



Association of
Employment and Learning
Providers

AELP Submission: #69

Skills for Londoners Framework

AEB Consultation Year 2 (2020/21)

MAYOR OF LONDON

Skills for Londoners Framework

AEB Consultation Year 2 (2020/21)



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Introduction

From August 2019, the Mayor of London will take on responsibility for the capital's share of the Adult Education Budget (AEB). This is a ground-breaking opportunity to tailor adult education and skills provision in the capital to ensure Londoners can learn and develop the skills they need to succeed.

Since 2017, City Hall has consulted extensively with providers and stakeholders on the future of London's skills system. The Mayor is committed to ongoing engagement with the sector on how to improve London's skills system, including through this annual consultation.

The Mayor set out his vision for skills and education for London in the [Skills for Londoners Strategy](#) and outlined how he plans to achieve his ambitions through the [Skills for Londoners Framework](#).

For Year 1 of AEB delegation (the 2019/20 academic year), City Hall has made relatively few changes to AEB policy, recognising the need to provide stability to the sector throughout the transition to devolution. From Year 2, the 2020/21 academic year, the Mayor will begin to phase in some of the changes to the AEB proposed in the Skills for Londoners Framework.

In this consultation paper we outline the main areas of proposed change to the AEB and set out a number of questions where we would welcome input from providers and stakeholders to inform our thinking as we continue to develop and shape the delivery of AEB services to Londoners.

The findings from the consultation will be used to support the ongoing development of the Mayor's long-term vision for skills in the capital, the AEB funding rules and the 'People' section of the London Local Industrial Strategy.

City Hall is also putting in place arrangements for a robust evaluation of the approach taken to commissioning the AEB, and of the education and training provision funded through the AEB. The findings of the evaluation may be used to identify further areas for improvement.

Alongside the formal consultation process, City Hall will be hosting a series of roundtables with key stakeholder groups to gather views on the proposed changes. We look forward to hearing from as many of you as possible.

Summary of Consultation Questions

1. Does the ESFA's definition of London's "fringe" accurately reflect reasonable travel-to-learn distances for London's learners? If not, what other measures might be more suitable?
2. What other areas relevant to Mayoral priorities should be supported through the Skills for Londoners Innovation Fund?
3. Would fully funding ESOL provision up to and including Entry Level 3 be sufficient to reduce barriers to provision? Are there other barriers to participating in ESOL provision we should be aware of and looking to address?
4. Do you support the creation of an enhanced London Digital Skills Entitlement? How should City Hall look to introduce this entitlement?
5. What interim measures could City Hall put in place to record and demonstrate the impact of Adult Community Learning in London?
6. What changes should be made to AEB funding to address the challenges identified in the SEND review?
7. What additional learner support is needed for learners with SEND to improve their retention, achievement rates and progression?
8. What more could City Hall do to support low-paid Londoners to get the skills they need?
9. What more could City Hall do to support the sector to boost retention and achievement rates in English and Maths provision?
10. Should City Hall look to support, promote or fund higher level skills (Level 4 and above) skills through the AEB? If yes, which groups of learners, levels and sector subject areas should be prioritised and how?
11. What more could City Hall do to tackle skills shortages in London's key sectors?
12. What more could City Hall do to support colleges in dealing with the implications of Brexit for staff and students?
13. How could the AEB be used to fund or part fund entitlement to a second Level 3 qualification for specific disadvantaged groups of learners, or to tackle skills shortages in particular sectors?
14. What more could the Mayor do to support and champion London's FE and skills sector?

Potential Changes to the Adult Education Budget

In this section we set out a number of potential changes to funding and reporting arrangements that are currently being considered by City Hall. These proposals reflect our current thinking and are subject to further modelling for feasibility, impact and cost. They are included in this consultation in order to gather views from the sector and stakeholders.

A formal decision on whether to proceed with these potential changes will be taken by the Mayor in due course.

Out of London provision

Currently, City Hall provides more than £14 million of grant funding to providers based outside London's "fringe" (as defined by the ESFA see Appendix for a breakdown of these areas). This provision is often sub-contracted to other providers, who are charged a substantial management fee. From 2021/22, City Hall intends to only allocate grants to providers based either in London or within London's fringe. This will ensure more money is available to those providers located within reasonable travel-to-learn distances for London learners, as they have the local knowledge and understanding of how this funding should be best spent. City Hall estimates that around £2.8m could be brought back into London's skills system by adopting this approach.

