

<b>Report Title</b>	Adult Skills Programmes Funding and Allocations 2023/24
<b>Portfolio Holder</b>	Portfolio Holder for Education, Skills, Equality and Diversity
<b>Summary of report</b>	The paper seeks approval to accept funding from the DfE for a number of skills programmes, outlines the allocations approach and seeks a scheme of delegation to award contracts. A summary of AEB data and learner information is also included relating to academic year 2021/22 as an annual reporting requirement.
<b>Is this report exempt?</b>	Yes Appendix 1 is exempted by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972
<b>Is this a Key Decision</b>	Y In relation to expenditure or savings, it is likely to result in revenue in excess of £250,000 or capital in excess of £250,000 and to be significant in terms of its effects on persons living or working in an area comprising two or more wards or electoral divisions in the area of the Combined Authority.
<b>Is the report urgent</b>	No
<b>Is this decision to be exempt from call in</b>	No
<b>Local Authorities affected</b>	(All Local Authorities);
<b>Impact and implications of this report</b>	
<b>Financial impact</b>	Yes see paragraph 8.1
<b>Delegation (s) sought</b>	Yes see recommendation (h)
<b>Supporting the Corporate Plan</b>	A Fairer City Region √ A Stronger City Region x A Cleaner City Region x A Connected City Region x A Vibrant City Region x
<b>Climate Change Implications</b>	No

<b>Equality and Diversity implications</b>	Yes see paragraph 8.3
<b>Social Value implications</b>	Yes see paragraph 8.4
<b>Human Resources implications</b>	Yes see paragraph 8.5
<b>Physical Assets implications</b>	No
<b>Information Technology implications</b>	Yes see paragraph 8.6
<b>Legal implications</b>	Yes see paragraph 8.7
<b>Risk and Mitigation</b>	Yes see paragraph 8.8
<b>Privacy implications</b>	No
<b>Communication and consultation implications</b>	Yes see paragraph 8.9
<b>Contact Officer(s)</b>	Alison Gallagher
<b>Appendices</b>	Yes – Appendix One AEB Allocations 2023/24 Appendix Two – AEB Data 2021/22
<b>Background Documents</b>	No

# Liverpool City Region Combined Authority

Friday, 3 March 2023

## Report of the Executive Director - Investment and Delivery and the Portfolio Holder for Education, Skills, Equality and Diversity

### ADULT SKILLS PROGRAMMES FUNDING AND ALLOCATIONS 2023/24

#### 1. PURPOSE OF REPORT

- 1.1. This report seeks approval for the indicative Adult Education Budget (AEB) funding allocations for grant funded providers for the academic year 2023/24. It also seeks approval for the acceptance of the grant and subsequent allocations methodology for delivery of the Lifetime Skills Guarantee Level 3 Adult Offer funding that has been delegated to the Combined Authority for the 2023/24 academic year. The report also seeks acceptance of both the Multiply Grant and the Skills Bootcamps for the Workplace Wave 4 Grant for the financial year 2023/24. An updated Scheme of Delegation is presented for approval to complete the contract award process for the various funds.

#### 2. RECOMMENDATIONS

- 2.1. It is recommended that the Liverpool City Region Combined Authority:
  - a) accept the devolved Adult Education Budget (AEB) allocation for 2023/24 academic year of £53,698,692 from the Department for Education (DfE) and approve the maximum AEB funding allocations to Liverpool City Region grant funded providers, as summarised in Appendix 1;
  - b) accept the delegated grant funding of £2,960,686 from the DfE for the Level 3 Adult Offer for the academic year 2023/24 as outlined in the letter dated 09 February 2023 noting this is not the full annual budget available as outlined in section 3;
  - c) accept the funding of £2,921,579 from the DfE for the Multiply Grant (funded through the UK Shared Prosperity Fund) for the financial year 2023/24 (year 2);
  - d) accept the funding of £8,200,000 from the DfE for the Skills Bootcamps for the Workplace Wave 4 Grant for the financial year 2023/24;
  - e) note the methodology that will be applied to calculate the AEB Contract for Service allocations and the Level 3 Lifetime Skills Guarantee allocations for the academic year 2023/24 as outlined in section 4;
  - f) note that the AEB Assurance Framework will be updated to include Multiply Funding to enable in year changes to reflect the process used for AEB and the Level 3 Adult Offer as described in section 4;
  - g) approve the continuation of a Facilitation Fund using AEB in 2023/24 academic year as set out in section 4;
  - h) approve the Scheme of Delegation outlined in section 6 regarding the allocations for the Contract for Services AEB delivery for academic year 2023/24, the provider allocations for the Level 3 Adult Offer funding for academic year 2023/24, the provider allocations for the Multiply Grants for the financial year

