

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2953

Adult Education Budget: 2022-23 Financial Forecast and 2020-21 Annual Report to the Department for Education

Executive Summary:

This Mayoral Decision (MD) form seeks the Mayor's approval of Adult Education Budget (AEB) expenditure in the 2022-23 academic year (AY) of £344,704,689 covering August 2022 to July 2023 as set out in the table at section 2.5 of this MD form. As a result, expenditure in the 2022-23 financial year (FY) will be £340,350,604 as set out in table at section 2.6 of this MD form and including up to £5,896,490 to cover 2022-23 FY Management and Administration (M&A) costs.

The AEB allocation received from the Department for Education (DfE) is £318,266,810 for the main annual grant provision for the 2022-23 AY and a further sum of £26,437,879 for the Level 3 Adult Offer has been made available as part of HM Government's National Skills Fund (NSF).

Approval is also sought for the Annual Report to HM 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 DfE by 31 March 2022 as required. In summary, the report covers delivery of the adult education functions in Greater London, Mayoral policy and AEB actual expenditure for the 2020-21 AY – 1 August 2020 to 31 July 2021.

Decision:

That the Mayor approves:

- i. AEB expenditure of £344,704,689 for the 2022-23 academic year (AY) with up to £5,896,490 for Management and Administration costs for the 2022-23 financial year (FY) noting that any future reprofiles will be agreed by the Mayor at the AEB Mayoral Board meetings and via the GLA's budget management processes)
- ii. the Mayor's Annual Report at Appendix A for submission to the Department for Education (DfE) by 31 March 2022.

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:

16/3/22

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

Decision required – supporting report

1. Introduction and background

Budget

- 1.1 On 4 February 2022, the Department for Education (DfE) wrote to the Mayor to confirm London's Adult Education Budget (AEB) allocation for the 2022-23 academic year (AY) is £318,266,810 for the main annual grant and a further sum of £26,437,879 for Level 3 Adult Offer as part of HM Government's National Skills Fund (NSF). The total budget for the 2022-23 AY is therefore £344,704,689 split across financial years (FYs) as follows:
- £199,511,817 and £19,828,409 (a total of £219,340,226) for August 2022 to March 2023 (sum to be received in April 2022)
 - £118,754,993 and £6,609,470 (a total of £125,364,463) for April to July 2023 (sum to be received in April 2023).
- 1.2 In addition to the remaining payment for the ongoing AY (April to July 2022) which will be received in April 2022, the FY budget is therefore £343,513,793. This amount does not include any carry forward from the previous or current year which will be slipped as part of the GLA's end of year process. The profiles for both AY and FY are presented in section 2.

Annual Report to HM Government regarding the delivery of delegated adult education functions

- 1.3 [The exercise of delegated adult education functions: Guidance for the Mayor of London and Greater London Authority](#) ("the London Guidance") states that the Mayor must provide government with an annual report each year as follows: in January, an indicative draft, incorporating the key financial information; and in March, the fully 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:
- 1.4.1 the Mayor's policies for adult education
 - 1.4.2 spend from the AEB
 - 1.4.3 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 analysis¹
 - 1.4.4 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:
 - overall participation in AEB funded provision
 - 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)
 - completion and achievement rates.
 - 1.4.5 The Mayor is also encouraged to produce further monitoring and evaluation which goes beyond the data sets the DfE publishes annually such as relevant employer or learner

¹ 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.

surveys. As such, the draft Annual Report is outlined at Section 4 below and attached at Appendix A.

