

OVERVIEW & SCRUTINY COMMITTEE

17 SEPTEMBER 2024

ADULT SKILLS FUND

Report of the Head of Strategy

1.0 Purpose of the Report

1.1 This report sets out an overview of the progress to date of the Adult Skills Fund.

2.0 Recommendations

2.1 It is recommended that the Overview & Scrutiny Committee acknowledge the progress made to date.

3.0 Background

3.1 The Adult Skills Fund (ASF) replaced the Adult Education Budget (AEB) on 1st August 2024.

3.2 Devolution of the ASF will see York and North Yorkshire Combined Authority become the commissioner of learning provision to engage adults 19+ and equip them with the skills needed to progress into or within employment, or into an apprenticeship or other further learning.

3.3 York and North Yorkshire Combined Authority's responsibility for the ASF will commence August 2025.

3.4 The Department for Education (DfE) have confirmed an ASF funding allocation of circa £10.8million per annum, plus a Free Courses for Jobs (FCFJ) allocation of circa £760k per annum. All Combined Authority ASF allocations are based on 2017-18 allocations. Final allocations will be confirmed early 2025.

3.5 The DfE lay down readiness conditions, which are strategies, systems, processes, and structures that are required to be in place in order to receive and manage the ASF. The Combined Authority submitted a number of documents to DfE in May 2024 to evidence its progress against readiness. Feedback and queries were received from DfE on 22 July 2024, and we responded on 26 July 2024. Subsequently, on 8 August 2024 we received confirmation from DfE that they don't have any further follow up questions and will be providing advice to ministers in September 2024.

3.6 An ASF Strategic Skills Plan is a key requirement of the DfE for the Combined Authority to be able to evidence readiness to take on devolution of the ASF from August 2025. It serves as a guiding framework for leveraging ASF funding to ensure that the region's residents have access to the training and development opportunities they need.

3.7 The ASF Strategic Skills Plan has been developed as part of the Combined Authority's wider Skills Strategy.

4.0 The ASF Strategic Skills Plan

4.1 The priorities and strategies detailed in the ASF Strategic Skills Plan have been developed as a result of:

- An alignment with both the York and North Yorkshire Economic Framework and the Skills Strategy that were both approved at the 22 July Combined Authority meeting.
- The existing evidence base and data from prior York and North Yorkshire LEP research, existing strategies and the Local Improvement Skills Plan.
- A review of the most recently available Adult Education Budget ILR data for the 2022/2023 academic year, and a comparison of data for the academic year 2018/2019, to subsequent years leading up to 2022/2023.
- Feedback received via stakeholder engagement.

3.5 A significant amount of stakeholder engagement has taken place since March 2024 to support the development of the ASF Strategic Skills Plan, including:

- An online survey that opened 25 March to 1 May 2024.
- Stakeholder engagement event in March 2024 with circa 60 delegates. This event included an information session on the Economic Framework and Skills Strategy, and round table discussions to gain feedback from delegates.
- Engagement with beneficiaries of Adult Skills and Community Learning delivery funded through the Adult Education Budget.
- Focus groups with Voluntary Community and Social Enterprise (VCSE) sector learning providers, Community Learning providers, the Yorkshire Learning Providers Network and the North Yorkshire Principals Group.
- Meetings with several ITPs individually to get an in depth picture of their views and feedback from their experiences in other devolved areas.
- Collaboration with the ESFA and other devolved and devolving Combined Authorities.

There will be ongoing collaboration with stakeholders to support the development of the processes and systems needed for the Combined Authority to take on the responsibility of the devolved ASF from August 2025.

- 4.2 It is proposed that the ASF Strategic Skills Plan has 6 strategic priorities, which have been identified as:
- **Widen Access & Participation:** ASF as a gateway to learning and progression
 - **Embed Basic & Transferable Skills:** ASF providing foundations to higher skills and employment
 - **Unlock Progression Pathways and Underutilised Talent:** ASF providing routes to higher skills and better paid jobs
 - **Develop Flexible Provision:** to meet the needs of learners and businesses
 - **Build Capacity and Capability:** to enable an integrated, flexible and responsive provider base
 - **Enable Effective Collaboration:** partnership working between providers

See Appendix 1 for the full strategy document.

- 4.3 The proposed ASF headline Commissioning Plan is detailed within the ASF Strategic Skills Plan. We are proposing the below 3 tier model for the commissioning of the ASF. This approach should help to provide stability within the provider base, and also recognises our residents travel to learn patterns – particularly due to the size and rurality of the region.

It also provides us with the opportunity to significantly reduce the number of providers delivering duplicate, distance, or very little provision in the region. There are currently over 200 providers delivering ASF provision to residents of York and North Yorkshire - inclusive of grant, procured, and subcontracted providers. The first 2 methods would result in circa 16 grant funded providers. The 3rd method will allow additional providers to bid for delivery, the specifics of which will be decided later this year following further interrogation of the data and ongoing collaboration with stakeholders.

Method 1 Grant Allocations - York and North Yorkshire based providers	<p>In the first year of implementation the Combined Authority will continue to allocate Grant to providers who hold an existing Grant Agreement with the ESFA and meet all the following criteria:</p> <ul style="list-style-type: none"> ▪ Can demonstrate they have an established place-based approach that supports York and North Yorkshire's strategic priorities ▪ Deliver significant volumes of activity within York and North Yorkshire <p>AND</p> <ul style="list-style-type: none"> ▪ Have a head office in York or North Yorkshire
Method 2 Grant Allocations - Providers based outside of York and North Yorkshire	<p>In the first year of implementation the Combined Authority will continue to allocate Grant to providers who are based outside of the York and North Yorkshire region who hold an existing Grant Agreement with ESFA and meet the following criteria:</p> <ul style="list-style-type: none"> ▪ Can demonstrate they have an established place-based approach that supports York and North Yorkshire's strategic priorities ▪ Deliver significant volumes of activity within York and North Yorkshire <p>AND EITHER</p> <ul style="list-style-type: none"> ▪ Are part of a group who have a member that has a fixed delivery site within York and North Yorkshire ▪ Have a fixed delivery site that shares a border with York and North Yorkshire ▪ Have a fixed delivery site that belongs to a Combined Authority that shares a border with the York and North Yorkshire Combined Authority <p>Grant providers who hold an existing Grant Agreement with ESFA but are not based in York or North Yorkshire, and do not satisfy the above listed criteria, will not receive continued Grant funding for their provision to York and North Yorkshire residents.</p> <p>An exception will be made for Specialist Designated Institutions who hold an existing Grant Agreement with ESFA and deliver significant volumes of activity within York and North Yorkshire, whereby the Combined Authority will continue to allocate Grant</p>
Method 3 Contract for Services	<p>The remaining Adult Skills Fund will be allocated via competitive tendering processes.</p> <p>There will be a round of procurement that will take place throughout Autumn, which will target the priorities identified in this Strategic Skills Plan.</p> <p>There will be a Test & Learn Pot which will be reserved for the commissioning of specific initiatives.</p>

4.4 There have been a number of key decisions proposed in the ASF Strategic Skills Plan, which are:

Decision	Rationale
The Combined Authority will allocate grant to providers by applying the proportion of their 2022/2023 allocation that was spent on York and North Yorkshire learners to their 2025/2026 allocation, plus an additional percentage that will be determined upon further investigation of the budget.	The reasoning for using this methodology is that the 2022/2023 allocation spend is the most up to date funding data for York and North Yorkshire that is available. The additional value is in recognition that there has since been an increase to funding rates and an increase in the cost of delivery.
Grant Agreements will be issued for two years (August 2025 to July 2027) with the option to extend for a further year (to July 2028), subject to provider performance and funding availability.	Throughout consultation there was a clear demand for 2-3 year contracts, as opposed to 1 year contracts, to enable better planning and continuity for providers. This will also ensure providers can be more responsive to any changes in demand, in recognition of the time it takes to plan and begin delivery of new programmes.
ESFA's national policy currently allows a 3% tolerance on underperformance. The Combined Authority won't be allowing this tolerance on allocations.	In the interest of maximising the ASF for the area. A number of neighbouring devolved Combined Authorities have also adopted this approach, and when discussed in consultation with

	<p>providers we weren't met with any challenges.</p> <p>We will ensure a suitable method for any potential clawback that supports the financial stability of the providers.</p>
<p>ESFA's national policy currently allows a 10% tolerance on overperformance. The Combined Authority will not be allowing this overperformance tolerance on allocations.</p>	<p>As an alternative, annual growth requests will be available, subject to provider performance and funding availability. This will enable the Combined Authority to allocate growth on a case by case basis and manage the budget more effectively.</p>
<p>The Combined Authority will allow subcontracting.</p>	<p>A clear demand for subcontracting was identified during consultation, and we recognise that it can play a vital role in the delivery of ASF. Subcontractors will need to be identified upfront, and the Combined Authority will need to approve any additions. We will also be closely monitoring the quality of subcontracting provision.</p>
<p>The Combined Authority will allow distance learning.</p>	<p>A clear need for distance learning was identified during consultation, particularly due to the rurality of the region, and for those residents that face mental and physical health challenges that create barriers to face to face learning. Providers will need to identify upfront where they are using distance learning, and we will be closely monitoring the quality of this provision.</p>

- 4.5 The Skills and Employability Working Group provide advice, guidance and subject matter expertise to in relation to ASF and endorsed the ASF Strategic Skills Plan at their meeting on 1 August 2024.
- 4.6 An Officer led ASF Operational Programme Board has been established that will be responsible for scrutinising ASF commissioning, grant allocation and the procurement process to provide assurance around value for money, due diligence, transparency and equity. The Board reviewed the ASF Strategic Skills Plan at their meeting on the 12 August 2024 and approved its submission to the Combined Authority.
- 4.7 A draft of the ASF Strategic Skills Plan was submitted to DfE as part of the Readiness Condition submission in May 2024. In August 2024 we received

confirmation from DfE that they don't have any further follow up questions and will be providing advice to ministers in September 2024.

- 4.8 The ASF Strategic Skills Plan was presented to the Combined Authority at its meeting on 6 September 2024 and it was approved as a key strategic document.

5.0 Governance

- 5.1 A request was taken to the Combined Authority on 22 July 2024 to make certain delegations to the Chief Executive, including the approval or amendment of certain operational documents, such as the Funding and Performance Management Rules and Commissioning and Procurement Plan, as well as giving a specific delegation to the Chief Executive to agree grant agreements in relation to Adult Skills Fund work. A full list of the proposed delegations has been added to the Constitution.
- 5.2 An ASF Operational Programme Board has been established and will be responsible for scrutinising ASF commissioning, grant allocation and the procurement process to provide assurance around value for money, due diligence, transparency and equity.
- 5.3 The Skills & Employability Working Group will provide advice, guidance and subject matter expertise in relation to ASF. This is an advisory panel; they do not have decision making powers.

6.0 Next Steps

- 6.1 Further development of the systems, processes and structures that are required to be in place in order to receive and manage the ASF will take place over the upcoming months, such as the development of the Performance Management Rules.
- 6.2 Further development of the Commissioning and Procurement Plan will take place, in collaboration with stakeholders and following governance processes, and be communicated at an ASF Strategic Skills Plan Launch event on 14 October 2024.

7.0 Financial Implications

- 7.1 The DfE have confirmed an ASF funding allocation of circa £10.8million per annum, plus a FCFJ allocation of circa £760k per annum. Evidencing readiness to deliver adult education functions is required by Government for them to make the order to devolve the ASF and FCFJ to the Combined Authority.

7.2 The ASF Strategic Skills Plan sets out the headline Commissioning Plan and Grant Allocation approach for the commissioning of these funds.

8.0 Legal Implications

8.1 Evidencing readiness to deliver adult education functions is required by Government for them to make the order to devolve statutory functions to the Combined Authority.

8.2 Government guidance on AEB devolution to Combined Authorities states that a Combined Authority should give consideration to the following:

a) the fairness, reasonableness and proportionality of their requests of the providers through consideration of the entirety of that provider's overall business.

b) ensuring that all providers are given an equal opportunity to compete for funds in any competitive process.

c) how the Combined Authority's commissioning approach aligns to the existing adult education funding key milestones that a provider operates under when commissioning.

d) when a Combined Authority determines that it is appropriate to deviate from the ESFA commissioning process they should give a reasonable notice period to allow providers to adapt.

There is a risk of potential challenge in respect of the Commissioning Plan methodology due to the deviation from ESFAs national commissioning process to a more local methodology, however it is deemed that this risk is low.

Considerations in determination of this risk include a reasonable notice period for providers to adapt to the changes in the methodology. The ASF Strategic Skills Plan will be published in October 2024 to ensure providers have a reasonable notice period to adapt. This methodology has been well used and utilised by a number of devolved Combined Authorities within their commissioning plans.

9.0 Equalities Implications

9.1 There are no direct equalities implications arising from this report.

10.0 Environmental Implications

10.1 There are no direct environmental implications arising from this report.

11.0 Combined Authority Areas Impacted (Council Areas/Wards/Divisions)

11.1 The ASF Strategic Skills Plans covers the whole of York and North Yorkshire.

12.0 Recommendations

- 12.1 It is recommended that the Overview & Scrutiny Committee acknowledge the progress made to date.

13.0 Contact Details

For further information please contact the authors of this Report.

Author

Name:	Andrew Leeming
Job Title:	Head of Strategy
Service Area:	Economic Directorate
Email:	Andrew.Leeming@yorknorthyorks-ca.gov.uk
Report Approved:	Rachel Antonelli, Interim Deputy Monitoring Officer
Date:	9 September 2024

Co-author

Name:	Vicky Wright
Job Title:	AEB Implementation Manager
Service Area:	Economic Directorate
Email:	Vicky.Wright@yorknorthyorks-ca.gov.uk

Appendices

Appendix 1: ASF Strategic Skills Plan

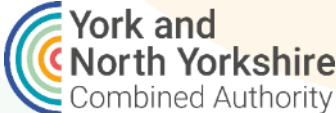
Adult Skills Fund Strategic Skills Plan 2025-2028

September 2024

Version Control

Edit	Date
Adult Skills Fund Strategic Skills Plan - September 2024	06/09/2024

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Background and Context

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Background and Context

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Introduction to the York & North Yorkshire Adult Skills Fund Strategic Skills Plan

This document sets out York & North Yorkshire's devolved Adult Skills Fund (ASF)* Strategic Skills Plan. It needs to be read in conjunction with the **York and North Yorkshire Economic Framework** and **Skills Strategy**, as both **set the wider strategic context** in which the ASF Strategic Skills Plan sits. Together these documents outline the region's strengths, opportunities and challenges, enabling key priorities for ASF to be clearly identified.

This ASF Strategic Skills Plan serves as a guiding framework for leveraging ASF funding to ensure that the region's residents have access to the training and development opportunities they need to thrive in the modern economy.

It represents a bold and comprehensive place-based approach to addressing the region's skills challenges and positioning it for long-term economic success.

By investing in targeted training programs, fostering strong stakeholder partnerships, and implementing a robust system of monitoring and evaluation, this plan will help ensure that the region's workforce is equipped with the skills and knowledge needed to thrive.

With the commitment and collaboration of all stakeholders, the plan will serve as a catalyst for the region's continued growth and prosperity.

Adult Skills Fund

The purpose of the Adult Skills Fund (ASF) is to support adult learners to gain skills which will lead them to meaningful, sustained, and relevant employment, or enable them to progress to further learning.

Within ASF, further provision for Tailored Learning is available that supports wider outcomes, such as to improve health and wellbeing, equip parents/carers to support their child's learning, and develop stronger communities.

Further information on ASF can be found [here](#).

Background and Context

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Devolution

Devolution will see the York and North Yorkshire Combined Authority taking responsibility for the commissioning of the Adult Skills Fund in York and North Yorkshire from August 2025. The devolved ASF for York and North Yorkshire from August 2025 is worth circa £10.8m per annum.

The Combined Authority's responsibilities will include:

- establishing funding priorities according to local strategic skills plans
- allocation of the funds, via grants and/or procurement (in line with legal regulations)
- determining and publishing funding and performance management rules
- determining contracts and conditions of funding arrangements
- setting funding rates and payment arrangements
- the management of contracted providers

The York and North Yorkshire Combined Authority

A combined authority is where a group of councils work together across a larger area. The York and North Yorkshire Combined Authority has been created at the request of City of York Council and North Yorkshire Council and is a legally recognised, single body.

Its role is to use some of the money and powers that up to now have been held by central government, and work with local leaders and communities to invest in ways that will help to make York and North Yorkshire a better place to live, work and do business. The Combined Authority is led by an elected mayor.

The York and North Yorkshire Region

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York and North Yorkshire is an incredibly diverse area that is both highly connected and urban, but also deeply rural with many isolated communities.

It has a **population of 830,600**, 60% of which are of working age. The population is primarily of an older demographic with **24% of residents aged 65 and over** compared with a national average of 19%.

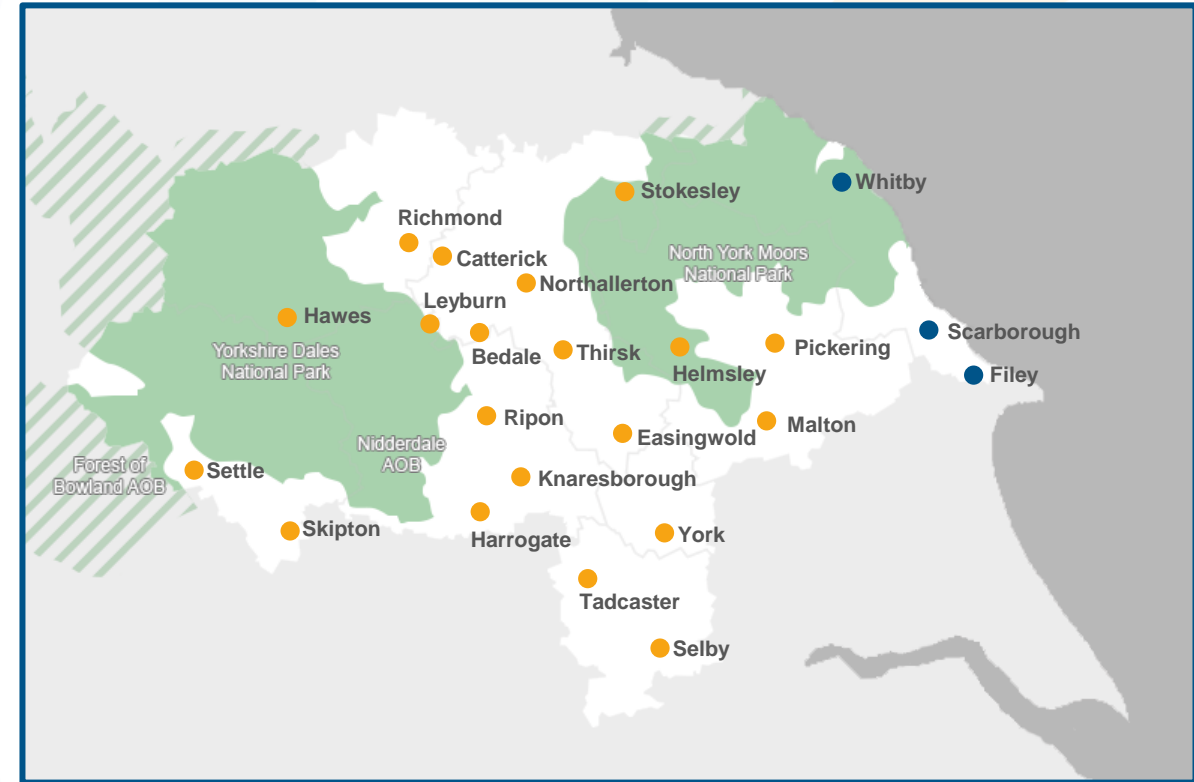
The City of York is the largest urban area within the region, with 17% of York and North Yorkshire's population based here. Harrogate is the second largest population area (9%), closely followed by Scarborough (7%) on the coast.

York and North Yorkshire has a **strong coastal economy**, with a maritime history, a buoyant visitor economy, manufacturing base and emerging offshore renewables sector. However, the economy is also dominated by a number of **distinctive market towns**, which play a significant role in community wellbeing and business growth within the region.

Some neighbourhoods within York and North Yorkshire are among the 20% most deprived in England - most of the deprivation is concentrated along the coast, but there are also neighbourhoods within York, Skipton, Harrogate and Selby. Although this only equates to 6% of neighbourhoods overall, we need to ensure that these people aren't left further behind.

It is **home to significant research and innovation assets**, including high-performing academic institutions, with three universities based in the region, research and development, innovation and sector specialisms.

The area is **dominated by micro and small businesses**, however larger businesses still have a significant role to play in the economy, providing substantial employment and supply chain opportunities and acting as key anchor institutions.



Local Skills & Employment Landscape

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Opportunities & Strengths

- York and North Yorkshire has a **diverse economy** with a strong business base that is predominantly made up of micro and small businesses.
- There are **higher than national average employment rates**, and **low unemployment levels** at 1.7%, against a national rate of 3.8%.
- York & North Yorkshire has **one of the strongest qualification profiles in the North** with 45.9% of residents qualified to RQF Level 4+ (which replaces previous NVQ statistics).
- **The biggest employment sectors** include Wholesale and Retail (15%), Health and Social Care (13%), Accommodation and Food Service Activities (12%) and Manufacturing (12%). Agriculture, although a small employment sector, is a specialism of the region with a much larger proportion of businesses than national levels.
- There is **significant public sector employment** for 'General Public Administration Activities', whilst 'Defence Activities' are significant in the north due to the presence of large MOD establishments in the region.
- **High Potential sectors** have been identified for the region, which include Industrial Bio economy, Creative & Digital, Healthy Ageing, Manufacturing and Rail.
- **Core sectors** that significantly impact the regional economy include Construction, Agriculture and the Visitor Economy.
- **Foundational sectors** are key in terms of employment for local people including Retail & Personal Services, Health & Social Care, Hospitality & Leisure, Education and the Public Sector.
- The **transition to carbon negative** offers significant economic opportunities as the region looks to become England's first carbon negative region.
- There is **evidence of employment growth in higher skilled sectors** such as Digital, as well as increasing automation, digitisation and use of new technologies. However, with this comes a contraction in lower skilled sectors and the risk of displacement of workers if they are not 'reskilled' or 'upskilled'.

