

REPORT TO: WECA COMMITTEE
DATE: 28/01/2022
**REPORT TITLE: ADULT EDUCATION BUDGET – APPROACH FOR
THE 2022/23 ACADEMIC YEAR**
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Purpose of Report

1. To provide the WECA Committee with details of the proposed approach for the management and administration of the devolved Adult Education Budget (AEB) for the 2022/23 academic year.
2. To provide the committee with details of the proposal by the Combined Authority to the Department for Education for National Skills Fund Bootcamp Wave 3 funding.

Recommendation

The WECA Committee are asked to:

3. Note and agree the proposed approach for the management and administration of devolved AEB for the 2022/23 academic year.
4. Note the submission of a proposal for National Skills Fund Skills Boot Camp Wave 3 funding.
5. Agree the following decisions are delegated to the WECA CEO in consultation with constituent CEOs:
 - 5.1. Make decisions on the final approach for the 2022/23 academic year
 - 5.2. Make decisions on final provider allocations once agreed provider curriculum delivery plans (CDP) are in place.
 - 5.3. Make in-year exceptions funding decisions.
 - 5.4. Make any in-year growth funding decisions.
 - 5.5. Make decisions on provider re-allocations at all operational points including in-year and mid-year.
 - 5.6. Make decisions relating to reconciliation and recovery after the end of the 2022/23 academic year.
 - 5.7. Make decisions on the purpose and allocation of funds not distributed through the CDP process or funds used for the management and administration of devolved AEB.
 - 5.8. Make any required decisions on the final approach for the National Skills Fund Skills Boot Camp Wave 3 funding.
 - 5.9. Make funding decisions in relation to the National Skills Fund Skills Boot Camp Wave 3 funding.

Issues for Consideration

WECA's Adult Education So Far:

6. At circa £15m per annum, the devolved Adult Education Budget is a significant resource for the region and, working alongside a growing portfolio of employment and skills programmes developed and delivered by the Combined Authority, is helping to provide people the training they need to flourish and improve their life chances.
7. Since taking on the devolved powers and funding the Combined Authority has supported c. 22,800 residents to undertake c. 37,500 learning aims. Our data reveals that to date 65% of our learners have been female, 29% have come from a Black, Asian and Minority Ethnic background and 21% have Learning Difficulties or Disabilities. 33% of our learners have accessed provision at Level 2+ and 10% have been supported through our Low Wage entitlement.

WECA's aim for Adult Education:

8. Delivery has focussed on establishing a local system which delivers:
 - 8.1. Provision which is varied, high quality and accessible to all our residents and employers in both urban and rural settings.
 - 8.2. Provision which is demonstrably planned towards, and focused on, addressing our agreed key local needs and challenges.
 - 8.3. Provision that is flexible and responsive to the changing local environment (critically including the Covid-19 pandemic).
 - 8.4. A provider base which has a strong track record of successfully supporting learners to achieve their aims, fulfil their potential and achieve positive progression.
 - 8.5. A provider base that works and plans in collaboration with others to create options and pathways for learners whilst also reducing unnecessary duplication of provision.
 - 8.6. A system which supports a movement to a Low Carbon economy and helps supply green skills into the WECA workforce.
9. The Combined Authority is taking an incremental multi-year approach to the development of the local Adult Education system in order to affect the changes necessary to achieve the aims indicated above and establish greater cohesion between AEB and wider components of the regional Education, Employment and Skills System.
10. The approach to date has included:
 - **2019/20** (academic year): WECA introduced no changes to the system (e.g. rules, current providers etc.) and focused on smoothly landing the management and administration of the devolved powers and funding. Allocation levels were based on the funding utilised during the 2017/18 academic year.
 - **2020/21** (academic year): WECA worked with the same provider base and the same allocation levels whilst at the same time introducing a number of

measured system changes. Critically these included instigation of the Curriculum Delivery Plan process where WECA allocations and Grant Funding Agreements (GFA) were only confirmed (provider by provider) once a Curriculum Delivery Plan (CDP) was developed and agreed.

- **2021/22** (academic year): WECA introduced a number of further measured changes. Critically these included:
 - The introduction of a Minimum Contract Value (MCV) to consolidate the inherited provider base
 - The introduction of a Strategy and underlying evidence base to support providers to focus on priority sub-regional groups of residents/communities, employers/sectors and geographies within the WECA area.
- Close alignment of delivery with other funded skills activity to enable more flexible response to need in the short term, including through the Digital Skills Investment Programme as part of the Covid-19 Regional Recovery Fund which has delivered basic digital skills training and access in response to growing vacancies

11. Underpinning the work in relation to each academic year WECA has:

- 11.1. Developed robust data systems and practices to collect and manage data enabling us to monitor and manage performance.
- 11.2. Worked with a range of partners/stakeholders to ensure AEB builds on best practice and innovation in delivery including: DfE/ESFA, DWP, West of England Local Authorities, other Mayoral Combined Authorities/Greater London Authority providers and the West of England Skills Advisory Panel
- 11.3. Assembled an appropriately skilled and experienced team to manage and administer the system.

Proposed approach to the 2022/23 Academic Year and beyond:

12. WECA will use the 2022/23 academic year to build upon the foundations put in place so far guided by the regional Employment and Skills Plan, to make further changes and improvements to AEB delivery to ensure strategic alignment with the Metro Mayor's priority to help people access secure and fairly paid jobs, working with training providers, trade unions and local employers.

13. Our approach will respond to the strategic priority of tackling the climate and ecological emergency, ensuring provision helps equip people with the skills needed to access the 23,000 green jobs which will be created¹. This will include linking to new measures developed through the £50m Green Recovery Fund such as the retrofit accelerator programme.

14. Delivery will also respond flexibly to the ongoing impact of the Covid-19 pandemic on our economy and labour market, where certain sectors have

¹ The Combined Authority has produced leading research into both Green Skills Market Analysis and also Retrofit Skills Market Analysis.

suffered more fundamental disruption and, in many cases, exacerbating existing skills challenges, for example, in relation to HGV drivers/logistics, tourism and hospitality, and social care. This will include linking to the planned Regional Recovery and Adaptions Fund.

15. Underpinning this, we will continue to take an evidence-based approach to delivery to ensure that it is focussed on greatest need, and where appropriate bringing in new changes within the year.
16. More detail on specific approach and changes proposed for 2022/23 are set out in appendix 1.
17. Grant Funding Allocation Levels: Subject to budget availability WECA will use roll-forward allocations for the providers with an active Grant Funding allocation that has been agreed after submission of a Curriculum Delivery Plan for the 2021/22 academic year. These allocation levels will be based on the 2021/22 allocations, but the final amount will only be determined by WECA once the 2022/23 WECA AEB allocation is confirmed by the Department of Education (anticipated end of March 2021). No grant funding agreement will be agreed for 2022/23 without an agreed Curriculum Delivery Plan for 2022/23 in place.
18. System Changes and the Funding Rules: For the 2022/23 academic year WECA will continue to make system changes which support funded providers to focus on our key sub-regional priorities. The WECA AEB Funding Rules will maintain a certain alignment with the national funding rules however WECA reserves the right to make significant variations where they will support greater positive impact on achieving WECA's aims and objectives.

Equalities Impact Assessment:

19. EQIA and use of Sub-Contracting: In order to protect against any unintended consequences WECA will conduct an Equalities Impact Assessment (EQIA), based on the latest available full year figures, on the provision that ceases as a result of the MCV. Where niche provision is identified that is not delivered by another provider WECA will seek to address this through our commissioning approach.

National Skills Fund – Skills Bootcamp Wave 3

20. The Combined Authority has been approached by the Department for Education (DfE) to submit a proposal for funding to manage and deliver the National Skill Fund Wave 3 Skills Boot Camps.
21. The Skills Boot Camps mainly focus on skills at Level3+ (with some Level 2 in certain areas) and on progression into, and within, employment.
22. If the proposal is successful, this funding stream will expand on our regional Adult Education skills offer and allow an agile response to skills training with a focus on immediate, and evidenced, employer needs.

Delegated Authority:

23. It is requested that the following decisions are delegated to the WECA CEO in consultation with constituent CEOs:
- 24.

- 24.1. Make decisions on the final approach for the 2022/23 academic year.
- 24.2. Make decisions on final provider allocations once agreed provider curriculum delivery plans are in place.
- 24.3. Make in-year exceptions funding decisions.
- 24.4. Make any in-year growth funding decisions.
- 24.5. Make decisions on provider re-allocations at all operational points including in-year and mid-year.
- 24.6. Make decisions relating to reconciliation and recovery after the end of the 2022/23 academic year.
- 24.7. Make decisions on the purpose and allocation of funds not distributed through the CDP process or funds used for the management and administration of devolved AEB.
- 24.8. Make decisions on the final approach for the National Skills Fund Bootcamp Wave 3 funding.
- 24.9. Make decisions on funding allocations for the National Skills Fund Skills Boot Camp Wave 3 funding.

Consultation

- 25. There are no significant system changes for 2022/23. No formal consultation is planned.

Other Options Considered

- 26. Other options were considered (such as deeper, more far reaching changes away from the national approach). These were not put forwards as recommendations as they were considered to not adequately balance change versus impact.

Risk Management/Assessment

27. RISK 1:

- 27.1. Risk: WECA's Management and Administration of devolved AEB causes a destabilisation of providers and learners.
- 27.2. Mitigation: The report, and associated recommendations, develop on from the approach taken during previous academic year. Changes detailed for the year are intended to have a positive impact on the relevance and impact of devolved Adult Education provision.

Public Sector Equality Duties

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

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

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

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

in other activities where their participation is disproportionately low.

30. 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.
31. An Equalities Impact Assessment will be conducted as part of the funding process prior to the start of the 2022/23 academic year.

Finance Implications, including economic impact assessment where appropriate:

32. Processes applied for AEB are consistent with those applied through other WECA grant funding streams.
33. There are no specific financial awards to named providers recommended within this paper. Subsequent recommended financial awards to providers will be within the budget provision available.

Advice given by: Malcolm Coe, Director of Investment and Corporate Services (WECA)

Legal Implications:

34. Legal advice will be sought where appropriate either leading up to, or during, the 2022/23 academic year.

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

Climate Change Implications

35. On 19 July 2019, the West of England Combined Authority declared a climate emergency, recognising the huge significance of climate change and its impact on the health, safety and wellbeing of the region's residents. The Combined Authority is committed to taking climate change considerations fully into account as an integral part of its governance and decision-making process.

Each report/proposal submitted for Combined Authority / Joint Committee approval is assessed in terms of the following:

Will the proposal impact positively or negatively on:

- * The emission of climate changing gases?
- * The region's resilience to the effects of climate change?
- * Consumption of non-renewable resources?
- * Pollution to land, water or air?

Particular projects will also be subject to more detailed environmental assessment/consideration as necessary as part of their detailed project-specific management arrangements

36. Taking the above specifically into account, please comment on any climate change implications arising as a result of this report and include details of any mitigation:
 - 36.1. There are no direct climate change implications arising from this report. However, the provision delivered as a result of this funding could add to the

region's resilience to the effects of climate change if for instance learners access (or are supported to access) courses which help develop skills relating to: carbon neutral technologies, ecologically friendly building techniques/methods etc.

Human Resources Implications:

37. There are no HR implications arising as a result of this report. The management of AEB will be conducted from within existing resources

Advice Given By: Alex Holly, WECA Head of People and Assets

Appendices:

Appendix 1 – Proposed approach to the management and administration of devolved AEB during the 2022/23 academic year

Background papers: None

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 on 07436 600313; or by writing to West of England Combined Authority, 3 Rivergate, Temple Quay, Bristol BS1 6EW; email: democratic.services@westofengland-ca.gov.uk

APPENDIX 1

Strategic Approach:	Rationale:	Intended Impact:
<ul style="list-style-type: none">• WECA will use a Strategy (and underpinning evidence base) to articulate the regional priorities for devolved delivery, aligned with the Metro Mayor’s priorities. In turn providers will need to develop their Curriculum Delivery Plan’s directly in line with the Strategy and underpinning evidence base.• The evidence base will have the key data (i.e. in relation to key residential groups, areas of geographical focus, sectors/employers, thematic issues etc.) that underpins the Strategy. There should be a direct line of sight through this data to the LIS and E&SP.	<ul style="list-style-type: none">• WECA is moving from a reactive Adult Education approach to one which is planned and responsive to strategic priorities.• In order to effect the change to a planned system a Strategy is needed that draws upon our best understanding of the available data/evidence, and in turn articulates WECA’s policy direction and key regional priorities in terms of Adult Education.	<ul style="list-style-type: none">• WECA is demonstrably orientating the local system to address strategic priorities.• WECA moves away from an unplanned (regionally) and reactive approach to the delivery of adult education.

Minimum Contract Value:	Rationale:	Intended Impact:
<ul style="list-style-type: none"> • For 2022/23 WECA will continue to use a minimum contract value of £150,000 for grant funded providers. • Providers who had a 2021/22 allocation and grant funding agreement will be offered a draft roll-forward allocation (confirmed through a successfully agreed Curriculum Delivery Plan) for 2022/23. Providers may bid to secure additional funds via the open application process • Any provider without a grant funding contract and an allocation of £150,000 or more in 2021/22 will not be offered roll-forward allocation for 2021/22 but may continue to deliver through sub-contract or apply to secure an allocation in excess of the Minimum Contract Value threshold via the open application process. 	<ul style="list-style-type: none"> • The national approach to funding, and the subsequent transition arrangements, meant WECA inherited a provider base with a wide range of financial allocations (by value). • WECA has consolidated this provider base by introducing the Minimum Contract Value in 2021/22 and is looking to continue working with a smaller and more strategic group of prime providers who have larger financial allocations and use positive sub-contracting to create full and rounded curriculum offers. • WECA is seeking to ensure that all strategic priorities are sufficiently addressed through either the negotiation of Curriculum and Delivery Plans or through securing additional provision through the open application process. WECA is ensuring this funding can also be used to meet emerging priorities. 	<ul style="list-style-type: none"> • WECA works with a smaller prime provider base (Grant Funded) which have more impactful allocations. • WECA is able to use a portion of the budget to secure provision that directly supports any priorities set out in our strategy that are not sufficiently addressed through the negotiation of Curriculum and Delivery Plans. WECA is also able to use a portion of the budget to secure provision which directly supports emerging priorities.

Allocations Approach:	Rationale:	Intended Impact:
<ul style="list-style-type: none"> • For the 2022/23 academic year WECA will work with the same provider base as during the 2021/22 academic year. • Existing providers may bid to secure additional funds via the open application process, alongside new providers. • The open applications process will seek bids to commission new provision that supports a specific strategic priority (i.e. those set out in our strategy that are not sufficiently addressed through the negotiation of Curriculum and Delivery Plans amongst providers with roll-forward allocations). • WECA intends to offer draft roll-forward allocations at the same value the provider received during the 2021/22 academic year (including any adjustments arising from end of year reconciliation and/or mid-year review). WECA will confirm its ability to do this once the final budget settlement is confirmed (approx. end of March 2022). 	<ul style="list-style-type: none"> • WECA is seeking to deliver a proactive evidence-based approach to Adult Education, working with providers to ensure training meets strategic need. • Articulating the approach being taken to the provider base as soon as possible supports sustainable decision making as early as possible. • Agreeing draft grant funding allocations in January 2022 enables WECA to concentrate on engaging with the provider base more fully and agreeing the provider delivery plans for 2022/23. This will result more effectively planned provision alongside stability for the provider base. 	<ul style="list-style-type: none"> • Providers understand earlier in the process whether WECA intends to fund them for the 2022/23 academic year. • Providers are able to focus on compiling, and agreeing with WECA, their associated Curriculum Delivery Plans. • WECA is able to focus more fully on the delivery plan process and the details of each provider's delivery/provision.

<ul style="list-style-type: none"> • The provider's allocation will be confirmed, and the grant funding agreement issued, once their related Curriculum Delivery Plan has been agreed with WECA. • A lack of an agreed plan will ultimately result in the provider not receiving an allocation from WECA for the 2022/23 academic year. 		
<p>Provider Plans:</p> <ul style="list-style-type: none"> • As part of the allocations process all grant funded providers will need to submit and agree a full Curriculum Delivery Plan with WECA for their devolved provision. • For 2022/23 the plan will detail, and justify, the providers' proposed provision including: targeted learners, details of courses/provision to be delivered, where the provision will be located. Critically the plan will need to detail how the provision contributes to, and supports achievement of the AEB strategy, aligned to the Metro Mayor's priorities • The plan will need to demonstrate how many starts, achievements and 	<p>Rationale:</p> <ul style="list-style-type: none"> • WECA is seeking to fund providers who's devolved AEB provision demonstrably addresses the needs outlined in the AEB strategy, the Mayor's priorities, WECA LIS, E&SP and in terms of its response to the Covid-19 pandemic. • WECA is seeking to fund providers who can demonstrate that they fully understand the needs of (and the challenges faced by), residents, communities and employers in the West of England. 	<p>Intended Impact:</p> <ul style="list-style-type: none"> • Devolved Adult Education provision, which is visibly planned, relates directly to the AEB strategy and is understandable to WECA, learners, employers and stakeholders. • Providers are supported to move to a more demonstrably planned and open/understandable delivery model.

<p>positive progressions the provider plans to deliver within each of our categories of adult education, and how much funding they propose to utilise within each category.</p> <ul style="list-style-type: none"> • The plan would be agreed with WECA between Jan 2022 and July 2022. • A lack of an agreed plan will mean result in the provider not receiving an allocation from WECA for the 2022/23 academic year. 		
<p>Open Applications Process</p> <ul style="list-style-type: none"> • WECA will utilise all funding not allocated via the roll-forward process plus any other under-spend that we have not been able to distribute through other means to establish a budget to be distributed through an open application process. • This budget will be used to directly secure provision to address priorities set out in our Strategy that have not been sufficiently addressed through the Curriculum and Delivery Plans negotiated in relation to roll-forward allocations, or emerging priorities. 	<p>Rationale:</p> <ul style="list-style-type: none"> • The Open Application Process provides a mechanism through which to realise the following benefits: <ul style="list-style-type: none"> ○ Improved alignment between WECA AEB provision and our strategic priorities. ○ A route to flexibly address emerging priorities. ○ A potential entry route for new providers 	<p>Intended Impact</p> <ul style="list-style-type: none"> • All WECA Adult Education Funding is allocated in a manner that offers improved alignment with strategic priorities and/or emerging priorities.

<ul style="list-style-type: none"> • All providers will be at liberty to bid for funds through this process. • All providers who secure funding through the open application process will be required to negotiate a Curriculum Delivery Plan and will be allocated funds through a Grant Funding Agreement. 		
<p>Sharing of Provider Delivery Plans:</p> <ul style="list-style-type: none"> • WECA will share the details of all agreed provider delivery plans throughout the devolved WECA provider base. 	<p>Rationale:</p> <ul style="list-style-type: none"> • As established during preparation for the 2021/22 academic year WECA now deems it necessary for providers to discuss and share their intended delivery with other providers. • WECA is seeking a more constructed and open Adult Education landscape in the WECA area where providers are aware of each other's provision and can factor this in when planning their own. • WECA is also seeking a more joined up approach between providers to better support learners and employers especially in terms of progression through provision. 	<p>Intended Impact:</p> <ul style="list-style-type: none"> • An increase in joint working between providers and delivery of effectively planned provision. • Increased support for learners especially in terms of progression and pathways through provision. • Identification of oversupply and undersupply in relation different communities/areas. • Reduction in unnecessary duplication. Where provision is duplicated this would be considered deliberate and necessary.