

# ADULT EDUCATION BUDGET HIGH LEVEL REPORT

Academic Year 2020/21

**JANUARY 2022**

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## 1 Introduction

The West of England Combined Authority came into being in 2017 and covers the three geographical areas of Bath & North East Somerset, Bristol and South Gloucestershire. The Combined Authority took responsibility for Adult Education powers and funding in relation to residents of these areas in the 2019/20 academic year as a result of the Secretary of State for Education devolving powers to fund adult education to WECA.

Adult Education is used to support adults aged 19+ to develop the skills and qualifications they need for life, work, apprenticeships and further learning. Historically, funding has come from central government, with adult education providers receiving annual funding allocations and central government setting how the budget is to be spent based on national needs and requirements. For the academic year 2020/21 the West of England Combined Authority Adult Education Budget (AEB), including growth funding, was approximately £15.5 million.

By taking responsibility for Adult Education powers and funding, the Combined Authority is able to fund providers to deliver courses tailored to meet the specific needs of our region, particularly providing residents with the opportunity to build confidence, develop the skills required for work and life and enhance their wellbeing. As set out in the [West of England Local Industrial Strategy](#) and associated [Employment and Skills Plan](#), the focus on inclusive growth serves the residents, the businesses and the three constituent authorities of Bath & North East Somerset, Bristol, and South Gloucestershire as well as the wider West of England area.

Overall the devolved AEB enables localised, more flexible and tailored programmes of learning to be made available for learners to engage with. We deliver this by working in partnership with learners, businesses, and education providers to ensure we achieve positive results, supporting our residents and businesses to reach their potential and prosper.

## 2 Policy Approach

2020/21 was the second academic year of devolved Adult Education, and the Combined Authority started to move away from the transitional approach of the 2019/20 academic year in order to start to deliver changes which will support delivery of the West of England Local Industrial Strategy and associated Employment & Skills Plan. Changes introduced at the start of the academic year sought to minimise significant alteration to the national AEB funding rules. Two funding rule changes were implemented; the removal of the rule prohibiting delivery of Level 3 qualifications in the workplace/on employer premises and fundable work experience aims.

The Combined Authority continued the grant funded approach for all providers and maintained the same provider base as during the 2019/20 academic year. As part of the allocations process all providers were required to submit a full delivery plan with WECA for their devolved provision. The delivery plans detailed, and justified, the providers' proposed provision including: targeted learners, details of courses/provision to be delivered, where the provision will be located. Critically the plans detailed how the

provision contributed to, and supported achievement of, the WECA Local Industrial Strategy and associated Employment and Skills Plan.

2020/21 was the first year that we included growth funding within the academic year in support of a range of national and regional priorities including:

- a. the expansion of the DWP-led sector based work academy programme.
- b. the establishment of the WECA recruitment pipeline.
- c. Re-establishing support for priority residents.
- d. Digital demand, access and confidence.
- e. The Lifetime Skills Guarantee ‘targeted Level 3 entitlement’.

An additional £1,588k of growth funding was allocated to 12 providers.

## 2.1 Covid-19 Pandemic

The Covid-19 Pandemic caused a policy shift in relation to the Combined Authority’s devolved AEB due to the significant, and unexpected, impact on learners and the provider base. A key focus was the recovery effort from the Covid-19 pandemic, and we introduced a number of flexibilities within our funding rules part way through the year to aid this.

**GREATER UTILISATION OF THE COMMUNITY LEARNING FUNDING METHODOLOGY:** This enabled elements of AEB provision that support disadvantaged residents / areas to be delivered on an ‘actual cost’ basis rather than in line with fixed national rates. This effectively enabled provision to proceed which would not otherwise be financially viable. It also supported a wide range of activities that support participation in learning in addition to the delivery of learning itself (e.g. the active engagement of learners, local intelligence etc). It is not normally subject to reconciliation and is therefore made available on a ‘not for profit’ basis only.

**IT EQUIPMENT LOANS:** Providers had the flexibility to utilise part of their existing allocation through the Learner Support methodology in order to purchase IT equipment to support the participation of disadvantaged individuals who are unable to participate in traditional classroom learning due to COVID-19.

**FULLY FUNDING A BROADER RANGE OF QUALIFICATIONS / LEARNERS:** Eligibility criteria for fully funded provision was expanded to include:

- Additional full level 2 qualifications undertaken by residents aged 50 and above
- Additional full level 3 qualifications undertaken by residents aged 19-25 and aged 50 and above

Previously, learners would have been required to meet either 50% of the qualification costs (L2) or meet the full cost of the qualification through a loan (L3).

### 3 Total AEB Spend and Participation in 2020-21

#### 3.1 Funding amounts

Total whole year delivery for both Adult Skills and Community Learning in 2020/21 was £14.3m, based on the end of year provider claims submitted by 26 providers.

