GREATER**LONDON**AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3481

Title: 2026-27 Adult Skills Fund (ASF) Final Allocations and 2025-26 ASF Funding Adjustments

Programme: Supporting Londoners to Benefit from Growth

Executive Summary:

This decision form sets out the final Adult Skills Fund (ASF) (including Free Courses for Jobs) grant allocations for the 2026-27 academic year and one change to the 2025-26 ASF allocations. They are based on the 2026-27 indicative allocations and adjusted for exceptional cases and additional funding for construction skills where necessary.

It also sets out the arrangements for the additional ASF Construction Skills Package allocation to grantees based on delivery in 2025-26 academic year and interim report updates from providers.

The decision form outlines how the funding will support the Supporting Londoners to Benefit from Growth programme and the Integrated Settlement outcomes framework ensuring maximum impact and value for investment.

Decision:

That the Mayor approves:

1. the adjustments to 2025-26 and indicative 2026-27 ASF grant allocations following the exceptional case for adjustment process set out in **Appendix A**
2. the award of the construction skills package of up to £4.7m, including up to £3.7m allocated to ASF providers as set out in **Appendix B** and up to £1m competitively commissioned following the recommendations of the Construction Sector Talent Board
3. the final ASF grant allocations for the 2026-27 academic year set out in **Appendix C.**
4. the approach to allocating up to £3.8m of additional ASF funding across ASF grantees for the delivery of Sector-based Work Academy Programme in 2026-27.

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: 31/3/26

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 Adult Education Budget) in London was delegated to the Mayor in 2019. In February 2025, the GLA was notified by the Department for Education (DfE) of reductions to the ASF budget of circa £11.4m for the 2025-26 academic year. This resulted in the GLA adopting a transition approach over two academic years by establishing a new baseline to allocations and planning to reduce ASF grant allocations by 1.65 per cent for the 2025-26 academic year, followed by a further 1.65 per cent decrease for 2026-27.

1.2. In December 2025, under Mayoral Decision (MD)3451,[1] the Mayor approved the indicative ASF and Free Courses for Jobs (FCfJ) allocations to grant providers for the 2026-27 academic year. The final ASF and FCfJ allocations for the 2025-26 academic year were used as the basis for the 2026-27 indicative allocations, against which the 1.65 per cent decrease was applied.

1.3. In December 2025, all ASF grant providers were sent letters communicating their indicative ASF grant allocations for the 2026-27 academic year. Providers were also invited to submit exceptional cases for adjustment, where they considered they have identified an error in the calculation of their indicative allocation or there were other exceptional circumstances that should be taken into account when finalising their ASF allocation for 2026-2027 academic year.

1.4. In June 2025, the DfE allocated an additional £4.7m of ASF via the FCfJ facility as a construction skills package uplift, for the 2025-26 academic year which was allocated across ASF grant providers based on historic construction delivery and following an expression of interest process. As part of the GLA Integrated Settlement, additional ASF construction skills package of £4.7m was confirmed for 2026-27 academic year.

1.5. The Integrated Settlement is the Government's framework for devolving funding and accountability to Mayoral Strategic Authorities (MSAs). The GLA will receive an Integrated Settlement from April 2026 for the Spending Review period (until April 2029). Under the joint skills and employment pillar, the GLA will receive consolidated funding for adult skills and employment support. This funding will help deliver the Supporting Londoners to Benefit from Growth (SLBG) programme and Integrated Settlement outcomes framework by strengthening progression routes, improving how participation is maximised within fixed budgets, and sharpening the link between adult skills investment and London's priority jobs.

1.6. With the Integrated Settlement, a specific fund ringfence will no longer be required to separate FCfJ and ASF funding. A proposal to simplify and consolidate FCfJ and ASF is therefore outlined under the London Level Three Offer section in the Strengthening London's Inclusive Talent System through Adult Skills Funding Simplification Mayoral Decision (MD3483).

