

The Adult Skills Fund in London

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LONDONASSEMBLY

Research Unit

Overview

The Adult Skills Fund (ASF) funds education and training for adults aged 19 and above, with a focus on ensuring adults have the skills to find work and contribute to local economic development. It was previously known as the Adult Education Budget (AEB), which was first delegated to the Greater London Authority (GLA) from the 2019-2020 academic year.

This paper sets out how the GLA governs, delivers and evaluates the ASF, as well as calls for further devolution of powers around this area. It also details how the GLA is accountable to the Government for, and how the London Assembly scrutinises, the ASF in London.

About the Research Unit

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1 Background

1.1 General purpose and aims of the Adult Skills Fund

The Adult Skills Fund (ASF) funds education and training for adults aged 19 and above. The ASF funds a variety of qualifications, including English and maths, digital skills, as well as non-qualification learning, including tailored learning.¹ The ASF does not fund apprenticeships or traineeships. Courses are delivered by a range of commissioned organisations, such as adult education colleges, local authorities and independent training providers.²

Up until the beginning of the 2024-25 academic year, this programme was known as the Adult Education Budget (AEB). This paper uses the term AEB when referring to the operation, funding or evaluation of the programme in previous years.

The ASF is intended to fund training and qualifications which contribute to local labour markets and economic development. A key focus of the ASF is ensuring adults have the skills they need for work. This includes funding for four legal entitlements for eligible adult learners, as set out in sections 86 to 89 of the [Apprenticeship, Skills, Children and Learning Act 2009](#):

- English and maths, up to and including Level 2 (equivalent to GCSE grades A*-C), for individuals aged 19 and over, who have not previously attained a GCSE grade C/grade 4, or higher, and/or
- first full qualification at Level 2 for individuals aged 19 to 23, and/or
- first full qualification at Level 3 (equivalent to A-level) for individuals aged 19 to 23, and/or
- Information technology ('digital') skills, up to and including Level 1 (equivalent to GCSE grades D-G), for individuals aged 19 and over, who have digital skills assessed at below Level 1.³

The ASF also funds tailored learning, which includes provision known as adult community learning under the AEB. This is typically delivered by further education colleges or local authorities. It is intended to help people gain new skills, develop their interest in a field or prepare them for further study. The Government has stated that the primary purpose of tailored learning is to:

“support learners into employment and to progress to further learning, in line with the overall purpose of the ASF. It will, however, also support wider outcomes including using it to improve health and wellbeing, equip parents/carers to support their child's learning and develop stronger communities.”⁴

Delegation to the Mayor

Control over the AEB was delegated to the Greater London Authority (GLA), from the 2019-20 academic year. This meant that the GLA became responsible for commissioning and funding AEB provision for learners within Greater London. This includes responsibility for fully funding the four legal entitlements listed in section 1.1. Control over the AEB has also been

¹ Education & Skills Funding Agency, [Adult Skills Fund: funding rules 2024 to 2025](#), 18 July 2024

² Mayor of London, [Adult Education Budget, accessed September 2024](#)

³ Mayor of London, [GLA Adult Education Budget 2023-24 Funding and performance management rules for Grant-funded providers](#), April 2023

⁴ Education & Skills Funding Agency, [Adult Skills Fund: funding rules 2024 to 2025](#), 18 July 2024

transferred to the nine Mayoral Combined Authorities.⁵ The AEB had previously been administered by the Government's Education and Skills Funding Agency (ESFA), which remains responsible for administering the AEB outside of the GLA and the nine Mayoral Combined Authorities.⁶

This agreement came into force on 22 January 2019 with the Mayor signing a [Delegation Letter](#) from the Department for Education, setting out the Mayor's role in delivering the AEB. The legislative basis for this in London is the [GLA Act 1999](#), which permits Ministers to delegate certain functions to the Mayor.⁷ In the case of the AEB, the delegated functions are listed in the Apprenticeship, Skills, Children and Learning Act 2009 and relate to education and training for persons aged 19 or over.⁸ The delegated functions exclude the funding of apprenticeships and traineeships and the provision of adult learning for people in adult detention.⁹

The agreement set out in the Delegation Letter required the Mayor to follow [statutory guidance](#) issued by the Department for Education. The guidance sets out reporting requirements and stipulates what approach the Mayor should take toward commissioning and what to take into account when making and communicating funding decisions relating to the AEB.¹⁰ This is covered in more detail in sections 3.1 and 5.1. These arrangements remain in place for the ASF.

1.2 Wider political context

Funding for adult education in the UK

Research from the Institute for Fiscal Studies, published in June 2022, found that there has been a large fall in the number of adult learners, and on spending on adult education over the last decade across England. Total spending on adult education and apprenticeships fell by 38 per cent between 2010–11 and 2020–21, with a 50 per cent fall in spending on classroom-based adult education. The numbers of adult learners also fell significantly, particularly those taking low-level qualifications, with a 50 per cent fall in numbers taking qualifications at Level 2 and below, and a 33 per cent fall in the number of adults taking Level 3 qualifications.¹¹

In the [2021 Spending Review](#), the Government announced additional funding for adult education with total spending on adult skills increasing by 14 per cent between 2019-20 and 2024-25.¹² This includes additional funding for apprenticeships, a new programme called Multiply to improve numeracy skills, and funding for further reforms to adult education including more Level 3 qualifications.¹³ According to an [Institute for Fiscal Studies](#) analysis, whilst this means that total spending on adult skills would have increased by 14 per cent in real terms between 2019-20 and 2024-25, total spending on skills in 2024-25 would still be 23

⁵ Department for Education: [Policy paper: Adult education devolution](#), September 2023

⁶ House of Commons Library, [Devolution of the Adult Education Budget](#), 19 June 2019. See also Department for Education, [Adult education budget devolution](#), September 2023

⁷ GLA Act 1999, [section 39A](#)

⁸ Apprenticeship, Skills, Children and Learning Act 2009, [sections 86-88](#)

⁹ Department for Education, [Delegation of specified adult education functions from the Secretary of State to the Mayor of London](#), dated 6 December 2018 and signed on 22 January 2019

¹⁰ Department for Education, [The exercise of delegated adult education functions Guidance for the Mayor of London and the Greater London Authority](#), July 2019

