

LIVERPOOL CITY REGION COMBINED AUTHORITY

To: The Metro Mayor and Members of the Combined Authority

Meeting: 8 March 2019

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: No

REPORT OF THE DIRECTOR OF POLICY AND STRATEGIC COMMISSIONING AND PORTFOLIO HOLDER FOR EDUCATION, EMPLOYMENT, APPRENTICESHIPS AND SKILLS

ADULT EDUCATION BUDGET ASSURANCE FRAMEWORK

1 PURPOSE OF REPORT

- 1.1 The report provides an assurance framework for the Adult Education Budget, utilising the recently updated Strategic Investment Fund (SIF) assurance framework as an appropriate and comparable format. The Adult Education Budget will be devolved to the Liverpool City Region from 1 August 2019, and the Combined Authority intends to use this assurance framework in implementing delivery for the 2019/20 academic year.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Liverpool City Region Combined Authority approve the Adult Education Budget assurance framework as detailed in Appendix One.

3 BACKGROUND

- 3.1 Devolution of the Adult Education Budget (AEB) was agreed in Liverpool City Region's Devolution Agreement of November 2015. The Adult Education Functions Order 2018 Order details those adult education functions being transferred from the Secretary of State for Education to the Combined Authority. Through this transfer of functions, the Combined Authority will take on responsibility for the AEB from 1 August 2019 to make sure learners, aged 19 and over, eligible for funding from that budget, who reside in the Liverpool City Region, have appropriate education and training.
- 3.2 The Department for Education (DfE) informed the Combined Authority on 31 January 2019 that the Liverpool City Region AEB Budget for the period 1 August 2019 to 31 July 2020 is £51,380.231. The methodology used by DfE to calculate this budget is 3.99% of the national AEB participation budget based on 2017/18 learners in the Liverpool City Region.

- 3.3 Part of the readiness conditions that the Combined Authority was required to meet in order to receive the devolved AEB funding from the Secretary of State requires the adoption of an assurance framework. The Combined Authority were able to demonstrate that similar frameworks had been adopted in the deployment of funds, and confirmed the intention to adopt one for the AEB prior to the 2019/20 academic year.
- 3.4 This AEB assurance framework confirms the Combined Authority approach to the following key areas:
- Combined Governance;
 - Accountable and Transparent Decision Making; and
 - Monitoring and Evaluation.
- 3.5 In addition the assurance framework outlines the dual approach to commissioning the devolved AEB, that involves a combination of grant funded negotiations with Liverpool City Region based Further Education Colleges and Local Authorities, and a procurement exercise for all other providers of services in line with the Public Contract Regulations 2015 (Light Touch Regime).
- 3.6 It provides confirmation of the decision-making process regarding funding allocations, the approach to performance management, financial due diligence with providers, and the roles and responsibilities within the Combined Authority. The assurance framework also describes how any in year changes to funding will be made and the process for this.

4 RESOURCE IMPLICATIONS

4.1 Financial

The assurance framework clarifies areas of responsibility for Combined Authority officers in managing the AEB resources to be distributed via grants or contracts for services.

4.2 Human Resources

There are no direct Human Resources implications arising from the implementation of the recommendations in this report.

4.3 Physical Assets

There are no direct Physical Assets implications arising from the implementation of the recommendations in this report.

4.4 Information Technology

There are no direct Information Technology implications arising from the implementation of the recommendations in this report.

5 RISKS AND MITIGATION

- 5.1 This assurance framework establishes the Combined Authority's approach to complying with HM Government's requirements in managing the devolved AEB funding. It provides clear guidance to Combined Authority Officers and reduces the risk of non-compliance.
- 5.2 The framework refers to the overarching Combined Authority governance structure and decision-making methodology as well as the arrangements specific to AEB, such as the role of the AEB Project Board. The AEB Project Board comprises senior and statutory Combined Authority officers and is constituted for its ability to review policy, monitor performance and maintain Combined Authority governance standards.
- 5.3 The Combined Authority is following the Public Contract Regulations 2015 (Light Touch Regime) in relation to the formal procurement exercise to allocate AEB funding for contracts for services. Knowsley Council is providing procurement expertise and capacity to support the Combined Authority with this and to ensure compliance with the Regulations. This collaborative approach will mitigate any risks associated with the procurement exercise.
- 5.4 The Combined Authority's failure to comply with the assurance framework could result in complaints, lobbying or legal challenge, and could limit HM Government's willingness in future to devolve funding to the Combined Authority. In response to this risk, the Combined Authority will induct and train all AEB team members and supporting staff on compliance with its requirements; particularly around the ongoing performance management of contracts and grants for AEB provision. This process will be monitored through the AEB Project Board and internal audit; and report performance to the Combined Authority in its regular AEB submissions.

6 EQUALITY AND DIVERSITY IMPLICATIONS

- 6.1 The AEB aims to improve opportunities for people who are in need of new skills. Many potential AEB learners also have protected characteristics. The AEB commissioning proposals will support a range of under-represented groups, particularly the most disadvantaged residents, including those without basic skills, unemployed people, over 50s, single parents, black and minority ethnic groups and disabled people

7 COMMUNICATION ISSUES

- 7.1 There are no communication issues arising from implications arising from the implementation of the recommendations in this report.

8 CONCLUSION

- 8.1 The AEB assurance framework closely fits the existing assurance framework for Strategic Investment Funds, and takes account of the Combined Authority's

governance and decision-making, structures and operations. The Combined Authority will behave pro-actively to comply with its provisions.

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COUNCILLOR MAHER
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Appendices:

Appendix One – Liverpool City Region Combined Authority AEB Assurance Framework
2019