

Annual Report to HM Government - Adult Education Budget 2023-24

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 sixth submission to HM Government and covers the full **2023-24 academic year** from 1 August 2023 to 31 July 2024 relating to the delegation of the Adult Education Budget (AEB). This report will focus on:
 - policies and interventions for adult education;
 - monitoring and evaluation;
 - local impact; and
 - AEB spend.

2 Strategy and Priorities for Adult Education 2023-24

- 2.1. During the 2021-22 academic year (AY), the Mayor published the *Skills Roadmap for London*, setting a strategic direction for adult education in the capital. The Roadmap provided a clear direction on aligning skills provision with the needs of Londoners, businesses and communities. Its overarching goals were to ensure that adult education in London is impactful, accessible and locally relevant, equipping Londoners with the skills needed to thrive while addressing inequality. This included a maintained focus on essential skills (at Level 2 and below) to support those furthest from the labour market, and enabling access to higher levels of learning at Level 3 and above through AEB and Free Courses for Jobs (FCFJ) funding, responding to employer demand for advanced skills in key growth sectors (these were identified as: digital, green, health and social care, hospitality, creative and construction).
- 2.2. To measure outcomes in line with this strategic direction, the Mayor introduced the London Learner Survey (LLS), a pioneering tool to capture the social and economic outcomes of adult education. Key outcomes include progression into employment, advancing in the workplace and further learning, alongside social benefits such as improved health, wellbeing and social integration. Insights from the survey inform the targeting of City Hall funded provision to ensure that we are achieving the most impact for learners.
- 2.3. London's *Local Skills Improvement Plan* (LSIP), developed by BusinessLDN in partnership with London employers and stakeholders, has also been an important strategic driver for the Mayor's approach to skills. Published in August 2023, the LSIP highlights how London's skills provision can better align with labour market

demands. It makes recommendations to improve awareness of existing programmes and strengthen pathways into employment, including in sectors that are key to London's economy.

- 2.4. Providing access to essential skills remains central to the Mayor's strategy. With 11 per cent of Londoners aged 16-64 having no or low qualifications (below Level 2) as of 2023, investment in foundational skills is essential for reducing barriers to employment and improving social inclusion. At the same time, targeted support for learning at Level 3 and above, delivered through the AEB and FCFJ, has been prioritised to address the needs of London's evolving economy and labour market.
- 2.5. English for Speakers of Other Languages (ESOL) provision continues to play a critical role in supporting social integration and enabling access to further learning and employment opportunities. Rising demand for ESOL reflects London's diversity, and is shaped by ongoing global events, including migration and displacement. The Skills Roadmap for London identified ESOL as a priority area for investment, recognising its importance in breaking down barriers to participation and inclusion. The Mayor remains committed to ensuring that ESOL provision is accessible to all Londoners who need it. This includes ongoing work to clarify the ESOL funding landscape, providing certainty and support to providers and learners, and ensuring resources are targeted effectively to meet growing demand.
- 2.6. The Mayor has actively sought to increase participation in AEB funded learning, particularly among Londoners who face barriers to engagement. His Community Outreach Programme has been instrumental in raising awareness of adult education opportunities among underrepresented groups, ensuring that provision reaches those who can benefit most.
- 2.7. In 2023-24, the Mayor launched a new AEB commissioned programme named the **Jobs and Skills for Londoners** programme. Faced with the impacts of the Covid-19 pandemic and the rising cost of living, the focus of the programme was to support adults across London who are out of work or in low-paid work, to access the skills that they need to succeed in good jobs in key sectors. The Mayor commissioned 48 training providers to deliver the programme for the period of August 2023 to July 2026, with an annual funding value of £36m. The programme engaged some 25,000 Londoners in the first year, supporting them to gain the skills to progress into better employment.

Looking ahead

- 2.8. The Mayor is setting a renewed strategic direction for skills in London, building on the achievements of the first Mayoral term and the initial delegation of the AEB. This year, the GLA will publish an Inclusive Talent Strategy, which will include a focus on addressing skills gaps, supporting progression and supporting an integrated education and employment system that meets the needs of Londoners and businesses alike – centring inclusive economic growth as a key outcome.
- 2.9. The Mayor will continue to place an emphasis on providing essential skills and creating clear progression pathways to higher-level learning and work, for Londoners who are most in need of support. This approach will continue to balance

economic and social outcomes, enabling Londoners to improve their employment prospects while supporting inclusion and resilience. The ASF and FCFJ will play a crucial role in delivering these ambitions, supporting Londoners to access the skills and qualifications they need to thrive in a dynamic and evolving labour market.

