

Annual Report to HM Government - Adult Education Budget 2021-22 (DRAFT)

"I have invested in the stability of London's provider base, increasing funding rates by 13.5% (more than any other region) as part of a 'London Factor'. And London has also raised learning participation further and faster than any other devolved or non-devolved area in England¹:

- *From August 2021 to July 2022, there were 221,280 GLA-funded learners in London.*
- *London's Adult Skills enrolments increased by 18% from 2019/20 to 2021/22, followed by West Midlands and Liverpool (both 14%), while the non-devolved areas only increased by a meagre 3%.*
- *And the number of Adult Skills learners increased by 10% in London from 2019/20 to 2021/22, followed by 7% in Liverpool.*
- *All other regions (apart from Tees Valley, Liverpool and Cambridgeshire and Peterborough) have seen no growth or a decrease in learners over this period."*

The Mayor of London

1. Introduction

- 1.1. The Secretary of State for Education published Guidance for the Mayor of London and Greater London Authority on the exercise of delegated adult education functions in July 2019. This guidance includes the requirement that the Mayor must provide HM Government with an annual report each year, which provides key information about the delivery of adult education functions in London.
- 1.2. This report is the fourth submission to HM Government and covers the full **2021-22 academic year** from 1 August 2021 to 31 July 2022 relating to the delegation of the Adult Education Budget (AEB). This report will focus on:
 - policies and interventions for adult education
 - stakeholder engagement
 - AEB performance analysis
 - monitoring and evaluation
 - AEB spend.

¹ Further education and skills, academic year 2021-22 – Explore education statistics – GOV.UK
(explore-education-statistics.service.gov.uk)

2. Policies for Adult Education

- 2.1. A number of policies and interventions through the AEB were approved for the 2021-22 academic year as part of the London Recovery Flexibilities. These included:

The London Factor

- 2.2. To support a renewed focus on lifelong learning and progression from lower levels up to Level 3 and beyond, a 'London factor' 10 per cent funding uplift was applied to the weighted base rate of all AEB-fundable qualifications up to and including Level 2. This additional investment aimed at lower levels of learning, supported providers to offer more holistic and targeted support for learners. This support could include greater pastoral care, additional tailored support, employment coaching, and other delivery that 'wraps' around learning and addresses the challenges many learners with lower-level skills face in progressing in education and training.
- 2.3. As a condition of this additional investment, providers were required to submit a Delivery Plan demonstrating how their proposed provision will meet the objectives of the London Recovery Missions. The Delivery Plans introduced for the 2021-22 academic year also enabled the GLA to build a better understanding of current delivery as well as support the development of AEB policy and facilitate collaboration.

Changes to AEB eligibility criteria

- 2.4. In response to feedback from providers, local authorities and civil society suggesting that AEB providers in high-density areas were facing pressure to meet demand in skills provision for asylum seekers, the Mayor removed the co-funding requirement and introduced full funding for those learners deemed AEB-eligible. The new eligibility criteria for asylum seekers allowed full funding for eligible asylum seekers resident in London for six months or more as part of AEB funding. For AEB Procured, providers were able to extend this eligibility criterion as part of the Flexible Allocation, whereby up to 15 per cent of the total funding allocation may be used to deliver to learners who do not meet all the eligibility criteria for European Social Fund (ESF) match funding.
- 2.5. The Mayor reinstated the waiver of a three-year ordinary residency requirement for family members of UK and European Economic Area (EEA) nationals to provide continued support to those previously eligible for education and training delivery by the AEB.
- 2.6. The first, second and third Annual report submissions outline policy interventions introduced in previous academic years. Flexibilities which were carried forward into the 2021-22 academic year include:
- 2.7. **Living Wage** – To ensure that AEB-funded provision addresses the challenges faced by those in low-paid work, the Mayor agreed to fully fund skills provision for eligible adults earning below the London Living Wage to ensure they are better supported to progress in work and life, including providing greater flexibility to both

grant and procured providers to access full funding for use to meet the costs of full Level 3 qualifications.

