

# Annual Report to HM Government - Adult Education Budget 2022-23

## 1. Introduction

- 1.1. The Secretary of State for Education published guidance for the Mayor of London and Greater London Authority on the exercise of delegated adult education functions<sup>1</sup> in July 2019. This guidance includes the requirement that the Mayor must provide HM Government with an annual report each year, which provides key information about the delivery of adult education functions in London.
- 1.2. This report is the fifth submission to HM Government and covers the full **2022-23 academic year** from 1 August 2022 to 31 July 2023 relating to the delegation of the Adult Education Budget (AEB). This report will focus on:
  - strategy and priorities for delegated adult education
  - policies and interventions for adult education
  - monitoring and evaluation
  - local impact
  - AEB spend

## 2. Strategy and Priorities for Adult Education

- 2.1 During the 2021-22 academic year, the Mayor published a Skills Roadmap for London<sup>2</sup> for the Mayoral term (ending March 2024) that sets a clear direction of travel for skills and adult education in the capital that is understood by the skills and employment sector, businesses, civil society and Londoners. The overarching aim is to ensure adult education in London is locally relevant, makes an impact and is accessible. Key actions in the strategy focus on giving people the skills they need for jobs and helps to address inequality in the capital.
- 2.2 To measure this, the Mayor introduced his pioneering London Learner Survey tracking how learners' lives change after they complete their learning, whether that is through improvements in health and wellbeing or entering new employment. We will use the data collected to understand where to focus City Hall-funded provision. The economic outcomes are progression into employment, progression within work and progression into further learning.

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<sup>1</sup> Secretary of State for Education Guidance for the Mayor of London & GLA on the delegated adult education functions:

[https://www.london.gov.uk/sites/default/files/london\\_guidance\\_for\\_the\\_exercise\\_of\\_delegated\\_adult\\_education\\_functions\\_0.pdf](https://www.london.gov.uk/sites/default/files/london_guidance_for_the_exercise_of_delegated_adult_education_functions_0.pdf)

<sup>2</sup> Skills Roadmap for London:

[https://www.london.gov.uk/sites/default/files/skills\\_roadmap\\_for\\_london.pdf](https://www.london.gov.uk/sites/default/files/skills_roadmap_for_london.pdf)

Meanwhile, the social outcomes are improved health and wellbeing, improved social integration, improved self-efficacy and participation in volunteering.

- 2.3 The ambition set out in the theory of change the GLA developed in 2022-23 for London's AEB is to ensure employers have access to the skills they need and for more adult Londoners, particularly those underrepresented in learning and work to be equipped to participate in society, realise their goals and progress in education and work.
- 2.4 These goals are mirrored in London's Local Skills Improvement Plan (LSIP), developed across the 2022-23 academic year (published August 2023) which sets out how London's current skills offer can better meet the needs of employers. It makes recommendations on increasing awareness of existing skills programmes and developing new ways to support Londoners into employment.
- 2.5 In 2023, just over one in ten Londoners (11 per cent) aged 16-64 had no or low qualifications (no qualifications at level 2 or higher). This has been decreasing steadily from around 17 per cent from 2012 but held at around the same level over the last year.<sup>3</sup> The Roadmap committed to a continued focus on learning at Level 2 and below for the AEB, particularly where evidence shows positive social and economic outcomes.
- 2.6 English for speakers of other languages (ESOL) provision is a key part of the Mayor's essential skills offer for London. Demand for ESOL has increased and the AEB funds the majority of ESOL provision delivered in London. The Skills Roadmap committed to improving the coordination of ESOL and fully funding courses for people seeking asylum.
- 2.7 The Mayor has worked to drive up participation in, and access to, AEB-funded learning. Awareness of the Mayor's adult education provision has been driven through a community outreach programme, to reach Londoners less likely to engage in adult education.
- 2.8 Short-term priority outcomes identified for 2022-23 as part of the GLA's theory of change for the AEB included:
  - Londoners in need are more able to access funded AEB provision.
  - Londoners are more easily able to access training, including at Level 2, Level 3 and Level 4, with a focusing on sectors key to London's recovery (health & social care, green, digital, hospitality and the creative industries) to support Londoners to progress in higher paid work and manage the rising cost of living.

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<sup>3</sup> [The State of London: Summary statistics about London's economy and society](#), GLA City Intelligence, 2023

### **3. Policies for Adult Education**

- 3.1. In line with the Skills Roadmap for London, several policies and interventions through the AEB were approved for the 2022-23 academic year to continue to the Mayor's key priority of getting London's economy back on its feet. These include:
- 3.2. **Level 4 qualifications** – AEB providers were able to fund non-prescribed vocational and technical qualifications at Level 4 from a list of fundable learning aims where learners were unemployed, out of work and outside of benefit arrangements, or in receipt of a low wage, regardless of prior qualification level. The flexibility offered clear progression routes from existing provision into skills training that leads to good jobs or supports efforts to address skills gaps in priority sectors for London.
- 3.3. **License to Practice** – Providers were able to use the AEB to fund specific license to practice accreditations as part of skills training packages in construction and hospitality sectors to remove barriers to work. The GLA piloted this flexibility through the 'Construction Skills Certification Scheme', to help people access jobs on construction sites and the 'Security Industry Authority (SIA)' license, to increase the number of trained security guards as a boost to the night-time economy.
- 3.4. **Removing the three-year residency requirement for Londoners on certain immigration schemes** – UK residents who plan to be resident in London for the long term, in certain circumstances, can now access AEB funded learning opportunities from their first day of arrival. The flexibility extends to Londoners who have British or Irish nationality and those of other nationalities who have permission to live in the UK for more than 12 months.
- 3.5. **Individuals out of work and outside benefit arrangements** – AEB funded training opportunities were extended to approximately 400,000 unemployed Londoners previously priced out of funded training due to an inability to evidence state benefits. The flexibility aimed to support progression into good jobs and improve social outcomes.

#### Changes to existing local flexibilities in the 2022-23 academic year

- 3.6. **The London Factor** – An additional 3.5 per cent was applied to the weighted base rate of all AEB fundable qualifications up to and including Level 2. This increased the London factor to 13.5 per cent, unlocking more funding per learner to increase the quality of provision and reflect the higher delivery costs in London, whilst also supporting the FE workforce to manage rising costs.
- 3.7. **London Recovery Level 3 flexibility** – The GLA removed the 12-month course duration cap on fully funded level 3 qualifications for learners who are unemployed or earning below the London Living Wage, including those who have already achieved a first full level 3.

- 3.8. The GLA also introduced a 20 per cent flexibility in Free Courses for Jobs (FCFJ) funding, enabling providers to fund additional level 3 learning aims drawn from a regional list of qualifications that were approved for delivery in the London area. This included aims not part of the national offer.
- 3.9. **British Sign Language (BSL)** – The entitlement was expanded as part of the 2022-23 academic year to include any Londoner who is unemployed or in low paid work to undertake a qualification in BSL up to and including level 2.

#### Changes to AEB eligibility criteria

- 3.10. **Asylum Seekers** – Individuals and their family members became exempt from the three-year residency requirement and eligible to receive AEB funding under the following types of immigration statuses:
- Ukraine Extension Scheme – All Ukrainian adults and their family members who had permission to stay in the UK on or before 18 March 2022.
  - British Nationals evacuated from Afghanistan under Operation Pitting
  - British Nationals evacuated from Afghanistan by UK government before 6 January 2022

#### Existing flexibilities

- 3.11. There have been four Annual report submissions to the Department for Education (DfE) outlining policy interventions introduced in previous academic years. Flexibilities which were carried forward into the 2022-23 academic year include:
- 3.12. **Living Wage** – To ensure that AEB-funded provision addresses the challenges faced by those in low-paid work, the Mayor agreed to fully fund skills provision for eligible adults earning below the London Living Wage to ensure they are better supported to progress in work and life, including providing greater flexibility to both grant and procured providers to access full funding for use to meet the costs of full Level 3 qualifications.
- 3.13. **Special education needs and disabilities (SEND) Continuing Professional Development (CPD) Support** – Flexibility within AEB grant-funded provider allocations to fully fund certain categories of learning that upskill eligible teaching and learning support staff to deliver improved provision for learners with SEND.
- 3.14. **London Recovery Non-formula funding** – Flexibility for all grant providers to use up to 10 per cent of their existing formula-funded adult skills allocation to deliver non-formula funded locally defined learning programmes designed to respond to skills needs and enable Londoners to progress into work.
- 3.15. **Impact of the introduction of AEB flexibilities** - In the 2022-23 academic year, there were 45,650 learners enrolling in 82,980 GLA-funded courses thanks to the introduction of AEB flexibilities. The table below shows learner

participation for the most popular initiatives, which overall increased by 32 per cent compared with the same period last year:

<b>AEB flexibility</b>	<b>Learner Participation</b>		
	<b>Academic Year (AY) 2021-22</b>	<b>AY 2022-23</b>	<b>Year-on -Year % Change</b>
<i>Learners in Receipt of Low Wage</i>	23,590	26,970	14%
<i>London Recovery Flexibility – Level 3</i>	2,290	2,590	13%
<i>London Recovery Flexibility – Non -Formula Funding</i>	5,550	6,890	24%
<i>British Sign Language</i>		160	
<i>Upskilling Staff Delivering Specialist Provision to SEND Learners</i>		70	
<i>Level 4 Qualifications</i>		30	
<i>License to Practise</i>		1,740	
<i>Learners Out of Work and Outside Benefit Arrangements (Including Asylum Seekers)</i>		7,200	
<b>Total</b>	<b>30,870</b>	<b>45,650</b>	

Source: Individualised Learner Record R14 2021-22 and 2022-23.

### Future plans

- 3.16. **The Mayor’s Jobs and Skills for Londoners Fund** – The Mayor has commissioned a new programme of sector specific training that uses AEB and FCfJ funding. The fund delivers provision that help Londoners gain relevant skills, retrain, and move into “good work” in sectors key to London’s economy including digital, health and social care, hospitality, green and creative industries.
- 3.17. The programme also funds job-outcome payments at the flat rate of £400 per job when it can be evidenced that employment achieves the four pillars<sup>4</sup> of fair pay and conditions, workplace wellbeing, skills and progression, and diversity and recruitment.
- 3.18. **Responding to funding reforms** – the GLA will look at how best to respond to new funding rates and reforms to post-16 skills in London that will take effect from 2024-25. In particular, how to integrate the new tailored learning offer within London’s skills system.

<sup>4</sup> GLA AEB 2023-24 Funding & Performance Management Rules:  
[file:///C:/Users/AiKhan/Downloads/GLA%20AEB%20Grant%20Funding%20and%20Performance%20Management%20Rules%202023-24%20Draft 1%20\(1\).pdf](file:///C:/Users/AiKhan/Downloads/GLA%20AEB%20Grant%20Funding%20and%20Performance%20Management%20Rules%202023-24%20Draft%201%20(1).pdf)

#### **4. Adult Education Budget local impact analysis**

- 4.1. The GLA publish AEB programme data biannually in line with the UK Code of Practice for Official Statistics and following the DfE's Further Education and Skills data publication. The Data Publication aims to ensure transparency, support engagement with stakeholders, bridge information gaps to support a more strategic approach to skills provision, and support learners and employers to make more informed decisions.
- 4.2. The most recent AEB Data release<sup>5</sup> includes statistics on AEB-funded Further Education and Skills in London based on data for the full academic year 2022-23 covering Community Learning, Adult Skills (including innovative practice) and also FCFJ, which have been added for completeness. A summary note was published alongside the data release to assist in interpreting the 2022-23 AEB statistics and highlights some of the key points and limitations.

#### **5. Monitoring and Evaluation**

- 5.1. To measure the efficacy of the commissioning, delivery, and management of the delegated AEB, the GLA have undertaken further evaluation work. These have included:

##### 2019-2024 AEB Evaluation

- 5.2. The GLA commissioned IFF Research to evaluate the first five academic years from 2019 to 2024 on its management of the AEB. The outputs are annual reports, which aim to evaluate how effective policy and management changes introduced by the GLA have been. The methodology used is a combination of quantitative analysis of the Individualised Learner Record (ILR) data and the GLA's London Learner Survey, with insights gathered from qualitative interviews with AEB-funded providers, sector stakeholders and learners. The report covering 2021-22<sup>6</sup> was published in July 2023 which included a full analysis of the data for that academic year. The 2022-23 report will be published in July 2024 and includes a full impact analysis of AEB interventions.
- 5.3. In the interviews, providers have continued to be positive about the GLA's management of the AEB. Overall, they thought that delegation is enabling a closer alignment between local and Mayoral skills priorities and a stronger strategic direction for skills policy in London.

