

Evaluation of London's Adult Education Budget – Full Year Report 2020/21

Report for the Greater London Authority

4 May 2022



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1 Executive Summary

Introduction and methodology

- 1.1 Since August 2019, the Mayor of London has been responsible for the capital's share of the Adult Education Budget (AEB), previously managed by the Education and Skills Funding Agency (ESFA). The Greater London Authority (GLA) budget for the AEB in London was approximately £300m for 2019/20 and increased to approximately £320m in 2020/21.
- 1.2 The GLA committed to maintaining stability for the sector during the transition to the devolved AEB, with reforms being introduced incrementally. Certain changes were introduced for the 2019/20 academic year, including a number of changes to funding rules to support more disadvantaged learners, changes to improve the management of the AEB, and various measures designed to support learners and providers to deal with the impacts of COVID-19. For the 2020/21 academic year, the Mayor began to phase in more of the strategic policy changes to the AEB proposed in the GLA's Skills Framework, as well as additional measures to alleviate the ongoing economic impacts of COVID-19.
- 1.3 This report is the first in a series that will be produced for the AEB evaluation, between 2020/21 and 2022/23. For each academic year there will be a process evaluation report, with a final impact report at the end of 2022/23 assessing learner impacts. The process reports are based on analysis of the Individualised Learner Record (ILR), together with qualitative analysis of depth interviews with 20 AEB-funded providers, and five stakeholders. For this report, complete ILR data was available for the academic years 2018/19, 2019/20, and 2020/21.

Key findings

- 1.4 **The GLA has provided stability to the sector through the first two years of delegation.** Provider allocations, and the share of the budget made available via commissioning, have been maintained at levels consistent with historic allocations. Reconciliation approaches in 2019/20 and 2020/21 accounted for the disruption to provision caused by COVID-19 and provided financial certainty for providers that could not maintain expected levels of delivery.
- 1.5 **COVID-19 has had a significant impact on provision through the first two years of delegation, but the GLA response to the pandemic was very well received by providers.** The overall number of AEB-funded learners starting aims in London decreased by 24% between 2018/19 and 2020/21. Similarly, the number of learning aims fell by 20%. These reductions were more pronounced in Community Learning provision which saw a 44% drop in learner starts, compared with a fall of only 9% in Adult Skills. The number of qualifications being achieved has also fallen by 24% in London, though this was less than the reduction nationally of 29%¹. The other key impact seen in the ILR data was the increase in the proportion of distance learning which increased from 3% of learning aim starts in 2018/19 to 30% in 2020/21. Although the pandemic had very clear impacts on participation, and necessitated a large shift to online provision, providers were happy with the support provided in response. Feedback from providers on the GLA's COVID-19 support measures, including the COVID-19 Response Fund, was very positive.

¹ DfE (2022) Statistical Release: Further education and Skills: Academic Year 2021/22. 31 March 2022 (data extracted for 2020/21). Accessed at: <https://explore-education-statistics.service.gov.uk/find-statistics/further-education-and-skills/2021-22>.

- 1.6 Raising the low wage threshold to the value of the London Living Wage has had a clear positive outcome in enabling more learners to be fully funded through the AEB.** In 2019/20, GLA introduced full funding for learners earning below the London Living Wage. This is a change from ESFA policy prior to AEB delegation, which offered full funding for learners with a gross annual salary below a specific level (£17,374.50 in 2020/21). In total, the GLA funding in 2020/21 helped about 10,780 (42%) more learners than the ESFA funding in 2018/19, most likely those who earned more than this national low wage threshold, but less than the London Living Wage (set at £10.85 from November 2020). This amounts to 15,760 extra learners making use of a wage-based subsidy over the two years since delegation.
- 1.7 The introduction of the Level 3 Flexibility has supported an increase in participation levels at Level 3 in 2020/21.** The GLA has enabled learners to be fully funded to undertake an additional Level 3 qualification where they are unemployed or in receipt of a low wage. In 2020/21, 930 learning aims were started using this flexibility. These account for 21% of all learning aims started at Level 3 via the London AEB. The number of learning aims at Level 3 has been boosted significantly since the introduction of this flexibility, increasing by 40% in absolute terms when compared with 2018/19, despite the impact of COVID-19 on provision. This policy has also particularly benefitted learners from Black and Minority Ethnic Groups (BAME) who accounted for 70% of the learning aims funded via the flexibility.
- 1.8 The 10% funding uplift for English and Maths has been welcomed by providers but its impact is not yet clear in the data.** In 2020/21, the GLA introduced a 10% funding uplift for learning delivered through the English and Maths AEB entitlement. It was expected that the uplift could lead to an increase in the take-up of these qualifications or boost achievement rates by improving the quality of the courses delivered. Although the overall number of learning aim starts covered by the English and Maths entitlement increased by 17% in 2020/21, this represented a reduction as a proportion of all Adult Skills learning aim starts, from 16% of learning aims in 2019/20 to 15% in 2020/21. Approximately 75% of these qualifications resulted in achievements in 2020/21, consistent with figures for 2019/20.
- 1.9 The 10% non-formula funding flexibility has enabled the delivery of flexible courses bespoke to employers and has been welcomed by providers.** To adapt provision and respond flexibly to the London recovery skills needs in each local area, GLA-funded providers can use 10% of their Adult Skills (formula-funded) allocation to deliver non-formula funded provision. This flexibility was intended to be used by providers to respond to local skills needs, particularly short courses to enable progress into work for people unemployed as a result of the COVID-19 pandemic. During 2020/21, 3,500 AEB starts (0.9%) were funded under the non-formula funding flexibility, most of which were provided to learners who were unemployed prior to the course (57%). Around 10% of GLA-funded providers used the flexibility and it accounted for approximately £1.1 million of spend in 2020/21. Though only 10% made use of the flexibility in 2020/21, around half of providers submitting provider delivery plans intended to make use of the flexibility in 2021/22.
- 1.10 Policies introduced to support British Sign Language (BSL) speakers and learners with special needs and disabilities (SEND) highlight the ambition of the Mayor to support these groups but impacts so far have been limited.** In 2019/20, the GLA introduced full funding for any learner aged 19 or over whose first or preferred language is BSL to study for a first qualification in BSL up to Level 2. The policy has had a slow start. The numbers studying for these qualifications decreased from 390 in 2018/19, to 210 in 2020/21. This may partly be a result of practical challenges for delivery via distance learning. Separately, the GLA introduced a change in 2020/21 to fully fund relevant learning for teaching and learning support staff that would enable them to deliver improved provision for learners with SEND. In total, GLA has fully

funded learners to carry out around 70 such learning aims under the scheme through the AEB in London in 2020/21. Though take-up of these policies has so far been limited, these two initiatives may have been more impacted by COVID-related issues than other policy changes and were always expected to be small in scale.

- 1.11 **Providers feel supported generally, but there are areas where GLA can improve.** Providers were generally positive about their relationship with their Provider Manager. Many of the providers interviewed spoke very highly about the quarterly review meetings, and cited examples of how the meetings had been able to improve their access to funding, and as a great opportunity to discuss and clarify issues around delivery. However, these views were not universal, and others highlighted concerns related to responsiveness and understanding among provider managers. Overall, there is evidence that consistency in provider management approaches, communications, and provider manager understanding of funding rule / policy changes could be improved.

Conclusions to date and areas for attention

- 1.12 Interpreting the data, and the impacts of policy changes made to the AEB, needs to consider the major impacts of COVID-19 on adult learning during 2019/20 and 2020/21. This is shown in the overall decline in achieved qualifications via AEB-funded learning over the past two years. Learning providers fed back positively on the support provided by GLA during COVID-19, suggesting that these measures may have been a factor. **Maintaining stability and enabling continuity** in the sector during the pandemic was a key objective for the GLA during the past two years, and this has been achieved through the range of support measures put in place.
- 1.13 There are also a number of positive signs in relation to the policy changes introduced by the GLA, particularly in relation to changes which specifically target increased participation among low-income and unemployed learners, and those with protected characteristics. **This is in line with strategic objectives to improve the accessibility of adult education and skills for more disadvantaged Londoners.**
- 1.14 Participation among learners with a disability or learning difficulty has remained stable during 2019/20 and 2020/21 but is below that estimated by the Annual Population Survey for London, suggesting **there is scope to increase accessibility among this group.**
- 1.15 More broadly, **providers continue to be satisfied with changes to how the AEB is managed** and value the increased emphasis on consultation and communication from the GLA. **COVID-19 response measures have been welcomed and have supported providers to sustain delivery, and develop new provision**, through the expansion of online learning. Improvements suggested by providers included **continued dialogue and consultation with providers and key stakeholders, simplification of the AEB funding rules, improved guidance, and support for procured providers, and provision of longer-term funding.**

2 Introduction

Context

- 2.1 Since August 2019, the Mayor of London has been responsible for the capital's share of the Adult Education Budget (AEB), previously managed centrally by the Education and Skills Funding Agency (ESFA). The AEB covers skills provision for learners aged 19+ including Adult and Community Learning, but not apprenticeships or traineeships. It is delivered by a broad range of providers, comprising general FE colleges, local authorities (LAs), independent training providers (ITPs), Institutes of Adult Learning (IALs) and universities. The Mayor set out his priorities for skills and education in the Skills for Londoners Strategy² and outlined how he plans to achieve his ambitions through the Skills for Londoners Framework.
- 2.2 London's AEB allocation is £337 million for the academic year 2020/21. The Greater London Authority (GLA) allocates the vast majority of the AEB to approved providers as an annual grant where the provider has freedom in what education and training to deliver as they comply with the AEB Funding Rules. The remainder of the AEB allocation is distributed through contracts for services following an open procurement process. These contracts total approximately £32.5m per year, over four years.
- 2.3 The GLA committed to maintaining stability for the sector during the transition to the devolved AEB, with reforms being introduced incrementally. Certain changes were introduced for the 2019/20 academic year, including a number of changes to funding rules to support more disadvantaged learners, changes to the management of the AEB, and various measures designed to support learners and providers to deal with the impacts of COVID-19, such as the COVID-19 Response Fund and flexibilities in providers' reconciliation approach. For the 2020/21 academic year, the Mayor began to phase in more of the changes to the AEB proposed in the Framework as well as additional measures to alleviate the ongoing economic impacts of COVID-19. The GLA has set out its Skills Roadmap for 2021/22 onwards³ and conducted a widespread consultation with the sector during Summer 2021. The Skills Roadmap was published in January 2022.
- 2.4 The GLA has developed a Theory of Change (ToC) for AEB delegation during 2019/20 and 2020/21 (see the Appendix to this report) which sets out the short, medium and long-term outcomes and impacts that it is seeking to achieve through delegation. The ToC summarises the key activities for how the GLA plans to achieve these. The GLA adapted this ToC for 2019/20 and 2020/21 to respond to the immediate priority to support the sector during the COVID-19 pandemic by enabling financial stability for providers, and thus helping to ensure continuity of provision. The ToC will be refreshed for 2021/22 onwards, as the need to deal with the immediate consequences of COVID-19 lockdowns on the sector recedes. The priorities in the Skills Roadmap will become even more important: ensuring more locally relevant skills; improving the accessibility of participation in adult education and skills provision; and measuring the social and economic impacts of adult education and skills.
- 2.5 According to the ToC, the GLA's intended short-term outcomes of activities implemented during 2019/20 and 2020/21 are:

² [Skills for Londoners Strategy | London City Hall](#)

³ [Skills Roadmap and other strategies | London City Hall](#)

- ensuring continuity of provision;
- getting a better understanding of skills needs and priorities;
- making learning opportunities more accessible;
- supporting more disadvantaged adult Londoners to achieve basic skills qualifications;
- supporting more adult Londoners to develop English language skills.

2.6 Building from this, in the medium-term, the aims are to support more disadvantaged adult Londoners to achieve vocational qualifications and work-related skills, build social skills and pursue learning that supports their wellbeing. The long-term goals are for providers to be incentivised to focus more on the impacts of their provision and tailor their offer to meet local needs and priorities, and for the GLA to use increased evidence on the impacts of adult education to target funding to more impactful approaches. Ultimately the aim is for employers to have more access to the skills they need and for more adult Londoners to be equipped to realise their goals, participate in society and progress in education and work.

2.7 While this report can look at the impacts of the AEB on participation and provision, it will be important for future reports to use the London Learner Survey to track outcomes for learners doing AEB-funded provision to gauge the impacts on employment, earnings, learning progression and wider individual and community benefits such as improved wellbeing and social integration.

2.8 This evaluation will comprise annual interim and end of year process evaluation reports for 2020/21, 2021/22 and 2022/23 and a full impact evaluation in 2023/24, analysing the London Learner Survey and matched comparison groups from existing datasets to estimate learner impacts. This evaluation sits alongside a wider programme of research on the AEB and specific funding streams like the Skills for Londoners Innovation Fund.

Methodology

2.9 This report brings together data from several sources, covering the three academic years 2018/19, 2019/20 and 2020/21. These sources were analysed using data processing software to provide a descriptive summary of AEB delivery in London, and analyse trends over time. Where appropriate, the analysis also draws on secondary data regarding London's population, primarily from ONS, in order to compare the profile of learners enrolling in AEB in London with the profile of London's population.

2.10 The quantitative analysis is accompanied by qualitative data based on depth interviews with 20 AEB-funded providers and five stakeholders representing provider membership organisations, mainly conducted in July 2021. The qualitative interviews explored: providers' views of the impacts of AEB delegation to date, focusing on the 2020/21 academic year; their views on the impacts of COVID-19 on delivery; future plans for delivery of AEB-funded provision; and their views of the GLA's management of and communication about the AEB. The provider interviews were evenly split between FE colleges, independent training providers (ITPs), and Local Authorities, with one higher education institution and one Institute of Adult Learning, and included 15 grant-funded and five procured providers.

2.11 The analysis in this report is at this stage primarily descriptive, since the data and MI available does not include measures of impact on learners. However, when the first London Learner

Survey data is made available in 2023, an analysis of impact will be possible. This survey will ask learners about the impact of AEB provision on their employment and wider well-being, seeking measures both before and after their course, enabling measures of impact to be derived.

Data sources used

- 2.12 Most of the quantitative data used for this report is sourced from the Individualised Learner Record (ILR). This is the official record of Further Education and Adult Education in England, maintained by the Education and Skills Funding Agency (ESFA), an executive agency sponsored by the Department for Education (DfE).⁴ The ILR records, at an individual level, all enrolments on learning aims at publicly funded Further Education and Adult Education providers. A list of the variables used and their derivation can be found in Appendix A. The report also draws on published data, principally from the GLA regarding their current AEB provision.⁵ Use of other data sources is cited where relevant in the report.
- 2.13 ILR R14 data for 2018/19, 2019/20 and 2020/21 was supplied by the GLA and processed by IFF. Data for multiple academic years was supplied, enabling time series to examine any impact of changes made by GLA on the profile of provision and learners relative to the 2018/19 baseline prior to delegation and to COVID-19. It will take time for changes made by GLA to become apparent in the data, however.
- 2.14 The qualitative data has been supplemented by free-text responses given by providers in their delivery plans for 2021/22, which were submitted by 72 providers in 2021, and summarised in a report produced by CooperGibson Research in November 2021, following analysis of all the plans.

The structure of this report

- 2.15 This report is structured as follows:
- Chapter 3 provides an overview of the profile of AEB-funded learners and learning aims from 2018/19 (the year prior to AEB delegation), 2019/20 (Year 1 of delegation) and 2020/21 (Year 2 of delegation).
 - Chapter 4 explores the impacts of policy changes introduced by the GLA, drawing on ILR analysis as well as provider views from the qualitative interviews
 - Chapter 5 discusses the impacts of COVID-19 on AEB-funded provision and providers' views about the GLA's response measures
 - Chapter 6 focuses on management of the AEB, exploring providers' views of key changes implemented by the GLA

⁴ Education and Skills Funding Agency (2021). Specification of the Individualised Learner Record for 2021 to 2022. Version 5. August 2021. Sourced from: <https://guidance.submit-learner-data.service.gov.uk/ilr>.

⁵ GLA (2021). London Datastore: GLA Adult Education Budget. July 2021. Sourced from: <https://data.london.gov.uk/dataset/gla-adult-education-budget>

- Chapter 7 summarises providers' views on the overall effects of delegation on AEB funded provision, and their perspectives on the barriers to making changes to provision and how the GLA could help to address these
- Chapter 8 sets out conclusions to date and areas for attention going forward.

3 AEB-funded provision

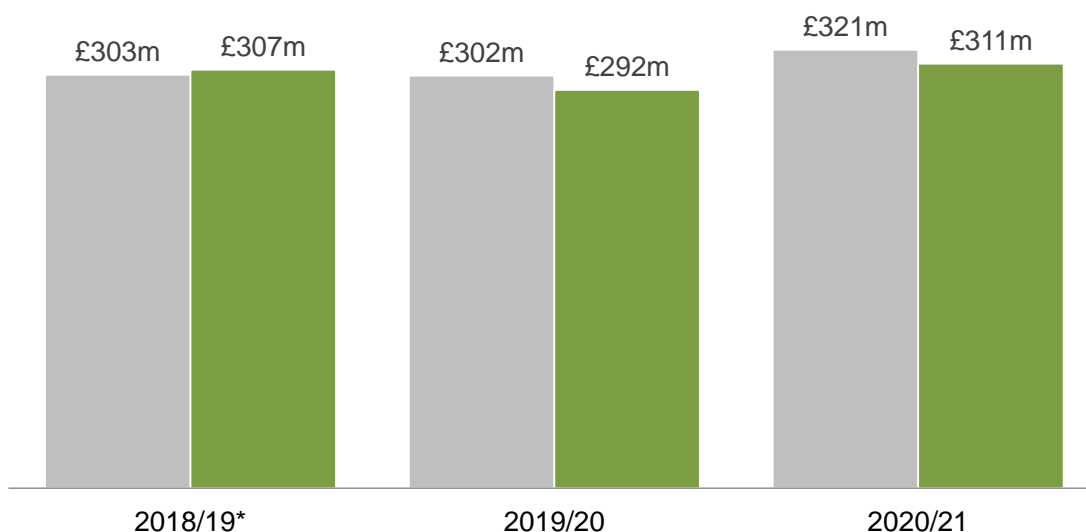
3.1 The GLA AEB budget in London, which was transferred from ESFA to GLA for the 2019/20 academic year, funds a range of post-19 adult learning, divided broadly into Adult Skills and Community Learning. This chapter summarises the level of funding, and its usage.

Funding

3.2 The total budget for GLA-managed AEB in London was set at approximately £300m on handover for 2019/20, and increased to approximately £320m in 2020/21, largely as a result of additional COVID-19 funding. In addition to the below, approximately £1m was provided to learning providers via Strand 2 of the COVID-19 Response Fund in each of 2019/20 and 2020/21, which is counted separately to the overall GLA AEB funding stream. The figures shown for 2018/19 are estimated⁶, since ESFA data did not at this time separate out learning which was to be transferred to GLA from 2019/20.

3.3 As shown in Figure 3.1, funding paid for GLA-managed AEB increased in 2020/21 to £311m, from £292m in the previous year, an increase of 6.6% year-on-year. During COVID-19, there was an increased difference between allocated funds and funds paid, due to the difficulty of delivering agreed learning aims during COVID-19 with physical training facilities closed.

Figure 3.1 Total funding allocated and paid for AEB activity in London, 2018/19 to 2020/21



*estimated data; See footnote. Sources: 2019/20 and 2020/21: GLA AEB allocation and payments data, March 2022. 2018 /19: Estimated based on 2018/19 ESFA Final Funding Year Values and 2017/18 ESFA estimates of AEB Funding by Devolved Area. Data includes National Skills Fund activity but excludes Covid-19 Response Fund Strand 2.

⁶ This is done using ESFA data for 2017/18, calculated during the planning process for devolution of the AEB budget, which did split out funding in this way. The proportion of learning delivered which could be eligible for GLA funding after devolution was calculated by ESFA for each provider, using data for November 2017 to July 2018. IFF applied this to the overall funding for each provider recorded by ESFA in 2018/19 to obtain figures for likely provision within London in that year.

Breakdown of funding: 2019/20 and 2020/21

3.4 Looking at the breakdown of this funding between activities, shown in Table 3.1, there has been no substantial change between 2019/20 and 2020/21 in terms of the percentages of funding dedicated to different activities. There has been a slight shift of 1% toward procured provision (from 9% to 10% of total provision).

Table 3.1 Total funding paid to learning providers in each funding stream, 2019/20 and 2020/21

	2019/20	2020/21
Adult Skills (Grant)	£215.6m	£225.6m
Adult Skills (Procured)	£26.5m	£30.9m
Community Learning	£49.9m	£53.7m
Total GLA AEB funding paid	£292.0m	£310.1m
National Skills Fund (Grant)	-	£0.9m
National Skills Fund (Procured)	-	£0.2m
Total funding paid	£292.0m	£311.3m
<i>of which grant...</i>	<i>£265.5m (91%)</i>	<i>£280.2m (90%)</i>
<i>of which procured...</i>	<i>£26.5m (9%)</i>	<i>£31.1m (10%)</i>
COVID-19 Response Fund Strand 2	£1.1m	£1.3m
Total funding paid	£293.1m	£312.6m

Sources: GLA AEB allocation and earnings data for 2019/20 and 2020/21 academic years, March 2022.

3.5 Within each strand of funding shown above, some GLA policies had ringfenced funding in 2020/21:

- COVID-19 Response Fund Strand 1: £2.3m (separately to the £1.3m for COVID-19 Response Fund Strand 2, administered outside the main GLA AEB funding stream; overall funding for the COVID-19 Response Fund across both strands was therefore £3.6m.)
- COVID-19 Skills Recovery Package: £8.6m
- Innovation Fund: £3.1m
- Non-formula funded flexibility: £1.1m
- English and Maths Uplift: £1.2m
- Procured Learner Support: £0.4m

Providers

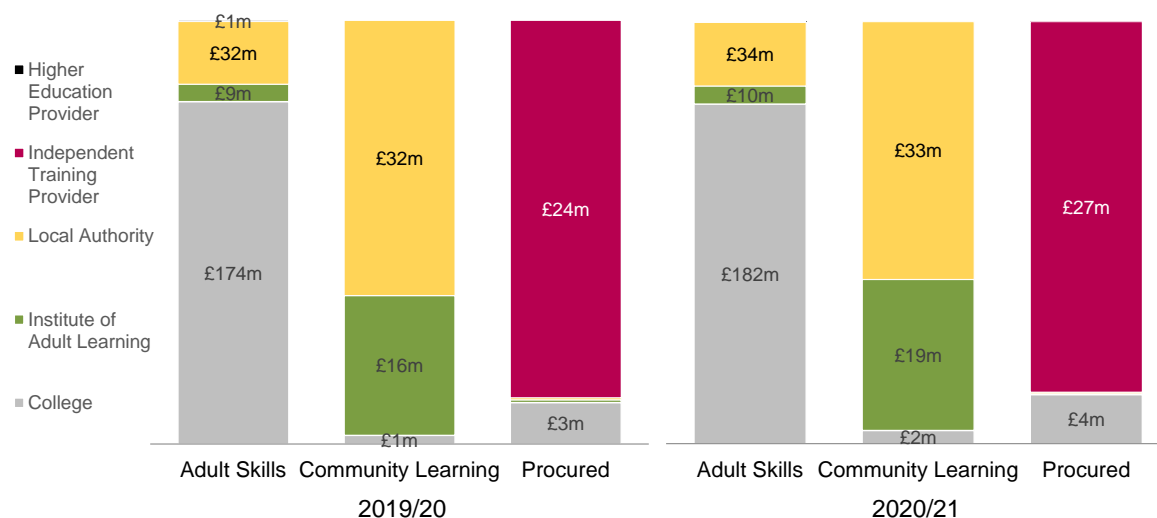
3.6 GLA AEB learning is provided by several types of organisations:

- Colleges (60% of funding in 2020/21, including FE Colleges, Sixth Form colleges and specialist colleges, primarily grant-funded Adult Skills provision, but with elements of other types of provision)

- Local Authorities (LAs) (22% of funding in 2020/21, about equally split between Community Learning and Adult Skills)
- Institutes of Adult Learning (IALs) (9% of funding in 2020/21, around two thirds for Community Learning, and a third for Adult Skills)
- Independent Training Providers (ITPs) (8% of funding in 2020/21, including commercial and charitable providers, exclusively procured Adult Skills)
- Higher Education (HE) (<1% of funding in 2020/21, primarily grant-funded Adult Skills)

3.7 As shown in Figure 3.2, the types of providers funded have remained unchanged between 2019/20 and 2020/21, with a slight increase in provision by private providers (+1%) and a slight reduction in provision by colleges (-1%).

Figure 3.2 Total funding paid by provider type, 2019/20 and 2020/21



Sources: GLA AEB allocation and earnings data for 2019/20 and 2020/21 academic years, March 2022. Data excludes National Skills Fund activity and excludes Covid-19 Response Fund Strand 2.

Number of providers

3.8 In 2020/21, AEB funded starts on learning aims were registered by 148 providers on the ILR. Most of these (119) had provided more than 100 learning aim starts during the year, and just under half (70) had provided more than 1,000. A small number (eight providers) provided more than 10,000 learning aim starts in the year.

3.9 The data shown in 0 shows significant change over time in the pattern of provision of GLA AEB provision. In 2019/20, there was a significant reduction in the number of providers delivering London AEB learning as it was devolved to GLA. This partly reflects that 2018/19 data could only be filtered for learners *potentially* eligible for GLA funding under 2019/20 rules by their geographic location, rather than by the full set of rules for eligibility for GLA AEB funding applicable from 2019/20 onwards. However, the approach taken by GLA also changed, with a minimum floor put in place for funding to an individual provider (of £100,000 worth of GLA AEB delivery), in order to allow efficient administration at a London level.

