

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2255

Title: Devolution of the Adult Education Budget to the Mayor and committing remaining European Social Fund (ESF) in London

Executive Summary:

In the 2016 Autumn Statement, the government announced the commitment to devolve the Adult Education Budget (AEB) in London to the Mayor. This MD confirms the Mayor's intention to accept devolution of AEB subject to meeting a series of principles set out in the devolution arrangement, agreed by the GLA and the Department for Education.

Under this proposal, the Mayor would be responsible for the commissioning, delivery and management of London's AEB. The principal purpose of the AEB is to engage adults and provide the skills and learning they need to equip them for work, an apprenticeship or further learning. It also enables more tailored programmes of learning to be made available, which do not need to include a qualification, to help those furthest from learning or the workplace.

It is expected that the devolution of the AEB in London to the GLA will provide an opportunity for the Mayor to set out his adult education priorities for the coming years in keeping with his strategic responsibilities across London's public services. The Mayor will be politically accountable to London's electorate for his stewardship of the AEB. As with other GLA functions, the London Assembly will scrutinise the Mayor's performance in delivering the AEB.

This MD also confirms the Mayor's intention to draw down remaining European Social Funds (ESF) in London by seeking to match it to a proportion of the devolved AEB.

Decision:

That the Mayor accepts devolution of the Adult Education Budget (AEB) from 2019/20, subject to the principles set out in the devolution arrangement, agreed by the GLA and the Department for Education. This is also subject to the final devolution arrangement being confirmed by the Secretary State of the Department for Education.

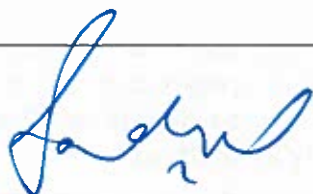
That the Mayor seeks to draw down European Social Funds (ESF) in London to match it to a proportion of the devolved AEB through the Greater London Authority (GLA) Co-Financing Organisation. Approval for spend against the GLA's ESF allocation will be subject to a separate decisions process.

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:

6/3/18

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

Decision required – supporting report

1. Introduction and background

1.1. Adult Education Budget (AEB)

The Chancellor announced in his 2016 Autumn Statement that the capital's Adult Education Budget (AEB) would be delegated to the Mayor of London from 1 August 2019 under the devolution arrangement, subject to the Greater London Authority (GLA) meeting certain readiness conditions.

- 1.2. Under this proposal, the Mayor would be responsible for the commissioning, delivery and management of London's AEB. The principal purpose of the AEB is to engage adults and provide the skills and learning they need to equip them for work, an apprenticeship or further learning. It also enables more tailored programmes of learning to be made available, which do not need to include a qualification, to help those furthest from learning or the workplace.
- 1.3. Devolution of the AEB is also intended to take place in other areas of England with directly elected Mayors and forms part of the Government's wider commitment to devolution. It is expected that the devolution of the AEB in London to the GLA will provide an opportunity for the Mayor to set out his adult education priorities for the coming years in keeping with his strategic responsibilities across London's public services. The Mayor will be politically accountable to London's electorate for his stewardship of the AEB. As with other GLA functions, the London Assembly will scrutinise the Mayor's performance in delivering the AEB.
- 1.4. The Mayor will work closely, not only with further education providers to ensure their offer better meets London's needs, but also with London businesses and employers. City Hall will also work collaboratively with London boroughs at an individual level and in their sub-regional clusters so that further education provision is as joined up as possible across all of London.
- 1.5. Discussions between the GLA and London boroughs via London Councils on devolution of the AEB have been considered and agreed by the London Councils Leaders' Committee. These discussions have focused on how sub-regional clusters of boroughs will be able to help influence AEB in the capital following devolution to better meet local need. It has been agreed that collaboration arrangements will be regularly reviewed as more information on the practical operation of the devolved AEB emerges from the Department for Education.
- 1.6. The Secretary of State has undertaken a consultation on the transfer of powers to the Mayor with the London Assembly and London boroughs.
- 1.7. The statutory duties and powers relating to the AEB are contained in the Apprenticeships, Skills, Children and Learning Act 2009. They are expected to be transferred via a delegation from the Secretary of State for Education to the Mayor of London from 2019-20, specifically:
 - Section 86: a duty to provide appropriate further education to those aged 19 and over;
 - Section 87: a duty to provide appropriate further education to learners aged 19 and over who do not have certain specified qualifications;
 - Section 88: a duty to ensure that provision is free for relevant learners aged 19 and over who do not have certain specified qualifications;
 - Section 90: a duty to encourage learner and employer participation in education and training of people aged 19 and over which is to be exercised concurrently with the Secretary of State;
 - Section 115: a duty to have regard to the needs of learners aged 19 and over with Special Education Needs (other than those aged 19 to 25 with Educational Health Care plans who will remain the Secretary of State's responsibility to fund); and

- Section 122: a power to exchange information with providers to enable the provision of further education to those aged 19 and over (to be exercised concurrently with the Secretary of State).