Local Skills & Employment Landscape

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Challenges

In contrast to the region's opportunities and strengths, the local labour market is also characterised by:

- **Low productivity and low pay** - the area faces a significant gap in its productivity (as measured by GVA per hour worked) at only 90% of the national average; whilst 21% of people are employed in the 5 lowest paid occupations compared to 17% nationally.
- **Recruitment and retention issues** - these issues are still being experienced by businesses in the region, across a range of sectors.
- **Skills gaps and skills shortages** - from managerial to literacy, numeracy and digital, as well as specific sector needs in construction, manufacturing and primary utilities.
- **Businesses underinvesting in training** - businesses have significant upskilling needs and staff who are underutilised. Close to two-fifths of local employers acknowledge that they under-invest in training relative to business needs.
- **Shrinking labour pool** - due to inactivity, an ageing population, graduates leaving the area (only 41% of graduates are retained in the area one year after qualifying), and people retiring early (19.2% compared with 12.7% nationally).
- **Declining engagement in learning** - the numbers participating in adult education are 29% below 2018/19 levels.
- **Issues with rurality, connectivity and transport** - this presents challenges to individuals seeking training and support, and local employers in recruiting and retaining staff.
- **Modes of delivery not meeting business or learner needs** - more accessible and flexible provision is needed to address issues relating to inability to release staff for training delivery, and travel to learn distances exceeding the national average in our region.
- **Access to effective and timely Information, Advice and Guidance** - getting the right information at the right time is crucial to support individuals to make informed decision about their next steps.
- **Pockets of deprivation** - particularly in relation to skills, education and training. Some neighbourhoods in the region are among the 20% most deprived in England.
- **Under representation in learning and employment** - key groups include those from disadvantaged backgrounds, women, older workers, people from ethnic minorities and disabled people.
- **Importance of transferable skills and career adaptability** - for those transitioning into emerging sectors, those displaced from contracting sectors, and those who have not worked before.

Strategic Context

York and North Yorkshire Combined Authority Economic Framework

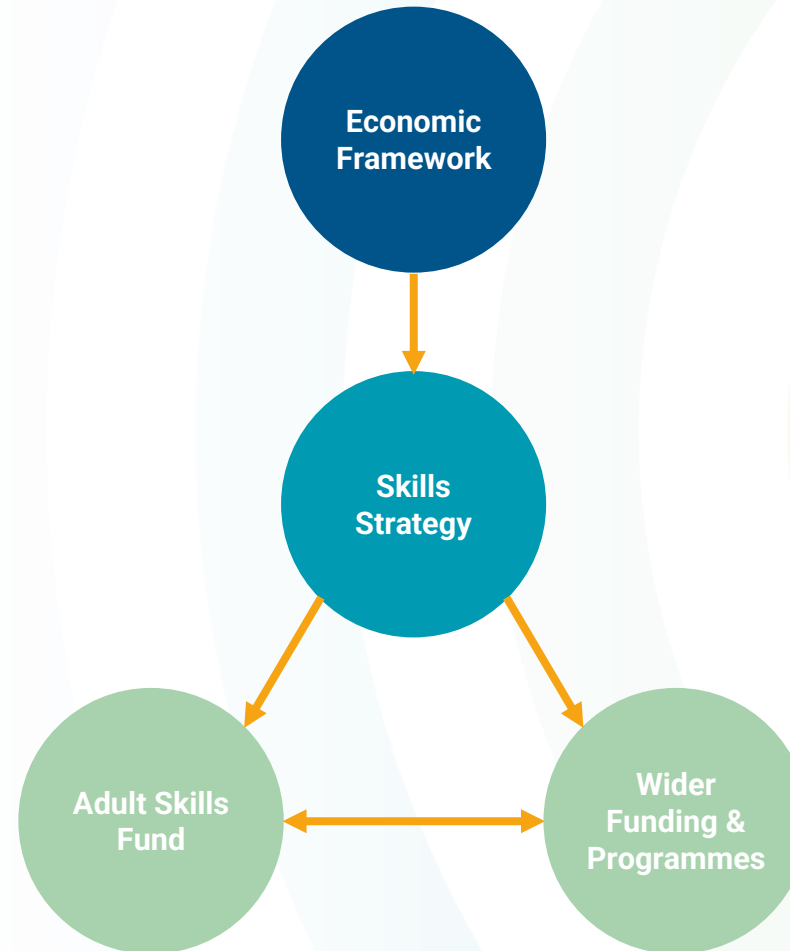
The York and North Yorkshire Economic Framework builds on the strategic economic plans and policies of its two constituent local authorities, the [City of York Council](#) and [North Yorkshire Council](#).

The framework will provide an initial set of agreed priorities and direction for the new York and North Yorkshire Combined Authority.

York and North Yorkshire Combined Authority Skills Strategy

The York and North Yorkshire Combined Authority has produced a revised Skills Strategy, updating the existing York and North Yorkshire Local Enterprise Partnership (LEP_ Skills Strategy 2021-26). It is intended that the revised Skills Strategy will:

- Provide a clear strategic skills direction
- Build on existing strategies and research
- Reflect the opportunities and challenges facing York and North Yorkshire
- Incorporate changes in the skills and funding landscape including devolution of the Adult Skills Fund
- Align with wider provision: including DWP, National Careers Service, Apprenticeships, 16-19 provision, Technical and Vocational education and Higher Education
- Dovetail with the Combined Authority's Economic Framework



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Strategic Context

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The Economic Framework

Three overarching ambitions underpin the Framework:

- **Transition to Carbon Negative** - A carbon negative, circular and more resilient economy.
- **Deliver Inclusive Economic Growth** - A global, innovative, productive economy with strong and thriving businesses.
- **Ensure Opportunities for All** - A thriving and inclusive economy.

The inner circles represent the Combined Authority's **strategic thematic priorities**, which set out how the CA will achieve its ambitions. **Healthy & Thriving Communities** should be reflected across all priorities.

The Framework's priority is to support the work of the York and North Yorkshire Combined Authority. However, it recognises that its ambitions will require collaboration and partnership working.

The full Economic Framework can be accessed on the Combined Authority's website [here](#).



Strategic Context

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The Skills Strategy

The Skills Strategy has been developed to align with the Boosting Business & A Thriving Workforce thematic priority of the Economic Framework and has **4 overarching ambitions**:

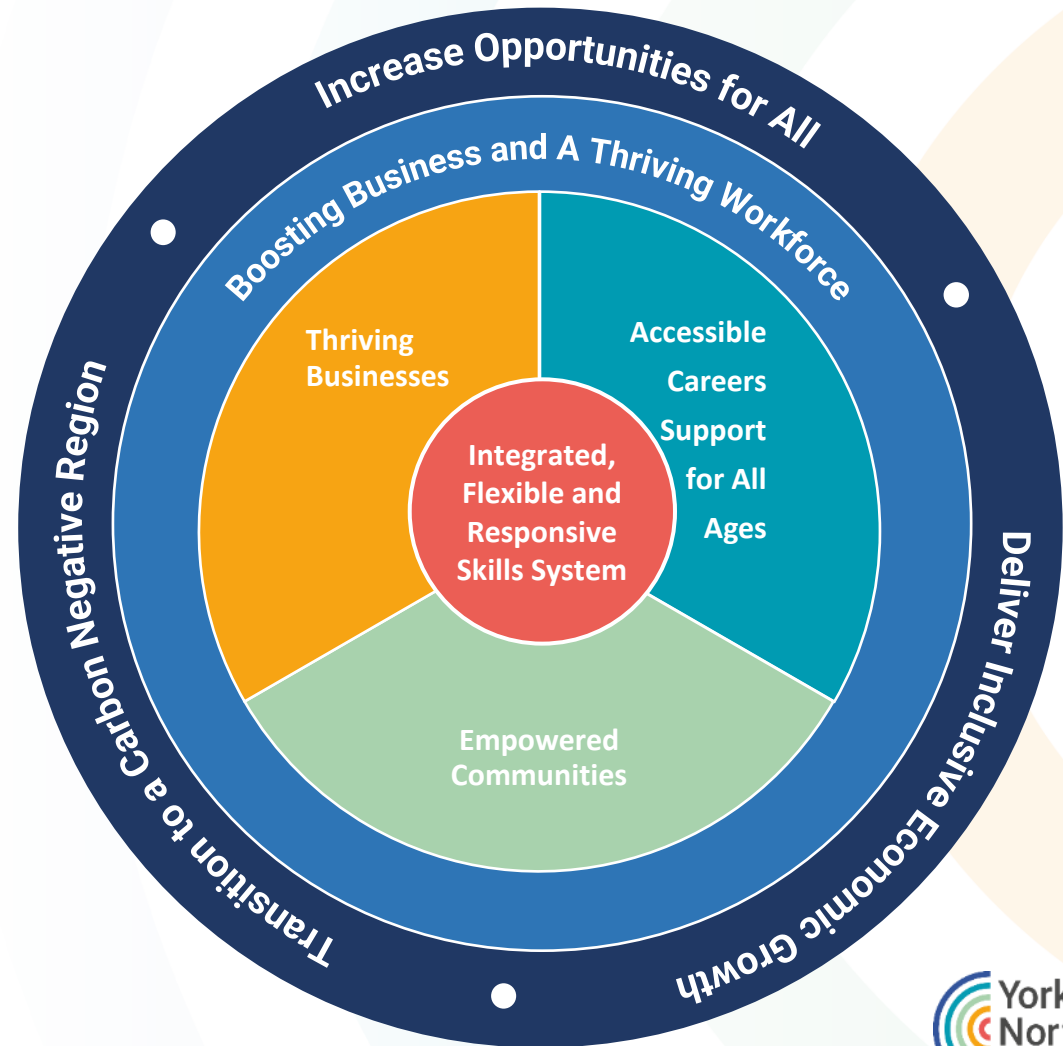
- Integrated, Flexible and Responsive Skills System
- Accessible Careers Support for All Ages
- Thriving Businesses
- Empowered Communities

Core Values

There are also **6 Core Values** that underpin the Skills Strategy and are relevant for all stakeholders, individuals, businesses or providers:

- Accessibility
- Participation
- Capacity
- Capability
- Responsiveness
- Collaboration

The full Skills Strategy can be accessed on the Combined Authority's website [here](#).



Adult Skills Fund Strategic Priorities

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Adult Skills Fund Strategic Priorities

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Widen Access & Participation: ASF as a gateway to learning and progression



Embed Basic & Transferable Skills: ASF providing foundations to higher skills and employment



Unlock Progression Pathways and Underutilised Talent: ASF providing routes to higher skills and better paid jobs



Develop Flexible Provision: to meet the needs of learners and businesses



Build Capacity and Capability: to enable an integrated, flexible and responsive provider base



Enable Effective Collaboration: partnership working between providers

Adult Skills Fund Strategic Priorities

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Widen access & participation: a gateway to learning and progression

- High quality Careers Education, Information, Advice and Guidance (CEIAG) is embedded across all ASF delivery as both a gateway to learning and progression to further learning and employment.
- Place-based engagement and learning that supports a 'whole person' approach including wellbeing, helps to tackle poverty as well as supporting people to build confidence and skills, access further learning and move towards employment.

Embed basic & transferable skills: foundations to higher skills and employment

- Engage and progress more learners in English, Maths ESOL and digital skills as foundations to further learning.
- A range of community-based provision is available to engage and progress learners focusing on building confidence and transferable skills.

Unlock progression pathways and underutilised talent: routes to higher skills and better paid jobs

- Supporting programmes of learning from entry level through to level 2 & 3.
- Developing bridging provision between levels (level 1-2 and 2-3).
- Driver to higher level specialist and technical skills: Free Courses for Jobs, Skills Bootcamps, Apprenticeships, IOT provision.

Develop flexible provision: to meet the needs of learners and businesses

- Availability of modular/bitesize delivery.
- A suitable range of learning delivery types, locations and times of delivery.

Build capacity and capability: to enable a place-based, integrated, flexible and responsive provider base

- Support the provider base to increase their capacity and capability to develop and deliver high quality skills provision.
- Ensure effective use of funds to enable capacity building within the provider base.

