

BUSINESS BOARD	AGENDA ITEM No: 3.1
DATE: 27 JANUARY 2020	PUBLIC REPORT

THE STRATEGIC ROLE OF THE ADULT EDUCATION BUDGET IN DELIVERING THE LOCAL INDUSTRIAL STRATEGY

1.0 PURPOSE

- 1.1. To inform the Board of the strategic role of the Adult Education Budget in the delivery of skills within Cambridgeshire & Peterborough, and how it delivers to the priorities of the Local Industrial Strategy.

<u>DECISION REQUIRED</u>	
Lead Member:	Councillor John Holdich
Lead Officer:	John T Hill, Director of Business & Skills
Forward Plan Ref: Insert ref no on FP	Key Decision: No
<p>The Business Board is recommended to:</p> <p>(a) Note the role of Adult Education in the delivery of skills for Cambridgeshire & Peterborough and how it delivers to the priorities of the Local Industrial Strategy.</p>	

2.0 BACKGROUND

- 2.1 As of 2019 the Adult Education Budget is devolved to the Combined Authority and was previously managed by the Education and Skills Funding Agency (ESFA) on behalf of the Department for Education (DfE). AEB covers skills provision for learners aged 19+, including Adult Community Learning and enables more flexible tailored programmes of learning to be made available, which may or may not require a qualification, to help eligible learners engage in learning, acquire new skills, build confidence and, or enhance their wellbeing.

2.2 Adult Education Budget provision can be in a variety of settings and by a range of different types of providers including: General further education (FE) colleges; Specialist colleges; Local authorities; Independent training providers; Institutes for adult learning; Sixth form colleges; and Universities. The Adult Education Budget provides funding for programmes of learning up to level 2 (GCSE level equivalent) and some level 3 qualifications (A level equivalent), dependant on eligibility. It does not fund all level 3 learning, or higher-level skills programmes at level 4 and above. These are funded through Advance Learner Loans or Higher Education funding.

2.3 Adult Education is a key strategic tool in the local skills system and was a devolution deal requirement of the Cambridgeshire & Peterborough Combined Authority CPCA Devolution Deal 2017. The goal for the deal was to focus a greater proportion of the resource on learning that delivered job outcomes, productivity and economic growth. However Adult Education is only one component part of the local skills eco system and it is important as a foundation stone on the delivery of learning to people. The Cambridgeshire & Peterborough Local Industrial Strategy has identified through the 'people' chapter an ambition to; *'Improve and grow the local skills base to support a successful, globally competitive economy and labour market grounded in high skills and better paid jobs, increased productivity and growing strong sustainable communities.'* Within the Strategy it is proposed to implement changes to the devolved AEB to change how it is invested and the related outcomes for individual opportunity and business needs.

2.4 Adult Education Budget priorities include:

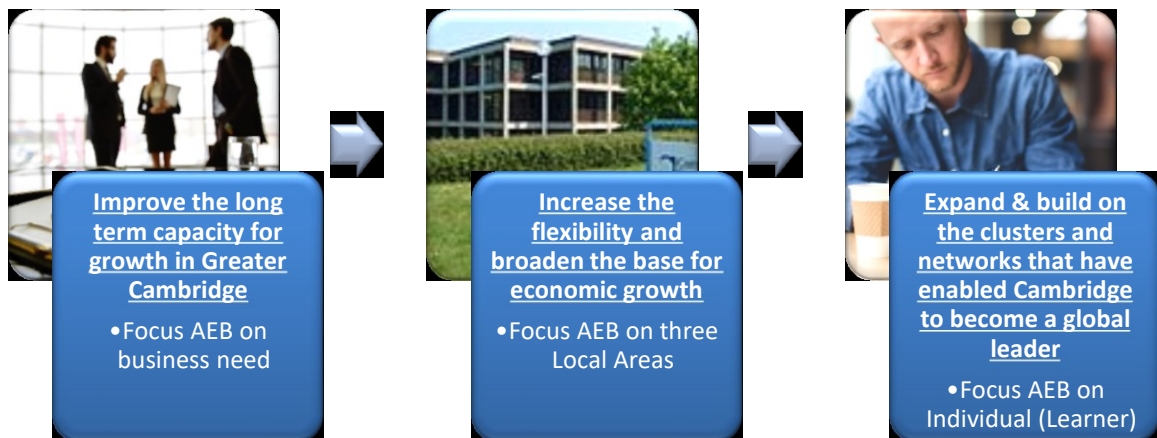
- target sustainable employment.
- target low-skilled and low-paid adult residents in the workforce.
- secure skills at level 2 and above.
- increase digital provision.
- increase flexible delivery of learning that supports adults in work to upskill.
- target people in priority communities – Peterborough and Fenland
- improve progression between levels particularly from level 1 to level 2 and from level 2 to level 3.

3.0 Cambridgeshire & Peterborough Localising the Adult Education Budget in 2019/20; How we deliver to the Local Industrial Strategy.

3.1. In early 2019 the Combined Authority undertook to align the Local Industrial Strategy priorities and identified key industry sectors, within the commissioning of adult education for academic year 2019/20. In undertaking this a procurement exercise was enacted that focused on the AEB being utilised for skills training on key industry sectors, and geographical areas as identified within the Local Industrial Strategy. This was successful in securing skills provision in training on health and social care, information, communication &

technology, logistics, customer service, business administration, and functional English and Maths.

- 3.2. Alongside the procurement programme of activity for providers to bid for, Officers of the Combined Authority worked with Grant Providers within the area to reshape and redesign their AEB programme. This was undertaken through working collaboratively on local institutional delivery plans which identified the key priorities of the Local Industrial Strategy, and the Skills Strategy.
- 3.3. AEB is a foundation tool to enable and support the three priorities of the Local Industrial Strategy [LIS]. Through improved local commissioning the 3 priorities of the LIS are integrated within the AEB system, with a greater focus on business need, improved focus on area, and improved opportunity for learners.
- 3.4. Diagram A below highlights the 3 Priorities of the Local Industrial Strategy and the relationship with AEB Commissioning priorities. A key focus of the Local Industrial Strategy is to double GVA, analysis undertaken in the Economic Value of Qualifications has shown that individuals who have secured qualifications above Level 2 will have lifetime productivity gains of more than £100,000. It is therefore important to enable progression for learners to secure lower and medium qualifications as well as higher qualifications in the pursuit of increased GVA for Cambridgeshire and Peterborough.



- 3.5. Through the new local commissioning process the Combined Authority have reduced the number of providers operating within its area from 174 in 2017 to 17 in 2019. The grants allocated to out of area providers have been reprofiled to focus on the activity acquired through the local procurement and additional resources. The AEB provision has now been operating for 6 months and is projected to:
 - (a) Have increased investment in Fenland and Peterborough
 - (b) Improved the quality of learning and reduced leisure courses
 - (c) Provide more Entry Level, Level 1, Level 2, Level 3 courses

- 3.6. Providers operating in the Combined Authority area have undertaken changes to how they delivery Adult Education, notably Cambridgeshire County Council have reprofiled their delivery to be focused on qualifications over other types of course provision. The implication of this will be a reduction in the volume of learners, but an increase in quality through provision of more courses with a qualification.
- 3.7. Officers within the Combined Authority are aiming to connect a pathway for progression of learners by developing a programme of activity that supports learners furthest from the market, with mid-level qualifications and higher qualifications. This is undertaken by developing key programmes of activity within the local skills system, being at the foundation level, AEB, and the intermediate level, apprenticeships, and at the higher level, the University of Peterborough.

4.0 Next Steps in delivering a flourishing Adult Education system in Cambridgeshire and Peterborough.

- 4.1. The delivery of Adult Education in Cambridgeshire and Peterborough now offers an opportunity to refine and focus the devolved funds in a new way to maximise outcomes and impacts for the area over the medium to long term. The Combined Authority are now leading on a journey through developing a new Commissioning Strategy with key partners, that will offer an exciting new vision and shared mission, with new different methods of working, new policies in local delivery bespoke to Cambridgeshire & Peterborough. This may include a greater focus on funding to AEB Skills and Community Learning in certain geographical areas of Cambridgeshire & Peterborough, with a greater focus on outcomes. To enable an improved impact for AEB the Commissioning approach will aim to;



- (a) Ensure that economic growth is shared by all and seek to reduce polarisation creating a more balanced economy with opportunity for all.
 - (b) Create improved access to allow more people who are low qualified, and low paid individuals to access education, training and skills; whilst also ensuring that the AEB priorities are more focused and relevant.
 - (c) Enable a holistic approach to skills provision, with an integrated offer connecting social, economic and skills development.
- 4.2. The Combined Authority will need to connect the different skills products that it provides. This will need to be undertaken with the Skills Strategy and operational delivery plans for the AEB, Apprenticeships and University of Peterborough programme focused on the priorities identified.
- 4.3. To start the process of adapting the systems and processes for AEB, officers of the Combined Authority have started a consultation process with providers and stakeholders to consider what funding rules changes could be implemented to achieve an improved skills system that provides the learning required to the individual and business. For example; the Funding Rules could be adapted to support people on a low wage to secure free learning in certain areas or certain industry sectors. Another example could be that the Funding Rules can be adapted locally to provide opportunity for learners and businesses to access free learning to a higher level such as providing fully funded level 3 qualifications in certain specialisms. This level of change would be designed with both the individual and business at the helm of the design.
- 4.4. This change does invoke certain challenges in implementation, both for the provider in mobilising and marketing the courses, for the input of data into a national system, and for the performance management of the commissioners.
- 4.5. The Business Board will have an important role in the delivery of an inclusive and connected skills system, with the AEB being a key component that is within the control of the Combined Authority. The Business Board are a key stakeholder in influencing and shaping the future delivery of the AEB and the wider skills system in the Cambridgeshire and Peterborough area.

5.0 FINANCIAL IMPLICATIONS

- 5.1. There are no direct financial implications, any interventions, or changes to current AEB delivery models, with significant implications which are identified through current workstreams would require a separate approval.

6.0 LEGAL IMPLICATIONS

- 6.1. The Combined Authority is empowered to undertake the delivery of Adult Education skills for Cambridgeshire and Peterborough by way of Articles 3, 4 and 5 of the Cambridgeshire and Peterborough Combined Authority (Adult Education Functions) Order 2018 (SI 2018 No. 1146).

7.0 IMPLICATIONS FOR NATURE

7.1 Not applicable

8.0 OTHER SIGNIFICANT IMPLICATIONS

8.1. There are no other significant implications.

9.0 APPENDICES

9.1. None

<u>Background Papers</u>	<u>Location</u>
<p>List background papers:</p> <p>Key papers are on the AEB Micro Website</p> <p>AEB Micro Website including key papers</p> <p>CPCA Devolution Deal 2017</p> <p>Cambridgeshire & Peterborough Local Industrial Strategy</p> <p>Economic Value of Qualifications</p>	