

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2764

Title: Adult Education Budget Funding Rules – February 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 2020/21 and 2021/22 Academic Years (AYs).

The Grant and Procured Rules for both AYs have been updated to reflect the new National Skills Fund (NSF) Level 3 Adult Offer due to start in April 2021 and other changes in line with the latest version of the Education and Skills Funding Agency's (ESFA's) AEB Grant Funding and Performance Management Rules.

Other changes to the 2021/22 Rules relate to policy interventions that have been introduced under the cover of [MD2718](#), as part of London's Recovery Flexibilities. The Rules also reflect the proposed continuation and revision of existing London Recovery Flexibilities introduced in the previous AY. A new section has been added to the Grant Rules covering new provision awarded through the AEB Good Work for All Fund.

Decision:

That the Mayor approves the following changes:

1. the proposed changes to the GLA AEB Funding and Performance Management Rules for Grant Funded Providers for the 2020/21 and 2021/22 AYs as set out in Appendix A;
2. 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;
3. the proposed changes to the GLA AEB Funding and Performance Management Rules for Procured Providers for the 2020/21 and 2021/22 AYs as set out in Appendix B; and
4. the proposed changes to the GLA AEB Funding Rates and Formula for the 2020/21 and 2021/22 AYs set out in Appendix C.

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:

8/3/21

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

Decision required – supporting report

1. Introduction and background

- 1.1 In December 2020, MD2718 approved the following policy interventions through the Adult Education Budget (AEB) for the 2021/22 AY to support London's recovery from the social and economic impacts of COVID-19. These were:
- the application of a 'London factor' of 10% to the weighted base rate of all AEB-fundable qualifications up to and including Level 2; and
 - 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 The approved changes were intended to support changes to the AEB introduced during the 2020/21 AY as part of the London Recovery Flexibilities. These were:
- fully funding Level 3 qualifications (equivalent to an A level), lasting for a year or less, for any adult Londoner unemployed or earning below the London Living Wage; and
 - enabling all AEB grant providers to use up to 10% of their budgets more flexibly to provide Londoners with employability and wraparound support alongside retraining.
- 1.3 Similarly, the GLA introduced a revised performance tolerance of 90% in 2020/21 in recognition of the ongoing impact of COVID-19 restrictions in relation to AEB classroom delivery. This will revert back to 97% for the 2021/22 AY.
- 1.4 From April 2021, any adult aged 24 or over will be entitled to have their first full Level 3 qualification fully funded under the NSF Level 3 Offer. The GLA will receive a separate allocation for the delivery of this entitlement and the Grant and Procured Rules will be updated to reflect the introduction of this new entitlement. The GLA's Level 3 Flexibility (see paragraph 1.2) will be retained.

2. Objectives and expected outcomes

Changes to the Grant Rules for 2020/21 and 2021/22 AYs

- 2.1 Changes to the Grant Rules for the 2020/21 and 2021/22 AYs reflect the introduction of the new NSF Level 3 Offer. Allocations for NSF will be reconciled separately from AEB allocations. Overperformance of up to 150% of NSF allocations will be funded in 2020/21, subject to budget availability.
- 2.2 For the 2021/22 AY, it is proposed that, in addition to the policy changes outlined in paragraph 1.1, the GLA continues to support those changes introduced during the 2020/21 AY, as set out in paragraph 1.2.
- 2.3 A new section has been added to the Grant Rules to cover these new agreements, and other agreements where the grant is paid based on actual levels of delivery.
- 2.4 All clauses that specifically related to the 2020/21 AY have been removed, for example, clauses relating to delivery of the Skills for Londoners (SfL) Innovation Fund and COVID-19 Response Fund.
- 2.5 Amendments have also been made to include changes made by the ESFA to their Grant Funding Rules following the recent publication of a new version.
- 2.6 The changes to the AEB Grant Rules for the 2020/21 and 2021/22 AYs are set out in Appendix A.

Changes to the Procured Rules for 2020/21 and 2021/22 AYs

- 2.7 Changes made to the AEB Procured Rules reflect the changes made to the AEB Grant Rules, where applicable. In addition, the Rules have been updated to reflect changes in migrant eligibility following the UK's departure from the European Union and changes to reconciliation arrangements.
- 2.8 AEB Procured providers will also be able to claim the London Factor and NSF uplifts as part of their actual earnings, and, where appropriate, will be able to seek a contract increase in line with the AEB Procured Funding Rules.
- 2.9 Reconciliation arrangements have been updated to allow for the GLA to approve payment for delivery above the funding year contract value. In such cases, the contract value will be reduced for future years.
- 2.10 The changes to the AEB Procured Rules for the 2020/21 and 2021/22 AYs are set out in Appendix B.

AEB Funding Rates and Formula

- 2.11 The AEB Funding Rates apply to all providers. Changes reflect the introduction of the new NSF Level 3 Adult Offer. A funding uplift will be paid for the delivery of learning aims that appear of the list of eligible qualifications based on the number of Guided Learning Hours (GLH). Courses of 360 GLH or more will receive a funding uplift of £600 per enrolment. Courses of 359 GLH or less will receive a funding uplift of £150 per enrolment. Changes to the AEB Funding Rates and Formula for both AYs are set out in Appendix C.

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 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 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.
- 3.5 The proposed updates to the AEB Grant and Procured Rules set out arrangements for supporting disadvantaged Londoners affected by the COVID-19 crisis to move into employment or further learning.

4. Other considerations

Risks arising/mitigation

4.1 The key risks are:

- The Draft AEB Grant Rules for 2021/22 will be published after the launch of the AEB Good Work for All Fund. The Draft AEB Grant Rules for 2021/22 includes a new section regarding eligibility and performance management arrangements for providers that will be awarded a grant through the AEB Good Work for All Fund. The Fund launched on 8 February 2021, and the Draft Rules will not be published until early March 2021. However, bidders can refer to the latest AEB Grant Rules with key differences set out in the already published Prospectus document. We will notify bidders of the publication of the Draft 2021/22 Rules once available on our website.

Links to Mayoral Strategies and priorities

- 4.2 The NSF Level 3 Adult Offer creates a new legal entitlement for any adult aged 24 and over to be fully funded to obtain their first full Level 3 qualification. The new funding will support Londoners to develop the skills needed to move into employment in some of the sectors considered critical to London's Recovery.
- 4.3 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.
- 4.4 There are no conflicts of interest to declare from those involved in the drafting or clearance of this decision.
- 4.5 The AEB Mayoral Board considered the decisions set out in this form at its meeting on 24 February 2021.

5. Financial comments

- 5.1 The AEB Grant and Procured Funding & Performance Rules are being updated to reflect the new NSF Level 3 Adult offer that is due to start in April 2021 and other changes (detailed within the appendices of this MD) that would bring the GLA in line with the ESFA's Funding and Performance Management regime. These are in addition to changes previously approved via MD2718, which relate to policy interventions and are part of London's recovery flexibilities.
- 5.2 The proposed amendments to these Funding and Performance Management Rules do not bring any additional financial costs to the GLA as all programme costs associated with the AEB programme are to be funded from the ring-fenced AEB that has been delegated to the GLA by HM Government.
- 5.3 It should be noted, however, that there may be adjustments to individual strands of the AEB programme that would be subject to the AEB reconciliation / clawback process (where appropriate), which would incorporate the introduction of the new National Skills Fund Level 3 offer, where uplifts of between £150 to £600 per enrolment (as detailed above) will be offered during the 2020/21 and 2021/22 AYs – all to be contained within the AEB and NSF budget envelopes.

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 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.

- 6.3 This Mayoral decision form proposes that changes be made to proposed AEB funding allocation. There has been consultation on the proposed changes, as noted above. The Mayor is legally entitled to allocate AEB funds in a way that differs from previous years, provided that the process followed is fair and the grounds for decision are reasonable.
- 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 revised 2020/21 AEB Funding Rules	March 2021
Publication of Draft 2021/22 AEB Funding Rules	March 2021

Appendices and supporting papers:

Appendix A – Changes to AEB Grant Funding Rules for 2020/21 and 2021/22 AYs

Appendix B – Changes to AEB Procured Funding Rules for 2020/21 and 2021/22 AYs

Appendix C – Changes to AEB Funding Rates and Formula

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

Until what date: n/a

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 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 1 March 2021.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

D. Gene

Date

1 March 2021

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date

1 March 2021

