

SKILLS & EMPLOYMENT BOARD

6 January 2020

Adult Education Budget

Purpose of Report

The paper and accompanying presentation provides Board members with an overview of how the Adult Education Budget is currently being utilised in the Sheffield City Region.

Thematic Priority

Develop the SCR skills base, labour mobility and education performance

Freedom of Information

This paper will be made available under the MCA transparency scheme

Recommendations

That Board Members:

Note the contents of the report and presentation and request that Members use the analysis for discussion on the future strategic direction of the Adult Education Budget.

1. Introduction

- 1.1** Adult Education Budget (AEB) is the responsibility of the Secretary of State for Education and administered by the Education and Skills Funding Agency (ESFA). Devolution of AEB is an integral element of the SCR devolution deal with government.
- 1.2** The SCR has undertaken detailed analysis of the current nationally run programme in order to inform future options for devolved delivery, if this occurs.

2. Proposal and justification

- 2.1** The presentation attached at appendix 1, provides Members with:
 - An analysis of how the Adult Education Budget is being utilised in the Sheffield City Region currently
 - A profile of the learners benefitting from that budget
- 2.2** Currently there are a total of **250** providers deliver AEB funded training. Of the 250 providers delivering locally 222 are based outside the SY, spending 35% of the total allocation. Whilst some of this delivery is specialised and not available locally, much could be delivered by local colleges and training providers if AEB was managed differently.

The two actions detailed below at 2.2.1-2.2.2 have the potential to release an additional £4.8m directly into commissioned provision for local priorities.

2.2.1 Minimum contract thresholds - If we were in control and set a minimum contract threshold of £100k this would reduce the number of grant providers to 21; enable a meaningful relationship between the MCA and their providers. This would enable the opportunity for the Board to set clear priorities and manage funding effectively. This is an approach adopted by the other MCA who are all reporting significant improvements in relationships and delivery.

2.2.2 Limiting the flow of money from local providers - there is also the potential to place limits on how providers who are based outside of SY use sub-contracting.

To provide an example, two colleges external to the SCR are currently funded to deliver training to SY residents. Both colleges take a management fee from the grant they receive (up to 20%) and then subcontract £1.1m to a single provider to deliver health and beauty and complementary therapies (£693,000 of the £1.1m is for complementary therapies). This is 3.1% of the total AEB allocation for SCR which to provide some scale is double the allocation to Doncaster Metropolitan Borough Council for all of their classroom and community learning provision, which is currently £550k.

2.3 The LEP has for the previous 5 years had responsibility for capital funding for vocational training – we can be smarter in joining capital funding with training cash.

3. Consideration of alternative approaches

3.1 n/a

4. Implications

4.1 Financial

There are no direct implications for the MCA as a consequence of this paper, although the paper and presentation highlights the financial position of the AEB within the SCR.

4.2 Legal

There are no legal implications to this paper.

4.3 Risk Management

Currently AEB is the responsibility of the ESFA, acting on behalf of the Secretary of State for Education. There are therefore no direct risk management responsibilities for the MCA to consider. Should the MCA assume responsibility for the management of AEB in the future a full risk assessment would be commissioned and undertaken.

4.4 Equality, Diversity and Social Inclusion

AEB supports those who are either currently unemployed or who have not achieved basic qualification levels to achieve these thus promoting social inclusion, diversity and equality.

5. Communications

5.1 Should the MCA assume responsibility for AEB in the future a comprehensive communications strategy will be required. The MCAs communication approach with AEB providers will need to be both timely (noting the significance of planning in advance) and comprehensive.

6. Appendices/Annexes

6.1 Appendix 1 – Overview of the AEB

Appendix 2 - Overview of the AEB

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references: