



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY (CPCA)

Devolved Adult Education Budget 2021-22
ANNEX C: DfE Annual Return

PURPOSE:	This return is in compliance with the Ministry of Housing, Communities and Local Government's (MHCLG) National Local Growth Assurance Framework (September 2021), Annex C , for return by 31 January 2023. This return sets out the successful delivery of Devolved AEB during the third year of devolution, within the Cambridgeshire and Peterborough Mayoral Combined Authority (CPCA).
REPORTING YEAR:	2021/22 Academic Year
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DATE OF SUBMISSION:	31 January 2023
SUBMITTED TO:	Department for Education Adult.SkillsDevolution@education.gov.uk
GOVERNANCE APPROVAL:	Skills Committee - 9 January 2023
LOCAL ASSURANCE FRAMEWORK:	CPCA's approved Framework has been published here , setting out arrangements for monitoring and evaluation (M&E), including AEB and accountable and transparent decision making for grant awards, contracts and policy changes. The required information for Mayoral Combined Authorities to return, as per MHCLG's National Growth Assurance Framework (September 2021), Annex C is set out below:

Appendix C: AEB Annual Return 2021/22

A. General Context

Cambridgeshire and Peterborough Combined Authority (“the Combined Authority”) has continued to build on the strong foundations established over the first two years of devolution since 2019/20. AEB is managed by a team of four FTE. Further functions such as finance, legal, marketing and procurement are provided corporately. Data management and analysis is provided through a Service Level Agreement with Cambridgeshire Insights (part of Cambridgeshire County Council). A top-slice of 3.4% from the AEB allocation is taken to fund the management of the programme.

Governance: The Combined Authority (CA) has continued to ensure strong and rigorous governance over AEB, with **accountable and transparent decision making** and delegation through the Skills Committee, in line with the CA’s Constitution. Key decisions are recommended to the CA Board for approval via the Skills Committee. Papers for all Skills Committee meetings (including recordings of live streaming) are available at this link: [Skills Committee Meetings](#)

There is open and transparent decision making, with all policy and funding decisions approved through the Skills Committee, with key decisions such as funding decisions (above £500,000) and key policy changes approved at the Combined Authority Board. All Board and Skills Committee reports regarding AEB in 2021/22, are public documents and available on the [CA website](#).

The Skills Committee is chaired by Cllr Lucy Nethsingha (Leader of Cambridgeshire County Council) since April 2021. The remaining members of the Skills Committee, are six elected members, who are the skills portfolio leads for our constituent member councils. The Chair of the Overview and Scrutiny Committee is also in attendance at Skills Committee.

The **Overview and Scrutiny Committee** meets monthly to review or scrutinise decisions and actions taken by the CA or the Mayor. All papers from the Skills Committee are received by the Overview and Scrutiny Committee. Written responses to questions from the Overview and Scrutiny Committee are provided at the proceeding Skills Committee.

Public Questions: The public may ask questions to the Skills Committee and/or CA Board. To note, there was one question from a member of the public regarding adult education in 2021/22.

Programme Management: In compliance with the CA’s *Ten-point Project Management Guide*, a Programme Board is convened half termly, consisting of cross-departmental CA staff, for operational performance monitoring and to provide internal challenge and support. Monthly monitoring and highlight reports are produced. A Risk and Issues Register is maintained and updated on a monthly basis. These are monitored by the corporate Programme Management Office (PMO) with governance through the Programme and Risk Monitoring Committee (PARC) that is convened monthly.

Employer Voice: Our co-terminus Local Enterprise Partnership, The Business Board and the Employment and Skills Board (the Skills Advisory Panel for the sub-region) also receive reports on AEB. Analysis of AEB is included in the Skills Advisory Panel Report. This ensures employer, provider and wider stakeholders such as DWP and Universities are able to challenge, support and make policy recommendations. An example of this is a [Business Board report](#) on Employed Status learners and early findings on the impact of AEB since devolution that was presented to the Board on 10 January 2022.