- 2.8. **British Sign Language Entitlement** – To support inclusion, an entitlement to fully fund British Sign Language for Deaf Londoners up to and including Level 2 was introduced by the Mayor to address the exclusion of Deaf learners and support the delivery of more accessible AEB provision in the capital.
- 2.9. **Special education needs and disabilities (SEND) Continuing Professional Development (CPD) Support** – Flexibility within AEB grant-funded provider allocations to fully fund certain categories of learning that upskill eligible teaching and learning support staff to deliver improved provision for learners with SEND.
- 2.10. **Non-formula flexibility** – Flexibility for all grant providers to use up to 10 per cent of their existing formula-funded adult skills allocation to deliver non-formula funded provision.
- 2.11. In the 2021-22 academic year, there were 30,870 learners enrolling in 54,830 GLA-funded courses thanks to the introduction of AEB flexibilities. The table below shows learner participation for the most popular initiatives, which overall increased by 32 per cent compared to the same period last year:

AEB flexibility	Learner Participation		
	Academic Year (AY) 2020-21	AY 2021-22	Year-on-Year % Change
<i>Learners in Receipt of Low Wage</i>	19,990	23,590	+18%
<i>London Recovery Flexibility – Level 3</i>	930	2,290	+146%
<i>London Recovery Flexibility – Non-Formula Funding</i>	2,690	5,550	+106%
Total	23,440	30,870	+32%

Source: Individualised Learner Record R14 2020-21 and 2021-22.

3. Stakeholder Engagement

Skills Roadmap for London

- 3.1. During the 2020-21 academic year, the GLA published a Skills Roadmap for London that sets a clear direction of travel for skills and adult education in the capital that is understood by the skills and employment sector, businesses, civil society and Londoners.
- 3.2. The overarching aim is to ensure adult education in London both gives people the skills they need for jobs and helps to address inequality in the capital.
- 3.3. Alongside the Skills Roadmap for London, in March 2022 the GLA also published findings from a peer-led research project, where a group of Londoners co-designed

and co-produced research into the barriers faced by Londoners to accessing adult education. The findings were used to inform the Skills Roadmap for London.

- 3.4. The Skills Roadmap for London committed to delivering a long-term marketing and community outreach programme for adult education in London. In January 2022, the Jobs & Skills marketing campaign was launched to raise awareness of adult learning, with a particular focus on Londoners eligible for the AEB.
- 3.5. Phase one of the campaign (January – April 2022) focused on raising general awareness with a pan London audience and included Out of Home assets across the Transport for London (TfL) inventory. Phase two of the campaign (April – June 2022) involved targeted digital marketing at Londoners eligible for AEB provision, such as paid social media and search advertising.
- 3.6. All campaign assets met or exceeded benchmarks, for example there were 6.2m impressions of social media adverts and over 1.2m views of digital display ads. Londoners' awareness of the campaign also grew during delivery, reaching 11 per cent in June 2022 (an increase of four per cent from January 2022).
- 3.7. The initial development work also started in this period on the Skills for Londoners Community Outreach Programme, to be launched in the 2022-23 academic year. The programme involves offering grants of up to £9,000 to community organisations, to support outreach activity and target Londoners most in need of adult education, to provide referral routes for Londoners to access the range of learning opportunities available.

Engagement with partners

- 3.8. The Mayor is committed to engaging with partners and stakeholders to ensure a more responsive and effective skills system that meets the needs of Londoners and London's employers. While decision making in relation to the AEB programme sits directly with the Mayor, he is committed to working closely with stakeholders, including London's boroughs, Further Education colleges, independent training providers and businesses to enable collective engagement in decision making on skills priorities, including the AEB.
- 3.9. As part of this, the Mayor established the Skills for Londoners (SfL) Board in 2018, which advises on actions to support implementation of the SfL Strategy and makes recommendations to the Mayor in relation to the strategic priorities, outcomes and funding requirements for the AEB.
- 3.10. The SfL Board also acts as the Skills Advisory Panel (SAP) for London. SAPs aim to bring together local employers and skills providers to pool knowledge on skills and labour market needs, working together to understand and address key local skills challenges. As part of the funding requirements, SAPs are required to produce an annual Local Skills Report (LSR) – the latest version (February 2022) can be found [here](#).

