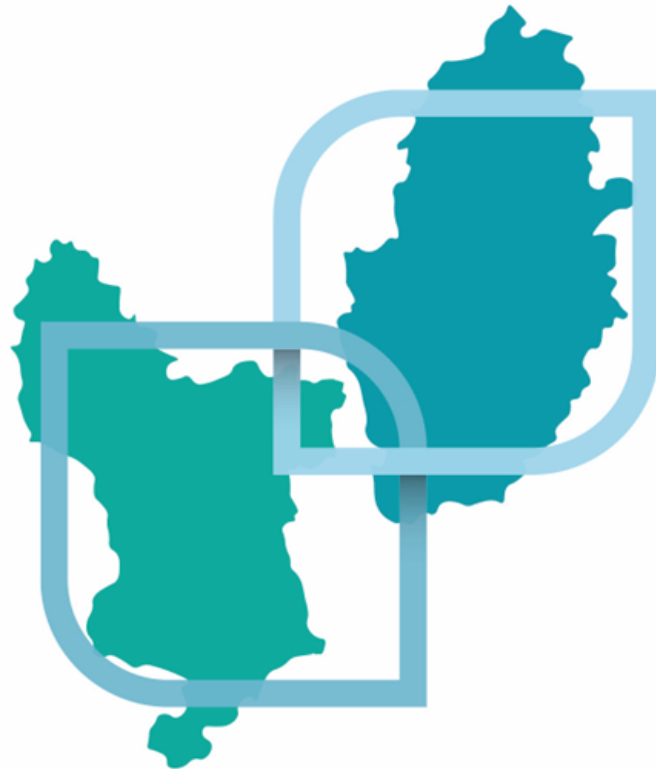


## Appendix 4: Draft AEB Strategic Skills Plan



East Midlands Combined County  
Authority

DRAFT ASF Strategic Skills Plan

Version 1.3

DRAFT

DRAFT EMCCA ASF Strategic Skills Plan

Contents

Section 1 - Introduction .....	5
Context .....	5
The Adult Skills Fund .....	7
Section 2 - Strategic Vision and Priorities .....	8
EMCCA Economic Vision .....	8
Priorities for the Adult Skills Fund .....	9
Section 3 – EMCCA Area Profile .....	9
Opportunities and Challenges .....	9
Employment by Sector .....	10
Economic Inactivity .....	12
Employment .....	14
Wages .....	14
Job Openings .....	15
EMMCA Skills Profile .....	16
Indices of Deprivation .....	17
Section 4 – Strategic Skills Priorities .....	18
Section 5 - AEB Data and Delivery: contextual overview .....	20
Funding Overview 2022/23 .....	20
Learning Organisation Base .....	21
Enrolment Trends .....	22
Profile of Provision .....	23
Achievements .....	25
Free Courses for Jobs .....	26
Section 6 – Funding Overview .....	26
ASF .....	27
Free Courses for Jobs (FCFJ) .....	27
Adult Skills Fund .....	27
Other funding streams .....	28
Skills Bootcamps .....	28
UKSPF/Multiply .....	28
Section 7 – ASF Strategic Approach .....	29
Devolved ASF Flexibilities .....	29
Alignment with national programmes .....	31
Governance .....	31
Section 8 – Principles of Commissioning .....	32

DRAFT EMCCA ASF Strategic Skills Plan	
Core Commissioning Principles .....	32
Funding Arrangements .....	33
Cross Border learners .....	34
Out-of-Area Grant Funded Learning Organisations .....	34
Out of Area Learners .....	35
Section 9 – Matrix ASF Priorities and Outcomes .....	36
Section 10 – Review and Evaluation .....	37

DRAFT

## Section 1 - Introduction

### Context

This document sets out the long-term Adult Skills Fund (ASF) Strategic Skills Plan for the East Midlands Combined County Authority (EMCCA). It highlights strengths, opportunities and challenges across the region and sets out key priorities for the devolved Adult Skills Fund (ASF) to ensure it supports the EMCCA's strategic vision.

To achieve its vision, EMCCA's focus will be on productivity, pay and jobs; spreading opportunity; community pride; and empowering local leaders and communities. In support of this:

- Our ambition is that the devolved ASF will contribute to increased productivity for our region through the delivery of high-quality skills provision which enables our residents to enter the labour market or secure in-work progression.
- We will use the ASF, funding to develop robust progression pathways to reduce inequality, promote social mobility and allow people to achieve their potential.
- In addition we will ensure that the ASF works in tandem with other DfE funding sources such as Free Courses for Jobs (FCFJ) and Skills Bootcamps to offer routes to upskilling across the region.

**EMCCA's vision: Making our region more prosperous, sustainable and fairer. Helping our people and businesses to create and seize opportunities.**

EMCCA covers an area of 4,784 square kilometres, comprising 19 local authorities including the two counties of Derbyshire and Nottinghamshire and the cities of Nottingham and Derby.

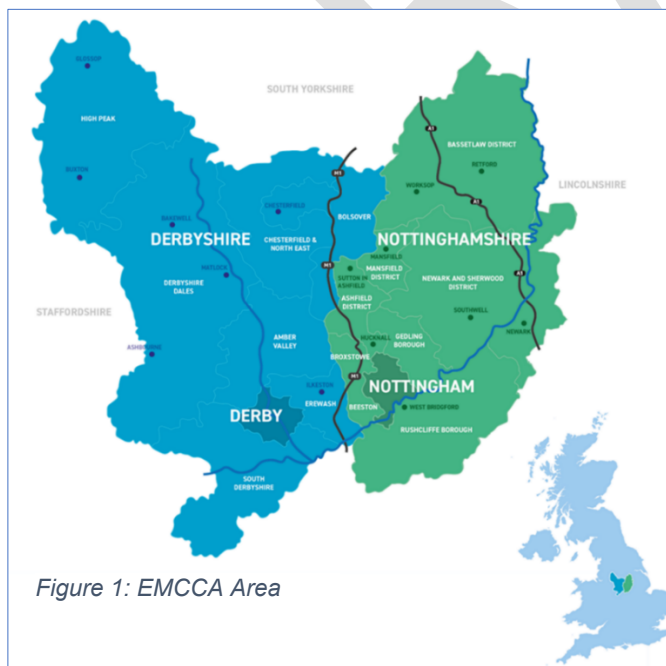


Figure 1: EMCCA Area

The area has a population of 2.2m, of which 1.4 million people (63%) are of working age (16-64)<sup>1</sup>.

EMCCA is home to 367,400 businesses, 89% of which employ less than 10 people.

The area accounts for 45% of the East Midlands Economy and less than 3% of the GVA of England. In 2020, EMCCA's economy generated 50bn gross value added.<sup>2</sup>

In 2020 GVA per filled post in EMCCA was £50,769, which was below the national average. Over the past

<sup>1</sup> Source: ONS Annual Population Survey








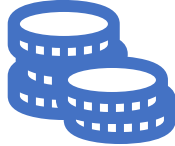

<sup>2</sup> Source: ONS Regional Accounts. Note: Gross value added (GVA) is a measure of the increase in the value of the economy due to the production of goods and services.

DRAFT EMCCA ASF Strategic Skills Plan

decade the economy of D2N2 has lagged behind the national average

From its origins as the birthplace of the first industrial revolution, manufacturing continues to play an important role in the EMCCA, accounting for 11.8% of all jobs, much higher than the equivalent figure of 7% for England as a whole.<sup>3</sup> Recent technological advances are also bringing new sectors into the area, such as the STEP nuclear fusion plant at West Burton and the launch of East Midlands Hydrogen – a proposition for the East Midlands to become the UK’s largest inland hydrogen cluster.

The area also has strong natural assets in the Peak District National Park, leading to a vibrant tourism and hospitality sector.

 <p><b>4,784</b> Square kilometres</p>	 <p><b>1.4 million</b> people of working age</p>	 <p>Large and diverse region, with an urban and rural mix</p>
 <p><b>80%</b> of UK population within 4 hour drive of EMMCCA</p>	 <p>Largest employment sectors are health, manufacturing, retail and education</p>	 <p><b>11.8%</b> of those employed work in manufacturing, compared to 7% for England as a whole</p>
 <p>Significant future growth in nuclear and hydrogen power</p>	 <p>Average pay of people living in D2N2 lower than regional and national averages</p>	 <p>Strong and collaborative FE and HE sectors</p>

<sup>3</sup> Source: Business Register and Employment Survey (accessed via NOMIS)

## DRAFT EMCCA ASF Strategic Skills Plan

Figure 2 EMCCA Economic Indicators

### The Adult Skills Fund

Currently administered through the Education and Skills Funding Agency (ESFA) this funding has been known as the Adult Education Budget but in August 2024 the name will change to the Adult Skills Fund (ASF). The Fund aims to engage adults and provide the skills and learning they need to progress into, or within, work; or equip them for an apprenticeship or other learning. It enables more flexible tailored programmes of learning to be made available, which may or may not require a qualification, to help eligible learners engage in learning, build confidence, and/or enhance their wellbeing.

The budget is split into two funds: Education and Training which is qualification-based funding and Tailored Learning which is a fixed allocation that can be spent by learning organisations in the education and support of disadvantaged learners, or in subject areas not covered by recognised qualifications. Additionally, the EMCCA will also be in receipt of Free Courses for Jobs (FCFJ) funding, a targeted level 3 offer to support adults without an existing full level 3 qualification and adults who meet the definition of 'low wage' or 'unemployed'.

The Government will fully devolve the ASF to the EMCCA from the academic year 2025/26 subject to the demonstration that it is able to carry out the functions of these devolved powers improve the delivery of ASF in the area.

Much of the Adult Skills Fund is spent meeting statutory entitlements of learners, including fully funded provision for basic English, Maths and Digital skills and any entitlement to a first full Level 2 or Level 3 qualifications.

ASF funding is also used to deliver the pre-employment training element of the Sector-Based Work Academy Programme<sup>4</sup>, designed to help Job Centre Plus claimants build confidence to improve their job prospects and enhance their CV, whilst helping employers in sectors with current local vacancies to fill them.

Skills Bootcamps will also form part of EMCCA's portfolio of government funded skills programmes including the grant for delivery of Skills Bootcamps previously held by the D2N2 LEP. Skills Bootcamps are flexible training courses up to 16 weeks, with a guaranteed job interview (where a candidate is being recruited to a new job) or new opportunities. Developed in conjunction with employers, Skills Bootcamps equip adults with technical skills at Levels 3-5 that enable them to access in-demand jobs, apprenticeships, and new opportunities leading to increased income and productivity.

With the transfer of funding to EMCCA will come the ability for us to be able to shape adult education provision in the area in a way that best suits the needs of our residents and the local economy. We recognise that there is excellent provision currently being delivered in our area, with all of our FE colleges rated 'good' or better by Ofsted and recognise the importance of maintaining a stable post-16 learning organisation base. However, this does not preclude the drive to align delivery more closely with the needs of the area.

Notwithstanding this a substantial part of the devolved funding will have to be used to fund the statutory entitlements.

---

<sup>4</sup> <https://www.gov.uk/government/publications/sector-based-work-academies-employer-guide/sector-based-work-academies-employer-guide>

## Section 2 - Strategic Vision and Priorities

### EMCCA Economic Vision

#### **EMCCA Economic Vision:**

**Making our region more prosperous, sustainable and fairer. Helping our people and businesses to create and seize opportunities.**

To deliver our economic vision, we have created a set of shared objectives or priorities, which will guide our work and act as the basis for effecting change across the region.

Our focus will be on productivity, pay and jobs; spreading opportunity; community pride; and empowering local leaders and communities. More specifically, we will:

- Grow our economy faster, through targeted long-term investment, so that it is resilient enough to withstand future challenges.
- Match skills to economic need to increase productivity and wellbeing.
- Support businesses to create more and higher paid sustainable jobs so that our citizens access the jobs they want within the area.
- Create a net-zero economy with a resilient energy supply.
- Create modern and robust infrastructure that releases the private sector to grow businesses, and deliver high quality, sustainable new homes in the places they are needed.
- Build new and coherent transport links to facilitate better and more sustainable movement across the area, connecting our cities, towns and rural areas, linking employers to skills and our people to opportunities.
- Reduce inequality and promote social mobility to allow people to achieve their potential.
- Improve healthy life expectancy and reduce inequalities, especially in communities and groups who are most disadvantaged.
- Support enhanced green spaces to welcome nature back into our communities.
- Use our devolution powers to bring decision-making closer to those who live and work here, increasing the visibility of these decisions.
- Strengthen the ability of the East Midlands to maximise the benefits of collaborating with neighbouring regions.

#### Priorities for the Adult Skills Fund

The Adult Skills Fund forms part of the wider skills landscape. The advent of the EMCCA offers an opportunity for the region to develop a coherent, connected and place-focused skills system for the region, utilising both national and devolved funding to align delivery to meet our objectives.