2 Objectives and Expected Outcomes

- 2.1 The AEB funds the delivery of education and training for adult learners aged 19+ through a range of provider types including general Further Education (FE) colleges, local authorities, independent training providers, sixth form colleges and universities. The annual objective remains unchanged in ensuring that the funding is fully allocated in time to support Londoners to have the appropriate interventions.
- 2.2 There were 199,000 GLA funded learners in London during the 2020-21 AY. Whilst this was a 7 per cent reduction when compared to the previous AY due to the impact of the pandemic on the FE sector, the AEB continued to make a significant contribution to GLA missions. The budget is expected to reach a minimum of 200,000 learners in the 2022-23 AY with the main diversity targets of females, Black and Asian Ethnic Minority (BAME) and the disadvantaged Londoners achieving above the London population benchmark.
- 2.3 The main grant providers will be asked to present a delivery plan ahead of the start of the 2022-23 AY to align with the London recovery missions which they will be monitored against whilst the Good Work for All and Procured Providers will continue to deliver against delivery plans for the last year of their grant and contract.
- 2.4 The management and administrative (M&A) spend enables to GLA to be able to have the required staff to manage the budget adequately. The publicity and engagement activities will enable the GLA to increase awareness of AEB especially to hard-to-reach Londoners which is expected to increase the participation levels and maintain the diversity range of learners. The continued investment in GLA OPS enables the efficient processing of the provider payments and managing over 150 contracts and grants. The quality of the delivery is monitored through the investment in Provider audits and compliance checking of sample evidence.

AEB 2022-23 AY expenditure forecast

- 2.5 Based on the total indicative income of £344.7m including the ringfenced NSF allocation, the table below shows the proposed breakdown of spend for the 2022-23 AY:

Budget Category	Allocation (£)	Allocation – 2022-23 FY August to March 2023 (£)	Allocation – 2023-24 FY April to Jul 2024 (£)
Grant Provision	286,989,704	179,679,627	107,310,077
Procured Provision	29,500,000*	18,431,600	11,068,400
Good Work for All Grant	20,588,640	12,881,890	7,706,750
Academies Job Payment	2,000,000	1,253,000	747,000
M&A	5,626,345	3,930,920	1,695,425
Total	344,704,689	216,177,037	128,527,652

*The previous carry forward will cover additional required budget for Procured provision in the last year of delivery.

Budget implications for 2022-23 FY

- 2.6 The table below shows the expenditure profile for the full FY taking into account the forecast for April to July 2022 previously approved by the Mayor under cover of [MD2802](#) and the August – March 2023 forecast from the table at section 2.5 above.

Items/Commitment	Budget (£) Including NSF
Grant Provision	286,867,666
Procured Provision	33,451,558
Good Work for All Grant	12,881,890
Academies Job Payment	1,253,000
Management and Administration	5,896,490
Total	340,350,604

* £3m advanced income received from the DfE for August to April 2023 is not required and will be carried forward to 2023-24.

- 2.7 The total budget is broadly like that of current 2021-22 FY. There is an additional increase in NSF allocation of £4.29m over the AY which has been allocated appropriately.
- 2.8 A breakdown of the M&A forecast was considered by the AEB Mayoral Board on 8 March 2022. Forecast covers spend on staffing, research and evaluation, contract management system, provider audits, provider engagements, legal services, the learner survey, and evidence sample checking for compliance with contract requirements. Additionally, there is a spend forecast on the work of promoting and increasing the aware of the AEB to Londoners especially the hardest to reach to increase the take up of the AEB and the diversity of the learners.
- 2.9 Based on the commitment of the GLA to improve efficiencies across its operations, officers are regularly monitoring M&A expenditure to ensure value for money is always achieved. Underspends from M&A are released to support direct provision annually. Over £700k underspend in the 2020-21 AY is now set aside to support growth request from providers in year 2021-22 AY.
- 2.10 The total underspends from the 2021-22 FY will be processed as part of the GLA end of financial year processes and carry forwards applied to 2022-23 FY or future years as appropriate.
- Annual report to HM Government regarding the delivery of delegated adult education functions
- 2.11 As required under the London Guidance (see paragraph 1.3 above), officers submitted a 'draft' Annual Report to HM Government by the 31 January 2022 deadline. A revised version of the report was considered by the AEB Mayoral Board at its 8 March 2022 meeting.
- 2.12 The final report set out at Appendix A mainly reports on the second full year of delivery from 1 August 2020 to 31 July 2021.

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 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 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 the 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. The AEB procured provision is used as match funding for ESF which also means the provision forms part of the total ESF programme.
- 3.5 The publicity and the community engagement proposed for the new year whilst directed at Londoners will target on hard-to-reach groups to ensure they have access to the training and education opportunities provided by the AEB. The GLA is working on an inclusive commissioning protocol which will provide guidance for future commissioning and procurement in such a way that avoids discriminating against any suppliers or education providers.