Table 3.2 Number of providers delivering AEB provision in London, 2018/19 to 2020/21

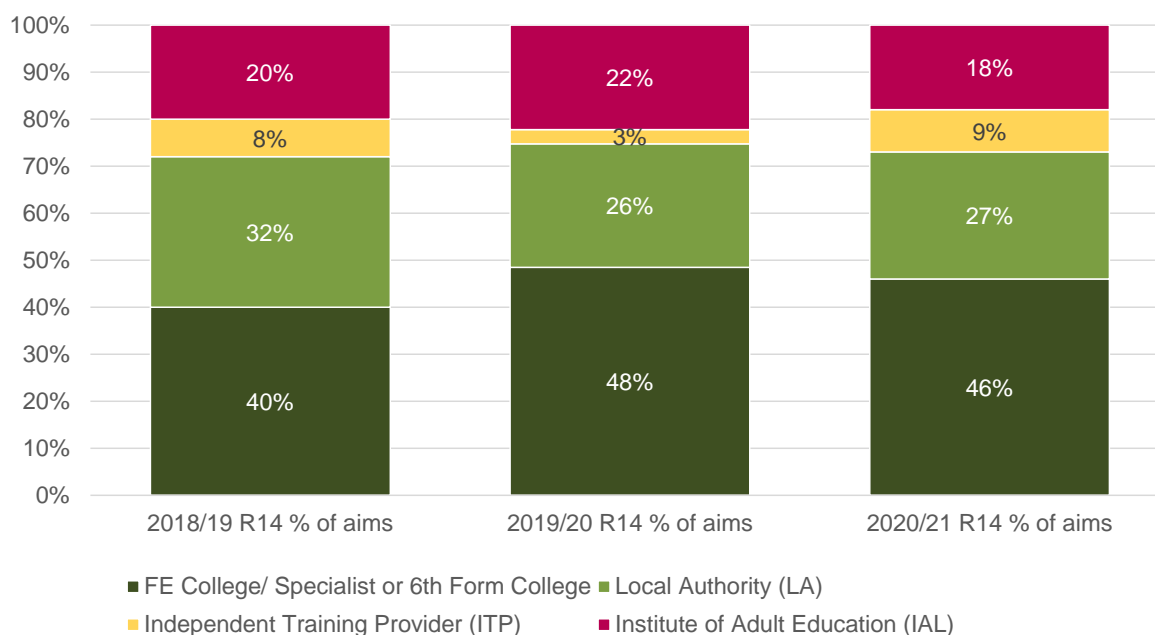
	2018/19	2019/20	2020/21
Less than 100 learners	200	26	29
100 to 999 learners	107	45	49
1,000 to 9,999 learners	59	44	62
10,000 or more learners	11	9	8
Total	377	124	148
GLA direct agreements with:	n/a	128	128

Source: ILR 2018/19 R14*, 2019/20 R14 and 2020/21 R14. *2018/19 data (for ESFA administered provision prior to devolution) was filtered for learners eligible for GLA learning, rather than use of GLA funding.

Delivery by provider type

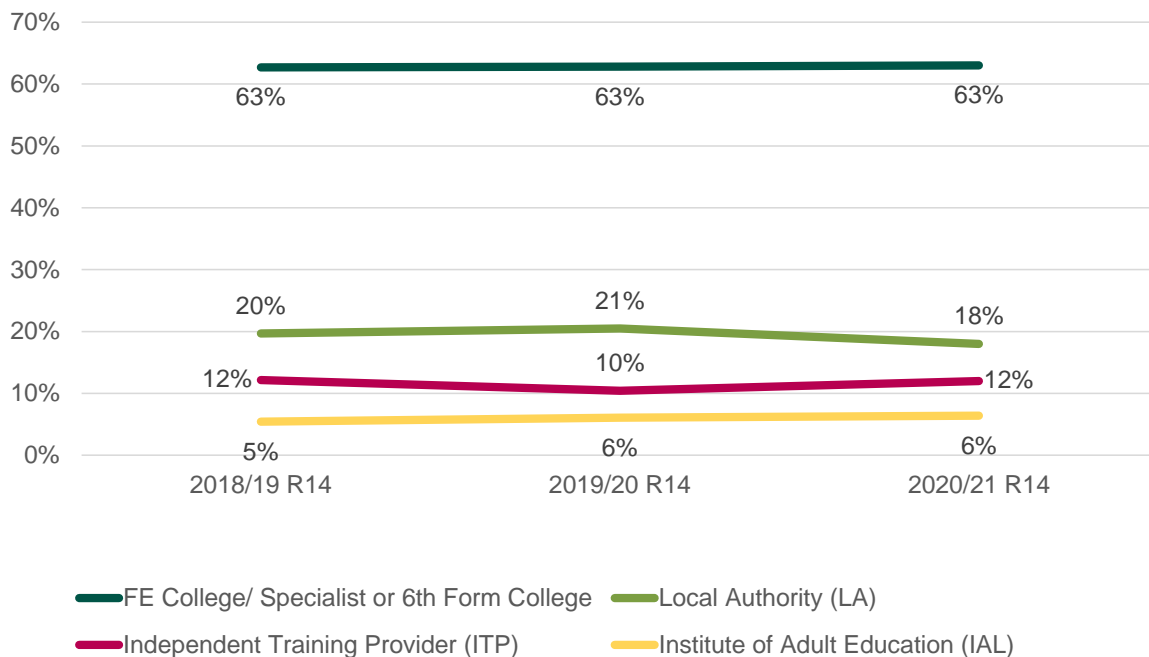
3.10 Overall, just under half of GLA AEB learning is delivered by colleges (46%), and a quarter is delivered by Local Authorities (27%), as shown in Figure 3.3. Independent Training Providers deliver around a tenth (9%) of provision, and IALs deliver around a fifth (18%). Universities delivered less than 1% of provision in each year and are therefore not shown on the chart.

Figure 3.3 Percentage of learning aim starts delivered at each type of provider, all GLA AEB funding, 2018/19 to 2020/21*



3.11 As shown in Figure 3.4, the majority of London AEB Adult Skills learning aims started in 2020/21 were delivered by FE Colleges, Specialist or Sixth Form Colleges (63%), followed by Local Authorities (18%) and Independent Training Providers (12%), with 6% delivered by Institutes of Adult Education (IALs). These percentages have stayed largely consistent through 2018/19 to 2020/21, albeit with a slight shift from Local Authorities to ITPs in 2020/21.

Figure 3.4 Percentage of learning aims at each type of provider, Adult Skills, 2018/19 to 2020/21*

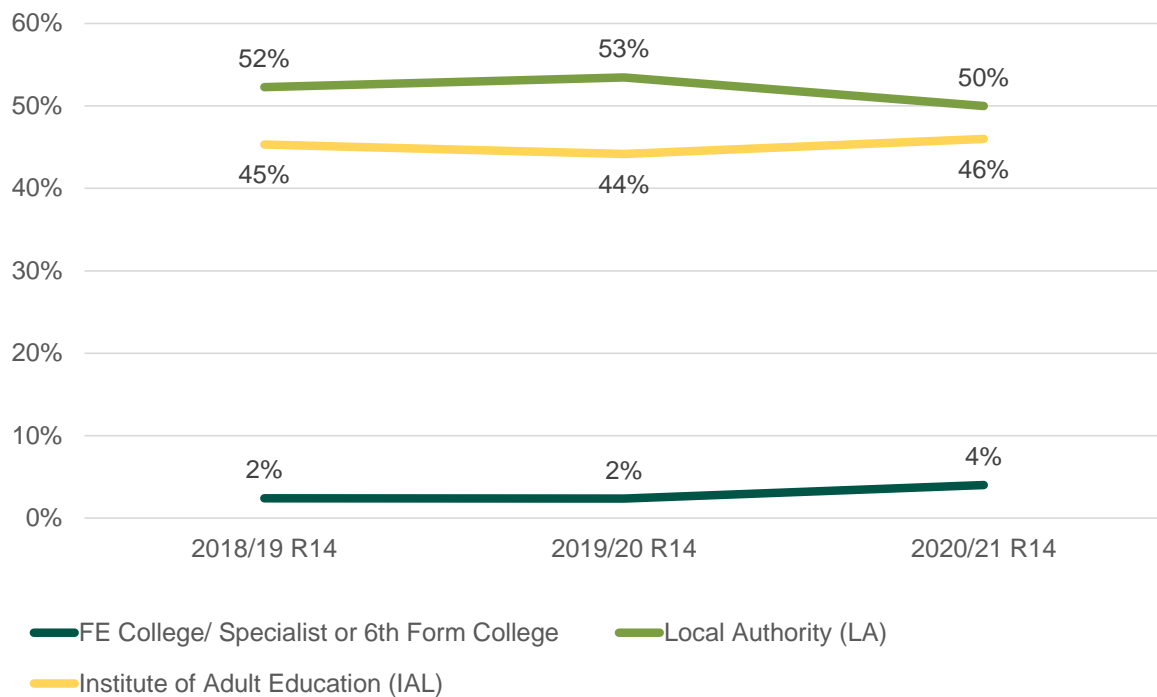


Source : ILR 2018/19 R14, 2019/20 R14, 2020/21 R14. *Universities excluded due to having fewer than 100 learning aims started.

3.12 The types of providers delivering procured and non-procured provision within Adult Skills are quite different. Most starts on procured provision in the first nine months of 2020/21 were delivered by independent training providers (89%), and nearly all of the remainder (10%) by FE colleges, with less than 0.5% delivered by Local Authorities. Non-procured provision within Adult Skills was delivered by FE Colleges (65%), Local Authorities (22%) and other types of college (8%).

3.13 As shown in Figure 3.5, Community Learning is primarily delivered by Local Authorities (50% of starts) and Institutes of Adult Education (46% of starts) with a small proportion delivered by FE Colleges (4%). In 2019/20 and prior, slightly more starts (53% in 2019/20) were delivered by Local Authorities; in 2020/21 there has been a slight shift away from LA provision toward IALs and Colleges.

Figure 3.5 Percentage of learning aims at each type of provider, Community Learning, 2018/19 to 2020/21*



Source : ILR 2018/19 R14, 2019/20 R14, 2020/21 R14.

Profile of AEB funded provision

Overall number of learners and learning aims

3.14 The overall number of learners starting an Adult Education Budget (AEB) funded learning aim has decreased over the past three years. As shown in Figure 3.6, in 2018/19 around 232,000 learners were funded by the AEB, falling to 195,000 in 2019/20 (a reduction of 16%), and then falling by a further 12% in 2020/21, to 177,000 (around 24% in total). This reduction has been primarily in delivery of Community Learning, rather than Adult Skills learning; learners starting via the Adult Skills funding stream were only 9% below 2018/19 levels in 2020/21, compared to a 44% reduction in Community Learning starts.

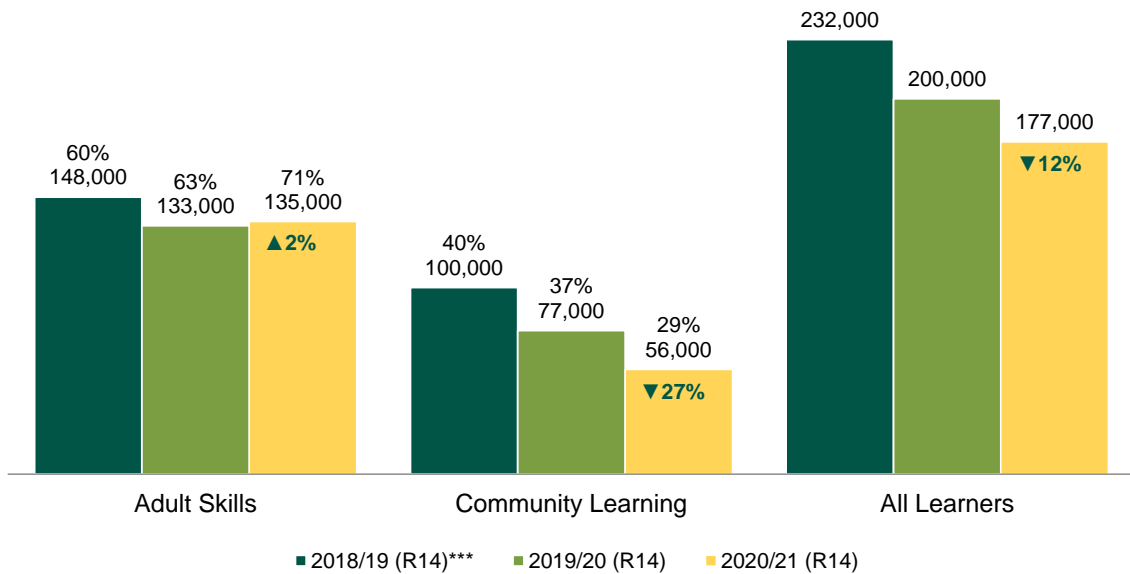
3.15 This pattern is not unique to London and is mirrored in national data; Community Learning participation volumes across England fell by 55% from 2018/19 to 2020/21 nationally⁷.

3.16 This reduction is likely to be at least partly related to the impact of COVID-19, which started to be felt in February 2020, and continues to be felt to some extent (as of January 2022). The data does represent a slight recovery on the situation in April 2021, when overall numbers of AEB learners starting provision were down 17% on the same period in 2020.⁸ Further analysis on the impacts of COVID-19 is presented in Chapter 5.

⁷ DfE (2021). Statistical Release: Academic Year 2021/22: Further Education and Skills (2022). January 2022. Accessed at: <https://explore-education-statistics.service.gov.uk/find-statistics/further-education-and-skills>.

⁸ August to April 2020, vs. August to April 2021.

Figure 3.6 Number of learners starting AEB-funded learning aims, 2018/19* to 2020/21***

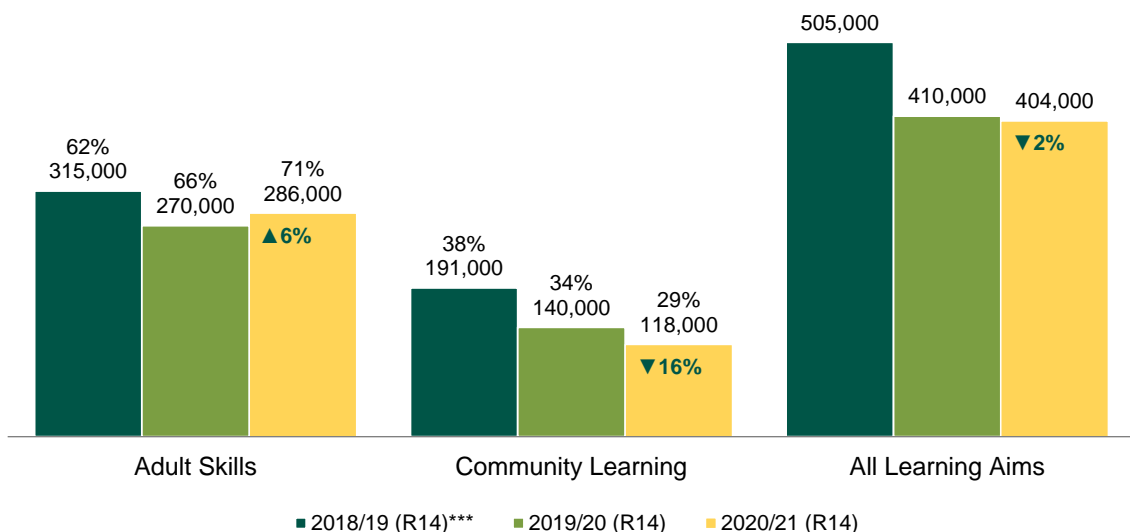


Source : ILR 2018/19 R14, ILR 2019/20 R14, ILR 2020/21 R14. ***2018/19 figures from before AEB budget devolution represent AEB Learning delivered to learners in London; other figures represent GLA funded AEB learning only.

3.17 The overall number of AEB-funded **learning aims** has also fallen, although to a lesser extent than the number of learners. As shown in Figure 3.7, in 2018/19 there were 505,000 funded learning aims started, falling to 410,000 in 2019/20 (a 19% reduction). This fell to 404,000 in 2020/21, a further reduction of 1.5% (around 20% in total). The reduction in both years was smaller than the drop in the number of learners, suggesting that learners carrying out multiple aims were less affected by the reduction than those carrying out single aims.

3.18 In the academic year 2020/21, the average number of learning aims started per learner was 2.28 overall, with no significant variation between Community Learning and Adult Skills.

Figure 3.7 Number of learning aims started which were funded by AEB, 2018/19* to 2020/21**



Source : ILR 2018/19 R14, ILR 2019/20 R14, ILR 2020/21 R14. ***2018/19 figures from before AEB budget devolution represent AEB Learning delivered to learners in London; other figures represent GLA funded learning only.

3.19 Some learning aims were carried over from the previous year; in total 16,000 were carried over into 2020/21 from 2019/20, almost all Adult Skills aims.

Adult Skills

3.20 In 2020/21, just under half (46%) of learning aim starts related to Basic Skills, particularly in Language (25% of all learning aims), which mostly consists of ESOL qualifications. All Basic Skills areas showed a significant reduction in the absolute number of learning aims in 2020/21, most likely due to the impact of COVID-19 (see Table 3.3). However, in 2019/20, Basic Skills learning aims made up 52% of all starts, suggesting a fall relative to other forms of learning as well as in absolute terms.

3.21 The qualitative interviews supported this. Although providers acknowledged the importance of ESOL provision, for some the switch to online delivery prompted by the Coronavirus pandemic posed a challenge, as a lack of digital skills among entry level ESOL learners made it much more difficult for the provider to conduct assessments. As a result, they had taken on fewer ESOL learners, but moved to deliver more digital and literacy skills provision.

“We started to deliver digital skills in community centres – non accredited. They’ve had a really good take up and now we need to move them on to accredited provision.”

Independent Training Provider

3.22 There were substantial increases in some types of learning aim in absolute terms, despite the reduction in the overall number of learning aims delivered; in particular in Health, Public Services and Care (+26%), and ICT (+51%), two subject areas of particular relevance to challenges faced during the pandemic. There were also notable increases in Engineering and Manufacturing Technology (+71%), Business, Administration and Law (+30%) and Preparation for Life and Work other than Basic Skills (+21%). This latter increase is likely to relate to measures taken to reskill people during the COVID-19 pandemic, which are examined in more detail in Chapter 4.

Table 3.3 Number of Adult Skills starts by subject area and basic skills type, 2018/19 to 2020/21

Subject Area	2018/19 R14		2019/20 R14		2020/21 R14		% change 19/20 to 20/21
	Starts	% of total	Starts	% of total	Starts	% of total	
Basic Skills: Literacy	43,870	14%	35,390	13%	30,660	11%	-13%
Basic Skills: Numeracy	35,760	11%	28,960	11%	26,160	9%	-10%
Basic Skills: Language	82,390	26%	77,250	29%	72,800	25%	-6%
Basic Skills: Digital	0	0%	0	0%	2,000	1%	n/a
Health, Public Services and Care	23,950	8%	22,380	8%	28,200	10%	+26%
Science and Mathematics	1,600	-	1,260	-	1,370	<1%	+9%
Agriculture, Horticulture and Animal Care	3,720	1%	1,940	1%	1,550	<1%	-20%
Engineering and Manufacturing Tech.	3,420	1%	2,360	1%	4,030	1%	+71%
Construction, Planning and the Built Environment	7,110	2%	7,420	3%	8,350	3%	+12%
ICT	12,100	4%	10,630	4%	16,070	6%	+51%
Retail and Commercial Enterprise	11,070	4%	9,210	3%	10,170	4%	+10%
Leisure, Travel and Tourism	3,750	1%	3,170	1%	2,470	1%	-22%
Arts, Media and Publishing	7,920	3%	8,460	3%	7,550	3%	-11%
History, Philosophy and Theology	60	-	100	-	20	-	-76%
Social Sciences	190	-	150	-	140	-	-7%
Languages, Literature and Culture	1,750	1%	2,370	1%	1,980	1%	-17%
Education and Training	4,290	1%	4,500	2%	5,040	2%	+12%
Preparation for Life and Work (not Basic Skills)	51,900	16%	40,180	15%	48,650	17%	+21%
Business, Administration and Law	19,780	6%	14,570	5%	18,930	7%	+30%

Figures rounded to the nearest 10. '-' indicates <0.5%, but not 0.

Community Learning

3.23 Community Learning has a strong focus on specific subject areas; mainly Arts, Media and Publishing (29% of starts in 2020/21), Preparation for Life and Work other than Basic Skills (22%), and Languages, Literature and Culture (21%). As shown in Table 3.4, all of these subject areas reduced in terms of number of starts in 2020/21, with increases in numbers of learning aims started seen in only a number of relatively rarely used subject areas such as History, Philosophy and Theology (+36%), and Health, Public Services and Care (+43%).

Table 3.4 Number of Community Learning starts by subject area and basic skills type, 2018/19 to 2020/21

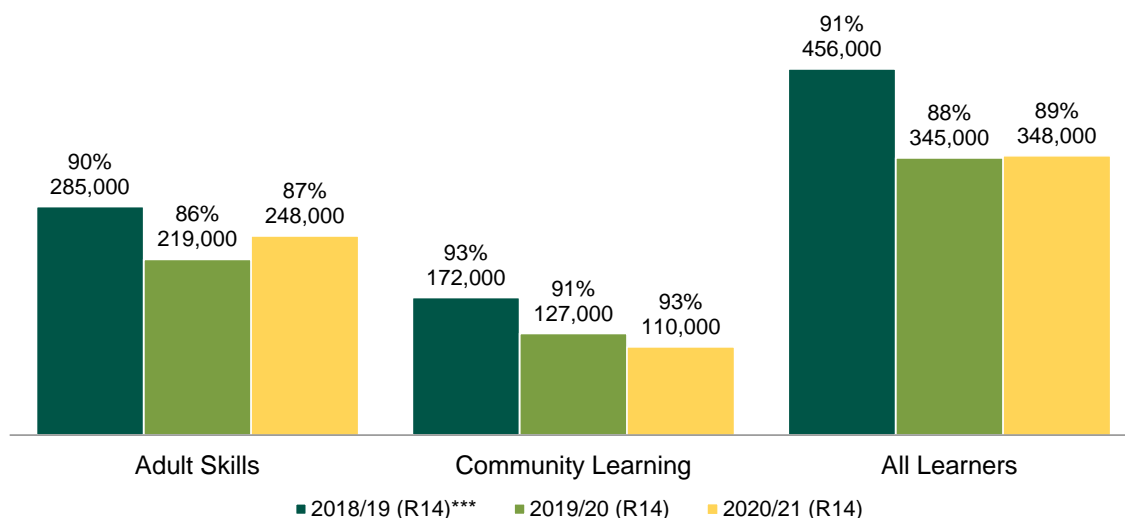
Subject Area	2018/19 R14		2019/20 R14		2020/21 R14		% change 19/20 to 20/21**
	Starts	% of total	Starts	% of total	Starts	% of total	
Basic Skills: Literacy	0	-	0	-	10	-	n/a
Basic Skills: Numeracy	20	-	0	0%	10	-	n/a
Basic Skills: Language	60	-	20	-	80	0%	+295%
Basic Skills: Digital	-	-	-	-	-	-	-
Health, Public Services and Care	10,540	6%	7,140	5%	6,330	5%	-11%
Science and Mathematics	1,970	1%	1,120	1%	1,140	1%	+2%
Agriculture, Horticulture and Animal Care	1,370	1%	910	1%	1,020	1%	+12%
Engineering and Manufacturing Tech.	400	-	270	-	80	-	-69%
Construction, Planning and the Built Environment	340	-	160	-	250	-	+54%
ICT	11,800	6%	8,380	6%	7,660	7%	-9%
Retail and Commercial Enterprise	3,030	2%	2,200	2%	1,730	2%	-21%
Leisure, Travel and Tourism	15,390	8%	10,360	7%	6,140	5%	-41%
Arts, Media and Publishing	71,150	37%	48,740	35%	33,810	29%	-31%
History, Philosophy and Theology	5,920	3%	5,030	4%	6,840	6%	+36%
Social Sciences	460	-	500	-	810	1%	+61%
Languages, Literature and Culture	31,010	16%	26,880	19%	24,300	21%	-10%
Education and Training	740	-	450	-	350	-	-22%
Preparation for Life and Work (not Basic Skills)	34,930	18%	26,900	19%	16,110	22%	-40%
Health, Public Services and Care	1,360	1%	1,000	1%	1,430	1%	+43%

Figures rounded to the nearest 10. '-' indicates <0.5%, but not 0.

Proportion of aims ending in an achievement

- 3.24 As Figure 3.8 shows, the number of achievements on AEB-funded learning aims fell between 2018/19 and 2019/20 in line with the fall in the number of starts during the COVID-19 pandemic. The number of achievements in 2020/21 increased slightly from 2019/20, aligning with a gradual recovery from the pandemic.
- 3.25 The absolute number of achieved aims fell by 24% in London from 2018/19 to 2020/21; this compares to a 29% fall for 19+ education and skills nationally in England⁹. This suggests that the reduction in provision in London has been significantly less than other areas of England. It is unclear from the statistics the extent to which this can be attributed to the approach taken by GLA in London to administering the AEB during COVID-19, as opposed to the nature of provision and learning in London, which will be different to that in rural areas in particular. However, learning providers did feed back positively on the support provided during COVID-19, as detailed in Chapter 4.
- 3.26 Between 2018/19 and 2020/21, the percentage of learning aims ending with an achievement has remained consistently high at around 9 in 10 (89% in 2020/21). The percentage of learning aims ending with an achievement in 2020/21 was higher for Community Learning (93%) than Adult Skills (87%).

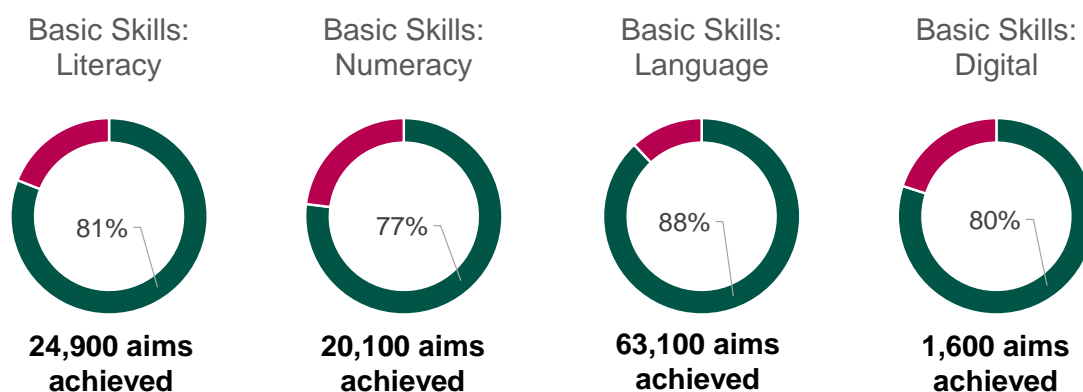
Figure 3.8 Number of learning aims achieved, and percentage of learning aims which ended with achievements, 2018/19* to 2020/21**



Source: ILR 2018/19 R14, ILR 2019/20 R14, ILR 2020/21 R14 ***2018/19 figures from before AEB budget devolution represent AEB Learning delivered to learners in London; other figures represent GLA funded learning only.