Specifically, in support of the EMCCA stated objectives, the devolved Adult Skills Fund will enable us to:



## DRAFT EMCCA ASF Strategic Skills Plan

- Maintain a stable and high-performing learning organisation base focused on meeting learner and employer needs.
- Work more effectively with DWP to support those who are economically inactive or unemployed to gain and sustain good employment.
- Continue to develop clear progression pathways for all residents particularly those on low wages and with insecure work.
- Utilise Free Courses for Jobs and Skills Bootcamps to enable learners to progress to higher level qualifications which meet employer skills needs.
- Reduce levels of low attainment and increase opportunities for in-work progression including Skills Bootcamps and Apprenticeships and access to the Lifelong Learning Entitlement.
- Develop innovative and collaborative delivery models focused on enabling residents to achieve their full potential and increase levels of social mobility.
- Identify and deliver the transferable skills needed to enable a resilient regional economy.
- Better match skills provision to economic need to increase productivity and wellbeing.
- Develop a commissioning strategy which will enable improvements in the quality and relevance of provision, for example through reducing the 'long tail' of subcontracted provision.

In developing the plan EMCCA has considered existing data and research from the D2N2 LEP produced using Skills Advisory Panel funding and also ensured that where appropriate the plan's aims reflect the findings and recommendations of the Local Skills Improvement Plan published in August 2023.

## Section 3 – EMCCA Area Profile

### Opportunities and Challenges

Opportunities	Challenges
<p>Multiple major infrastructure developments are in development including the STEP Fusion Plant, East Midlands Freeport, Smartparc and Queens Medical Centre redevelopment which will bring with them a demand for jobs and skills.</p> <p>Innovation, research and development hubs based in our three universities together with a concentration of world-leading advanced manufacturing businesses.</p> <p>Strong place-based cross institutional collaboration among our eight FE colleges, all rated 'good' by Ofsted and our three universities.</p> <p>Robust progression pathways already in place across the region for certain sectors</p> <p>The region is at the forefront of the development of emerging nuclear and hydrogen technology sectors.</p>	<p>Higher economic inactivity than the national average</p> <p>Significant place-based disparities with pockets of deprivation</p> <p>Lower productivity than the national average</p> <p>Proliferation of low-skilled, low paid jobs</p> <p>Proportion of working age adults qualified to Level 4 or above is lower than the national average.</p> <p>The area was ranked 9<sup>th</sup> out of 38 LEPs for worsening deprivation in education, skills and training in EMCCA Districts since 2015</p> <p>Average pay of people who work in D2N2 is lower than those who live there, suggesting that people are commuting out of the area to higher paying jobs.</p> <p>Workplace wages are below the national and regional averages.</p>

Figure 3 Education and Skills Opportunities and Challenges

### Employment by Sector

In terms of employment, the four largest sectors in EMCCA are health, manufacturing, retail and education. The continued prominence of manufacturing (13% of employment compared to 7% nationally) makes the EMCCA economy distinctive. The area's central location contributes to the importance of the logistics sector, and activity in this sector is likely to increase as a result of the establishment of the East Midlands Freeport within the EMCCA footprint. The visitor economy is also an important contributor locally, particularly in the northwest of the area.

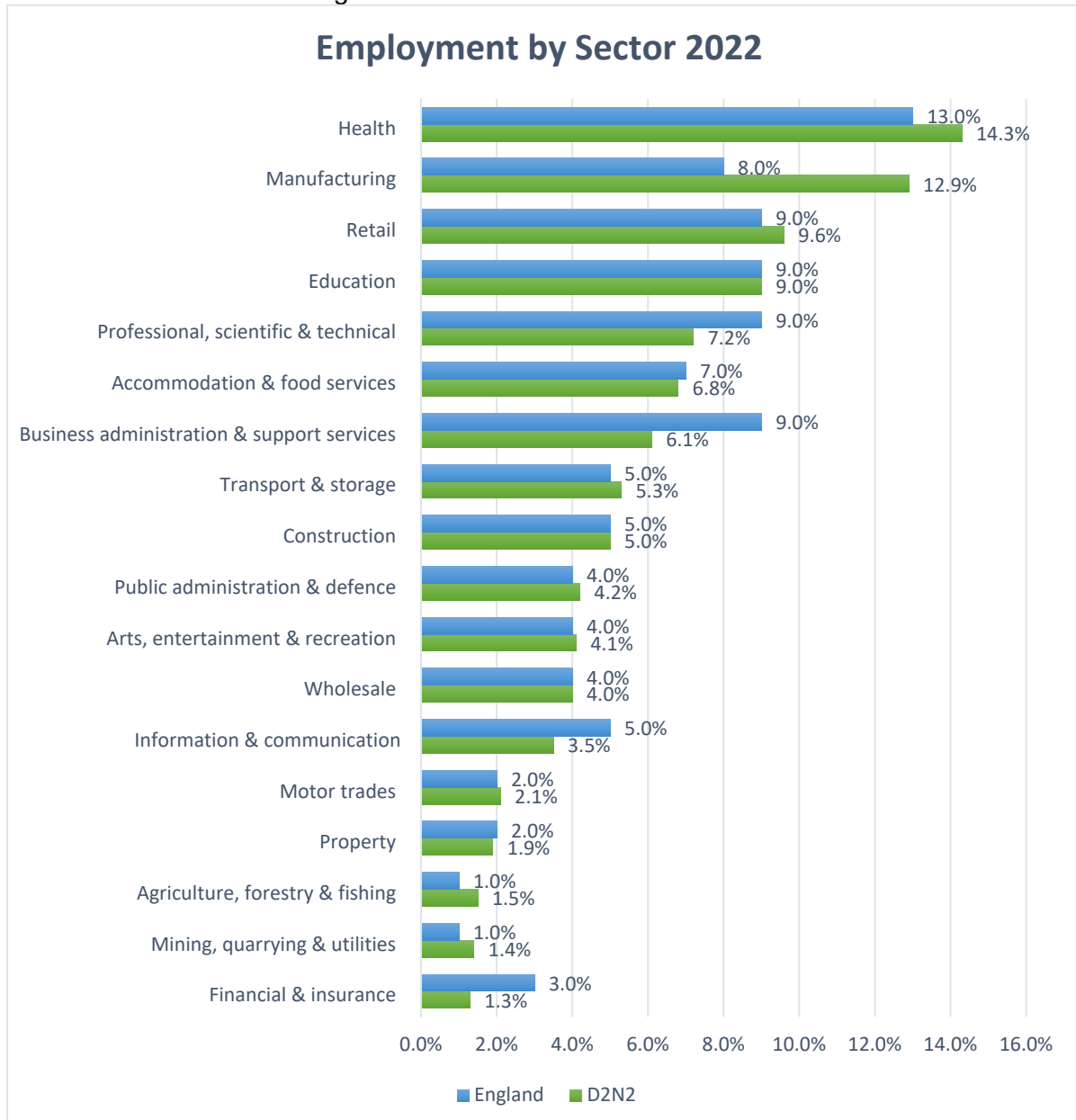


Figure 4 Source: Business Register and Employment Survey, 2022

Almost all sectors are expected to grow in terms of employee numbers by 2030. Planned infrastructure projects such as the STEP Fusion Plant, Freeport and redevelopment of Queens Medical Centre, together with increased investment in transport infrastructure are likely to result in an increased demand for construction skills. Highest percentage increase

## DRAFT EMCCA ASF Strategic Skills Plan

is expected to be seen in Electricity, Gas, Steam and Air Conditioning Supply – reflective of the shift to zero carbon emissions.

Description	2022 Jobs	2030 Jobs	2022 - 2030 Change	2022 - 2030 % Change
Human Health and Social Work Activities	146,166	155,384	9,218	6%
Wholesale and Retail Trade	148,662	156,585	7,924	5%
Accommodation and Food Service Activities	71,921	77,590	5,669	8%
Professional, Scientific and Technical Activities	65,757	69,560	3,803	6%
Transportation and Storage	48,977	52,555	3,578	7%
Construction	49,286	52,471	3,185	6%
Information and Communication	34,772	37,450	2,678	8%
Public Administration and Defence; Compulsory Social Security	42,621	45,192	2,571	6%
Electricity, Gas, Steam and Air Conditioning Supply	10,203	12,601	2,398	24%
Manufacturing	115,732	117,331	1,599	1%
Administrative and Support Service Activities	69,056	70,526	1,469	2%
Other Service Activities	16,537	18,003	1,466	9%
Financial and Insurance Activities	13,639	14,861	1,223	9%
Arts, Entertainment and Recreation	21,396	21,991	595	3%
Agriculture, Forestry and Fishing	5,357	5,670	313	6%
Water Supply; Sewerage, Waste Management and Remediation Activities	5,768	6,002	234	4%
Mining and Quarrying	1,405	1,459	54	4%
Education	84,911	84,326	(585)	(1%)
Real Estate Activities	11,356	9,581	(1,775)	(16%)

Figure 5 Projected Employment Growth to 2030. Source: Lightcast Analyst

### Economic Inactivity

The inactivity rate in EMMCA has increased faster than the national average in the last five years. In the 12 months to June 2023, 24% of the working age population in the EMCCA area were inactive compared to 21% in England.

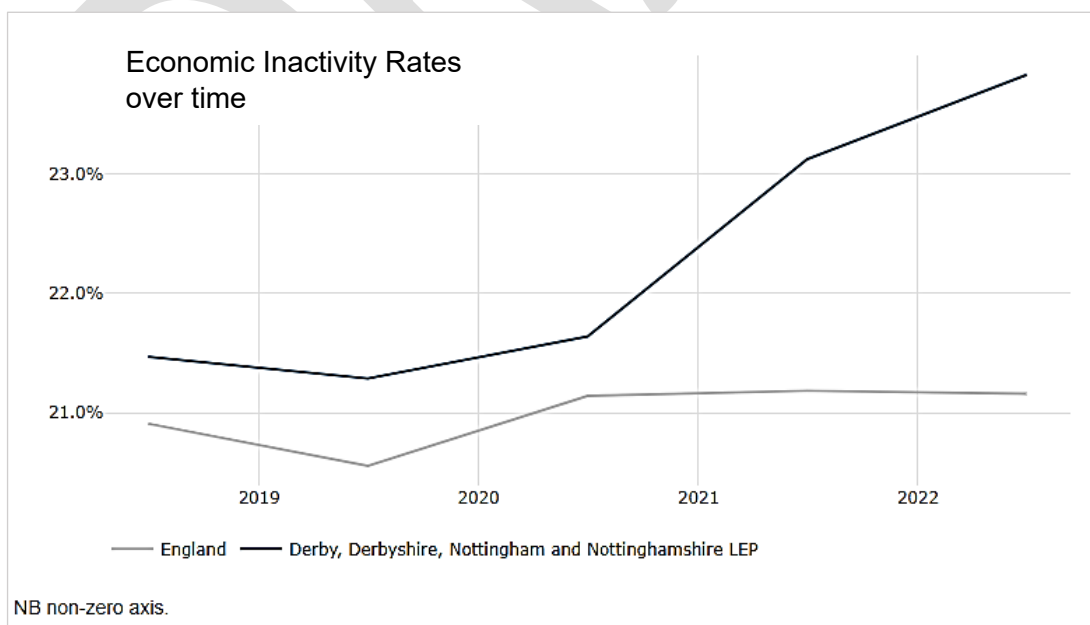


Figure 6 Source: Unit for Future Skills <https://department-for-education.shinyapps.io/local-skills-dashboard/>

DRAFT EMCCA ASF Strategic Skills Plan

Economic inactivity is slightly higher than the national rate for all age groups except for 16–19-year-olds. The biggest difference is in the 20–24 age group, with 33% of the age group inactive compared to the national average of 27%.

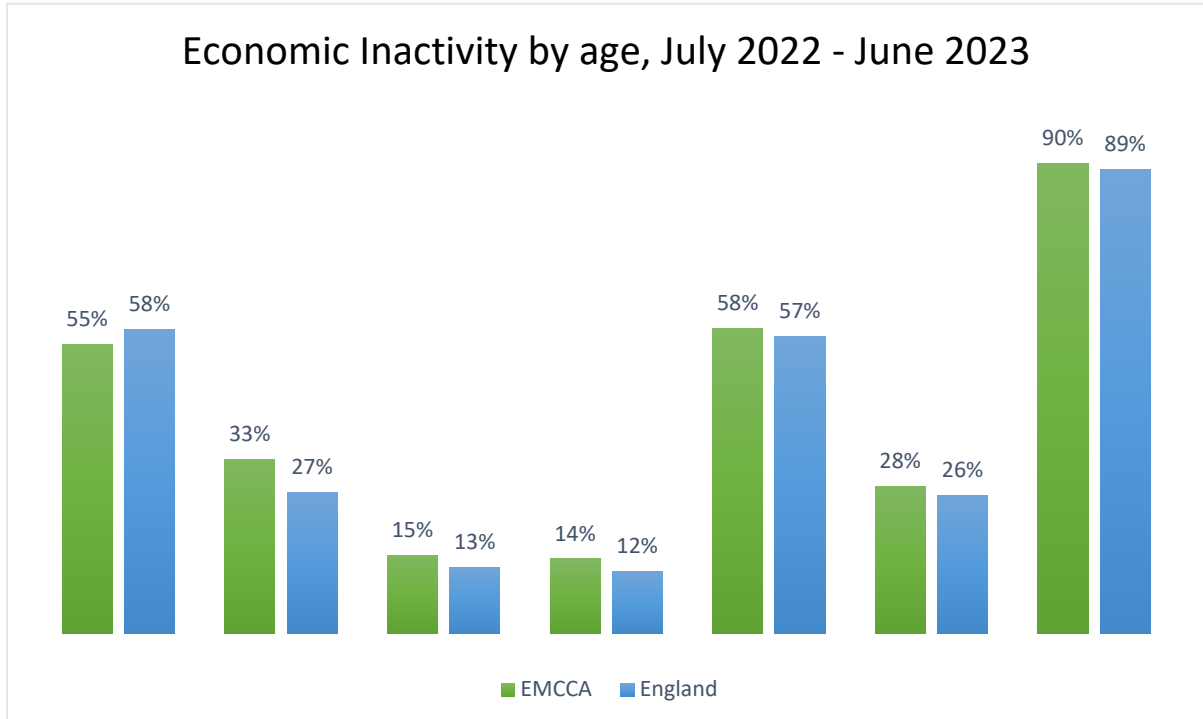


Figure 7 Source: Annual Population Survey

Just 13% of those who were economically inactive wanted a job, equating to 42,400 people.

