

# **Adult Skills Fund (ASF) Assurance Framework**

**Supporting accountability, transparency and value for money**

## **Key information**

Publication type: General

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## **Introduction**

The Adult Skills Fund (ASF) Assurance Framework sets out how the Greater London Authority (GLA) manages London's ASF as delegated to the Mayor of London by the Secretary of State for Education.

The GLA has volunteered to publish this document as part of leading the way in terms of our commitment to [openness and transparency](#) in our policy and decision making.

In order to receive ASF functions and funding, the GLA was required to meet certain readiness conditions set by the Department for Education (DfE).

The ASF Assurance Framework has been shaped around these readiness conditions to ensure consistency. It also aligns with the Guidance for the Mayor of London and Greater London Authority (the "London Guidance") issued by the Department for Education which ensures that funding and provider management arrangements are agreed upon by the Mayor with providers in a way that minimises costs and maximises consistency and transparency. This Assurance Framework also builds on the National Local Growth Assurance Framework for Mayoral Combined Authorities (MCAs) with a single pot funding arrangement.

The Free Courses for Jobs (FCFJ) programme is administered via the ASF and is therefore also covered under this Assurance Framework. The FCFJ grant paid to the GLA by DfE is ring-fenced and can only be used to support eligible expenditure.

This document is designed to provide the same level of assurance in London's management of the ASF as that demonstrated by the MCAs in their Local Growth Assurance Frameworks.

The Assurance Framework is reviewed annually to ensure the GLA's governance arrangements for delivering the ASF remain compliant with HM Government requirements and stakeholder expectations.

# 1. Governance and decision-making

This Framework provides assurance that the Greater London Authority (GLA) has in place the necessary systems and processes to manage delegated functions and funding relating to the ASF effectively.

This section sets out the governance and decision-making arrangements, including how and when decisions are taken, and by whom.

## 1.1 Governance and decision-making

### Delegation of Functions – key documents

1.1.1 The [delegation letter](#) and [Memorandum of Understanding \(MoU\)](#) between the Mayor and the Secretary of State for Education were signed in January 2019. These documents confirmed the delegation of certain statutory functions and funding relating to the transfer of the Adult Education Budget (now ASF) to the Mayor of London from the 2019-20 academic year (1 August 2019).

### Governance Structure

1.1.2 The Mayor approved the governance arrangements for implementing and managing the statutory functions relating to the ASF in July 2018 under [Mayoral Decision \(MD\)2328 – Governance arrangements for statutory functions relating to AEB](#). This included the establishment of key decision-making bodies for ensuring that these functions are implemented and delivered effectively. [MD2255 – Devolution of the Adult Education Budget to the Mayor](#) provides further information on the Mayor's decision to accept the ASF functions.

### Adult Skills Fund Mayoral Board

1.1.3 The ASF Mayoral Board (formerly the AEB Mayoral Board) is chaired by the Mayor and is the key forum for ensuring that the statutory functions relating to the ASF, as delegated by the Secretary of State for Education to the Mayor of London under Section 39A of the Greater London Authority Act 1999 from 1 August 2019, are implemented and delivered effectively.

1.1.4 Under the legislative framework permitting the delegation of functions to the Mayor, he is excluded from delegating any decisions further and must take them personally. The ASF Mayoral Board provides an opportunity for the Mayor to actively consider pending decisions before making any final decision either at the meeting or through the GLA decision making procedures, notwithstanding that decisions cannot be delegated under the GLA's usual financial thresholds, as set out in [Mayoral Decision Making in the GLA](#). As such, all decisions must comply with the GLA's corporate governance, financial, legal and procurement frameworks and

processes. The implementation of Board recommendations is undertaken through the GLA's decision making process.

1.1.5 In July 2024, under the cover of MD3278, the Mayor approved changes to the ASF Mayoral Board constitution to revise membership in light of the Deputy Mayor for Business and Growth taking on oversight of the Mayor's priorities for adult skills, and to update terminology in light of the change from AEB to ASF.

1.1.6 In March 2021, under the cover of [MD2736](#), the Mayor approved changes to the ASF decision making process, implementing a two-tier process whereby decisions can either be made by the Mayor at the ASF Mayoral Board meeting, or by Mayoral Decision (MD) form. The process is set out in detail at paragraphs 1.2.4 – 1.2.7 of this chapter, and guidance on the types of decisions that can be made under each tier are set out at the end of this chapter under the 'Schedule of Matters Reserved to the Mayor'. The changes were put in place in order to:

- provide guidance as to which decisions may be taken by the Mayor via the ASF Mayoral Board and those which require a MD form under the [Mayoral Decision Making in the GLA' framework](#);
- maintain robust and lawful decision making whilst enabling routine programme decisions to be taken quickly and effectively; and
- meet the needs of internal and external stakeholders.

1.1.7 Any decisions taken through the urgency procedure require an MD form (notwithstanding the exceptions set out at paragraph 10.5 of the ASF Mayoral Board constitution), and the two-tier approach set out above does not apply. Further detail on the urgency procedure is set out in section 10 of the ASF Mayoral Board constitution.

#### *Board membership*

1.1.8 The [ASF Mayoral Board](#) comprises the following members:

- Mayor of London – Chair;
- Deputy Mayor for Business and Growth;
- Mayor's Deputy Chief of Staff;
- Chief Finance Officer; and
- any other appointment that the Mayor deems to be in furtherance of the Board's aims.

1.1.9 Final ASF decision making rests with the Mayor and all other members attend in an advisory capacity.

#### *Roles and responsibilities*

1.1.10 The purpose of the ASF Mayoral Board is to consider proposals in relation to:

- the strategic priorities and funding requirements for the ASF, including alignment to the Mayor's strategic priorities;
- the modelling of funding allocations for the ASF programme;
- the funding allocations to education and training providers;
- any redistribution of allocated funding in the ASF programme;
- any key programme risks identified; and
- any other area that the Mayor determines is needed in order to exercise his delegated authority.

1.1.11 The ASF Mayoral Board constitution sets out further details on how the Board operates, including its membership and terms of reference.

1.1.12 The ASF Mayoral Board is informed by the recommendations of other GLA Skills & Employment stakeholder advisory groups as set out below.

### **Skills for Londoners Board**

1.1.13 Although accountability for all decision making sits with the Mayor, the GLA recognises the need to engage with key stakeholders including London's boroughs, Further Education Colleges and Independent Training Providers, as well as employers, particularly in relation to ensuring strategic priorities are being met and are addressing the local need.

1.1.14 The Skills for Londoners Board fulfils this purpose and was established to advise the Mayor on the ASF programme, as well as help to inform the GLA's thinking on other skills and employment funding priorities.

1.1.15 In order to provide a balance of members, the Board comprises representatives from London's boroughs, Further Education Colleges and Independent Training Providers as well as London's employers and businesses.

1.1.16 The Skills for Londoners Board constitution is available on the GLA website and sets out further details on how the Board operates, including its membership and terms of reference.

### **Jobs and Skills Business Partnership**

1.1.17 The Jobs and Skills Business Partnership sits alongside the Skills for Londoners Board and brings together business/employer representatives to advise the Mayor on how to improve and align skills provision, including specialist and higher-level skills provision (considering progression routes to higher education), to meet skills needs in London.

1.1.18 The Jobs and Skills Business Partnership is responsible for advising the Mayor and the Skills for Londoners Board on meeting occupational skills requirements through City Hall's skills and employment programmes, including the ASF.

1.1.19 Membership comprises representatives from London's business, employers and representative bodies encompassing such categories as the Mayor considers will best further the Partnership's purpose. A Member of the Jobs and Skills Business Partnership is also a member of the Skills for Londoners Board, with a role in ensuring collaborative working across the Mayor's skills agenda.

1.1.20 The Jobs and Skills Business Partnership constitution sets out further details on how the Partnership operates, including its membership and terms of reference.

### **Subordinate Bodies**

1.1.21 The Skills for Londoners Board and Jobs and Skills Business Partnership are able to establish subordinate bodies to assist in meeting their objectives. A full list of subordinate bodies and further information about their work, including terms of reference, is available on the [Skills for Londoners Board](#) and [Jobs and Skills Business Partnership](#) web pages.

### **Governance Structure Chart**

1.1.22 An ASF governance structure chart and further information about the Boards and their subordinate bodies is available on the Skills & Employment governance and decisions page on the GLA website.

## **Conduct of Board Members**

1.1.23 All non-GLA Board Members (and members of any subordinate bodies) are required to sign terms of appointment which include a requirement to observe the seven principles of public life ('The Nolan Principles'). A Code of Conduct, which further details the expectations of members, is issued by the GLA following appointment.