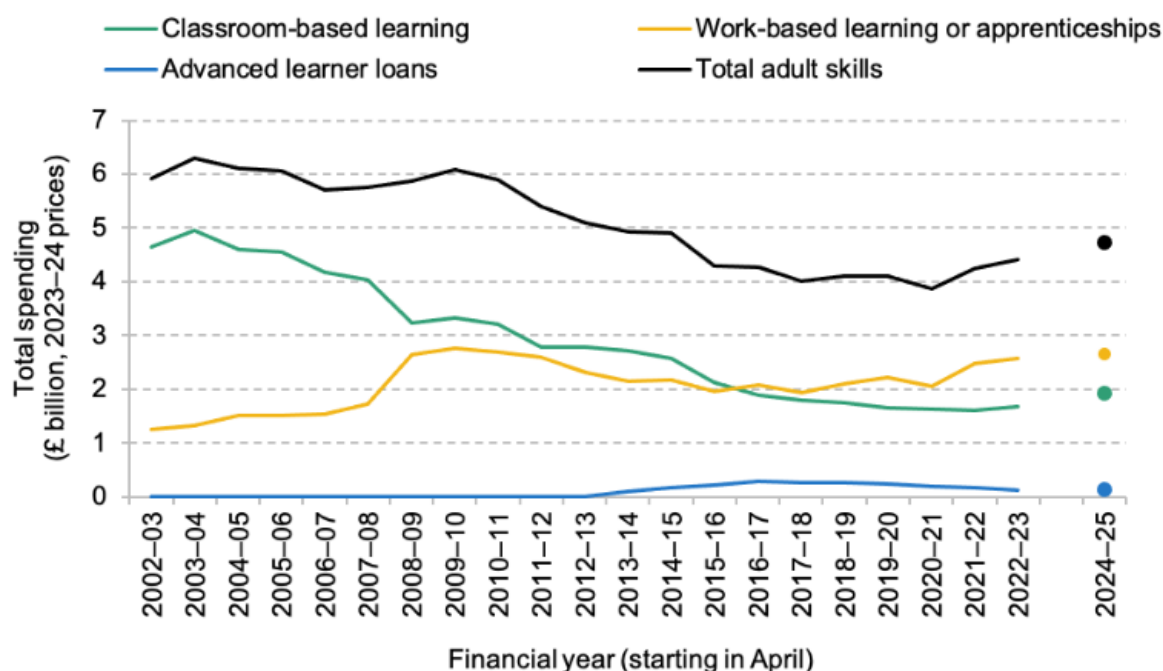
¹¹ Institute for Fiscal Studies, [Adult education: the past, present and future](#), 13 June 2022

¹² Institute for Fiscal Studies, [Adult education and skills](#), 11 December 2023

¹³ Institute for Fiscal Studies, [Adult education: the past, present and future](#), 13 June 2022

per cent below 2009-10 levels. Funding for classroom-based learning would still be over 40 per cent below 2009-10 levels, even when taking into account additional funding.¹⁴

Figure 1: Total public spending on adult education and skills (actual and projected for 2024-25)¹⁵



Source: Institute for Fiscal Studies

London's labour market and skills

Like in most parts of the UK, the unemployment rate in London has been gradually decreasing over the past decade. London's unemployment rate has decreased from 8.7 per cent in the 12 months leading up to September 2013 to five per cent in the 12 months leading up to September 2023.¹⁶ It is slightly higher than the UK average, which was 3.7 per cent for the same period.¹⁷

The total number of jobs in London was approximately 6.6 million in the three months leading up to September 2023.¹⁸ The number of jobs in London has been increasing faster than the national average. Over the last year, they increased by approximately 244,000 (3.8 per cent), whereas the increase in the UK overall was approximately 779,000 (2.2 per cent).¹⁹ The GLA predicts that the number of workers in London will increase by 582,000 (up ten per cent) in the next ten years, as shown in Figure 2.²⁰

¹⁴ Institute for Fiscal Studies, [Adult education and skills](#), 11 December 2023

¹⁵ Institute for Fiscal Studies, [Adult education and skills](#), 11 December 2023

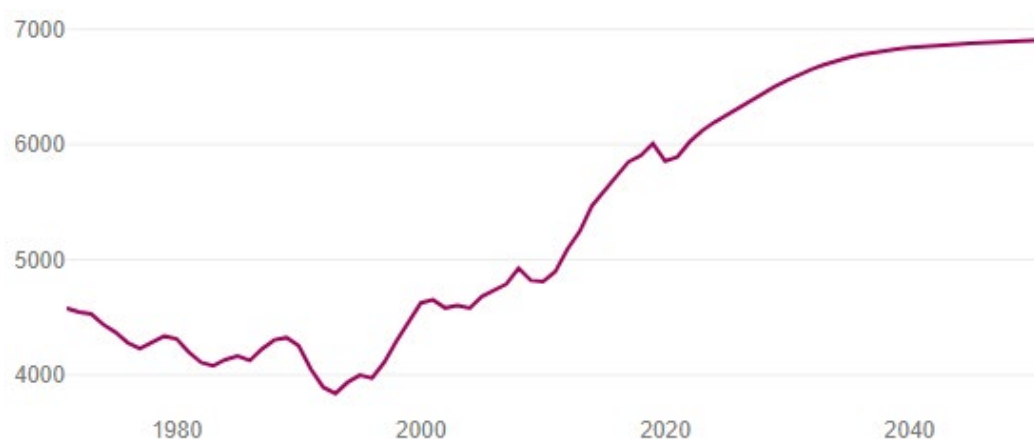
¹⁶ Office for National Statistics, [Annual Population Survey](#)

¹⁷ Office for National Statistics, [Annual Population Survey](#)

¹⁸ London Datastore – [Workforce jobs](#) (Office for National Statistics data)

¹⁹ Office for National Statistics, [Workforce Jobs](#)

²⁰ London Datastore, [London Long Term Labour Market Projections – 2022 Borough Projections](#)

Figure 2: London employment projections (number of employed workers, thousands)²¹

Source: GLA Economics, London Datastore

An increasing number of Londoners are on zero-hour contracts or in work that can be categorised as insecure. GLA analysis found that the proportion of Londoners with zero hours contracts has risen from 1.7 per cent in 2013 to 3.7 per cent in 2023.²² Estimates published in 2023 from Lancaster University's Work Foundation show that nearly one in five workers in Greater London are in "severely insecure work".²³ In May 2023, Paul Johnson, Director, Institute for Fiscal Studies, wrote "much of the success in getting people into work has been a success in getting people into part-time and low-paid work", adding that the current challenge lies in improving the quality of the jobs available, rather than the quantity.²⁴

A 2024 [report](#) by the London Assembly Economy Committee found that London faces a significant skills gap in certain sectors and that there is a growing divide between high-quality jobs offering training, development and fair pay, and an increasing number of poor-quality jobs. The report further found that there is "insufficient focus on retraining and re-skilling of those currently in employment and [that] more needs to be done to expand support services to assist businesses in upskilling and training their existing employees."²⁵ The report recommended the Mayor increase the availability of courses through the AEB to provide training for in-demand skills, such as green and digital skills, including for those already in work.²⁶