- 1. Does the ESFA's definition of London's "fringe" accurately reflect reasonable travel-to-learn distances for London's learners? If not, what other measures might be more suitable?**

AELP response:

AELP supports the definition of London's "fringe" given this is based on historical AEB delivery data and welcomes the intention to remove unnecessary sub-contracting and management fees. We would strongly urge that any specialist / niche ITP provision that may have been delivered under the subcontracting arrangements is not overlooked as this could result in less engagement with learners and would be keen to see some flexibility for this to be retained.

AELP highlights the issue of travel to work and the practicalities of this from both a provider and employer perspective and strongly support either the ability to vire funds or use of a central funding pot that providers can access. We recognise this is a live issue across all combined authority areas and support any approach that prevents this from becoming a logistical nightmare.

We would also urge that the unacceptable ring-fencing of grant funding budgets for AEB, which is going unspent each year is eliminated as devolved AEB beds in over the coming year. Much of the current subcontracting on AEB is the by-product of an inefficient funding system as government procures non-grant funded AEB whereas grant

funded providers are given an annual allocation to spend that is consistently underspent. This impacts on the quality of provision on offer which cannot be consistently guaranteed and means support doesn't get to those who most desperately need it.

Skills for Londoners Innovation Fund

As previously announced, in Year 1 the Mayor will introduce growth requests for both procured and grant-funded providers to increase their funding allocation. To fund growth requests, the Mayor will create a Skills for Londoners Innovation Fund using unallocated funding from the City Hall's overall AEB allocation.

It is proposed that growth requests from grant-funded providers will be prioritised where they meet the following Skills for Londoners priorities:

- Widening participation for learners with SEND to access provision funded by the AEB. London's Post-16 SEND review highlighted gaps in provision, particularly for 19-25 year-olds and the need for greater learner support to access provision and progress.
- Additional AEB funding for young people aged 19-24 who may be vulnerable to or at risk of being involved in serious youth violence. Proposals should align to the goals of the Violence Reduction Unit, which has been set up to divert people away from violence by making interventions at an early age and providing young Londoners with better, positive life opportunities.
- Increasing ESOL provision. There is continuing demand for ESOL courses in London, which targets individuals with low-level English language and literacy skills, those in low-paid work, earning below the London Living Wage and women, especially those with childcare responsibilities.
- Sectoral priorities, particularly those likely to be impacted by Brexit:
 - Construction
 - Creative industries
 - Health & Social Care
 - Hospitality & Retail
- Digital skills. To support the need to increase participation to address digital skills shortages up to intermediate levels in London's labour market. It should also address wider digital exclusion, ensuring Londoners have the basic digital skills required for everyday life.
- Support for those affected by jobs displacement/redundancies. The impact on businesses following Brexit and a changing economic landscape may require rapid responses from providers to address local redundancies/changes in labour needs through local employability training and re-skilling.

- English and maths. A good level of basic English and maths is critical to improving the life chances of many Londoners. Basic skills qualifications are not only often a requisite for Londoners to secure and progress in work, they are also associated with wider societal benefits including higher levels of confidence and wellbeing.

Growth funding will only be allocated where evidence of provider performance supports the request and demonstrates that the provider will perform above their agreed allocation for 2019/20.

There are separate arrangements for procured providers to make requests for additional funding. From May 2020, procured providers will have the opportunity to submit contract change requirements in order to receive additional funding, based on their capability and capacity to deliver the revised outputs and outcomes.

2. What other areas relevant to Mayoral priorities should be supported through the Skills for Londoners Innovation Fund?

AELP response:

AELP supports the GLA's approach to the Innovation Fund and are encouraged by the fact that any growth awards to grant providers will be based on evidence of performance and delivery.

It is not clear whether the Innovation fund will be seeking *innovative* proposals to test new approaches, or will it be granted to deliver more of the same.

In our view we would encourage that any additional Innovation funds are for direct delivery rather than subcontracting and would wish to explore how ITPs could be involved.

We would urge the GLA to consider where provision can be funded through other funding streams so as not to exhaust AEB funding unnecessarily.

ESOL (English for Speakers of Other Languages)

One in three Londoners were born outside the UK, and more than 300 languages are spoken on our streets. Over 50 per cent of the country's ESOL provision takes place in the capital. Proficiency in the English language is a prerequisite for most jobs and career progression in the capital, but some 210,000 working age adults in London report that they cannot speak English very well. Being able to speak English is also associated with several other social benefits including independence, confidence and self-determination. However, Government has reduced funding for ESOL by 60 per cent over the last decade and this has had a devastating effect on provision in London. The Mayor has called on Government to reverse these cuts so that we can effectively improve English language and literacy among Londoners.

From 2020/21, we propose to fully fund ESOL provision up to Entry Level 3—the level of English required for British citizenship. Creating an entitlement for ESOL to this level shows that London is open to talent and will support Londoners to get the skills they need to succeed. 96% of Notional funding on ESOL courses in London is spent on learning below Level 2, demonstrating that there is a clear demand for ESOL provision at lower levels of learning. This follows City Hall’s commitment to fund learners who are employed and in receipt of a low wage, which is anticipated to enable 40,000 more Londoners to access ESOL provision which they were previously locked out of.

Given the demand for ESOL in London, the Mayor will also conduct a focused review on the quality and delivery of ESOL provision in the capital. The Mayor is investing £4.5 million in London’s ESOL sector: using European Social Funding to address gaps in provision for those with the lowest levels of literacy, and supporting ESOL practitioners to develop their teaching skills, improving the quality of provision in London. The Mayor is also supporting the development of innovative approaches to strategic planning and commissioning of ESOL through his **ESOL Plus pilots**, which work in partnership with community groups, charities and employers to remove barriers to participation and improve the suitability and availability of provision. We will look at the findings from these projects to inform future policy.

3. Would fully funding ESOL provision up to and including Entry Level 3 be sufficient to reduce barriers to provision? Are there other barriers to participating in ESOL provision we should be aware of and looking to address?

AELP response:

AELP supports the notion of fully funding ESOL provision. Whilst fully funding ESOL may remove the financial barriers to participation, we would urge a greater understanding is needed of the non-financial barriers.

AELP feels strongly that it is important ESOL courses tie in outcomes rather than outputs in order to understand the impact the courses have learner progression and social mobility. We welcome the GLA’s approach to gaining input and feedback from providers and stakeholders with helping to shape the future approach to outcomes-based measures in London.

In terms of barriers:

Where do Londoners go to find out more about this, simply not knowing what’s available to them could be a barrier. If they are not digitally savvy, websites and social media is not enough.

Delivery location – is it convenient for learners? The location of provision needs to be right for the learner to gain maximum engagement.

Delivery methods – what do evaluations tell us?

Cultural and mindset barriers amongst some groups?

Another point that we wish to raise is that classroom teaching of English and maths attracts more funding than Functional Skills. We would like to see this change and be funded equally.

Digital skills

The Department for Education is currently leading the development of new national basic digital skills standards, based on the Essential Digital Skills Framework. The new draft national standards, which will form part of the new basic digital skills entitlement in the AEB, will differ from existing entry levels (Entry Level 1, Entry Level 2 and Entry Level 3) to create two new levels: “Beginner” and “Essential”. This new approach will be adopted in London in 2020/21 when the new basic digital skills entitlement is underway.

The national eligibility criteria for this new entitlement has not yet been established. However, given the demands from London employers for staff with intermediate level digital skills, the Mayor proposes to introduce an enhanced London Digital Skills Entitlement, which would extend the national entitlement to all Londoners aged over 19 and requiring digital skills training. This will ensure that Londoners are equipped with the skills to thrive in a changing economy.

4. Do you support the creation of an enhanced London Digital Skills Entitlement? How should City Hall look to introduce this entitlement?

AELP response:

AELP supports the notion of creating an enhanced Digital Skills entitlement. We would recommend that there should be a thorough initial assessment as a prerequisite to determining eligibility to access both the fully funded basic digital skills entitlement and any enhanced entitlement. This is important for the learning plan that should respond to individual learner needs. Furthermore, there should be a tool that runs assessments which changes as abilities are assessed against skills levels. We believe the need for an assessment tool should be put out to tender through open competition.

The mechanics of IT must also cater for those with SEND which can be expensive but must be considered. Thought must be given to those with mental health challenges and the dynamics of being safe online. There should not be an assumption that young people leave school with digital skills. Using social media is only a small aspect of digital skills.

Adult Community Learning

In 2017/18 an estimated £48m of London's AEB was spent on Adult Community Learning (ACL). A significant proportion of ACL is focussed on serving the hardest to help adults with no or very low educational attainment to help them re-engage with learning. ACL helps these learners to build the confidence and skills needed to thrive in both their working and personal lives and can also play an important role in combatting social exclusion and economic deprivation. Providers of ACL also often cite the benefits ACL brings in improving health and well-being and changing attitudes and behaviours.

It is vital that ACL funding reaches individuals and communities who would benefit most from such provision. The Mayor understands the importance of local approaches to community learning and wants to ensure that the impact of learning support provided by ACL services is recognised and maximised.