Enable effective collaboration: partnership working between providers

- Enabling collaboration between providers, businesses and communities, as well as across the skills system as a whole.
- Encouraging partnership working to ensure the needs of businesses and learners are at the forefront of all ASF delivery.

Adult Skills Fund Strategic Priorities

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ASF Priority	Challenge	Actions
Widen access & participation	<p>A shrinking labour pool and ageing population.</p> <p>Declining numbers accessing adult education.</p> <p>High prior attainment restricts access to ASF provision for reskilling and upskilling of working age population.</p> <p>Low levels of unemployed/inactive people accessing Training and Education and Free Courses for Jobs (FCFJs) compared to Community Learning.</p> <p>Lack of funding to meet rising delivery costs impacting on engagement, CEIAG and wrap around support for vulnerable learners.</p> <p>Diversity of the region - differing skills needs across our rural, urban and coastal communities.</p>	<p>Raise awareness of the offer and enable wider access, engagement and participation of residents to ensure we are unlocking underutilised talent across the working age population.</p> <p>Embed CEIAG throughout provision to support access, progression and for those people already with qualifications to reskill or upskill to meet opportunities in the local economy.</p> <p>Build capacity and capability in the provider base to support place-based delivery, targeting pockets of deprivation, cold spots for adult education and underrepresented groups.</p> <p>Explore ASF funding flexibilities and learner eligibility criteria to increase the participation of adult skills provision.</p>
Embed basic & transferable skills	<p>Wide ranging skill gaps including literacy, numeracy and digital.</p> <p>Low level uptake of digital entitlement.</p> <p>Reskilling & upskilling - basic and transferable skills needed to progress to higher level training, apprenticeships and employment.</p>	<p>Explore ASF funding flexibilities and learner eligibility criteria to encourage the take up of digital provision.</p> <p>Ensure provision of a range of digital courses.</p> <p>Enable Tailored Learning, focussing on basic skills, confidence building and transferable skills, with progression routes linked to opportunities in the local labour market.</p>

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ASF Priority	Challenge	Actions
Unlock progression pathways and underutilised talent	<p>Low take up of Level 2&3 courses particularly for 19-23yr olds impacts on progression and social mobility.</p> <p>Reskilling & Upskilling – requirement for ‘horizontal progression’ as well as upskilling. High prior attainment of residents restricts access to ASF provision for reskilling and upskilling of working age population.</p> <p>Current AEB provision is narrow in subject area restricting progression routes in emerging sectors and new technologies.</p> <p>Effective and timely CEIAG.</p>	<p>Explore ASF funding flexibilities and learner eligibility criteria to increase take up of Level 2&3 courses.</p> <p>Consider bridging courses and programmes of learning using Tailored Learning to support progression routes to FCFJs, Apprenticeships, Skills Bootcamps, IOT etc.</p> <p>Widen curriculum to support people to obtain in-demand qualifications for local jobs.</p> <p>Embed CEIAG throughout provision to enable a wide range of progression pathways.</p>
Develop flexible provision	<p>Provision lacks accessibility and flexibility to meet learner and business needs in relation to access, rurality, transport, releasing staff for training.</p>	<p>Support development and implementation of innovative design and delivery of learning, considering the where, when and how - including online, hybrid and smart phone delivery.</p>
Build capacity and capability	<p>Lack of funding to meet rising delivery costs impacting capacity and capability to deliver.</p> <p>VCSE sector has not been utilised as effectively as it could be for referrals, engagement and delivery.</p>	<p>Encourage use of innovative provision and flexibilities to enable capacity and capability building and CPD for existing staff.</p> <p>Review models for subcontracting to build capacity in the provider base and enabling a more localised approach to engagement and delivery.</p>
Enable effective collaboration	<p>Lack of joined up provision to enable clear progression within ASF and with other provision.</p> <p>Collaboration and partnership working takes time and resources.</p>	<p>Ensure alignment with other funding streams to add value.</p> <p>Establish and enable provider forums/partnerships.</p>

Alignment with the Combined Authority's Skills Strategy

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The Adult Skills Fund priorities for York and North Yorkshire have been developed to support and align with York and North Yorkshire Combined Authority's Skills Strategy. The Adult Skills Fund has its part to play in ensuring the Combined Authority achieves its overarching strategic ambitions, working in close alignment with the regions other wide-ranging streams of funding and support available, now and in the future.

Combined Authority Skills Ambition	Adult Skills Fund
An Integrated, Flexible and Responsive skills system	Ensuring collaboration and partnership working between providers, businesses and communities; enabling flexibility and supporting capacity building and capability across the provider base
Accessible Careers Support for All Ages	High quality CEIAG is embedded across all ASF delivery as a gateway to learning and progression to further learning and employment
Thriving Businesses	Unlocking progression pathways and underutilised talent as routes to higher skills and better paid jobs
Empowered Communities	Community based engagement and learning that supports a 'whole person' approach including well-being, helps to tackle poverty as well as supporting people to build confidence and skills, access further learning and move towards employment.

Data and Findings

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Data and Findings

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The ASF strategic priorities have been developed as a result of:

- A review of the 2022/2023 academic year Adult Education Budget ILR data.
- The existing evidence base and data from prior York and North Yorkshire LEP research, existing strategies and the Local Improvement Skills Plan.
- Feedback received via stakeholder engagement.
- Alignment with both the York and North Yorkshire Economic Framework and Skills Strategy.

Data

The strategic approach is informed by a comparison of data for the academic year 2018/2019, to subsequent years leading up to the most recently available data for the academic year 2022/2023.

This data has been analysed to inform strategic and operational decisions.

Collaborative Approach

The development of the ASF Strategic Skills Plan for York and North Yorkshire has been a highly collaborative process, involving extensive stakeholder engagement and input. Shared learnings from the ESFA and other devolved and devolving authorities has also helped to shape priorities and approaches.

A stakeholder engagement plan was developed and implemented in the early part of 2024 to underpin and inform development of the ASF Strategic Skills Plan.

The approach to stakeholder engagement was predicated on several factors including:

- Engagement with as wide a range of stakeholders as possible.
- Offering a variety of ways in which stakeholders could offer their views and feedback.
- Targeting specific key groups to ensure early engagement and rapid intelligence.
- Using engagement sessions to forge and strengthen relationships for the longer term to create a positive basis for delivery of the ASF in the future.
- Capturing learner voice to ensure provision is suitable for the needs of the area's residents.
- Garnering views from providers delivering AEB in York and North Yorkshire as well as those delivering to other areas (including devolved areas).
- Laying out a clear ethos for engagement and demonstrating values of openness, honesty and collaboration to foster a collegiate culture with stakeholders.
- Understanding key 'headlines' that stakeholders highlighted as the most important to inform more in-depth engagement later.

Stakeholder Engagement

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Stakeholder Engagement Methodology

The following methods have been used to gain feedback from stakeholders:

- Engagement with beneficiaries of Adult Skills and Community Learning delivery funded through the Adult Education Budget.
- Focus groups to gather views in a smaller setting. These included Voluntary Community and Social Enterprise (VCSE) sector learning providers, Community Learning providers, the Yorkshire Learning Providers Network and the North Yorkshire Principals Group.
- Meetings with several ITPs individually to get an in-depth picture of their views and feedback from their experiences in other devolved areas, and what they believe the future priorities should be for ASF in York and North Yorkshire.
- Online survey open throughout March and April 2024. The survey contained 8 questions and an opportunity for open text feedback. The total number of responses received was 70. The survey questions can be found in Annex 1.
- Stakeholder engagement event in March 2024 with circa 60 delegates. This event included an information session on the Combined Authority's Economic Framework and Skills Strategy, and round table discussions to gain feedback from delegates.

Using the methods outlined circa 170 stakeholders were engaged.

Ongoing Collaboration

Ongoing partnership is crucial in the development of the ASF Strategic Skills Plan and as such it will continue to be a highly collaborative process. Stakeholder involvement will be key to ensuring the success of its implementation.

We will also continue to work closely with the ESFA, and other devolved and devolving Combined Authorities.

Stakeholder Engagement Key Findings

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Beneficiary Engagement Findings

The headline findings from learners who are/have engaged with delivery funded through the Adult Education Budget were:

- Access to funded adult skills provision is a great progression pathway into and within employment.
- Access to funded adult skills provision supports mental health and wellbeing and helps to boost confidence.
- More support is required for current and ex-armed forces individuals to help them to integrate back into civilian life and increase employment opportunities – provision needs to be flexible to ensure it can be accessed during down time. This is due to the presence of large MOD establishments in the region.
- The ability to access flexible provision and in non-academic setting supports engagement of those learners who haven't engaged with training for a long time.
- There is benefit to distance learning and hybrid learning to ensure learning fits around other commitments, such as caring responsibilities, and to support those with physical or mental health issues that would usually create a barrier to individuals engaging with learning.
- Access to more than one type of funded provision is beneficial to support progression. For example, undertaking a course in a specific craft at Level 1, then progressing to Level 2, then undertaking a course in setting up a creative business.
- Collaboration between providers enables opportunities for progression.
- There are wider benefits to adult skills courses outside of employment opportunities, such as bringing communities together, improving skills to participate in community life, supporting independent living, and helping families to support their children's learning.

Stakeholder Engagement Key Findings

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Focus Group Findings

The headline findings from the stakeholder engagement were:

- Strong support from stakeholders to work collaboratively to align provision, increase progression and reduce duplication.
- Support for the Combined Authority's strategic goals as set out in the Skills Strategy.
- High level of engagement from provider base with willingness to work with the Combined Authority on effective transition of the ASF.
- A request from the provider base to minimise disruption and not destabilise the system.
- Current funding rates are insufficient to deliver adult provision given increased costs of staffing, resources, etc and to ensure sufficient promotion, engagement, IAG and wrap around support, requiring an uplift from the outset.
- The introduction of flexibilities to innovate, pilot new provision and offer a more bespoke service to businesses is very much supported by the provider base.
- Community Learning is critically important to the ASF to engage with adults in an appropriate location and in a way that builds confidence in learning and progress towards a goal.
- The VSCE sector could be utilised much more effectively to provide referral routes into adult provision, enable access to vulnerable groups in grassroots locations and to deliver specialist support to specific target groups or areas.
- Subcontracting is supported by the provider base as long as it is tightly controlled and could be used to widen grassroots provision.
- There is a preference for 3-year contracts to enable better planning and continuity.
- Utilising other funding alongside ASF is very important, and when aligned well is beneficial for learners and enables better progression.
- Capacity building for the VCSE sector, ITPs and CPD of existing delivery staff were seen as important.
- Skills support is required for the families of those in the armed forces due to the presence of large MOD establishments in the region.

Stakeholder Engagement Key Findings

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Survey Findings

Responses were from people representing a range of stakeholders including businesses, AEB providers, non-AEB providers and other stakeholders. Key findings from the survey are as follows:

- In answer to the question about which priority groups should be targeted in addition to those eligible to benefit from existing statutory entitlements, the top three were individuals on a low income, long-term unemployed people, and individuals with limited educational attainment.
- The top three priority groups that respondents thought should be targeted were unemployed adults, underemployed adults, and disadvantaged communities.
- The most important considerations for measuring output were employment, workplace progression, and skills acquisition.
- 70% of people agreed that the Tailored Learning component of the new Adult Skills Fund would offer sufficient flexibility to innovate current provision.
- There was general agreement for a separate innovation fund, and the most popular priorities for this were community partnerships, flexible learning and engagement activities.
- Respondents were keen for further engagement going forward with a strong preference for a mix of online and face to face opportunities to engage.

Analysis of AEB 2022/2023 Data

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Data Analysis

The most recent AEB data available to us is for the academic year 2022/2023 and is taken from the ILR.

