

# Discussion Paper

<b>TO:</b>	Al Kingsley Members of the Employment and Skills Board	Chair – Employment and Skills Board
<b>FROM:</b>	Parminder Singh Garcha	Senior Responsible Officer -Adult Education
<b>DATE:</b>	8 October 2021	
<b>TITLE:</b>	<b>AEB Commissioning Statement - Refreshing the Combined Authority's Commissioning Statement for the Adult Education Budget</b>	

## 1. Purpose

- a) To seek the views of the Employment and Skills Board on the Combined Authority's priorities for commissioning of the devolved Adult Education Budget (AEB) for 2022/23 academic year to 2024/25.
- b) To shape and inform the thinking and broad principles behind the AEB Commissioning Statement and the approach to be taken.

## 2. Background

From September 2019, the Combined Authority took responsibility for the commissioning of AEB from the Education and Skills Funding Agency (ESFA) for its residents. A budget of £11.9m was devolved to the Combined Authority from the national budget for 2019/20, based on historic patterns of delivery as opposed to local demographic need. A similar budget has been received for 2020/21 and 2021/22, with the addition of approx. £1m from the National Skills Fund.

The Combined Authority currently funds Further Education Colleges (FE), Adult and Community Learning (ACL) through the local councils and Independent Training Providers (ITPs) as published<sup>1</sup>. There are seven colleges and two ACL providers and eight ITPs that we commission.

FE and ACL are funded by recurrent grant funding arrangements and the Combined Authority intends to continue this arrangement, albeit with a more targeted approach and funding reconciliation to ensure maximum impact for citizens and businesses within the region.

ITPs are commissioned through a contract for services, which was let on a three-year cycle in 2019. This ends in July 2022, providing an opportunity to re-think and revitalise the local learning offer.

## 3. Previous Commissioning Strategy and Evaluation for 2019/20

<sup>1</sup> <https://cambridgeshirepeterborough-ca.gov.uk/what-we-deliver/skills/adult-education-budget/>

The previous strategy<sup>2</sup> was focussed on ensuring a smooth transition from the ESFA to the Combined Authority and building confidence in our ability to deliver and develop relationships.

Commissioning aimed to consolidate activity into a tighter, place-based group of providers that would be more responsive to local need.

An independent evaluation<sup>3</sup> of the first year of devolution was undertaken by Cambridgeshire Insights and is published on our website. The headline findings were:

- The total number of providers reduced significantly from 190 in 2018/19 to 17 in 2019/20, with an additional notable reduction in subcontracting.
- Providers reported being satisfied with the processes associated with the devolution of the budget and particularly highlighted the beneficial impacts of a closer working relationship with the Combined Authority. The more localised network has helped providers tailor their provision successfully to existing employment and skills-based demand.
- Adult education delivery in the CPCA area has rebalanced with a lower proportion of Community Learning and a higher proportion of Adult Skills learning in 2019/20.
- The proportion of all learning aims which were delivered to learners from areas of high deprivation increased from under a quarter (22%) in 2018/19 to just over a third (34%) in 2019/20. This shift has in part been driven by an increase in Fenland and Peterborough, which are the CPCA districts that have the highest number of areas falling in the top 20% most deprived nationally.

#### 4. Broad principles for the refreshed Commissioning Statement

The following seven broad principles have been developed for the new statement:

- **Not another strategy!** - the previous strategy was over 30 pages. The new Commissioning Statement will be concise and focus on the courses, sectors, and provision we expect our commissioned providers to deliver.
- **Strategic Alignment** – it's focus is to guide our AEB Commissioned providers to better align to our evidence-base of strategies, which have been developed in co-production with all stakeholders, employers, civic-society, and providers, taking a 'system-wide' approach to improve progression in-work and/or to higher levels of study.
- **More Granular** - articulate the activity and qualifications more specifically through publishing fundable qualification 'Green Lists', within a basket of funding flexibilities, aiming to widen participation in adult learning and creating a 'skills escalator' to

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<sup>2</sup> [AEB-Commissioning-Strategy-2020-25-v2.pdf \(kinstacdn.com\)](https://mk0cpcamainsitehdbtm.kinstacdn.com/wp-content/uploads/documents/skills/adult-education-budget/CPCA-AEB-Devolution-Evaluation-Report-2020.pdf)

<sup>3</sup> <https://mk0cpcamainsitehdbtm.kinstacdn.com/wp-content/uploads/documents/skills/adult-education-budget/CPCA-AEB-Devolution-Evaluation-Report-2020.pdf>

- **Maximise Investment** – reaching deeply into areas of skills deprivation across the whole of the region and over-delivering in to make a compelling case of increased funding for the region. Use devolved AEB as leverage for attract more funding.
- **Partnership** - strengthening collaboration and opportunities to co-operate to improve outcomes
- **Flexible and adaptable** - refine and enhance the Commissioning Statement so that it evolves to meet local needs and changing economic conditions.
- **Encourage Quality Improvement and Innovation** – enabling continuous quality improvement across the system. Creating the right conditions to test new and different approaches which improve the system and boost outcomes for learners and the economy.

## 5. Commissioning themes:

The vision within the Commissioning Statement is of a 'Skills Escalator' – providing opportunities through the life-course, to progress in work or learning.

The specific commissioning themes are:

1. **The Youth Offer (sometime called a “Youth Opportunities Guarantee”)** – for 19–24-year-olds, who have not achieved their first Level 3 qualification with English, maths and digital, to 'package' a new programme from the existing suite of vocational qualifications plus 'add-ons' such as sustainability, employability, enrichment, careers, and work-experience.
2. **First Full Level 2 (and second Level 2 for career changers)** for all ages from a qualification 'Green list' for employed or unemployed.
3. **First Level 3 (and second Level 3 for career changers)** for all ages from a qualification 'Green list' for employed or unemployed.
4. **Targeted Level 4** – HNC and HND qualifications in FE where there are skills shortages\*(subject to DfE approval) for specific cohorts who may not take-out loans or from SMEs.
5. **Skills for Life:** English, maths, essential digital skills, and English for Speakers of Other Languages – increasing the enhancing the offer. Looking at vocational and intensive ESOL to help learners progress into employment quicker.
6. **Growth and Priority Sectors** – publication of Qualification Green Lists to identify the qualifications for each growth and priority sector we would prioritise, plus flexibility to respond to employer or sectoral needs (eg HGV Driver training, Retrofit Skills)
7. **Place-Based Focus** – on areas of relative and skills deprivation, based on IMD 2019 and identifying provision 'Cold-Spots'. Community Learning under-pinning wider outcomes such as health and wellbeing, connected and cohesive communities and volunteering.

## **6. Commissioning Approach**

For Grant-funded providers, we are seeking approval for a Three-Year Plan Led approach from 2022/23. Subject to the necessary performance benchmarks being agreed and DfE funding remaining consistent, Grant-funded provider will be invited to co-produce a Three-Year Plan to enable provision to be planned and investment in staff and resources.

For ITPs, we will be undertaking open and competitive tendering from January 2022, with the tender specification and 'lots' broadly aligned to the above commissioning themes but with a more defined sectoral approach.

## **7. Discussion Points:**

- Commissioning of adult education across the region, is one of the levers that the Combined Authority, together with our partners has, to shape and influence the skills system. Do you consider the broad principles above for the AEB Commissioning Statement to be appropriate, if we are to think of the Commissioning Statement, as a tool for improving impact and outcomes?
- Are the Commissioning Themes above sufficient or is there more that should be included?
- From an employer perspective, what would like to see the Combined Authority and Providers do more of, or do differently?