

Devolution and the Adult Education Budget

- 1.1 Devolution of the annual Adult Education Budget (AEB) was included as part of the March 2020 devolution deal agreed between West Yorkshire Combined Authority (WYCA) and Government.
- 1.2 Devolution of AEB includes taking control of the annual £66 million budget for West Yorkshire residents and direct management of the training providers in West Yorkshire who deliver the funding provision. It also allows the region to set its own priorities for funding and allows WYCA to align spending on skills to the opportunities and needs in the local economy.
- 1.3 More than 50% of AEB across the country is now controlled by devolved areas. Education and Skills Funding Agency (ESFA) continues to commission and contract manage delivery in non-devolved areas.

What is AEB?

- 1.4 The principal purpose of AEB is to engage adults and provide them with the skills needed for entering and sustaining work, an apprenticeship/traineeship, or other further learning and to achieve the equivalent of GCSE and A Level qualifications. The funding pays specifically for learning programmes (predominantly qualifications) and provides an element of learner support funding for those with learning difficulties and disabilities.
- 1.5 AEB supports the following legal entitlements to full funding for eligible learners:
 - First Full Level 2
 - First Full Level 3
 - English and Maths
 - Digital

In the national system, there are age restrictions regarding these entitlements, however through devolution, and consolidation of funding streams, the Combined Authority is removed these barriers and simplified access for residents of West Yorkshire.

- 1.6 Any adult over the age of 19 is eligible for support through AEB. In particular, the following people are entitled to access free training if they are:
 - Unemployed and seeking work
 - Wanting to achieve Level 2 in Maths or English for the first time
 - Earning a low wage (currently less than £23,400)
 - Wanting to achieve basic digital skills
 - Wanting to achieve their first GCSE or A Level equivalent qualification

AEB Strategy

- 1.7 The West Yorkshire [AEB Strategy](#) was developed as part of the preparation for and implementation of devolution. It highlights strengths, opportunities and challenges across the region and sets out key priorities for the devolved Adult Education Budget to ensure it supports the West Yorkshire Combined Authority's Strategic Vision.
- 1.8 The key priorities for the West Yorkshire Adult Education Budget are:
- Support the unemployed to gain and sustain employment
 - Unlock progression opportunities and career adaptability through skills, particularly for those on low wages and with insecure work
 - Make learning more inclusive to support disadvantaged residents
 - Increase the supply of skills to support key sectors in West Yorkshire
 - Improve West Yorkshire's resilience by identifying and delivering the skills needed for the future

AEB funding lines

- 1.9 AEB funding is made up of 4 components:
- Formula funding** – funding per learner, per qualification delivered. The funding rate achieved is based on the size/type of qualification and is weighted depending on a learner's status (eg unemployed) and based on areas of disadvantage. This constitutes around £45 million of the West Yorkshire AEB pot, and funds sector specific vocational programmes, along with English, Maths, ESOL, digital skills and employability programmes.
 - Community learning** is a sub-set of the Adult Education Budget. It is exceptionally flexible and operates on an open book accounting basis, with providers able to set their own fee policy, based on a set of funding principles. The purpose of Community learning is to develop the skills, confidence, motivation, and resilience of adults of different ages and backgrounds. Only LAs and FE Colleges hold this funding. Community Learning allocations account for £8.3million of the allocated AEB funds per annum in West Yorkshire, which is 13% of the total AEB pot.
 - Learner support** is available to provide financial support for residents with a specific financial hardship preventing them from taking part/ continuing in learning (i.e., travel, equipment, fee waivers).
 - Learning support** meets the cost of putting in place a reasonable adjustment, as set out in the Equality Act 2010, for learners who have an identified learning difficulty and/ or disability, to achieve their learning goal.

The Provider Base

- 1.10 Maintaining stability in the system was an important requirement from Department for Education in meeting the readiness conditions for devolution of AEB. Previously the AEB budget was split between 200+ providers: including 'grant holders' (Local Authorities and Colleges), and independent training providers
- 1.11 In West Yorkshire, commissioning of the AEB budget has been divided in to three routes:
- **West Yorkshire grant providers:** Local Authorities and the West Yorkshire Colleges – these are our local place shapers and have a strategic delivery role in supporting WY adults.
 - **Leeds City Region grant providers:** these neighbouring providers support learner choice and travel to learn/work patterns, thus reduced the need for cross-border agreements.
 - **Procured training providers.** The remaining allocations were procured through an open competitive tendering process to bring in specialist and targeted training provision for our residents and sectors of need.
- 1.12 From the commissioning exercises, there are now have 38 providers who deliver AEB funding provision to West Yorkshire residents. Subcontracting has been reduced from £9m to £1.5m, stripping out 20% management fees that take money away from learners.
- 1.13 Providers and their allocations can be found [here](#)