

REQUEST FOR MAYORAL DECISION – MD2638

Title: Adult Education Budget emergency response to COVID-19 crisis

Executive Summary:

This Mayoral Decision seeks approval for expenditure of up to £11m Adult Education Budget (AEB) funding to support adult learning in London in response to the COVID-19 crisis. This is an increase from the £9m agreed by the Mayor via the AEB Mayoral board urgency procedure on 6 May 2020.

It is proposed that the primary intervention be made through the “Skills for Londoners COVID-19 Response Fund” to support providers to deliver more online provision and build capacity to support learners at risk of digital exclusion. The Fund encompasses two strands. This MD seeks approval for the successful bids received under Strand 1, and the allocated Response Fund grants for AEB grant-funded and procured providers under Strand 2. Separately, the Mayor is asked to approve the award of additional funding to AEB procured providers as a part of the contract growth request process. The MD also seeks the Mayor’s approval of a temporary change to the AEB Funding and Performance Rules for this academic year (2019/20) and the following academic year (2020/21) to enable greater flexibility in how AEB funding is used.

Decision:

That the Mayor approves:

- Further expenditure of up to an additional £2 million, creating a total budget of up to £11m, for the Skills for Londoners COVID-19 Response Fund;
- the award of funding to be made to GLA AEB grant-funded providers under Strand 1 of the Skills for Londoners COVID-19 Response Fund as per the recommendations set out at Appendix A and related variation of recipients’ funding agreements;
- the award of additional funding to GLA AEB procured providers and related contract variations as per the recommendations set out at Appendix B;
- the criteria for the award of grants and the maximum allocation of grants available to all eligible GLA AEB grant-funded and procured providers (proportionate to their grant allocation or funding year contract value for academic year 2020/21) to apply for in order to deliver activity under Strand 2 of the Skills for Londoners COVID-19 Response Fund as set out in Appendix C; and
- a temporary change to the AEB Funding and Performance Rules for this academic year (2019/20) and the following academic year (2020/21) to enable all AEB grant-funded providers to use up to 10 per cent of their existing formula funded allocation (excluding funding awarded through the Innovation Fund and any additional funding awarded through Strands 1 and 2 of the Response Fund) to deliver non-formula funded provision directed towards pre-employment, job-focused training.

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:

29 June 2020

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

Decision required – supporting report

1. Introduction and background

- 1.1 From 1 August 2019, the Secretary of State for Education delegated responsibility for the commissioning, delivery and management of London's Adult Education Budget (AEB) for the 2019/20 academic year to the Mayor. The Department for Education (DfE) has confirmed that London will receive an allocation of £318,580,139 to deliver the AEB in 2020/21.
- 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 Due to the current COVID-19 emergency measures in place, further education in London has been severely disrupted with courses either suspended or completely moved online. While this has enabled provision to continue it has, and will have, an adverse impact on some learners and providers, particularly:
 - learners lacking the skills, technology or appropriate learning environment to participate; and
 - training providers lacking the digital infrastructure to scale up or repurpose their training online.
- 1.4 The economic crisis brought on by COVID-19 will also result in a significant number of Londoners losing their jobs, particularly those working in shutdown sectors who tend to be younger and less qualified, but also older workers having to adapt to increased digitisation in the labour market.
- 1.5 For these groups, the risk is that, as employment falls and new job opportunities become scarcer, prolonged unemployment will follow, leading to long-lasting 'scars' on future earnings, employment prospects, and health and wellbeing.
- 1.6 The GLA can play an important role in supporting the sector by helping to facilitate more education and training using the AEB to help those most at risk of long-term unemployment to retrain and re/upskill to access new employment opportunities.

