

REQUEST FOR MAYORAL DECISION – MD2557

Title: Adult Education Budget Policy Changes for 2020/21

Executive Summary:

This Mayoral Decision (MD) form sets out the proposed policy changes to the Adult Education Budget (AEB), and related changes to the GLA AEB Funding and Performance Rules and GLA AEB Funding Rates and Formula, for the academic year 2020/21. The draft GLA AEB Funding and Performance Rules and GLA AEB Funding Rates and Formula will be published on the GLA website in December 2019.

The final report of the Skills for Londoners (SfL) Framework consultation, which informs the AEB policy changes for 2020/21 outlined in this MD, is also attached for approval prior to publication in December 2019.

Decision:

That the Mayor approves:

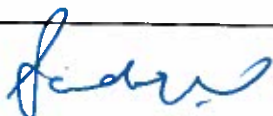
- an additional £2.7m of AEB funding for grant-funded providers to deliver English and maths legal entitlement qualifications at Levels 1 and 2 for fully funded learners from academic year 2020/21;
- a 10% increase to the average cost per AEB funded enrolment for English and maths qualifications at Levels 1 and 2 in 2020/21;
- the introduction of flexibility within AEB grant-funded provider allocations to fully fund relevant learning that upskills eligible teaching and learning support staff to deliver improved provision for learners with Special Educational Needs and Disabilities (SEND) within the publicly funded further education (FE) sector;
- changes to the GLA AEB Funding and Performance Rules and GLA AEB Funding Rates and Formula for 2020/21, reflecting the AEB policy changes for 2020/21 outlined in this MD, which will be published on the GLA website in draft in December 2019;
- the final Skills for Londoners Framework consultation report, attached as an appendix to this MD; and
- revision of the AEB research plan to bring forward research to identify best practice in English and maths teaching from 2020/21 to 2019/20 using part of the £200,000 research and evaluation budget for 2019/20 as approved under MD2462.

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:

17/12/19

PART 1 - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1 From 1 August 2019, the Mayor was delegated responsibility from the Secretary of State for Education for the commissioning, delivery and management of London's Adult Education Budget (AEB) for the 2019/20 academic year. The Department for Education (DfE) has confirmed that the Mayor will be notified of the GLA's final AEB allocation for the 2020/21 academic year by 31 January 2020, and that funding for 2021/22 and onwards will be considered in the full Spending Review next year.
- 1.2 The AEB covers skills provision for learners aged 19+ including Adult and Community Learning. It is delivered by a range of different provider types including general Further Education (FE) colleges, local authorities, independent training providers, sixth form colleges and universities.
- 1.3 As part of the preparation for the delegation of the AEB to the Mayor in 2019, the GLA published the Skills for Londoners (SfL) Framework in November 2018, following a five-week consultation in July-August 2018. Approved under MD2389, the Framework outlined how the Mayor would support the delivery of the objectives of the SfL Strategy, which was published in June 2018. It set out the implementation plans for the AEB, as well as the European Social Fund (ESF) and the SfL Capital Fund.
- 1.4 To build on the proposals set out in the Framework and to plan for any potential changes to the AEB in Year 2 (2020-21) and future years, a consultation paper was published in April 2019. The paper posed a number of questions relating to potential changes to the AEB. The findings from the consultation, which ran for five weeks, have been used to inform proposed policy changes to the AEB for 2020/21, as well as other future changes to the AEB. The final report is attached as an appendix to this paper and, following approval, will be published on the GLA website in December 2019.
- 1.5 The proposed policy changes to the AEB for 2020/21, which are set out in further detail in this MD, are:
 - To introduce a 10% increase in the total spend by grant-funded providers on English and maths legal entitlement qualifications at Levels 1 and 2 in 2018/19, resulting in an additional £2.7m being made available to grant-funded providers to be distributed proportionately based on each provider's spend on these qualifications in 2018/19.
 - To apply a 10% increase to the average cost per funded enrolment for English and maths entitlement qualifications at Levels 1 and 2. This would amount to an additional £77 for any funded enrolment in eligible English and maths courses at Levels 1 and 2.
 - To introduce flexibility within AEB grant-funded provider allocations to fully fund relevant learning that upskills eligible teaching and learning support staff to deliver improved provision for learners with special educational needs and disabilities (SEND) within FE.
- 1.6 The decisions set out in this form were endorsed by the AEB Mayoral Board on 26 November 2019.

2. Objectives and expected outcomes

Increase funding for English and Maths legal entitlement qualifications at Levels 1 and 2

- 2.1 Through his SfL Framework, the Mayor made English and maths a key priority for reform and twice consulted on this commitment. Firstly, in identifying the types of support learners needed to participate and achieve in English and maths and, secondly, around the steps he could take to boost retention and achievement rates. The recurring theme in responses to the Framework has been that

current funding rates for English and maths do not adequately reflect the costs associated with supporting learners lacking basic skills.

- 2.2 The base rates for English and maths entitlement qualifications have not been adjusted since 2013. As a result, the level of resource available for English and maths provision has declined substantially in real terms over this period.
- 2.3 Given achievements are lowest at Levels 1 and 2 – and achieving at these levels can help more Londoners to secure and/or progress in work as well as improve their wellbeing – it is proposed that an uplift is introduced for all English and maths qualifications at Levels 1 and 2, identified under the legal entitlement for that funding year, for fully funded learners.
- 2.4 The proposed policy change refers only to legal entitlement qualifications in English and maths at Levels 1 and 2 which are available for AEB delivery in 2020/21 and are visible on the Ofqual Register of Regulated Qualifications. These qualifications are updated annually by the DfE and are identified by government as giving learners the best chance of progressing towards achieving a GCSE grade 9 to 4 or A* to C in both English and maths.
- 2.5 The GLA will revise the list of qualifications eligible for increased funding on an ongoing basis to align with the DfE's changing list of entitlement qualifications. The list of eligible qualifications may be expanded in the future, following approval by the Mayor.
- 2.6 It is recommended that a **10% increase in the total spend by grant-funded providers on English and maths legal entitlement qualifications at Levels 1 and 2 in 2018/19 is introduced for 2020/21**. This will result in an additional £2.7m being made available to grant-funded providers – compared to 2019/20 funding – to be distributed proportionately based on each provider's spend on these qualifications in 2018/19. The additional funding will be made available within the GLA's overall AEB allocation for 2020/21.
- 2.7 The funding uplift both corrects for inflation since 2013 – the last time funding for entitlement English and maths qualifications was increased – and also provides additional funding in line with the Mayor's commitment to drive up English and maths participation and achievement rates.
- 2.8 In terms of how funding is earned by providers, it is **recommended that a 10% increase to the average cost per funded enrolment for English and maths entitlement qualifications at Levels 1 and 2 is applied**. The average cost per funded enrolment was c.£770 for the 2018/19 academic year. A 10% increase would mean that each provider would receive an additional £77 for any funded enrolment in eligible English and maths courses at Levels 1 and 2.
- 2.9 GLA officers will closely monitor any increase in take-up and achievement rates and set aspirational targets for individual providers on a quarterly basis. The GLA will also require providers, as part of their strategic planning returns in the spring, to outline how they will invest the funding increase to improve English and maths provision. All AEB policy changes will be subject to robust independent evaluation.
- 2.10 To support this policy change, research confirmed for 2020/21 to identify best practice in English and maths teaching will be brought forward to this funding year using part of the £200,000 research and evaluation budget for 2019/20 as approved under MD2462. This will allow the GLA to provide further insight for providers into how the additional funding made available for English and maths entitlement qualifications can be used to deliver improved outcomes in line with the introduction of this new policy.

Upskilling teachers and learning support staff to improve SEND provision

- 2.11 Through the SfL Strategy, the Mayor set out his objective to empower all Londoners to access the education and skills to participate in society and progress in education and work. He also committed

to use the findings of the London Post-16 SEND Review to promote and support training provision that meets the needs of disabled people.

- 2.12 The SfL Framework consultation posed two questions related to SEND: how the AEB could address challenges identified in the Review; and what additional learner support was needed for SEND learners to improve their retention, achievement and progression. Responses highlighted the lack of resources and capacity within the sector to meet growing demand for provision for learners with SEND and argued for more support for workforce development.
- 2.13 While the Mayor has limited powers regarding funding provision for SEND learners, to support the Mayor's objective to increase the participation, retention and achievement of disabled Londoners in education and training, it is proposed that **the AEB is used to fully fund relevant learning to enable the upskilling of eligible¹ teaching and learning support staff to deliver improved provision for learners with SEND.**
- 2.14 This policy would be achieved by introducing flexibility within grant funded providers' AEB allocations, allowing providers to determine the sector's training needs and tailor their provision as required. It would also enable a wide pool of staff to access this provision.
- 2.15 Providers will be invited to identify the learning aims that should be funded at any point from the announcement of this policy. The GLA would then decide which aims to fund, based on whether they are suitable. It is envisaged that providers would identify learning aims through the submission of an online pro forma hosted on the GLA's website.
- 2.16 This flexibility would only be available to those providers with an AEB grant from the GLA. However, any teaching or learning support staff delivering publicly funded FE training, regardless of whether they are directly employed by the provider, would be eligible to receive training.
- 2.17 As this policy change represents a significant departure from how the AEB has been used to this point, it is recommended that it is trialled as a pilot for two years to review and evaluate its impact.
- 2.18 It is difficult to model the level of take up of this policy, however, we expect it to cost less than 1% of the GLA's AEB programme. Providers will fund the change from their existing allocation.
- 2.19 The expected impact on the FE workforce includes improved confidence and expertise amongst non-specialist staff to support the needs of learners with SEND. This would in turn be expected to support improved participation, retention and achievement rates amongst learners with SEND.
- 2.20 Learning from this approach will be explored to see how it could support wider workforce development and address the capacity gap in SEND provision beyond the FE workforce (for example teachers outside of FE who are seeking to upskill/re-join the workforce). It is proposed that this would be further explored in a future Skills for Londoners Framework consultation.