1.1.24 Board members who are also GLA staff are required to adhere to the [GLA Code of Ethics and Standards for Staff](#), which sets out the role of the Authority's staff in assisting the Mayor and Assembly and details expectations in relation to declarations of interest, as well as confidence and trust.

## **Diversity**

1.1.25 London's diversity is its biggest asset and the Mayor of London strives to reflect London's diversity in all Board appointments. In undertaking work in connection with our stakeholder advisory boards, members are asked to ensure that the diversity of London's communities and economy is acknowledged and embedded in all aspects of the Board's work.

1.1.26 The Mayor has published his [Equality, Diversity and Inclusion Strategy](#) that sets out how he will work to create a fairer, more equal, integrated city where all people feel welcome and able to fulfil their potential.

1.1.27 Equality comments are required on every report presented at the above board meetings, and on every formal decision form, demonstrating how equality issues have been considered in the process of arriving at the recommended decision.

1.1.28 Where a report concerns commissioning activities, report authors are required to demonstrate that they have considered the Skills & Employment Unit's Inclusive Commissioning Protocol. Where the protocol has not been applied, justification for this must be provided.

## **Officer Support**

1.1.29 The ASF programme is supported by staff within the GLA's existing structures.

1.1.30 The Executive Director for Communities & Skills or their nominee acts as the Senior Responsible Owner for the ASF programme, and the GLA's Executive Director of Resources acts as the GLA's Chief Finance Officer. Programme and project support is provided by the Skills & Employment Unit policy and delivery teams. GLA corporate support services (e.g. Finance and Human Resources) are also provided from within the GLA's existing support arrangements.

1.1.31 Governance arrangements consist of Skills & Employment Unit Senior Manager led delivery and performance groups which meet regularly to review, monitor and challenge performance, issues and risks of all Skills & Employment programmes. The Skills for Londoners Programmes Board, which is co-chaired by the Assistant Director (Policy) and Assistant Director (Delivery), Skills & Employment and includes officers from TfL Legal and GLA Finance and Governance as standing attendees, considers reports and recommendations from the Delivery and Performance groups ahead of submission to the ASF Mayoral Board.

1.1.32 Under ASF delegation arrangements, all formal decisions relating to the ASF are exercisable by the Mayor only and are not able to be delegated to officers under the usual GLA decision making thresholds. ASF processes that are purely operational, such as those associated with entering into contracts/grant agreements, payment profiling, non-significant variations and making provider payments are managed by GLA officers on his behalf via the Skills & Employment programme governance arrangements outlined above.

1.1.33 The tables setting out both the ‘Schedule of ASF Matters Reserved to the Mayor’ (through the MD form process, and those decisions he can take at the ASF Mayoral Board meetings), as well as the ‘Schedule of Officer Responsibilities’ are included at the end of this chapter. Processes for discharging the responsibilities set out in those schedules are included in Appendix A.

## **Use of Resources**

1.1.34 Resources are managed in line with programme requirements and compliance is ensured by GLA officers seeking legal and financial opinions as a part of implementing the Mayor’s decisions following recommendations by the ASF Mayoral Board and appropriate appraisal by the GLA’s decision making processes.

1.1.35 The GLA’s Financial Framework is contained within the [GLA's Financial Regulations](#) and applies to all ASF funding.

1.1.36 Under the Financial Regulations, the GLA’s Executive Director of Resources acts as the GLA’s Chief Finance Officer and has statutory duties in relation to the financial administration and stewardship of the GLA. This statutory responsibility cannot be overridden. The statutory duties arise from:

- Section 127 of the GLA Act 1999;
- The Local Government Finance Act 1988;
- The Local Government and Housing Act 1989;
- The Local Government Act 2003; and
- Accounts and Audit (Amendment) (England) Regulations 2006.

## **1.2 Accountable and transparent decision-making**

1.2.1 The Mayor is committed to openness and transparency in his administration and will make sure the work of the Boards set out above is in line with Mayoral policy and stakeholder expectations wherever possible.

### **GLA Website**

1.2.2 The primary source of information relating to the ASF in London is on the GLA website at [www.london.gov.uk/what-we-do/jobs-and-skills](http://www.london.gov.uk/what-we-do/jobs-and-skills). The webpages contain key documents and information relating to delivery of the AEB.

### **Making and recording decisions**

1.2.3 All proposed ASF decisions are considered by the ASF Mayoral Board (after consultation with the SfL Board, Jobs and Skills Business Partnership or subordinate body as appropriate) prior to the final decision being

taken by the Mayor either at the ASF Mayoral Board meeting or via a formal Mayoral Decision being obtained.

1.2.4 Under the cover of [MD2736](#), the Mayor approved a two-tier ASF decision making process by which AEB decisions can be made by the Mayor. The process by which the Mayor makes decisions at ASF Mayoral Board meetings was subsequently updated under the cover of [MD3145](#). The process is as follows:

- ASF decisions that require endorsement by the ASF Mayoral Board and approval by the Mayor via an MD form. This includes, but is not limited to: strategic direction and priorities; overarching governance & decision making arrangements; the ASF commissioning strategy and overarching annual budget; and provider allocations for the year. Decisions taken in this way should first be considered by the ASF Mayoral Board before the MD form is submitted for approval through the Mayoral decision making process. Where required, all overarching MDs will set the parameters under which the ASF Mayoral Board can consider the matter and the Mayor can make decisions at the ASF Mayoral Board meeting. In addition, if changes are required to the MD after approval, it would be subject to the following variation procedure:
  - Where the value of a Financial Commitment associated with a decision changes, then a new MD form is required unless the original MD form has set out specific criteria or financial thresholds.
  - If there are significant changes to the nature of a decision, the basis on which it was taken or to the outcomes being pursued, then a new MD form may also be required, subject to consultation with GLA Governance.
- **ASF decisions that can be approved by the Mayor at the ASF Mayoral Board meetings.** This includes decision making that falls within the scope of any MD form setting the strategic direction or Mayoral priorities (and where these do not affect the basis of the original decision) and/or where a decision is not, according to the rules set out in Mayoral Decision Making in the GLA, reserved to the MD process (see below and Section 1.6). The ASF Mayoral Board minutes will constitute the formal record of decisions made in this way. Should the Mayor or other members of the ASF Mayoral Board require amendments to any recommendations, the decision is automatically referred to MD and submitted once the changes have been made.

1.2.5 Guidance on the types of decisions that sit under each tier is set out in the ‘Schedule of ASF Matters Reserved to the Mayor’ at the end of this chapter. Processes that are considered operational are defined in the ‘Schedule of Officer Responsibilities’.

1.2.6 As a general principle, any decisions that, under the ‘Mayoral decision making in the GLA’ framework, would usually require an MD form (i.e. for areas outside of the ASF) will still be subject to the MD form process. Decisions that would usually be delegated but cannot be due to the restrictions relating to the ASF, can be taken by the Mayor at the ASF Mayoral Board meetings (rather than through an MD form).

1.2.7 Any decisions considered to be ‘novel, contentious or repercussive’ remain subject to the MD form process. The ASF Mayoral Board also reserves the right to refer any recommended decision to the MD form process, even where the decision could be approved by the Mayor at the ASF Mayoral Board meetings.

1.2.8 Wherever possible, agendas and reports are published on the GLA’s website five clear working days before the meeting to which they relate. Only in exceptional circumstances will the agenda and reports be tabled at the meeting or circulated within the five clear working day period.

1.2.9 All reports are released with the agenda except in those cases where officers reasonably consider that information may be exempt from disclosure under an applicable exemption under the Freedom of Information Act 2000 (FOIA). These reports will be classed as ‘reserved from publication’.

1.2.10 The main exemptions that are likely to make information reserved relate to the following (although others may be applicable under the FOIA):

- commercial sensitivity;
- information provided in confidence;
- personal data;
- legal professional privilege; and
- information intended for publication at a future date.

1.2.11 Board meetings are not held in public, reflecting the accountability arrangements Parliament has put in place for the GLA, in that the Mayor's decisions are scrutinised by the London Assembly, including through Mayor's Question Time only after he has taken decisions.

1.2.12 Summary minutes of the meetings of the Boards are usually posted on the GLA's website within two weeks of the meeting to which they relate, with a final version published within ten clear working days of approval, which would normally take place at the following meeting.

### **In taking forward advice from the AEB Mayoral Board**

1.2.13 Where the ASF Mayoral Board has recommended to the Mayor a funding decision, this is subject to GLA officers conducting due diligence on that decision, including financial appraisal. Transparency in taking this forward is assured through the GLA's decision making processes and through publication of ASF Mayoral Board reports as well as all GLA decision forms.

### **Freedom of Information and Environmental Information Regulations requests**

1.2.14 The Mayor of London is committed to complying with the Freedom of Information Act 2000 and Environmental Information Regulations 2004.