2. Objectives and expected outcomes

Skills for Londoners COVID-19 Response Fund

- 2.1 The Mayor is asked to approve the use of up to £11m of AEB funding to support London's AEB provider base to deliver more online provision and build capacity to support learners at risk of digital exclusion. This funding will be delivered primarily through the Skills for Londoners COVID-19 Response Fund, which was launched on 15 May 2020 following approval through the AEB Mayoral Board urgency process.¹ The funding prospectus, which includes the funding criteria, is published on the [GLA website](#) and was also circulated to the AEB Mayoral Board for comment prior to the launch.² Only AEB providers who the GLA will continue to fund from the 2021/22 academic year onwards were eligible to apply.
- 2.2 Through its urgency procedure in May 2020, the AEB Mayoral Board endorsed, and the Mayor approved, the sum of £9m for the Skills for Londoners COVID-19 Response Fund. However, the

¹ The launch of the Skills for Londoners COVID-19 Response Fund was agreed by the AEB Mayoral Board in line with the process for urgent decisions agreed under MD2622. This MD will formalise this decision and seeks to approve funding awards before any funding is committed to individual providers.

² https://www.london.gov.uk/sites/default/files/sfl_cv-19_response_fund_-_prospectus.pdf

reduction in grant values of 11 grant funded AEB providers for the 2020/21 academic year, approved by the Mayor under cover of MD2634, has released the additional £2m of funding proposed to make up the new fund amount of £11m under this approval.

2.3 The Fund encompasses two strands:

2.3.1 **Strand 1** invited applications from AEB grant-funded providers for funding to deliver additional provision as accredited learning aims to meet the immediate demand for skills for key workers, those made unemployed, and furloughed workers at risk of redundancy. In tandem, AEB procured providers were subject to a separate growth request process as agreed in their existing contracts for services.

2.3.2 **Strand 2** invited applications from both AEB grant-funded and procured providers for one-off grants to support the up-front costs of building capacity to enable providers to adapt their delivery of education and training to respond to the immediate and medium-term impact of COVID-19. Each provider is eligible for an indicative skills response fund grant under this strand, proportionate to their grant allocation or funding year contract value for academic year 2020-21.

2.4 The deadline for Strand 1 was 31 May 2020. The recommended funding awards to be made to AEB grant-funded providers under this strand is attached as Appendix A.

2.5 The deadline for Strand 2 is 30 June 2020. The list of grant values available to AEB grant-funded and procured providers (proportionate to their grant allocation or funding year contract value for academic year 2020-21) to apply for is set out in Appendix C. This decision seeks approval for the maximum grant value available for providers, however they are able to apply for less than this value if they wish and any change in final figures will be reported back to the AEB Mayoral Board for information. Officers will review applications from providers through a Yes/No checklist to ensure that each application has been completed in line with in the eligibility arrangements in the prospectus. In the exceptional circumstances that an application falls outside this process and requires a decision by the AEB Mayoral Board and MD, it will be referred for decision.

2.6 Through a separate process, applications for contract increases were invited from AEB Procured providers. This process is part of the agreed contractual arrangements with providers which allow for an increase of up to 10% funding where performance is good, subject to budget affordability. The list of contract increases recommended for support is attached as Appendix B.

Changes to AEB funding rules

2.7 As well as providing additional funding to the GLA's AEB-funded provider base, it is recommended that additional flexibility is introduced within the existing AEB Funding and Performance Rules to enable more education and training to take place, particularly for those Londoners most at risk of long-term unemployment.

2.8 The recommended change, which would be introduced in this academic year (2019/20) and continued into the following academic year (2020/21), is to allow AEB grant-funded providers to use up to 10 per cent of their current formula funded allocation (excluding funding awarded through the SfL Innovation Fund and any additional funding awarded through Strands 1 and 2 of the Response Fund) to deliver non-formula funded provision (e.g. where it is at the discretion of the provider to attribute costs for each eligible learner) directed towards pre-employment, job-focused training.

2.9 Currently, only local authorities and institutes for adult learning (with a small number of exceptions) are allocated an amount of non-formula community learning funding from within their existing allocation. This funding must be delivered in line with the community learning objectives set out in the AEB Funding and Performance Rules.

- 2.10 Under this proposal, any AEB grant-funded provider (including those delivering community learning) would be able to use 10 per cent of their existing formula funded allocation to deliver non-formula funded provision but without having to meet community learning objectives.
- 2.11 By introducing this flexibility, it is envisaged that providers will be able to use it to meet the costs of delivering tailored provision targeted at meeting immediate labour market needs. This flexibility will only be made available to AEB grant-funded providers.
- 2.12 The GLA will continue to review what other flexibility it might introduce for the academic year 2020/21 to enable more education and training to take place, particularly for those Londoners most at risk of long-term unemployment. Approval for any further changes will be sought by way of a separate MD.

