

DEVOLUTION JOINT COMMITTEE MEETING

24th July 2023

Adult Education Budget Implementation Funding

Report of the Chief Operating Officer, York and North Yorkshire LEP

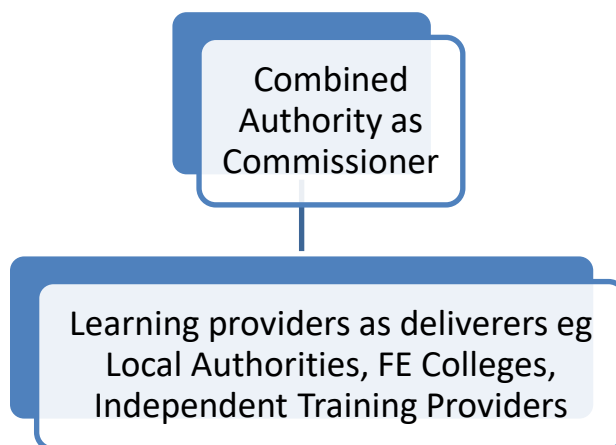
1.0 PURPOSE OF THE REPORT

- 1.1 The Adult Education Budget (AEB) is c.£11.2m per annum across York and North Yorkshire. The devolution deal included a commitment to devolve the AEB subject to York and North Yorkshire meeting investment ready criteria. In order to proceed with devolution, the government needs to be assured of the following readiness conditions:
- a) The Secretary of State for Education and appropriate accounting officer are assured that York and North Yorkshire is operationally ready to administer the adult education budget and is satisfied the required statutory tests have been met.
 - b) Parliament has legislated to enable transfer to York and North Yorkshire Combined Authority of the current statutory duties on the Secretary of State to secure appropriate facilities for further education for adults from this budget and for provision to be free in certain circumstances.
 - c) Agreement to a memorandum of understanding between the Department for Education and York and North Yorkshire that provides appropriate assurance that the named parties will work together to ensure the future financial stability of the provider base, including for sharing financial risk and managing provider failure.
 - d) Learner protection arrangements are agreed between parties.
- 1.2 The Department for Education provided the opportunity for devolved areas to bid for capacity funding to help achieve the above. Bids required that any funds requested were matched by local funding.
- 1.3 The estimated costs of delivering this implementation stage over two years is £975,748. The bid to DfE is £480,932 (49.29%) requiring a local contribution of £494,816 (50.71%).
- 1.4 This paper seeks approval of the Joint Committee for £494,816 from the York and North Yorkshire Combined Authority to leverage £480,932 from DofE.
- 1.5 It should be noted that the majority of these costs will be incurred after the MCA is legally created (est. Nov 23), however in order to meet DofE timelines, there will be a need to progress at risk from September 23. No external costs will be incurred until DofE have approved the YNY bid amount.

- 1.6 It should also be noted that where possible existing staff resources will be utilised to deliver the programme of activity and the MCA funding requested here will recompense both local authorities' staff time spent on implementation.
- 1.7 The paper also seeks approval that the existing LEP Skills and Employability Board, with the addition of representatives from each local authority, forms the interim project Board for the implementation stage of the AEB.

2.0 BACKGROUND

- 2.1 The Adult Education Budget (AEB) is a key commitment of York & North Yorkshire from the devolution deal with the Combined Authority taking responsibility for the AEB commencing August 2025.
- 2.2 The AEB provides funding to support the engagement of adults, aged 19 and over, to equip them with the skills needed to progress to employment, apprenticeships or other learning. This provision is currently delivered by learning providers such as Local Authorities, Further Education Colleges and independent training providers. Currently in York and North Yorkshire the AEB is administered by the DfE/Education and Skills Funding Agency (ESFA).
- 2.3 Devolution of the AEB will see the Combined Authority become the commissioner of AEB learning provision (see below).



- 2.4 The Devolution Deal for York and North Yorkshire did not specify a level of funding for AEB, however based on 2018-2019 data AEB for York & North Yorkshire was an estimated £11.2million pa. This funding supported approximately 17,000 learners with almost 10,000 learners participating in courses funded through the Education and Training strand and close to 7,000 participating in Community Learning. For further information on AEB in York and North Yorkshire see appendix 1.
- 2.5 AEB has previously been devolved to other mayoral Combined Authorities (MCAs) such as West Yorkshire CA and Tees Valley CA. MCAs have developed and implemented a range

of flexibilities to how they commission AEB to ensure the fund can meet local skills needs and priorities as identified in their AEB Skills Strategies including:

- **Tees Valley:** Bespoke Employer Led Programmes (BELPs) – using AEB to provide programmes responsive to employer needs and vacancies/skills.
- **West Yorkshire:** Economic response/Innovation funding pot that can procure responsive provision and encourage innovative approaches/delivery.
- **North of the Tyne:** Introduced new learning aims and funding rates aimed at addressing child poverty.

3.0 AEB IMPLEMENTATION FUNDING

- 3.1 Those areas where the adult education element is planned to come into effect from 1 August 2025 are now eligible to submit a business case to Department for Education (DfE) in support of a request for implementation funding to help build capacity and capability in managing devolved AEB. The business case has been produced by officers in accordance with DfE requirements and was submitted on 22nd May 2023 (see appendix 2).
- 3.2 North Yorkshire Council (NYC) currently serves as the Accountable Body for the prospective Combined Authority (as agreed at the North Yorkshire Council and City of York Council Joint Devolution Committee meeting held on 13th March 2023) prior to the formal establishment of the Combined Authority by Parliament. Therefore, the business case is subject to and will operate in accordance with NYC's robust Financial Management and Control systems. If the business case proposal is successful, the implementation funding will be made via a grant award by the DfE to NYC. DfE current timelines indicate a section 31 grant offer letter will be issued in September 2023.
- 3.3 The implementation funding covers the period August 2023-July 2025 and can only be accessed to fund the costs of preparatory work associated with devolution of the AEB and only where those costs cannot be met by local funding. Both DfE and MCA are expected to contribute funding towards the implementation plan ensuring the area is able to take on the AEB on 1 August 2025. DofE will provide a maximum of 50% of costs.
- 3.4 Local contributions can be either cash or utilising existing staff resource. It is recognised that much of this will be provided by CYC and NYC and it is therefore proposed that the MCA will reimburse each LA for the staff time accumulated on the implementation of AEB.
- 3.5 DofE Implementation funding will only be made available for new staffing costs in the implementation phase - that is those who start on or after August 2023. DfE will assess all business cases and will inform all areas of the outcome by July 2023.
- 3.6 A range of functions and roles are required to ensure we have the necessary strategies, systems and processes in place to commission provision and administer the fund including:
- Project Management – overseeing the implementation stage
 - Strategy and policy development – production of an AEB Skills Strategy for York and North Yorkshire
 - MI, Systems and Data analysis – Management and data systems in place and embedded

