



SKILLS COMMITTEE	AGENDA ITEM No: 2.2
9 MARCH 2020	PUBLIC REPORT

ADULT EDUCATION BUDGET COMMISSIONING STRATEGY 2020-25 AND REDISTRIBUTION SYSTEM

1.0 PURPOSE

- 1.1 The report recommends approving the Adult Education Budget (AEB) Commissioning Strategy for 2020 to 2025.

<u>DECISION REQUIRED</u>	
Lead Member	Councillor John Holdich
Lead Officer:	John T Hill Director of Business & Skills
Forward Plan Ref: KD2020/25	Key Decision: Yes
The Skills Committee is recommended to: (a) Endorse and approve the Adult Education Budget Commissioning Strategy for 2020-2025	Voting arrangements Simple majority of all Members

2.0 BACKGROUND

- 2.1 The Adult Education Budget (AEB) is a single funding stream that brings together adult further education (19 years plus provision with the exception of apprenticeships and traineeships), community learning, and discretionary learner support. It aims to support more flexible tailored programmes of learning to support learners to engage in learning and to ensure that adults can develop the essential skills needed for both life and work.

- 2.2 The AEB is the most substantial source of funding for adult learning in Cambridgeshire & Peterborough and devolution of the £11.53m funding to the region provides an opportunity to do things differently. Devolution provides local partners with the opportunity for greater influence over how funding is used to support Cambridgeshire & Peterborough priorities, ensuring high quality adult education is available across the region from 2019/20.
- 2.3 Adult education and skills provision is a key part in delivering Cambridgeshire & Peterborough's vision by 2030. Through the targeted commissioning of AEB the region should be better able to support local learners, employers and communities, equipping adults with the skills and learning they need for further learning, more sustainable employment and to continue to progress and fulfil their ambitions.
- 2.4 This paper sets out the Combined Authority's approach to delivering an AEB commissioning strategy that meets the region's needs for now and in the future.

National context

- 2.5 After the First World War, a Ministry of Reconstruction Adult Education Committee's report stressed the social and economic importance of adult education. One hundred or so years on a number of leading educational leaders marked the anniversary of the 1919 report and set out a recharged vision for the next century in a report called "A Permanent National Necessity...Adult Education and Lifelong Learning for 21st Century Britain" (18 November 2019). It describes a number of key challenges and ambitions to successfully rejuvenate provision of adult education in the UK following a 45% fall in adult education participation in the last 10 years. There were similar themes to a century ago
- (a) Framing and delivering a national ambition
 - (b) Ensuring basic skills
 - (c) Fostering community and dialogue
 - (d) Promoting creativity, innovation and informal learning
 - (e) Securing individual learning and wellbeing
 - (f) Attending to the world of work
- 2.6 In addition, the government has facilitated in the last year a number of national and education, lifelong learning and skills reviews. A Review of post 18 education and training by Augar was published in May 2019. The aim was to review the post 18 education system and ensure that it was fit for purpose across all qualifications, offering adequate opportunities for progression for all.
- 2.7 It made a number of recommendations on the future of further and higher education funding and how to ensure the education system meets the needs of the UK economy.
- 2.8 The main recommendations included
- (a) A first free full level 2 and 3 qualification for all learners
 - (b) Introducing maintenance support for level 4 and 5 qualifications
 - (c) Reintroducing maintenance grants of £3,000 for disadvantaged learners

- 2.9 If the Government does implement the Augar Report it should result in increased funding for Further Education and a more coherent and cogent approach to addressing the national shortage of higher level technical skills.
- 2.10 It is unclear how these recent reviews and recommendations will influence future spending, it has however, significantly raised the profile of the importance of adult learning.