AEB funding supported approximately 12,000 learners and 18,000 enrolments in 22/23. Almost 8,000 learners participated on courses funded through the Education and Training strand, with close to 4,000 participating in Community Learning.

York and North Yorkshire learners attracted £6.2m of Education and Training formula funding during the academic year 22/23, and £446k of Free Courses for Jobs funding.

Funding for Community Learning can only be roughly estimated as it is block-funded at provider level. This means there is no simple way of attributing the funding to individual learners in order to assess the total value of funding associated with York and North Yorkshire residents.

However, ESFA do publish figures for providers' funding allocations, including sub-totals for community learning, which enables us to quantify the amount that local providers receive.

Providers based in the York and North Yorkshire Combined Authority area received a total AEB grant allocation of £6.8m in 22/23, of which £2.7m was for Community Learning.

A full Analysis of Adult Education Budget (AEB) funded provision in York and North Yorkshire for the 22/23 academic year can be accessed on the Combined Authority's website [here](#).

	Education and Training	Community Learning	Free Courses for Jobs
Funding (£)	£6.2m ¹	£2.7m ²	£446k
Participation ³ (unique learners)	7,970	3,780	270
Enrolments	11,770	6,220	280
New learners	7,090	3,760	190

^[1] Relates to notional Adult Skills formula funding

^[2] AEB Community Learning allocations to grant-funded providers based in YNY

^[3] Participation refers to the number of individuals participating in learning at any point in the academic year

Trends in Starts and New Learners

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Education and Training

The Education and Training strand covers further education learning delivered mainly in the classroom, through workshops or via distance learning.

There were around 7,100 AEB funded new learners via the Education and Training strand in 22/23 and 10,500 starts. Compared with the previous year, starts fell slightly by 2% but the count of new learners grew by 9%.

However, compared with 18/19 the number of starts was 23% lower, and the number of new learners was 19% lower.

Although the level of formula funding for YNY Education and Training learners grew by 11% (£613k) in 22/23 compared with the previous year of 21/22, it was still 25% (£2.06m) lower than in 2018/19.

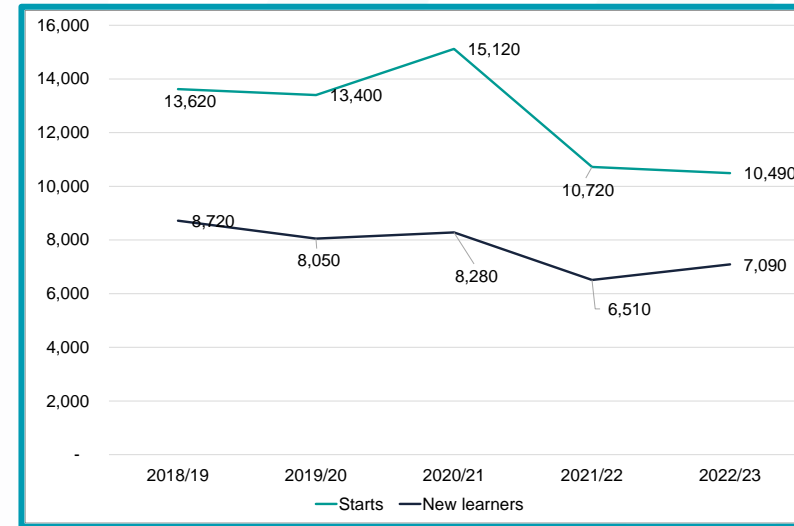
Community Learning

3,760 individual learners started a community learning programme in the 22/23 academic year, with 6,190 starts. When compared with 21/22, starts fell by 15% whilst the count of new learners declined by 10%.

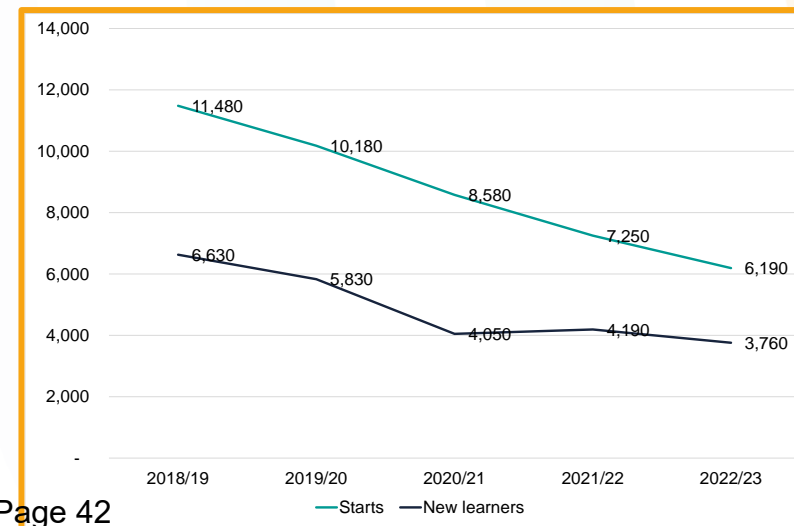
Compared with 18/19 the number of starts was actually 46% lower in 22/23, and the number of new learners was 43% lower.

88% of Community Learning starts in 22/23 were classed as *Personal and Community Development Learning*. *Wider Family Learning* increased its share of starts from 4% to 11%. *Family English Maths and Language* and *Neighbourhood Learning in Deprived Communities* each accounted for very small numbers of starts.

Trend in E&T Starts and New learners by academic year



Trend in Community Learning Starts and New learners by academic year



Profile of Provision in 2022/2023

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Education and Training

Three subject areas within the Education and Training strand dominated in terms of starts in 22/23, accounting for more than three quarters of the total.

39% of starts were in the *Preparation for Life and Work* subject area. Within this 75% of learners undertook aims under the *Foundations for Learning and Life* subcategory, which incorporates the majority of basic skills provision – English, Maths and ESOL. The remaining 25% was for *Preparation for Work*.

29% of learners undertook *Health, Public Services and Care* aims, primarily within the *Health and Social Care* sub-category.

Business Administration and Law accounted for 10% of starts, with *Administration* accounting for 50% of starts within that and *Business Management* at 32%.

The majority (54%) of starts (when Education and Training and FCFJ are included) were for aims at Level 2 in 2022/23, with a further 43% relating to aims at below Level 2. A small minority (3%) of starts related a qualification at Level 3.

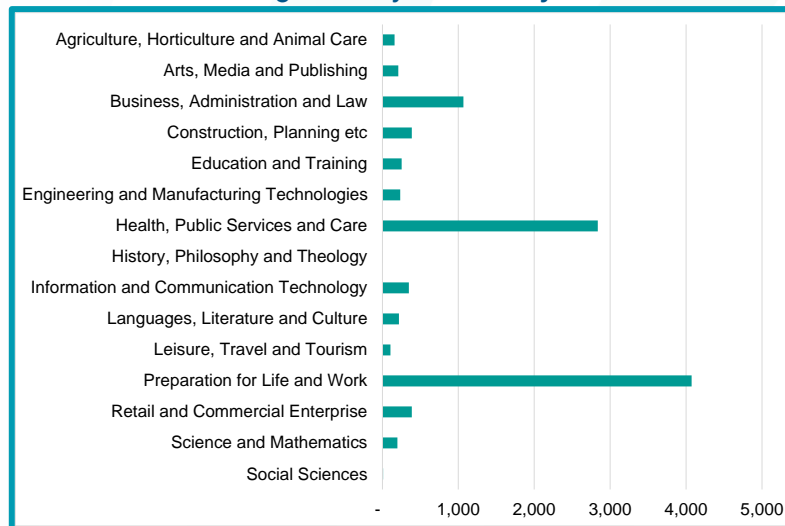
Community Learning

The largest Community Learning provision, with 28% of total starts, was *Arts, Media and Publishing*, consisting almost exclusively of *Crafts, Creative Arts and Design* provision.

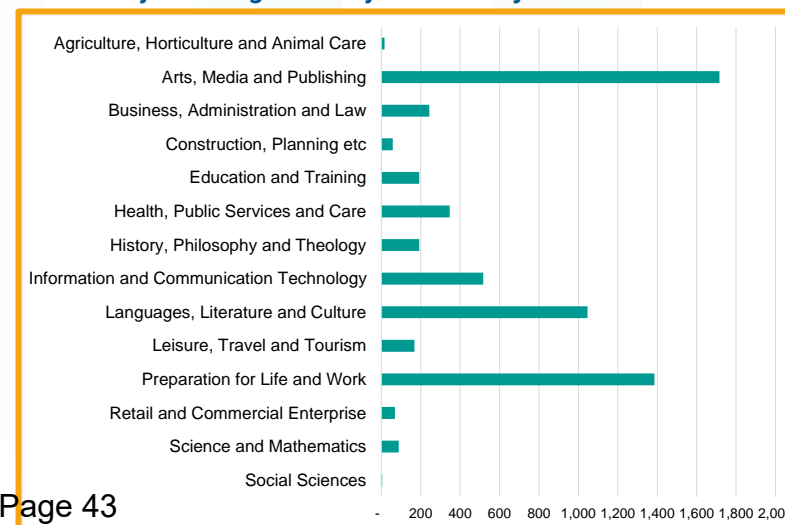
This was followed with 22% of total starts by *Preparation for Life and Work*, then *Languages, Literature and Culture* at 17%.

Information and Communication Technology was ranked fourth with 8% of total starts.

Education and Training Starts by Sector Subject Area



Community Learning Starts by Sector Subject Area



Delivery by District in 2022/2023

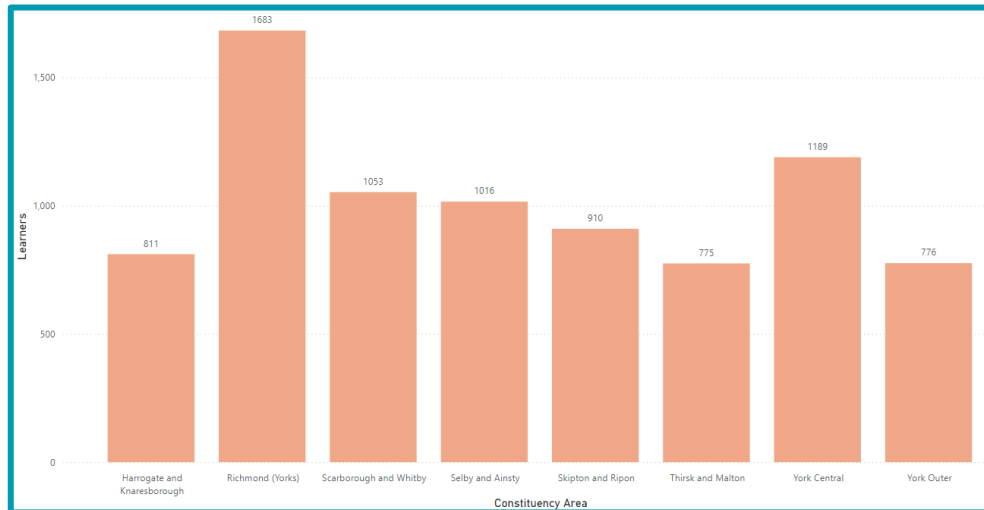
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A key consideration in the Combined Authority's approach to the devolution of ASF is the profile of provision at individual constituency level, ensuring an equitable distribution of funding across the area.