- Commissioning and Procurement – development of commissioning strategy and framework
- Legal and Compliance – All legal and compliance requirements identified and appropriate systems in place
- Finance and Audit – ensuring payment systems are in place and adhered to, ensuring accountability to deliverers and DfE.
- Comms and Engagement – including engaging with stakeholders and learning providers to develop strategies and systems

For further detail on the proposed roles, functions and timeline see appendix 3

- 3.7 Oversight of the process will be provided by a York & North Yorkshire AEB Project Board. Due to the timeframes associated with the implementation it will be necessary to commence work prior to the legal establishment of the MCA. It is therefore proposed that the role of the project board be undertaken by the Y&NY LEP's Skills and Employability Board on an interim basis until the MCA is established and the role can be inherited by the appropriate thematic group in accordance with the MCA's constitutional arrangements and the LEP's devolution integration plan.
- 3.8 The project board will provide support and guidance to inform the MCA and local authorities on the implementation stage of AEB. The SEB has a wide ranging representation of key stakeholders and relevant education and training providers – this will also be reflected in the MCA's relevant thematic group. To enhance the democratic accountability on the board, the SEB will also appoint a lead skills member/portfolio holder from each constituent authority.
- LEP Board
 - Private Training Organisations
 - Government Departments
 - Voluntary Sector
 - Schools
 - Further Education
 - Higher Education
 - Employers
 - Lead Officers from City of York Council and North Yorkshire Council
 - Lead Members from City of York Council and North Yorkshire Council – new.
- 3.8 The project board does not have delegated decision-making powers but will provide advice, guidance and subject matter expertise to the Joint Devolution Committee and MCA Cabinet.

4.0 CONSULTATION UNDERTAKEN

- 4.1 A core project team of across CYC, NYC and LEP have led development of the proposals and has included consultation with finance and HR colleagues.
- 4.2 In addition the project team have engaged with other MCAs who have completed the implementation stage and are now delivering AEB in their areas, which has informed recommended staffing levels, functions and costings.

5.0 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 City of York and North Yorkshire Councils committed within the devolution deal to devolving Adult Education Budget from 1 August 2025 and to meet the necessary investment readiness requirements. Should match funding not be secured from the MCA, the DofE funding will not be able to be drawn down and the cost of meeting the commitment will fall upon the constituent councils and Combined Authority, once created.
- 5.2 If insufficient resources are identified there is a risk that readiness conditions will not be met and the Combined Authority will not be in a position to manage the AEB as of August 2025.
- 5.3 In the above scenario consideration would need to be given to the level of 'in kind' funding via existing staff time/roles within both Local Authorities and the Local Enterprise Partnership, that could be allocated to the implementation roles/functions as laid out in Appendix 4.

6.0 FINANCIAL IMPLICATIONS

- 6.1 Agreement of the £494,816 match funding will ensure that, if approved, the full £480,932 can be drawn down from DofE.
- 6.2 Until the Mayoral Combined Authority is created by statute, estimated in November 2023, this work is at risk, however advice from existing MCA's is that work needs to start early in order to be ready for AEB devolution in August 2025.
- 6.3 The costs incurred between September and November 23 will be modest and restricted to internal staff costs and recruitment. No appointments will be made until the DofE confirmation.
- 6.4 A full break down of costs are outlined in appendix 5. This also includes an indication of DfE funded items and match funded items within the costings.
- 6.5 Should implementation funding not be secured from DfE, the full cost of preparing for devolution of AEB funding will fall upon North Yorkshire Council, City of York Council and the Mayoral Combined Authority once in place. In this scenario a revised proposal will be presented to the Joint Committee.

7.0 LEGAL IMPLICATIONS

- 7.1 No legal implications have been identified. The submission of the business case has been conducted in accordance with North Yorkshire Council's processes and procedures.

8.0 EQUALITIES IMPLICATIONS

- 8.1 An Equalities Impact Screening assessment has been undertaken and no adverse implications have been identified. Subsequent use of those funds will be subject to further assessments where appropriate and will be conducted in accordance with relevant legislation and with consideration of the policies of the York and North Yorkshire Mayoral Combined Authority which will then be in place.

9.0 CLIMATE CHANGE IMPLICATIONS

- 9.1 A Climate Change Impact Screening assessment has been undertaken and no adverse implications have been identified. Subsequent use of those funds will be subject to further assessments where appropriate and will be conducted in accordance with relevant legislation and with consideration of the policies of the York and North Yorkshire Mayoral Combined Authority which will then be in place.

10.0 RISK MANAGEMENT IMPLICATIONS

- 10.1 Potential risks are negligible at application stage. If the application is successful and a grant offer letter received, consideration can then be given to the specific terms and conditions of the grant and any further potential risks and mitigations considered.
- 10.2 At delivery stage, a programme team incorporating North Yorkshire Council, City of York Council and the York and North Yorkshire LEP alongside the SEB as the proposed AEB Project Board, will manage implementation of this project. Risks will be managed through this programme team and Project Board feeding up to the devolution risk register. Failure to access funds will place significant financial burdens on North Yorkshire Council and City of York Council. Furthermore, if cash match is not available there is a risk of insufficient capacity within existing posts with both authorities and the LEP to undertake the level of work required in the implementation stage.
- 10.3 Governance structures established to manage the AEB need to reflect the new role of the Combined Authority as Commissioner whilst recognising and managing the risk posed by the potential conflict of interest of both Local Authorities as deliverers of AEB provision.
- 10.4 Significant reputational risk would be incurred if York and North Yorkshire did not secure adequate resources and were unable to devolve the funding in August 2025, as agreed in the devolution deal.

