

Analysis of Adult Education Budget (AEB) funded provision in York and North Yorkshire

Executive Summary

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Executive Summary

The following analysis seeks to inform key strategic and operational decisions that will need to be made by York and North Yorkshire (YNY) LEP and its partners in anticipation of the roll-out of devolved Adult Education Budget (AEB) in the local area and how funding will be used to meet the needs of YNY residents.

The Adult Education Budget aims to engage adults and provide the skills and learning they need to equip them for work, an apprenticeship or other learning. It also seeks to help learners to build confidence, and/or enhance their wellbeing.

As part of devolution in England, certain adult education functions, which are funded by the AEB, are transferred to Mayoral Combined Authorities (MCAs). Alongside this, the Department for Education (DfE) transfers the relevant part of the AEB participation budget to the MCAs.

A **glossary** of terms is appended to this document.

Key Facts about AEB in York and North Yorkshire (figures relate to 2018/19 academic year unless stated)

- Number of YNY learners participating in AEB-funded provision: 16,650
Of which:
 - Education and Training (Skills): 9,950
 - Community Learning: 6,700
- Value of Skills funding used to support YNY learners: £8.2m¹
- Value of funding allocations for Community Learning to grant providers in YNY: £3.0m²
- Number of providers (prime contractors) active in delivery of AEB funded provision to YNY learners: 220
Of which:
 - 7 grant-funded providers based in YNY
 - 147 grant-funded providers based outside YNY
 - 68 providers of contracted services
- Value of subcontracting (Skills provision): £1.63m (20% of total)
- % of YNY learners who travel to a delivery location outside YNY: 12%
- % of YNY learners who access distance learning: 20%

The main focus of this analysis is on the pattern of AEB-funded provision during the 2018/19 academic year, the latest full year for which data is available from the Education and Skills Funding Agency's (ESFA's) Localities Cube.

Overview of provision

AEB-funding supported approximately 17,000 learners and 25,000 enrolments in 2018/19 in YNY. Almost 10,000 learners participated on courses funded through the Education and Training strand, with close to 7,000 participating in Community

¹ Relates to Adult Skills formula funding.

² AEB Community Learning allocations to grant-funded providers based in YNY.

Learning. YNY learners attracted £8.2m of Adult Skills formula funding during the academic year.

There was a modest 15% increase in Education and Training learner numbers in 2018/19 compared with the previous year. Community Learning participants also grew in number relative to 2017/18, by 10%, but were fewer in number than in 2016/17.

The district-level pattern of AEB provision is different to the profile of population, unemployment and deprivation within the LEP area and is arguably not reflective of the pattern of need, but this depends on the choice of indicators used to assess need. For example, AEB-funded provision in Scarborough is high relative to its population but low relative to its share of unemployed claimants and in particular to its share of residents of deprived neighbourhoods.

Meeting the government's statutory entitlements absorbed around 30% of formula funding in YNY in 2018/19, with the majority of resources being taken up by the English and Maths entitlement. It is important to view this in the wider context of the relatively small proportion of people in YNY who lack qualifications or have low attainment.

Provider base

There is a considerable base of around 220 providers active in the YNY area with a number of providers working within each subject area. In the leading subject areas such as *Preparation for life and work* and *Health, public services and care* there were more than 100 providers active in delivering to YNY learners. This suggests that a range of provision is available with the potential for a degree of duplication.

There are 7 grant-funded providers based in YNY. These providers account for 40% of Skills funding, 38% of Education and Training learners and 74% of Community Learning participants.

YNY has a significant dependence on out of area providers. In particular, providers in neighbouring districts, such as Darlington College, play an important part in meeting needs and entitlements, some of them through outreach arrangements, including into rural areas.

The use of subcontracting is relatively limited in YNY (20% by funding value and 16% by volume of learners) and locally-based providers in particular use it sparingly. Out-of-area primes account for 80% of funding that is subcontracted and the bulk of this is routed through a small number of sub-contractors. Many providers who act as sub-contractors also operate as primes in YNY. The bulk of subcontracted provision appears to be fairly generic and is strongly concentrated in the *Health, public services and care* subject area (48% of total provision by value).

The report provides an analysis of the learning offer of each of the top 10 providers in YNY, based on the value of their Skills funding. This shows a diverse pattern of provision across these providers, with several having very distinctive and targeted offers. For example, Darlington College's key focus was on the delivery of basic

skills, via qualifications at below Level 2, with a very strong focus on employed learners with low prior attainment.

