

## Skills for Londoners Framework Consultation South London Partnership Response

The South London Partnership (SLP) is a sub-regional collaboration of five London boroughs: Croydon, Kingston upon Thames, Merton, Richmond upon Thames and Sutton. Through collaboration – between ourselves and with local public, private and voluntary and community sector partners – the South London Partnership is committed to accelerating and increasing the potential for economic growth in this area, beyond what we can achieve individually.

South London has a critical role to play in the capital’s economic future. It currently houses a £28 billion economy with great opportunities for growth which can support and alleviate pressure on central London. SLP boroughs’ educational influence spreads far beyond its boundaries. As well as being a major supplier of talent to central boroughs, the sub-region has key specialist schools drawing students from across London and beyond, as well as supporting a significant East to South-West travel to learn route for further and adult education. The sub-region is also significantly placed between the country’s two major airports and is strategically placed to secure London’s influence on the scientific corridor to the south of the capital and the technology in the Thames Valley.

Our [Growth Proposition](#) sets out five priority areas in which we are collaborating to support and strengthen economic growth across our sub-region. One of these is skills, and we published our [Skills for South Londoners strategy](#) earlier this year. It sets out the distinctive nature of South London’s economy and skills needs, and identifies our three key priorities:

- Support all residents towards or into work and to progress through their career
- Increase employer participation and investment in skills
- Align the skills offer to growth and strategic sectors

To do this we want to develop a more responsive sub-regional skills system, with boroughs, providers, employers and other stakeholders collaborating more effectively and ensuring a strong role for the sub-region within the wider London skills system, including devolved commissioning.

In this context, we welcome the opportunity to respond to your plans for the forthcoming devolved Adult Education Budget, and the chance it will give London government to work together to shape a responsive, flexible and successful adult skills system.

Enclosed is a full response to the Skills for Londoners Framework Consultation. Key messages from our response are as follows:

1. Overall, the proposed direction of travel is positive, with its focus on widening access for learners and supporting their success, modernising the way in which AEB funding is allocated by testing a more outcomes-based model and payment-by-results, and the reflection of sub-regional priorities in funding decisions

2. City Hall must continue to work with sub-regions and boroughs as your plans for the AEB develop and once the new arrangements are in place, not only through sub-regional Skills and Employment Boards but also at officer level. We will continue to provide expertise and insight into local needs and priorities, and will support the development of an integrated and locally responsive programme. A detailed agreement is needed to formalise how we will work with you at all levels, recognising the added value that boroughs and sub-regions can contribute
3. We support plans to introduce more flexibility into how the AEB is spent, to enable providers to respond effectively to learner and employer needs, and ideally to fund a broader range of training and qualifications, including professional licences such as construction, security and food hygiene
4. A clear rationale for re-allocation of ACL funding is needed, which is sophisticated enough to recognise the wide range of needs which ACL addresses. A simplistic re-allocation based only on, for example, indices of deprivation, would risk overlooking the importance of ACL provision for isolated older people, those with mental health needs or learning difficulties. We welcome the opportunity to continue working closely with City Hall as plans for ACL develop
5. We support plans to make AEB provision more responsive to employer needs, and to support key sectors in London. This must include a rebalancing of funding incentives to ensure that courses with real experience of work, and which provide employer-recognised qualifications, can be prioritised by providers. A focus on London-wide key sectors must not crowd out locally important ones, such as life sciences in South London
6. We welcome the proposals for a new ESF match-funding programme. Efforts should be made to keep the programme as simple and easy to access as possible, and in order to integrate it successfully with existing local provision it should be procured via sub-regional contracts wherever possible. City Hall and providers should work closely with boroughs and schools to ensure the programme meets identified needs and minimises complexity for participants
7. Plans to introduce more competition and an outcome-focused payment-by-results funding model have the potential to add value to the AEB commissioning approach. However, we suggest that these changes need to be introduced cautiously, and only with solid evidence that demonstrates how they will improve outcomes for learners and employers. There needs to be an intelligent approach which recognises the full range of outcomes delivered through adult learning, not just those that are easily measured, such as job starts
8. More thought needs to be given to the impacts of devolution on providers in outer London that serve learners from outside London’s borders, and London-resident learners who travel to non-London providers. This should include efforts to minimise the administrative burden for providers, and to provide clarity on funding and eligibility for learners crossing the London boundary.

## 1. AEB Priorities

Whilst acknowledging that the detail of these priorities is still in development, SLP broadly supports the proposed focus on these areas.

Identifying priority areas is of course important, however it is also crucial to remember that the AEB is a whole system, which as well as delivering specific training courses, also plays an important role in developing people’s confidence and resilience, and their understanding of their own skills and talents. We would like the Mayor and providers to champion and focus on a lifelong learning approach, supporting adult learners not just with one-off qualifications but on developing their career pathways, routes to progression and overall wellbeing. This approach needs to be embedded in commissioning, delivery, performance management and evaluation.

We are supportive of the intention to investigate these priorities in more detail, to gain a full understanding of needs and gaps in provision. SLP will work with the GLA to support this work, for example facilitating links with providers to access their expertise, and providing local insight into needs.

### **Low Paid Work full funding**

The change in funding rules for low paid workers is very welcome, as is the intention to extend it to a 2<sup>nd</sup> year and increase the threshold to LLW. However, the funding rule change is unlikely to be sufficient on its own. Many in low paid work have not been in contact with learning for many years, and will have little idea about what is available and suitable, what sort of training will help them to progress, or what sorts of jobs might be available in their local labour market.

To ensure the success of the pilot, and that those in need of the funding can access it and make best use of it, more needs to be done. Comprehensive marketing and targeting of the funding will be needed to raise awareness, plus good quality CIAG for potential learners. Learners and employers will need to understand what they are entitled to, and what learning and career pathways are available.

The way in which provision is delivered may also need to change, to allow working people, including those working shifts, to attend classes. Greater use of online / distance learning may also be important for this cohort. Finally, on-going support may be needed for some low paid learners to help them manage workloads and other commitments to be able to maintain and complete their learning. Evidence from existing in-work progression programmes shows that participants have multiple barriers to progression<sup>1</sup>.

We therefore urge the Mayor to consider how the forthcoming ESF programmes could integrate with and support the success of full funding for low paid learners, perhaps

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<sup>1</sup> Learning and Work Institute, 2017, Evaluation of the Skills Escalator Pilot

providing the CIAG and ongoing coaching element which we believe will be necessary to ensure maximum benefit from the rule change.

It will also be important for the potential impact on funding levels to be modelled, and where other areas of the overall AEB programme might be affected. Currently providers receive co-funding from employed learners taking level 2 qualifications. Whilst we welcome the removal of this financial barrier, it is important to understand how removing the co-funding requirement will affect the overall budget.

### **ACL**

A clear rationale for re-allocation of ACL funding is needed, which is sophisticated enough to recognise the wide range of needs which ACL addresses. For example, the more leisure-based ACL courses are hugely beneficial to older people, keeping them active and combatting loneliness. For older people who want or need to stay economically active, ACL is crucial in enabling re-skilling. Learners with SEND or mental health needs benefit from ACL, both directly from learning but also from the impact it can have on inclusion and equality. ACL can be linked with other services, such as public health, to provide a joined-up and more holistic approach which supports learners and also wider public sector priorities.

A simplistic re-allocation which was only based on, for example, indices of deprivation, would risk these needs being overlooked and remaining unmet. Whilst South London as a whole has good employment rates and comparatively low levels of deprivation, there are still pockets of significant need, which should be factored in to the broader picture of ACL funding.

We welcome the opportunity to continue working closely with City Hall as plans for ACL develop. The expertise and insight from ACL providers will be essential in shaping a new approach, and developing impact measurement metrics.

### **Disadvantaged Learners**

There are a range of potential cohorts that could be prioritised by ACL, and/ or receive funding uplifts. These include those on a low income; those with LDD; those with mental health issues or low overall mental wellbeing; carers; and the long term unemployed. There could also be innovative provision using a place-based approach, working in specific areas with high numbers of disadvantaged residents. This could help to diversify the types of people engaging in adult learning.