11.0 HUMAN RESOURCES IMPLICATIONS

There will be a requirement to recruit additional specialist posts using the implementation (as detailed in appendix 3). However, as outlined in the report, if cash match is not available from the Combined Authority, there will be implications for existing staff resource. The programme team and Project Board will work across departments and with Senior Managers to identify existing staff expertise and capacity and consider proposals to undertake activity on AEB implementation.

12.0 REASONS FOR RECOMMENDATIONS

- 12.1 Confirmation of match funding will enable capacity funding to be drawn from DfE to support the implementation stage of the devolution of the AEB. Without funding from DfE the Combined Authority, City of York and North Yorkshire Councils will need to fund the implementation costs from existing budgets and staffing, creating both financial and capacity issues.

12.2 The SEB, with the addition of elected members from each Local Authority, has the expertise and representation to provide an advisory and steering role to the implementation stage of AEB.

13.0	RECOMMENDATION(S)
13.1	<p>The YNY MCA will receive £9m Mayoral Investment Funding on creation of the MCA with power to invest that funding in advance of the Mayor being elected. It is proposed that £494,816 Mayoral Investment Funding is allocated to enable the MCA to drawdown £480,494 from DofE and to support the required work in meeting the investment readiness conditions required to devolve the AEB Budget.</p> <p>This is as set out in the business case at Appendix 2.</p>
13.2	<p>That the existing YNYLEP Skills and Employability Board (SEB) take on the role of the Project Board with the addition of elected members from each Local Authority to oversee the implementation stage and drive progress.</p>
13.3	<p>Prior to creation of the Mayoral Combined Authority (MCA), North Yorkshire Council are acting as the Accountable Body for MCA funding. Therefore it is recommended the North Yorkshire Council Corporate Director – Resources (s151) be given delegated authority to accept any funding ultimately offered as a result of the business case submitted to DfE for AEB implementation funding in consultation with co-chairs of the Joint Committee.</p>

APPENDICES:

Appendix 1 – Snapshot of Adult Education Budget in York & North Yorkshire

Appendix 2 – York & North Yorkshire Business Case for DfE AEB Implementation Funding

Appendix 3 – AEB Implementation Stage - Proposed Roles, Functions and Timeline

Appendix 4 - Implementation stage full cost breakdown

BACKGROUND DOCUMENTS:

- [Devolution Joint Committee Minutes - 13 March 2023](#)
- [Adult Education Budget \(AEB\) Funding Rules 2022 to 2023 \(Guidance\)](#)
- [York and North Yorkshire Devolution Deal 2023](#)
- [Issue details - Adult Education Budget Implementation Plan and Capacity Funding | North Yorkshire Council](#)

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Northallerton
15 May 2023

Report Author – James Farrar, COO YNYLEP
Presenter of Report – James Farrar, COO YNYLEP

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.

PLEASE ALSO NOTE THAT IF ANY REPORTS / APPENDICES INCLUDE SIGNATURES THESE MUST BE REMOVED / DELETED PRIOR TO SENDING REPORTS / APPENDICES TO DEMOCRATIC SERVICES. Appendices should include an Equality Impact Assessment and a Climate Impact Assessment where appropriate

Appendix 1

York & North Yorkshire Adult Education Budget Snapshot

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

The LEP commissioned research in 2020 in preparation for devolution of AEB. Whilst this research will need to be refreshed as part of the implementation stage, it does provide some baseline data. Below are some snapshots and conclusions from that research.

There are 2 strands to AEB: Education and Training (ET) and Community Learning (CL). Funding is allocated via a mixture of grants and contracted services. All data relates to 2018-19.

Scale of AEB provision in YNY

	Education and Training	Community Learning	Total
Funding (£)	£8.2m	£3.0m	£11.2m
Participation (unique learners)	9,950	6,700	16,650
Enrolments	13,930	11,480	25,410
Starts (unique learners)	8,996	6,630	15,626
Continuing learners	1,127	100	1227

Provider Profile in YNY: Total providers 220

Type of provision	Number of providers/%
Education & Training	179
Community learning	11
Both ET & CL	30
FE colleges	50%
Independent Training Providers	30%
Local Authorities	12%
Grant Providers based in YNY	7
Grant Providers based outside of YNY	147
Providers of contracted services	68

Top 10 providers by value (£) of formula funding

Provider Name	Total notional funding	ET prime provider	CL prime provider	Grant provider	Procured provider
Darlington College	976,290	Yes	No	Yes	No
North Yorkshire Council	947,517	Yes	Yes	Yes	No
York College	915,832	Yes	No	Yes	No
Craven College	510,266	Yes	Yes	Yes	No
Grimsby Institute Of Further And Higher Education	454,325	Yes	Yes	Yes	No
Askham Bryan College	323,400	Yes	Yes	Yes	No
City Of York Council	302,471	Yes	Yes	Yes	No
Hull College	298,550	Yes	No	Yes	No
Selby College	285,443	Yes	Yes	Yes	Yes
Nottingham College	198,970	Yes	No	Yes	No

Top 10 providers by number of Community Learning participants

Provider Name	CL learners	ET prime provider	CL prime provider	Grant provider	Procured provider
North Yorkshire County Council	2,390	Yes	Yes	Yes	No
City of York Council	2,250	Yes	Yes	Yes	No
Workers' Educational Association	1,250	Yes	Yes	Yes	No
Craven College	220	Yes	Yes	Yes	No
Grimsby Institute of Further and Higher Education	100	Yes	Yes	Yes	No
Middlesbrough Council	80	Yes	Yes	Yes	No
Askham Bryan College	70	Yes	Yes	Yes	No
Shiplay College	40	Yes	Yes	Yes	No
Selby College	30	Yes	Yes	Yes	Yes
Nelson and Colne College	30	No	Yes	No	No

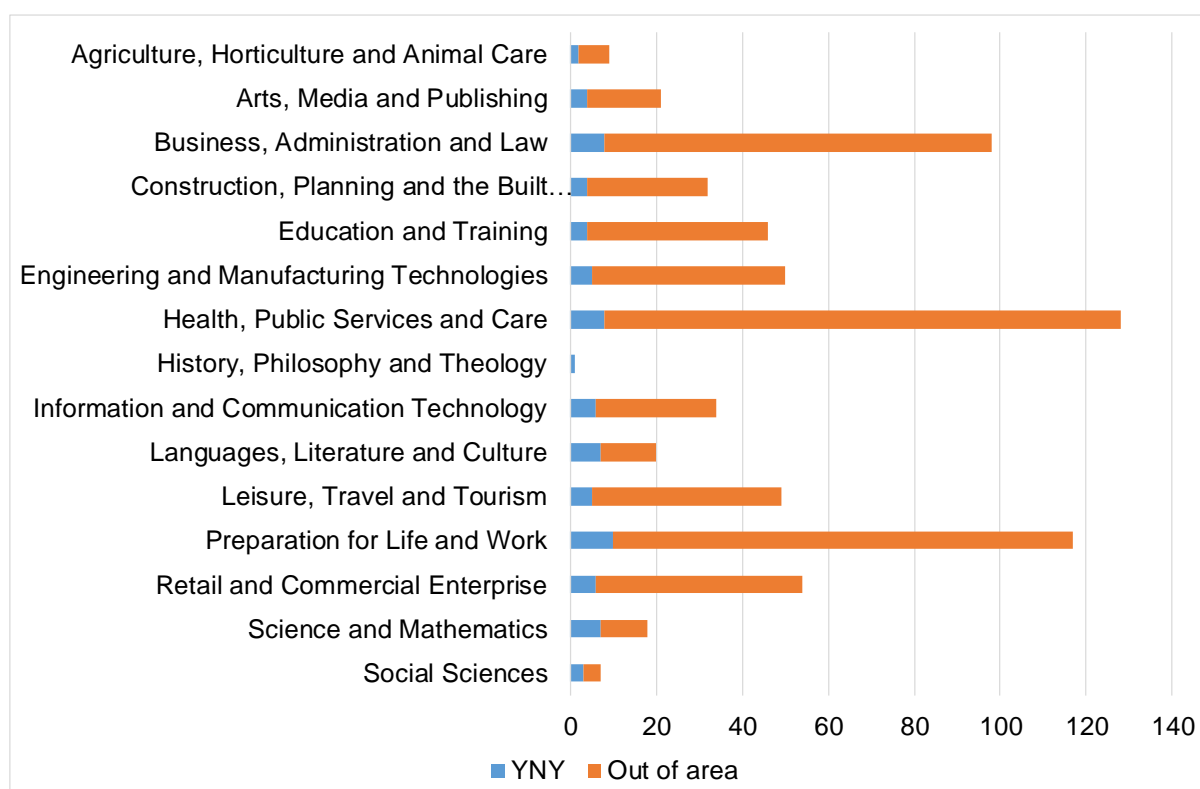
Learner Profile

Learner	% of total learners
Women	67% (almost $\frac{3}{4}$ for community learning)
19-23 yr olds	12%
31-49 yr olds	20%
50-64 yr olds	23%

Funding Profile by District for Education & Training allocation

District	%
York	22
Scarborough	18
Harrogate	17
Richmondshire	16
Selby	10
Hambleton	7
Ryedale	5
Craven	5

Subject coverage of providers serving YNY – Count of Providers



Headline conclusions from Research

- The district-level pattern of AEB provision is different to the profile of population, unemployment and deprivation within the LEP area and is arguably not reflective of the pattern of need.
- Provision is heavily weighted towards Level 2 as opposed to below Level 2 in YNY, with basic skills a relatively small feature. This probably reflects YNY's relatively strong attainment among its population.
- There is a considerable base of providers active in the YNY area with a number of providers working within each subject area. This suggests that a range of provision is available with the potential for a degree of duplication.
- YNY has a significant dependence on out-of-area providers, with organisations in neighbouring districts, such as Darlington College, playing an important part in meeting needs and entitlements, some of them through outreach arrangements, including into rural areas.
- The number of "cross-border" learners travelling to a delivery location outside YNY is significant, with a handful of neighbouring districts, including Leeds, Darlington and Doncaster, accounting for the bulk of such learners.
- Provision is concentrated in *Preparation for Life and Work, Health and Social Care and Business Administration and Law*.

Appendix 2: AEB Implementation funding Business case



Implementation Funding Business Case Template

This template has been created for applicants to provide a more detailed narrative against the implementation costs requested in the 'Business Case Financial Breakdown' spreadsheet, with the headings in this template mirroring those in the spreadsheet. Please refer to the associated guidance document for more info on what to include in each category.

Business Case Overview

Total estimated implementation costs from August 2023-July 2025: £975,748. This is costed for 8 months of 2023-24, 12 months of 2024-25 and 4 months of 2025-26.

Local Authorities/Combined Authority contribution: £494,816 (50.71%). This is made up of cash and in kind contributions. This overall contribution has been agreed in principle by Chief Executives of both Local Authorities (City Of York Council (COYC) and North Yorkshire Council (NYC)) and is subject to formal approval by the Devolution Joint Committee in July. The two Local Authorities, acting on behalf of the CA are committed to commencing the implementation process from August 2023 and commencing the recruitment process at risk (i.e. recruitment preparation including drawing up job descriptions). This will be undertaken by existing staff resource to enable the implementation team to be in place as soon as possible. In the implementation stage the existing staff resources, from both Local Authorities, will cover the broad areas of: strategic management, strategy and policy development, MI and data analysis, legal, finance and governance and communications and engagement. The contribution also includes resources to support consultancy/subcontractor costs to ensure specialist support for the development of management information systems, data analysis and strategy development.