The total Adult Education Budget for the Combined Authority in 2020-21 was £15.5m, including £1.6m of growth funding. There was a £1.2m under delivery reported across all funding, representing 8% under-delivery against allocation. Whilst there is a historical amount of underspend generated each academic year (approximately 3% on a national level), the sector is continuing to feel some impact from the Covid-19 pandemic on recruitment and delivery.

The Combined Authority is currently undergoing the end of year processes including offering providers the opportunity to request payment protection on their underspend by submitting a business case. The payment protection provided will be mindful of the impacts of covid 19.

#### 3.2 Number of Providers

All providers who received funding allocations in 2019-20 were again offered funding for 2020-21 and 28 providers accepted.

The split by type of providers with verified funding statements was:

Type	Number	Percentage	Value of Funding	Percentage of Funding
FE College	14	53%	£12,758,200	82%
IPT	6	23%	£595,300	4%
LA	2	8%	£1,730,400	11%
VCSE	2	8%	£330,200	2%
Other	2	8%	£52,500	<1%

The delivery information included this report covers 26 providers. One provider withdrew from their allocation without delivery and the end of year position is not yet available for one provider.

#### 3.3 Number of Aims

18,630 eligible learning aims were started in 2020/21, an average of 1.7 aims per learner. This is an overall increase of 2% from 2019/20 (350 more aims). Nationally, 3,748,700 aim enrolments were reported in adult further education and skills in 2020/21, an average of 2.3 per learner.

#### 3.4 Number of Learners

11,000 learners started a learning aim funded by the Combined Authority in the 2020/21 academic year. This is 600 (5%) less learners than the 11,600 learners in 2019/20.

The Adult (19+) funded further education and skills (including apprenticeships and traineeships) participation across England as reported by the Department of Education was 1,640,300. This was a 6.0% decrease from 2019/20 (1,745,800), a 20.7% decrease from 2018/19 (2,068,200) and a 24.7% decrease from 2017/18 (2,179,100).

### 3.5 Number of Entitlement Aims

Three legal entitlements to full funding for eligible adult learners were 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, for individuals aged 19 and over, who have not previously attained a GCSE grade A\* - C / grade 4 or higher, and/or
- First full qualification at level 2 for individuals aged 19 to 23, and/or
- First full qualification at level 3 for individuals aged 19 to 23
- Essential digital skills qualifications, up to and including level 1, for individuals aged 19 and over, who have digital skills assessed at below level 1

In 2020/21 the Combined Authority funded the following number of aims for each entitlement:

- 3,360 English and Maths entitlement aims
- 70 first full level 2 entitlement aims
- 270 first full level 3 entitlement aims
- 60 digital entitlement aims

