

Draft Business Case for Implementation Funding to support AEB Devolution Preparations

What funding are you already putting towards this work

Cambridgeshire and Peterborough Combined Authority will be providing a senior resource in the form of the new Director of Skills to oversee the preparations. They will however have a wider remit encompassing development of the skills strategy for the Combined Authority area; development of a new end to end skills system, in addition to oversight of specific projects such as the University of Peterborough and the Health and Social Care Innovation Pilot.

It is estimated that for the 18-month preparation period from December 2017 to July 2019, the Director of Skills will spend approximately one day per week on the AEB preparations. At a salary band between £105,000 and £125,000, this equates to £20-25,000 per annum plus on costs that is being funded by the Combined Authority. This post is in the process of being recruited to, so it may be 3-6 months before someone is in post.

In addition, in the new staffing structure, there will be a bank of three programme managers to support the three directors of Skills, Housing and Infrastructure. This will enable some additional, Combined Authority funded resource for devolution preparations. The posts will be remunerated up to £67,000 per annum, and it is estimated that one to two days per week of a Programme Manager's time would be available to be assigned to the AEB preparations, amounting to a Combined Authority contribution of £13,400 to £26,800 per annum plus oncosts.

Over the 18-month period of preparation this in-kind contribution would equate to around £75,000 plus oncosts for staffing plus the 18-month in-kind overhead contribution.

Taking into account the above capacity, it is believed that a project officer with the requisite skills and knowledge of Adult Education is required to support the preparations on a dedicated and full-time basis in order to ensure the Combined Authority is on track to deliver in time for devolution of the AEB in Autumn 2019. We would estimate that a project manager/ officer at c£35 – 40,000 per annum would be a sufficient to acquire the level of knowledge, skills and experience on a fixed term basis, to ensure preparations are in place. We would envisage an 18-month contract, resulting in an overall cost of up to £60,000 plus oncosts.

Why is the additional amount you have specified as necessary the minimum required to support the implementation of the devolution of the AEB in your area;

The Combined Authority is keen to adopt a lean, permanent staffing structure, utilising existing resources and a flexible model where possible. It is not therefore, resource heavy and capacity is limited. The staffing structure has been based on the following principles:

- The Authority will have a small officer establishment who will provide policy advice and oversee the development of the core strategies of the Combined Authority area

- The same officer group will commission and manage projects, programmes and delivery by external providers, and provide the Combined Authority with independent assurance that its investments are being managed efficiently and effectively
- The Authority will have mixed economy of secondments, direct employment and commissioned services
- Support services will where appropriate be provided from within constituent bodies
- The Authority will actively seek to join up activities and functions across the public sector including the Local Authority network, the Greater Cambridge Partnership, and the Local Enterprise Partnership

In terms of utilising existing resources from across the partnership, there are several individuals who have the specialist knowledge that would be beneficial to the Combined Authority in its preparations for devolving the AEB budget, however, they are embedded within partner council's own Further Education operations and therefore would have a conflict of interest, as existing providers in the area.

The amount specified would provide a fixed-term dedicated resource to complement the soon to be established, permanent staffing structure, ensuring that the Combined Authority can continue to demonstrate Value for Money and a lean but flexible approach to resourcing.

The Combined Authority is in the position at least match-fund the funding request to Government, on an "in-kind" basis. In fact, the Combined Authority's contribution would be slightly higher than the amount that is being requested.

In terms of the work to be undertaken by the project manager/ officer, this will involve working to the timetable and requirements set out, depending upon the transitional option that is decided upon. However, the tasks are as follows (although this list is not exhaustive):

- Mapping the existing FE provision in the area and understanding the number of learners
- Reviewing the existing budget allocations
- Ensuring that the readiness conditions are met and action taken where necessary
- Ensure that the Delivery Agreements are in place with providers and are aligned to the area's Strategy for Skills and Economic ambitions

[What are the reasons for requiring the money as they have been set out- for example, you may wish to supply additional information on why the level of funding you have specified is needed;](#)

The aforementioned staffing structure aligns the authority with the Mayor's commitment to create a Combined Authority which acts as a commissioning organisation - operating with an efficient and streamlined staffing structure. Due to the already limited officer capacity, the Combined Authority has no additional budget from which to provide the funds for a dedicated resource for this project. Without additional resource, this work would need to be re-prioritised by the Skills Director who will be primarily focussing on the delivery of the ongoing Peterborough University project. Consequently, the Skills Director would be required to be a

more hands-on project resource, therefore limiting their capacity to provide key strategic oversight for this work.

The associated difficulties of limited officer resource are compounded by the fact that the Cambridgeshire and Peterborough Combined Authority is the newest Combined Authority. It was established in March 2017. This means officers have to work at pace to prepare for further devolved powers. The Combined Authority is embracing the additional powers, in line with the Mayor's ambition for the area but it does need to inject additional resources at this early stage to consolidate the preparatory work done to date.

It is proposed that an additional, dedicated project resource would provide the best possible opportunity for the Cambridgeshire and Peterborough Combined Authority to drive forward the timely preparations for the Adult Education Budget's devolvement.

What are the other sources of funding available to be used for this purpose? This could include what other sources of funding were considered and why these were not suitable or taken up.

There are no other funding sources available.

What are the implications for you if you do not receive the funding and what impact would this have on the implementation arrangements?

Should the funding not be made available to the Combined Authority would be have limited capacity to deliver the preparations for a devolved budget, without pulling resources from elsewhere and this could have a direct impact on other areas of the devolution programme's delivery.