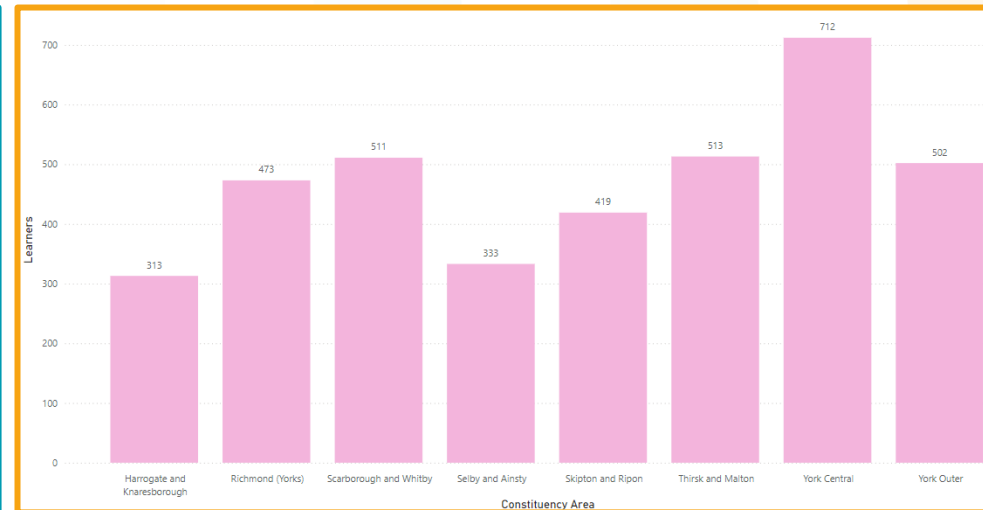
The area receiving the largest shares of the £6.2m AEB formula funding for Education and Training provision were York (Central and Outer combined) (22%), Richmond (20%) and Scarborough & Whitby (16%). This profile is also closely reflected in learners, as might be expected, although Scarborough and Whitby has a smaller proportion of learners (13%) than funding (16%) suggesting that the unit value of learning in the area is higher.

The profile of Community Learning provision differs substantially from Education and Training. York (Central and Outer combined) accounted for 32% of learners within this strand, followed by Thirsk & Malton and Scarborough & Whitby, both at 14%.

Education and Training



Community Learning



Travel to Learn Flows in 2022/2023

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The vast majority of learners - in terms of starts who remain in the York and North Yorkshire region to learn and do not engage via distance learning - also remain in their constituency area. For Education and Training the proportion is 74%, and for Community Learning it is 83%. This reflects the rurality of the region and access to learning being determined/hampered by travel constraints.

However, as you can see there are some examples of significant travel flows, mostly into York, from other areas, particularly from Selby & Ainsty and Thirsk & Malton. Learners also travel from Thirsk & Malton to Scarborough and Whitby in notable numbers. In fact, the data indicates that the majority of starts for Thirsk & Malton residents have a delivery location outside the area, at 81% for Education and Training, and at 44% for Community Learning.

Adult Skills - Location of Learning									
Location of Residence	Harrogate & Knaresborough	Richmond (Yorks)	Scarborough & Whitby	Selby & Ainsty	Skipton & Ripon	Thirsk & Malton	York Central and York Outer	Total	% of learners remaining within constituency area
Harrogate & Knaresborough	230	1		1	7		23	262	88%
Richmond (Yorks)	12	535	1	1	4	6	9	568	94%
Scarborough & Whitby	9	12	368			6	16	411	90%
Selby & Ainsty	16	5	3	153	1		122	300	51%
Skipton & Ripon	43	3		1	230	3	8	288	80%
Thirsk & Malton	6	2	44	1	4	40	114	211	19%
York Central and York Outer	3	2	3	6		13	771	798	97%
Total	319	560	419	163	246	68	1063	2838	74%

Community Learning - Location of Learning									
Location of Residence	Harrogate & Knaresborough	Richmond (Yorks)	Scarborough & Whitby	Selby & Ainsty	Skipton & Ripon	Thirsk & Malton	York Central and York Outer	Total	% of learners remaining within constituency area
Harrogate and Knaresborough	103	1	3	1	9	2	4	123	84%
Richmond (Yorks)	1	182	1		4	4	2	194	94%
Scarborough and Whitby		12	301	1	1	11		326	92%
Selby and Ainsty	3			140			60	203	69%
Skipton and Ripon	12	2		1	194	4	3	216	90%
Thirsk and Malton	1	17	28	11	11	158	57	283	56%
York Central and York Outer	2	1				7	1001	1011	99%
Total	122	215	333	154	219	186	525	1754	83%

Learner Demographics in 2022/2023

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It is important to consider the profile of people participating in AEB funded provision and the extent to which key groups are engaged, including those disadvantaged in the labour market.

Gender and age

Female learners account for two-thirds (65%) of Education and Training learners, four-fifths (81%) of FCFJ learners and three quarters (76%) of Community Learning participants.

Younger learners (aged 19-23) were more prevalent in Education and Training (17% of the total for that strand) and less so in Community Learning (5%). Around 30% of male Education and Training learners were aged 19-23 compared with 10% of females.

Learners aged between 31 and 49 years were a substantial group, accounting for 46% of Education and Training learners, 40% of Community Learning learners and 62% of FCFJ learners.

Learners aged 65 years and over have a low representation in Education and Training and FCFJ, accounting for 1% of the total in each case but make up nearly one-fifth (19%) of Community Learning learners.

Economic status

Two-thirds (68%) of Education and Training learners and three-quarters (77%) of FCFJ learners were in employment or self-employment, compared with 44% of participants on Community Learning.

Unemployed learners account for one fifth (21%) of Education and Training learners - higher than the proportions for FCFJ and Community Learning of 15% and 18% respectively.

The inactive (people not in paid employment, not looking for work and/or not available for work) account for nearly two-fifths of Community Learning participants, but for much smaller proportions of Education and Training and FCFJ learners (11% and 9% respectively).

Community Learning details of economic status were not collected for 23% of total learners and therefore are excluded from this analysis.

Prior attainment

One of the key labour market issues that AEB seeks to address is the large number of people lacking any qualifications or holding qualifications at a low level only, as there is strong evidence that this acts as a barrier to gaining, sustaining and progressing within employment.

In the case of York and North Yorkshire, however, a minority of learners lack formal qualifications or are qualified below Level 2 with figures of 32%, 16% and 38% for the three strands of Education and Training, FCFJ and Community Learning respectively.

It is notable that a significant proportion of learners have prior attainment at Level 4 or above, equivalent to higher education level. The proportion is 31% for Education and Training and 29% for Community Learning but only 17% for FCFJ.

These proportions exclude those for whom qualification information is not provided; in the case of Community Learning this accounts for three-quarters of all learners.

Learner Demographics in 2022/2023

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Ethnicity

York and North Yorkshire has a relatively small ethnic minority population, accounting for less than 8% of the total adult population aged 19 and above.

In this context AEB-funded provision has a strong representation of learners from ethnic minority groups, demonstrating the effectiveness of community outreach arrangements. Around 25% of Education and Training learners were from an ethnic minority background, when white minorities are included. The equivalent proportions are 20% for Community Learning and 15% for FCFJ.

Disability and health problems

People with disabilities, learning difficulties and health problems are often disadvantaged in the labour market. People facing these challenges are strongly represented among participants in AEB-funded learning.

Close to a fifth (18%) of Education and Training learners put themselves into this broad category, rising to 19% of participants on Community Learning. This broadly reflects the representation of people with health problems and disabilities across the wider adult population, with 20% of people aged 19 and above indicating that they are disabled under the Equality Act.

Current Provider Base

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In total, 175 providers were involved in the delivery of AEB funded provision to York and North Yorkshire learners in 2022/23 i.e. they were recorded as receiving funding during 2022/23 for learners' resident in the York and North Yorkshire area or had starts on Community Learning. Of these:

- 158 providers delivered Education and Training provision.
- 37 delivered Community Learning provision.
- 42 delivered Free Courses for Jobs provision.

It should be noted that of these providers, 20 had only 1 start recorded during 2022/23 and 40 had fewer than 5 starts recorded. Only 39 providers (less than a quarter of the total) had 50 or more starts during 2022/23.

Provider Type

In terms of provider type, the largest group was general FE colleges, which accounted for 55% of all providers, followed by independent training providers (21%) and other publicly-funded providers including local authorities with 14%. A small number of special colleges (14) and sixth form colleges (2) also received funding in connection with York and North Yorkshire learners.

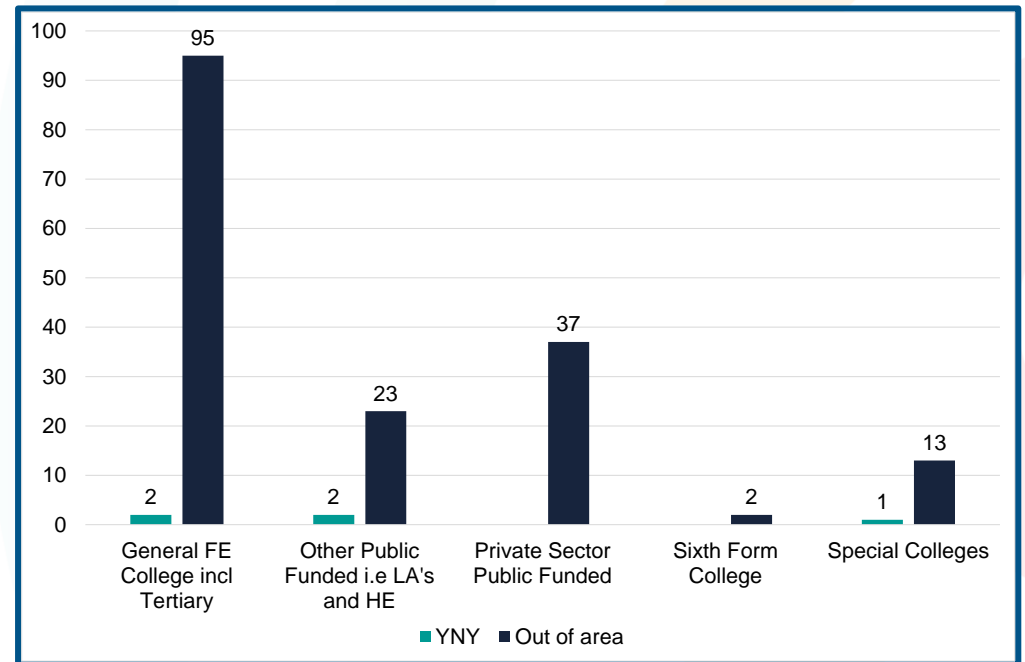
Provider Location

It is notable that only 3% of providers (5 in absolute terms) were recorded as being based in the York and North Yorkshire area itself. Providers of all types were distributed across the country beyond York and North Yorkshire.

A number of out of area providers delivered the bulk of their provision at delivery locations in York and North Yorkshire via sub-contractors.

It should be noted that a number of providers who have a fixed delivery site in North Yorkshire were classified as 'out of area' as they belong to a group whose head office postcode falls outside of York or North Yorkshire.

Number of providers serving AEB funded learners in the 2022/23 academic year



Adult Skills Fund Commissioning

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Adult Skills Fund Commissioning

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Commissioning Approach

The ASF is a key pillar of investment in our local skills system, but it cannot do everything. Our clearly defined priorities, based on robust evidence, will enable us to ensure we can target investment whilst ensuring it aligns with and adds value to wider skills investment including DfE, DWP, National Careers Service, Apprenticeships, 16-19 provision, Technical and Vocational Education and Higher Education. Our commissioning approach must enable funding and programmes to respond flexibly to changing economic needs of our region.