To better understand the impact of provision and how it improves outcomes for Londoners, City Hall is currently working with providers and stakeholders to develop a suite of metrics for AEB provision, including ACL. In the meantime, City Hall is considering how best to record the impact of this ACL.

5. What interim measures could City Hall put in place to record and demonstrate the impact of Adult Community Learning in London?

AELP response:

Recording the starting point for ACL learners is critical to understanding the distance travelled by learners and therefore understanding the impact. Delivery providers may / may not currently record the same or relevant information in a consistent manner. As an interim approach, standardising the recording and reporting of this would assist with assessing impact. In addition, requests for regular feedback from learners through user friendly mechanisms as part of their learning would go some way to understanding the client experience. More specific outcome measures could be considered to ascertain impact on health and well-being and increased social engagement.

In order to maximise the use of AEB funds ensuring it reaches the communities and learners it is available for, we would encourage a thorough analysis of ACL subcontracting arrangements and identify what is deemed to be high quality and making an impact and what is not and take necessary measure to eliminate delivery that has low or no impact.

AELP welcomes collaborative and consistent thinking and approaches across all of the devolved areas when measuring impact across ACL as well as all other AEB measures

Areas for Further Development

In this section we are seeking input from providers and stakeholders in a number of areas where we are further developing City Hall policy to improve the provision of AEB in London.

Learners with Special Educational Needs and Disabilities (SEND)

The Mayor recognises that there needs to be a better understanding of post-16 SEND provision in the capital, which is why City Hall, working closely with London's SEND experts, has published a [pan-London review into 16-25 SEND provision](#).

The review found that:

- Demand for post-16 SEND provision is projected to rise and the already significant gap that exists between demand and supply will continue to grow. By 2022 there will be an estimated gap of 8,950 places for young people with SEND in post-16 education in London, approximately 45% of the projected demand.
- The majority of the estimated gap is driven by gaps in 19-24-year-old provision.
- There is a wide geographical variation in provision. Provision is relatively well matched in local authorities in the north east of London. However, local authorities in the south of London have higher levels of cross-border movement for provision, suggesting that the offer in this area needs further development to ensure that the needs of the area's SEND population can be met locally and in a cost-effective manner.
- There is considerable variability in the format and quality of content of Education and Health Care plans (EHCP). More than half of the EHCPs reviewed lacked a clear focus on preparing for adulthood outcomes, which help to build a better understanding of what is needed for students with SEND to maximise their longer-term potential.
- There is an upwards trend in the take up of supported internships. While reported numbers for these are very small, providers indicate that they are an increasingly popular route for their learners.
- Commissioners and providers often lack local intelligence on upcoming demand, affecting their ability to plan for places.

It is clear from these findings that there is an already significant and growing demand for appropriate education and training opportunities for Londoners with SEND aged 19+. Where learners do not have an EHCP, or when this provision runs out at the age of 25,

learners will no longer be able to draw any funding support from, already stretched, local authority budgets. The Mayor holds limited statutory responsibilities for funding learners with SEND and will need to work with councils and the Government to help ensure all Londoners have the best possible chance of gaining the skills they need to get jobs and contribute to the capital's success.

6. What changes should be made to AEB funding to address the challenges identified in the SEND review?

7. What additional learner support is needed for learners with SEND to improve their retention, achievement rates and progression?

AELP response to Question 6:

When considering SEND elements of AEB funding for the different local authority areas, careful consideration should be given to the rates of SEND in Newham as evidenced by the table on page 14. The proportions quoted seem considerably out of kilter with its neighbouring boroughs and we would therefore advise caution in taking this on face value. In particular we would encourage reference to the connections between the relatively higher incidences of consanguinity in areas with significant immigrant populations and incidences of SEND – this link has been evidenced in research, e.g.

“One billion people worldwide live in countries where marriage among relatives is common. Of this billion, one in three is married to a second cousin or closer relative or is the progeny of such a marriage. The frequency of genetic disorders among such children is around twice that in children of non-related parents.” <https://www.bmj.com/content/365/bmj.l1851.full>

With this in mind it is difficult to see the relationship between the 2.2% rates in Tower Hamlets, and the 0.6% rate in neighbouring Newham, which in many ways could be said to have similar population profiles. Whilst we do not at this stage have a particular answer to this question, and nor are we making any judgement about the culture of consanguinity in itself, we would strongly advise that these inconsistencies be investigated before there is any consideration of SEND funding for AEB being somehow allocated in line with these figures.