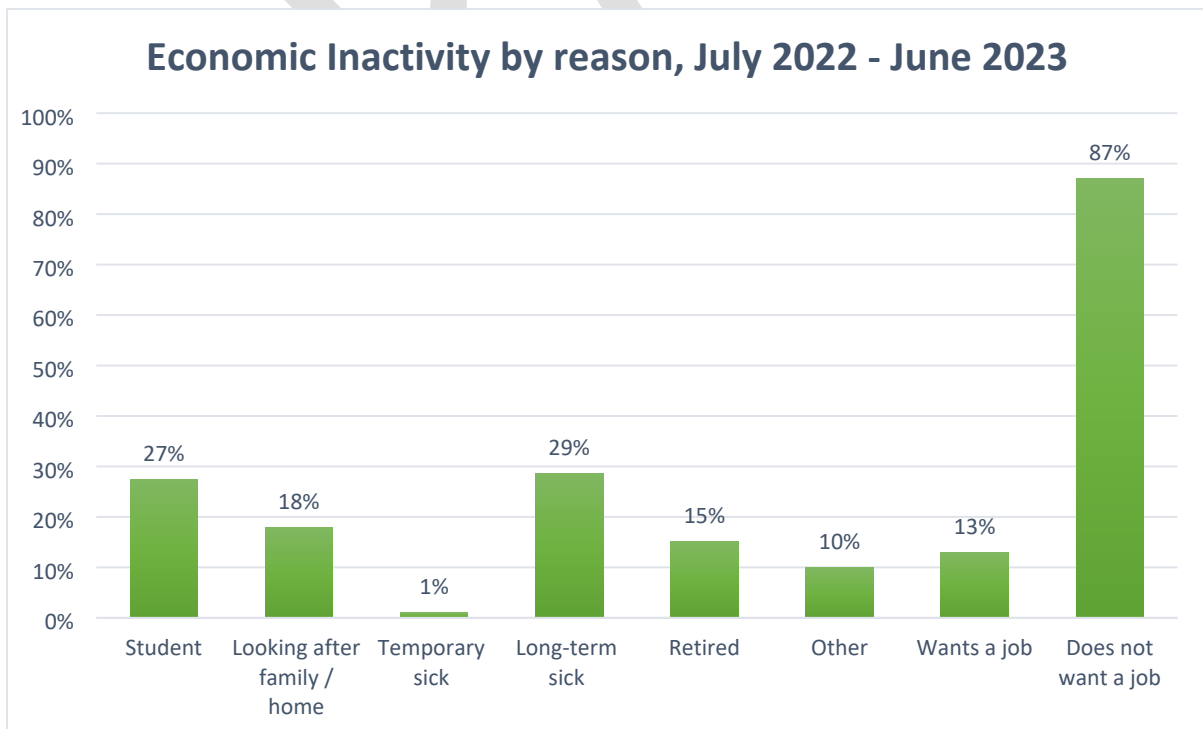


Figure 8 Source: Annual Population Survey

DRAFT EMCCA ASF Strategic Skills Plan

**Employment**

Employment in EMCCA has decreased whilst nationally it has increased over the last five years. The employment rate for EMCCA was 73% in June 2023, which was three per cent below the national rate.

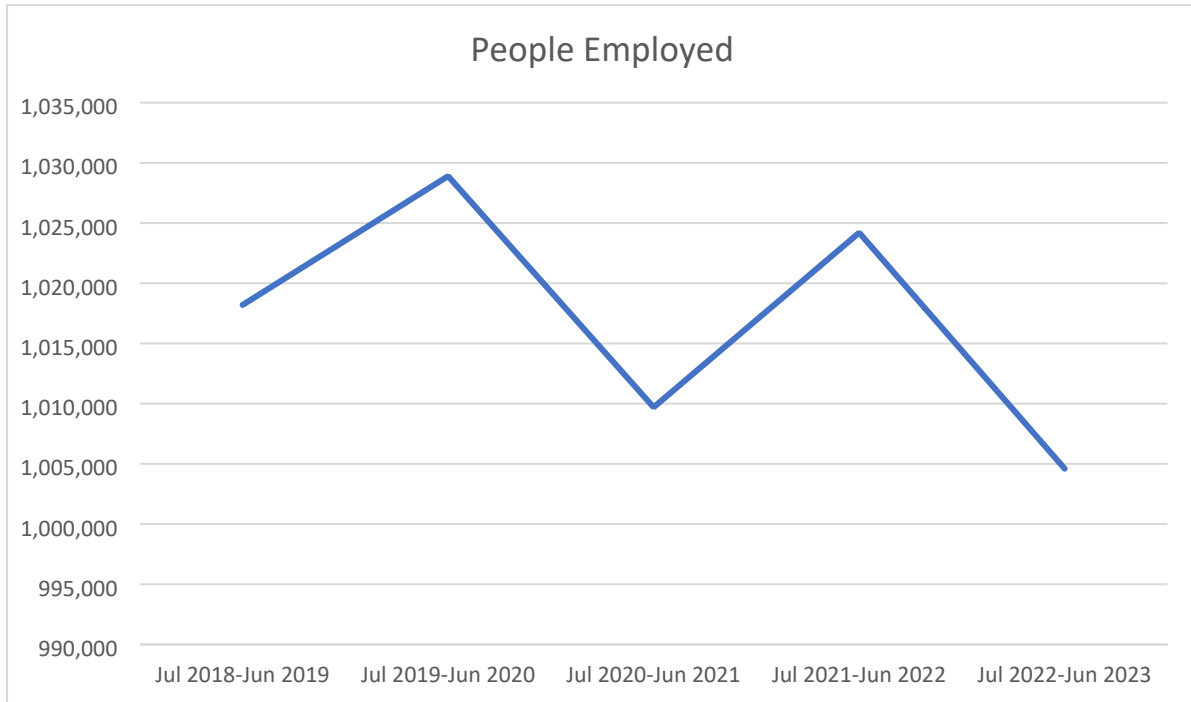


Figure 9 Source: Unit for Future Skills; Annual Population Survey

**Wages**

In 2022, the median annual pay of people *living* in EMCCA was £30,200, lower than the regional and national averages. Average wages differ considerably across the region, with the highest in Derby City (£36,100) and the lowest in Bassetlaw and Bolsover (£25,800).

DRAFT EMCCA ASF Strategic Skills Plan

Job Openings

The number of online job postings is highest in Nottingham and lowest in North East Derbyshire.

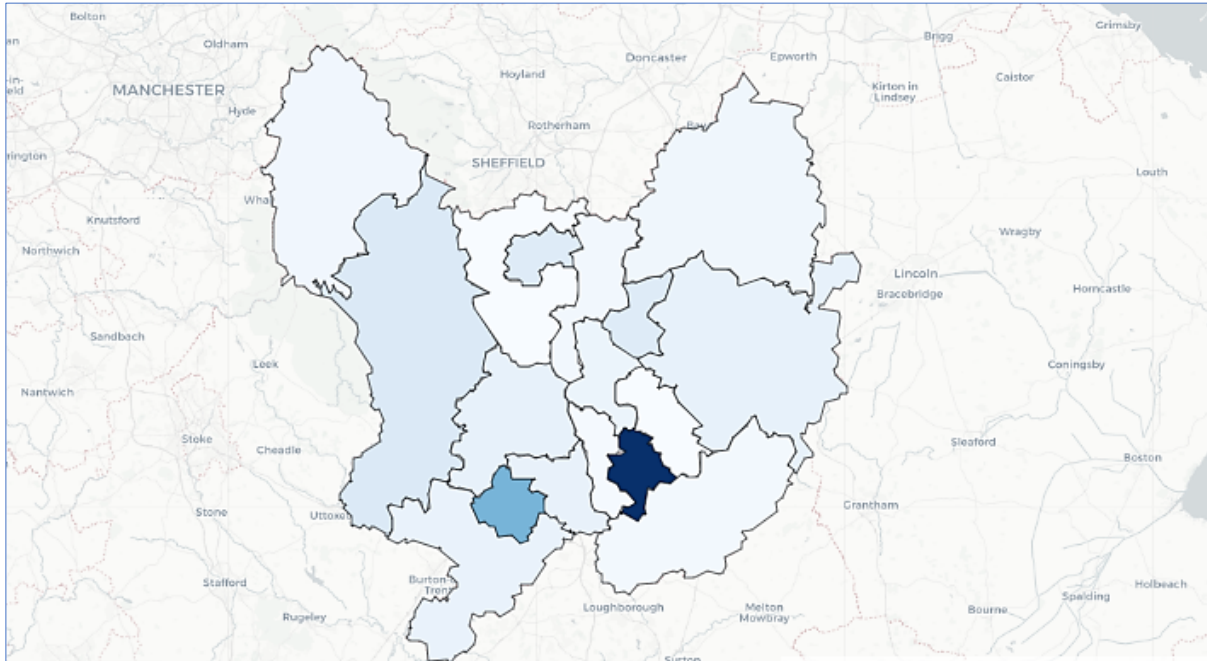


Figure 10 Density of Online Job Postings. Source: Unit for Future Skills <https://department-for-education.shinyapps.io/local-skills-dashboard/>

The percentage of online job advertisements for Care Assistants, Nursing staff, Warehouse staff, engineers and drivers are above the national average.

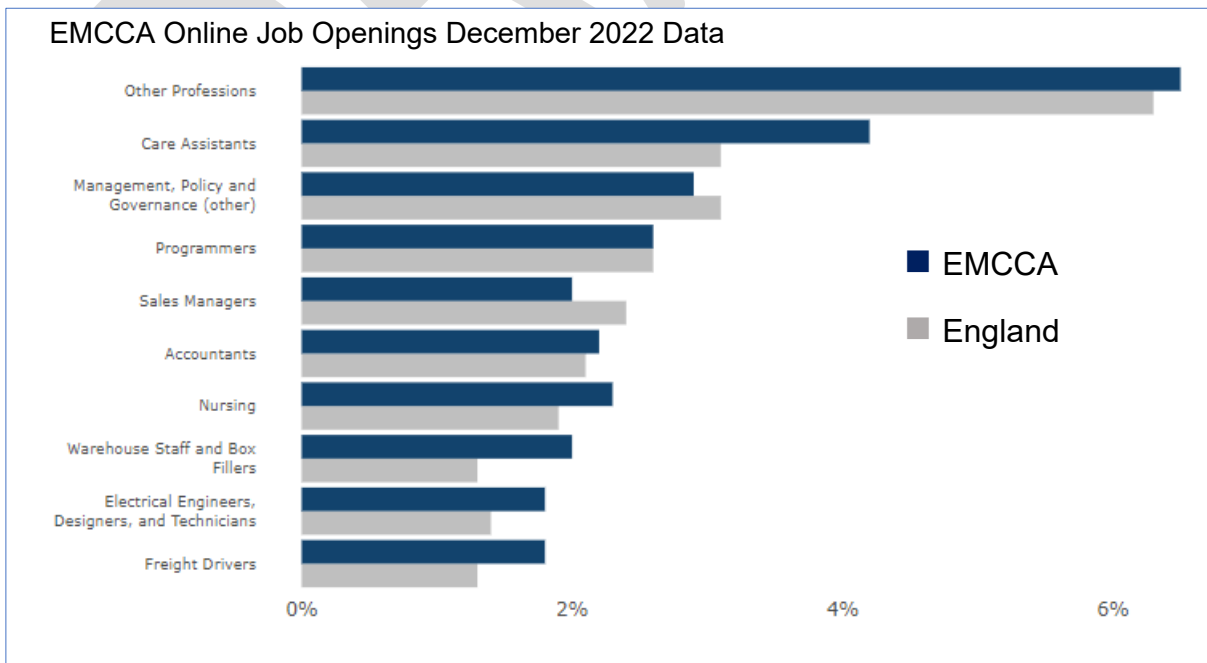


Figure 11 Source: Unit for Future Skills <https://department-for-education.shinyapps.io/local-skills-dashboard/>

### EMMCA Skills Profile

Whilst residents with Level 2 and Level 3 qualifications are slightly higher than the national average, the region lags behind in terms of higher qualifications at Level 4 and above, with a five per cent difference to the national rate. This is concerning, given the future demand for advanced technical skills in the region, not just in advanced manufacturing, but in the emerging nuclear and hydrogen sectors. Around one in every fourteen people of working age in EMCCA lack any formal qualifications at all.