Travel-to-learn and distance learning

The number of “cross-border” learners travelling to a delivery location outside YNY is significant. 1,900 learners, or 12% of the total, study outside the area. These are primarily drawn from the Education and Training strand with relatively few being Community Learning participants. A handful of neighbouring districts accounted for the bulk of this provision, including Leeds, Darlington, Doncaster, Middlesbrough and Bradford.

Provision delivered by distance learning is of substantial value, accounting for 16% of total funding via the Skills strand. This provision is largely focused on people in employment (86% of learners) and who mostly have prior attainment above Level 2. The primary subject focus is on health and social care aims, accounting for two-thirds of learners.

Profile of provision

Education and Training provision is concentrated in *Preparation for Life and Work* (33%), *Health and Social Care* (34%) and *Business Administration and Law* (14%). The proportion of learners undertaking digital courses seems small (at 8%) in view of the importance of this area to employability and in the context the forthcoming introduction of the digital entitlement.

A majority (70%) of learners undertook learning aims at Level 2 in 2018/19, whilst 36% pursued aims at below Level 2 (some learners enrolled on multiple aims at different levels, hence the percentages sum to more than 100%). Only learners aged 19-23 are funded through AEB to study at Level 3 as part of a statutory entitlement, hence aims at this level were only undertaken by 2% of total Education and Training learners.

Preparation for Life and Work (which incorporates basic skills aims) dominates enrolments at below Level 2 (63% of the total), whilst *Health, public services and care* is dominant at Level 2 (43% of the total). The small amount of Level 3 enrolments is distributed across a variety of subject areas.

26% of Education and Training learners undertook a basic skills aim, accounting for nearly a third (32%) of total funding for this strand, £2.6m in absolute terms. 63% of basic skills learners undertook an English aim, 53% a Maths aim and only 16% an ESOL aim (many learners enrolled on aims in more than one of the three types of basic skills).

With regard to qualification type, Certificates had the highest take-up. 57% of learners undertook a Certificate, primarily at Level 2, with Health and social care aims being particularly prominent.

Learner profile

The majority of learners undertaking AEB-funded provision in 2018/19 were women, comprising 67% of the total, increasing to almost three-quarters of Community Learning participants.

19-23 year olds accounted for 12% of total AEB-funded learners, with two-fifths of learners aged between 31 and 49. It is also notable that almost a quarter of learners (23%) were in the older 50-64 age band – a group that often faces exclusion from the labour market. Learners over retirement age accounted for a significant proportion of Community Learning participants, at 27% of the total in this strand.

Around two-thirds of Education and Training Learners were in employment or self-employment in the 2018/19 academic year, whilst only a quarter (24%) were unemployed and seeking / available for work. A key aim of AEB is to support jobless people into employment; however, unemployment levels in YNY were very low during this period. It is difficult to assess the employment status of Community Learning participants since no information is available for 45% of learners taking part through this strand.

One of the key aims of AEB is to enable people with low attainment to get the skills and qualifications they need for employment or further learning. A minority of learners in 2018/19 (37%) held no prior qualifications or were qualified below Level 2. Meanwhile, a significant proportion were already qualified at Level 4 and above: 26% of total learners and 32% of Community Learning participants. A significant proportion of those who studied for a low-level qualification were already qualified at Level 3 and above.

AEB provision in YNY appears to be effective in engaging disadvantaged groups, including the disabled and people from ethnic minorities. Around 8% of learners were from an ethnic minority, higher than the overall 3% of YNY adults who are from an ethnic minority background, according to the Annual Population Survey.

Almost a fifth (18%) of learners indicated that they had a learning difficulty and/or disability and/or health problem. This is broadly in line with the representation of people with a disability in the local adult population. According to the Annual Population Survey, 21% of people aged 16-64 classed themselves as having a disability or long-term health problem.

Travel to work flows suggest that there is a large degree of self-containment at district level supporting the case for a base of provision serving each district for basic skills and other lower level provision. However, there is some evidence that these needs are being addressed through outreach delivered by out-of-area providers.

