



Department  
for Education

# **Transfer of funding powers for new technical qualifications**

**Government consultation response**

**January 2025**

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## Introduction

On 8<sup>th</sup> November 2024 the government launched a public consultation to gather views on the proposal to transfer additional funding powers to combined authorities and combined county authorities so they can fund new reformed technical qualifications from August 2025.

Adult functions are currently funded by the Secretary of State for Education under the Apprenticeships, Skills, Children and Learning Act 2009 (“the 2009 Act”). The Secretary of State has power under s105A of the Local Democracy, Economic Development and Construction Act 2009 to transfer functions to Combined Authorities and under s19 of the Levelling-Up and Regeneration Act 2023 to transfer functions to Combined County Authorities.

Adults are funded via the Adult Skills Fund (ASF). The Department for Education currently transfers statutory adult education functions to combined authorities and combined county authorities as part of a devolution deal. This means that those authorities can decide, at a local level, which provision and qualifications they want to fund to best support skills development in their areas.

As part of its ongoing programme of qualifications reform, the Department for Education has been working with awarding organisations, the Institute for Apprenticeships and Technical Education (IFATE) and Ofqual to develop new, high-quality technical qualifications. The first of these new qualifications have been approved for funding from 1st August 2025. As this is a new type of qualification, it will be funded nationally under section 100 (1B) of the Apprenticeships, Skills, Children and Learning Act 2009. This is a new sub-clause in the Act and combined authorities do not currently have this power transferred to them. We therefore propose to transfer this power so that combined authorities and combined county authorities can, if they wish, use their ASF budget to fund the new technical qualifications from 2025, alongside the other qualifications that are already available to them.

The purpose of the consultation was to hear from interested parties and to satisfy the Secretary of State for Education that the transfer is likely to have a positive impact: specifically, that it is likely to improve the economic, social, and environmental well-being of some, or all, of the people living or working in the area. She must also be satisfied that it supports effective and convenient local government and reflects the identities and interests of local communities.

The consultation focused on transferring the relevant funding power under section 100(1B) to the following combined authorities and combined county authorities:

- Cambridgeshire And Peterborough Combined Authority
- East Midlands Combined County Authority

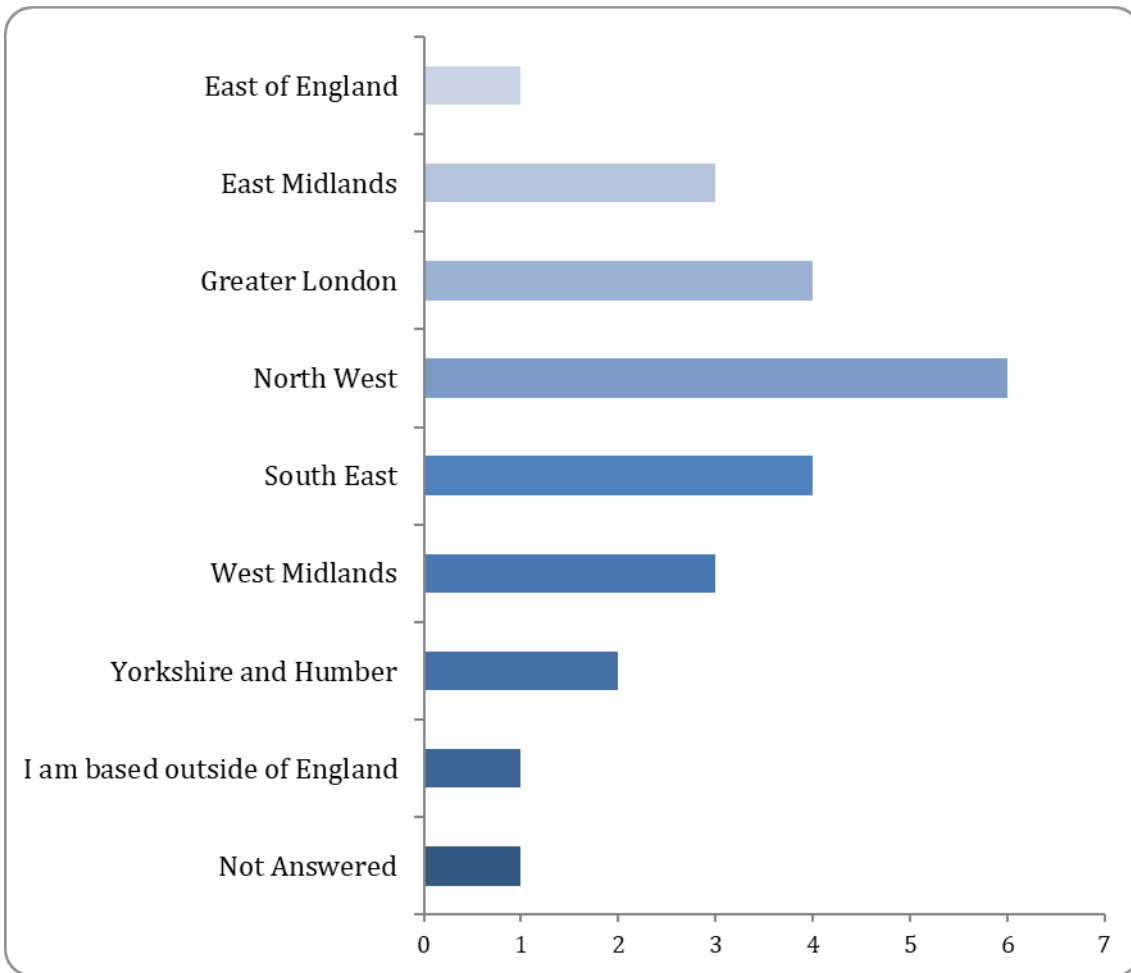
- Greater Manchester Combined Authority
- Liverpool City Region Combined Authority
- North East Combined Authority
- South Yorkshire Combined Authority
- Tees Valley Combined Authority
- West Midlands Combined Authority
- West Of England Combined Authority
- West Yorkshire Combined Authority
- York & North Yorkshire Combined Authority

