

REQUEST FOR MAYORAL DECISION – MD2513

Title: Adult Education Budget Grant Allocation Approach 2021/22

Executive Summary:

Under MD2423 – Adult Education Budget (AEB) Grant Allocation and Management Approach, the GLA set out its approach to allocating grants to grant-funded providers for AEB delivery to London residents in the first year of AEB delegation (2019/20 academic year). This approach will continue in Year 2 (2020/21 academic year).

For Year 3 (2021/22 academic year), the GLA will change its AEB grant allocation approach to only fund existing grant providers based in London or within reasonable travel-to-learn distances for London learners.

Following public consultation via the Skills for Londoners Framework consultation, this MD sets out the eligibility criteria the GLA will use to determine those AEB grant-funded providers in scope for continued funding in 2021/22.

Decision:

That the Mayor approves:

1. The change to the GLA's AEB grant allocation approach for 2021/22 to only fund existing grant-funded providers based in London or within reasonable travel-to-learn distances for London learners; and
2. The eligibility criteria the GLA will use to determine AEB grant-funded providers in scope for continued funding in 2021/22.

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:

27/8/19

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

Decision required – supporting report

1. Introduction and background

- 1.1 Since 1 August 2019, the Mayor is responsible for the commissioning, delivery and management of London's annual Adult Education Budget (AEB) allocation. For the 2019/20 academic year, this is £306,444,875.
- 1.2 Under MD2423, the GLA set out its approach to allocating grants to grant-funded providers for AEB delivery to London residents in the 2019/20 academic year. Providers eligible for an AEB grant include colleges, Institutes for Adult Learning, Higher Education Institutions and local authorities.
- 1.3 As part of the readiness conditions for devolution agreed with the Department for Education, the Mayor committed to maintain provider stability through the grant allocation process. In this respect, the approach set out under MD2423 will continue into the 2020/21 academic year.
- 1.4 However, to ensure the AEB reaches as many London residents as possible, from 2021/22 the GLA will only allocate grants to those providers based in London or within reasonable travel-to-learn distances for London learners.
- 1.5 Currently under the inherited arrangements, the GLA provides approximately £14 million of AEB grant funding to providers based more than 30 miles from central London. By restricting the number of out-of-London providers it grants to, the GLA will be able to better target funding to those providers delivering directly to London learners, who have the local knowledge and understanding, as part of the capital's network of education and employment services, to ensure it meets the needs of the local community most effectively.
- 1.6 This MD sets out the eligibility criteria the GLA will use to determine those AEB grant-funded providers in scope for continued funding in 2021/22, which were consulted on as part of the Skills for Londoners Framework consultation (MD2463).
- 1.7 The AEB Mayoral Board were consulted on this decision by email under the Board's urgency procedure in August 2019.

2. Objectives and expected outcomes

Grant allocations

- 2.1 The GLA's AEB grant allocation approach was developed based on the following key principles:
 - to maintain funding stability for providers;
 - to align allocations with actual performance levels; and
 - to ensure the process is fair, efficient and transparent.
- 2.2 In the first year of AEB delegation, the GLA committed to continue funding any grant-funded provider delivering more than £100,000 of education and training to London learners in 2017-18. This approach included funding a number of providers based outside of London.
- 2.3 The majority of funding to out-of-London providers is subcontracted to training providers based in London who are then charged a substantial management fee.
- 2.4 For the 2021/22 academic year, the GLA will restrict funding to out-of-London providers to enable it to redirect funding, including subcontracting management fees, to those providers based in London or

within reasonable travel-to-learn distances for London learners. The GLA estimates this could be in the region of £3 million.

