

MAYOR OF LONDON

Skills for Londoners Framework

AEB Consultation Year 2 (2020/21) Report



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Social Fund

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1. Introduction

In April 2019, the Greater London Authority (GLA) published a consultation setting out proposed changes to the Adult Education Budget (AEB) from Year 2 (the 2020/21 academic year).

The consultation ran for five weeks. It received 78 responses. Responses were received from a broad range of AEB providers, both in London and outside, as well as from other key stakeholders. Of the responses we received:

- 24 were submitted by Local Authorities/ Adult Community Learning providers
- 19 were submitted by Further Education Colleges
- 15 were submitted by provider representative bodies or other organisations
- 6 were submitted by independent training providers
- 4 were submitted by charitable organisations
- 3 were submitted by trade unions
- 2 were submitted by a sixth form college
- 2 were submitted by awarding bodies
- 1 was submitted by a government department
- 1 was submitted by a London Assembly group
- 1 was submitted by an individual

The amount of detail in response to each of the consultation questions varied considerably between respondents. Responses have not been weighted. In one case, two different responses were received from the same organisation. These responses were counted separately as the individual respondents did not provide the same response.

2. Background

The devolution of the AEB to the Mayor of London is a ground-breaking opportunity to tailor adult education and skills provision in the capital to ensure Londoners can learn and develop the skills they need to succeed.

Following extensive consultation, the Mayor set out his vision for skills and education for London in the [Skills for Londoners Strategy](#) and outlined how he plans to achieve his ambitions through the [Skills for Londoners Framework](#).

For the first year of AEB devolution (the 2019/20 academic year), the Mayor committed to make relatively few changes to AEB policy to provide stability to the sector during the transition to devolution.

From Year 2 (the 2020/21 academic year), the Mayor will begin to phase in some of the changes to the AEB proposed in the Framework.

This consultation outlined the main areas of proposed change to the AEB in Year 2 and future years and asked for input from providers and stakeholders to help City Hall develop and shape the delivery of AEB services to Londoners.

As part of the Mayor's commitment to ongoing consultation with the sector, the Framework will be consulted on annually as future changes to the AEB in London are made.

We welcome all the responses received during this consultation and would like to thank everyone who responded. The responses have been important in helping to shape and strengthen our AEB policy changes and will inform future decisions around areas for development.

3. Summary of responses

The sections below set out the views of those responding to the consultation and the decisions being made by City Hall.

On potential changes to funding arrangements to the AEB (Questions 1-5), there was broad support (58%) for using the Education and Skills Funding Agency's (ESFA) definition of London's "fringe" (see Map 1) to support City Hall's policy of only allocating grants to those providers based in London or within reasonable travel-to-learn distances for London learners from 2021/22. Similarly, the majority of respondents were in favour of the priorities for the Skills for Londoners Innovation Fund, which was launched in September 2019.

On fully funding English for Speakers of Other Languages (ESOL) provision up to Entry Level 3, the majority of respondents (67%) did not feel it would be sufficient to reduce barriers to provision—albeit for contrasting reasons—with some feeling it did not go far enough and others that it would reduce funding for other priority areas.

There was almost unanimous support (94%) for an enhanced digital skills entitlement for London and strong support for using interim measures that record and demonstrate the impact of Adult Community Learning and are focused on learner progression.

On the questions focused on areas for future development (Questions 6-14), recurring themes to emerge from the responses included:

- the need for greater flexibility through the AEB to fund 'stepping stone' provision
- the impact of extending funding entitlements on provider budgets
- establishing progression routes/ career pathways in vocational subjects
- increasing awareness of adult education to the wider community

As a result of this consultation, **City Hall will make the following changes to AEB policy for Year 2:**

- introduce a funding uplift for all fully funded English and maths qualifications at Levels 1 and 2 identified under the legal entitlement at the time of enrolment.
- introduce flexibility within grant-funded provider allocations to fully fund relevant learning that upskills eligible teaching and learning support staff to deliver improved specialist provision within the FE sector.

4. Question analysis

Potential changes to the Adult Education Budget

Out of London provision

From 2021/22, City Hall will only allocate grants to those providers based in London or within reasonable travel-to-learn distances for London learners. Currently, City Hall provides approximately £14 million of AEB grant funding to providers based more than 30 miles from central London. By restricting the number of out of London providers it grants to, City Hall will be able to better target funding to those providers delivering directly to London learners with the local knowledge and understanding to ensure it meets the needs of the local community most effectively.

City Hall consulted on the eligibility criteria it should use to determine those AEB grant-funded providers in scope for continued funding in 2021/22. This included using the ESFA's definition of London's "fringe" (see Map 1) to identify those providers within reasonable travel-to-learn distances for London learners.

1. Does the ESFA's definition of London's fringe accurately reflect reasonable travel-to-learn distances for London's learners

Summary of responses

The majority of responses were in favour of City Hall adopting the ESFA's definition of London's "fringe" as a reasonable measure of travel-to-learn distances for London's learners.

Those that did not agree with this approach felt it was too restrictive both in terms of limiting learner choice and pricing out outer London learners having to potentially commute into central London instead. A few responses wanted further clarity on how the definition of the fringe would be applied to providers with sites both inside and outside London.

Common themes raised

Impact on learners

Some responses highlighted the risk that it could restrict learner choice: either to access specialist/niche provision not offered in London or to enrol on distance learning courses with providers based outside of the capital. Restricting access to the nine Institutes of Technology not in London was cited as one potential negative impact of this approach.

The issue of transport poverty was also raised in terms of the potential higher costs for learners in outer London having to travel within London if they were no longer able to access provision outside London's fringe.

Quality versus locality of provider

Some responses felt this policy would place too greater weight on the location of a provider compared to its track record in delivering to London learners even if that provider was based outside of London's fringe.

The fringe excludes areas close to London's border

Some responses suggested that certain local authority areas close to London's border would be excluded, particularly in the East and South East regions.

Definition of fringe needs to be clearer

A number of responses said there needed to be greater clarity on how the policy would be applied to providers with sites inside and outside London.