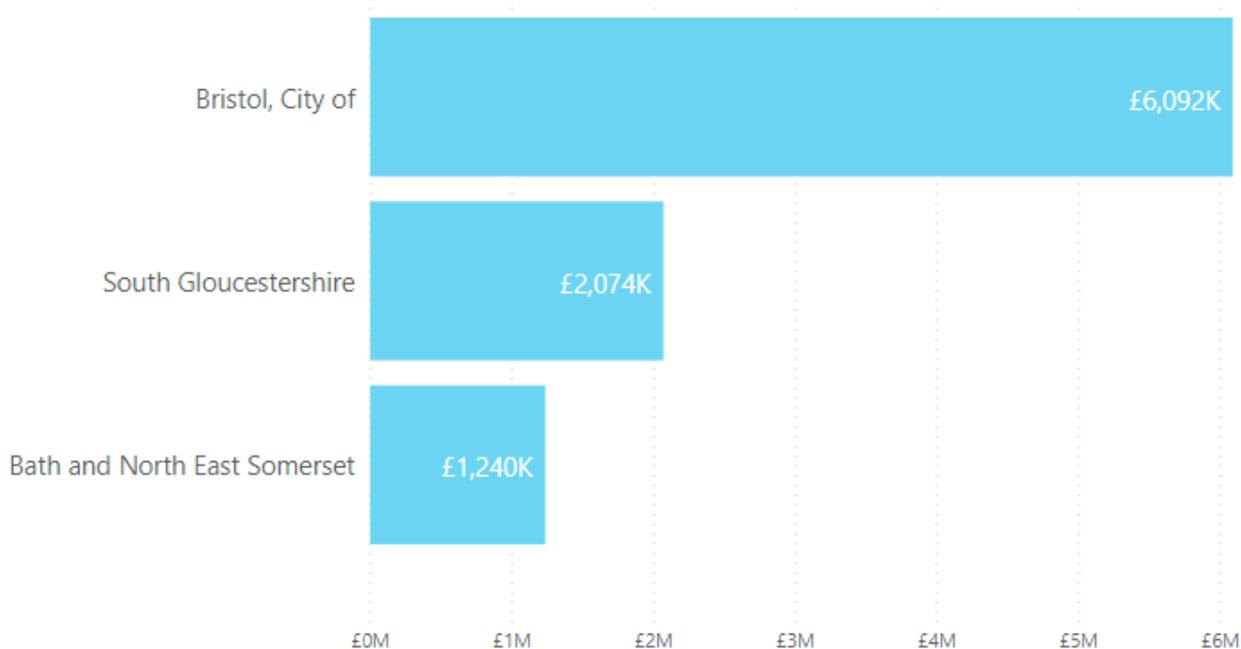
## 4 Report on analysis of own delivery

### 4.1 Funding amounts

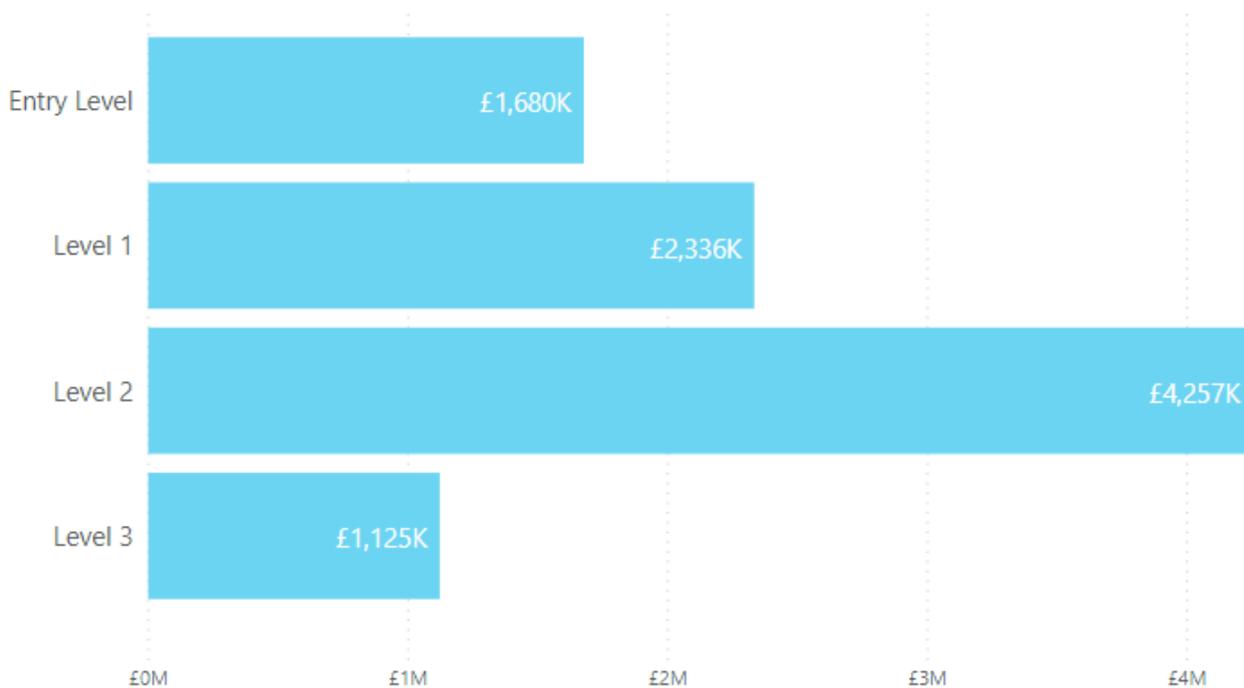
The total amount of funding claimed by the providers includes the provision amount as well as additional funding for learning support, learner support and community learning. 75% of funding was for Adult Skills aims and 25% for Community Learning.

Funding Model	Amount Funded
Adult Skills	£10,798,200
Community Learning	£3,528,600
<b>Total</b>	<b>£14,326,800</b>

As determined by the learner's postcode at first day of learning, for Adult Skills aims two thirds of the provision and learning support funding (£6,092k) was spent on learners residing in the City of Bristol. The remaining third was split again two thirds to one third between South Gloucestershire (£2,074k) and Bath & North East Somerset (£1,240k).



The amount of adult skills funding spent on Level 2 aims (£4,257k) exceeds that spent on Entry Level and Level 1 combined (£1,680k and £2,336k respectively). The least funding was spent on Level 3 aims as only a small group of learners were eligible for funding.