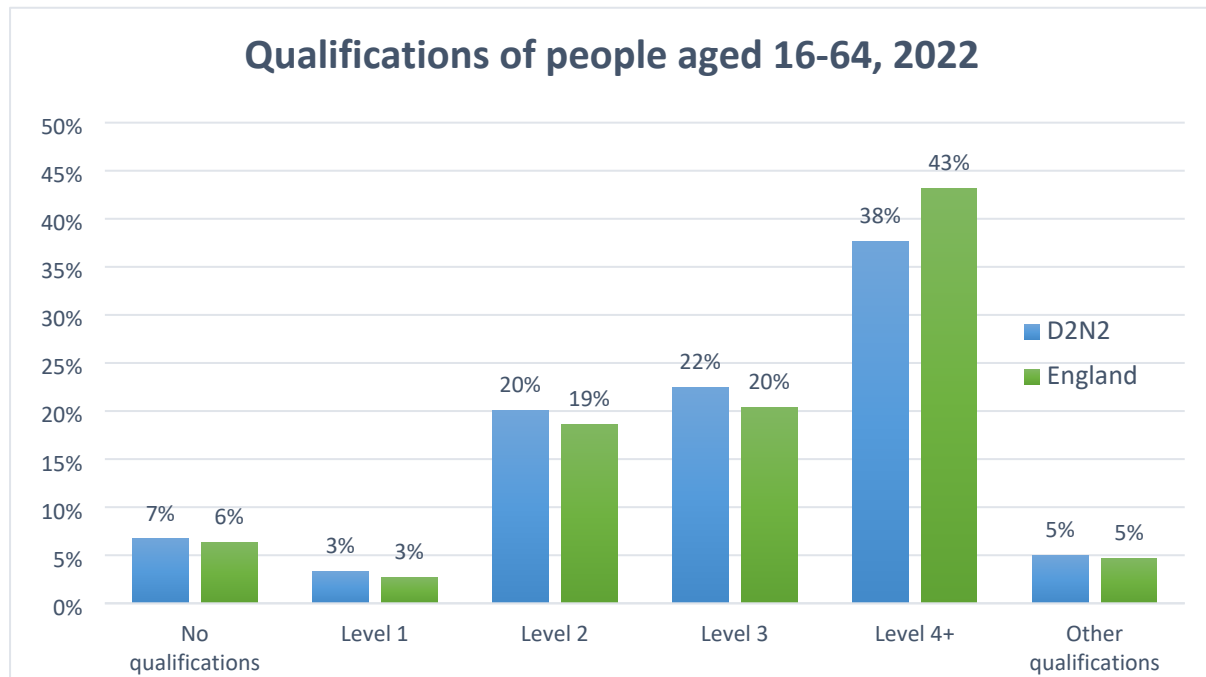


Figure 12 Source: ONS Annual Population Survey

Of the working age population in employment in the EMCCA area in the 12 months to December 2022, 44% had a qualification at Level 4 or above. 1

In contrast, just only 3% of the workforce has no qualifications. This represents 37.4% of the total number of working age people with no qualifications. (Out of 91,700 people with no qualifications only a third (34,300) were employment)



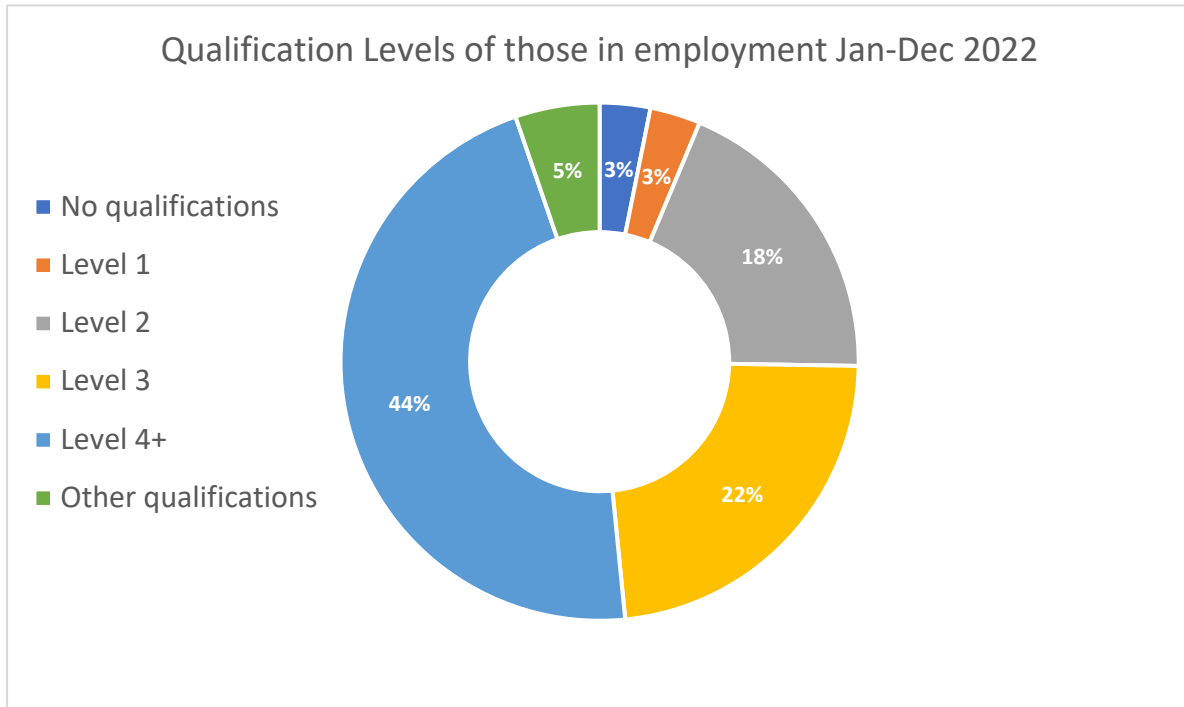


Figure 13 Source: Annual Population Survey

The relatively high percentage of working age people with a Level 3 qualification highlights the importance of providing accessible progression routes for them to access further job-related qualifications, particularly Higher Technical Qualifications at Levels 4 and 5 to meet employer demand and raise both productivity and better living standards.

### Indices of Deprivation

Figure 14 shows the proportion of Lower-layer Super Output Areas (LSOAs) within each Lower Tier Local Authority within the EMCCA boundary which fall within the most deprived 10% nationally. (LSOAs are small areas designed to be of a similar population size, with an average of approximately 1,500 residents or 650 households. Local Authorities which have no LSOAs in the most deprived 10 per cent of all such areas in England have a score of zero for this summary measure.

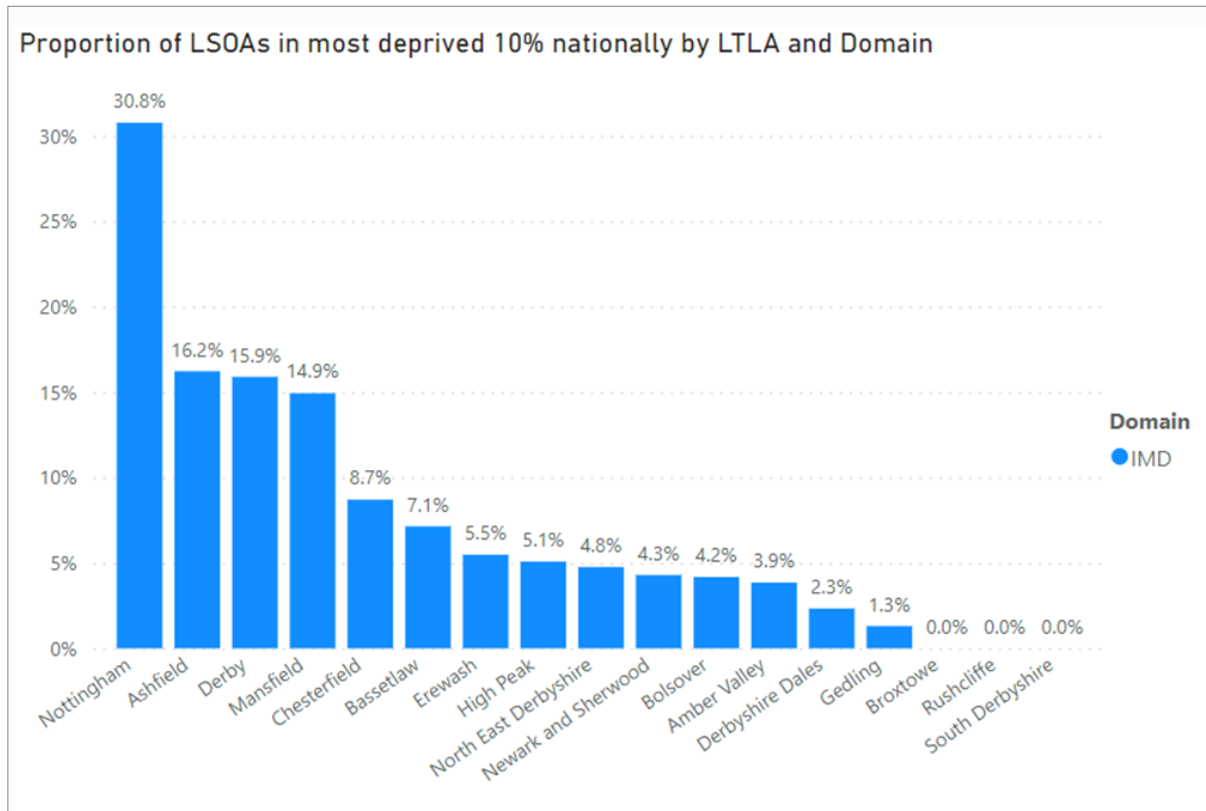


Figure 14 Source: MHCLG, English Indices of Deprivation, 2019

## Section 4 – Strategic Skills Priorities

EMCCA's strategic skills priorities consider how we will support the delivery of national objectives through locally determined delivery, and we have also considered the intelligence and recommendations within both the *D2N2 LEP Local Skills Report*<sup>5</sup>, and more recently, the *D2N2 Local Skills Improvement Plan*<sup>6</sup> developed by the Federation of Small Businesses. An economic growth plan for the new combined authority is in development but we are also

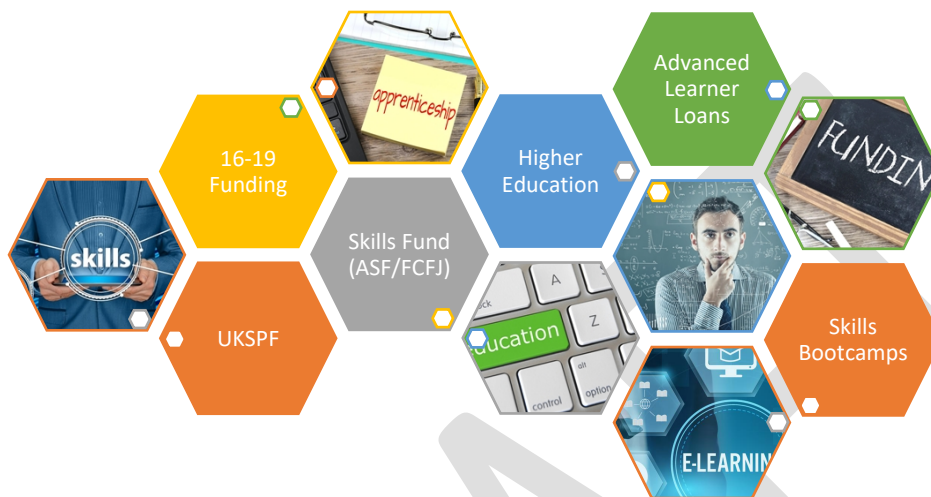
<sup>5</sup> [https://d2n2lep.org/wp-content/uploads/2023/02/D2N2-Local-Skills-Report-January\\_2022.pdf](https://d2n2lep.org/wp-content/uploads/2023/02/D2N2-Local-Skills-Report-January_2022.pdf)

<sup>6</sup> <https://www.fsb.org.uk/derbyshire-and-nottinghamshire-lsip.html>

## DRAFT EMCCA ASF Strategic Skills Plan

able to draw on the existing D2N2 LEP Recovery and Growth Strategy<sup>7</sup> which covered the EMCCA footprint and reflects the skills needs of the area.

We recognise that the Adult Skills Fund is part of a wider education landscape and our ambition as a combined authority is to ensure that funding streams are aligned to deliver the best possible results for our residents, communities and businesses. Currently the system can feel fragmented and the devolution of ASF, together with the potential afforded by linking



to other funding streams such as FCFJ, Skills Bootcamps and UKSPF will enable us to target provision and reduce duplication more effectively.

The focus of the Local Skills Improvement Plan (LSIP) was thematic, rather than sector driven

Figure 15 Government funded post-16 education framework.

and resulted in recommendations around five key themes:

- **Digital skills.** The advent of Covid-19 accelerated the adoption of digital technologies exponentially, increasing demand for digital skills from industry. There is a need to address digital skills at all levels, from basic digital skills through to advanced skills such as cybersecurity, cloud computing, and data analysis.
- **Net Zero.** The transition to a low carbon economy will require both upskilling of existing workers and integration into the current curriculum offer to ensure alignment.
- **Essential and transferable skills.** This was in the context of work readiness and soft skills such as resilience, communication, teamwork and problem solving. The LSIP identified that employers were increasingly demanding these skills from prospective employees.
- **Local skills system.** The education landscape was seen as complex by employers with a multiplicity of learning organisations and offers. The region could benefit from increasing the existing high levels of collaboration which exist across FE and between FE and HE.
- **Local socio-economic conditions.** The LSIP findings reflected the data identified in Section 3 of this document. Additionally, the LSIP identified the need for more inclusive recruitment practices among employers.