- 2.10. From the start of the 2024-25 AY, the GLA implemented a new adult education funding model. This is broadly aligned with the national model as a result of the funding reform. From 1 August 2024, the AEB became the Adult Skills Fund (ASF). In line with new national funding reform the ASF in London is also split into two categories: the Skills Fund Adult Core and Skills Fund Tailored Learning.
- 2.11. For the 2024-25 AY, changes have also been made to the British Sign Language (BSL) flexibility which will now be extended further to allow parents and carers of deaf children to access BSL courses up to Level 2.
- 2.12. The London Factor will be targeted in 2024-25 rather than applying to all qualifications at Level 2 and below. In London, the following provision will continue to benefit from the 15 per cent London Factor uplift: non-regulated formula-funded Entry Level essential skills learning aims; regulated formula-funded Entry Level essential skills learning aims; legal entitlements (English, maths and digital) at Level 2 and below; and non-regulated formula-funded learning aims that are specific to the GLA (e.g., licence to practice).

3 Policies for Adult Education

- 3.1 Notable changes to policies and interventions through the ASF in the 2022-23 AY included: increasing access to ASF funding for individuals out of work and outside of benefit arrangements; removing the three -year residency requirement for Londoners on certain immigration schemes; extending fundable learning aims at Level 4; and funding specific license to practice accreditations. There were no new policies approved for the 2023-24 AY. Instead, a number of ASF flexibilities from previous years were further extended. These are set out in the following paragraphs.

Changes to existing local flexibilities in the 2023-24 AY:

- 3.2 **The London Factor** – Under the London Factor flexibility, an additional 1.5 per cent was applied to the weighted base rate of all ASF fundable qualifications up to and including Level 2. As of the 2023-24 AY the GLA's London Factor was increased to 15 per cent for learner starts to further increase the quality of provision whilst also supporting the Further Education (FE) workforce to manage rising costs. 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.
- 3.3 **London Level 3 offer** – For the 2023-24 AY providers had full discretion to use 50 per cent of their FCFJ allocation to fund qualifications on the GLA's Level 3 regional flexibility. The flexibility fully funds Level 3 qualifications for learners who are

unemployed, outside benefit arrangements or earning below the London Living Wage, including those who have already achieved a first full Level 3.

Changes to AEB eligibility criteria

- 3.4 **Asylum Seekers** – In the 2022-23 AY, 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. UK residents who plan to be resident in London in the long term, in certain circumstances, were able to access AEB funded learning opportunities from their first day of arrival. This meant that Londoners who had British or Irish nationality and those of other nationalities who had permission to live in the UK long term (for more than 12 months) were eligible for AEB funded provision immediately on arrival in London. The funding rules were also updated from 2023-24 to reflect eligibility of EEA/Swiss “frontier workers” and their family members.
- 3.5 **New integrated starts from 1 August 2023: formally Traineeships** – From 1 August 2023, traineeship provision was integrated into adult education provision. The below are core elements that have been integrated for new starts:
- Work preparation
 - Work placement
 - Aged 19 to 24 learners

Existing flexibilities

- 3.6 There have been five Annual Report submissions to the DfE outlining policy interventions introduced in previous academic years. Flexibilities which were carried forward into the 2023-24 AY include:
- 3.7 **Removing the three-year residency requirement for Londoners on certain immigration schemes** – UK residents who plan to be resident in London in the long term, in certain circumstances, can access AEB funded learning opportunities from their first day of arrival. The flexibility extends to Londoners who have British or Irish nationality and those of other nationalities who have permission to live in the UK for more than 12 months.
- 3.8 **Individuals out of work and outside benefit arrangements** – AEB funding training opportunities are extended to unemployed Londoners previously locked out of funded training due to an inability to evidence state benefits. The flexibility aims to support progression into good jobs and improve social outcomes.
- 3.9 **Level 4 qualifications** – AEB providers can fund non-prescribed vocational and technical qualifications at Level 4 from a list of fundable learning aims where learners are unemployed, out of work and outside of benefit arrangements, or in receipt of a low wage, regardless of prior qualification level. The flexibility offers clear progression routes from existing provision into skills training that leads to good jobs or supports efforts to address skills gaps in priority sectors for London.