We are also interested to see the variation in “independent” (i.e. commercial, privately-funded) provision being accessed, as evidenced by the graphic on page 16. This appears to indicate that some areas of North-East London are well-served by publicly-funded provision whereas others (particularly the south-west) less so. We believe however that this masks some key differences in approach – we have reports for example that some LEAs refer to Colleges of FE by default rather than ensuring that their local offer properly reflects the breadth of true “independent” provision (in terms of independent, not-for-profit or private

providers that are not Colleges but which receive AEB allocations). It is the case in many areas that such providers are either not receiving SEND referrals from the LEA, or alternatively are not disposed to encourage them. Only 1% of mainstreamed statemented pupils move onto apprenticeships after Key Stage 4 (graphic on page 19), and FOI information we have analysed from the ESFA show that over two-thirds of apprenticeships are delivered by independent training providers whereas 49% move into further education (i.e. Colleges). This is in spite of the consultation's own figures that non-SEND pupils go on to Colleges at a rate of only 22%. This would appear to indicate that SEND pupils are disproportionately being referred to classroom-based FE provision at the end of Year 11 rather than being given a proper choice of options.

Whilst understanding that this consultation relates to AEB funding and not apprenticeships, these figures nevertheless demonstrate that there is a missed opportunity here to open up choice, options and effectiveness for SEND young people, and we would therefore advise that considerable effort be given to ensuring that LEA local offers are indeed properly reflective of the provision that is actually on offer.

AELP response to Question 7:

The key planning issues bulleted on page 22 are all items that our members would readily recognise.

A major issue that arises in all forms of SEND is how EHCPs are viewed and used. Government policy tends to view them as the ultimate proxy of need, as evidenced for example by the fact that the exemptions to the maths and English requirements for apprenticeships (recommended by the Paul Maynard Taskforce, accepted by government and implemented by the ESFA) are totally conditional on the existence of an EHCP. No other form of evidence of need is acceptable if an EHCP is not in place. These exemptions are now being put in place for the introduction of T levels and it seems likely that this presages a direction of travel for their use in wider contexts of other learning as well in future.

The problem here is that many local authorities merely see the EHCP primarily as a trigger to facilitate expenditure and cost from their SEN budgets, rather than primarily as an indicator of individual need. If therefore the local authority is faced with financial constraints, then (whether this is in the spirit of the rules or not) many will consider what they can afford to pay for as the major arbiter for what should be on the EHCP, rather than what the actual need is. When the EHCP therefore needs to be used in another context entirely – for example, to evidence learning difficulties in order to access Maynard exemptions – it can automatically be unsuitable and disadvantage the learner.

The very process of getting an EHCP is also an issue – regulations give a maximum 20-week turnaround time to apply for, assess and put one in place, and yet the Maynard exemptions require the evidence within 6 weeks of commencement. If the learner does not therefore have an EHC covering their learning difficulty prior to starting an apprenticeship, the chances are that they will never get them – a prime example of how an EHCP is an incredibly blunt instrument. The increasing use of the Maynard exemptions as they are currently applied is therefore flawed. An EHCP is certainly one form of evidence that a need exists – but it should by no means be the only or overriding evidence. It should be sufficient, but not necessary.

There are also issues regarding the regulations of attracting funding for SEND learners. Currently the rules in this area are normally confined to a dedicated area of the funding guidance for each individual strand of provision, meaning that providers will never get a full idea of all the funding that can be made available to support learners unless they are aware of the details within every individual set of funding regulation – a clearly daunting task, to say the least. SEND needs do not conveniently fit within a defined strand of provision and it therefore makes little sense to make them do so.

It would be far more effective to have a single set of SEND funding rules available in one place that can overarch post-16 vocational provision. This will make it far more likely that providers will be able to both understand what is on offer, and (crucially) be encouraged to access it. In very many cases we hear of from our members, providers are discouraged from applying for SEN funding because of the apparent complexities involved, so absorb the cost of limited support themselves. This is not only unfair on the learner because they are not getting the full support which actually may be available, but also involves extra cost for the provider which in turn is pulling finite resources away from effective front-line delivery.

With reference to the graphic on page 27 regarding levels on cognition and learning difficulties, it may be of interest to know that we have access to cognitive assessments conducted across 25,000 individuals that showed that 7% have a severe learning difficulty that could be equated with literacy and numeracy. This is of course a slightly different cohort than that portrayed in the graphic, but we do feel it is an indication that the level of need for SEND support is significantly greater than is portrayed in these figures and this must be borne in mind when considering how best to use finite resources.

