
**CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY –
CONSENT TO BUSINESS RATES ORDER AND DEVOLUTION OF THE ADULT
EDUCATION BUDGET**

Committee: Council

Date: 24 May 2018

Author: Chief Executive

[T4a]

1.0 ISSUE

- 1.1 Approvals to enable the transfer of functions to the Cambridgeshire and Peterborough Combined Authority (“CPCA”) in relation to Business Rates Supplement Order and the Adult Education Budget (“AEB”).

2.0 RECOMMENDATIONS

2.1 Members are requested to:

- (i) approve the transfer of functions to the CPCA conferred by the Business Rates Supplement Act 2009;
- (ii) approve the transfer of functions to the CPCA to enable the devolution of the AEB;
- (iii) give consent on behalf of the CPCA to the making of Orders to give effect to the transfer of functions as outlined in 2.1 (Paragraphs (i) (ii)); and
- (iv) authorise the Chief Executive and Legal Services Manager/Monitoring Officer, in consultation with the Leader of the Council, to approve the final draft order to meet the timetable for the transfer.

3.0 BACKGROUND/OPTIONS

- 3.1 The Cambridgeshire and Peterborough Devolution deal agreed by Council on 28 June 2016 (ref Agenda Item No. 5) included specific provisions related to:-
- Authority to the Mayor to place a supplement on business rates to fund infrastructure, with the agreement of the local business community;
 - The transfer of the AEB to the CPCA (and other adult education powers later specified in the subsequent order).

Each constituent authority have been requested to give their consent to the making of the necessary Orders giving effect to these transfers, including the necessary delegation to approve the final draft Orders. .

3.2 The draft orders are attached as Appendix 1 and 2. It is noted that only the draft Orders can be approved, as the Orders cannot be deemed finalised until they have been presented to and approved by Parliament. A flowchart is attached at Appendix 3 which outlines the affirmative resolution procedure needed to take the legislation through Parliament.

3.3 The key features of the proposed legislation are summarised below, specifically:-

3.3.1 BUSINESS RATES SUPPLEMENTS ACT 2009 (enabled by the proposed order)

- (i) Money raised from the supplement cannot be put towards the authority's day-to-day costs for services it has existing obligations to provide.
- (ii) Before levying any supplement, the Mayor would be required to consult on and publish a prospectus setting out the benefits of the proposed project that the supplement would fund.
- (iii) The proposed supplement is then subject to a ballot of businesses that would be affected. Both a majority of affected individual rate-payers must approve it and the aggregate rateable value of those businesses in favour must exceed those against.
- (iv) The Business Rate Supplement may only be levied on business properties with a rateable value of £50,000 or more. The Mayor may increase, but cannot reduce, this threshold, and can apply any other reliefs as may be set out in the prospectus.

3.3.2 DEVOLUTION OF ADULT EDUCATION BUDGET (AEB)

The Adult Education Budget (AEB) is an element of national skills funding that is provided to equip adults over the age of 19 with the skills and learning they need for work or further learning. This includes provision for statutory entitlements such as first full level 2 qualifications; and maths and English qualifications.

The principal purpose of AEB is to engage adults in learning that supports wider economic and social priorities and in turn, delivers sustained job outcomes, productivity and economic growth.

Devolution of AEB will only be applied within constituent member areas and will allow the CPCA to control adult education services to help local people obtain the skills they need. The indicative budget will be approximately £12.1m from 2019 based on current spend on residents.

The Order, to be received in draft by CPCA, will set out the details of the AEB functions that will be transferred to the CPCA with the agreement to devolve the budget. DoE have been clear that the Order will not cover apprenticeships, adult offender learning or provision for people aged 16 – 18. Subject to these exceptions, it is proposed that the following functions contained in the Apprenticeships, Skills, Children and Learning Act (ASCAL) 2009 will transfer to the CPCA in relation to constituent member areas:

- (i) S86 – Duty to provide appropriate FE to learners aged 19 and over (not to include apprenticeships, prisoner education or traineeships);

- (ii) S87 – Duty to provide appropriate FE to learners aged 19 and over, who do not have certain specified qualifications;
- (iii) S88 – Duty to ensure that provision is free for relevant learners who do not have certain specified qualifications.

The following powers will be exercised concurrently with the Secretary of State:

- (iv) S90 – Duty to encourage learner and employer participation in education and training if people aged 19 and over (except those in adult detention) (to be exercised concurrently with the Secretary of State).
- (v) S115 – Duty to consider/have regard to the needs of learners aged 19 and over, with Special Education Needs (other than those aged 19-25 with Educational Health Care plans, who will remain the responsibility of the LAs as they are treated as 16-18 year old learners).
- (vi) S122 – Power to exchange information with providers to enable provision of FE to learners aged 19 and over (to be exercised concurrently with the Secretary of State).

4.0 ARGUMENT/CONCLUSIONS

- 4.1 The consents detailed in Paragraphs 2.1(i) to (iv) will enable further implementation of the agreed Devolution deal.

5.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

- 5.1 There are no financial implications or a requirement for an equality impact assessment for this Council at this stage.

6.0 APPENDICES

Appendix 1- The Cambridgeshire and Peterborough Combined Authority (Business Rate Supplements Functions) Order 2018 (Draft)

Appendix 2 - The Cambridgeshire and Peterborough Combined Authority (Adult Education Functions) Order 2018 (Draft)

Appendix 3 – Affirmative Resolution Procedure.

Background Documents

Special Council – Agenda &
Appendices 3 and 4 and minutes
– 28 June 2016

Location

Room 103
The Grange
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