DfE contribution: £480,932 (49.29%). This will enable the appointment of 3.5 FTE (as detailed in tables below) to carry out dedicated tasks throughout the implementation stage. Part of this contribution has also been allocated to consultancy/sub contractor costs to enable more specialist support in key areas including: economic evidence, management information systems, data analysis and strategy development.

Your area's current position, funding already put to this work and level of preparedness to undertake AEB devolution

Leaders and senior officials of the York and North Yorkshire Local Authorities have already invested significant resource in making the case for, and developing, the Devolution Deal. This deal includes devolution of adult education functions and the core Adult Education Budget (AEB), as well as input into the new Local Skills Improvement Plan for the sub region.

In view of the timescales between the announcement of the Deal, establishment of the new YNY MCA and implementation of the devolved AEB, officers employed by the York

and North Yorkshire Local Enterprise Partnership supported by the two Local Authorities have been initially utilised to progress and prepare for devolution.

This has involved on a temporary basis, a dedicated member of the LEP Team (Skills and Employability Manager) acting as co-ordinator for the implementation to date. In addition, in kind resources are being provided by the two Local Authorities. This will continue up to the recruitment of the new team as proposed in this business case. Work to date has included:

- **Establishing an AEB Working group** to commence working on AEB implementation in October 2022. This is made up of Head of Strategy (YNYLEP), Shared Head of Adult Learning and Skills (COYC and NYC), Skills Manager (COYC) and Skills and Employability Manager (YNYLEP). In order to shape the implementation team in preparation for recruitment of 'new roles', initial consultation has taken place in order to make recommendations on staffing and resources including capacity and expertise, to ensure assignment of existing staff resources and that the implementation plan can be executed. The working group has also started work on developing a skills framework to 'set the scene' for the work on the AEB Skills Strategy and Commissioning strategy and ensure alignment with other strategies/initiatives e.g. LSIPs, Bootcamps, UKSPF etc.
- **Establishment of the Joint Devolution Committee** with Executive Member representation from both LAs and provides oversight of the development of the York and North Yorkshire Combined Authority, ensuring that it is able to be launched in accordance with the Statutory Orders issued by Government.
- **Establishing an AEB Implementation Project Board** – this has been agreed by Chief Executives and will include Elected members with responsibility for Skills and representation at Director level from both Local Authorities and the LEP. The Board will advise and endorse AEB funding priorities (Skills strategy), commissioning approach, funding decisions and have oversight of delivery.
- A number of reports have been taken to Executive members and Chief Executives of both authorities, raising awareness of AEB devolution requirements and to obtain the necessary endorsements to progress activity.
- Brokering meetings with current AEB providers to gather intelligence and learn from experiences to improve delivery.

Why the additional amount you have specified as necessary is required to support the implementation of AEB devolution in your area.

Why the roles specified are necessary and at the salary levels indicated.

The reasons for requiring the funds as they have been set out - for example, you may wish to supply additional information on why the level of funding you have specified is needed

We have consulted with Mayoral Combined Authorities (MCAs) who are now delivering devolved AEB, as well those currently submitting their business cases, in order to inform and estimate staffing needs to ensure they are both realistic and sufficient to deliver the devolved budget within the specified deadlines. Moreover, the overriding principle for YNY MCA is to provide efficient and effective delivery, utilising existing resources wherever possible. Therefore, this business case reflects what we feel is the minimum resource requirement to enable the efficient and effective delivery of the implementation stage. We have identified total costs of £975,748 required to resource the implementation stage. The Local Authorities of YNY and the LEP, as part of the MCA Joint Committee, have

identified £494,816 of cash and staff in kind support that can be assigned to AEB devolution implementation. In light of resources needed for preparing for wider devolution, alongside NYC having recently undergone Local Government Re-organisation and the subsequent period of uncertainty around staffing levels and roles; it is considered that this is the maximum amount of existing capacity that the Local Authorities can identify. Therefore, there is a funding gap of £480,932 that is outlined in this business case. The total costs have been calculated as a result of consultation and the work of the working group and has identified significant resource needs in order to meet the readiness conditions and mapped them against 6 key workstreams that require resourcing throughout the implementation stage; to drive implementation and provide consistency. This consistency will enable a team to be established that can manage the shifting priorities and peaks and troughs in workload; as well as building the expertise and capacity to transition to delivery stage:

1. Strategic and Project Management

DfE contribution: A new lead project management role will oversee the entire implementation stage and is crucial to meeting the readiness conditions set out by DfE and ensuring we have the strategies, systems and processes in place to receive the AEB.

Local Authorities contribution: Strategic management of the implementation stage including ensuring necessary governance structures are in place including the establishment of a Project Board and tailoring existing systems in relation to the wider Combined Authority and devolution .

2. Strategy and Policy Development

DfE Contribution: A dedicated new role will lead the strategy and policy work in relation to both the Skills Strategy and Commissioning Strategy. In addition, in the first year and early part of year2 of implementation, consultancy/sub contractor resources will also be used for specialist input into both the Skills and Commissioning strategies and ensure the necessary level of stakeholder and provider engagement can be undertaken. Costings regarding consultants has been based on previous pieces of research and stakeholder engagement undertaken by the LEP.

Local Authorities contribution: specific skills strategy and commission/procurement strategy support will be drawn upon from both Local Authorities to support the work of the Skills Strategy and Policy Manager.

3. MI and data

DfE Contribution - A dedicated new role will focus on the development, testing and implementation of management and data systems to support the management of AEB including: data sharing/protection, performance management and reporting and development of claims and payment systems linked to MI systems/ILR

Local Authorities contribution: support with developing management and data systems and where possible tailoring existing systems in relation to the wider Combined Authority and devolution. Additional consultancy expertise will also ensure robust economic evidence and analysis including analysis of the data cube and evidence for strategy development. The LEP has previously commissioned data expertise from West Yorkshire Combined Authority (2020) to support AEB and Labour Market Analysis data research. A refresh of this research will be commissioned.

