

North Tyneside Council Report to Chief Executive

Title: North of Tyne
Combined Authority –
Devolution of Adult
Education Budget

**For consultation:
Elected Mayor, Cabinet Member – Children, Young
People and Learning and Head of Law and
Governance**

Date: 8 July 2019

Portfolio(s):	Elected Mayor Children, Young People And Learning	Cabinet Member(s):	Mrs N Redfearn CBE 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:

The devolution of the Adult Education Budget (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 the North of Tyne Combined Authority (NTCA) and its three constituent authorities including North Tyneside.

On 24 June 2019 Cabinet agreed that the Authority should give consent to the making of the Order transferring the AEB functions from central government to NTCA and gave authority for the Chief Executive following consultation with the Elected Mayor, Cabinet Member with responsibility for Children, Young People and Learning and the Head of Law and Governance to give such consent when formally requested to do so.

1.2 Recommendation(s):

This report recommends that the Chief Executive should exercise the authority given to him by Cabinet and consent to the making of the Order transferring the AEB functions from central government to NTCA.

1.3 Forward Plan:

Twenty eight days notice of the report to Cabinet relating to this matter was given and first appeared on the Forward Plan 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:

- 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 On 24 June 2019 Cabinet considered a report regarding the proposed devolution of the AEB to NTCA and agreed that in line with the Devolution Deal agreed between Government and the NTCA constituent authorities in 2017 and so as to enable the NTCA region to shape its local skills provision and training rather than this being decided in London agreed to give the Authority's consent to the making of the Order and for the Chief Executive to be given the authority to give that consent when formally requested from the Secretary of State.
- 1.5.4 On 4 July 2019 the Secretary of State wrote to the Chief Executive to request that he give the Authority's formal consent to the making of the Order transferring the AEB functions to NTCA.

1.5 Decision options:

The following decision options are available for consideration by the Chief Executive:-

Option 1

To give consent to the Secretary of State to the making of the Order transferring the Adult Education Budget functions from central government to the North of Tyne Combined Authority.

Option 2

Not to give consent to the Secretary of State to the making of the Order transferring the Adult Education Budget functions from central government to the North of Tyne.

Option 1 is the recommended option.

1.6 Reasons for recommended option:

Option 1 is recommended for the following reasons:

On 24 June 2019 Cabinet considered a report on this matter and having regard to the benefits that would be brought to the NTCA area by the devolution of the AEB functions from central government to NTCA agreed to the making of the legal Order transferring those functions to NTCA.

In addition to Cabinet agreeing to the making of the Order on behalf of the Authority, similar consents were given by NTCA's Cabinet and the Cabinets of Newcastle City Council and Northumberland County Council.

By giving consent to the making of the Order the Chief Executive will be implementing the decision taken by Cabinet on 24 June 2019.

1.7 Appendices:

The Record of Decision

1.8 Contact officers:

John Barton – Lawyer – Tel 643 5354

1.9 Background information:

Cabinet Report of 24 June 2019

Draft Minutes of the Cabinet Meeting held on 24 June 2019

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

As was indicated to Cabinet on 24 June 2019, there are no direct financial implications for the Authority arising from consenting to the making of the Order devolving the AEB function to NTCA.

2.2 Legal

The Order devolving the AEB functions from central government to NTCA can only be made by the Secretary of State with the consent of NTCA and each of its constituent authorities.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

The Elected Mayor, Cabinet member for Children, Young People and the Head of Law and Governance have been consulted in accordance with the authority given to the Chief Executive by Cabinet.

2.3.2 External Consultation/Engagement

None required.

2.4 Human rights

There are no human rights implications arising from this report.

2.5 Equalities and diversity

There are no direct implications.

2.6 Risk management

There are no direct risk implications to the Authority arising from the devolution of the AEB functions to NTCA.

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