²¹ London Datastore, [London Long Term Labour Market Projections – 2022 Borough Projections](#), accessed 4 July 2024

²² London Datastore, [Economic Fairness- Insecure Employment](#), accessed 4 July 2024

²³ Work Foundation, [Greater London City Region Employment Profile](#), 19 November 2023

²⁴ Institute for Fiscal Studies, [Comment: Lots more people are working, but in jobs that keep them in poverty](#), 8 May 2023

²⁵ London Assembly Economy Committee, [London's Post-Pandemic Labour Market and Working Practices](#), March 2024, p7

²⁶ London Assembly Economy Committee, [London's Post-Pandemic Labour Market and Working Practices](#), March 2024

2 Funding

The ASF is worth £345.3 million for the 2024-25 academic year. It is the GLA's single largest area of revenue expenditure, accounting for approximately 60 per cent of the Mayor's total revenue expenditure in 2024-25 (excluding functional bodies).²⁷ It was approved by a Mayoral decision on 15 March 2024.²⁸ The table below provides a breakdown of the budget for the 2024-25 academic year.

Table 1: ASF Funding breakdown for the 2024-25 academic year²⁹

Category	Budget (£m, rounded)	2024-25 financial year (August 2024 – March 2025) (£m, rounded)	2025-26 financial year (April – July 2025) (£m, rounded)
Grant provision	283.4	188.9	94.5
Free Courses for Jobs (FCFJ) Grant ³⁰	14.3	9.6	4.8
Jobs & Skills for Londoners fund	29.6	14.8	14.8
FCFJ Jobs & Skills for Londoners fund	8.3	4.1	4.1
Management & administration	8.1	6.0	2.2
Learner engagement programmes	1.5	1.1	0.4
Total	345.3	224.5	120.8

Source: Mayor of London

In the years since the AEB was delegated, the GLA has kept funding allocations broadly stable. Approximately £283.4 million (82 per cent) of the funding for the 2024-25 academic year is distributed to training providers through grant provision, while the remainder is commissioned through an open procurement process. The recipients of grant funding have traditionally been colleges and local authorities, with funding based on historic pre-delegation allocations. IFF Research, an independent research organisation which carried out a GLA-commissioned review into the AEB in the 2021-22 financial year, found that funding allocations had not changed substantially since delegation.³¹

²⁷ Mayor of London, [The Greater London Authority Consolidated Budget and Component Budgets 2024-25](#); Mayor of London, [MD3252](#), 15 March 2024

²⁸ Mayor of London, [MD3252 AEB: 2024-25 Financial Forecast and 2022-23 Annual Report to Department for Education](#), 15 March 2024

²⁹ Mayor of London, [MD3252 AEB: 2024-25 Financial Forecast and 2022-23 Annual Report to Department for Education](#), 15 March 2024

³⁰ Free Courses for Jobs (FCFJ) is a programme allowing people aged 19 and over to access a Level 3 qualification for free (this is part of the statutory entitlements for those learners aged 19-23).

³¹ IFF Research, [Evaluation of London's Adult Education Budget – Full Year Report 2020/21](#), 4 May 2022. The GLA Employment and Skills team has noted that the GLA changed its AEB grant allocation approach to only fund existing grant providers based in London or within reasonable travel-to-learn distances for London learners. This involved the removal of funding from a number of out-of-London providers. See GLA, [Mayoral Decision 2513](#), August 2019

Whilst the requirement to fund courses that are “statutory entitlements” limits the Mayor’s flexibility in varying funding and pre-supposes a degree of continuity, the GLA has also kept stable the provision of courses it is not legally required to fund. A considerable proportion of the AEB continues to fund courses that were funded prior to delegation but are not “statutory entitlements”. These include Adult Community Learning courses and Adult Skills courses at Levels 2 and 3. Before the AEB was delegated, the Mayor’s 2018 [Skills for Londoners Framework](#) stated that the Mayor “recognises the importance of maintaining stability for the sector during the transition to the devolved AEB.”³² IFF Research’s report for the 2021-22 financial year stated that “maintaining stability and enabling continuity in the sector during the pandemic was a key objective for the GLA during the past two years.”³³ It also noted that this has “provided financial certainty for providers that could not maintain expected levels of delivery [during the pandemic].”³⁴

Under the Apprenticeships, Skills, Children and Learning Act 2009, the GLA as the responsible delivery authority can set funding rules for all grant-funded learning providers. Every academic year, the GLA publishes a document containing a set of funding rules all providers must adhere to. The purpose of this document is to set out in broad terms what conditions providers and learners must meet in order to be eligible for funding and ensure any training or education funded represents good value for money.³⁵ This is complemented by a funding formula, which determines funding allocations depending on a range of factors, including the learning aim, the location of the provider and the number of disadvantaged learners. The Mayor has introduced a number of flexibilities to these rules to prioritise certain areas of provision.³⁶ Section 4 covers how funding allocations are guided by Mayoral priorities.

Prior to delegation, the Mayor argued that the Government should delegate an additional budget to cover administrative costs, rather than ‘top-slicing’ from the core AEB budget.³⁷ When asked about this by the London Assembly Education Panel in 2019, Jules Pipe CBE, then Deputy Mayor for Planning, Regeneration and Skills, stated that this funding would either have to be provided by the GLA or taken from the budget. He estimated these costs to amount to around one per cent of the total AEB budget.³⁸ For the 2024-25 academic year, approximately £8.1 million (2.4 per cent) of the budget is allocated to pay for management and administration, as shown in Table 1 above.³⁹

³² Mayor of London, [Skills for Londoners Framework](#), November 2018, p6

³³ IFF Research, [Evaluation of London’s Adult Education Budget – Full Year Report 2020/21](#), 4 May 2022, p5

³⁴ IFF Research, [Evaluation of London’s Adult Education Budget – Full Year Report 2020/21](#), 4 May 2022, p3

³⁵ Mayor of London, [GLA Adult Education Budget 2023-24 Funding and Performance Management Rules for Grant-funded Providers](#), 17 April 2023

³⁶ Mayor of London, [GLA Adult Education Budget 2023-24 Funding Rates and Formula for All Providers](#), December 2023

³⁷ FE Week, [London needs proper control of its adult education budget](#), 25 May 2018

³⁸ London Assembly Education Panel, [Devolution of the Adult Education Budget to the GLA](#), 30 January 2019, p2

³⁹ The GLA’s Skills and Employment team has noted that administration costs are spent on staffing and overheads, quality assurance, learners’ engagement, contract management systems, evaluation, and other administrative costs.

