

**WEST OF ENGLAND COMBINED AUTHORITY COMMITTEE**

**14 JUNE 2019**

**REPORT SUMMARY SHEET**

**ADULT EDUCATION FUNDING ALLOCATIONS 2019/20**

**Purpose**

1. To provide the WECA Committee with an update on the devolved Adult Education Budget (AEB) application, assessment and allocations process for the 2019/20 academic year.
2. To provide the WECA Committee with recommended provider funding allocations for devolved AEB for the 2019/20 academic year.

**Summary**

This report includes the following key information:

- Background information on AEB and devolution of this funding.
- Confirmation of the 2019/20 devolved AEB allocation for WECA.
- Update on the application and appraisals process.
- Recommended devolved provider funding allocations for the 2019/20 academic year.
- A proposal for delegated authority.

**Recommendations**

Members of the Combined Authority Committee are asked to approve:

1. The proposed funding allocations for devolved AEB during the 2019/20 academic year.
2. Delegated authority to the WECA Chief Executive Officer, in consultation with the Skills Board to make:
  - In-year exceptions funding decisions.
  - In-year growth funding decisions.
  - Decisions on provider re-allocations at mid-year and end-of-year points.

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**Position:** Head of Business and Skills

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**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY  
COMMITTEE**

**DATE: 14/06/19**

**REPORT TITLE: ADULT EDUCATION FUNDING ALLOCATIONS  
2019/20**

**DIRECTOR: STEPHEN BASHFORD**

**AUTHOR: HENRY LAWES**

#### **Purpose of Report**

1. To provide the WECA Committee with an update on the devolved Adult Education Budget (AEB) application, assessment and allocations process for the 2019/20 academic year.
2. To provide the WECA Committee with recommended provider funding allocations for devolved AEB for the 2019/20 academic year.

#### **Recommendation**

3. The WECA Committee agrees the proposed funding allocations for devolved AEB during the 2019/20 academic year.
4. The WECA Committee agrees to provide delegated authority to the WECA Chief Executive Officer, in consultation with the Skills Board, to make:
  - In-Year Exceptions funding decisions
  - In-Year Growth funding decisions
  - Decisions on provider re-allocations at mid-year and end-of-year points.

#### **Background**

##### The Adult Education Budget:

5. The AEB funds are for the delivery of education and skills provision delivered to individuals aged 19+. In terms of devolution this budget is expected to cover a number of elements including:
  - Statutory Entitlements
  - Other AEB (Formula Funded)
  - Non-Formula Funded Community Learning
  - Learner Support

6. Historically management and distribution of AEB has been the remit of the Education and Skills Funding Agency (ESFA) or its predecessors.
7. AEB has been allocated to a range of providers of education/skills provision. These have included: Further Education Colleges, Local Authorities, Independent Training Providers and Voluntary and Community Sector Organisations.

#### Devolution of Powers and Funding:

8. The devolution of powers and funding to address the provision of adult skills (currently known as Adult Education Budget) from government was part of the West of England Devolution deal. There are a number of potential advantages for West of England residents and learners to devolving control of AEB from central government including:
  - Improved coordination of adult learning outcomes with wider local priorities and the specific needs of local public and private sector employers;
  - Introduction of new flexible funding rules based on agreed local outcomes and enabling improved responsiveness such as multiple year funding agreements;
  - Potential enhanced value for money locally via rationalisation, reduced duplication and greater transparency leading to improved economies of scale in the provider base and a more rigorous measurement of local outcomes; and
  - Ability to retain any underspend from the allocation.
9. Adult Education provision funded through WECA's devolved powers and funding will start on 1st August 2019. An implementation period leading up to this point is required to enable provider application, allocation and funding agreements to be addressed.
10. WECA have identified 2019/20 as being a transition year with the aim of attempting to minimise as much as possible destabilisation of either providers or learners. Therefore, in line with the Skills Advisory Board recommendation, WECA has focused on delivering a no change (with additional scrutiny) option. This includes (but is not exclusive to) maintaining the national funding rules for an additional year and also supporting the transfer of as much as possible of the 2017/18 provider base to devolved funding arrangements (via application).

#### Confirmed 2019/20 Devolved AEB Allocation:

11. On the 31st Jan 2019 DfE confirmed the 2019/20 WECA AEB budget as being £14.7m for the academic year. This figure is based on performance during the 2017/18 academic year.

12. The confirmed budget is less than the indicative allocation provided by DfE of £17.6m which was based on performance during the 2016/17 academic year. The reason for the difference (approx. £2.9m) was under performance/delivery by key providers against their allocation.
13. The change from indicative allocation to confirmed budget means that WECA would be unable to financially meet either the sum total of the financial requests received from all applicants or the total financial requests received from existing 2017/18 providers only. It should be noted that a number of the funding requests received were well in excess of a 5% increase on 2017/18 financial performance. Additionally, neither of these approaches would be consistent with the approach stated, and consulted on, in the associated application guidance.

The 2017/18 £14.7m allocation is final and reflects the agreed methodology (i.e. using 2017/18 financial performance/delivery in relation to WECA residents as the key reference point). Since the allocation was received the WECA CEO and Head of Business and Skills have met with senior officials from DfE to make the case with government to reconsider the allocation after the transition year to ensure that WECA has the level of resource needed to meet our ambitions.