- 2.5 As part of the Skills for Londoners Framework consultation, the GLA consulted on the eligibility criteria it would use to determine those AEB grant-funded providers in scope for continued funding in 2021/22. This included using the Education and Skills Funding Agency's (ESFA) definition of London's "fringe" (see Appendix 1) to identify those providers within reasonable travel-to-learn distances for London learners.
- 2.6 Respondents to the consultation were broadly in favour of using this definition. However, a small number of issues were raised in relation to using this measure in isolation. These included:
- the risk that it would exclude out-of-London providers offering specialist/niche provision or distance learning courses not offered by London providers; and
 - the fact that it excluded certain local authority areas close to London's boundary, particularly in the East and South East region, which could lead to higher transport costs for learners in outer London having to travel within London if they were no longer able to access provision outside of London.
- 2.7 Separately, respondents also identified the need for further clarity on how the policy would be applied to providers with sites inside and outside of London.
- 2.8 Based on this feedback, it is proposed that GLA AEB grant-funded providers with an existing grant will be eligible for continued funding in 2021/22 if the provider's main campus sites are located within one of the local authorities identified in the ESFA definition of London's fringe (see Appendix 1).
- 2.9 Providers located outside London's fringe wishing to continue to receive grant funding from the GLA will be invited to make an exceptional case for why their funding should continue. Exceptional cases the GLA will consider are likely to be where direct delivery is focused on specialist/niche provision or supporting continued access for specific cohorts of learners (e.g. those from disadvantaged groups or for those sharing protected characteristics under the Equality Act 2010).
- 2.10 The eligibility criteria will be applied for the academic year 2021/22 to give providers sufficient time to plan for this change of policy. However, as the Skills for Londoners Innovation Fund 2019/20 (see MD2500) will only be open to those providers eligible for continued funding in 2021/22, the GLA will contact those providers it does not consider eligible to give them an opportunity to make a case for why their funding should continue. This will be done in autumn 2019 when the prospectus for the Skills for Londoners Innovation Fund will be published.

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 paper and any future decisions relating to the AEB made pursuant to those arrangements which will be subject to separate decision forms.
- 3.4. To mitigate any potential risk that this policy change could have an adverse effect on learners who share a relevant protected characteristic, the GLA will invite all providers affected by this policy to make a case for why it would negatively impact on London learners from protected groups including those of a particular race, of a particular sex/ sex orientation, of a particular religion or belief, and/ or with a disability. The GLA will then use this information, alongside a providers' in-year data returns, to assess whether, having due regard to the obligations set out in section 149 of the Equality Act set out above, to discontinue funding to any existing GLA AEB grant-funded provider.
- 3.5. Contractual agreements with delivery partners for this programme will require them to comply with all applicable existing and future equal opportunities laws, regulations and guidance, and GLA guidance in relation to race, nationality, ethnicity, disability, gender, sexual orientation, age, religion or belief.
- 3.6. GLA officers will periodically monitor successful projects to verify that equalities policies, procedures and processes are understood and applied by staff and project participants; that they are being monitored and reviewed; and that any underperformance against agreed equalities targets is being investigated and relevant mitigation actions are being taken.

4. Other considerations

- 4.1. Key risks associated with this approach are:
 - 4.1.1. *Risk to financial sustainability of some providers.* The GLA is giving providers sufficient notice of this change.
 - 4.1.2. *Negative impact on learner choice.* The GLA will make exceptions, on a case-by-case basis, to continue funding out-of-London providers delivering specialist/ niche provision that cannot reasonably be accessed from a London-based provider.
- 4.2. There are no interests to be declared from those involved in drafting this decision.

5. Financial comments

- 5.1. This proposal has no direct financial implications to the GLA.

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 decision requested, the Mayor must have due regard to the Public Sector Equality Duty under section 149 of the Equality Act 2010. The Mayor should therefore have particular regard to section 3 (above) of this report.
- 6.3. This Mayoral Decision form proposes that funding be generally restricted to education providers within London or in "London's fringe" (as defined); there is scope for cases to be made for exceptions. There has been consultation on the proposed restriction; adjustments to the proposals, in light of responses to the consultation, are 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

7.1. The timetable for the implementation of this policy is outlined below.

Activity	Timeline
Change of grant allocation approach communicated to sector	September 2019
Providers affected by policy change invited to make case for continued funding	October 2019
Decision made on providers eligible for continued funding from 2021/22	November 2019

Supporting papers:

Appendix 1 - Map of local authority areas within the Education and Skills Funding Agency's definition of London's "fringe"

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: (a date is required if deferring)

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:

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

✓

Sponsoring Director:

Michelle Cuomo Boorer 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 19 August 2019.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature



Date

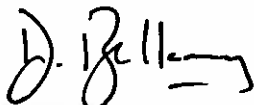
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TOM MIDDLETON ON BEHALF OF MARTIN CHURCH

CHIEF OF STAFF:

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

Signature



Date

19/8/2019