

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD3252

### Title: Adult Education Budget: 2024-25 Financial Forecast and 2022-23 Annual Report to the Department for Education

#### Executive Summary:

This Mayoral Decision (MD) seeks the Mayor's approval of Adult Education Budget (AEB) expenditure for the 2024-25 academic year (AY) of £345,296,273, covering August 2024 to July 2025, as set out at paragraph 2.7 of this MD. As a result, expenditure in the 2024-25 financial year (FY) will be £342,345,277, as set out at paragraph 2.8 of this MD, and includes up to £7,567,058 to cover 2024-25 FY Management and Administration (M&A) costs and a further £1,270,000 to fund Learner Engagement Programmes to support more Londoners to access AEB provision.

The AEB allocation received from the Department for Education (DfE) is £322,669,259 for the main annual grant provision for the 2024-25 AY and a further sum of £22,627,014 will be received for Free Courses for Jobs (FCFJ) funding.

This MD also approves the Annual Report to HM Government on the delivery of delegated adult education functions (see Appendix A) as required under ['The exercise of delegated adult education functions: Guidance for the Mayor of London and Greater London Authority'](#). Once approved and signed by the Mayor, the report will be submitted to the DfE and is due by 31 March 2024. The Annual Report covers delivery of the adult education functions in Greater London, Mayoral policy and AEB actual expenditure for the 2022-23 AY – 1 August 2022 to 31 July 2023.

#### Decision:

That the Mayor approves:

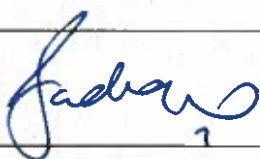
1. AEB expenditure of £345,296,273 for the 2024-25 academic year, including up to £7,567,058 for Management and Administration costs for the 2024-25 financial year, noting that any future reprofiles will be agreed by the Mayor at the AEB Mayoral Board meetings and via the GLA's budget management processes
2. the Mayor's Annual Report at Appendix A for submission to the Department for Education by 31 March 2024.

#### 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:

15/3/24

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

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

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

##### 2024-25 Budget

- 1.1 On 31 January 2024, the Department for Education (DfE) wrote to the Mayor to confirm that London's Adult Education Budget (AEB) allocation for the 2024-25 academic year (AY) is £322,669,259 for the main annual grant and a further sum of £22,627,014 for Free Courses for Jobs (FCFJ) funding.
- 1.2 The total budget for the 2024-25 AY is therefore £345,296,273 split across financial years (FYs) as follows:
- £215,832,804 and £15,085,430 for AEB and FCFJ respectively (a total of £230,918,234) for August 2024 to March 2025 (sum to be received in April 2024)
  - £106,836,455 and £7,541,584 for AEB and FCFJ respectively (a total of £114,378,039) for April to July 2025 (sum to be received in April 2025).
- 1.3 In addition to the remaining payments for the ongoing AY (April to July 2024) which will be received in April 2024 of £108,104,959, the 2024-25 FY budget is therefore £346,280,647. This amount does not include any remaining sums from the previous or current year which will be carried forward as part of the GLA's end of financial year process. The profiles for both AY and FY are presented in paragraphs 2.7 and 2.8.

##### Annual Report to HM Government regarding the delivery of delegated adult education functions

- 1.4 [The exercise of delegated adult education functions: Guidance for the Mayor of London and Greater London Authority](#) ("the London Guidance") states that the Mayor must provide government with an Annual Report each year as follows: in January, an indicative draft, incorporating the key financial information; and in March, the fully signed document covering delivery of the adult education functions in Greater London.
- 1.5 As specified by the London Guidance, the Annual Report should include information about, and not be limited to:
- the Mayor's policies for adult education
  - spend from the AEB
  - analysis of the Mayor's delivery of the adult education functions in Greater London. This can draw on published data from DfE and use other data where necessary to present this analysis<sup>1</sup>
  - local impact – it should consider the impact the Mayor's exercise of adult education functions has had upon skills in Greater London, with regard to:
    - overall participation in AEB funded provision
    - number of learners exercising their statutory entitlement to full funding for: i) English and maths up to Level 2; ii) first full Level 2 (learners aged 19-23); and iii) first full Level 3 (learners aged 19-23)

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<sup>1</sup> This analysis could be released into the public by government departments. For example, presenting the impacts to parliament of the delegation of the exercise of adult education functions to the Mayor.