1.2.15 Reports that are reserved from publication can be requested under the relevant legislation, at which stage the GLA will consider these requests on a case-by-case basis (taking into consideration such factors as timing, any applicable exemptions and the public interest test).

1.2.16 The GLA website includes a link on every page of the website to a dedicated [Freedom of Information](#) page which outlines how to make requests and complaints.

### **Managing conflicts of interest, gifts and hospitality and complaints**

1.2.17 All Board members are required to complete the GLA Register of Interests (RoI) form. When undertaking work in connection with the AEB, Members are required to agree to comply with the standards and processes relating to conduct as detailed in their Terms of Appointment and the Code of Conduct ('the Code') as set out in letters of appointment, and any relevant applicable provisions of the [GLA Group's Corporate Governance Framework Agreement](#). The Code includes provisions in relation to adhering to the seven principles of public life ('the Nolan principles') and the potential disclosure and registration of personal interests. The Code acts to ensure the probity of those appointed to the boards.

1.2.18 Members are also required to disclose the receipt of gifts or hospitality valued over £50 in the course of their work for the Board.

## **Complaints and Whistleblowing**

1.2.19 The Jobs and Skills webpages on the GLA website provides information on how Learners, Parents, authorised representatives of learners and employers can complain about the ASF programme in London via the Skills complaints procedure . Members of the public who are not listed above or are unsatisfied with the Skills complaints procedure, can escalate their complaint to stage two of the [GLA complaints procedure](#). The latter includes a link to a secure form through which confidential complaints can be made.

1.2.20 The GLA has set out guidance on how staff can raise concerns about wrongdoing in the workplace where they believe the public interest is not being served. Although primarily for staff, the [Whistleblowing Policy](#) and associated guidance also explains how others can raise concerns about the GLA's work.

## **Local Engagement**

1.2.21 While decision making in relation to the ASF programme sits directly with the Mayor, the GLA is committed to working closely with stakeholders, including London's boroughs, Further Education colleges, independent training providers and businesses to enable collective engagement in decision making on skills priorities, including the ASF.

1.2.22 Stakeholders are engaged through a range of informal meetings, briefings and events, as well as through formal meetings of the Skills for Londoners Board and Jobs & Skills Business Partnership. London Councils (the umbrella organisation for the boroughs and the City of London Corporation) nominates five members to the Skills for Londoners Board. This includes the London Councils' Executive Member for Employment & Skills who Co-Chairs the Board, and representatives from each of the four sub-regional partnerships. Employer Representative Bodies are represented on both the Skills for Londoners Board and the Jobs & skills Business Partnership and individual employer/business members are appointed to the latter.

1.2.23 Stakeholders are engaged during the process of designing new policies and will continue to be consulted as these arise.

## **Arrangements for Project Delivery**

1.2.24 All contracts/grants recommended and endorsed by the ASF Mayoral Board are subject to the GLA's procurement and associated financial management processes. The GLA takes responsibility for ensuring effective delivery including where subcontractor delivery bodies have been appointed.

## **Priorities and mechanisms for enhancing social value**

1.2.25 Under Section 30 of the Greater London Authority Act 1999 the GLA uses its power to promote economic, social and environmental development, and wealth creation to implement advice to the Mayor. The GLA also uses its Responsible Procurement Policy that guides procurement to enhance social value. In addition, the inclusive commissioning protocol developed by the Skills & Employment Unit ensures that supplier diversity is encouraged.

## **1.3 Use of independent scrutiny**

1.3.1 The GLA operates several structures to ensure that ASF decision making is subject to independent scrutiny. Arrangements include scrutiny by the London Assembly in line with its role described in the Greater London Act 1999 and specifically its Economy, Culture and Skills Committee and Budget and Performance Committee.

1.3.2 In addition, all decision making is subject to sign-off by senior officers who are all independent from the ASF Delivery team (including sign-off from the GLA's Finance team). Sign-off is also sought from the GLA's Executive Director for Communities and Skills on all ASF MD forms.

1.3.3 The ASF is included in the annual Mayor's Office for Policing and Crime (MOPAC) audit schedule allowing for MOPAC auditors to scrutinise ASF management and allocation processes. MOPAC audit reports are reported to the London Assembly Audit Panel who scrutinise the recommendations. The GLA's external auditors are also able to review the ASF payments and financial information.

## 1.4 Risk management

1.4.1 The GLA has a [Risk Management Framework](#) that all GLA funding is subject to. A senior officer (Executive Director of Communities & Skills) is the Senior Responsible Owner (SRO) responsible for overseeing officers in identifying and managing risk for the ASF.

1.4.2 The Skills & Employment Unit has implemented a Risk and Issue management protocol in line with the GLA framework. The protocol describes how the Unit manages risks and issues in its portfolio, including ASF risks, through the Unit's governance structures. This includes escalation to the ASF Mayoral Board and separately through GLA corporate governance processes to the London Assembly, including reporting in the Corporate risk register. Further detail in relation to governance and decision making for the ASF in London is available at: [london.gov.uk/what-we-do/jobs-and-skills/jobs-and-skills-governance-and-partners](https://london.gov.uk/what-we-do/jobs-and-skills/jobs-and-skills-governance-and-partners).

## 1.5 Equality and diversity

1.5.1 In his [Equality, Diversity and Inclusion strategy](#) published in 2018, 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 makes assurances that providers do as well:

- Grant providers are required to have criteria for how they will administer and distribute ASF funds; these must reflect the principles of equality and diversity;
- Grant providers are required to adhere to the Equality Act 2010 and to promote principles that support equality of opportunity for all;
- In their bid, commissioned providers are required to explain how they, as organisations, are representative of the communities they seek to serve. This includes positively promoting and encouraging diversity and equality at all levels within their organisations and eliminating unlawful discrimination, harassment and victimisation.

1.5.2 The education inspection framework (EIF) published by Ofsted in 2019 aims to eliminate discrimination and advance equality of opportunity. All providers are subject to inspections by Ofsted and therefore will take the EIF into consideration.

1.6 Schedule of ASF matters reserved to the Mayor and officer responsibilities

1.6.1 The tables in this section set out the following:

Table 1: Schedule of ASF Matters Reserved to the Mayor, which defines decisions that may be made by the Mayor at the ASF Mayoral Board meetings, and those that are reserved to MD form. This table should be considered as guidance and all ASF decisions should be made in line with the Mayoral Decision Making in the GLA framework.

Table 2: Schedule of Officer Responsibilities, which defines operational matters that may be undertaken by officers on behalf of the Mayor.

**Table 1: Schedule of ASF Matters Reserved to the Mayor**

For details of the current processes relating to this schedule, including substantive changes to the ASF Funding Rules and Rates in-year and varying contracts, including financial thresholds, see Part 1 of Appendix A.

1. Decisions reserved to a Mayoral Decision (MD) Form	2. Decisions which may be taken by the Mayor at the ASF Mayoral Board
<b>Governance and Procedural</b>	
<ul style="list-style-type: none"> <li>Approval and review of the ASF Assurance Framework, including substantive changes in the following areas: <ul style="list-style-type: none"> <li>Performance management strategy;</li> <li>Provider audit approach;</li> <li>Data management approach; and</li> <li>Governance and decision making arrangements and approval of the ‘ASF Matters reserved for the Mayor’ and ‘Schedule of Officer Responsibilities’.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Approval of ASF programme plan each year and oversight of its implementation.</li> <li>Review and approval of: <ul style="list-style-type: none"> <li>performance management and monitoring approach;</li> <li>programme risks and issues, including any risk management strategy as required.</li> </ul> </li> <li>Review and agreement on actions to implement recommendations identified by external and/or internal audit reports.</li> </ul>
<b>Financial assurance</b>	

1. Decisions reserved to a Mayoral Decision (MD) Form	2. Decisions which may be taken by the Mayor at the ASF Mayoral Board
<ul style="list-style-type: none"> <li>• Approval of the annual budget, including the main budget categories, including (but not limited to): <ul style="list-style-type: none"> <li>◦ Grant provision;</li> <li>◦ Commissioned provision; and</li> <li>◦ Management &amp; Administration.</li> </ul> </li> <li>• ASF commissioning strategy, including ‘indicative’ and ‘final’ provider allocations (see also ‘Managing Provision’).</li> <li>• In-year budget changes where funding is transferred between the main budget categories including: <ul style="list-style-type: none"> <li>• Resulting from any increases or decreases to the overall allocation from HM Government; and</li> <li>• Virements between the ‘top line’ budget categories.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• In-year changes (budget reprofiles) to the annual budget allocations (as per the main budget categories agreed annually by the Mayor via MD) that remain within the main budget categories.</li> <li>• Transfers between subcategories within the Management &amp; Administration budget line that have previously been agreed by MD and subject to the GLA Financial Regulations (unless considered novel, contentious or repercussive in which case it will be deferred to MD).</li> </ul>
<b>Strategy and Policy</b>	
<ul style="list-style-type: none"> <li>• Strategic direction and priorities (including those identified through stakeholder consultation activities).</li> <li>• Policy decisions that cannot be aligned with the overall strategic direction.</li> </ul>	<ul style="list-style-type: none"> <li>• Policy decisions designed to achieve the overall strategic direction.</li> <li>• Agreement of research and evaluation priorities, consideration of findings and approval to publish final reports (where undertaken by the GLA).</li> <li>• Approval of any formal stakeholder consultation exercise(s) designed to inform Strategy and/or Policy.</li> </ul>
<b>Managing Provision</b>	