- 3.27 Figure 3.9 shows that, during 2020/21, the proportion of learning aims ending with an achievement was lower in Literacy (81%) and Numeracy (77%) than the average of 89%, although not in Language, which primarily consists of ESOL courses (88%). Digital Skills learning aims were first studied in 2020/21, and in that first year, 80% of learning aims of this type which ended were achieved.

⁹ DfE (2022) Statistical Release: Further education and Skills: Academic Year 2021/22. 31 March 2022 (data extracted for 2020/21). Accessed at: <https://explore-education-statistics.service.gov.uk/find-statistics/further-education-and-skills/2021-22>.

Figure 3.9 Percentage of learning aims ending with an achievement, for Basic Skills learning aims, 2020/21


Source: ILR 2020/21 R14. Excludes aims ending where the learning activities are complete, but the outcome is not yet known.

3.28 Table 3.5 shows the percentage of learning aims ending with an achievement across other subject areas during 20/21. These were also largely consistent, with more than 8 in 10 learning aims ending with an achievement in all areas.

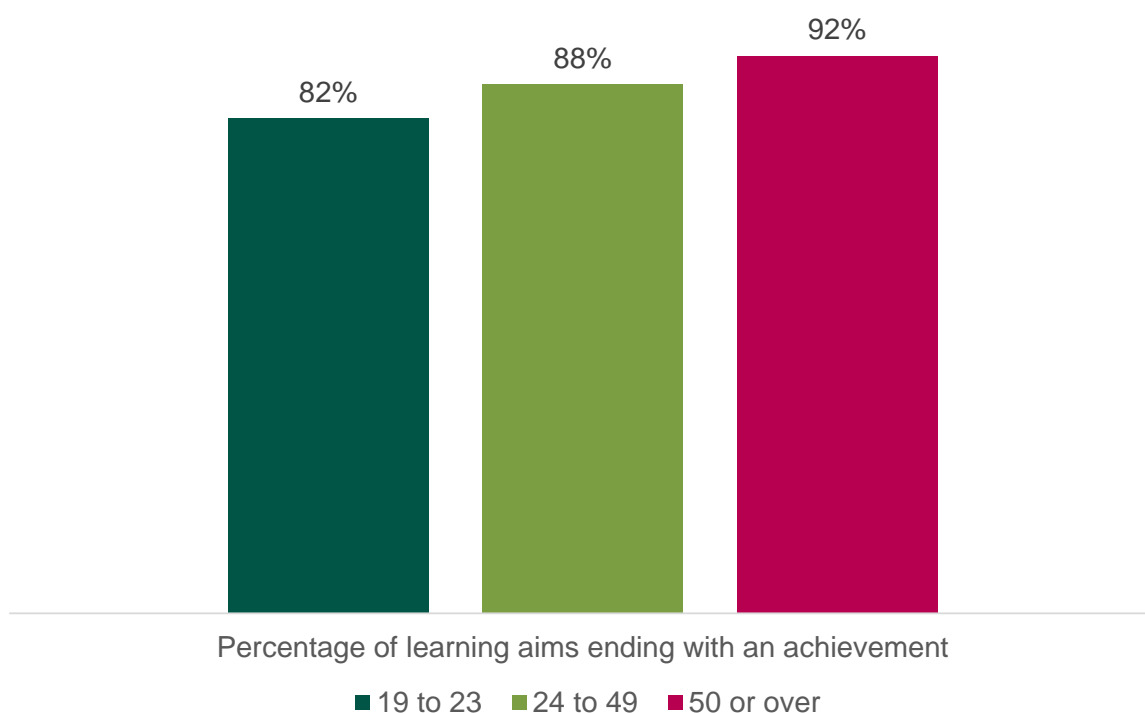
Table 3.5 Percentage of learning aims ending with an achievement by subject area, 2020/21 R10*

Subject Area	Percentage of learning aims ending with an achievement	Number of achievements
Arts, Media and Publishing	94%	38,820
History, Philosophy and Theology	94%	6,520
Languages, Literature and Culture	93%	24,440
Retail and Commercial Enterprise	93%	11,010
Information and Communication Technology	91%	21,300
Leisure, Travel and Tourism	91%	7,950
Preparation for Life and Work (not Basic Skills)	91%	67,850
Agriculture, Horticulture and Animal Care	90%	2,440
Health, Public Services and Care	90%	30,990
Social Sciences	90%	860
Construction, Planning and the Built Environment	89%	7,930
Education and Training	89%	4,800
Science and Mathematics	89%	2,260
Engineering and Manufacturing Technologies	87%	3,520
Business, Administration and Law	86%	17,720

Figures rounded to the nearest 10.

3.29 Figure 3.10 shows that the proportion of learning aims ending with an achievement during 2020/21 varied most significantly by age, rising from 82% among learners aged 19 to 23, to 92% among those aged 50 or over.

Figure 3.10 Percentage of learning aims ending with an achievement by age band, 2020/21



3.30 There was no variation in the percentage of learning aims ending with an achievement between men and women. By ethnicity, the percentage of learning aims ending with an achievement was higher than average among White learners (91%) and lower among Black learners (85%) and learners classified as ‘Arab / Other Ethnicity’ (87%). Learners with a learning difficulty, dyslexia or autism (86%) and those with a mental health condition (86%) were also slightly less likely than average (89%) to end their learning aim with an achievement.

Accessibility of the AEB

Age distribution in Adult Skills and Community Learning

3.31 The GLA AEB budget is targeted at people aged 19 and over in London. As shown in Table 3.6, the different strands of provision serve markedly different age ranges. Younger people are particularly served by the Adult Skills funding strand (6% of starts compared to 2% of the population being aged 19+ in London), while older people are more likely to be served by Community Learning funding (25% of starts aged 65+, compared to 18% of the population being aged 19+). Overall, between the two AEB strands, all age groups are reasonably equally served.

Table 3.6 Age distribution by funding model, 2020/21 R14, compared to London population

Age band	Community Learning starts	Adult Skills starts	Population of London aged 19+
19 to 20	1%	6%	2%
21 to 23	2%	7%	5%
24 to 29	7%	15%	13%
30 to 39	20%	31%	22%

40 to 49	19%	24%	18%
50 to 64	27%	15%	22%
65+	25%	2%	18%
Total	100%	100%	100%

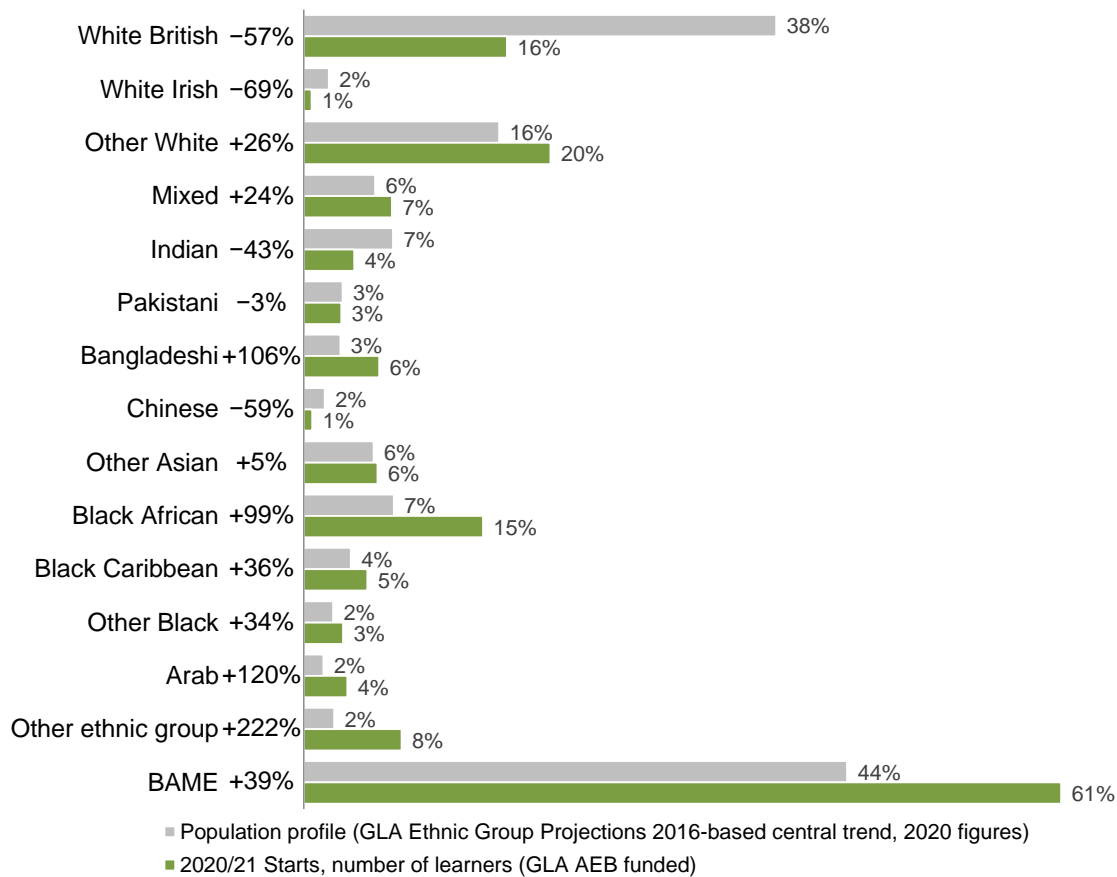
Sources: ILR 2020/21 R14, ONS Population Estimates for London, 2020

Ethnicity

- 3.32 In 2020/21, learners from Black and Minority Ethnic (BAME) groups made up 55% of all those starting AEB-funded provision, slightly up from 53% in 2019/20. There was no change between 2018/19 and 2019/20.
- 3.33 This compares to an estimated 44% of the population of London in 2020. This indicates that the learning funded via the AEB is generally performing well in reaching the diversity of ethnic groups in London. The ethnicity of learners on AEB provision varies substantially between Adult Skills and Community Learning.
- 3.34 Figure 3.11 shows that BAME learners comprise 61% of all those on AEB-funded Adult Skills provision, compared with 44% of the population of London overall. This is in line with the 62% of learners from a BAME background starting in 2019/20. Learners from Arab, Bangladeshi and Black African ethnic groups are particularly well-represented on Adult Skills provision, while learners of White British, White Irish, Indian and Chinese ethnicity are a smaller minority of Adult Skills learners than their proportion in the population would suggest. This reflects the relatively younger age distribution of some ethnic minority populations (since Adult Skills learning is generally focused on younger people, as shown in Table 3.6), and also the emphasis of AEB funding on helping learners from financially less well-off backgrounds.¹⁰

¹⁰ It is likely the apparent over-representation of people of 'Other' ethnicity relates to differences in how people who have multiple ethnic identities or prefer not to state an ethnicity respond to questions about ethnicity in different circumstances.

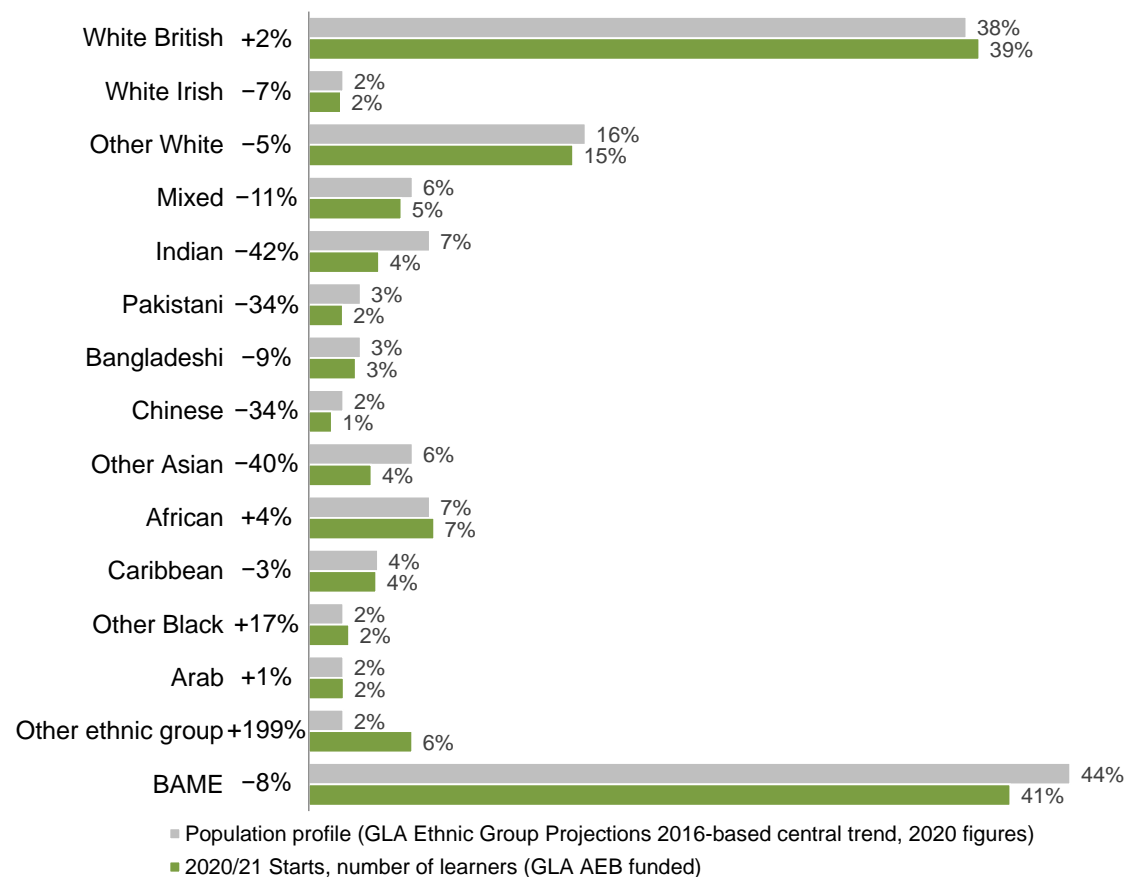
Figure 3.11 Percentage of learner starts on AEB Adult Skills learning by ethnicity, 2020/21 R14



Source: ILR 2020/21 R14, GLA Ethnic Group Projections (2016-based, central trend, 2020 figures)

3.35 Although participation in Community Learning is closer to the population distribution of London, Figure 3.12 shows that certain ethnic minority populations are under-represented relative to their proportion in the population, specifically learners of Indian, Pakistani and Other Asian ethnicity.¹⁰ Overall, the proportion of BAME learners on AEB-funded Community Learning was 41% in 2020/21, compared with 44% in the population of London overall. This is an increase on 37% in 2019/20.

Figure 3.12 Percentage of learner starts on AEB Community Learning by ethnicity, 2020/21 R14



Source: ILR 2020/21 R14, GLA Ethnic Group Projections (2016-based, central trend, 2020 figures).

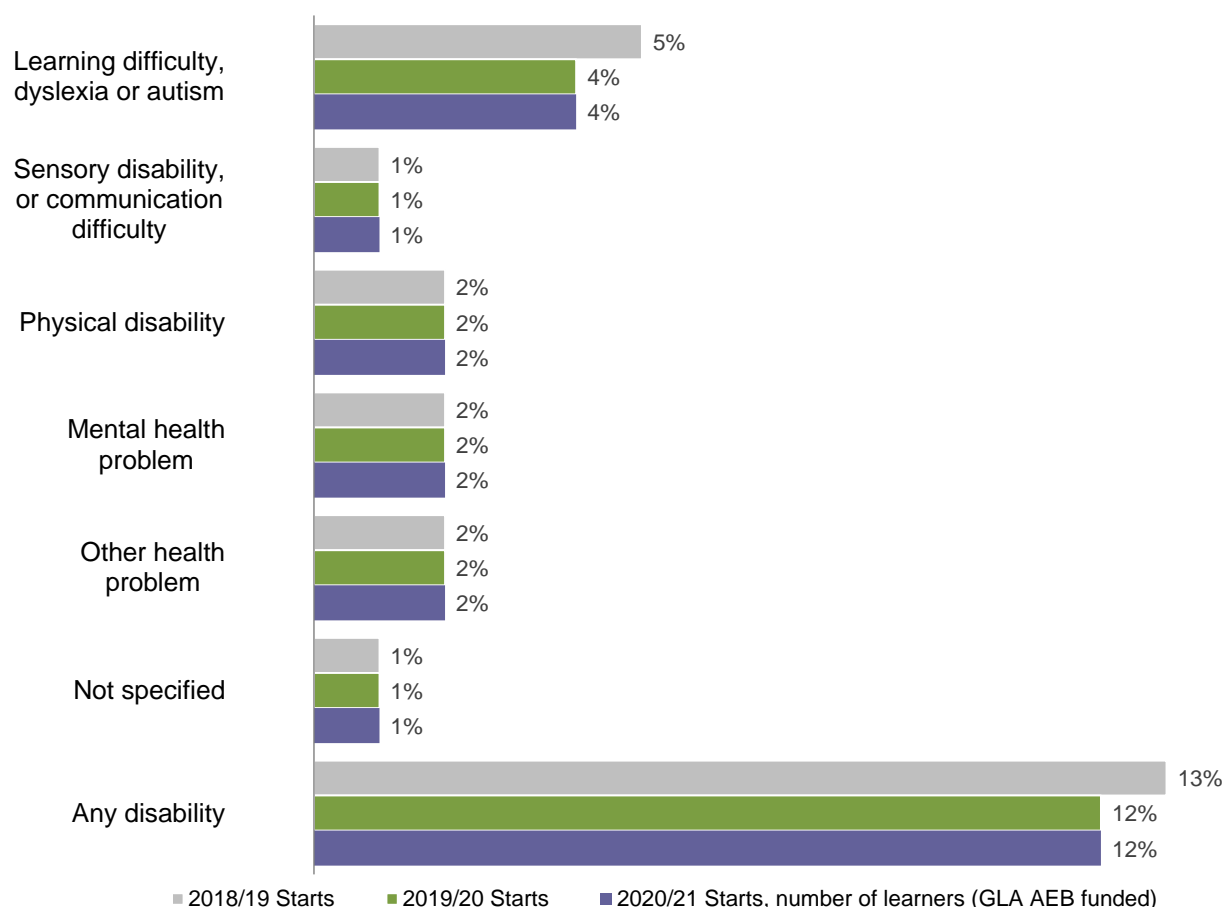
Disability and Learning Difficulties

3.36 A learner’s disability or learning difficulty is recorded when their course starts, and 12% of learners starting AEB-funded provision reported having a disability or learning difficulty in 2020/21, the same as in 2019/20 (Figure 3.6). However, while learners are asked if they have any disability or learning difficulty, this is self-declared to the learning provider. Since people may give different answers to this question in different circumstances, this is not directly compatible with the administrative data sources commonly used to estimate the proportion of the general population with a disability.

3.37 The Annual Population Survey does provide an estimate of the proportion of Londoners aged 16-64 with a work-limiting disability, at 17%, suggesting tentatively this group may be under-represented (by c.25-30% relative to the estimated size of the population) in AEB-funded provision in London.¹¹ These figures have not significantly changed since 2018/19 or 2019/20, as shown in Figure 3.13.

¹¹ ONS Annual Population Survey (2021).

Figure 3.13 Percentage of starts on AEB-funded learning by a learner with a disability or learning difficulty, 2018/29 R14, 2019/20 R14, 2020/21 R14



Source: ILR 2018/19 R14, 2019/20 R14, 2020/21 R14.

Future provision

3.38 Providers seeking GLA AEB funding for the academic year 2021/22 have been required to submit delivery plans¹² covering the period to the end of the financial year 2022/23, outlining their plans for delivery of learning with the funding. In total, 72 delivery plans were provided for 2021/22¹³, compared to a total of 128 providers delivering GLA AEB funded aims in 2020/21. Therefore, these only represent a portion of total likely delivery. For this analysis, we have assumed that the remaining plans show similar trends.

3.39 Combined provider delivery plans project an increase in the number of learner starts, to 199,000 in 2021/22, up from 157,700 at those providers submitting plans in 2020/21¹⁴, an increase of 26%. Applied to the overall number of learner starts registered on the ILR in 2020/21 under the GLA AEB, this would imply a total number of learner starts for 2021/22 of approximately 223,000. This is a substantial increase, but still about 4% below the 2018/19 level of 232,000 learner starts.

¹² This requirement was introduced for 2021/22; plans were not drawn up for 2019/20 or 2020/21.

¹³ Greater London Authority (2021). *London Adult Education Roadmap: Key messages from provider AEB delivery plans: Final Report*. November 2021. CooperGibson Research.

¹⁴ This requirement was introduced for 2021/22; plans were not drawn up for 2019/20 or 2020/21.

- 3.40 Looking further ahead, the plans envisage delivery of 215,000¹³ learner starts; this implies an increase of 36% relative to 2020/21, and therefore a total delivery of 241,000 learner starts in 2022/23, exceeding the level of delivery in 2018/19.
- 3.41 For 2021/22, in terms of learner starts, providers expected increases in emphasis on:
- Learners in work but earning less than the London Living Wage (+35%¹³ increase overall, 7% relative to the projected scale of delivery)
 - Older learners aged over 55 (+34%¹³ increase overall, 6% relative to the projected scale of delivery)
 - Learning relating to Digital Skills (+86%¹³ increase overall, 48% relative to the projected quantity of learning). The large increase is partly because this provision was small in scale in 2020/21.
- 3.42 Providers expected to maintain delivery broadly in line with the 26% projected increase in the scale of the programme for:
- Unemployed learners (+28%¹³)
 - Newly unemployed learners (<12 months of unemployment) (+24%¹³)
 - Disabled learners (+27%¹³)
 - Black, Asian and Minority Ethnic learners (+24%¹³)
- 3.43 Providers expected to increase delivery to learners aged 19 to 23 by 22%¹³. This does represent a small reduction in emphasis (3% relative to the projected quantity of learning) but remains a substantial increase in real terms.

4 Impacts of policy changes so far

Policy changes and their impacts so far

- 4.1 This chapter outlines the main policy changes introduced by the GLA so far together with their impacts on participation in AEB-funded learning to date. Throughout this chapter it is important to note that changes will take time to emerge from the ILR data and have also been impacted by the COVID-19 pandemic and its impact on provision (discussed in Chapter 5).
- 4.2 Policy changes have been introduced with the intention of improving access to learning for disadvantaged Londoners, thereby improving pathways into employment and progression in employment. In addition, the changes sought to unlock wider individual and societal benefits such as increased social integration and wellbeing. In the light of COVID-19, additional policy changes were made to support London's recovery from the pandemic.
- 4.3 In summary, the policies considered in this chapter comprise:
- 2019/20: Full funding for learners earning less than the London Living Wage
 - 2019/20: COVID-19 Response Fund (Strand 1)
 - 2019/20: Changes to subcontracting rules
 - 2019/20: Skills for Londoners Innovation Fund
 - 2019/20: Full funding for British sign language qualifications
 - 2020/21: English and Maths funding uplift
 - 2020/21: Level 3 Flexibility
 - 2020/21: Non-formula funding flexibility
 - 2020/21: Flexibility in reconciliation (this also applied in 2019/20, but changes were made to the approach for 2020/21)
 - 2020/21: Upskilling of teaching staff to deliver improved specialist provision for learners with SEND
 - 2020/21: COVID-19 Skills Recovery Package, including High Value Courses for 19-year-olds, Sector-based Work Academy Programmes (SWAP) and the London Recovery Programme: JobCentre Plus
 - Pre-devolution policy change: Digital Skills entitlement

GLA policy changes 2019/20

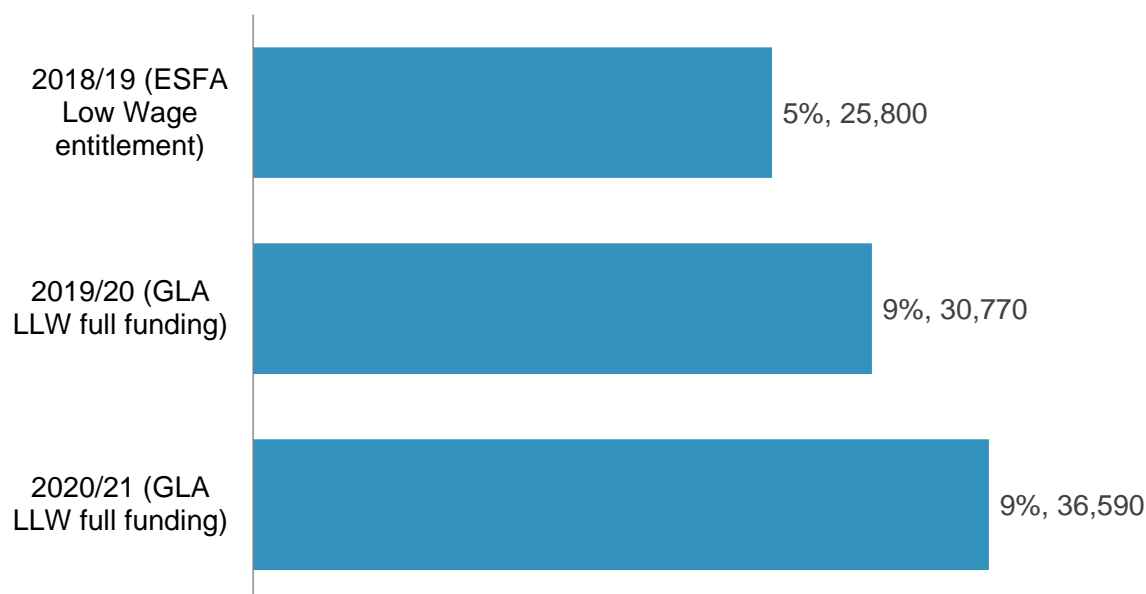
Full funding for learners in receipt of less than the London Living Wage

- 4.4 One of the immediate changes when the AEB was devolved to GLA was to introduce a focus on those earning less than the hourly London Living Wage. Learners who are employed, or self-employed, and would normally be co-funded may be fully funded under this measure, for learning aims up to and including Level 2. This is a change from ESFA policy prior to AEB

devolution, which offered full funding for learners with a gross annual salary below a specific level (£17,374.50 in 2020/21).¹⁵ This represents an increase in eligibility overall.