- 3.11. SfL Board membership includes representatives from a wide range of partners, including the Association of Colleges, Association of Employment and Learning Providers, HOLEX, London Councils, LEAP – London's Local Enterprise Partnership, London First, the Federation of Small Businesses and Sub-Regional Partnerships of boroughs including West London Alliance, Central London Forward, Local London and South London Skills and Employment Board. Subordinate bodies of the Board include: the Outcomes for Londoners Task and Finish Group and the Higher Level Skills Advisory Group.
- 3.12. In addition, the Mayor established the Skills for Londoners Business Partnership in 2018, bringing together business members from a wide range of sectors to advise on occupational skills requirements and improvements to the skills system in London.
- 3.13. In April 2022, the Partnership was reconstituted as the Jobs and Skills Business Partnership and membership broadened to include nominees from four major business representative bodies (the Federation of Small Businesses, the London Chamber of Commerce and Industry, Confederation of British Industry and London First), plus LEAP. This addition complements the existing membership of individual business members appointed through an open recruitment process, and who represent a range of industries including early years, construction, retail, hospitality, green, health, social care, technology, logistics and aviation. Trades Union Congress, London, East and South East (TUC LESE) is also represented on the Partnership.

4. Adult Education Budget performance analysis

- 4.1. The GLA publishes AEB programme data biannually in line with the UK Code of Practice for Official Statistics and following the Department for Education's Further Education and Skills data publication. The Data Publication aims to ensure transparency, support engagement with stakeholders, bridge information gaps to support a more strategic approach to skills provision, and support learners and employers to make more informed decisions.
- 4.2. The most recent AEB Data release includes statistics on AEB-funded Further Education and Skills in London based on data for the full academic year 2021-22 covering Community Learning and Adult Skills and also Free Courses for Jobs (FCFJ), which have been added for completeness. A summary note was published alongside the data release to assist in interpreting the 2021-22 AEB statistics and highlights some of the key points and limitations.

5. Monitoring and Evaluation

- 5.1. To measure the efficacy of the commissioning, delivery and management of the delegated AEB, the GLA have undertaken further evaluation work. These have included:

2021-22 AEB Evaluation

- 5.2. The GLA commissioned IFF Research to evaluate the first four academic years from 2019 to 2023 of its management of the AEB. These regular evaluations² aim to evaluate how effective policy and management changes introduced by the GLA have been. The methodology used is a combination of quantitative analysis of the Individualised Learner Record (ILR) data with insights gathered from interviews with AEB-funded providers and sector stakeholders. At the time of writing, the GLA has received preliminary findings from the 2021-22 evaluation based upon analysis of R10 ILR data. A final report will include an analysis of final R14 ILR data and is expected in early 2023.
- 5.3. The report at the time showed the level of provision began to recover in 2021-22 following the significant impact of the Covid-19 pandemic over the first two years of delegation. Analysis of R10 data showed that the number of AEB-funded learning aims increased by 11 per cent in 2021-22 following a drop of 24 per cent in the previous year. This position has now been confirmed following the end of year publication.
- 5.4. However, preliminary analysis using R10 data for 2021-22 has showed positive signs from several policy areas introduced by the GLA. The number of learning aims delivered through the GLA's Level 3 flexibility more than doubled in the first nine months of 2021-22 rising to 7,960. The use of the non-formula funding flexibility which enables providers to use AEB to respond flexibly to local needs has increased by 50 per cent during this period. The London Factor which seeks to support learning progression via a 10 per cent uplift in the weighted base funding rate has been welcomed by providers, though providers did indicate a need for further financial assistance to support with the rising costs of delivering learning.
- 5.5. Overall, providers were largely positive regarding their experiences working with the GLA and highlighted improvements in communications over the course of the 2021-22 academic year.

Mayor's Office for Policy and Crime (MOPAC) Audit Review

- 5.6. As part of the GLA's 2021-22 Audit Plan; an audit review focusing on ensuring that AEB delivery partners are appointing and managing subcontractors in line with GLA procedures and the GLA has appropriate processes in place to monitor subcontracting arrangements was undertaken by Mayor's Office for Policy and Crime (MOPAC)³.
- 5.7. The report was concluded in July 2022 and awarded an 'adequate' audit opinion: *"Risks are generally managed effectively although some improvement in the application of controls is required."*

² The first two annual AEB evaluations are published on the [London Datastore](#).