- completion and achievement rates.
- The Mayor is also encouraged to produce further monitoring and evaluation which goes beyond the data sets the DfE publishes annually such as relevant employer or learner surveys. An update on the draft Annual Report is outlined in paragraphs 2.14 and 2.15 and the full report is attached at Appendix A.

## 2 Objectives and expected outcomes

- 2.1 The AEB funds the delivery of education and training for adult learners aged 19+ through a range of provider types including general Further Education (FE) colleges, local authorities, independent training providers, sixth form colleges and universities. The annual objective remains unchanged in ensuring that the funding is fully allocated in time to support Londoners to have the appropriate training, education and associated interventions.
- 2.2 There were 230,060 GLA funded learners in London during the 2022-23 AY (up by four per cent compared with 2021-22) that enrolled in 487,100 qualifications (up by five per cent from 2021-22). The data suggests that, since delegation in 2019, the increase in enrolments in England has been driven by the positive performance of London. This performance is expected to continue in 2024-25 with additional flexibilities introduced by the Mayor in recent years.
- 2.3 The budget is expected to support education and training for a minimum of 200,000 learners in the 2024-25 AY with a focus on reaching above the London population in relation to women, Black, Asian and minority ethnic and disadvantaged Londoners (above 50 per cent, 41 per cent and 27 per cent respectively). Disabled Londoners' participation will be closely monitored and reported corporately in the new FY for the first time. Participation for this group will be compared to the 13 per cent disabled Londoners in the "20-64" age group.
- 2.4 2022-23 delivery showed positive impacts from the AEB flexibilities introduced by the Mayor to support London's economic recovery: 27,000 Londoners made use of the Mayor's low-wage flexibility (an 15 per cent increase from the previous AY), which helps people earning less than the London Living Wage gain skills through the AEB; around 7,200 learners out of work and outside benefit arrangements enrolled in 15,740 qualifications; and 2,590 adults gained skills through Level 3 qualifications introduced by the Mayor to help people impacted by the pandemic. It is expected a minimum of ten per cent of learners participating in the AEB in the 2024-25 AY will be supported by the low-wage flexibility only.
- 2.5 The main AEB grant providers are asked to present a delivery plan ahead of the start of each AY. The Jobs and Skills grant providers commenced delivery in August 2023 and have supported 12,903 learners over 16,926 enrolments.
- 2.6 The management and administration (M&A) spend enables the GLA to have the required staff to manage the AEB effectively. The independent annual evaluation report has shown providers have continued to be positive about the GLA's management of the AEB. Overall, they thought that delegation is enabling closer alignment between local and Mayoral skills priorities and a stronger strategic direction for skills policy in London.

### AEB 2024-25 AY expenditure forecast

- 2.7 Based on the total indicative income of £345.3 million including the ringfenced FCFJ allocation, the table below shows the proposed breakdown of spend for the 2024-25 AY:

Items/Commitment	Budget (£)	2024-25 FY (August 2024 – March 2025)	2025-26 FY (April – July 2025)
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Grant	283,387,543	188,934,475	94,453,068
FCFJ Grant	14,336,144	9,557,907	4,778,237
Jobs & Skills Grant	29,630,904	14,815,452	14,815,452
FCFJ Jobs & Skills	8,296,878	4,148,439	4,148,439
M&A	8,142,592	5,961,058	2,181,533
Learner Engagement Programmes	1,502,212	1,083,333	418,879
<b>Total *</b>	<b>345,296,273</b>	<b>224,500,664</b>	<b>120,795,608</b>

\*The total funding does not include previous underspend carried forward.

#### Budget Implications for 2024-25 FY

- 2.8 The table below shows the expenditure profile for the full FY taking into account the forecast for April to July 2024 previously approved by the Mayor under cover of [MD3100](#).

