
Report to: Employment and Skills Panel

Date: 14 September 2020

Subject: **Adult Education Budget**

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1. Purpose of this report

To update the Panel on plans for the Combined Authority to receive devolved powers and manage the devolved Adult Education Budget (AEB) from 2021.

2 Information

- 2.1 At previous Panel meetings, members received a paper setting out the purpose and function of AEB, and the 'Readiness Conditions' that the Department for Education (DfE) require the Combined Authority to meet in order for the funds to be devolved.
- 2.2 The Combined Authority applied for Implementation Funding to support its preparation for AEB devolution and this has now been approved in full. The DfE has issued a Memorandum of Understanding for the £464,000 funding the DfE will provide, which is to be matched by the Combined Authority.
- 2.3 The Combined Authority has conducted a 'Readiness Assessment', which was submitted to the DfE in May 2020. The DfE agreed with the assessment and forward plans and is proceeding with devolution of funds and powers. The next formal stage is the laying of orders as part of the wider devolution deal. Following this, a Memorandum of Understanding will be put in place between the Combined Authority, the DfE and the Education and Skills Funding Agency. This will set out terms for collaboration and information sharing.
- 2.4 Workstreams in Legal and Governance, ICT and Data, Finance, Procurement and Policy are now well established and delivering the implementation project plan, including: drafting funding rules, contracts and agreements; developing a procurement strategy and specification; exploring other MCA ICT data and payment systems; consulting on the AEB Strategy and ensuring alignment with local and national strategies.

- 2.5 A draft AEB Strategy (formally the 'AEB Strategic Skills Plan') was developed following engagement with this panel as part of our preparation to deliver the fund from 1 August 2021 onwards. The AEB Strategy builds on existing Combined Authority strategies and the needs of the area, providing a clear foundation upon which we can build the skills of people and businesses within West Yorkshire. This strategy sets out the proposed priorities for, and approach to commissioning and managing the AEB. Once approved the strategy will form part of the Strategic Economic Framework, which will be taken for approval to the [Combined Authority meeting](#) on 4 September.
- 2.6 A period of public consultation on the draft AEB Strategy was conducted from 25 May – 12 July, during which an online survey was carried out, supported by webinars, virtual focus groups and interviews with learners and training providers. An independent consultant was engaged to facilitate focus groups and to prepare an analysis of all consultation returns.
- 2.7 Due to the Covid-19 crisis, consultation was carried out remotely using the following mechanisms:
- A survey – available online and in other formats where requested.
 - Targeted conversations with learners and employers - those with knowledge or experience of AEB were invited to online focus groups.
 - Consultative meetings with key stakeholders - including colleges, Local Authorities, training providers and Jobcentre Plus representatives
 - Other response channels including via e-mail, by phone; by Freepost; and through the YourVoice online Q&A tool.
- 2.8 The focus on the AEB meant there were significantly fewer responses than to the devolution consultation, although most were thorough and detailed:
- 75 responses to the survey (55% of which were from training providers)
 - 23 conversations with learners
 - 8 conversations with employers
 - 8 consultative meetings with stakeholders (33 participants)
- 2.9 The AEB Consultation response was broadly positive with all suggested priorities receiving agreement by more than 90% of respondents. Each of the 'Principals for commissioning' received 83%+ approval ratings, and 82% of respondents agreed with the outlined approach to commissioning.
- 2.10 The full Consultation analysis report, a marked up revised strategy and a paper outlining the key changes was shared with the Panel on 25 August.
- 2.11 'Skills and Employment' was also included in the wider Devolution Consultation, with 72% of respondents supporting the conferring of skills and employment to the West Yorkshire Mayoral Combined Authority. Responses considered the wider skills system, much wider than the devolution of AEB, with reflections on higher level skills, improving employer engagement and better meeting local needs.

- 2.12 The revised AEB Strategy has been submitted for approval to the Combined Authority on 4 September, taking into account the findings of the consultation. This allows for commissioning to begin on 1 October 2020, essential for meeting delivery deadlines ahead of August 2021. A provider information event has been planned for 17 September to engage with the training provider market and outline procurement opportunities.
- 2.13 Combined Authority officers have consulted with and will continue to work closely with the other Mayoral Combined Authorities, the Department for Education and the Educational and Skills Funding Agency, to ensure there is a consistency with core national strategies while we develop our approach to meet local needs and ambitions.

3. Clean Growth Implications

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

4. Financial Implications

- 4.1 Additional funding of £63 million is to be provided to the Combined Authority on 1 August 2021, assuming readiness conditions are met.

5. Legal Implications

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

6. Staffing Implications

- 6.1 An Interim AEB Manager has been appointed to continue preparation during a planned leave of absence. Wider resourcing requirements have been identified and are being recruited in line with implementation stages and needs.

7. External Consultees

- 7.1 External consultation on the AEB Strategy has now concluded, the results of which were shared with the Panel ahead of seeking approval from the Combined Authority.

8. Recommendations

- 8.1 The Panel is asked to note the contents of this report

9. Background Documents

None.

10. Appendices

Appendix 1 – AEB Strategy