Respondents' suggestions for action:

- Use ILR data to review travel-to-learn patterns and model impact of policy on learner numbers, particularly for those travelling from outer London to providers based outside London's fringe.
- Identify list of providers (e.g. Institutes of Technology) exempt on basis of specialist/ niche provision they deliver and/ or national profile.
- Carry out a curriculum analysis of provision currently delivered to London learners outside London's fringe.
- Widen the boundary to include certain local authorities not included within London's fringe but within reasonable travel-to-learn distances.
- Continue to fund out of London providers but restrict subcontracting to London providers only.

City Hall response

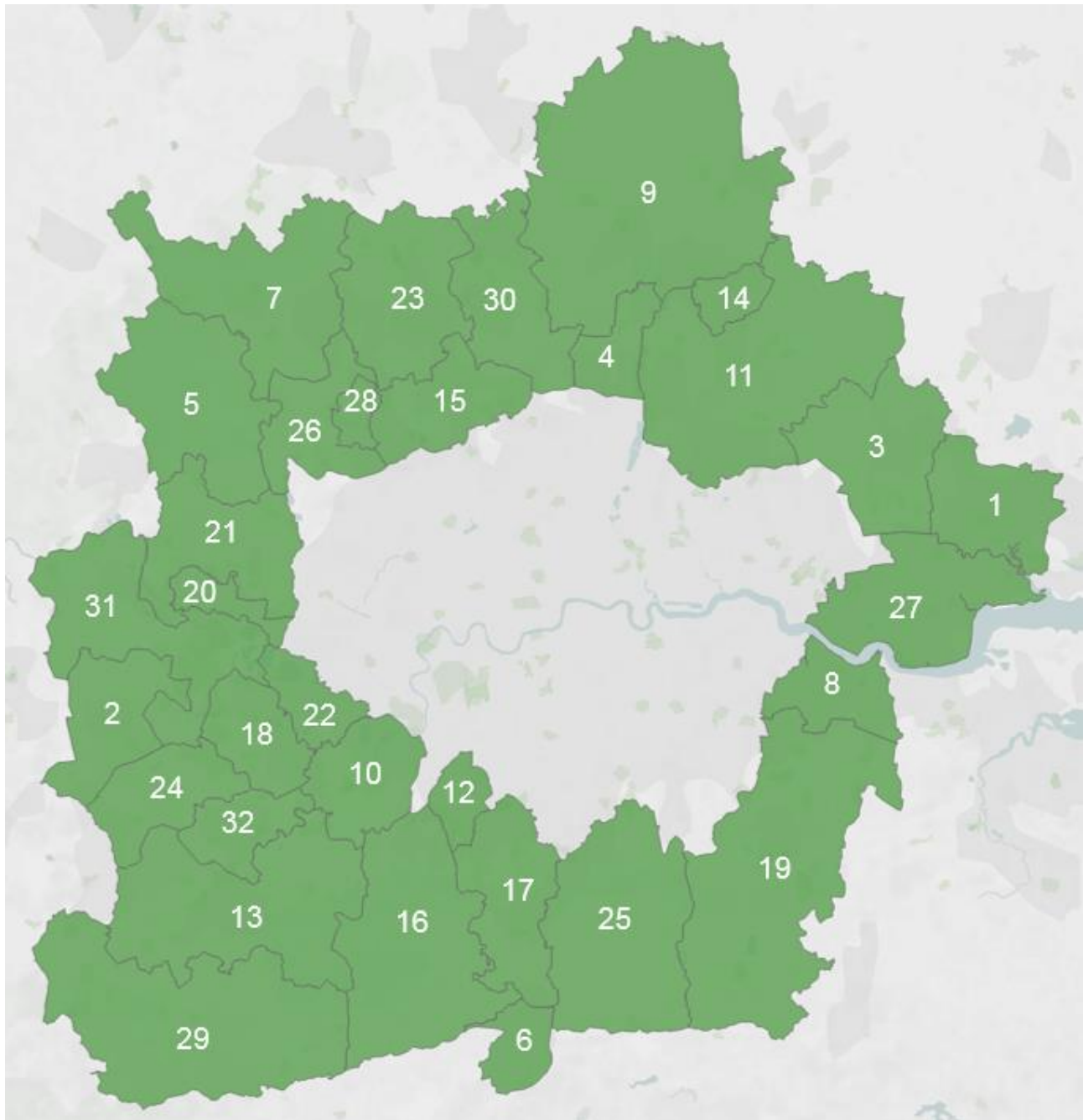
We welcome the broad support for changing our approach to funding grant-funded providers in 2021/22 to ensure more money is available to those providers located within reasonable travel-to-learn distances for London learners. At the same, we recognise that our approach must not prevent London learners from accessing specialist/ niche provision not available in the capital and/ or negatively affect London learners from disadvantaged groups.

With this in mind, City Hall will continue to fund existing AEB GLA grant-funded providers from 2021/22 where the provider's main campus sites are located within one of the local authorities identified in the ESFA definition of London's fringe (see Map 1).

For providers based outside London's fringe, City Hall will continue allocating funding by exception where a provider can demonstrate it is offering specialist or niche provision that is not being delivered elsewhere in London or London's fringe. Providers will also have the opportunity to make an exceptional case for why their funding should continue based on

the type of provision they offer and/ or the groups of learners they support. A decision on those providers in scope for continued funding will be made in early 2020 to give providers sufficient notice to prepare for this change.

Map 1: Local authority areas within the ESFA's definition of London's "fringe"



1 Basildon	10 Elmbridge	19 Sevenoaks	28 Watford
2 Bracknell Forest	11 Epping Forest	20 Slough	29 Waverley
3 Brentwood	12 Epsom & Ewell	21 South Bucks	30 Welwyn Hatfield
4 Broxbourne	13 Guildford	22 Spelthorne	31 Windsor & Maidenhead
5 Chiltern	14 Harlow	23 St Albans	32 Woking
6 Crawley	15 Hertsmere	24 Surrey Heath	
7 Dacorum	16 Mole Valley	25 Tandridge	
8 Dartford	17 Reigate & Banstead	26 Three Rivers	
9 East Hertfordshire	18 Runnymede	27 Thurrock	

Skills for Londoners Innovation Fund

As previously announced, for Year 1 the Mayor has created a Skills for Londoners Innovation Fund (“the Fund”) using up to £6.4m of unallocated funding from London’s overall AEB allocation for 2019/20.