Items/Commitment	2023-24 FY Budget (£)	2024-25 FY Budget (£)
Grant*	309,012,236	297,651,244
Procured	11,068,400	-
Jobs and Skills Grant*	19,734,103	35,109,975
Good Work for All Grant	7,706,750	-
MAP Job Outcome Payment	2,000,000	747,000
M&A	6,421,491	7,567,058
Learner Engagement Programmes	1,020,000	1,270,000
<b>Total**</b>	<b>356,962,980</b>	<b>342,345,277</b>

\*Includes FCFJ grant

\*\*The total funding does not include previous underspend carried forward.

- 2.9 The M&A forecast covers spend on staffing, research and evaluation, contract management system, provider audits, provider engagements, legal services, the London Learner Survey, and evidence sample checking for compliance with contract requirements. Additionally, there is a spend forecast on the work of promoting and increasing the awareness of the AEB to Londoners, especially the hardest to reach, to increase the take up of the AEB and the diversity of the learners.
- 2.10 A detailed breakdown of M&A and learner engagement spend was considered by the Mayor at the AEB Mayoral Board meeting on 7 March 2024. This included summaries of activities to support certain proposed expenditure for 2024-25, including AEB research, communications and engagement activity, and the next round of the Community Outreach Programme.
- 2.11 Based on the commitment of the GLA to improve efficiencies across its operations, GLA officers are regularly monitoring the M&A to ensure value for money is always maintained. Underspends from M&A are released to support direct provision annually.

- 2.12 The total underspends from the 2023-24 FY will be processed as part of the GLA end of year financial processes and carry overs applied to 2024-25 FY or future years as appropriate.

Annual report to HM Government regarding the delivery of delegated adult education functions

- 2.13 As required under the London Guidance (see paragraph 1.4 above), officers submitted a 'draft' Annual Report to HM Government in January 2024. A revised version of the report was considered by the AEB Mayoral Board at its 7 March 2024 meeting.
- 2.14 The final report set out at Appendix A mainly reports on the fourth full year of delivery from 1 August 2022 to 31 July 2023 with a focus on priorities for delegated adult education, policies and interventions, monitoring and evaluation, local impact and spend.

### **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
  - 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 aim of the AEB is to improve opportunities for people who are disadvantaged in the labour market. Many potential AEB participants have the 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.
- 3.5 The publicity and the community engagement proposed for the new year, whilst directed at Londoners, will target hard-to-reach groups to ensure they have access to the training and education opportunities provided by the AEB. Following successfully introducing the Community Outreach Programme in the 2022-23 FY, the programme is proposed to be increased to further reach more Londoners, especially the hard-to-reach in 2024-25. The GLA has established an inclusive commissioning protocol which provides guidance for commissioning and procurement in such a way that avoids discriminating against any suppliers or education providers.

### **4 Other considerations**

Risks arising/mitigations

- 4.1 The Memorandum of Understanding with the DfE states, that underspends are recovered by the Secretary of State in circumstances where the Secretary of State considers funds have not sufficiently been committed to be spent. This presents a risk for the GLA in addition to the

reputational risk to the GLA of not being able to discharge its responsibility for the benefit of Londoners.

- 4.2 Officers regularly reviewing the underspend profiles, identifying new ways to use funding, and recommending this to the Mayor. The 2024-25 DfE allocation has been fully allocated as presented at paragraph 2.7 above.

#### Links to Mayoral strategies

- 4.3 Successful delivery of the AEB aids the work of the Mayor's statutory strategies including the [Environment Strategy's](#) aim to ensure that London is greener and ready for the future, and the [Economic Development Strategy's](#) focus on creating a fairer economy that works for all Londoners. It meets actions within the London Recovery Board's [Building a Fairer City](#) action plan which has a focus on labour market inequality.
- 4.4 The objectives set out in this MD align with the expectations of the Skills Roadmap which sets out the overarching ambition of the Mayor for the skills and adult education in the capital delivered through three pillars - locally relevant skills, making an impact and access to skills.
- 4.5 The successful delivery of the AEB is also a commitment 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
  - deliver a strategy city-wide technical skills and adult education offer.