However, as previously outlined, engagement with stakeholders as well as other devolved authorities has highlighted the importance of maintaining stability in the provider base. We must first fully understand the profile and impact of current provision as well as forthcoming DfE changes i.e. Tailored Learning supports wider outcomes such as to improve health and wellbeing, equip parents/carers to support their child's learning, and develop stronger communities.

Commissioning Principles

The commissioning principles for the York and North Yorkshire Adult Skills Fund will:

- Build a high-quality provider base that supports a place-based approach to developing locally responsive provision to reflect the diversity of our rural, urban and coastal communities.
- Focus on positive learner outcomes.

- Support lifelong learning, skills development and social mobility within the region.
- Prioritise accessibility and inclusivity.
- Address rurality, connectivity and transport issues – including flexible modes and locations of delivery.
- Ensure funding is relevant to the local learner and business needs across the region.
- Align with and support other funding and initiatives.
- Be developed through continual engagement with the provider base, partners and employers.
- Ensure accountability and transparency in funding allocations and program delivery.
- Introduce transparent and fair contracting processes, with appropriate lead in time acknowledging that any change takes time to implement effectively.

Adult Skills Fund Commissioning Plan

<p>Method 1</p> <p>Grant Allocations - York and North Yorkshire based providers</p>	<p>In the first year of implementation the Combined Authority will continue to allocate Grant to providers who hold an existing Grant Agreement with the ESFA and meet all the following criteria:</p> <ul style="list-style-type: none"> ▪ Can demonstrate they have an established place-based approach that supports York and North Yorkshire’s strategic priorities ▪ Deliver significant volumes of activity within York and North Yorkshire <p>AND</p> <ul style="list-style-type: none"> ▪ Have a head office in York or North Yorkshire
<p>Method 2</p> <p>Grant Allocations - Providers based outside of York and North Yorkshire</p>	<p>In the first year of implementation the Combined Authority will continue to allocate Grant to providers who are based outside of the York and North Yorkshire region who hold an existing Grant Agreement with ESFA and meet the following criteria:</p> <ul style="list-style-type: none"> ▪ Can demonstrate they have an established place-based approach that supports York and North Yorkshire’s strategic priorities ▪ Deliver significant volumes of activity within York and North Yorkshire <p>AND EITHER</p> <ul style="list-style-type: none"> ▪ Are part of a group who have a member that has a fixed delivery site within York and North Yorkshire ▪ Have a fixed delivery site that shares a border with York and North Yorkshire ▪ Have a fixed delivery site that belongs to a Combined Authority that shares a border with the York and North Yorkshire Combined Authority <p>Grant providers who hold an existing Grant Agreement with ESFA but are not based in York or North Yorkshire, and do not satisfy the above listed criteria, will not receive continued Grant funding for their provision to York and North Yorkshire residents.</p> <p>An exception will be made for Specialist Designated Institutions who hold an existing Grant Agreement with ESFA and deliver significant volumes of activity within York and North Yorkshire, whereby the Combined Authority will continue to allocate Grant</p>
<p>Method 3</p> <p>Contract for Services</p>	<p>The remaining Adult Skills Fund will be allocated via competitive tendering processes.</p> <p>There will be a round of procurement that will take place throughout Autumn, which will target the priorities identified in this Strategic Skills Plan.</p> <p>There will be a Test & Learn Pot which will be reserved for the commissioning of specific initiatives.</p>

Adult Skills Fund Commissioning Plan

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Grant Allocations

We will allocate grant to providers by applying the proportion of their 2022/2023 allocation that was spent on York and North Yorkshire learners to their 2025/2026 allocation, plus an additional amount, as we recognise that there has since been an increase to funding rates and an increase in the cost of delivery. The reasoning for using this methodology is that the 2022/2023 allocation spend is the most up to date funding data for York and North Yorkshire that is available.

Grant Agreements will be issued for two years (August 2025 to July 2027) with the option to extend for a further year (to July 2028), subject to provider performance and funding availability.

Providers will be expected to complete an Annual Delivery Plan. This must include anticipated volumes of learners, profile of delivery across each year, and should also identify any subcontracting arrangements. The Combined Authority will develop the template for this Delivery Plan.

ESFA's national policy currently allows a 3% tolerance on underperformance. In the interest of maximising the Adult Skills Fund for York and North Yorkshire, the Combined Authority will not be allowing this 3% tolerance on allocations.

ESFA's national policy currently allows a 10% tolerance on overperformance. The Combined Authority will not be allowing this 10% tolerance on allocations, however annual growth requests will be available subject to provider performance and funding availability.

Contract for Services

Dependant on the provision being commissioned, Contracts for Services may be issued for one year (August 2025 to July 2026), or for two years (August 2025 to July 2027) with the option to extend for a further year (to July 2028), subject to provider performance and funding availability.

Test & Learn Pot

This will ensure the Adult Skills Fund can be:

- responsive to any changes to the local economy and any new and emerging skills or needs that may arise.
- utilised to test new ways of working that could be mainstreamed in future years.

Strategic Approach

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Strategic Approach

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Subcontracting

The Combined Authority recognises that subcontracting can play a vital role in the delivery of the ASF, and that it aligns with the Strategic Skills Plan's priorities around building capacity and capability and enabling effective collaboration.

In some cases the use of subcontracting is essential, for example providing access to niche technical provision, or performing a vital community engagement role. Subcontracting enables providers to expand their geographic reach. By partnering with local subcontractors, provision can be delivered across a wider area, ensuring better access for learners in different regions. Subcontractors also often have established networks within their communities. This can enhance learner engagement and improve recruitment.

By strategically subcontracting elements of their ASF provision, providers can harness these benefits to improve the overall quality, accessibility, and efficiency of adult skills delivery in the region.

However, providers should ensure that subcontracted provision meets the Combined Authority's strategic aims and enhances the quality of their learner offer. It must not be used to meet short-term funding objectives.

Providers will be required identify any subcontracting arrangements in Annual Delivery Plans, supported by a rationale. The addition of new subcontracting arrangements in year must be approved by the Combined Authority.

The Combined Authority will closely monitor the quality of subcontracted provision to ensure that it aligns with the strategic priorities set out in this Plan and is delivered in a way that continues to benefit learners.

Distance Learning

The Combined Authority recognises that distance learning offers several benefits for individuals and communities in York and North Yorkshire, and that it aligns with the Strategic Skills Plan's priorities around access and participation and developing flexible provision. Distance learning can accommodate diverse schedules and personal commitments, making skills attainment more inclusive, and removing barriers to learning, particularly for those individuals facing health issues. It can also significantly enhance the learning opportunities and experiences of those in many of our rural based communities.

Providers will be required to identify where they plan to deliver provision through distance learning in Annual Delivery Plans.

The Combined Authority will closely monitor the quality of distance learning to ensure that it aligns with the strategic priorities set out in this Plan and is delivered in a way that continues to benefit learners.

Strategic Approach

Cross Border Arrangements

The Combined Authority recognises that there may be several reasons why a York or North Yorkshire resident may need to access learning outside of the Combined Authority area, such as:

Residential Location – a learner may live in a location close to the Combined Authority’s border, meaning that the nearest provider is in a neighbouring area.

Location of Employer – learners may need to travel to neighbouring cities for work, rather than the city in which they reside, meaning that their most convenient location for learning, particularly if the learning is employer led, may be in the neighbouring area in which they work.

Niche Provision – some niche or specialist provision may only be available through providers based outside of the Combined Authority area.

Accessibility Needs – learners with physical disabilities or SEND learners may have accessibility needs which require travel to learning available in a neighbouring area.

To support these travel to learn patterns the Combined Authority will continue to allocate Grant to providers who are based outside of the York and North Yorkshire region who either:

- Are part of a group who have a member that has a fixed delivery site within York and North Yorkshire.
- Has a fixed delivery site that shares a border with York and North Yorkshire.
- Has a fixed delivery site that belongs to a Combined Authority that shares a border with the York and North Yorkshire Combined Authority.

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This approach should also help to provide some stability within the provider base during the initial implementation of the devolved York and North Yorkshire ASF.

The Combined Authority is only responsible for supporting York and North Yorkshire residents. Any learner travelling into York or North Yorkshire from other regions will require the provider to have an ASF allocation with either the ESFA or devolved Combined Authority, depending on their residential location.

Where required, the Combined Authority will look to establish cross border arrangements with neighbouring devolved areas.

The Combined Authority will closely monitor these cross border arrangements to ensure that they continue to align with the strategic priorities set out in this Plan, that provision continues to be accessible for its residents, and in the interest of maximising the Adult Skills Fund.

Governance

Decision Makers include:

- The York and North Yorkshire Combined Authority members (inclusive of the Mayor)
- The York and North Yorkshire Combined Authority Chief Executive (Delegated Authority from the Combined Authority members)

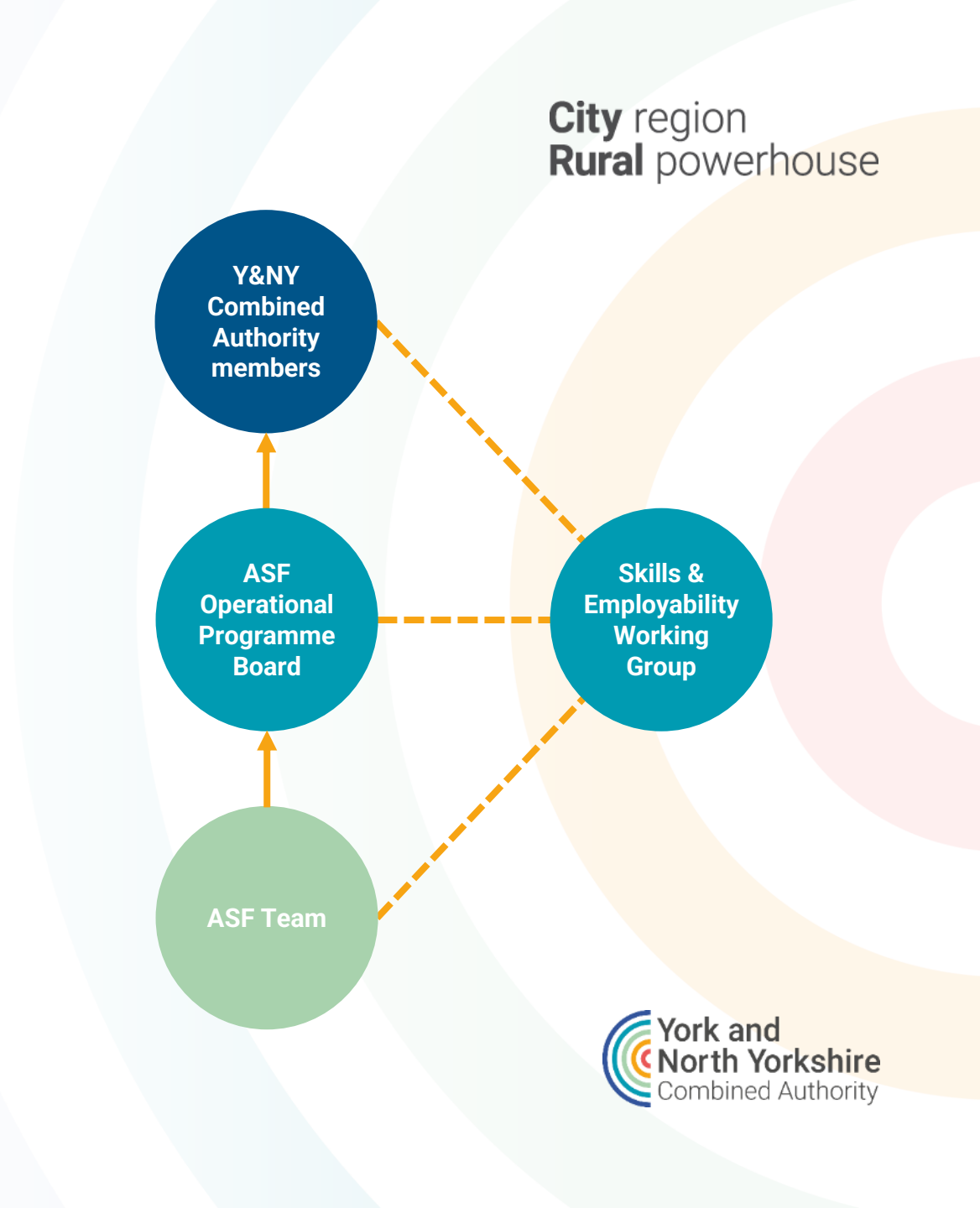
Technical and subject matter expertise, advice, guidance and recommendations will be provided by the ASF Team, an ASF Operational Programme Board and a Skills & Employability Working Group.