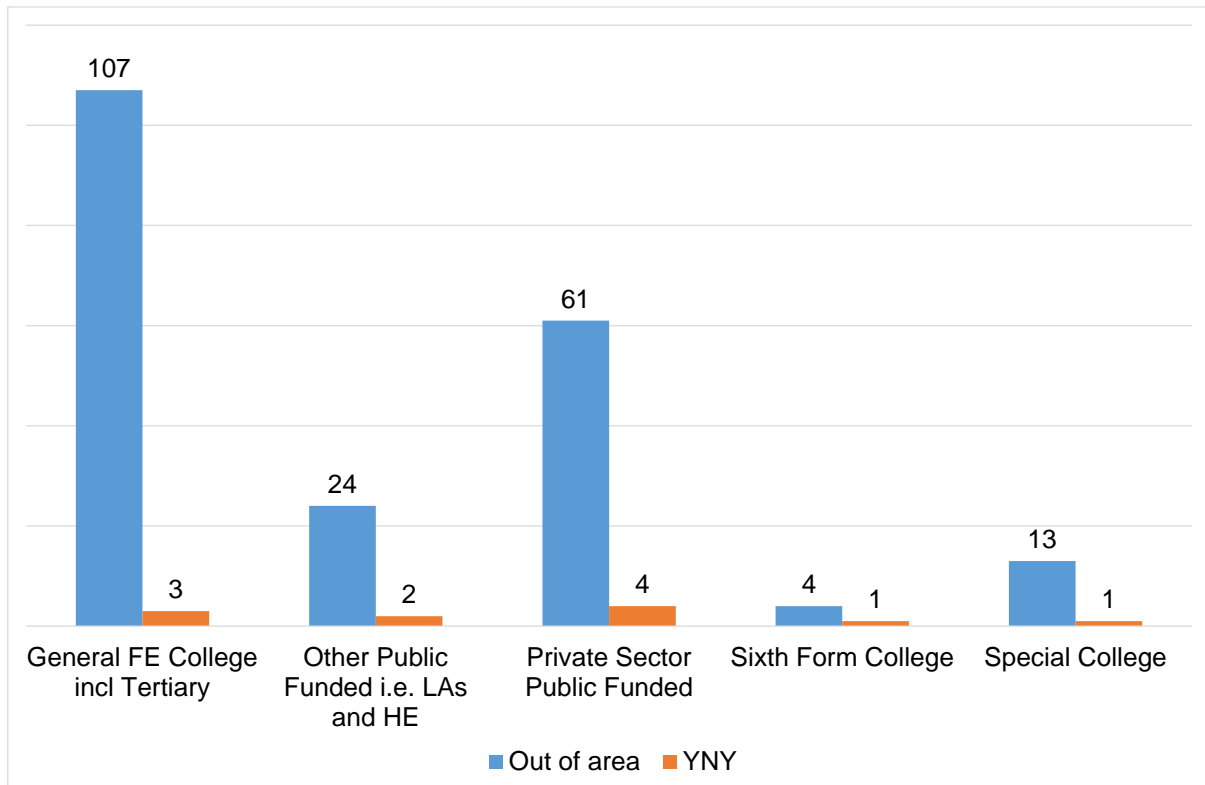
Provision is narrowly concentrated in subject terms in some districts, raising the question of whether it meets the full range of needs, particularly since there is a large degree of self-containment.

Adult Education Budget in York and North Yorkshire in four key tables and charts

Scale of AEB provision in YNY, 2018/19

	Education and Training	Community Learning
Funding (£)	£8.2m ³	£3.0m ⁴
Participation ⁵ (unique learners)	9,950	6,700
Enrolments	13,930	11,480
Starts (unique learners)	8,996	6,630
Continuing learners	1,127	100

Number of education and training providers serving AEB-funded learners by provider type and location, 2018/19 academic year