- 4.5 The first courses funded this way started in August 2019, and by 2020/21 R14, around 67,350 learning aims had been funded through this route. This represents a significant proportion of the learning aims within the London AEB Adult Skills funding stream; 9% in both 2019/20 and 2020/21.
- 4.6 The trajectory over time is shown in Figure 4.1. Data for 2018/19 relates to the similar full funding exemption offered by ESFA on a national basis, as explained above. In total, the GLA funding in 2020/21 helped about 10,780 (42%) more learners than the ESFA funding in 2018/19, most likely those who earned more than this national low wage threshold, but less than the London Living Wage (set at £10.85 from November 2020). This amounts to 15,760 extra learners making use of a wage-based subsidy over the two years since devolution¹⁶.
- 4.7 This increase occurred despite the impact of COVID-19, suggesting that this funding initiative is having a significant impact on the range of people taking part in AEB funded learning.
- 4.8 The number of learning aims funded by this entitlement increased in absolute terms in 2020/21 relative to 2019/20, from 30,770 to 36,590. However, this is due to the increase in the overall number of aims started as recovery from COVID-19 proceeds; as a proportion of starts this type of learning remained steady (at 9%).

Figure 4.1 Number of fully funded starts through the London Living Wage full funding entitlement, by number of starts and % of all funded starts



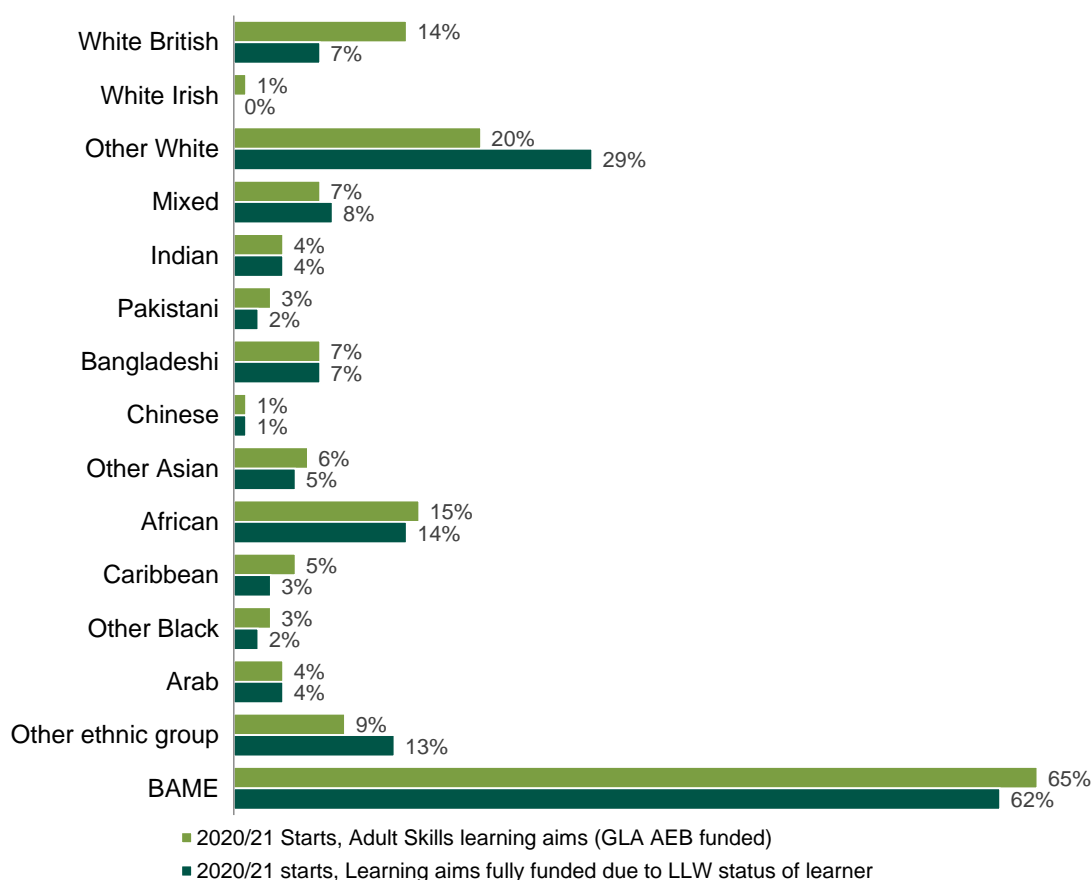
Source: ILR 2018/19 R14, 2019/20 R14, ILR 2020/21 R14.

¹⁵ Education and Skills Funding Agency (2021). *ESFA funded adult education budget (AEB): funding and performance management rules 2021 to 2022*. Version 2. July 2021. Accessed at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1010290/AEB_2021_to_2022_funding_rules_v2_FINALAugust2021.pdf

¹⁶ Some of these learners might still have enrolled if full funding had not been available; income levels are usually only recorded in ILR data if that income level is a ground for attracting additional funding.

- 4.9 In 2020/21, most starts funded via this route were at Entry Level (50%), with smaller groups at Level 1 (20%) and Level 2 (30%). Most learning was in Basic Skills: Language¹⁷ (50%), Health, Public Services and Care (14%), or in Preparation for Life and Work¹⁸ (13%), as well as ICT (5%). Many other subject areas were funded in small numbers. Learners funded through this route were generally, on average, a little older than other AEB learners (10% vs 14% under 23, 75% vs 70% aged 24 to 49, and 15% vs 16% aged 50 and over).
- 4.10 In 2020/21, most starts funded via the London Living Wage full funding entitlement were among BAME learners (62%), as shown in Figure 4.2. This is similar to than the percentage of overall starts by BAME learners in the Adult Skills as a whole (65%). In particular, more learners in the Arab / Other ethnicity category (16%) were funded by this route than in the AEB overall (13%).

Figure 4.2 London Living Wage full funding entitlement starts by ethnicity, compared with Adult Skills provision as a whole¹⁹, 2020/21 R14



Source: ILR 2020/21 R14.

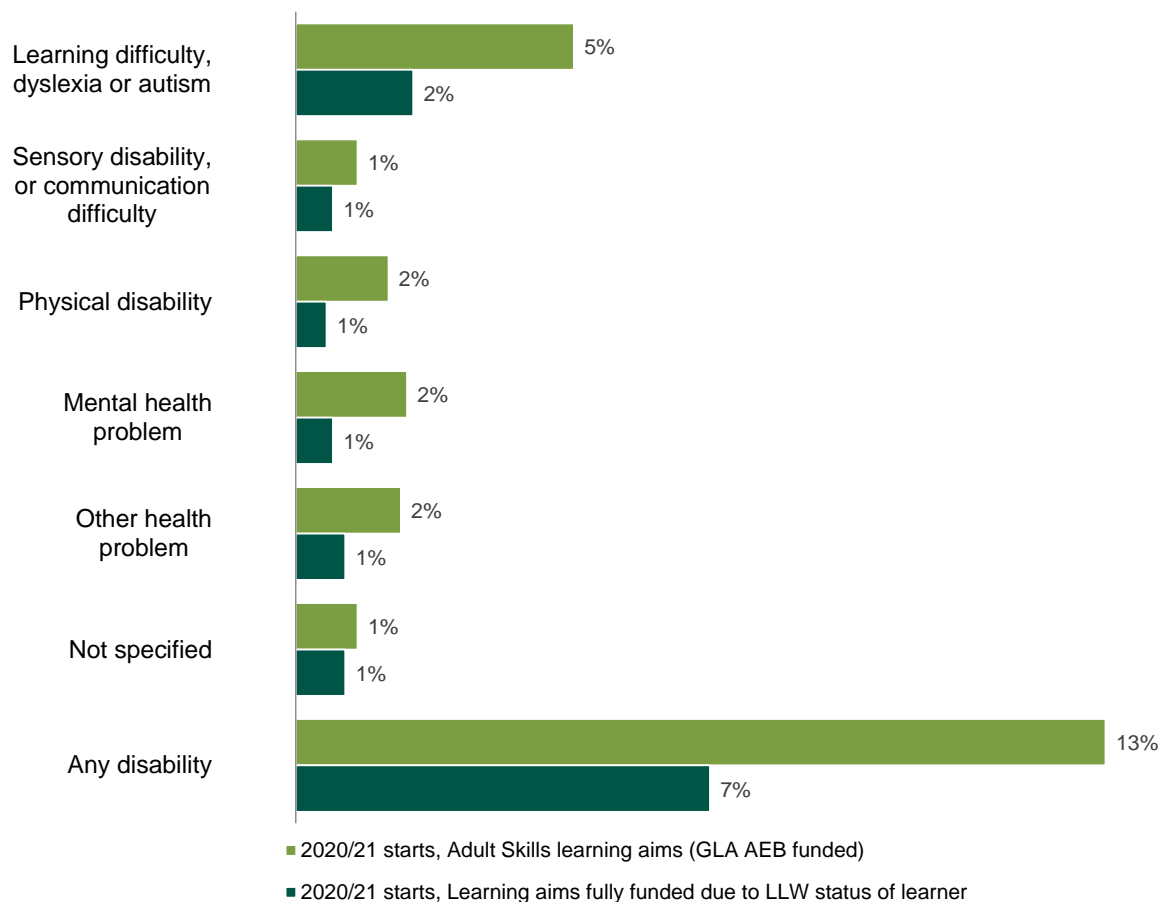
- 4.11 Compared to the AEB programme as a whole, many fewer learners with learning difficulties, disabilities or health problems were funded via this route in 2020/21 than in Adult Skills learning as a whole (13% vs. 7%), as shown in Figure 4.3. This entitlement is only available to those earning less than the London Living Wage in employment, so it is likely that lower levels of employment among disabled people result in a smaller number of eligible disabled people.

¹⁷ Principally ESOL learning.

¹⁸ Excluding Basic Skills qualifications

¹⁹ Note these differ slightly from figures provided in Chapter 3 since those figures are at learner level, rather than learning aim level.

Figure 4.3 London Living Wage full funding entitlement starts by disability²⁰, 2020/21 R14



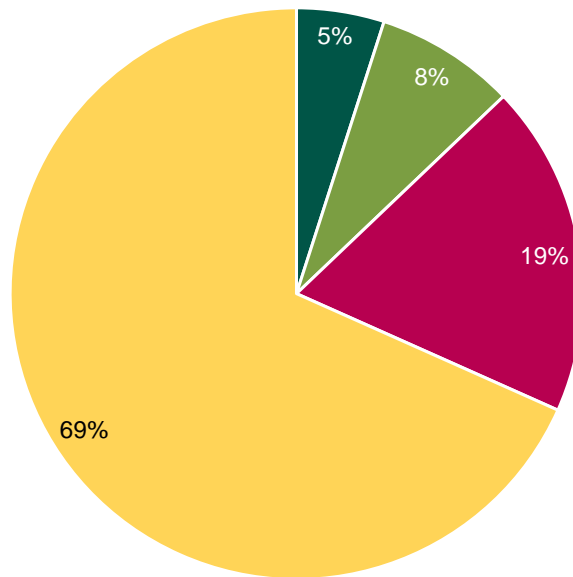
Source: ILR 2020/21 R14.

4.12 Provider engagement in this initiative is widespread, with only 23% of providers (28 in total) not registering any starts funded via this route. Most starts (69%) were provided via colleges. The largest providers of learning via this route were all colleges. The larger providers of GLA AEB learning which did not use this funding stream at all were mostly Local Authorities and IALs.

4.13 The majority (69%) of AEB starts in 2020/21 were made in colleges, as shown in Figure 4.4. Relative to the scale of their wider provision, Colleges and ITPs made the most use of this funding, on average funding 10% of their starts through the LLW full funding entitlement, compared to 5% among Local Authorities, and 3% among IALs, as shown in Figure 4.5. Two providers funded most of their GLA AEB starts in 2020/21 through this funding stream.

²⁰ Note these differ slightly from figures provided in Chapter 3 since those figures are at learner level, rather than learning aim level.

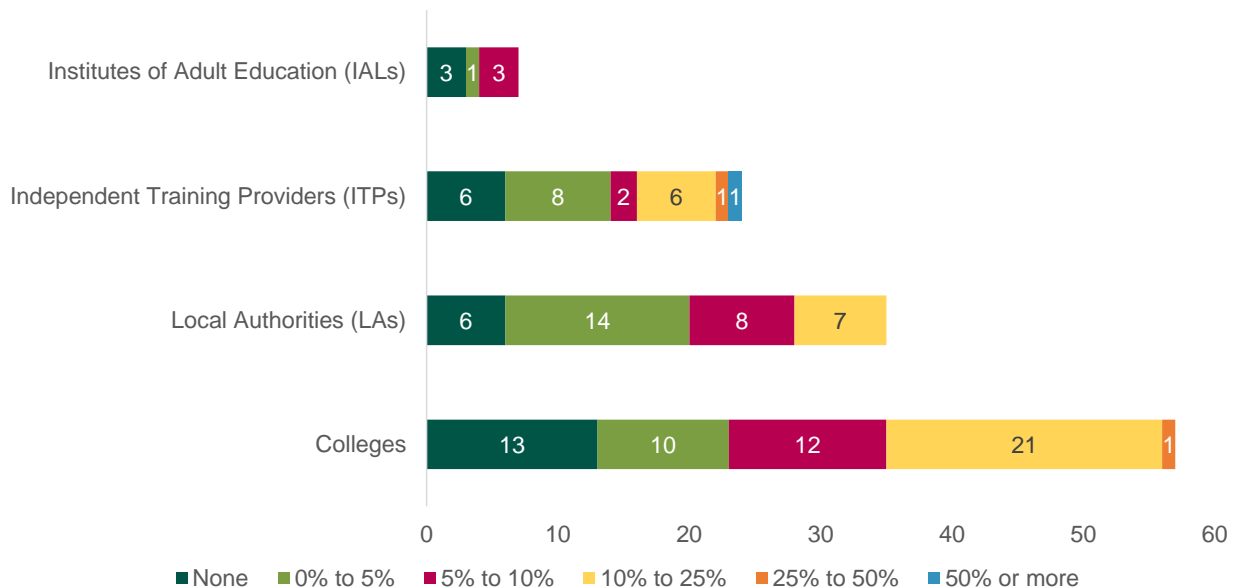
Figure 4.4 Percentage of all London Living Wage full funding entitlement starts by provider type, 2020/21 R14



■ Institutes of Adult Education (IALs) ■ Independent Training Providers (ITPs)
■ Local Authorities (LAs) ■ Colleges

Source: ILR 2020/21 R14.

Figure 4.5 Provider usage of the London Living Wage full funding entitlement in 2020/21, numbers of providers



Source: ILR 2020/21 R14. Excludes providers with less than 50 GLA AEB funded learning aim starts in 2020/21. Numbers on bars represent the number of providers.

4.14 In the depth interviews, some providers were pleased with the funding for learners earning less than the London Living Wage, although they did not go into detail about how they had used the funding specifically. Stakeholders were also positive, saying it was the correct decision to use

London Living Wage as the threshold (rather than National Minimum Wage), and that this is an important area to prioritise, and differentiates the GLA approach from the government.

- 4.15 This funding was mentioned by just under half the providers in their delivery plans, and it was felt to align well with the needs of the communities they served. Providers were largely positive about how this funding could contribute to learners being able to upskill and progress in employment.²¹

COVID-19 Response Fund

- 4.16 The GLA introduced the COVID-19 Response Fund in May 2020, to support providers in responding to the needs of adult learners in light of the COVID-19 pandemic. Although starting in the 2019/20 academic year, delivery continued into the 2020/21 academic year. The funding aimed to support providers meet the training needs of certain key groups:

- Furloughed workers and self-employed whose incomes fell below the London Living Wage as a result of COVID-19
- Those made redundant as a result of COVID-19
- Key workers requiring additional training to meet the changing demands of their roles
- Learners who are at risk of digital exclusion.

- 4.17 The fund comprised two strands. Strand 1 for Expanding Delivery was open to applications from grant-funded providers only, who could apply for an additional grant allocation from a minimum of £100,000 to a maximum of £500,000, with funding only available to for delivery to meet demand above their current allocation (including an expansion of existing provision). The deadline for applications for Strand 1 was 31st May 2020.

- 4.18 Strand 1 was used to deliver 3,650 starts in the 2020/21 academic year, and 2,450 in the 2019/20 academic year, totalling 6,100 starts across the whole period. A total of 18 providers delivered aims under the programme over the whole time period.

- 4.19 In 2020/21, most starts (65%) were delivered by Local Authorities, and the remainder (35%) by colleges. Nearly all the learning delivered was funded via the Adult Skills funding stream (92%), with a small amount of Community Learning (8%) also delivered.

- 4.20 Aims in 2020/21 were most likely to be delivered at Level 2 (50%), with some at Level 1 (28%) and Entry Level (15%), as well as a small amount of provision without an assigned level (8%), but none at Level 3. Only a small proportion (15%) of the learning delivered was classed as Basic Skills, with the largest subject areas being Health, Public Services and Care (38%), Preparation for Life and Work (17%), Business, Administration and Law (9%), ICT (7%) and Engineering and Manufacturing Technologies (7%).

- 4.21 While some providers delivered small amounts of learning across a wide range of subject areas and levels with their Response Fund allocation, a similarly sized group targeted their funding to deliver a handful of specific courses.

²¹ CooperGibson Research (2021). *London Adult Education Roadmap: Key messages from provider AEB delivery plans*. November 2021.

- 4.22 Strand 2 for Building Capacity was open to both AEB grant-funded and procured providers, who could apply for a one-off grant allocation to support the costs of building capacity in the London skills sector, to enable providers to make adaptations to their delivery in response to the Covid-19 pandemic. This could include improvements to digital infrastructure, staff CPD, and repurposing learning to be delivered online. The deadline for applications for Strand 2 was 20th June 2020.²²
- 4.23 A stakeholder noted the GLA making funding available to address the issue of digital poverty as particularly positive. However, another stakeholder said they had not received much feedback from their members on the COVID-19 Response Fund, possibly suggesting a lack of eligibility for support among that cohort.
- 4.24 Several providers noted being able to use the COVID-19 Response Fund funding to provide devices to help learners in need and being able to train staff and invest in new technology to enable remote and blended delivery of courses.

“It was fantastic this year... We used our covid support funding to train our staff to use technology to teach. That has not only enabled us to do that, but it has thrown up some really interesting things about blended learning in the future, some really interesting pedagogical conversations about how transferable some of the skills that people have had to develop in order to make online learning this engaging and how it might impact on face-to-face learning in the future.”

College

- 4.25 Providers noted that this funding enabled them to improve the quality of delivery for their learners, and improve the knowledge and skills of their staff, as well as purchasing necessary hardware and software. One college also noted that the additional payments meant they didn't have to furlough staff.
- 4.26 A couple of providers stated that they faced difficulty in accessing the COVID-19 response fund due to capacity issues: in one case, a Local Authority, the issue was finding people to *deliver* the training, whereas in the other, a college, they were struggling to get learners in as they lacked the IT skills to access the courses.

Changes to subcontracting rules

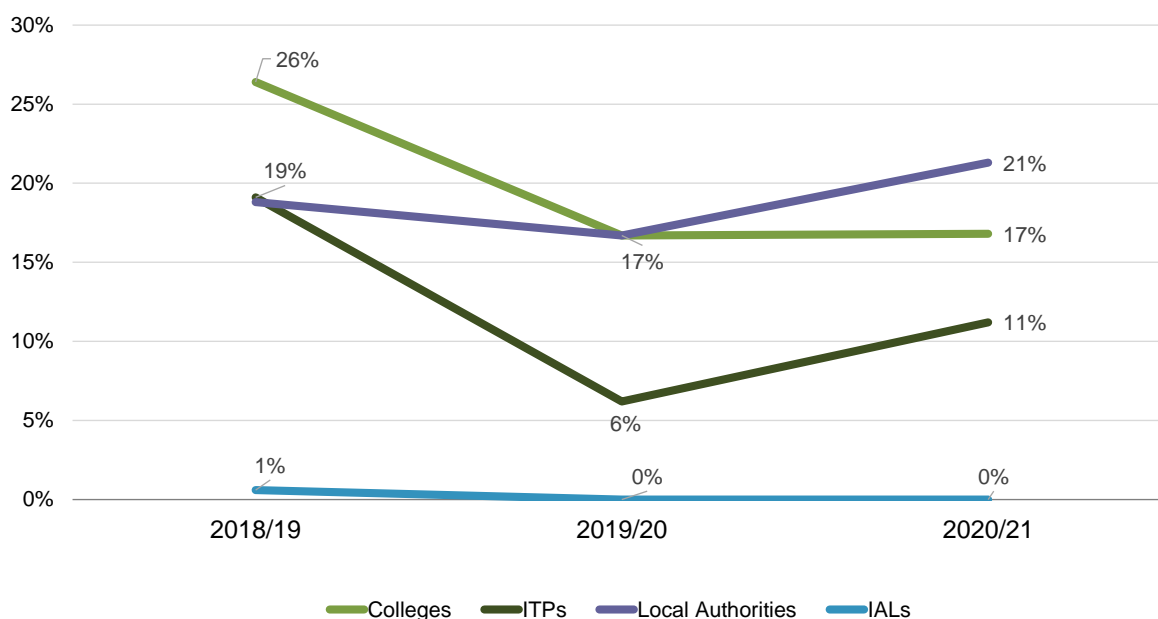
- 4.27 From 2019/20 the GLA changed subcontracting policy so that providers are required to outline any subcontracting they anticipate carrying out prior to the commencement of their grant / contract, with a clear rationale for why the subcontracting is adding value. Changes to subcontracting arrangements throughout the year have to be agreed with the relevant GLA Provider Manager. The management fees that providers can charge to subcontractors were also capped to 20% unless an exceptional case could be made. The intention is to allow providers to use subcontracting for niche or specialist provision where small providers would not be eligible for a grant from the GLA but to reduce the risks associated with subcontracting.
- 4.28 In 2020/21, 15% of GLA AEB funded learning aims started were subcontracted, for both Community Learning and Adult Skills, a reduction on the 18% subcontracted under ESFA management of the Adult Education Budget in London in 2018/19.

²² Greater London Authority (2020) *Skills for Londoners COVID-19 Response Fund Prospectus – Version 2*. 22 May 2020. Accessed at: https://www.london.gov.uk/sites/default/files/sfl_cv-19_response_fund_-_prospectus_22.05.2020.pdf

4.29 However, these headline figures conceal much larger changes at specific types of provider, as shown in Figure 4.6. In 2018/19, around a quarter (26%) of provision funded via colleges was subcontracted, and a fifth (19%) at Independent Training Providers (ITPs). In 2019/20, this fell substantially to 17% and 6% respectively, and still remained below 2018/19 levels in 2020/21. Meanwhile, Local Authorities subcontracted more provision in 2020/21 (21%) than in either of the preceding two years.

4.30 Many of the providers interviewed in the qualitative research were not concerned about the changes to the subcontracting rules, as they had very limited amounts of subcontracted provision. However, some reflected that they were doing less subcontracting as a result of the changes, and had mixed views on the consequences of this.

Figure 4.6 Percentage of subcontracted provision in AEB, 2018/19 to 2020/21



Source: Individualised Learner Record, 2018/19 to 2020/21

4.31 One Local Authority provider commented that the change had led to them doing less subcontracting, but that this was generally a positive change as subcontractors that were not meeting the GLA requirements were often not meeting Ofsted requirements either, suggesting that this restriction was raising standards.

4.32 For other providers, the more stringent rules around subcontracting were making it more difficult for them to deliver provision aimed at particular groups of ‘hard to reach’ learners who they had less experience of working with directly themselves.

4.33 There is substantial variation in the quantity of sub-contracting by subject area, as shown in Table 4.1. Though Agriculture, Horticulture and Animal Care has remained the subject area in which most provision is subcontracted, there has been a considerable fall in the quantity of provision delivered in this manner, from over half (54%) in 2018/19 to just over a third (35%) in 2020/21.

4.34 The overall trend in sub-contracting all subject areas has been downwards since 2018/19, particularly in the Basic Skills of Numeracy and Literacy, subcontracting in both of which halved from 2018/19 to 2019/20. There were exceptions; Health, Public Services and Care, and Retail and Commercial Enterprise, have both seen incremental rises (2%), and in Business,

Administration and Law there has been no change. Among the largest reductions has been in Engineering and Manufacturing Technologies, from 28% sub-contracted in 2018/19 to 6% in 2020/21. There is no strong link, however, with overall levels of provision; for example, overall provision in Engineering and Manufacturing technology has seen a 71% increase.

Table 4.1 Percentage of AEB starts which were sub-contracted, by subject area, 2018/19 – 2020/21

Subject Area	2018/19	2019/20	2020/21
Agriculture, Horticulture and Animal Care	54%	39%	35%
Health, Public Services and Care	29%	30%	31%
Business, Administration and Law	26%	20%	26%
Construction, Planning and the Built Environment	41%	13%	24%
Retail and Commercial Enterprise	20%	24%	22%
Preparation for Life and Work (not Basic Skills)	25%	19%	21%
Leisure, Travel and Tourism	21%	11%	19%
Information and Communication Technology	25%	18%	18%
Education and Training	20%	13%	13%
Basic Skills: Numeracy	27%	13%	12%
Basic Skills: Literacy	24%	11%	10%
Arts, Media and Publishing	11%	9%	9%
Engineering and Manufacturing Technologies	28%	13%	6%
Languages, Literature and Culture	5%	5%	6%
Basic Skills: Language	3%	3%	5%
History, Philosophy and Theology	2%	5%	2%
Science and Mathematics	<0.5%	<0.5%	1%
Basic Skills: Digital	n/a	n/a	<0.5%
Social Sciences	<0.5%	4%	<0.5%

Source: Individualised Learner Record, 2018/19 to 2020/21

- 4.35 Since 2018/19, sub-contracted provision reduced as a proportion across all levels of provision other than Level 3 provision, which is far less likely to be sub-contracted (only 2% of Level 3 starts) in any case, as shown in Table 4.2.