<sup>7</sup> [https://d2n2lep.org/wp-content/uploads/2022/11/Recovery-Strategy-2020\\_V4\\_190121-compressed.pdf](https://d2n2lep.org/wp-content/uploads/2022/11/Recovery-Strategy-2020_V4_190121-compressed.pdf)

There are clearly strong synergies with the strategic skills objectives of the EMMCA, particularly in terms of the desire to create a more cohesive local skills system and the skills response to local socio-economic conditions. The EMCCA is working closely with the LSIP developer, FSB, and is also part of the Local Skills Improvement Fund working group, comprised of our FE Colleges, Local Authorities and independent learning organisations.

## Section 5 - AEB Data and Delivery: contextual overview

### Funding Overview 2022/23

**NOTE: Any gaps in data due to ongoing analysis of Data Cube highlighted in red**

The information given in this section applies to historic Adult Education Budget delivery and is therefore termed AEB rather than ASF, which does not come into effect until August 2024.

In the Academic Year 2022/23 the total amount of AEB education and training funding spent on EMCCA residents was around £36.5 million (excluding Community Learning). Of the total funding available under AEB, approximately 79% of the funding was used for AEB skills (education and training) provision and 21% for delivery of AEB Community Learning Provision. This was also reflected in the split by learning aims, Education and Training provision accounting for 87% of all learning aims and the remaining 13% was delivered through Adult and Community Learning<sup>8</sup>.

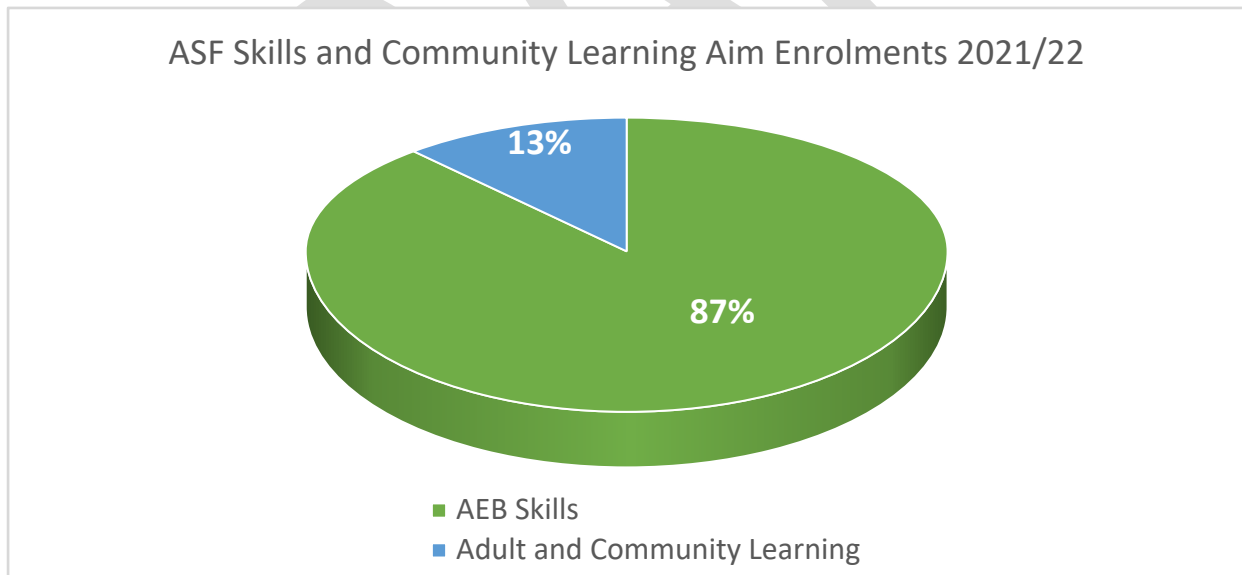


Figure 16 Source: <https://explore-education-statistics.service.gov.uk/find-statistics/further-education-and-skills/2021-22>

The majority of provision (80.7%) was delivered directly by contracted providers with the remaining 19.3% delivered through subcontracted provision.

<sup>8</sup> ACL providers, including Local Authorities, may have contracts for both education and training and community learning ASF.

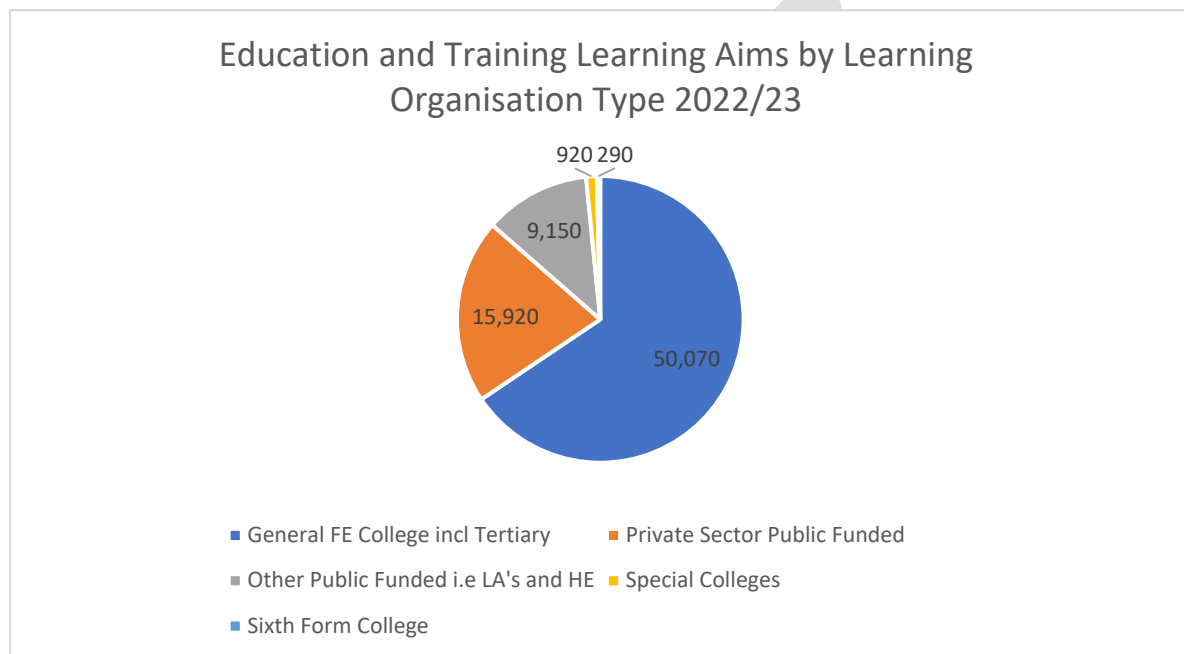
**DRAFT EMCCA ASF Strategic Skills Plan**

Based on the data available, 82.3% of Adult Education Budget Funding was allocated to grant funded providers with the remaining 17.7% delivered through procured contracts for services.

It is estimated that approximately **XX%** of skills funding was used to meet statutory learner entitlements in 2022/23.

**Learning Organisation Base**

The learning organisation base catering for AEB Education and Training funded learners in EMCCA is large, with 229 organisations listed as prime contractors in 2022/23<sup>9</sup>. The funding value for most learning organisations however, was small, with a median value of around £8,000.



<sup>9</sup> Localities Data Cube

DRAFT EMCCA ASF Strategic Skills Plan

The majority of Education and training ASF provision was delivered by General FE Colleges, whereas for Adult and Community Learning the majority of provision was delivered by Local Authorities

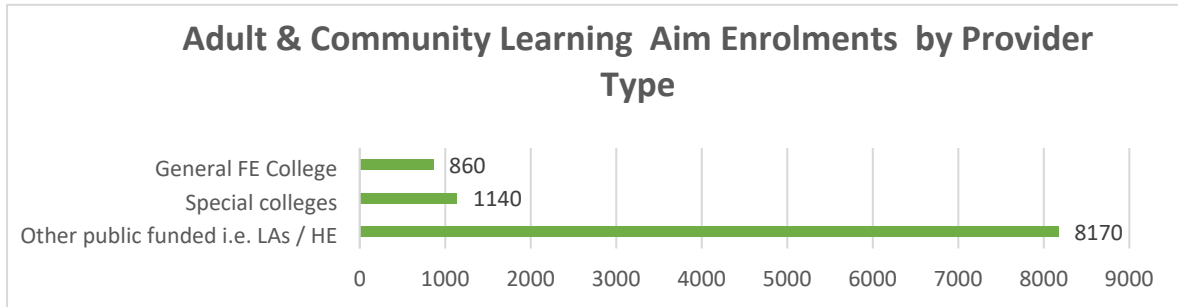


Figure 17 <https://explore-education-statistics.service.gov.uk/find-statistics/further-education-and-skills>

Figure 18 Source: <https://explore-education-statistics.service.gov.uk/find-statistics/further-education-and-skills/2021-22>

[statistics.service.gov.uk/find-statistics/further-education-and-skills/2021-22](https://explore-education-statistics.service.gov.uk/find-statistics/further-education-and-skills/2021-22)

Enrolment Trends

Education and Training (AEB) aim enrolments three-year trend by age profile.

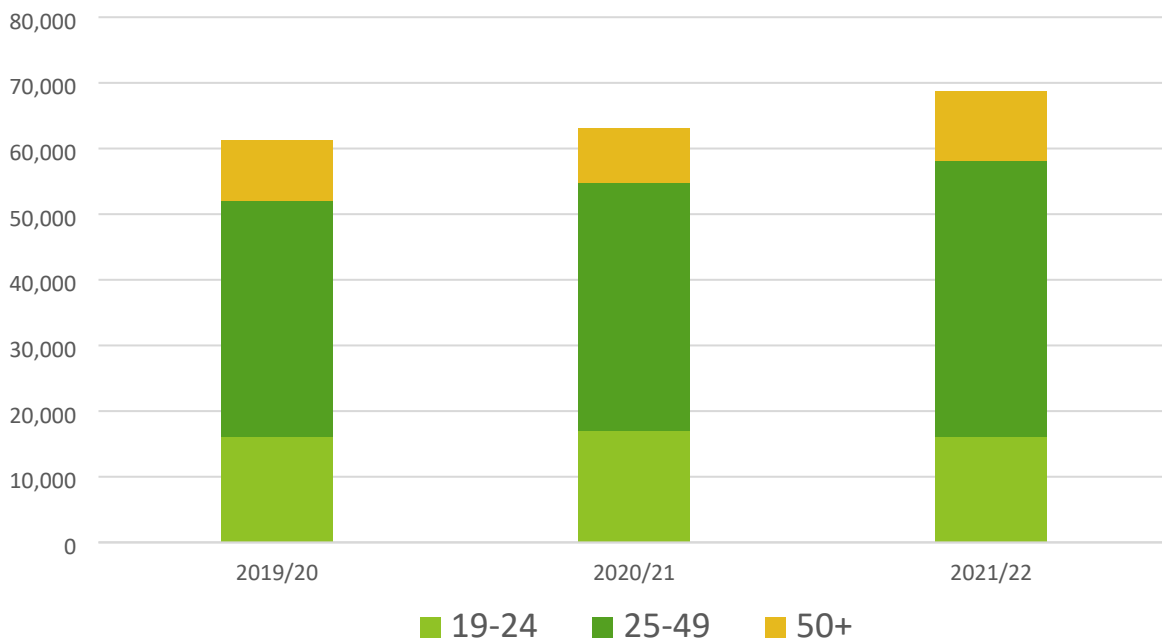


Figure 19 Source: <https://explore-education-statistics.service.gov.uk/find-statistics/further-education-and-skills/2021-22>

DRAFT EMCCA ASF Strategic Skills Plan

Community Learning aim enrolments by type of learning

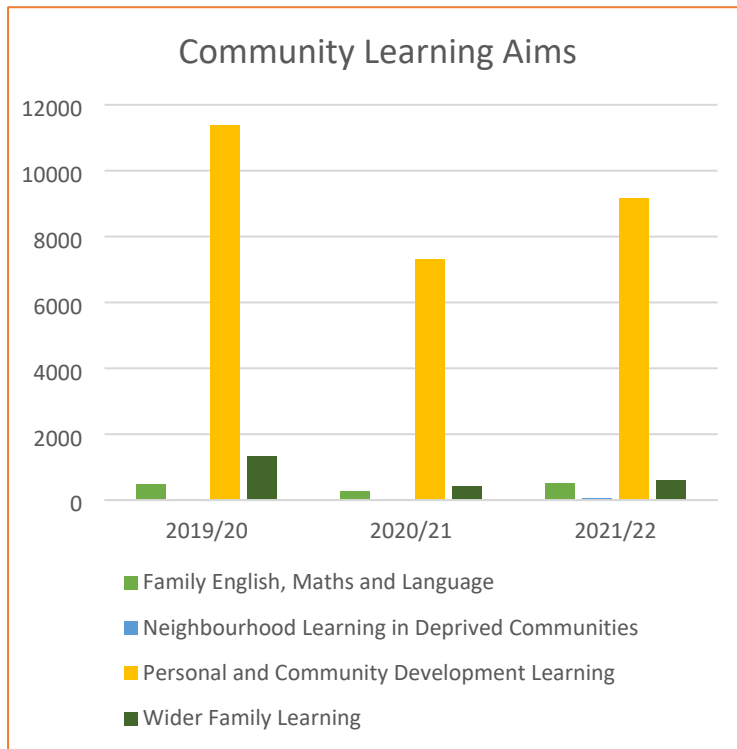


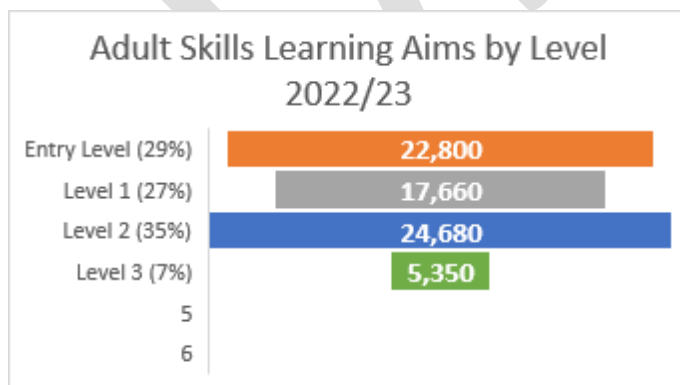
Figure 20 Source: <https://explore-education-statistics.service.gov.uk/find-statistics/further-education-and-skills/2021-22>

**NOTE: Following to be inserted.**

- Proportion of provision (£ and learning aims) delivered by ‘out of area’ learning organisations, and of those, what percentage was subcontracted?