³ MOPAC provide the internal audit function for the GLA Group as part of a shared services arrangement.

- 5.8. Key strengths included policies and procedures, subcontracting plans, and the processes in place for irregularities. Five areas of improvement were identified concerning 'Checks and Approvals' to ensure business objectives are met. The recommendations have now been implemented by the GLA and continue to be monitored.

London Learner Survey

- 5.9. The first year of the London Learner Survey (LLS) was launched in August 2021 aiming to assess the impact of AEB provision over the seven priority impact areas⁴ and to provide an opportunity to demonstrate the impact on London learners, employers and communities; and the impact that delegation funding is having on the outcomes achieved by learners in both community learning and adult skills provision. The survey is delivered in two parts – a baseline survey which is administered by providers and a follow-up survey which is administered by IFF Research, a research agency.
- 5.10. At the time of writing, the LLS 2021-22 remained ongoing as learners that completed their learning towards the end of the academic year continue to complete the follow-up survey. It is expected that the final 2021-22 academic year LLS data will be available by summer 2023.
- 5.11. There were 43,598 responses to the baseline survey submitted to IFF Research in 2021-22. This figure represents the number of responses received before being matched to eligible learning in the ILR. Ongoing engagement with providers by GLA officers and letters from the Deputy Mayor for Planning, Regeneration and Skills reiterating the importance of the survey led to significant improvements in participation as the academic year progressed. At the time of writing the follow-up survey is expected to achieve a response rate of 25-30 per cent, far exceeding the level of response achieved in the LLS pilot.

Research

- 5.12. The GLA often works with external partners to conduct research on trends and particular policy issues regarding skills, adult education, and employment. Research published on the London Datastore in the 2021-22 academic year include:
- **Green Skills Adult Education provision in London** – independent research into the green skills which are expected to grow in demand as London moves to net zero.
 - **Social prescribing into adult education in London** – research mapping how Londoners are referred to adult education opportunities in order to improve their mental health and/or well-being.

⁴ AEB key priority areas – Progression into employment; In-work progression; Progression into further education and training; Improvements in health and wellbeing; Improvements to social integration; Improvements to learner self-efficacy; Participation in volunteering.

- **Effective practice in English and maths for adult learners in London** – research into the barriers to participation and achievement in basic English and maths training (at Level 2 and below) and highlight examples of good practice that can be used to support London's AEB providers to deliver improved social and economic outcomes for learners.

6. Key Financial Information

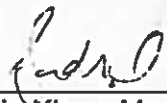
- 6.1. The main AEB allocation (excluding the FCFJ) for the 2021-22 academic year covering August 2021 to July 2022 was £317,790,451. As of February 2023, reporting, £323,273,670 was paid out as shown in the table below. The over payment is because grant providers were allowed to carry funding forward from the last academic year and have been paid on profile. Similarly, procured providers delivered more than the planned allocation because of available funding from previous years where providers were allowed to carry forward underspend due to the impact of Covid-19 on delivery. Procured is the GLA's four year £132m contracts. Please note that budget allocation does not include carry forward utilised funds from previous years.

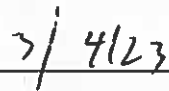
Core Budget Area	Expenditure Forecast (£)	2021-22 AY Expenditure (August 2021 – July 2022) (£)	Difference (£)
Grant Provision	270,745,554	276,091,472	
Procured Provision	32,109,697	34,493,805	
Good Work for All Grant Provision	10,000,000	8,269,744	
Management and Administration (M&A)	4,935,200	4,418,649	
Total	317,790,451	323,273,670	-5,483,219

- 6.2. After the year end reconciliation in November 2022, the net sum of £3,296,746 will be clawed back as underspends for the 2021-22 academic year from providers. As a result, the main AEB overspends for the 2021-22 AY will only amount to circa £2.2m out of an allocation of £317.8m (0.69 per cent). This sum will be deducted from the previous reserve growth funds. Transactions relating to the 2021-22 academic year reconciliation is expected to be concluded by the end of the financial year. If concluded, the final annual report submission in March 2023 will reflect the impact of the process.

7. Further Information

- 7.1. Please contact the AEB team at AEB@london.gov.uk for further information.


 Sadiq Khan, Mayor of
 London


 Date