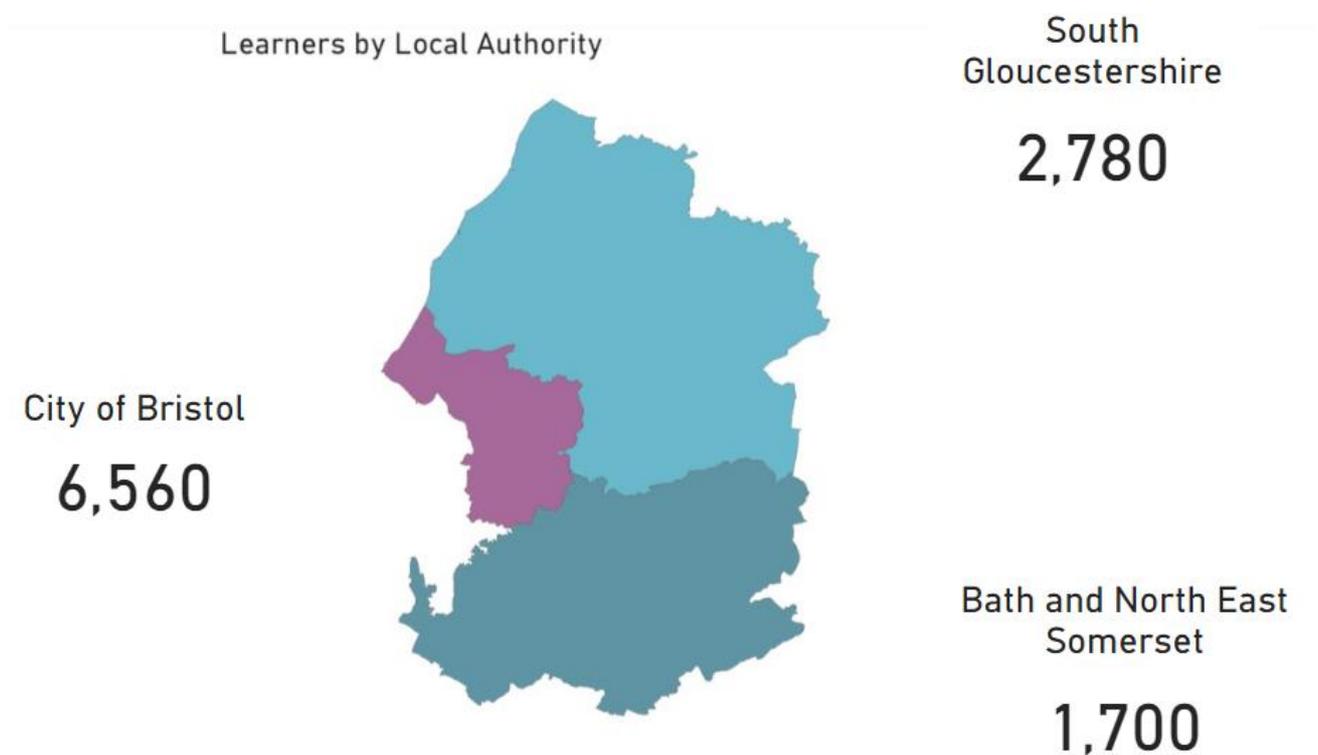


#### 4.2 Number of Learners

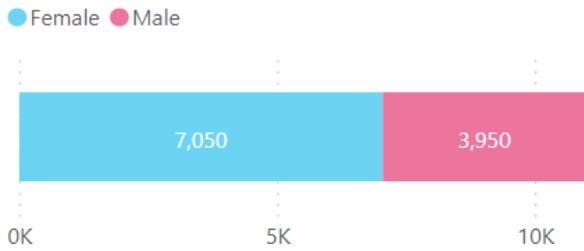
The number of learners supported in the last five years for which we have data is shown below - the data for the 2018/19 year is unavailable. The learner numbers were fairly consistent in the three years prior to devolution (where the data is known) at 16,000. For 2020/21, there is almost 4,000 less learners than seen prior to devolution, which is mainly attributed to the Covid-19 pandemic as it remains consistent with 2019/20.

Year	Adult Education Total	Adult Skills	Community Learning
2020/21	11,000	8,180	3,490
2019/20	11,600	8,900	3,350
2018/19	<i>No data</i>	<i>No data</i>	<i>No data</i>
2017/18	15,850	12,440	3,730
2016/17	16,090	12,350	4,100
2015/16	15,990	12,220	4,020

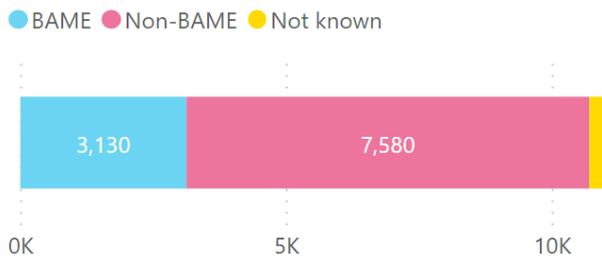
Learners by Local Authority: The percentage of learners from Bristol was 60% in 2020/21; 25% from South Gloucestershire and 15% from Bath and North East Somerset. This remains unchanged from the proportions seen in 2019/20.