Flexibility must be built into the system to allow providers to meet local needs and respond to particularly local issues of disadvantage, even if these are not explicit in the London-level framework.

Particularly for hard to reach learners, intensive engagement and support is needed, which is currently difficult to provide through the funding rate for non-regulated learning aims. Flexibility in funding rates which allowed for smaller class sizes to be viable would also help to engage and retain some disadvantaged and harder to reach learners.

### **Learners with SEND**

We strongly support a focus on learners with SEND; this is a key priority for SLP boroughs. It is vital that we collectively understand the needs of young people and adults with SEND, and the educational provision available to meet these needs. This includes ensuring that relevant provision is closer to home, as currently too many people are having to go some distance, both increasing costs but also dislocating them from communities and families.

We welcome the current review into 16+ provision, and will work with City Hall to understand the implications of the review’s findings, and how these might be addressed at a sub-regional and borough level. Clarifying how AEB will support responsive provision will be an important action following the research; and ensuring that this is clear and included in all borough ‘Local Offers’, which provide public information about services and support available.

Any plans need to be clearly informed by and developed in partnership with boroughs, particularly SEN teams and providers, as they are directly in contact with learners, have the first-hand experience of how the current system works, what needs to change, and how to make links between services for young people and those for adults.

### **London’s sectoral and occupational skills needs**

We welcome the Mayor’s intention to target the AEB better to meet employer needs. Developing a system which is agile enough to respond to labour market changes, and which is as simple as possible for employers to understand, is essential. There must also be a clear intention to encourage employers themselves to invest more in training and work-based learning. Funded provision should not replace employer investment, but should be complementary.

For vocational subjects, funding rates should incentivise providers to deliver employer-relevant training, rather than courses which are overly classroom based, and sometimes do not provide recognised qualifications or sufficient work experience to enable students to enter employment. For example, Richmond Council worked with a provider to adapt their bricklaying course, changing it from 18 months with no employer involvement and no on-site experience, to a 15-week course with employers involved from start to end, on-site work experience, a CSCS card included and guaranteed interviews for students. Providers must be able to develop a sustainable funding base by delivering training which sets learners up to succeed, not simply based on whichever courses have the highest funding rates.

Courses with work experience, exposure to employers and on-the-job learning should be prioritised and incentivised through funding mechanisms and other means. Employer input to and endorsement of courses could be considered as a mark of quality and perhaps a basis for enhanced funding. Provider teaching and curriculum development staff should undergo regular CPD, which involves direct contact with employers and practitioners. The impact of this on time available for teaching and planning must be taken into account however, and how it would be funded.

Whilst there are many sectors which are relevant across London, care needs to be taken that smaller, locally important ones are not overlooked. For example, with the development of the London Cancer Hub in Sutton, life sciences are an important local growth sector, and will need a pipeline of trained staff at all levels. As well as high growth sectors, those with high volumes of workers are also an important focus for the AEB, for example social care, a sector which can be difficult to attract new entrants to.

We suggest that the new London Occupational Skills Board needs mechanisms to engage with businesses beyond those which are members of the Board. Businesses from across the capital should have opportunities to feed into the work of the Board, and we are happy to facilitate relevant links to South London businesses.

### **Skills and Employment Knowledge Hub**

The development of a Skills and Employment Knowledge Hub is essential to address significant gaps in data and knowledge, and failures to join up and share existing knowledge effectively. SLP and its boroughs will work with City Hall to explore how borough-level and sub-regional data can be fed into the Hub, and how we will be able to access data, not just via the Hub but also, for example, detailed AEB performance data.

### **Improved flexibility**

We welcome the intention to develop more flexibility for providers in the devolved AEB. Current funding rules make it difficult for providers to deliver employer-responsive and professionally relevant training and licences, for example in construction or security.

The example below outlines how a provider might currently need to build a package of different AEB funded courses in order to generate sufficient income to deliver an SIA licence, which is not currently funded. This shows the complexity of delivering employer responsive provision, and the lack of flexibility for learners. For some, this package of learning may be entirely relevant, but for others may be a time-consuming and unsuitable way in which to obtain their licence.