- 3.10 **Licence to Practice** – Providers can use the AEB to fund specific licence to practice accreditations as part of skills training packages in construction and hospitality sectors. The GLA piloted this flexibility through the 'Construction Skills Certification Scheme', to help people access jobs on construction sites and the 'Security Industry Authority' (SIA) license, to increase the number of trained security guards as a boost to the night-time economy.
- 3.11 **British Sign Language (BSL)** – The entitlement includes any Londoner who is unemployed or in low paid work to undertake a qualification in BSL up to and including level 2.
- 3.12 **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.
- 3.13 **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.
- 3.14 **London Recovery Non-formula funding** – 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 locally defined learning programmes designed to respond to skills needs and enable Londoners to progress into work.
- 3.15 **Impact of AEB flexibilities** – In the 2023-24 AY, there were 223,820 learners enrolling in 487,700 GLA funded courses. The table below shows learner participation for the most popular GLA initiatives.

AEB flexibility	2022-23 AY	2023-24 AY	Year on Year % Change
Learners in Receipt of Low Wage	26,970	24,960	-7%
London Recovery Flexibility – Level 3	2,590	2,900	12%
London Recovery Flexibility – Non-Formula Funding	6,890	7,350	7%
BSL	160	170	6%
Upskilling Staff Delivering Specialist Provision to SEND Learners	70	30	-57%
Level 4 Qualifications	30	320	967%
Licence to Practice	1,740	2,270	30%
Learners Out of Work and Outside Benefit Arrangements (Including Asylum Seekers)	7,200	18,200	153%
Total	45,650	53,700	18%

Source: Individualised Learner Record R14 2022-23 and 2023-24.

4 Stakeholder Engagement

- 4.1 From stakeholder engagement stemming from The Roadmap, development work started in the 2021-22 academic year on the SfL Community Outreach Programme. The programme offered grants of up to £9,000 to community organisations to support outreach activity and target Londoners most in need of adult education and to provide referral routes for Londoners to access the range of learning opportunities available.
- 4.2 A total of £676,966.04 was awarded to 28 organisations in the 2023-24 AY. To support community organisations in delivering their activities the GLA supported the creation of a community of practice and in-person networking events. The events included a presentation on findings from the first round of the programme, information on the evaluation methods for the second round and presentations from the sub-regions on aligning work within local communities.
- 4.3 Final performance data for the 2023-24 AY showed that 5,277 participants were engaged through the community organisations with 4,176 reported as referrals into adult learning, of which 1,525 were reported as referrals to numeracy provision (London Multiply).

Engagement with partners

- 4.4 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 ASF programme sits directly with the Mayor, he is committed to working closely with stakeholders, including London's boroughs, FE colleges, independent training providers and

businesses to enable collective engagement in decision making on skills priorities, including the ASF.

- 4.5 As part of this, the Mayor established the [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 ASF.
- 4.6 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, BusinessLDN, the Federation of Small Businesses and Sub-Regional Partnerships of boroughs including West London Alliance, Central London Forward, Local London and South London Skills & Employment Board.
- 4.7 In April 2022, the Mayor established the [Jobs and Skills Business Partnership](#)¹ (the Business Partnership) bringing together business members from a wide range of sectors to advise on occupational skills requirements and improvements to the skills system in London. The majority of members are appointed through an open recruitment process, and represent a range of industries including early years, construction, retail, hospitality, green, health, social care, technology, logistics and aviation. Furthermore, more the membership also includes 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). The Trades Union Congress, London, East and South East (TUC LESE) is also represented on the Business Partnership.
- 4.8 The Business Partnership played an active role in the development of London's LSIP. Published in August 2023, the LSIP sets out a blueprint for getting more Londoners into better higher-paying jobs by better matching training provision to employer demand. Members advised on each of the key sectors identified within the LSIP and continue to monitor the implementation of the recommendations.
- 4.9 In line with the Mayor's commitment, the GLA maintains regular contact with stakeholders and partners across the skills ecosystem, outside of the formal setting of the SfL Board and the Business Partnership. This contact allows the GLA to understand the needs of partners, consult on project design and share information and best practice with the spectrum of training providers, colleges, businesses, and funding recipients.