3.0 AEB devolved funds and increased flexibilities

- 3.1 The recommendations coming from the post 18 review as well as our own consultation with the local adult learning sector imply the introduction of new flexibilities to the funding stream. The aim is to remove barriers and make it easier for people to access the skills and education they need to progress in life and work.
- 3.2 The flexibilities which best align with the CPIER, Local Industrial Strategy, the Skills Strategy and the AEB Commissioning Strategy and most support the region to tackle the local challenges it currently faces are:
- (a) Ensuring free training and education for all residents without a first full level two qualification. Low skills levels are associated with lower rates of employment, higher rates of inactivity and poor health in Cambridgeshire & Peterborough. There are still too many residents with low level or no qualifications, leaving Peterborough and The Fens in the bottom 10% for education deprivation in the UK.
 - (b) Providing free learning for the employed residents earning below the national living wage. Cambridgeshire & Peterborough will be able to fund more residents who are employed / self-employed in low pay/ unstable work and who previously have been co funded. This will develop the skills needed for residents who are on low pay and need to move into better quality employment, to progress in work and to continue to develop the skills they need for good quality work both now and in the future.
 - (c) Higher participation funding rates for residents in Peterborough and Fenlands. This builds on the three sub economies in one, as set out in the CPIER and seeks to increase adult learning participation rates in the north of the region with a corresponding improvement in outcomes and impacts. There is a case to extend this increase to the East Cambridgeshire district.
 - (d) Better alignment of Adult skills provision and employment support for residents. This is to facilitate provision and sustained employment for those residents facing a number of challenging and complex barriers to accessing opportunities and includes care leavers, long term unemployed with health problems, ex- offenders and the over 50's. Providing support for residents furthest from the labour market and most

in need demands more than education and skills training alone. It will allow more flexible pathways through other funded programmes and to work more closely with our partners such as local authorities, the voluntary sector, DWP and local employers to improve the offer of support for residents to overcome the barriers which prevent them from participating in learning and employment.

4.0 Commissioning of Adult Education

- 4.1 The CPCA has set out the strategic ambition for Skills in the Ambition 2030 Strategy. The Skills Strategy has also identified that the AEB is a mechanism to deliver an improved skill offer for the residents of Cambridgeshire and Peterborough. In November 2018 the Skills Committee and CPCA Executive Board approved a Commissioning approach for AEB for academic year 2019/20; this outlined a series of principles which officers enacted to deliver both grant and procured funding, whilst specifying guidance to providers.
- 4.2 The AEB Commissioning undertaken for 2019/20 achieved a mix and balance and increase in (a) procured funding from 2017/18 by £0.9m; and (b) investment in local grant providers from £8.1m. This was achieved by reclaiming grant provision from out of area providers. The CPCA agreed with the Department for Education (DfE) through a Memorandum of Understanding not to destabilise local grant providers through disinvestment, however, officers have worked with Grant Providers to complete Individual Institute Delivery Plans that were aligned to CPCA policies. Further the focus of Commissioning and then procuring allowed for better investment alignment in learning to local business and industry sector priorities as identified in the Local Industrial Strategy and Skills Strategy.
- 4.3 The Commissioning of AEB in 2019/20 has also seen a significant reduction in the number of providers contracted to provide services. In 2017/18 the Education Skills Funding Agency had 196 providers delivering to residents in Cambridgeshire and Peterborough. This year the CPCA has awarded 12 grant contracts and 5 procured contracts. This will allow for a more focused strategic relationship and understanding to be built between the 17 providers and the CPCA in the delivery of AEB.
- 4.4 The 2019/20 academic year will allow for the first baseline year of devolved AEB funding providing the CPCA as commissioner, to acquire and improve understanding of how AEB funding is being invested locally, which in turn will allow for a more refined service to be developed and delivered post 2020.
- 4.5 This report provides an updated Commissioning Strategy (attached at Appendix 1) which sets out the CPCA priorities for allocating and funding the devolved AEB from 2020 onwards. The AEB will link with other activity aimed at supporting residents to progress in learning and to move towards or into productive and sustained employment.
- 4.6 The Commissioning Strategy focuses on key competencies such as literacy, numeracy, digital capabilities and employment skills, and seeks to show an

education pathway throughout adulthood that will improve the agility and flexibility of the local labour force.

- 4.7 The Commissioning Strategy provides a structured dynamic and innovative new approach with National and Local Policy context, CPCA Skills Priorities, Principles, Key Messages, Data & Research and recommended policies for Cambridgeshire & Peterborough. Officers have consulted with the local Further Education sector, the local authorities and the local Independent Training Provider network who have influenced the final version.

- 4.8 The key messages include:

- (a) recognising the vital social and economic value in community learning and the role AEB has to play in it
- (b) focusing on the low skilled and the low paid be that in the existing workforce or the unemployed
- (c) moving towards a more strategic, transformational, outcome, impact focused local adult education programme that will concentrate on sustainable employment; social confidence and contribution; learning, education and training progression from entry level to level 4; more participants in Peterborough and The Fens. It will significantly contribute to reducing the skills gap in the sector priority areas set out in the Local Industrial Strategy
- (d) using the Ofsted education inspection framework as a means for structuring our strategic approach and in particular the 3i's – intent, implementation and impact or the start, middle and end
- (e) moving towards a place-based and people delivery model that reflects the priorities and needs of Cambridgeshire & Peterborough including the needs of ESOL, the hard to reach and learners with learning difficulties
- (f) moving towards an agile Adult Education Budget that promotes innovation and collaborative projects immediately and collaborative commissioning within three years to improve the economic, social and health and wellbeing of adult residents.

5.0 Shaping and taking ownership of the opportunity for Cambridgeshire & Peterborough

- 5.1 The AEB Commissioning Strategy sets out a plan of action for the region to ensure that opportunities to participate in adult education and skills provision are spread across the region so that all adult residents have the skills and education they need to play a full part in society. It will mean

- (a) Our residents will be inspired to learn and be enabled to develop skills and attributes they need to succeed in life and work
- (b) Our employers will value the adult education and skills system and actively engage in shaping the adult learning programmes that help them thrive
- (c) Our providers will deliver world class education which leads to sustainable employment and enriches lives.

- (d) Cambridgeshire & Peterborough will value the contribution that adult education and skills makes to achieving our economic and social ambitions for 2030

6.0 Conclusion

- 6.1 It is clear that devolution of AEB presents an ongoing opportunity for Cambridgeshire & Peterborough. To benefit from this opportunity, the AEB team need to continue to build its close working relationships with the 17 providers, the Education & Skills Funding Agency who monitor and evaluate our performance, the DfE who understand its strategic importance and local stakeholders such as the local employers, communities and residents who want to improve the region's skills.
- 6.2 The AEB is only one source of funding. In order to better align adult skills provision and employment support for residents there is a need to explore how providers are using other funding streams from a range of other sources including employers and government e.g. DWP Health & Social Care Academy, Apprenticeships and Advanced Learner Loans to complement AEB and maximise the impact, reach more residents and improve their chances of progression.

7. SIGNIFICANT IMPLICATIONS

There are no significant implications identified within this report.

8. FINANCIAL IMPLICATIONS

There are no financial implications on the budget as all providers will be procured or awarded grants as per the AEB Reports Allocations paper also presented at this meeting.

9. LEGAL IMPLICATIONS

The Cambridgeshire and Peterborough Combined Authority (Adult Education Functions) Order 2018 (SI 2018/1146) transfers functions from the Secretary of State to the Combined Authority. The Cambridgeshire and Peterborough Combined Authority Order 2017 gives the Combined Authority the general power of competence.

10. APPENDICES

Appendix 1 – AEB Commissioning Strategy 2020-2025

<u>Source Documents</u>	<u>Location</u>
Review of post 18 education and training by August: May 2019	https://www.gov.uk/government/publications/post-18-review-of-education-and-funding-independent-panel-report