

# North Yorkshire Council

## Children & Young Peoples Services

### Executive Members

28<sup>th</sup> January 2025

## Application to re-base funding for Adult Learning

### Report of the Corporate Director

#### 1.0 PURPOSE OF REPORT

- 1.1 To request authorisation to submit an application to the Mayoral Combined Authority to increase the allocation of funding for the Adult Learning and Skills Service (ALSS).

#### 2.0 SUMMARY

- 2.1 The report details the process required to seek additional funding for the Adult Learning and Skills Service from the Mayoral Combined Authority to increase the indicative allocation of funding, first presented in December 2024, to the base levels of funding in place under the funding arrangement with the Education Skills Funding Agency.

The initial indicative allocation represented a significant reduction in funding that would pose a risk to the continuity and quality of the provision of adult learning and skills in North Yorkshire.

The Combined Authority has developed a simple process to enable grant receiving adult learning providers to request an increase in funding allocations where the indicative amount poses a risk to the continuity and quality of provision.

In addition, the Combined Authority has indicated that there will be further opportunities to consider growth and to tender for further additional funding.

#### 3.0 BACKGROUND

- 3.1 Devolution of the Adult Skills Fund (ASF) was a core requirement of the deal that brought about formation of the York and North Yorkshire Mayoral Combined Authority (YNYMCA) in February 2024. These powers will be implemented from August 1<sup>st</sup> 2025.

- 3.2 Initial indicative allocations were provided on the 4<sup>th</sup> of December 2024, (Appendix A). This detail is shown below in Table 1, with the difference to 2022/23 allocations highlighted in red.

|                         | ESFA<br>2024/25<br>allocation | YNYMCA<br>2025/26<br>indicative | Difference |
|-------------------------|-------------------------------|---------------------------------|------------|
| Adult Skills Core       | £778,073                      | £777,293                        | -£780      |
| Tailored Learning       | £1,914,781                    | £1,187,800.75                   | -£726,980  |
| Free Course for<br>Jobs | £109,072                      | £105,889.19                     | -£3,183    |
| <b>Total</b>            | £2,801,926                    | £2,070,983                      | -£730,943  |

Table 1 – Comparison of YNYMCA proposals to current ESFA allocations

3.5 The difference in Adult Core Skills funding of -£780 is because the 3% tolerance for grant funding offered by the ESFA is not being applied by the Combined Authority. This methodology supports the Combined Authority’s view that the allocation is small and must be prudently managed.

As the North Yorkshire Adult Learning and Skills Strategy is to seek growth, the in-year flexibility offered by the Combined Authority should allow the ALSS to make up this very small differential.

Adult Skills Core and Free Courses for Jobs funding are indicative amounts that are reached based upon the numbers of learners engaged and a tariff value applied to qualifications that is published in a funding matrix.

3.6 Indicative allocations for Community (and now Tailored ) Learning funding were based on:

*‘Community Learning spend in 2022/2023 has been calculated by determining an average cost per enrolment, based on the estimated total Community Learning spend on York and North Yorkshire residents in 2022/2023, and dividing this by the total number of Community Learning enrolments in 2022/2023. This average has then been applied to the number of enrolments in 2022/2023 for each provider to calculate their Community Learning spend’*

#### 4.0 SUBSTANTIVE ISSUE

4.1 The service strategy was designed to use Community (now Tailored) Learning flexibilities to engage individuals who do not see learning as a way to improve their potential, and overcome other significant barriers, and pipeline through key qualifications into specific higher-level skills training. This was embraced as a core principle of the YNYMCA ASF strategy.

4.2 The approved strategy was then used to set the blueprint for the service structure, with roles devised based on supporting learners through that journey. This structure was costed against the grant allocation, in effect spending all of the allocated grant as required.

- 4.3 As a result of the challenging geography of the region, the cost of delivery of community learning if considered on a per enrolment basis is a significant outlier both regionally and nationally.  
The team have worked hard to bring down this unit cost and in 23/24 saw a significant 18% growth in community learner numbers resulting in 32% increase in enrolments. Even with this increase our unit cost sits at around £570.50 per enrolment, whilst the combined authority average is set at around £423.
- 4.3 Whilst the ALSS could respond to a phased introduction to this methodology, in one hit it would be challenging for the service to be able to meet our obligations and support our residents in the way it has planned. The ALSS is confident of growth but cuts to this extent without mitigation may prevent that.
- 4.4 Discussions with the Combined Authority have created an opportunity to develop a simple business case to request additional funds for those providers impacted by this approach.  
Enclosed as Appendix B is that application that must be submitted by January 31<sup>st</sup> 2025.