2023/24 and noting the process already in place to award Skills Bootcamps for the Workplace grant funding to continue for Wave 4 (financial year 2023/24); and

- i) note the headline data referenced in section 7 relating to the last AEB academic year for 2021/22 and reported in Appendix Two.

### **3. BACKGROUND**

- 3.1. Funding for Adult Education has been devolved to the Combined Authority since academic year 2019/20. The allocation to the Liverpool City Region for the period 1 August 2023 to 31 July 2024 remains at 3.99% of the national budget which equates to £53,698,692.
- 3.2. Delegated authority was given to the Combined Authority to implement the National Skills Fund Level 3 Adult Offer (also known as Free courses for jobs) since April 2021 alongside devolved AEB. The funding available for the academic year 2023/24 is also set at 3.99% of the national budget and £3,793,408 has been made available for delivery in the Liverpool City Region. An element of this annual budget relates to funding that has already been received by the Combined Authority equating to £832,722, therefore the balance of the grant offered by the DfE for 2023/24 delivery is £2,960,686.
- 3.3. The Government introduced a national numeracy programme in this current financial year (2022/23) known as 'Multiply'. This is funded through UKSPF and grant funded to the Combined Authority to deliver locally. The financial year offer for 2023/24 has been received from the DfE, equating to £2,921,579.
- 3.4. The Combined Authority has been delivering Skills Bootcamps for the Workplace on behalf of the DfE to City Region residents since 2021 as part of the Skills for Life campaign. Delivery has recently expanded from a Digital Skills Bootcamp offer to additional sectors during the current financial year (2022/23) known as Wave 3. A grant offer has now been received for the next financial year 2023/24 in order to deliver Wave 4 of the Skills Bootcamps. The value of the grant is £8,200,000 in total, 70% of which has been confirmed in order to ensure delivery commences April 2023. The remaining 30% will be confirmed from DfE on availability of funds from Treasury.
- 3.5. The Combined Authority are invited to note the value of the Grants available for the four skills programmes, the different delivery timescales and to accept the conditions of the grants in order to continue the offer locally to LCR residents.

### **4. APPROACH TO ALLOCATIONS**

- 4.1. AEB allocations for academic year 2023/24 for grant funded providers are outlined in Appendix 1. These are recommended maximum initial allocations which have been calculated taking into account previous annual allocations, growth where appropriate and final delivery outturn, and have also been updated to reflect a realistic split of community learning, adult skills and test and learn elements of funding. Providers within tolerance levels will be able to apply for growth at the published performance management points during the academic year, decisions on

funding changes are made by the AEB Programme Board as outlined in the AEB Assurance Framework.

- 4.2. The Combined Authority are asked to note and agree the scheme of delegation outlined in Section 6 which seeks delegated authority for decisions on AEB Contract for Services allocations with procured providers to be agreed during May 2023 for the following academic year. These initial contract values will be capped at £1m as per the commissioning approach, but it will enable any current year contract reductions for under-performance to be considered ahead of the 2023/24 academic year final allocation being agreed.
- 4.3. Contract for Service provider discussions will take place during April with contracts issued by June 2023. All providers will be required to produce a Delivery Plan for 2023/24, which will be used to monitor and measure performance.
- 4.4. A small top-slice of the AEB annual allocation is requested to be set aside for the Facilitation Fund. This will be capped at £2.6m in line with previous years, and be used to provide the ability to:
  - Respond to additional in-year learner demand;
  - Facilitate a local skills response to economic shock;
  - Respond to any changes in the local provider base through market entry or exit;
  - Enable the LCRCA to continue to help capacity build the local AEB provider base; and
  - Enhance the local evidence base to support future AEB investment.

#### Level 3 Adult offer

- 4.5. It is intended that the Level 3 Adult Offer annual allocations will also be considered in May 2023 in order to ensure that allocations for 2023/24 academic year can best reflect delivery and demand during the current year. The scheme of delegation outlined in Section 6 also includes a delegated authority to agree final contract allocations for all providers for Level 3 delivery. Any in year funding changes will be taken as outlined in the AEB Assurance Framework and agreed by the Programme Board.

#### Multiply

- 4.6. An Investment Plan was submitted to the DfE in June 2022 for three financial years regarding intended Multiply Delivery in the City Region. Year 1 delivery has been condensed into less than 6 months in response to the dates announced by Government for embedding this new initiative. This Investment Plan is currently being reviewed ahead of year 2 which commences April 2023.
- 4.7. It is requested that year 2 Multiply allocations are also agreed via the scheme of delegation in Section 6. Delivery plans from providers are currently being collated for financial year 2023/24, and officers will be reviewing year 1 delivery of all elements of the plan into early March 2023. Agreeing the scheme of delegation for Multiply will enable more accurate funding decisions to be made for year 2 that reflect actual performance in year 1. Again, changes to any in year allocations will be made in line with the AEB Assurance Framework and taken by the AEB Programme Board.

## Skills Bootcamps

- 4.8. Skills Bootcamps for the Workplace uses a dynamic purchasing system which enables providers and employers to join on an ongoing basis throughout the year, and respond to any calls for provision made by the Combined Authority based on learner demand. Providers can also apply for a direct award within the delivery period to respond to employer demand. A scheme of delegation is already in place for this process and the Combined Authority are asked to agree the continuation of this process into the new financial year 2023/24 for wave 4 delivery.

## 5. AEB ASSURANCE FRAMEWORK

- 5.1. The AEB Assurance Framework previously approved by the Combined Authority currently reflects the ongoing management of funds associated with the AEB and Level 3 Adult Offer. In addition to these, in year changes to Multiply funding are recommended to align with the process and values to ensure consistency and oversight of each programme. It is imperative that funding can be easily moved around to ensure demand can be met in year. The Combined Authority are asked to agree this approach for all the Skills Programmes included in this paper, noting the scheme of delegation to award allocations outlined in Section 4 by funding stream.

## 6. PROPOSED SCHEME OF DELEGATION

- 6.1. In line with the AEB Assurance Framework as described in Section 5, the following additional requests are made, primarily to allow for detailed discussions with providers to more accurately reflect performance and demand relating to the current delivery period, and align to the Combined Authority skills priorities.

- 6.1.1 The Combined Authority is requested to delegate authority to the Executive Director of Investment and Delivery in consultation with the Programme Board and in conjunction with the Education Skills, Equality and Diversity Portfolio Holder to consider and agree:

- allocations for the 2023/24 Academic year for the AEB Procured Contract for Services provision, allocations for the National Skills Fund Level 3 Adult Offer with the existing AEB provider base and any additional procurement awards that may result following analysis of provision;
- allocations for the 2023/24 financial year for Multiply Provision in line with the updated Investment Plan;
- any in year increases in grant offer from the DfE relating to any of the Skills Programmes be delegated for acceptance to the Executive Director for Investment and Delivery in conjunction with the Combined Authority Treasurer;

Members are asked to note that the maximum individual provider funding will be no more than £1.5m under this scheme of delegation.

- 6.1.2 The Combined Authority is also asked to delegate authority to the Executive Director of Investment and Delivery, in consultation with the Combined Authority Treasurer, to authorise expenditure from the Facilitation Fund for academic year 2023/24. This reflects the approach taken in previous years.

- 6.1.3 The Combined Authority is asked to delegate authority to the Executive Director of Investment and Delivery in conjunction with the Combined Authority Treasurer to finalise details of all contracts and grant agreements within the total funding envelopes described in this report and those included in Appendix One, following detailed delivery plan discussions.

## **7. SUMMARY OF AEB DELIVERY FOR ACADEMIC YEAR 2021/22**

- 7.1. There is an annual requirement to report on AEB devolved delivery as part of the devolution agreement and as outlined in the National Local Growth Assurance Framework dated January 2022. The latest 2021/22 academic year information has now been finalised and the key headlines outlined in Appendix Two.
- 7.2. Further analysis of the data will continue to understand more fully the impact of 2021/22 AEB funding and specifically, the first full year of delivery without Government intervention as a response to Covid-19. There are a number of key areas for consideration, including volumes and achievements of learners, learners from disadvantaged postcodes, specific cohort support and learner progression. These will be considered in due course by the Education Skills Equality and Diversity Portfolio Board.

## **8. IMPACT AND IMPLICATIONS**

### **8.1. Financial**

The AEB allocation for the Liverpool City Region for the period 1 August 2023 to 31 July 2024 remains at 3.99% of the national Adult Education Budget, which equates to £53,698,692.

The Level 3 Adult Skills available budget for the period 1 August 2023 – 31 July 2024 is £3,793,408.

The Multiply allocation for the period 1 April 2023 to 31 March 2024 is £2,921,579.

The Skills Bootcamps for the Workplace allocation for the period 1 April 2023 to 31 March 2024 is £8,200,000.

### **8.2 Supporting the Corporate Plan**

A Fairer City Region

Delivery of these programmes enables adults to access support in improving educational attainment and acquiring the skills and knowledge needed to enter, sustain and progress in employment and improve the life chances and aspirations of residents as a result.

### **8.3 Equality and Diversity**

- 8.3.1 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 programme including locally developed flexibilities 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.
- 8.3.2 The AEB data for 2021/22 is headlined in Appendix Two, showing the impact and reach of funding into learner cohorts and the support for learners with specific characteristics and those from disadvantaged postcodes. For example, as a proportion of all learners, 23% were from a BAME background, 21% reported a disability/learning difficulty or health problem and over 75% of learners were resident in a disadvantaged postcode area using the IoD2019 measure (this measure is the dataset used to calculate disadvantaged postcodes for LCR learners).
- 8.3.4 The mix and balance of provision can differ year on year depending upon the curriculum offer and supply chain delivering, and officers continue to agree formal delivery plans with all providers in advance of the academic year to ensure the Combined Authority priorities continue to be met.
- 8.3.5 Colleges, Local Authorities and providers delivering devolved AEB funded provision are expected to report on equality and diversity impact measures. These focus on narrowing gaps in skills participation and achievement for black and minority ethnic groups, under-represented genders in particular sector subject areas, and learners with learning difficulties and/or disabilities. This also applies to the Level 3 Adult Offer.
- 8.3.6 As both the Multiply and Skills Bootcamps programmes continue to embed with current year 2022/23 anticipated to provide key data relating to the equality and diversity impacts of these funds as full year delivery of expanded provision continues.

### **8.4 Social Value**

The social value impacts of delivery are captured annually from providers to help understand the positive outcomes associated with delivery of these Skills Programmes. For AEB providers specifically, a formal template is completed to enable the collation of these measures and these are reported to the Education and Skills and Equality and Diversity Portfolio Board. Social value is also included in the evaluation of tenders for skills delivery.

### **8.5 Human Resources**

The Combined Authority will need to continue to ensure that it has sufficient capacity to undertake a range of essential planning, contract monitoring/performance management and assurance functions as the Skills Programmes continue to embed within the Investment and Delivery Directorate.



## 8.6 Information Technology

The management, monitoring and payment of AEB funded programmes is driven by the internal IT system built for this specific purpose and known as the Devolved Area Payments System. This allows for performance oversight, triggers monthly payments by using Individualised Learner Record (ILR) data and allows for rolling reconciliation. Any change to programme eligibility including additional or revised local flexibilities may require a corresponding system change. The system is also utilised to release payments relating to the Level 3 Adult Offer and Multiply.

The Combined Authority continues to work closely with the DfE and the Education and Skills Funding Agency (ESFA) to plan for the data requests and validation rules that will be required to monitor and understand the impact of skills funding using the ILR system. The costs of any changes to local systems will be contained within the 2% management budget.

## 8.7 Legal

The Legal team provide the required advice and support in ensuring grant conditions are included in the contractual documentation of all the skills programmes and the issuing of contracts. Ongoing support in any actions undertaken with providers during the delivery period. Given the purpose of AEB grant funding and its ultimate beneficiaries (adult learners), it is unlikely that it will constitute subsidies under the Subsidy Control Act 2022, which came into force on 4<sup>th</sup> January 2023, however this will be reviewed by the Legal team.

