

GREATER **LONDON** AUTHORITY

Annual Report to HM Government - Adult Education Budget 2019/20

Introduction

- 1 The Secretary of State for Education published [Guidance for the Mayor of London and Greater London Authority on the exercise of delegated adult education functions](#) in July 2019. This guidance includes the requirement that the Mayor must provide HM Government with an annual report each year, which provides key information about the delivery of adult education functions in London.
- 2 This report relates to the first year of delegation and as such no previous full year data is available for reporting purposes. As a result, the report does not include an analysis of delivery or local impact against the statutory entitlements for adults in London. This information will be included in the Annual Reports from January 2021 onwards, which will also draw on future evaluation of the programme.

Policies for Adult Education

- 3 The Mayor published the [Skills for Londoners Strategy](#) in 2018, which is the first post-16 skills and adult education strategy produced for the capital by a Mayor of London. It sets out the contextual skills challenges London faces, along with the priorities and actions required to make the London skills system the envy of the world and achieve the Mayor's vision for:
'A City for all Londoners - making sure Londoners, employers and businesses get the skills they need to succeed in a fair, inclusive society and thriving economy.'
- 4 The Strategy was shaped by public consultation between November 2017 and January 2018. This included ten consultation events and written submissions from London's public, private and voluntary stakeholders.
- 5 To support the Strategy, the Mayor publishes an annual [Skills for Londoners Framework](#) to engage and consult stakeholders on the development of the Adult Education Budget (AEB) and wider skills delivery in London. Each Framework document seeks feedback about how best to develop AEB provision to deliver the objectives of the Strategy. It sets out implementation plans for the AEB, as well as the European Social Fund (ESF) and the Skills for Londoners Capital Fund.
- 6 The Mayor has published three Framework documents to date. The first Framework was consulted upon in Summer 2018 and set out proposals for the implementation of AEB provision in London. A [report](#) analysing the responses to the consultation and identifying changes made to the final Framework was published by the GLA.

- 7 Following consultation, the following changes to the AEB were introduced in 2019/20:
- To ensure that AEB-funded provision addresses the challenges faced by those in low-paid work, the Mayor agreed to fully fund skills provision for eligible adults earning below the London Living Wage to ensure they are better supported to progress in work and life.
 - To support inclusion, an entitlement to fully funded British Sign Language for Deaf Londoners was introduced by the Mayor to address the exclusion of Deaf learners and support the delivery of more accessible AEB provision in the capital.
 - In order to target resources more effectively to meeting the needs of Londoners, the Mayor implemented a cap on subcontracting management fees of 20% to increase the quality and assurance of AEB delivery and to ensure that an appropriate level of funding is directly supporting residents at partner delivery organisations.
 - To maximise the funding available for skills provision, an annual amount of £32.5m was introduced by the Mayor for AEB procured provision to match fund ESF programme delivery in London and lever in an additional £70m of skills programme funding over four years.
- 8 In 2019, the Mayor published a second Framework document to consult on policy changes for the [AEB for the Academic Year 2020/21](#) and beyond. [A summary report of the consultation](#) was published in December 2019.
- 9 As a result of this consultation, the following changes to AEB provision in the London were introduced for 2020/21:
- The Mayor launched the Skills for Londoners Innovation Fund to support new and innovative approaches to AEB provision and, in particular, to address identified skills challenges such as the engagement of disadvantaged residents in priority sectors. Some 28 projects are now being supported to deliver better outcomes across the capital.
 - To address the poor levels of adult attainment in maths and English at Levels 1 and 2, the Mayor has introduced a funding uplift to ensure the resources are available to support rapid improvement in AEB qualification achievement rates.
 - To meet the challenge of growing demand for SEND places in London and to ensure that the AEB supports inclusive delivery, the Mayor has introduced skills training flexibilities for the education and training workforce to build capacity and improve the accessibility to provision for learners with learning difficulties and/or disabilities.
- 10 The Mayor is currently consulting on the third annual [Framework](#) document, which is seeking feedback from stakeholders on further AEB and wider skills developments from 2021/22.

- 11 [Skills for Londoners: A Call for Action](#) was published by the Mayor with London Councils in September 2019 setting out the case for further devolution of education and training in London to establish an integrated, properly funded skills and employment system that can meet the city's challenges now and in the future.

Engagement with partners

- 12 The Mayor is committed to engaging with partners and stakeholders to ensure a more responsive and effective skills system to meet the needs of Londoners and London's employers. As part of this, the Mayor established a [Skills for Londoners Board](#) which advises on actions to support the Skills for Londoners Strategy. The board membership includes representatives from the Association of Colleges, Association of Employment and Learning Providers, HOLEX, London Councils, LEAP - London's Local Enterprise Partnership, London First, the Federation of Small Businesses and Sub-Regional Partnerships of boroughs including West London Alliance, Central London Forward, Local London and South London Skills and Employment Board. Subgroups of the Board include: the Outcomes for Londoners Advisory Group, Skills for London Construction Sub-Group, and the Higher-Level Skills Advisory Group.
- 13 In addition, the Mayor has established a [Skills for Londoners Business Partnership](#) to advise on occupational skills requirements and improvements to the skills system in London.
- 14 Through the creation of a London Skills and Employment Unit, the GLA, on behalf of the Mayor, has established dedicated relationship managers to enable regular engagement with colleges, training providers and local authorities, as well as their representative bodies, to respond to and support the development and delivery of the AEB and the wider education and skills system in London.

Key financial information

- 15 The table below sets out the expenditure of AEB relating to the 2019/20 teaching year from August 2019 to July 2020.

Items	Budget (£)	Budget Expenditure Forecast (£)	19/20 Budget Financial Year End (Aug - Mar 20) £	19/20 Expenditure Forecast Financial Year End (Aug - Mar 20) £	20/21 Budget Financial Year End (Apr-Jul) £	20/21 Expenditure Forecast Financial Year End (Apr-Jul) £
Grant Provision	262,891,610	262,497,602	164,889,000	164,141,498	98,002,610	98,356,104
Procured Provision	32,500,000	32,500,000	21,667,000	15,166,900	10,833,000	17,333,100
Innovation Funding	6,418,265	7,319,523	1,284,000	2,283,152	5,134,265	5,036,371

Management and Administration	4,635,000	4,127,750	2,991,667	1,881,235	1,643,334	2,246,515
Total	306,444,875	306,444,875	190,831,667	183,472,785	115,613,209	122,972,090

- 16 The table shows a forecast reprofile of £7,358,881 at the end of March 2020, which is committed to AEB delivery in London in the Financial Year 2020/21. In particular funds are committed to deliver AEB Procured Contracted Delivery as the GLA procured four-year contracts with providers with the facility for providers to seek a 10% contract increase against the lifetime of their contract value. The aggregated annual commitment under these contracts is £32.5m.
- 17 The Mayor remains committed to making timely funding decisions related to provider performance (subject to budget availability) and has recently endorsed the principle that grant-funded providers who overperform in 2019/20 will be considered for growth funding after final provider claims in October 2020.
- 18 Regarding potential growth for over-performing AEB procured providers, this will be agreed as soon as possible following the performance management point in May 2020 as set out in the [Funding and Performance Management Rules for Procured Providers](#).

Further information

- 19 Please contact the AEB team at AEB@london.gov.uk for further information.



Sadiq Khan, Mayor of London

01 April 2020
Date