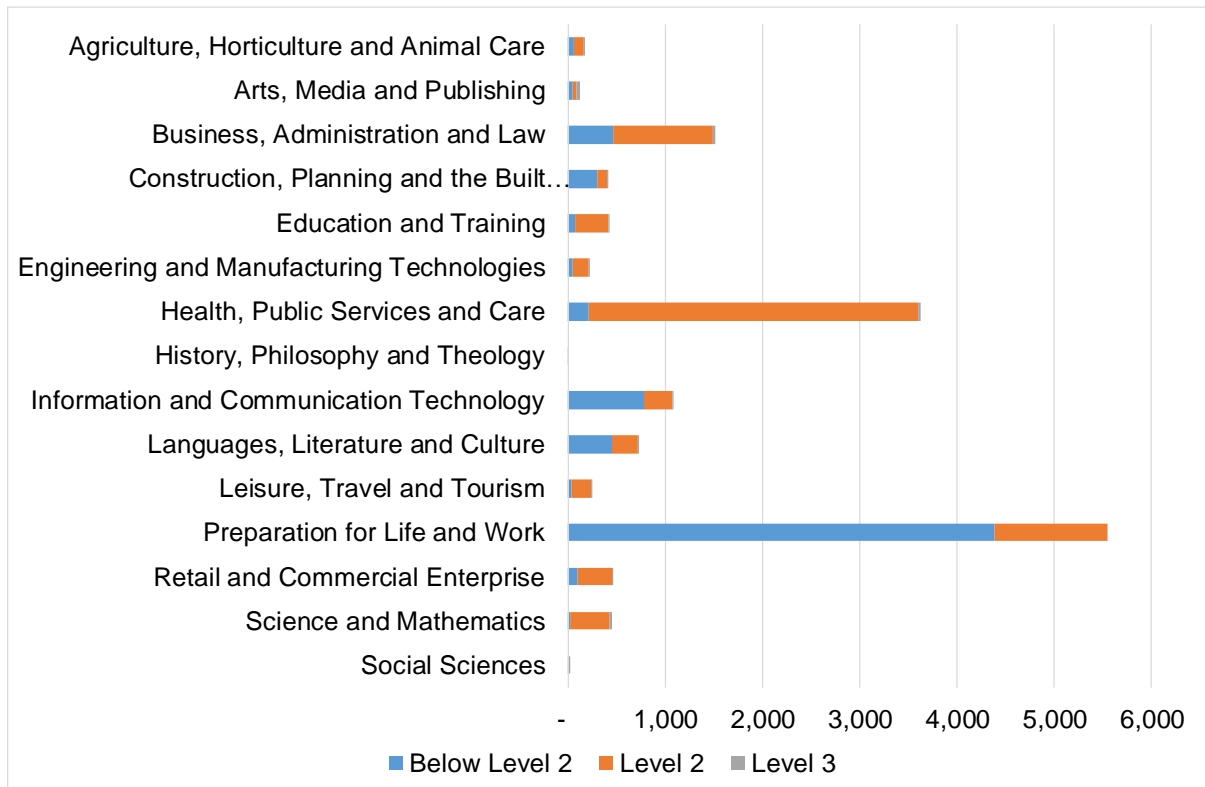
Source: ESFA Localities Cube

³ Relates to Adult Skills formula funding.

⁴ AEB Community Learning allocations to grant-funded providers based in YNY.