##### London Learner Survey

- 5.4. The first year of the London Learner Survey was launched in August 2021 to assess the impact of AEB provision over seven priority impact areas, which are

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<sup>5</sup> 2022/23 Data Release, London Datastore: <https://data.london.gov.uk/dataset/gla-adult-education-budget>

<sup>6</sup> Evaluation of London's Adult Education Budget- Full Year Report 2021/22: [https://www.london.gov.uk/sites/default/files/2023-08/Final%20Evaluation%20of%20London%20AEB%20-%20Full%20Year%202022%20Report%20IFF\\_1.pdf](https://www.london.gov.uk/sites/default/files/2023-08/Final%20Evaluation%20of%20London%20AEB%20-%20Full%20Year%202022%20Report%20IFF_1.pdf)

separated into four economic and three wellbeing measures.<sup>7</sup> The survey provides an opportunity to demonstrate the impact on London learners, employers and communities; and the impact that delegation is having on the outcomes achieved by learners in both community learning and adult skills provision. The survey is delivered in two parts – a baseline survey which is administered by providers and a follow-up survey which is administered by IFF Research, a research agency.

- 5.5. The results of London Learner Survey for the 2021-22 academic year (first year) were released in June 2023, with the 2022-23 academic year results due to be published in June 2024. Through engagement with the sector, changes were made to the survey for 2022-23 including restricting multiple enrolments so that learners only have to complete the survey once in each 90-day period; an occupational question has been added; and a paper-based more pictorial version of the survey was distributed to providers although this has been made available online for 2023-24.
- 5.6. Positive feedback from the first set of London Learner Survey results noted how useful the insights produced were in understanding the social and economic outcomes of learners in a way that supported the work of our stakeholders and delivery organisations. The overwhelmingly positive insights garnered so far through the London Learner Survey have provided evidence on the impact of the GLA funded adult training provision on the lives of Londoners into employment, in-work progression, further studies, improved health and wellbeing and increased confidence.
- 5.7. The 2021-22 results found that:
  - 160,000 learners (84 per cent) experienced an increase in their general wellbeing during their course
  - 170,000 learners (90 per cent) felt more confident due to their course
  - 150,000 learners (79 per cent) met new people due to their course
  - 30,000 (29 per cent of learners out of employment at the start of their course) went into employment
  - 20,000 (33 per cent of employed learners) had an increase in earnings
  - 130,000 learners (68 per cent) went onto further learning

The baseline responses have been received for the 2022-23 academic year (year 2). A total of 97,298 baseline responses were received. At present, responses are being collected for the follow-up survey for year 2. The GLA expect to publish the final findings of the 2022-23 survey in Summer 2024. Data breakdowns by priority group and sector could be provided if the sample size is large enough. The 2023-24 baseline survey was launched in August 2023.

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<sup>7</sup> AEB key priority areas – Progression into employment; In-work progression; Progression into further education and training; Improvements in health and wellbeing; Improvements to social integration; Improvements to learner self-efficacy; Participation in volunteering.

## Longitudinal Education Outcomes data (LEO)

- 5.8. In addition, the GLA is in the early stages of starting to track learner outcomes by various learner demographics and type and level of learning using aggregated LEO data available in the public domain to look at how learners move through education and into the labour market. This analysis brings together: schools, further and higher education data from DfE and the Higher Education Statistics Agency; employment information from HM Revenue and Customs and benefit claimant data from the Department of Work and Pensions.
- 5.9. The GLA analysis currently covers employment and learning destinations of funded further education learners in London, including apprenticeship and traineeship learners, adult (aged 19+) further education and skills learners, and community learners.
- 5.10. In the coming months, the GLA also aims to conduct comprehensive and detailed analysis using the LEO micro-data to track the economic and education outcomes of learners in London. As the LEO includes tax and benefit data it has a focus on economic outcomes including employment and wages. This means we are able to see in more detail the economic outcomes of learners engaging in further education courses including by learning type and learner characteristics (gender, ethnicity, disability etc). LEO also includes detailed education progression data and therefore we can see how learners move through the education system, including for example if AEB learners progress onto an apprenticeship or into higher education. The GLA will also be able to compare outcomes in London to other areas of the country including the MCAs.

