

GMCA

Date: 17th December 2021

Subject: Devolved Adult Education Budget - Proposed Priorities and Approach for 2022/2023 onwards

Report of: Cllr Bev Craig: Leader MCC- Portfolio Lead for Digital, Education, Skills, Work and Apprenticeships

Purpose of Report

The purpose of the report is to provide Members with an overview of:

- Progress against the planned priorities since the inception of GM's devolved Adult Education Budget (AEB) programme since August 2019.
- Outline the proposed process for continuing plan-led grant funding agreements and extension to the procured contracts for 2022/2023 (academic year).
- Outline the proposed refreshed objectives for the Adult Education Programme, in preparation for implementation from 2022/2023 (academic year).

Recommendations:

The GMCA is requested to:

1. Consider and note progress against the planned priorities (section 2)
2. To agree to the proposed process for continuing plan-led grant funding agreements and extension to the procured contracts for 2022/2023 academic year, (section 3).
3. To agree to the proposed refreshed objectives for the Adult Education Programme, in preparation for implementation from 2022/2023 academic year, (section 4).

Contact Officers

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Equalities Impact, Carbon and Sustainability Assessment:

Completed and attached - GMCA Co-Benefits Decision Support Tool Export AEB reports.docx / GMCA_Co-Benefits_Decision_Support_Tool AEB report.xlsm

Risk Management

GMCA's Education, Skills and Work Directorate will continue to work with the selected providers to ensure comprehensive processes are in place to identify and mitigate risks, including managing the performance of the delivery, linked to the Devolved AEB Funding and Performance Management Rules, which includes audit and compliance procedures and risk ratings applied to individual providers during the year.

Legal Considerations

GMCA's Education, Skills and Work Directorate will continue to work with legal support to ensure all contractual documents are appropriate and in place for the academic year.

Financial Consequences – Revenue

Revenue funding is taken from the Adult Education Budget, which is received on an annual basis each financial year. There are no financial decisions to be taken within this report.

Financial Consequences – Capital

Not applicable.

Number of attachments to the report: 0

Comments/recommendations from Overview & Scrutiny Committee

Short paragraph to be included here:

Background Papers

14. Devolution of the Adult Education Budget (October 2018) [Economic Development \(greatermanchester-ca.gov.uk\)](http://greatermanchester-ca.gov.uk)

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution

Yes / No

Exemption from call in

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency? No

GM Transport Committee

Not applicable

Overview and Scrutiny Committee

10th December 2021

1. Introduction/Background

The Adult Education Budget (AEB) is a single budget stream bringing together adult further education (all 19yrs+ provision with the exception of apprenticeships/traineeships), community learning, and discretionary learner support. The AEB is intended to fund provision which supports the local labour market and economic development. In particular, it focuses on ensuring that adults have the core skills that they need for work, including guaranteeing a number of statutory entitlements relating to English, maths and digital skills, as well as first Level 2 and 3 qualifications and English for Speakers of Other Languages (ESOL).

It is one part of our education, skills and work support landscape in Greater Manchester, which brings together large-scale national programmes managed and funded by various central government departments, devolved/co-commissioned activity developed and commissioned at GM level, and smaller scale targeted activity focused on priority cohorts, sectors and geographies (funded variously at national, GM and LA levels).

The GM ambition is to bring all of this activity together to create an integrated education, skills and work system through strategic leadership and commissioned services and programmes that will ensure:

- Young people leave education and training ready to succeed in the labour market, with a balance of academic, technical and 'life ready' skills.
- Adults can acquire the skills, mindset and support they need to fulfil their career potential and adapt to changing employer needs throughout their lives, from entering employment for the first time through to highly skilled careers and retraining.
- Employers have access to a system that is flexible, resilient and adaptable, and which meets their needs in the rapidly changing 21st century world of work, driving a sustainable economic future for GM in which companies compete on the basis of high productivity, good quality work, and excellent employment practices.
- Residents are supported by a welfare system, under Universal Credit, that provides access to good work for those who can, support for those who could, and care for those who can't.

The refreshed GM Adult Skills Programme is a key part of that integrated system and one which, through alignment with our devolved employment support programmes and health & social care functions/funding, can deliver real change that is simply not possible at national level. As this report sets out, this change is already happening, despite a complex backdrop which includes a programme of national policy change linked to the *Skills for Jobs* White Paper and other factors.