2. Objectives and expected outcomes

2.1. ASF allocations set out in this decision will enable the GLA to meet the skills objectives and expected outcomes agreed under the Integrated Settlement Skills Outcomes Framework. Under the draft framework, by March 2029, the GLA aims to support 503,700 essential skills enrolments (including ESOL) and 42,800 Level Three enrolments across ASF and commissioned delivery, reflecting the city's high demand for foundational English, numeracy and digital skills as well as the strong labour-market need for Level Three qualifications. The outcomes will also support the delivery and progress measures

[1] MD3451 is deferred from publication as it contains commercially sensitive information.

set out in the Supporting Londoners to Benefit from Growth (SLBG) progamme as approved under cover of MD3395.

Exceptional Business Cases

2.2. As part of the exceptional adjustment case process, the GLA received five cases from grant providers, requesting an increase to their ASF allocations. GLA officers reviewed the business cases, considering the exceptional circumstances and the proposed provision, including alignment to Mayoral priorities, budget availability and an assessment of providers' ability to deliver based on past performance.

2.3. GLA officers recommend endorsement of three exceptional cases for adjustment, which will result in a total increase of £375,474 to 2026-27 ASF grant allocations and will be consolidated in those allocations going forward, and an in-year 2025-26 adjustment for one provider of £122,637. Providers will be expected to support delivery of the Integrated Settlement outcomes around essential skills and level three enrolment and achievement targets. Further information on the exceptional cases for adjustment to 2026-27 allocations and officer recommendations is included in **Appendix A**.

Construction Skills Package

2.4. Under MD3409, the GLA used additional DfE funding in 2025–26 to expand delivery in construction via existing ASF grant providers. Officers assessed the capacity of existing construction providers, reviewed their employer engagement plans, and ran an expression of interest process to identify those able to scale delivery quickly. The GLA prioritised providers with strong job outcome performance, delivery-ready facilities, and the ability to offer technical construction training.

2.5. Following this process, the GLA allocated £3.7m to 16 ASF grant providers to deliver construction qualifications to at least 1,200 learners. Funding focused on expanding higher level technical provision while maintaining pathways from lower levels. Providers are expected to support the outcomes of the integrated settlement around enrolment and achievement targets as well as supporting positive economic outcomes for learners including progression into work, progression in work, and movement into higher level training including apprenticeships.

2.6. The Ministry of Housing, Communities and Local Government confirmed continuation of the £4.7m of funding for ASF construction skills uplift under the integrated settlement for the GLA provided at Spending Review 2025. To secure continuation and to strengthen the impact on positive employment outcomes, up to £3.7m will be allocated for construction delivery for the 2026-27 academic year based on the associated 2025-26 additional construction allocations. There will also be an option to allocate additional construction funding by increasing the overall amount of funding commissioned through the London Talent Pathways fund which will start delivery in August 2026. The remaining £1m is to be allocated on a competitive basis following full development of the approach with the Construction Sector Talent Board.

2.7. The proposed approach is to allocate the ASF construction skills uplift funding to those providers who received a construction allocation for 2025-26, subject to their successful delivery to date and January 2026 interim report projections of delivery to the end of the 2025-26 academic year. GLA officers propose to reduce or remove additional construction skills funding for under-performing grant providers and reward those grant providers who have over-performed with increased allocations. Allocations will be conditional upon performance and GLA officers will continue to monitor provider performance throughout 2025-26 academic year which may result in further adjustments to 2026-27 ASF allocations. Any adjustments to additional construction allocations will be made by the Assistant Director, Skills and Employment, where they fall in line with the thresholds

for officer-level changes as set out in the ASF Assurance Framework, and without the need for a further decision form to be submitted.