Internal Assurance and Audit: RSM were instructed to review internal controls from transactions made to commissioned AEB providers in 2020/21 and reported findings in February

2022. Overall, the final report confirmed that controls in relation to AEB were primarily well designed and complied with and the Board can take **reasonable assurance** that controls upon which the CA relies to manage AEB are suitably designed, consistently applied and effective. The report also highlighted recommendations to improve internal processes. These were two medium priority actions around strengthening provider due-diligence and reconciliation processes. one will be monitored by the CA's Audit and Governance Committee.

Audit of Providers: An Audit Plan is in place, with four providers (two FE Colleges and two ITPs) receiving a funding audit in 2021/22. External audit firms – RSM and Mazars have been instructed to undertake provider financial assurance functions.

Local Assurance Framework: The CA's [Local Assurance Framework](#) sets out the processes for ensuring accountable and transparent decision making, roles and responsibilities, project management, monitoring arrangements and evaluation. The first independent evaluation of AEB is published [here](#). The second year evaluation is published on the Combined Authority website and available [here](#).

Quality Assurance of Providers: In supporting continuous improvement across the system, the CA reviews provider's Self-Assessment Reports and Quality Improvement Plans and provides appropriate feedback. A practicing Ofsted inspector has been engaged to undertake Quality Assurance visits for any providers that have not been inspected by Ofsted and develop action-plan for improvement. Progress monitoring visits are arranged as appropriate.

Continuous Improvement Cycle: A Continuous Improvement Cycle has been developed following the Internal Audit undertaken by RSM to drive process improvement. This has included completion of a peer-review process through the convening of a 'Deep Dive Panel' to provide external challenge. This resulted in a set of recommendations being taken forward. A 'Health-Check' was also undertaken by

• **Adult Education Policies and Funding Flexibilities**

The Combined Authority's vision, set out in the refreshed [Employment and Skills Strategy \(2022\)](#) is to enable a successful, globally competitive economy offering high-skilled, well-paid, good quality jobs, delivering increased productivity and prosperity to support strong, sustainable and healthy communities. This is enabled by an inclusive, world-class local skills system that matches the needs of our employers, learners and communities. The AEB plays a key role in delivering outputs and outcomes within the strategy. In the 2021/22 academic year, we have made significant progress towards delivering the strategy and highlights are summarised below:

- contract with **eight** grant funded Colleges and Adult Learning Institutes and **eight** Independent Training Providers. Allocations for 2021/22 are published [here](#).
- support economic recovery as per our [Local Economic Recovery Strategy](#) through AEB funded opportunities for reskilling and upskilling. Building referral routes through DWP for the unemployed and the CA's [Growth Works for Skills](#), our skills brokerage service. A [Course Finder Tool](#) was created to promote local courses
- embed the performance management cycle in line with the published process and [AEB Funding Rules](#). The Funding Rules were updated three times a year in line with national changes such as HGV driver training
- monitor all providers using the CA's AEB Performance Dashboard, with Quarterly Review Meetings taking place and a risk-proportionate approach taken
- embed robust contract management processes. This has entailed rebasing the funding allocations of providers who were underperforming and terminate contracts for unsuccessful providers. Two contracts from 2020/21 were ended for providers who

withdrew from AEB delivery. Funding agreements and contracts for high-performing providers were also increased in-year to make our local system more responsive

- responding to the national HGV driver shortage by commissioning at-pace two providers locally, working in partnership with the Road Haulage Association.
- provide system-leadership, utilising AEB to promote co-operation and partnership in the furtherance of our Employment and Skills Strategy. This was co-produced with providers and stakeholders, to build trust and partnership. To improve the local skills system through regular briefings, intelligence sharing and input into CA policy and process development
- facilitate opportunities for all providers to contribute to policy and practice through convening 'AEB Think Tank' workshops. These included input from HOLEX, Association of Colleges and Association of Employment and Learning Providers, to provide national policy insights and local challenge
- introduce an **Innovation Fund** – small grants programme, utilising the AEB 'recycled' funds from previous years plus a recurrent £0.5m allocation. The Skills Committee of September 2021 approved the creation of two additional strands within the Innovation Fund, for 1) Provider Capacity Building and 2) Strategic Partnership Development and allocated £0.25m from unallocated AEB from 2020/21 to each fund. This created a fund of £1m available for the Innovation Fund for 2021/22. The purpose of the fund was refined with the following objectives:
 - Support the Innovative engagement of atypical learners in disadvantaged areas
 - Piloting employer responsive approaches that result in job outcomes
 - Environmental sustainability/net zero projects
 - Continuation funding for a small number of successful projects from 2020/21, that require an additional year of funding to test and deliver.