Whilst the pace of change has inevitably been impacted by the circumstances of the pandemic, the core priorities for AEB have not fundamentally changed. Rather, the refreshed priorities below are about refining the way that we use it to tackle inequalities,

equip people for life and work, and help our residents to progress in learning and into/within employment.

GMCA receives an annual budget every academic year (August to July) of approximately £96million, with the final allocation determined each January prior to the start of the academic year.

For Greater Manchester, the principal purpose AEB is defined as being “to engage adults and provide them with skills and learning needed for work, an apprenticeship or further learning” as well as the AEB should “deliver high quality provision which leads to demonstrable improvements in opportunities, positive outcomes and clear progression pathways for Greater Manchester residents, with a clear line of sight into the local labour market and future economic opportunities”.

At the outset of devolution in August 2019 GMCA were keen to strengthen the strategic focus of education, work and skills provision for adults – recognising the important and proactive role that should be played by skills providers as key strategic planning and delivery partners at the heart of the economies, places and communities they serve. Devolution has given us a unique opportunity to ensure that local authorities, colleges and training providers are far more than passive recipients of funding.

As part of that long-term journey of change that would deliver positive outcomes for the region’s residents the following priorities were set:

- Closer Working with Providers - To work much more closely with the provider base to develop improved analysis of learner journeys, with a focus on positive outcomes and progression, and understanding whether the activity improves an individual’s employability and quality of life.
- Place-based Approach - To create a more place-based approach to the delivery of adult skills, recognising that for all of the ten local authorities, the supply and demand for skills is different, and that a ‘blanket approach’ to providing education and skills provision will not achieve the ambitions for increased productivity and better outcomes for residents.
- Response to Employer Needs - To work with partners, local authorities and internal colleagues in the Industry Skills and Labour Market Intelligence Team to better respond to employer skills/talent needs, specifically in the growth and foundation economy sectors outlined in the GM Local Industrial Strategy.
- Barriers to Adult Education - To gain a better understanding of residents’ barriers to accessing adult education and skills provision and working collaboratively with local authorities, stakeholders and skills providers to respond directly to local challenges and remove these barriers to learning.
- To shift the focus of AEB funding away from the traditional view that it is simply there for ‘second chance’ essential skills, towards one that also supports businesses and residents to keep pace with changes in the labour market and the global economy at all levels.
- Utilising skills providers as key strategic planning and delivery partners – recognising the important proactive role that is played by skills providers, contributing to the impact aimed towards our communities, places and economies.

2. Progress against the original priorities

For us to understand what is needed to progress AEB for the next phase, GMCA needed to understand what progress has been made against the original priorities laid out above,

whether the pandemic had an impact on what was achieved or not, and to also review what other measures were put in place as a result of the response to the pandemic.

2.1 Closer Working with Providers

Since devolution GMCA has made progress in rationalising and simplifying the provider base from over 300 providers before devolution to the 36 engaged now, as well as approximately 70 supply chain providers. This change was necessary in order to build stronger relationships with our skills providers and ensure that there is a stronger focus on GM employer needs through their delivery, moving away from a wholly resident demand led programme that did not always deliver positive outcomes and progression.

GMCA has built positive relationships with individual providers, and this has enabled **easier connectivity for local stakeholders to understand which skills providers they are able to work with**, rather than under a national approach, skills providers would have 'dropped-in' to a local area at any time, and hence disturb the existing relationships and inevitably duplicated existing skills offers, which confused residents and local stakeholders.

There is still work to do, to better understand learner journeys and obtain clear data on learner progressions and employment outcomes. This work was, to an extent, superseded by the urgent need for a response to the pandemic. Moving forwards, GMCA will begin the development of a range of expectation and standards for skills providers across GM, which relate to positive outcomes and progressions for GM residents accessing adult skills delivery.

2.2 Place Based Approach

Progress has been made in getting skills providers to deliver a place-based skills offer which is responsive to the strategic priorities identified by GMCA. To do this, strong emphasis has been placed on working closely with all ten local authorities in GM to ensure that they have a key role in influencing the provision which is available to residents.

Through the Locality Strategy and Partnership team, GMCA have been able to work closely with all local authority leads for employment and skills on a regular basis to ensure all education, skills and work programmes are closely aligned to local requirements and are informed by stakeholder feedback.