Learners by Sex: 64% of Adult Education learners were female in 2020/21, in line with the proportion seen in 2019/20. This is slightly higher than the split seen nationally, where females account for 61% of learners. The overall balance of learners being in favour of females is in line with historical patterns of recruitment/delivery.

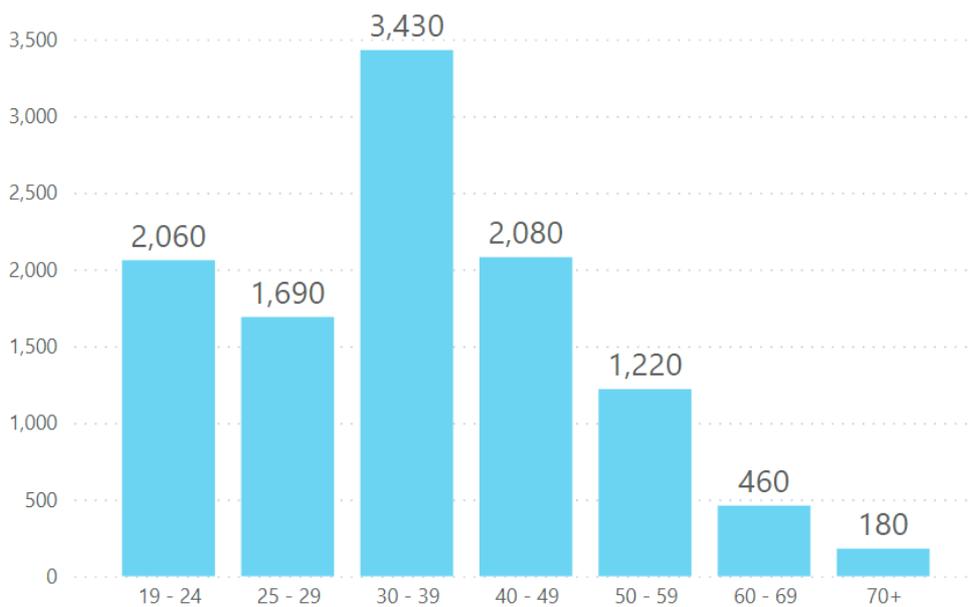


**Learners by Ethnicity:** 28% of learners were of a Black, Asian or Minority Ethnic group (BAME) in 2020/21, in line with the split seen in 2019/20. This is higher than the national average, where 24% of learners are of a BAME group.

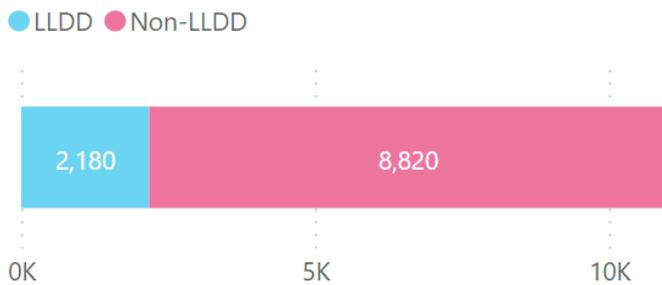


**Learners by Age:** 19% of learners in 2020/21 were aged 19 to 24, 64% were aged 25 to 49, and 17% were aged 50+. Almost a third of learners (31%) were aged between 30 and 39. In 2019/20, 12% were aged 19 to 24. Therefore, at 19%, there has been a 7% increase in this age group, however this is still significantly lower than 28% nationally.

Learners by Age

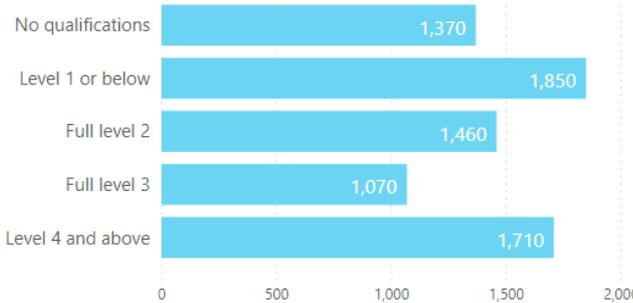


**Learners with Learning Difficulties or Disabilities:** 20% of learners in 2020/21 self-declared a learning difficulty, disability or health problem (LLDD), a reduction of 2% from 2019/20. However, this is above the national average of 16%.