Changes to GLA AEB Funding and Performance Rules and GLA AEB Funding Rates and Formula for 2020/21

- 2.21 The proposed policy changes outlined in this MD will require changes to the GLA AEB Funding and Performance Rules and GLA AEB Funding Rates and Formula. The proposed changes are set out in the tables below. Once the amendments have been made, both documents will be published in draft in December 2019.

¹ To be eligible learners will need to be resident in London in accordance with the terms of AEB delegation.

Changes to GLA AEB Funding and Performance Rules

Section	Paragraph	Change
Adult Education Budget	Section 2, new paragraph under 143	<p>Addition of following text: "We will fully fund eligible learning aims which support the upskilling of teaching or learning support staff to deliver improved specialist provision for learners with SEND within the adult/further education sector.</p> <p>The above funding flexibility must be used to support eligible staff employed within the publicly funded adult and further education sectors in teaching or learning support roles.</p> <p>Only learning aims approved by the GLA in advance of enrolment will be fundable within this flexibility. A list of eligible learning aims will be published on the GLA website and updated from time to time. In order to add a learning aim to this list of eligible learning aims, providers must submit a short business case, using a template found on the GLA website to AEB@london.gov.uk."</p>
What we will not fund	New clause within 72.7	Addition of following text: "[We will not fund any learning aim delivered at an employee's workplace, and that is either relevant to their job or their employer's business, unless] it is delivered in order to upskill staff to deliver improved specialist provision for learners with SEND within the adult/further education sector, as outlined in paragraph x.x."
Contribution table	Section 2 After 147	Addition of a row noting fully funding adult and further education sector staff members who deliver specialist provision to SEND learners.
Contribution table	Section 2 After 147	Addition of a row noting funding uplift to all learners enrolled in English and Maths Level 1 and Level 2 courses under the legal entitlement.
Definitions used in the Adult Education Budget	Section 2 Para 50.2	Amended using the updated London Living Wage: "earns less than the London Living Wage as an annual gross salary on the date of the learner's learning start date. Learners will be deemed to earn less than the London Living Wage as an annual gross salary if they earn less than the hourly London Living Wage at that point in time, multiplied by 37.5 (hours per week), multiplied by 52 (weeks per year). Based on the 2018/19 London Living Wage, this would be £20,962, but AEB Procured providers will need to check the updated rates each year.
English and maths for those aged 19 or older	Section 2, new para after 175	Addition of following text: "We will provide additional funding uplift for fully funded Level 1 and Level 2 English and maths learning aims under the legal entitlement."
Glossary	Annex 5 London Living Wage	Amended a sentence in the definition of the London Living Wage: "The London Living Wage is an hourly rate of pay, currently set at £10.75."

Changes to GLA AEB Funding Rates and Formula		
Section	Paragraph	Change
Introduction	2	<p>Replacing current paragraph with the following text: "In 2020 to 2021, the GLA's AEB programme will only pay an amount different to the ESFA's national programme under the following circumstances:</p> <ul style="list-style-type: none"> • we will fully fund some British Sign Language learning aims, which the ESFA may in some circumstances co-fund; • we will fully fund some in work learners that the ESFA would co-fund; • for grant funded providers, we will increase funding for English and maths legal entitlement qualifications at Levels 1 and 2; and • for grant funded providers, we will fully fund teaching and learning support staff to deliver improved specialist provision for learners with SEND within the adult/further education sector. <p>These circumstances are laid out in more detail in the GLA's Adult Education Budget Funding and Performance Management Rules documents ('The Rules')."</p>
The Single Activity Matrix	After para 46	<p>New paragraph: "For grant funded providers, we will provide an additional funding uplift for fully funded Level 1 and Level 2 English and maths learning aims under the legal entitlement. The value of this uplift will be £77 for each funded enrolment. This is a flat rate increase for all eligible enrolments that will be flagged in the ILR using DAM code X, and claimed in the Earnings Adjustment Statement."</p>

3. Equality comments

- 3.1. Section 149(1) of the Equality Act 2010 provides that, in the exercise of their functions, public authorities 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 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. All AEB policy changes proposed for 2020/21 consider the potential equalities impact for people with relevant protected characteristics (age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation).
- 3.5. While there is a risk that directing AEB funding to support the upskilling of teachers and learning support staff could reduce the funding available to learners with relevant protected characteristics it will also help build capacity within London's FE sector to support more learners with SEND.

