
Report to: Employment and Skills Panel

Date: 4 March 2020

Subject: **Adult Education Budget (AEB)**

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1 Purpose of this report

- 1.1 The purpose of this report is to update the panel on the purpose of the Adult Education Budget (AEB), the national funding priorities which determine its use and an overview of the current practice and impact in the Leeds City Region.

2 Information

- 2.1 AEB forms a key strand of activity supporting progression within the broader delivery of the skills and employment system linking with other provision, including technical education and apprenticeships/traineeships.
- 2.2 The Department for Education funds AEB and it is currently administered by the Education and Skills Funding Agency (ESFA) in non-devolved areas. AEB has been a core component of devolution deals to Mayoral Combined Authorities, who have incorporated local priorities and flexibilities into their commissioning strategies.
- 2.3 Leeds City Region currently has no formal influence over AEB planning or delivery. It is possible that responsibility for the Adult Education Budget could come to the region as part of a future devolution deal. This involves the responsibility of commissioning, administering and assuring the fund. National entitlements must be upheld, however devolution provides the ability to focus on local priorities through commissioning.
- 2.4 The principle purpose of the AEB is to engage adults and provide them with the skills needed for entering and sustaining work, an apprenticeship, or other further learning.
- 2.5 The AEB is a single funding stream which replaced what had previously been three separate budget lines: the Adult Skills Budget (namely skills provision for

adults aged 19years+), Community Learning, and Discretionary Learner Support.

- 2.6 It encompasses a range of statutory entitlements for learners, including the right to fully funded provision for basic English and maths qualifications and, depending on the resident's age and employment status, an entitlement to a first level 2 and 3 qualifications. Unemployed learners attract more funding per learning aim, in order to incentivise skills delivery that supports progression to employment.
- 2.7 The ESFA estimates that circa £63 million of Adult Education Budget funding is spent in Leeds City Region. Approx 72% of the AEB budget is utilised by Colleges and Local Authorities through grant funding, with the remaining 28% contracted to Independent Training Providers.
- 2.8 Currently around 30% of AEB formula funding in Leeds City Region is used to support statutory entitlements (English and Maths, Level 2 and Level 3 qualifications for those 19-23 year olds).
- 2.9 To provide the basis for discussion a presentation will be given at the Panel meeting that will cover the following areas:
 - Current national policies
 - Funding entitlements and eligibilities
 - The delivery landscape in Leeds City Region
 - Questions to inform discussion by the Panel

3 Financial Implications

- 3.1 There are no financial implications directly arising from this report.

4 Legal Implications

- 4.1 There are no legal implications directly arising from this report.

5 Staffing Implications

- 5.1 There are no staffing implications directly arising from this report.

6 External Consultees

- 6.1 No external consultations have been undertaken.

7 Recommendations

- 7.1 The Panel is asked to note and comment on the current delivery of Adult Education Budget, and its utilisation in the Leeds City Region.

8 Background Documents

None.

9 Appendices

Appendix 1