1. Decisions reserved to a Mayoral Decision (MD) Form	2. Decisions which may be taken by the Mayor at the ASF Mayoral Board
<ul style="list-style-type: none"> <li>• Agreement of ASF funding rules, where substantive changes are made to the previous version, such as relating to provider management or to agree new GLA policies (where no changes have been made, the Funding Rules will be presented to the ASF Mayoral Board for noting on an annual basis).</li> </ul>	<ul style="list-style-type: none"> <li>• Minor in year changes to ASF Funding Rules and Rates to improve provider management or to implement new GLA policies, subject to the policy decisions that they derive from having been separately agreed by MD where required ).</li> <li>• Changes to individual provider allocations (payment profiles/deliverables) including: <ul style="list-style-type: none"> <li>◦ Approval of payment profile (in line with previously agreed policy changes and HM Government's standard national profile);</li> <li>◦ 'Significant variations to the value of a contract for services/grant agreement; and</li> <li>◦ 'Significant' growth requests and reduction statements.</li> </ul> </li> <li>• Procedural matters relating to contracts/grant agreements: <ul style="list-style-type: none"> <li>◦ Agreeing the standard form of contract/grant agreement;</li> <li>◦ Entering into provider contracts/grant agreements;</li> <li>◦ Significant variations to terms of contract/grant agreement) i.e. variation to the standard form of contract/grant agreement.</li> </ul> </li> </ul>
Other	

1. Decisions reserved to a Mayoral Decision (MD) Form	2. Decisions which may be taken by the Mayor at the ASF Mayoral Board
<ul style="list-style-type: none"> <li>Any novel, contentious or repercussive decisions, and any decisions referred to MD by the ASF Mayoral Board.</li> <li>Any proposals that require amendments following consideration at an ASF Mayoral Board meeting.</li> <li>Any matters not covered in this table and not agreed as 'operational' as set out in the 'Schedule of Officer Responsibilities' in the ASF Assurance Framework are to be decided by MD.</li> </ul>	<ul style="list-style-type: none"> <li>The ASF Mayoral Board reserve the right to refer any decisions outlined above to the formal MD process.</li> </ul>

*Note: In cases where a decision is needed urgently and there is no scheduled ASF Mayoral Board meeting and no opportunity of an extraordinary meeting, the ASF Mayoral Board urgency procedure will be followed and the final decision will then be taken via the standard MD form process.*

## Table 2: Schedule of Officer Responsibilities

All matters listed under 'the 'Schedule of officer responsibilities' below are actioned in accordance with the applicable legislative framework, HM Government guidance and relevant GLA policies and procedures.

Document/process
<i>Procedural Matters relating to contracts/grant agreements</i>
Minor variations to the standard form of contract/grant agreement e.g. to correct a clerical error or to ensure compliance with evolving law.
Termination of ASF grants or contracts for services pursuant to the general staff authorisation in the Mayoral Decision-Making in the GLA Framework.
<i>Changes to individual provider allocations (payment profiles/deliverables)</i>
Variations to a payment profile (where the overall contract/grant value remains unaltered)
Non-significant* growth requests and reduction statements

Non-significant* variations to the value of a contract of services/Grant Agreement  <i>*See table below for definition of ‘non-significant’.</i>
Changes to Volumes and/or of Services which do not impact on the value of a contract of Services/Grant.
Unlimited reduction to the value of a contract of services/grant value where the provider has voluntarily requested the reduction.
<i>ASF Funding Rules and Rates</i>
Publication of annual Funding Rules where no substantive changes are made from the previous version. Where this is the case, the Funding Rules will be presented to the ASF Mayoral Board for noting on an annual basis;  Minor in-year changes to GLA ASF Funding Rules such as alignment with the ESFA changes to improve consistency or to correct a clerical error or to ensure compliance with evolving legislation.
<i>Other</i>
‘Business as usual’ operational matters.

\*See table below for definition of ‘non-significant’.

#### **Table of value changes considered to be Non-Significant**

Commitment Value	Max Change in value (%)	Maximum change
<£300k	30	n/a
£300k - £1m	20	£100,000
£1m - £3m	15	£300,000
>£3m	10	£500,00

## **2. Financial assurance and auditing**

The GLA has robust arrangements in place to ensure effective delivery of the ASF. This section summarises the GLA's existing processes and outlines the GLA's Financial Assurance and Auditing approach.

## **2.1 Use of independent scrutiny**

2.1.1 The London Assembly Audit Panel has clearly defined terms of reference and plays a key role in enhancing public confidence in the governance of the GLA. The Panel is concerned with ensuring; the security and monitoring of financial systems; there is an anti-fraud culture; and the promotion of probity and good practice within the core GLA. The Panel works in liaison with the external auditors over their annual programme and, with the Mayor as appropriate, approves the internal audit annual plan. It deals with matters arising from external and internal audit activity and reviews the GLA's risk management framework.

2.1.2 The Panel meet on a quarterly basis receiving and considering appropriate reports from GLA officers and internal and external audit to effectively discharge its responsibilities as defined within its terms of reference.

## **2.2 Internal and external audit arrangements**

2.2.1 The GLA is required by the Accounts and Audit Regulations 2015 to undertake effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, considering public sector internal auditing standards.

2.2.2 The Head of Audit provides an independent and objective annual opinion on the effectiveness of risk management, control and governance arrangements for the GLA, which is published alongside the annual accounts in the public domain.

2.2.3 The external auditors for the GLA were appointed by the Public Sector Audit Appointments (PSAA). Both internal and external audit report to the London Assembly Audit Panel at each of its meetings and have direct access to the Chair in line with best practice.

## **2.3 Corporate governance framework**

2.3.1 The GLA has a clearly defined corporate governance framework which is regularly reviewed to ensure it is in line with best practice and to meet statutory requirements. An updated GLA Scheme of Delegation, Financial Regulations and Contracts Code are in place.

## **2.4 Monitoring and evaluation**

2.4.1 The GLA is compliant with the Local Audit and Accountability Act 2014. The London Assembly Audit Panel is concerned with ensuring the security and monitoring of financial systems. Terms of reference, details of committee members and minutes are publicly available.

2.4.2 The Internal Audit Charter sets out the roles and responsibilities in place to ensure an adequate and effective internal audit function is operating and for reporting to the Mayor and London Assembly should the possibility arise of a failure to maintain this requirement.

2.4.3 At a local level, the Skills & Employment Unit ensure appropriate and proportionate arrangements are in place for monitoring. Performance and spend is monitored on a regular basis for expenditure, output and outcome performance, and risks and issues as a minimum.

2.4.4 The specific outcomes that will be monitored and measured will differ depending on the type of intervention. Monitoring and evaluation focuses on those outcomes that are most relevant to the impact of the ASF programme objectives.

2.4.5 As mentioned in Chapter 1 of this Assurance Framework, the ASF is included on the annual MOPAC audit schedule allowing for auditors to scrutinise ASF processes.

2.4.6 Programme level evaluations are undertaken as appropriate.

2.4.7 An officer-level programme board has been established to oversee and monitor programme performance. Details of ASF governance arrangements can be found in Chapter 1 of this Assurance Framework.

## **2.5 Decision-making**

2.5.1 The GLA has a clear and transparent basis against which projects and programmes are initially identified, commissioned, appraised and prioritised. This basis is applied to all ASF finances.