Table 4.2 Percentage of AEB starts which were sub-contracted, by level, 2018/19 – 2020/21

Level	2018/19	2019/20	2020/21
Entry Level	15%	8%	10%
Level 1	26%	15%	16%
Level 2	26%	21%	22%
Level 3	2%	2%	2%
Other Level / No Level	18%	12%	15%

Source: Individualised Learner Record, 2018/19 to 2020/21

Skills for Londoners Innovation Fund

- 4.36 The Skills for Londoners Innovation Fund replaced the ESFA's mechanism for funding growth for grant-funded providers and was open to grant-funded providers that the GLA would continue to fund from 2021/22. It aimed to use up £7.2m of unallocated funding from London's overall AEB allocation for 2019/20, though successful providers could deliver across 2019/20 and 2020/21.
- 4.37 In total 3,060 starts of learning aims were funded through the Innovation Fund in 2019/20, or 0.7% of all AEB starts in London. Nearly all of these (2,890, or 94%) were delivered through the Adult Skills budget, with only 170 (or 6%) delivered through Community Learning. The fund was utilised primarily by Institutes of Adult Learning (62% of starts), as well as by Local Authorities (21% of starts) and colleges (17% of starts).
- 4.38 The fund aimed in part to support adults to gain English and Maths skills, as well as support ESOL learning. In total just under half (46%) of learning aims started under the fund were in Basic Skills (compared to 35% of AEB starts overall), including 32% in Language (i.e., ESOL courses, compared to 18% of AEB starts overall). However, none were in Digital Skills, which was another goal of the fund.
- 4.39 A fifth (20%) of learning aims started using the fund were provided to disabled learners, in excess of the average of 15% across the AEB budget as a whole, in line with the objective to assist disabled learners.
- 4.40 There was less of a focus on those not in work; 41% of Innovation Fund learning aims were started by a learner who was not employed, but this compares to 48% across the AEB budget as a whole. This may relate to other initiatives within the AEB budget having a stronger focus on unemployment, while the Innovation Fund had a range of goals.
- 4.41 In the depth interviews, two Local Authorities noted the impact of the Innovation Fund funding: one said they had been able to increase their provision of maths and English thanks to the funding, while another said it gave them the flexibility to deliver more CPD courses, and had been very helpful to them. An Institute of Adult Learning also said they had also seen growth in professional and digital skills as a direct result of the Innovation Fund, and that they were able to offer these for free to people on very low incomes.

British Sign Language (BSL)

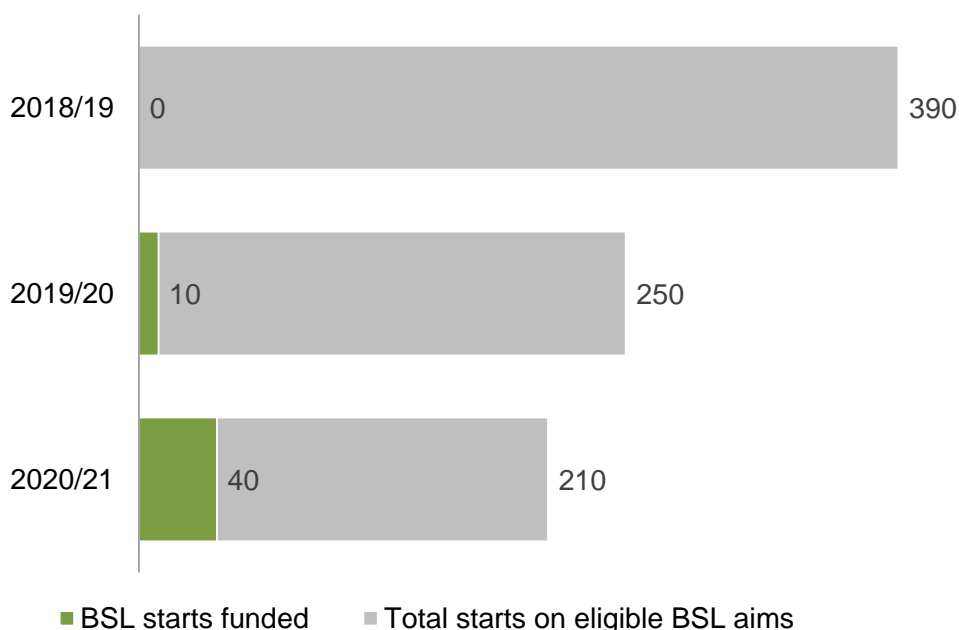
- 4.42 From the start of GLA's stewardship of the AEB budget, one of the immediate changes was to introduce full funding for any learner aged 19 or over whose first or preferred language is British Sign Language (BSL), or who cannot access spoken language because of their deafness and

would benefit from BSL, to study for a first qualification in BSL up to and including Level 2. This was implemented with the aim of increasing the number and diversity of people gaining the skills they need to progress through training and into higher skilled work.²³

4.43 The first courses funded this way started in September 2019, and by the end of July 2021, 60 starts on eligible courses had been funded, while 400 similar GLA AEB courses (on the eligibility list as a course, but not fully funded for other reasons) were funded via other routes.

4.44 Overall, there has not been an increase in the number of BSL courses provided as part of the London AEB, as shown in Figure 4.7. The number has instead decreased quite markedly, from 390 in 2018/19, to 250 in 2019/20, and 210 in 2020/21. This may partly be a result of COVID-19 limiting BSL learning, which has practical challenges for delivery through distance learning. It remains to be seen whether this initiative will start to bring an increase in BSL learning after COVID-19.

Figure 4.7 Number of fully funded starts on BSL learning aims, and number of starts on BSL learning aims eligible for full funding, 2018/19 to 2020/21



Source: ILR 2018/19 R14, 2019/20 R14, ILR 2020/21 R14.

4.45 The aims were delivered by only four of the providers delivering GLA AEB funded learning in London. These were London South East Colleges, London Borough of Harrow, London Borough of Sutton, and City Lit.

4.46 There were no mentions of full funding for British Sign Language qualifications in the depth interviews with providers or stakeholders. Around one in ten of the 72 providers who submitted a delivery plan in 2021 said they intended to make use of this funding in 2021/22, and half of those said they intended to expand their provision or recruit more learners.²⁴

²³ Mayor of London (2019). *MD2462: Financial Management of the 2019/20 Adult Education Budget*. April 2019.

²⁴ CooperGibson Research (2021). *London Adult Education Roadmap: Key messages from provider AEB delivery plans*. November 2021.

GLA policy changes 2020/21

English and Maths funding uplift

- 4.47 Course fees for Adult Skills in London are fully funded for learners meeting the requirements of the English and Maths AEB entitlement.²⁵ This includes those learning toward specific English and Maths qualifications up to Level 2, where the learner is aged 19 or over at the start of provision, and has not previously attained a GCSE Grade A*-C / 4 in that subject. This entitlement has been in place since before the AEB budget was devolved to the GLA. However, the base rate paid to learning provider for these qualifications had not been adjusted for inflation or other changes since 2013.²⁶
- 4.48 From the start of the academic year 2020/21, an additional funding uplift was therefore provided of £77 per funded enrolment for these same qualifications, which is an increase of 10% to the average cost.²⁷ Additional funding of £2.7 million was allocated across AEB grant providers in 2020/21 to fund the uplift.²⁸
- 4.49 This funding uplift does not imply any change in costs for learners who apply, but did seek to create an incentive for providers to promote this type of provision to eligible learners and thus increase take-up, and to improve the capability of providers to deliver it to a high standard, thus increasing achievement rates.²⁹
- 4.50 These qualifications are delivered via the Adult Skills funding stream only. In 2020/21, the AEB Entitlement for English and Maths had funded 42,320 starts,³⁰ accounting for 15% of the total AEB Adult Skills learning aims started funded by GLA. In total, 21,350 learning aims started (50%) related to English, and 20,980 (50%) related to Maths; all were classed as Basic Skills aims.
- 4.51 Figure 4.8 shows the change in the percentage of learning aims funded by the English and Maths entitlement over time. Looking at previous years, a total of 36,210 learning aims eligible for AEB Entitlement Funding were started in 2019/20, compared to 42,320 in 2020/21 (an increase of 17%).
- 4.52 However, despite this substantial increase in numbers between 2019/20 and 2020/21, the proportion of starts of Adult Skills learning aims that were funded as part of the Entitlement for English and Maths fell slightly, from 16% to 15%. Both were lower than the proportion of learning aims funded through this entitlement in 2018/19, prior to devolution, at 20%.
- 4.53 This change may not be due to the devolution of AEB; a significant number of qualifications ceased to be eligible for funding in 2019/20.

²⁵ Mayor of London (2020) *GLA Adult Education Budget 2020/21: Funding and Performance Management Rules for Grant-funded Providers, for the 2020 to 2021 funding year (1 August 2020 to 31 July 2021)*. Version 2. December 2020.

²⁶ Mayor of London (2019). *MD2557 Adult Education Budget Policy Changes for 2020/21*. December 2019.

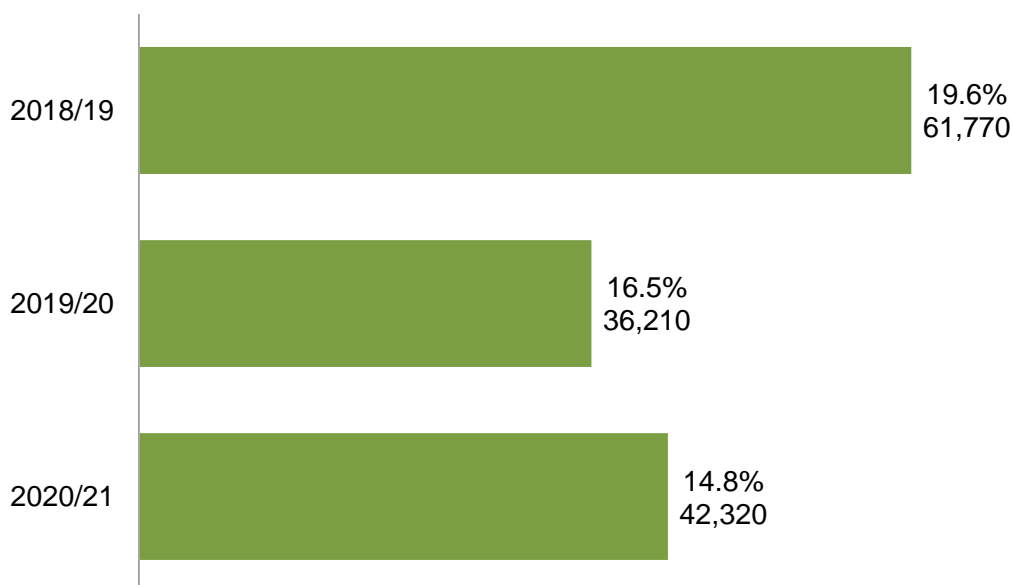
²⁷ Ibid.

²⁸ Ibid.

²⁹ Ibid.

³⁰ Defined as Learning Aims on the eligibility list for English and Maths Entitlement funding at the time the aim started, if fully funded from the AEB Budget.

Figure 4.8 Percentage of Adult Skills learning aims which are within the AEB Entitlement for English and Maths, 2020/21



Source : ILR 2019/20 R14, ILR 2020/21 R14.

- 4.54 The logic for expecting the additional funding to lead to an increase in recruitment of learners relies on the increased funding creating an incentive to learning providers to make efforts to recruit eligible learners. This type of work may have been deprioritised due to staff time being needed for emergency measures to tackle COVID-19, and due to courses costing more to deliver per head in any case due to COVID-19 measures. It may be, therefore, that the full impact of this additional funding only becomes clear after the recovery from COVID-19.
- 4.55 Another intended impact of the funding was to increase the proportion of learning aims ending with an achievement.³¹ However, there was no substantive difference here either to date, with 75% of AEB English and Maths Entitlement learning aims ending in 2020/21 resulting in an achievement, identical to the 75% in 2019/20. Again, this may have been affected by COVID-19.
- 4.56 Overall, it seems likely that the potential impact of this funding has to date been eclipsed by the impact of COVID-19 on providers, who may have required additional funding to maintain rather than improve provision in the circumstances. In interviews with AEB learning providers, many felt the impacts of GLA funding changes could not be separated from the much larger impacts of COVID-19, which varied across types of provision.
- 4.57 As shown in Figure 4.9, most learning aims started using AEB English and Maths Entitlement funding were provided by colleges in 2020/21 (64%), although ITPs (18%) and Local Authorities (15%) also provide substantial amounts of this learning. Most providers involved in the GLA AEB (76%) delivered starts in 2020/21 within the AEB English and Maths Entitlement.
- 4.58 However, there was substantial variation in the proportion of activity covered by this funding stream, as shown in Figure 4.10; for LAs it was typically in the 0-10% range, but for colleges more typically in the 10 to 25% range. For 20% of providers, the AEB English and Maths

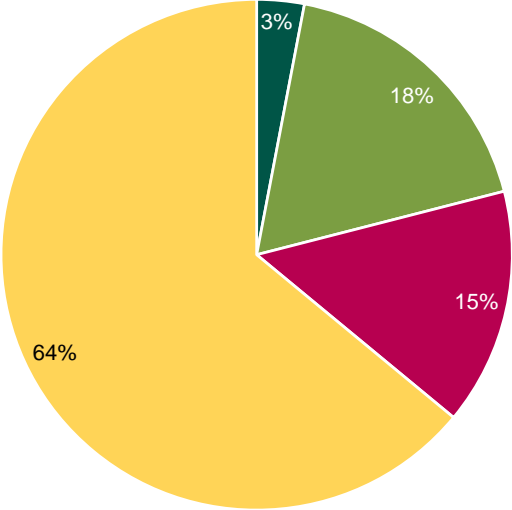
³¹ Mayor of London (2019). *MD2557 Adult Education Budget Policy Changes for 2020/21*. December 2019.

Entitlement made up less than 5% of their provision, while at a small minority it made up more than half of all their provision. Three of these providers using the entitlement intensively were quite large, with in excess of 500 learners; two ITPs and one college.

4.59 Usage of the English and Maths entitlement was broadly evenly distributed geographically across London, although most heavily used in Harrow (21% of Adult Skills provision), Barking and Dagenham (20%), Ealing (20%) and Hillingdon (19%). It was least used in the City of London (8%), Richmond-upon-Thames (8%), Camden (10%), Westminster (11%), Newham (11%) and Kingston-upon-Thames (11%).

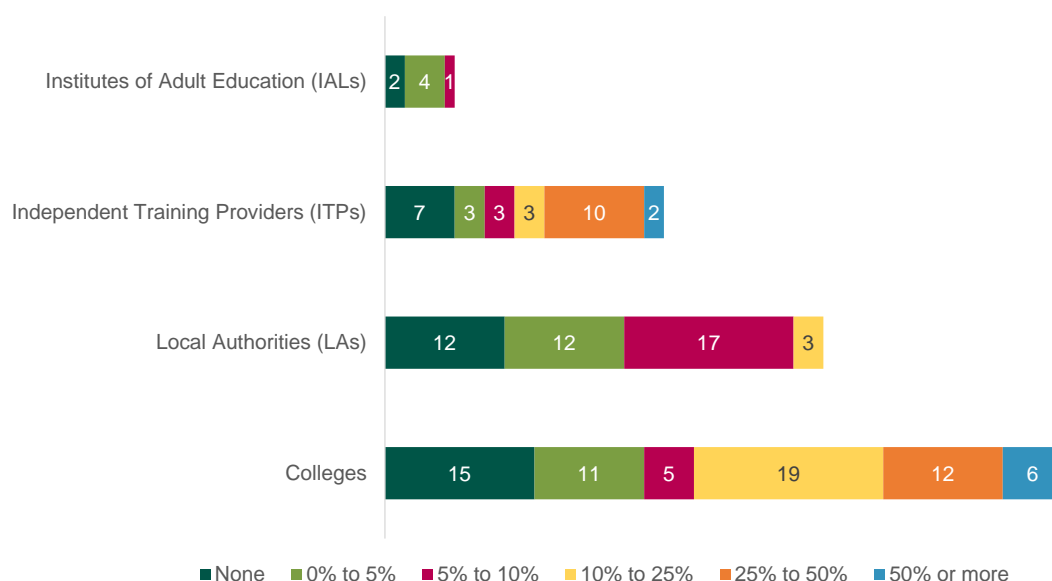
4.60 Some providers made no use of the entitlement at all; while most of these were very small in terms of their overall GLA AEB involvement, those that were larger (in excess of 500 learners) were local councils focused on Community Learning, or Colleges or ITPs with a specialist focus.

Figure 4.9 Percentage of AEB English and Maths funded starts by provider type, 2020/21 R14



■ Institutes of Adult Education (IALs) ■ Independent Training Providers (ITPs) ■ Local Authorities (LAs) ■ Colleges

Figure 4.10 AEB Entitlement for English and Maths as a share of provider activity



Source : Individualised Learner Record 2020/21

4.61 Evidence from the provider depth interviews showed that the English and Maths uplift was well received. One provider noted that they had been able to increase their basic English and Maths provision as a result, while another said it had improved the quality of the provision they are able to provide, rather than an increase in numbers; they have used the extra funding to invest in teachers, training and resources.

Level 3 Flexibility

4.62 For 2020/21, GLA has decided that learners may be fully funded to undertake a Level 3 qualification (of no longer than 12 months) in addition to the legal entitlement, where they are unemployed or in receipt of a low wage.³²

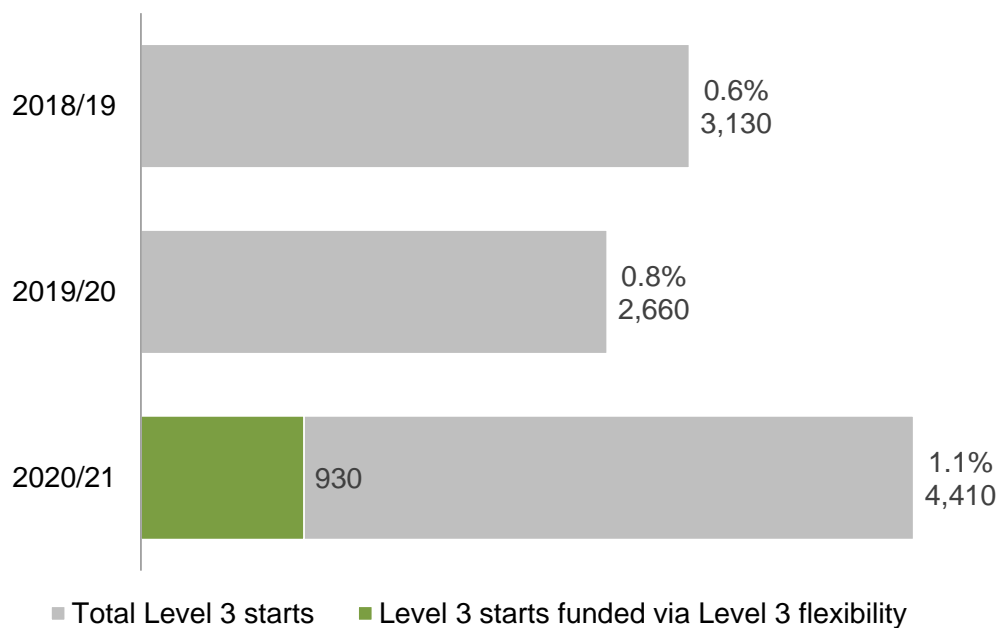
4.63 In 2020/21, 930 learning aims were started using this flexibility, with the first aims starting in August 2020. These account for less than 0.5% of all learning aims under the Adult Skills strand of the London AEB, but over a fifth (21%) of all learning aims started at Level 3 via the London AEB.

4.64 As shown in Figure 4.11, the number of learning aims at Level 3 has been boosted significantly since the introduction of the flexibility, increasing learning aims under the AEB at Level 3 by around 40% relative to 2018/19 in absolute terms, and by 83% relative to the overall level of AEB provision (from 0.6% of all learning to 1.1% of all learning).

4.65 Most learning aims were in Education and Training (260), Health, Public Services and Care (240), ICT (140) or Business, Administration and Law (130). There were also significant numbers of starts funded in Arts, Media & Publishing (50). Construction, Planning and the Built Environment (40), and Science & Mathematics (30).

³² Mayor of London (2020) *GLA Adult Education Budget 2020/21: Funding and Performance Management Rules for Grant-funded Providers, for the 2020 to 2021 funding year (1 August 2020 to 31 July 2021)*. Version 2. December 2020.

Figure 4.11 Learning aims started at Level 3, with and without Level 3 flexibility funding



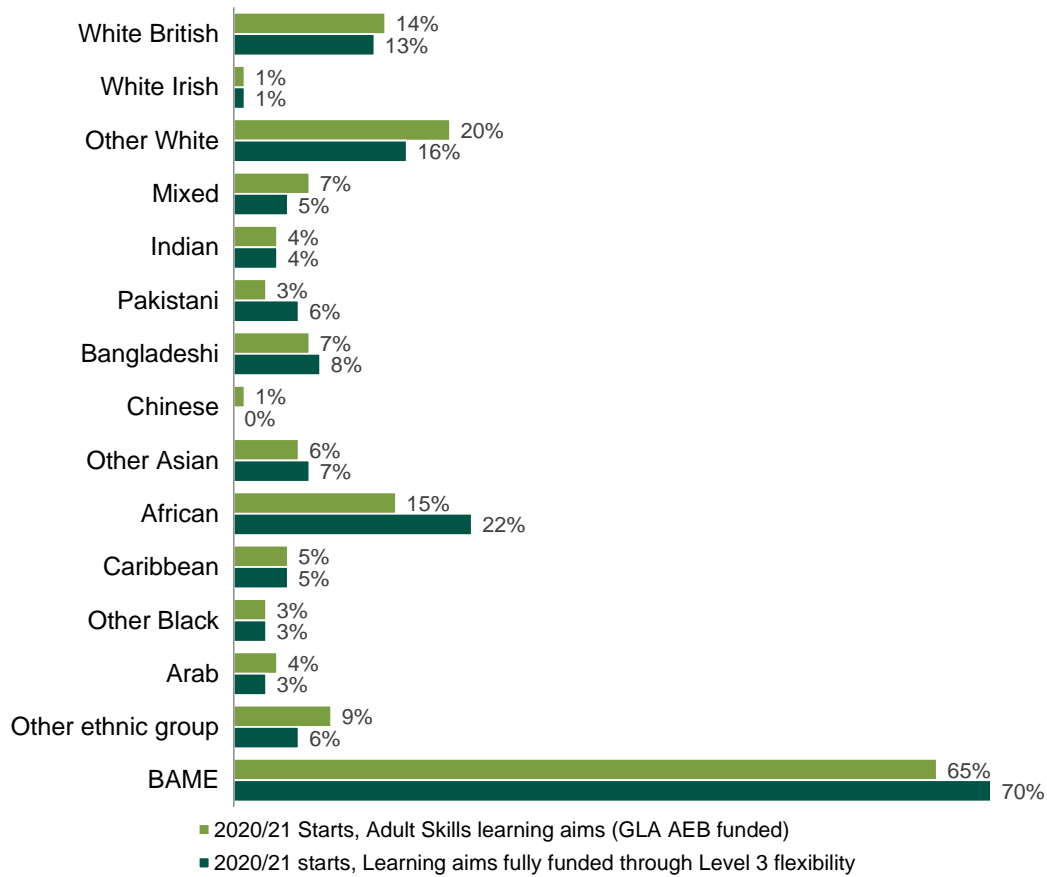
Source: ILR 2018/19 R14, 2019/20 R14, ILR 2020/21 R14

4.66 The Level 3 Flexibility specifically targets those who, prior to the learning aim, were unemployed or employed at below the London Living Wage rate. The impact on learners earning less than the London Living Wage cannot be measured,³³ but impact on those who were unemployed prior to their course can be. Overall, 1,530 previously unemployed learners started a Level 3 learning aim funded through the Adult Skills element of the AEB in 2019/20; this rose to 2,510 in 2020/21, an increase of 64% in absolute terms.

4.67 A comparison with the overall learner profile in Adult Skills, as shown in Figure 4.12, shows that the Level 3 flexibility attracts an ethnically diverse range of learners; Level 3 flexibility funded aims are more likely than other AEB aims to be started by African (22% vs. 15%), Pakistani (6% vs. 3%) and Bangladeshi (8% vs. 7%) learners, and less likely to be taken by Other White learners (16% vs. 20%). This would indicate this initiative has had some success in bringing increased provision of Level 3 learning to these communities. Overall, 70% of learning aims under this funding stream were started by BAME learners, compared to 65% for Adult Skills learning aims overall.

³³ London Living Wage status is only recorded on the ILR if an application for funding on that basis is made by the training provider, and so no overall figures for those earning less than the London Living Wage can be derived from the ILR.

Figure 4.12 Learning aims started with Level 3 flexibility funding, by ethnicity, compared with Adult Skills budget as a whole³⁴, 2020/21

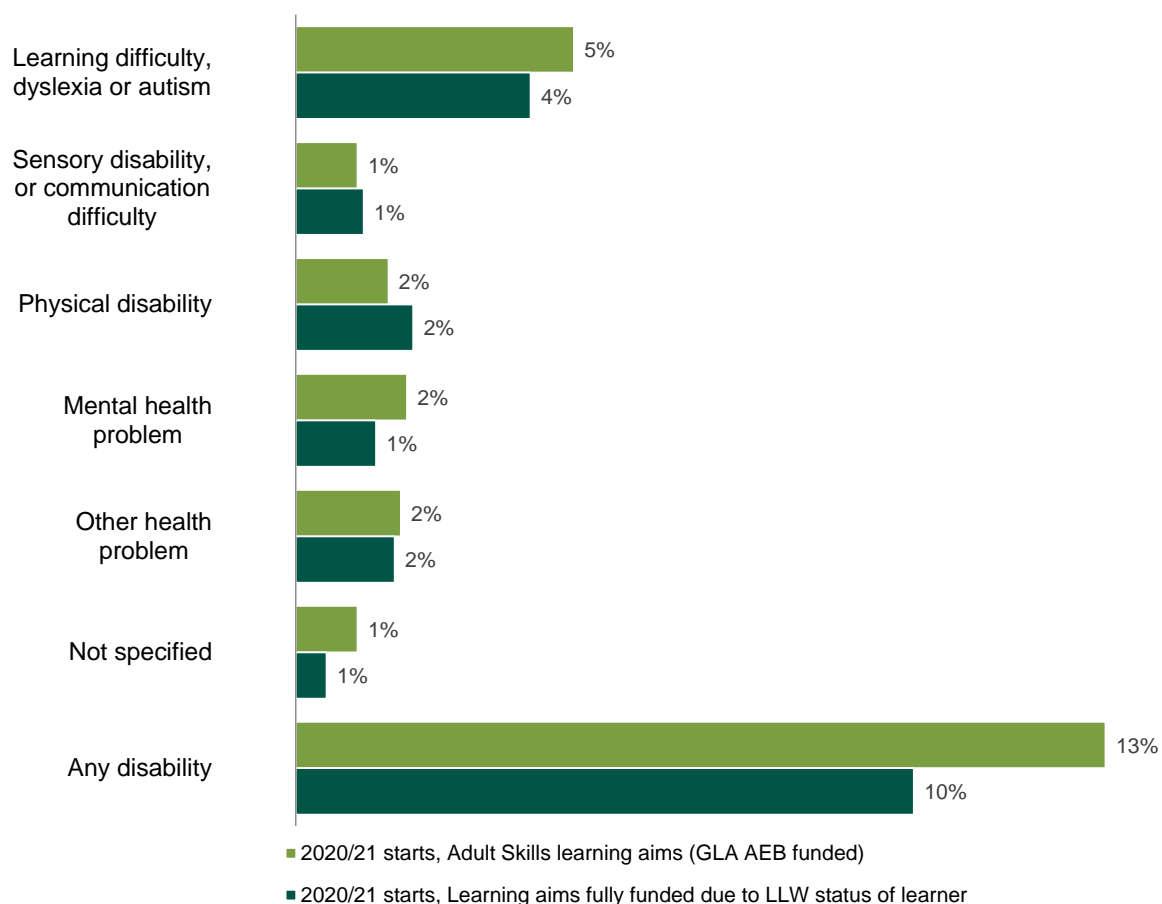


Source: ILR 2020/21 R14

4.68 When broken down by disability, as shown in Figure 4.13, the learning aims started with Level 3 flexibility are similar to the overall profile of AEB funded learners. People with disabilities or learning difficulties are slightly less likely to be funded via this flexibility than for Adult Skills learning as a whole (10% vs. 13%). However, those with a physical disability were slightly more likely to take part; most of the difference is accounted for by those with learning difficulties or mental health problems, reflecting the greater difficulty these learners may have studying at a higher level.

