



Skills & Employment Committee

17 June 2024

Title:	AEB and FCFJ Commissioning and Funding Flexibilities (2024-25 Academic Year)
Report of:	Jaki Bradley, Head of Adult Education Budget
Lead Member:	Councillor Lucy Nethsingha, Lead Member for Skills
Public Report:	Yes
Key Decision:	Yes – KD2024/035
Voting Arrangements:	A simple majority of voting Members

Recommendations:

A	The Skills and Employment Committee is asked to note CPCA's approach to AEB & FCFJ Commissioning for 2024-2025
B	The Skills and Employment Committee is asked to recommend that the Combined Authority Board approves CPCA's funding flexibilities for 2024-2025 (permitted under the CPCA's devolved AEB powers)

Strategic Objectives:

The proposals within this report fit under the following strategic objective(s):

<input checked="" type="checkbox"/>	Achieving ambitious skills and employment opportunities
<input checked="" type="checkbox"/>	Enabling resilient Communities
<input checked="" type="checkbox"/>	Achieving good growth
<input checked="" type="checkbox"/>	Achieving best value and high performance

1. Purpose

1.1	The purpose of this report is to ask the Skills and Employment Committee to: <ul style="list-style-type: none">• note CPCA's approach to AEB & FCFJ Commissioning for 2024-2025; and• recommend that the Combined Authority Board approves CPCA's funding flexibilities for 2024-2025 (permitted under the CPCA's devolved AEB powers)
1.2	The CPCA's approach to commissioning develops phase one of sector skills/ talent pipelines, as set out at the Skills and Employment Committee meeting in January 2024 - see Appendix A. Our approach also focuses on the development of skills and employability to enable more of the region's residents to enter/ remain in the workforce and play an active part in wider society. The CPCA's devolved powers enable us to determine our own funding flexibilities in line with our regional priorities - see Appendix B

2. Commissioning 2024 2025

2.1	Reducing the gap between those with the skills relevant for growth and those with few/none is crucial to supporting our residents and the region's economic success.
2.2	<p>With a tight labour market across the region (3.7% May 2024), it is crucial for us to use our devolved powers to increase the skills-base and size of the available workforce.</p> <ul style="list-style-type: none">• As part of our increased focus of sector-based approaches, we are prioritising skills-based interventions which support in-work development (up-skilling, re-skilling, cross-skilling) and• Encouraging more people into the workplace via CPCA '<i>Into-Employment</i>' programmes which include wrap-around support such as employability training and sector-specific careers guidance. This includes job outcome payments to reward providers that succeed in progressing learners into work
2.3	<p>Information will be available to providers to enable them to bid for the following Lots</p> <ul style="list-style-type: none">• Learners that are employed 19+• Learners that are unemployed/ economically inactive 25+• Learners that are unemployed / economically inactive 19-24• Level 3 (FCFJ)
2.4	Two new programmes, <i>Into Employment</i> and <i>Vocational ESOL</i> have been introduced to support the regions' unemployed and economically inactive residents into employment - or people that are employed in low-skilled, low paid or insecure employment into better employment.
2.5	These include a vocational element, an employability element, funding for licenses and certificates to secure employment, wraparound support and in the case of Vocational ESOL, either an ESOL qualification or contextualised language acquisition related to the sector they are interested in.
2.6	There will also be a job outcome payment to encourage providers to support learners into work.

3. Funding Flexibilities 2024 2025

3.1	Under our 2016 devolution agreement, the CPCA has the power to set its own policies and funding rules. These may deviate from the national AEB funding rules determined by the Education and Skills Funding Agency (ESFA).
3.2	In the response to the DfE consultation Skills for jobs: implementing a new further education funding and accountability system published in July 2023, the ESFA funded adult skills fund (ASF) has replaced the ESFA funded adult education budget (AEB).
3.3	The CPCA has a choice as to whether to adopt these new national rules.
3.4	<p>We propose to apply the changes to the ESFA funding rules 2024/25 with the exceptions outlined in Appendix B.</p> <p>Existing flexibilities that have been introduced by the CPCA since devolution of funding will remain the same</p>

4. Appendices

4.1	Appendix A. Sector Based Talent Pipelines – Presentation from Skills and Employment Committee meeting -15 January 2024
4.2	Appendix B. CPCA Funding Flexibility Changes 2023-24 and 2024-25

5. Implications

Financial Implications

5.1 N/A

Legal Implications

5.2 The recommendations and activities outlined in this paper are to discharge the Combined Authorities' statutory duties under the Apprenticeships, Skills, Children and Learning Act 2009. Under the devolution agreement of 2016, specified adult education functions from the Secretary of State were transferred to the Combined Authority.

5.3 The Combined Authority discharges its devolved adult education functions in line with the DfE Statutory Guidance for Combined Authorities (July 2018).

Public Health Implications

5.5 The focus on programmes designed to encourage people back into work are likely to be disproportionately aimed at residents with disabilities or longer term health issues.

Environmental & Climate Change Implications

5.6 N/A

Other Significant Implications

5.7 N/A