

Appendix C

Reallocation of AEB Funding in Year (21/22)

Background

This paper is linked to the paper on Grant Reconciliation and In Year Procurement.

The paper seeks to agree an approach for considering AEB funding that has been granted but not spent/delivered this academic year. This paper is not an indication that this will be the case but seeks to discuss what an appropriate course of action should be if an underspend is identified.

Grants for Adult Education Budget (AEB) funding for 2021/22 (£27,890,937m).

Grants for National Skills Fund – Adult Lifetime Skills Guarantee (Level 3) for 2021/22 (£2,738,386)

SYMCA's relationships with providers funded via the funding identified above are governed by contracts and our Funding and Performance Management Rules. These documents set out both the provider and the MCA's responsibilities with regards to performance. The MCA will work with providers to try to resolve any issues with performance as outlined in the above documents.

This paper isn't about performance thresholds for individual providers; it is about what the MCA expects the collective position to look like and what the MCA should do in response to this.

It is important that in our role as commissioner that the MCA takes appropriate action to ensure any funding available to support the learning of South Yorkshire residents is used for that purpose rather than retained by the MCA.

Key Issues

The same issues raised in the other papers also apply here.

There is a Mayoral Election in May 2022 with an accompanying period of purdah which will restrict the time available to make decisions and to commit to new provision.

The MCA is in the process of procuring a Lessons Learned review which will look at how the MCA commissioned AEB as discussed at the last ESE board (October 2021). It is important that this Lessons Learned review has the time to be completed in order for the findings to be considered ahead of any new AEB commissioning.

There are nine providers in South Yorkshire who received Grants: -

1. Barnsley College
2. Barnsley Metropolitan Borough Council
3. DN College Group
4. Doncaster Metropolitan Borough Council
5. Longley Park Sixth Form College
6. Northern College
7. RNN
8. Sheffield City Council
9. The Sheffield College

Of these, four college's also received NSF funding for the level 3 Adult Offer: -

1. Barnsley College
2. DN College Group
3. RNN
4. The Sheffield College

At this point in the 2021/22 academic year only three months of delivery data have been received (Months 1 -3). This means the MCA does not have enough information to be able to confidently forecast what the aggregate performance picture of granted AEB provision is likely to look like by the end of the academic year.

As covered in the separate paper on Grant Reconciliation – if there did prove to be an underspend / under delivery there could be a Covid element to those performance issues that would need to be taken into consideration. From this point in the academic year the signs are that the impacts that Covid is having on delivery is decreasing but there is a need to acknowledge that this could change.

All options discussed below would be subject to there being an agreement with the organisations that they are not in a position to fully utilise their Grant as agreed before the academic year began.

It should be noted that the AEB grant funding that is unallocated at the end of the year will remain with the MCA and can be added to funding for the next year. The NSF money for Level 3 is different and will be clawed back from SYMCA at the end of the academic year if unspent by DfE.

Options

Option 1 – Explore potential to transfer Grant Funding between Grant Organisations

Where there are Grant Organisations who are forecast to fully deliver against their delivery plan the MCA will open conversations about increasing this year's allocations. Such an arrangement would be contingent on being able to agree with both organisations reducing their Grants and organisations who feel willing and able to increase their delivery this year. Any arrangement would need to align to the same SYMCA priorities that were used to develop the original Grant offers.

Benefits

This approach could maximise the SY based delivery in this year.

Risks

This is likely to compromise the balance between the four Local Authorities.

All Grant Providers have developed a Delivery Plan that have been developed in order to link into other provision and to meet the priorities of the MCA's SEP and RAP.

Option 2 – Hold any changes to Grant Allocations for the next academic year

All grant allocations will be reviewed ahead of the new academic year. Grants should be adjusted according to organisation's performance this academic year.

Benefits

This option would provide more time to ensure that amendments to Grants are well designed.

Any rebalancing / reallocating will take place as part of the new Grant conversations which will confirm allocations and delivery plans for 2022/23.

Risks

If Grant Providers do not deliver the Delivery Plans that were the basis for receiving their Grant, under current grant reconciliation arrangement funding will be clawed back by the MCA. AEB Funding would be retained for future allocation by the MCA. The NSF Level 3 grants are paid on actual delivery. This funding would be clawed back from the MCA by the DfE.

Recommended Option

Option 2.