

MAYOR OF LONDON

Skills for Londoners Framework

Consultation Report



European Union
European
Social Fund

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1. Executive Summary

This report describes the findings from the consultation on the draft *Skills for Londoners Framework*, which will inform the publication of the final Framework as well as supporting further AEB policy and programme development work.

The consultation on the Framework had two main components:

- Engagement workshops, roundtables and individual meetings with providers (including FE Colleges, Independent Training Providers, Institutes of Adult Learning and Local Authorities), key representative bodies, Boroughs and Sub-Regional Partnerships (SRPs)
- Written responses: the draft Framework was published on the GLA's website for consultation between 17 July and 17 August 2018. Written responses were received from a wide range of stakeholders.

Written responses

Written responses were received from 56 organisations. Organisations responding to the Framework were encouraged to respond to a list of 23 survey questions in a consultation response template (see **Appendix**).

Each point raised by an organisation was reviewed and logged in a consistent framework. 2,631 comments were logged and analysed in total.

Key issues

Overall, responses generally welcomed the Framework and its proposals. However, there were a number of issues/actions identified for City Hall to address. These were to:

1. Clarify how AEB Priority 1 will be funded to support providers and prevent lowered learner participation
2. Recognise the need for flexible education offers
3. Allow for greater flexibility in how AEB funding is used
4. Produce and disseminate better labour market information at various geographies
5. Further support employer-led initiatives to train, upskill and reskill staff
6. Clarify how exceptions to the MCV will be determined

7. Clarify how exceptions to the subcontractor management fee cap will be determined
8. Address the potential for an overall upward shift in subcontractor management fees
9. Review the timing of the funding and contracting cycle
10. Include appropriate and measurable social outcomes in the Outcomes identified in Table 4
11. Ensure any Payment by Results (PbR) approach avoids unintended consequences
12. Evaluate the resources required for increased data collection
13. Promote and facilitate partnership working

Responses to the key issues identified above, and any proposed changes to the final Framework, are set out in Section 5 of this report.

Next steps

A final version of the Skills for Londoners Framework will be published on the GLA website alongside this report.

2. Introduction and background

Purpose of the report

This report describes the findings from the consultation on the draft *Skills for Londoners Framework*. The Framework outlines how the objectives of the *Skills for Londoners Strategy 2018* will be delivered in the context of the devolution of the Adult Education Budget (AEB)¹ in London to the Mayor from the academic year 2019-20, transferring responsibility from the Department for Education for the delivery of adult education provision to London's residents. It sets out the implementation plans for the AEB, as well as the European Social Fund (ESF) and the Skills for Londoners Capital Fund.

The Framework covers the following areas:

- Adult Education Budget (AEB)
- European Social Fund (ESF)
- Commissioning and contract management arrangements
- Ensuring local approaches
- Delivering the right outcomes
- Other funding opportunities
- Next steps

Mayor's powers and duties

This is a non-statutory document which builds on one of the Mayor's manifesto commitments. It acts as a commissioning framework to inform how the GLA will exercise its powers and duties in respect of education and skills.

Structure of report

The report is structured as follows:

- Section 3 describes the consultation process.

¹ The devolved AEB excludes traineeships, apprenticeships and Advanced Learner Loans

- Section 4 provides the main findings from the stakeholder consultation.
- Section 5 describes the main issues raised and any subsequent changes to the final Framework.
- Section 6 provides a conclusion and sets out next steps.

3. Consultation Process

The consultation on the Framework had two main components:

- Engagement workshops, roundtables and individual meetings with providers (including FE Colleges, Independent Training Providers, Institutes of Adult Learning and Local Authorities), key representative bodies, Boroughs and Sub-Regional Partnerships (SRPs)
- Written responses: the draft Framework was published on the GLA's website for consultation between 17 July and 17 August 2018. Written responses were received from a wide range of stakeholders.

Written Responses

Organisations responding to the Framework were encouraged to respond to a list of 23 survey questions in a consultation response template. A copy of the response template and list of questions is included in the Appendix to this report. Consultees were not obliged to use the response template and could also submit a response in their own format. All responses were sent by email to the GLA.

Recording of Responses

The main points/comments from the written responses were logged in a consistent format. This included the following fields:

- Name of organisation
- Type of organisation
- Central point of the comment
- Any suggested change to the strategy (if relevant)
- The question that the comment was responding to
- The level of support for a particular proposal (if relevant)
- Key themes (to identify emerging and recurring issues in the responses). These were identified by members of Hatch Regeneris responsible for logging comments.

4. Key Findings

Introduction

This chapter provides a summary of the key findings from the consultation responses to the Framework. In considering the issues, analysis was mindful of the remit of the Framework and sought to focus on the issues relevant to the document and proposals included in it.

A number of organisations indicated in their responses that they were willing to work with City Hall to further develop the Framework, or pilot new approaches. These comments were not included in the consultation analysis but were noted.

Responses

Written responses were received from 56 organisations². 53 organisations filled out the feedback form only. 1 organisation sent a general submission, and 2 organisations sent both a webform survey and a general submission.

Comments from all responses have informed the key findings of this report. Where comments from a general submission were found to relate to a question from the feedback form, these comments have been used to inform the results for that question.

2,631 comments were logged and analysed in total.

Table 1 provides a breakdown of organisations that submitted responses. Local authorities, further education colleges, other training providers and provider representatives were the most likely to submit a response. Many responses from local authorities were submitted by local government training providers.

² In one case, 2 (identical) submissions were received on behalf of one organisation. These were analysed as one submission.

Table 1: Respondents to consultation by type of organisation	
Type of organisation	Number of written responses
Local Authority	16
Further Education College	8
Other Education/Training Provider	6
Education Provider Representative Body	8
Sub-regional partnership	4
Campaign Organisation	2
Charitable organisation	2
Business	1
Business Representative Body	1
Think tank	1
Other	7

Structure

Findings have been summarised by chapter and feedback form question.

Adult Education Budget (AEB)

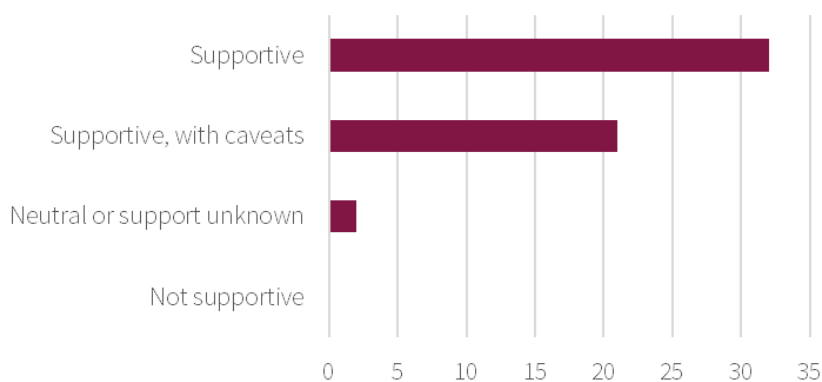
Eligibility for full-funding for people in low-paid work (Q1)

Do you support the changes the Mayor intends to make to widening the eligibility of AEB funding to in-work groups earning below the London Living Wage in London? Please explain your answer.

A total of 55 organisations responded to this question. 96% were supportive (including 38% with caveats). None of the respondents were unsupportive. Comments made in response to this question are discussed below.

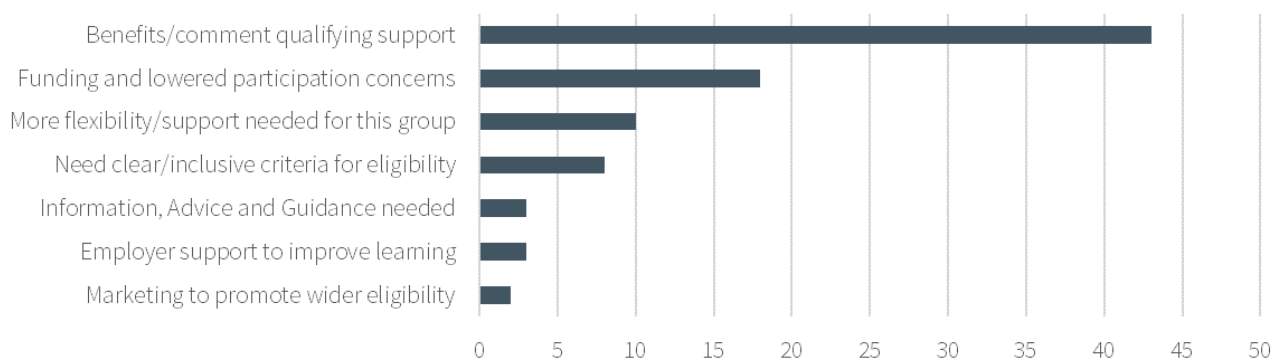
Level of support across all responding organisations is presented in Figure 1.

Figure 1. Level of support for the proposed widening of eligibility for full-funding for people in low-paid work



A total of 110 comments were received which were relevant to this question. The main themes of these responses are presented within Figure 2.

Figure 2. Support for widening eligibility of AEB funding to in-work groups earning below the London Living Wage (main themes)



A significant number of respondents provided comments on the **benefits of the proposal**, or comments **qualifying their support** (43). Responses generally discussed the current lack of capacity for low paid workers to access education, the negative implications of this, and the overall benefits to London of widening eligibility.

The most significant concern amongst respondents was around **funding and lowered participation** (18). Issues raised included:

- Earlier exhaustion of funding allocated to providers (leading to overall lowered learner participation)
- Lowered fee based income for providers (leading to increased pressure on providers, fewer courses being delivered, and/or lowered learner participation)
- The need for more funding to avoid lowered participation and/or pressure on provider services.

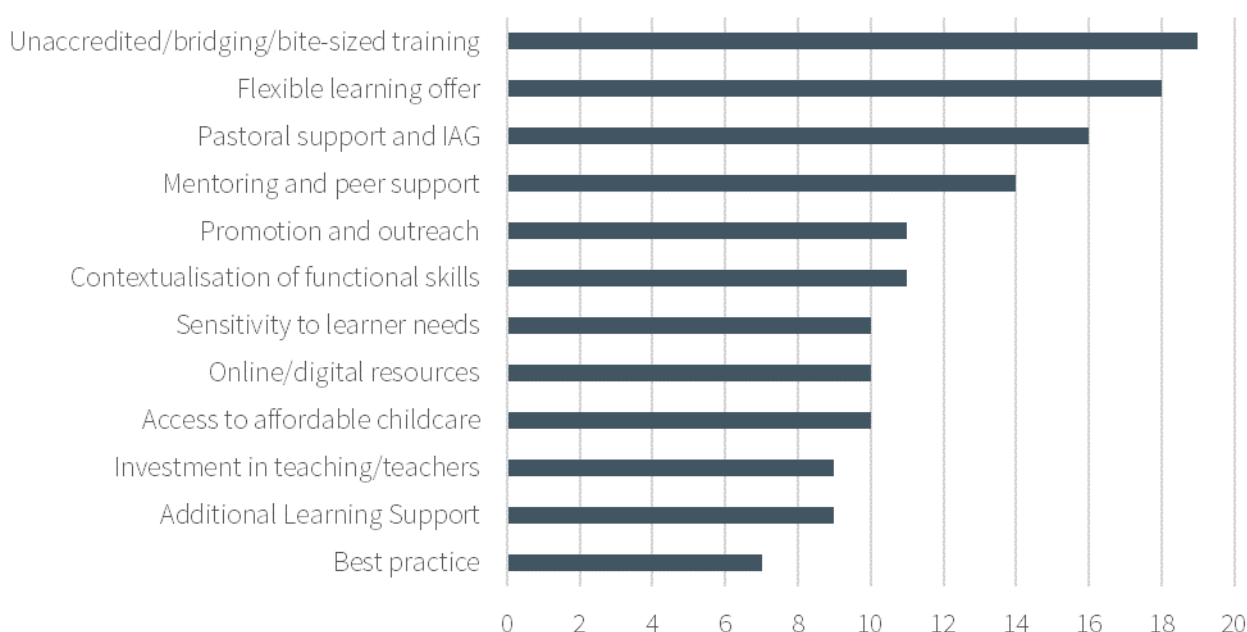
Other recurring themes included the **need for more flexibility and support for low paid workers in education** (10), given the often shifting/unsociable hours of their work (eg. flexible class times and locations, shorter courses etc.), and the **need for clear/inclusive criteria for eligibility** (8).

Basic English and maths skills (Q2)

What should be included in a package of wraparound support for adult education providers to assist the delivery of English and maths courses?

A total of 188 comments were received which were relevant to this question. The main themes of these responses are presented within Figure 3.

Figure 3. Elements of a package of wraparound support for adult education providers to assist in the delivery of English and maths courses (main themes)



There was a wide array of themes identified in responses to this question. 19 comments referred to the need for greater support/facilitation of **unaccredited, bridging or bite-sized training**. These included:

- Short ‘stepping stone’ provision supporting learners into entry level, level 1 and level 2 courses
- Drop-in sessions for revision, catch-up or ‘tasters’
- Funding for non-accredited provision

The need for a **flexible learning offer** was also mentioned frequently (18), with comments citing the need to facilitate learning for part-time workers or people with families or to allow for flexible attendance or sitting of exams. Utilising **online/digital resources** was cited within an additional 10 comments.

The need for **pastoral support and information, advice and guidance** (IAG) was cited in 16 comments. This included providing greater support for pre-course assessment, ongoing career support and advice on relevant career pathways, and financial support. The need for **access to affordable childcare** was cited by an additional 10 comments.

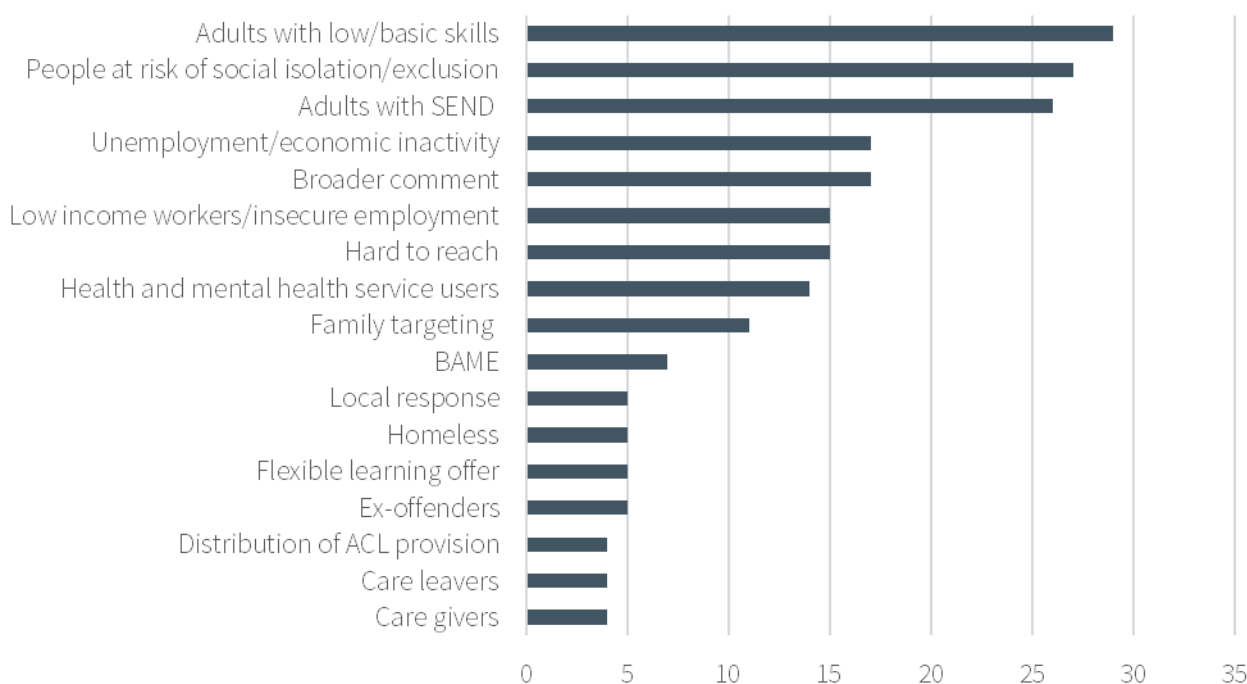
Access to **mentoring and peer support** was also a recurring theme, with 14 comments.

Adult Community Learning priority groups (Q3)

Which groups of learners should be considered a priority for Adult Community Learning?

A total of 224 comments were received which were relevant to this question. The main themes of these responses are presented within Figure 4.

Figure 4. Which groups of learners should be considered a priority for Adult Community Learning? (main themes)



A large number of comments identified **adults with low/basic skills** (29), **people at risk of social isolation or exclusion** (27) such as older learners, migrant workers, refugees, residents of deprived areas or **adults with special education needs and disabilities** (26) as groups of learners that should be considered a priority for Adult Community Learning.

Other identified priority groups included **unemployed or economically inactive individuals** (17), **low income workers or workers with insecure employment** (15) and those who are **hard to reach** (eg. young adults disengaged from mainstream education or those generally furthest away from being ready to take up work) (15). Other identified groups included **health and mental health service users** (14) and **families** (11),

A relatively smaller number of comments highlighted **BAME** groups (7), **homeless** individuals (5), **ex-offenders** (5), **care leavers** (4) and **care givers** (4) as priorities.

Broader comments made in response to the question included the need to adopt a **local response** when targeting priority groups (5), and the need to provide a **flexible learning offer** (5), as centrally-driven priorities can result in unnecessary bureaucratic barriers and may not be responsive to needs.

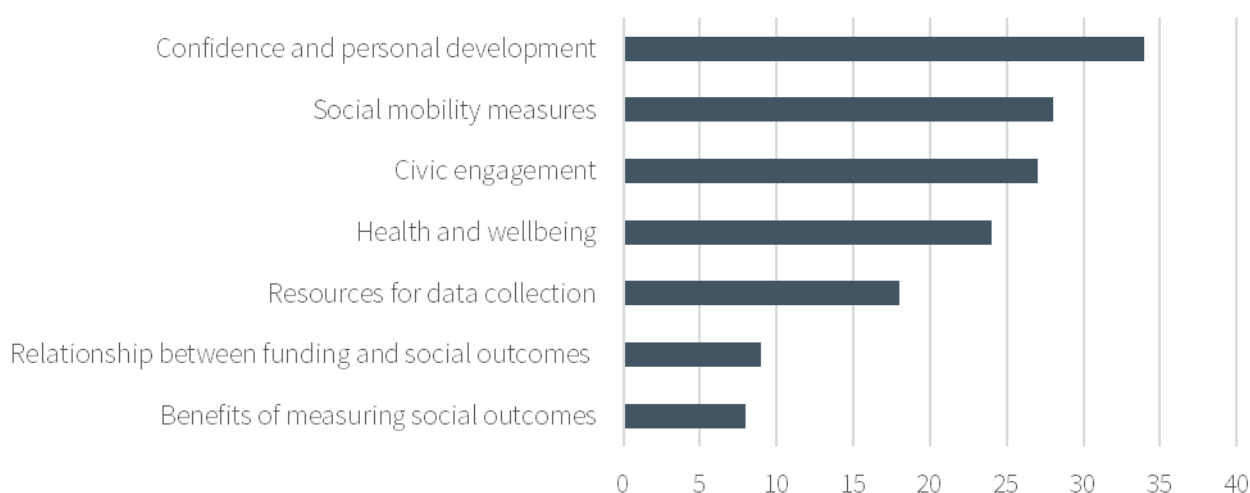
Measuring social outcomes (Q4)

Responses to this question were analysed in two parts, as follows.

What social outcomes should City Hall measure (Q4a)?

A total of 172 comments were received which were relevant to this component of the question. The main themes of these responses are presented in Figure 5.

Figure 5. What social outcomes should City Hall measure? (main themes)



A significant number of comments identified **confidence and personal development** (34) as a key social outcome to be measured by City Hall. This included meeting learner aims,

improved social relations and the attainment of wider complementary skills such as creative thinking, communication, negotiation, problem-solving and decision-making.

A large number of comments proposed various **social mobility measures** (28). These measures generally referred to progression into higher-level qualifications, training or employment.

Two other social outcomes that were mentioned were **civic engagement** (27), including volunteering and other local community-related work, and **health and wellbeing** (24).

18 comments raised concerns over the additional **resources that would be required to collect data for and measure additional outcomes**. It was emphasised that this should not be overly burdensome or resource-intensive for providers.

9 comments also expressed concerns about the **relationship between funding and social outcomes**. These raised concerns around the difficulty of measuring social outcomes, suggesting that they be used as a measure of impact, and not a measure of funding.

Some comments called for the **development of shared and easy outcomes** (6). These generally stressed the importance of having agreed outcomes that are consistent across boroughs, that providers can consistently measure and benchmark their provision against.

8 comments expressed support for and outlined **benefits of measuring social outcomes**.

Are there particular approaches or trials City Hall should learn from (Q4b)?

A total of 53 comments were received which were relevant to this component of the question.

A range of case studies were provided, spanning approaches already undertaken by respondents, to relevant academic and professional studies.

Case studies of note (provided a number of times) included:

- Recognising and Rewarding Progress and Achievement (RARPA)
- West London Adult Community Learning (ACL) Heads Group outcomes and metrics pilot with the LWI

Support for disadvantaged learners (Q5)

On which personal learner characteristics might disadvantage uplift payments in the AEB funding formula be based (Q5)?

A total of 165 comments were received which were relevant to this question. Figure 6 presents the main themes of comments directly identifying personal learner characteristics and Figure 7 presents the main themes of broader comments in response to the question.

Figure 6. Personal learner characteristics on which disadvantage uplift payments in could be based (main themes) - identifying characteristics

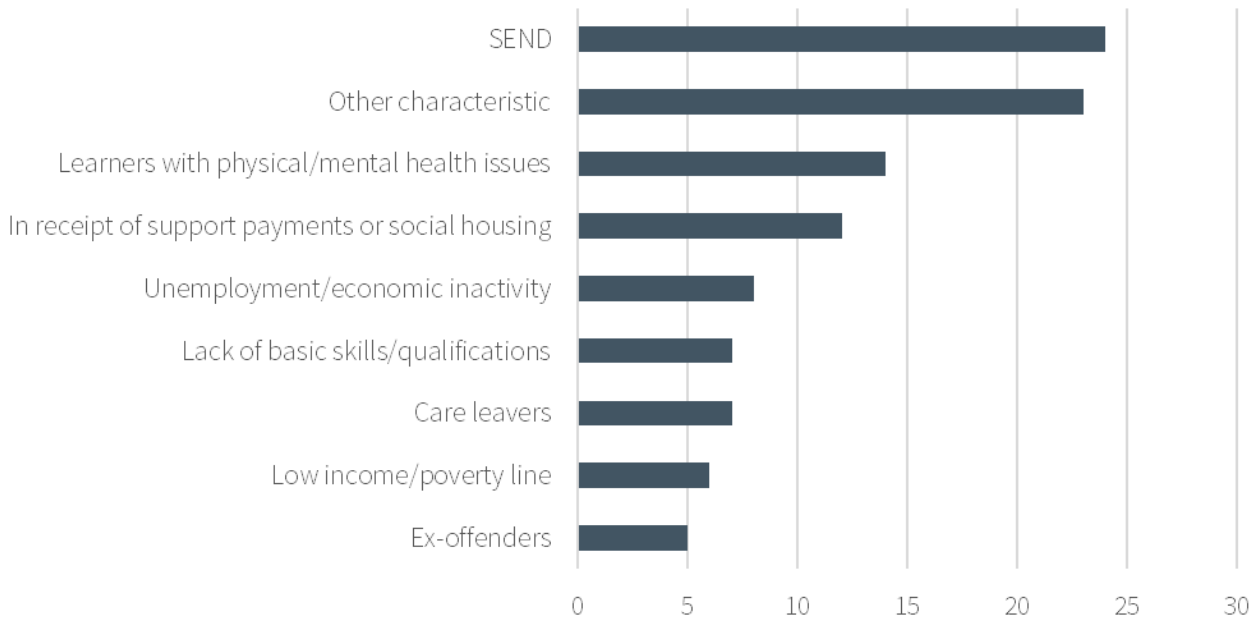
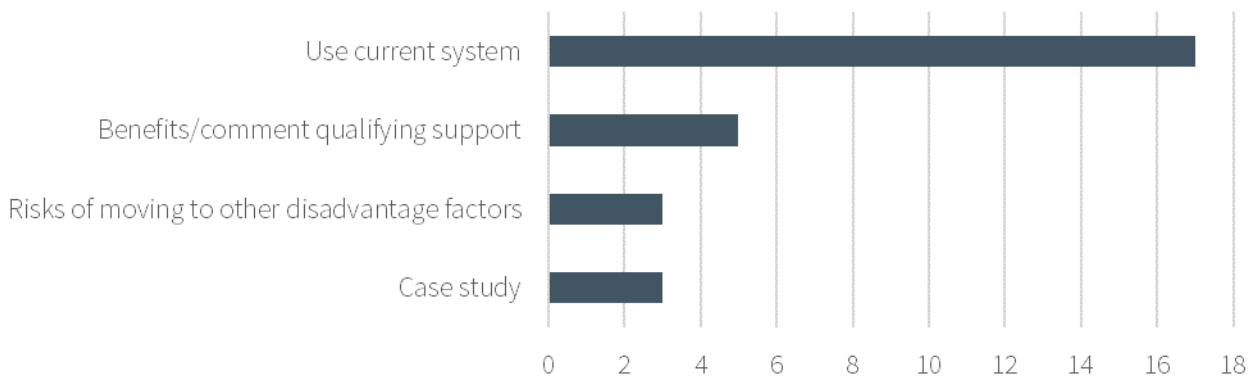


Figure 7. Personal learner characteristics on which disadvantage uplift payments in could be based (main themes) - broader comments



A large number of comments identified **special educational needs and disabilities (SEND) groups** (24), **learners with physical or mental health issues** (14) or **people in receipt of support payments/benefits or in social housing** (12) as relevant personal learner characteristics.

The majority of broader comments made in response to this question showed **support for the current system** (including use of learner postcode/IMD data) (17).

Supporting providers to align provision with sectoral skills needs (Q6)

How can providers be supported and encouraged to align provision with London’s sectoral and occupational skills needs?

A total of 136 comments were received which were relevant to this question. The main themes of these responses are presented within Figure 8.

Figure 8. How can providers be supported and encouraged to align provision with London’s sectoral and occupational skills needs? (main themes)



A large number of comments pinpointed **better labour market data and better use of information** (27) as an important factor in supporting the alignment of provision with London’s sectoral and occupational skills needs. Linked to this was the suggestion that alignment should be **sector led rather than learner demand led** (11).

15 comments referred to **partnership working**, suggesting that providers work closely with employers, sub-regional partnerships and boroughs to establish a common dialogue and ensure joined-up provision.

13 comments raised the need to **incentivise providers to shift** their provision to align with sector needs. Recommendations included building in a transitional period so that providers can adapt their systems, staffing structures and performance processes to meet new requirements, as well as setting up a financial incentive for providers to invest in their staff's professional development.

Other comments emphasised the **role that sub-regional Skills and Employment Boards** can play in supporting skills alignments in London (9), sought the integration of **work experience and placements** in skills programmes (7), and highlighted the need for **flexible priorities** when allocating funding, so that providers can respond to changing employer needs (7).

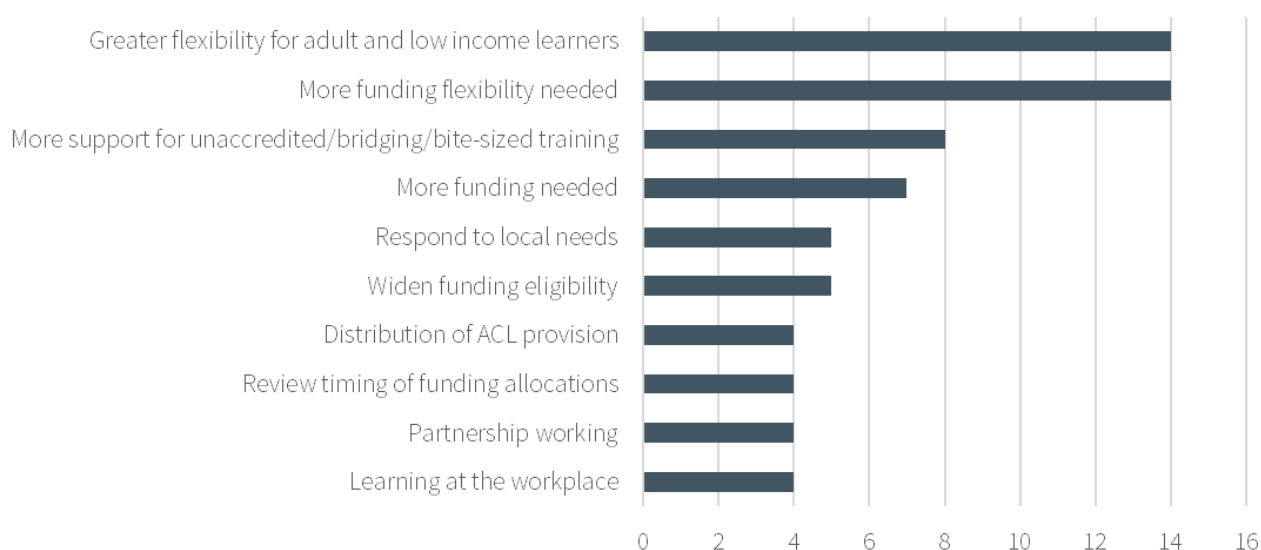
6 comments raised the need for **long-term strategies** and better **progression plans for learners**, and 6 other comments suggested the provision of **developmental resources** to support providers in recruiting staff and funding their Continuing Professional Development (CPD).

Other potential changes to the current ESFA AEB provision (Q7)

What other flexibilities or changes to the current ESFA AEB provision would providers most welcome and why (Q7)?

A total of 119 comments were received which were relevant to this question. The main themes of these responses are presented within Figure 9.

Figure 9. What other flexibilities or changes to the current ESFA AEB provision would providers most welcome and why? (main themes)



A number of comments (14) echo points made in responses to earlier questions about the need for **greater flexibilities in provision for adult and low income learner groups**. Comments raise the need for flexibility around course timetables, provision of regular opportunities to sit exams (eg. GCSE model) and access to online/distance learning and informal learning opportunities. Respondents point out that learners with challenging lifestyles may take longer periods of time to engage and experience benefits.

Another 14 comments raised the need for **greater funding flexibility** to develop and deliver programmes that can better suit learner and sector needs, or allow for collaboration between providers. Related to this was the desire for **more support for unaccredited, bridging or 'bite-sized' training** (8), particularly at levels 2 and 3, as it acts as a 'stepping stone' to accredited, higher level qualifications. Comments seeking **widening of funding eligibility** (5) were also related to this wider concern of the limitations of funding restrictions.

European Social Fund (ESF)

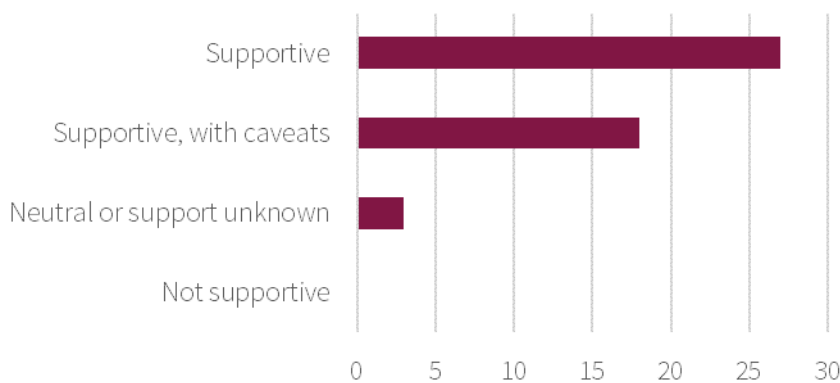
Programme Priorities (Q8)

For each of the ESF priority areas (Youth, Adult Employment, Adult Skills), are the proposed programme priorities and the priority groups identified the right ones?

A total of 48 organisations responded to this question. A total of 94% were supportive of the proposed priorities and priority groups (38% of whom had caveats to their support).

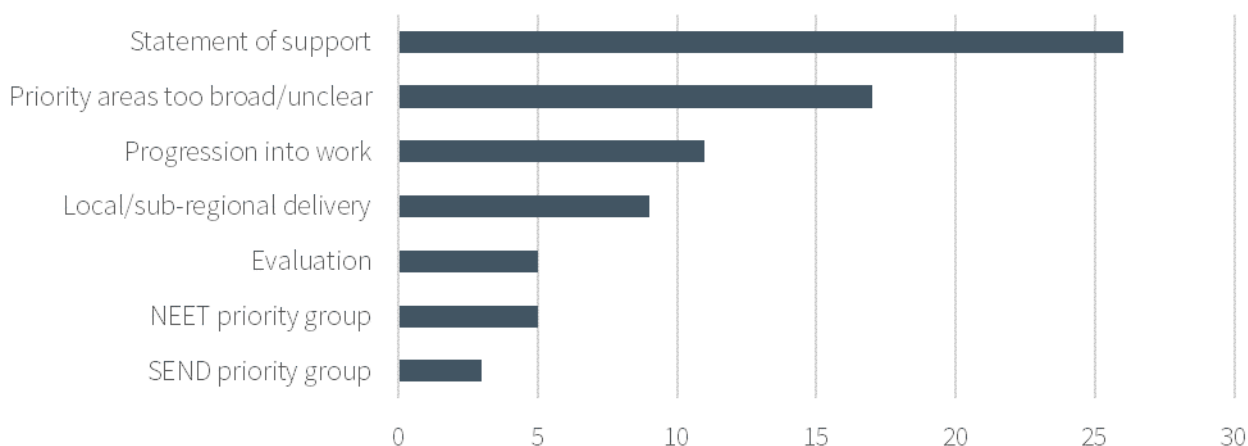
The level of support across all responding organisations is presented in Figure 10.

Figure 10. Level of support for the proposed programme priorities and priority groups for ESF



A total of 100 comments were received which were relevant to this question. The main themes of these responses are presented within Figure 11.

Figure 11. Support for proposed programme priorities and priority groups identified for each ESF priority area (main themes)



26 comments offered **statements of support** for the priority groups already referenced in the working draft framework, including people with SEND, BAME groups, long-term unemployed, people who are NEET or at risk of NEET and people who face complex barriers including those who are homeless, facing drug and/or alcohol addiction, and ex-offenders.

17 comments raised concerns over the **priority areas being too broad or unclear on how they were devised**. Some comments suggested more careful targeting and definition of priority groups to avoid duplication of provision.

Progression into work was broadly discussed by 11 comments, including needing to consider this when designing priority groups and delivering tailored career advice to each group.

9 comments related to **local/sub-regional delivery** (9). The majority of these responses stressed the importance of a local approach to successfully target priority groups and integrate ESF programmes with other existing provision. There were 5 comments relating to the need for **piloting and evaluation** of programmes.

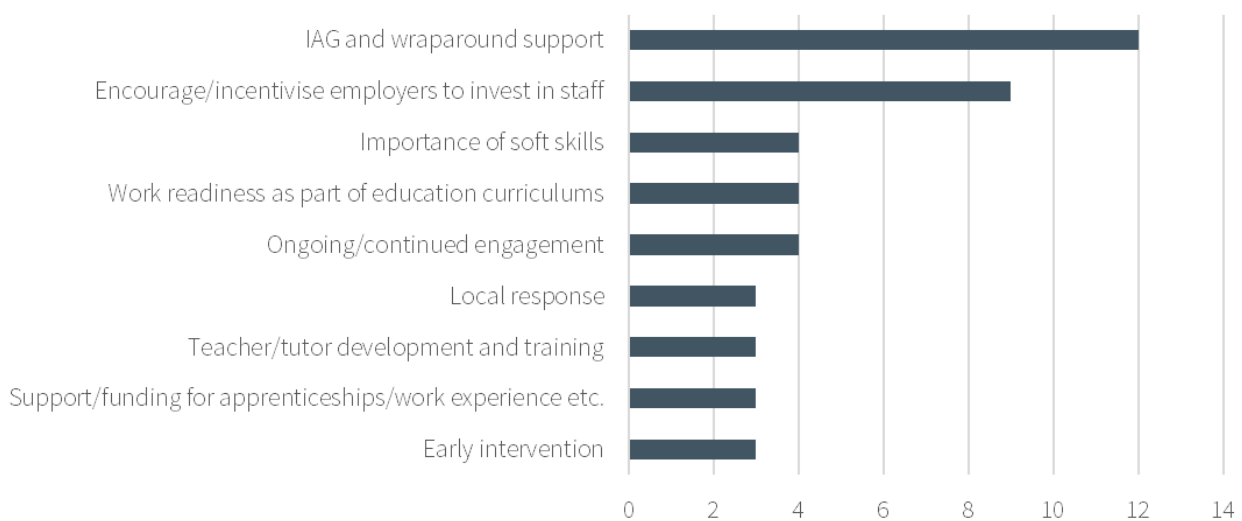
5 comments related to the **NEET priority group**, including a view that carers should be included, and people over 30 years should also be considered. 3 comments related to expanding the definition of the **SEND priority group**.

Young people (Q9)

How can City Hall best use ESF to support in-work progression to reduce the number of young people not in education, employment or training?

A total of 102 comments were received which were relevant to this question. The main themes of these responses are presented within Figure 12.

Figure 12. Using ESF to support in-work progression to reduce the number of NEETs (main themes)



Using ESF to provide **information, advice and guidance (IAG) and/or wraparound support** was cited by 12 comments. This included supporting learners to get into employment and providing career information to help young people make the right decisions.

9 comments suggested **supporting, encouraging and/or incentivising employers to invest in their staff**. Suggestions included mentoring and coaching activities, encouragement to engage in ESF projects, employer-led investment in training and work-based learning, and a new employer standard to recognise good practice in this area.

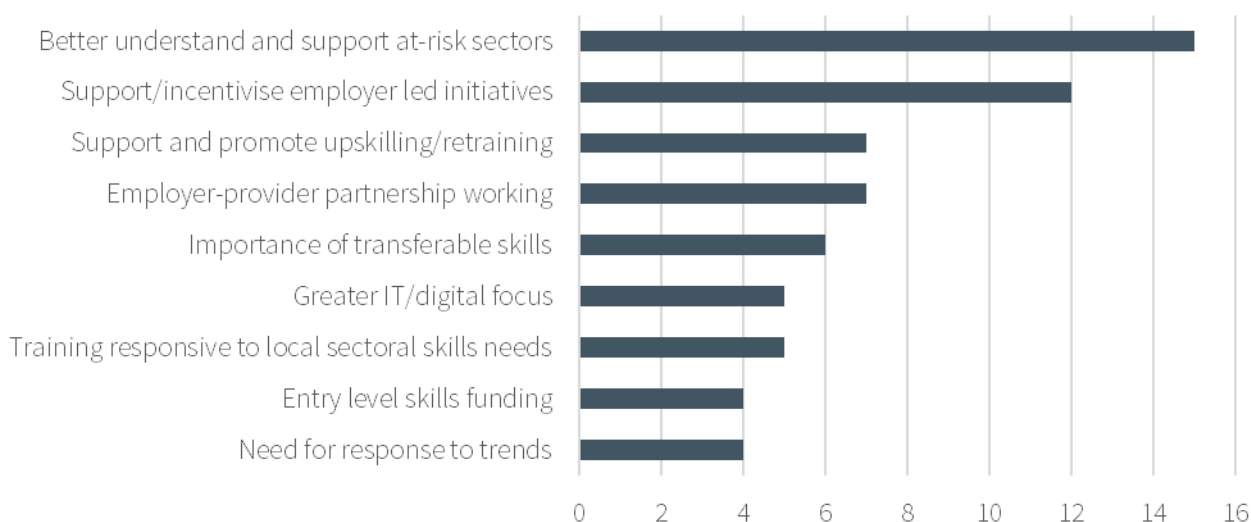
Other recurrent themes included recognising the **importance of soft/human skills** (4), ensuring that **work readiness activities are a part of education programmes** (4), and ensuring that there is **ongoing or continued engagement with young people as they progress from learning** (4) into employment or further education.

Responding to technological innovations, automation and Brexit (Q10)

How can City Hall best use ESF to support the skills needs of both individuals and the sectors/occupations in London most likely to be affected by technological innovations, automation and Brexit?

A total of 103 comments were received which were relevant to this question. The main themes of these responses are presented within Figure 13.

Figure 13. Using ESF to support individuals and sectors/occupations in London most likely to be affected by future structural changes (main themes)



Better understanding and supporting at-risk sectors was the most common theme accounting for 15 of the comments. These comments focused on the need for better data and research to ensure up-to-date information is available on how sectors will be affected by future trends, as well as the needs of key sectors, in order for the GLA to better support them.

12 comments called for more **support and incentives for employer-led initiatives**, such as work placement programmes and ongoing staff training. 7 comments also highlighted the need to **support and promote upskilling/retraining** to assist workers at risk of redundancy and unemployment as a result of future structural changes.

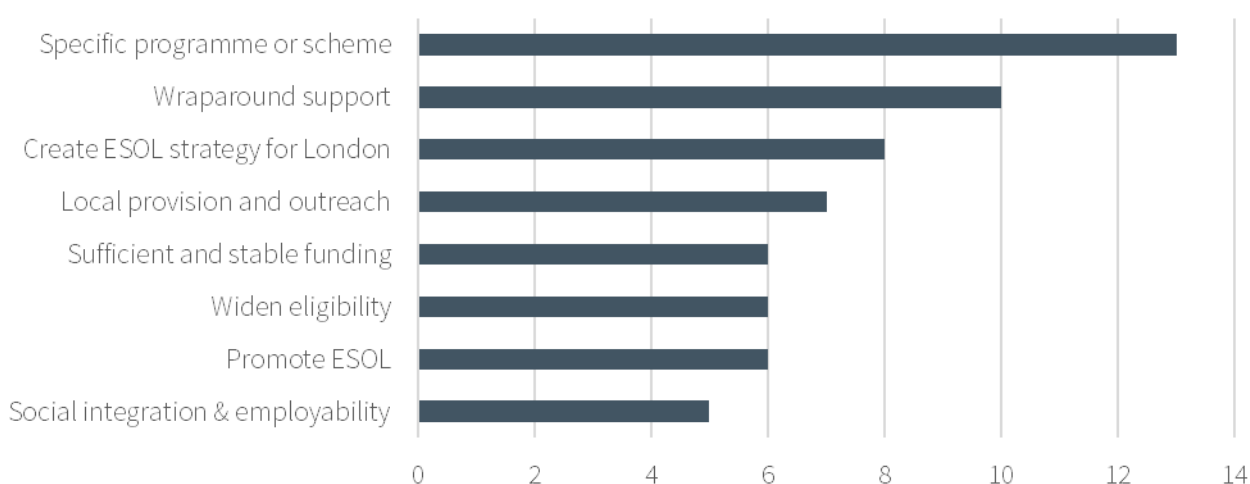
Other recurrent themes included the **importance of transferable skills** (6), promoting a **greater focus on IT and digital skills and infrastructure** (5), and ensuring that **training and programmes are responsive to local sectoral skills needs** (5).

ESOL participation and achievement (Q11)

How can City Hall best use ESF to help widen participation and achievement in ESOL?

A total of 90 comments were received which were relevant to this question. The main themes of these responses are presented within Figure 14.

Figure 14. Using ESF to help widen participation and achievement in ESOL (main themes)



Of the 13 comments proposing development or further expansion of a **specific programme or scheme**, a few referenced Talk English as a good example of a targeted engagement programme, which could be delivered at scale across London to improve business conversations and business acumen.

A number of comments also suggested providing better **wraparound support** (10), with many stressing the need for improved access to affordable childcare for learners. Other suggestions included increasing guidance and awareness and covering the cost of travel for learners.

8 responses suggested **creating an ESOL strategy for London**, to ensure clarity and consistency around aims and provision for ESOL, including conducting a review of provision in light of funding cuts.

Promoting **local provision and outreach** was cited in 7 comments. These advocated the benefits of community-based promotion of ESOL, including increased engagement and participation.

Other key themes included the need for **sufficient and stable funding** for ESOL (6), the Mayor’s capacity to better **promote the ESOL offer** in London (6), and the need to **widen funding eligibility** for ESOL programmes (6) to people who currently do not meet the criteria, including those currently without recourse to public funds, those with part-time jobs, and those earning low wages. The importance of ESOL as a tool for both promoting social integration and gaining employment was cited in 5 comments.

Commissioning and Contract Management Arrangements

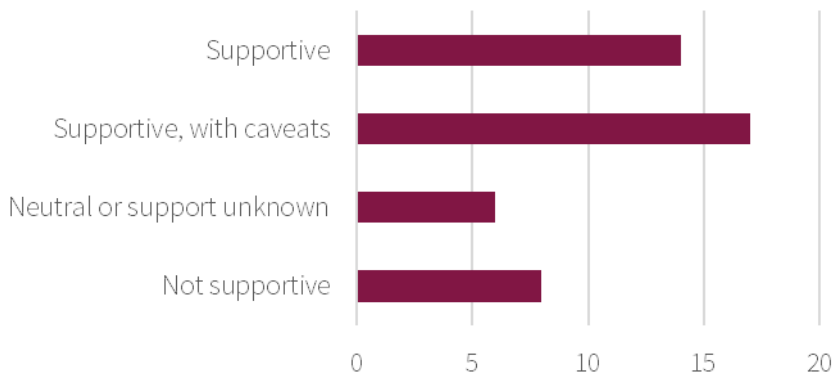
Minimum contract values (MCV) (Q12)

Is the proposed application of minimum contract values realistic?

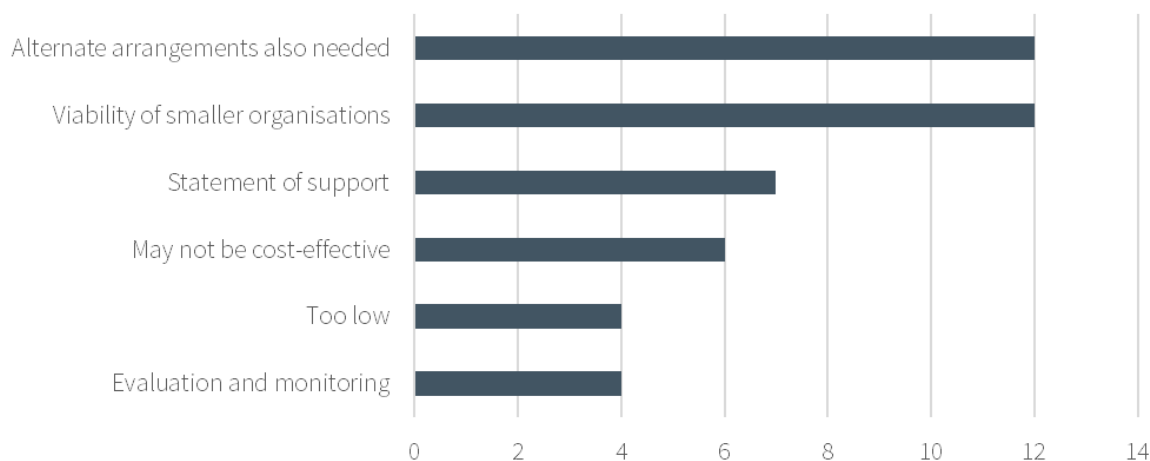
A total of 45 organisations responded to this question. A total of 69% were supportive of the proposal (including 38% with caveats), and 18% were not supportive.

Level of support across all responding organisations is presented in Figure 15.

Figure 15. Level of support for whether the proposed application of MCVs is realistic



A total of 66 comments were received which were relevant to this question. The main themes of these responses are presented within Figure 16.

Figure 16. Is the proposed application of MCVs realistic? (main themes)

A number of comments (12) asserted that the MCV could only be implemented if **alternative arrangements were also put in place**. The **viability of smaller organisations** (12) was the key concern around the proposal to implement MCVs, with a number of comments stating that smaller, highly specialised provision would be removed, resulting in constraints to learner choice. Some comments suggested that the proposed MCV of £100,000 is **too low**.

7 comments offered **statements of support**, stating that the proposed MCV is sensible and practical, and would result in better value in terms of quality, performance and meeting the aims of the allocation of public funds.

On the other hand, 6 comments raised concerns that the MCV **may not be cost effective**, generally due to increased management costs and increased monitoring that will be required by providers. 4 comments agreed that the applied MCV should be **evaluated, monitored and reviewed on a regular basis**.

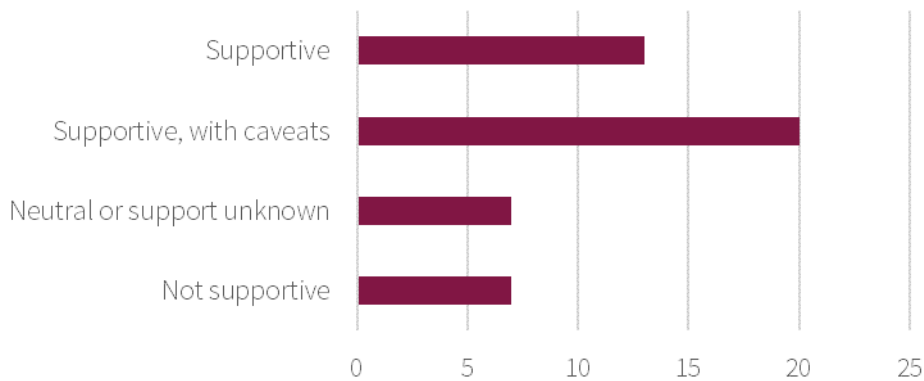
Subcontracting changes (Q13)

City Hall intends to make changes to the way providers subcontract, including changes to in-year subcontracting and introducing a 20 per cent cap on subcontractor management fees. What are your views on these proposals and the challenges in implementing them?

A total of 47 organisations responded to this question. 70% were supportive (including 43% with caveats) of the proposals. 15% were not supportive. Almost all commentary responded specifically to the proposed cap on subcontractor management fees.

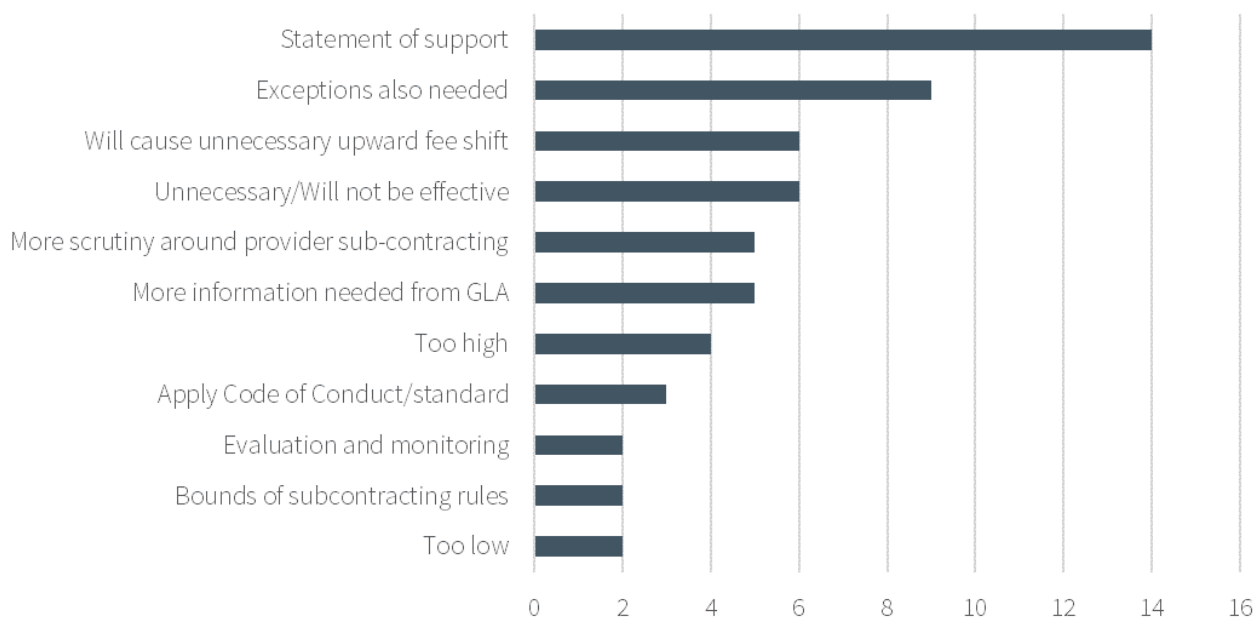
The level of support across all responding organisations is presented in Figure 17.

Figure 17. Level of support for proposals to change the way providers subcontract



A total of 77 comments were received which were relevant to this question. The main themes of these responses are presented within Figure 18.

Figure 18. What are your views on proposals to change the way providers subcontract and the challenges in implementing them? (main themes)



14 comments offered **statements of support** (14), suggesting that a 20% cap on subcontractor management fees would enable more resources to be spent on learning. Caveats to organisational support largely related to the **need for exceptions** to the cap (9), so that higher or varied fees could be negotiated where required.

A key concern amongst comments was that implementing a cap on subcontractor fees **would cause an upward shift in fees** (6), where a 20% fee would become the norm, even when a lower fee is more appropriate.

6 varying comments suggested that the **cap is unnecessary, would not be effective in improving provider behaviours**, or that it would restrict the commercial viability of provider operations (6).

Other recurrent themes included the need for **more scrutiny generally around subcontracting practices** (5), and the **need for more information to be provided by the GLA** on the cap proposal (5). 4 comments called for the **introduction of a Code of Conduct or standard**.

While 4 comments stated that the proposed cap is **too high**, with some suggesting 15% would be more appropriate, 2 responses state that the cap is **too low**.

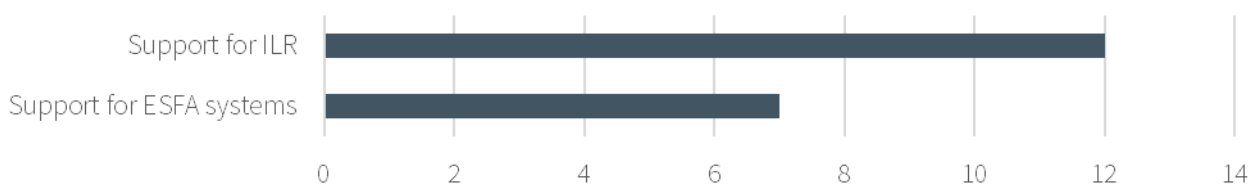
Current management, data collection and processing systems (Q14)

What works well, and what works not so well, in the current management systems, and data collection and processing systems?

A total of 102 comments were received which were relevant to this question. 42% of comments responded to 'what works well', and 58% of comments responded to 'what works not so well'. Comments responding to this question were highly varied, and of a very detailed and specific nature.

Two broad themes were identified across comments responding to what works well in current systems. These were **support for the Individual Learner Record (ILR)** (12), and support for ESFA systems (7), as seen in Figure 19.

Figure 19. What works well in current management, data collection and processing systems? (main themes)



Broad themes were not able to be identified across comments that offered criticism on current systems, but the following key points were raised:

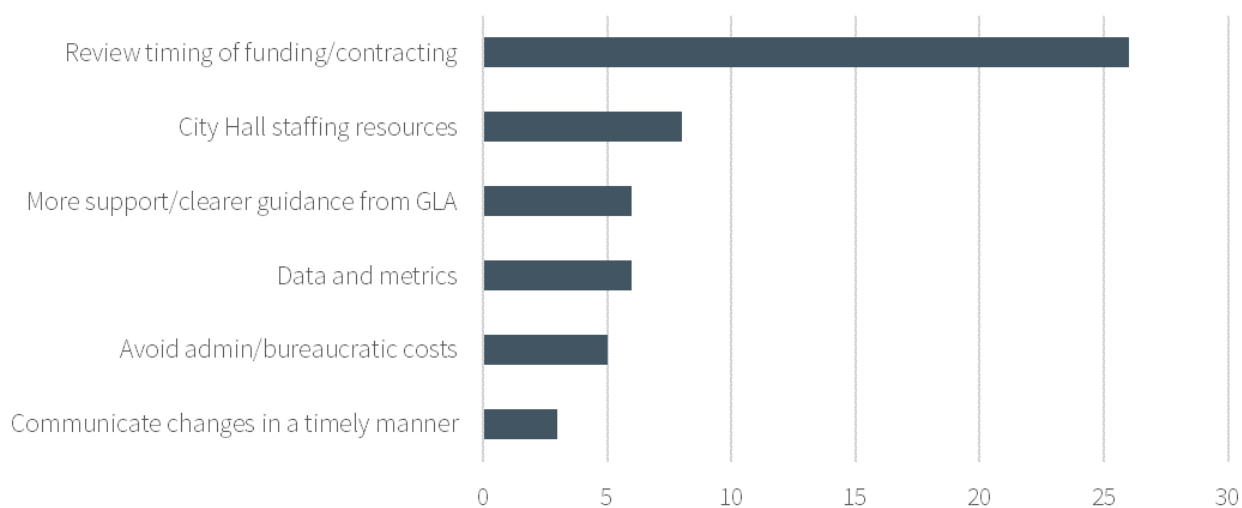
- Data collection must not be overly burdensome for providers
- There should be no duplication of processes
- ILR fields should be reviewed.

Business process and funding cycle (Q15)

Are there any elements of the business process that City Hall should consider changing, and what support do you need from City Hall during the funding year?

A total of 82 comments were received which were relevant to this question. The main themes of these responses are presented within Figure 20.

Figure 20. Elements of the business process that City Hall should consider changing/ support needed from City Hall during the funding year (main themes)



A large number of comments (26) sought a **review of timing around funding/contracting**. A significant proportion of these suggested a three-year funding cycle step to give providers more certainty when planning for AEB delivery.

A number of comments related to **City Hall staffing resources** (8). These were generally in support of AEB account managers, though a small number expressed concerns about overuse of staffing resources.

A further 6 comments related to **data and metrics**. These were highly varied.

Other key themes across responses to this question included the need for **more support and clearer guidance from the GLA** around funding requirements and data collection (6), the need to **avoid excessive administrative and bureaucratic costs** (for data collection etc.) (5) and the need for the GLA to **communicate any policy or structural changes in a timely manner** (3).

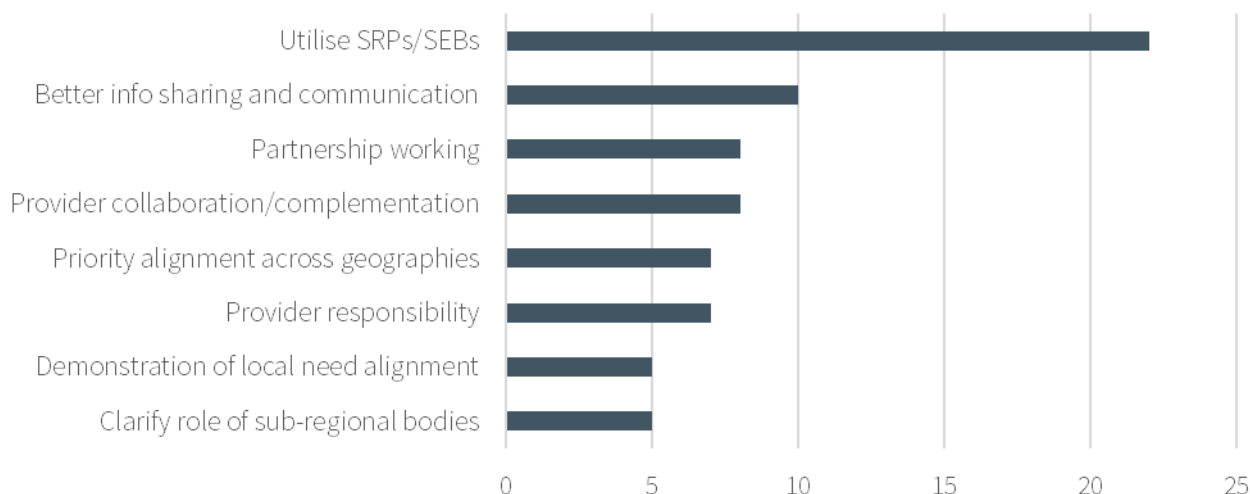
Ensuring local approaches

Alignment with local/sub-regional priorities (Q16)

How can providers better respond to local/sub-regional priorities?

A total of 94 comments were received which were relevant to this question. The main themes of these responses are presented within Figure 21.

Figure 21. How can providers better respond to local/sub-regional priorities? (main themes)



A large number of comments intimated that **sub-regional partnerships (SRPs) and skills and employment boards (SEBs)** were best placed to support providers to better respond to local/sub-regional priorities. Some comments suggested that these regional bodies could play an important role in identifying emerging needs and skills gaps, and working with providers to ensure training is targeted to skills needs. Other comments recommended that better infrastructure, systems and partnership working with City Hall would be needed to facilitate fulfilment of SRP and SEB potential.

Other comments suggested that **better information sharing and communication** with providers around priorities was needed (10). Some comments suggested that **partnership working** between various bodies was required (8), with others specifically citing the need for **better provider collaboration and complementary provision** rather than competition, to be facilitated (8).

Other themes included the need for **conflicts in priorities between geographies** to be resolved and better managed (7), and the **need for providers to take responsibility** for

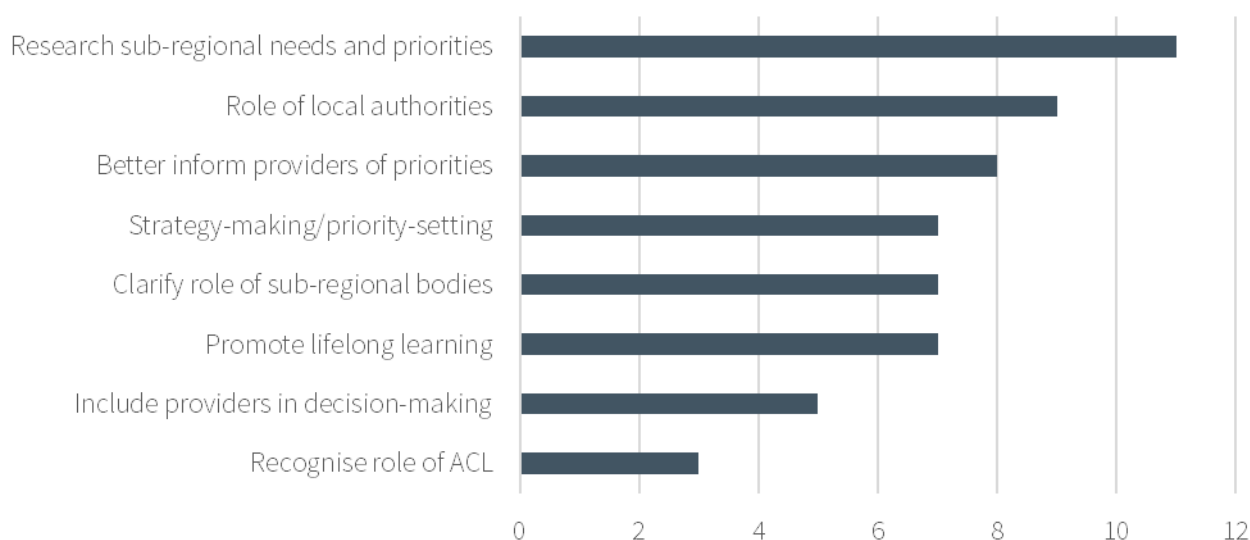
aligning provision to local and sub-regional priorities (7). 5 comments suggested that providers should be required to **demonstrate local need alignment**, and 5 additional comments sought **clarification around the role of SRPs and SEBs**.

SRP/City Hall role in local/sub-regional priority alignment (Q17)

What can sub-regional partnerships and City Hall do to help providers to better meet local/sub-regional need?

A total of 107 comments were received which were relevant to this question. The main themes of these responses are presented within Figure 22.

Figure 22. What can sub-regional partnerships and City Hall do to help providers to better meet local/sub-regional need? (main themes)



11 comments suggested that **SRPs and City Hall could invest in research into sub-regional needs and priorities**, with 7 additional comments stating that there was a need for **better strategy-making and clear setting of priorities** for providers to follow. 8 comments also suggested that **providers should be better informed of priorities**.

9 comments referred to the **role of local authorities** in ensuring provider priority alignment, suggesting that councils should also be involved. A desire for **providers to be included in decision-making** was also raised (5).

7 comments sought **clarification around the role of SRPs and SEBs**, and 7 comments suggested that SRPs and City Hall campaign to **promote adult education and lifelong**

learning. An extended response was made by one organisation with a proposal to embed local authorities in the commissioning cycle for the AEB.

Delivering the right outcomes

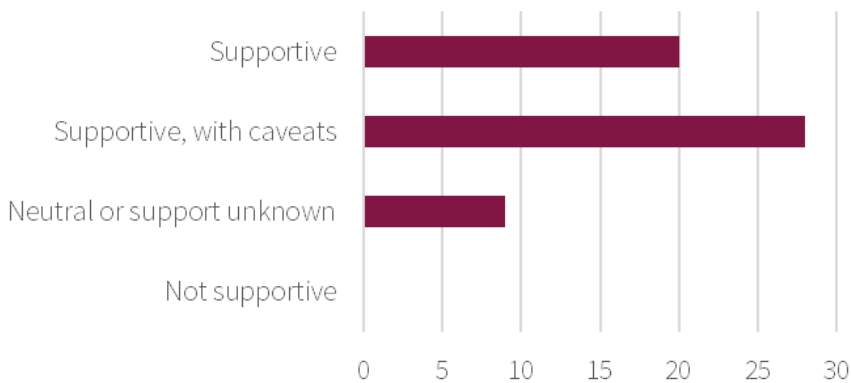
Outputs and outcomes (Q18)

Are the outputs and outcomes listed in this chapter the most important for London residents?

A total of 57 organisations responded to this question. 84% were supportive (including 49% with caveats) of the proposals. No organisations stated that they were not supportive.

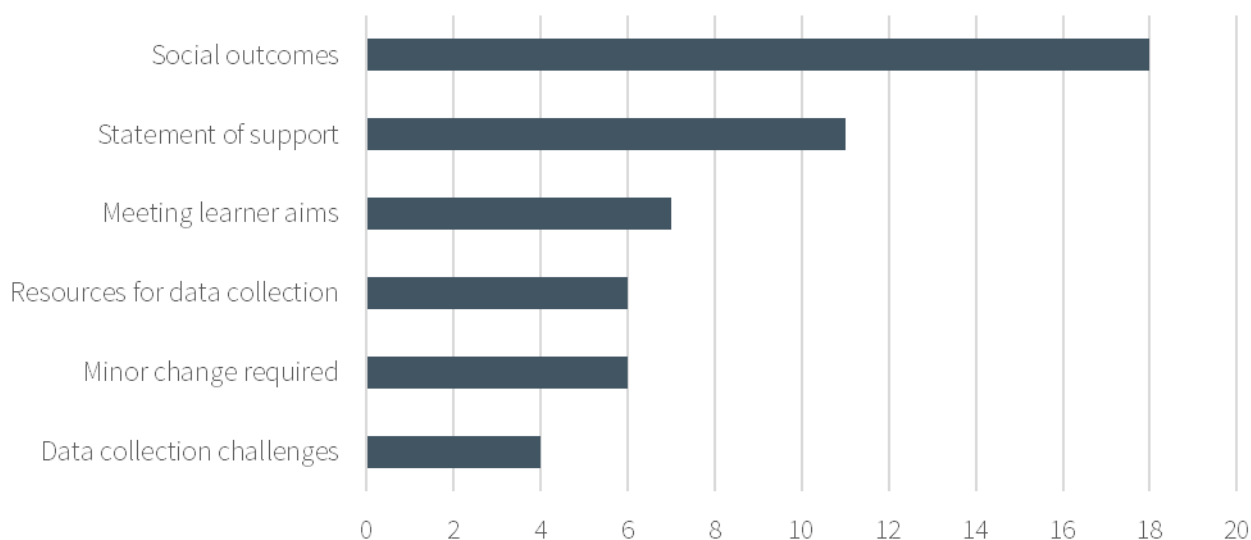
The level of support across all responding organisations is presented in Figure 23.

Figure 23. Level of support for outputs and outcomes in Chapter 6



A total of 93 comments were received which were relevant to this question. The main themes of these responses are presented within Figure 24.

Figure 24. Are the outputs and outcomes listed in Chapter 6 the most important for London residents? (main themes)



A number of comments emphasised the need to include **social outcomes** (18) in Chapter 6, evidently responding to the lack of detail provided on these in the Working Draft Framework. The importance of choosing social outcomes representing the wide reaching impacts of learning was highlighted, along with the need to ensure that these are easily measurable. A number of measures were suggested in responses, including confidence and health and wellbeing.

11 comments offered **statements of support** for the listed outputs and outcomes. There was a mix of topics discussed within these comments. Some commended the Framework's recognition of social outcomes, employment and/or progression, and others conveyed support for using qualifications as a measure.

A number of comments highlighted the need to include **meeting learners' aims** (7) as an outcome to measure.

Another 6 comments expressed concern over the **resources required for data collection**, including the time and financial cost of collection and measuring outcomes. An additional 4 comments raised other **challenges around data collection** including the adequacy of databases and difficulties in quantifying outcomes.

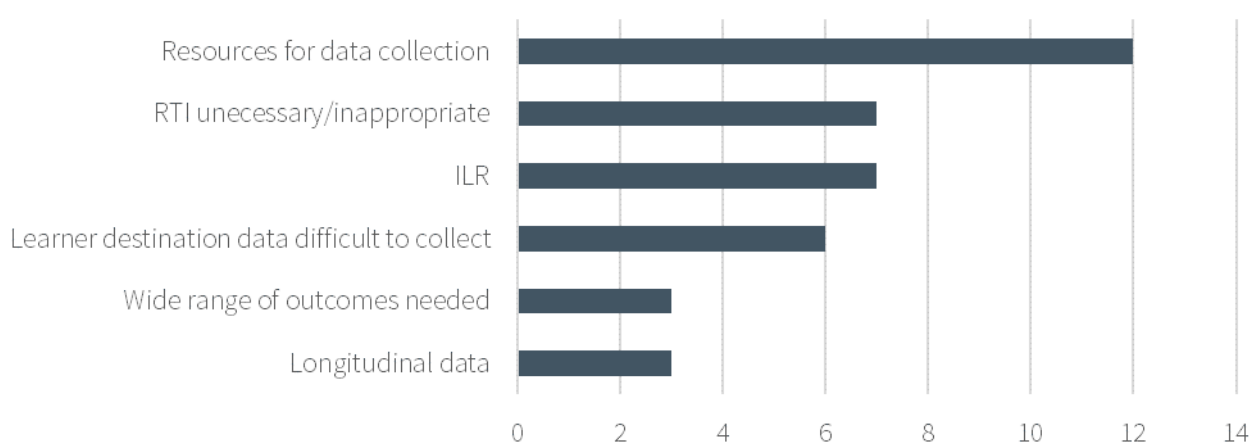
6 comments proposed **minor changes** to the outputs and outcomes table. Most of these requested review of ticked boxes, or questioned why only some boxes were ticked.

Collection of outcome data (Q19)

Until City Hall can gain access to Real Time Information about learners' employment, how can outcome data best be collected within the AEB?

A total of 74 comments were received which were relevant to this question. The main themes of these responses are presented within Figure 25.

Figure 25. Until City Hall can gain access to RTI about learners' employment, how can outcome data best be collected within the AEB? (main themes)



As in response to other questions, a number of comments raised concerns around the **resources required for data collection** and measurement (12). These stressed that, whatever the method chosen, data collection should not place onerous requirements on either providers or employers.

7 comments suggested that **real time information (RTI) was either unnecessary or inappropriate**, given it does not cover the wide range of outcomes derived from adult education, and moreover does not provide a comprehensive account of employment (eg. those on a zero hour contract or who are self-employed).

7 comments expressed **support for the use of ILR**, either as an alternative to RTI, or as a complementary data source after RTI is procured.