3 Decision-making and governance

3.1 Current Mayoral powers

The delivery of the ASF in London is delegated to the Mayor under section 39A of the GLA Act 1999, which concerns the delegation of Ministers' functions to the Mayor.⁴⁰ This differs from other devolved policy areas with their basis in the GLA Act 1999 (such as transport and policing), and means that there is no requirement in primary legislation for the GLA to deliver the ASF to Londoners. Instead, the agreement is based on a delegation letter, and a statutory guidance document, which set out the Mayor's powers, responsibilities and reporting requirements to deliver adult education in line with the Apprenticeships, Skills, Children and Learning Act 2009.

The Mayor has the following powers:

- Manage and be accountable for the ASF
- allocate funds transferred to the GLA by determining their procurement requirements
- set priorities
- determine funding and performance management rules
- set contracting and conditions of funding arrangements
- determine funding rates and payments arrangements
- publish funding and performance management rules
- manage providers.⁴¹

The Mayor's principal responsibility is ensuring that adults can access learning for the statutory entitlements without having to pay a fee. The Mayor does not have the power to determine which qualifications are statutory entitlements, as this is the preserve of Parliament. Provided the statutory entitlements are fully funded, the Mayor has some discretion to commission training and education that they judge best meet the needs of Londoners and London's economy.⁴² This permits the GLA to set their own priorities, commission providers and fund them accordingly (covered in section 4).

If the Mayor does not spend their allocation within a given academic year, they have the power to retain any underspend funds. However, the Delegation Letter gives the Government the right to reclaim underspend funds if it believes the Mayor has not sufficiently committed to spend funds in relation to a future financial year.⁴³ It is not unusual for the Mayor to have underspend funds at the end of an academic year. For the 2024-25 academic year, the Mayor had £7.6 million of unspent funds left over from the previous year, mainly relating to Free Courses for Jobs. This was deducted from the funds received from the Department for Education for delivering the ASF in the 2024-25 academic year.⁴⁴

⁴⁰ GLA Act 1999, [section 39A](#)

⁴¹ House of Commons Library, [Devolution of the Adult Education Budget](#), 19 June 2019

⁴² House of Commons Library, [Devolution of the Adult Education Budget](#), 19 June 2019

⁴³ Department for Education, [Delegation of specified adult education functions from the Secretary of State to the Mayor of London](#)

⁴⁴ Mayor of London, [MD3252](#), 15 March 2024

3.2 ASF Mayoral Board

The [ASF Mayoral Board](#) was established to advise the Mayor on key decisions in relation to the ASF and it forms an integral part of the ASF's decision-making process. Previously, the Board was named the AEB Mayoral Board. The Board is chaired by the Mayor. Other members include the Deputy Mayor for Business and Growth, the Mayor's Deputy Chief of Staff and the GLA's Chief Financial Officer.⁴⁵ The Board meets quarterly and [meeting agendas and minutes](#) are publicly accessible.

The Board influences Mayoral decision making by agreeing on and issuing recommendations in relation to the ASF. The board's remit covers the following areas:

- Strategic priorities and funding requirement for the AEB, including alignment to the Mayor's [Skills for Londoners Strategy](#)
- modelling of funding allocations for the ASF programme
- funding allocations to education/training providers
- any redistribution of allocated funding in the ASF programme
- any key programme risks
- any other area the Mayor determines is needed to exercise their delegated authority.⁴⁶

The [Mayoral Board's constitution](#) sets out a three-step process which guides the Board's decision-making:

1. Following a recommendation by the Board, a draft Mayoral Decision form would be submitted to the GLA's Mayoral Delivery Board (MDB) for consideration.
2. MDB reviews any proposal and seeks to ensure it is aligned with the Mayor's vision and manifesto commitments across all GLA policy areas.
3. After MDB has reviewed the recommendation, it is submitted to the Mayor for signature. MDB will only reject a decision outright in "exceptional circumstances."⁴⁷

3.3 Skills for Londoners Board

The [Skills for Londoners Board](#) was established by the Mayor in July 2018, prior to the delegation of the AEB. The Board's remit is broader than that of the ASF Mayoral Board: its purpose is to advise on actions to support the Mayor's [Skills for Londoners Strategy](#), [Skills Roadmap](#) and his skills and employment programmes.⁴⁸ It is the GLA's key stakeholder forum for considering proposed ASF recommendations.⁴⁹ Unlike the ASF Mayoral Board, the Mayor is not a member of the Skills for Londoners Board. The Skills for Londoners Board is not directly involved in decision making, although is consulted and can make recommendation on proposals that may become formal Mayoral Decisions.

⁴⁵ Mayor of London, [Adult Skills Fund Mayoral Board](#), accessed August 2024

⁴⁶ Mayor of London, [Adult Skills Fund Mayoral Board Constitution](#), accessed August 2024

⁴⁷ Mayor of London, [Adult Skills Fund Mayoral Board Constitution](#), accessed August 2024. It also allows for certain less significant decisions to be taken by the Mayor at the ASF Mayoral Board meetings. This may, for instance, be when the decision falls within the scope of an existing approved Mayoral Decision. The terms of the delegation of the ASF to the Mayor under section 39 of the GLA Act 1999 mean that the Mayor cannot further delegate decisions to GLA officers as they may do in other policy areas.

⁴⁸ Mayor of London, [Skills for Londoners Board Constitution](#), accessed August 2024

⁴⁹ Information provided by GLA, September 2024

The Board is to be co-chaired by the Deputy Mayor for Business and Growth and the London Councils Executive Member for Skills and Employment.⁵⁰ Its constitution states that it must also have four members from the London boroughs as nominated by London Councils, representing sub-regional skills and employment bodies, in addition to six members from provider representative bodies and four business representatives.⁵¹ Board meetings occur quarterly and meeting [agendas and minutes](#) are publicly available.

The Board's remit is wide and covers most of the GLA's skills and employment programmes. Its responsibilities with regard to the ASF can be summarised as follows:

- Make recommendations on the strategic priorities, outcomes and funding requirements of the ASF, including alignment to the Mayor's Skills for Londoners Strategy and Skills Roadmap for London.
- Advise on strategic fit of any of the Mayor's skills and employment programmes in relation to the ASF.
- Work to identify local skills priorities and recommend how these can be met through education and training provision.
- Share learning and foster co-operation with providers to identify how skills needs are best met.
- Share analysis and best practice with the Government and other key stakeholders.⁵²

3.4 Delivery and administration of the ASF

The ASF is delivered through the Skills and Employment Unit, which forms part of the GLA's Community and Skills Directorate, led by Executive Director, Tunde Olayinka.