1.8. Those aspects of the functions which relate to apprenticeships training, traineeships or adult detention will not be transferred to the GLA.

1.9. European Social Fund (ESF)

Government has indicated that the European Social Fund (ESF) will continue to December 2023, the end of the 2014-20 Structural Funds programming period. There is approximately £130m ESF in London available to commit to the second phase of the 2014-20 programme. The Mayor will therefore seek to use the devolved AEB to match the ESF which is currently not committed and any further ESF underspends which may arise. Without AEB as match funding, London is highly unlikely to be able to draw down its full ESF allocation which would result in a significant reduction to the skills and employment provision available to Londoners, particularly the most disadvantaged groups after 2019. It would also be detrimental to London's case for UK replacement funds post-Brexit. Approval for spend against the GLA's ESF allocation will be subject to a separate decisions process.

2. Objectives and expected outcomes

2.1. In November 2017, the Mayor published his draft Skills and Adult Education Strategy for London ('Skills for Londoners') for consultation. This sets out the Mayor's vision and priorities for post-16 skills and education including for the devolved AEB and remaining uncommitted ESF. The key objective for the AEB and ESF is to:

- 'Increase the number and diversity of adult learners in London gaining the skills they need to participate in society and successfully progress into further/higher level learning, work or an apprenticeship';
- 'Increase targeted support to the most disadvantaged groups, so they are better equipped to access education and work'.

2.2. The Mayor, working with London's boroughs, businesses and skills providers, plans to tailor the capital's adult education system to better meet the needs of Londoners and London's businesses. Through the devolved AEB, the GLA will develop flexible, inclusive and integrated skills and training provision that prioritises improving progression outcomes (including those relating to wellbeing), employability and enterprise skills.

2.3. The AEB and applicable ESF match funding will support the needs of Londoners, particularly the most disadvantaged, including the unemployed and inactive, care leavers, those with caring responsibilities, disabled Londoners, young people who are not in education, employment or training (NEET), those with specific learning requirements, and those who are low paid and low skilled. Joint working with sub-regional partnerships, drawing in local borough-based networks, will be crucial to ensure the needs of local communities are met.

2.4. The AEB will continue to support levels of key basic and core skills such as literacy, numeracy, digital and broader employability skills. The focus of support will be for disadvantaged and under-represented groups, be it within a classroom or community setting, so that all Londoners can participate in society and prosper in the labour market. The GLA aims to:

- Drive up participation and progression outcomes in the provision of English and maths.
- Work with employers, providers and local authorities through AEB devolution to identify new and more diverse sources of investment in English for Speakers of Other Languages (ESOL), support the development of innovative approaches to strategic planning and commissioning of ESOL including the use of community-based and volunteer support, improve local coordination of ESOL provision, and address practical barriers to ESOL learning.

- Work towards providing a digital skills entitlement for Londoners through the devolved AEB, to ensure that all Londoners gain a basic level of digital skills to ensure they can fully participate in society.
- Match fund ESF with a proportion of the AEB to deliver a range of ESF programmes that target the most disadvantaged groups.

2.5. In spring 2018, the GLA will publish a Skills and Employment Framework, which will set out in further detail, the Mayor's funding priorities and outcomes for the AEB, ESF and Skills for Londoners capital funds in London.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010 (the "Equality Act"), as a public authority, the Mayor and the GLA must have due regard to the need to eliminate unlawful discrimination, harassment and victimisation, and to advance equality of opportunity and foster good relations between people who share a relevant protected characteristic and those who do not. Relevant protected characteristics under section 149(7) of the Equality Act are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation. This decision is not expected to have any negative impact on persons with a relevant protected characteristic under the Equality Act.
- 3.2. The devolved AEB will support the needs of Londoners, particularly those from disadvantaged groups or backgrounds including the unemployed and inactive, care leavers, those with disabilities, learning difficulties, those with caring responsibilities and those with specific learning requirements.
- 3.3. The ESF is currently focused on supporting those furthest away from work to gain the skills and support needed to progress and move into sustainable and good quality employment. Any new ESF provision will continue to support a range of groups ensuring equality, diversity and the promotion of social mobility.