#### 14. 2019/20 AEB Application and Funding Process:

15. The application window for the 2019/20 academic year opened on 21/01/19 and closed on 03/03/19. Through this application window WECA officers have focused on delivering the WECA Skills Advisory Board recommendation of no change from the 2017/18 baseline year with additional scrutiny. This is dependant in part on 2017/18 providers who delivered to WECA residents seeking to apply.
16. All existing providers to WECA residents during 2017/18 (180), identified through the reference data provided by the ESFA, were contacted to ensure they were aware that the window was opening. This is in line with the commitment to stabilisation, and no-change, in 2019/20.
17. In line with the guidance, WECA is able to fund the existing provider base to their 2017/18 actual AEB delivery levels (as articulated by DfE here: [www.gov.uk/government/publications/provider-level-adult-education-budget-aeb-delivery-2017-to-2018](http://www.gov.uk/government/publications/provider-level-adult-education-budget-aeb-delivery-2017-to-2018)). Also in line with the guidance WECA has not considered requests which exceed 5% growth of the previous full year's earned/utilised funding.
18. The remaining funds have been distributed between the high scoring and low funded existing applicants and high scoring new applicants (with the reviewed appraisal score being the key factor in both cases).
19. With this process completed, WECA Officers have generated and finalised the recommendations to support WECA Committee funding decisions. To support the funding decisions, WECA officers have also arranged for a Risks and Issues paper and Equalities Impact Assessment to be completed related to the provider base and associated funding recommendations. In addition, legal advice has been sought on State Aid implications and options.

20. Final funding decisions will be made at the WECA Committee meeting on 14/06/19.

Applications Received:

21. An overall breakdown of the applications (by numbers and financial value) is as follows. It shows that just under 17% of the 2017/18 provider base applied for funding; however, within these applications were the top 11 2017/18 providers (excluding one) which accounted for over 80% of provision (by volume of funding).

<b>APPLICATIONS RECEIVED</b>	<b>41</b>	<b>£19.6M</b>
<b>EXISTING 2017/18 PROVIDERS</b>	<b>29</b>	<b>£16.63M</b>
Colleges	15	£12.05m
ITP/VCSE	13	£2.81m
Local Authority	1	£1.77m
<b>NON-2017/18 PROVIDERS</b>	<b>12</b>	<b>£2.99M</b>
ITP/VCSE	12	£2.99M

Due Diligence:

22. Due diligence, in line with WECA's stated Financial Due Diligence Process for Adult Education, has been undertaken for all relevant providers.

23. Having completed this work all providers have successfully reached the minimum standards / thresholds stated.

24. Monitoring of financial status will be ongoing with a focus on any provider that have a financial risk alert or were identified through joint discussions with the ESFA.

Recommended 2017/18 Devolved Funding Allocations and Budgetary Split:

25. The complete list of recommended devolved AEB funding allocations can be found in appendix 1.

26. As a result of the application and allocations process WECA officers are recommending funding 31 providers with the total amount of committed funding being £14,019,386. These providers break down into:

- Existing 2017/18 providers delivering to WECA residents – 29
- Providers not delivering for WECA residents during 2017/18 – 2

Budget Breakdown:

27. The split of the overall 2019/20 devolved AEB budget is as follows:

<b>Overall 2019/20 AEB Budget</b>	<b>£14,739,398</b>
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<b>Budget Line</b>	<b>Value</b>	<b>% of Overall Budget</b>
2017/18 Provider Allocations	£13,784,760	93.5%
New/Existing Provider Allocations	£234,607	1.6%
In-Year Exceptions/Growth	£200,000	1.4%
WECA Management and Administration	£520,000	3.5%
<b>TOTAL</b>	<b>£14,739,066</b>	<b>100%</b>
<i>Residual</i>	£31	0%

28. Explanation of these budgetary lines is as follows:

- 2017/18 Provider Allocations: This represents the allocations to providers delivering to WECA residents during the 2017/18 academic year who also applied for funding for the 2019/20 academic year. The allocation by provider is based on the financial value of their delivery to WECA residents during 2017/18 with any additional funding not exceeding 5% growth on the 17/18 full year's earned/utilised funding.
- New/Existing Provider Allocations: This represents the allocation of the remaining funds once the providers delivering to WECA residents during 2017/18 are accommodated. These funds have been distributed between the high scoring and low funded existing applicants and high scoring new applicants (with the reviewed appraisal score being the key factor in both cases). The appraisal criteria for the 2019/20 Application Process can be found in appendix 3 of this report.
- In-Year Exceptions/Growth: This represents funding to cover two different but interchangeable issues:
  - In-year exceptions: This funding will provide highly limited coverage to address any unfunded WECA learners, in specific areas of need, that a provider without a 2017/18 WECA funding agreement may be working with. This funding is not meant to provide coverage to a provider which simply declined to apply for funding through the main route.
  - Growth: This funding will provide highly limited coverage to address instances where a provider has utilised 100% of their funding but has additional WECA learners that it is working with.
- WECA Management and Administration: At 3.5% of the total AEB Budget this represents the funding required to manage and administer the devolved Adult Education Budget for the 2019/20 academic year.