2.8. The proposed allocation of the ASF construction skills uplift across ASF grant providers for the 2026-27 academic year is outlined in **Appendix B.**

Sector-Based Work Academies Programme

2.9. In March 20206, GLA received an additional £16.5m of ASF funding as part of the three-year GLA Integrated Settlement to increase Sector-based Work Academy Programme (SWAP) delivery in London. SWAPs form part of the government's youth guarantee package and are delivered in partnership with employers, Jobcentre Plus (JCP) and training providers. They provide unemployed Londoners with up to six weeks of support, including: sector-aligned pre-employment training, a short work placement and a guaranteed job interview or support with the application process

2.10. To support the increase of SWAP delivery in London utilising the additional funding, it is proposed that up to £3.8m for 2026-27 academic year is allocated across FE colleges and Local Authorities through an Expression of Interest (EOI) process. The call for the EOIs will be issued in March 2026 to give providers sufficient time to make necessary arrangements for a delivery start in 2026-27. EOIs will be assessed subject to organisations being able to demonstrate among other criteria:

- experience of effective partnership working with JCP
- evidence of successful SWAP delivery
- commitment to delivering job outcomes
- proposals aligned to London's priority sectors.

2.11. Subject to Mayoral approval of the outlined approach and in line with the Assurance Framework requirements, providers will be notified of their indicative SWAP allocations in late April 2026. This will allow adequate time for curriculum planning and establishing relationships with JCP and businesses before the start of the 2026-27 academic year.

2026-27 Final ASF grant allocations

2.12. Proposed final ASF grant allocations for the 2026-27 academic year are set out at **Appendix C**. The final allocation values are based on the ASF indicative allocations for the 2026-27 academic year and incorporate the exceptional cases for adjustment and the additional construction skills allocations. Final allocation letters to ASF grant providers will be issued in March 2026.

2.13. As part of the Final Allocations approval, providers will be asked to submit a multi-year Delivery Plan for the period 2026-27 to 2028-29 by June 2026. Each plan will set out the planned volumes for provision and outcomes in line with the SLBG programme, the London Growth Plan, the Inclusive Talent Strategy, and employer insights through the Sector Talent Boards about occupations and skills pathways. The final agreed ASF outcomes by grantees will be reported as part of updates on performance against the SLBG programme. It will also highlight the successful delivery of Year One outcomes as agreed with the DWP.

2.14. Through their delivery plans, providers should clearly articulate how their curriculum aligns with the London Growth Plan and Inclusive Talent Strategy, demonstrating how they will codesign provision with employers, expand inclusive access to essential skills, and build progression pathways that move learners from entry level through to higher level qualifications and into good work. The plans should show how they will meet the needs of priority growth sectors, strengthen collaboration with local and pan London partners, support disadvantaged Londoners, integrate future skills such as digital and

green competencies, and use labour market insights to maintain curriculum agility. Providers will outline planned learner volumes and outcomes for 2026–29, ensuring delivery maximises progression into employment, further learning, and social outcomes while making effective use of ASF flexibilities and maintaining high quality and accountability.

2.15. Subject to Mayoral approval and in line with the proposal around the reform of non-regulated learning in the Strengthening London's Inclusive Talent System through ASF Simplification Mayoral Decision (MD3483), the GLA's new simplified approach to funding non-regulated learning will mean that any learning aims delivered in less than 25 hours will be re-categorised as Tailored Learning. As a result, minor adjustments will be made to some providers' allocations with circa £588k moving from ASF core allocations to Tailored Learning allocations. This change will be reflected in the final 2026-27 ASF allocation letters.

3. Equality comments

3.1. Under section 149 of the Equality Act 2010, as a public authority, the GLA (including the Mayor of London) must comply with the Public Sector Equality Duty (PSED) when exercising its functions. The PSED is a duty to have due regard to:

- the need to eliminate unlawful discrimination, harassment and victimisation, and any conduct that is prohibited by or under the Equality Act 2010
- advance equality of opportunity, and foster good relations, between people who share a 'protected characteristic' as defined in the Equality Act 2010 and those who do not.

