

GREATER MANCHESTER COMBINED AUTHORITY

Date: 29th July 2022

Subject: GM Adult Education Budget: Single Pot Approach to Level 3 Funding for GM.

Report of: Councillor Eamonn O'Brien, Portfolio Lead for Education, Skills, Work, Apprenticeships and Digital and Joanne Roney, Portfolio Lead Chief Executive for Education, Skills, Work and Apprenticeships and Digital.

PURPOSE OF REPORT:

To consider, note and approve the proposed plan to distribute devolved Adult Education Budget and National funds for a Single Pot Level 3 qualifications offer for Greater Manchester residents and employers.

RECOMMENDATIONS:

The GMCA is requested to:





1. Agree the plan to distribute devolved Adult Education Budget and National funds for a Single Pot Level 3 Offer for Greater Manchester residents and employers for 2022/2023 onwards.
2. Delegate authority to the Monitoring Officer to prepare and execute all the necessary agreements to distribute devolved AEB and National funds for a Single Pot Level 3 Offer for Greater Manchester residents and employers for 2022/2023 onwards.

CONTACT OFFICERS:

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Equalities Impact, Carbon and Sustainability Assessment

Impacts Questionnaire			
Impact Indicator	Result	Justification/Mitigation	
Equality and Inclusion	G		
Health	G		
Resilience and Adaptation	G		
Housing	G	The GM Local Level 3 offer as well as the Level 3 Free Courses for Jobs offer prioritise courses in the Building and Construction sector to improve the skills base in this area of the GM economy The GM Local Level 3 offer as well as the Level 3 Free Courses for Jobs offer prioritise courses in the Building and Construction sector to improve the skills base in this area of the GM economy	
Economy	G		
Mobility and Connectivity			
Carbon, Nature and Environment			
Consumption and Production			
Contribution to achieving the GM Carbon Neutral 2038 target		This proposal supports 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.	
Further Assessment(s):	Carbon Assessment		
 Positive impacts overall, whether long or short term.	 Mix of positive and negative impacts. Trade-offs to consider.	 Mostly negative, with at least one positive aspect. Trade-offs to consider.	 Negative impacts overall.

Carbon Assessment

Overall Score #####

Buildings	Result	Justification/Mitigation
New Build residential	N/A	
Residential building(s) renovation/maintenanc	#####	
New Build Commercial/Industrial	N/A	The focus is to be able to make relevant skills provision to residents to be able to work in these areas
Transport		
Active travel and public transport	N/A	
Roads, Parking and Vehicle Access	N/A	
Access to amenities	N/A	
Vehicle procurement	N/A	
Land Use		
Land use	N/A	

No associated carbon impacts expected.		High standard in terms of practice and awareness on carbon.		Mostly best practice with a good level of awareness on carbon.		Partially meets best practice/ awareness, significant room to improve.		Not best practice and/ or insufficient awareness of carbon impacts.
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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 and the 'Free Courses for Jobs' guidance, 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 legal requirements and agreements are complied with and completed and in place for the academic year.

Financial Consequences – Revenue:

Revenue funding is taken from the devolved Adult Education Budget and the devolved 'Free Courses for Jobs' funding, which are both received on an annual basis each financial year. GMCA receives a separate, ring-fenced funding allocation for the 'Level 3 Free Courses for Jobs' offer.

Financial Consequences – Capital: Not applicable

Number of attachments to the report: 0

Comments/recommendations from Overview & Scrutiny Committee

BACKGROUND PAPERS:

The following is a list of the background papers on which this report is based in accordance with the requirements of Section 100D (1) of the Local Government Act 1972. It does not include documents, which would disclose exempt or confidential information as identified by that Act.

[26th March 2021 GM Devolved Adult Education Budget \(AEB\) Year 1 update and next steps](#)

[25th March 2022 GM Devolved Adult Education Budget \(AEB\) 2022/2023 Academic Year and National Skills Fund Level 3 Adult offer](#)

TRACKING/PROCESS		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		Yes
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	Overview & Scrutiny Committee	
Not applicable		

1. Introduction

- 1.1 Greater Manchester benefits from an annual devolved Adult Education Budget allocation each academic year (1st August to 31st July) of approximately £96million pounds, and through the 'Level 3 Free Courses for Jobs Offer' (formerly 'Lifetime Skills Offer, National Skills Fund Adult Level 3) GM will receive an additional £8 million of ring-fenced funding (July 2022 to August 2023) to deliver and manage the 'Level 3 Free Courses for Jobs Offer'.
- 1.2 In April 2021, GMCA's Education, Skills and Work directorate launched a GM Local Level 3 Adult Offer to support the needs of the GM Economy and address the restrictions of the national level 3 offer. This local offer is more relevant to GM, is closely aligned to the GM Local Industrial Strategy growth and foundation sectors and attracts full funding for eligible GM residents aged 19 or above. £3 million has been allocated to this provision from the core devolved AEB by GMCA each academic year since 2021/2022.
- 1.3 Closely aligned to those key sectors that support economic growth at a national level, the 'Level 3 Free Courses for Jobs offer' enables residents aged 24 and over to access fully funded, work-focused Level 3 qualifications. 19- to 23-year-olds are also able to access the qualifications made available through this offer, however these are funded through the existing core devolved AEB funding.

2. Devolved AEB funding for the Greater Manchester Local Level 3 Adult Offer and devolved 'Level 3 Free Courses for Jobs' offer for 2022/2023

Background and Eligibility Criteria

2.1 Devolution of the adult skills funding gives an opportunity to bring key parts of the skills system together and reduce the complicated landscape which residents and skills providers are required to navigate. Through the work the GMCA's Education, Skills and Work Directorate have been undertaking over the last twelve months to develop a tailored Level 3 offer for both GM employers and residents, this has highlighted a need and opportunity to 'hide the wiring' which makes accessing the Level 3 qualifications system both complicated to promote and access to the wider GM community.

At the time of writing this report the GMCA's Education, Skills and Work team are currently working with both the GMCA's Commercial Team and Legal to obtain confirmation that the preferred approach would meet all procurement and legal requirements and that this should be decided by the GMCA meeting date.

GM residents aged 19 or above have access to a wide range of Level 3 qualifications to develop the relevant skills and occupational competences needed to:

- support the GM economy,
- gain sustainable employment,
- progress further in the workplace.

Both the local and national Level 3 Adult offers are subject to specific eligibility criteria as summarised in the table below. **Annex 1** provides full details of the complex eligibility criteria and different sources of funding that GM devolved AEB skills providers must navigate to fund Level 3 qualifications.

<p>GM Local Level 3 Adult Offer</p>	<p>This offer is available for all GM residents aged 19 or above to access specific, fully funded level 3 qualifications, irrespective of their employment or income status, with the option to undertake a second Level 3 qualification if required.</p> <p>£3m has been made available for the 2022/2023 academic year.</p>
<p>Level 3 Free Courses for Jobs Offer</p>	<p>This offer fully funds all residents aged 19 or above to undertake a first level 3 qualification from a specified national list.</p> <p>From April 2022, the rules and eligibility for accessing the Level 3 Free Courses for Jobs offer changed enabling the following residents to undertake a second Level 3 qualification:</p> <ul style="list-style-type: none"> • unemployed adults • adults earning below the GM low wage threshold <p>Just over £8m has been allocated for the 2022/2023 academic year.</p>
<p>GMCA can utilise 20% of the £8 million which has been allocated for the 'Level 3 Free Courses for Jobs' offer in 2022/2023 for locally specified level 3 activity. Applying this national funding to local demand enables the Education, Skills and Work directorate to further address our local employer needs, drive up demand from residents and begin to change the behaviour of our adult skills providers. GMCA work with the ESFA to agree a locally defined list of Level 3 qualifications against which the 20% can be used.</p>	
<p>19- to 23-year-olds accessing qualifications from the 'Level 3 Free Courses for jobs offer' are funded through core devolved AEB.</p> <p>This adds a significant burden to providers and impacts on their core allocations, hence GMCA's ESW team allow this provision to be funded through the ring-fenced GM Local Level 3 offer as an alternative.</p>	

2.2 The Education, Skills and Work directorate monitor the overall level 3 qualification spend by providers against their approved allocations throughout the year and adjust funding accordingly where delivery is above or below profile. It should be noted that this is both a complex and labour-intensive process.

