

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION

MD3006: Adult Education Budget Procured Contract Variations, May 2022

Executive summary:

This Mayoral Decision (MD) sets out the Adult Education Budget (AEB) Procured contract variations following the May 2022 Performance Point review; and seeks the Mayor's approval for the resulting recommended contract reduction that is outside of Skills for Londoners (SfL) Programmes Board approval thresholds, as outlined in the [AEB Assurance Framework](#).

Following the approval of the AEB Procured 2020-21 Reconciliation approach (under cover of MD2894), this MD also provides an update to the 2020-21 reconciliation values reported for three projects.

The decisions set out in this form were endorsed by the AEB Mayoral Board on 29 June 2022.

Decision:

That the Mayor approves the proposed contract reductions of £593,038 as outlined in Appendix A.

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:

28/7/22

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

Decision required – supporting report

1. Introduction and background

- 1.1 Following the December 2021 Adult Education Budget Performance Point review process, projects that were significantly underperforming against their reprofiled targets were required to produce recovery plans in order to support performance improvement in line with the [AEB Procured Provision – Managing Provider Performance document](#) published on the GLA website. Achievement against the reprofiled year-to-date financial targets at R08 were reviewed as part of the May Performance Point review, and recommendations are set out below. Mayoral approval is being sought for reduction amounts that exceed the SfL Programmes Board threshold.
- 1.2 For the May 2022 Performance Point review, providers whose projects performed at 90 per cent or above of their profiled contract learner number targets and spend – based on their 2020-21 end-of-year Individualised Learner Record (ILR) (R14) data and year-to-date March 2022 ILR (R08) data – and whose projects met the conditions set out in the GLA AEB 2019-23 [Funding and Performance Management Rules for Procured Providers](#), were invited to request contract increases.
- 1.3 In reviewing performance against European Social Fund (ESF) outputs and results, ESF learner numbers were used as the main performance indicator; however, significant underperformance against other targets was also considered. Previous growth awards were also taken into consideration, to ensure that the lifetime increases did not exceed 10 per cent of the original contract value as required by the funding rules.
- 1.4 Based on this assessment, total contract increases of £808,398 were approved by the SfL Programmes Board, to be funded by the overall AEB on 25 May 2022.

2. Objectives and expected outcomes

- 2.1. To determine recommendations for contract reductions, earnings against allocation were used as the main indicator of underperformance. Officers projected earnings for each provider; where projected earnings were more than 20 per cent lower than the current allocation for the 2021-22 and/or 2022-23 academic years, and the difference was greater than £50,000, officers have recommended contract reductions to bring contract values for the remaining academic years in line with projected earnings and performance. Targets will be reduced in line with any financial reduction made.
- 2.2. Providers in scope for contract value reductions based on the above criteria were offered an opportunity to submit a business case if they could provide evidence or new information to support the delivery of their full allocation. Following consideration of business cases, the proposed total value of reduction is £1,069,986. Of this total, one recommended reduction (£593,038 of total value shown above) exceeds the SfL Programmes Board-approval threshold as set out in Table 2 of Appendix A. This reduction was increased from our original recommendation at the provider's request.
- 2.3. MD2894 set out details of approved reductions to AEB Procured contract values resulting from the 2020-21 reconciliation process based on the allocation and delivery values for that academic year. One project was in the process of having a contract variation approved and therefore was not reported. Errors were identified in the values reported for two other projects. The revised reconciliation figures are set out in Appendix A. These are separate to the reductions recommended following the May performance update.

3. Equality comments

- 3.1 In carrying out any functions in respect of the AEB, the Mayor will comply with the public sector equality duty under section 149 of the Equality Act 2010.
- 3.2 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.
- 3.3 Relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
- 3.4 The Mayor is required to comply with the duty to have due regard, detailed above, in making any decisions relating to the AEB Procured programme.
- 3.5 The aim of the AEB and the ESF is to improve opportunities for people who are disadvantaged in the labour market. The AEB Procured programme has specific targets to support groups with protected characteristics including female learners; learners from Black, Asian and ethnic minority communities; and disabled learners. The recommendation to remove funding from an underperforming project will allow the GLA to more effectively support disadvantaged Londoners by reallocating unused funds to other projects that also support disadvantaged Londoners, such as people without basic skills; young people not in education, employment or training; and those who are unemployed or in receipt of a low wage.

4 Other considerations

- 4.1 There are no conflicts of interest to note for any of those involved in the drafting or clearance of the decision.

Links to Mayoral Strategies and priorities

- 4.2 The proposals set out in this MD will help to ensure that the funding available to the Mayor for employment and skills provision through the AEB Procured and ESF programmes is being spent effectively to support Londoners in line with the Mayor's priorities as set out in the SfL strategy. The proposed contract variations are expected to improve the deliverability of the programme over the remaining contract term.

Risks arising/mitigation

- 4.3 There is a risk that applying the AEB Procured contract reductions could affect the ability of providers to meet demand if performance improves. This will be mitigated by the opportunity for providers to request contract increases of up to 10 per cent of the overall contract value if they can demonstrate good performance at the next performance point.

5 Financial comments

- 5.1 Approval is being sought for the reduction of £593,038 of AEB Procured contract funding. The four-year AEB Procured programme was formally approved under [MD2375](#).
- 5.2 Mayoral approval is being sought as the reduction amount exceeds the SfL Programmes Board threshold (as outlined in the AEB Assurance Framework). The funds will be returned to the central AEB Procured budget and will be repurposed for eligible 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 section 39A-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 choose to make the decisions sought officers must ensure that the reductions proposed are documented in accordance with the provisions of the contracts with the providers concerned, those agreements being varied before any reliance is placed upon the new figures, profiles and related details where necessary.

7 Planned delivery approach and next steps

Activity	Timeline
AEB Procured contract variations sent to providers	July 2022

Appendices and supporting papers:

Appendix A – AEB Procured Contract Variations

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**

Publication should be deferred until 11 January 2023 as it includes sensitive, specific information relating to provider under-performance which could have a negative impact on their commercial reputation.

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the 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:

Leanne Stephney has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Tunde Olayinka 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 25 July 2022.

✓

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

Date

25/7/22

CHIEF OF STAFF:

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

Signature

Date

24/7/22

Appendix A**AEB Procured contract variations**

Table 1: Corrections to 2020-21 AEB Procured reconciliation figures (as discussed in paragraph 2.3)

Provider name	2021-21 allocation	Total 2020-21 actual delivery	Difference between allocation and actual delivery 2020-21	Proposed adjustment in full contract	Full contract before proposed adjustment (four-year contract)	Proposed adjusted full contract (four-year contract)
Step Ahead Social Enterprise	£936,549	£1,003,564	£67,015	-£3,780	£2,876,778	£2,940,013
East London Advanced Technology Training	£717,874	£662,525	£35,604	-£85,275	£2,909,395	£2,859,724
Maximus People Services Ltd	£1,628,270	£1,279,657	£0	-£372,965	£6,763,118	£6,390,153

Table 2: Reduction for approval

Provider name	Total allocation over full four-year contract	Total change	As a %	Threshold
Lambeth London Borough Council	£1,069,036	-£593,038	-55%	Mayoral Board