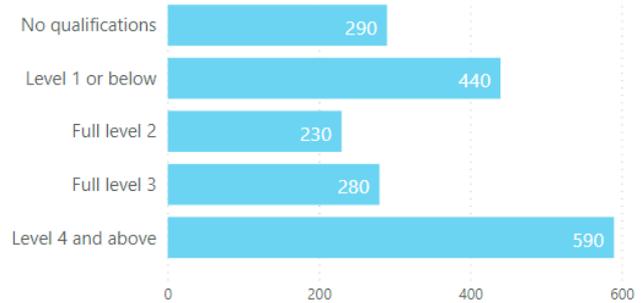


**Learner Prior Attainment:** In 2020/21, prior attainment details were recorded for 79% of all learners. When considering the funding models, these details were recorded for 91% of people on Adult Skills courses and 53% of those undertaking Community Learning.

Learners by Prior Attainment - Adult Skills



Learners by Prior Attainment - Community Learning

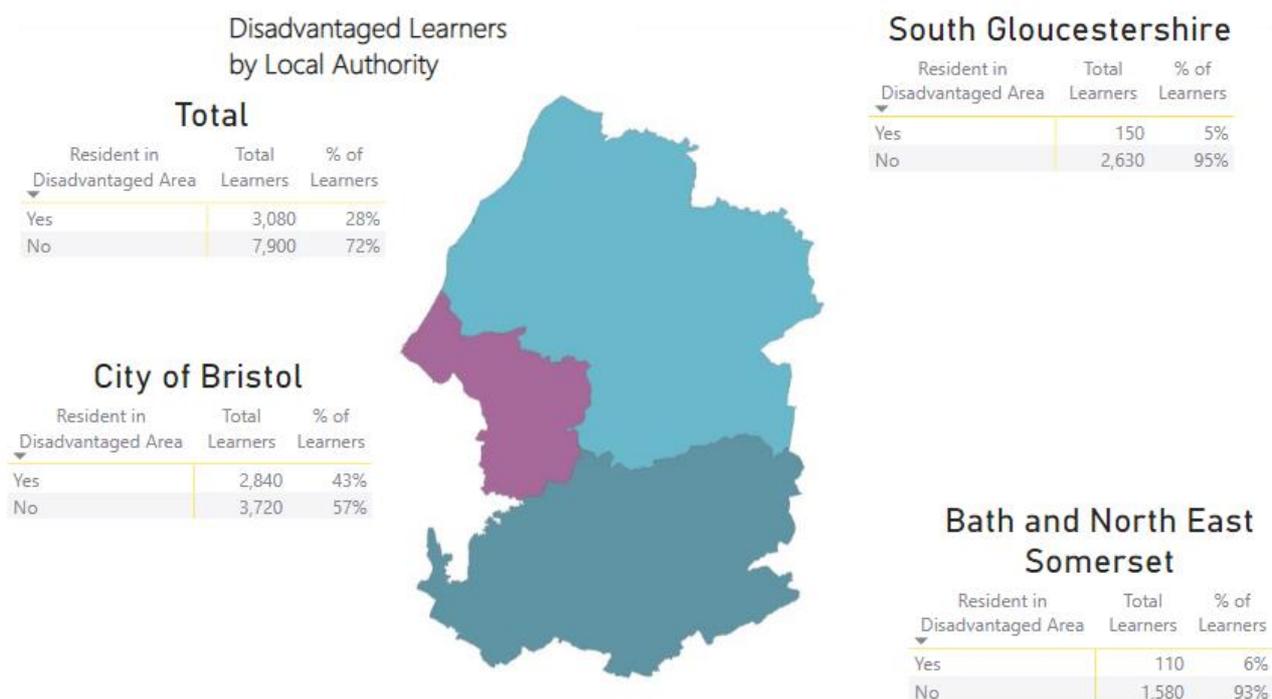


For those taking Adult Skills aims where prior attainment is known, 43% had either no qualifications or qualifications at Level 1 or below. Thus, the highest level obtained by this group would be equivalent to GCSEs at grades 3, 2 or 1 (new grading system) or D, E, F or G (old grading system). At the other extreme of prior attainment, 23% of Adult Skills learners had prior attainment of level 4 or higher. While the lowest level possibly obtained by this group is equivalent to a Higher National Certificate (HNC), 41% had prior attainment at Level 6, equivalent to a degree with honours (e.g. BA Hons), and 20% were qualified to Level 7 or higher, equivalent to a Master’s degree (e.g. MA) or higher.

**Learner Resident in Disadvantaged Area:** 28% of learners in 2020/21 were resident in postcodes eligible for the disadvantage uplift. The disadvantage uplift is applied to learners who are resident within one of the 27% most disadvantaged lower layer super output areas (LSOA) as identified by the Index of Multiple Deprivation (IMD) 2015. There are 543 LSOAs in WECA and 110 LSOA (20%) are classified in this way as the most disadvantaged, learners living in these areas therefore benefit from the uplift.