Linkages and connections have been made through local networks bringing AEB skills providers in to contact with other local stakeholders including other local and GM wider employment and skills programmes.

In Salford AEB providers have joined the Salford Information Advice and Guidance (IAG) network, **linking over 100 organisations** across the borough to support skills, wellbeing and employment opportunities and wrap around support for Salford residents.

As GMCA continues to progress these priorities, aligning AEB skills providers delivery plans to local work and skills plans/ strategies will be a key step, with an initial focus on those AEB skills providers who receive grant funded allocations.

2.3 Response to Employer Needs

Since the introduction of the Education, Skills & Work - Sector Skills Intelligence Team's work began, the AEB Programme have been utilising the intelligence and new

knowledge to help inform the how AEB funding can be used to deliver relevant and appropriate skills which meet the needs of employers as well as ensuring residents are better equipped for employment, particularly where this is in sectors which have occupations which are difficult to recruit for.

The joint work enabled GMCA to launch a GM Local Level 3 offer. The offer is a specific list of qualifications available to all GM residents aged 19 and over, regardless of employment status or income or whether it is their first or second level 3 qualification. The list of Level 3 qualifications range across the GM LIS key growth and foundational economy sectors, as well as employment sectors which have been impacted upon by the pandemic.

The AEB funding is used to support qualifications across the following sectors and occupational areas as the list continues to be developed and reviewed accordingly to fit the needs of GM's economy:

- Building & construction
- Health & Social Care
- Logistics
- Engineering
- Digital

GMCA will continue to ensure the list addresses the need to focus on certain elements of sectors, such as developments within the build & construction sector relating to 'retrofit' by funding courses / qualifications which provide the necessary skills, i.e. through the installation of more energy efficient heating and electrical systems.

The AEB funding has also been able to support other targeted sectors and respond to recruitment gaps such as supporting the **training offer for HGV driver qualifications and this has been in place since February 2021**, due to a flexibility request from a number of the AEB skills providers and hence in normal circumstances the AEB would not have funded this type of training, and GMCA provided the flexibility so that as an area would could respond to the growing need for additional HGV drivers, although this has been hampered by the reduced access to medical and driving test facilities for these learners across GM.

2.4 Barriers to Adult Education

The key focus of this priority was to not only understand the barriers residents face, however, to put in place measures and solutions which could encourage and support residents into adult learning.

Towards the end of 2019/2020, the AEB team developed a grant programme to support all ten local authorities and investing £1.5million across all the local areas, to help in them support residents overcome barriers to accessing skills training through a range of specific local initiatives.

These initiatives or projects were implemented during 2020/2021, and specifically focused on three key strands and not to offer additional learning or training to residents:

- Alleviating Barriers to Adult Education
- Digital Inclusion
- English to Speakers of Other Languages (ESOL)

Each element benefitted from £50,000 per LA area, and each LA designed initiatives which focused on what they needed and not necessarily a one size fits all, with the

exception of the development of a GM wide ESOL Advice Service, which was building on a previous programme which simplified and reduced duplication for those residents who needed to learn English, i.e. one assessment of need and one waiting list to access relevant and suitable courses.

The GM ESOL Advice service, has enabled **6 of the LAs to collaborate** during 2020/2021, with Manchester City Council leading the co-ordination and so far this has achieved the following results – **over 5000 referrals to the service** (including from Jobcentre Plus), over 4,500 assessments completed and 2,300 learners directly engaging in learning. The next stage of the service is to expand it fully across all the ten areas, with the other 4 LAs, either being incorporated into the model during 2021/2022 or by the start of 2022/2023.

Education, Skills & Work Directorate have been working together to look at other aspects of how GM wide programmes could be more closely linked, and although there is always the ability to refer residents across programmes, these are only usually requirements within the funding / provider guidance documents. GMCA's AEB and Working Well programmes have collaborated to ensure better access to skills support for Working Well clients who are out of work and in need of a relevant skills or training intervention.

Connectivity between the programmes is underpinned by the 'Living Well' social prescribing platform (elemental) which enables **standardised and safer referral pathways**, an accessible menu of support offers to GM keyworkers alongside a ground-breaking level of referral data/intelligence about the needs of our GM residents and how they are met with support.