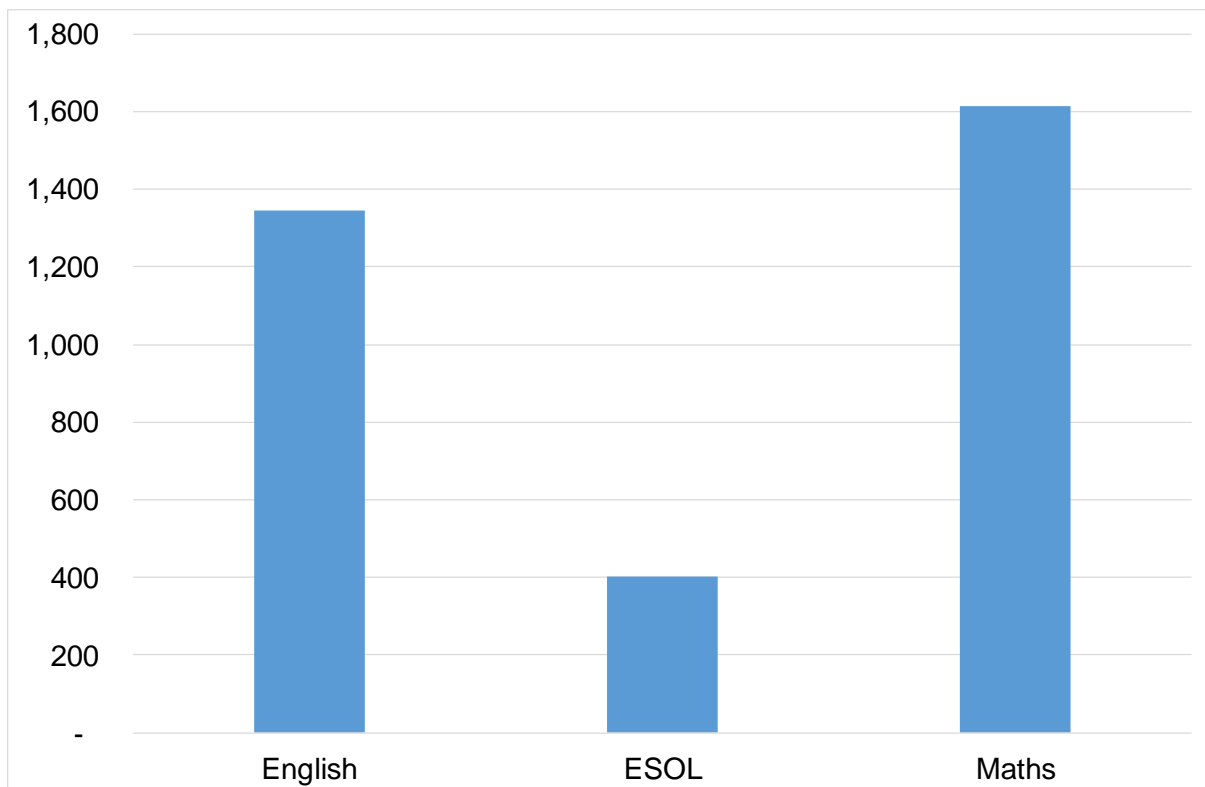
⁵ Participation refers to the number of individuals participating in learning at any point in the academic year.