Fourteen projects were supported and funding of c£0.9m allocated.

- enable **Citizen engagement** - Consult with providers, local stakeholders and citizens on future funding flexibilities and priorities (over 100 people replied to our open AEB consultation in February 2022) providing views on funding policy
- implemented a responsive 'light-touch' commissioning process to bring new HGV provider on-board Four providers have commenced delivery to fill gaps
- continued to promote the **Level 3 Adult Offer / Free Courses for Jobs**. Implemented a promotional campaign '[Unlock with Level 3](#)' to promote the level 3 Offer to potential learners. Increasing the proportion of the AEB budget and proportion of enrolments onto level 3 courses is a key target for the CA, given the skills gaps in the sub-region. Level 3 increased from 0.94% of all enrolments in 2019/20 to 3.4% of all enrolments.
- Greatly increased the communications function and number of press releases, with regular coverage in local publications and social media channels to promote AEB and the impact in our local communities. Improved the information available on the CA's website with a dedicated [AEB webpage](#)
- Links to some notable **good news stories** are included below:

<https://cambridgeshirepeterborough-ca.gov.uk/news/307-ukrainian-refugees-in-cambridgeshire-and-peterborough-have-accessed-english-lessons-to-help-them-resettle/>

<https://cambridgeshirepeterborough-ca.gov.uk/news/combined-authority-funded-hgv-training-driving-new-careers/>

<https://cambridgeshirepeterborough-ca.gov.uk/news/working-in-ae-inspired-me-to-study-medicine-at-cambridge-university/>

<https://cambridgeshirepeterborough-ca.gov.uk/news/cambridgeshire-peterborough-combined-authority-commits-support-the-armed-forces-community/>

<https://cambridgeshirepeterborough-ca.gov.uk/news/national-numeracy-day-2022-celebrating-numbers-in-everyday-life/>

<https://cambridgeshirepeterborough-ca.gov.uk/news/have-your-say-on-improvements-to-adult-education-spending/>

<https://cambridgeshirepeterborough-ca.gov.uk/news/mayor-meets-haulage-industry-leaders-as-combined-authority-funding-continues-for-hgv-driver-training/>

<https://cambridgeshirepeterborough-ca.gov.uk/news/salihs-journey-care-leavers-week-case-study/>

<https://cambridgeshirepeterborough-ca.gov.uk/news/new-skills-bursary-to-help-more-young-people-leaving-the-care-system-into-good-jobs-and-careers/>

Funding Flexibilities:

We have enhanced our local offer by providing funding flexibilities to broaden access and widen participation of adult learners. In 2021/22, they were:

- Fully funding first full level 2 qualifications for 24+
- Fully funding first level 3 qualifications (as per Free Courses for Jobs) and additional second level 3 flexibilities into growth and foundational sectors
- Fully funding English for Speakers of Other Languages (ESOL) and allowing delivery in the work-place
- A 4% funding premium for residents living in the 20% relatively most deprived areas in the sub-region extended
- Low wage scheme - threshold increased to **£20,000** before fees become payable by learners
- Care Leavers 19-22 Bursary of £1200 to support their continuation in further education
- Armed Forces Covenant Offer – full-funding for forces and families
- Level 4 and Level 5 CELTA and TESOL flexibility.

A public consultation is undertaken in February each year, to consult on proposals for funding flexibilities and policy changes for the following year. This gives all stakeholders and members of the public an opportunity to input and engage with AEB. This is one of the unique benefits of devolution in bringing greater transparency and citizen engagement and to our programme.

B. Spend from AEB in 2021/22 academic year

1 August 2021 to 31 July 2022

Income	
DfE AEB Grant	£ 11,959,794
DfE Level 3 courses	£ 833,623
Total Income	£12,793,417
Expenditure	
Programme delivery – grants and contracts	£11,105,886
Programme management	£460,523
Level 3 courses*	£512,261
Local Innovation Fund	£499,346
Total Spend	£12,578,016

*Reconciliation of level 3 courses and further payments relating to 2021/22 academic year are expected (spend c£700K) but not finalised at the time of writing this report.

C. Analysis of Delivery in the Area

The following table sets-out the overall participation for the 2021/22 academic year:

Overall Participation in AEB Funded Provision		
Funding Category 2021/22	Learner Participation*	Number of Enrolments
Adult Skills Learning (Including Learning Support Funding)	8,678	13,392
Community Learning	2,365	3,258
Total	10,550	16,650

Source – Individualised Learner Record (2021/22, R14), Education and Skills Funding Agency

NOTE: *Learners are counted using a count of UKPRN+Learner Reference Number. A learner who has taken part in learning across multiple providers may, therefore, be double counted. As a learner can enrol in multiple learning aims an individual may have taken part in both Adult Skills and Community Learning aims. Therefore the total will not equal an addition between the number of Adult Skills Learners and Community Learners

The trend of increasing participation in adult learning continues in 2021/22. Compared to the 2020/21 academic year, there was an

- 8% increase in enrolments
- 7% increase in learner participation
- 17% increase in funding earned by providers

D. Local Impact

Learners Exercising their Statutory Entitlement to Full Funding

The following table sets out the number of learners, enrolments and adult skills funding that were a part of the legal entitlement for eligible learners. That is:

- English and maths, up to and including level 2, for residents who have not previously attained a GCSE grade A* - C or grade 4, or higher, for residents aged 19 and over
- First full qualification at level 2 for residents irrespective of age; and
- First full qualification at level 3 for residents aged 19 to 23
- Essential Digital Skills up to level 1

Entitlement 2021/22	Learner Participation*	Number of Enrolments
Digital	38	39
English	902	991
Maths	741	799
Level 2	36	36
Level 3	152	160
All Entitlement	1,542	2,025
Non-Entitlement	7,562	11,367
Total Adult Skills	8,678	13,392

Source – Individualised Learner Record (2021/22, R14), Education and Skills Funding Agency

NOTE: * Learners are counted using a count of UKPRN+Learner Reference Number. A learner who has taken part in learning across multiple providers may, therefore, be double counted. As a learner can enrol in multiple learning aims an individual may have taken part in both Adult Skills and Community Learning aims. Therefore the total will not equal an addition between the number of Adult Skills Learners and Community Learners

There was a modest increase in participation in learner entitlement by 2.8% compared to 2020/21. However, enrolments in English and maths have remained static between years. Enrolments on Essential Digital Skills entitlements are slowly growing but have remained low. Since devolution, the number of ESOL enrolments increased in Cambridgeshire and Peterborough. There was a +23% increase between 2020/21 and 2021/22.

E. Achievements

The following table shows the enrolments for 2021/22 against their **completion** status:

Funding Model	Total Enrolments	Completed Learning Activities	Withdrawal Break in Learning or Transfer to New Aim	Study Continuing
Adult Skills	13,392	10,780	1,670	942
Community Learning	3,258	2,981	212	65
All Enrolments	16,650	13,761	1,882	1,007

Source – Individualised Learner Record (2021/22, R14), Education and Skills Funding Agency

The table below shows the enrolment by funding model and their **achievement** status:

Funding Model	Total Enrolments	Achieved	Partial Achievement	No Achievement	Withdrawal, Break in Learning or Transfer to new aim	Study Continuing or Outcome Unknown
Adult Skills	13,392	9,977	51	750	1,670	944
Community Learning	3,258	2,936	10	35	212	65
All Enrolments	16,650	12,913	61	785	1,882	1,009

Source – Individualised Learner Record (2021/22, R14), Education and Skills Funding Agency