

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2684

### Title: Administering additional Adult Education Budget for 2020/21

#### Executive Summary:

The Department for Education (DfE) has confirmed an allocation of additional funding to the Mayor of London in relation to the Adult Education Budget (AEB) for the academic year 2020/21. This additional funding is part of the Department's COVID-19 Skills Recovery Package and wider Government plans to protect, support and create jobs and in turn, to boost the economy.

This Mayoral Decision seeks approval to allocate an additional £14,918,861 AEB for the Academic Year 2020/21.

#### Decision:

That the Mayor approves the:

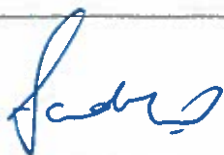
- receipt of £12,943,836 of Adult Education Budget (COVID-19 Skills Recovery Package) funding from the Department for Education; and
- allocation of up to additional £14,918,861 of Adult Education Budget funding to grant providers for the 2020/21 Academic Year (see Appendix A) to fund high value courses for 19-year olds, sector-based work academies and AEB provision that aligns with priorities set to support London's recovery missions.

#### 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:

4/9/21

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

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. In the Chancellor's Summer Economic Update (8 July 2020) it was announced that there would be additional funding made available as part of the Department for Education's (DfE) COVID-19 Skills Recovery Package and wider Government plans to protect, support and create jobs. This package of support includes several programmes that will be delivered through the AEB.
- 1.2. This funding, excluding additional funding for the 19-24 Traineeship programme (which remains a national programme and will be administered by the Education and Skills Funding Agency (ESFA)), will be apportioned between the ESFA and the Combined Authorities/GLA and will be used to deliver:
  - High value courses for school and college leavers: an alternative to unemployment for those who were planning to leave education and may struggle to get a job or apprenticeship; and
  - Sector based work academies: working with the Department for Work and Pensions (DWP) to provide short bursts of training to get the unemployed back into work.
- 1.3. The national total in additional AEB funding for these programmes in the 2020/21 academic year is £54.4m. The GLA will receive a % share of this based on current calculations for apportioning the national AEB, totalling £12,943,836.
- 1.4. This funding is a top-up for 2020/21 academic year only.
- 1.5. The policy intent of the high value courses and the sector-based work academies programmes is aligned with the GLA's plans to support London's recovery from COVID-19 and therefore, it is recommended that the GLA adopts the following process for administering the additional funding.

#### **2. Objectives and expected outcomes**

##### *Additional funding to support the London response*

- 2.1. It is proposed that ringfenced funding of up to £14,918,861 of AEB will be allocated across AEB providers to fund high value courses for 19-year olds, sector-based work academies and priorities that align with London's recovery missions. This is a one-off intervention in response to the COVID-19 pandemic.

##### High value courses for 19-year olds

- 2.2. Delivery of high value courses will provide an additional programme of study, for 19-year olds, of selected high value level 2 and 3 qualifications for up to a year from September 2020 if they cannot find employment or work-based training. The priority is for young people to find work or a work-based training offer such as an apprenticeship or traineeship. Where these are not available locally, providers can use this funding to deliver extra classroom-based opportunities to young Londoners to help ensure they remain engaged with education, employment and training.

##### Sector-based work academies

- 2.3. Sector-based work academies help prepare those receiving unemployment benefits to apply for jobs in a different area of work. A sector-based work academy can last up to six weeks and includes pre-employment training and support, a work placement and guaranteed job interview. Jobcentre Plus leads on working with employers to secure work placements and AEB providers are funded to provide the relevant pre-employment training.

### London's recovery priorities

- 2.4. The London Recovery Board has set the grand challenge to *'restore confidence in the city, minimise the impact on London's most vulnerable communities and rebuild the city's economy and society'*.
- 2.5. To meet this challenge, eight missions are being developed, setting out the actions that will be taken by London. The 'Good Work for All' mission proposes to address rising unemployment and support Londoners into good jobs by 2025. To achieve this, the Mayor will work in collaboration with employers, education and training providers, voluntary and community sector, trade unions and local authorities to deliver and coordinate a range of employment support and skills provision, including the AEB.
- 2.6. As part of this fund and in addition to funding the government's proposed high value courses and sector-based work academies, AEB providers will be able to use their allocation to also support London's recovery priorities, including through:
  - skills provision to support training and retraining in sectors key to London's recovery to progress adults into local vacancies;
  - training to support employment for Londoners referred to the Expanded Work and Health Programme; and
  - targeted skills and employment support for Londoners most affected by the pandemic and at risk of economic scarring, including:
    - young people aged 19-23,
    - the newly unemployed,
    - people most at risk of redundancy in low skilled and low paid jobs earning below the London Living Wage,
    - people at risk of becoming long term unemployed.
- 2.7. This provision will ensure additional AEB is better targeted to the needs of London's recovery.
- 2.8. The GLA will share more information with providers during the academic year on what additional provision is eligible for delivery to support London's recovery priorities.

### *Allocation of funding*

- 2.9. The GLA will allocate £14,918,861 across AEB providers for the delivery of the above-mentioned programmes. This figure is comprised of the £12,943,836 DfE COVID-19 Skills Recovery Package, the £1,771,086 recovered from grant provider underperformance in 2019/20 and a further £203,939 of GLA held AEB funding.
- 2.10. An earmarked amount of funding, known as a provider facility, will be calculated, enabling each AEB grant-funded provider to deliver eligible activity. The value of provider facilities is based on previous delivery of high value courses to 19-year olds, and the value of provider grant allocations for 2020/21. All providers will receive a facility of at least £100,000, or 50% of the value of their 2020/21 grant allocation. The list of earmarked funding values available to AEB providers is set out in Appendix A.
- 2.11. So that providers can plan delivery accordingly, the GLA will give advance notice to all AEB providers in September that this facility would be available in-year and where providers deliver above the value of their AEB grant allocation in 2020/21, they would be able to draw down the additional funding to support relevant activities.

