

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3315

Title: 2025 to 2028 Adult Skills Fund indicative grant allocations and Jobs and Skills for Londoners fund extension

Executive summary:

This decision seeks the Mayor's approval for the 2025-26, 2026-27 and 2027-28 Adult Skills Fund (ASF) indicative grant allocations and the change in approach to ASF grant provider delivery plan. Furthermore, the decision seeks approval to extend the ASF Jobs and Skills for Londoners (JSFL) fund for an additional academic year (2025-26).

Decision:

That the Mayor approves:

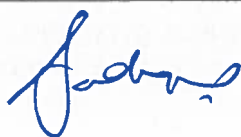
1. the requirement for Adult Skills Fund (ASF) grant providers to submit three-year forward-looking delivery plans in line with priorities set out in the London Growth Plan
2. the 2025-26, 2026-27 and 2027-28 indicative ASF (including Free Courses for Jobs (FCFJ)) grant allocations, subject to ASF grant providers committing to three-year forward looking delivery plans in line with priorities set out in the London Growth Plan
3. the one-year extension (2025-26 academic year) of the Jobs and Skills for Londoners (JSFL) fund, subject to confirmation of the GLA's ASF budget from the Department for Education (DfE).

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:

18/11/24

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

Decision required – supporting report

1. Introduction and background

- 1.1 The Adult Skills Fund (ASF), formerly the Adult Education Budget, in London was delegated to the Mayor in 2019. Since then, over one million Londoners have participated in learning as part of the programme. Enrolments to London's adult skills programme increased by 20 per cent between the 2019 to 2020 academic year and 2022 to 2023. London now has the highest rate of adult skills participation in the country.

Adult Skills Fund grant delivery plans

- 1.2 Each June, GLA ASF grant providers submit a delivery plan for the next academic year. In the plan, providers are asked to outline how their ASF delivery will align to the Local Skills Improvement Plan and the Mayor's Skills Roadmap for London.
- 1.3 Alongside an indication of the type of provision that will be delivered, providers must also include an estimate of the number of learners they will engage with, broken down by priority groups. Furthermore, the current plan asks providers to estimate the number of economic outcomes (e.g. progressing learners into employment) and social outcomes (e.g. improving learners' wellbeing) they can achieve. The plans also include how provision aligns with the Mayoral priority sectors (health and social care, green, digital, hospitality and creative)
- 1.4 With a new Mayoral term beginning in May 2024, the Mayor, alongside London Councils, has committed to developing a London Growth Plan, which is expected to be published in early 2025. The London Growth Plan will set out how London will drive sustainable and inclusive economic growth. It will include priorities and actions needed to create jobs, boost wages and living standards for Londoners, and achieve a net zero carbon footprint across the capital.
- 1.5 The Mayor is clear that over the course of the three-year funding allocations indicated in this MD, he expects the sector to adjust its offer and focus on the provision that London needs to drive inclusive economic growth. The clear direction of travel the Mayor will set-out is to create a more employer-led skills system. Additional guidance on how Adult Skills Fund provision is expected to align with the priorities will be shared with providers in March 2025 when final allocations are confirmed. This guidance will outline the requirements around the submission of three-year delivery plans. The Mayor recognises this will be a change in the way the GLA uses the ASF and will support the sector through this change.
- 1.6 The ASF will play a key role in the delivery of the London Growth Plan, helping Londoners gain access to industry-relevant skills and supporting them into 'good work' whilst also ensuring businesses have access to the talent and skills they need to drive economic growth.

Adult Skills Fund indicative grant allocations

- 1.7 Final ASF (including FCFJ) allocations for 2024-25 were agreed by the Mayor under the cover of MD3253 and these were set out in letters sent to ASF grant providers in March 2024. Subsequently, 2024-25 grant agreements were sent to providers in July 2024 ahead of the commencement of the academic year. Indicative 2025-26, 2026-27 and 2027-28 allocations will be sent to ASF grant providers in December 2024, subject to providers committing to three-year forward looking delivery plans in line with the London Growth Plan and its Inclusive Talent Strategy.
- 1.8 The DfE will confirm the GLA's 2025-26 ASF (including FCFJ) budget in early 2025, following which the final ASF grant allocations will be presented at the ASF Mayoral Board in March 2025, with providers being notified shortly afterwards.

Jobs and Skills for Londoners fund extension

- 1.9 The JSFL fund is a commissioned ASF programme approved under the cover of MD3127. Delivery began in August 2023 and 47 providers are currently funded under the programme, the majority of which are Independent Training Providers (ITPs).
- 1.10 The programme was commissioned for three years, with grant funding being awarded to providers for the 2023-24 and 2024-25 academic years and the GLA reserving the right to extend the funding to the 2025-26 academic year.
- 1.11 The key objective of JSFL is to deliver skills training related to the current Mayoral priority sectors (health and social care, green, digital, hospitality and creative) to learners who are low-waged or unemployed. The programme also financially incentivises providers to support Londoners into employment that meets the Mayor's definition of 'good work'.
- 1.12 In the first year of delivery (August 2023 to July 2024), nearly 25,000 learners (97 per cent of target) enrolled on 36,000 learning aims. 61 per cent of all learners were from ethnic minority backgrounds and 16 per cent reported to having a disability.

2. Objectives and expected outcomes

Adult Skills Fund grant delivery plans

- 2.1 ASF grant delivery plans have a track-record of supporting providers to align training provision with London and local skills priorities. With the imminent publication of the London Growth Plan, the ASF grant provider delivery plan template will need to be updated to reflect the shift in Mayoral skills priorities.
- 2.2 As part of this process, the GLA will move to a three-year delivery plan cycle, whereby providers will submit a plan in June 2025 that covers the delivery period of August 2025 to July 2028.
- 2.3 The introduction of the three-year ASF grant delivery plans will support the London Growth Plan by enabling long-term strategic change in the skills and employment system.
- 2.4 The extended planning period will allow skills providers to respond more strategically and effectively to the London Growth Plan's call for inclusive talent pipelines and essential skills provision by setting out how skills provision will be developed over the period to meet the strategy set out in the growth plan.
- 2.5 This approach also supports the London Growth Plan's ambition for a joined-up, business-led skills ecosystem, while addressing inequalities and improving employment outcomes for under-represented groups.
- 2.6 The ASF grant delivery plans will include providers' estimated enrolments of learners from priority groups, delivery against Mayoral priority sectors in line with the London Growth Plan and expected economic and social outcomes. Providers will also need to include a narrative on how they plan to adapt their delivery to align it to the London Growth Plan and their approach to engaging with local employers and other stakeholders to deliver the skills London needs.
- 2.7 Provider performance will be monitored on a regular basis against their three-year delivery plan and underperformance may potentially impact providers' funding and future ASF allocations.

Adult Skills Fund indicative grant allocations

- 2.8 In line with the approach adopted by the Mayor in the academic years since delegation in 2019, the GLA will issue indicative ASF (including FCFJ) grant allocations in December 2024 in order to provide grant-funded providers with an early indication of future funding.
- 2.9 The ASF allocation approach is as follows:

- following approval by the Mayor, the GLA will write to providers in early December 2024 to set out the allocation process and the indication of allocations
 - providers may be asked to submit any exceptional business cases in respect of funding to the GLA by mid-January 2025 subject to budget availability
 - final allocations including recommendations on exceptional cases are considered at the ASF Mayoral Board meeting in March 2025
 - the Mayor approves the final allocations, and these are issued to providers in March 2025.
- 2.10 To align with the new delivery plan lifecycle, providers will be notified in December 2024 of their indicative grant allocations for the 2025-26, 2026-27 and the 2027-28 academic years. This is to give providers greater level of assurance of their future funding values for when they are formulating their three-year plans to support London's growth.
- 2.11 Multi-year funding provides stability – encouraging investment in staff and facilities and enabling the alignment of training with London's economic priorities, including growth sectors like the green economy.
- 2.12 Final ASF grant provider allocations and grant agreements will be issued on a per academic year basis, with the Mayor continuing to approve these values prior to each academic year.
- 2.13 Indicative ASF grant allocations are based on 2024-25 final allocations, minus the value of any in-year growth awarded as part of the January 2024 exceptional business case process. The GLA will reserve the right to amend future year indicative allocation values based on the outcome of annual provider performance reviews and any changes to ASF funding rules. Furthermore, all indicative allocations are subject to GLA budget availability.
- 2.14 The total value of the ASF grant programme, as per the indicative allocations, amounts to £283,387,543 per academic year and the final amount will be recommended to the ASF Mayoral Board in March 2025, prior to the issuing of final allocations in March 2025.
- 2.15 As with ASF, providers will be notified of their indicative FCFJ allocations for three academic years – 2025-26, 2026-27 and 2027-28.
- 2.16 In previous academic years, providers who did not have a FCFJ allocation were able to claim up to £50k for any FCFJ delivery. This flexibility will be removed from the 2025-26 academic year and the GLA will instead instate FCFJ allocations for providers impacted by this change who have delivered over £10,000 of FCFJ provision in the 2023-24 academic year.
- 2.17 All other providers' indicative 2025-26 FCFJ allocations are based on 2024-25 final allocations. However, the GLA will notify those providers whose 2023-24 delivery is below 75 per cent that they are in scope for a reduction to their 2025-26 FCFJ final allocation if their 2024-25 delivery at R06 (up to January 2025) identifies continued underperformance.
- 2.18 The total value of FCFJ-funded grant programme, as per the proposed indicative allocations amounts to £14,708,766 per academic year and the final amount will be recommended to the ASF Mayoral Board in March 2025, prior to issuing of FCFJ final allocations to providers.
- 2.19 Seventy-one ASF grant providers will be funded in the 2025-26 academic year, one fewer than the 2024-25 academic year, due to the merger of Newham College of Further Education and Newham Sixth Form College. The proposed provider allocations are presented in Appendix A.

Jobs and Skills for Londoners fund extension

- 2.20 Subject to confirmation of its 2025-26 budget from DfE, the Mayor will exercise its option, approved under the cover of MD3127, to extend the JSFL fund by a further year, taking the end date of the

programme to July 2026. This approach aligns to what was set out during the commissioning process.

- 2.21 The extension will allow the JSFL provider base to build on the programme's success, delivering training relating to London's current priority sectors. It will also allow time to increase the number of learners reported as moving into a good work job outcome.
- 2.22 It is estimated that by extending the programme, an additional 25,000 Londoners will benefit from skills training, with at least 5,000 participants moving into employment that meets the Mayor's definition of 'good work'.
- 2.23 By extending the programme, the GLA will also be able to run any future ASF commissioning rounds after the publication of the London Growth Plan and emerging thinking on the Inclusive Talent Strategy. This will ensure future ASF commissioned delivery is much more aligned to the shifting Mayoral skills priorities.
- 2.24 The GLA will notify JSFL providers of the extension to the programme in December 2024. The value of 2025-26 provider allocations will be based on 2024-25 JSFL allocations but will also be contingent on provider performance at R04 (January 2025), both in terms of skills delivery and achievement of good work job outcomes. The GLA will communicate final 2025-26 JSFL allocations to providers in March 2025.

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 reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
- 3.3 ASF grant providers will be held accountable against what they set out in their three-year delivery plans, including targets for engaging learners from groups with protected characteristics.
- 3.4 In determining the GLA's indicative grant allocations approach for 2025 to 2028, due consideration was given to its impact on learners with protected characteristics. The proposed approach to use 2024-25 allocations and 2023-24 performance data as the basis for 2025 to 2028 grant funded allocations will ensure that funding arrangements will not reduce the existing range and breadth of provision available to London residents. This approach means that no groups of learners should be disadvantaged as funding will continue in line with prior actual delivery.
- 3.5 The aim of ASF is to improve opportunities for people who are disadvantaged in the labour market. Many potential ASF participants have protected characteristics listed above. The GLA's ASF 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 education, employment, or training; people without basic skills; and people who are workless. It will also support Londoners in low-paid/low-skilled jobs.

4. Other considerations

Links to Mayoral strategies and priorities

- 4.1 The London Growth Plan will consider how funding, coordination and targeting of skills provision can be strengthened across adult skills, employment support and careers, to support more Londoners to progress and access good jobs. The three-year delivery plan and indicative allocation cycle will support ASF providers in meeting these priorities.
- 4.2 A core task for the Growth Plan will be the development of an Inclusive Talent Strategy. This will put people at the heart of London's growth and aim to unleash the potential of all Londoners, and in doing so, the potential of London's economy. The ASF will be a central part of ensuring the interventions set out in the Inclusive Talent Strategy can be achieved.
- 4.3 The Equality, Diversity and Inclusion Strategy sets out how the Mayor will work to create a fairer, more equal, integrated city where all people feel welcome and able to fulfil their potential. ASF delivery, including JSFL, supports the strategy by ensuring Londoners from disadvantaged groups continue to have access to employability and skills support to help them move into and progress in London's labour market.

Risks arising and mitigation

- 4.4 There is a risk that three-year delivery plans are less responsive to future policy changes. Providers will need to demonstrate in their plans how they will utilise the extended delivery period to align their provision to the London Growth Plan and the new Mayoral skills priorities. Where significant policy changes arise, the GLA will ask providers to resubmit ASF grant delivery plans within the three-year cycle.
- 4.5 There is a risk that the rising cost of living has impacted provider ability to respond to local skills needs. There has been no real-terms increase to ASF funding since delegation in 2019. This is despite an increase in training delivery costs in the same period. The GLA continues to communicate the impact of the real-terms decrease in funding to the DfE.
- 4.6 There is a risk that three-year indicative allocations reduce the GLA's ability to performance manage the ASF provider base. Despite notifying providers of their indicative allocations for a three-year period, the GLA will reserve the right to reduce or increase the value of funding within the three-year cycle, dependant on performance. The GLA currently only receives its ASF budget from the DfE on a yearly basis, therefore actual grant agreements and final allocations will continue to be awarded on a single academic year basis.
- 4.7 There is a risk that the GLA's 2025-26 ASF (including FCFJ) budget from DfE is less than previous funding years. The GLA will not receive confirmation of its budget for the next academic year until late January/early February 2025. The expectation is that the level of funding will not be reduced. However, if this was to be the case, the GLA would revise grant providers' final allocations to account for any reduction in its budget.
- 4.8 There are no conflicts of interest to declare from those involved in the drafting or clearance of this decision.
- 4.9 This decision was considered by the ASF Mayoral Board on 10 December 2024.

5. Financial comments

- 5.1 The Mayor's approval is sought for:
 - the requirement for ASF grant providers to submit three-year forward-looking delivery plans in line with priorities and actions set out in the London Growth Plan

- the 2025-26, 2026-27 and 2027-28 academic year's indicative ASF (including Free Courses for Jobs (FCFJ)) grant allocations
- the one-year extension (2025 to 2026 academic year) of the Jobs and Skills for Londoners (JSFL) fund, subject to confirmation of the GLA's ASF budget from the Department of Education (DfE).

- 5.2 Indicative 2025-26, 2026-27 and 2027-28 academic year allocations will be sent to ASF grant providers in December 2024. Final ASF grant allocations will be presented at the ASF Mayoral Board in March 2025, with providers being notified shortly afterwards.
- 5.3 Indicative ASF grant allocations are based on 2024 to 2025 final allocations, minus the value of any in-year growth awarded as part of the January 2024 exceptional business case process. The GLA will reserve the right to amend future year indicative allocation values based on the outcome of annual provider performance reviews and any changes to ASF funding rules and subject to the confirmation from DfE of the available budget. Furthermore, all indicative allocations are subject to the GLA budget setting process.
- 5.4 The JSFL fund is a commissioned ASF programme approved under the cover of MD3127. The programme was commissioned for three years, with grant funding being awarded to providers for the 2023 to 2024 and 2024 to 2025 academic years and the GLA reserving the right to extend the funding to the 2025 to 2026 academic year.
- 5.5 As the funding for the ASF programme is external and it is multi-year, it is subject to available funding and there should be appropriate break clauses in the funding agreements.
- 5.6 This will be contained within the ASF budget.

6. Legal comments

- 6.1 The foregoing sections of this report indicate that certain of the decisions requested of the Mayor concern the exercise of the:
- GLA's general powers, falling within the GLA's statutory powers to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of economic development and wealth creation, social development or the promotion of the improvement of the environment in Greater London and in formulating the proposals in respect of which a decision is sought officers have complied with the GLA's related statutory duties to:
 - pay due regard to the principle that there should be equality of opportunity for all people
 - consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom
 - consult with appropriate bodies
 - ministerial functions delegated, by the Secretary of State for Education, to the Mayor pursuant to section 39A of the Greater London Authority Act 1999.
- 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 of this report.

6.3 Should the Mayor be minded to make the decisions sought officers must ensure that they:

- do not commit to any expenditure which relies upon delegated ASF (including FCFJ) before the grant of the same has been made to the GLA
- liaise with the Department of Education/ESFA to ensure that the funding may be used in respect of expenditure proposed
- make clear (in express terms) to proposed recipients that:
 - the sums are indicative only and not confirmed
 - they should not place or in act in reliance upon any ASF (including FCFJ) for the periods concerned until and unless those sums are reflected in (standard ASF and FCFJ) funding agreements entered into and executed by the GLA and the recipients
 - any earlier activity undertaken in in reliance of indicative allocations it entirely at their risk
- (subject always to the confirmation from DfE of the available budget) vary the relevant Jobs and Skills for Londoners (JSFL) funding agreements in accordance with their variation provisions before any commitment is made to the extension proposed.

7. Planned delivery approach and next steps

7.1. Next steps are set out below:

Activity	Timeline
2025 to 2028 indicative ASF grant allocations sent to providers	December 2024
2025 to 2028 final ASF grant allocations Mayoral approval	March 2025
ASF grant delivery plan submission	June 2025
Start of 2025 to 2026 academic year	August 2025

Appendices and supporting papers:

Appendix A – 2025 to 2028 ASF indicative grant allocations

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? YES

If YES, for what reason: It is proposed to defer publication of the decision and its appendices until April 2025 as it contains information that is to remain confidential until the decisions of the ASF Mayoral Board currently scheduled for March 2025 have been communicated to relevant providers.

Until what date: 30 April 2025.

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Harry Sanders has drafted this report in accordance with GLA procedures and confirm 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:

Howard Dawber has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Mayoral Delivery Board

This decision was agreed by the Mayoral Delivery Board on 16 December 2024.

CHIEF FINANCE OFFICER:

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

Signature:

Fay Hannard

Date:

18/12/2024

CHIEF OF STAFF:

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

Signature:

D. Bellamy

Date:

17/12/2024

