

**Report to:** West Yorkshire Combined Authority

**Date:** 27 November 2020

**Subject:** **Adult Education Budget Governance**

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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	

## 1 Purpose of this report

- 1.1 To seek approval of the Governance arrangements for the devolved Adult Education Budget (AEB) programme.

## 2 Information

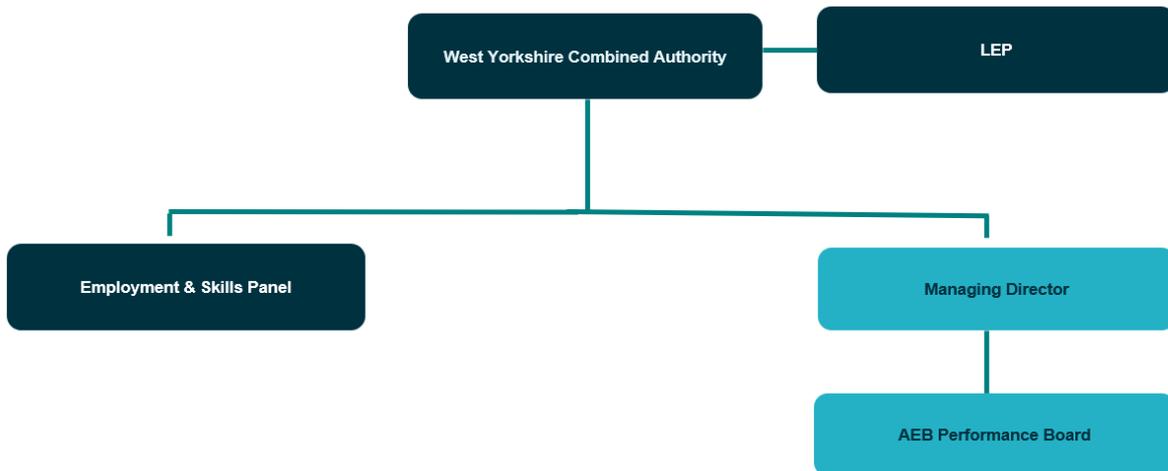
- 2.1 The Mayoral devolution proposals for West Yorkshire envisage AEB being devolved in August 2021. The governance structure will ensure that decision making is member-led, robust, transparent and mitigates any potential conflicts of interest, particularly during the implementation phase which sets the path for delivery. This will be balanced with efficiency within the delivery phase for 'business as usual' decision making, allowing us to achieve our strategic aim of increasing the responsiveness of the funds. These principles underpin the proposals as set out here and developed in consultation with local authority partners.
- 2.2 The governance structure and decision-making process set out in this paper is compliant with the Combined Authority Assurance Framework and is consistent with the AEB strategy approved at Combined Authority on 4 September 2020. The future decision-making and committee arrangements for the MCA will be

reviewed in due course which may mean further refinement may be necessary in future in relation to AEB governance.

### Governance

2.3 It is proposed that AEB governance is strategically led by the Combined Authority, with advisory support by the Employment and Skills Panel (ESP) in the first instance (as the ESP does not have decision making delegations), while operational decision making can be carried out at officer level under the Combined Authority's Officer Delegation Scheme. It is proposed that approving and varying the AEB Strategy is a function which is specifically reserved to the Combined Authority, and that for transparency, any amendments to the AEB Strategy are defined as a Key Decision, under the Combined Authority's Access to Information Annex.

2.4 A proposed governance structure is set out in the diagram below:



2.5 The Combined Authority (which will be a Mayoral Combined Authority once the Order is made early next year) is the accountable body responsible for commissioning adult skills provision through the devolved Adult Education Budget, and will be responsible for approving recommended grant offers, procured contracts and associated funding.

2.6 Regular updates performance on performance will be brought to public meetings of The Combined Authority.

2.7 Leeds City Region Enterprise Partnership (LEP) brings together private sector experts from business and the public sector to develop strategy and policy aimed at meeting the current and future needs of the region's economy. They will receive regular updates in alignment with the LEP's strategic skills objectives and associated work.

- 2.8 Employment & Skills Panel is a member led advisory panel that reports to the Combined Authority and to the LEP. It provides strategic direction and oversight of projects which address communities of need, employment and skills priorities in the city regions key industry sectors. Their work is driven by the needs of employers and the region’s economy.
- 2.9 The AEB Performance Board is an internal officer group which will monitor performance and delivery of the programme from 2021, replacing the interim Project Board which was established to oversee implementation and readiness for AEB devolution.
- 2.10 The table at **Appendix 1** reflects the level at which decisions will be taken, with a rationale regarding these proposals.

Stakeholder Engagement

2.11 The rationale for implementation of AEB in West Yorkshire as outlined in the AEB Strategy, is to ensure that the funding is directed to the identified areas of need and skills gaps. The success of AEB delivery will require extensive stakeholder and local authority engagement to advise on where the local need and gaps are which can be addressed through this funding. The diagram below illustrates how members and key stakeholders in each local authority area will be able to engage with the AEB Strategy and support delivery of the programme. All conflicts of interest will be addressed in line with the Combined Authority’s AEB conflicts of interest policy for Adult Education provision (Appendix 2)



2.12 The AEB Performance Board will engage with each local authority Employment and Skills Board and Officers to identify need and gaps in skills provision for their communities of need that can be supported in their locality through AEB funding. This information will be used to acquire appropriate levels of provision to respond to local need.

- 2.13 New AEB Performance and Partnerships Groups will be established in each local authority area with the aim of bringing together delivery partners and relevant stakeholders to monitor delivery and provide advice to the MCA where provision needs to be addressed. Reports from this group will feed into the local authority Employment and Skills Boards and the Combined Authority's AEB Performance Board.
- 2.14 In considering the Governance model we have explored other MCA models to ensure consistency of approach: these are broadly consistent with our own in terms of the internal operational group.

### **3 Clean Growth Implications**

- 3.1 There are no clean growth implications arising directly from this report.
- 3.2 The skills agenda has clear links to driving the Combined Authority's inclusive growth ambitions through enabling enhanced access to skills, education and career prospects, thus affording increased social mobility.

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### **5 Financial Implications**

- 5.1 There are no financial implications directly arising from this report, and the Combined Authority have previously noted that additional funding in the region of £63 million per annum is to be devolved to the Mayoral Combined Authority to allow delivery of the Adult Education Budget from August 2021.

### **6 Legal Implications**

- 6.1 The delivery of AEB is contingent on contracts agreed with learning providers and specialist legal resource has been allocated to deliver this.
- 6.2 The governance proposals as set out here are consistent with the statutory guidance for devolved AEB, and have been tested with DfE and the ESFA, and are aligned with the Combined Authority's approval process.

### **7 Staffing Implications**

- 7.1 Additional capability and capacity are required to prepare for taking on AEB, and the costs of this have been included in the bid approved by DfE. Once AEB has been devolved, the management costs associated can be accommodated within the devolved allocation.

## **8 External Consultees**

- 8.1 The proposals for AEB governance set out here have been considered in consultation with local authority partners, DfE and the ESFA, as well as in line with statutory guidance.

## **9 Recommendations**

- 9.1 That the Combined Authority approves the AEB governance arrangements as set out in this report and its appendices, and delegates authority to the Head of Legal and Governance Services to amend the definition of a key decision in the Combined Authority's Access to Information Annex to include the approval or variation of the AEB Strategy, and amend the Officer Delegation Scheme to clarify that approving or varying the AEB Strategy is not delegated to any officer under the Scheme.

## **10 Background Documents**

- 10.1 [AEB Strategy](#)

## **11 Appendices**

- 11.1 Appendix 1 – Decision Making: Policy, funding, and contract allocations  
11.2 Appendix 2 – AEB Conflict of Interest Policy