Low paid Londoners

Many Londoners are stuck in low pay, with little chance to progress to better paid, more secure work. The Mayor wants to widen participation in learning to all adults in London who would benefit from upskilling and advancing in their careers.

City Hall has therefore prioritised enhancing support for low paid adults to get the skills they need—including, from this summer, through extending eligibility for fully-funded AEB courses to all Londoners earning below the London Living Wage. Previously, many of these individuals may have had to contribute 50 per cent towards the cost of their learning (also known as co-funding). This has acted as a significant financial barrier to participation in adult education courses for many people in low-paid work.

8. What more could City Hall do to support low-paid Londoners to get the skills they need?

AELP Response to question 8:

AELP supports the notion of the low pay initiative in relation to the London Living Wage.

In terms of what more could be done, two areas to consider:

Educate London employers, particularly SMEs to be fully on-board with their staff seeking learning to progress into higher skilled and better paid jobs. This may mean that they retain staff that are invested in and in some cases, they lose staff if they are not supportive of learning and career progression.

Where do Londoners go to find out about the low pay entitlement and how they can benefit from learning and funding and progress into better paid jobs. How many miss out because they simply don't know what is available to them?

Outside of this, we would support the removal of the national apprentice minimum wage and recognise the importance of ensuring apprentices can afford to live but also need to balance employer affordability and the fact that by their very nature apprentices may not fully competent or productive.

English and Maths

Supporting learners and providers to overcome the barriers to securing basic skills, including English and Maths, is a priority for the Mayor.

City Hall is currently commissioning pilot activity through the European Social Fund (2019-23) Programme to support adults in low-paid work in key sectors to attain higher completion and achievement rates in basic English and Maths courses. The Mayor is funding projects that:

- identify and implement innovative approaches to overcome barriers to participation and completion on the courses
- address barriers to investment in English and Math skills by employers
- provide a route map to progression in employment

In addition, we have designated English and maths as a priority area for the Skills for Londoners Innovation Fund.

Alongside this, City Hall will commission new research into the participation and achievement rates for basic English and Maths qualifications— including GCSEs—in London during the 2019/20 academic year. This research will also identify areas of best practice in basic English and Maths qualifications.

City Hall will use the findings of the research and the pilots to develop a package of wraparound support to assist the delivery of English and maths courses, working with adult education providers to ensure that this support can be implemented with minimal additional resources. It is envisaged that this package of support will be available from 2020-21.

9. What more could City Hall do to support the sector to boost retention and achievement rates in English and maths provision?

AELP Response to question 9

AELP supports the approach and plans for new research areas that the Mayor will be commissioning to understand the barriers to achieving successful levels of English and maths.

While these vital qualifications have the potential to advance the social mobility of the most disadvantaged learners, low-level qualifications tend to be inadequately funded despite being taken up by the some of the most challenging individuals who need the most support. With the right levels of support from providers who are adequately funded to provide the level of support needed, both engagement and achievement would be positively impacted.

Some Londoners may not think their levels of English and maths have been a barrier to them gaining employment, as the needs will vary by sectors. Some adults may only be presented with the opportunity to improve their maths and English attainment through functional skills under an apprenticeship route. Whilst this sits outside of AEB, we believe that maths and English delivery as part of an apprenticeship should be funded at least the appropriate matching value of classroom provision (£724 per each qualification) to ensure there is the income to cover the cost of delivering provision to adult apprentices who may need intensive support and encouragement. This would avoid the cherry picking of candidates for apprenticeships who already have the required levels of maths and English and have a positive impact on London's apprenticeship

starts and provide an inclusive approach for all regardless of their starting point with maths and English.

Higher level skills

In 2016/17, London had the highest rate of people going to university by the age of 30 in England, some 63%, and a higher proportion of graduates than any other major world city—with over half of the population aged over 21 having a degree. This reflects the significant demand in London's economy for higher skilled and higher paid occupations and is also where future jobs growth is expected. But while Londoners overall are more highly qualified than the rest of the UK, adults from 'Mixed', 'Black' and 'Other' ethnic backgrounds, and disabled adults, are less likely to have a degree level qualification than the wider London population. Only 18% of self-reported disabled Londoners have a high-level qualification, although this is higher than the England average of just over 10%.

Growth in higher level study in recent years has principally been in full-time degree provision, driven, to a large extent, by the student loan funding model. Simultaneously, there has been a decline in sub-degree provision at Levels 4 and 5, which is often associated with professional development and vocational training, and a decline in mature learners (age 24+), many of whom were previously studying part-time while in work.