The Skills and Employment group consists of the following teams:

- Strategy and Governance: Writes strategies and develops policy around Mayoral manifesto initiatives.
- Funding Policy and Systems: Implements systems that manage the transfer of data and funding between the GLA, the Government and providers.
- Programme management Office: Works across the group to put in place programme management and governance processes.
- Delivery: Manages contracts with individual providers.

3.5 Calls for further devolution of powers

The AEB, and now the ASF, was delegated to the GLA under the powers of the GLA Act 1999. This differs from the six MCAs, which were granted their powers by means of statutory instruments under the Apprenticeships, Skills, Children and Learning Act 2009.

The Mayor has been calling on the Government to further devolve education and training policy to the GLA.

In a Mayor's Question Time response in March 2019, the Mayor said:

⁵⁰ At the time of writing, it is expected the Board's membership and constitution will be confirmed in late September or early October 2024.

⁵¹ Mayor of London, [Skills for Londoners Board Constitution](#)

⁵² Mayor of London, [Skills for Londoners Board Constitution](#)

“While devolution of the Adult Education Budget is an important and welcome first step, the Government must go further. We need a bespoke devolution deal that is responsive to London’s economy considering our scale, the impact of Brexit on the supply of talent, and other skills challenges, particularly the technological challenge. I am going to carry on lobbying the Government to devolve further powers to London including 16-18 provision, career services, Apprenticeship Levy funds and the UK Shared Prosperity Fund, the domestic successor to the European Structural and Investment Funds.”⁵³

In September 2019, the Mayor and London Councils jointly published a [report](#) on London’s skills and employment systems which called for “full devolution of the adult education budget restored to at least pre-austerity levels.”⁵⁴ In 2020, the GLA commissioned an [independent process evaluation](#) following the delegation of the AEB, which found that the legislative basis for delegation of the AEB puts the GLA at a disadvantage compared to the other MCAs. It makes the case for a London-specific devolution deal, granting the Mayor additional powers. The report argues that primary legislation and amendments to the GLA Act are required to mirror devolution to the other MCAs.⁵⁵

The report highlighted four main issues:

- In London, the Government retains ultimate accountability for AEB delivery and outcomes. In the MCAs, local accountability has been devolved to the respective authority completely.
- The Mayor of London has no fiscal autonomy and may be required to return unallocated AEB funds at the end of an academic year. In contrast, the MCAs have the flexibility to vary the value of their AEB funding along with other funding streams within their “single pot” funding system.
- Delegation was resource-intensive and increased administrative requirements with the GLA having to set up new governance structures. The MCAs were able to incorporate new governance requirements into their existing overview and scrutiny processes.
- The Government did not consider all operational details prior to delegating the AEB to the Mayor.⁵⁶

Since then, the Mayor has campaigned for the devolution of further funding for adult skills and education. In a press release in 2020, the Mayor stated that the Government should “urgently commit to devolving further funding to the capital – or risk undermining London’s long-term recovery from Covid-19” and called for the restoration of AEB funding to 2008 levels.⁵⁷

⁵³ Questions to the Mayor, [Adult Education Budget](#), (Reference 2019/6201), 21 March 2019

⁵⁴ Mayor of London and London Councils, [Skills for Londoners: A Call to Action](#), September 2019

⁵⁵ Warwick Economics & Development, [AEB Process Evaluation Final Report](#), July 2020

⁵⁶ Warwick Economics & Development, [AEB Process Evaluation Final Report](#), July 2020

⁵⁷ Mayor of London, [Mayor urges Government to devolve more adult education funding](#), 27 October 2020

4 Mayoral priorities

4.1 Mayoral reforms

Outside of the statutory entitlements, the Mayor can determine the funding priorities for the remaining portion of London's ASF. When the AEB was first delegated, the Mayor stated that he would make few changes in the first academic year but would gradually phase in some of his own priorities. These priorities were outlined in the [2018 Skills for Londoners Framework](#):

1. Eligibility for full-funding for people in low-paid work
2. Basic English and maths skills
3. English for Speakers of Other Languages (ESOL)
4. Basic digital skills
5. Adult Community Learning (ACL)
6. Support for disadvantaged learners
7. Support for learners with Special Educational Needs and Disabilities (SEND)
8. Addressing London's sectoral and occupational skills needs.⁵⁸

Some of these priorities (e.g. basic English and maths skills) are a continuation of provisions that were in place before delegation. Others, such as full funding for learners earning below the London Living Wage, are new measures that have been introduced by the Mayor since delegation.

One of the most significant changes introduced by the Mayor since the AEB was delegated is the full funding of Londoners who earn below the London Living Wage to take adult education courses. In its evaluation report in 2022, IFF Research noted that "raising the low wage threshold to the value of the London Living Wage has had a clear positive outcome in enabling more learners to be fully funded through the AEB".⁵⁹

According to information provided to the London Assembly Economy Committee by the GLA's Skills and Employment Unit, the Mayor has implemented the following changes in each year since the AEB was delegated:

2019-20

- Full funding for Londoners in low-paid work
- New British Sign Language entitlement for deaf Londoners
- 20 per cent management fee cap on subcontracting

2020-21

- Continuing Professional Development for Further Education workforce to better support disabled Londoners
- More funding flexibility to allow providers to offer more "wrap-around support" for learners

2021-22

- London Level 3 offer to support re-skilling
- People seeking asylum fully funded to access learning

⁵⁸ Mayor of London, [Skills for Londoners Framework](#), November 2018

⁵⁹ IFF Research, [Evaluation of London's Adult Education Budget – Full Year Report 2020/21](#), 4 May 2022

- Waived long term residency requirements for family members of UK and EEA citizens to take part in AEB-funded education⁶⁰
- London Factor (10 per cent) funding uplift to help address rising cost of delivery in London

2022-23

- Support for people who are not working and wish to seek employment
- London Level 4 offer to support people into good work
- Funding license to practice accreditations
- BSL entitlement expansion
- Further 3.5 per cent factor uplift to support cost of living increases

The Mayor introduced a number of additional changes for the 2023-24 academic year. These are listed below.⁶¹

- Revised residency requirements so that EEA citizens who work in the UK but reside in another EU country are eligible.
- Fund work preparation learning aims and work placements for 19 to 24 year olds.
- Increase in the London Factor funding uplift by a further 1.5 percentage points for 2023-24 only.
- Revise AEB Grant Funding Rules relating to job outcome payments under the Mayor's Skills Academy Programme
- Allow providers to use up to half of their Free Courses for Jobs (FCFJ) allocation to deliver qualification not part of the national offer.⁶²

4.2 Skills Roadmap

The Mayor published his [Skills Roadmap](#) in January 2022. The Roadmap sets out how the Mayor “plans to ensure London’s skills offer better serves London’s communities and economies, building on the success of the delegation of the Adult Education Budget (AEB) to the Mayor in 2019.”⁶³ The Skills Roadmap has three key themes:

- **Locally Relevant Skills:** ensuring that London’s skills system responds to the needs of Londoners and local economies. The GLA will aim to do this by fostering a more integrated skills and employment system by increasing collaboration between businesses and skills providers. This includes a “No Wrong Door” approach, which will involve setting up Integration Hubs to enable collaboration between service organisations, skills providers, and other key referrers into adult education. Closer collaboration could ensure, for example, that Job Centre Plus or local authorities are more likely to refer people to adult education courses.
- **Making an impact:** measuring the social and economic benefits of the AEB to inform future skills policy and delivery in London. This work will begin with the London Learner Survey, which is discussed in more detail in the section below on evaluation and impact.
- **Accessible skills:** making adult education more accessible to learners. As part of this aim, the GLA will deliver a long-term marketing campaign and community outreach

⁶⁰ Mayor of London, [Mayor's plan to help 400,000 more Londoners get the skills they need](#)

⁶¹ Information for the 2023-24 year are sourced from: Mayor of London, [MD3147](#), 26 July 2023

⁶² The ‘national offer’ includes qualifications in a variety of courses, which are listed on: [Department for Education, Guidance: Free Courses for jobs](#)

⁶³ Mayor of London, [Skills Roadmap for London](#), January 2022, p7

programme. It will also work with partners to improve the digital infrastructure of London's adult education services and encourage more co-location of learning with other activities and services.⁶⁴

4.3 Skills Academies Programme

The Mayor's [Skills Academies Programme](#) was announced in 2020 with the aim to "support Londoners hardest hit by the pandemic into good work in sectors key to London's recovery and long-term economic growth."⁶⁵ The key sectors identified by the GLA are: Creative, Digital, Health and care, and Hospitality. These sectors have been selected as some or all of the following features apply: high vacancy rates; skills shortages; provision that does not consistently meet employer need or is not accessible; lack of workforce diversity/barriers to entry for specific groups; and "Image" of the sector or lack of awareness amongst potential applicants.⁶⁶

The total investment in this programme is £44 million. It has been funded by the Mayor through the AEB (£23 million), the London Economic Action Partnership (£20.6 million), the NHS (0.25 million), and Health Education England (£0.25 million).⁶⁷

There are two main strands to the Skills Academies Programme, the Academy Hubs and "Quality Marks". More than 20 have been established in London since the beginning of the 2022-23 academic year, each focusing on one of the priority sectors. The Mayor defines the Hubs' purpose as "[bringing] together employers, education and training providers, alongside sector bodies to create clear pathways into employment for Londoners".⁶⁸ The hubs can be seen as partnerships between training providers and employers, which aim to ensure that skills training is aligned with the local job market, either on a London-wide basis or in specific parts of the capital.

The second component of the Programme consists of a "Quality Mark", which is awarded by the GLA to recognise "high-quality skills training providers".⁶⁹ To achieve the Quality Mark, training providers must fulfil a set of criteria in a chosen sector, for example demonstrating strong employer links and how skills provision is industry relevant. The first Quality Mark application process opened for a six-week window from 2 March to 14 April 2022. As at May 2024, a total of 31 training providers have been awarded the Mark.⁷⁰

⁶⁴ Mayor of London, [Skills Roadmap for London](#), January 2022

⁶⁵ Mayor of London, [About the Mayor's Skills Academies programme](#)

⁶⁶ Mayor of London, [London Local Skills Report and Annexes – February 2022](#)

⁶⁷ Mayor of London, [About the Mayor's Skills Academies programme](#)

⁶⁸ Mayor of London, [Skills Academies Hubs](#)

⁶⁹ Mayor of London, [The Mayor's Skills Academies Programme Quality Mark](#)

⁷⁰ Mayor of London, [The Mayor's Skills Academies Programme Quality Mark](#)

5 Accountability and scrutiny

5.1 The Department for Education

The Department for Education is responsible for the overall management of the ASF, as it was for the AEB. This means that the Mayor of London is ultimately accountable to the Government. In the delegation letter, which the Mayor signed prior to taking on the responsibility of delivering the AEB in London, it was stipulated that the Mayor is required to follow official guidance issued by the Department for Education issued in 2019.⁷¹ The guidance was intended to “ensure that funding and provider management arrangements are agreed by the Mayor with providers in a way that minimises costs and maximises consistency and transparency.”⁷²

The [guidance](#) set out the following:

- What approach the Mayor should take toward commissioning
- what the Mayor should take into account when making and communicating funding decisions
- what reports the Mayor should provide to the Government.

The guidance states that when commissioning providers, the Mayor must have regard for ensuring best value for money, as well as best outcomes for students. The Mayor is required to set out his demands of providers in a clear, transparent and timely manner. In addition to this, the Mayor must ensure that all providers have an equal opportunity to compete for funds in any competitive bidding process and that commissioning aligns with providers’ business models and any funding key milestones they operate under.

When making and communicating funding decisions, the Mayor must clearly set out the conditions providers must adhere to in order to secure funding. The Mayor must give consideration to providers which receive funding from both the Department for Education and the Mayor to enable them to plan provision accordingly. Providers also should be provided with a point of contact and a clear complaints process.

The DfE required that the Mayor provide two annual reports to the Government each year: an indicative draft with key financial information in January and a fully-signed report covering delivery of adult education in London in March. The reports were required to show how the ASF was aligned with the Mayor’s skills strategies and supports the delivery of local economic objectives. The reports also had to further include the following components:

- The Mayor’s policies for adult education in London
- a spending breakdown of the funds
- analysis of delivery
- an overview of local impact (including overall participation, number of people making use of their legal entitlements, completion and achievement rates).⁷³

⁷¹ Department for Education, [Delegation of specified adult education functions from the Secretary of State to the Mayor of London](#), dated 6 December 2018 and signed on 22 January 2019

⁷² Department for Education, [The exercise of delegated adult education functions: Guidance for the Mayor of London and Greater London Authority](#), July 2019

⁷³ Department for Education, [The exercise of delegated adult education functions: Guidance for the Mayor of London and Greater London Authority](#), July 2019

If the Government does not deem the Mayor's performance satisfactory, they have the power to unilaterally revoke the delegation agreement at any point in time.⁷⁴ These arrangements continue under the ASF.