The Fund will support AEB grant-funded providers to bid for additional funding in 2019/20 (with scope to carry forward committed funding in 2020/21) to deliver activity that meets the Mayor’s priorities for skills and training in London, demonstrates innovation and is outcome-focused.

City Hall consulted on the Mayoral priorities that would be supported through the Fund.

2. What other areas relevant to Mayoral priorities should be supported through the Skills for Londoners Innovation Fund?

Summary of responses

The majority of responses were positive about the introduction of the Skills for Londoners Innovation and the Mayoral priorities identified. Some respondents suggested the size of the Fund would not be sufficient to meet the forecast increase in entitlements. Others felt there needed to be greater clarity on how the Fund would support innovation and differentiate itself from a growth fund.

Common themes raised

Additional priority sectors

A number of additional priority sectors were identified. These included: arts and media, the built environment, engineering, sectors likely to be negatively affected by Brexit, hair and beauty, childcare and education, and London’s night time economy.

Adult community learning

A number of responses identified the importance of funding activity related to supporting learners’ health and wellbeing, enabling social integration and family learning/ community learning approaches.

Employability and in-work support

Some responses focused on both types of employability support (e.g. careers guidance/ job brokerage/ employability training) and in-work support (re-skilling/ up-skilling/ ESOL linked with in-work training).

Supporting specific target groups

Other responses suggested the Fund should be targeted at specific groups of Londoners. These included Black, Asian and minority ethnic (BAME) learners, older learners, ex-offenders, those at risk of homelessness, care leavers, migrants and unemployed/ low-paid Londoners.

Respondents' suggestions for action:

- Limit the number of additional priorities to avoid spreading the Fund too thinly.
- Reduce the bureaucracy involved for providers in applying for the Fund.
- Identify how ITPs can be involved in delivering provision supported by the Fund.
- Evaluate activity delivered through the Fund to ensure success can be replicated and inform future commissioning.

City Hall response

We welcome the positive support for the Skills for Londoners Innovation Fund. The prospectus for the Fund has now been published which sets out the Mayoral priorities it will support as well as the types of innovation and outcomes that providers will be expected to demonstrate/ deliver. We have kept the application process as simple as possible with providers required to submit an application form which describes their proposed activity. While the Fund is targeted at grant-funded providers, ITPs providers will have the opportunity to work with grant providers to support potential bids. Under separate arrangements, providers with an AEB procured contract with City Hall will also be able to make requests for additional funding.

Specific changes to the Mayoral priorities include:

- a wider focus on preventing future violence by targeting AEB funding for young Londoners aged 19-24 and their families, who may be vulnerable to, or at risk of, being involved in serious youth violence
- extending the specific priority sectors to include:
 - Early Years and Childcare
 - Science, Technology, Engineering and maths
 - Construction and Infrastructure
- supporting programmes that aim to improve the mental health and wellbeing for learners with social and emotional needs

We will be commissioning an evaluation partner to help us evaluate the impact, sustainability and scalability of provision funded through the Fund.

English for Speakers of Other Languages (ESOL)

Given the continuing demand for ESOL courses in London and cuts to funding for ESOL nationally, City Hall consulted on fully funding ESOL provision up to Entry Level 3—the level of English required for British citizenship—to reduce barriers to provision.

3a. Would fully funding ESOL provision up to and including Entry Level 3 be sufficient to reduce barriers to provision?

3b. Are there other barriers to participating in ESOL provision we should be aware of and looking to address?

Summary of responses

The majority of responses did not agree that fully funding ESOL provision up to Entry Level 3 would be sufficient to reduce barriers to provision. Local Authorities/ Adult Community Learning Providers and representative bodies were more likely to respond ‘no’ compared to Further Education Colleges.

‘No’ responses generally identified two contrasting issues:

- the risk it would reduce funding for other priority areas and create excess demand.
- that the proposal did not go far enough and that ESOL should be fully funded beyond Entry Level 3.

Common themes raised

Childcare and travel costs

A number of responses raised the prohibitive cost of childcare and travel as a factor in preventing learners participating in ESOL.

Removing eligibility restrictions

Some responses highlighted both the issue of the three-year residency rule and not being allowed to deliver ESOL in workplaces.

More flexibility

Other responses suggested there needed to be greater flexibility on where and when ESOL is provided. This included:

- online delivery
- less formal provision in community settings
- use of bite-sized modules
- integration with better Information, Advice and Guidance (IAG)

More training and support for ESOL tutors

A small number of responses suggested making funding available for Level 5 teaching qualifications with an ESOL specialism.

Respondents' suggestions for actions:

- Fund childcare and travel costs for ESOL learners.
- Fund continual professional development (CPD) training for ESOL tutors and new entrants to the profession as ESOL specialists.
- Consider fully funding ESOL up to Entry Level 3 (and potentially further) if affordable.

City Hall response

The Mayor wants to create a skills system that supports all Londoners to get the skills they need. Ensuring access to ESOL provision for those who need it most is a key part of his ambition. Following feedback to this consultation, we recognise that fully funding ESOL up to Entry Level 3 will not reduce the barriers to provision that learners face and, as identified by respondents, may limit the scope for providers to fund other local priorities. Our own preliminary analysis shows that widening learner eligibility to low income groups has already led to a significant increase in ESOL provision across London in 2018/19 and raising the financial eligibility threshold for learners to London's Living Wage will support the resourcing of ESOL provision further. In view of this, we do not propose to introduce changes to the funding of ESOL at this stage.

However, the Mayor is committed to continue lobbying for increased funding to support expanded ESOL provision in London. He will work with the DfE to ensure the forthcoming National English Language strategy supports his ambitions for ESOL in London.