AEB participation by sector subject area and level, 2018/19



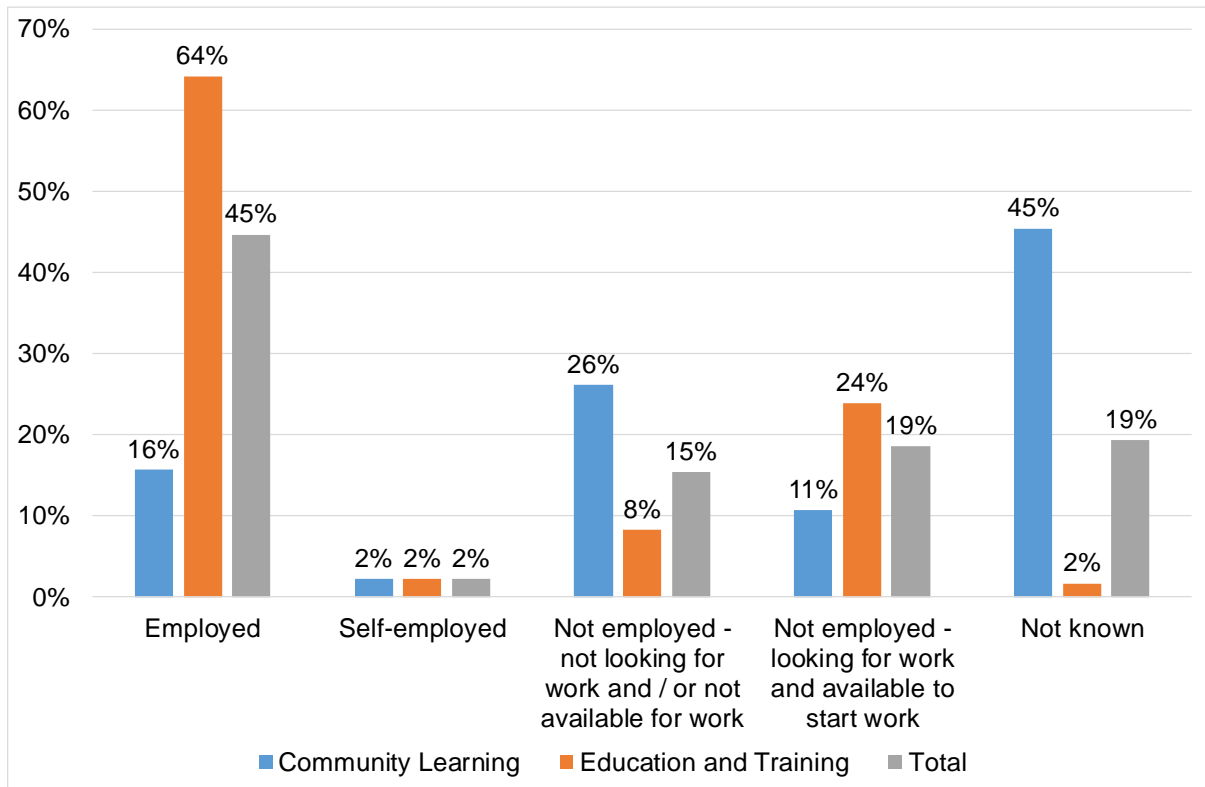
Source: ESFA Localities Cube

AEB participation by Basic Skills Type, 2018/19



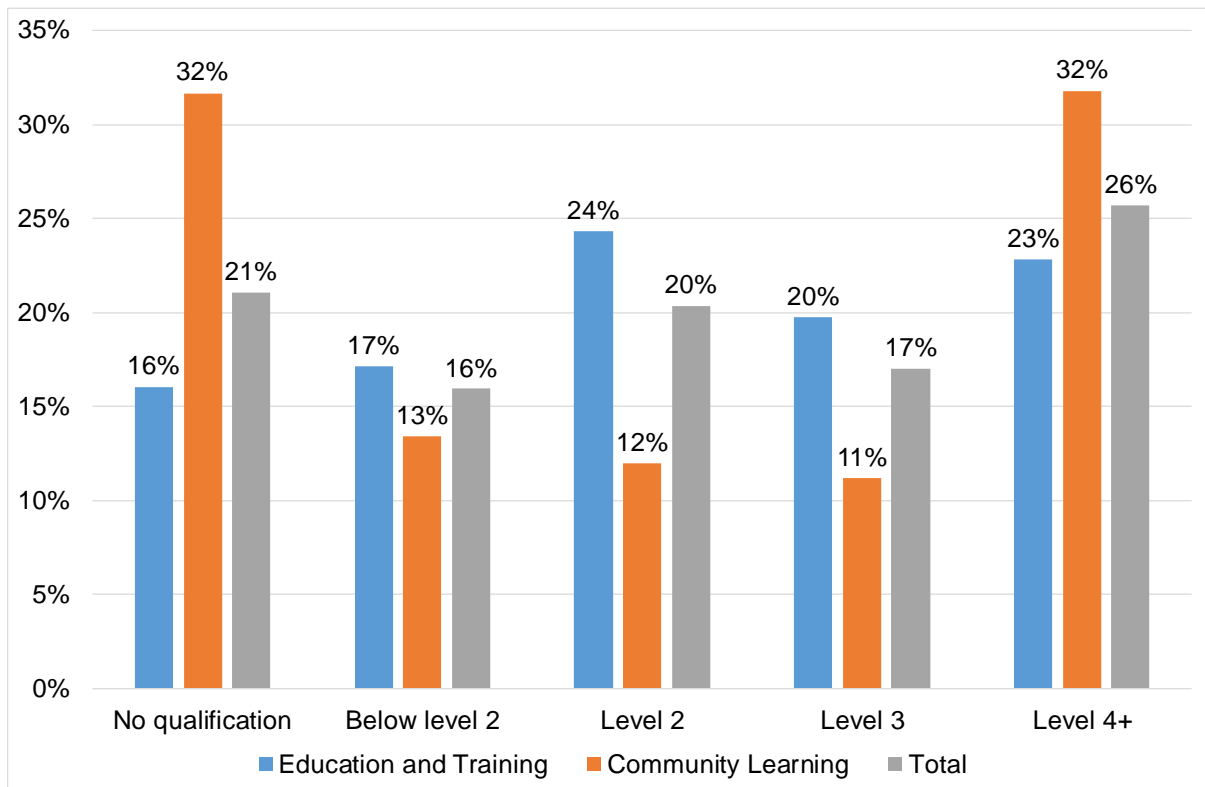
Source: ESFA Localities Cube

Participation by economic status on first day of learning, 2018/19 academic year



Source: ESFA Localities Cube

Profile of learners by level of prior attainment, 2018/19 academic year



Note: excludes learners whose prior attainment is not known

Source: ESFA Localities Cube

Glossary of Terms

Academic / Funding year	The ESFA's adult funding system operates on a funding year basis, which starts on 1 August and finishes on 31 July.
Adult Education Budget (AEB)	AEB-funded learning aims to engage adults and provide the skills and learning they need to progress into work or equip them for an apprenticeship or other learning. It enables more flexible tailored programmes of learning to be made available, which may or may not require a qualification, to help eligible learners engage in learning, build confidence, and/or enhance their wellbeing.
Community Learning	Helps people of different ages and backgrounds gain a new skill, reconnect with learning, pursue an interest, and learn how to support their children better, or prepare for progression to more formal courses / employment.
Continuing learners	Learners who commenced learning in a previous funding year and remain in learning
Contract for services	Providers delivering a contractor for services are appointed through a procurement round. They are paid for adult skills provision on the basis of their actual delivery each month, up to a total contract value for the financial year.
Education and Skills Funding Agency	Accountable for funding education and skills for children, young people and adults. ESFA is an executive agency, sponsored by the Department for Education.
Formula-funded adult skills	The AEB funding formula determines how much a provider earns for the delivery of a learning aim, taking into account the funding rate for the learning aim, programme weighting to reflect the cost of delivery, plus disadvantage uplift and area cost uplift. Non-formula community learning funding is paid on a monthly profile. The provider 'attribute costs' for eligible learners, up to the value of its non-formula community learning allocation.
Functional skills	Applied practical skills in English, maths and ICT that provide the learner with the essential knowledge, skills and understanding to enable them to operate effectively and independently in life and work.
Full level 2	The following qualifications are designated full at level 2: <ul style="list-style-type: none"> • General Certificate of Secondary Education in five subjects, each at grade C or above, or grade 4 or above • Technical Certificate at level 2 which meets the requirements for 16 to 19 performance table
Full level 3	The following qualifications are designated full at level 3: <ul style="list-style-type: none"> • General Certificate of Education at the advanced level in two subjects • General Certificate of Education at the AS level in four subjects