The number of LSOAs with the disadvantaged uplift varies significantly between local authorities, as does the proportion of learners. In City of Bristol, 38% of LSOAs are subject to the uplift, and 43% of learners in 2020/21 were resident in these disadvantaged areas. Compared to 5% and 2% of LSOAs in Bath and North East Somerset and South Gloucestershire respectively, with 7% and 5% of learners residing in these areas respectively.

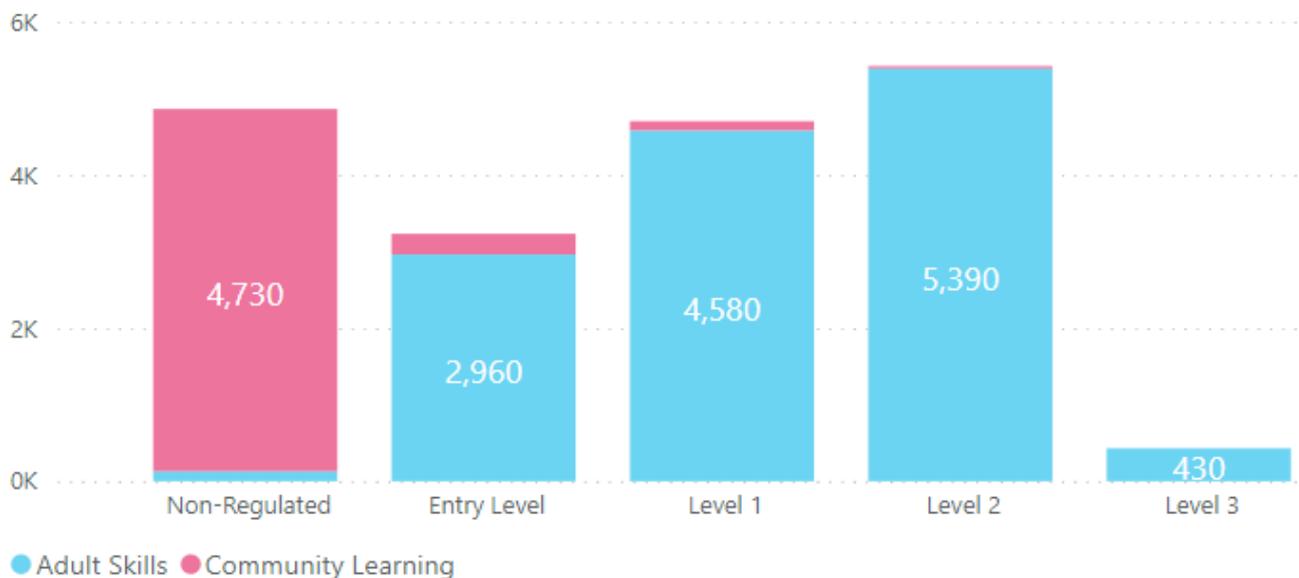
Across all local authorities in the region a greater proportion of learners are residing in these disadvantaged areas.



### 4.3 Number of Aims

A single Adult Education course or qualification is defined as a learning aim, and each learner will undertake one or more learning aims. The number of learning aims studied in 2020/21 was 18,630, of which 13,485 were Adult Skills aims and 5,145 were Community Learning aims, an overall increase of 2% from 2019/20 (350 more aims).

The most common level of aim was Level 2 (5,420 aims). The least common continues to be Level 3 (450 aims), however this has seen a 115% increase in aims since 2019/20. Nearly all Community Learning aims were non-regulated (92%) with around 420 aims undertaken in total across Entry Level, Level 1 and Level 2.

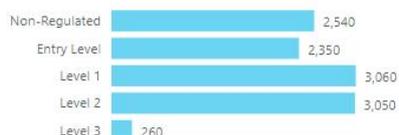


**Learning Aims by Local Authority:** The majority of learning aims were delivered to learners living in the City of Bristol local authority (11,260 aims). Of these aims, more Level 1 and Level 2 aims are delivered than other levels (3.1k aims), though a fairly even number was delivered at all levels from non-regulated to level 2. 4,360 aims were delivered to learners residing in South Gloucestershire with 1.4k of these at level 2. In contrast to City of Bristol, the amount of Entry Level aims delivered in South Gloucestershire was almost half that delivered in Level 2. 2,970 aims were delivered to learners from Bath & North East Somerset. Of these, most were non-regulated (1.1k), followed by Level 2 (1k). In all areas, the number of Level 3 aims delivered is the smallest level by a significant margin.

Aims by Local Authority

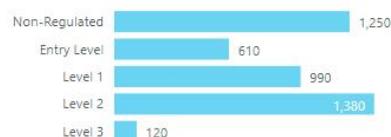
City of Bristol

11,260



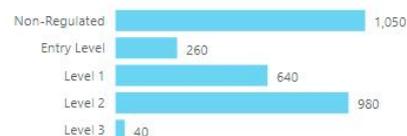
South Gloucestershire

4,360



Bath and North East Somerset

2,970



Learning Aims by Sector Subject Area: As with previous years, the most popular sector subject area in 2020/21 was Preparation for Life and Work with 54% of courses. The next most popular sector areas were Health, Public Services & Care (10%) which was also the 2<sup>nd</sup> most popular in 2019/20, and Business Administration & Law (7%).

