



Agenda Item No: 3.1

Adult Education Budget Annual Return and Evaluation

To:	Skills Committee
Meeting Date:	17 January 2022
Public report:	Yes
Lead Member:	Councillor Lucy Nethsingha
From:	Parminder Singh Garcha, Senior Responsible Officer – Adult Education
Key decision:	No
Forward Plan ref:	n/a
Recommendations:	<p>The Skills Committee is recommended to:</p> <ul style="list-style-type: none">a) approve the Adult Education Budget (AEB) Statutory Annual Return for submission to the Department for Education (DfE) for the 2020/21 academic yearb) note the Independent Evaluation of the second year of AEB devolution, note the findings from the AEB Outcomes and Impact report requested by the Business Boardc) note the early findings from the AEB cold spot analysis.
Voting arrangements:	A simple majority of all Members present and voting

1. Purpose

- 1.1 To inform the Skills Committee of the second submission of the Adult Education Budget (AEB) Statutory Annual Return to the Department for Education (DfE), in relation to the 2020/21 academic year and second year of devolution. This requirement is set out in the Ministry of Housing, Communities and Local Government's (MHCLG) *National Growth Assurance Framework* (V.4 September 2021).
- 1.2 To share the key findings from the Independent Evaluation of the second year of devolved AEB.
- 1.3 To note the headline findings from a report requested by the Business Board to spotlight employed status learners funded through AEB and consider the outcomes.
- 1.4 To note the initial findings from AEB provision 'cold spot' analysis, from 2019/20 AEB participation data, requested by Members and note the next steps.

2. Background

2.1 Annual Statutory Return

Mayoral Combined Authorities (MCAs) are required to provide a base level monitoring report to Government each January on the delivery of devolved functions, as part of wider monitoring and evaluation submissions, as per their devolution agreements and set out in the National Growth Assurance Framework.

- 2.2 For the first year of devolution, a report was presented to the Skills Committee on 11 January 2021, setting-out performance, and headlines from the independent evaluation. It was resolved that this reporting would form part of the annual cycle at Skills Committee, modelling greater transparency as best practice for devolved AEB. The Statutory Return is included in Appendix A to this report. We are also publishing local annual performance data as part of the process.

2.3 Independent Evaluation of 2020/21 (second year of devolution)

The Combined Authority is required to implement and maintain its own Local Assurance Framework, approved at Board. This sets out the requirement for an independent evaluation of AEB to be completed every year. Cambridgeshire Insights have been commissioned to deliver the evaluation for 2020/21, which includes quantitative analysis of provider data as well as qualitative research through a survey completed by AEB providers, learners and stakeholders. The Independent Evaluation is included as Appendix B to this report, but key findings are summarised below.

2.4 Methodology

There were five main stages in the evaluation:

- Desktop review of background documentation
- Analysis of learner data
- 14 provider survey responses, five follow up consultations with providers
- 112 students surveyed
- Six stakeholder consultations

2.5 Overall findings

AEB in the sub-region reached a total of 8,674 individual adult learners in 2020/21, participating in 14,872 enrolments - a nine per cent increase from 2019/20. The key characteristics across these learners were as follows:

- 79% took part in Adult Skills learning aims and 28% took part in Community Learning aims
- 13% were aged 19-23
- 21% were ethnic minorities
- 34% were unemployed and looking for work
- 33% had a prior attainment level of 1 or below
- 34% studied more than one learning aim
- 53% of enrolments were for learners residing in Fenland and Peterborough.
- Most providers (ten) had earned over 75% of their allocation, however, there were three providers who had earned between 50-75% and three who had spent less than 50%.

2.6 Key findings from the Provider Survey

The provider survey is anonymised to enable honest answers and feedback to be given and individual responses are not shared with the Combined Authority. Most providers (10 out of 14) felt delivery had been going 'very well' or 'quite well'. No providers selected the 'not very well' or 'not at all well' option. Qualitative feedback highlighted key delivery success measures as adaptation to new delivery models such as online provision along with the success with the fully funded English for Speakers of Other Languages (ESOL) programme.

Providers were asked how COVID-19 has impacted on provision, the comments on this ranged between providers. Some providers discussed difficulties with recruitment and enrolment of learners, others highlighted the challenges with retention of learners and learner progression when face-to-face support was limited. Some felt that existing online delivery models had protected them from negative impacts, whereas others had needed to invest in online delivery.

Most providers (12 out of 14) were satisfied with the support available to them from the Combined Authority. Providers praised the flexibility of the new devolution system, as well as the level of support available to them from the AEB team.

2.7 Key findings from the Learner Survey

Over 100 learners responded to the online survey, which was completed for the first time. Main findings are:

- 24% found out about their course from the Job Centre
- 59% were motivated to take part for personal development/self-improvement
- 95% of learners felt they had gained at least one outcome from their course
- 79% of learners were motivated to take up learning for health (mental or physical) reasons and saw an improvement in their health as an outcome.

2.8 Evaluation of the Combined Authority's local funding flexibilities

In 2020/21, several funding changes were implemented:

- Full funding for first full level 2 qualification for adults aged 24+
- Fully funded ESOL
- 4 per cent geographic uplift for the most deprived areas in the sub-region
- Increasing the low wage threshold to £18,000 before fees are payable.

One year in, it is too early to robustly assess any impacts funding changes may have had to the delivery of AEB locally. The early evidence suggests that the geographical uplift for areas of multiple deprivation and fully funded ESOL did not lead to a noticeable shift in learners or enrolments.

Despite this, seven out of the ten providers surveyed, using the geographical uplift commented on the importance of it to their delivery. Qualitative feedback from the survey highlighted the high value of the uplift for providers, especially where a large proportion of learners come from disadvantaged areas. The consultations highlighted this was useful as it helped in reaching people in more disadvantaged areas, and that this funding change made a positive difference.

Five out of six providers surveyed as using the ESOL change also stated it was important to their delivery. These providers highlighted the importance of the scheme in targeting non-English speaking individuals in Fenland, Peterborough, and Huntingdon.

Only one of the 14 providers responding to the survey had made no use of the funding changes or additions made available in the 2020/21 academic year. Table A below shows the take-up of funding flexibilities as well as participation on additional programmes for which the Combined Authority was allocated funding - High Value Courses, Sector Based Work Academies and Level 3 Adult Offer.

Table A	2019/20 (First year of devolution)	2020/21 (Second year of devolution)
Number of low wage pilot learners	154	596
Proportion of Adult Skills learning aims delivered to learners who reside in areas of geographical uplift eligibility	55%	53%
Number of first fully funded level 2 enrolments*	36	50
Extension of funding for ESOL enrolments**	2,038	2,053
One Year 18-19 Classroom Based Offer/High Value Course***	7	16
Number of Sector Based Work Academies eligible enrolments	N/A	369
Number of National Skills Fund Level 3 offer eligible enrolments****	36	68
<p>* 2020/21 figure includes learners who were part of the devolved 24+ first full level 2 offer ** In 2019/20 only part of ESOL was fully funded. For both years a total count of ESOL adult skills enrolments are included *** Offer did not exist in 2019/20. Enrolments were counted by including 19 year olds who were on qualifications which formed the 2020/21 offer **** Offer did not exist in 2019/20. Enrolments for this year were counted by including learners who were on qualifications which formed the 2020/21 offer</p>		

2.9 Feedback from Stakeholders

For the first time, wider stakeholder interviews and a learner survey were undertaken. Wider stakeholders included:

- **Higher Education:** Anglia Ruskin University and University of Cambridge
- **Business representatives:** Business Board and Employment and Skills Board
- **Governance:** Skills Committee District Member
- **Public sector partners:** DWP
- **Providers:** Association of Education and Learning Providers

Most of the stakeholders were not aware of the specific funding changes that the Combined Authority had put in place for 2020/21.

2.10 Recommendations highlighted in the Independent Evaluation will be implemented as part of a continuous business improvement cycle. Two of these are:

1. earlier engagement and communication, which would be beneficial to providers to plan and/or mitigate the impact of changes on them
2. improve the dissemination and promotion of the learning offer to wider stakeholders and communities to increase enrolments.

2.11 A professionally type-set version of the Independent Evaluation is under development and will be published on the Combined Authority website in February.

2.12 Report to Business Board regarding employed status learners

Ensuring employers are at the 'heart' of the skills system is key to our mission to transform delivery of AEB. Raising skills levels supports greater productivity and prosperity in the sub-region. This aligns with the policy intent of the Skills Bill and the implementation of Local Skills Improvement Plans. A report looking at employed status learners for the first two years of AEB data was requested by the Business Board to examine in more detail and to identify trends and gaps. This is being presented at the January meeting of the Business Board. Appendix C provides a summary of the report. A spotlight on employed-status learners was not a focus of the Independent Evaluation for 2020/21 and so has been appended to this report for completeness.

The main findings from the first two years of AEB are that participation on level 3 courses is poor. Take-up of courses in growth and priority sectors, except for Health and Social Care are too low.

2.13 AEB Cold Spot Analysis

Members of the Skills Committee had previously requested further analysis of district-level 'cold spots' for adult education. Cambridgeshire Insights have completed the first phase of this analysis using 2019/20 AEB participation data. Following a request at the Combined Authority Board in November, this is being shared to inform commissioning conversations with providers and to proactively take feedback from members and stakeholders. However, the next phase of 'cold spot' analysis will be updated with 2020/21 AEB participation data and to include other adult funding streams, for consideration at Skills Committee in March.

The main findings are that St Neots and parts of South Cambridgeshire are particular 'cold spots' for adult education.

Significant Implications

3. Financial Implications

- 3.1 There are no financial considerations arising from the recommendations of this report.
- 3.2 The ongoing underspend in the AEB Budget has been reported regularly to both the Skills Committee and the Combined Authority Board. Proposals for use of the underspends and the creation of a Reserve Fund were approved at the September Skills Committee. Additional Grant Providers and Independent Training Providers are currently being contracted to further reduce the underspend, however it should be noted that this will not impact the financial year underspend greatly as the contracts are for the academic year.
- 3.2 The costs of the Independent Evaluation form part of the Service Level Agreement that the Combined Authority has with Cambridgeshire Insights, which is met by the AEB Programme Costs budget.

4. Legal Implications

- 4.1 There are no legal implications arising from the recommendations of this report.

5. Other Significant Implications

- 5.1 Environmental sustainability and net-zero - there are no implications arising from the recommendations of this report.

6. Appendices

- 6.1 Appendix A – AEB Annual Statutory Return 2020/21
- 6.2 Appendix B – AEB Independent Evaluation 2020/21
- 6.3 Appendix C – AEB Report to Business Board on employed status learners
- 6.4 Appendix D – AEB 'cold spot' analysis – summary of initial findings

7. Background Papers

- 7.1 [National Local Growth Assurance Framework \(V.4 September 2021\)](#)
- 7.2 [Cambridgeshire and Peterborough Local Assurance Framework 2021](#)
- 7.3 [Report to Skills Committee 11 January 2021 AEB Statutory Return](#)