3.2. The protected characteristics under section 149 of the Equality Act are: age, disability, gender reassignment, pregnancy and maternity, marital or civil partnership status, race, religion or belief, sex, and sexual orientation. Compliance with the duty may involve ensuring people with a protected characteristic are provided with all the opportunities that those without the characteristic would have.

3.3. This involves having due regard to the need to remove or minimise any disadvantage suffered by those who share a relevant protected characteristic that is connected to that characteristic; taking steps to meet the different needs of such people; and encouraging them to participate in public life or in any other activity where their participation is disproportionately low.

3.4. ASF grant providers will be held accountable against what they set out in their multi-year delivery plans, including targets for engaging learners from groups with protected characteristics.

3.5. In determining the GLA's final grant allocations approach for 2026-27, due consideration was given to its impact on learners with protected characteristics. The proposed approach to use 2025-26 allocations as the basis for 2026-27 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 disproportionately disadvantaged due to the decrease in ASF funding.

3.6. 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

Key risks/Mitigation

4.1. ASF enrolments may decrease due to the reduction in overall funding for 2026-27 academic year. Providers, however, have been aware of the upcoming funding changes since March 2025 and have had the time to adjust their provision accordingly over the last academic year. The GLA has introduced an over-delivery threshold of 102 per cent for 2025-26. Furthermore, an additional £3.7m was allocated to grant providers for 2025-26 to support delivery of construction skills in London and this funding will be consolidated into the next academic year as part of the Integrated Settlement.

4.2. Additional ASF construction funding in the 2026-27 academic year may not lead to an overall increase in the skilled construction workers required by employers, where providers are unable to expand provision and facilities to accommodate additional capacity. This will be mitigated by supporting provider delivery with input from Construction Sector Talent Board hub and London Construction Technical Excellence College to focus delivery on the demand for skills needs. Provider performance against their allocation will be regularly monitored, and where underperformance is identified in-year, ASF funding may be reallocated to other providers. Ongoing delivery for 2025-26 will continue to be monitored and funding may need to be adjusted based on overall 2025-26 performance.

4.3. There is a risk that strong ASF provider performance in the 2026-27 academic year takes the GLA over its ASF budget. The GLA has committed to paying ASF grant providers up to 102 per cent of their allocation in the academic year 2025-26. From 2026-27 academic year onwards, the GLA will revise its approach to paying over-performance, confirming with providers at the end of the academic year whether there is budget availability to fund delivery above their 2026-27 ASF allocations.

Links to Mayoral strategies and priorities

4.4. The GLA's ASF programme aligns to the Inclusive Talent Strategy and Get London Working Plan, approved under cover of MD3440, and Mayor's SLBG programme, approved under cover of MD3395, by ensuring Londoners have the skills they need to improve their lives and move into employment that meets the Mayor's definition of 'good work'. Furthermore, the ASF helps develop the skills required to make London's economy grow as set out by the London Growth Plan.

4.5. The ASF funding will help deliver the SLBG programme and the Integrated Settlement outcomes framework by strengthening progression routes, improving how participation is maximised within fixed budgets, and sharpening the link between adult skills investment and London's priority jobs.

4.6. In his Equality Objectives published in 2022, the Mayor set out how all his policies and programmes will help to create a fairer and more inclusive city where all people feel welcome and able to achieve their full potential. Delivery of the ASF takes this into consideration and seeks assurances from providers that they will support this ambition.

Conflicts of interest

4.7. There are no conflicts of interest to note from those involved in the drafting or clearance of this decision form.

5. Financial comments

5.1. Approval is being sought for the adjustments totalling additional £0.4 million to 2025-26 and indicative 2026-27 ASF grant allocations following the exceptional case for adjustment process (set out in Appendix A), the award of up to £3.1 million of ASF construction skills funding to grant providers (set out in Appendix B) and up to £1 million to be competitively commissioned following the

Construction Sector Talent Board recommendations, and the final ASF grant allocations for the 2026-27 academic year totalling £292.4 million (set out in Appendix C).

