

Birmingham City Council

Report to Cabinet

14 May 2024



Subject: **EQUIPPING BIRMINGHAM ADULTS WITH ESSENTIAL SKILLS – PROPOSAL TO RECEIVE AND SPEND FUNDING WITH DELEGATED AUTHORITY TO INCREASE DELIVERY BY BIRMINGHAM ADULT EDUCATION SERVICE**

Report of: **Professor Graeme Betts, CBE
Acting Chief Executive**

Relevant Cabinet Member: **Cllr Sharon Thompson - Deputy Leader**

Relevant O &S Chair(s): **Cllr Katherine Iroh - Economy & Skills**

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Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 012766/2024		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential:		

1 Executive Summary

- 1.1 Birmingham Adult Education Service (BAES) is seeking authorisation to receive and spend additional income from the West Midlands Combined Authority (WMCA).

- 1.2 BAES is seeking additional resource to enable the service to build on its innovative 'A Good Education to Level 2' programme; a model that the WMCA is seeking to replicate and expand across the region as outlined in the recently published '2024 -2027 Employment and Skills Strategy' (**Appendix 2**). The increased resource will meet expanding demand for Foundation Skills up to Level Two encompassing: English; Maths; and Language Acquisition (ESOL); with Digital skills as the golden thread. The strategy sets out the ambition and pathway to secure a good quality, rounded educational offer for adults who stand to benefit, enabling the development of cultural/social capital and oracy/transferrable skills alongside essential qualifications such as numeracy, literacy and digital that improve life chances and tackle inequalities.
- 1.3 The broad universal target population will be the following adults: unemployed; underemployed; low-waged; and economically inactive. In addition to these 'universal' clusters, there will also be specific pathways specified in each of the Foundation Skills. However, in principle, the programmes will be open to any adult not in possession of the 'hard/soft' essential skills that constitute a 'Good Level 2 Education'.
- 1.4 BAES is grant funded and receives an Adult Education Budget (AEB). The funding is issued on a 'profile' basis, meaning the funding is 'rolled over', subject to compliance with educational, quality, strategic, contractual and data targets. The allocation for 2023/24 academic year is £10,202,333; this is a historic allocation. Additional income would constitute growth in reaching more Birmingham adults. The AEB grant is described as the 'maximum contract for the funding year'. For example, BAES has received for 2024/25 academic year an 'Indicative allocation' for £10,202,333; the indicative element, as part of 'nationwide protocol', is pending contract/funding of 2023/24 performance. Further compliance and quality requirements include meeting full audit, Ofsted, and Department for Education (DfE) requirements.
- 1.5 Further to above, BAES has submitted a business case to WMCA for approval to receive additional funding to the AEB grant for the academic year 2024/25 (1st August 2024 – 31st July 2025).
- 1.6 The proposal is for the additional income of £939,650.
- 1.7 There are no matched funding obligations for Birmingham City Council of any kind arising from the agreement. This applies to the current Adult Education Budget grant or any growth.
- 1.8 The business case has received pre-approval from WMCA SMT. To confirm approval and complete the governance process, WMCA need to ascertain affordability and provide assurances that the additional investment in Birmingham is in line with the investment balance per Local Authority across the region. WMCA expects to be in a position to issue final funding allocations for AEB for the 2024/25 academic year by 30th May 2024.
- 1.9 WMCA sought and received BCC 151 authorisation (ID: 6567) for the proposal to proceed to their SMT for aforementioned approval (1.7). WMCA note that authorisation to receive and spend additional income is pending Commissioners' Review and Cabinet.

- 1.10 With the support and authorisation of the Director for Adult and Social Care, it was agreed to proceed with the submission of this report for approval on the basis of provisional approval by the WMCA. The rationale for this approach is that, if the business case is confirmed by WMCA governance, BAES will be required on operational grounds to immediately secure additional temporary further education sector specialist staffing to ensure capacity and capability is recruited and deployable by 1st August 2024.