## 8.8 Risks and Mitigation

Specific risks and mitigation of identified risks relating to this report are highlighted as follows:

<b>Risk</b>	<b>Mitigation</b>
Updates to AEB Grant Funded allocations have been reviewed and calculated based on data and delivery over the last three academic years.	Overall allocations have been reviewed to specifically reflect any patterns of growth and assessed for deliverability. Funding splits have been reviewed to ensure that the balance of funding lines is rightsized where appropriate. Providers identified at risk of under delivery have been asked to complete an in-year service review to ensure affordability and deliverability of allocations.
Contract for Service AEB Providers challenge the approach taken to determine the AEB 2023/24 allocations agreed through the scheme of delegation.	A number of principles have been adopted including capping allocations at £1m in line with original procurement. The scheme of delegation enables a longer period of review for the Combined Authority to assess delivery in current year 2022/23 and ensure contracts for 2023/24 are deliverable. The Combined Authority officers have regular discussions with providers through dedicated Relationship Managers. Growth periods remain built into the performance management process.

<p>Level 3 Adult Offer of delivery does not meet demand</p>	<p>The Level 3 programme is a national offer delegated to the Combined Authority with only qualifications from the national list in the approved sector subject areas fundable. There is permitted flexibility which has been used to add additional qualifications onto the list to broaden the offer locally. In addition, there has been active encouragement of sub contracting of level 3 provision which expands the offer to City region residents. Officers have also permitted carry in learners between contract years to ensure enrolments can take place throughout the academic cycle and reduce reliance on a September intake.</p>
<p>Multiply delivery must not duplicate or displace AEB provision and non substantive delivery (engagement) should lead to substantive delivery with Multiply providers (qualifications).</p>	<p>Engaging new cohorts of learners with a numeracy need remains a priority of Multiply and officers have taken steps in year 1 of delivery to engage with grass roots organisations through a community grants style approach, and through individual offers to each local authority for an allocation to their voluntary and community sectors. Ensuring progression from engagement activity remains a priority and officers are monitoring year 1 activity closely to ensure this takes place.</p>
<p>Bootcamps Wave 4 delivery needs to commence April 2023</p>	<p>Currently delivering Wave 3 within the City Region which was subject to some delays in contracting with DfE. This has been recognised nationally as a delay in the programme implementation and therefore DfE have made funding offers earlier ahead of Wave 4. Building strong links with the new sectors being delivered for the first time in this current financial year including Engineering &amp; Manufacturing, HGV, Construction, Rail &amp; Green Technologies. Adopting the Dynamic Purchasing System approach ensures a continuous supply of providers who can engage with the programme for delivery in wave 4.</p>

## 8.8 Privacy

There are no privacy impact implications associated with this report, however, officers continue to monitor this through the delivery of the skills programmes and the collation of learner data. The Combined Authority has the required Data Sharing Agreement in place for each Skills Programme with national bodies such as the DfE.

## **8.9 Communication and Consultation**

A full communications approach has been embedded within the various business cycles of delivery, and is particularly well developed as AEB approaches the fifth year of devolved delivery. This includes ongoing engagement of providers, Colleges and constituent Councils. A forward plan of activity, including regular provider roadshows including on-boarding and off-boarding, weekly e-bulletins and regular performance management meetings is in place.

Individual grant funded provider meetings take place each January in advance of the following academic year to review prior year outturn, current year performance and priorities and future year policy approaches and allocation methodology.

All providers for AEB, Level 3 and Multiply have to submit an annual Delivery Plan ahead of the new academic year which are agreed in advance with the Combined Authority.

For providers registered for Bootcamps delivery through the Dynamic Purchasing System, updates can be provided through the Chest procurement portal, and a dedicated Skills Broker will monitor and manage performance throughout each approach course duration.

## **9. CONCLUSION**

- 9.1. This report presents for approval the various skills programmes grant funding allocations for acceptance by the Combined Authority as outlined in the body of the report. It seeks approval to award AEB Grant Funded provider allocations as outlined in Appendix One, and approval for the scheme of delegation proposed in Section 6. It also outlines the intention to expand the AEB Assurance Framework to include arrangements for Multiply, and invites the Combined Authority to note the headline data included in the annual return to DfE as part of the devolution agreement as outlined in Appendix Two.

Dr Aileen Jones  
Executive Director - Investment and  
Delivery

Mayor Joanne Anderson  
Portfolio Holder for Education, Skills,  
Equality and Diversity

### **Appendices:**

2

### **Background Documents:**

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