³⁴ Note these differ slightly from figures provided in Chapter 3 since those figures are at learner level, rather than learning aim level.

Figure 4.13 Learning aims started with Level 3 flexibility funding, by disability, compared with Adult Skills budget as a whole³⁵, 2020/21



Source: ILR 2020/21 R14

4.69 In total, 26 GLA AEB providers delivered the 930 starts under the Level 3 Flexibility, with all main types of provider involved to a significant extent. The largest proportion of provision was delivered through FE Colleges (37%, 8 providers), but ITPs (33%, 6 providers) and Local Authorities (24%, 8 providers) also delivered substantial quantities of provision, with a small quantity (6%) delivered by two IALs.

4.70 Typically, provision of learning via this funding stream tended to take place at larger providers than average (only three had fewer than 500 GLA AEB learning aims in total) but made up only a small proportion of their provision. No provider used this source of funding for more than 10% of their GLA AEB provision.

4.71 In the depth interviews, two Independent Training Providers mentioned the Level 3 Flexibility, and were positive about its introduction. One noted that previously, for anyone aged 24 or over, this would only have been funded through Advanced Learner Loans, which were perceived by providers as being not very popular among learners; this new flexibility allows them to tell Londoners they can be fully funded to access these higher-level skills.

4.72 In their Delivery Plans, the majority (around three-fifths) of providers planned to make use of this funding in the next academic year. Some noted that it would be a particular benefit that learners

³⁵ Note these differ slightly from figures provided in Chapter 3 since those figures are at learner level, rather than learning aim level.

who were unemployed or low-waged might not need an advanced learner loan in order to study. Other positives noted by providers in the delivery plans included the opportunity for employed learners to upskill; the progression opportunities for those who had studied at lower levels; and providing a launchpad to study at higher levels in the future.³⁶

Non-formula funding flexibility

- 4.73 To adapt provision and respond flexibly to the London recovery skills needs in each local area, GLA has decided to allow providers to use up to 10% of their AEB formula funded allocation (used for Adult Skills learning provision) for non-formula funded provision (used for Community Learning provision). This is intended to be used to respond to local skills needs, in particular short courses to enable progress into work for people unemployed as a result of the COVID-19 pandemic³⁷. In total, in 2020/21, £1.1m was spent via this funding route.
- 4.74 During 2020/21, 3,500 AEB starts (0.9%) were funded under the non-formula funding flexibility. Most of these learners were unemployed prior to the course (57%); a smaller proportion were in work (20%). Employment status was not recorded for the remainder (23%). Almost all courses funded under the flexibility (96%) were of six weeks or shorter in planned length, with all 11 weeks or shorter.
- 4.75 Table 4.3 breaks down these starts by subject area. Most of these starts (49%) were in the 'Preparation for Life and Work (not Basic Skills)' subject area, followed by Information and Communication Technology (21%), with smaller numbers in Arts, Media and Publishing (13%), Business and Administration (4%), Health, Public Services and Care (4%), and Construction, Planning and the Built Environment (2%). No Basic Skills courses were funded.

Table 4.3 Starts provided via the non-formula funding flexibility by subject area, 2020/21

Subject Area	Number of starts funded under the flexibility	Percentage
Health, Public Services and Care	120	4%
Science and Mathematics	10	0%
Agriculture, Horticulture and Animal Care	90	3%
Engineering and Manufacturing Technologies	50	1%
Construction, Planning and the Built Environment	90	2%
Information and Communication Technology	750	21%
Retail and Commercial Enterprise	60	2%
Leisure, Travel and Tourism	30	1%
Arts, Media and Publishing	440	13%
Languages, Literature and Culture	10	0%
Education and Training	0	0%
Preparation for Life and Work (not Basic Skills)	1,720	49%
Business, Administration and Law	130	4%

³⁶ CooperGibson Research (2021). *London Adult Education Roadmap: Key messages from provider AEB delivery plans*. November 2021.

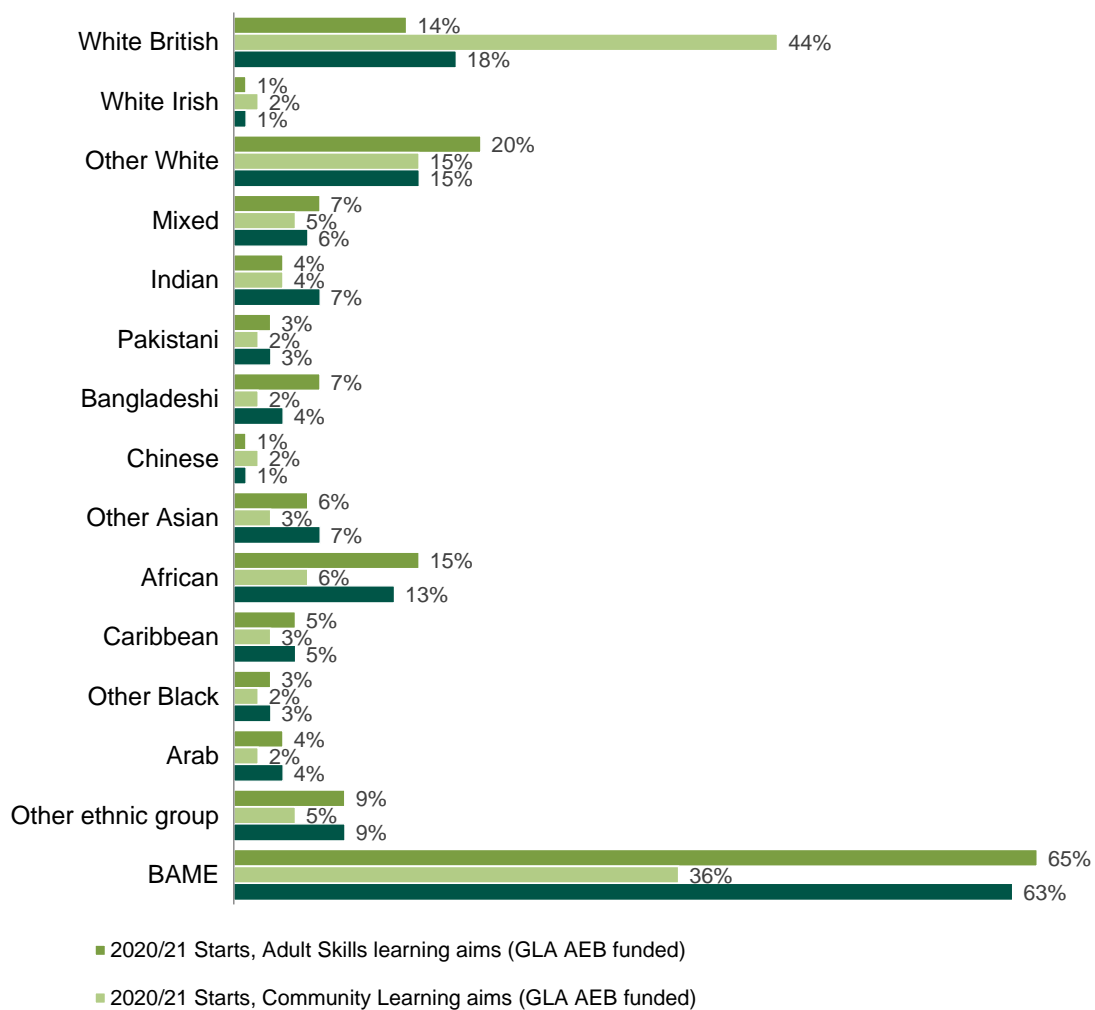
³⁷ Mayor of London (2020) *GLA Adult Education Budget 2020/21: Funding and Performance Management Rules for Grant-funded Providers, for the 2020 to 2021 funding year (1 August 2020 to 31 July 2021)*. Version 2. December 2020.

Total	3,500	100%
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Source: ILR 2020/21 R14.

- 4.76 Most learning aims funded under the non-formula funding were provided by Local Authorities (73%), with smaller amounts funded by colleges (18%) and Institutes of Adult Learning (9%), and none by ITPs, reflecting that this provision was only available through grant funding. This differs from Community Learning as a whole; half of such learning was delivered by Local Authorities (50%), with Institutes of Adult Learning providing 46%, and colleges providing 4%.
- 4.77 In total, 13 (10%) of GLA funded providers took advantage of the flexibility; nine of these were Local Authorities, two were colleges, and two were IALs. The percentage of provision – in terms of number of learning aims – delivered through this funding stream varied from <0.5% to 21% at one Local Authority. The median level for providers was between 3 and 4 per cent of learning aims delivered.
- 4.78 Compared to the overall learner profile, this flexibility was more likely to be used to fund learning in line with the ethnicity distribution of Adult Skills learning than of Community Learning, as shown in Figure 4.14. Comparatively, this funding was more likely to be used for White British learners than for Adult Skills as a whole (18% vs. 14%), but far less likely to be used for White British learners than Community Learning (18% vs. 44%).

Figure 4.14 Learning aims started via non-formula funding flexibility, by ethnicity, compared with Adult Skills and Community Learning as a whole³⁸, 2020/21

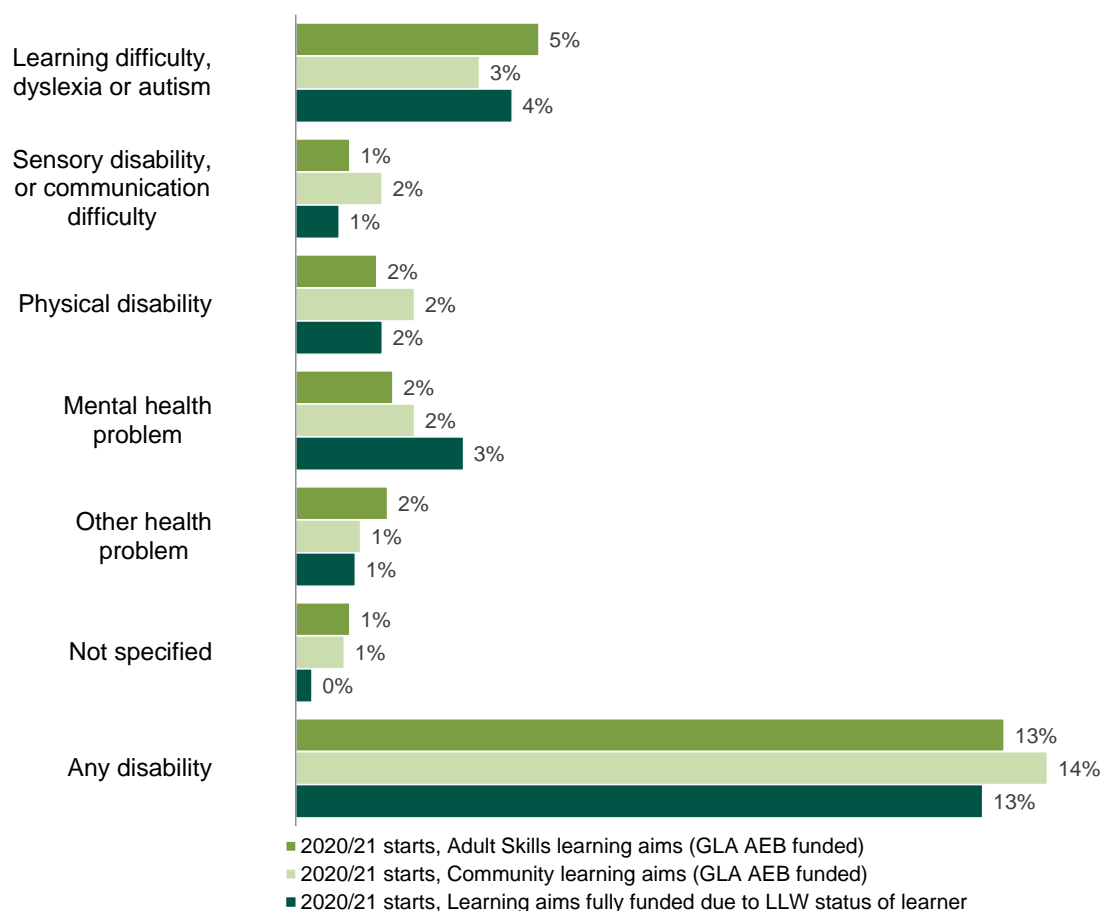


Source: ILR 2020/21 R14.

4.79 This flexibility is used by learners with disabilities, learning difficulties or health problems in a similar proportion to the overall profile of Adult Skills learners, with the exception of those with a mental health problem, who are slightly more likely (3% vs. 2% overall in each of Adult Skills and Community Learning) to start a course funded through this flexibility, as shown in Figure 4.15.

³⁸ Note these differ slightly from figures provided in Chapter 3 since those figures are at learner level, rather than learning aim level.

Figure 4.15 Learning aims started via non-formula funding flexibility by disability, compared with Adult Skills and Community Learning as a whole³⁹, 2020/21



Source: ILR 2020/21 R14.

4.80 In the depth interviews one stakeholder noted the non-formula funding flexibility as one of the key flexibilities introduced, allowing providers to deliver provision that was bespoke to employers, without being hindered by having to deliver qualifications to support them; one college also mentioned they had used this flexibility to support what employers might need. However, the stakeholder also noted that in some cases provider managers had not been clear in terms of how the flexibility could be used, which stopped their members from using the funding flexibly.

4.81 Among the providers who submitted delivery plans, just over half identified planned learner starts in 2021/22 for this funding; the flexibility was felt by these providers to offer a number of potential benefits, including meeting skills and employment needs as part of post-Covid recovery, supporting learners to take steps towards accredited learning, and supporting vulnerable and disadvantaged learners. Many planned to offer short courses covering vocational skills, essential skills and employability.⁴⁰

³⁹ Note these differ slightly from figures provided in Chapter 3 since those figures are at learner level, rather than learning aim level.

⁴⁰ CooperGibson Research (2021). *London Adult Education Roadmap: Key messages from provider AEB delivery plans*. November 2021.

Flexibility in reconciliation

- 4.82 Due to the COVID-19 pandemic, many providers in 2019/20 and 2020/21 academic years were unable to deliver learning aims as intended and agreed with GLA at the start of the academic year. Education facilities were closed for long periods, and while some learning could be delivered online, not all courses can be delivered in this way.
- 4.83 Usually, GLA would seek to claw back funding allocated in the event of non-delivery, to a threshold of 97% delivery⁴¹, and to reduce allocations for subsequent years on the basis of non-delivery. Arrangements were introduced at the start of the pandemic for providers to submit a business case to GLA to retain funding where it was not possible to deliver due to COVID-19 but costs had been incurred in preparing to deliver that provision, down to a threshold of 68% delivery in 2019/20⁴².
- 4.84 For 2020/21, a threshold of 90% was set, although differing thresholds were set for some types of funding; separate arrangements were made for the National Skills Fund, the COVID-19 Response Fund Strand 1, and for the COVID-19 Skills Recovery Fund.^{43,44}
- 4.85 Some providers in the qualitative interviews fed back that they felt the 90% threshold was “a bit unfair” and challenging for them to meet in the context of the ongoing pandemic. However, one college noted that there had been flexibility and the ability to put forward a business case, which was welcomed (and a contrast to the ESFA, who did not allow such flexibility).

Upskilling of teaching staff to deliver improved specialist provision for learners with SEND

- 4.86 Among GLA's wider objectives is to promote and support training provision that meets the needs of disabled people,⁴⁵ as outlined in the *London Post-16 SEND Review*.⁴⁶ To support the aim of increasing the participation, retention and achievement of disabled Londoners in education and training, it was decided to use the AEB to fully fund relevant learning to enable the upskilling of eligible teaching and learning support staff to deliver improved provision for learners with SEND. Providers were invited to identify learning aims that should be funded, with GLA deciding which of these to fund.⁴⁷
- 4.87 In total, GLA has fully funded learners to carry out around 70 such learning aims under the scheme through the AEB in London in 2020/21, with the first starts under the scheme occurring in November 2020, and more than half (40 of 70) of starts registered in the last three months from April to July 2021. To put this into context, GLA also funded or part-funded learners to carry out 1,240 such learning aims via other funding routes in the same time period, in total a 25% increase on the 990 learning aims which learners were funded or part-funded to carry out

⁴¹ Mayor of London (2021). *MD2763 Changes to the Adult Education Budget decision-making process*. March 2021.

⁴² Mayor of London (2021). *MD2763 Changes to the Adult Education Budget decision-making process*. March 2021.

⁴³ Mayor of London (2022). *MD2894 Reconciliation of Adult Education Budget funding for the 2020-21 academic year*. Publication pending.

⁴⁴ Mayor of London (2021). *Adult Education Budget Mayoral Board: Adult Education Budget Reconciliation 2020-21, Public Cover Report, 30 November 2021*. November 2021.

⁴⁵ Mayor of London (2019). *MD2557 Adult Education Budget Policy Changes for 2020/21*. December 2019.

⁴⁶ Mayor of London (2019). *London Post-16 SEND Review*. March 2019. Accessed at: https://www.london.gov.uk/sites/default/files/london_send_post-16_review_0.pdf.

⁴⁷ Mayor of London (2019). *MD2557 Adult Education Budget Policy Changes for 2020/21*. December 2019.

in 2019/20. It should be borne in mind, however, that many learning providers may have had other priorities for staff time during COVID-19, and a greater impact may be seen in subsequent years.

- 4.88 All provision so far in 2020/21 has occurred at just three providers, one Local Authority and two colleges; however, the data does not indicate which provider's staff were being trained.
- 4.89 These providers all mentioned using this scheme in the next academic year, with one noting that they had seen an increase in SEND learners of 10.2% over the last three years. They planned to use the staff training to improve the support and provision for SEND learners, with the aim of achieving improved outcomes and progression into further study or employment.
- 4.90 Overall, just under two-fifths of providers submitting delivery plans identified planned learner starts in 2021/22 for this flexibility, with areas of focus including autism, neurodiversity and mental health.⁴⁸
- 4.91 In future years, it might be expected that this could lead to either an increase in the number of learners with Autism, ADHD or similar conditions who either start or successfully complete AEB learning aims. However, it is realistically too early at this stage to see an impact from this type of analysis; this would be expected after the learning for teaching staff had been completed and they had time to integrate this into their work.
- 4.92 As a baseline, in 2019/20, there were 1,800 learning aims started under the AEB by a person with an autism spectrum disorder, 500 with Asperger's syndrome, 1,300 with a severe learning difficulty, and 5,100 with a moderate learning difficulty.⁴⁹ In 2020/21, there were 1,600 started by those with an autism spectrum disorder, 400 with Asperger's syndrome, 700 with a severe learning difficulty, and 3,800 with a moderate learning difficulty.
- 4.93 There was a mix of responses from provider interviews regarding the impact changes had on the CPD support available for teachers working directly with SEND learners.
- 4.94 One noted that difficulty in accessing the SEND learning support was due to most staff being part-time, and some providers believed that the support was targeted at those teaching full-time to younger cohorts (although it is unclear what this belief was based on, as none of the approved learning aims specified this). Other providers lacked awareness of this policy, with some stating they did not believe there had been any changes related to CPD in the time period.
- 4.95 One stakeholder noted that this had not been on their radar early enough, and that they expected the volumes using it would be lower than they could have been, as not enough providers were aware of it. They also felt it was too specific, as it was developed and designed for colleges, but in their view this had not been clearly conveyed.
- 4.96 Other stakeholders were aware of the policy, and gave it their full support, but were unsure what level of take-up there had been; one felt that the initiative should not be judged on take-up due to the unusual circumstances of the last year.

⁴⁸ CooperGibson Research (2021). *London Adult Education Roadmap: Key messages from provider AEB delivery plans*. November 2021.

⁴⁹ ADHD is not separately recorded on the ILR.

COVID-19 Skills Recovery Package

- 4.97 In July 2020, the Department for Education was provided with funding to put in place a COVID-19 Skills Recovery Package,⁵⁰ including several programmes to be delivered nationally through the AEB, including to the value of £12.9m in the academic year 2020/21 through the devolved AEB in London. This was topped up by £1.9m of unallocated AEB budget funding from 2019/20, to provide £14.9m of total funding.⁵¹
- 4.98 This was to be used to deliver High Value Courses for school and college leavers, and the Sector-based Work Academies Programme (SWAP). In addition, GLA allowed providers to use some of this funding to deliver provision under the London Recovery Programme,⁵² delivered in partnership with JobCentre Plus.

High Value Courses for 19-year-olds

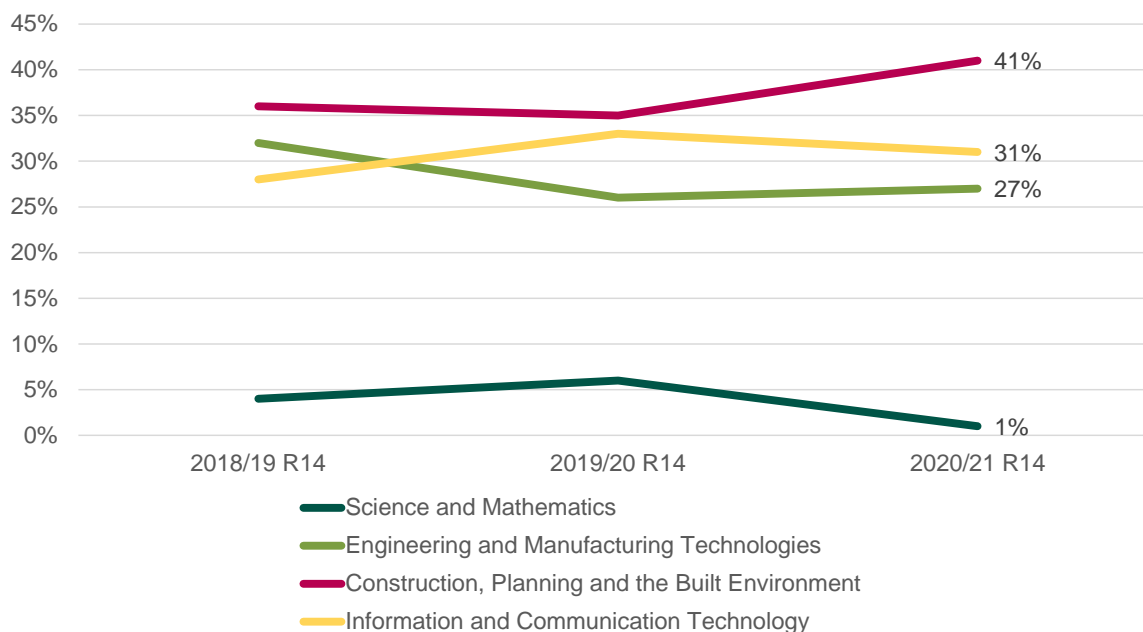
- 4.99 In 2020/21, as part of the COVID-19 Skills Recovery Package, GLA introduced an offer of full funding for specific High Value courses lasting 12 months or less at Levels 2 or 3 to be delivered to 19-year-olds in London.
- 4.100 There have been around 70 learning aims started in 2020/21 which have been fully funded through this initiative, as well as about 230 qualifications of the same type delivered to 19-year-olds through other funding routes. In total, about 300 High Value courses were started via the AEB in 2020/21; this represents a slight increase on the 260 starts in 2019/20 and 260 in 2018/19. Comparing 2019/20 and 2020/21 data suggests that the funding has been successful in increasing the usage of those courses identified as High Value in London, by approximately 17% in absolute terms. This is a small increase but occurs against a backdrop of reducing overall provision of AEB due to COVID-19.
- 4.101 As shown in Figure 4.16, the subject areas in which High Value courses are delivered remained largely consistent over time, although there have been few starts on Science and Mathematics High Value courses in 2020/21 (1%). It is worth noting that where the High Value course is fully funded by GLA, the subject area shares differ, with Engineering and Manufacturing making up only 17% of these fully funded starts, as opposed to 27% of all High Value course starts.

⁵⁰ HM Treasury (2020). *Chancellor's Plan for Jobs to help the UK's recovery*. 8 July 2020. Accessed at: <https://www.gov.uk/government/news/rishis-plan-for-jobs-will-help-britain-bounce-back>.

⁵¹ GLA (2021). *MD2684 Administering additional Adult Education Budget for 2020/21*. April 2021.

⁵² GLA (2021). *MD2684 Administering additional Adult Education Budget for 2020/21*. April 2021.

Figure 4.16 High Value courses by subject area share over time



Source: ILR 2018/19 R14, 2019/20 R14, 2020/21 R14.

4.102 Starts on High Value Courses were delivered in 2020/21 by 10 providers. However, five of these delivered fewer than five starts on learning aims each, leaving five making a more significant contribution to the overall delivery of 70 learning aims.

4.103 All of these are colleges, as were those providers delivering fewer aims; no other types of organisation delivered learning under this initiative.

