

**REPORT TO: WECA OVERVIEW AND SCRUTINY COMMITTEE**

**DATE: 27 FEBRUARY 2019**

**REPORT TITLE: DEVOLVED ADULT EDUCATION BUDGET UPDATE**

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### **Purpose of Report**

1. To provide an update on WECA's progress in relation to devolved Adult Education Budget (AEB).
2. To note the significant reduction in WECA's AEB allocation for the 2019/20 academic year and planned action.

### **Background**

3. The devolution of powers and funding to address the provision of adult skills (currently known as Adult Education Budget (AEB)) from government was part of the West of England Devolution deal.
4. Essentially, these powers will enable WECA to improve alignment with local economic circumstances, more effectively meeting the needs of its businesses, residents and communities. In addition, reduced duplication and greater transparency will create economies of scale in the provider base, and a more rigorous measurement of outcomes to increase value for money and return on public investment.
5. Adult Education provision funded through WECA's devolved powers and funding will start on **1<sup>st</sup> August 2019**. An implementation period leading up to this point is required to enable provider applications, funding allocations, and agreements to be in place.
6. For the 19/20 academic year, WECA will pursue an approach that creates both a stable transition from national to local arrangements and prepare for future years.

### **Progress Update**

7. **Devolution of powers:** The relevant order to enable devolution of powers and funding relating to AEB to WECA was laid before parliament on July 23<sup>rd</sup> 2018. The ministerial debate relating to the WECA order occurred on the 23<sup>rd</sup> October 2018, with orders made

on the 5th Nov 2018 and powers coming into force on the 6th November 2018. The powers relating to AEB are Combined Authority rather than Mayoral powers.

8. WECA has identified the required implementation resource for the indicative budget (and associated staffing resource) for the 2019/20 academic year. This was agreed unanimously by WECA committee on Friday 28th September 2018.
9. **Ensuring operational readiness:** for the 2019/20 academic year, WECA will determine which providers to fund (and how much) using a grant funding application process which will be open, transparent and without pre-determined outcomes. The AEB team is currently focussed on ensuring WECA is operationally ready for the application and allocations process. Between November 2018 and January 2019, WECA officers developed and finalised the paperwork to be used during the 2019/20 AEB Grant Funding Application Process alongside the key funding policy documentation based on current Employment and Skills Funding Agency (ESFA) processes.
10. On the 21<sup>st</sup> January 2019, and following conclusion of the consultation, the 2019/20 Grant Funding Application Process was triggered. This window will remain open until 3<sup>rd</sup> March 2019.
11. WECA continues to work with other Combined Authorities to engage jointly with Department of Education (DfE) and ESFA, sharing information on operational proposals and best practice.
12. **Consultation to date:** to ensure maximum transparency of approach, WECA has engaged extensively with the current AEB provider base. This has involved providing clarity over its intended funding approach and processes, and inviting feedback on proposals. The process has been generally positive and has helped build and strengthen relationships with providers. In December 2019, WECA ran a formal consultation process to ensure existing providers were aware of the process, access routes to grant funding, and timelines for applications for 2019/20.
13. **2019/20 Allocation:** WECA has been notified that its AEB allocation for the 2019/20 academic year is £14.7m. This allocation is based on previous actual delivery and is reflective of an underspend by the existing provider base including from some of the region's largest AEB providers. We understand that all other Combined Authorities have received a reduced budget for the same reasons.
14. Whilst acknowledging the methodology and how the position has been arrived at, WECA has serious concerns that the result will prevent it from achieving its long-term plans for AEB devolution. A meeting has been arranged with senior officials within DfE to raise these concerns and discuss options, including to increase the budget for 2020/21 onwards.

### **Next Steps and 2020/21 onwards**

15. Once the Grant Funding Allocations Process has closed, draft allocations and funding agreements for the 19/20 will be prepared and presented to WECA Joint Committee. As stated above, the start of devolved delivery is from 1<sup>st</sup> August 2019.
16. The aim of the 19/20 transitional year is to effectively absorb devolved AEB functions, with all systems and processes set up to deliver a transition year. From year two

onwards, there is an opportunity for WECA to flex these arrangements to more effectively tailor funding towards local economic need.

17. The West of England Local Industrial Strategy and a supporting Employment & Skills Plan will in time provide the backdrop for determining a future approach to AEB devolution. Any approach will need to be clear about the economic rationale for changing the system and the benefits that will accrue.

### **Public Sector Equality Duties**

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.

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.

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.

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

There are no financial implications arising as a result of this report.

### **Legal Implications:**

There are no legal implications arising as a result of this report.

### **Land/property implications**

There are no land/property implications arising as a result of this report.

### **Human Resources Implications:**

There are no HR implications arising as a result of this report.

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**Recommendation:**

**That progress in relation to devolved AEB is noted.**

**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)