



## **CABINET**

11 JUNE 2019

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### **DEVOLUTION OF THE ADULT EDUCATION BUDGET TO THE NORTH OF TYNE COMBINED AUTHORITY**

**Report of:** Paul Johnston, Interim Executive Director of Place

**Cabinet Member:** Councillor Peter Jackson, Leader

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#### **Purpose of report**

To outline the legal process to secure the devolution of the Adult Education Budget (AEB) to the North of Tyne Combined Authority (NTCA) for the academic year 2020/21 onwards.

#### **Recommendations**

Cabinet is recommended to:

- agree that the Council should consent to the making of the order which will transfer the functions relating to AEB from the Secretary of State (SoS) to the NTCA; and
- authorise the Chief Executive to provide written confirmation of the Council's consent when requested by the SoS.

#### **Link to Corporate Plan**

This report is relevant to the "learning" and "thriving" priorities included in the NCC Corporate Plan 2018-2021

#### **Key issues**

One of the key elements of the devolution deal agreed between the 3 North of Tyne authorities and central government in 2017 was the devolution of the Adult Education Budget (AEB) to the North of Tyne Combined Authority (NTCA).

The devolution of the AEB is scheduled to take place with effect from the academic year 2020/21. The transfer of the necessary statutory functions from central government to NTCA depends upon the Secretary of State for Education (SoS) making a legal order. The order can

only be made with the consent of NTCA and the three constituent authorities. This report recommends that the Council should provide its consent to the making of the necessary order.

## **BACKGROUND**

1. A key element of NTCA's Vision and its devolution deal with central government was the devolution of the AEB for the area. This is likely to be in the region of £22m per annum. The devolution of this important budget will, over time, allow NTCA to ensure training and skills provision respond to local needs to a much greater extent than is currently the case.
2. The process for AEB devolution is dependent on the Secretary of State making a legal order to transfer the necessary statutory functions to NTCA. DfE have now provided a draft of the order. It is in similar terms to orders which have already been made for the transfer of AEB functions to other combined authorities.
3. Specifically, the draft order provides that the following functions of the SoS under the Apprenticeships Skills Children and Learning Act 2009 will be exercisable by NTCA in relation to its area:
  - section 86 (education and training for persons aged 19 or over);
  - section 87 (learning aims for persons aged 19 or over: provision of facilities);
  - section 88 (learning aims for persons aged 19 or over: payment of tuition fees).
4. The order also provides for the transfer of the SoS's functions under section 90 of the 2009 Act which relates to the encouragement of education and training for persons aged 19 or over, and section 100(1) of the 2009 Act which relates to the provision of financial resources. These functions are to be exercisable by the CA concurrently with the SoS.
5. The draft order is in keeping with the proposals as to AEB devolution which were set out in the scheme published by the three constituent authorities in December 2017 as part of the statutory process to create NTCA. It does not propose that any of the functions of the constituent authorities are transferred to NTCA.
6. The order will be made by the SoS under section 105A of the Local Democracy, Economic Development and Construction Act 2009 on the basis that it will improve the exercise of statutory functions in NTCA's area. As such, the making of the order will require the consent of NTCA and each constituent authority.
7. The timetable for implementing this devolution is as follows:

June 2019	NTCA and each constituent authority consents to the making of the order.
Autumn 2019	Parliament debates NTCA AEB Devolution Order. If approved, Order is made and comes into effect.
December 2019	Final deadline for full-devo MoU sign-off which will commence 1 January 2020.
January 2020	DfE notifies NTCA of AEB budget amount for 20/21.
April 2020	DfE makes AEB budget payment to NTCA.
August 2020	NTCA makes AEB payments to Providers.

8. DfE have indicated that they are likely to require NTCA and each constituent authority to provide its consent at some point in June. It is therefore proposed that the Chief

Executive be authorised to confirm NTCA's consent when requested by the DfE, providing that the final draft of the order is satisfactory. Each constituent authority's Cabinet is similarly being asked to authorise its Chief Executive to confirm their consent to the SoS.

## **IMPLICATIONS**

<b>Policy</b>	The devolution of AEB forms part of the North of Tyne devolution deal.
<b>Finance and value for money</b>	The devolution of AEB will result in an annual budget of around £22 million per annum being devolved from the SoS to the NTCA. There are no direct financial implications for the Council.
<b>Legal</b>	An order needs to be laid in Parliament to facilitate the legal transfer of AEB from the SoS to the NTCA.
<b>Procurement</b>	n/a
<b>Human Resources</b>	n/a
<b>Property</b>	n/a
<b>Equalities</b>	(Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
<b>Risk Assessment</b>	It is considered that there are no direct risk implications for the Council arising from the devolution of the AEB to NTCA. However, if any of the constituent authorities within NTCA do not provide their consent, then the Secretary of State will not be able to make the requisite order and AEB devolution will not proceed.
<b>Crime &amp; Disorder</b>	n/a
<b>Customer Consideration</b>	n/a
<b>Carbon reduction</b>	n/a
<b>Wards</b>	ALL

## **Background papers:**

North of Tyne Devolution Deal

## **Report sign off.**

***Authors must ensure that officers and members have agreed the content of the report:***

	initials
Monitoring Officer/Legal	LH
Executive Director of Finance & S151 Officer	
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