<b>Qual/Learning Aim</b>	<b>Level</b>	<b>GLH</b>	<b>Funding</b>
Award in Developing Employability Skills (QCF)	L1	56	£450
Award for Skills for Working in the Retail Industry	E3	46	£300
Award for Introduction to Customer Service	E3	51	£328

The total funding generated would enable the provider to deliver the SIA licence in addition.

A similar approach can be taken for other subjects:

- \* Food Hygiene: delivered with 2 qualifications hospitality, employability
- \* CSCS Card: 3 qualifications - employability, health & safety L1 and a construction/ construction multi skills course
- \* DBS: 2 qualifications - employability, health and social care or childcare

So whilst it is possible, and sometimes extremely valuable, for providers to build these collections of qualifications, the AEB devolution is an excellent opportunity to simplify things and allow more learners straightforward access to these qualifications, which make a significant difference to their employability.

More flexibility to allow providers to deliver wraparound careers advice and support, for example support for work placements or running job clubs, would also be welcomed. This type of activity is critical for helping learners to identify the right career plan and the learning which will support this.

SLP will support City Hall’s investigation into building flexibility. It would be useful as part of your investigations if different scenarios could be modelled, for example the potential costs of funding construction tickets and the impact this could have on learners’ employability. It would also be important to gain a clear understanding of what employers could or should be expected to pay for themselves, and how more employer investment can be encouraged.

### **Work and Health Programme**

Better alignment between the Work and Health programme and skills provision is a priority for South London. We therefore welcome the proposal to ensure that AEB provision is closely aligned and integrated with the Work and Health Programme. As lead commissioners of the Programme, SRPs and boroughs must be centrally involved in this work.

### **Learner Support**

The consultation mentions the need for wraparound learner support in specific areas, such as English and maths. If one of the aims of the devolved AEB is to increase the diversity of learners, more attention needs to be paid to the need for wraparound support for all learners, to engage, sustain and support their success. Many of the AEB target audience are likely to have been out of education for some time, to be some distance from the labour market, or in low paid work, and to need a range of different services to enable them to participate and complete their learning. By its very nature, many AEB learners need support, and it should not be considered as only applying to specific groups or subjects.

A broad range of different services can be needed by learners to engage and remain in learning, including pastoral support (food bank vouchers, advice guidance and welfare support etc), safeguarding support, drop-in courses (revision, falling behind, catch up sessions), mentoring or buddying support from local people who have been in similar situations, access to ICT support and provision out of teaching and learning hours, and wraparound care with all services who support an individual or family to ensure they are aware that they are undertaking a course.

We support the intention to increase both the number and diversity of learners, however it should be noted that different approaches may be needed to address both aspects. What

works to attract more learners may not be effective in engaging a more diverse cohort, and vice versa.

### **Learner Demand**

As mentioned regarding the rule changes for low paid learners, stimulating learner demand is not straightforward. Further discussion regarding stimulating demand, the role of City Hall and of providers, and how this should be funded, are needed.

## **2. ESF Match Funding**

We welcome the intention to use some of the unspent ESF as match funding for AEB. We broadly support the three proposed programmes for youth, adult skills and adult employment, but need to make some more detailed points:

- We would welcome an understanding of how the proposed target groups and programmes were arrived at – we assume they are based on evidence of need, and an analysis of existing and planned provision, including existing ESF programmes. As part of working with you to shape the detailed specifications we would appreciate access to this information to ensure it reflects our understanding of local and sub-regional need
- Current ESF programmes are mainly commissioned on a sub-regional basis, and the forthcoming programme should replicate this. Any changes to this need to be properly discussed with SRPs and boroughs, as this is in opposition to the principles set out on page 23 of the consultation. Commissioning at a sub-regional level offers significantly better opportunities to integrate and streamline ESF programmes with other existing provision. Delivering ESF programmes via multiple contractors also minimises the impact in the case of provider failure
- The Youth NEET programmes and proposed work around apprenticeships need to work closely with schools and boroughs, and to learn from existing ESF youth provision, which can be overly complex, and end up chasing the same participants for multiple programmes. There should be greater flexibility to deliver short programmes to young people, and access criteria must not exclude young people who are in need. Outcome measures for youth programmes also need to be flexible, to measure ‘distance travelled’ and not just hard outcomes e.g. achievements of full qualifications
- The ESF-funded Careers Clusters should be expanded and must include provision in South London, as there are currently none in the sub-region
- The adult skills and employment programmes need to be carefully designed to avoid duplication and complexity for participants, and unintentional risks to delivery, such as struggling to find participants that exactly meet entry criteria. The links between ESF programmes, and other skills and employment provision, need to be clear for providers, partners and most importantly, participants.
- Commissioned providers must work closely with SRPs and boroughs to ensure provision is joined up and appropriate and accessible to residents

- This applies in particular to programmes where the target client group overlaps with existing programmes such as the Work and Health Programme, and where it will have links to forthcoming AEB provision, such as in-work support.

### **3. Commissioning and Contract Management Arrangements**

We welcome the overall proposed approach to maintaining stability in year 1 of devolved funding; for providers, learners and employers it will be important that clarity and certainty are maintained. We also welcome the proposal to consult on future changes and implement them in phases; providers need advance warning in order to be able to plan ahead properly.

Setting a minimum grant value of £100,000 seems reasonable, however we would not want this to be to the detriment of smaller, niche providers, that often work with particularly disadvantaged learners. We therefore support the proposal to retain flexibility over the minimum grant value in recognition of this.

Whilst there is some evidence that competition improves innovation and can reduce costs, it is by no means guaranteed. Indeed, grant-funded provision does not necessarily mean lower quality: Ofsted’s most recent annual report showed 80% of independent providers, which usually receive funding through competitive tender, were rated good or outstanding; 83% of community learning and skills providers, which are mainly grant-funded, were rated good or outstanding. We therefore would only want competitive tendering expanded for the AEB if there were proven benefits and widespread agreement that it would offer improvements on the existing model.

There may be tensions between introducing more competition whilst also taking a whole system approach, which will require providers to collaborate. There is also a risk that smaller providers without expertise or capacity to take part in competitive processes will miss out on funding, thereby reducing the diversity of the provider marketplace. The extension of competition in the AEB market should therefore be approached with a phased and well-informed approach.

#### **Out of Area Learners**

More thought needs to be given to the impacts of devolution on providers in outer London that serve learners from outside London’s borders, and London resident learners who travel to non-London providers. This should include efforts to minimise the administrative burden for providers, and to provide clarity on funding and eligibility for learners crossing the London boundary, as far as possible. If London and non-London providers are operating on different systems, with the associated additional workload, is there a risk that non-London providers may seek to exclude London learners, so as to simplify their processes? The simpler the London funding system can be, the better.

We support the GLA’s position regarding providers delivering 85% or more of their allocation to London residents.

### **Subcontracting**

Whilst we agree that prime providers should not be able to charge unlimited or unjustified management fees / top-slice for sub-contractors, some flexibility needs to be maintained. A 20% fee is suitable for sub-contractors that require minimal intervention, however for smaller, niche and specialist organisations, more support and input from the main provider may be needed, for example if they are not an accredited centre. We are concerned that a fair but practical balance needs to be achieved, and that this is not best achieved by a flat rate.

However the GLA decides to amend its approach to commissioning and contract management, it must focus on minimising the risk of instability for good quality providers, and should also consider what plans it will put in place to address provider or market failure, which would adversely affect learners and employers.

### **4. Ensuring Local Approaches**

We welcome the confirmation of the GLA’s intention to work with boroughs via London Councils and sub-regional partnerships, the recognition of the variation in needs and priorities across different areas of London, and the need for the AEB system to be responsive at a local level.

We also welcome the confirmation of the role of sub-regional skills and employment boards as the formal route to influence adult skills funding and commissioning decisions. However, the detail of this arrangement, and how the GLA, sub-regional partnerships and borough officers will continue to work together, needs to be developed.

Sub-regional partnership and boroughs can add a great deal of value to the AEB process, from identifying local needs to feeding in soft intelligence about provider performance. Working with London Councils and other sub-regional partnerships, we have developed the following outline for collaboration. Boroughs and SRPs do not wish to adopt any of the Mayor’s statutory role, however we should be key strategic partners in the overall AEB process. We therefore suggest the following framework for future collaboration:

- Use detailed sub-regional needs analyses as part of overall AEB needs statement, providing fine-grained and geographically specific analysis
- Agree a formal role for Sub-regional skills and employment boards in endorsing the needs analysis and commissioning approach
- Agree a formal role for sub-regional boards in endorsing desired outcomes and overall commissioning approach, including supporting GLA relationships with providers and employers, for example testing new approaches and developing sub-regional evaluation measures. Ensures local buy-in and improves chances of success for new approaches
- Agree a formal role for sub-regional boards to input into commissioning decisions, subject to resources available, providing local knowledge and buy-in
- Provide detailed performance updates to sub-regional boards, with scope to feed in sub-regional concerns / intelligence via a formal mechanism

- Agree how GLA, SRP and borough officers will work together to support the sub-regional boards and Skills for Londoners board
- Develop a formal data-sharing agreement to share detailed performance, outcomes and monitoring data between the GLA and sub-regions.

We welcome the establishment of sub-regional contract management teams within the GLA, to ensure local knowledge and insight arrives directly at City Hall. The SLP and its boroughs will support the relevant Provider Managers to build relationships locally, understand the South London economy and needs, and to integrate with boroughs and other key partners.

SLP is also setting up an Adult Skills Provider Forum for any provider operating in South London that delivers adult skills provision. This will support providers to access and share information, work collaboratively and build a more joined-up system in the sub-region. Improving providers’ access to timely data and information will support them to plan and deliver a relevant curriculum offer. Boroughs can also work with providers, and other partners, to stimulate demand in key sectors.

## **5. Delivering the right outcomes**

We broadly welcome the focus on delivering outcomes through the AEB, rather than just funding on the basis of qualifications delivered. Work and wellbeing related outcomes are important, and complement borough and sub-regional priorities.

However, it is important that the outcomes are realistic, relevant and measurable, and we must be mindful of the provider behaviours that these outcomes may incentivise. For example, too strong a focus on hard outcomes such as entry to employment may incentivise providers to prioritise learners they feel are most likely to achieve these results, potentially making access to learning more difficult for some who would benefit from learning but may not achieve a fundable outcome. Outcome measures need to be developed to incentivise provision which make a difference to learners and employers, not just deliver additional qualifications for the sake of it.

Any PbR model also needs to be based on, and capable of responding to changes in, the jobs market in which it is operating. In a buoyant labour market, people out of work are likely to be amongst the harder to help, and will need more intensive, and expensive, interventions and support. Conversely, in a downturn there are likely to be more candidates who have been working recently and have stronger track records, and are therefore easier to support into work. The PbR model must be able to flex in light of such changes, so that it does not incentivise the wrong outcomes.

Therefore, a sophisticated approach is needed which recognises the diversity of learners and the types of outcomes they may achieve, particularly in ACL. We support the proposal to develop a range of social outcomes to measure ‘soft’ outcomes, such as a growth in confidence. These social outcomes can be expensive, and take a long time to deliver, so the payment model must recognise this and not endanger providers’ financial viability. Small,

niche providers in particular may not be set up to deliver PbR contracts, but can be critical in meeting complex needs of hard to help learners.

These metrics need to be developed in very close partnership with providers and boroughs, as they have the specialist knowledge about what is relevant, measurable and achievable. South London ACL providers are keen to deliver a social outcomes pilot, and would be open to developing this in partnership with the GLA. There is already a growing body of work and evidence looking at social outcomes, for example by the Learning and Work Institute, as well as some at local provider level through Community Learning and Mental Health pilots. It is important that the GLA’s work to develop social outcomes builds on and takes the learning from this work, rather than duplicating or working separately.

We are concerned that sub-regional priorities appear to be limited to outcomes relating to the Skills for Londoners Capital Fund (Table 4, page 44); sub-regions need to be involved in setting priorities and outcomes that relate to the whole adult skills programme, not just capital spending. We can add value at all stages, as described on p10 of this response.

Table 4 on page 44 indicates that in-work progression outcomes will only be monitored for ESF programme, not the AEB. If this is the intention, we question how the success of the full funding pilot for low paid workers will be evaluated. Whilst uptake of courses and success rates will be an important indicator, if it cannot be shown that training leads to any improvement in pay or conditions for these learners, the meaningful success or otherwise of the pilot will be impossible to ascertain.

We welcome efforts to obtain more and better outcomes data, however also need to stress the intensive nature of tracking outcomes, and suggest that additional resources and advice may be needed by providers to do this successfully. There is a risk that provider resources may be diverted onto outcome tracking and reporting, impacting on the quality of the learning experience and the offer to employers.

### **Incentivising outcomes through funding approaches**

We welcome the testing of PbR to see if it improves outcomes, however it is important to acknowledge and work to mitigate the risks involved, and to take proper account of the mixed evidence of PbR’s effectiveness.

In the Welfare to Work sector for example, whilst PbR appears to have been partially successful in incentivising better results in the Work Programme, it has also led to ‘gaming’ of the system, and unintended consequences. For example, despite attracting higher funding rates, harder to help clients were frequently ‘parked’ as they were more resource intensive, and more straightforward clients were ‘creamed’, i.e. given priority, in order to maintain success rates and cashflow. In addition, many small providers were either unable to take part in the Work Programme. Some opted out from the beginning, believing they could not make it work financially, and others dropped out during the Programme because they suffered unsustainable contractual relationships with prime providers.

These issues need to be taken into account and as far as possible designed out of any PbR model for the AEB. The risk of disrupting provision by pressure being put on providers’ financial viability should be avoided, particularly for smaller providers which are more likely to be working with learners with specialist needs. In some cases, such as ACL, it may only be possible to introduce partial PbR. We therefore welcome the GLA’s intention to gather evidence and data to inform a robust model; we would suggest this should be based on obtaining DfE data and performing small-scale trials, as unintended consequences will only become obvious once a model is tested in real life.

SLP and its boroughs are open to supporting the development of trials and facilitating them to take place in the sub-region.

### **Skills and Employment Knowledge Hub**

We strongly welcome efforts to improve the quality and, crucially, the informed usage of data by learners, employers and providers. Whilst there is currently a wealth of data available, it is rarely shared transparently and consistently, or properly used to underpin decision making.

Learners could benefit hugely from easily accessible, timely information about their local labour market, forecasting of future skills needs, and how to break into and progress in their career of choice, as well as information on individual providers and courses. For stakeholders such as sub-regions and boroughs, a wide range of information would be of use, for example timely information about provider performance, popularity of different courses, employer skills gaps, learner success rates, and learner destinations.

SLP and its boroughs would be happy to engage further with the GLA to support the development of the Hub.

### **6. Other funding opportunities**

The involvement of borough and sub-regional partnerships involvement in the design and commissioning of other funding streams, including the Skills for Londoners Capital Fund, Mayor’s Construction Academy, Digital Talent Programme, All-age Careers Offer, and Apprenticeships, is crucial.

These programmes have the potential to add value to learners and employers at a borough and sub-regional level, however to succeed in meeting their needs and integrating well with existing provision, the GLA and successful bidders for funds must be obligated to work with local government in design and delivery. In many cases they overlap with and complement more locally driven work.

For this reason, we urge City Hall to be proactive in engaging SLP and its boroughs in the development, commissioning and oversight of these programmes; in turn, we will support their delivery and success at a local level. In addition, we would like to be involved in the apprenticeship research and pilot programmes described on pages 58-59, as these relate closely to one of our priorities in South London, particularly looking at best use of levy

funds, targeting key sectors such as health and social care, and pushing for greater flexibility in how levy payers can use their funds.

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