At the same time, we will continue focusing on supporting the capacity building of the sector to support more flexible approaches to learning that improves access to provision. This includes building on the learning of his ESOL Plus pilots, and the ESF-funded programmes that will support the professional development of ESOL practitioners as well as community-based approaches to supporting learners with low-level English literacy skills. We will also evaluate the impact of funding learners who are employed and in receipt of a low wage in widening participation in ESOL provision.

Digital Skills

From 2020/21, alongside the existing legal entitlements to English and maths, the DfE will introduce an entitlement to fully funded digital qualifications. Prior to this consultation, the national eligibility criteria for this new entitlement had not yet been established. However, given improving the digital capabilities of Londoners is a priority for the Mayor, City Hall consulted on developing its own enhanced London Digital Skills Entitlement for 2020/21 for all Londoners aged over 19 requiring digital skills training.

4a. Do you support the creation of an enhanced London Digital Skills Entitlement?

4b. How should City Hall look to introduce this entitlement?

Summary of responses

There was an overwhelmingly positive response to creating an enhanced London Digital Skills Entitlement. However, a number of responses said City Hall should exercise caution by piloting the Entitlement first. There was also concern that it might reduce funding for other priorities for the AEB.

Common themes

Target groups

Responses were split between the Entitlement being targeted at disadvantaged groups (ranging from SEND to older learners) and those in-work.

Delivery

Some responses suggested the delivery of the Entitlement should be restricted to 'assured providers' to prevent fraud.

A smaller number of responses focused on other issues including capacity building, local/ community-led and flexible delivery approaches and funding it to a higher level.

Respondents' suggestions for action:

- Carry out an initial assessment/ eligibility test to make sure the Entitlement reaches those most in need.
- Fund qualification units not just full qualifications.
- Model and pilot the Entitlement to ensure it is affordable.

City Hall response

We welcome the positive feedback from stakeholders on our proposal for an enhanced London Digital Skills Entitlement. We are pleased to note that since this consultation was launched, the DfE, following its own consultation, has published its plans, in line with our

own, for a new entitlement to fully fund eligible adults with no or low digital skills to enrol on specified essential digital qualifications at Entry Level and Level 1 from 2020.

While we support this new national entitlement, we are aware that more routes are needed to help Londoners get the digital skills they need to thrive in a changing economy. That is why digital skills has been identified as a priority area in the Skills for Londoners Innovation Fund. Through the Fund we will look to support activity that helps increase the digital capabilities of Londoners and improve access to those Londoners facing digital exclusion.

Demonstrating the impact of the Adult Education Budget

City Hall recognises the important role that the Adult Education Budget—and Adult Community Learning (ACL) in particular—plays in supporting the hardest to help adults with no or very low educational attainment to re-engage with learning.

To better understand the impact of provision and how it improves outcomes for Londoners, City Hall is developing a suite of metrics for the AEB. Through this, the Mayor will be better equipped to make the case to government for increased investment in London's adult education system, and generate an evidence base to inform future policy.

5. What interim measures could City Hall put in place to record and demonstrate the impact of Adult Community Learning (ACL) in London?

Summary of responses

The majority of responses, mostly from ACL providers, noted that a lot of data is already available (including that collected for Ofsted/ the ILR/ RARPA processes). Some respondents suggested that data collection should not be too burdensome for providers. There was also reference to City Hall's ongoing work on outcome measures and a willingness to collect data in the future on a range of social outcomes.

Common themes raised

Progression/ distance travelled

A majority of responses referred to the importance of progression measures, specifically:

- internal progression in Basic Skills/ESOL
- progression in work (promotion or more hours) or in further learning
- progression made by vulnerable learners against their personal learning aims

Participation

Other responses referred to participation measures. These included:

- number of adults with social, economic and educational disadvantage
- engagement with hard-to-reach groups
- analysis of participation trends for those identified as the 'hardest to help'
- % of learners from postcodes /LSOAs in areas of high multiple deprivation

Ofsted reports

Some responses suggested using information Ofsted uses to assess the impact ACL providers are having.

Feedback from learners

A small number of responses also suggested using feedback from learners through surveys to measure health and wellbeing, confidence levels and social integration.

Respondents' suggestions for actions:

- Use interim measures that record and demonstrate impact and are focused on learner progression.
- The interim measures should be derived from existing data where possible to avoid being burdensome for providers or learners.
- Run short surveys of learners if administrative costs are met by City Hall.

City Hall response

The Skills for Londoners Strategy set out the Mayor’s intention to reform the AEB to include a greater focus on the impact of provision, including the outcomes achieved by learners.

Since early this year, extensive engagement has taken place with the sector and key stakeholders to inform the development of a new framework to measure the impact of the AEB. This has included stakeholder workshops, learner focus groups, interviews with providers and interviews with London’s political leadership—as well as consideration of the responses received to this consultation. Alongside this, technical analysis has been conducted on a wide range of potential impact measures.

From Year 2, we will focus analysis of the impact of the AEB on the following impact areas:

Economic Impact (aligned with Mayoral priorities around economic fairness and poverty reduction)	Social Impact
Progression into employment	Improvements to health and wellbeing
In-work progression	Improvements to social integration
Progression into further education and training	Improvements to learner self-efficacy
	Participation in volunteering

These impact areas have been identified because there is:

- strong alignment between the outcomes of adult learning and London’s policy priorities
- evidence of direct links between participation in adult education and the identified impact area.
- some degree of support from London’s AEB providers.

To collect better data on these outcome areas, City Hall will now explore the feasibility of developing and running a new London Learner Survey. This would allow for the collection of data on social impact and in-work progression that is not possible through the existing ILR infrastructure and will also provide the GLA with more timely information on employment destinations.

Engaging the most disadvantaged adults in learning has long been a strength of good adult education provision and was a popular measure in the consultation responses. To ensure that adult education is focused on Londoners, City Hall will closely monitor trends in the participation of different groups in adult education, and gaps in the outcomes achieved by different groups of learners. This will give City Hall insight into how effectively providers are serving those groups disproportionately underrepresented in London's labour market.

Areas for further development

Learners with Special Educational Needs and Disabilities (SEND)

Following City Hall's pan-London review into 16-25 SEND provision, City Hall consulted on two separate questions: the first focused on how the AEB could be used to address the challenges identified in the review and the second on what additional learner support was needed for SEND learners to improve their retention, achievement rates and progression.