2.5.2 Under the legislative framework permitting the delegation of ASF functions to the Mayor, he is excluded from delegating any decisions further and must take them personally. In July 2018, the Mayor formally put in place robust internal and external governance arrangements for overseeing the ASF programme, namely the ASF Mayoral Board, the Skills for Londoners Board and the Jobs & Skills Business Partnership. Further information about ASF governance arrangements is set out in Chapter 1 and further details of each board can be found here: <https://www.london.gov.uk/programmes-strategies/jobs-and-skills/governance-and-partners>

2.5.3 The Chief Finance Officer has overall responsibility for funding and sits on the ASF Mayoral Board.

## **2.6 ASF provider audit**

2.6.1 The Audit and Assurance approach was developed with input from MOPAC and incorporates joint working arrangements that have been agreed with the ESFA and Mayoral Combined Authorities (MCAs)

through the ASF Audit, Assurance, Fraud and Investigations Network. The Mayor approved a five year budget to implement a new adult skills approach under cover of MD3165 in October 2023.

2.6.2 GLA officers agreed to an audit code of practice with the ESFA and MCAs which sets out a common standard for the provision of assurance in relation to the funding of post-16 providers (including ASF).

2.6.3 Up to five organisations will be awarded a five-year audit contract following a competitive tender process. In addition, MOPAC will deliver audits where conflicts of interest exist with contracted firms. This would be covered under the shared service agreement that is currently in place with MOPAC.

## **2.7 Financial due diligence**

2.7.1 The following arrangements were applied to ensure appropriate financial checks and due diligence as part of the grant allocation and procurement processes.

2.7.2 The GLA receives financial information from the DfE territorial team about the financial health of providers following each national finance return.

2.7.3 All financial health assessments received are reviewed as part of the ongoing provider monitoring and intervention arrangements.

2.7.4 With respect to funded providers, the GLA has set out performance management arrangements including action to address weakness in financial health where this impacts on the funds delegated to the Mayor. This approach is outlined in the Managing Provider Performance Policy for Colleges and Local Authorities, and the Managing Provider Performance Policy for Independent Training Providers.

# **3. Data management**

To enable the development and maintenance of the adult education functions delegated by the Secretary of State, the GLA has devised a framework for the collection, processing and storage of data. This section sets out the approach to data management of the AEB to ensure processes are standardised, compliant and clear.

## **3.1 Data collection**

3.1.1 The GLA, DfE and ESFA will continue to maintain a Data Sharing Agreement (DSA) permitting the monthly transfer of AEB delivery data collected by providers in the Individualised Learner Record (ILR). The ILR is an ongoing, nationally specified collection of data about learners and the learning undertaken by them from providers. Data are transferred between parties using securely encrypted processes, with password-

protected access to ESFA systems, and a two-factor verification process to access DfE systems.

3.1.2 To carry out the delegated functions, the GLA is receiving some supplementary data direct from AEB providers for validation purposes, uploaded to OwnCloud (also known as FileCloud), a file sharing server; and supplementary data uploaded to the GLA Open Project System (GLA OPS), or its Skills Gateway platform. Uploads require password protected login access by providers and include:

- Monthly learner aggregated data in funding reports
- Supporting evidence for funding claims
- Detailed subcontracting plans
- Financial Health Assessments
- Detailed delivery plans
- Funding Claim data returns

3.1.3 In addition, the GLA directly collects supplementary information from providers which is shared with the Department of Work and Pensions (DWP) and is used to evaluate AEB Procured provision and for monitoring purposes in line with European Commission regulatory requirements. Delivery under the AEB Procured programme will conclude at the end of the 2022-23 academic year. However, providers will continue to be managed under the existing arrangements until the programme is formally closed – after the reconciliation process in January 2024.

3.1.4 The GLA will continue to work proactively with DfE and ESFA through the monthly Devolution Data Governance Group to identify data needs. Where it is recognised that additional data requirements go beyond what is currently collected in the ILR, such as the supplementary data required for GLA AEB Procured provision, the GLA and the ESFA will work together to manage potential changes to the system and minimise new data provision demands on providers, as well as to ensure efforts are not duplicated between commissioning bodies.

3.1.5 The GLA will continue to gather intelligence through provider engagement work on the most useful data to support the GLA initiatives outlined in the Skills for Londoners Framework. Implementation of this work will be informed by the Skills for Londoners Board; undertaken in consultation with providers; and incremental to balance the impact on providers with the possible benefits to be realised gathering data.

## **3.2 Data processing**

3.2.1 Data will be utilised by the GLA for operational use associated with the adult skills delegation process. This will include business processes such as:

- Calculating funding earned by providers to enable accurate payments;
- Monitoring and performance: managing provider delivery against allocation or contract, and evaluating quality and effectiveness of provision;
- Informing funding and commissioning decisions, research for policy development and modelling; and
- Conducting programme evaluation and impact analysis.

3.2.2 Recipients of operational data will be restricted to GLA officers with a genuine business need to undertake any processing or analysis.

### **3.3 Data storage and security**

3.3.1. Her Majesty's Government (HMG) security framework policy outlines the mandatory security outcomes expected of the GLA in handling HMG information. Alongside this, data handling will meet the conditions set out in the GLA information security policy which can be found [here](#).

3.3.2. As a Data Controller, it is the responsibility of the GLA to maintain adequate organisational and other technical measures to assure compliance with the obligations under the General Data Protection Regulation (GDPR). This will be overseen by the Chief Data Officer.

3.3.3. The GLA will ensure a full auditable governance of data from data collection to payment and analysis. Payments will be made based on funding calculations made from the ILR Occupancy and Funding Summary reports, which will be received monthly from the ESFA, and reconciled against a formal Funding Claim statement from providers at year end. This funding data will be stored securely on the GLA systems under the terms of the data sharing agreement.

3.3.4. The GLA will continue to maintain technical documentation of data governance arrangements including, but not limited to, Data Sharing and Processing agreements, Information Asset registers, data owner and user logs, Data Protection Impact Assessments and Skills Data Handling Policy. This documentation will continue to demonstrate the GLA's management of the risks to the services provided and to the confidentiality, integrity and availability of data assets through formalising the processes and procedures in place.

3.3.5. Appropriate data sharing agreements will be in place between the GLA and DfE to enable the sharing of ILR and other national data with the GLA, and for the GLA to share locally collected, processed data to the DfE to inform nationally published reports and performance measures.

3.3.6. The GLA may choose to commission external parties to conduct research and analysis on its behalf. Where the department agrees for the GLA to share data with named individuals in other organisations, the GLA will operate as a data controller of the shared data, and the other organisation operating as its data processor. The GLA will ensure there is a contract with the data processor which outlines the terms and conditions, to include safeguarding and the restriction of data processing.

### **3.4 Data publication**

3.4.1. Any data provided to other external entities (such as training providers) will be aggregated and no confidential, personal or identifiable material will be shared. Data will be made available on the London Datastore.

3.4.2. Publication of data by the GLA will be compliant with the rules and regulations set out by the UK statistics authority and agreed with the DfE.

3.4.3. The GLA will work jointly with the DfE and ESFA to respond to Freedom of Information requests.

## **4. ASF policy: funding rules and learner eligibility**

This section provides a summary of the ASF policy on funding and learner eligibility, approved by the Mayor of London.

The ASF policy seeks to support delivery of the Mayor's strategic priorities in relation to adult skills while also minimising the impact on providers and maintaining stability in the sector. The [Memorandum of Understanding \(MoU\)](#) between the Secretary of State for Education and the GLA sets out the arrangements for the transfer of ASF funding and agreed ways of working.

## 4.1 Key documents

4.1.1 The following documents set out the full details of the funding rules and rates for the AEB in London. All documents are updated annually and can be found on the Information for [GLA ASF Providers webpage](#):

- GLA ASF Funding and Performance Management Rules for Grant-funded Providers
- GLA ASF Funding Rates and Formula for All Providers
- GLA ASF Grant-Funded Provision Managing Provider Performance Policy 2024-25 for Colleges and Local Authorities
- GLA ASF Grant-Funded Provision Managing Provider Performance Policy 2024-25 for Independent Training Providers

## 4.2 Entitlement

4.2.1 The MoU summarises ASF entitlements, as set out in Apprenticeships, Skills, Children and Learning Act 2009, which enable eligible learners to be fully funded for:

- 'English and maths, up to and including level 2, for individuals aged 19 and over, who have not previously attained a GCSE grade A\* - C or grade 4, or higher; and/or
- first full qualification at level 2 for individuals aged 19 to 23; and/or
- first full qualification at level 3 for individuals aged 19 to 23.'
- Essential Digital Skills qualifications (EDSQs) or Digital Functional Skills qualifications (FSQs), up to and including level 1, for individuals aged 19 and over, who have digital skills assessed at below level 1

4.2.2 The MoU also notes that the 'Mayor will ensure equal access to English and Maths provision under the entitlement for people with relevant protected characteristics under the Equality Act 2010. This may include access to provision of English for Speakers of Other Languages (ESOL) courses.'

4.2.3 The MoU notes that the Secretary of State will continue to be responsible for determining which qualifications are covered by the entitlement but that the Mayor of London may choose to fund other provision (in addition to those specific entitlement qualifications), using the ASF.

4.2.4 As part of the Lifetime Skills Guarantee, a targeted level 3 adult offer – Free Courses for Jobs was introduced in 2021. This supports adults without an existing full level 3 qualification and, from April 2022, adults who meet the definition of 'low wage' or 'unemployed'. A separate ringfenced allocation is issued to

providers for this offer.

4.2.5 Providers are responsible for checking learner eligibility and claiming funding only for eligible learners in accordance with the criteria specified in the funding rules and rates documents.

### **4.3 GLA-specific changes to the funding rules**

4.3.1 Tables summarising the main changes to funding rules can be found in both the Grant Funding and Performance Management rules 2024-25. This document can be found as part of the [Information for GLA ASF Providers](#) section of the london.gov.uk website.

### **4.4 Performance management**

4.4.1 The approach to performance managing delivery of funded and subcontracted provision can be found in Chapters 5 and 6 of the Assurance Framework, which includes further detail about commissioned and grant funded ASF provision.

## **5. Grant-funded provision paid on profile**

This section sets out a summary of the approach approved by the Mayor of London to managing grants with providers, in line with his strategic priorities for adult skills. This includes: performance management and intervention; subcontracting; reporting; and ensuring compliance.

### **5.1 Approach to allocating grant funding**

5.1.1 The approach to allocating grant funding can be found in section 6.5 - Allocation and Payments.

### **5.2 Delivery and grant management approach**

5.2.1 The GLA will ensure appropriate and proportionate arrangements are in place for monitoring and evaluating delivery in line with the [Skills for Londoners Framework](#). Performance and spending will be monitored by a named Provider Manager for each provider. The Provider Manager will conduct termly meetings with the provider to monitor progress against delivery plans, expenditure, output and outcome performance and risks and issues as a minimum.

5.2.2 For providers in receipt of grant funding, in addition to the monitoring set out in this document, it is anticipated that the assessment of performance will consider the following:

- Progress against agreed delivery plans and funding performance at the mid-year claim, end-year claim and final claim date;
- Receipt of ILR data to review performance and forecast for delivery for the remainder of the year;
- An assessment of the quality of provision based on educational performance data; and
- Overall performance of the provider such as financial health, governance and Ofsted grades

5.2.3 Provider Managers will monitor any underspend against grant values. Where appropriate, provider managers may work with providers to adjust grant amounts to better align with performance levels.

5.2.4 Any growth request process for 2024-25 academic year will be considered by the ASF Mayoral Board at the appropriate stage. Any variations to funding will be subject to the availability of funding and the capacity and capability of a provider to deliver the outputs/outcomes. An assessment criterion to determine the increase or decrease in grant value are outlined in the [ASF Funding Rules](#).

5.2.5 Further information on monitoring and performance management [for colleges and local authorities](#) and [independent training providers](#) is available online.

## 5.3 Subcontracting

5.3.1 The GLA approach to subcontracting is set out in the GLA ASF Grant Funding and Performance Management Rules. To provide additional assurance and satisfy requirements for achieving value for money, the GLA has adopted the following additional measures:

- Providers are asked to outline their plans to use subcontracting arrangements at the beginning of each funding year;
- Approval is required for any in-year changes to subcontracting arrangements; and
- A 20 per cent cap is applied to subcontracted funding retained, unless a provider can demonstrate that a retention fee exceeding this level of cap can be justified.

5.3.2 The GLA will continue the requirement for providers to obtain an annual report from an external auditor that provides assurance on their arrangements to manage and control their delivery subcontractors as set out in the GLA arrangements. The GLA ASF Funding Rules set out that the provider must send a copy of the certificate and report to the GLA each year, to confirm that the external assurance work has been completed and that there are no assurance issues. From July 2023, the ESFA established a Subcontracting Standard, which replaces the external assurance report their end. For Providers funded both by the GLA and ESFA, who gets awarded the Subcontracting Standard, the GLA will accept the ESFA Subcontracted Standard report where GLA funded subcontracted provision has been included in the auditors' work, in order to avoid duplication while ensuring optimal subcontracted delivery quality assurance. The GLA has received legal advice and support on the development of documentation required for the delivery of ASF grant funding.

## 5.4 Intervention

5.4.1 The GLA arrangements for intervention support are published in Managing Provider Performance: GLA ASF Grant-funded provision monitoring and intervention policy – Colleges and Other Non-Independent Providers 2023 2024. The GLA will work closely with ASF providers to ensure that their delivery and performance meet the criteria agreed in the grant agreement.

5.4.2 Where issues with performance and/or the quality of delivery are identified, the provider will develop an improvement action plan address the issues identified as part of the GLA's Active Support process that the GLA will assess and approve.

5.4.3 If the provider fails to agree to an improvement action plan, does not implement the action plan as agreed, or does not meet the agreed milestones, the GLA may, at its discretion, implement further measures of intervention including, but not limited to, reducing the allocation value or suspending payments.

5.4.4 The GLA will implement Intervention measures for colleges when any of the following conditions arise:

- Failure to comply with informal intervention measures as described in the 'escalation' process above;
- Quality of the provider's provision is evidenced as below contracted levels, as evidenced by:
  - Ofsted inspection determines that the overall effectiveness of a provider is inadequate;
  - Further Education Commissioner diagnostic assessment determines that a provider requires urgent escalation to formal intervention;
  - A significant decline in the provider's educational performance data, as described in the below section.
- Financial health assurance:
  - GLA or ESFA financial health assessment gives an assessment of inadequate;
  - The provider is considering structural change, including via an Independent Business Review (IBR), or Structure and Prospects Appraisal (SPA); and/or
  - If a provider enters the FE insolvency regime, as defined by the Technical and Further Education Act 2017.
- Audit, assurance, fraud and investigations:
  - A qualified opinion resulting from a funding audit;
  - A fraud or financial irregularity investigation produces evidence to support suspicion or allegations; and/or
  - A provider fails to provide audit and assurance documents required by the GLA (to be set out in an audit code of practice).

5.4.5 The GLA will implement intervention measures for Independent Training Providers (ITPs) when any of the following conditions arise:

- failure to comply with active support measures as described in the 'escalation' active support process above;
- the quality of the providers' provision is considered below par, as evidenced by:
  - Ofsted inspection determines that the overall effectiveness of a provider is inadequate;
  - a decline in the provider's educational performance data, as outlined below.
    - Financial health assurance:
    - GLA or ESFA Financial health assessment is deemed inadequate;
    - audit or assurance of work
    - a qualified opinion following a funding review;

- a fraud or financial irregularity investigation that reveals evidence to support suspicion or allegations; and/or
  - a provider failing to provide audit and assurance documents required by the GLA (to be set out in an audit code of practice).
  - ESFA defines an organisation as high risk “high risk organisation”.
  - GLA is notified that the ESFA considers the provider a high risk organisation, as outlined in the ESFA’s funding higher risk organisations and subcontractors policy guidance.

5.4.6 The GLA will work with a provider to identify ways for improving on performance, achievements and quality standards before implementing further measures of intervention. This includes but is not limited to, further performance management points, suspension of payments against grant value, a reduction in the grant value, and regular submission of detailed information such as management accounts or governing body minutes. All of which will be agreed upon in an action plan with SMART objectives.

5.4.7 The [Managing Provider Performance Policy for colleges and local authorities](#) sets out intervention triggers and mitigations for grant-funded provision paid on profile.

## 5.5 Allocation and payments

### Allocation of Grant Funding

5.5.1 The Mayor will annually set out the approach for awarding grants to eligible providers.

5.5.2 The grant allocation approach has been developed based on the following key principles:

- to maintain funding stability for providers;
- to align allocations with actual performance levels; and
- to ensure the process is fair, efficient and transparent.

5.5.3 To ensure value for money in grant allocation administration, City Hall only allocated an ASF grant to grant-funded providers delivering adult education services to London residents where providers are located within London and its fringe area or a business case for continued funding was approved.

5.5.4 Final 2024-25 academic year allocations were considered by the Mayor and issued to grant-funded providers in March 2024. It is envisaged that the list of final allocations will be published by the GLA in the autumn term of 2024-25.

5.5.5 In addition to ASF, the Mayor also allocated Free Courses for Jobs funding to grant-funded providers in March 2024, relating to the 2024-25 academic year.

### Payment and Monitoring Process

5.5.6 The payment process is specified in the Skills for Londoners ASF Funding and Performance Management Rules for Grant Providers. Further details can be found in Chapter 4 of this Framework. Funding and Performance Management Rules for Grant Providers can be found on the [Information for ASF Providers](#) webpage GLA website.

## **6. Commissioning and Managing Grant Providers paid on Actual Levels of Delivery**

This section sets out a summary of the approach approved by the Mayor of London to manage grant-funded providers paid on actual levels of delivery.

This includes all funding competitively awarded through the Jobs and Skills for Londoners (JSFL) Fund approved by the Mayor in October 2022. This includes expenditure of up to £130m over three academic years of which up to £30m per year will be ringfenced to spend on learning aims delivered through the Free Courses For Jobs (FCFJs) Level 3 offer. At the point of award, grant awards were made for two academic years (2023-24 and 2024-25) and subject to budget availability, there is an option to extend funding agreements for an additional academic year (2025-26).

### **6.1 Delivery and grant management**

#### **Delivery and Grant Management for ASF Providers Paid on Actual Levels of Delivery**

6.1.1 From the 2023-24 academic year, the GLA funded new projects through the Jobs and Skills for Londoners (JSFL) Fund.

6.1.2 Providers funded under the JSFL programme will need to comply with the GLA ASF Funding and Performance and Management Rules for Grant-funded providers. Providers are paid in arrears based on actual levels of delivery.

6.1.3 Grant agreements include delivery targets to be delivered over the course of the agreement. Provider Managers will monitor the performance of providers against their delivery targets. Grant allocation values can be reduced or terminated if the GLA considers provider performance to be unsatisfactory.

6.1.4 Delivery under JSFL commenced from the 1 August 2023 and at the point of award, grant awards were made for two academic years with the option to extend funding agreements for an additional academic year to 2025-26.

#### **Delivery and Grant Management Approach for ASF Providers Paid on Actual Levels of Delivery**

6.1.5 The GLA will ensure appropriate and proportionate arrangements are in place for monitoring and evaluating the delivery of grant providers paid on actual levels of delivery in line with Mayoral priorities.

6.1.6 Performance and spending will be monitored by a named Provider Manager for each provider. The Provider Manager will conduct termly review meetings with the provider that will, as a minimum, include:

- Monitoring of performance against annual and lifetime financial and output and outcome profiles;
- A review of risks and issues;
- A review of the quality of delivery and management systems.

6.1.7 Where underperformance is identified under each annual allocation, which may lead to a reduction in the provider's lifetime grant value. In addition, as described in the intervention section below, grants may be terminated or reduced by the GLA if we consider performance or other elements of delivery as unsatisfactory.

6.1.8 Providers may also request a reduction in the value of the grant allocation. Increases in grant value will be subject to guidance arrangements published by the GLA in line with *Funding and Performance Management Rules for Providers*.

6.1.9 The GLA will undertake a reconciliation of actual funding earned at the end of the funding year based on providers' annual final funding claims and evidence provided. Payments may be adjusted following this reconciliation and may include recovering any overpayments for ineligible delivery.

## **6.2 Intervention and Subcontracting for ASF Providers Paid on Actual Levels of Delivery**

6.2.1 The GLA has published Managing Provider Performance GLA ASF Grant funded provision monitoring and intervention policy 2023-2024 for Independent Training Providers. Where the delivery provider paid on actuals is a college or local authority, then the arrangements at paragraph 6.4 apply. Provider managers will monitor delivery and performance across all aspects of the grant and where issues are identified the GLA will require the provider to develop an improvement action plan. The plan must be approved by the GLA. Where a provider fails to agree on a recovery plan or does not implement the plan as agreed the GLA may, at its discretion, implement further measures of intervention including, but not limited to, reducing the grant value, suspending payments, or ultimately termination.

6.2.2 Circumstances that might lead to intervention and the requirement for an action plan and/or further intervention measures include:

- routine financial health checks indicate that a provider's financial health is forecast to decline to unsatisfactory levels;
- the provider fails to implement agreed actions to improve performance and/or address issues in relation to the accuracy, quality and timeliness of data submissions and evidence to support claims;
- the provider's data evidences a decline in the achievement of targets;
- the provider becomes insolvent;
- irregularities in claims, data submissions or supporting evidence are identified and/or claims, reports and data submissions are consistently late or incorrect;
- audit findings identify serious and/or widespread irregularities and/or failures in management control systems;
- a complaint or whistle-blower alerts the GLA to a breach in financial management or safeguarding;
- the outputs and outcomes evidenced are not at the level of quality agreed upon within the grant; and
- Following a visit by OFSTED the provider receives an insufficient progress rating for overall effectiveness in an OFSTED monitoring report; a requires improvement assessment or that provision of learning is deemed inadequate

6.2.3 The GLA will work with the provider to explore all avenues for improving performance, achievements and quality before considerations are made to terminate a grant agreement.

6.2.4 The approach to subcontracting is very similar to that for grant-funded providers, the key variation being that providers are required to detail their subcontracting arrangements in their tenders, these are assessed as part of the tender evaluation and any changes to these during the grant agreement lifetime will require GLA approval.

6.2.5 As with the grant-funded ASF provision, a 20 per cent cap is applied to funding of subcontracts by lead providers and providers will also need to obtain an annual external audit report that provides assurance on the management and controls of their subcontracting arrangements.

6.2.6 Appendix B sets out the stages of support and intervention measures available to the GLA from active support to intervention and termination and their respective triggers.

## 7. Adult Education Budget Assurance Framework Appendices

### 7.1 Appendix A - Processes for managing ASF provision

The current processes for managing the matters set out in the schedules at 1.6 in Chapter 1 are set out below. This should be considered as guidance and processes are reviewed annually in line with the ASF Assurance Framework review.

#### Schedule of Matters Reserved for the Mayor

Document/process	Approach for approval
Procedural Matters relating to contracts/grant agreements	
Agreeing the Standard form of contract/grant agreement	1. The Mayor approves the Standard form of contract/grant agreement through the ASF Mayoral Board meetings process.
Entering into provider contracts/grant agreements (within the scope of the standard form of contract/grant agreement and funding values as agreed by the Mayor at the ASF Mayoral Board.)	1. The Mayor approves this decision through the ASF Mayoral Board meetings process. The report presented to the Board will include the list of legal documents being proposed, the parties involved, and the total annual contract or grant funding value.

Document/process	Approach for approval
Significant variations to terms of contract/grant agreement) i.e. variation to the standard form of contract/grant agreement	<ol style="list-style-type: none"> <li>1. Officers (Provider Managers or Senior Managers) propose changes to terms to the ASF Mayoral Board (which will need to take into account advice from Finance and TfL Legal).<a href="#">[1]</a></li> <li>2. If no changes are requested by the Board, the Mayor is asked to approve the variation at the ASF Mayoral Board meeting.</li> </ol>
Changes to individual provider allocations (payment profiles/deliverables)	
Approval of payment profile  (consistent with overall funding value as approved by Mayoral Decision and in line with previously agreed policy changes and HM Government's standard national profile)	<ol style="list-style-type: none"> <li>1. The Mayor approves the initial payment profile for all annual grant and contract allocations through the ASF Mayoral Board meeting process. GLA officers will approve payments on the Mayor's behalf on a monthly basis.</li> </ol>
Significant* variations to the Value <a href="#">[2]</a> of a contract for services/grant agreement	<ol style="list-style-type: none"> <li>1. Officers propose variations to the overall funding value to the ASF Mayoral Board (which will need to take into account advice from Finance and TfL Legal).</li> <li>2. If no changes are requested by the Board, the Mayor is asked to approve the variation at the ASF Mayoral Board meeting.</li> </ol>
Significant* growth requests and reduction statements  <i>*See the table at the end of this section for the definition of 'significant'.</i>	<ol style="list-style-type: none"> <li>1. Officers propose changes to the overall funding value to the ASF Mayoral Board (which will need to take into account advice from Finance and TfL Legal).</li> <li>2. If no changes are requested by the Board, the Mayor is asked to approve the growth request or reduction at the ASF Mayoral Board meeting.</li> </ol>
ASF Funding Rules and Rates	

Document/process	Approach for approval
Substantive changes to GLA Funding Rules to improve provider management or to implement new GLA policies, outside of the annual 'draft' and 'final' Funding Rules which are subject to MD.	<ol style="list-style-type: none"> <li>1. Officers propose changes to the ASF Mayoral Board (which will need to take into account advice from Finance and TfL Legal).</li> <li>2. If no changes are requested by the Board, the Mayor is asked to approve the Funding Rule changes at the ASF Mayoral Board meeting.</li> </ol>
Other types of decisions	
Novel, contentious, or repercussive decisions	<ol style="list-style-type: none"> <li>1. Mayoral Decision drafted to decide on such matters.</li> </ol>

**Note:** If the ASF Mayoral Board require changes to any recommendations presented for decision at an ASF Mayoral Board meeting, the decision will not be made at the meeting and will automatically be referred to MD once the changes have been made.