5.2. MD3451 approved the indicative ASF and Free Courses for Jobs (FCfJ) allocations to grant providers for the 2026-27 academic year. The final ASF and FCfJ allocations for the 2025-26 academic year were used as the basis for the 2026-27 indicative allocations, against which the 1.65 per cent decrease was applied. As part of the exceptional adjustment case process, the GLA received five cases from grant providers, requesting an increase to their ASF allocations. Following a review of this, the three recommended exceptional cases for adjustment result in a total increase of £375,474 to 2026-27 ASF grant allocations

5.3. In June 2025, the DfE allocated an additional £4.7m of ASF via the FCfJ facility as a construction skills package uplift, for the 2025-26 academic year which was allocated across ASF grant providers based on historic construction delivery and following an expression of interest process. As part of the GLA Integrated Settlement, additional ASF construction skills package of £4.7m was confirmed for 2026-27 academic year.

5.4. As funding for the ASF programme is external and multi-year, it is subject to available funding and the GLAs annual budget setting process and there should be appropriate break clauses included in the funding agreements.

5.5. This is 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 make the decisions sought officers must ensure that:

- any adjustments of grant allocations are made fully in accordance with all applicable procedures f the same and are reflected in the funding agreements to be put in place with the relevant recipients and where funding agreements are already in place that those funding agreements are varied to reflect those adjustments

- they do not commit to any expenditure which relies upon ASF (including FCfJ) before the grant of the same has been made to the GLA (whether by Integrated Settlement or otherwise)

- they make clear (in express terms) to all proposed recipients that they should not place or in act in reliance upon any ASF for the periods concerned until and unless those sums are reflected in the relevant agreements entered into and executed by the GLA and the recipients (and 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) incorporate the allocations within the relevant agreements in accordance with their variation provisions before any commitment is made to the award the funding proposed.

6.4 To the extent to which the proposals in respect of which decisions are sought involve the making of commitments which extend beyond the current Mayoral term, officers must ensure that the terms of all agreements entered into in respect of the commitments do not fetter the discretion of any successor administration, considering in particular the London elections taking place in May 2028. Accordingly, officers must ensure that all agreements which involve the making of such commitments include a GLA right to terminate at any point for convenience and all such agreements are managed in such a manner, and any services, supplies, works deliverables, milestones and/or output requirements are structured so as to mitigate risks of the GLA incurring abortive expenditure (which might be reasonably be taken to fetter, practically, the exercise of such discretion).

7. Planned delivery approach and next steps

7.1. The next steps are set out below:

Activity	Timeline
2026-27 Final Allocation letters sent to providers	March 2026
2026-29 Delivery Plans Template sent to providers	March 2026
2026-29 Delivery Plans returned to GLA	June 2026
2026-27 ASF Grant Agreement signed	July 2026
2026-27 ASF delivery start	August 2026

Appendices and supporting papers:

- **Appendix A** – 2026-27 Adjustments to ASF grant allocations following exceptional case for adjustment process

- **Appendix B** – ASF Construction Skills Package allocation across ASF grant providers

- **Appendix C** – 2026-27 Final ASF 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.

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: Supporting Londoners to Benefit from Growth

Part 1 - Deferral
Is the publication of Part 1 of this approval to be deferred? YES
If YES, for what reason: There may be additional small funding adjustments before the beginning of the 2026-27 academic year.
Until what date: 31 August 2026

Part 2 – Sensitive information
Only the facts or advice that would be exempt from disclosure under 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: Stuart Bridgett has drafted this report in accordance with GLA procedures and confirms 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 30 March 2026.	**TBC**

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

Date 30 March 2026

Signature Fay Hammond

CHIEF OF STAFF:
I am satisfied that this is an appropriate request to be submitted to the Mayor

Date 30 March 2026

Signature Richard Watts

pp on behalf of David Bellamy