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Report to: Employment and Skills Panel

Date: 1 September 2017

Subject: Re-shaping the Skills System

1 Purpose

- 1.1 Seek the Panel's views on current and planned activity in preparation for devolution of the Adult Education Budget including the publication of Delivery Agreements with West Yorkshire colleges.
- 1.2 Provide an update to the Panel on the implementation of recommendations from the West Yorkshire Area Review of post-16 Education and the publication of the York, North Yorkshire, East Riding and Hull Review.
- 1.3 Provide a summary of current employment and skills policy developments and seek the Panel's views on the areas that should be prioritised over the coming months.

2 Adult Education Budget

- 2.1 In July 2017, Delivery Agreements were published with each of the seven FE Colleges in West Yorkshire, following the Panel's endorsement at its last meeting. The agreements are available to view at <http://www.the-lep.com/research-and-publications/> and set out individualised and measurable expectations of how Colleges have agreed to work toward LEP and CA priorities for the LCR. The agreements will influence how the Adult Education Budget (approx. £56m per annum) is utilised as well as broader college provision and are an important next step in strengthening broader relationships with providers. The publication of these agreements was reported as a national first by FE Week <http://feweek.co.uk/2017/07/27/yorkshire-colleges-first-to-publish-targets-in-56m-aeb-pre-devolution-deal/>.

- 2.2 The Panel's views are sought for the proposal that work to prepare for devolution of the Adult Education Budget (AEB) should focus on the following areas over the coming months:

a. Performance management of existing agreements

The majority of AEB funded activity in Leeds City Region (over £43m) is delivered via "block grants" with FE colleges. The Delivery Agreements published in July 2017 cover this provision as well as the broader college offer. Monitoring meetings are being scheduled with each college to track progress towards the targets set out in

the agreements, and with Local Authority and JCP officers invited to attend and feed in their views.

b. Hold workshop with Local Authorities

Over £7m of AEB was allocated to Local Authorities via block grants in 2016/17. The size of the allocations vary and some LAs deliver all their provision themselves whereas others sub-contract all or some of their delivery:

Institution	Adult education budget block grant 16/17
Bradford City Council	£629,280
Calderdale Metropolitan Borough Council	£1,020,544
City Of York Council	£862,546
Kirklees Metropolitan Council	£274,971
Leeds City Council	£2,165,954
Wakefield City Council	£2,417,576
TOTAL	£7,370,871

A workshop is currently being arranged with LA officers to identify best practice, particularly around measuring success and using that information to inform delivery and to consider the potential benefits of devolution, in terms of what could be delivered with greater control over the funding and funding rules.

c. Engage with major independent training providers (ITPs)

Provision is currently procured from ITPs by the Skills Funding Agency at a national level with no local accountability. Both Learndirect and Manchester College deliver a large amount of provision with a high value, with most of Manchester College’s delivery made up of a national contract to deliver training in prisons. The top ITPs of AEB in the first part of 16/17 were as follows:

Institution (Location)	AEB spend in LCR up to Q2 16/17
Learndirect Ltd (Sheffield)	£2,760,403
Manchester College (Manchester)	£2,587,495
Learning Curve (JAA) Limited (County Durham)	£310,832
HIT Training Ltd (Ardur)	£261,939

These four providers will be contacted for a conversation about their provision in Leeds City Region and the extent to which it meets LCR priorities. There is also a very large number of providers delivering small amounts of provision.

3 Area reviews of post-16 education

3.1 As reported at the last meeting, good progress has been made towards a number of the recommendations set out in the report of the West Yorkshire Review. Since a meeting on 9 June, further discussions have been taking place between various parties interested in the proposal to establish an Aire Valley College proposition (including Craven College, Shipley College and the Keighley Campus of Leeds City College).

3.2 The Area Review report for York, North Yorkshire, East Riding and Hull was published on 3 August 2017 and is available to view at:

<https://www.gov.uk/government/publications/york-north-yorkshire-east-riding-and-hull-fe-area-review-report>.

3.3 The recommendations from the York, North Yorkshire, East Riding and Hull Area Review with implications for Leeds City Region are as follows:

- Askham Bryan to remain as a stand-alone institution.
- Craven College to progress towards a three-way merger of Craven College, Shipley College and the Keighley Campus of Leeds City College to create a single “Aire Valley College” which will share services with an expanded Craven Educational Trust (a multi-academy trust). This is subject to the transfer of Keighley College campus from Leeds City College on a financially feasible and acceptable basis. If this is not possible Craven College to remain a stand-alone institution working with Craven Educational Trust and to explore shared services with this multi-academy trust as it expands.
- Hull College Group to remain as a stand-alone institution under a “fresh start” arrangement to deliver financial recovery and a strategic review to protect provision for Goole, Harrogate and Hull.
- Selby College to remain as a standalone institution.
- York College to remain as a stand-alone institution.
- The York, North Yorkshire, East Riding and Hull Higher Apprenticeships group established under the area review to continue and develop a regional approach to increasing provision of higher apprenticeships through reviewing progression routes from level 3 into level 4 and beyond, supporting industry to create new apprenticeship standards that meet economic priorities, developing appropriate skills amongst the sector’s workforce, and considering a joint approach to end-point assessment. The group to consider expansion to include Higher Education Institute membership.

4 Employment and Skills policy

4.1 A presentation will be given to the Panel summarising current and anticipated policy developments. This presentation is attached as **Appendix 1**. The Panel’s views are sought regarding the policy areas that should be prioritised.

4.2 The LEP's annual labour market report for 2017/18 will be launched at a stakeholder workshop on 27 September. This report is used by organisations including FE Colleges, Universities, schools, training providers and Local Authorities to plan their provision and to provide advice to learners. Officers from the West Yorkshire Combined Authority are also available to visit organisations to present more tailored information in more detail and to explore the implications for specific institutions.

5 Recommendations

5.1 The Panel is asked to:

- Comment on current and planned activity in preparation for devolution of the Adult Education Budget;
- Note the update on the implementation of recommendations from the West Yorkshire Area Review of post-16 Education and the publication of the York, North Yorkshire, East Riding and Hull Review.
- Note the presentation on current employment and skills policy developments and give their views on the areas that should be prioritised over the coming months.