



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

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CAMBRIDGESHIRE &
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Agenda Item No: 2.2

Adult Education Budget (AEB) 2019-20 Statutory Annual Return

To:	Skills Committee
Meeting Date:	11 January 2021
Public report:	Yes
Lead Member:	Councillor John Holdich, Lead Member for Skills and Chairman of the Skills Committee
From:	John T Hill, Director of Business and Skills
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 AEB Statutory Annual Return for sending to the Department for Education. This is the first Statutory Return since devolution of the AEB which provides an overview of performance of the first year of devolutionb) Note the planned Annual Review of AEB 2019/20 has been carried forward to the March 2021 meeting of the Skills Committee.
Voting arrangements:	A simple majority of all Members

1. Purpose

- 1.1 To inform the Skills Committee of the first submission of the Adult Education Budget (AEB) Statutory Annual Return to the Department for Education (DfE), in relation to the 2019/20 academic funding year and first year of devolution. This requirement is set out in the Ministry of Housing, Communities and Local Government's (MHCLG) *National Local Growth Assurance Framework* (January 2019).

2. Background

- 2.1 Mayoral Combined Authorities (MCAs) are required to report to Government in January on the delivery of devolved functions, as part of wider monitoring and evaluation submissions as per their devolution agreements.
- 2.2 The CPCA has developed a monitoring and evaluation framework which sets out plans going forward, this also includes assessing the impact of AEB spending in the area. In line with MHCLG's model, the framework is updated annually and includes both a logic model and evaluation plan for AEB. Originally categorised and planned for as a Category C project in 2019/20 (where there are lessons to be learnt), a formative evaluation will be undertaken to capture lessons from the setting up and first year for the CPCA, wider partners, stakeholders and providers.
- 2.3 The Evaluation Report will look at performance of devolved AEB, considering both quantitative and qualitative data and intelligence. It will consider how well devolution is working and the extent to which it is being implemented as designed, looking at delivery so far in 2019/20. The interim evaluation will take place by December 2020 to support the first devolution return in January 2021. The Evaluation Report will be tabled at the March 2021 Skills Committee and propose changes for AEB delivery for Committee approval.
- 2.4 At the time of writing, the DfE have not issued a proforma for completion of the evaluation report, other than the generic headings which have been incorporated into the CPCA submission (Appendix 1).

3. Financial Implications

- 3.1 In the 2019/20 academic year, the CPCA is reporting an underspend of £119,283 out of the first year AEB grant of £11.5m. This is due to underperformance among some providers, reportedly as a direct result of the COVID-19 pandemic. The ESFA have confirmed that the underspend may be carried-forward into 2020/21 and will remain within the CPCA's AEB allocation. Members are asked to note that some of the underspend relates to funding associated with learners whose courses are continuing into the 2020/21 academic year.

4. Legal Implications

- 4.1 The Statutory Return will be submitted to the DfE by the deadline in January 2021. There are no further legal implications to report.

5. Other Significant Implications

5.1 There are no significant implications to report.

6. Appendices

6.1 Appendix 1 – Adult Education Budget 2019-20 Statutory Annual Return

7. Background Papers

7.1 Ministry of Housing, Communities and Local Government's *National Local Growth Assurance Framework* (January 2019)

[National local growth assurance framework - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Appendix 1 - Adult Education Budget 2019-20 Statutory Annual Return

A. Adult Education Policies

In discharging its duties in the commissioning of the delegated AEB in the first year, the CPCA has ensured best practice with efficient, accountable and transparent decision-making. The strategic focus in 2019/20 had been to:

- Ensure a 'soft-landing' for AEB in the region for both providers and learners
- Ensure existing provision is not destabilised
- Ensure delivery of learner legal entitlements
- Provide better alignment of AEB delivery with the Local Industrial Strategy (LIS) and the CPCA Skills Strategy

This has been underpinned by strong governance and transparency through attendance at the executive Skills Committee. A strategic outcome of this has been greater accountability, coherence, targeting and transparency for skills investment in the region. This has ensured some 14,000 adult learners have benefited.

Alongside the procurement and grant funding process in readiness for the 1st August 2019 start date, included the CPCA setting out our own funding rules and policies for the 2019/20 academic year. The changes that the CPCA had chosen to make in 2019/20 with the intention of looking to make more substantive changes in 2020/21 were:

- Building strategic high-quality relationships
- Making a single allocation to each grant funded provider to support the activity agreed in the delivery profile
- Implementing a risk-based performance management approach for all providers
- Supporting the Low Wage pilot previously being funded by DfE, for learners in employment and earning less than £16,009.50

B. Spend from AEB in 2019/20

Academic Year

2019/20

Income	
ESFA Grant	£11,513,052
Total Income	£11,513,052

Expenditure	
Programme Costs	£381,170
Grant Providers	£9,260,762
ITP's	£1,415,137
Innovation Fund	£336,700
Total Spend	£11,393,769
Balance Remaining	£119,283

C. Analysis of Delivery in the Area

CPCA have commissioned Cambridgeshire Insights to provide an independent evaluation of the 2019/20 devolved AEB programme. The key findings of the AEB devolution evaluation are:

- 1. Achieving efficiency and coherence:** The total number of providers has reduced significantly from **190** in 2018/19 to **17** in 2019/20, with an additional notable reduction in the subcontracting of delivery.
- 2. Shifting provider relationships from transactional to transformational:** Providers report they are satisfied with the processes associated with the devolution of the budget and highlight the beneficial impacts of a closer working relationship with the AEB team. The more localised network has helped providers tailor their provision successfully to existing employment and skills-based demand. This localised approach provides a foundation for greater communication, cross-fertilisation of good practice between providers, through the formation of an AEB Working Group, to collaborate in developing quality provision across the CPCA area.
- 3. Better alignment of AEB with regional skills needs:** Adult Education delivery has shifted considerably, with a lower proportion of Community Learning and a **higher proportion of Adult Skills learning** in the first year of delivery. Whilst COVID-19 has played a role with a reduction in Community Learning enrolments for the summer months, provider consultations identify an active shift from 'leisure/pleasure' provision and towards courses targeting local skills needs.
- 4. Targeting AEB to 'level-up' provision across the region:** Community Learning provision in 2019/20 has become more evenly spread across the CPCA area, particularly within the North where the need for 'first-steps' engagement is greater, having previously been disproportionately focused in South Cambridgeshire and Huntingdonshire prior to devolution.
- 5. Better place-based targeting of AEB to improve skills in areas of need:** 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 over a third (35%) in 2019/20. This shift has in part been driven by an increase in Community Learning in Fenland and Peterborough, which are the CPCA districts with the highest number of

areas falling in the top 20% most deprived nationally. Providers have undertaken active community engagement in deprived areas and the targeting of specific relevant programmes in these locations.

- 6. Ensuring a ‘soft-landing’ for AEB and coherent commissioning framework for future years:** the CPCA’s Commissioning Strategy set out clearly the CPCA’s commissioning priorities and the outcomes for the region. This has allowed providers to re-align their provision to meet local labour market needs and plan for future growth.
- 7. Challenges and Opportunities for the future:** there are significant challenges for the CPCA, local providers and Adult Education delivery going forward into year two given the impact of COVID-19. These will be understanding skills demand within the post-COVID labour market, and matching provision to local skills needs to help continue to engage our residents to retrain, upskill or progress into learning.

The impact of COVID19 on delivery in 2019/20 is being assessed as part of the final evaluation of the programme. All Adult Education provision nationwide has been affected and analysis is underway of the specific challenges within the CPCA area.

D. Local Impact

Overall Participation in AEB Funded Provision

Funding Category 2019/20	Learner Participation*	Number of Enrolments
<i>Adult Skills Learning (Including Learning Support Funding)</i>	7,251	11,738
<i>Community Learning</i>	1,841	2,329
Total	8,848	14,067

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

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 aged 19 to 23; and
- First full qualification at level 3 for residents aged 19 to 23

Entitlement 2019/20	Learner Participation*	Number of Enrolments
English	1,291	1,335
Maths	976	1,026
Level 2	36	36
Level 3	130	132
All Entitlement	1,909	2,529
Non-Entitlement	5,871	9,209
Total Adult Skills	7,251	11,738

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 qualifications that correspond to different types of funding (both Entitlement and non-Entitlement). Therefore the totals will not necessarily be equal to a straight sum of the different sub-categories.

E. Achievements

The table below shows the enrolments for 2019/20 against their completion status:

Funding Model	Total Enrolments	Completed Learning Activities	Withdrawal/Break in Learning/Transfer to New Aim	Study Continuing/Outcome Unknown
Adult Skills	11,738	9,558	1,630	550
Community Learning	2,329	2,092	137	100
All Enrolments	14,067	11,650	1,767	650

Source – Individualised Learner Record (2019/20, R14), Education and Skills Funding Agency

Outcome Status

The following table shows enrolments against their 2019/20 Outcome status

Funding Model	Total Enrolments	Achieved	Partial Achievement	No Achievement	Withdrawal, Break in Learning or Transfer to a new Aim	Study Continuing
Adult Skills	11,738	8,872	31	665	1630	550
Community Learning	2,329	2,070	16	6	137	100
All Enrolments	14,067	10,942	47	671	1767	650

Source – Individualised Learner Record (2019/20, R14), Education and Skills Funding Agency