The **ASF Team** will be responsible for:

- Managing the ASF commissioning, grant allocation and procurement process
- Carrying out appraisal work and due diligence and reporting the outcomes to the Combined Authority members
- Developing monitoring reports to make recommendations relating to variations and future ASF investment priorities to the Combined Authority members
- Issuing ASF Grant Agreements and Contracts of Services
- Carrying out ASF provider performance monitoring, evaluation and risk management
- Providing the secretariat function for the ASF Operational Programme Board and Skills & Employability Working Group

The **ASF Operational Programme Board** will be responsible for scrutinising ASF commissioning, grant allocation and the procurement process to provide assurance around value for money, due diligence, transparency and equity.

The **Skills & Employability Working Group** will provide advice, guidance and subject matter expertise in relation to ASF. This is an advisory panel; they do not have decision making powers.



Evaluation

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Measures of Success

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Within the Economic Framework measures of success have been identified to enable the Combined Authority to assess the progress being made against its ambitions. A number of provisional indicators have been identified; however, these will need to be explored further to ensure we're measuring the most appropriate outcomes.

Some of the measures identified within the Boosting Business and Thriving Workforce thematic priority of the Framework directly align to the priorities of the ASF Strategic Skills Plan. These are:

- Increases in the level of people undertaking training
- Reduction in skills gaps, underutilisation and labour shortages
- Increases to apprenticeships
- Decrease underrepresentation in the labour market

Measuring the success of the ASF ensures that the fund effectively addresses the skills needs within York and North Yorkshire, justifies the investment, and guides future improvements and policy developments.

It is important to measure the success of the ASF for several reasons:

Assessing Impact - evaluating the success of the fund helps to determine whether it is achieving its intended goals, ensuring that the resources are effectively contributing to its strategic priorities.

Resource Allocation - measurement of success allows for informed decisions on allocations. If certain initiatives are shown to be particularly effective, they can receive further allocations of funding, while less effective ones can be re-evaluated.

Accountability - measuring success ensures accountability. It demonstrates that the funds are being used responsibly and are generating tangible benefits.

Policy Development - it can inform future policy decisions. Information can be used to refine existing programs, develop new initiatives, and set realistic, evidence-based goals for adult skills support.

Economic Growth - demonstrating the success of the ASF highlights its role in economic growth. Skilled workers contribute to increased productivity, innovation, and competitiveness in the economy, making the case for continued or expanded investment in adult skills support.

Social Benefits - beyond economic factors, measuring success can also highlight social benefits such as improved quality of life, enhanced social inclusion and improved health and wellbeing. These outcomes can support arguments for broader social policies and investments in education.

Review and Evaluation

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The ASF Strategic Skills Plan is a building block within the York and North Yorkshire Economic Framework and Skills Strategy and will be subject to ongoing monitoring and evaluation to ensure that the programs and initiatives implemented are achieving the desired outcomes and delivering a positive impact on the region's workforce and economic development.

The ASF Strategic Skills Plan will be revised after 3 years of delivery to enable enough time to review the outcomes and impact.

There will be an annual review of the ASF Strategic Skills Plan, covering the below 3 principles:



Performance Tracking

An established robust system will be in place for tracking the performance and outcomes of the various training programs, including measures such as learner engagement, employment outcomes, improved essential skills and increased capacity and capability of the local provider base.

Stakeholder Feedback

Regular feedback from stakeholders, including providers, businesses, learners, and community partners, will be gathered to assess the effectiveness of the plan's initiatives and identify areas for improvement.

Continuous Improvement

The plan's implementation will be subject to ongoing review and adjustment, with the flexibility to adapt to changing workforce needs and emerging trends in the region.

Appendix 1: Survey Questions

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Survey Questions

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York and North Yorkshire Adult Education Budget Survey

To maximise the opportunities of the devolution of the Adult Education Budget (AEB), and to ensure a smooth transition to the York and North Yorkshire Combined Authority's delivery of the AEB from August 2025, we are keen to engage and collaborate with stakeholders.

As part of this engagement, we have created a short survey to gather some initial feedback from anyone that may have an interest in the future of the AEB, to help us decide what our short, medium and long term priorities should be to inform our AEB Strategic Skills Plan. The priorities set out in this plan will help to determine how the AEB will be delivered over the upcoming years.

The priorities identified for AEB will need to align and add value to other York and North Yorkshire Combined Authority skills programmes and funding, including Free Courses for Jobs, Bootcamps, UKSPF & Multiply, The Careers and Enterprise Company, Mayoral Investment Fund, as well as wider provision across the skills landscape.

Thank you for taking the time to complete this survey. Additional engagement will be taking place alongside this survey, and over the upcoming months to aid us in our preparations for taking responsibility of the AEB in August 2025.

1. In what capacity are you responding to this survey? Please select one of the below.

- I represent a York or North Yorkshire business
 - I represent a learning provider* currently delivering provision through AEB
 - I represent a learning provider* *not* currently delivering provision through AEB
 - I am a key stakeholder
- *training provider / VCS provider / College / other education provider

2. The AEB includes support for 4 legal entitlements to full funding for eligible adult learners. These entitlements are set out in the [Apprenticeships, Skills and Children Learning Act 2009](#), and enable eligible learners to be fully funded for the following qualifications:

- o English and maths, up to and including level 2, for individuals aged 19 and over, who have not previously attained a GCSE grade 4 (C), or higher, and/or
- o first full qualification at level 2 for individuals aged 19 to 23, and/or
- o first full qualification at level 3 for individuals aged 19 to 23
- o 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

Are there any other learners that you think should be eligible for full funding through the AEB? Please select your top three choices from the below list. Rank them at the top of the list in order of preference. You do not need to rank the remaining options.

- Individuals with low income
- Long-term unemployed individuals
- Individuals with limited educational attainment
- Individuals in priority sectors
- Learners with specific learning needs
- Individuals facing social exclusion
- Mature learners seeking career advancement

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- Individuals transitioning from other sectors
- Learners from rural or isolated communities
- Learners with caring responsibilities
- English Speakers of Other Languages
- Other (please state)

3. Are there any specific priority groups that the AEB should target in the region? Please select your top three choices from the below list. Rank them at the top of the list in order of preference. You do not need to rank the remaining options.

- Unemployed individuals
- Underemployed individuals
- Disadvantaged communities
- Adult learners seeking career changes
- Older adults
- Immigrants and refugees
- Individuals with disabilities
- Low-skilled workers
- Parents and caregivers
- Minority ethnic groups
- Individuals facing barriers to education
- Other (please state)

4. What are the key considerations/recommendations for measuring and capturing impact? Please select all that apply.

- Employment outcomes
- Workplace progression
- Skills acquisition
- Progression into further learning
- Improved health and well-being
- Improved essential skills (English, ESOL, maths, digital)
- Increased engagement and/or confidence
- Parents/carers equipped to support children's learning
- Stronger communities
- Equipped for further learning
- Equipped for employment
- Other (please state)

5. As part of the new Adult Skills Fund (ASF), which is due to replace AEB, tailored learning will bring together what was community learning, formula-funded non-regulated learning (previously delivered through adult skills) and any new employer-facing innovative provision that is not qualification based. Do you feel that this change will provide the flexibilities required to develop sufficient innovative provision?

- Yes
- No

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6. If you answered 'No' to the previous question, please explain what additional flexibilities could be beneficial.

- (open text box)

7. A separate innovation fund within AEB could support specific initiatives to help advance adult education in York and North Yorkshire, fostering skills development, economic growth, and community resilience. Do you feel that the AEB should have the provision for a separate innovation fund? If so, what might the innovation fund support? Please select your top 2 choices from the options below.

- **Engagement initiatives** e.g. Allocating funds to support engagement activities to attract more businesses and learners to access skills provision.
- **Careers Education Information Advice and Guidance initiatives** e.g. Funding initiatives that provide careers guidance linked to specific sectors or target groups.
- **Technology integration** e.g. Funding projects that incorporate innovative technology to enhance adult education delivery, such as online learning platforms, virtual reality simulations, or mobile learning apps.
- **Skills development for emerging industries** e.g. Investing in programs that provide training for in-demand skills in local growing sectors like agri-tech and bioeconomy, creative and digital, manufacturing, healthy ageing, rail, transition to carbon negative.
- **Flexible learning options** e.g. Supporting initiatives that offer flexible scheduling, remote learning opportunities, or alternative learning formats such as modular/bite sized learning to accommodate diverse learner needs and lifestyles.
- **Community partnerships** e.g. Establishing collaborations with local businesses, community organisations, or educational institutions to create tailored educational programs that address specific regional needs and promote lifelong learning.
- **Entrepreneurship and business development** e.g. Providing resources and support for aspiring entrepreneurs through workshops, mentorship programs, or access to startup funding to foster economic growth and innovation in the region.
- Other (please state)

8. How would you like York and North Yorkshire Combined Authority to work with you to strengthen collaborations? Please select all that apply.

- Face to face sessions
- Online sessions / webinars
- Email updates
- Other (please state)

9. If you are happy to, please provide your contact details so that we can contact you should we have any further questions regarding your responses. (not mandatory)

- Name (open text box)
- Organisation name (open text box)
- Email address (open text box)

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Appendix 2: Resources

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Resources

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Resources used to inform this plan

- [DfE Local Skills Dashboard](#)
- [English Indices of Deprivation 2019](#)
- [NOMIS](#)
- [Office for National Statistics](#)
- [Unit for Future Skills](#)

Reports used to inform this plan

- [York and North Yorkshire Combined Authority - Analysis of AEB funded provision in YNY July 2024](#)
- [York and North Yorkshire Combined Authority - Analysis of AEB funded provision in YNY June 2020](#)
- [York and North Yorkshire Local Skills Improvement Plan 2023](#)
- [York and North Yorkshire Labour Market Analysis 2023](#)
- [York and North Yorkshire LEP - Transferable Skills April 2022](#)
- [York and North Yorkshire LEP - Progression Routes to Level 2 April 2022](#)
- [York and North Yorkshire LEP - Upskilling and Reskilling across YNY: Stakeholder and Provider perspectives March 2021](#)
- [York and North Yorkshire LEP - YNY Sector Study March 2022](#)
- [York and North Yorkshire LEP - High Performance Working Practices Research April 2022](#)
- [York and North Yorkshire LEP – YNY AEB Community Learning Provision February 2021](#)
- [York and North Yorkshire LEP - Digital Skills in York & North Yorkshire: An Assessment of Supply and Demand April 2021](#)
- [The Health Foundation: What We Know About the UK's Working Age Health Challenge November 2023](#)

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For more information,
please get in touch
with us via email:

enquiries@yorknorthyorks-ca.gov.uk