Some concerns were expressed over the **difficulty in collecting learner destination data** (6), with some suggesting City Hall invest in developing a clear and reliable method to do so. Some comments suggested that provider attempts to do this have had limited success and have not been cost effective.

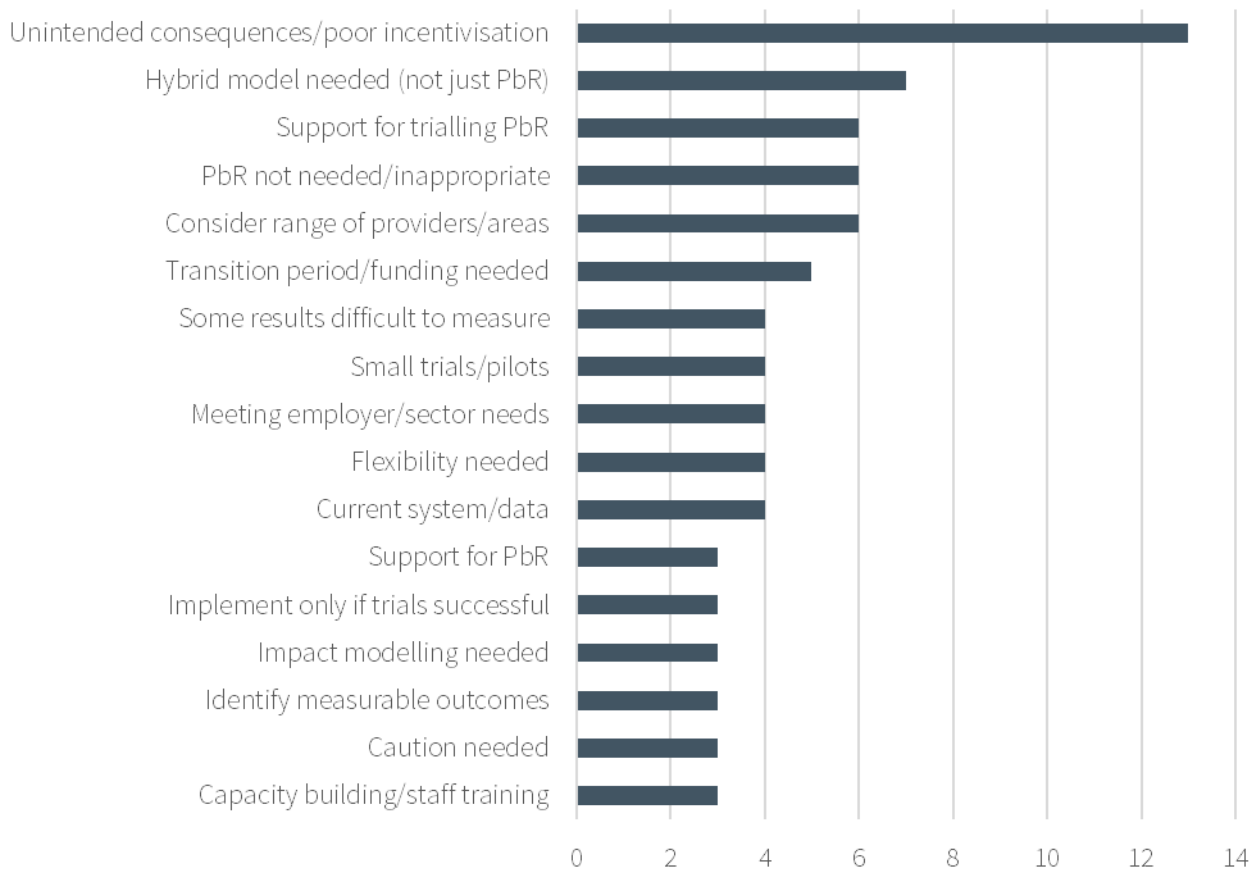
A smaller number of comments emphasised the need to measure a **wide range of outcomes** (3) and recommended using **longitudinal data** for an accurate picture of progress (3).

Payment by Results approaches (Q20)

How should City Hall trial PbR approaches within the AEB?

A total of 101 comments were received which were relevant to this question. The main themes of these responses are presented within Figure 26.

Figure 26. How should City Hall trial PbR approaches within the AEB? (main themes)



There was a wide range of themes identified across responses to this question. The most recurrent theme was around the **unintended consequences of payment by results (PbR) approaches** (13). In particular, comments highlighted the potential for poor

incentivisation of providers, where some learners might be ‘cherry-picked’, leading to the exclusion of groups most in need.

A **hybrid funding model** (7) was also suggested, where PbR complements or supplements an assured funding stream. Other themes included **support for the proposal to trial PbR approaches** before implementation (6), assertions that **PbR is unnecessary and/or inappropriate** (6), and that **a range of providers and geographical areas should be considered** in trials (6).

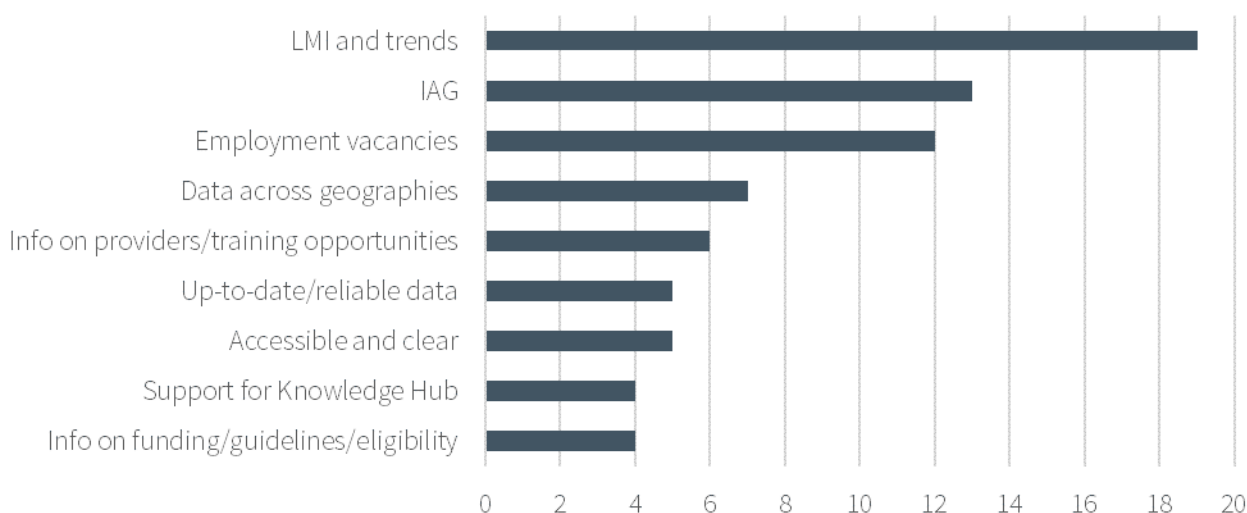
Other comments suggested that **adequate transition time** should be allowed if PbR is implemented, with some also suggesting transitional funding is provided (5).

Knowledge Hub (Q21)

What information would be most valuable for the Knowledge Hub to include?

A total of 103 comments were received which were relevant to this question. The main themes of these responses are presented within Figure 27.

Figure 27. What information would be most valuable for the Knowledge Hub to include? (main themes)



Most comments responding to this question requested that **labour market information (LMI) and trends** be included in the Knowledge Hub (19) so that there is a common understanding of needs and priorities to inform decision-making. This included: employment and sector trends across different geographies, JCP ward report data, local

authority data, current and projected skills and gaps, growth sectors, and the impact of automation.

13 comments highlighted the need for **IAG**, including information on career pathways and how to access relevant training, and data on salary levels. A further 12 comments suggested **employment opportunities and vacancies** (or links to these) be available on the Knowledge Hub. Others suggested including **information on providers, training opportunities and the quality of provision** (6). 4 comments sought clear **information on funding, guidelines and eligibility**.

A number of comments highlighted the need for **data to be provided across different geographies**, from regional to local (7). The need for **up-to-date and reliable data** (5), and **data that is both clear and accessible** to all (5), was also mentioned. Another 4 comments expressed **support for the Knowledge Hub**.

Next steps

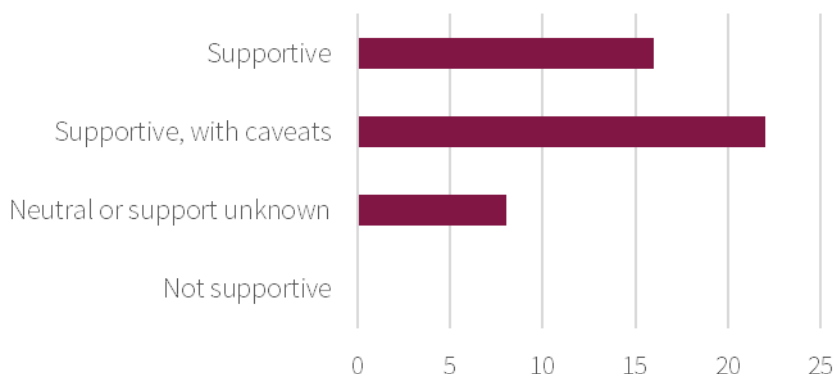
Overall support for proposed changes to AEB delivery (Q22)

Overall, do you support the changes the Mayor intends to make to the delivery of AEB in London? Is there anything else you would like to comment on?

A total of 46 organisations responded to this question. 83% were supportive (including 48% with caveats) overall of the proposed changes to AEB delivery. No organisations indicated that they were not supportive overall.

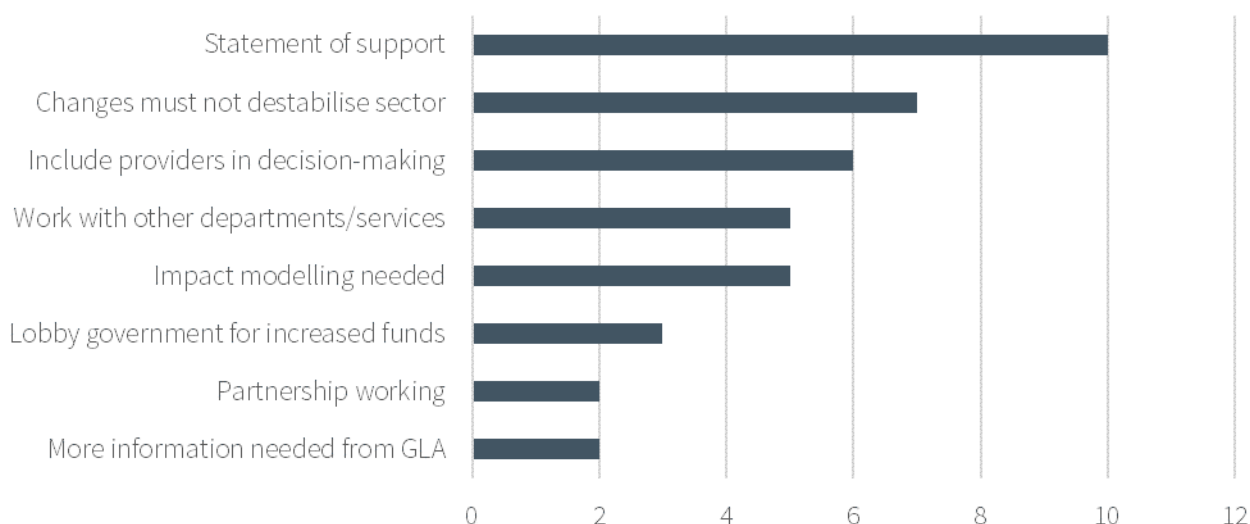
The level of support across all responding organisations is presented in Figure 28.

Figure 28. Overall level of support for proposed changes to AEB



A total of 83 comments were received which were relevant to this question. The main themes of these responses are presented within Figure 24.

Figure 29. Overall, do you support the changes the Mayor intends to make to the delivery of AEB in London? Is there anything else you would like to comment on? (main themes)



A number of comments provided a **statement qualifying their support** for the proposed changes (10). 7 comments indicated the importance of **ensuring that providers are well-supported and not destabilised** as a result of changes or during their implementation.

A few other suggestions were made in response to this question, including the need to **include providers in decision-making** (6), the need for City Hall to **work with other departments and services** in amending and implementing the Framework (with health most often cited) (5), and that **impact modelling is needed** before changes are implemented (5).

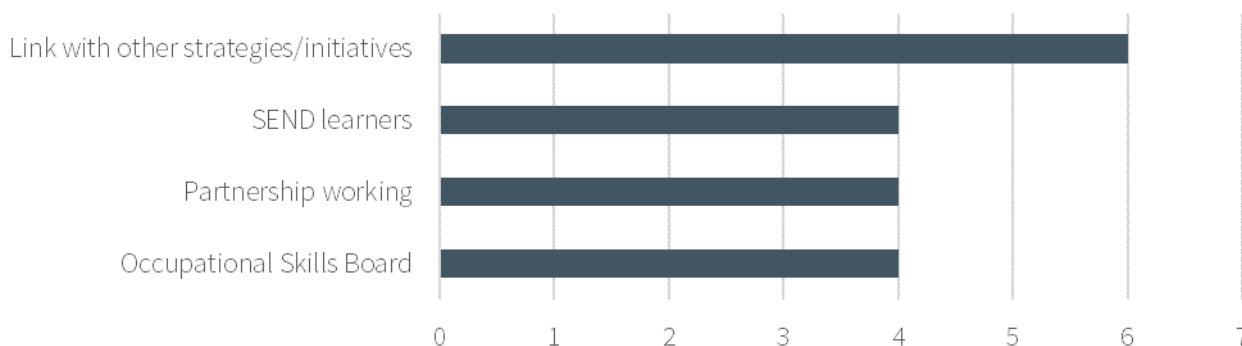
3 comments further suggested that the GLA **lobby the UK Government for increased funding**.

Other comments (Q23 and general comments)

Are there any other areas covered in the Framework you would like to comment on?

A total of 70 comments were received which were relevant to this question. A further 17 general comments were received that did not respond to a particular question. The main themes of both types of responses are presented within Figure 30.

Figure 30. Other comments (main themes)



Given the nature of this question, there were very few recurring themes across responses.

A key theme that was identified was the suggestion to **link the Framework and its contents with other strategies and initiatives** (6). 5 of these comments specifically mentioned the Mayor’s new Culture Strategy.

Other themes included the need for **greater focus on SEND learners** (4), the benefits of **partnership working and inclusive decision-making** and the need to maximise use of these (4),.Finally, the desire for **more clarification and information around the Occupational Skills Board** (4) was also mentioned.