4 Other considerations

Risks arising/mitigations

- 4.1 There is a risk, as stated in the Memorandum of Understanding with the DfE, that underspends are recovered by the Secretary of State in circumstances where the Secretary of State considers funds have not sufficiently been committed to be spent. There is also a reputational risk for the GLA not being able to discharge its responsibility for the benefit of Londoners.
- 4.2 Officers are regularly reviewing the underspend profiles, identifying new ways to use the funding, and recommending this to the Mayor. The 2022-23 DfE allocation has been fully allocated as presented in the table at section 2.5 above. There is a consideration included as part of MD2958 to set out a process for approving in-year growth requests especially where there are funds returned by a provider which can be used for an over-performing provider.

Links to Mayoral strategies

- 4.3 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
 - deliver a strategy city-wide technical skills and adult education offer.

Consultation

- 4.4 Officers are regularly consulting with key stakeholders over new policies to be developed. The public consultation on the draft Adult Education Roadmap for London ran for seven weeks from Monday 21 June 2021 to Sunday 8 August 2021, receiving 64 responses, with strong representation from local

authorities, colleges and independent training providers. In addition, seven roundtable discussions were also held, targeting specific stakeholder groups including businesses and employers, unions, colleges, and special educational needs and disabilities (SEND) practitioners.

- 4.5 As part of the consultation, Londoners and learners have also been engaged directly through a new 'Community Conversations' approach, where discussions were facilitated by providers, volunteer community services or other organisations within the community and responses submitted to the GLA. There is funding set aside for further consultation in 2020-23 FY.

Other

- 4.6 Budget reprofile: Future reprofiling will generally be agreed through the GLA's budget management processes but presented at the AEB Mayoral Board. Any virements between the top-level AEB budget lines (see table at paragraph 2.5 above) or matters reserved within the [AEB Assurance Framework](#) for the Mayor, will be approved as per the AEB decision making process.
- 4.7 There are no conflicts of interest to declare from those involved in the drafting or clearance of this decision.
- 4.8 Procurement of services and grant commissioning will be completed competitively in line with the GLA Contracts and Funding Code.

5 Financial comments

- 5.1 Approval is sought for the AEB expenditure of £344,704,689 for the 2022-23 AY which includes an expenditure of £5,699,345 to cover AEB M&A. As set out in section 2.5, this takes the budget for the 2022-23 FY to £340,350,604, with £5,896,490 for M&A. Any future reprofiles will be agreed by the Mayor at the AEB Mayoral Board meetings and then via the GLA's annual budget setting processes.
- 5.2 Approval is also sought of the Annual Report to HM 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](#).
- 5.3 The total expenditure for 2022-23 AY will be funded from the confirmed 2022-23 AY allocation set out in the 4 February 2022 AEB funding letter from the DfE.
- 5.4 There are no direct financial implications arising from the submission of the Mayor's Annual Report to the DfE by 31 March 2022.

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 no commitment is made to any of the expenditure proposed unless and until DfE have made a legally binding commitment to the provision of the AEB funding to the GLA and funding agreements have been entered into between and signed by the GLA and recipients
- 6.3.2 any AEB M&A services are procured in liaison with Transport for London (TfL) Procurement, in accordance with the requirements of the GLA's Contracts and Funding Code contracts, and are entered into between and executed by the GLA and the service provider(s) before the commencement of the services
- 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 DfE and Education and Skills Funding Agency(ESFA) as necessary from time to time.

7 Planned delivery approach and next steps

- 7.1 The profiles to be reflected in the GLA Budget.
- 7.2 The Mayor's Annual Report to the DfE (Appendix A) will be submitted to the DfE by 31 March 2022.

Appendices and supporting papers:

Appendix A – The Mayor's Annual Report to the Department for Education

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

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:

Joanna Davidson 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 14 March 2022.

✓

EXECUTIVE DIRECTOR, RESOURCES: Enver Enver on behalf of David Gallie

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

Signature



Date

14/3/22

CHIEF OF STAFF:

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

Signature



Date

13/3/22