#### Other

- 4.6 Budget reprofile: Future reprofiling will generally be agreed through the GLA's budget management processes and presented to the AEB Mayoral Board. Any virements between the top-level AEB budget lines (see table at paragraph 2.8 above) or matters reserved within the [AEB Assurance Framework](#) for the Mayor, will be approved as per the GLA's decision-making process.
- 4.7 There are no conflicts of interest to declare from those involved in the drafting or clearance of this decision form.
- 4.8 Procurement of services and grant commissioning will be completed competitively in line with the GLA Contracts and Funding Code. Grant and contract recommendations will be signed off by the relevant Assistant Director of Skills and Employment as part of the local management arrangements.

## **5 Financial comments**

- 5.1 Approval is sought for the Adult Education Budget (AEB) expenditure of £345,296,273 for the 2024-25 academic year (AY) covering August 2024 to July 2025. In addition to the remaining payment for the ongoing AY (April to July 2024) previously approved under cover of [MD3100](#), this will take the total the expenditure in the 2024-25 financial year (FY) to £342,345,277 as set out in the table at paragraph 2.8 of this MD.
- 5.2 The above figure includes up to £7,567,058 to cover Management and Administration (M&A) costs for the 2024-25 financial year (FY) noting that any future reprofiles will be agreed by the Mayor at the AEB Mayoral Board meetings and via the GLA's budget management processes.
- 5.3 The total expenditure for 2024-25 AY will be funded from the confirmed 2024-25 AY allocation set out in the 31 January 2024 AEB funding letter from the Department for Education (DfE). The AEB allocation from the DfE of £345,296,273 for 24-25 AY is broken down as £322,669,259 for the main

annual grant provision for the 2024-25 AY and £22,627,014 for Free Courses for Jobs (FCFJ) funding.

- 5.4 Approval is also sought of the Mayor's Annual Report to HM Government on the delivery of delegated adult education functions (see Appendix A) for submission to the Department for Education (DfE) by 31 March 2024.
- 5.5 The Mayor's Annual Report as set out in Appendix A shows a net underspend of £7.6m mainly due to the Free Courses for Jobs (FCFJ). Underspend relating to FCFJ will be deducted from the 2024-25 financial year payments from the DfE.

## **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 make the decisions sought officers must ensure that:
- no commitment is made to any of the expenditure proposed unless and until DfE have made a legally binding commitment to the provision of the AEB funding to the GLA and funding agreements have been entered into between and signed by the GLA and recipients
  - any AEB management and administration services are procured in liaison with TfL Procurement in accordance with the requirements of the GLA's Contracts and Funding Code contracts are entered into between and executed by the GLA and the service provider(s) before the commencement of the services
  - the GLA continues to comply with the London Guidance and [Delegation of certain adult education functions to the Mayor of London: Memorandum of Understanding](#) liaising with the Department for Education and ESFA as necessary from time to time.
- 6.4 As the proposals in respect of which the decisions are sought involve the making of commitments which extend beyond current approved budgets and the current Mayoral term, the terms of all agreements entered into in respect of the expenditure do not have the effect of fettering the discretion of the GLA to amend such future budgets and/or any successor administration, considering in particular the London elections taking place in May 2024. Accordingly, officers must ensure that all agreements which involve making such commitments include a GLA right to terminate at any point for convenience (at no cost to the GLA) and all such agreements are managed in such a manner, and any deliverables, milestones and/or output requirements are structured so as to mitigate risks of the GLA incurring abortive expenditure (which might be reasonably be taken to fetter, practically, the exercise of such discretion).

## **7 Planned delivery approach and next steps**

7.1 The profiles to be reflected in the GLA Budget.

7.2 The Mayor's Annual Report to the DfE (Appendix A) will be submitted to the DfE by 31 March 2024.

**Appendices:**

Appendix A – The Mayor's Annual Report to the Department for Education

**Supporting papers:**

AEB Financial Management report to the AEB Mayoral Board (7 March 2024) (*part reserved*)



**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**

**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:**

Jamie Davies 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 11 March 2024.

**INTERIM CHIEF FINANCE OFFICER:**

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

**Signature**



**Date**

12 March 2024

**CHIEF OF STAFF:**

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

**Signature**



**Date**

12 March 2024