GMCA are continually looking at how progress of residents accessing these two services is reported and measure the impact this makes, and aiming to understand more of which elements are working will then enable better commissioning of skills in the future.

2.5 Shift away from 'second chance skills' and establish skills providers as key strategic partners

Devolution has given GM the opportunity to have a regular dialogue with the 36 AEB skills providers GMCA work with, ensuring they have a key role in helping GMCA make informed decisions for the benefit of GM rather than merely being passive recipients of funding.

This communication has been through our AEB Performance and Contracts team, as well as through the Education, Skills and Work Local Strategy and Partnerships team. Regular consultation and discussions take place with both representatives of the various types of providers as well as with individual organisations, particularly before decisions are made that affect their offer.

By being directly engaged in local discussions the AEB skills providers understand the local needs, gaps and economy, which can be more difficult if this is through a national relationship. This benefits approach benefits residents, businesses, AEB skills providers and how the AEB programme can be better developed

Responding to the impacts of the Covid pandemic has clearly been our greatest challenge since devolution. GMCA developed a suite of programmes that responded directly to the skills challenges as a result of Covid-19 after issuing an Expression of Interest (EOI) opportunity to all existing AEB providers. This focused on residents who

needed access to specific skills and training in order to progress into or remain in employment:

- Supporting safer returns to work – enable employees to gain skills to support their employer and business for a safe return to the workplace and for customers by implementing **appropriate Covid-19 safety measures such as on health & safety, infection control, risk assessment** etc.. This supported approximately 600 enrolments on various courses for GM residents.
- Rise of the Key Worker – focussed on **recruiting into key sectors and vacancies** supporting the impact of COVID19. This supported 1200 enrolments in areas such as mentoring, support in schools, adult social care, and warehousing.
- Short Retraining programme – this supported recently redundant residents to **retrain quickly in order to access jobs in different sectors** i.e. for those who had been impacted on the most from the travel and tourism and hospitality sectors. This supported approximately 200 enrolments to retrain into areas such Adult Social Care, warehousing, and other customer services roles.

Moving forwards, GMCA will continue to consult with providers in this way, especially with reference to the planned changes to our objectives for 2022/2023 onwards.

2.6 Impact of the Pandemic on delivering the AEB Priorities

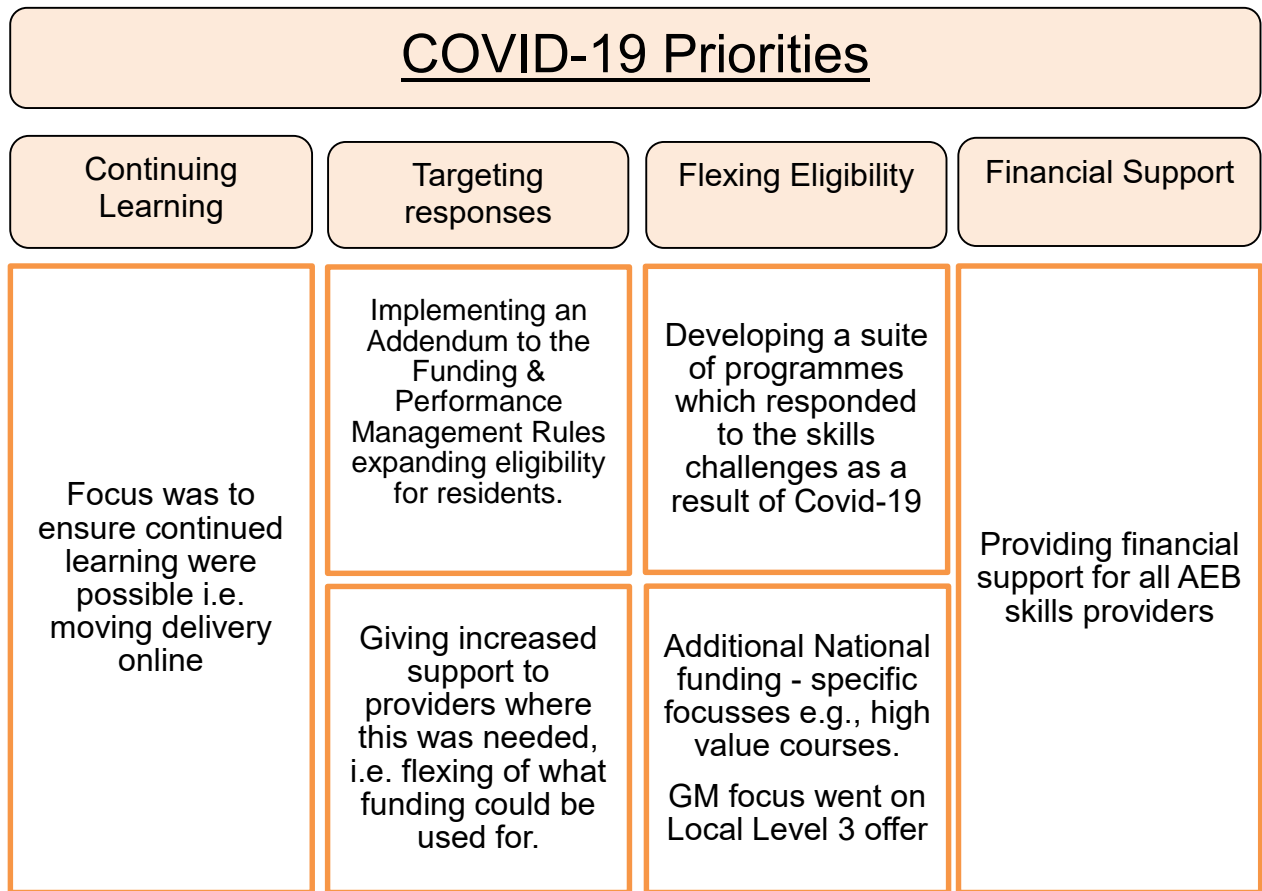
The pandemic has inevitably had a significant impact on the delivery of skills and training both nationally and locally, and across all areas there has been a reduction in residents accessing courses, not just throughout the national and local lockdowns, but also due to residents restricting their movements and interactions with other residents.

