

North Tyneside Council

Report to Cabinet

Date: 24 June 2019

ITEM 5(d)

Title: Adult Education
Devolution

Portfolio(s): Elected Mayor

Children, Young People and
Learning

Cabinet Member(s): Mrs N Redfearn CBE
Elected Mayor

Councillor Peter
Earley

Report from Service

Area: Chief Executive

Responsible Officer: Paul Hanson, Chief Executive

Tel: (0191) 643 7001

Wards affected: All

PART 1

1.1 Executive Summary:

One of the key elements of the devolution deal agreed between the three North of Tyne authorities (the constituent 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. Therefore, Cabinet is being asked to agree to give the Authority's consent to the making of the Order in common with the Cabinets of NTCA, Newcastle City Council and Northumberland County Council who will be asked to give formal consent to the making of the Order on behalf of their respective Authority.

This report recommends that the Authority should provide its consent to the making of the necessary Order.

1.2 Recommendation(s):

It is recommended that Cabinet:

- (1) Agree that the Authority should consent to the making of the Order which will transfer the functions relating to the Adult Education Budget from the Secretary of State for Education to the North of Tyne Combined Authority; and

- (2) Authorise the Chief Executive in consultation with the Elected Mayor, the Cabinet Member with responsibility for Children, Young People and Learning and the Head of Law and Governance to provide written confirmation of the Authority's consent to the making of the Order when requested by the Secretary of State.

1.3 Forward Plan:

Twenty eight days notice of this report has been given and it first appeared on the Forward Plan that was published on 10 May 2019.

1.4 Council Plan and Policy Framework

This report relates to the following priority(ies) in the 2018/20 Our North Tyneside Plan – Our People – will be ready for work and life; Our Places will – be great places to live and Our Economy – will be business friendly, ensuring the right skills and conditions are in place to support investment.

1.5 Information:

Background

- 1.5.1 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.
- 1.5.2 The process for AEB devolution is dependent on the Secretary of State making a legal Order to transfer the necessary statutory functions to NTCA. The Department for Education (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.
- 1.5.3 Specifically, the draft Order provides that the following functions of the SoS under the Apprenticeships Skills Children and Learning Act 2009 (the 2009 Act) 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).
- 1.5.4 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.
- 1.5.5 The draft Order is in keeping with the proposals as to the AEB devolution which were set out in the Scheme published by the 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.
- 1.5.6 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.

1.5.7 As set out in section 1.5.9 below, the timetable to achieve the AEB devolution for 2020/21 is relatively tight. 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.

1.5.8 The timetable for the implementation of the devolution of the AEB to NTCA is set out in the table below:-

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 devolution Memorandum of Understanding sign-off which will commence 1 January 2020.
January 2020	DfE notifies NTCA of AEB budget amount 2020/21.
April 2020	DfE makes AEB budget payment to NTCA.
August 2020	NTCA makes AEB payments to providers.

1.6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

To agree to the recommendations set out in paragraph 1.2.

Option 2

To not agree to the recommendations set out in paragraph 1.2.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

One of the key elements of the North of Tyne devolution deal was the devolution of the AEB and was included in the Scheme that was widely consulted on across the whole of the North East Combined Authority area. The devolution of the AEB budget will ensure that training and skills provision in the NTCA area will respond to local needs.

1.8 Appendices:

None.

1.9 Contact officers:

Paul Hanson, Chief Executive - tel. (0191) 643 7001
Janice Gillespie, Head of Resources – tel. (0191) 643 5701
John Barton, Lawyer – tel. (0191) 643 5354

1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

- (1) The North of Tyne Devolution Deal
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/754719/North_of_Tyne_Deal.pdf
- (2) Cabinet Report of 19 February 2018
<https://my.northtyneside.gov.uk/sites/default/files/meeting/related-documents/Cabinet%2019%2002%2018.pdf>
- (3) Local Democracy, Economic Development and Construction Act 2009
<https://www.legislation.gov.uk/ukpga/2009/20/contents>
- (4) The Newcastle Upon Tyne, North Tyneside and Northumberland Combined Authority (Establishment and Functions) Order 2018
<https://www.legislation.gov.uk/uksi/2018/1133/contents/made>

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

There are no direct financial implications for the Authority arising from this report.

2.2 Legal

The legal implications are set out in the body of the report.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

The Elected Mayor, Deputy Mayor, Cabinet member for Children, Young People and Learning and relevant Heads of Service are aware of the proposals.

2.3.2 External Consultation/Engagement

The Scheme published by NTCA, which included the proposed devolution of the AEB functions from the Secretary of State to NTCA, was published in December 2017 and consulted on across the North East Combined Authority area between 14 December 2017 and 5 February 2018.

2.4 Human rights

There are no human rights implications arising from this report.

2.5 Equalities and diversity

There are no equality or diversity implications arising from this report.

2.6 Risk management

There are no direct risk implications to the Authority arising from the devolution of the AEB to NTCA. If any of the constituent authorities within NTCA do not provide consent to the making of the Order devolving the AEB functions from the SoS to NTCA he will not be able to make the requisite Order and devolution of these functions will not proceed.

2.7 Crime and disorder

There are no crime and disorder implications arising from this report.

2.8 Environment and sustainability

There are no environmental and sustainability implications arising from this report.

PART 3 - SIGN OFF

- Chief Executive
- Head(s) of Service
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Head of Corporate Strategy and Customer Service