5 AEB local analysis

- 5.1 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.

- 5.2 The most recent [AEB Data release](#) includes statistics on AEB-funded FE and Skills in London based on data for the full 2023-24 AY covering Community Learning, Adult Skills and FCFJ, which have been added for completeness. A summary [note](#) was published alongside the data release to assist in interpreting the 2023-24 AEB statistics and highlights some of the key points and limitations.

6 Monitoring and Evaluation

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

2022-23 AEB Evaluation

- 6.2 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. The report covering 2022-23 was published in September 2024 and included a full analysis of the data for that academic year.
- 6.3 This report found that the post COVID-19 rebound which began in 2021-22 strengthened in 2022-23. Analysis of the data showed that GLA policies have shaped the AEB to increase participation in AEB-funded programmes and are being successfully targeted at Londoners who are unemployed or employed below the London Living Wage. There is also a continuing focus on learners from ethnic minorities (who are more likely to be in the low-income, disadvantaged groups that the GLA is seeking to support). Evidence on policies such as the Level 3 flexibility, the non-formula funding flexibility and full funding for learners receiving below the London Living Wage shows increasing provision during 2022-23.
- 6.4 In the evaluation interviews, delivery organisations continue to be satisfied with the fourth year of AEB delegation. Key areas of satisfaction were the delivery team relationships, GLA's collaborative approach, and regular consultations and webinars that informed policies. They continued to agree that the delegation is enabling a closer alignment between local and Mayoral skills priorities and a stronger strategic direction for skills policy in London.

London Learners Survey (LLS)

- 6.5 Following the success of the first three years of the LLS the fourth year was launched in August 2024 to continue to provide regular insights of the destinations of AEB learners within six months of completing a training course across seven priority impact areas.⁴ 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.

- 6.6 The results of LLS for the 2022-23 (year 2) AY were released in June 2024. Data collection for the follow up of 2023-24 (year 3) will be completed in January 2025.
- 6.7 The 2022-23 results found that nearly half (46 per cent) of all AEB learners (equivalent to 81,000 learners) experienced a positive economic change five to eight months after completing their course. More than half (59 per cent) of these learners were from Black Asian and minority ethnic background (estimated at 48,000 learners). Additionally, we estimate that approximately:
- 23,000 learners (24 per cent) of out of work learners were supported into work;
 - 25,000 learners (39 per cent of those in work) experienced in-work progression including a pay increase, movement onto a permanent contract or an increase in hours of work; and
 - 127,000 learners went onto or were about to start further study following their course.
- 6.8 The majority (94 per cent) of learners experienced positive social changes (equivalent to around 185,000 learners). The social impact was across a range of metrics, and we estimate that approximately:
- 158,000 learners (80 per cent) experienced an increase in their general wellbeing due to their course;
 - 170,000 learners (87 per cent) felt more confident due to their course; and
 - 152,000 learners (77 per cent) met new people due to their course.
- 6.9 Working with the Delivery Partners and IFF saw a significant increase in the baseline responses in year 2. There were 97,298 responses in year 2 compared to 43,205 in year 1. With the increase in follow-up responses, from 9,037 in year 1 to 12,224 in year 2, the quality of the data provided by the LLS has considerably improved in year 2. This meant that the GLA was able to share provider level data for 26 providers.
- 6.10 At present, responses are being collected for the follow-up survey for year 3 and the 2024-25 baseline survey was launched in August 2024. We expect to publish the final findings of the 2023-24 survey in Summer 2025.

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

- 6.11 As part of the GLA's 2022-23 Audit Plan, the Mayor's Office for Policing & Crime (MOPAC) completed an audit review of the Good Work for All (GWfA) programme. The GWfA programme ran over two AYs (2021-22 and 2022-23).
- 6.12 The report was finalised in 2022, and a follow-up review was completed in May 2024. MOPAC reviewed the following areas: governance, planning and developing, spend, monitoring and reporting. All areas reviewed by MOPAC were scored as 'effective'.
- 6.13 The follow-up report concluded that actions agreed at the initial audit review had been completed and implemented and no further actions were required.