## Part 2: Schedule of officer responsibilities

All matters listed under 'the 'Schedule of officer responsibilities' below are actioned in line with any legislative framework, HM Government guidance and relevant GLA policies and procedures.

### Document/process

#### *Procedural Matters relating to contracts/grant agreements*

Minor variations to the standard form of contract/grant agreement e.g. to correct a clerical error or to ensure compliance with evolving law.

Termination of AEB grants or contracts for services pursuant to the general staff authorisation in the Mayoral Decision-Making in the GLA Framework.

#### *Changes to individual provider allocations (payment profiles/deliverables)*

Variations to a payment profile (where the overall contract/grant value remains unaltered)

Non-significant\* growth requests and reduction statements

Non-significant\* variations to the value of a contract of services/Grant Agreement

Changes to Volumes and/or of Services which do not impact on the value of a contract of Services/Grant.

#### *AEB Funding Rules and Rates*

Minor changes to GLA AEB Funding Rules such as alignment with the ESFA changes to improve consistency or to correct a clerical error or to ensure compliance with evolving legislation.

#### *Other*

'Business as usual' operational matters.

\*See table below for definition of 'non-significant'.

**Table of value changes considered to be Non-Significant**

Commitment Value	Max Change in value (%)	Maximum change
<£300k	30	n/a
£300k - £1m	20	£100,000
£1m - £3m	15	£300,000
>£3m	10	£500,00

**7.2 Appendix B – Interventions and Active Support**

Interventions and Active Support			
Intervention criteria/ trigger	Intervention level	Additional actions we may take	Threshold to exit intervention
Quality of provision			

<b>Interventions and Active Support</b>			
<b>Intervention criteria/ trigger</b>	<b>Intervention level</b>	<b>Additional actions we may take</b>	<b>Threshold to exit intervention</b>
<p>An ‘Insufficient progress’ rating for overall effectiveness in an Ofsted monitoring report. Only colleges undertaking a merger are eligible for Ofsted monitoring visits under this policy.</p> <p>Two consecutive ‘Requires Improvement’ ratings for overall effectiveness by Ofsted.</p> <p>Poor and/or a measurable decline in performance management data (as outlined in the “Quality Assurance and Raising Standards” section of the providers’ funding agreement).</p> <p>Escalation by the GLA Provider Manager due to local intelligence, such as complaints or poor-quality data returns.</p>	Active Support	<p>The GLA reserve the right to implement one or more of the following actions:</p> <ul style="list-style-type: none"> <li>• Consultations with the Body’s governors, principal, and, where required, local stakeholders and learners</li> <li>• Require from the provider the Self-Assessment Reports, Single Improvement Plan (Quality Improvement Action Plans) and implementation updates</li> <li>• Request additional data on a regular basis, such as ILR data returns, monthly management accounts and financial information, and reports submitted to the provider’s senior management team</li> <li>• Impose additional performance monitoring points and meetings with the GLA Provider Manager</li> <li>• Request the provider’s risk plan</li> <li>• Request information on planned strategic developments, including but not limited to federation or merger arrangements</li> </ul>	<p>A ‘Sufficient progress’ rating for overall effectiveness in the subsequent Ofsted monitoring report</p> <p>Ofsted reinspection has determined that the overall effectiveness of the provider is rated ‘Good’ or above</p> <p>The provider’s educational performance data evidences improvement agreed upon within the provider’s action plan</p> <p>Any actions required by the GLA have been addressed within specified timescale</p>
<p>An Ofsted inspection determines that the overall effectiveness of a provider is inadequate.</p> <p>FE Commissioner diagnostic assessment determines that a provider requires urgent escalation to formal intervention.</p> <p>A decline in the provider’s educational performance data or low achievement rates</p>	Intervention		<p>Ofsted reinspection has determined that the overall effectiveness of the provider is ‘Good’ or above</p> <p>The FE Commissioner is satisfied that the provision is of good quality; and/or</p> <p>The provider’s educational performance data evidences improvement agreed upon within the provider’s action plan</p> <p>Any other requirements being satisfactorily addressed</p>

<b>Interventions and Active Support</b>			
<b>Intervention criteria/ trigger</b>	<b>Intervention level</b>	<b>Additional actions we may take</b>	<b>Threshold to exit intervention</b>
<b>Financial health and stability of the provider</b>			
GLA or ESFA Financial Health assessment determines that the provider's financial health 'Requires Improvement', or risks declining to 'Requires Improvement' or 'Inadequate' in future and/or the provider's financial information shows that the provider may not be able to continue to operate in the future.	Active Support	<p>The GLA reserve the right to implement one or more of the following actions:</p> <ul style="list-style-type: none"> <li>• Consultations with the Body's governors, principal, and, where required, local stakeholders and learners</li> <li>• Require information which demonstrates how the provider is planning to tackle financial health decline. This may include undertaking a cost scrutiny exercise to identify how to reduce costs and/or bring them within sector standards and/or an assessment of the impact of any funding clawback or reduction on planned income</li> <li>• Request the provider's risk plan</li> <li>• Request information on planned strategic developments, including but not limited to federation or merger arrangements</li> <li>• Reports from provider's internal auditors on the management of the provider, including financial compliance and health.</li> </ul>	<p>The GLA or ESFA Financial Health Assessment indicates that the provider's financial health is rated as 'Good' or above</p> <p>Any actions required by the GLA have been addressed within specified timescale</p>
<p>The GLA or ESFA Financial health assessment is 'Inadequate'.</p> <p>The provider is considering structural change, including via an Independent Business Review (IBR), or Structure and Prospects Appraisal (SPA).</p> <p>If a provider enters the FE insolvency regime, as defined by the Technical and Further Education Act 2017.</p>	Intervention		<p>The GLA or ESFA Financial Health Assessment indicates that the provider's financial health is rated as 'Good' or above</p> <p>The FE Commissioner is satisfied that the provider has adequate financial stability; and/or</p> <p>The provider is no longer at risk of insolvency, as confirmed by the appointed education administrator</p> <p>Any other requirements being satisfactorily addressed</p>
<b>Audit, assurance, fraud and investigations</b>			

<b>Interventions and Active Support</b>			
<b>Intervention criteria/ trigger</b>	<b>Intervention level</b>	<b>Additional actions we may take</b>	<b>Threshold to exit intervention</b>
<p>The GLA or the Mayor’s Office of Policing and Crime (MOPAC), acting on behalf of the GLA, determine there is enough information to investigate an allegation of fraud or financial irregularity, including:</p> <ul style="list-style-type: none"> <li>•A funded provider has claimed funding from the GLA through deception;</li> <li>•A funded provider has broken the funding rules;</li> <li>•A funded provider has not delivered education/ training funded by GLA;</li> <li>•Corruption (the offering, promising, giving, requesting, receiving, or agreeing to accept an inducement or reward, which may influence a person to act against the interests of the GLA) and bribery – for example, in relation to sub-contracting.</li> </ul> <p>This section of the table also relates to subcontractors to GLA grant agreements or contracts</p>	<p>Active Support (whilst investigation is ongoing)</p>	<p>The ESFA and other funding agencies will be informed of allegations that affect their funding streams.</p> <p>The GLA reserve the right to implement one or more of the following actions:</p> <ul style="list-style-type: none"> <li>• Consultations with the Body’s governors, principal, and, where required, local stakeholders and learners</li> <li>• Additional meetings with the GLA Provider Manager and MOPAC Auditor</li> <li>• A review and/or retention of learner files</li> <li>• Contact with learners and/or subcontractors to verify information contained in learner files</li> <li>• Reports from the provider’s internal auditors on the management of the provider, including financial compliance and health</li> </ul>	<p>When financial irregularity or fraud investigation is resolved satisfactorily.</p>

<b>Interventions and Active Support</b>			
<b>Intervention criteria/ trigger</b>	<b>Intervention level</b>	<b>Additional actions we may take</b>	<b>Threshold to exit intervention</b>
<p>A qualified opinion resulting from a funding audit;</p> <p>A fraud or financial irregularity investigation produces evidence to support suspicion or allegations; and/or</p> <p>A provider fails to provide audit and assurance documents required by the GLA (to be set out in an audit code of practice)</p>	Intervention	<p>A satisfactory follow-up audit following receipt of a qualified opinion;</p> <p>MOPAC Recommendations are satisfactorily implemented and any clawback decisions are complied with</p> <p>The provider complies with the GLA's audit and assurance requirements.</p> <p>Any other requirements being satisfactorily addressed</p>	
<b>Other</b>			
<p>Failure to comply with active support measures.</p> <p>Serious breach of the GLA grant agreement.</p>	Intervention		GLA requirements being satisfactorily addressed

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