

REQUEST FOR MAYORAL DECISION – MD2634

Title: Update to Adult Education Budget Grant Allocations

Executive Summary:

This Mayoral Decision (MD) form seeks the Mayor's approval of the proposed changes to Adult Education Budget (AEB) grant allocations since approval of MD2581 in February 2020.

Amendments have been made to the 2019/20 allocations of 11 grant-funded AEB providers due to underperformance. These reductions will also apply to the 2020/21 academic year. It is also proposed that the End-Year Claim, scheduled for June 2020, is no longer sought from providers in light of the introduction of the revised 2019/20 reconciliation process to support providers following the disruption caused by COVID-19.

This form also seeks approval for specific changes to funding arrangements for two providers. This includes revision to an allocation made under the Skills for Londoners (SfL) Innovation Fund owing to a change in provider circumstances, and approval to adjust the value of the continuing learner allocation for one provider for 2020/21.

Decision:

That the Mayor:

- approves the reductions to 2019/20 AEB grant allocations for 11 providers due to underperformance, and respective adjustments to their 2020/21 AEB grant allocations;
- approves that providers will no longer be required to submit the End-Year Claim scheduled for June 2020;
- approves an increase to the continuing learner allocation in 2020/21 for one provider;
- approves classification of one provider as a London fringe provider which will continue to be funded by the GLA from 2021/22 onwards; and
- approves a withdrawal of the Skills for Londoners Innovation Fund allocation for one provider owing to a change in circumstances.

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 June 2020

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

Decision required – supporting report

1. Introduction and background

- 1.1 MD2581 set out final allocations for providers for the academic year 2020/21. This included allocations for continuing learners, an uplift for delivery of English and maths entitlements and any other adjustments. Final allocation letters were sent to providers on 12 March 2020.
- 1.2 In February 2020, the Mayor approved a budget of £7.3 million to fund 28 projects through the Skills for Londoners Innovation Fund. The Skills for Londoners Innovation Fund provides a process for grant-funded providers to receive in-year increases in funding for innovative activity above the baseline in 2019/20 and 2020/21.
- 1.3 The Mayor confirmed under MD2581 that 32 out-of-London providers would no longer be funded from 2021/22 onwards returning over £13 million to the London budget on an annual basis.
- 1.4 The MD also stated that performance in 2019/20 would be reviewed following the return of mid-year forecast information and that options for growth and reductions in allocations would be considered.
- 1.5 As a result of the COVID-19 pandemic, classroom provision was closed nationally from 23 March 2020. As the majority of AEB provision is delivered in a classroom setting this change has impacted on adult learning and had a significant impact on provider performance against their allocations, including the income that would be normally earned in a year.
- 1.6 To support providers in responding to the disruption and to meet the aim of funding stability, the Deputy Mayor for Planning, Regeneration and Skills wrote to grant-funded providers on 31 March 2020 to set out arrangements for continuing to pay providers on profile and taking account of COVID-19 disruption in the reconciliation process.

2. Objectives and expected outcomes

Revisions to allocations in 2019/20 and 2020/21 due to underperformance

- 2.1 MD2581 stated that performance in 2019/20 would be reviewed following the return of Mid-Year Claim forecast (R06). On 31 March 2020, the Deputy Mayor for Planning, Regeneration and Skills wrote to providers to confirm the reconciliation arrangements for 2019/20 following the closure of classroom provision arising from the COVID-19 disruption. These arrangements confirmed that where actual delivery was significantly lower than expected, the GLA would reconcile provision on a case by case basis. Provider Managers have completed an exercise of reviewing significant under-performance with providers. A final list of recommended AEB grant allocation adjustments for 2019/20 is included in Appendix A. Allocations have been reduced for 11 providers.
- 2.2 The 2019/20 reduction to grant values will be achieved by clawing back from the remaining 2019/20 provider payments and from 2020/21 payment profiles via GLA OPS.
- 2.3 Respective adjustments have also been made to the 2020/21 AEB grant allocations for these providers. These have been summarised in Appendix B.
- 2.4 As the GLA will be reconciling provision on a case by case basis due to the disruption to provision caused by COVID-19, it is proposed not to seek the End-Year Claim scheduled for June 2020. This follows the approach taken by the Education & Skills Funding Agency (ESFA).

Continuing learners

- 2.5 In their allocation letters providers were invited to submit a business case to have their allocation for continuing learners increased in case of significant discrepancies based on the actual value of continuing learners funded in 2019/20.

- 2.6 One request was received from a provider to increase the value of its continuing learner allocation. Following review of this case it is proposed that the continuing learner allocation for this provider is increased. Further details are included in Appendix B.

Skills for Londoners Innovation Fund

- 2.7 Following Mayoral approval of the Innovation Fund under MD2581, the circumstances of one provider have changed and the allocation will be withdrawn. This revision reduces the total number of projects to 27, and total project funding awarded through the SFL Innovation Fund to £7.2 million. A description of this case is given in Part 2. A summary of the allocation for 2020/21 is given in Appendix B.
- 2.8 AEB grant-funded providers awarded additional allocations for the Innovation Fund received their first payments in March 2020 and will continue to be paid on profile as approved. Whilst the disruption to learning caused by COVID-19 is likely to impact projects that were planned to be delivered in 2019/20, the GLA is encouraging online and other forms of remote learning to continue delivery. Where it is not possible to deliver as planned in 2019/20, providers may deliver the projects in 2020/21 subject to the unspent 2019/20 allocation being utilised for that purpose through a reconciliation process.