Sector-based Work Academy Programmes (SWAP)

4.104 In 2020/21, there were 7,370 learning aims funded by the GLA AEB programme as part of the Sector-based Work Academy programmes, accounting for 2% of all GLA funded learning aims. The split of these aims across subject areas is shown in Table 4.4. As may be expected with a work-focussed funding programme, the majority (66%) of aims fall under ‘Preparation for Life and Work’. There were no Basic Skills aims funded by the programmes.

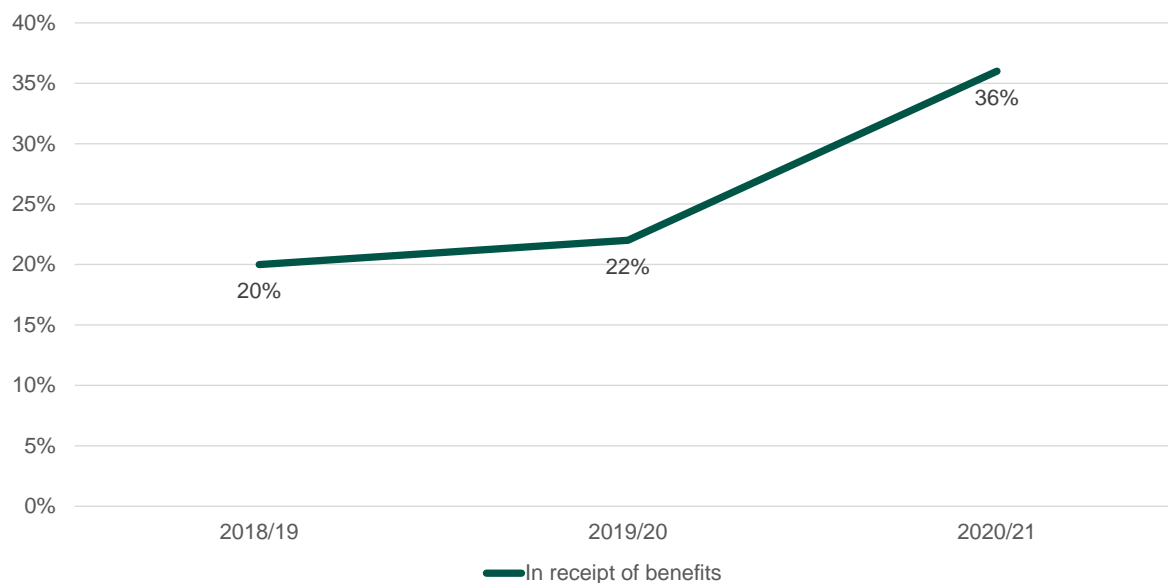
Table 4.4 SWAP funded learning aims by subject area, 2020/21

Subject Area	Share of SWAP funded learning aims
Health, Public Services and Care	8%
Engineering and Manufacturing Technologies	<1%
Construction, Planning and the Built Environment	4%
Information and Communication Technology	5%
Retail and Commercial Enterprise	1%
Education and Training	1%
Preparation for Life and Work (not Basic Skills)	66%
Business, Administration and Law	11%

Source: ILR 2020/21 R14.

4.105 Since 2018/19, there has been a considerable increase in the percentage of learners receiving out-of-work benefits entering into AEB provision, as shown in Figure 4.17. This has grown from 20% of learners in 2018/19, to 36% in 2020/21. Overall, the percentage of learners receiving benefits who started AEB-funded learning has risen by 16 percentage points between 2018/19 and 2020/21, showing an increased focus of provision on this group of learners under GLA management of the AEB budget. This may also reflect increased reliance on benefits among the population of London during the COVID-19 pandemic.

Figure 4.17 Percentage of learners receiving out-of-work benefits on entry to AEB provision, 2018/19 to 2020/21



Source: ILR 2018/19 R14, 2019/20 R14, ILR 2020/21 R14

4.106 Involvement in the Sector-based Work Academy programme was concentrated among only a small group of providers; only 19 of the 148 delivering GLA AEB starts in 2020/21. Moreover, within this group, only four providers delivered 82% of the total. One ITP provider delivered 38% of all training funded by this initiative, with this funding stream accounting for 60% of all of that provider's GLA AEB provision in London in 2020/21.

4.107 Aside from this one ITP, nearly all other providers of learning under the Sector-based Work Academy programme were colleges, accounting for 57% of delivery, although two Local Authorities (4% of delivery) and one IAL (<0.5% of delivery) were involved on a smaller scale.

4.108 In the depth interviews, one college mentioned that the devolution of the AEB had supported their development for Sector-based Work Academy programmes and given them opportunities to expand partnerships. No other providers mentioned the Sector-Based Work Academy programmes explicitly.

London Recovery Programme: JobCentre Plus

4.109 In 2020/21, there were 8,590 learning aims funded as part of the London Recovery Programme for unemployed people in London organised in partnership with JobCentre Plus. This programme accounts for 2% of the total learning aim starts funded by the GLA in the 2020/21 academic year. Table 4.5 shows the subject areas these learning aims are classified as.

4.110 As with SWAP, most (24%) fall under the 'Preparation for Life and Work', though there are large shares for Business, Administration and Law (16%), Information and Communication

Technology (13%), and Basic Skills: Language (12%). Most of these learning aims were classified as 'certificates' (30%) or 'awards' (26%).

Table 4.5 Percentage share of learning aims under London Recovery Programme: JobCentre Plus per Subject Area, 2020/21 R14

Subject Area	Percentage
Basic Skills: Literacy	3%
Basic Skills: Numeracy	3%
Basic Skills: Language	12%
Basic Skills: Digital	0%
Health, Public Services and Care	8%
Science and Mathematics	0%
Engineering and Manufacturing Technologies	4%
Construction, Planning and the Built Environment	2%
Information and Communication Technology	13%
Retail and Commercial Enterprise	7%
Leisure, Travel and Tourism	0%
Arts, Media and Publishing	5%
Education and Training	2%
Preparation for Life and Work (not Basic Skills)	24%
Business, Administration and Law	16%

Source: ILR 2020/21 R14.

4.111 In total, 30 providers were involved in providing learning aims in this initiative with JobCentre Plus. Most learning aims started (63%) were provided through colleges, and only a much smaller number through Local Authorities (18%) and very few (3%) through ITPs. Given their small overall scale relative to other providers, IALs were very active in this initiative, providing 17% of learning aims funded through this route.

4.112 In most cases, this provision made up only a small proportion of a providers' GLA AEB learning aims. At six providers, all colleges, it made up more than 10% of provision.

Pre-devolution policy changes

Digital Skills entitlement

4.113 ESFA introduced an entitlement to Digital Skills funding for AEB learning, for those assessed as having IT skills below Level 1 to carried out Essential Digital Skills Qualifications up to Level 1.⁵³ At the time of devolution, however, no Essential Digital Skills Qualifications were yet available,

⁵³ Department for Education (2018) *Consultation outcome: Improving adult basic digital skills*. Updated April 2019. Accessed at: <https://www.gov.uk/government/consultations/improving-adult-basic-digital-skills>

with introduction planned for the academic year 2020/21. However, this entitlement was carried over into the devolved London AEB scheme,⁵⁴ and so its introduction is monitored in this report.

4.114 Prior to 2020/21, no delivery of these qualifications was reported. In 2020/21, around 1,660 learning aims were started. A further 340 learning aims in the new area of Basic Skills, part-funded via the London AEB but not funded via this entitlement, were also started in the same time period.

4.115 Nearly three quarters of the learning aims (72%) started under this entitlement in 2020/21 were delivered by only two providers, both large colleges; other colleges (12 in total) delivered small numbers of learning aims, bringing the total delivered by colleges to 79%. Nearly half of providers (13) delivering learning aim starts under this entitlement were Local Authorities, but together they accounted for only 21% of the learning delivered. IALs together delivered less than five starts, and none were delivered by ITPs.

4.116 For context, these 2,000 aims together account for only 1% of Adult Skills learning aims started under the London AEB in 2020/21. However, this may increase in subsequent years, and has been achieved without reducing the proportion of learning in ICT outside Basic Skills.

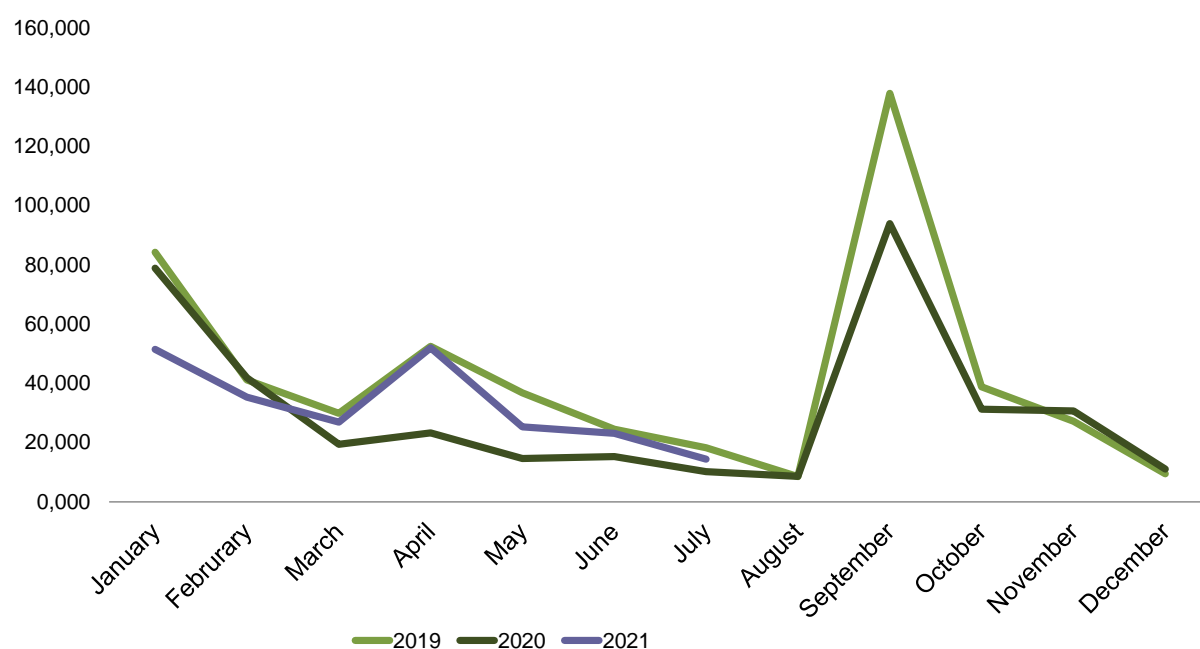
⁵⁴ Education and Skills Funding Agency (2021). *ESFA funded adult education budget (AEB): funding and performance management rules 2021 to 2022*. Version 2. July 2021. Accessed at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1010290/AEB_2021_to_2022_funding_rules_v2_FINALAugust2021.pdf

5 Impact of Coronavirus

Impact of Coronavirus on current and future delivery

- 5.1 Figure 5.1 attempts to quantify the potential impact of COVID-19 on the number of learning aims started within the Adult Education Budget, by comparing the month-by-month number of starts in 2019 to those in 2020 and 2021. Although the pattern of starts of AEB funded learning is highly seasonal, the impact is still clearly visible.
- 5.2 The number of starts per month in 2019/20 closely tracks the 2018/19 pattern until March, when it starts to drop away. At its peak, the number of courses started was down 56% in April and 60% in May 2020, relative to the previous year. However, the gap quickly started to close, and by November 2020 there were slightly more starts than at the same time in 2019.
- 5.3 However, starts in January 2021, a major recruitment peak, were again well below the pre-COVID-19 level (by 36%). This suggests that the effect of COVID-19 on recruitment at traditional peak times for FE enrolment (in September and January) has been greater than the impact on starts at other times of year. The most recent available data (for July 2021) shows a level of starts broadly equal with that in 2019, although there was no sign of any increase in enrolments beyond this level. In other words, while it is possible that a backlog might have built up during the pandemic of demand for AEB learning, there is no sign yet in the data of this being cleared.

Figure 5.1 Number of learning aims started per month

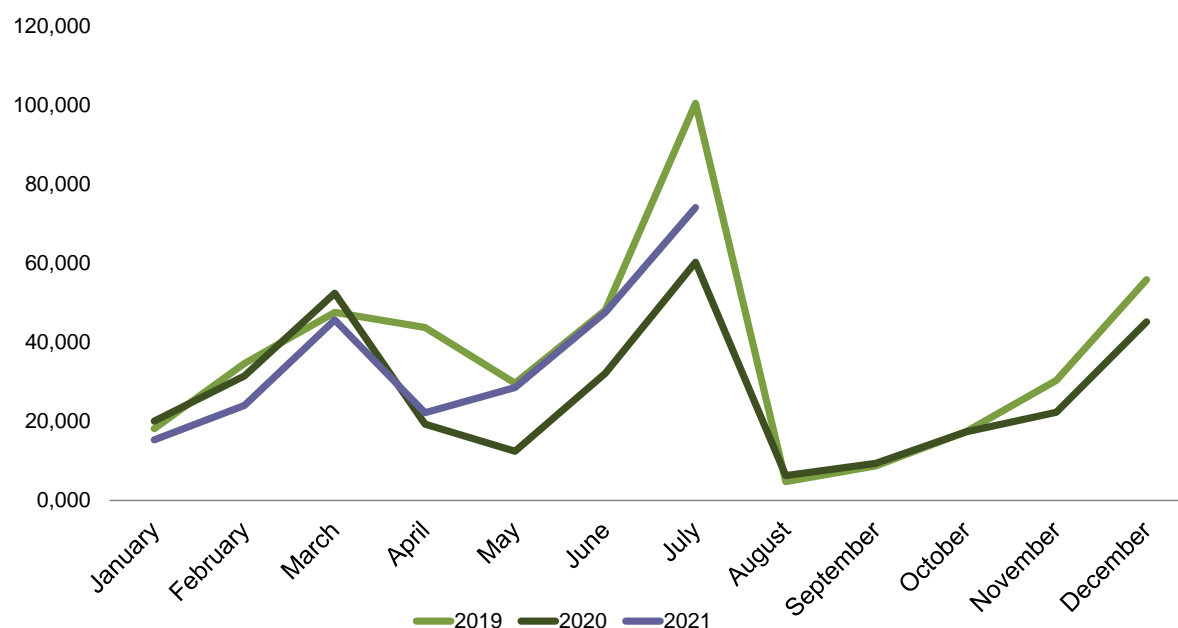


Source: ESFA Individualised Learner Record (ILR), processing by IFF Research.

- 5.4 Similarly, there was also an impact on completions of existing learning; this is shown in 0. The completion of many learning aims was clearly delayed by the arrival of COVID-19, although again even at peak impact in April and May 2020, around 40% of learning activity continued. There were two key areas of impact for completions; the first was the immediate effect in April to July 2020 as places of learning were closed, preventing existing learning being completed. Secondly, at various points through the 2020/21 academic year (December 2020, April 2021 and July 2021) longer courses would usually have been finishing, but these were not started due to lockdown.

5.5 In August to October 2020, completions slightly exceeded their 2019 level, possibly due to delayed completion of aims which would otherwise have been completed before COVID-19.

Figure 5.2 Number of learning aims achieved per month



Source: ESFA Individualised Learner Record (ILR), processing by IFF Research

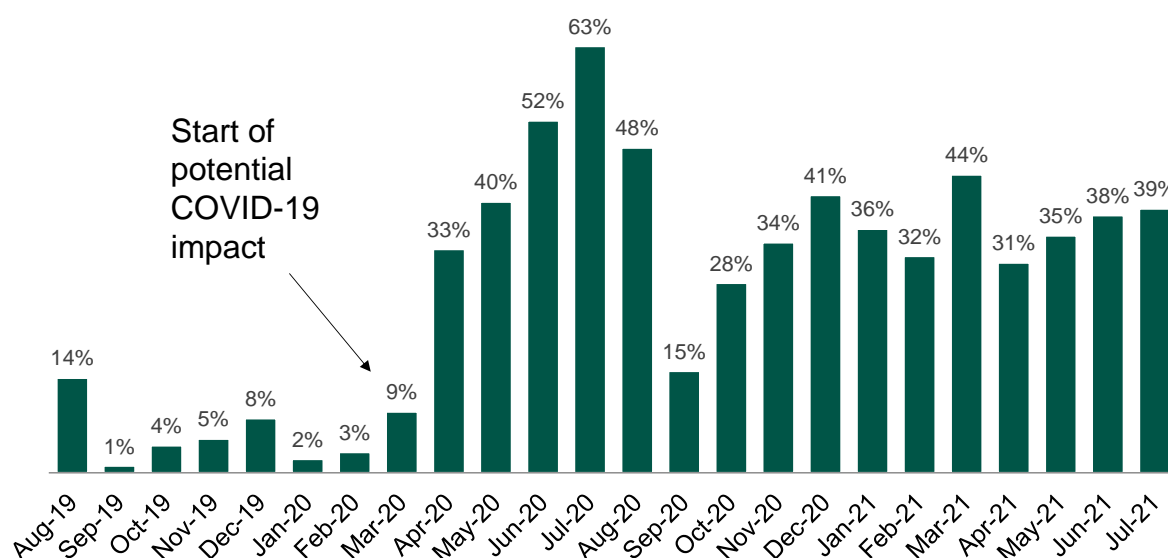
5.6 The other key impact seen in the ILR data was an increase in the proportion of distance learning taking place, as shown in 0. There was a short time delay in this increase after the impact of COVID-19 in March 2020; however, the increase after this was rapid. While in most months prior to April 2020, the proportion of distance learning enrolments was less than 10%, after this the proportion increased first to a third (33%) in April 2020, rising to nearly two thirds (63%) in July 2020. The speed of this move to home-based learning may explain why by July the overall number of starts in 2020 was only 44% down on July 2019, compared to 60% in May.

5.7 It is not possible to tell what proportion of *existing* learning switched to home learning; the location recorded is that at enrolment only.

5.8 The proportion of distance learning dropped again in September 2020 to just 16%, reflecting the traditional time of year for term-based FE learning to start.⁵⁵ This may explain the larger COVID-19 impact on overall numbers of learners starting in September 2020 than in other months. Since then, the proportion of distance learning has remained around 30-50% throughout the 2020/21 academic year with no clear upward or downward trend, plateauing at well above the level seen prior to COVID-19. Interestingly, no clear link is shown with periods of more intensive lockdown, suggesting that the move to distance learning may persist to some extent. Distance learning accounted for approximately 30% of all learning aim starts in 2020/21, up from 3% in 2018/19.

⁵⁵ The number of distance enrolments in September 2020 was still around 14,930, higher in absolute terms than in most months of 2020.

Figure 5.3 Percentage of Learning Aims started as distance learning, August 2019 to July 2021



Source: ESFA Individualised Learner Record (ILR) 2019/20 and 2020/21, processing by IFF Research

5.9 In the London AEB, relatively few learning aims were formally paused on the ILR during COVID-19; only around 1,020 during 2019/20 and 520 in 2020/21. This compares to only 170 paused outcomes in the whole of 2018/19, showing a substantial increase with COVID-19.

5.10 The qualitative interviews revealed that the impacts of COVID-19 and the resulting lockdowns, both on local economies and on individuals within their communities, were a key concern for providers during the second year of AEB delegation. There were many points discussed regarding how providers had been supported by the GLA to respond to the crisis effectively, as well as points raised for the future role of local provision in supporting recovery.

“Our strategy is all about supporting our local residents recover from the pandemic, be it economically in upskilling and retraining them, or be it with their physical and mental health or re-engaging them and focusing on moving them on.”

Local Authority

5.11 Some providers had noticed changes in the profile of their learners, as some learners struggled to access remote learning which was impacting their enrolment numbers. Issues noted included a lack of digital skills amongst ESOL learners, parents having restricted access to learning whilst schools were closed, and a lack of multiple devices within households (where all household members are trying to access work and learning remotely). One stakeholder also acknowledged that some learners had struggled to transition to online learning.

5.12 Another provider observed changes in learner profile in relation to learners in work. Employment based provision was becoming more important, as learners were becoming concerned about the impact of the Coronavirus on their sector. Learners were looking for short qualifications to help them move into another sector which has not been as negatively impacted by the pandemic.

“Employability based provision is also becoming more important for us. We are also looking at micro-accreditation. Shorter, more impactful provision will be more important to with regards to recovery in the next few years.”

Local Authority

- 5.13 A few providers and stakeholders commented on the negative effect of the pandemic on people's mental health. They felt this needed to be factored into their future provision, in a way that enabled individuals to engage with learning at a level they felt comfortable with, and which would support confidence building.

Impact of Coronavirus on the financial health of organisations

- 5.14 The financial implications of Coronavirus on learning providers have been complex and varied and has affected providers in many different ways. Those who appeared to be most negatively impacted were providers who relied heavily on fees or income from other sources such as onsite businesses. Providers who were already financially struggling before the pandemic also had concerns about the financial health of their organisation.

“It's been extremely difficult: about a third of our income comes from student fees... which obviously dropped. As it turns out we'll have weathered things not as badly as we might've thought. Fee income is less than half of what it would be in a normal year. We will have a deficit at the end of the year. Delivering less was the only way we could reduce our costs.”

College

- 5.15 Big investments in upgrading online delivery had some immediate financial impacts for some (not all were able to cover their costs fully through the COVID-19 support packages provided by the GLA). However, the investment was also seen to bring financial resilience going forward, both in terms of being able to better respond to potential further lockdowns, and to expand their provision to a wider audience, such as older learners and parents (who could more easily access their provision remotely).
- 5.16 Maintaining physical premises during the pandemic added to some providers' financial concerns, as they were still having to pay for premises which they were not able to be used at all or to the intended capacity. When they were able to, they were using the spaces again but with much smaller groups, which meant their costs were the same, but they had reduced numbers of learners.
- 5.17 Providers who were able to maintain student numbers throughout the lockdowns, noticed the least impact on their financial health, though these were few and far between.

Views on GLA response and communications

Communications

- 5.18 Some providers were very happy with the GLA's communications surrounding Coronavirus and the impacts on providers and funding arrangements. In cases where providers were offered prompt guarantees and reassurances surrounding their AEB funding, this was particularly appreciated.

- 5.19 The lack of telephone availability was noted by one provider, as being a 'pitfall', though this was understood to be a result of the GLA's own remote-working adaptations to the lockdown and ongoing pandemic risks.

"Telephone communication is probably the biggest pitfall with the GLA. Their main phone number was switched off and staff members tend not to give out phone numbers. Could be a by-product of Covid and people working from home. Would be good if they could get a quick response to a query instead of having to send an email and wait for a response."

Independent Training Provider

- 5.20 Speed of response was an issue for other providers, which sometimes had knock-on impacts on their curriculum planning.

"It could have been better. It took a long time for the GLA to get back to us about the 90% flexibility and that meant we had to make some rapid, reactive changes to our curriculum planning."

Local Authority

- 5.21 The mixed feedback about speed of response and decision-making from different providers may be associated with variability in particular provider's circumstances, which mean that some types of queries or decisions (especially about funding rules) are more complex and take longer for the GLA to resolve.

Support from the GLA

- 5.22 General feedback from providers on the GLA's COVID-19 support measures, including the Covid Response Funds, was very positive – in line with previous findings from the 2019/20 process evaluation report.⁵⁶ For many providers, the support provided from the GLA through the Coronavirus support packages was central to them being able to make the switch to online provision and identifying flexibility in student support to equip learners with the devices they needed to stay engaged with their learning remotely.

- 5.23 Two providers who accessed GLA support through the Covid Response Fund and the Innovation Fund had used some of this to increase their CPD provision and were delighted with the immediate impacts this had for teaching staff's capacity to adapt to the online teaching environment. This was particularly important because of the shift to more online and blended learning brought about by the pandemic.

"It was fantastic this year... We used our Covid Support funding to train our staff to use technology to teach. That has not only enabled us to do that, but it has thrown up some really interesting things about blended learning in the future, some really interesting pedagogical conversations about how transferable some of the skills that people have had to develop in order to make online learning this engaging and how it might impact on face-to-face learning in the future."

College

⁵⁶ IFF Research (September 2020) *Evaluation of the First Year of the Devolved Adult Education Budget in London*, Greater London Authority.

6 Management of the AEB

- 6.1 The management of the AEB programme was assessed via the qualitative interviews with learning providers, which had a particular focus on relationships with the GLA, and their satisfaction with the administration of the programme.

Provider manager relationships

- 6.2 From 2019/20, the GLA implemented a new approach to provider management where each provider has a named GLA Provider Manager who acts as the first point of contact. The GLA Provider Manager is responsible for monitoring providers throughout the life of the funding agreement, including when performance is below the level as set out in the funding agreement, and visits the provider on a quarterly basis to discuss performance.
- 6.3 Providers were generally very positive about their relationship with their Provider Manager. Providers commonly liked having a named contact for queries, so they knew exactly who they could contact if they had any questions or concerns. Some providers were very positive about the response times to queries and the usefulness of responses.
- 6.4 However, a minority of providers would like to see further development of their Provider Manager relationship. Some felt that the GLA could provide swifter responses or solutions to their queries. In particular queries regarding funding policy, which have to be referred to senior managers are an area where practice could be further developed..
- 6.5 Some providers asked for more detailed guidance available from their Provider Manager and more clarity about where or how to progress their queries, which fell outside published guidelines. Provider also asked for a clear way to escalate queries which could not be clarified.

" We don't know what the next level [of support] is that we can go to if we aren't understanding something... Nowhere else to go to after the provider manager."

Independent Training Provider

Changes from the first year of devolved AEB

- 6.6 Because of the Covid lockdown, some providers noted that the medium of communication had changed from the first year of delegation, with less phone contact and more email (which they attributed to be as a result of more staff remote working). Some providers preferred face-to-face meetings and asked for additional online forums and webinars to maintain some element of face-to-face contact during the pandemic.
- 6.7 Other providers did not notice any big changes in the communication from previous years, apart from increased communications regarding the implications of coronavirus on AEB funding.

Quarterly review meetings

- 6.8 Many of the providers interviewed spoke very highly about the quarterly review meetings, and cited examples of how the meetings had been able to improve their access to funding, and as a great opportunity to discuss and clarify issues around delivery. Some of the terms used to describe these meetings and the role of the Provider Managers in them were: "able", "understanding", "useful", "productive", and "problem-solving".

- 6.9 Feedbacks from providers about the nature of the quarterly review meetings suggests that Provider Managers are adapting what they offer to suit the needs of the providers they are working with, creating the impression of the meeting being an opportunity to consult and exchange information rather than a one-sided assessment.