2 Background and Context

- 2.1 BAES is the provider of adult learning and skills for Birmingham City Council (BCC). It is entirely funded by the Adult Education Budget (AEB) grant. Until the 2018/19 academic year, the AEB Grant was paid directly to BCC from the DfE. Since 2019 the AEB grant has been devolved by the DfE to the Mayoral Combined Authorities (MCAs) and directly to Local Authorities that are not part of an MCA.
- 2.2 BAES transferred to the Adult Social Care Directorate (ASC) from the Children and Families Directorate in November 2023. It forms part of the Early Intervention and Prevention division.
- 2.3 The BAES Advisory Board is Chaired by Cllr Rob Pocock (Interim Cabinet Member, ASC).
- 2.4 BAES operates within the Ofsted Education Inspection Framework. Ofsted judged BAES as a 'Good' provider (last inspected March 2019). This includes full compliance with Safeguarding and Prevent requirements.
- 2.5 BAES, as expected of all providers, produces an Annual Self-Assessment Report and Quality Improvement Plan, which is submitted to Ofsted.
- 2.6 The January 2024 Matrix report ('Quality Standard for Information Advice and Guidance Services' for further education) noted: "There is an overall commitment across the organisation to the delivery of high quality IAG (information, advice and guidance) that was evident at both a strategic and operational level...underpinning their work is a clear understanding of equity and inclusion."
- 2.7 Relevant DfE priorities for this proposal include 'national entitlement' for English and Maths up to Level 2 (for Functional Skills or GCSE accredited qualifications). This means any eligible adult (for UK residents aged 19 or over) is entitled to *free* tuition/exams if they do not have GCSE 9-4 or equivalent. Similarly, there is a Digital Skills Entitlement for those who 'do not have the essential digital skills required to operate effectively in work and day to day life.'
- 2.8 BAES has taken the lead nationally/regionally innovating a programme of holistic learning that delivers a personalised package of essential 'hard and soft skills' mapped to specific pathways such as further study, a good job or in-work career progression. This 'wrap-around' also includes learner support, careers advice, employability, enrichment, confidence-building and health/wellbeing outcomes which are captured within BAES' 'Social Metrics' framework for distance travelled. WMCA is supporting a regional roll-out of this 'template' which enables BAES to seek additional funding to develop and expand its model in Birmingham.
- 2.9 The additional funding growth is specifically 'ring-fenced' for spend on the following basis:

- 2.9.1 Nationally accredited qualifications up to, but not beyond, Level 2 (GCSE or equivalent such as Functional Skills).
- 2.9.2 The qualifications are restricted to following essential skills: Digital Inclusion; Maths; English (as a first language); and ESOL (English for Speakers of other Languages).
- 2.9.3 As a 'conditional' or temporary allocation for 2024/25 in the first instance.
- 2.9.4 Course design/delivery and learner participation are fully compliant with DfE, Ofsted and WMCA requirements.

3 Evidence of Need by Birmingham LA Wards: Percentage of adults with below Level 2 English and Maths qualifications

<u>WARD</u>	<u>PEOPLE</u>	<u>%</u>
Acocks Green	4828	31
Allens Cross	1919	28
Alum Rock	7981	45
Balsall Heath West	2762	35
Bartley Green	4170	30
Billesley	3482	27
Birchfield (Bham)	3170	38
Bordesley & Highgate	3219	31
Bordesley Green	3659	45
Bromford & Hodge Hill	4704	34
Castle Vale	2322	38
Druids Hull & Monyhull	2145	29
Erdington	3824	28
Frankley Great Park	2473	31
Garretts Green	2609	37
Glebe Farm & Tile Cross	5674	38
Gravelly Hill	2603	37
Hall Green North	4247	28
Handsworth	3255	42
Handsworth Wood	3713	27
Heartlands	3554	42
Highter's Heath	2027	30
Holyhead	3006	41

King's Norton South	2199	32
Kingstanding	4821	36
Longbridge & West Heath	3723	28
Lozells	3393	43

Outcomes and Benefits:

- 3.1 The target group will be the following adults (19 and older): unemployed; underemployed; low-waged; and economically inactive. However, in principle, the programmes will be open to any adult not in possession of essential skills as described in this report.
- 3.2 The additional funding aims to directly reach 700-1000 adults. This is a projected figure rather a specific target. The precise number will be determined by the assessed needs and Individual Learning Plan of participating learners. For example, a learner registered with more enrolments will consume more of the additional resource than a learner with fewer enrolments (funding follows enrolments, not distinct learners).
 - 3.2.1 Improve learners' budgeting capability, practical sustainability knowledge to save energy.
 - 3.2.2 Improve their family finances through improved understanding of interest rates, the impact of debt and debt management.
 - 3.2.3 Maximise their income through smart-spending skills.
 - 3.2.4 Improve their awareness of financial help and grants to retrofit their homes through schemes promoted by partners such as Warmer Homes.
 - 3.2.5 Become aware of the help they can obtain through Family Hubs and Financial Literacy Hubs in the city as part of the Early Intervention and Prevention team's activity.
- 3.3 By increasing participation in these accredited foundational courses, participating learners will improve their chances to get a job or better jobs.
- 3.4 Successful impact of the additional funding will also support 2022-26 Corporate Objectives and Early Intervention and Prevention outcomes as outlined in Section 8 here.

