

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2802

LAIN Apprenticeship Levy Transfer Project

Programme: Reducing Inequalities

Executive summary

The London Anchor Institutions' Network (LAIN) is London's first city-wide network committing major institutions to work together – using their workforce, procurement and estates to help make London a fairer, greener and more prosperous city. It is part of the Reducing Inequalities programme.

This Assistant Director Decision seeks approval to spend up to £24,000 from the LAIN programme budget (£19,000) and the Adult Skills Fund (£5,000). This is to procure a service that will facilitate the transfer of unspent apprenticeship levy from LAIN members, and affiliated organisations, to early years providers. This transfer will be used to fund apprenticeship training.

The project is expected to create around 50 apprenticeships.

Decision:

That the Assistant Director of Economic Development and Programmes approves spending up to £24,000, to cover all costs associated with the London Anchor Institutions' Network Apprenticeship Levy Transfer project.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Alex Conway

Position: Assistant Director, Economic Development and Programmes

Signature: 

Date: 15 December 2025

PART I – NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. Formed in 2021 and backed by the Mayor of London, the London Anchor Institutions' Network (LAIN) brings together major organisations from across London who are committed to using their procurement, workforce and estate-management capacity to help create a fairer, greener and more prosperous city.
- 1.2. LAIN is the biggest cross-sector network of its kind. Through the network, LAIN members are working together on shared goals – from tackling workplace inequalities, getting more Londoners into 'good work' and supporting inclusive economic growth, to taking action on climate change.
- 1.3. LAIN forms part of the Mayor's Reducing Inequalities programme. It is supported by a core programme team at the GLA.
- 1.4. As part of its mission to address structural inequalities and drive inclusive economic growth, LAIN has been exploring what more London's major employers can do to address barriers to the employment, progression and retention of parents – primarily women – in the workforce. These barriers include significant staff shortages in the early years (EY) sector, impacting on the availability of accessible, affordable and quality EY provision in London.
- 1.5. LAIN has identified a key intervention: the transfer of unspent Apprenticeship Levy to EY providers to fund apprenticeship training. Organisations within the network – such as Transport for London, the University of London and several NHS trusts in London – have previously done this.
- 1.6. Apprenticeships offer a vital route to building capacity in the EY sector, while also creating meaningful employment opportunities for Londoners who are underrepresented in the labour market.
- 1.7. The Apprenticeship Levy is a monthly 0.5 per cent tax that employers must pay if they have an annual wages bill of more than £3m. Employers can draw down their levy funds to fund apprenticeship training for new and existing employees. They can also transfer up to 50 per cent of their levy to small and medium-sized enterprises (SMEs), or businesses in their supply chain, to fund apprentices of their own. This is done via the government's online portal, the Digital Apprenticeship Service.
- 1.8. Any unspent levy funds are returned to HM Treasury when they expire. This is currently after 24 months. However, this is due to change to 12 months under central government's reforms to the levy (which is being renamed the Growth and Skills Levy). The change to the levy expiry period is due to come into effect from September 2026. Significant sums of Apprenticeship Levy currently expire every month; this is likely to continue when the reforms come into effect. In 2023-24, £60m of apprenticeship funding was returned to HM Treasury due to underspend.
- 1.9. Transferring unspent levy to EY providers will ensure levy money is kept in London's economy. It will fuel the city's growth; upskill Londoners; and enable more women to remain in work, rather than dropping out of the labour force due to caring responsibilities.

2. Objectives and expected outcomes

- 2.1. This initiative will support:
 - the EY sector in London to recruit and upskill their workforce, to better meet the demand for accessible, affordable and quality EY provision; this will enable more parents – primarily women – to enter and remain in the workforce

- the creation of more apprenticeships, enabling more Londoners to upskill and progress in employment.

2.2. It involves procuring a service from a specialist provider to:

- work with local authorities, training providers and EY-sector stakeholders to promote the levy-transfer opportunity and the value of apprenticeships; and generate levy transfer requests
- match levy donors (LAIN members and affiliated organisations) and recipients (EY providers), to ensure levy funds are used effectively and equitably across the sector
- provide practical support to:
 - EY providers to 'request' levy from LAIN members and affiliated organisations via the Digital Apprenticeship Service portal
 - LAIN members and affiliated organisations to transfer their levy via the same portal
- support EY providers receiving levy transfer to become 'good employers', by promoting the Mayor's Good Work Standard; and providing advice and guidance on effective line management support for apprentices
- report back to LAIN on the number of apprenticeships created and the value of levy funds transferred, plus additional metrics that demonstrate how the initiative has helped to tackle structural inequalities.

2.3. The initiative will have a target output by October 2026 (project closure) of:

- £350,000 levy funds transferred to EY providers via the Digital Apprenticeship Service portal
- around 50 apprenticeships created within the EY sector (across entry-level and progression pathways).

3. Equality comments

- 3.1. Section 149(1) of the Equality Act 2010 requires public authorities, of which the GLA is one, to have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by under the Equality Act 2010; to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not; and to foster good relations between persons who share a relevant protected characteristic and persons who do not. Relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, sex, religion or belief, and sexual orientation.
- 3.2. The GLA has convened LAIN and coordinates the network on an ongoing basis, which is focused on addressing structural inequalities.
- 3.3. Supporting apprenticeship creation in the early years sector would have positive implications for equalities:
- The EY sector is critical to allowing parents – primarily women – to remain in work, rather than dropping out of the labour force due to caring responsibilities.
 - EY providers traditionally employ young people – often school leavers with limited qualifications (within which group, economically disadvantaged and marginalised young people are overrepresented), as well as those returning to work. Enabling more apprenticeships is key to strengthening the skills and progression prospects for these groups.

- High-quality EY provision makes the most significant impact on the life chances of the most disadvantaged babies, toddlers and young children. Building the skills of the sector's workforce, can therefore also help to improve prospects for the youngest, most disadvantaged in society.

3.4. In line with the Mayor's commitment to good work, the project will stipulate that EY settings that benefit from the initiative must commit to:

- paying at or above the national minimum wage (with encouragement to meet the London Living Wage)
- the apprentice working at least 16 hours per week (the minimum for a part-time position)
- the apprentice having a contract of employment (not a zero-hours contract) to work for the employer throughout the apprenticeship and the end-point assessment.

These standards will help to ensure that apprenticeships are not only accessible but also meaningful and sustainable, contributing to long-term economic inclusion.

4. Other considerations

Key risks and issues

4.1. The key risks and issues are outlined in the table below:

Description	Mitigation	Residual RAG rating
Low commitment amongst LAIN members and affiliated organisations to transfer levy; or insufficient commitment of funds, resulting in less levy transferred and fewer apprenticeships created.	<p>The project was developed in partnership with LAIN member organisations through LAIN's childcare working group.</p> <p>It has been tested with, and promoted to, wider LAIN members and affiliated organisations, through membership bodies such as London Higher.</p> <p>Continued engagement is planned with LAIN members and affiliated organisations to promote the project, including at the upcoming LAIN conference in February 2026.</p> <p>A resource will be developed for LAIN members to share internally, highlighting the business case for transferring unspent levy to EY providers. This includes case studies featuring members who have previously done so.</p>	Amber
Low demand from EY providers for levy transfer due to lack of awareness of the opportunity, or of alternative funding opportunities (e.g., central government has committed to fund apprenticeships with SMES, for those under 25, from April 2026).	<p>The service provider will work in partnership with London boroughs and sub-regional partnerships, apprenticeship training providers and key sector stakeholders to raise awareness of the levy transfer opportunity amongst EY providers e.g. through events and webinars, and establish a pipeline of interested organisations.</p> <p>The LAIN team will also publicise the available funding via appropriate GLA and LAIN comms channels and sector networks. The LAIN team has already engaged EY sector bodies who have confirmed the need for levy transfer amongst their members.</p> <p>The LAIN team has analysed data on the age of EY apprentices funded via levy transfer in London. This</p>	Amber