	<ul style="list-style-type: none"> QAA Access to Higher Education (HE) Diploma at level 3 Tech level; or applied general qualification at level 3 which meets the requirements for 2018 16 to 19 performance tables
Grant funded provider	ESFA funded AEB is allocated to these providers as a recurring grant with payments made against a monthly profile. Grant providers are typically colleges and local authorities. The funding agreement with the provider states the maximum amount of AEB provision the provider can deliver during the year.
Individualised learner record (ILR)	The primary data collection requested from learning providers for further education and work-based learning in England. The government uses this data to monitor policy implementation and the performance of the sector. It is also used by organisations that allocate funding for further education.
Learning support	Funding to enable providers to put in place a reasonable adjustment, set out in the Equality Act 2010, for learners with an identified learning difficulty and/or disability to achieve their learning goal.
Learner support	Funding to enable providers to support learners with a specific financial hardship that might prevent them from being able to start or complete their learning.
Learning aim	A single episode of learning which could be a regulated qualification, a component of a regulated qualification or non-regulated learning.
Learning aim reference number	The unique eight-digit code used to identify a specific learning aim.
Localities cube	The localities cube provides Local Enterprise Partnerships (LEP) and Mayoral Combined Authorities (MCA) with data from the Individualised Learner Record (ILR) for their area. This provides information about the training in their area funded by ESFA.
Non-regulated learning	Learning which is not subject to awarding organisation external accreditation in the form of a regulated qualification. It may be designed, delivered and certificated by a provider or another organisation. Community learning typically falls into this category.
Notional funding	The localities cube contains notional funding values for learning. These are the values outputted by ESFA's funding formula and may not reflect the amount the provider receives due to a variety of potential adjustments.
Statutory entitlement	The statutory entitlement to education and training allows learners to be fully funded who are aged: <ul style="list-style-type: none"> 19 and over, who have not achieved a Grade A*-C, grade 4, or higher, and study for a qualification in English or maths up to and including level 2, and/or

	<ul style="list-style-type: none"> • 19 to 23, if they study for a first qualification at level 2 and/or level 3.
Special college	A special college offers a specialised curriculum. For example, Askham Bryan specialises in subjects linked to agriculture, horticulture etc.
UK provider reference number	A unique identifying number given to all providers by the UK register of learning providers.