6. What changes should be made to AEB funding to address the challenges identified in the SEND Review?

Summary of responses

The majority of responses called for more funding for better quality Education Health and Care Plans (EHCP) to support learners more effectively. The need for improved coordination and development for progression activities including supported internships and structured study with employers was identified. A number of responses also argued for changes to be in line with national DfE changes and for more funding for supported internships for SEND learners.

Common themes raised

Better quality EHCP

A number of responses argued for more funding to improve the quality of EHCPs to ensure they were tied to clear and realistic development outcomes. It was also suggested that EHCPs should better address the transition requirements for education and training in adulthood. The lack of consistency between the EHCPs providers receive was also highlighted by respondents.

Align with DfE changes

A number of responses suggested that any changes City Hall intend to make should align with DfE's SEND policy review.

Flexibility

Some responses called for more flexibility for providers to use their budgets to support individual needs, including qualifications being broken down into units with appropriate payment triggers around progression milestones, and exploring the potential for more flexible 'non-regulated' funding.

Respondents' suggestions for actions:

- Fund more supported internships, either because this is a preferred route into employment or because providers have good practice in offering these.
- Fully fund SEND learners to achieve Level 2 vocational qualifications or enabling more workplace opportunities and offering greater employability support to SEND learners.

7. What additional learner support is needed for learners with SEND to improve their retention, achievement rates and progression?

Summary of responses

The majority of responses called for a wider range of support than what is typically covered by additional learner support (ALS). This included funding more support workers in the classroom and engaging employers in different types of employability support for SEND learners. Other responses suggested that the process for claiming support funding for SEND learners need to be simplified and better explained. A number of responses also called for multi-agency co-ordination.

Common themes raised

Classroom support

A number of responses called for more funding for support workers in the classroom to provide one-to-one support to learners.

Employability

Some responses focused on employment support needs such as support for employers, work mentors and in-work support. Responses also suggested there needed to be better incentives to encourage employers to provide work placements.

Multi-agency support

Some responses called for a single point of co-ordination, either in Boroughs or through voluntary organisations, to manage demand.

Simplify funding process

Other responses called for the process of claiming SEND ALS to be simplified as the complexity of the current system can act as a barrier for potential learners.

Respondents' suggestions for actions:

- Fund post to co-ordinate multi-agency support for SEND learners.
- Establish a separate pot of funding for SEND ALS.
- Fund travel assistance for SEND learners up to age 25.
- The Mayor should champion supported internships to raise awareness with learners and employers.
- Fund a defined number of classroom assistants, serving a range of learning needs for SEND students rather than following a specific individual's needs.
- Fund pastoral support integrated with other support services such as health and social work.

City Hall response

We welcome the constructive comments on how City Hall can better support learners with SEND and address the challenges raised in the Post-16 SEND review. We note, in

particular, feedback that improving the quality and consistency of EHCPs would help to ensure they were tied to clear and realistic development outcomes.

We will seek to work with Government, local authorities, relevant statutory bodies, learners and their parents and carers to test new approaches to addressing the challenges found in the review. City Hall will launch a small funding opportunity for local authorities to pilot new methods addressing some of these issues.

As a further step, the Mayor will introduce flexibility within AEB grant-funded provider allocations to fully fund relevant learning that upskills eligible teaching and learning support staff to deliver improved specialist provision within the further education sector. This will help support the upskilling of the existing workforce to enable providers to better respond to the growing demand for SEND provision and meet the Mayor's objective of increasing the participation, retention and achievement of disabled Londoners in education and training.

Low pay

Many Londoners are stuck in low pay with little chance to progress to better paid, more secure work. To support adults in low pay to access the skills they need to upskill and progress in their careers, City Hall has extended eligibility for fully-funded AEB courses to all Londoners earning below the London Living Wage in 2019/20. Building on this, City Hall consulted on other steps it could take to ensure low-paid Londoners are able to get the skills they need.

8. What more could City Hall do to support low-paid Londoners to get the skills they need?

Summary of responses

The majority of responses wanted support to be more flexible and innovative. A number of responses suggested funding modules and short courses rather than just full qualifications to encourage innovation. Several responses called for the Mayor to lead a campaign to raise awareness among employers and low-paid Londoners of the support available.

Common themes raised

Flexibility

A number of responses called for more flexibility in how provision is delivered (e.g. evenings or weekend classes/ blended delivery/ localised settings) to ensure it fits around learners' existing work and family commitments.

Raise awareness among employers and learners

Some responses suggested City Hall should encourage better links between providers and employers to raise awareness and develop better progression routes, as well as doing more to communicate the policy change to Londoners.

Fund modules rather than just whole qualifications

Other responses observed that the list of approved qualifications is limited and does not cover all priority sectors, and that funding "stepping stone" provision would be more effective.

Respondents' suggestions for actions:

- Fund "stepping stone" provision with focus on work readiness.
- Fully fund Level 2 in English, maths, Digital Skills and ESOL
- Fund childcare and transport costs, and salary compensation.
- Allow for costs to be claimed for delivery completed (as with ESOL) rather than as a fixed cost for a qualification
- Establish progression routes from pre-entry up to Level 2 in all vocational subjects

City Hall response

Widening the eligibility of AEB funding to in-work groups earning below the London Living Wage in London will remove a significant barrier to supporting low-paid Londoners get the skills they need. We will review how this eligibility change will affect provision being delivered in the first year of devolution to determine if the skills training on offer is meeting learner needs. This information will help us to plan for the future.

Responses to this consultation also suggested a number of measures that could be taken to further support Londoners in low-paid work. Through the Skills for Londoners Innovation Fund, we will introduce new flexibilities that prioritise provision that supports Londoners working in the gig economy or self-employed and earning less than the London Living Wage.

We will also review how Learner Support funding is used to support learners facing barriers to learning, such as childcare costs, to ensure it reaches more learners from disadvantaged backgrounds.

