

**Report to:** Employment and Skills Committee

**Date:** 20 October 2022

**Subject:** **AEB Update**

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

## 1. Purpose of this Report

- 1.1. To update the Committee on progress with devolved Adult Education Budget (AEB).
- 1.2. To provide an update on the 2022/23 Responsiveness pot and intended activity.
- 1.3. To facilitate discussion regarding a request from providers for increased funding rates.

## 2. Information

- 2.1. The Adult Education Budget is targeted towards individuals who have low level skills and/or are unemployed or on a low wage. The £65 million fund supports learners through a range of programmes and access points, supporting them to increase their skills, and connecting them to further learning and employment opportunities.

### West Yorkshire Delivery

- 2.2. We have now entered into our second year of devolved AEB funding. Through the devolution of funds, the Combined Authority aims to continuously improve the impact of the investment of funding. This is not necessarily an increase in number of individuals supported, but includes focussing the funds

on disadvantaged areas, and individuals most in need of support, i.e., with low or no qualifications, unemployed, on low wages. The aim is to make incremental improvements to the impact that the fund has.

- 2.3. Exempt Appendix A (the Combined Authority is not permitted to release data publicly ahead of DfE) demonstrates the current reach of the Adult Education budget for Year 1. Over 46,000 West Yorkshire residents have been supported in upskilling across a range of sectors and in preparation for life and work in year 1.
- 2.4. A full report on Year 1's performance will be provided to the Employment and Skills Committee to consider the impact that has been made through funding devolution, once the first year's data collection has been completed in November. This will be brought to the Employment and Skills Committee's January meeting along with any recommendations for change in year 3.
- 2.5. Year 2 performance data has not been appended, as returns are partial at this point in the year, with the majority of grant holders providing their first return in November (R03).

#### AEB Provider Conference

- 2.6. A WY AEB Conference was held in person on 22<sup>nd</sup> July 2022. The event incorporated a range of workshops to provide sector updates and support best practice across West Yorkshire. Attendees also took part in a mapping exercise to increase the collective understanding of what we are achieving.
- 2.7. Feedback from providers was positive, particularly valuing the opportunity to network and the workshops, many of which were delivered by WY delivery partners, and the ability to feed in challenges.

#### Flexibilities

- 2.8. On 6 July 2022, the Employment and Skills Committee recommended to adopt new funding flexibilities to open up access to AEB and focus the funding on residents most in need.
- 2.9. These flexibilities have now been adopted into the published rules, with guidance notes and webinars supplied to support providers in their implementation. Monitoring of uptake will be ongoing in data returns on a monthly basis, however there are already anecdotal reports of a positive impact on the update of the digital entitlement.

#### Community Learning Review

- 2.10. The Community Learning review is underway, with all providers who hold a Community Learning allocation undertaking 1:1 discussion with an external consultant that is carrying out the review. Engagement so far has been excellent, with good quality, wide ranging discussions on the role of adult and community learning, the positive impact it has on individuals and communities,

while also addressing the wider challenges facing and opportunities available to residents who access this provision and the progression provision it leads to.

- 2.11. The full report will be provided at the next Employment and Skills Committee meeting, with recommendations regarding the findings.

### ESOL

- 2.12. There are continued reports of high demand for ESOL provision, with waiting lists. Year 1 saw an increase of AEB funding spent on ESOL learning aims in comparison to previous years, with iro 8,000 learners undertaking an ESOL programme and utilising just over £9m of the budget. This is an increase from 14% of learners in 20/21 to 22% in 21/22.
- 2.13. Discussions continue with the Department for Education, sharing intelligence on demand and uptake. While it is important to support this need, we must maintain a proportionality of AEB expenditure, recognising the wide scope of the funds and the many calls on the budget. Early indications for 22/23 highlight an increased demand particularly from Ukrainian Refugees.

### Free Courses for Jobs (Level 3)

- 2.14. Following Employment and Skills Committee recommendations, we have increased the number of providers now delivering provision under this delegated funding stream. This includes wider LCR grant providers, along with independent training providers who were successful in an Open and Competitive Tendering process.
- 2.15. The new providers are:
- Aim2Learn, delivering from the Media Centre in Huddersfield, will be offering a specialist Level 3 Diploma in Professional Competence for IT and Telecoms Professionals to learners.
  - Netcom, focusing on IT digital qualifications such as Certificate in Coding Practices and Certificate in Cyber Security Practices. The qualifications will help support the skills gap within the Digital sector.
  - CECOS will be using their allocation to provide Business, ICT and Healthcare Support qualifications.
  - Realise Learning and Employment will continue to support the upskilling required within the Health and Social Care sector, following on from their existing level 2 programmes.
- 2.16. Given the considerable underspend of this fund in 2021/22, performance will be scrutinised closely against delivery plans in December (R04), and underperformance addressed quickly to mobilise funds to successful providers, and/or re-procure new delivery.

### Partnership Groups

- 2.17. Following evaluation of year 1, provider feedback and discussion with Local Authority strategic representatives, the format of partnership group meetings has been reviewed.
- 2.18. There will continue to be three meetings per year, however, these will be held in 'conference style', with one physical (end of year) and two virtual meetings. These will incorporate all the well-received elements of the previous meetings: briefings, data update and networking breakouts, along with the inclusion of workshops from sector experts. The first Workshop will include a briefing from Ofsted on Enhanced inspection requirements. The review recognises the value people have placed on the regular updates, and also a call to streamline communication where possible.
- 2.19. There is recognition of the limitations of this style of meeting, in terms of connecting partners working together within the LAs, and therefore these will be supplemented by focussed meetings in each Local Authority area to consider strategic progress in each area, which will include targeting providers to develop pathways of provision.

### Responsiveness

- 2.20. It is anticipated that the responsiveness pot for the academic year 2022/23 will be around £3 million. It is intended to utilise as per 2021/22, with the following activities:
- Growth for successful providers in R04 (December) and R07 (March) - these are likely to be focussed on utilising the recently approved flexibilities
  - Commissioning responsive activity based on economic and sector intelligence. This is likely to include (but not limited to):
    - Targeting underrepresentation in local authority areas, e.g. 'cold spots' where participation is low in deprived areas
    - Responding to the needs of the Green Jobs Task Force
    - Responding to the needs of the Digital Skills Plan
    - Skilled sector ('good jobs') with vacancies
    - Supporting ex-offenders
    - Supporting care leavers
    - Emerging economic needs

### Funding rates

- 2.21. Following the discussion on 6<sup>th</sup> June 2022, West Yorkshire College Consortium and Yorkshire Learning Providers have submitted a letter to the Combined Authority requesting an increase in the AEB funding rate.
- 2.22. This letter has been received in conjunction with a number of requests for increased funding from providers across the Combined Authority's scope of

delivery, given the pressures put on organisations due to the cost of living crisis and unstable economic outlook.

2.23. There are two calls for the increase:

- That the AEB funding rate has not increased in ten years, and the budget overall has fallen (referenced in the paper on 6<sup>th</sup> June 2022).
- That the current economic situation is dramatically increasing operating costs.

2.24. The Mayor of West Yorkshire has taken the first opportunity to address this issue with the incoming Minister for Education and is keen to support providers by lobbying Government in her role as Chair of the influential M10 group of elected Mayors.

2.25. Any increase in the funding rate should incorporate a corresponding increase to Adult Education Budget funding to accommodate the increase. Otherwise, the continued strain on the AEB budget will mean that fewer residents are able to receive support from the fund. This should be delivered on a national basis to avoid a 'post-code lottery' and support the sector nationwide.

2.26. Already through AEB we have seen a reduction in learners accessing the fund. This is due to a range of factors, including an increased costs per head of Community Learning, increased Learner support claims to support those in learning and increased number of priority learner targeted (who attract more funding).

2.27. The Combined Authority is currently considering the impacts on the rising cost of living is having across business, people, programmes and projects. Consideration of the impact on the current economic situation on AEB has been incorporated into that workstream.

2.28. The Employment and Skills Committee is asked to consider the request within the wider context of our accountability as a devolved authority and consider whether options for increasing the funding rate should be explored.

### **3. Tackling the Climate Emergency Implications**

3.1. There are no climate emergency implications directly arising from this report. However, in the plans to support "green skills" through the responsiveness pot, there is an opportunity to grow the skills base required in order to tackle the climate emergency.

### **4. Inclusive Growth Implications**

4.1. The overall aim of AEB funded provision is to support those citizens who have a skills deficit and need to access learning opportunities to progress them towards further learning, employment or a better way of life.

## **5. Equality and Diversity Implications**

- 5.1. There are no equality and diversity implications directly arising from this report, although as per item 4 – this fund seeks to address inequality in skills acquisition. Initial enrolment statistics are reported in Exempt Appendix A.

## **6. Financial Implications**

- 6.1. Any recommendation regarding a funding increase (covered in paragraphs 2.19-2.23) could affect the impact that the AEB funds are able to make on WY Residents. The devolved WY AEB fund is a finite pot and increase to rates made locally would result in a reduced number of residents supported.

## **7. Legal Implications**

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

## **8. Staffing Implications**

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

## **9. External Consultees**

- 9.1. No external consultations have been undertaken.

## **10. Recommendations**

- 10.1. The Committee is asked to note and comment on the progress of the devolved Adult Education Budget.
- 10.2. The Committee is asked to comment on the request for an increase to funding rates.

## **11. Background Documents**

- 11.1. There are no background documents referenced in this report.

## **12. Appendices**

- 12.1. Exempt Appendix A – AEB Performance Data September 2022.
- 12.2. Appendix B – AEB Case Studies.