4. Other considerations

N/A

5. Key risks and Issues

- 5.1. The key risks and issues relating to devolution of the AEB include:
- potential delays by the Government to the formal transfer powers to the Mayor through a formal agreement by spring 2018.
 - readiness conditions and other terms of devolution cannot be agreed with government and/or there are information sharing delays, impeding analysis and preparatory work.
 - delays with confirming London's funding allocation, thereby affecting the timeline to make grant/ contract allocations to AEB providers.
 - no commitment from the Government to funding the devolved AEB beyond the current term of parliament.
 - no commitment from the Government to fund the ongoing administration costs of AEB.
- 5.2. The above issues and risks are being mitigated by the GLA through ongoing preparatory work with the Department for Education (DfE) to successfully achieve all the requirements needed in advance of AEB transferring across to the Mayor.

6. Financial comments

- 6.1. London's indicative AEB allocation is expected to be confirmed in spring 2018 with the final allocation confirmed before the end of 2018.

6.2. The Mayor seeks to draw down the remaining uncommitted ESF in London (approximately £130m) to match against an equivalent amount of AEB.

7. Legal comments

7.1. Sections 1 to 3 of this report indicate that:

- (a) the decisions requested of the Mayor fall within the GLA's powers under section 30 of the Greater London Authority Act 1999 (the GLA Act) to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of economic development and wealth creation, and/or social development in Greater London, and
- (b) in formulating the proposals in respect of which a decision is sought officers have complied with the GLA's statutory duties to:

- pay due regard to the principle that there should be equality of opportunity for all people; and
- consult with appropriate bodies.

7.2. Under section 31(3) of the GLA Act, the GLA's powers under section 30(1) are limited; the GLA shall not incur expenditure in providing, inter alia, any education services in any case where the provision in question may be made by a London borough council, the Common Council or any other public body. Under section 31(6), however, nothing in subsections 31(1) to (5A) shall be taken to prevent the GLA incurring expenditure in co-operating with, or facilitating or co-ordinating the activities of, the bodies mentioned in those subsections. In this case the GLA is co-operating with, and/or facilitating and/or co-ordinating the activities of, London boroughs, and therefore the limitation under section 31(3) does not apply.

7.3. In taking the decisions requested, the Mayor must have due regard to the Public Sector Equality Duty under section 149 of the Equality Act 2010, as described at section 3 above.

7.4. The delegation of powers, under section 39A(1) of the GLA Act, from the Secretary of State (SoS) to the Mayor, requires (under section 39A (4)) a prior consultation by the SoS with London's boroughs, the Common Council and the London Assembly. It is noted in section 1 above that such a consultation has taken place.

7.5. Under section 38 of the GLA Act, the Mayor has power to delegate functions to members of staff of the GLA, as well as to other bodies. Under section 39A(6), however, section 38 does not apply in relation to functions delegated under subsection 39A(1). Accordingly, substantive decisions in respect of functions delegated to the Mayor by the SoS will be the responsibility of the Mayor, and the GLA's governance arrangements should take account of this.

8. Planned delivery approach and next steps

8.1. The table below provides a summary of the key actions that need to be met in preparation for commencing devolution of the AEB.

Activity	Timeline
AEB consultation period with the London Assembly and London boroughs	Early January – Mid-February 2018
Iterative development of AEB framework, alongside London Skills Strategy	January – April 2018
SoS considers consultation responses and confirms he is content to proceed with devolution arrangements	Mid-March 2018

Mayor agrees to the readiness conditions	Mid-March 2018
Application submitted for additional ESF allocation	April 2018
DfE shares draft devolution arrangement	Early April 2018
ESF allocation approved in principle	Spring 2018
GLA publish London Skills Strategy, the final AEB framework and the Mayoral Decision on procurement	Late May 2018
DfE formally issues devolution arrangements to GLA	Early September 2018
ESF allocation approved and MoU signed	Autumn 2018

Appendices and supporting papers:

- Skills for Londoners: A Draft Skills and Adult Education Strategy for London:
<https://www.london.gov.uk/sites/default/files/skills-for-londoners-draft-strategy-november-2017.pdf>

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) 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 approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be 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:

Forogh Rahmani has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Fiona Fletcher-Smith 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 5 March 2018.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Alce

Date

5.3.18

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date

5/3/2018