English and Maths

Supporting learners and providers to overcome the barriers to securing basic skills, including English and Maths, is a priority for the Mayor. Alongside a significant amount of work already underway, City Hall consulted on any additional steps it could take to support the sector to boost retention and achievement rates in English and maths.

9. What more could City Hall do to support the sector to boost retention and achievement rates in English and maths provision?

Summary of responses

The majority of responses were supportive of City Hall's planned activities in this area. The major barrier identified was the current funding rates for English and maths which do not adequately reflect the costs associated with supporting learners lacking basic skills. Other responses noted the importance of allowing greater flexibility to deliver training. For example, using contextualised learning approaches. Some responses also identified the role the Mayor can play in promoting English and maths entitlements.

Common themes raised

A range of actions were identified which City Hall could take to boost retention and achievement rates in English and maths. These are categorised as follows:

Higher funding rates

A majority of responses said higher funding rates were needed to enable providers to better engage and support learners requiring additional support to learn and achieve. Linked to this was the need for more funding to support better coaching and mentoring for learners as well as effective IAG and careers advice.

Flexibility

A number of responses identified the need for greater flexibility in how English and maths provision is delivered. Some responses referred to the effectiveness of contextualised learning approaches to engage learners with maths (for example, understanding household finances). Others referred to the importance of running weekend and evening classes to better support the needs of learners. Non-accredited "stepping stone" provision was also referred to as an effective way to bridge the gap between qualification levels for some learners. Additionally, embedding English and maths in vocational courses could help to engage more learners.

Mayoral promotion

Some responses identified the role the Mayor could play in promoting English and maths entitlements to more learners to increase participation levels.

Other responses focused on the need for a standardised assessment and diagnostic tool to ensure learners are at the correct level and clear progression routes from Entry to Level 2. Some responses referred to the need for better training for teaching to address staff

shortages. Realistic benchmarks were also called for as current levels do not recognise and incentivise “cheery picking” only those likely to achieve.

Respondents’ suggestions for action:

- Use a banded funding model rather than funding English and maths at a fixed rate to recognise the additional learning support required.
- Introduce a “Mayor’s Learning Account” for digital, English and maths.
- Pilot workplace initiatives with unions and employers to support and promote functional skills qualifications.

City Hall response

The Mayor recognises that a good level of basic English and maths is critical to improving the life chances of Londoners. That is why, from Year 2, we will introduce a funding uplift for all fully funded English and maths qualifications at Levels 1 and 2 identified under the legal entitlement at the time of enrolment. This will ensure funding for these qualifications more accurately reflect the true cost of delivery, while supporting the Mayor’s commitment to drive up English and maths participation and achievement rates.

Alongside this policy change, City Hall will commission research to identify best practice in English and maths teaching to provide insight for providers into how this additional funding can be used most effectively to deliver better outcomes.

The Mayor is also using his ESF 2019-23 programme to pilot innovative approaches to address the common barriers that affect participation among those in low-paid work. This pilot activity will seek to increase the number of adults gaining English and maths GCSEs at grades 4-9, which are currently delivered through mainstream programmes.

Additionally, the Skills for Londoners Innovation Fund will support activity that helps adults gain basic English and maths skills, up to level 2, within specific vocations where these qualifications are typically required for progression.

In response to feedback, we will explore the potential for developing a standardised diagnostic tool to ensure all learners are inducted on to the appropriate level of training.

Higher level skills

While there has been significant growth in full-time degree provision in recent years, sub-degree provision at Levels 4 and 5 has declined. These courses are often associated with professional development and vocational training.

City Hall wants to ensure that more learners, particularly those from BAME groups and disabled adults who are less likely to have a degree level qualification than the wider London population, have an opportunity to progress through Level 4+ qualifications. As such, City Hall consulted on whether higher level skills (Level 4 and above) should be funded through the AEB and, if so, the learners, levels and sector subject areas that should be prioritised.

10. Should City Hall look to support, promote or fund higher level skills (Level 4 and above) skills through the AEB? If yes, which groups of learners, levels and sector subject areas should be prioritised and how?

Summary of responses

There was an equal split between those respondents in favour and those not. For those respondents not in favour, the main reason was that other funding routes already exist (e.g. the apprenticeship levy, FE and HE loans). There was broad agreement from all respondents that current funding available was not sufficient to fund high level skills through the AEB and that it risked reducing funding for lower level qualifications.

Common themes raised

Sector subject areas

A number of priority sectors were identified. These included: health and social care, education, construction, IT and digital skills, business, finance and accounting and engineering.

Support in-work progression/ those in low-paid jobs

A number of responses identified the importance of supporting learners in low-paid work to reskill/ upskill to meet London's skill needs. Some respondents suggested fully funding higher level skills training for Londoners earning below the London Living Wage or those from disadvantaged backgrounds.

Separately, a number of responses argued that the introduction of Advanced Learner Loans for Level 3 qualifications had suppressed demand for these qualifications as a pathway to Levels 4 and 5. It was also suggested that City Hall could fund higher level qualifications to support London's Institutes of Technology.

Respondents' suggestions for action:

- Commission further research in to why there has been a decline in the uptake of sub-degree level provision and to identify any trends in London to target engagement at specific groups of learners/ sectors.
- Fund small-scale pilots to deliver Level 4 provision in colleges.

City Hall response

Many of the responses rightly identified the importance of supporting learners in low-paid work to reskill or upskill to meet the needs of London's economy. We recognise the view that the AEB is currently limited in its capacity to fund additional levels. However, we want to ensure the AEB supports higher level progression, particularly for low income Londoners.

City Hall will undertake further research to understand how higher level skills (Levels 4 and 5) can best be promoted and supported in London. This will include looking at the role of funding mechanisms such as the Advanced Learner Loan and how more Londoners can be supported and encouraged to take up higher level courses. This work will be developed with strategic oversight from a newly established Higher Level Skills Advisory Group, a subordinate body of the Skills for Londoners Board. This work will inform how the AEB is used in the future to support higher level progression.

Additionally, the Mayor has developed an ESF programme to support people in low paid work to progress onto higher level qualifications. This will fund a range of Level 4 modules and related support, including careers advice and mentoring. The programme will be evaluated to develop a better understanding of the support Londoners need to progress to higher level learning, training and work.