Profile of Provision

Under the Education and Training strand of AEB there were 76,350 learning aim enrolments in 2022/23.



In terms of participation, almost all AEB funded learners were enrolled on learning at or below Level 2 in 2021/22 or at an unassigned level via Community Learning.

The range of subjects funded by AEB is narrow, of the 76,350 <sup>10</sup>aim enrolments in 2022/23, 36,360 were for aims specifically linked to preparation for Life and Work, which includes English, Maths, Digital and

Figure 21 Source: <https://explore-education-statistics.service.gov.uk/find-statistics/further-education-and-skills>

DRAFT EMCCA ASF Strategic Skills Plan

Employability Skills. The three biggest areas by volume of learning aims were Preparation for Life and Work, Health, Public Services and Care, and Business Administration.

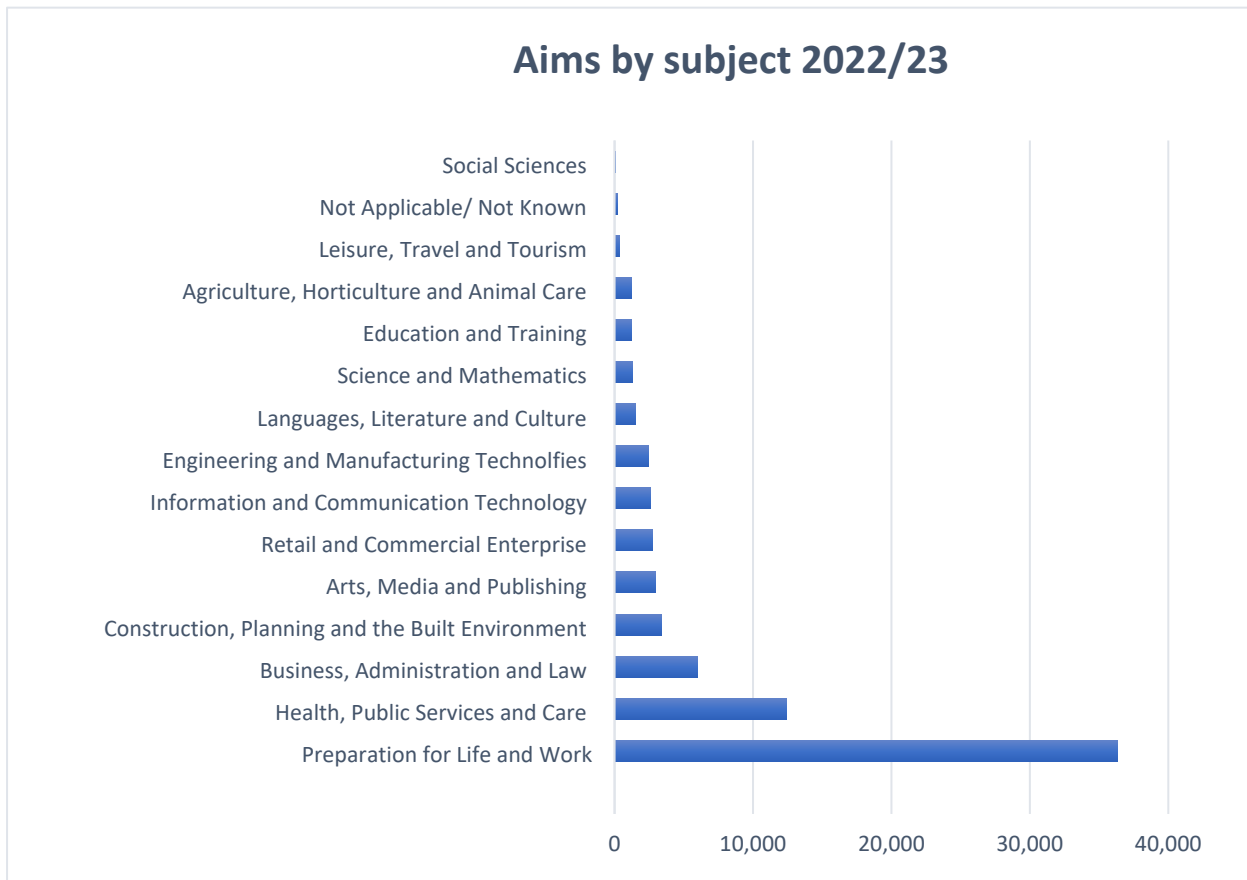


Figure 22 Source: <https://explore-education-statistics.service.gov.uk/find-statistics/further-education-and-skillsProfile of Learners>

There are notable differences in the age profile of learning aims delivered through AEB Education and Training and through Adult and Community Learning (although the numbers accessing training through ACL are lower). The percentage of aim enrolments by 50+ learners is considerably higher.



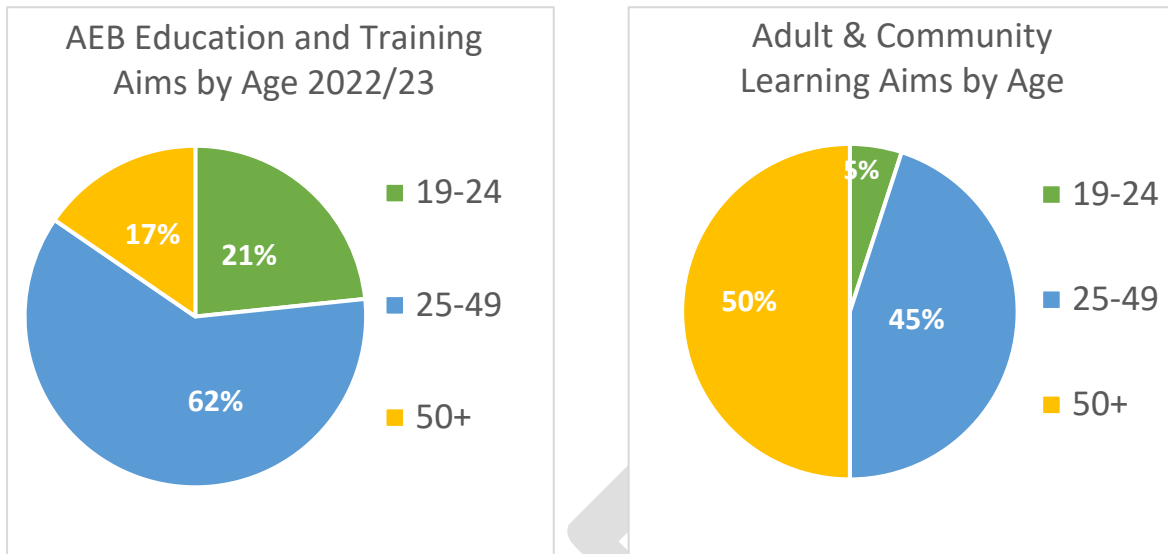


Figure 23 Source: <https://explore-education-statistics.service.gov.uk/find-statistics/further-education-and-skills>

A larger proportion of women than men accessed education and training through AEB funded provision in EMCCA in 2021/22.

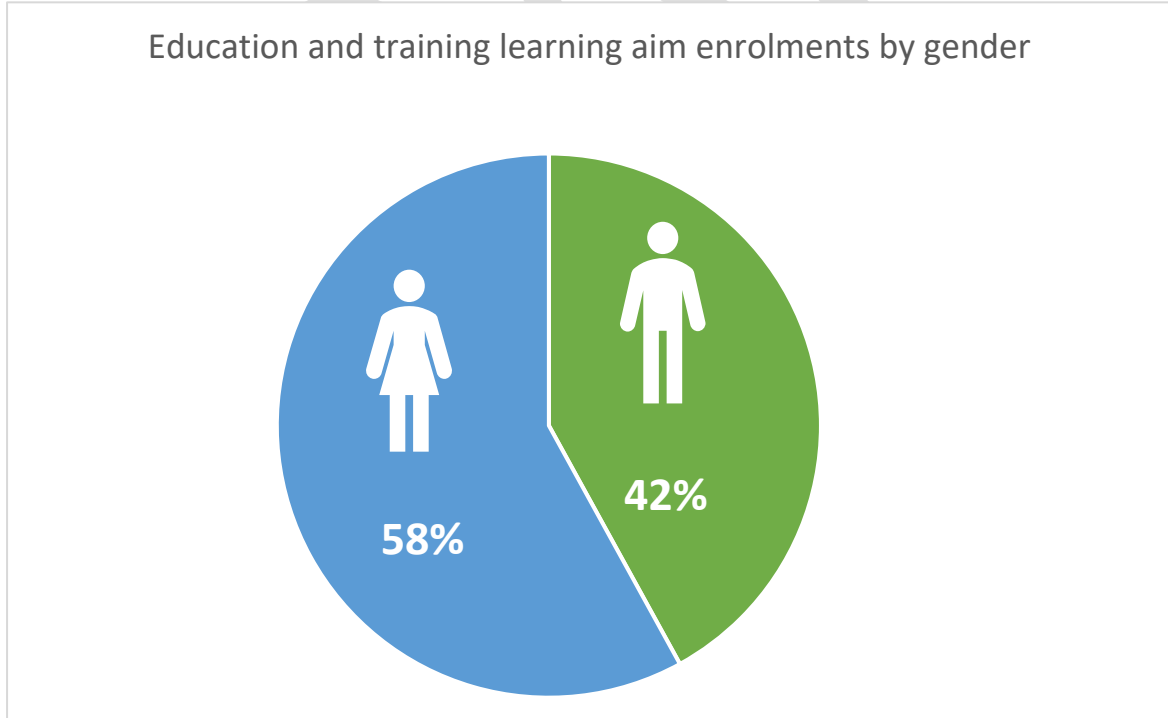


Figure 24 Source: <https://explore-education-statistics.service.gov.uk/find-statistics/further-education-and-skills/2021-22>

DRAFT EMCCA ASF Strategic Skills Plan

**Achievements**

Whilst the achievement rate for AEB delivered through Education and Training is slightly higher than the national average at 63.5%, EMCCA has a lower share of FE achievements in Community Learning than the national average.

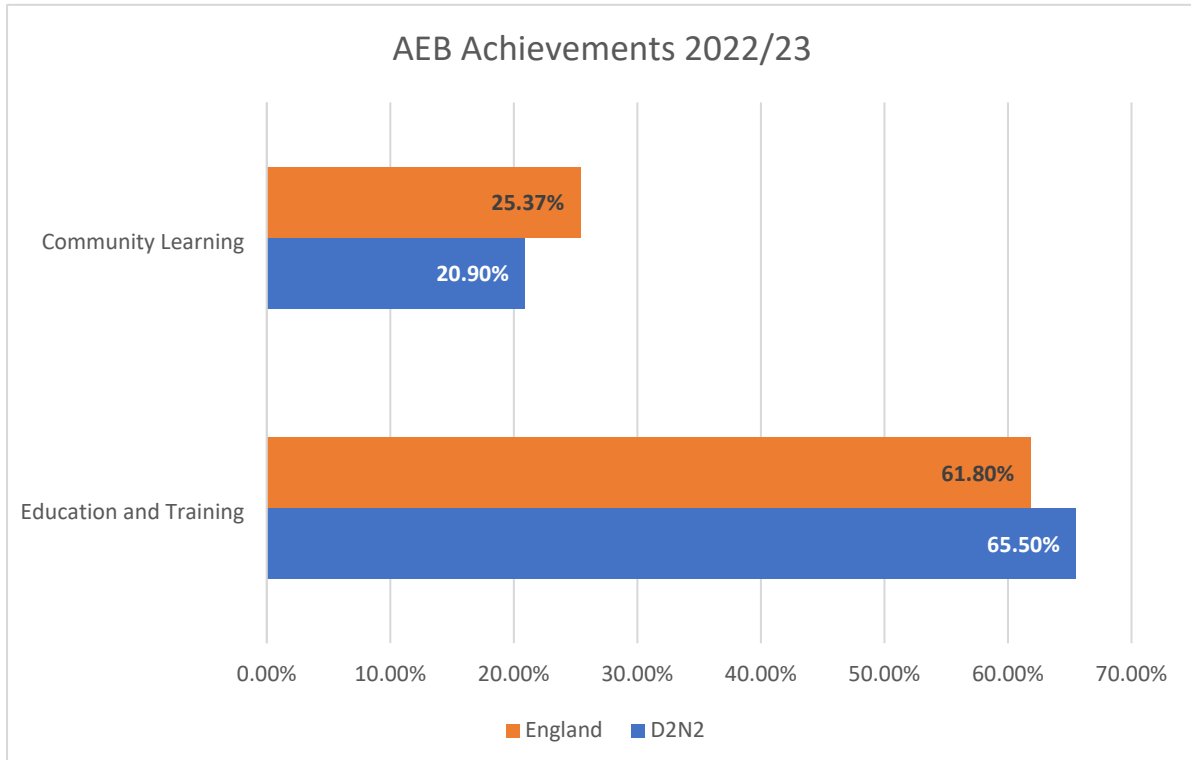


Figure 25 Source: <https://department-for-education.shinyapps.io/local-skills-dashboard/>

**Free Courses for Jobs**

**To be inserted:** data on FCFJ enrolments, funding value, achievements and type of aim delivered.

DRAFT EMCCA ASF Strategic Skills Plan

## Section 6 – Funding Overview

The EMCCA will be responsible for devolved ASF from the 2025/26 Academic Year. Our strategic approach will be informed by analysis of the full academic year data for 2023/24, robust engagement with our stakeholders and consideration of the wider skills landscape, including interfaces with other delegated (but not devolved) funding streams such as Free Courses for Jobs and Skills Bootcamps for which EMCCA will hold contracts with learning organisations.

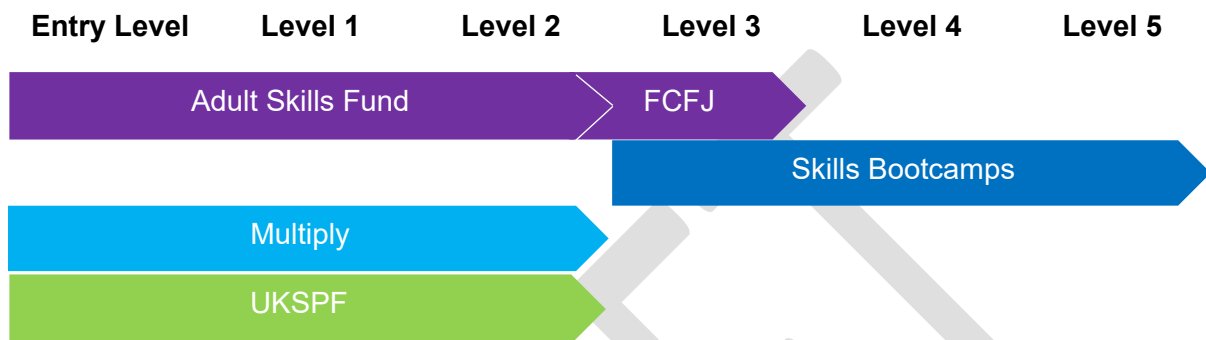


Figure 26: EMCCA Skills Funding

### ASF

ESFA funded ASF aims to engage adults and provide the skills and learning they need to progress into, or within, work; or equip them for an apprenticeship or other learning. It enables more flexible tailored programmes of learning to be made available, which may or may not require a qualification, to help eligible learners engage in learning, build confidence, and/or enhance their wellbeing.

The ASF primarily funds qualifications up to and including Level 2, and although funding for Level 3 qualifications is available through the Free Courses for Jobs funding, the ASF does not fund all Level 3 qualifications or programmes at Level 4 and above, as these are funded through Advanced Learner Loans or Higher Education funding.

Much of the Adult Skills Fund is spent meeting statutory entitlements of learners, including fully funded provision for basic English, Maths and Digital skills and any entitlement to a first full Level 2 or Level 3 qualifications.

### Free Courses for Jobs (FCFJ)

Free Courses for Jobs is a funding stream which sits within the ASF but is managed as a distinct delegated allocation and is part of the Lifetime Skills Guarantee. The funding is aimed at enabling those without a level 3 qualification or higher to achieve a recognised qualification for free. Those who already hold a level 3 but earn below the national living wage, and those who are unemployed are also eligible for FCFJ.

The purpose of free courses for jobs is to reduce sector skills shortages, support individuals in enhancing their career prospects within their current industry and enable individuals to reskill within a new sector. Eligible courses are available in sectors such as health and social care, childcare and early years, hospitality and catering, accounting and finance, and construction.

## DRAFT EMCCA ASF Strategic Skills Plan

### Adult Skills Fund

From August 2024 the ESFA Adult Skills Fund (ASF) will replace the ESFA Adult Education Budget, simplifying the funding and accountability system and giving learning organisations more flexibility to respond to local need where they have a direct contract with ESFA.

There will be 2 main parts to the ESFA ASF:

#### **1: Adult Skills Fund Core**

All formula funded regulated qualifications that include:

- the four legal entitlements
- Free Courses for Jobs
- Local flexibility

#### **2: Adult Skills Fund Tailored Learning**

- Non-regulated provision
- Provision currently termed as Community Learning
- Formula-funded ASF non-regulated learning
- And any new employer-facing innovative provision

Funding guidance for the 2024/25 academic year is expected to be published by April 2024 and clearly the EMCCA will need to ensure that its funding rules reflect the national changes. Key considerations will be the shift in eligibility from prior achievement to unemployed and low waged.

### Other funding streams

In addition to ASF there are other funding streams which will transfer to the control of the devolved authority. The current DfE grant agreement for delivery of Skills Bootcamps in EMCCA is held by the D2N2 LEP but following LEP transition to the devolved authority this contract is expected to novate to EMCCA, including Wave 5 delivery from April 2024. The UK Shared Prosperity Fund (including Multiply) is also expected to revert to the EMCCA from 2025.

### Skills Bootcamps

Skills Bootcamps are free, flexible courses of up to 16 weeks for adults aged 19 or over. They give people the opportunity to build up valuable sector-specific skills based on local employer demand and provide a direct path to a job on completion. Skills Bootcamps are primarily aimed at delivering flexible training at levels 3-5 (medium to higher level technical skills), and level 2 in some sectors. They are co-designed or shaped with employers to respond to their skills shortages.

This training is for adults who are either in work, self-employed, unemployed or returning to work after a break.

### UKSPF/Multiply

Through the UKSPF people and skills investment priority, places can use their funding to help reduce the barriers some people face to employment and support them to move towards employment and education. Places can also target funding into skills for local areas to support employment and local growth. Currently funded via UTLAs, Multiply is a UKSPF funded programme for adults who don't already have a GCSE grade C/4 or higher in Maths to enable access to free courses that fit around their lives.

## DRAFT EMCCA ASF Strategic Skills Plan

Funding streams and programmes such as apprenticeships, offender learning and higher technical qualifications will remain funded through ESFA on behalf of DfE.

EMCCA will work proactively and collaboratively with national and strategic partners and local stakeholders ensure that delivery of ASF is aligned with other funding streams as part of a coherent education landscape for the region focusing on supporting our residents to gain the skills needed to progress towards or into productive and sustained employment.

For example, whilst not a skills programme per se, the Flexible Fund, part of the East Midlands Investment Zone (EMIZ) funding, will also offer the opportunity to access further skills funding, as will the development of the East Midlands Freeport (EMF).

ASF provision will be an important element of EMMCA's overarching skills strategy and this document will contribute towards the development of that plan which in turn will stem from the Economic Growth Strategy for the Region. It is recognised that the ASF SSP forms a part of the wider investment and skills strategy for the region, as does the LSIP. The relationship between the key strategic documents are shown in Figure 24 below.

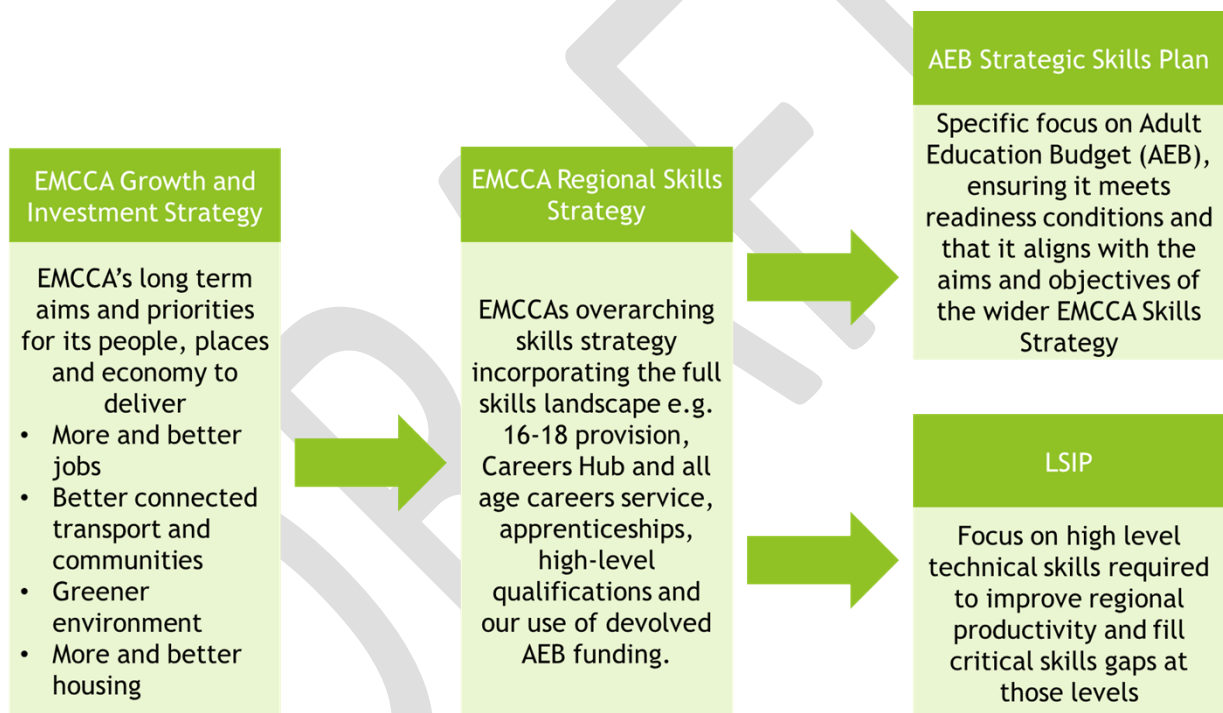


Figure 27 EMCCA Skills and Investment Strategy Overview

## Section 7 – ASF Strategic Approach

### Devolved ASF Flexibilities

Devolution of ASF and responsibility for other employment and skills funding streams provides an opportunity to make commissioning decisions which focus on the specific needs of our region and to ensure that we align funding streams to avoid duplication of delivery and maximise the potential to develop clear and well understood progression pathways. It will enable EMCCA to offer flexible provision to meet the needs of our residents and businesses and the agility to respond swiftly to changes in the labour market and to support residents who may need additional support to access learning or employment. This will also be

## DRAFT EMCCA ASF Strategic Skills Plan

facilitated through closer working with DWP and the opportunity to co-produce programmes to better meet the needs of the region.

Over time EMCCA expects to make full use of the freedoms and flexibilities afforded as part of devolved ASF funding in terms of funding rules, rates and eligibility criteria. However, our focus for the first year of operation has to be on maintaining the stability of existing provision. We expect that further changes will occur over time, through working strategically with the learning organisation base and other key partners and stakeholders to ensure that they are evidence based.

The devolved Adult Skills Fund will enable us to:

- Focus on the needs of place, ensuring that funded provision aligns with progression pathways addressing skills gaps specific to our area.
- Support the growth of our regional economy to impact positively on national productivity and performance.
- Deliver a more responsive and accessible adult skills offer for residents and employers.
- Utilise skills funding to promote social mobility to allow people to achieve their potential.
- Develop deeper, sustainable relationships with training learning organisations to develop provision which meets the needs of the locality.
- Ensure that our ASF provision works in tandem with other funding streams to avoid duplication, ensure value for money and maximise opportunities available to residents and businesses alike.
- Build on existing collaborative ways of working between all post-16 skills and education stakeholders to bring together planning of the wider skills and post-16 skills system across EMCCA.
- Focus on demonstrating and evidencing the impact of ASF on learner outcomes.

As previously stated, in the early phase of devolution, our intention is to maintain a stable learning organisation base to ensure that access to high quality learning and skills is secure and that the throughput of a skilled labour force continues to serve the economy. The intelligence gained by EMCCA through this early phase will then be used to inform future commissioning decisions over the medium and longer term.

To ensure continued stability in the system we have established the following commissioning principles:

**Continue to fund the four statutory legal entitlements for eligible adult learners These entitlements are set out in the [Apprenticeships, Skills and Children Learning Act 2009](#), and are:**

- English and maths up to and including level 2 for learners aged 19 and over who have not previously attained a GCSE grade A\* to C or a grade 4 or higher.
- a first full qualification at level 2 for learners aged 19 to 23.
- a first full qualification at level 3 for learners aged 19 to 23.
- essential digital skills qualifications up to and including level 1 for learners aged 19 and over who have digital skills assessed as being below level 1.

**In line with the ESFA ASF funding rules for 2023-24 we will provide full funding for the following eligible learners:**

#### DRAFT EMCCA ASF Strategic Skills Plan

- Unemployed learners, prioritising funding to undertake learning programmes up to Level 2 (ASF) or Level 3 (FCFJ) which support them to move into work.
- Fund low-waged learners (currently less than £20,319) to gain their first full level 2 (ASF) or level 3 (FCFJ) qualification.
- Fund unemployed or low waged learners whose first language is not English for ESOL learning, up to level 2.

#### **Prioritise those who are facing additional barriers to enter or progress into employment.**

We will work with our learning organisation base to understand the barriers faced by residents in accessing work and enable a strategic, efficient community learning offer which encourages and supports learners onto appropriate provision. This will be particularly relevant in light of the increasing volume of economically inactive residents.

#### **Maintain consistent rules and funding availabilities for learners with learning difficulties and/or disabilities.**

EMCCA recognises the difficulties faced by learners with LLDD in both accessing provision and transitioning into employment.

#### **Make provision for the development of innovative ways of working.**

Whilst it is clear the majority of the ASF will be used to meet statutory entitlements, the devolution of the funding also affords opportunities to test and pilot new approaches to delivery. In order to respond to identified need, EMCCA will set aside funding for small scale pilot activity, for example (but not limited to): delivery of qualifications which are desired by local employers but not approved on the Learning Aim Reference Service (LARS), trialling unit delivery at L3 or L4 supporting progression to qualifications available under FCFJ, Bootcamps or HTQs. We expect to work closely with the sector on this using their expertise to develop ideas and potential solutions to overcome existing barriers.

#### **Health and Well Being**

The most prevalent reason for economic inactivity within EMCCA is long-term sickness, compounded by the longer-term impact of Covid on the mental well-being of the resident population. ASF delivery to these groups of people can be used to effect a positive impact on learner's wellbeing. Learners accessing ASF funded programmes have reported that they felt significant increases in their life satisfaction and happiness and reductions in anxiety levels.<sup>11</sup>

EMCCA will therefore continue to support achievement of those wider outcomes, such as improving learner confidence, mental health and wellbeing in recognition of the importance of health and wellbeing to chances of getting and sustaining employment.

---

<sup>11</sup> <https://data.london.gov.uk/dataset/london-learner-survey>

### Alignment with national programmes

We are mindful that ASF comprises a significant element of adult funding but in commissioning activity we will consider the wider skills landscape and other programmes which will remain under the management of DfE and ESFA: National Careers Service, Apprenticeships, Higher Education (including Lifelong Learning Entitlement), and Offender Learning. Our EMCCA Skills Strategy will also include consideration of the wider skills environment including pre-and post-16 careers provision, 16-18 education provision, apprenticeships and high-level skills in transforming the EMCCA economy. The strategy will also incorporate where appropriate, those elements of skills funding administered by other government departments, e.g. some elements of skills for Net Zero managed by the Midlands Net Zero Hub, and funding for skills made available through place-based initiatives such as Towns Fund.

### Governance

EMCCA's management of devolved ASF funding will evolve over time, under the direction of the elected Mayor. As the devolved skills landscape is established, we will develop further freedoms and flexibilities in response to the needs of our economy in line with financial management and planning regulations specific to Combined Authorities. Future targeting of funds will be underpinned by an evidence base which reflects labour market needs and assesses the impact of current provision.

## Section 8 – Principles of Commissioning

### Core Commissioning Principles

The devolution of the ASF budget to the EMCCA affords the opportunity to focus on a wider range of outcomes than qualifications alone. We are clear the budget is a key element in the drive to improve economic prosperity for the region, by reducing inequality and promoting social mobility to allow people to achieve their potential, especially in communities that are most disadvantaged. To achieve this, our commissioning approach will focus not only on achievement of qualifications, but on the wider outcomes achieved by learners (entering employment, in-work progression and progressing to higher levels of learning).

We will consider the recommendations of the LSIP, conduct ongoing labour market analysis and draw on the local knowledge of our learning organisations to ensure availability of a high-quality adult skills offer, focused on achieving outcomes directly linked to local skills needs.

The core set of commissioning principles will:

- Seek to align the Adult Skills Fund expenditure with the residents and places that are most in need, and /or that will see the greatest impact from investment in skills.
- Place learner outcomes (including securing employment, in-work progression and progression to higher levels of learning) at the heart of commissioning.
- Ensure that commissioned ASF provision is aligned with provision available under other funding streams to form cohesive progression pathways for learners.



## DRAFT EMCCA ASF Strategic Skills Plan

- Ensure contracting processes are transparent and fair, facilitating the involvement of the broadest range of suppliers, including subcontracting and consortia building, where appropriate.
- Seek to utilise learning from our existing evidence base, together with ongoing analysis and consultation with stakeholders, employers, learning organisations and learners to identify areas where investment of funds would benefit all.
- Seek to develop deeper relationships with all types of learning organisations, to understand their offer and their potential to improve skills delivery and outcomes across EMCCA.
- Sit within a wider framework of skills development, overseen by the EMCCA Employment and Skills Advisory Board
- Enable the trialling and development of innovative approaches to fund investment to meet local need.
- Support the core readiness conditions of the Adult Skills Fund contained within the devolution deal and provide stability in the system.
- Utilise existing Combined Authority networks to develop a shared understanding of good practice, performance management and management information requirements. Seek to align approaches where learning organisations have multiple delivery contracts.

DRAFT EMCCA ASF Strategic Skills Plan

Funding Arrangements

Funding for ASF and FCFJ will be allocated through two routes.

Route 1 – Grant Funded Allocations	Route 2 – Contract for Services
<p>We will ‘roll-over ‘Grant Agreements with learning organisations who hold an existing Grant Agreement with ESFA and that:</p> <ul style="list-style-type: none"> <li>• Are wholly or mainly funded by the public purse.</li> <li>• Have an established place-based approach that supports EMCCA’s strategic ambitions.</li> <li>• Deliver significant volumes of activity within EMCCA and support existing travel to learn patterns.</li> <li>• Have a head office or FE college campus within the EMCCA boundary</li> </ul> <p>In recognition of the change in allocation values and learning organisation behaviour over time, and to maintain stability in the system, we will grant fund these learning organisations by applying the proportion of their 2023-24 allocation that was spent on EMCCA resident learners to the 2025-26 allocation.</p> <p>Grant funding agreements will initially last for one year (AY 2025/26, with the option for the EMCCA to extend for a further two years</p>	<p>The remaining ASF funds will be procured via an open and competitive procurement process.</p> <p>The majority of these funds will be procured through a commissioning round commencing in Autumn 2024 focusing on:</p> <ul style="list-style-type: none"> <li>• Delivery of legal entitlements</li> <li>• Supporting unemployed and economically inactive to progress into good jobs.</li> <li>• Supporting in-work progression of those on low wages</li> <li>• Enabling employed adults to progress in the workplace.</li> <li>• Testing and/or piloting innovative ways of addressing skills gaps or trialling new learning methods.</li> </ul> <p>Contracts for Services will be issued for one year (AY 2025/26) with the option to extend for further years. Th extension will be subject to learning organisation performance, skills policy and funding availability.</p>
<p>Irrespective of route:</p> <ul style="list-style-type: none"> <li>• Learning organisations will develop an Annual Delivery Plan for year 1, including expected volumes of learners by Sector Subject Area and local authority area, profiled delivery volumes across the year and all planned subcontracting arrangements.</li> <li>• Learning organisations with a significant contract value will be expected to co-develop an Accountability Agreement with the Combined Authority that demonstrates their commitment to EMCCA’s strategic aims or to ensure that this is covered in their Annual Accountability Statement produced for DfE.</li> <li>• Growth requests will be available for year 2, subject to funding availability and learning organisation performance.</li> <li>• A 3% tolerance<sup>12</sup> will not be available on allocations, however, we will look to support growth requests in year where possible.</li> </ul>	

<sup>12</sup> ESFA’s national policy currently allows a 3% tolerance on underperformance and payment up to 3% for over-performance. Given the desire to maximise value for money and impact, alongside the limitations of the scale of budget for EMCCA, we cannot guarantee over-payments or commit to paying for under delivery.

### Cross Border learners

It is understood that DfE intends to publish further guidance on how Combined Authorities should approach the issue of cross border learners. The learners in question are those learners living close to the EMCCA boundary whose nearest (and usual) place of learning is across the border, and this works both for learners resident in EMCCA whose place of learning is outside and non-residents whose nearest place of learning is within EMCCA. This could be addressed by creating reciprocal agreements with all of the following authorities which share a border with EMCCA (existing CAs have created mutual 'buffer zones' allowing learners to move between authorities:

- Greater Manchester
- West Yorkshire
- South Yorkshire
- Greater Lincolnshire

In addition, Staffordshire and Leicestershire will not have devolved funding but learners may still cross the border to access provision in EMCCA.

### Out-of-Area Grant Funded Learning Organisations

Current grant funded learning organisations who do not meet the criteria listed under Route 1 will not receive continued funding for their subcontracted provision to EMCCA residents. This funding will be reallocated into the procurement allocation, recognising that such funding is ultimately delivered by independent learning organisations through subcontract arrangements.

Current grant funded learning organisations from outside of the EMCCA region will not automatically receive a grant through the devolved ASF allocations process but will have the opportunity to secure a contract for service through the competitive procurement process. Data indicates that this approach will have minimal impact on the learning organisation base, given the relative proportion of funded delivery in EMCCA compared to their overall allocations.

### Out of Area Learners

The Combined Authority will only have responsibility and funding to support learners resident within the EMCCA. Learners travelling into EMCCA from other regions will require the learning organisation to have a national contract or grant agreement with ESFA. This is not withstanding any agreements which may be developed with contiguous CAs (see paragraph on cross border learners above)

## Section 9 – Matrix ASF Priorities and Outcomes

EMCCA Strategic Priority	Objectives	ASF Specific Action	Outcome / Impact	Measures
<p><b>Match skills to economic need to increase productivity and wellbeing.</b></p>	<p>Increase number of people with basic employability skills (L2 &amp;3)</p> <p>Increase number of people with higher level skills Supply skills for key sectors – decrease skills shortages.</p> <p>Develop a pipeline of skills for net zero and emerging technologies driving economic change.</p> <p>Maintain focus on transferable and digital skills to support inclusion and workplace progression</p> <p>Increase flexible methods of delivery</p>	<p>Ensure that ASF delivery forms part of progression pathways to deliver skills requirements to employers and allow individuals to access opportunities for progression.</p> <p>Provide people with L2 &amp; L3 qualifications which are relevant to local labour markets.</p> <p>Facilitate progression through the provision of all-age careers support to deliver excellent information, advice and guidance.</p> <p>Commission pilots with flexible models of delivery.</p>	<p>Businesses in EMCCA can access people with the right skills to help their business flourish.</p> <p>Individuals are able to access training which contributes to an increase in living standards and career prospects.</p>	<p>Prevalence of skills gaps and shortages</p> <p>Number of qualifiers by level and subject</p> <p>Achievement rates by level and subject</p> <p>Sustained positive destination rates.</p> <p>Pay outcomes.</p> <p>Progression to apprenticeships</p> <p>Adoption of green technologies by EMCCA businesses and increase in zero carbon skills attainment.</p>
<p><b>Reduce inequality and promote social mobility to allow people to achieve their potential.</b></p>	<p>Increase participation and skills levels from disadvantaged communities and groups.</p>	<p>Continue to support Community Learning which enables individuals to progress.</p>	<p>People can access learning which opens up new opportunities to participate within the economy.</p>	<p>Participation in learning by disadvantaged groups</p> <p>Participation in Community Learning</p>
<p><b>Improve healthy life expectancy and reduce inequalities, especially in communities and groups</b></p>	<p>Extend the reach of learning opportunities to a broader range of underrepresented groups.</p>	<p>Provide foundation skills that support people to thrive and progress in society.</p>	<p>Skills development and enhanced life opportunities for the economically inactive</p>	<p>Learner perceptions of impact of learning on their confidence, capability</p>

DRAFT EMCCA ASF Strategic Skills Plan

<p><b>who are most disadvantaged</b></p>	<p>Build confidence of lower skilled learners to engage and progress in learning</p>			<p>Work with learning organisations to develop progression measures for people remaining in learning</p>
<p><b>Support the unemployed and economically inactive to gain and sustain employment.</b></p>	<p>Connect unemployment support with support with skills development, working with jobcentres</p>	<p>Provide people with English, maths and digital skills needed for employment.</p> <p>Commissioning sector-based work academies with clear line of sight to a job</p> <p>Commission progression focussed employability skills programmes with flexible delivery to build confidence of participants</p>	<p>Reduced unemployment / economic inactivity</p>	<p>Participation of unemployed in Adult Skills Fund-funded provision</p> <p>Progression from learning into employment</p> <p>Sustained positive outcome rates for benefit learners.</p> <p>Unemployment / economic inactivity rates</p>
<p><b>Unlock progression opportunities and career adaptability through skills, particularly for those on low wages and with insecure work</b></p>	<p>Improve career prospects of residents.</p> <p>Connect people to new job opportunities through increased skills</p>	<p>Commission in-work training programmes to support progression.</p> <p>Commission programmes which address skills gaps and link to sectors of opportunity within the EMCCA</p>	<p>Reduced number of people in insecure and low-paid work</p>	<p>Evidence of career progression among people in low-paid employment</p> <p>Sustained positive outcome rates for low-wage and wider employed learners.</p> <p>Pay outcomes</p>

Section 10 – Review and Evaluation

Content to be inserted.