4 Recommendations

Cabinet is recommended to:

- 4.1 To approve acceptance of the additional funding of £939,650 from WMCA for the purposes of increasing AEB funding for 2024/25.
- 4.2 To authorise the Director of Adult Social Care, in consultation with the Deputy Leader, to receive and spend the funding awarded in accordance with para 2.9 above with delegated authority.

Financial Context:

- 4.3 BAES revenue/capital spend (including employees) is entirely self-funded by the AEB Grant. BAES is financially viable without BCC subsidy and always delivers within year-end budget (no overspend).

Exit Strategy:

- 4.4 There are no cost implications for Birmingham City Council arising from the exit strategy.
- 4.5 'Business as usual' BAES delivery is supplied by a mixture of 'salaried' and 'sessional' employees who meet sector-specific skills, experience, and qualifications. This is standard practice for any post-19 further/adult education provider. BAES already employs sessional teachers to fulfil its Adult Education Budget contract and it is envisaged that such employees will be encouraged to accept a greater teaching commitment. Even so, additional sessional teaching capacity will be needed by recruiting more staff on a temporary basis. Exit terms/conditions for existing sessional teachers in the event of reduced work are already contained in the BAES appendix section of BCC Terms and Conditions.
- 4.6 As the Marketing capacity will be supplied by existing staff, through a temporary redistribution of their workload, we will continue to employ them after 2024/25.

5 Options Considered and Recommended Proposal

OPTION A:

Impact the lives of more adults, and their families and communities, by delivering the additional programmes as outlined here.

- 5.1 The project will benefit between 700 and adult 1000 residents directly over the 2024/25 academic year.
- 5.2 The additional funding will enable hundreds of Birmingham adults to receive and benefit from a 'Good Level 2 Education'.
- 5.3 Employers will be assisted with filling vacancies and workforce upskilling.

OPTION B:

Don't deliver the additional programmes and limit BAES delivery to our current allocation. Should this happen WMCA will look less favourably upon BAES in future when submitting business cases for additional growth.

Recommended Proposal

- 5.4 To recommend **Option A** because:
- 5.4.1 It is an excellent opportunity to run innovative and high-quality courses that will have a direct positive impact on the personal life chances of adults, families and communities.
- 5.4.2 Supports workforce and recruitment requirements of local and regional employers.

- 5.4.3 Acts as enabler linked to Cost-of-Living Emergency response by improving outcomes caused by structural inequalities in areas such as education, employment, housing, health, life-expectancy, cultural/civic participation, safer community, and enriched family life.
- 5.4.4 Strategic alignment between inclusive growth, employment, good jobs and upskilling as scoped in the place-based approach underpinning the LA/WMCA deeper devolution delivery and outcomes model.
- 5.4.5 Learners participating on the Foundation programme will have the opportunity to progress to vocational qualifications, HE courses and employer-based opportunities such as pre-apprenticeships/apprenticeships and Into Work programmes within BAES or with partner FE colleges and universities.
- 5.4.6 There is the potential for the conditional funding to become a permanent or 'core' additional resource for BAES beyond 2024/25 academic year.

6 Consultation

- 6.1 There is no consultation required as the project will not affect the Council's existing structure. This programme will not generate the creation of new posts. There will be employees will have a fair and equal opportunity to apply for the vacancies.

7 Risk Management

- 7.1 BAES, like all providers, is required to submit to the Combined Authority (DfE for non-devolved LAs) monthly data through the Individual Learner Record. This permits real-time monitoring by the provider and funder to ensure relevant metrics such as *income generated against enrolments* is meeting specific targets.
- 7.2 Further, the WMCA/BAES meet termly to review performance and agree any mitigating actions (if needed).
- 7.3 BAES has never underperformed against its DfE/WMCA AEB income and enrolment targets.
- 7.4 BAES is fully compliant within the BCC financial, HR and related corporate processes, including measures in place for Grant-funded services under S144 Notice.
- 7.5 BAES is a self-funded BCC service and has no record of delivering a year-end over spend.
- 7.6 BAES can demonstrate value for money, scale, capability and intended impact for the areas in scope for growth as it outperforms the national rates for published accredited qualifications (19+ adults only) for Maths, Digital, English and ESOL:

	BAES 2022/23		National Rate*
	Enrolments (absolute nos.)	Achievement as %	Achievement as %
Information and Communication Technology	5, 266	95.5%	84.4%

Preparation for Life and Work (English, Maths and ESOL)	6, 857	93.1%	86.3%
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*National rate 2022/23 (DfE)