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 The interventions outlined in this MD are aimed at supporting those most at risk from the impact of the economic crisis brought on by COVID-19. The proposed changes will allow providers greater flexibility to design and deliver provision to better meet the needs of vulnerable Londoners, who are at risk of exclusion from employment and progression opportunities and therefore it will impact positively on provision for those in protected groups. The impact of the changes will be closely monitored and reviewed as the picture of need across London becomes more apparent. The GLA will also commit to an ongoing dialogue with the sector to understand and evaluate the impact of these interventions and any future interventions it intends to make pursuant to an ongoing evaluation of the equalities implications pursuant to the public sector equality duty.

4 Other considerations

Links to Mayoral strategies

- 4.1. The interventions proposed in this MD align with commitments 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; and
 - deliver a strategic city-wide technical skills and adult education offer.

Risks arising/mitigation

4.2. The key risks are:

- 4.2.1. **Ensuring funding is made available as soon as practicably possible.** The GLA has committed to a two-week turnaround on decisions for applications under Strand 2 of the Fund. This is to help ensure that providers can act on their plans to build capacity as soon as possible. Depending on the volume and timing of bids received, there is a risk that the GLA will not be able to meet this commitment. To mitigate this, the GLA will ensure that there is sufficient resource available for the duration of the application period to assess and approve applications. The application process has been specifically designed to ensure simplicity with only essential information required through the application form. The length of the application period also encourages applications throughout the window to minimise a high volume of applications at any single time.
- 4.2.2. **Funding not claimed under Strand 2.** There is a small risk that some providers will not take up their maximum allocation under Strand 2 of the Fund. Information about final amounts awarded under this strand will be shared with the AEB Mayoral Board once the application process has closed and the GLA will provide details on any unclaimed funds and how this could be reallocated in a subsequent MD.
- 4.2.3. **Balancing accounting with flexibility.** The key risk associated with the approach to the changes to the AEB funding rules is that of balancing the prudent management of public funds and accountability with flexibility. The current reporting requirements around non-formula funded provision are limited making it difficult to assess the types of training being delivered. At the same time, the GLA is keen to give providers flexibility to meet the expected demand for pre-employment and job-focused training in the immediate term. As such, providers will be required to submit some additional information to their Provider Manager on the training they are delivering through this flexibility and the expected outcomes.
- 4.2.4. **ESF results for AEB Procured Providers.** Data in respect of ESF results for the AEB Procured programme is limited because of the timing of outcomes shown in the Individualised Learner Record (ILR) and the availability of supplementary data. In view of this, the AEB Procured contract increase requests were assessed based on the overall £ performance against contract. However officers will continue to work with providers to ensure that ESF results are provided in future returns and performance management arrangements will be applied at the December performance point to ensure that any delivery below target is addressed.
- 4.2.5. Part 2 of this MD provides further information on risks.

Other

- 4.3. There are no conflicts of interest to note from those involved in the drafting or clearance of this decision form.
- 4.4. This AEB Mayoral Board have also been asked to endorse this decision via its urgency procedure.

5. Financial comments

- 5.1 This form seeks approval to use up to £11m uncommitted AEB funding set aside in response to COVID-19. It recommends funding awards for successful GLA AEB Grant Funded Providers under Strand 1 of the Skills for Londoners COVID-19 response fund as set out in Appendix A, and the allocation of additional funding to procured providers including the variation of contracts as set out in Appendix B and Appendix C.
- 5.2 Approval is also being sought for a temporary change to the AEB Funding and Performance Rules for academic years 2019/20 and 2020/21.

- 5.3 The proposals set out in this report may result to changes in reprofiling of AEB funding strands but will be contained within the overall umbrella of the AEB budget.