- 2.12. Provider facilities are ringfenced and the GLA will review and reconcile performance under these programmes separately from a provider's existing allocation. An initial review of performance will be undertaken in January 2021. The GLA may, following approval from the AEB Mayoral Board, redistribute allocations across providers if needed.
- 2.13. Providers will be able to make use of these facilities until 31 July 2021, though the value of these facilities may be reduced in January if underutilised.
- 2.14. Grant-funded AEB providers are paid monthly according to the standard national profile outlined in the GLA AEB Funding and Performance Management Rules 2020/21. No additional payments will be made to providers before the initial review of performance is undertaken in January 2021.
- 2.15. These facilities will not be considered as part of the providers grant funded allocations in subsequent academic years.
- 2.16. As part of the programme to deliver high value courses to 19-year olds, the GLA will uplift funding by £400 for eligible learning relating to these courses during its delivery. As the intent of the programme is to support young Londoners into employment the GLA will also offer an increased job-outcome payment of 100% of the achievement value.

#### *Provider eligibility*

- 2.17. Grant-funded providers who have been notified that GLA funding ends in July 2021 are not eligible for this facility.
- 2.18. The high value courses funding uplift and increased job outcome payment will be available to all GLA funded AEB providers. For AEB procured providers this will be supported through existing processes for growth against contracts.

### **3. Equality comments**

- 3.1. Under Section 149 of the Equality Act 2010, as public authorities, the Mayor and the GLA must have 'due regard' to the need to:
  - eliminate unlawful discrimination, harassment and victimisation; and
  - advance equality of opportunity and foster good relations between people who have a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation) and those who do not.
- 3.2. The implementation of the proposed approach will increase resources to 19-year olds and unemployed Londoners and support their progression into work. Based on existing participation, there is evidence that the funding will support groups with protected characteristics including female learners, learners from Black, Asian and minority ethnic (BAME) communities, and disabled learners.

### **4. Other considerations**

#### *Links to Mayoral Strategies and priorities*

- 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:

- Full details of this additional funding were provided to the GLA on the 23 July 2020. This has meant that there is limited time available for the GLA to fully consider options for administering these funds ahead of the start of the 2020/21 academic year (1 August 2020). This funding is an emergency one-year arrangement and expediency is needed to ensure Londoners have access to necessary support as quickly as possible. This has limited the ability of the GLA to fully explore commissioning this funding beyond its existing provider base. To mitigate this impact, the GLA will encourage grant-funded providers to bring specialist training providers on board to help deliver this additional activity, where there are specific sectoral needs.

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

### 5. Financial comments

5.1. Approval is being sought to allocate additional Adult Education Budget amounting to £14,918,861 for the Academic Year 2020/21 to be spent on high value courses for 19-year olds and London recovery programmes.

5.2. Of this additional allocation, £12,043,836 will be funded by the Department for Education as part of the DfE COVID-19 Skills Recovery Package; £1,771,086 will be funded by the recovered grants from AEB provider underperformance in 2019/20 (as approved by MD2634); and £203,939 will be funded by the Further Growth/Innovation budget (as approved via MD2654) held by the AEB Unit within the Communities & Skills Directorate.

5.3. The below table shows the profile for the Academic Year 2020/21.

<b>Additional Allocation Funding</b>	<b>Total (£)</b>	<b>20/21 FYE (Aug - Mar 21)</b>	<b>21/22 FYE (Apr-Jul 21)</b>
DfE Funding	12,943,836	8,137,485	4,806,351
Recovered Grant Funding	1,771,086	1,771,086	
Further Growth/Innovation	203,939	203,939	
<b>Total</b>	<b>14,918,861</b>	<b>10,112,510</b>	<b>4,806,351</b>

### 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 to the provision of additional funding facilities to AEB providers is made until:

- a) a legally binding commitment is secured from the Department of Education to the additional funding and the GLA is content that it can comply with the conditions of the same; and
- b) legally binding agreements setting out the basis and conditions on which the additional funding facilities are made available are entered into and executed by the GLA and eligible providers; and

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' and any specific conditions applicable to the COVID-19 Skills Recovery Package under which the additional AEB funding is to be provided, liaising with the Department for Education and ESFA as necessary from time to time.

## 7. Planned delivery approach and next steps

Activity	Timeline
Notice given to AEB providers of additional funding facility	w/c 1 September 2020
Delivery start date	Early September 2020
In-year review of performance to reconcile additional funded activity	January 2021
End of year review of performance to reconcile additional funded activity	December 2021

### Appendices and supporting papers:

Appendix A – Provider facility values

**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: The value of provider facilities are subject to change following a review of performance in January 2021. Publishing these values before this review has been undertaken would represent a reputational risk to the GLA.

Until what date: 31 March 2021.

**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:**

Imman Laksari-Adams and Simon Lowe have drafted this report in accordance with GLA procedures and confirm 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 1 September 2020.

**EXECUTIVE DIRECTOR, RESOURCES:**

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

**Signature**

**Date**

*D. Bone*

1 September 2020

**CHIEF OF STAFF:**

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

**Signature**

**Date**

*D. Bellamy*

1 September 2020