Increasing opportunities for Londoners of all ages to progress through Level 4+ qualifications will likely provide good opportunities for career progression for Londoners, given that those with Level 4+ qualifications will earn more over a lifetime and have higher rates of employment than those with Level 3 qualifications. City Hall is commissioning further research to identify sub-degree qualifications currently delivered to Londoners, including higher level and degree apprenticeships. This will assess to what extent higher level accredited and non-accredited qualifications are aligned with higher level occupations and employer demand. In addition, the research will review employer demand for graduate-level employees and potential undervaluing of Level 4+ qualifications.

As part of City Hall's 2019-23 European Social Fund (ESF) programme, we are also funding programmes that provide opportunities for people in low paid work to learn and train at Level 4+, supporting progression into higher level apprenticeships, qualifications and occupations. We will use the findings of the pilots and research to assess the case for funding Level 4+ qualifications through the AEB.

10. Should City Hall look to support, promote or fund higher level skills (Level 4 and above) skills through the AEB? If yes, which groups of learners, levels and sector subject areas should be prioritised and how?

AELP Response to question 10:

AELP supports skills at all levels and recommends exploring all funding streams available to facilitate the availability of higher-level skills programmes.

For example, a vast range of apprenticeships now include level 4 and above qualifications which are being taken up by existing staff and offered as apprenticeship opportunities to new recruits and getting people into jobs. Some employers have been considering rebalancing costs of graduate recruitment versus their large apprenticeship levy contributions. A big driver for this has also been to diversify their workforces to attract individuals into higher level skills roles in local areas who could not go to university for a variety of economic and social reasons.

In addition, the low take-up of the Advanced Learner Loans facility needs to be better understood, particularly to understand if there is a trend of low take up in London across any of the priority sectors, this could help inform whether AEB could be extended to target groups of learners and sectors to encourage more engagement.

Outside of AEB, with regards to higher level apprenticeships, we support all levels, but given the limited apprenticeship budget to cover L2-L7 and the shift towards L6/L7 increasing, the imbalance needs to be addressed. Our current line is to remove L6/L7 apprenticeships from government funding and have a co-investment model between the learner and employer.

Sectors

Some of London's biggest industries, such as Construction, Health and Social Care, Creative, STEM and Hospitality face significant skills shortages due to lack of alignment between the skills system and labour market needs. These shortages are likely to be compounded by the impact of Brexit and automation. At the same time, there is a glaring lack of diversity in London's high growth industries, with young people, disabled adults, Black, Asian, and minority ethnic (BAME) groups and women are disproportionately under-represented in many of the city's higher-skilled, better-paid jobs.

The Mayor wants to encourage more diversity across London's high-growth industries to secure inclusive growth for the capital. City Hall has just launched a bespoke European Social Fund sector skills programme, targeting Health and Social Care, Construction, Creative, Early years and STEM industries. The Mayor's Construction Academy, Digital Talent Programme and Creative Enterprise Zones initiatives will also provide disadvantaged groups an opportunity to gain the skills they need to actively engage in these core industries.

Going forward, the Mayor is keen to make changes to the AEB so that it works better for disadvantaged Londoners by providing them with the skills and qualifications they need to make the most of the opportunities that London's economy provides.

11. What more could City Hall do to tackle skills shortages in London's key sectors?

AELP Response to question 11.

We welcome the multiple approaches and investment initiatives for the development of skills shortages in London's priority sectors. Whilst the development of skills in areas of skills shortages is critical, it is also important to continue engagement with employers and stakeholders representing industry sectors. For example, encouraging levy transfer/pooling of funds and how the GLA might be able to use its influence and resource to help facilitate or sponsor this to enable non-levy businesses to benefit from apprenticeships as well as those that have demand but have utilised their levy contribution. Currently there is unmet demand which needs to be urgently addressed given the impact of this will ultimately on young people, adults and businesses.

The AELP has been running Employer Sector Forums and Special Interest Groups with our members to raise awareness of and discuss skills policies and issues across a range of industry sectors. We would be happy to share outputs from these groups and where relevant welcome participation from GLA employment and skills officers. Below is a list of sectors we are planning activities for over the coming three months:

- Digital and IT
- Foundation
- Construction
- Hair and Beauty
- Engineering, Manufacturing and Automotive
- Logistics and Transport
- Land-Based Industries
- Health, Social Care & Early Years
- Business Services and Management
- Hospitality and Catering
- Financial, Accountancy and Legal
- Sport and Recreation

Brexit

The Mayor is committed to ensuring that London remains open and able to attract talent from Europe and across the world. Protecting the rights of European and international citizens in London is a key part of this commitment. Brexit, with or without a deal, poses significant risks for EU nationals in London and there is likely to be continued uncertainty after the UK's departure from the EU due to lack of clarity in relation to transitional arrangements.

This will create significant challenges for employers/colleges/universities to ensure they adhere to requirements around eligibility. Until the details of a new immigration system are finalised and implemented, education providers and employers will struggle to confirm a resident's entitlement to enrol. This could result in large numbers of residents with irregular immigration status. The Mayor will continue to work with Government and advocate for amendments to AEB eligibility rules in order to provide a more inclusive skills system in London to support the Mayor's skills and social integration objectives.

12. What more could City Hall be doing to support colleges in dealing with the implications of Brexit for staff and students?

AELP Response to question 12:

AELP supports the continued work with Government to ensure AEB rules provide a more inclusive skill system in London and would like to see all skills providers being represented and supported with proposed changes to eligibility rules ensuring that AEB continues to reach the individuals and communities that need it the most.

T-Levels and Level 3 provision for adult learners

City Hall is keen to understand what lessons are being learnt from the Government's roll-out of T-levels for 16-18-year olds. It will be important to build upon any positive impacts of T-levels in further developing technical qualifications at Level 3 for adult learners and to understand how the two policy areas will co-exist in the future. In the meantime, it is vital that there is clarity about opportunities for progression to Level 3 qualifications for adults, particularly in relation to Department for Education's recently announced review of Level 3 qualifications.

Currently, Level 3 qualifications are fully-funded for learners aged 19-23 who do not already have a first Level 3 qualification, with other learners being able to access loans to fund learning. For Londoners whose jobs are at risk from the effects of automation there is potentially a case for second Level 3 qualifications to be funded or part-funded to support upskilling or reskilling in the event of a career change or displacement.

13. How could the AEB be used to fund or part fund entitlement to a second Level 3 qualification for specific disadvantaged groups of learners, or to tackle skills shortages in particular sectors?

AELP Response to question 13:

AELP supports activities that would enhance the career prospects of disadvantaged Londoners and tackling skills shortages.

The National Retraining Scheme could be an option for upskilling or reskilling in the event of a career change or displacement, however the details of this are not known. It is early days and may have an impact on delivery under AEB as will the review of level 3 qualifications.

Championing London's FE and skills sector

The Mayor has pledged to be a champion of the capital's neglected FE sector – and has supported the Association of Colleges' "Love Our Colleges" campaign.

14. What more could the Mayor do to support and champion London's FE and skills sector?

AELP Response to question 14:

AELP is open to supporting and facilitating Mayoral visits with its member organisations that align with the Skills for Londoners priorities and initiatives.

We would work with the senior skills team to identify opportunities in the Mayor's forward plan and propose activities.

This approach would also develop a greater insight into innovative and flexible delivery from our members that have delivered AEB, ESF, apprenticeships and a range of other skills initiatives.

AELP Communication Channels are also available to all of our stakeholders, we would be happy to support skills engagement and promotion activities through a range of local and regional communication channels

- Local provider networks
- Regional provider networks
- Conferences & events
- webinars
- Devolution Webinars
- e-channels – Emails to our membership, newsletters, social media

Consultation Arrangements

We would like to hear your views on the proposals outlined above. To help us analyse the responses please use this [web survey](#).

In exceptional circumstances, if you are unable to access the survey online, a word document version can be downloaded and emailed to: AEB@london.gov.uk.

The consultation will close at **10am on Monday 20 May 2019**.

If you have any questions about the policy content of the consultation you can contact the City Hall's Skills and Employment team on AEB@london.gov.uk.

Appendix 1

List of local authority areas within the Education and Skills Funding Agency's definition of London's "fringe"

- Basildon

- Bracknell Forest
- Brentwood
- Broxbourne
- Chiltern
- Crawley
- Dacorum
- Dartford
- East Hertfordshire
- Elmbridge
- Epping Forest
- Epsom and Ewell
- Guildford
- Harlow
- Hertsmere
- Mole Valley
- Reigate and Banstead
- Runnymede
- Sevenoaks
- Slough
- South Buckinghamshire
- Spelthorne
- St Albans
- Surrey Heath
- Tandridge
- Three Rivers
- Thurrock
- Watford
- Waverley
- Welwyn Hatfield
- Windsor and Maidenhead
- Woking

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