Proposal for the 2022/2023 Academic Year and onwards

2.3 GMCA's Education, Skills and Work team are proposing a mechanism which streamlines the funding and how Level 3 qualifications will be marketed to the wider GM Community, subject to approval and ongoing discussions with GMCA's Commercial Team and Legal Support (Manchester City Council). The proposed methodology is:

Simplify the level 3 funding system to make funding available through a dynamic 'single pot' approach allowing adult skills providers to support employers and residents based on need and demand that is aligned to the GM economy as follows:

- All GM Local Level 3 and 'Level 3 Free Courses for Jobs offer' activity to be funded through a single pot of money amalgamated from both funding sources for the 2022/2023 academic year and onwards.
- All existing AEB skills providers will have the opportunity to deliver Level 3 qualifications from the GM Local Level 3 offer and the 'Level 3 Free Courses for Jobs offer' lists.
- Providers will not be given a specific allocation for either the individual funding sources or the 'single pot', however they will have a restricted upper value to work towards in line with national procurement rules.
- GMCA's Education, Skills and Work team will centrally manage the funding streams throughout the year to ensure that each of the level 3 funding sources are maximised and the complexity of the funding sources and eligibility requirements are managed centrally rather than by individual providers and learners, hence reducing the level of bureaucracy.

2.4 The Education, Skills and Work team considers the proposed methodology to be the preferred route as:

- It simplifies a complex system for AEB skills providers and offers greater flexibility.
- It maximises the range of level 3 qualifications available for employers and GM residents to access with a greater emphasis on the Foundation and Growth sectors of the GM economy.
- It will be managed centrally by the GMCA's Education, Skills and Work team which would be less labour-intensive than monitoring individual contract allocations and performance and funding sources will be maximised where possible.

2.5 GMCA are asked to:

- Consider and note the proposed approach as outlined above.
- Delegate authority to the Monitoring Officer to execute all the necessary agreements, to distribute devolved AEB and National funds for a Single Pot Level 3 Offer for Greater Manchester residents and employers for 2022/2023 onwards.

Annex 1 - Eligibility Criteria for Adult Education (AEB) Level 3 Funding methods

Eligibility Criteria for Adult Education Budget (AEB) Level 3 Funding Methods			
Category	Provision Type	Funding Source	Eligibility criteria
19- to 23- year-olds (all)	Level 3 legal entitlement	Core devolved AEB allocation	Must not already hold a first full level 3 qualification. The qualification must be categorised as a Level 3 Legal Entitlement.
	GM Local Level 3 Adult offer	Core devolved AEB – GM Local Level 3 allocation	Must not already hold a first level 3 qualification or are undertaking a second level 3 qualification.
	Level 3 Free Courses for Jobs (locally specified activity)	Core devolved AEB – GM Local Level 3 allocation	Must not already hold any level 3 qualification.
	Level 3 Free Courses for Jobs	Core devolved AEB – GM Local Level 3 allocation	Must not already hold any level 3 qualification.
	Any level 3 qualification not included any of the above provision types	Advanced Learner Loan (Student Finance England)	Residents who have achieved a full level 3 qualification or above.

19- to 23-year-olds (unemployed or earning below the low wage threshold)	Level 3 Free Courses for Jobs locally specified activity	Core devolved AEB – GM Local Level 3 allocation	Already hold a first level 3 qualification and it was achieved before 1 April 2021.
	Level 3 Free Courses for Jobs	Core devolved AEB – GM Local Level 3 allocation	Already hold a first level 3 qualification that was achieved before 1 April 2021.
24 + (all)	GM Local Level 3 Adult offer	Core devolved AEB – GM Local Level 3 allocation	Must not already hold a first level 3 qualification or are undertaking a second level 3 qualification.
	Level 3 Free Courses for Jobs locally specified activity	Level 3 Free Courses for Jobs Offer (ringfenced) funding – 20% element for locally specified activity	Must not already hold any level 3 qualification.
	Level 3 Free Courses for Jobs	Level 3 Free Courses for Jobs Offer (ringfenced) funding	Must not already hold any level 3 qualification.
	Any level 3 qualification not included any of the above provision types	Advanced Learner Loan (Student Finance England)	Available to all residents.
24 + (unemployed or earning	Level 3 Free Courses for Jobs	Level 3 Free Courses for Jobs Offer (ringfenced)	Already hold a first level 3 qualification and it was

below the low wage threshold)	locally specified activity	funding – 20% element for locally specified activity	achieved before 1 April 2021.
	Level 3 Free Courses for Jobs	Level 3 Free Courses for Jobs Offer (ringfenced) funding	Already hold a first level 3 qualification that was achieved before 1 April 2021.