4. Commissioning Strategy and Framework

DfE Contribution only: A dedicated new role to lead on the development of a commissioning strategy and development and implementation of funding rules, technical guidance and procurement/contracting arrangements. Consultancy/sub contracting support in year 1 and beginning of year 2 will also provide specialist support to this role.

5. Finance, Legal and Governance

Local Authorities contribution only: Approvals and delegations, management of grant funding, setting up payment systems, funding agreement and contracts; establishing governance structures and providing all legal requirements as identified.

6. Communications and Engagement

Local Authorities Contribution only: Develop a communication and engagement plan, as well as ongoing engagement with stakeholders and learning providers.

Roles and salary levels adhere to NYC HR policies and procedures as the Accountable Body. Existing staff costs are based on existing roles and new posts have been benchmarked within existing NYC structures and teams taking into account responsibility, accountability and autonomy of decision making required to carry out the identified implementation roles. All posts include:

- Salary on costs of pension and NI
- Corporate overheads including: payroll, HR, accommodation, Finance (Accounts Payable and Receivable), legal, Cost of Democracy (Democratic Services), Insurance and I.T. In consultation with NYC finance this has been applied at 15% in line with NYC standard rates of 10-20% applied to funding applications.
- An annual 3% increase on salaries.

What other sources of funding are available to be used for this purpose?

This could include other sources of funding that were considered and why these were not suitable or taken up;

Both Local Authorities' cash and in kind support has been identified to support the implementation stage. Consideration was given to in kind support from other partners and stakeholders but as they are also AEB providers/deliverers, this was considered to constitute a conflict of interest.

What are the implications for you if you do not receive the funding and what impact would this have on the implementation arrangements;

If we do not receive the funding, the implementation stage would need to be significantly reconfigured. The resources identified by the Local Authorities would have to be stretched over a much longer time period and would significantly put at risk the effective implementation of these activities and risk readiness conditions not being met in time for August 2025.

1. Staff Costs

Category	Financial year	Please provider a detailed breakdown of costs you will be claiming
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Direct Staff Costs	23/24	<p>Total costs to be claimed £321,288 for 8 months</p> <p>DfE contribution: £160,694 (50.01%)</p> <p>Local Authorities/Combined Authority contribution: £160,594 (49.99%)</p> <p>Claiming from DfE:</p> <p>1FTE Implementation Manager @ grade N SP 42. This role will be crucial in overseeing the implementation stage including:</p> <ul style="list-style-type: none">• Ensuring we can meet the readiness conditions set out by DfE in line with agreed milestones and timelines• Ensure we have the strategies, systems and processes in place to receive the AEB.• Management of implementation funding and staff/resources <p>1FTE Skills Policy and Strategy Manager @ grade N SP 42. This role will:</p> <ul style="list-style-type: none">• Lead on development of AEB Skills Strategy and Commissioning strategy.• Research good practice in other areas and develop local flexibilities to enable the priorities identified in the AEB skills strategy to be implemented.• Ensure alignment and strategic fit with other strategies and programmes• Engage with stakeholders and consult with providers <p>1FTE MI/Data Officer @ grade L SP 34</p> <ul style="list-style-type: none">• Development, testing and implementation of management and data systems to support the management of AEB including: data sharing/protection, performance management and reporting and development of claims and payment systems linked to MI systems/ILR <p>0.5 Commissioning Officer @ grade L SP. This role will support the Strategy and Policy Manager to:</p> <ul style="list-style-type: none">• Develop the commissioning strategy and framework• Focus on provider consultation in relation to commissioning and procurement• Develop funding rules and technical guidance. <p>Claiming from Local Authorities:</p> <p>2x 0.25 Skills and Policy Managers @ grade N SP 42</p> <p>0.6 MI/Data Officer @grade L SP 34</p>
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3x 0.1 FTE Assistant Director (COYC, NYC, YNYLEP) @ grade AD2 SP 65
 0.2 FTE Head of Strategy @ grade SM1 SP 49.
 0.1 FTE Legal & Compliance Manager @ grade M SP 40
 0.2 FTE Finance Manager @ grade L S36
 0.6 FTE Comms & Engagement Officer @ grade J SP29

This will cover officer time related to the following key tasks and functions:

- Provide strategic direction for the implementation stage as well as link across wider departments tailoring existing systems including governance and assurance in relation to the wider Combined Authority and devolution.
- Support the development of the AEB and Commissioning Strategy
- Economic evidence and analysis to support AEB skills and commission strategies including data analysis (DfE data cube) to understand demographics and current AEB spend profile.
- Development of Communications and Engagement Plan
- Engage with stakeholders and learning providers
- Provide all legal, governance and audit (via Veritau as NYC auditors) requirements identified
- Manage approvals and delegations, grant funding, setting up payment systems in line with AEB funding rules, funding agreement and contracts.

24/25

Total costs to be claimed £487,281 for 12 months

DfE contribution: £240,436 (49.34%)

Local Authorities/Combined Authority contribution: £246,845 (50.66%)

Claiming from DfE:

1FTE Implementation Manager @ grade N SP 42. This role will be crucial in overseeing the implementation stage:

- Ensuring we can meet the readiness conditions set out by DfE in line with agreed milestones and timelines
- Ensuring we have the strategies, systems and processes in place to receive the AEB
- Management of implementation funding and staff/resources

1FTE Skills Policy and Strategy Manager @ grade N SP 42. This role will continue work on policy and strategy with a focus on:

- Lead on developing and implementing AEB and Commissioning framework and strategy
- Policy development to ensure flexibilities can be embedded in systems and processes, reflect the provider base across YNY and support the delivery priorities identified in the AEB Skills Strategy.
- Engagement with stakeholders and consultation with providers

1FTE MI/Data Officer @ grade L SP 34

- Development, testing and implementation of management and data systems to support the management of AEB including: data sharing/protection, performance management, compliance and assurance, reporting and monitoring/evaluation templates and development of payment systems linked to MI systems/ILR

0.5 Commissioning Officer @ grade L SP 36

- Continue to support the Strategy and Policy Manager to develop the commissioning strategy and framework
- Focus on the procurement process and contracting arrangements as well as development and implementation of funding rules and technical guidance.

Claiming from Local Authorities:

2x 0.25 Skills and Policy Managers @ grade N SP 42

0.6 MI/Data Officer @grade L SP 34

3x 0.1 FTE Assistant Director (COYC, NYC, YNYLEP) @ grade AD2 SP 65

0.2 FTE Head of Strategy @ grade SM1 SP 49

FTE Legal & Compliance Manager @ grade M SP 40

0.2 FTE Finance Manager @ grade L SP 36

0.6 FTE Comms & Engagement Officer @ grade J SP 29

This will cover officer time related to the following key tasks and functions:

- Provide strategic direction for the implementation stage as well as link across wider departments tailoring existing systems including governance and assurance in relation to the wider Combined Authority and devolution.
- Support the development of the AEB and commissioning strategy with particular focus on commissioning strategy and procurement policy
- Support the development and implementation of management and data systems including: analysis of ILR data, reporting, monitoring/evaluation, performance management and payments.
- Provide all legal, governance and audit (via Veritau as NYC auditors) requirements identified
- Manage approvals and delegations, grant funding, setting up payment systems in line with AEB funding rules, funding agreement and contracts.
- Implementation of Communications and Engagement Plan

- Ongoing engagement with stakeholders and providers including ensuring information about new processes, funding rules and timescales is communicated to providers and partners including development of website and social media assets

25/26

Total costs to be claimed £167,179 for 4 months

DfE contribution: £79,803 (47.74%)

Local Authorities/Combined Authority contribution: £87,376 (52.26%)

Claiming from DfE:

1FTE Implementation Manager @ grade N SP 42. This role will be crucial in overseeing the implementation stage:

- Ensuring we can meet the readiness conditions set out by DfE in line with agreed milestones and timelines
- Ensuring we have the strategies, systems and processes in place to receive the AEB
- Management of implementation funding and staff/resources

1FTE Skills Policy and Strategy Manager @ grade N SP 42

- Further development of strategies and policies to introduce future flexibilities and innovation to commissioning.
- Ongoing engagement with stakeholders and providers

1FTE MI/Data Officer @ grade L SP 34

- Ensuring systems are in place, tested and ready to go live in August 2025 to enable the management of AEB

0.5 Commissioning Officer @ grade L SP 36

- Support implementation of Commissioning strategy and framework
- Support procurement and contracting process
- Ongoing engagement and support to providers

Claiming from Local Authorities:

2x 0.25 Skills and Policy Managers @ grade N SP 42

0.6 MI/Data Officer @ grade L SP 34

3x 0.1 FTE Assistant Director (COYC, NYC, YNYLEP) @ grade AD2 SP 65

0.2 FTE Head of Strategy @ grade SM1 SP 49

FTE Legal & Compliance Manager @ grade M SP 40

0.2 FTE Finance Manager @ grade L SP 36

0.6 FTE Comms & Engagement Officer @ grade J SP 29

This will cover officer time related to the following key tasks and functions:

- Provide strategic direction for the implementation stage as well as link across wider departments tailoring existing systems including governance and assurance in relation to the wider Combined Authority and devolution.
- Manage the transition from implementation stage to operational stage.
- Support to develop future policies to introduce flexibilities and innovation to commissioning and delivery.
- Support to ensure MI and data systems are in place, tested and ready to go live in August 2025 to enable the management of AEB
- Provide all legal, governance and audit (via Veritau as NYC auditors) requirements identified
- Manage approvals and delegations, grant funding, ensuring payment systems are implemented and ready to go live in August 2025 including verifying processes and controls; funding agreements and contracts.
- Ongoing engagement with stakeholders and providers including ensuring information about new processes, funding rules and timescales is communicated to providers and partners including development of website and social media assets.

Sub Contractor Staff Costs

23/24

Claiming from DfE:

£8,000 consultancy/specialist support for the development of data systems to support the management of AEB including data sharing/protection, performance management, compliance and assurance, reporting and monitoring/evaluation and development of payment systems linked to MI systems/ILR

£5,000 consultancy/specialist support to assist with the development of Skills strategy and commissioning strategy and framework

Claiming from Local Authorities:

£5,000 consultancy/specialist support to provide economic evidence analysis to support AEB skills strategy

TOTAL: £18,000

24/25

Claiming from DfE:

£8,000 consultancy/specialist support for the development of data systems to support the management of AEB including data sharing/protection, performance management, compliance and assurance, reporting and monitoring/evaluation and development of payment systems linked to MI systems/ILR

Claiming from Local Authorities:

		£4,000 consultancy/specialist support to assist with the development of commissioning strategy and framework TOTAL: £12,000
	25/26	Claiming from Local Authorities: £4,000 consultancy/specialist support for the implementation of data systems to support the management of AEB including data sharing/protection, performance management, compliance and assurance, reporting and monitoring/evaluation and development of payment systems linked to MI systems/ILR TOTAL: £4,000
Training	23/24	
	24/25	
	25/26	
Recruitment	23/24	
	24/25	
	25/26	
Other	23/24	
	24/25	
	25/26	

2. Accommodation Costs

Category	Financial year	Please provider a detailed breakdown of costs you will be claiming
Rent / Lease / Mortgage Costs	23/24	0.0
	24/25	0.0
	25/26	0.0
Fit out Costs (includes capital charges or depreciation charges)	23/24	0.0
	24/25	0.0
	25/26	0.0
Facilities Management Costs	23/24	0.0
	24/25	0.0
	25/26	0.0
Other	23/24	
	24/25	
	25/26	