<b>Sector Subject Area (Tier 1 and Tier 2)</b>	<b>Total Aims</b>
<b>Preparation for Life and Work</b>	<b>9,990</b>
Foundations for Learning and Life	8,150
Preparation for Work	1,840
<b>Health, Public Services and Care</b>	<b>1,930</b>
Health and Social Care	1,720
Child Development and Well Being	100
Public Services	90
Nursing and Subjects and Vocations Allied to Medicine	20
<b>Business, Administration and Law</b>	<b>1,290</b>
Administration	620
Business Management	360
Accounting and Finance	310
<b>Arts, Media and Publishing</b>	<b>850</b>
Crafts, Creative Arts and Design	720
Performing Arts	90
Media and Communication	40
<b>Information and Communication Technology</b>	<b>760</b>
ICT for Users	720
ICT Practitioners	40
<b>Leisure, Travel and Tourism</b>	<b>640</b>
Sport, Leisure and Recreation	630
Travel and Tourism	10
<b>Retail and Commercial Enterprise</b>	<b>620</b>
Service Enterprises	280
Warehousing and Distribution	250
Hospitality and Catering	80
Retailing and Wholesaling	10
<b>Construction, Planning and the Built Environment</b>	<b>580</b>
Building and Construction	570
Architecture	10
<b>Languages, Literature and Culture</b>	<b>590</b>
Languages, Literature and Culture of the British Isles	310
Other Languages, Literature and Culture	260
Linguistics	20
<b>Science and Mathematics</b>	<b>550</b>
Mathematics and Statistics	470
Science	80
<b>Engineering and Manufacturing Technologies</b>	<b>290</b>
Engineering	200
Transportation Operations and Maintenance	50
Manufacturing Technologies	40

<b>Education and Training</b>	<b>270</b>
Direct Learning Support	270
<b>Agriculture, Horticulture and Animal Care</b>	<b>170</b>
Horticulture and Forestry	100
Animal Care and Veterinary Science	60
Agriculture	10
<b>History, Philosophy and Theology</b>	<b>80</b>
History	60
Archaeology and Archaeological Sciences	10
Philosophy	10
<b>Social Sciences</b>	<b>20</b>
Sociology and Social Policy	20
<b>Grand Total</b>	<b>18,630</b>

Foundations for Learning and Life was the largest Tier 2 Subject Sector Area (8,150 aims). Over a quarter of these aims relate to non-regulated Community Learning in Foundations for Learning and Life (2,360 aims), with the other 4 of the top 5 most delivered learning aims relating to Entry Level ESOL and Functional Skills in English and Mathematics.

During 2020/21 1,620 aims (9% of all aims) were delivered via the Low Wage funding rule. This rule enabled employed learners with an annual gross salary of £18,525 or less to access their learning for free. The value of this delivery was £1,173,000.

The West of England LEP area (including North Somerset Local Authority) is estimated to have between 102,600 and 153,900 jobs paying less than the Living Wage Foundation's £9.50 an hour.<sup>1</sup> The total number of jobs in West of England LEP is 513,000, meaning that 20% to 30% of jobs are below the living wage. As such, AEB low wage learners equated to 1.2% to 1.8% of those in low wage jobs.

38% of learners whose employment status was recorded were categorised as employed in 2020/21. Where recorded for Adult Skills, this increases to 43%, however for Community Learning this decreases to 23%.

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<sup>1</sup> The data in this paper is the most recent, using Annual Survey of Hours and Earnings (ASHE) data for the year 2019. <https://www.ons.gov.uk/surveys/informationforbusinesses/businesssurveys/annualsurveyofhoursandearningsashe>

## 5 Notes

### Data sources:

- R14 ILR dataset provided by the ESFA to the West of England Combined Authority, with ineligible aims based on data validation removed
- R14 (End of Year) Monthly Claim Reports submitted to the West of England Combined Authority by providers
- DfE published statistics
- ONS published statistics

### Disclosure control:

- Funding amounts are all rounded to nearest £100
- Aim and Learner numbers are rounded to nearest 10

### Calculations and measures:

- Number of aims is calculated as total learning aims recorded in the R14 ILR dataset with a start date after 1<sup>st</sup> August 2020, per combined UKPRN and Learner Reference Number.
- Number of learners is calculated as the distinct count of combined UKPRN and Learner Reference Number recorded in the R14 ILR dataset with a start date after 1st August 2020.

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