4. Other considerations

- 4.1. Key risks associated with this approach are:

- 4.1.1. **Changes to Funding Rules may lead to adverse audit findings for procured AEB provision.** Making changes to the GLA AEB Funding and Performance Rules for procured provision, particularly where it will increase funding for certain provision, could lead to a financial risk for the GLA if providers are not able to fulfil their agreed contractual targets and so do not meet ESF procurement audit requirements. Further analysis will need to be carried out to estimate whether the changes should be adopted for AEB procured provision and legal advice sought on incorporating the changes.
- 4.1.2. **Impact on other AEB provision by upskilling FE workforce.** AEB funding to support the upskilling of the FE workforce will draw funding away from the traditional targets of AEB provision (low-wage/ low-skilled learners) towards teaching and learning support staff who may be earning above the London Living Wage and are relatively high skilled. This represents a change from previous policy and may raise questions regarding the impact on disadvantaged learners.
- 4.1.3. To mitigate this risk and to minimise the impact on wider AEB provision, it is proposed that restrictions are set on the eligibility of learners for this policy change. The Mayor can also emphasise the 'bigger picture' needs for workforce development to meet London's growing demand for SEND provision, which will support a more accessible and inclusive system for some of London's most disadvantaged learners.

- 4.2. Link to Mayoral strategies and policies: a description of these proposals and how they support the priorities in the SfL Strategy and Framework is outlined in more detail at section 2.
- 4.3. There are no conflicts of interest to note from those involved in the drafting or clearance of this decision.

5. Financial comments

- 5.1 Approval is being sought for additional expenditure of £2.7m for AEB grant funded providers to deliver English and maths entitlement qualifications at Level 1 and 2 for fully funded learners starting during the academic year 2020/21. This will be funded from the overall AEB grant budget estimated to be in the region of approximately £311m for 2020/21.
- 5.2 It should be noted that while the proposed policy changes outlined within this report will have a direct impact on the AEB funding and performance rules, as well as the funding rates and formulas for different strands of the overall programme, this will be managed within the overall AEB grant.
- 5.3 Approval is also sought to bring forward research to identify best practice in English and maths teaching from 2020/21 to 2019/20 using part of the £200,000 research and evaluation budget for 2019/20 as approved under MD2462.

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, and AEB functions have been delegated from the Secretary of State for Education to the Mayor.
- 6.2. In taking the decisions requested, as noted in section 3 above, the Mayor must have due regard to the Public Sector Equality Duty under section 149 of the Equality Act 2010, namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity 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 and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. To this end, the Mayor should have particular regard to section 3 (above) of this report.
- 6.3. Officers must ensure that variations to grant agreements are undertaken in accordance with the GLA's Contracts and Funding Code and that appropriate documentation is put in place and executed by the GLA and funding recipients before any alteration to services provided under provision of funding occurs.
- 6.4. Section 2 of this report indicates that the GLA intends to procure goods and services. Section 9 of the GLA Contracts & Funding Code requires the GLA to engage with Transport for London (TfL) Procurement, develop a procurement strategy with TfL Commercial and seek a call-off from a suitable framework where possible or otherwise undertake a tender process compliant with the Public Contracts Regulations 2015 to procure such goods and services in relation to all contracts for goods and services with a value above £150,000 before the commencement of the services or provision of the goods.
- 6.5. 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.

7. Planned delivery approach and next steps

Activity	Timeline
Mayoral Decision sign-off	December 2019
Draft GLA AEB Funding and Performance Rules and GLA AEB Funding Rates and Formula published	December 2019
Commission English and maths research	January 2020

Appendices:

Appendix A – Skills for Londoners Framework consultation report

Supporting papers (not attached):

MD2389 – Skills for Londoners Framework

MD2463 – Skills for Londoners Framework Consultation 2020/21

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

19 December 2019 in line with announcement.

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:

Matt Bailey has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Debbie Jackson 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 16 December 2019.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M.T. Middleton

Date

16.12.19

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

D. Bellamy

Date

16/12/2019.