Proposed Funding By Organisational Type:

29. WECA is proposing to fund a mixture of FE Colleges, a Community Interest Company (CIC), Local Authorities (LA), a Voluntary and Community Organisation (VCSE) and Independent Training Providers (ITP) which is reflective of the 2017/18 provider base.

30. The specific split by organisational type is below and shows that funding is mainly concentrated within FE College and Local Authority provision. The number of

ITP's proposed for funding is 12 although funding (by value) is just over half that proposed for FE Colleges.

Type	Volume		Value of Funding	
CIC	1	3%	£142,453	1%
FE College	16	52%	£11,363,072	82%
ITP	12	39%	£651,341	5%
LA	1	3%	£1,561,789	11%
VCSE	1	3%	£300,713	2%

#### Equalities Impact:

31. An Equalities Impact Assessment has been conducted in relation to the recommended 2019/20 devolved AEB allocations. A copy of this assessment can be found in Appendix 2 of this report.

#### Geographical Distribution of Funding:

32. The Adult Education system is led by learner demand and this demand relates to both the provision that is requested and the geographical location this provision is requested in. This means that the geographical split of provision within the WECA area can change year on year and it is not possible to exactly replicate this split due to the changing pattern of demand in any given year.

33. Amongst the 31 providers WECA is proposing to fund are the top 11 providers by volume of funding during the 2017/18 academic year and these providers accounted for over 80% of the provision delivered to WECA residents. The geographical location/focus of these providers gives us a proxy for their potential delivery patterns (albeit that providers do not necessarily recruit on geographical lines).

Geographical Location / Focus:	Proposed Number of Providers:
Bath and North East Somerset	1
Bristol City	2
South Gloucestershire	1
Pan-West of England	7

34. For reference when considering the number and percentage of learners from each local authority across the 2015/16 - 2017/18 academic years the split is broadly consistent across all the three WECA Local Authority areas:

	2015/16		2016/17		2017/18	
BaNES	1,820	9%	2,560	12%	2,036	13%
Bristol	14,880	71%	14,160	67%	10,260	65%
South Glos	4,220	20%	4,320	21%	3,557	22%

#### Delegated Authority:

35. Delegated authority is requested for the WECA Chief Executive Officer to deal with:
- In-Year Exceptions funding decisions
  - In-Year Growth funding decisions
  - Decisions relating to provider re-allocations at mid-year and end-of-year points.
36. All decisions taken under this delegated authority will be reported at the next WECA Committee meeting.
37. The delegated authority requested relates to in-year/end-of-year decisions for the 2019/20 academic year only. If delegated authority is identified as necessary for the 2020/21 academic year this will be requested at the relevant point during 2020.
38. Any delegated decisions will be taken in consultation with the Skills Advisory Board.

### **Issues for Consideration**

39. The key issue considered and addressed through these recommended allocations is the optimum approach to transitioning from national to local whilst minimising the destabilising impact on the existing provider base.

### **Consultation**

40. WECA Officers carried a four-week consultation which ended on the 14/01/19. The aim of the consultation was to ensure that:
- Providers are aware of the 2019/20 devolved AEB funding process including access routes to grant funding and timelines for applications for 2019/20.
  - Respondents had the opportunity to highlight any unintended consequences or potential adverse of the proposed approach on their business.
41. As part of the consultation WECA:
- Posted all key information on the proposed management and administration of devolved AEB on WECA website.
  - Directly contacted in excess of 170 providers.
  - Used social media to reach our more widely to raise awareness of the Limited Consultation.
42. During the consultation period WECA received responses from 12 different organisations. The majority (80%) of the responses related to operational matters such as the application process, eligibility and funding allocations.
43. Having considered the responses, WECA addressed points relating to the following areas:
- Collaboration and partnership working
  - Funding allocations
  - Sub-contracting

- Appraisal approach for applications

### **Risk Management/Assessment**

#### 44. RISK 1:

- Risk - Devolution of AEB causes a destabilisation of providers and learners:
- Mitigation: The report, and the associated recommended allocations, follow the agreed approach which has been focused on transitioning the existing 2017/18 provider base (who delivered to WECA residents) into devolved arrangements. This approach includes allocations which are based on 2017/28 delivery levels alongside the maintenance of the relevant aspects of the national funding rules for an additional year. Confirming allocation decisions at this point enables providers to plan AEB delivery (and associated resource requirements) in time for the upcoming 2019/20 academic year.

### **Public Sector Equality Duties**

45. The public sector equality duty created under the Equality Act 2010 means that public authorities must have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimization and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

46. The Act explains that having due regard for advancing equality involves:

- Removing or minimising disadvantages suffered by people due to their protected characteristics.
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

47. The general equality duty therefore requires organisations to consider how they could positively contribute to the advancement of equality and good relations. It requires equality considerations to be reflected in the design of policies and the delivery of services, including policies, and for these issues to be kept under review.

48. For the equalities implications in relation to this report please see Appendix 2 – 2019/20 Equalities Impact Assessment.

### **Finance Implications, including economic impact assessment where appropriate:**

49. The financial awards to providers, as recommended in this report, are within the budget provision available. The 2019/20 revenue budget for AEB management and administrative costs has been set in line with previous committee approval.

50. Grant application processes applied for AEB are consistent with those applied through other WECA grant funding streams.

Advice given by: Malcolm Coe – WECA Director of Investment and Corporate Services

#### **Legal Implications:**

51. Legal advice has been provided throughout the process of devolving and anticipated distribution of this funding.

Advice given by: Shahzia Daya – WECA Director of Legal Services

#### **Land/property implications**

52. None arising as a result of this report.

Advice given by: Malcolm Coe – WECA Director of Investment and Corporate Services

#### **Human Resources Implications:**

53. The WECA staffing requirements to administer the Adult Education Budget are set out in section 29. The HR Team will continue to work with the Service Lead to ensure that staffing levels are appropriate for the continued efficient administration of the service. Recruitment into key posts has already taken place.

Advice given by: Alex Holly – WECA Head of Human Resources

#### **Appendices:**

Appendix 1 – Recommended 2019/20 Devolved Adult Education Budget Funding Allocations

Appendix 2 – 2019/20 Allocations Equalities Impact Assessment

Appendix 3 – 2019/20 Application Appraisal Criteria

#### **West of England Combined Authority Contact:**

Any person seeking background information relating to this item should seek the assistance of the contact officer for the meeting who is Ian Hird / Tim Milgate on 0117 332 1486; or by writing to West of England Combined Authority, 3 Rivergate, Temple Way, Bristol BS1 6ER; email: [democratic.services@westofengland-ca.gov.uk](mailto:democratic.services@westofengland-ca.gov.uk)

## Appendix 1 – Recommended 2019/20 Devolved Adult Education Budget Funding Allocations

WECARef	ProviderName	19/20 TOTAL
WECA1920_23	City of Bristol College	£5,839,150
WECA1920_12	South Gloucestershire and Stroud College	£2,257,514
WECA1920_13	Bristol City Council	£1,561,789
WECA1920_17	Bath College	£1,313,943
WECA1920_7	Weston College of Further and Higher Education	£1,036,526
WECA1920_37	WEA	£300,713
WECA1920_8	NCG (Trading as Kidderminster College)	£255,033
WECA1920_19	N-Gaged Training & Recruitment Limited	£252,441
WECA1920_38	Somerset Skills & Learning CIC	£142,453
WECA1920_35	Wiltshire College and University Centre	£140,432
WECA1920_33	Seetec Business Technology Centre Limited	£122,669
WECA1920_2	Bridgwater & Taunton College	£115,034
WECA1920_18	Gloucestershire College	£106,198
WECA1920_32	CJI Solutions Ltd	£102,473
WECA1920_3	Cornwall College Further Education Corporation (The Cornwall College Group)	£79,936
WECA1920_30	Capita plc	£66,693
WECA1920_20	Shrewsbury Colleges Group	£60,782
WECA1920_15	Templegate Training Academy C.I.C.	£37,764
WECA1920_1	DCG (formerly Derby College)	£33,068
WECA1920_41	Petroc	£30,144
WECA1920_11	Swindon College	£29,902
WECA1920_9	New College Swindon	£29,164
WECA1920_26	Learning Curve Group Limited	£20,563
WECA1920_40	Telford College	£18,887
WECA1920_29	RNN Group	£17,358
WECA1920_22	Babington Business College Limited	£16,970
WECA1920_5	South West Association of Training Providers	£16,699
WECA1920_16	London Learning Consortium	£7,470
WECA1920_31	National Star	£4,702
WECA1920_42	System Group Limited	£2,294
WECA1920_27	Riverside Training Limited	£603

## Appendix 2 – WECA Equality Impact Assessment 2019/20 Allocations

Name of proposal	Adult Education Budget: Allocation 19/20
Directorate and Service Area	Business & Skills
Name of Lead Officer	Henry Lawes

### Step 1: What is the proposal?

Please explain your proposal in Plain English, avoiding acronyms and jargon. This section should explain how the proposal will impact service users, staff and/or the wider community.

#### 1.1 What is the proposal?

The Adult Education Budget funds education and skills provision for those aged 19+. In terms of devolution this budget is expected to cover a number of elements including:

- Statutory Entitlements
- Other AEB (Formula Funded)
- Non-Formula Funded Community Learning
- Learner Support

Historically management and distribution of AEB has been the remit of the Education and Skills Funding Agency (ESFA) or its predecessors. AEB has been allocated to a range of providers of education/skills provision. These have included: Further Education Colleges, Local Authorities, Independent Training Providers and Voluntary and Community Sector Organisations.

project is to establish a transitional year, 19/20, the first year of the devolved budget to WECA. WECA's aim in this phase is to minimise destabilisation of the Provider Market, whilst establishing new processes with WECA managing the budget for future allocation.

The purpose of having the AEB devolved regionally is to enable WECA to shape the provision moving forward to better meet the needs of the region. Though 19/20 is a year of minimal change (adopting the national approach), the next 3-5 years will need to develop to reflect directly the specific needs of the region (national approach ++). The vision for this will be set through the Employment & Skills Plan, currently in development, and AEB will be seeking to clarify and focus its contribution to this vision

over the next 3-5 years, specifically around how to build an integrated system of progression for learners.

The understanding WECA builds for this phase of the implementation of AEB provides both a clearer picture of immediate impacts or issues, but also the data needed for setting a trajectory for the next phase, highlighting where AEB needs to focus its resources and energy to make the change it wants to see.

## **Step 2: What information do we have?**

Decisions must be evidence-based, and involve people with protected characteristics that could be affected. Please use this section to demonstrate understanding of who could be affected by the proposal.

### **2.1 What data or evidence is there which tells us who is, or could be affected?**

The baseline data on learners and providers has been provided by ESFA and is for 17/18 and this is the status quo that WECA is undertaking to maintain wherever possible – not the 18/19 situation. There is a slight risk here in terms of what may have changed for the current year 18/19, of which the team does not currently have a clear view due to the up to date reporting not being reflective of the whole year. However, it is considered to be a relatively stable market so the assumption is that there will not have been any radical change.

180 Providers were funded in 17/18, delivering to 15,850 learners across the region. Of these learners, 1,280 were part of funded Providers which were already on a “wind down” contract with EFSA which means their contracts end this 18/19 over which WECA has no control. Despite WECA’s consultation and direct approaches to all previously funded Providers, not all the previous Providers applied for the 19/20 grant. A total of 150 Providers did not apply representing 1,600 learners. This seems a high number, but is important to note that 11 Providers are delivering courses to 85% of all learners in the region, all of which are within the proposed allocation for 19/20. Anecdotally, WECA has information that many of the Providers who did not apply have as few as

10 learners, often learning through those Providers by chance rather than by design.

A key part of the EQIA work for the 19/20 allocation has been to understand the impacts of these providers no longer delivering courses on learners from protected characteristics, and if such impacts are found, how they can be mitigated. For example, migration to other funded Providers etc. To understand this, the team has gathered as much detail as possible about the learning provision and the learners and a high-level analysis of this work has been undertaken.

It is also important to recognise that historic patterns of learners cannot always be relied upon when looking at individual providers, as learner demand is the key driver for how many people access provision and through which providers in any given year and this fluctuates for reasons outside the context of the provision itself.

Work has also been done to try and pick up any outliers or anomalies from the 18/19 Providers – new organisations and/or specific niche provision and the learners included in this provision. It is important to note that the budget being devolved is based on the provision funded in 17/18.

Anything outside this will not have been budgeted for, therefore it will be an issue if any new Providers need to be considered. A summary has been developed which captures the data for the region in the Adult Education 2017/18 Analysis.

The team has also analysed directly against the protected characteristics and has good quality data available for 4 of the key characteristics as below.

Data available:

<b>Protected Characteristics</b>	<b>Data Available</b>
Age	Yes
Race	Yes
Sex	Yes
Disability	Yes
Gender Reassignment	No
Marriage and Civil Partnership	No
Pregnancy and Maternity	No

Religion Or Belief	No
Sexual Orientation	No

There is an issue for the equalities monitoring historically, where Providers have not been collecting or been requested to collect data on the other characteristics and this will need to be addressed. It is not possible to backfill this data, therefore the 5 characteristics where data has not been collected cannot be reported on within this EQIA. Moving forward, WECA will seek to be clear that equalities monitoring against all protected characteristics will be requested from all Providers. However, it is important to note that at times learners choose not to complete some of this information and it cannot be made compulsory. The team will consider in this process how Providers can be encouraged to better present and explain the purpose of equalities monitoring to their users, thereby increasing the levels of completion. This could be a request within the grant agreement. For 20/21 further weight is likely to be given to this monitoring to support understanding of how they are reaching their priority groups in the region through their own equalities and inclusion strategies and policies. Therefore, encouraging improved reporting this year is setting the direction of travel for future years.

**2.2 Who is missing? Are there any gaps in the data?**

As noted above, there is no data available for 5 of the protected characteristics: gender re-assignment, marriage and civil partnership, pregnancy and maternity, religion or belief and sexual orientation. This needs to be improved during this year (19/20 allocation, as outlined in 2.1). It is also difficult at this point to identify intersectionality for learners – for example, understanding the impact where an individual is represented within a number of protected characteristics, where any reduction in provision could have a disproportionate impact; such as young, bame women or disabled, younger people.

Aside from these areas, the data available is of good quality and some of the detail is included in point 3.

There is a gap in the data for 18/19 as we are in mid-year. However, there is some mid-year reporting now coming in and this has been factored into this equality analysis.

### **2.3 How have we involved, or will we involve, communities and groups that could be affected?**

For this initial year, there has not been any learner engagement directly. The consultation for how to approach this predominantly “status quo” first phase was focussed on Providers and they have been involved in shaping the approach to 19/20 through the AEB provider engagement group. For the development of the 20/21 phase, WECA will be seeking to build a wider perspective aligned to the regions’ priorities for AEB. WECA will design proportionate approaches to build this picture which will shape 20/21.

### **Step 3: Who might the proposal impact?**

Analysis of impacts on people with protected characteristics must be rigorous. Please demonstrate your analysis of any impacts in this section, referring to all of the equalities groups as defined in the Equality Act 2010.

### **3.1 Does the proposal have any potentially adverse impacts on people with protected characteristics?**

The 19/20 programme does lead to a net loss of courses and learners, based on those Providers which chose not to take part in the process and did not apply for funding. Based on our analysis of this loss, the view is that many of these Providers has 10 or less learners and that the majority of the region’s impacted learners were accessing this provision more by chance than design. The vast majority of provision from 17/18 will continue in 19/20 with a 5% uplift, covering 85% of the regions’ learners.

There is also an identified risk of losing some specialist provision in terms of types of courses, again due to there being no application from those providers. The definition for specialist in this case is where subjects are delivered by less than 3 Providers. 4 such Providers have been identified and the impact on course provision is in:

Marketing & Sales

History

Nursing and subjects allied to medicine

Equine, animal and agriculture.

The level of learners is not high, and there is no significant correlation between these courses and learners with protected characteristics.

Summaries of the analysis by protected characteristics are shown below:

**Analysis of Data to show learner impact of Provider non-applications:**

Gender:

Numbers	All	Female	Male
Fund	12,980	7,810	5,170
<i>Not Applied</i>	<i>1,600</i>	<i>900</i>	<i>690</i>
<i>Wind Down*</i>	<i>1,280</i>	<i>600</i>	<i>670</i>
Not Funding	2,870	1,510	1,370
<b>Total</b>	<b>15,850</b>	<b>9,320</b>	<b>6,530</b>

% of Total	All	Female	Male
Fund	82%	84%	79%
<i>Not Applied</i>	<i>10%</i>	<i>10%</i>	<i>11%</i>
<i>Wind Down*</i>	<i>8%</i>	<i>6%</i>	<i>10%</i>
<b>Not Funding</b>	<b>18%</b>	<b>16%</b>	<b>21%</b>

**Summary:** 600 female learners were covered by contracts which were winding down pre WECAs involvement and are not delivering in 2018/19. The net impact of non-application is the potential loss of 900 learners which equates to c 10%. On a gender basis, the reduction in learners receiving provision does not have a disproportionate impact on women. However, it would be important moving forward to also understand where this figure contributes to cumulative impact. For example, are these women

represented across other protected characteristics and what were they learning?

Age: Young People & Older People

Numbers	All	<19	20-24	50-59	60-64	70+
Fund	12,980	10	2,190	1,690	440	690
<i>Not Applied</i>	1,600	-	240	250	50	20
<i>Wind Down*</i>	1,280	-	190	220	50	10
Not Funding	2,870	-	420	470	100	20
<b>Total</b>	<b>15,850</b>	<b>10</b>	<b>2,610</b>	<b>2,170</b>	<b>540</b>	<b>710</b>

% of Total	All	<19	20-24	50-59	60-64	70+
Fund	82%	100%	84%	78%	81%	97%
<i>Not Applied</i>	10%	0%	9%	12%	9%	3%
<i>Wind Down*</i>	8%	0%	7%	10%	9%	1%
<b>Not Funding</b>	<b>18%</b>	<b>0%</b>	<b>16%</b>	<b>22%</b>	<b>19%</b>	<b>3%</b>

**Summary:** There is no impact on the youngest cohort 16-19, but under 25 there will be a reduction of 420 learners. (58% of Adult skills learners in 2017/18 were aged between 19 and 39). We do not currently have data on whether these learners have multiple characteristics and this is work that needs to be incorporated into the targeting and analysis for 20/21. In the older people cohort, the loss of learners will be 320 against a funded level of 2,820. There might be an argument to consider whether the focus

on older people is either re-training for later work or tackling social isolation through community learning. This will be part of building the understanding for 20/21 aligned to the priorities for the region.

Disability (LLLD):

Numbers	All	LLDD	No LLDD
Fund	12,980	3,170	9,810
<i>Not Applied</i>	<i>1,600</i>	<i>280</i>	<i>1,320</i>
<i>Wind Down*</i>	<i>1,280</i>	<i>290</i>	<i>990</i>
Not Funding	2,870	560	2,310
<b>Total</b>	<b>15,850</b>	<b>3,730</b>	<b>12,120</b>

% of Total	All	LLDD	No LLDD
Fund	82%	85%	81%
<i>Not Applied</i>	<i>10%</i>	<i>8%</i>	<i>11%</i>
<i>Wind Down*</i>	<i>8%</i>	<i>8%</i>	<i>8%</i>
<b>Not Funding</b>	<b>18%</b>	<b>15%</b>	<b>19%</b>

**Summary:** The numbers of learner lost through non applications is 280. This equates to c 8%. We have undertaken analysis for 17/18 where LLDD provision may have been specialist and through this have identified potentially 48 learners. It is not possible to allocate a personal impact for these individuals of losing this provision. But as the providers haven't applied, the question is what value the provision had to the learners?

Race:

Numbers	All	Asian	Black	Mixed	White	Other	BAME
Fund	12,980	760	1,760	530	8,980	520	3,580
<i>Not Applied</i>	<i>1,600</i>	<i>60</i>	<i>70</i>	<i>40</i>	<i>1,390</i>	<i>20</i>	<i>190</i>
<i>Wind Down*</i>	<i>1,280</i>	<i>100</i>	<i>300</i>	<i>60</i>	<i>760</i>	<i>50</i>	<i>500</i>

Not Funding	2,870	160	370	100	2,150	70	690
<b>Total</b>	<b>15,850</b>	<b>920</b>	<b>2,130</b>	<b>630</b>	<b>11,130</b>	<b>590</b>	<b>4,270</b>

**% of TOTAL**

Fund	82%	83%	83%	84%	81%	88%	84%
<i>Not Applied</i>	10%	7%	3%	6%	12%	3%	4%
<i>Wind Down*</i>	8%	11%	14%	10%	7%	8%	12%
<b>Not Funding</b>	<b>18%</b>	<b>17%</b>	<b>17%</b>	<b>16%</b>	<b>19%</b>	<b>12%</b>	<b>16%</b>

**Summary:** the reduction of learners through non applications is 190. This equates to a 4% reduction. NB This is a very minimal loss but it would be good to have the information about the cumulative impact to assess the level of impact.

### 3.2 Can these impacts be mitigated or justified? If so, how?

Across the board, the impacts in terms of numbers impacted across the region are relatively low. In terms of the 19/20 mitigation, there is an opportunity to write to those providers who chose not to apply for this years' funding, to encourage them to signpost past learners to alternative provision in case those learners still require provision. It would also be key to have clear signposting information on the AEB web page.

The analysis included here is focussed on tangible figures and there may be other more nuanced issues emerging relative to specific groups at a much more local levels, and this knowledge will be held mostly by those local Providers. Until the allocations are shared publicly, it is difficult for WECA to have that oversight. This will however be a key element of the 20/21 commissioning process, where a more co-designed approach focussed on regional priorities can ensure all the local level knowledge is informing those priorities.

### 3.3 Does the proposal create any benefits for people with protected characteristics?

There is no specific focus on creating benefits for any particular protected characteristic in this round. As the work moves forward to setting the approach for 20/21, the vision will be set through the Employment &

Skills Plan, currently in development, and AEB will be seeking to clarify and focus its contribution to this vision over the next 3-5 years, specifically around how to build an integrated system of progression for learners, specifically delivering against the inclusion agenda for all learners. The understanding WECA builds for this phase of the implementation of AEB provides both a clearer picture of immediate impacts or issues, but also the data needed for setting a trajectory for the next phase, highlighting where AEB needs to focus its resources and energy to make the change it wants to see. This will also be led by WECA's wider work on setting equality objectives, where it will be seeking a positive impact on target groups, specifics to be decided.

### **3.4 Can they be maximised? If so, how?**

This does not apply to 19/20, but will be a developing focus for 20/21.

## **Step 4: So what?**

The Equality Impact Assessment must be able to influence the proposal and decision. This section asks how your understanding of impacts on people with protected characteristics has influenced your proposal, and how the findings of your Equality Impact Assessment can be measured going forward.

### **4.1 How has the equality impact assessment informed or changed the proposal?**

The analysis that has been undertaken of the data available and the potential impacts prior to proposing an indicative allocation for the budget has demonstrated a minimal impact on protected characteristics. However, as outlined above, there may be more nuanced issues arising post the publication of the allocation, and analysis work that has been done in preparing this EQIA clearly demonstrates where the focus would need to be to address any emerging issues.

WECA wants to use this devolved budget to address any regional under representation or unequal access to learning moving forward, so during this first year, there will be a strong focus on gathering further statistical data regarding the needs in the region for these key groups. This understanding will inform the future allocation of this budget to ensure that positive impacts are delivered.

## **4.2 What actions have been identified going forward?**

As this is first year that WECA has had this budget devolved, there may be some issues which arise during the year that have not emerged in the data analysis or information from Providers. These will be captured and considered on a case by case basis.

The 19/20 funding agreements will ensure agreement to appropriate equalities monitoring by all funded organisations, including gathering an understanding of the equalities and inclusion policies they are operating to reach learners with protected characteristics.

A small budget has been retained to address emerging issues or required growth, which can be used to offset any unexpected negative impacts.

The core analysis undertaken for this process will inform the development approach for 20/21. This will include an improved understanding of smaller scale Providers and their ability to reach learners from protected characteristics, reaching those that the largest Provider do not attract.

The Employment & Skills Strategy will be the leading strategy document for the 20/21 commissioning alongside the agreed Equality Objectives for WECA as a whole.

## **4.3 How will the impact of your proposal and actions be measured moving forward?**

The successful Providers will be responsible for regular reporting into WECA. An emphasis will be placed on high quality reporting for all learners with protected characteristics enabling WECA to build an enhanced picture of effective delivery to these groups. And not only to understand how many learners there are from these groups, but more focus on the whole picture: what courses are they choosing, and what are the outcomes.

## Appendix 3 – 2019/20 Application Appraisal Criteria

### 7. APPRAISAL CRITERIA

In line with our Funding Principles scoring will be applied to applications as follows;

#### Overall Marks and Weighting

Application Form Section	Score	Weighting	Aspect %
Section 1 - Provider Information	0	0	
Section 2 - Gateway Questions*	Pass/ Pass with Conditions/Fail (see below for definition p8)		
Section 3 - Learning Offer / Track Record	5	X 5	25%
Section 4 - Statutory Entitlements	5	X 3	15%
Section 5 - Accessibility and Geographical Coverage	5	X 3	15%
Section 6 - Collaboration and Partnership Working	5	X 2	10%
Section 7 - Performance Management, Capacity and Capability	5	X 4	20%
Section 8 - Quality of Provision	5	X 3	15%
Section 9 - Historic Provision	0	0	
Section 10 - Request for Funding	0	0	
Section 11 Sub-Contracting	0	0	
Section 12 New Entrants and Due Diligence	Pass / Pass with Conditions/Fail (see below for definition p8)		
Section 13 Supporting Information	0	0	
Section 14 Declaration	0	0	

#### Section 1 of the Application Form - Provider Information

This Section will not be scored

## Section 2 of the Application Form - Gateway Questions

The gateway questions marked with a (\*) in the application form in Section 2 will be appraised on a 'pass/pass with conditions/fail' basis. If an application should fail Section 2, the rest of the application will not be appraised. However, the application may 'pass with conditions' subject to the outcome of WECA financial due diligence, if funding is awarded.

A 'pass' or a 'pass with conditions' will be defined as follows:

- i. If the organisation is currently a registered training provider and has provided it's UKPRN.
- ii. The organisation delivered AEB provision under a ESFA contract in 2017/18 and/or has a draft allocation for 2018/19.
- iii. An 'Outstanding', 'Good' or 'Satisfactory' grade from the ESFA Financial Health Assessment or the outcome of the WECA financial Due Diligence for a New Provider Entrant.
- iv. If the organisation has a ILR Compliant Management Information System in place.
- v. The applicant has confirmed they have established a State Aid compliant position

## Section 3 of the Application Form – Summary of Learning Offer /Track Record

<b>5 Points</b>	The response demonstrates a track record in delivering successful outcomes in AEB provision, including specifically to WECA residents and is supported by robust evidence.
<b>3 Points</b>	The response demonstrates a track record in delivering successful outcomes in AEB provision and is supported in the evidence
<b>1 Point</b>	The response demonstrates a track record in delivering AEB provision and there are gaps in the supporting evidence.
<b>0 Points</b>	No response or fails to address the question

## Section 4 of the Application Form – Statutory Entitlement

<b>5 Points</b>	The response demonstrates a track record in delivering Statutory Entitlements. Eligibility, deliverability and managing the budget has been addressed and is supported by robust evidence.
<b>3 Points</b>	The response demonstrates a track record in delivering Statutory Entitlement supported in the evidence.
<b>1 Point</b>	The response demonstrates a track record in delivering Statutory Entitlements there are gaps in the supporting evidence.
<b>0 Points</b>	No response or fails to address the question

### Section 5 of the Application Form - Accessibility and Geographic Coverage

<b>5 Points</b>	The response demonstrates that the provision set out is fully accessible to all WECA learners and is supported by robust evidence.
<b>3 Points</b>	The response demonstrates in part that the provision set out is reasonably accessible to most WECA learners and is supported by limited evidence
<b>1 Point</b>	The response lacks detail or there is a concern in relation to how the provision set out in the Delivery Plan is accessible to some WECA learners and/ or there are significant gaps in the supporting evidence.
<b>0 Points</b>	No response or fails to address the question.

### Section 6 of the Application Form - Collaboration and Partnership working

<b>5 Points</b>	Effective collaboration takes place at a local level to help meet the needs of WECA employers and learners and is supported by robust evidence. (Including any specific plans)
<b>3 Points</b>	Seeking to develop and sustain partnerships to help meet the needs of WECA employers and learners and is supported in the evidence
<b>1 Point</b>	Limited relevant collaboration efforts and there are gaps in the supporting evidence.
<b>0 Points</b>	No response or fails to address the question

### Section 7 of the Application Form - Performance Management, Capacity and Capability

<b>5 Points</b>	Demonstrates strong proposal for performance management, capability and capacity which is supported by robust evidence including a fully comprehensive assurance system and processes in place to manage a grant agreement and associated funding.
<b>3 Points</b>	Demonstrates acceptable proposals for performance management, capability and capacity which are supported by some evidence but they could be improved in at least one area.
<b>1 Point</b>	Lacks detail in relation to how Funding will be performance managed and there are significant gaps in the supporting evidence and/or there is a concern in at least one area
<b>0 Points</b>	No response or fails to address the question

### Section 8 of the Application Form - Quality of Provision

<b>Response Rating</b>	<b>Scoring</b>
No Ofsted	0
Inadequate	0
Requires Improvement	1
Good	4
Outstanding	5

## **Section 8 of the Application Form – Historic Provision to West of England Residents**

This section will not be scored

## **Section 9 of the Application Form - Request for Funding**

This section will not be scored. These figures will be compared against the [provisional ESFA publication of provider level delivery data for 2017/18](#). WECA will check that requests are within the 5% range on previous full year earned income.

## **Section 11 of the Application Form - Planned Sub-Contracting**

Details of proposed sub-contracting arrangements for 2019/20 will not be scored. Details of WECA's subcontracting management requirements are outlined in the WECA 2019/20 Adult Education Funding Performance Management Rules.

## **Section 12 of the Application Form - New Entrants & Due Diligence**

New Provider Entrants must submit the listed documentation and consent to a reference check to be carried out. (This section does not need to be completed for existing ESFA Providers).

## **Section 13 of the Application Form - Supporting Information**

This section will not be scored. This section requires providers to up-load their key policies as detailed.

## **Section 14 of the Application Form - Declaration**

This section must be signed by a suitably authorised Accountable Officer within the organisation i.e. Chief Executive, College Principle, Financial Officer or equivalent. If you do not sign and submit your application, we will be unable to accept your application.