Sectors

Many of London's businesses currently face a shortage of skilled workers and are struggling to fill key vacancies. City Hall consulted on what it could do to address these skills shortages and ensure London's skills system was better aligned with its labour market needs.

11. What more could City Hall do to tackle skills shortages in London's key sectors?

Summary of responses

The majority of responses focused on City Hall's role in improving engagement with employers and learning providers to identify skills shortages and enabling labour market information (LMI)—through the Skills for Londoners Board and Business Partnership—to be applied more strategically. Some responses identified the role City Hall should play in working with employers to tackle issues such as low wages, working conditions and addressing the lack of diversity in key sectors.

Common themes raised

Employer engagement

A number of responses felt City Hall could do more to foster links between employers and learning providers to identify and address skills shortages in key sectors.

Improve LMI/ IAG for learners

A number of responses focused on the need for better LMI to support both providers and learners to understand and respond to both current and future skills needs, as well as to support better IAG for learners.

Tackle low pay and working conditions

Some responses felt employers were partly responsible for the current skills shortages in certain sectors because of poor working conditions and low wages. Respondents suggested City Hall should work with employees to tackle these issues directly.

Address lack of diversity/ underrepresentation of certain groups

Some responses also felt City Hall had a role to play in addressing the lack of diversity/ underrepresentation of certain groups in key sectors. Respondents suggested City Hall should leverage the opportunity afforded by the Mayor's Good Work Standard to incentivise employers to recruit more BAME, disabled and older learners.

Fund short courses/ units of qualifications

Other responses focused on the need to fund more units of qualifications and short courses to enable learners to gain sector-relevant skills and to develop career pathways for learners. Some responses also focused on the need to fund courses that develop metacognition skills and, for those furthest away from the labour market, training that builds self-esteem and confidence.

Respondents' suggestions for action:

- Fund short sector-related courses/ units of vocational qualifications.
- Develop career pathways in key sectors.

City Hall response

We are committed to improving City Hall's engagement with employers and providers to deliver a more integrated skills and employment offer that meets the needs of London's key sectors. We know that acute skills gaps/ shortages persist in sectors including STEM, Construction, Health and Social Care, Hospitality, Early Years and the Creative Industries. We want to ensure the AEB is focused on delivering employment outcomes in these sectors and, through our Skills for Londoners Business Partnership, will work with employers to identify how the AEB can be used to address skills gaps/ shortages. This could be through funding certain Level 2 and/ or Level 3 qualifications and or introducing flexibilities within the AEB to encourage greater collaboration with employers and providers in the design and delivery of AEB provision.

Through the Skills for Londoners Innovation Fund, we will support activity that is focused on addressing skills shortages in the sectors identified above, as well as addressing the lack of diversity in some of London's high-growth industries. We will also continue to encourage employers to sign up to the Mayor's Good Work Standard and London Living Wage to improve working conditions, address low pay and the lack of diversity in some of our key sectors.

Brexit

The Mayor is committed to ensuring that London remains open and is able to attract talent from Europe and across the world. Given the uncertainty around Brexit and the challenge this poses for employers/ colleges/ universities, the Mayor has been working with Government to advocate for changes to AEB eligibility requirements to protect the inclusivity of London's skills system.

City Hall consulted on what more it could do to support colleges in dealing with the implications of Brexit for staff and students.

12. What more could City Hall do to support colleges in dealing with the implications of Brexit for staff and students?

Summary of responses

The majority of responses were very positive about the Mayor's advocacy for EU citizens living and working in London. However, a number of responses noted the impact the continuing uncertainty around eligibility and future funding streams was having on its workforce and learner numbers.

Common themes raised

Workforce

A number of responses referred to the negative impact Brexit was having on staff recruitment and retention and called for additional funding to support upskilling and training for staff to meet expected shortfalls.

Learner numbers

Some responses noted the impact Brexit was having on learner numbers and the financial pressures this might create for providers.

Social integration

Some responses identified the potential social integration challenges Brexit could bring, and the need for the Mayor to continue to promote positive messaging and make ESOL provision a priority.

Communication and guidance

Other responses focused on the Mayor's role in continuing to provide regular guidance to providers, staff and learners and signposting to relevant services.

Respondents' suggestions for action:

- Provide additional funding to support upskilling/ training staff.
- Update impact assessment on learner numbers post-Brexit.
- Monitor impact on providers/courses and provide transition funding for those at risk.

City Hall response

We appreciate the anxiety that is felt by AEB providers around eligibility and future funding streams. However, as many of the responses recognise, it is still too early to set out comprehensive proposals. The type of Brexit will play a key role in determining the impact on colleges, staff and learners. For example, whether the UK continues to be part of Erasmus+ or other mobility agreements.

The Mayor made clear, following the EU referendum result, the Government needs to provide a cast iron guarantee that European nationals in London can stay. The Mayor has developed the EU Londoners Hub to provide up-to-date information on the settled status application process for EEA nationals, including links to legal and other support agencies in the capital. EEA nationals starting courses in 2019/20 and 2020/21 will continue to be eligible for AEB funding as home students.

City Hall will monitor the impact on learners and providers as the AEB budget holder and strategic skills lead. The Mayor will also lobby for London to receive a fair share of the future UK Shared Prosperity Fund and will continue to prioritise ESOL for social and economic integration. The Mayor has outlined his concerns directly to government around the planned future immigration system. In particular, he has evidenced the likely impact on skills shortages of a £30,000 salary threshold for skilled worker and made the case for establishing lower skilled routes. The Mayor will continue to urge the Government to immediately withdraw Article 50, allowing time for a public vote to be held so the country can decide what course it wants to take.

Funding or part-funding a second Level 3 qualification

For Londoners whose jobs may be at risk in London's changing labour market, City Hall consulted on the potential for fully funding or part-funding second Level 3 qualifications to support them to upskill or reskill.

13. How could the AEB be used to fund or part fund entitlement to a second Level 3 qualification for specific disadvantaged groups of learners, or to tackle skills shortages in particular sectors?