5. Key Issues Raised

This chapter summarises the key issues raised in the consultation on the draft Framework. It has been divided into 4 sections:

- AEB and ESF priorities
- Commissioning and contract management arrangements
- Outcomes
- Next steps and overall Framework

AEB and ESF priorities

1. Clarify how AEB Priority 1 will be funded to support providers and prevent lowered learner participation

There was a significant level of support for the proposal to widen eligibility of AEB funding to in-work groups earning below the London Living Wage. However, a key concern was the additional pressure placed on providers, including earlier exhaustion of funding and lowered fee-based income, and the need for additional funding to avoid lowered participation. Many respondents sought clarification on how the proposal would be funded, and whether additional funding would be committed.

City Hall response

We welcome the overwhelmingly positive support for widening the eligibility of AEB funding to in-work groups earning below the London Living Wage in London. As set out in the draft Framework this is an extension of the Government's trial to fully fund learners who are employed and in low pay but adapted to London's needs. As with the Government's pilot there is no additional funding attached to this eligibility extension. It has been introduced to provide greater flexibility to help providers support more Londoners in low-paid work to progress through skills development.

We recognise that this will require a change in how providers plan their funding and could impact on learner participation levels. City Hall has undertaken basic modelling on the potential impact of the extended flexibility and will review what is being delivered in the first year of devolution against this to help plan for the future and create a skills system that is tailored to meeting London's needs.

Proposed changes to Framework

New text added on p11 of the final Framework:

This presents a great opportunity to support the many Londoners who are stuck in low paid and low skilled jobs to gain new skills and progress. It is recognised that extending the pilot to support employed people earning below the LLW will require a change in how providers plan their funding and could have an impact on participation levels for prospective learners who are out of work. City Hall has undertaken some modelling on the potential impact of the extended flexibility and will review what is being delivered in 2019/20 against this to help plan for the future.

2. Recognise the need for flexible education offers

The need for the provision of flexible education offers for adult learners (particularly low income learners) was cited throughout the responses, with a number of different suggestions made. This included providing more opportunities for unaccredited learning, bridging, 'bite-sized' or 'stepping stone' learning, and 'drop-in sessions'. Accommodating education for part-time workers or people with families was also a recurrent theme, including implementing flexible course timetables and investigating using online/digital resources.

City Hall response

The Mayor wants to create a more responsive and agile skills system that allows working Londoners to access the training they need to develop their skills and progress in their jobs. City Hall will review what is being delivered in the first year of devolution to determine if the skills training on offer is meeting learner needs. This information will help us to plan for the future. Learner access to courses, particularly for in-work groups, will form part of this review. City Hall is already delivering a series of ESOL Plus pilots in partnership with community groups, charities and employers. These pilots aim to remove barriers to participation and improve the suitability and availability of provision, focusing on supporting learners with particular needs, such as those in work or with childcare responsibilities. Findings from the pilots will help to further inform City Hall's planning for future AEB decisions.

Proposed changes to Framework

None.

3. Allow for greater flexibility in how AEB funding is used

Related to the need for flexible education offers, a number of comments raised the need for greater funding flexibility to develop and deliver programmes to better suit learner and sector needs. It was suggested that the AEB should fund the informal or short courses mentioned above, as well as allow 'stop-start' learning to accommodate learners juggling different needs. Other recurrent suggestions included allowing awards and certificates to be combined with English and Maths qualifications to increase functional skills attainment and allowing providers to design tailored programmes to meet learner and employer needs.

City Hall response

As set out in the draft Framework, we recognise that a key principle of devolution is to promote flexibility and innovation in order to develop work-focused training to open up job opportunities for local people as well as to promote social integration and cohesion. City Hall will explore a range of options to build increased flexibility to maximise outcomes for learners to progress into or within work and to actively participate in society. The Framework reflects the Mayor's ambition to make the AEB outcome-focused and any move towards an outcome-based commissioning model should lead to considerable freedom for providers to deliver the right type of support to deliver positive outcomes for learners.

Proposed changes to Framework

None

4. Produce and disseminate better labour market information at various geographies

The need for better labour market information was a recurrent theme across responses, particularly to ensure that provision is sector led rather than learner demand led. A number of responses suggested that either City Hall and/or SRPs should be responsible for the production and dissemination of this information.

City Hall response

We welcome the constructive comments received on how the production and dissemination of labour market information could be improved. We note how better labour market information can help learners, providers and employers align demand better to make efficiencies in the current system. We are pleased to see the proposed Skills and Employment Knowledge Hub is seen as an important way to bring about this improvement. We also note from the responses the need for more effective collaboration to deliver a

pan-London approach to skills delivery which ensures that data is made available in the best format at different levels—including sub-regional—where it will be most needed.

Additionally, we acknowledge the view expressed by some that data improvements should be supported by high quality, independent careers advice and guidance that help learners to fully understand the data and its implications for them.

While the GLA will continue to work to improve the production and dissemination of labour market information, existing resources are already in place to support learners, providers and employers. The GLA's [London Datastore](#) provides a free and open data-sharing portal where anyone can access a wide range of data, such as borough by sector employee jobs, and skills for London's economy with area breakdowns. This includes the latest data on job postings. The GLA will be consulting with providers to ensure that this data can be used as part of the proposed Skills and Employment Knowledge Hub in the future.

On a sector-specific level, GLA has also commissioned and published useful [LMI on the digital sector](#) which has been identified as one of the skills priority areas for London.

Proposed changes to Framework

None.

5. Further support employer-led initiatives to train, upskill and reskill staff

The role of employers in promoting in-work progression and resilience to changes in the London economy was mentioned by many respondents. It was suggested that City Hall should support, encourage and incentivise employer-led initiatives to train, upskill and reskill staff.

City Hall response

The Mayor is establishing a new business-led advisory body—the Skills for Londoners Business Partnership, which aims to improve and better align skills provision, to meet skills needs in London, increase skills investment and workforce development and improve information on occupational skills needs from employers. The Partnership will play a key role in helping to shape the Skills and Employment Knowledge Hub and inform future skills investment by City Hall to ensure continued access to skilled talent in London.

Engaging employers in skills provision, from design to delivery, can equip learners of all ages with the right skills to thrive and the Mayor will encourage business to take leadership through the Business Partnership, as well as the Good Work Standard and the Growth Hub.

The Mayor's 2019-23 ESF programme, which is match funded with the devolved AEB, will support a number of programmes aimed at upskilling those in work, and providers are encouraged to engage employers directly in the design and delivery of these programmes.

Proposed changes to Framework

None.

Commissioning and contract management arrangements

6. Clarify how exceptions to the MCV will be determined

A number of providers raised concerns that smaller, niche providers would no longer be viable should the proposed MCV be implemented, resulting in constraints to learner choice. Some providers recognised that the Framework includes a commitment from City Hall to consider awarding a grant agreement by exception where providers are able to demonstrate certain characteristics and sought greater clarification on how these exceptions would be granted. Others suggested using consortium arrangements to enable highly valued smaller organisations to continue to operate.

City Hall response

For grant-funded providers, such as colleges, higher education institutions, institutes of adult learning and local authorities, City Hall will only expect to fund providers with a minimum contract value of £100,000. Where a grant-funded provider delivers below this threshold but is able to demonstrate that it offers niche provision or provision to disadvantaged groups, then City Hall will consider on a case-by-case basis whether or not exceptional circumstances apply. Independent training providers do not receive grant funding and therefore should apply for funding through the AEB procurement process. Under this process, the minimum contract value is £100,000 per annum.

It should also be noted that the AEB procurement opportunity allows for organisations to apply as consortia in order to meet the £100k per year minimum contract value.

Proposed changes to Framework

None.

7. Clarify how exceptions to the subcontractor management fee cap will be determined

Caveats to organisational support for the proposed cap on subcontractor management fees largely called for exceptions to the cap, such that higher or varied fees could be negotiated where required. Suggested exceptions included: where higher fees can clearly

be justified, or where the subcontractor needs an intensive amount of support that the lead could not otherwise afford. One organisation suggested implementing a “sliding scale of subcontractor fees” eg. 10%, 20% and 20%+.

City Hall response

We consider a retention of 20% of funding to manage delivery of subcontractors as a maximum cap and would not expect providers to retain more than this. In exceptional cases, we will consider higher retention amounts but only if there is a compelling rationale. Requests for higher retention amounts will be assessed on a case-by-case basis and each request must be supported by evidence of the support, oversight and management of delivery carried out with the funding retained and the reasons for any difference in the retention amounts for a specific subcontractor. Each provider will be required to publish a subcontracting funding retention and charges policy.

Proposed changes to Framework

None.

8. Address the potential for an overall upward shift in subcontractor management fees

A key concern amongst respondents was that implementing a cap on subcontractor fees would cause an upward shift in fees, where a 20% fee would become standard, even when a lower fee is more appropriate. Others commented that the 20% cap was generally too high. One organisation suggested that City Hall should make it clear that the proposed cap is a maximum, and that fees should be “up to 20%”, to avoid negative consequences.

City Hall response

We consider a retention of up to 20% of funding to manage delivery subcontractors to be reasonable, with 20% being set as a maximum cap rather than a standard fee. We have revised the wording in the Framework to reflect this.

To support this policy, each provider will be required to publish a subcontracting funding retention and charges policy which sets out the reason for subcontracting and the support delivery subcontractors will receive in return for the funding retained. City Hall’s delivery team will monitor subcontracted delivery and work closely with providers, aiming to highlight and share fair and transparent practices in terms of managing subcontractors across London’s education and training providers.

Proposed changes to Framework

Third paragraph on p35 amended to read:

Following consultation, City Hall considers up to 20 per cent retention of funding provided for on-programme training to be a reasonable and would not expect prime providers to charge more than this.

9. Review the timing of the funding and contracting cycle

Many respondents raised the need to review the timing of the funding and contracting cycle. Most responses called for a move towards three-year funding allocations, to provide stability and allow providers to be responsive to changing needs. Requests for earlier notification of funding allocations were also made.

City Hall response

We acknowledge that the current funding cycle is based on a one-year funding allocation for grant providers, which impacts on the provider's business planning, stability and ability to respond to changing needs and economic shocks. However, City Hall is unable to move towards a three-year funding allocation as we are dependent on receiving a yearly allocation from government.

City Hall is continuing to work with government to finalise the details of the allocations process. The final allocation settlement is presented to City Hall in January of each year and City Hall provider managers will continue to work with providers to give allocation details as soon as practically possible. We recognise that this process is dependent on receiving accurate data from providers to process the allocation.

Providers who have been procured to provide a contract for services can expect the contract to last approximately four years, with break clauses in years two and three. The contract for services will set out the total level of funding available to the provider over the course of delivery, with receipt of payments following evidence of the contracted output. Provider managers will work closely with providers through regular monitoring visits to ensure that performance is of the level and quality required. Furthermore, provider managers will raise and tackle concerns of underperformance at the earliest opportunity to enable the contracted cycle to complete as planned.

Proposed changes to Framework

None.

Outcomes

10. Include appropriate and measurable social outcomes in the Outcomes identified in Table 4

A number of responses emphasised the need to include social outcomes in Table 4, evidently responding to the lack of detail provided on these in the draft Framework. The importance of choosing social outcomes representing the wide-reaching impacts of learning was highlighted, along with the need to ensure that these are easily measurable. The achievement of learner-identified aims was also frequently cited as an outcome for inclusion.

City Hall response

We welcome the overwhelmingly positive response to the introduction of an outcomes-based approach. Encouragingly, the positivity for this approach is shared across the sector, from large representative sector bodies and SRPs to smaller, niche providers. The responses also demonstrated how highly the employment and skills sector across London value the importance of social outcomes that benefit Londoners from undertaking skills provision, as well as employment and economic outcomes. Many of the responses also pointed out the importance of recognising progression as an outcome.

We recognise the challenges ahead in moving to an outcomes-based approach, despite this being a well-researched area. Some of these challenges, identified by respondents, include:

- not losing the ‘currency’ of qualifications while also recognising the value of wider social outcomes for Londoners
- getting the appropriate balance between outcomes that have been learner-identified and those that are community or place-based
- how we can use data to reward both short-term and long-term outcomes

Addressing these challenges will require close working with providers, boroughs and SRPs. Since the publication of the draft Framework, the Skills for Londoners Board has established an Outcomes for Londoners Advisory Group to assist with this collaborative approach.

To reflect the views expressed by respondents, we have made the following changes to the final Framework:

- refreshed *Table 4 – The key outcomes City Hall will look to deliver* on p42 to reflect specific comments in the responses, noting that the table is still subject to consultation

through the Outcomes for Londoners Advisory Group and may be subject to further changes (see below).

- included a diagram on the outcomes related to the Mayor’s Culture Strategy, alongside the Mayor’s Economic Development and Social Inclusion Strategies set out on p45-48.

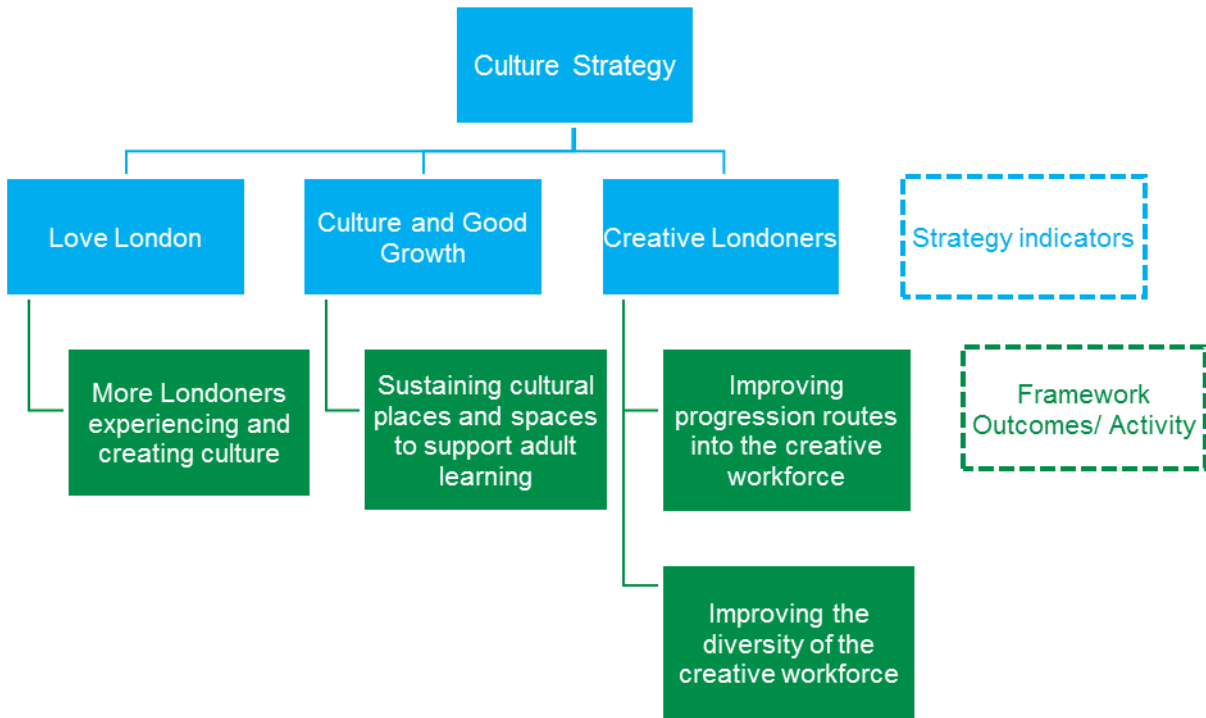
We also note from the responses the need to make improvements to the collection of relevant data. With this in mind, we will proceed cautiously to ensure that what is developed is sufficiently appropriate, flexible, consistent and comprehensive, and not burdensome for learners and providers.

Table 4 – The key outcomes City Hall will look to deliver

Note: the table is still subject to consultation through the Outcomes for Londoners Advisory Group and may be subject to further changes

Framework indicators	Skills for Londoners Capital Fund	AEB	ESF
Labour market outcomes			
Entered employment or self-employment	X	X	X
Sustained employment or self-employment		X	X
Entered further learning	X	X	X
Sustained further learning		X	X
Entered job with training (incl. Apprenticeship)	X	X	X
Sustained job with training (incl. Apprenticeship)		X	X
In work progression e.g. positive contract change (e.g. temp to permanent, or zero hours to fixed hours) or secured a promotion.			X

Social outcomes			
<i>To be confirmed, but likely to include outcomes from the Social Inclusion Strategy, Health Inequalities Strategy and Culture Strategy</i>		X	X
Quality of education facilities			
Impact of project on condition of estate (Gross Internal Area)	X		
Improvement in accessibility linked to wider social integration	X		
BREEAM rating and other sustainability/ environmental considerations	X		
Cost savings realised from improvements	X		
Partnership development and strategic alignment			
Support for priorities identified in the sub-regional employment strategies and increase in partnerships between skills providers and businesses	X	X	X



11. Ensure any Payment by Results (PbR) approach avoids unintended consequences

There was a mix of comments in response to PbR. A key concern was that it would promote poor incentivisation, leading to providers 'cherry-picking' some learners to achieve quick outcomes, to the exclusion of groups most in need.

City Hall response

We welcome and note the constructive feedback received on linking outcomes to funding. We recognise the potential unintended consequences which may occur when PbR is used as identified in some of the responses. These included:

- poor or perverse incentives
- factors that providers have no control over
- a focus on the easiest to measure outcomes
- the risk that the most vulnerable learners might be ignored as too expensive to help

For this reason, we will exercise caution in developing our proposals and will continue to take a consultative and considered approach to ensure any proposed changes are robustly trialled before being implemented more widely.

Proposed changes to Framework

None.

Next steps and overall Framework

12. Evaluate the resources required for increased data collection

Concerns around the time and financial costs of data collection and measurement, particularly where new outcomes or approaches were proposed, were consistently raised by respondents. Concerns included increased administrative burden for providers and the cost setting up and shifting to new systems.

While there is overwhelming support for proposed improvements to data collection and measurement, some concerns were expressed about the cost this might cause providers if data requests were widened beyond what is already being collected. Some responses argued that proposed improvements should not be resource intensive as the cost of collecting, collating and analysing the data could be high compared to the funding spent, and that this could divert funding from learners.

City Hall response

We have already agreed an Enhanced Data Service Offer with the EFSA to support our set up arrangements for 2019/20 and to provide time to consider local systems to support local variations for 2020/21. This will incur no costs to City Hall or to providers. Prior to exploring new data to be collected (and the systems implications which would need to be costed) City Hall are working with the other Mayoral Combined Authority areas and the Department for Education to minimise the cost of making any improvements to data requirements. City Hall is working with government to ensure that accessible and timely data can be produced through appropriate data sharing agreements to facilitate the delivery of operational processes and strategic planning.

To start with, we are analysing the three years Longitudinal Education Outcomes data that is already available before starting to collect further data. We will consult further with the sector on any new data requirements to support the move to an outcome-based approach to AEB funding. This will include workshops with providers during development of any systems to shape functionality.

Proposed changes to Framework

None.

13. Promote and facilitate partnership working

The need for facilitation of partnership working was also consistently cited across responses. Collaboration between councils, providers, employers, and SRPs, as well as with City Hall, was seen as necessary to make inclusive decisions, share resources, and achieve desired outcomes.

City Hall response

The Mayor recognises that the transformation of London's skills system cannot be achieved by City Hall alone. Working in partnership with councils, providers, employers and other key stakeholders will be key to creating a more collaborative and strategic skills system. Throughout the process of publishing the Skills for Londoners Strategy and accompanying Framework, the Mayor has worked to ensure strategic input and buy-in has been gained from key stakeholders with a collaborative approach and extensive provider engagement.

The GLA has:

- worked with the Employment Related Services Association to deliver an engagement event as part the draft Skills for Londoners Framework consultation.

- worked with key provider representative bodies to alert the sector to City Hall developments and opportunities for participation.
- engaged the sector through a series of provider workshops and roundtables.
- participated in Sub-Regional Partnership's (SRPs) Skills and Employment Boards meetings to disseminate information. All four chairs of the SRPs' Skills & Employment Boards are also members of the Skills for Londoners Board.
- continued to work closely with the Education and Skills Funding Agency to inform our approach to the implementation of devolution.
- committed to a relationship-based approach to delivering AEB post-devolution. Since Summer 2018, City Hall officers have been working to engage London providers (including FE Colleges, Independent Training Providers and Local Authorities) through a programme of introductory meetings and site visits detailing developments as work streams progress.

In addition, City Hall will be consulting in the development of the Skills and Employment Knowledge Hub to create a platform for design and dissemination of information on London's skills and employment needs to help support curriculum planning, careers services as well as wider policy implementation.

Proposed changes to Framework

None.

6. Next steps

A final version of the Skills for Londoners Framework will be published alongside this report.

We would like to thank everyone who responded to the consultation. We welcome the constructive and positive feedback and look forward to working with you on developing our proposals for the AEB and other skills funding streams in the future.

7. Appendix

The Feedback Form provided to organisations is attached below.

MAYOR OF LONDON

Skills for Londoners Framework Consultation



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1. Introduction

The **Skills for Londoners Strategy** was published on 10 June 2018. The Strategy is the first dedicated Skills and Adult Education Strategy produced by a London Mayor. 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.'

There are three key priorities at the heart of the Strategy:

1. empower all Londoners to access the education and skills to participate in society and progress in education and work
2. meet the needs of London's economy and employers now and in the future
3. deliver a strategic city-wide technical skills and adult education offer

Alongside the Skills for Londoners Strategy, the draft Skills for Londoners Framework sets out how the objectives of the Strategy will be delivered in the context of the devolution of the Adult Education Budget (AEB). From the academic year 2019-20, the Adult Education Budget (AEB) in London will be devolved to the Mayor, transferring responsibility from the Department for Education (DfE) for the delivery of adult education provision to London's residents.

The Framework is published in draft on the GLA website for consultation from **17 July 2018 to 17 August 2018**. Stakeholders are encouraged to respond to the following questions under each of the key chapter headings in the draft Framework to help support the strategic aims of the AEB and to shape the AEB Funding Rules, which will be published in the autumn 2018.

This document contains excerpts from the draft Skills for Londoners Framework. You can read the full draft Framework at <https://www.london.gov.uk/what-we-do/business-and-economy/skills-and-training/skills-londoners-strategy-2018>

2. Adult Education Budget

The Mayor wants to tailor adult education and skills provision in the capital to ensure that every Londoner has the opportunity to learn and develop the right skills to succeed. To do this, a number of priority areas have been identified where City Hall will explore making changes to the AEB in the future. City Hall has identified eight areas to reform within the devolved AEB in London. Informed by the Skills for Londoners Strategy consultation and the wider skills evidence base, the priorities for change are in relation to:

- 1 Eligibility for full-funding for people in low-paid work
- 2 Basic English and maths skills
- 3 English for Speakers of Other Languages (ESOL)
- 4 Basic digital skills
- 5 Adult Community Learning (ACL)
- 6 Support for disadvantaged learners
- 7 Support for learners with Special Educational Needs and Disabilities (SEND)
- 8 Addressing London's sectoral and occupational skills needs

This chapter sets out the rationale for each of these priority areas, as well as wider policies to remove barriers to participation and achievement in adult education.

Questions

- 1. Do you support the changes the Mayor intends to make to widening the eligibility of AEB funding to in-work groups earning below the London Living Wage in London? Please explain your answer.**
- 2. What should be included in a package of wraparound support for adult education providers to assist the delivery of English and maths courses?**
- 3. Which groups of learners should be considered a priority for Adult Community Learning?**
- 4. What social outcomes should City Hall measure, and are there particular approaches or trials City Hall should learn from?**
- 5. On which personal learner characteristics might disadvantage uplift payments in the AEB funding formula be based?**
- 6. How can providers be supported and encouraged to align provision with London's sectoral and occupational skills needs?**
- 7. What other flexibilities or changes to the current ESFA AEB provision would providers most welcome and why?**

3. European Social Fund

To support the delivery of skills priorities in the capital, the Mayor and LEAP want to ensure the remaining unallocated ESF is successfully used in London up to 31 December 2023. The Mayor and LEAP oversee the London ESF programme delivered by a range of Co-Financing Organisations (CFOs) and directly funded organisations.

Where national CFOs are unable to fully use the remaining ESF funds or deliver the Mayor's priorities, City Hall will seek to match fund London's remaining ESF allocation, using the procured element of the AEB as match funding. City Hall's ESF will continue to be directed to meet identified gaps in mainstream provision of skills and employment support, as well as to pilot innovative approaches to the delivery of skills and employment provision to support the most disadvantaged groups in the capital.

This chapter sets out current and future ESF programme priorities, and how City Hall may seek to use ESF to deliver the Mayor's priorities for skills provision, as set out in the previous chapter.

Questions

- 8. For each of the ESF priority areas (Youth, Adult Employment, Adult Skills), are the proposed programme priorities and the priority groups identified the right ones?**
- 9. How can City Hall best use ESF to support in-work progression to reduce the number of young people not in education, employment or training?**
- 10. How can City Hall best use ESF to support the skills needs of both individuals and the sectors/occupations in London most likely to be affected by technological innovations, automation and Brexit?**
- 11. How can City Hall best use ESF to help widen participation and achievement in ESOL?**

4. Commissioning and Contract Management Arrangements

London has been awarded an indicative AEB allocation from the DfE of £311 million for the 2019-20 academic year. While the allocation will not be confirmed until January 2019, the DfE have indicated that this is based on a 2018-19 spend of around £277 million (89 per cent) by grant funded providers who receive their allocation on a non-competitive basis (primarily FE colleges, Institutes of Adult Learning (IAL) and local authorities) and approximately £34.3 million (11 per cent) of provision awarded through open and competitive tendering processes.

City Hall intends to allocate these funds, at least in the short term, on a similar proportion and basis to the current ESFA allocations meaning that the majority of the AEB will be awarded to grant funded providers based on their historic delivery in London and the remaining funds will be procured via an open and competitive process from the autumn 2018. The procured element of the AEB will be used to match fund a part of London's remaining unallocated ESF funding over four years.

This chapter sets out the commissioning and contract management arrangements for each of the different funding streams, and how these will complement each other to deliver the Mayor's strategic aims.

Questions

12. Is the proposed application of minimum contract values realistic?
13. City Hall intends to make changes to the way providers subcontract, including changes to in-year subcontracting and introducing a 20 per cent cap on subcontractor management fees. What are your views on these proposals and the challenges in implementing them?
14. What works well, and what works not so well, in the current management systems, and data collection and processing systems?
15. Are there any elements of the business process that City Hall should consider changing, and what support do you need from City Hall during the funding year?

5. Ensuring local approaches

Devolution of the Adult Education Budget (AEB) means that for the first time, the Mayor can ensure that adult education is tailored to meet the needs of London and Londoners. This is a momentous opportunity, requiring collaboration with a range of stakeholders, particularly London's boroughs, to ensure skills provision not only meets city-wide needs but local priorities too.

City Hall will work with London's boroughs through London Councils and the four borough SRPs to ensure the devolved AEB addresses priorities at every level. As outlined in the Skills for Londoners Strategy, there is much variation in challenges and need within and across London's boroughs. The AEB and skills system more broadly needs to be responsive to local priorities with stronger collaboration between providers, employers and boroughs. This chapter sets out how this process of collaboration and local engagement will work.

Questions

16. How can providers better respond to local/sub-regional priorities?

17. What can sub-regional partnerships and City Hall do to help providers to better meet local/sub-regional need?

6. Delivering the right outcomes

City Hall is committed to making the AEB more responsive to London's needs. Currently, the AEB funding structure provides limited incentives to providers to ensure that provision is focused on labour market and other key outcomes for London's residents and businesses, as providers are primarily paid for delivering learning aims. This does not mean London's skills providers are not focused on delivering appropriate training. On the contrary, recent research from the Department for Business, Innovation and Skills (BIS) found that FE colleges took the need to match courses to local labour market needs seriously, and, on the whole, did this well. However, the picture is variable. City Hall will look to address this variability by moving towards a system that more strongly incentivises outcomes.

This chapter sets out how City Hall intends to move towards an outcomes-based approach to delivering the AEB and ESF in London in future years.

Questions

- 18. Are the outputs and outcomes listed in this chapter the most important for London residents?**
- 19. Until City Hall can gain access to Real Time Information about learners' employment, how can outcome data best be collected within the AEB?**
- 20. How should City Hall trial PbR approaches within the AEB?**
- 21. What information would be most valuable for the Knowledge Hub to include?**

22. Overall, do you support the changes the Mayor intends to make to the delivery of AEB in London? Is there anything else you would like to comment on?

23. Are there any other areas covered in the Framework you would like to comment on?

Guidance on providing your response

We would encourage you to be concise in your responses. You are not required to respond to all of the questions.

We would be grateful if you could send the completed form to AEB@london.gov.uk by **17 August 2018**. We may be required to release a copy of your submission under the Freedom of Information Act 2000, even if it has been marked as confidential. In any event we will ensure that information or data that could identify particular individuals and service users will be removed before publication. Please state clearly who the submission is from and whether it is sent on behalf of an organisation or in a personal capacity.

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