## Research

- 5.11. The GLA often works with external partners to conduct research on trends and particular policy issues regarding skills, adult education, and employment. Research published on the London Datastore in the 2022-23 academic year include:
- **Impact of increased remote learning following Covid-19:** The Learning and Work Institute (L&WI) research to analyse best practices, challenges, and lessons learned in delivering remote learning since the pandemic is now complete. The research used mixed-methods research involving interviews, focus groups and data analysis.
  - **Migrant Communities' access to skills and adult education:** The research to explore how migrant communities access adult education and skills training in London. The report highlights the positive impacts of the funding flexibilities which include more people from migrant communities being eligible to access provision, simplified delivery for providers, and improved communication around eligibility. The research also noted remaining barriers and limitations of the flexibilities, and the report



recommendations will aim to inform future adjustments to AEB funding rules if necessary.

- **Anchor Toolkits:** The three toolkits to support FE providers to meet the Mayors' expectations as Anchor Institutions by supporting them to become good employers, have inclusive and representative workforces and achieve net zero, were published<sup>1</sup> in November. A launch event was held with the sector to encourage providers to use the toolkits.

## 6. AEB Spend

- 6.1. The main AEB allocation for the 2022-23 Academic Year (AY) was £318,266,810 and a further £26,437,879 for the FCFJ, totalling £344,704,689. Both funding was split across financial years; August – March (2022-23 financial year) and April – July (2023-24 financial year).
- 6.2. As a result of the 3.5 per cent uplift for grant providers in 2022-23 AY, the additional sum of £9,301,494 was required for the year which was funded from part of previous years' AEB underspend. This means the updated total budget for the AY was £354,006,183 (including FCFJ). As detailed below, the interim final expenditure for the 2022-23 AY is £348,912,906.

Items/Commitment	Approved 2022-23 AY Budget Expenditure Forecast (£)	2022-23 AY Expenditure (£)
Grant Provision*	296,291,198	297,660,183
Procured Provision	29,500,000	29,909,524
GWfA*	20,588,640	15,607,657
MSA Job Outcome Payments	2,000,000	44,029
M&A	5,626,345	5,691,513
<b>Total</b>	<b>354,006,183</b>	<b>348,912,906</b>

\*The FCFJ spend is included.


- 6.3. After the year end reconciliation in November 2023, a net sum of £1m has been clawed back so far from AEB Grant providers. The net underspends of £5,093,277 is mainly related to the FCFJ. However, reconciliation for AEB Procured, Good Work for All programme delivery and expenditure relating to Management & Administration continues and is expected to conclude by the end of the financial year which may impact the final value of net underspend. The updated final spend for the year will be included in the next annual report.

- 6.4. Spend on entitlements for 2022-23 totalled £49,354,946. A portion of funding to date for adult skills includes formula funding (i.e. programme funding and -formula funded learner support for FM35 learning) as reported in the ESFA's SILR files received by the Greater London Authority. It does not include Earnings Adjustment Statement claims or learner support claimed by providers.
- 6.5. The GLA submitted a letter of assurance to the DfE on 19 May 2023 regarding payments made to providers in receipt of AEB funding for the period April 2022-March 2023. The Assurance Letter covers how the GLA prioritises and ensures assurance of quality of delivery and of spend. The updated assurance letter covering the academic year will be ready later in the summer.

## 7. Further Information

- 7.1. Please contact the AEB team at [AEB@london.gov.uk](mailto:AEB@london.gov.uk) for further information.

  
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Sadiq Khan, Mayor of  
London

  
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Date

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<sup>1</sup> Anchor Toolkits: <https://www.anchors.london/resources>