

Education Skills and Employability Board

14 December 2021

Adult Education Board Delivery Update

Is the paper exempt from the press and public?	No
Purpose of this report:	Funding Decision
Is this a Key Decision?	No
Has it been included on the Forward Plan?	Not a Key Decision

Director Approving Submission of the Report:

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Executive Summary

This Adult Education Budget (AEB) Update paper provides an update on a number of key upcoming issues which will have an impact on AEB delivery in South Yorkshire. These issues have different implications for different aspects of AEB. These issues are discussed in detail in the three referenced papers: - 1. Approach to AEB Grant Reconciliation and Covid, 2 In Year AEB Procurement and 3 Reallocation of AEB Funding in Year.

This paper summarises the recommendations made in those accompanying discussion papers.

What does this mean for businesses, people and places in South Yorkshire?

The paper is about the ongoing operation of devolved AEB in South Yorkshire. AEB supports Adults to participate in learning and acquire Skills. AEB supports South Yorkshire businesses through access to skilled workers.

Recommendations

1. AEB Grant Reconciliation relating to Covid.

SYMCA will adopt any nationally set Grant threshold for reconciliation.

2. In Year Procurement

Should gaps emerge on the Procured side of AEB due to aggregate performance issues, SYMCA will time any new AEB procurement to bring in new provision for the start of the new academic year (2022/23).

3. Reallocation of AEB Funding

Should gaps emerge on the Grant side of AEB due to aggregate performance issues, SYMCA will time any changes made to Grant arrangements for the start of the new academic year (2022/23).

Consideration by any other Board, Committee, Assurance or Advisory Panel

None

1. Background

- 1.1 There are a number of factors which could have an impact on AEB over the rest of this academic year. These factors are summarised in this paper.
- 1.2 There are three accompanying papers which provide greater detail on the impacts and suggested approaches.

2. Key Issues

- 2.1 Covid could compromise providers ability to deliver AEB provision. Grant Providers in non-devolved areas and in other devolved areas have had the reconciliation threshold lowered to reflect the difficult delivery environment. Currently the threshold is set at 100% by SYMCA's Funding and Performance Management Rules. Hopefully Covid prevalence and its impact on AEB delivery will continue to decline.
- 2.2 At this stage of the academic year it is too early to know if the MCA will need to change this threshold. The accompanying paper discusses appropriate processes for ensuring that as the academic year progresses SYMCA sets an appropriate threshold and is providing an appropriate level of support to our Grant Providers.
- 2.3 Currently the MCA has received reports on the first three months of devolved AEB delivery. It is too early in the year to forecast how close providers will get to delivering their full delivery plan for 2021/22. The accompanying papers 7ii In Year Procurement and 7iii Reallocation of AEB Funding discuss the options available to the MCA if a situation develops where collectively procured and grant providers are unable to meet their contracted delivery targets.
- 2.4 These papers are not about individual provider performance management, the MCA's contracts with Providers and the Funding and Performance Management Rules set out in detail the responsibilities of both providers and the MCA in relation to individual provider performance. These papers are about the collective performance of the providers.

2.5 There will be a Mayoral election in May. This will be preceded by a period of purdah. Purdah limits some of the activities of the MCA. This is in part why these papers seek to agree courses of action now.

3. Options Considered and Recommended Proposal

3.1 Option 1

On Covid related Grant Reconciliation Thresholds, SYMCA will agree to adopt any amendments made by the ESFA to the non-devolved thresholds as a response to Covid. If no amendments are made SYMCA will retain the 100% threshold set out in the current version of our Funding and Performance Management Rules.

3.2 On Procured AEB provision, SYMCA will monitor performance. If it becomes apparent that there will be a collective performance short fall SYMCA will consider a new procurement round timed to introduce new providers and provision in time for the new academic year (2022/23). SYMCA will take into account the impact of Covid in this decision. SYMCA will continue to manage the performance of individual procured providers as contractually agreed.

3.3 Similarly, on Granted AEB provision SYMCA will monitor performance as the picture develops over the coming months. If it becomes apparent that there will be a collective performance short fall, SYMCA will consider whether changes to Grant Allocations need to be made in time for the new academic year (2022/23). SYMCA will take into account the impact of Covid. SYMCA will continue to manage the performance of individual Grant providers as contractually agreed.

3.4 Option 1 Risks and Mitigations

Each of the accompanying papers discusses the benefits and disincentives for each of the options.

3.5 Option 2

Each of the accompanying papers discusses alternative approaches (including the risks and benefits).

3.6 Recommended Option

Option 1

4. Consultation on Proposal

4.1 No consultation with providers has been undertaken.

5. Timetable and Accountability for Implementing this Decision

5.1 The MCA will write to providers outlining the intentions that this paper proposes in January 2022. As outlined these proposals are, that: -

- 1 the MCA proposes to adopt any Covid amendments to the national grant reconciliation threshold.
- 2 The MCA intends to time any changes (if required) to Procured AEB to align to the next academic year.
- 3 The MCA intends to time any changes (if required) to Granted AEB to align to the next academic year.

5.2 The MCA will have more information on provider performance after receiving R04. This is due in December.

6. Financial and Procurement Implications and Advice

6.1 It is too early to say what the financial implications will be. Further decisions will need to be made regarding the practical implications around clawback from providers as well as considering any clawback requirements on us from the funder.

7. Legal Implications and Advice

7.1 The Grant Reconciliation Threshold is set at 100% for the financial year 2021/22 in the Funding and Performance Management Rules (“FPMR”) forming part of the Grant Contract. The Grant Contract provides that the FPMR may be changed in accordance with guidance from the EFSA. Changing the threshold percentage in line with the EFSA would be in line with this provision.

7.2 The call off contracts for both Procured and Grant AEB are awarded for a single financial year so any changes to allocation of funding for the financial year 2022/23 will be implemented by new call off contracts.

8. Human Resources Implications and Advice

8.1 No HR Implications.

9. Equality and Diversity Implications and Advice

9.1 No specific EDI at this stage however it will be important for the MCA to continue to monitor which communities / learners are engaging with AEB to ensure there are no important gaps in provision.

10. Climate Change Implications and Advice

10.1 No new Climate Change Implications.

11. Information and Communication Technology Implications and Advice

11.1 No ICT implications.

12. Communications and Marketing Implications and Advice

12.1 Communications on the decision to the providers will be conducted by the contract management team, whilst marketing awareness of the scope of availability to South Yorkshire residents will continue to progress in line with the communications and marketing plans and agreements.

List of Appendices Included

- A Approach to AEB Grant Reconciliation and Covid 21/22
- B In Year Procurement 21/22
- C Reallocation of AEB Funding in Year

Background Papers

None