7.7 The following risks and mitigation strategies have been identified:

Risk	Mitigation	Likelihood (H/M/L)	Impact (H/M/L)
Lower than planned learner recruitment	BAES has 'waiting list' for the foundation qualifications sought for increased growth. Also, BAES has a record for high recruitment for essential skills. Both factors would be a factor to be assessed by WMCA before agreeing to the funding for growth.	L	H
Insufficient lead in time to recruit and deploy staff.	Schedule and process in place to recruit staff before August 2024. Teaching planned to start in Sept 2024.	L	H
Insufficient lead in time to set up programmes.	BAES has successful history of delivering foundation courses in high volume without compromising quality. The additional growth enables to scale up resource and impact.	L	H
The project will generate additional demand that residents may expect and will need to be met.	The model for all BAES provision is that each learner progresses internally or externally at the successful conclusion to their qualification. Progression includes further study, a job or in-work progression. Attendance repetition on a course is avoided. Opportunities are available for	L	L

	new enrolments (within BAES budget).		
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8 Compliance Issues:

8.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

8.1.1 This proposal supports four of the five BCC Challenges identified in the 2022-26 Corporate Plan as follows:

- **Community Resilience and Cohesion:** The interventions will help “Reduce inequalities between wards, e.g., health, unemployment, educational”, focusing particularly on residents on low-income jobs and on benefits.
- **Employment, Skills and the Local Economy:** Through this programme we will provide “Opportunities for local people to develop skills and make the best of economic growth”.
- **Health and Wellbeing:** The practical skills acquired by participants will help “Reduce inequalities between wards, e.g. health, unemployment, educational”.
- **Opportunities for Children and Young people:** The Financial Literacy intervention will provide young parents and young families with essential tools to maximise through smart spending skills by “Inspire young people to be ambitious and achieve their potential.”

8.1.2 Further, the proposal supports the Early Intervention and Prevention Outcomes as follows:

- Roof over head
- Money in pocket
- Long term routes to employment
- Engaged in healthy, safer communities.

8.2 Legal Implications

8.2.1 Under Section 1 of the Localism Act 2011, the Council has the power to enter into the arrangements set out in this report and they are within the boundaries and limits of the general power of competence - Section 2 and 4 of the Localism Act 2011.

8.3 Financial Implications

8.3.1 How the value of the additional AEB funding compares with current allocation for 2023/24 and the proposed growth for 2024/25.

Academic Year	2023-24	2024-25*	2025-26
	£m	£m	£m
Funding	£10, 202, 333.	£11, 141,983	£10, 202, 333.
Expenditure	£10, 202, 333.	£11, 141,983	£10, 202, 333.
Variance	Nil	Nil	Nil

NB *If £939,650 approved by BCC

8.3.2 The growth funding for 2024/25 is described by WMCA as ‘conditional’; meaning for that academic year only.

8.3.3 Programme expenditure will be monitored by BAES, BCC and WMCA to ensure that it remains within the limits of the grant funding and mitigating action will be taken to reduce expenditure (if required).

8.3.4 BAES will report on its expenditure to WMCA regularly and should expenditure in the financial year be lower than planned then grant funding for that year will be reduced accordingly. There will be no carry forward of unspent funding.

8.4 Procurement Implications

8.4.1 There are no procurement implications.

8.5 Human Resources Implications

8.5.1 On Cabinet’s approval of this request to receive and spend funds, we will recruit the posts listed below, following the Council’s current recruitment process.

8.5.2 Additional capacity will be needed to meet the increased demand. Additional interim staffing based on Job Descriptions and roles already established is proposed (rather than create a new role). The posts to be recruited to are:

- 2.0 FTE Programme Management (Grade 4)
- 13.0 FTE Sessional Teachers

These posts will be Fixed Term Contract posts for the 2024/25 academic year.

8.6 Public Sector Equality Duty

8.6.1 The target group will be: unemployed; underemployed; low-waged, and economically inactive. We have considered the potential for people with protected characteristics who fall within the target groups, noting that this kind of intervention will be critically helpful for them, which includes drawing on BAES’s community and outreach partnerships to refer adults for enrolment and delivery for bespoke provision in the heart of the community where required. An Equality Impact Assessment is attached as **Appendix 3**.

8.7 Environmental and Sustainability Implications

8.7.1 There are no environmental implications.

8.7.2 Sustainable delivery, and approach to learning to ensure legacy. Our Community Learning programme has developed a model to promote autonomous learning and an ethos of learning within the community through the

Community Learning Champions. This programme will have the same ethos with a view to identifying informal leaders within the cohorts and providing them with the necessary skills to share the knowledge and skills with other members of the community.

9 Appendices

9.1 **Appendix 1:** Labour Market Conditions (Birmingham)

9.2 **Appendix 2:** WMCA Employment and Skills Strategy: 2024-2027

9.3 **Appendix 3:** Equality Impact Assessment EIA000428

10 Background Papers

10.1 [Local Skills Report 2022 \(wmca.org.uk\)](https://www.wmca.org.uk)

10.2 [Education inspection framework \(EIF\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk)