

ADULT EDUCATION BUDGET-FAQs

1. What is AEB?

The Adult Education Budget (AEB). A provision of funds that, from academic year 2019/20 (August 2019) will be devolved to the Liverpool City Region Combined Authority.

Previously the fund was allocated by the Education and Skills Funding Agency (ESFA) on behalf of the Department for Education to providers including, Further Education Colleges, Councils and Independent Training Providers

both in the Liverpool City Region and those outside of the City Region who deliver to our residents.

The AEB aims to engage adults and provide the skills and learning they need to equip them for work, 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.

2. What qualifications does it cover?

The AEB covers a range of education entitlements for residents in the Liverpool City Region these are based on National Entitlements.

Entitlements

The AEB supports three legal entitlements to full funding for eligible adult learners. These are set out in the Apprenticeships, Skills and Children's Learning Act 2009,

and enable eligible learners to be fully funded for the following qualifications:

- English and Maths, up to and including level 2 (GCSE equivalent), for individuals aged 19 and over, who have not previously attained a GCSE grade 9 – 4 or A* - C
- first full qualification at level 2 for individuals aged 19 to 23
- first full qualification at level 3 (A level equivalent) for individuals aged 19 to 23

		18	19	23	Age of Learner
Publicly funded learning by level	16-18 Funding prior to AEB	Entry Level up to and including Level 2	Community Learning	(Fully or co-funded)	
			Provision for unemployed people	(Fully Funded)	
		Level 2	English as a second or Other Language (ESOL)	(co-funded with provider discretion on contribution)	
			English and maths entitlement	(Fully Funded)	
		Level 3	Digital Entitlement from 2020	(Fully Funded)	
			First fully funded Level 2	Entitlement all ages	
			Second Level 2 Co Funded	(with learner contribution)	
			First Fully Funded Level 3 e.g. A Levels		

Local Flexibility

The AEB also supports the delivery of flexible tailored provision for adults, including qualifications and components of these (units), and /or non-regulated

learning, up to Level 2 – we call this 'local flexibility.' Local flexibility provision is either fully or co-funded, depending on the learner's prior attainment and circumstances. Where appropriate for the learner, local flexibility provision can be delivered alongside a legal entitlement qualification.

3. How has the City Region prepared for this?

The Combined Authority has been preparing for some time and has put in place building blocks around the following themes. These will ensure that the skills opportunities and challenges for the City Region are systematically realised and addressed.

They are:

i) Strategy

Setting out clear strategies to bring clarity to the scale and nature of Liverpool City Region skills issues and to identify where local interventions are likely to have greatest impact.

Creating direction and bringing focus to the response required from providers and employers to address identified skills priorities.

Providing a framework for local public and private skills investments.

Stimulating and supporting partnership working to bring greater strategic alignment of skills priorities across stakeholders.

ii) Improved ways of working

A step change is needed for residents to become more economically productive and engage more effectively in their local communities. Liverpool City Region will make improvements through:

- Collaboration between providers
- Co-location and co-delivery of services
- Engagement and training of economically inactive and unemployed people
- Narrowing of the gap of underrepresented learners
- Aligning commissioning of AEB with other funding streams, including European funding

iii) Developing Outstanding Facilities

Significant levels of capital investment through the Combined Authority's Single Investment Fund for Skills Capital. This has now committed approximately £30 million for projects across Liverpool City Region.

The most recent projects include:

- Health Engagement and Training Hub - A facility to deliver health and social care skills including Apprenticeships. Co-location with health care providers to meet sector skills needs and support and mental health needs of residents and learners within Hugh Baird College in Bootle.
- Improved facilities for Engineering learners at North West Training Council's new site in Liverpool.
- A new centre of excellence for welding at Riverside College in Halton to complement their Ideas Centre, which is providing the skills to meet the 4th Industrial revolution coupling digital and manufacturing skills.
- Everton Learning and Skills Centre – A new learning and skills centre for Liverpool City Council's Adult Learning Service to engage and help North Liverpool residents progress into employment.
- New facilities for learners with learning difficulties and disabilities at Greenbank College in Sefton Park, Liverpool.
- Creation of a digital academy at The City of Liverpool College's Myrtle Street site to meet digital and creative skills needs.

iv) Employer Demand led

Engaging with employers through activities such as the employer survey (over 1,800 employers surveyed in 2017) to accurately establish areas of future need and preparing local residents to meet these needs. Shaping strategy and investment to ensure key areas of economic growth in the City Region are inclusive of local people and in the opportunities developed.

Providing impartial brokerage for employers to engage with skills providers including apprenticeships and pre-employment skills for unemployed.

v) Governance

Liverpool City Region's governance processes for skills play an important role that ensures the vision and outcomes from our Skills Strategy is reflected within operational plans of partners and providers.

- The Combined Authority provides overall strategic leadership and co-ordination.
- The LEP Board ensures that employers' views are at the heart of our discussions.
- Our Skills Commission explores and promotes new approaches to supporting employers in accessing future skills needs.
- The Employment and Skills Board oversees programmes and stakeholder relationships, ensuring that changes required for AEB devolution are delivered.

vi) Sustainable Organisations

The Area Based Review of Post 16 Education for Liverpool City Region ([link](#)) has ensured through mergers and structural changes a more economically sustainable provider base. The devolution of the AEB will build on rather than destabilise this work, it is hoped it will enhance it further with strategic investment aligned to local needs detailed in the qualitative recommendations of the review.

4. How much has been spent in the City Region?

Around £50m of AEB funding is spent annually on Liverpool City Region residents, supporting 48,000 learners, with the majority of courses fully funded (from estimates based on 2015/16 data).

5. Is this a good deal for the City Region? Will there be more money?

It's a very good deal for the City Region. It allows us to manage our own destiny with adult skills, that has a vital role to play in our economic and social regeneration as we create a more inclusive economy. It is our view that this local control will ensure the money is invested more effectively than it has ever been before.

6. What is out of scope from the devolution agreement

The AEB is only available to those aged 19 and over. It will not include Traineeships for 19 to 24 year olds which will remain a nationally funded programme regardless of where trainees reside.

Whilst the AEB can prepare adults to enter into Apprenticeships, it does also have the capability to support those learners with entitlements in employment.

Funding for learners undertaking a second Level 3 qualification from age 19 and a first Level 3 from age 24 are nationally funded as loans:
<https://www.gov.uk/advanced-learner-loan>.

AEB forms one part of the funding provision for skills development in the City Region. The way our post 16 education, Apprenticeships and Traineeships are funded will remain unchanged.

7. How is AEB currently allocated?

Each year an annual allocation is made by the ESFA to training providers (Local Authorities, General Further Education and 6th Form Colleges via grants and Independent Training Providers via contracts for services).

The allocation is not geographically restricted by learner residency. This means a provider based in Liverpool City Region can deliver training to residents outside of the City Region using its allocation of budget. It also means a provider located outside of Liverpool City Region can deliver training in the City Region to local residents.

8. How will it be distributed in the future?

From August 2019 allocations and budget distribution will be managed by the Liverpool City Region Combined Authority. Funding will be prioritised to the skills needs of local residents and employers set out in the Liverpool City Region Skills Strategy ([link](#)) and will continue to meet learner's statutory entitlements.

This approach will ensure we are able to deliver the skills our residents need to take advantage of the economic growth areas in the City Region.

Funding will be for new learner starts that are resident in the City Region.

10. What are the timescales?

Preparation for the successful devolution of the Adult Education Budget is well under way.

There are five distinct phases to this project, these include legal processes, consultation and commissioning.

Phase 1. Preparing the current provider base May – September 2018

A significant amount of work has already been undertaken to identify and prepare the current provider base. This will ensure a seamless transition of AEB commissioning and delivery to the Combined Authority.

This work will continue throughout July and August 2018 and will be completed in September 2018.

Phase 2. Consultation July – September 2018.

This phase will include a consultation on the priorities from the draft Skills Investment Statement and market engagement to inform the commissioning approach. The market engagement will be informed by responses from stakeholders, employers, LEP, colleges, local authorities and other providers.

9. How many providers will be involved?

There are currently over 250 providers delivering to Liverpool City Region residents (2015/16 estimates). This includes providers and colleges based within our City Region, those neighbouring it and national providers. The top ten most popular providers with Liverpool City Region residents delivered over half of the of the AEB (54% in 2015/16).

Phase 3. Delivering the statutory requirements July – November 2018

There are a range of statutory requirements associated with the devolution of AEB. These include a Parliamentary Order being laid in Parliament on July 23 2018. The preparation of the draft OJEU in September and the launch of the procurement process in October 2018.

Phase 4. Commissioning Oct 2018 – February 2019

The commissioning process will commence in October 2018. Our approach will include negotiated grant funding agreements and the procurement of contracts for services, with the launch of the Standard Selection Questionnaire (SSQ) and an Invitation to Tender (ITT) on the North West Procurement Chest/Due North.

Responses will be evaluated in November 2018 and an ITT to the shortlist will be issued.

The evaluation and moderation process will be concluded in February 2019, having received the appropriate approvals providers will be informed of the decision.

Phase 5. Implementation Mar 2019 –

Allocation letters of intent will be sent and contracts for services will be prepared.

11. Further operational guidance

Further operational guidance will be developed over the coming months to include administrative processes as informed by the feedback and market engagement.