5.2 The London Assembly

The Mayor's management of the ASF is subject to scrutiny by the London Assembly. The ASF is audited by the GLA's Internal Auditors and the London Assembly's Audit Panel has been examining the audit reports since delegation of the AEB.

- July 2020: Review of Delegation of the AEB functions from Government⁷⁵
- March 2021: Review of Delegation of the AEB – allocation of funds⁷⁶
- March 2022: Follow-up review of the delegation of the AEB – allocation of funds⁷⁷
- July 2022: AEB subcontractors⁷⁸
- July 2023: AEB Final follow-up report⁷⁹

In addition to this, in 2022-23 the London Assembly Economy Committee⁸⁰ investigated the impact of the AEB on learners, providers and employers since the AEB was delegated. The Committee scrutinised past reforms and examined what further actions could be taken with a particular focus on the most disadvantaged learners. The Committee issued seven recommendations to the Mayor:

- 1) The Mayor should explore further opportunities to 'co-design' adult education courses with learners, both in terms of the content of courses and the learning environment, in order to make adult education more accessible, particularly involving more marginalised groups.
- 2) The Mayor should work with colleges and training providers to ensure a greater availability of mentors in order to support new and prospective learners.
- 3) The Mayor should work with JCP to ensure that work coaches consistently promote adult education to learners and support them to access it. He should report back to the Committee on the action that he has taken to do this, and the impact this work has had to date.
- 4) The Mayor should explore options for incentivising providers to deliver more modular training through the AEB, in order to reach more learners and be flexible and responsive to employer demand.
- 5) The Mayor should explore increasing the ten per cent funding flexibility, to enable providers to be more responsive to employer demand and address skills needs related to emerging technologies
- 6) The Mayor should update the Committee on what actions he has taken to address the issues identified by auditors in relation to subcontracting, and how he can be sure that these issues will not continue to arise in the future

⁷⁴ GLA Act 1999, [section 39A\(5\)](#)

⁷⁵ London Assembly Audit Panel, [Agenda reports pack](#), 16 July 2020

⁷⁶ London Assembly Audit Panel, [Agenda reports pack](#), 10 March 2021

⁷⁷ London Assembly Audit Panel, [Agenda reports pack](#), 9 March 2022

⁷⁸ London Assembly Audit Panel, [Agenda reports pack](#), 21 July 2022

⁷⁹ London Assembly Audit Panel, [Agenda reports pack](#), 20 July 2023

⁸⁰ The Economy Committee changed its name to the "Economy, Culture and Skills Committee" in the 2024-25 Assembly Year

- 7) The Mayor should update the Committee on how the Mayor's Academies programme has led to a growth in green skills provision, and on how we work with employers to address the demand for green skills, especially in relation to retrofit.⁸¹

6 Evaluation and impact

6.1 Impact evaluation reporting and participation levels

The GLA has in the past commissioned IFF Research to conduct evaluations of its management of the AEB. In May 2022, IFF Research finalised its most recent [public report](#), covering the AEB in the 2021-22 academic year. Some of the report's key findings are summarised below:

- **Learners and enrolment:** London has performed well in comparison to non-devolved areas and other MCAs in terms of participation rates with a ten per cent increase in enrolments.
- The Free Courses for Jobs (FCFJ) programme has resulted in increased participation for higher-level qualifications. The proportion of learners from ethnic minority backgrounds surpassed the proportion of these population groups in London as a whole.
- **Funding rules:** The Mayor's introduction of provisions to enable learners to undertake a fully funded additional Level 3 qualification where they are unemployed or on a low wage has resulted in more Londoners gaining new skills with 930 new learning aims having been started as a result of this.
- **AEB programme management:** Providers overall welcomed the improvement in engagement with the GLA via webinars and forums.⁸²

The report highlighted a number of areas for attention for the Mayor. A summary of the suggestions made in the report, along with a summary of the GLA's response, is set out below.⁸³

⁸¹ London Assembly Economy Committee, [London's Adult Education Budget \(AEB\)](#), 13 April 2023

⁸² IFF Research, [Evaluation of London's Adult Education Budget – Full year Report 2021/22](#), July 2023

⁸³ Mayor of London, [2021-22 AEB Evaluation Findings and GLA Response](#)

Table 2: Key findings of IFF Research evaluation and GLA response

Areas for attention	GLA's response
Improve accessibility of training and engagement with disadvantaged Londoners and groups newly able to access AEB-funded learning.	Removing barriers to entry and facilitating funding and engagement of disadvantaged Londoners is an area for further consideration by the GLA going forward.
Providers said they lacked capacity to deliver more Level 3 courses or had difficulty to recruit tutors who could deliver at that level.	The GLA is in discussion with providers about support to remove barriers to delivering more Level 3 courses.
Some providers said too many flexibilities and policies lead to complexity and would welcome consolidation.	The GLA have run webinars to provide clarity on funding rules and continue to lobby the Government to relax ring-fenced budgets and simplify the delivery guidance of the AEB.
Providers noted the additional costs of supporting lower-attainment Londoners into further education and employment and welcome the London Factor uplift.	The Mayor has increased the London factor uplift by a further 3.5 percentage points to 13.5 per cent for the 2022-23 academic year. (The London Factor was increased by a further 1.5 percentage points for the 2023-24 academic year).

IFF Research also conducts analysis of participation rates, which have been used by the Mayor to gauge the success of programmes delivered through the AEB in a given year.⁸⁴ The latest AEB data covering a full academic year is from 2021-22. According to IFF Research's evaluation, the overall number of learners taking part in AEB-funded courses has decreased since the AEB was delegated. In 2018-19 (the last year before delegation), around 232,000 learners were funded by the AEB, falling to 195,000 in 2019-20 (a reduction of 16 per cent) and then falling by a further 12 per cent in 2020-21 to 177,000 (around 24 per cent in total). This reduction has been primarily in delivery of Community Learning, rather than Adult Skills learning. Learners enrolled via the Adult Skills funding stream were 9 per cent below 2018-19 levels in 2020-21, compared to a 44 per cent reduction in Community Learning enrolments.

IFF Research notes that "this reduction is likely to be at least partly related to the impact of COVID-19."⁸⁵ The pattern is not unique to London and is mirrored in national data; for example, Community Learning participation volumes across England fell by 55 per cent from 2018-19 to 2020-21 nationally.⁸⁶

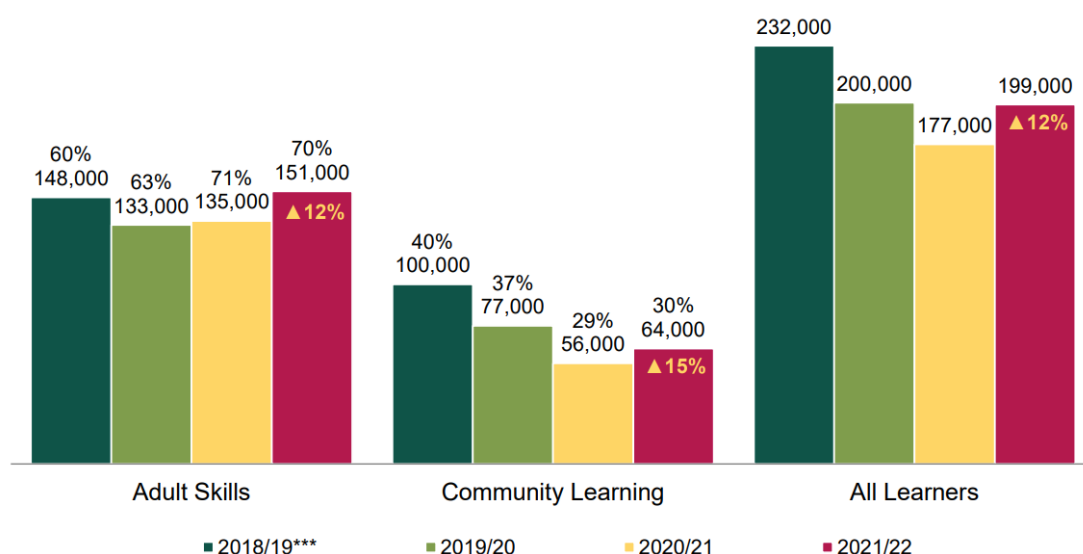
The number of learners increased by 12 per cent to 199,000 in 2021-22, with both Adult Skill and Community Learning seeing increases of 12 per cent and 15 per cent, respectively. However, overall learner numbers remain below their level in 2018-19. The evaluation report states that the recovery in learner numbers can at least partly be attributed to the diminishing impact of the pandemic.⁸⁷

⁸⁴ The GLA also publishes AEB data on the [London Datastore](#).

⁸⁵ IFF Research, [Evaluation of London's Adult Education Budget – Full year Report 2021/22](#), July 2023, p15

⁸⁶ IFF Research, [Evaluation of London's Adult Education Budget – Full year Report 2021/22](#), July 2023, p15

⁸⁷ IFF Research, [Evaluation of London's Adult Education Budget – Full year Report 2021/22](#), July 2023, p15

Figure 2: Number of learners starting AEB-funded learning aims, 2018-19 – 2021-22⁸⁸

Source: IFF Research

IFF Research's evaluation also included analysis of AEB-funded learners by ethnicity, age group and disability. Its key findings for 2021-2022 included:

- learners from ethnic minority groups made up 55 per cent of all learners, compared to 45 per cent of the population in 2021. It stated that this indicates that the AEB "is generally performing well in reaching the diversity of ethnic groups in London."
- 12 per cent of learners self-declared having a disability.
- younger people were particularly served by Adult Skills learning, while older people were more likely to be served by Community learning but "overall, all age groups were reasonably equally served."⁸⁹

The evaluation also found that AEB-funded Learning was not evenly distributed across London. Newham and Camden had the highest level of AEB provision (in terms of learner residence) relative to their populations (at over 70 AEB enrolments per 1,000 population), while Sutton, Bexley and Havering had the lowest, with fewer than 20 AEB enrolments per 1,000 population).⁹⁰

6.2 London Learner Survey

The [London Learner Survey \(LLS\)](#) has measured the impact of AEB-funded provision on the lives of Londoners. The LLS is commissioned by the GLA and was launched at the start of the 2021-22 academic year, following a pilot in the previous year. Previously, success had only been measured by looking at participation rates. The LLS seeks to measure the extent to which learners progress into further learning or employment, whilst also measuring health, wellbeing and social integration. The LLS consists of two surveys: a baseline survey administered by learning providers at the start of a course, followed by a follow-up survey to

⁸⁸ Chart taken from IFF Research: [Evaluation of London's Adult Education Budget – Full Year Report 2021/22](#), July 2023 (published by GLA)

⁸⁹ IFF Research, [Evaluation of London's Adult Education Budget – Full year Report 2021/22](#), July 2023, p29

⁹⁰ IFF Research, [Evaluation of London's Adult Education Budget – Full year Report 2021/22](#), July 2023, p30

measure outcomes approximately five to seven months after course end, administered by IFF Research.⁹¹

Data from the LLS may potentially be used to inform future skills provision, by moving to a system of “outcome-based commissioning” based on which courses and providers are delivering successful outcomes. However, the Skills for Londoners Framework noted that the GLA will not “rush into” this model and will only introduce it “when there is confidence that there is sufficient data to allow robust payment models to be developed.”⁹²

At the time of writing, the latest LLS for which data is publicly available is the LLS 2022-23. The sample size for the survey was 9,248 learners. Survey results can be grouped into economic and social outcomes. The overall findings are summarised below.

Economic outcomes:

- 46 per cent of learners reported a positive economic outcome
- 24 per cent of learners moved from unemployment into employment
- Employed learners reported an eight per cent increase in mean annual income
- 65 per cent of learners reported started new training

Social outcomes:

- 94 per cent of learners felt their course had led to positive social change in their life
- 80 per cent of learners experienced an increase in wellbeing
- 87 per cent of learners felt more confident due to their course
- 77 per cent of learners met different people due to their course.⁹³

⁹¹ Mayor of London, [Measuring the impact of the Adult Education Budget](#), accessed September 2024

⁹² Mayor of London, [Skills for Londoners Framework](#), November 2018

⁹³ Mayor of London, [London Learner Survey 2021/22 Overview of Findings](#), June 2024, p5

Other formats and languages

If you, or someone you know needs this report in large print or braille, or a copy of the summary and main findings in another language, then please call us on: 020 7983 4100 or email assembly.translations@london.gov.uk

Chinese

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Vietnamese

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Greek

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Punjabi

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Hindi

यदि आपको इस दस्तावेज़ का सारांश अपनी भाषा में चाहिए तो उपर दिये हुए नंबर पर फोन करें या उपर दिये गये डाक पते या ई मेल पते पर हम से संपर्क करें।

Bengali

আপনি যদি এই দলিলের একটা সারাংশ নিজের ভাষায় পেতে চান, তাহলে দয়া করে ফো করবেন অথবা উল্লিখিত ডাক ঠিকানায় বা ই-মেইল ঠিকানায় আমাদের সাথে যোগাযোগ করবেন।

Urdu

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Arabic

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العنوان البريدي العادي أو عنوان البريد
الإلكتروني أعلاه.

Gujarati

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