"The formal set up of these has been good- the discussions have been productive, and the agendas are sent out in good time. It's been useful to talk through the updates from the GLA, to talk through any changes to funding methodology, to develop a relationship. I think it's really important that the GLA know what adult community learning stands for and what we offer."

Local Authority

- 6.10 One Local Authority felt that more regular review meetings would be valuable for Local Authorities, given their overarching level of provision. They also wanted to have more insight to the GLA's planning and strategy at these meetings, suggesting a missed opportunity for the GLA to consult more informally.
- 6.11 Among those interviewed, there were a few providers that asked for additional clarity about what the overall purpose of the Provider Manager's role and the function of the review meetings, in terms of how far these were about providing support and how far they were about checking compliance with the funding rules.

Views on the GLA Open Project System (OPS)

- 6.12 From 2019/20, the GLA rolled out a new AEB contract management system using the Open Project System (OPS) infrastructure. The system holds key information on grant agreements and generates payments to providers each month. The system is also used to record and request changes to subcontracting arrangements.
- 6.13 There were a mix of views from providers on GLA OPS. While some providers had nothing but praise, feedback from others suggest there is room for improvement, including some very specific suggestions about how it could be tailored to each user.

"The system is brilliant. It's a lot cleaner than other systems we use - everything is very straightforward, it's clearly laid out, so things are easy to find."

Independent Training Provider

- 6.14 One of the criticisms of OPS is that the system does not seem to adapt the information that is required for each user (in terms of provider type), as all providers are not required to supply all of the same information.

"As a local authority, we are exempt from the financial reporting requirements, however, the system still wants those fields filled in... It's a bit one size all and if it's not terribly relevant, you still have to go through the process of filling stuff in."

Local Authority

- 6.15 Other providers wanted to see GLA OPS having more pre-populated data, particularly when the levels/amounts had been set by the GLA. More recent development of the system has begun to address these aspects.

"Not a big fan of the OPS system. Feels the approach is quite backwards sometimes that you have to input information that the GLA have confirmed with you rather than the GLA putting it in and you confirming if it's correct."

College

Improvements to GLA communications

- 6.16 The GLA is committed to more regular consultation with providers including through an annual consultation on the Skills for Londoners Framework and most recently the Skills Roadmap; regular liaison with provider representative bodies such as the AoC, AELP and HOLEX; and formal representation on the Skills for Londoners Board and other relevant bodies.
- 6.17 As mentioned earlier in this chapter, providers were generally happy with the GLA's approach to communications. They felt they had built good relationships with their Provider Managers and the quarterly review meetings were a helpful way to receive information and discuss any queries they had.
- 6.18 However, they did have a few suggestions on how the communications could be improved going forwards. Providers asked to see some changes in the timeliness of responses from the GLA, as they felt that some queries were not responded to swiftly enough.
- 6.19 One provider suggested that the quarterly review meetings could be used to discuss more strategic areas such as the needs of London more widely and the "green skills" that may be needed in the future.
- 6.20 A few providers also suggested that weekly or monthly updates with clear links to any changes in policy would be very helpful. One provider mentioned that they currently have alerts set to inform them of changes, but these do not specify where the information can be found on the website, so they sometimes struggle to locate the information as they found the website difficult to navigate. Another provider mentioned that they liked the weekly updates from the ESFA and suggested that the GLA could provide something similar.

"GLA website is absolutely awful. When it's been an update it doesn't really tell you and you have to go on there and find it. I get alerts to say there has been an update but it's not very clear or clean. A monthly update would be really useful, as it would keep you informed and help with planning."

College

Compliance of procured provision with the GLA and ESF funding rules

- 6.21 Another development introduced by the GLA in 2019/20 was using procured AEB provision as match funding to unlock £71m of funding from London's unused European Social Fund (ESF) allocation. For some providers this has required the introduction of specific ESF-compliant Funding Rules for providers delivering procured AEB learning.
- 6.22 Providers generally found the funding rules complex and unwieldy. Adhering to the AEB funding rules and the ESF rules was felt to be difficult as there were many rules to digest and be aware of. Experienced procured providers found this complex, but they felt reasonably confident that they understood the rules and how to comply. Less experienced or smaller providers felt that sometimes they struggled to understand the rules and when they have sought support from the GLA they have just been directed to the rules rather than provided with greater clarity.

Enrolment evidence which complies with ESF guidance

6.23 The provision of enrolment evidence was impacted by the coronavirus pandemic as it made it harder to obtain signatures and the enrolment forms needed to be digitised. One of the smaller training providers we spoke to struggled with this, as they felt that what they needed to gather from learners consistently changed, creating pressures on staff. They felt that the GLA could have provided them more support, particularly through the provision of consistent, up-to-date information.

“Logistically, we managed, but it’s been a lot of effort...created a lot more pressure on the staff team; working remotely and having to do paperwork was not the best combination... There was no appreciation of how the learners feel when you go back to them and keep asking for additional documentation.”

Independent Training Provider

6.24 There was a feeling that the requirements have become more difficult and complex since the AEB was devolved to the GLA, compared with their previous experience complying with ESFA rules. One provider also felt that there were contradictions with other rules, as they initially believed that they were not allowed to hold copies of learner passports, but they needed to obtain them to comply with the funding rules. When this issue came to light, the GLA clarified the guidance to make it clear the preference was for the provider to hold copies, but a verification signed by both learner and provider stating which documents had been seen to evidence eligibility was acceptable in cases where copies could not be taken/held.

Guidance or updates on compliance

6.25 Procured providers could not always recall being provided with specific guidance on the compliance with the ESF requirements. Some recalled always being provided with updates when there were changes to the rules, which they found helpful.

6.26 However, they did note that some of the rules and information they have been provided with has been conflicting. One provider explained that the AEB guidance stated that exam fees are a legitimate claim, as did the ESF rules; however, when they spoke to the GLA directly, they were told that this is not a legitimate claim under the new rules. They had the same experience with hardship funding; again, there is section in the rules about this, but the GLA informed them that it cannot be used. This suggests there may have been some confusion over the rules by an individual provider manager.

Experiences of online provider forum run by the GLA

6.27 Some of the providers had attended the online AEB Procured Provider Forum which the GLA held in early 2021. There were mixed reviews on how useful the session was. Providers felt that it was too focused on different organisations “promoting” what they are doing, and it would have been more helpful if the sessions were smaller and grouped similar providers together so it could be more of a forum for providers to network, discuss best practice and rules that they are struggling to understand. They also noted that it would be helpful to have more regular sessions and a return to face-to-face meetings were possible.

“Where we struggle with the rules it would be nice to ask our peers how they interpret the rules and how they have overcome challenges with this level of documentation or to view their enrolment forms so we can compare it with ours.”

Independent Training Provider

Improvements to the administration and management of the AEB

6.28 **Continued dialogue and consultation with providers** and key stakeholders in the community were seen to be crucial to address any ongoing issues or challenges. While some providers wanted to see improvements to the speed of response and quality of conversations being held between providers and Provider Managers, others were more concerned that the investment in the Provider Managers role was sustained for the longer term.

"Communication: swifter, clearer, more concise. Trying to minimise the layers of how far it's got to go back to get the answers coming back down. Having the knowledge and experienced resources in place to allow that to happen, because I felt it's been lacking."

Independent Training Provider

"This is early days so they're very keen to talk to us and communicate with us, because they're learning themselves - they're developing how they do it. Make sure that that dialogue is built in going forward and isn't part of things being new. Keep communicating with providers. Keep doing as they're doing now which is listening and responding - which I think is one of the significant differences of devolution."

College

Provider-suggested improvements to the design of the AEB to maximise impacts on provision

6.29 Following on from the increased administrative burden observed by providers, there was a desire for the **AEB funding rules to be simplified** in future. Simplification was also seen to improve providers' capacity to use the funds flexibly, and therefore more effectively.

6.30 In addition to further simplification of the funding rules, **increasing the value of ESOL funding** was widely mentioned, and is something that has **already been addressed** with the introduction of the 10% funding uplift for all provision at Level 2 and below, from 2021/22. This would include ESOL provision at those levels.

6.31 Some Local Authorities felt they had a unique overview amongst other learning providers, and as a result could offer insight into their communities and suggested that **greater engagement of local authorities in AEB policy development and local budget setting** would benefit both delivery and learners. More specifically, one LA suggested that the GLA should co-design the budget together with local authorities and design it in a way that it tailored to the needs of individual boroughs. There was a view that this approach would eliminate under-spends of the AEB because local authorities would be able to spend it according to the needs and gaps in their local community.

6.32 Other providers suggested **longer-term funding grants** would enable more strategic forward planning of resources, alongside added job security for those working in the sector. They were very much behind the GLA's strategic role, particularly in terms of anticipating future demand from different employment sectors across London and setting strategic priorities.

"As a college, we live year by year and often find out information very late. Funding settlements should be over several years, rather than year by year. Either certainty or flexibility going forward, say over a seven-year period, where you can do some sensible planning would be really nice."

College

- 6.33 Linked with this strategic role, stakeholders representing their wider membership within London noted that the GLA needed to **continue to be 'brave' and focus on the needs of London**, including going beyond the ESFA funding rules if that is what is right for providers in London.

"They have to find a way of retaining their responsibility for capital funds (governments want to hold them centrally) as they are much better at being able to deal with where capital investment needs to be in London. They need to continue to be brave in going beyond ESFA funding rules when it's the right thing to do."

Stakeholder

Overall satisfaction with second year of delegation

- 6.34 Most of the providers interviewed were satisfied with the way the AEB was being managed by the GLA and spoke positively about how this was working. Stakeholders supported this view.

"If we were to go back three and a half/four years to whenever the budget was first thought about being devolved, I think in the sector there was a sense of nervousness in terms of what this would mean for London... but actually hand on heart I can say we have real grown up, meaningful conversations with the GLA."

Stakeholder

- 6.35 Providers liked the approach the GLA has taken in relation to the provider managers and quarterly review meetings and appreciated the more consultative approach. There were minor areas for improvement around some of the communications and the Open Project system.
- 6.36 In some cases, providers did note that elements they were less happy with were outside of the GLA's control, as they appreciated that the GLA had to adhere to a number of funding rules and regulations set out by the ESFA and DfE.
- 6.37 As highlighted earlier in the report, many of the providers felt that the delegation of the AEB to the GLA had been a key factor in their **ability to respond swiftly and flexibly to the changing learning needs during the Coronavirus lockdowns**.

7 Providers' views on the overall impacts of AEB delegation

7.1 The second year of AEB delegation has continued to experience disruption due to the ongoing Coronavirus pandemic. In places, the effects of the devolved AEB have intermingled with the effects of the pandemic in offering both barriers and innovation in provision and delivery. As much as possible, providers' views on the overall effects of delegation on AEB funded provision - separate from the effects of Coronavirus - are explored in this section of the report.

7.2 Overall, providers' views on delegation varied according to their type and size, with Local Authorities (LAs) appearing to have more positive views and smaller private and/or specialist providers (who were more likely to be procured providers) experiencing more challenges. Some learning providers noted that they had not experienced wholesale changes in the first two years of delegation of the AEB, with one Local Authority saying that their experience of the changeover from ESFA to the GLA had been "relatively seamless" and much less disruptive than they had initially feared, in line with the GLA's objective to maintain stability.

Greater alignment with GLA strategy

7.3 For Local Authority providers the transition of AEB from ESFA to GLA made sense: their AEB provision was often already aligned with their local borough strategic aims, which aligned with those of the GLA.

7.4 Providers were largely united in their appreciation of the delegation of the AEB in **supporting their provision to better match the needs of London and their communities**, in relation to learners and also employers. For those whose provision was not already set against the GLA's aims, the change in funding source enabled greater alignment and focus on London priorities as opposed to national ones.

"It's more focused on London's priorities, rather than the national priorities that were under the wing of the ESFA beforehand. So local flexibilities that have been brought in by the Mayor have had a major impact; and I think just that focus on what London needs, and GLA being able to procure providers that meet those objectives has been the biggest impact."

Independent Training Provider

7.5 Providers were largely positive about the increased flexibility for how the AEB can be applied to tailor to the particular needs of London.

"The fact that it is devolved to London ... sometimes it's the case that national funding initiatives don't work well for London ... obviously the GLA understand that because they understand London ... they enable us to meet those same needs, but in different ways ... that are more suitable to the environment in London."

College

Tailoring provision to local demand

7.6 The delegation of AEB funding to the GLA was also seen as a boost for some providers to meet the specific needs of their local community within London. For example, in areas with high levels of deprivation, a lack of non-accredited learning was identified as a barrier to entry for accredited learning. One ITP was able to use AEB funding to target this area of demand and is

witnessing a positive knock-on effect for their accredited provision, because of learners progressing from non-accredited to accredited courses.

- 7.7 There was also evidence of providers using AEB funding to work directly with large local employers, directly tailoring provision to meet local demand from both learners and employers.

"We work very closely with the Health and Social Care sector ... have a couple of programmes we deliver with Barts to help those get into entry level positions and provide support in getting them into jobs via NHS Trust talent pool. These are through AEB."

Independent Training Provider

Impact changes have had on support for learners

- 7.8 The Skills for Londoners Innovation Fund pledged to use up to £7.2 million of unallocated AEB funding to support additional activity in the 2019/20 academic year.⁵⁷ Several of the providers interviewed commented on AEB funding having enabled and encouraged them to increase their provision of basic maths and English. In some cases, this was woven into existing provision.

Barriers experienced when introducing changes to AEB funded provision

Administration and financial management

- 7.9 Some providers reported increased administrative burdens, in allocating appropriate funding streams to students on some courses (based on their geographic, demographic and employment statuses). One provider highlighted the difficulty in funding asylum seekers because of ID requirements and other restrictions relating to ESF and AEB rules:

"When we ask the GLA about it, they say it's all a decision from the DfE. To which you have to ask the question: what is the point of devolution?"

College

- 7.10 One ITP cited changes to internal processes as being the main change observed as a result of AEB-delegation, including recruiting more staff to cope with the increases in administrative work and financial management.
- 7.11 Another issue that providers raised was that fully-funding students was resulting in lack of coverage for some course fees with high material costs (e.g. Floristry), which ultimately created a financial loss or reduced provision of these courses. In some cases, courses which had fees attached were used to cross-subsidise other provision.

"We used to charge £15 for a beginner digital skills class and we removed that fee. For art, jewellery or pottery classes (GLA priority areas) we increased the contribution in order to cover the loss of fees from digital learning."

Local Authority

Complexity of multiple funding streams

- 7.12 Some procured providers felt that there needed to be greater consideration about how to allocate funding according to student profiles, because their provision drew on multiple funding streams with different targets. AEB procured funding, which must be ESF compliant, posed a

⁵⁷ GLA, Skills for Londoners Innovation Fund 2019/20 Prospectus

particular challenge for one provider in terms of balancing their mix of learners and targets (which they had proposed themselves). However, it is important to acknowledge that without ensuring AEB procured provision is ESF compliant, the GLA would not have been able to fund £71 million worth of other employment and skills programmes with European funding.

"It has been quite a complicated process of managing and tracking two different funding streams with a mix of rules and regulations, particularly around eligibility."

Independent Training Provider

- 7.13 The complexity of targeting learners who were eligible for particular funding streams was seen as a particular challenge. Delays in releasing the changes to funding rules increased the confusion for providers to work out differences between the funding streams.
- 7.14 The number of different funding streams overall was cited as an issue by some providers. One college noted that they were not able to access any extra funding aside from the COVID-19 emergency support fund, as they do not have enough personnel to be able to apply for multiple funding grants. Another noted the impact that the complexities of the funding rules have on their staff, meaning their team needs to work harder in order to maximise the pots of money they have available and ensure that each learner is funded using the correct stream.
- 7.15 Some providers reported issues around the Skills for Londoners COVID-19 Response Fund specifically. One Local Authority noted that they did not access Strand 1 as they believed they were not eligible for it, however they later discovered they would have been eligible. Although they were able to successfully access Strand 2, they felt the rules could have been clearer and better organised initially.
- 7.16 A college explained that although they were able to successfully bid for both strands, unfortunately the funding came in quite late which had an effect on their ability to use it to its full potential, and they were not allowed to carry over what they lost due to the delay. They therefore felt that the Strand 1 funding "got a bit lost", and the way it was designed meant they had to pay some back.

Lack of awareness

- 7.17 Some providers showed little awareness of GLA policy changes and funding packages, with several stating that they did not believe there had been any changes or additional fundings aside from some Covid support packages. One provider noted that communications on availability of funding were not as active as other GLA communications. Some felt that they had not received any ongoing support, and one mentioned they only came to learn about the flexibilities available when they were asked to do a re-profile and contract change; another stated that they did not feel they had been offered any flexibilities:

"We just felt that we were left without much support, and we were still being asked to deliver as if there was no pandemic - like 'why haven't you met your targets?'... We felt that we weren't given any sort of flexibility in terms of how we deliver or the requirements. The requirements multiplied."

Independent Training Provider

What could the GLA do to help tackle these barriers?

7.18 **More communication and active consultation with providers**, was seen to be a key ingredient for delivering funding that works for all providers.

"I think they just need to think out their process and have real clarity of communication, and be responsive to that. Because whatever they think themselves, without going out to the market and consulting, they'll never answer all the questions, it's impossible. But when the clarifications and little nuances are asked afterwards, there needs to be a consistent approach in this [that is] communicated to everyone again, not just the provider that asked for it, because I bet my bottom dollar they've had similar questions asked from different parties from different angles, so they just need to be very realistic with their timeframes."

Independent Training Provider

7.19 Clarity and efficiency were noted as key areas in which communication could be improved, by **granting more authority to those dealing directly with providers**. It was also noted that the information on the GLA website could be improved, in particular by sending **clearer updates** to providers notifying them of changes, and a **regular 'roundup' of recent and forthcoming changes** to look out for.

"What frustrates me is that the person I'm talking to always has to go up the level... surely they should be able to give some autonomy, with set guidelines, getting back to being concise and clear about what's allowed, what's not allowed, what's in their power, what's not in their power."

Independent Training Provider

7.20 **Greater flexibility for providers to use funds** was also cited by providers as a way of overcoming barriers in making the most of AEB funds, in particular in terms of eligibility rules which some found to be increasingly complex.

"Give colleges more flexibility to use the funds as they see fit. Sometimes it can be too prescriptive and too complex. The ILM [Institute of Leadership and Management] course that we know the employer wants - we have had to wrap it around with English and Maths provision to make it work. Sometimes there's not enough space for innovation and creativity."

College

7.21 Some providers also wanted to see the **GLA taking a more strategic role in the adult learning sector** as a whole, using their position to work more closely with qualification boards and employers to develop sustainability of the adult learning sector both in terms of provision and as an attractive career for teachers and tutors. Providers involved in ESOL delivery also called for the development of a London-wide ESOL strategy.

"For me, the key issue is to make the adult and community learning sustainable - particularly with ESOL, maths and English, we need to be developing career routes and opportunities for people to work in community learning to deliver those subjects. And it's not an attractive one... if you want a career, a good place to go is a college and not adult learning because we tend to be quite fragmented, very local."

Local Authority

Future plans for AEB funded provision

- 7.22 Providers felt that connections and consultation with the local businesses and employers in their area were the major driver for adapting and shaping future provision, and their plans for shaping future provision were centred on this engagement. Supporting local communities in their recovery from the pandemic was also central to many providers' forward planning.
- 7.23 Among those interviewed for the qualitative research, some providers had particular plans to increase provision in sectors like Construction, which for the last two years has been hampered as a result of lockdowns despite continued and growing demand from employers. One provider described plans to build a pipeline to this sector by starting with functional and entry level courses.
- 7.24 Many providers highlighted responding to the ongoing impacts of the pandemic and working closely with the community to meet their needs, as a key strategic priority for the next 2-3 years:

"Go back into community and engage at that level... we are very much about the community... we were very taken in by some of the impact Covid has had on our local people... we want to see if we could use our AEB provision to have a positive impact on how we can get people to come and be part of the community again, want to learn, want to progress, not feel scared to develop their skills and get a job... this has to have a softly approach... it has to come in stages to get people's confidence up. We have identified courses that we can do. We're going to put in a lot more resources into doing the things that complement [identified] courses."

Independent Training Provider

8 Conclusions to date and areas for attention

- 8.1 This report is based on data up to the end of 2020/21 and presents analysis of changes in participation in AEB-funded learning, in the first two years of delegation. Interpreting the data, and the impacts of policy changes made to the AEB, needs to take into account the major impacts of COVID-19 on adult learning during 2019/20 and 2020/21, which are still being felt. **The impact of COVID-19 is clearly shown in the overall decline in participation in AEB-funded learning over the past two years.**
- 8.2 According to the Theory of Change (ToC) for AEB delegation, the GLA's intended short-term outcomes of activities implemented during 2019/20 and 2020/21 are:
- ensuring continuity of provision;
 - getting a better understanding of skills needs and priorities;
 - making learning opportunities more accessible;
 - supporting more disadvantaged adult Londoners to achieve basic skills qualifications;
 - supporting more adult Londoners to develop English language skills.
- 8.3 Building from this, in the medium-term, the aims are to support more disadvantaged adult Londoners to achieve vocational qualifications and work-related skills, build social skills and pursue learning that supports their wellbeing. While this report can look at the impacts of the AEB on participation and provision, it will be important for future reports to use the London Learner Survey to track outcomes for learners doing AEB-funded provision to gauge the impacts on employment, earnings, learning progression and wider individual and community benefits such as improved wellbeing and social integration.
- 8.4 **The data presented in this report shows that the continuity of AEB-funded provision has been supported by the GLA's measures to support the financial stability of providers, during COVID-19.** The various flexibilities in reconciliation and funding, along with the other COVID-19 response measures introduced by the GLA, have been welcomed by providers as being extremely helpful in allowing them to sustain and adapt provision. This includes the immediate need to shift to more online delivery in the face of COVID-19 lockdowns, and subsequent introduction of new courses to address changing skills requirements and learner needs. Other factors that supported stability and continuity were the decision to limit policy changes in the first year of delegation to support a smooth transition; maintaining the share of grant-funded and procured AEB; the grant allocation approach which meant that most providers' funding was maintained; and flexibilities in the reconciliation approach which provided financial support when needed.
- 8.5 **Providers were positive about how the delegation of the AEB to the GLA had supported their provision to better match the needs of London and their communities,** in relation to both learners and employers. The change in funding source enabled greater alignment and focus on London priorities as opposed to national ones and providers were encouraged to do more to tailor their provision to local needs.
- 8.6 The GLA aims to **improve the accessibility of learning opportunities** by directing additional funding at: core skills learning opportunities (in English, Maths and Digital Skills); individuals facing barriers to learning (such as Special Educational Needs and Disabilities, and speakers of

other languages); and disadvantaged learners. By improving accessibility, the aim is to support more disadvantaged adult Londoners to achieve basic skills qualifications and develop English language skills. In addition, the GLA aims to support more disadvantaged adult Londoners to achieve vocational qualifications and work-related skills, leading to positive individual and economic outcomes in the medium to longer-term.

- 8.7 The data presented in this report shows that **in the first two years of AEB delegation there have been positive steps in improving accessibility of learning for certain groups. In particular, the evidence points to strong and increasing participation among learners from black and minority ethnic groups, and particularly among learners earning below the London Living Wage (LLW) or receiving out-of-work benefits**, a key 'target' group of many policy changes.
- 8.8 From August 2019 GLA introduced a focus on those **earning less than the LLW**, who may now be fully funded for learning aims up to and including Level 2. **This has reached substantially more learners than the pre-devolution ESFA initiative**, which was aimed at a narrower wage bracket. As part of the **London Recovery Flexibilities**, from 2020/21, GLA has also agreed that eligible learners may be fully funded to undertake a Level 3 qualification (of no longer than 12 months) in addition to the legal entitlement, where they are unemployed or in receipt of a low wage.
- 8.9 **The number of learning aims at Level 3 has been boosted significantly since the introduction of this flexibility.** During 2020/21, 3,500 AEB starts (0.9%) were funded under the non-formula funding flexibility, and most of these learners were unemployed prior to the course (57%) **suggesting this funding is being targeted at those who need it.** GLA introduced a 10% funding uplift for learning delivered through the English and Maths AEB entitlement, with the aim of driving up quality of provision. The impact from the 10% funding uplift is not yet clear in ILR data. There was no change in the proportion of aims ending with an achievement between 2019/20 and 2020/21 for these types of qualification, so it is too early to tell if this is having an impact.
- 8.10 **One area where there is more work to do in improving accessibility is among learners with a disability or learning difficulty. The proportion of learners starting AEB-funded provision who reported having a disability or learning difficulty remained the same in 2019/20 and 2020/21** and is below the Annual Population Survey estimate of the proportion of Londoners aged 16 to 64 with a work-limiting disability. This suggests that this group may be under-represented in AEB-funded provision in London.
- 8.11 Although still early days, **the low volume of take-up and the relatively small number of providers involved so far in take up of increased support for BSL qualifications and CPD support for teachers delivering provision to SEND learners indicates that these are areas where the GLA could do more to raise awareness and provide greater clarity about eligibility** (in the case of CPD support).
- 8.12 **More broadly, providers continue to value the role of the Provider Manager and the increased emphasis on consultation and communication from the GLA.** That said, there was a lack of provider awareness and understanding on some of the policy changes that had been introduced, which suggests a need for more clarity in how these are communicated to providers. Some providers also suggested that **Provider Managers could be upskilled to deal with more complex questions** about funding policy, which could take longer to get responses about than more straightforward queries. **Offering more telephone access to Provider**

Managers was also raised as a change that would be helpful for providers seeking faster responses to queries.

8.13 In terms of improvements that providers identified for the AEB as whole, the main features were:

- **Continued dialogue and consultation** with providers and key stakeholders, with some improvements to communication such as making it easier to navigate the GLA website.
- **Simplification of the AEB funding rules.** Providers felt that simplification would improve their capacity to use the funds flexibly, and therefore more effectively. Some of the AEB policy changes that have been introduced were taken up by a relatively small number of providers during 2020/21, so the GLA could do more to raise awareness of these changes and encourage a broader range of providers to make use of them.
- **Improved guidance and support for procured providers:** There was some discord among a few procured providers who were finding it difficult to navigate AEB and ESF funding rules, and felt they were not getting sufficient clear or prompt guidance. A few of those interviewed suggested a regular procured provider forum would support networking and sharing of best practice in this regard.
- **Longer-term funding** grants would enable more strategic forward planning of resources, alongside added job security for those working in the sector.

Appendix: 2019/20 to 2020/21 Theory of Change