6. Legal comments

- 6.1. In preparation for the delegation of adult education functions from the Secretary of State to the Mayor of London, the Mayor established the AEB Mayoral Board and approved its constitution in July 2018, under MD2328. Upon being satisfied as to these arrangements, the AEB powers and funding were delegated by the Secretary of State for Education to the Mayor of London under Section 39A of the Greater London Authority Act 1999 (GLA Act) from 1 August 2019. The Mayor is not permitted to delegate the discharge of these functions and must discharge them personally (section 39A (6) of the GLA Act). The terms and conditions of the delegation are contained in a letter, dated December 2018, delegating specified adult education functions from the Secretary of State to the Mayor; and a Memorandum of Understanding, dated January 2019, entitled “Delegation of Certain Adult Education Functions to the Greater London Authority.”
- 6.2. The constitution of the Board complies with the legal requirements arising from the fact that the powers delegated to the Mayor (under section 39A of the GLA Act) must be exercised by him personally. As set out in the constitution, the Board (which is chaired by the Mayor) acts as an advisory body to the Mayor on matters relating to the AEB. After having due regard to the Board’s recommendations, the Mayor must normally make final decisions in accordance with the GLA’s standard Mayoral Decision process (see: section 2 of the constitution). Decisions concerning the AEB are also matters reserved for the Mayor as set out in “Mayoral Decision-Making in the Greater London Authority.” This report sets out the recommendations of the AEB Mayoral Board to the Mayor agreed under its Urgency Procedure, which the Mayor must pay due regard to when making his decisions.
- 6.3. The changes to the AEB Mayoral Board constitution and ‘Mayoral decision-making in the Greater London Authority’ approved pursuant to MD2622 permit the Mayor, in exceptional circumstances, to make decisions outside of the standard Mayoral Decision process; and so not within a Mayoral Decision form. Paragraphs 2.1 and 2.2 set out the decisions that were made under the Urgency Procedure.
- 6.4. The AEB Mayoral Board Assurance Framework provides that all decisions relating to the AEB are exercisable by the Mayor only and are not able to be delegated to officers under the usual GLA decision-making thresholds. AEB processes that are purely operational, such as those associated with entering into contracts/grant agreements, payment profiling and making the provider payments are managed by GLA officers on the Mayor’s behalf. Officers have confirmed in paragraph 2.5 that their input is operational, and if any applications are outside the parameters of the Prospectus criteria, they will be brought back to the Mayor through the Urgency Procedure for a decision.
- 6.5. 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 due regard to section 3 (above) of this report.
- 6.6. Should the Mayor be minded to make the decisions sought officers must ensure that:
- (a) no commitment to provide the additional funding proposed is made until the GLA and providers under:
 - i. Strand 1 of the Response Fund enter into and execute variation documentation reflecting the changes necessary to give effect to; and
 - ii. Strand 2 of the Response Fund enter into and execute funding agreements in respect of the same;

(b) the appropriate changes to the AEB Funding and Performance Rules are made and published.

7. Planned delivery approach and next steps

Activity	Timeline
Skills for Londoners COVID-19 Response Fund Strand 1 funding awarded	26 June 2020
Skills for Londoners COVID-19 Response Fund Strand 2 deadline	30 June 2020
Publication of final AEB Funding and Performance Rules 2020/21	29 June 2020

Appendices:

Appendix A – Recommended list of AEB grant-fund providers to be awarded funding through Strand 1 of the Skills for Londoners Covid-19 Response Fund

Appendix B – Recommended award of additional funding to GLA AEB procured providers and related contract variations

Appendix C – Indicative grant values available to all AEB grant-funded and procured providers to apply for through Strand 2 of the Skills for Londoners COVID-19 Response Fund

Supporting papers:

[Skills for Londoners COVID-19 Response Fund prospectus](#)

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**

If YES, for what reason: Until entry into an execution of: funding agreement variations under Strand 1; and funding agreements under Strand 2 of the Response Fund.

Until what date: 31 December 2020

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 – YES**ORIGINATING OFFICER DECLARATION:**

Drafting officer to confirm the following (✓)

Drafting officer:

Chris Wright 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 22 June 2020

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature**Date**

23 June 2020

CHIEF OF STAFF:

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

Signature**Date**

22 June 2020