The consultation was launched on gov.uk. It was open for four weeks, closing on 6<sup>th</sup> December 2024, and was promoted to key stakeholders and the general public in each region by the above combined authorities. The Department for Education also hosted a public webinar which was attended by 80 delegates.

## **Profile of respondents**

The consultation received 20 responses in total. All completed the online consultation form.

Of the 20 responses we received, only 1 was from a combined authority directly affected by the proposed transfer of funding powers. This low number is most likely because, alongside the consultation, we have engaged directly with the combined authorities affected by this proposal. This combined authority agreed with the proposal to transfer the funding powers under section 100(1B). 5 responses (25%) were from organisations or individuals based in one of the affected areas and they all agreed with the proposal to transfer the funding power. The remaining 14 responses were from organisations or individuals based outside of the affected areas and, of these, 6 were from organisations with a national remit. Figure 1 provides a breakdown of respondents by geographical area.



**Figure 1: Consultation respondents by geographical area**

## Summary of responses received and the government's response

This section summarises the responses received to the public consultation.

The consultation asked three related questions:

1. Do you agree that the Secretary of State should transfer the powers under section 100(1B) of the Apprenticeships, Skills, Children, and Learning Act 2009 to the Combined Authorities/Combined County Authority?
2. Why do you think this?
3. Are there any other comments you would like to make?

We have summarised the responses to each of these questions below.

### **Question 1: Do you agree that the Secretary of State should transfer the powers under section 100(1B) of the Apprenticeships, Skills, Children, and Learning Act 2009 to the Combined Authorities/Combined County Authority?**

We received 20 responses to this question. These are broken down as follows:

Answer	Total	Percent
Yes	17	85%
No	3	15%

Respondents from within the affected combined authority local areas agreed unanimously that Secretary of State should transfer the funding powers under section 100 (1B).

Three respondents disagreed with the proposal. All were based outside of the affected areas. Two of the respondents explained why they disagreed; the third respondent did not provide a reason for their answer.

### **Question 2: Why do you think this?**

We received 18 responses to this question. 2 respondents did not provide a response.

Most of the respondents (16 responses) felt that this was a natural extension of the qualifications and funding already administered locally, and that these high-quality technical qualifications should be available to combined authorities to help address skills gaps. They felt that combined authorities were best placed to have an awareness of the

requirements within their own regions and that transferring this power would ensure that residents in these areas are provided with the same updated, high-quality provision as the rest of the country.

Of the three respondents who disagreed with the proposal, 2 provided a response to this question. Details of their responses are in the “Main findings” section below.

### **Question 3: Are there any other comments you would like to make?**

5<sup>1</sup> respondents provided additional comments. These are summarised in Annex B.

## **Main findings from the consultation**

The majority of respondents (85%) agreed with the proposal that the Secretary of State for Education should transfer the section 100(1B) funding power to the combined authorities/combined county authorities listed in the consultation document. We have included a sample of some of the quotes we received.

“These are high quality technical qualifications and should be available to local authorities to help address skills gaps.”

““It will ensure Adult Education is effectively aligned at a local level; economies of scale and additionality are achieved and make sure there is cohesion in the local adult education offer.”