Skills for Londoners COVID- 19 Response Fund

- 2.9 MD2638 sought the Mayor's approval for AEB grant-funded providers to be invited to apply for an increase in their grant allocation through the Skills for Londoners COVID-19 Response Fund. The Fund allows providers to apply for between £100,000 and £500,000. Awards will be a ringfenced amount to support responsive provision which cannot be supported through existing planned curriculum. Any additional funding approved under this strand will be reconciled against actual earned delivery. We expect to support additional delivery to start between June and August 2020 and to be completed by July 2021. A final list of recommended increases will be provided to the AEB Mayoral Board for approval.
- 2.10 Where a provider is awarded an increase in funding through the COVID-19 Response Fund discussed above, any funding increase related to the 2020/21 academic year will be reflected in the AEB grant-funding allocation for that year. These amounts will be included in the final list of recommended increases.
- 2.11 Prior to the COVID-19 outbreak, the GLA wrote to AEB grant-funded providers as part of their final allocations for 2020/21 to set out that the Mayor would consider funding growth above the 2019/20 allocation, subject to budget availability and at the December reconciliation point, and that further guidance would be provided in due course. Given the subsequent disruption, it is recommended that the GLA does not issue further guidance at this stage but considers the scope of any funding above allocation in November following the receipt of Final Funding Claims.

Revision to classification of one out-of-London provider

- 2.12 The Mayor confirmed under MD2581 that 32 out-of-London providers would no longer be funded from 2021/22 onwards. One provider has been classified as being located within the London fringe following a clarification with the provider. As such, there will be 31 out-of-London providers no longer funded from 2021/22 onwards. A summary of their allocation for 2020/21 is provided in Appendix B.

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 report and any future decisions relating to the AEB made pursuant to those arrangements which will be subject to separate decision forms.
- 3.4 In determining the GLA's grant allocations approach for 2019/20, due consideration was given to its impact on learners with protected characteristics. The proposed approach to use 2019/20 as the basis for 2020/21 grant funded allocations ensured that funding arrangements will not reduce the existing range and breadth of provision available to London residents. This approach means that no groups of learners should be disadvantaged as funding will continue in line with prior actual delivery.
- 3.5 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 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.

4 Other considerations

- 4.1 No substantial risks have been identified at this time. However, further changes to grant allocations for the 2020/21 academic year are expected following the conclusion of the COVID-19 Response Fund process and the outcome of any planned college mergers.
- 4.2 Grant allocations for the 2020/21 academic year include a £2.7 million uplift for grant-funded providers to drive participation and progression outcomes in English and maths, an important Mayoral priority. In addition, the £7.2 million Skills for Londoners Innovation Fund will enable grant-funded providers to deliver innovative provision aimed at addressing Mayoral priorities.
- 4.3 Grant-funded providers can apply for an increase in their grant allocation through the Skills for Londoners COVID-19 Response Fund. This will help to support learners during the COVID-19 crisis.
- 4.4 Morley College and Kensington and Chelsea College (KCC) have now merged and the 2020/21 allocation has been updated accordingly. A summary of their revised allocation is provided in Appendix B.
- 4.5 There are no conflicts of interest to declare from those involved in the drafting or clearance of this decision.

5 Financial comments

- 5.1 This report seeks approval for changes to the AEB grant allocation since MD2581 in February 2019/20. Approval is sought for proposed changes to grant allocation, reduction and withdrawal to providers, including the reduction to 2019/20 grant allocation agreed with 11 providers due to underperformance and adjustments to their 2020/21 AEB grant allocations. The adjustments are set out in Appendices A and B.
- 5.2 It also seeks approval that providers will no longer be required to submit end of year claim schedule for June 2020 and a revision to the Skills for Londoners Innovation Fund allocation for one provider due to changes in circumstances.

- 5.3 The proposed grant allocations for the different strands of the AEB programme will be contained within the ring-fenced AEB budget expected to be in the region of £318m in 2020/21. All grant recipients will be subject to financial due diligence checks and where required, during delivery intervention measures will be put in place to monitor underperforming projects.

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 4 (above) of this report.
- 6.3 Should the Mayor be minded to make the decisions sought officers must:
- 6.3.1 exercise care in incurring commitment to any expenditure in continued reliance of delegated AEB before the grant of the same has been made, including liaison with the Department of Education/ESFA to ensure that the funding may be claimed in respect of expenditure proposed;
 - 6.3.2 ensure that the funding is distributed fairly, transparently, in a manner which affords value for money in accordance with all applicable Department of Education/ESFA requirements and the GLA's Contracts and Funding Code; and
 - 6.3.3 ensure that grant funding agreements (on the GLA's standard AEB funding terms) are put in place between and executed by the GLA and recipients of AEB grant funding before any commitment to fund is made.

7 Planned delivery approach and next steps

- 7.1 A proposed timeline is set out below:

Month	Deliverable
June 2020	Growth for grant providers through SfL COVID-19 Response Fund confirmed.
July 2020	Mayoral Decision regarding any revisions to allocations ahead of commencement of academic year.

Appendices and supporting papers:

Appendix A – Revisions to 2019/20 AEB Grant Allocations

Appendix B – Revisions to 2020/21 AEB Grant Allocations

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: Provider grant allocations for 2020/21 are not in the public domain. These will be published on the GLA website in September 2020.

Until what date: Reserved until October 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:

Simon Lowe 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.

✓

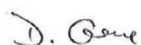
Corporate Investment Board

This decision was agreed by the Corporate Investment Board on the 8 June 2020.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature



Date

8 June 2020

CHIEF OF STAFF:

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

Signature



Date

8 June 2020