Summary of responses

The majority of responses were in favour of this approach, but there was some concern that it would reduce funding for other areas. A number of responses suggested that it should be done on a sectoral basis and focused directly on employment outcomes. However, other responses suggested it should be linked to the needs of the learner and not tied to a specific sector.

Common themes identified

Linked to sectoral priorities

Some responses suggested second Level 3 qualifications should be only be funded if the programme is vocational and/ or is in a priority sector (e.g. those at risk from automation/ Brexit). Responses highlighted the role it could play in supporting learners to reskill/ retrain to enable a career change, particularly those from disadvantaged groups and/ or those in low-paid employment.

Pressure on AEB

Some responses felt this would put significant pressure on the AEB and that the Mayor should instead lobby government to introduce maintenance loans for FE learners.

Respondents' suggestion for action:

- Model and commission research to understand where funding additional Level 3 qualifications would add value.

City Hall response

Many respondents recognise that the AEB is a finite resource which has suffered cuts in recent years. While welcoming the aspiration to explore how it could be used to better serve Londoners in responding to the capital's evolving skills needs— particularly in response to displacement through automation or specific sectoral demands— there was a caution expressed by many that without addition funds being secured, at what cost—in terms of other funded provision—would these changes be made.

With this mind, we will continue to work with employers and the sector to identify how the AEB could be used to support the full funding or part funding of specific Level 2 and/ or

Level 3 qualifications for specific disadvantaged groups of learners or to tackle skills shortages in key sectors.

Championing London's FE and skills sector

The Mayor has pledged to be a champion of the capital's FE sector – and has supported the Association of Colleges' 'Love Our Colleges' campaign. City Hall consulted on views for how the Mayor can continue to support the FE and skills sector.

14. What more could the Mayor do to support and champion London's FE and skills sector?

Summary of responses

The majority of responses welcomed the Mayor's support for the FE sector, but some responses felt more attention should be paid to the contribution of ACL Providers and Independent Training Providers. Some responses highlighted the role the Mayor should be play in enabling greater collaboration between providers, as well as making the case to government for better data to track learner progress and improve the IAG available to learners. A number of responses noted the financial pressures AEB providers faced from reductions in funding rates and the impact this was having on the quality of teaching.

Common themes raised

Continue to promote adult education to wider community

A number of responses called on the Mayor to continue to promote the FE sector and raise awareness of adult education to the wider community through media and graduation ceremonies/ events. Some responses identified the important contribution ACL providers and independent training providers make and argued for this to be better acknowledged.

Enable greater collaboration between providers and government

Some responses highlighted the role the Mayor should play in encouraging greater collaboration in the FE sector, as well as enabling better joint-working and data sharing between providers and government departments.

Higher funding rates

Some responses argued for higher funding rates for qualifications and noted the impact funding cuts had on staff recruitment and retention.

Respondents' suggestions for action:

- Promote adult education through media and graduation ceremonies/ events.
- Establish an entitlement account for all Londoners.

City Hall response

We welcome the many responses we received to this question, which broadly recognise the work that has been undertaken by the Mayor and City Hall to date to demonstrate our commitment to London's FE and skills system.

The Mayor's support for the 'Love Our Colleges' campaign was highlighted among these. However, it is recognised that the Mayor must also take a role in championing the wider landscape of skills and the principle of lifelong learning in its many shapes and forms.

Unsurprisingly, the Mayor's role in lobbying for the reversal of cuts to funding and further devolution was expressed clearly by most respondents. The Mayor's Call to Action, launched in September 2019, clearly sets out the case for a new funding deal from government to establish an integrated, fully funded skills and employment system that can meet the city's challenges now and in the future.

5. Next steps

The AEB policy changes for Year 2 made as a result of this consultation will be finalised as part of the draft funding and performance management rules for the 2020-21 funding year which will be published in December 2019.

Moving forward, City Hall will continue to consult annually on all future AEB policy changes through the Skills for Londoners Framework. The next Framework consultation is due to be launched in **February 2020**.

Once again, we would like to thank everyone that has responded to this consultation and we look forward to continuing to work with you as future AEB policy for London is developed and shaped to ensure it meets the needs of Londoners and London's communities and businesses.

Appendix 1: List of organisations that responded to the consultation

Association of Colleges
Association of Employment and Learning Providers
Barking and Dagenham Council (The Adult College)
Brent Start
Bridgwater and Taunton College
Cambridge Regional College
Capital City College Group
Capital Enterprise
Central London Forward
Collab Group
CompTIA
Croydon Adult Learning and Training (CALAT)
Croydon College
Department for Work and Pensions
Ealing Adult Learning
Ealing, Hammersmith and West London College
Eastleigh College
East London Advanced Technology Training (ELATT)
English Speaking Board
Film London
Forward Trust
Freeformers
Gateshead College
Gateway Qualifications
Gloucestershire College
GMB
Growth Tribe

Hammersmith and Fulham Adult Learning and Skills Service
Harrow London Borough Council
Havering Adult College
Hillingdon Adult and Community Learning
HOLEX
Islington Adult Community Learning
Kingston Adult Education
Lambeth Council
LEAFAEA
Learn English at Home and Merton Home Tutoring Service
Lewisham College (NCG)
London Assembly Labour
London Borough of Bromley
London Borough of Hounslow
London Borough of Merton
London Borough of Richmond
London Borough of Tower Hamlets
London Chamber of Commerce
London Councils
London Institutes for Adult Learning
London Libraries
NCFE
Newcastle College Group (NCG)
New City College
Newham College
North East Surrey College of Technology (NESCOT)
North Kent College
Professional Training Solutions
Redbridge Institute of Adult Education
Richmond and Hillcroft Adult and Community College
Richmond upon Thames College
Royal Borough of Greenwich
Royal Borough of Kensington and Chelsea
Shrewsbury Colleges Group

Skills Training UK
South Essex College
South London Partnership
Southwark Council
Stanmore College
Stephen Hudson
Surrey Adult Learning
Sutton College
The Bell Foundation
TUC (London East and South East)
University and College Union
West London Alliance
West London College
Westminster Adult Education Service
Wokingham Borough Council
Wonder Foundation

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