Respondents welcomed the addition of the new technical qualifications to the portfolio of qualifications available to them. They commented that this was a natural extension of the powers already delegated to the regions and that devolution was an effective way to ensure appropriate training was delivered to the right residents, enabling them to acquire the essential skills needed to build successful careers.

“These new technical qualifications could help meet this demand and alleviate construction skills shortages, which is a major constraint on economic growth.”

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<sup>1</sup> Note that one respondent submitted an identical response against two different organisations. Although we have counted these as two responses, we have only included their comments once in Annex B.

“The new TQs will allow us to ensure learners acquire the essential skills needed for successful careers”

“MCAs and GLA must be in the position to fund their learning organisations to deliver these qualifications”

One respondent, who agreed with the proposal, suggested there might be unintended consequences at an operational level in terms of levels of investment and capacity to deliver at a local level. They said that, in addition to the delegated powers, it is essential that additional funding is provided to deliver these qualifications. They called for investment to develop capacity in the FE Sector to ensure strong local adult education delivery that meets the needs of residents, local communities and local employers. This respondent was not based in a local authority area which is directly affected by the proposal.

Only three individuals disagreed and all were based outside of the regions in scope of this consultation. Two provided a reason for their decision. One said they would need to understand more about the funding and resource implications before agreeing. The other said that, whilst they acknowledged the importance of local communities and their leaders in responding to the demands of local businesses and regional economic need, the transfer of this additional power was premature and should take place after the government published its Industrial Strategy. This would ensure that combined authorities were guided by national priorities to train more highly skilled individuals in careers like engineering to drive economic growth.

## **Government response**

As a result of the high percentage of positive responses received, especially from within affected areas, the Secretary of State will proceed with the process to transfer the funding powers under section 100(1B) of the Apprenticeships, Skills, Children, and Learning Act 2009 to the combined authorities and combined county authorities listed in the consultation document. The process will ensure this funding power is in place before August 2025, in time for the start of the academic year, but after the government publishes its Industrial Strategy (expected in Spring 2025).

With regards to comments made about potential unintended impacts, we will engage further with the Local Government Association and others, as part of the new burdens assessment process, to ensure we understand and minimise the burdens on the combined authorities.



## Next steps

The Secretary of State for Education will lay a Statutory Instrument in Parliament to add section 100(1B) of the Apprenticeships, Skills, Children, and Learning Act 2009 to the list of powers that have been devolved to the combined authorities listed above to which powers related to adult education have already been devolved. In addition, the Secretary of State for Education will include this power in the Statutory Instruments which will be laid in Parliament to devolve adult education functions to the York and North Yorkshire Combined Authority and the East Midlands Combined County Authority. These Statutory Instruments will be laid in Spring 2025 to ensure that the power is in place for the start of the next academic year, in August 2025.

## **Annex A: Organisations that responded to the consultation**

- Blackburn with Darwen Adult Learning
- Blackburn with Darwen Borough Council
- Cambridgeshire and Peterborough Combined Authority
- City and Guilds
- Dudley College of Technology
- Energy & Utility Skills Ltd
- HOLEX (Adult Community Education)
- Lincolnshire County Council
- Opito
- Pearson
- Prestige Training Ltd
- Reading Borough Council
- Royal Academy of Engineering
- Royal Society of Chemistry
- SJD Associates Ltd
- Think UK
- West Berkshire Council

## Annex B: Additional comments received in response to question 3

“If powers were to be transferred to Combined Authorities and Combined County Authority, it would allow for a more specialised and localised approach to be taken, which would more effectively benefit the area concerned.”

“As a training company offering MOT qualifications in the motor vehicle industry which is the vast majority of our business.

As per the qualification changes that will be taking place from September 2025, if we cannot access funding to be able to offer these qualifications to the motor vehicle industry and be able to upskill local companies’ workforces with quality training I feel as a result of the changes it will jeopardise the future of our business and further create a shortage of skilled technicians/MOT testers where there is already a shortage of skills within a struggling industry.”

“If the transfer of powers under section 100(1B) of the act to combined authorities takes place, meaningful oversight would be needed to make sure that things are working as they should, supported by mechanisms to quickly correct any shortcomings.”

“The addition of Level 2 and 3 T Levels provides an opportunity for local people to benefit from the progression opportunities and pathways that might otherwise be less accessible for them. Bridging the gaps between education and workforce training will help to provide the industry-relevant skills combined with the work experience which can be so important to jobseekers. The benefits to employers of recruiting from a pool of talent who have completed T Levels will include the recruitment of appropriately skilled and experienced staff, better retention and greater productivity.”



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