments where providers report a job outcome linked to the activity of these sectoral academies.
- 1.6 The Mayor approved changes to the AEB decision-making arrangements to streamline the existing process and reduce the number of decisions that must be reviewed by the Mayor twice, under cover of MD2736 in March 2021. In so doing the Mayor approved that certain AEB decisions may be approved 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.
- 1.7 In line with the processes set out in MD2736, substantive in-year changes to the AEB Funding Rules and Rates to improve provider management or to implement new GLA policies can be made by the Mayor at future AEB Mayoral Board meetings, subject to the policy decisions that they derive from having been separately agreed by MD where required (and outside of the annual 'draft' and 'final' Funding Rules which are also subject to MD). Minor changes to GLA Funding Rules, such as alignment with the ESFA changes to improve consistency, to correct a clerical error or to ensure compliance with evolving legislation, will continue to be made by officers in line with the process set out in the AEB Assurance Framework.

2. Objectives and expected outcomes

- 2.1 The proposed amendments to the Grant Rules, the Procured Rules and the Funding Rates align with the changes introduced in Version 1 of the ESFA Funding Rules and Version 1 of the ESFA Funding Rates for 2021-22.
- 2.2 AEB Grant-eligibility rules have been updated in light of the UK's exit from the EU. European Economic Area (EEA) nationals remain eligible if they have obtained pre-settled or settled status under the EU Settlement Scheme, and have lived in the UK or the EEA for the past three years. This also applies to other non-UK nationals that have achieved this status, have had permission granted by the UK government to live in the UK, or are an Irish national.
- 2.3 The AEB Procured Rules eligibility rules have been updated to ensure they meet the new AEB residency eligibility rules, as well as eligibility rules relating to the use of European Social Fund funding.
- 2.4 The national initiative to pay an uplift for delivery of high-value courses to 19-year-olds in 2020-21 has come to an end. The GLA will continue to fund continuing learners in 2021-22 where they are enrolled in the 2020-21 AY and complete their learning before 31 March 2022. This has been reflected in the Grant Rules and the Procured Rules for 2021-22.
- 2.5 Several of the changes made to the Funding Rules are for purposes of clarification. For example, the contributions table in both the Grant Rules and the Procured Rules have been split in two, as they had become overly complex following recent policy changes. Each now has one table for learners aged 19-23, and another for learners aged 24+.
- 2.6 A further decision form will come forward that proposes to introduce fixed payments where providers report a job outcome linked to the activity of newly established sectoral academies. This is intended to support and maximise the transition of Londoners with the right skills into employment. The Grant Rules, Procured Rules and Funding Rates documents have been updated to set out arrangements for how eligible AEB providers can claim these additional payments. Additional funding allocations for eligible providers will be put forward for approval later this year.
- 2.7 The Funding Rates have been updated to reflect that the GLA approach to calculating the disadvantage uplift will differ to the national approach taken by the ESFA in 2021-22. For the purposes of calculating the disadvantage uplift, the GLA will continue to use the Indices for Multiple Deprivation (IMD) for 2015, whereas the ESFA have moved to using the more recently published IMD 2019. Continued use of IMD 2015 in London will prevent a reduction in the amount of funding earned for delivery of learning aims to Londoners.
- 2.8 A list of amendments to the Grant Rules, the Procured Rules and the Funding Rates are set out in Appendix A.

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 report and any future decisions relating to the AEB made pursuant to those arrangements which will be subject to separate decision forms.
- 3.4 The introduction of fixed payments for providers that report a job outcome linked to the activity of the sectoral academies will enable providers to support Londoners who have been hardest hit by the pandemic in key sectors of the economy essential to London's recovery.
- 3.5 Continued use of IMD 2015 in the calculation of the disadvantage uplift will support GLA-funded AEB providers to deliver skills provision to the most disadvantaged Londoners.

4. Other considerations

Risks arising/mitigation

- 4.1 As key changes introduced by the ESFA have been incorporated into the AEB Funding Rules and Rates, this mitigates any potential risks of divergence. Divergence may lead to Individualised Learner Record (ILR) data-validation issues, or provide uncertainty regarding application of the Rules.
- 4.2 No other key risks have been identified with this approach.

Links to Mayoral strategies and priorities

- 4.3 The Sectoral Academy Hubs are an important element of the Mayor's strategy to support London's recovery from the pandemic. Hub providers will be incentivised, through the use of AEB funding, to support Londoners to gain the skills needed to find employment in key sectors of the economy.
- 4.4 Continuation of the London Recovery Flexibilities in the 2021-22 AY will best enable providers to spend their allocations in the 2021-22 AY and support Londoners most affected by the pandemic.
- 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 is seeking the Mayor's approval to the proposed changes to the GLA, AEB Funding and Performance Management for Grant Funded Providers, Procured Providers and Funding Rates and Formula for the 2021-22 AY, as set out in Appendix A.
- 5.2 There are no direct financial implications to the GLA arising from the proposals set out in this report.

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 limitation of a delegation under s39A is that the usual power of delegation by the Mayor is not available in respect of s39A delegated functions.
- 6.2 MD2736 amended the Mayoral decision-making process (the AEB Assurance Framework, the AEB Constitution and the amended Mayoral decision-making process) to provide that certain decisions can be made by the Mayor at the AEB Mayoral Board without having to proceed through the MD form process, and paragraphs 1.6 and 1.7 set out that process.

- 6.3 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, gender, 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.
- 6.4 Should the Mayor be minded to make the decisions sought, officers must ensure that the changes are published and communicated clearly to providers.

7. Planned delivery approach and next steps

Activity	Timeline
Publication of the Grant Rules for 2021-22	July 2021
Publication of the Procured Rules for 2021-22	July 2021
Publication of the Funding Rates for 2021-22	July 2021

Appendices and supporting papers:

Appendix A – Changes to AEB Funding Rules and Rates for the 2021-22 AY.

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

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Simon Lowe has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Sarah Mulley have 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 12 July 2021.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

D. Gane

Date

14 July 2021

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date

14 July 2021