Research

6.14 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 2023-24 AY includes:

- **The Rising Cost of Living and Access to Adult Education in London (Learning & Work Institute)** – this research examines the ongoing impact of the rising cost-of-living crisis on the FE sectors' learners, staff and providers. Key recommendations from the research include improving access to financial aid, strengthening local partnerships and calling on central government to ensure learner support aligns with demand. The recommendations have informed our devolution asks and will be incorporated into conversations with providers on existing ASF flexibilities.
- **Analysis of the transferable skills provided by AEB funded programmes (Ask Research)** – this report examines the need for and impact of transferable skills provision and the challenges, approaches to and success factors in the delivery of transferable skills. The final report offers recommendations for how the GLA and partners can engender a more consistent understanding and effective delivery of transferable skills. The recommendations will be implemented through the design and delivery of upcoming strategies for essential and higher-level skills.
- **Qualitative insights to the London AEB Funding Rules Flexibilities (Rocket Science)** – this qualitative research builds on the insights provided by the LLS and AEB impact evaluation on how specific flexibilities introduced by the Mayor to the ASF Funding Rules have been utilised by FE providers. Officers are exploring options for utilising the findings to support the development of the GLA's tailored learning offer and to support GLA asks to central government for increased funding.

7 Key Financial Information

2023-24 AY

- 7.1 The total ASF budget (including FCFJ) for the 2023-24 AY was £342,930,255 as set out in [MD3100](#). The total DfE income for the academic year was £344,899,140 (ASF - £322,272,126 and FCFJ - £22,627,014). The table below shows spend to date of £345,061,421 as of 4 March 2025 (end of GLA Period 12 management accounting period) which does not take note of the impact of 2023-24 AY final reconciliation position as approved following the December 2024 ASF Mayoral Board meeting.

Items / Commitment	Budget approved via MD 3100 (£)	2023-24 AY
Grant*	297,506,335	305,218,425
Jobs & Skills Grant*	35,880,187	33,715,741
MSA Job Payment**	2,000,000	
M&A	7,543,733	6,127,256
Total	342,930,255	345,061,421

*FCFJ included ** payments to providers will be included as part of the grant payments.

- 7.2 The year end position will eventually show an ASF overspend against the annual DfE income once the end of year reconciliation transactions are completed. ASF over delivery payments to providers are funded from reserves as planned and in line with approvals. The year end closed with a c£2.3m FCFJ underspend which was reported to the DfE in January 2025. FCFJ underspends are returned to the DfE as per the requirement of the ringfenced funding. Financial transactions relating to the end of year reconciliation are expected to be concluded before the end of financial year. The updated financial position for the year will be included in the next annual report.

2022-23 AY (updated position)

- 7.3 Following the completion of financial transactions for 2022-23 AY, the updated spend (including FCFJ) of £330,354,137 for the AY is shown in the table below.

Items	Approved 2022-23 AY Budget Expenditure Forecast (£)	2022-23 AY Expenditure (Previously reported)	2022-23 AY Expenditure (Updated)
Grant Provision*	296,291,198	297,660,183	297,676,415
Procured Provision	29,500,000	29,909,524	11,605,507
GWfA*	20,588,640	15,607,657	15,614,955
MSA Job Outcome Payments **	2,000,000	44,029	
M&A	5,626,345	5,691,513	5,457,260
Total	354,006,183	348,912,906	330,354,137

*FCFJ included ** payments to providers will be included as part of the grant payments

- 7.4 Following the completion of the £150m GLA Co-Financing organisation European Social Fund (ESF) programme in 2023, which included the matched AEB Procured programme, the GLA has now received its final ESF payment from the Department for Work and Pensions (DWP). The payment received includes funding for activities that were previously recorded and reported to DfE as AEB (now ASF) expenditure in previous years under the AEB Procured programme. However, these activities were deemed eligible to be charged and claimed as distinct ESF activities and their

corresponding spend. This means the previous ASF spend reported to DfE is now considered overstated and now generates an increased underspend.

- 7.5 The underspend has been reflected in the table above, displaying the updated AEB Procured spend of £11,605,507. The additional ASF underspend is added to the ASF reserve carried over into future years and committed to ASF delivery, for example to meet the Mayor's commitment to fund ASF over-performance in 2024-25, and towards interventions that will deliver the strategic objectives of the London Growth plan and the Inclusive Talent Strategy. This includes future ASF procured programme commissioning to be launched later in 2025.

8 Further Information

- 8.1 Please contact the ASF team at ASF@london.gov.uk for further information.



Sadiq Khan, Mayor of
London

21/4/25

Date