	indicates that the vast majority are over 25 years old, indicating that the government reforms are unlikely to have a significant impact on EY provider demand for levy, particularly in the short term.	
Reforms to the Apprenticeship Levy impact participation of LAIN members and affiliated organisations.	Engagement with LAIN members and affiliated organisations will highlight the case for continuing to transfer levy in the context of the levy reforms. The project has been tested with key stakeholders including subject matter experts to ensure the case for levy transfer from LAIN members to EY providers remains. The LAIN team will continue to stay informed of any changes and make adjustments to the initiative as needed to maintain impact.	Amber
Unspent levy funds expire before LAIN members transfer to EY settings.	The project will launch as early as possible in the New Year with minimal lead-in time; levy transfer matches are expected from February/March onwards. The service provider will begin generating a pipeline of EY providers ready to receive levy funds as soon as the contract is agreed and is expected to facilitate fast and smooth transfer of funds from LAIN members as part of the contract requirements.	Amber

Links to Mayoral strategies and priorities

- 4.2. LAIN forms part of the Mayor's Reducing Inequalities programme, for which a Delivery Plan is being developed in response to the mandate issued by the Mayor. It is a key vehicle for working in partnership with organisations across the city to tackle structural inequalities.
- 4.3. LAIN also contributes to a range of other Mayoral priorities set out in other programmes within the Mayoral portfolio, including Supporting Londoners to Benefit from Growth.
- 4.4. This project aligns with the London Growth Plan; and the recently published Inclusive Talent Strategy, which calls for increased apprenticeship starts, improved access to childcare (to remove barriers to employment), and employer-led solutions to workforce challenges.
- 4.5. The focus on improving employment practice amongst EY providers benefitting from levy transfer also aligns with the Mayor's commitments to increase 'good work' across the city, including via the Good Work Standard.

Consultations and impact assessments:

- 4.6. The project has been developed in consultation with employers (LAIN members), EY stakeholders and local authorities.

Conflicts of interest

- 4.7. No GLA officer involved in the drafting or clearance of this ADD is aware of any conflicts of interest with the proposals set out in this form.

5. Financial comments

- 5.1. Approval is being sought to spend up to £19,000 from the LAIN programme budget, held within the Economic Development and Programmes Unit. A further £5,000 is being contributed from the Adult Skills Fund (budget already approved in MD3357: ASF 2025-26 Financial Management).

- 5.2. The procurement will be conducted in line with the GLA Contracts and Funding Code.
- 5.3. The majority of expenditure will be incurred in 2025-26. Future years' budgets will still be subject to the annual budget-setting process.
- 5.4. All appropriate budget adjustments will be made.

6. Planned delivery approach and next steps

- 6.1. This work will be carried out according to the following timetable:

Activity	Timeline
Procurement launched and quotes sought	December 2025
Bids assessed by LAIN team and GLA officers; and overseen by LAIN Steering Committee members	January 2026
Contract awarded	Early February 2026
Delivery start date	Mid-February 2026
Engagement begins with levy transfer organisations and EY providers	Mid-February 2026
Levy transfer begins	March 2026
Project mid-point review	June 2026
Delivery end date	October 2026
Project closure	October 2026

Appendices and supporting papers:

None.

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 be published either within one working day after it has been approved or on the defer date.

Strategic Programmes

Does this decision seek approval for activity falling within the remit of a programme delivery plan? YES

If YES, which programme/s does this fall within: Reducing Inequalities Mandate Delivery Plan

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under 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:

Suzie Alavi has drafted this report in accordance with GLA procedures and confirms the following:

✓

Mayoral Delivery Board

A summary of this decision was reviewed by the Mayoral Delivery Board on 15 December 2025.

✓

ASSISTANT DIRECTOR, FINANCIAL SERVICES:

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

Date: 15 December 2025

Signature:

