

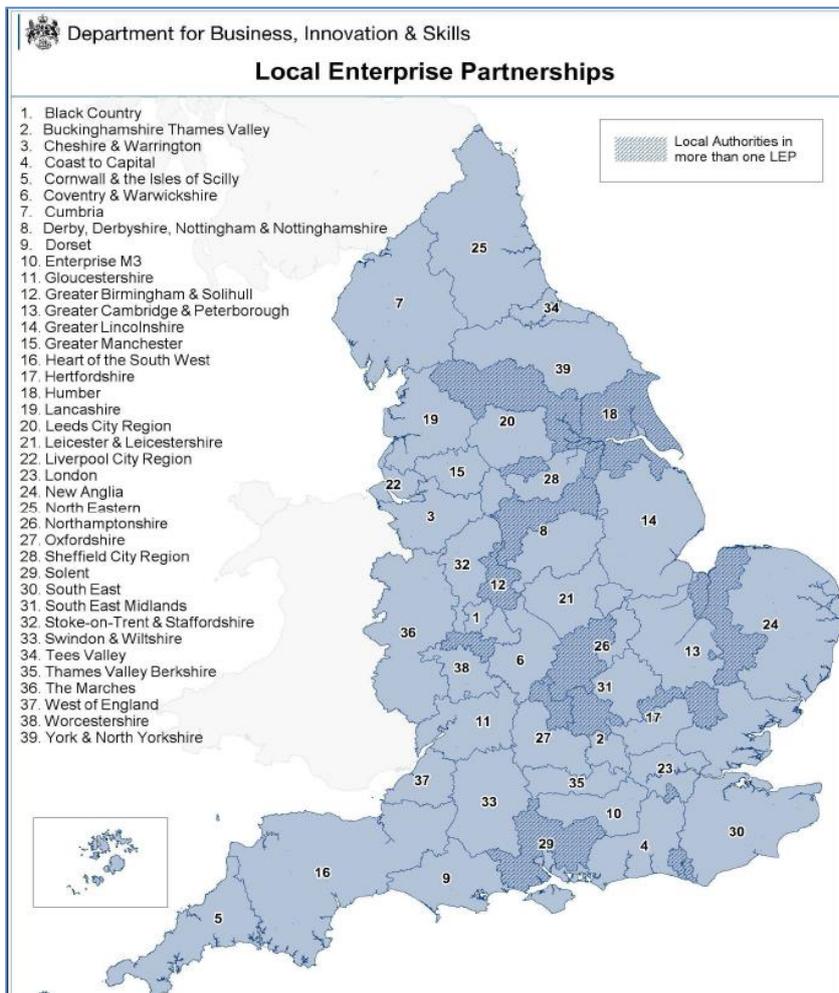


# Devolution of the Adult Education Budget

This briefing paper is provided by Laser Learning Awards to assist centres offering publicly funded course provision. To the best of our knowledge the information is correct at the time of writing but we would urge readers to ensure they verify information if they intend to make decisions on the basis of this briefing paper.

## Skills Funding Agency (SFA)

SFA is currently responsible for the direct allocation of the Adult Education Budget (AEB) to all colleges and providers. From next year this funding will not be on allocated solely on the basis of qualifications but instead on the basis of a wider range of 'activities', including qualifications, non-qualification accredited provision and more informal learning using the RARPA principles. The SFA seems likely to continue in existence, albeit it in a reduced size, to oversee the transition to devolved funding of the AEB (18 – 24 months) and quite possibility to subsequently monitor and provide data analysis of the new system once established.



## Local Enterprise Partnerships (LEPs)

This map shows the location of the 39 LEPs in England. As you can see they run across county borders and don't make all that much sense in terms of boundaries/counties. It is still not clear what role they will play in determining how the Adult Education Budget (AEB) is spent by colleges (and other providers) but as part of the Government's plans for devolving the allocation of the AEB (currently the money is dispersed by the Skills Funding Agency) LEPs will have a potentially key influence. We do however understand that legally they cannot be the 'accountable' body for the disbursement of AEB funds and so LEPs will not be the actual commissioning body.

At the moment there is no clear picture of how the devolution process will work but some Local Authorities already have 'devolution deals' with SFA which enables them to determine/commission how the AEB should be spent in their areas. Under these arrangements Local Authorities (and other yet to be determined groupings/organisations) could be described as 'funding entities' for the AEB. An interesting potential issue might be how well equipped local authorities will be to act as well informed strategic commissioners of training and education provision if their role in education becomes dramatically reduced as a result of the Government policy to make all schools become academies by 2018.

As can be seen from the table opposite, these deals are currently limited to a small number of Local Authorities.

Our best guess is that some more will be added in the next 1 – 2 years and as they do so they will be able to determine what the AEB is spent on in colleges and other publically funded providers. But as some qualifications within the AEB are part of a 'legal entitlement' for learners (i.e. they have the legal right to have this learning and often free of charge), it is

<b>Devolution deals</b>	
This page outlines Devolution Deals that have been secured to date. You can also find more details on the content of these deals by using the <a href="#">Devolution Register</a> .	
▶	Cornwall
▶	Greater Manchester
▶	Liverpool City Region
▶	North East Combined Authority
▶	Sheffield City Region
▶	Tees Valley
▶	West Midlands Combined Authority
▶	West Yorkshire Combined Authority

still unclear how this will work if a Local Authority/LEP etc. said that it wouldn't want to see some of the 'entitlement' funded as part of its local priorities. So for example Access to HE Diplomas are part of the Level 3 legal entitlement but theoretically under a 'Devolution Deal' a Local Authority etc. could say that it does not wish to fund Access Diplomas in, for example, Humanities and Social Science.

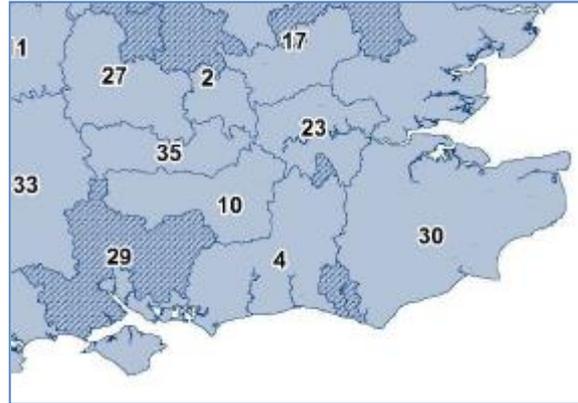
Some of these as yet ill-defined 'funding entities' might take a more hands off approach by for example simply setting strategic targets and then apportioning funds to providers using a general, possibly historic formula whilst other might want to take a much more interventionist approach by specifying the details of the types of courses and qualifications that will be funded in specific sectors and subjects.

Sources suggest that 2016-17 is unlikely to see significant changes to how most AEB provision is funded and even the following year may be too soon for there to be much change. However given that this Government is in office until at least 2020, we should anticipate that this policy of devolution will be implemented, even though it is not clear how this will unfold in practice.

See <http://www.local.gov.uk/devolution-deals> for more details of 'Devolution Deals'.

## LEP priorities in and around the SE Region

The map below focuses on those LEPs within and around London and the South East of England. LASER is a national awarding organisation but much of our customer base is located within this area. The priorities below extend beyond the AEB but are at this stage an indication of what might end up as being the funding priorities for AEB provision.



### **2 Buckinghamshire Thames Valley**

1. Advanced engineering and manufacturing
2. Life sciences
3. Food Science
4. Care
5. Hospitality and leisure
6. Creative and media/IT

### **10 Enterprise M3**

1. Finance and business services
2. Health
3. Advanced manufacturing
4. Chemicals
5. Green knowledge technologies
6. Information and communications technology (ICT)
7. Digital media

### **23 London**

1. Skills and employment
2. Digital and creative science and technology
3. Small and medium sized enterprises
4. Infrastructure

### **29 Solent**

1. Advanced manufacturing and marine
2. Visitor economy
3. Transport and logistics
4. Low carbon economy

### **35 Thames Valley Berkshire**

1. Information and Communications Technology
2. Business and financial services
3. Energy, pharmaceutical and life sciences
4. Manufacturing
5. Logistics

### **4 Coast to Capital**

1. Advanced engineering and marine
2. Creative, digital, IT media
3. Health and life sciences
4. Environmental technologies
5. Financial and business services

### **17 Hertfordshire**

1. Advanced manufacturing
2. Film and media
3. Financial and business services
4. Life sciences
5. Research and development

### **27 Oxfordshire**

1. Science, technology, engineering and manufacturing
2. Hospitality and catering
3. Care
4. Logistics

### **30 South East**

1. Advanced manufacturing
2. Life sciences/medical technologies
3. Transport and logistics
4. Low carbon environmental goods and services
5. Creative, cultural and media and the visitor economy

## Further Reading:

<https://www.fenews.co.uk/featured-article/loans-levies-and-localism-the-changing-nature-of-funding-for-adult-education-and-training>

[Adult Education Budget: Changing Context and Arrangements for 2016 to 2017](#) (A summary document from the SFA)

## Contact Us:

For details of how to use LASER Qualifications and accreditation within the Adult Education Budget email us at [enquiries@laser-awards.org.uk](mailto:enquiries@laser-awards.org.uk); call 01932 569894 or visit our [website](#) for more contact and [product information](#).