## **5.0 CONTRIBUTION TO COUNCIL PRIORITIES**

- 5.1 The Council Plan for the county sets five aligned core ambitions: Place and Environment, Economy, Health and Wellbeing, People and Organisation. The ALSS is eager to stress the significant impact that adult learning can have to meet the Council's ambitions. Using creativity, innovation and our community roots, the ALSS can utilise our Adult Skills funding to:
- Increase opportunities for people to manage through the cost-of-living crisis – through understanding waste, energy bills, practical hints and tips with embedded core numeracy, literacy and digital skills.
  - Increase the levels of independence in adults with disabilities to take personal responsibility for health and wellbeing.
  - Encourage families to work, learn and play together – delivering green ambitions, use of the considerable natural beauty of our landscape and the vibrancy of conurbations and to cement the connection with arts and heritage.
  - Encourage more people to see themselves as learners and to benefit from lifelong learning to meet their potential.
  - Support combined pride in and understanding of our wide and welcoming common heritage.
  - Work in spaces in communities to help them be more useful and vibrant.
- 5.2 The delivery and engagement approach of the ALSS seeks to demonstrate clear pathways that:
- Improve essential skills.
  - support people to overcome digital poverty.
  - allow people to take up better jobs that are better suited to their skills, ambitions and aspirations and progress into the wider economic infrastructure.

## **6.0 ALTERNATIVE OPTIONS CONSIDERED**

6.1 Should we be left with the indicative allocation as it is, the service would need to urgently consider its potential options. Whilst some efficiencies could be made it is likely that any response have significant impact on our ability to meet the aims of the Council Plan as detailed above and would be likely hit with adverse publicity.

6.2 These options would need to consider:

- Course and programme viability
- Staffing Structure
- Strategic partnership and bids for additional funds
- Rapid introduction of a paid for learning offer

6.3 The ALSS has options under funding methodology 3 to bid for additional funds that will align with YNYMCA strategic priorities, and this may allow the service to seek a contract that would allow the deployment of staff towards specific priorities.

Further opportunities will also exist through the Mayoral Skills Innovation fund, and through a wider exploration of opportunities for learning, to be used as preventative measure within the health agenda as part of the regional trailblazer and Connect2Work opportunities.

6.4 The service already benefits from funding through UKSPF and Multiply. Whilst these opportunities are being phased out, there are indications of another round of a lesser-funded UKSPF, and a similar fund after this. This creates further opportunity for funding bids that may support strategic outputs.

6.5 Should the Service be unsuccessful in bids for funding or these opportunities for growth do not meet our current grant funding, decisions on both curriculum strategy and the staffing infrastructure that supports this would be needed.

## **7.0 IMPACT ON OTHER SERVICES/ORGANISATIONS**

7.1 The current service strategy, and internal networking opportunities, have begun to see greater integration of the Adult Learning and Skills Service into the vital preventative work of other services and the start of start to support digital upskilling amongst colleagues in Adult Social Care. The ALSS is about to start conversations with colleagues in leisure, tourism and heritage, effectively engaging learners whilst supporting aspects of the Council Plan.

The ALSS is working hard with colleagues in economic development and public health to align approaches and opportunities. Reduction in funding may impact some of these relationships.

## **8.0 FINANCIAL IMPLICATIONS**

8.1 Whilst the reduction in the core funding envelope has been outlined, further challenges are created by the cost of any staff reductions. The service is supported by a significant number of staff with long service and toward pensionable age. Any re-organisation will come at significant additional cost before savings can be made.

## **9.0 LEGAL IMPLICATIONS**

9.1 The document enclosed at Appendix 2 is designed to be a simple process and has been devised by the Combined Authority in line with their own legal frameworks.

## **10.0 EQUALITIES IMPLICATIONS**

10.1 Any potential funding reduction, and subsequent strategic decisions, would require a full assessment on access for learners as well as on any potential staff re-organisation given the age profile of the team.

## **11.0 CLIMATE CHANGE IMPLICATIONS**

11.1 As there are still key decisions to be made and opportunities / challenges to consider it is too early at this stage to consider climate change implications.

## **12.0 PERFORMANCE IMPLICATIONS**

12.1 The ALSS will always seek to work within the funding envelope provided and will face the challenges ahead. Should the ALSS be facing a reduction in funding we will need to work closely with colleagues at the Combined Authority to set clear expectations for learner numbers and growth in these.

## **13.0 RISK MANAGEMENT IMPLICATIONS**

13.1 It has been noted that a key risk to the Adult Learning and Skills Service is the devolution of funding from the Skills Funding Agency to a local funding arrangement through the Mayoral Combined Authority. This local commission model will be driven by the Combined Authority skills strategy that will direct funding. A skills strategy that places a greater emphasis on higher level skills, to the detriment of the types of learning the ALSS aims to deliver, presents a risk. Whilst the published skills plan supports a pipeline for engagement and helps to prove a strong business case to maintain our funding, the smaller funding envelope, and the methodology used, presents a potentially larger risk.

## **14.0 HUMAN RESOURCES IMPLICATIONS**

14.1 Any reduction of funding and potential mitigation is likely to lead to staffing reductions.

## **15.0 REASONS FOR RECOMMENDATIONS**

15.1 Although initial indicative funding is significantly lower than expected the opportunity to apply for additional funding, enables the ALSS to manage the impact of the funding formula.

## **16.0 RECOMMENDATION**

**To approve the application to the Combined Mayoral Authority to rebase funding at the 2022/23 level.**

## **APPENDICES:**

Appendix A – Indicative funding allocation (Provider Report North Yorkshire Council)  
Appendix B – Grant agreement allocation process

**BACKGROUND DOCUMENTS:**

*None*

*Sir Stuart Carlton  
Corporate Director – Children and Young Peoples Service  
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21<sup>st</sup> January 2025*

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