3. Operating Costs		
Category	Financial year	Please provider a detailed breakdown of costs you will be claiming
IT Costs	23/24	
	24/25	
	25/26	
Telephony and Communications	23/24	
	24/25	
	25/26	
Legal costs	23/24	
	24/25	
	25/26	
Corporate overheads	23/24	£39,559 overhead costs including: payroll, HR, accommodation, Finance (Accounts Payable and Receivable), legal, Cost of Democracy (Democratic Services), Insurance and I.T Calculated at 15% of all salary costs
	24/25	£61,993 overhead costs including: payroll, HR, accommodation, Finance (Accounts Payable and Receivable), legal, Cost of Democracy (Democratic Services), Insurance and I.T Calculated at 15% of all salary costs
	25/26	£21,284 overhead costs including: payroll, HR, accommodation, Finance (Accounts Payable and Receivable), legal, Cost of Democracy (Democratic Services), Insurance and I.T Calculated at 15% of all salary costs
Other	23/24	
	24/25	
	25/26	

Additional costs		
Category	Financial year	Please provider a detailed breakdown of costs you will be claiming
Please include detail of costs not covered in the above	23/24	
	24/25	
	25/26	

Appendix 3 AEB Roles, Functions and Timeline

Role	Tasks & Outcomes
Strategic Management 0.4 (CA – 0.1 CYC, 0.1 NYC, 0.2 LEP)	Providing strategic direction for the implementation stage
Project Management/AEB Manager 1 FTE (DfE)	Overseeing the implementation stage and ensuring we can meet the readiness conditions set out by DfE to ensure we have the strategies, systems and processes in place to receive the AEB
Strategy and policy development 1 FTE (DfE) 0.5 FTE (CA – 0.25 CYC, 0.25 NYC)	<ul style="list-style-type: none"> • Development and production of a AEB Skills Strategy and Commissioning Strategy and Framework for York and North Yorkshire • Engaging with stakeholders/Consulting with providers • Policy development support to ensure systems, processes, frameworks and strategies reflect the provider base across YNY and support the delivery priorities identified in the AEB Skills Strategy. • Support the development of local flexibilities to the fund to enable the priorities identified in the AEB skills strategy to be implemented.
MI, Systems and Data analysis – 1 FTE (DfE) 0.6 FTE (CA)	<ul style="list-style-type: none"> • Economic evidence analysis to support AEB skills strategy and commission strategy • Development, testing and implementation of management and data systems to support the management of AEB inc data sharing/protection and performance management

<p>Commissioning and Procurement – 0.5 FTE DfE</p>	<ul style="list-style-type: none"> • Provider consultation on commissioning and procurement • Support Development of commissioning strategy and framework • Support Development and implementation of funding rules and technical guidance
<p>Legal and Compliance 0.1 FTE (CA)</p>	<ul style="list-style-type: none"> • All legal and compliance requirements identified and appropriate systems in place
<p>Finance and Audit 0.2 FTE (CA)</p>	<ul style="list-style-type: none"> • Ensuring payment systems are in place and adhered to, ensuring accountability to deliverers and DfE and that payments can be made against AEB policy and funding rules • Verifying processes and controls.
<p>Comms and Engagement 0.6 FTE (CA)</p>	<ul style="list-style-type: none"> • Engaging with stakeholders and learning providers to develop strategies and systems • Ensuring information about new processes funding rules and timescales is communicated to providers and partners

AEB Implementation Timeline

July-Sept 2023	Oct -Dec 2023	Jan-March 2024	April- June 2024	July -Sept 2024	Oct-Dec 2024	Jan-March 2025	April - July 2025	August 2025
<p>Staffing/Resources for implementation agreed</p> <p>Additional recruitment undertaken</p>	<p>Commence work on AEB Skills Strategy and Commissioning strategy</p>	<p>Engage stakeholders & consultation</p> <p>Complete AEB Skills Strategy, Commissioning Strategy and Commissioning Framework</p> <p>Readiness Criteria submitted to DfE</p>	<p>Launch Skills and Commissioning Framework</p>	<p>Commissioning process launched</p>	<p>Awarding of grants & contracts</p>	<p>Awarding of grants & contracts</p>	<p>All agreements and contracts with providers in place ready for delivery August 2025</p>	<p>AEB delivery commences</p>

Ongoing work on developing AEB processes and systems (assurance, finance, funding rules and formulas, management information, performance management, procurement & contracting)

Appendix 4 – AEB Implementation Stage Staffing and Resources

Job Title	Post Holder	DfE/ Match	FTE	Grade	SCP in 23/24	23/24 EST BUDGET £'s	24/25 EST BUDGET £'s	25/26 EST BUDGET £'s	TOTAL EST BUDGET £'s
Implementation and Management									
Implementation/AEB Manager	New role	DfE	1.0000	N	42	45,095	71,082	24,405	140,582
Management - COO	LEP	Match	0.1000	AD2	65	9,203	14,218	4,882	28,303
Management	NYC	Match	0.1000	AD2	65	9,203	14,218	4,882	28,303
Management	COYC	Match	0.1000	AD2	65	9,203	14,218	4,882	28,303
Management - Head of Strategy	LEP	Match	0.1000	SM1	49	5,575	8,614	2,957	17,146
Policy & Strategy Development									
Skills Policy and Strategy Manager	New role	DfE	1.0000	N	42	45,095	71,082	24,405	140,582
Head of Strategy	LEP	Match	0.1000	SM1	49	5,575	8,614	2,957	17,146
Policy and strategy support	COYC	Match	0.2500	N	42	13,938	21,534	7,393	42,865
Policy & strategy support	NYC	Match	0.2500	N	42	13,938	21,534	7,393	42,865
MI & Data									
Mi & Data Officer	New role	DfE	1.0000	L	34	37,722	59,710	20,500	117,932
MI & Data Analysis	NYC/COYC/LEP	Match	0.5000	L	34	18,861	29,855	10,250	58,966
Finance, Legal & Compliance									
Legal & compliance support	COYC/NYC	Match	0.1000	M	40	5,575	8,614	2,957	17,146
Finance/audit support	COYCC/NYC	Match	0.2000	L	36	11,150	17,227	5,915	34,292