Across the GM devolved AEB activity, GMCA has ensured there has been continued support both to the AEB skills providers, through various financial packages and measures, and for residents still wanting to engage in learning, such offering additional courses which would not normally be funded through AEB nationally.

GMCA responded quickly to put support measures in place from April 2020, such as the financial support, and to work with AEB skills providers to ensure learning could continue as much as possible, and assist with the drive to bring delivery online where residents could continue to access learning.

GMCA was able to provide flexibility in a number of areas, such as ensuring all unemployed residents, who are not claiming a benefit (economically inactive) could continue to benefit from accessing learning, as they were excluded from accessing other national programmes which targeted recently unemployed residents and young people,

and hence move further away from employment. Examples of some of the activities which have taken place over the last 2 years are included in appendix 1.



3. Process for continuing plan-led grant funding agreements and extension to the procured contracts for 2022/2023 academic year

3.1. Phase 1 Devolved Adult Education for Greater Manchester

Prior to the commencement of the first devolved academic year 2019/2020, GMCA approved the initial approach going forward as set out in the GMCA paper - Devolution of the Adult Education Budget, October 2018. This laid out the process for both:

- establishing plan-led grant funding agreements for the providers identified as being in-scope for block grants, namely further education institutions based within Greater Manchester and those GM local authorities which currently deliver AEB funded provision, and
- procurement of contracts for services for all other providers, including independent training providers, FE institutions based outside of Greater Manchester, and other organisations (which may include the voluntary and community sector).

Key elements of each of these areas were to:

- Agree delivery plans with the grant-funded organisations based on strategic dialogue about current and future skills needs of GM's residents and employers.
- Procure contracts for an initial period of 3 years maximum and review future commissioning needs.
- Add an element of flexibility and innovation into the contracts in line with the freedoms and opportunities devolution offers

3.2. Options for Phase 2 of Devolved Adult Education

Prior to considering next steps for the 2022/2023 academic year, GMCA's Education, Skills and Work Team have carried out an options appraisal of how progress has been made against the priorities outlined in section 2, and the progress of the elements above in 3.1.

Options took into account:

- Do nothing and extend contracts / grant agreements for a further year.
- Extend contracts / grant agreements for a further year subject to quality & performance.
- Whether to go out to procurement for those with the maximum 3 year contracts, and consider various lengths of period going forward, i.e. 2, 3 or 5 year periods.
- Potential impact of the Skills Bill on future direction.

3.3. Proposed Option for Phase 2 of Devolved Adult Education

GMCA are proposing to extend the existing contracts and grant agreements for a further year to allow both the GMCA's Education, Skills and Work Team and the wider stakeholders to:

- Consider aspects relating to quality, performance, and how AEB skills providers have engaged with the GMCA and wider stakeholders over the past 24 to 30 months.
- Continue to measure the impact and outcomes of the priorities outlined in section 2, which will assist in determining evidence for future commissioning.
- Implement the plan-led approach between Local Authorities and their local grant funded AEB skills providers.
- Take forward arrangements to implement the proposed Adult Skills Programme objectives from 2022/2023 as outlined in section 4, which will begin to develop adults skills going forward for GM and set the benchmark for future commissioning in 2023/2024.

This proposal has been discussed with both legal and procurement to ensure what is being proposed is possible and that contracts are able to be extended and take into account the contract notice requirements. Decisions relating to funding allocations will be submitted to the GMCA in March 2022, once the GMCA's Education, Skills and Work Team understands the devolved allocation budget for 2022/2023.

4. Proposed Priorities for the Adult Education Programme for 2022/2023 academic year onwards

In October 2018, GMCA laid out a number of priorities, against which there has been considerable progress, as outlined in section 2. GMCA are now proposing refreshing the priorities with a set of overarching objectives and themes which will provide greater

clarity of what the GM devolved Adult Education funding will deliver for GM residents and businesses.

The aim is to have Adult Education understood more clearly by stakeholders and residents equally and address GM and local needs in the right way, not based upon a national format of funding and qualifications.

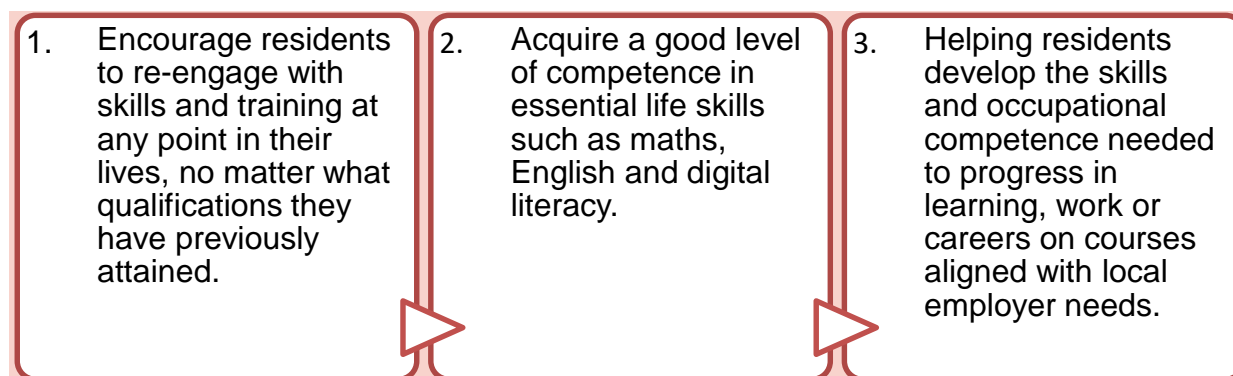
The aim is to be clearer on who the GM Adult Skills Programme is for, across GM, and what it will fund and why. Improving take up by residents by making the system clearer for learners and AEB skills providers.

4.1 Purpose and methodology

It is important to establish a clear set of objectives, themes and goals for the GM Adult Skills Programme from 2022/2023 onwards which will help define the strategic direction for the funding of adult skills courses. This will provide a clear rationale to inform decisions around commissioning and which qualifications to fund from 2022/2023 onwards. The scoping has taken into account all the possible outcomes which might want to be achieved from the GM Adult Skills Programme before narrowing these down to a core list of objectives, themes and goals that would effectively underpin the priorities already set out by the Education, Work and Skills Directorate.

4.2 Proposed objectives for the GM Adult Skills Programme

Three key objectives have been identified for all residents on programmes funded through the Adult Education Budget and these will underpin the priorities above. The objectives are to ensure that all residents over the age of 19 can:



4.3 Proposed themes for the GM Adult Skills Programme

A further break down of the three objectives outlined above takes them into a set of fourteen themes which will give focus to what is needed to be achieved. Only activity that supports these objectives and themes will be funded through the Adult Education Budget.

1. Encouraging residents to re-engage with skills and training at any point in their lives, no matter what	Engaging residents through first steps curriculum
	Improving health, well-being and resilience for learning and work
	Equipping parents and carers to better support children with learning at school or college

qualifications they have previously attained	Teaching residents about ways to improve the local environment and reduce carbon footprint
	Supporting residents to get involved in volunteering and other civic engagement
2. Supporting residents to acquire a good level of competence in essential skills	Supporting residents with high needs or disabilities to lead independent lives
	Improving ESOL and helping new arrivals understand UK life
	Improving English and literacy
	Improving maths and financial literacy
	Improving digital skills and literacy
3. Helping residents develop the skills and occupational competence needed to progress in learning, work and careers on courses aligned with local employer needs	Supporting progression to skills courses that focus on labour market needs
	Supporting national legal entitlement at Level 2 or level 3
	Providing training and qualifications leading to employment, self-employment, or apprenticeships
	Supporting residents in work to improve skills and be more productive or retrain to find better jobs

4.4 Proposed goals for the Adult Skills Programme

Aligned alongside the objectives and themes are key part of the draft GMCA strategy document 'Good Lives for All' and propose to share these goals with stakeholders, AEB skills providers and residents when informing them about the objectives and themes set out. This will communicate the focus and purpose of what is to be achieved:

Increasing Prosperity

- Increasing the overall prosperity of Greater Manchester by supporting skills training in the growth and foundation sectors of the economy highlighted in the Local Industrial Strategy as well as any other sectors impacted by the Covid pandemic. Adult skills funding will be flexible and responsive to future impacts and changes to the labour market driven by changes in the global economy and events such as Brexit

Reducing Inequalities

- Addressing inequalities and improving the overall wellbeing of Greater Manchester residents by targeting those who have experienced the greatest inequality and have the lowest level of previous educational attainment. We need Greater Manchester to be more equitable, with more opportunities for all our people, and this means levelling up, so that even the most disadvantaged residents in the most disadvantaged neighbourhoods are supported and able to access high skills training.

Focussing on Local Needs

- Developing a place-based approach to the planning of course delivery which benefits all localities in Greater Manchester. A wide range of stakeholder feedback as well as industrial intelligence will be used to determine community and employer needs at the local level. This will help ensure that providers respond to local needs in the best possible way in order to raise the aspirations of all residents and have a transformational impact on communities.

Achieving a Carbon Neutral GM

- Supporting Greater Manchester to become carbon neutral by 2038 through the delivery of skills training relating to the green economy and showing GM residents how they can reduce their carbon footprint and/or improve their local environment. We will also prioritise the allocation of funding to providers or supply chains that demonstrate a strong organisational commitment to this goal.

Through the implementation and the continued development of these objectives and themes, GMCA will be able to establish a clearer set of AEB guidance (currently the AEB Funding & Performance Management Rules), which are more relevant to how the AEB Adult Skills Programme is delivered across GM, and reflective of GM, with national elements included where these need to be, rather than GM priorities fitted around national rules.

The goals outlined above are shared, and no matter which objective and theme is targeted all the above goals are taken into consideration in view of ensuring skills and training courses which are offered are done so for the right reasons, and that any additional support measures to ensure they are accessible to all GM residents are in place.

Appendix 1

Examples of what has worked over the past two years in GM through the devolved AEB.

- **Supporting safer returns to work** – focussed on health & safety, infection control etc.
- **Rise of the Key worker** – recruit in to key sectors supporting the impact of COVID19.
- **Short Retraining programme** – focussed on retraining into Adult Social Care, warehousing, customer services



Expression of Interest: Labour Market Challenges Programme

- Updated rules to enable those who are **economically inactive** to be supported.
- In 2020/21 providers supported learners to enrol on **950+ courses**.
- Key activity focussed on: **ESOL, Digital Skills, Supply Chain & Logistics, Security & customer service.**



Economically Inactive

- Specific flexibilities requested in relation to delivery since February 2021 an example of these are:
- Mantra Learning's **Mental Resilience** offer supported individuals to recognise mental health and wellbeing, guiding learners to help themselves and others.



Other Flexibilities