

**Report of the Chief Officer Employment and Skills**

**Report to the Director of Children’s Services**

**Date: 11 August 2015**

**Subject: SFA Community Learning Contract 2015-16**



Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. The Council, acting as fund holder on behalf of the Skills Funding Agency (SFA), delivers a broad and balanced programme of community learning (including a small element of adult skills provision) each year in Leeds primarily through sub-contracting arrangements. Community Learning aims to re-engage adults aged 19 years plus (25 years plus for those people with a learning difficulty or disability (LLDD), often in an informal and safe environment, to acquire new skills and interests for the benefit of the individual and their wider family networks. Community learning provides a progression gateway to more formal adult learning, social mobility and longer term employability opportunities.
2. In August 2015, the Council received notice of a funding allocation of £2.1 million from the Skills Funding Agency (SFA) for the delivery and management of Leeds Community Learning programme 2015-16 and an allocation of £16k for Adult Skills Budget delivery.
3. The 2015-16 annual funding is allocated to Leeds under a three-year contract with the SFA that was issued in August 2014 by the SFA titled: “Conditions of Funding (Grant) 2014-17–ANE-50871”. SFA amendments to the Conditions of Funding contract were received with the funding allocation for the academic year 2015-16.
4. The information contained in this report will support the delivery of a programme which will contribute to the achievement of key objectives set out in the Best Council Plan 2015-20. The programme will ‘promote sustainable and inclusive economic growth by

improving the economic wellbeing of local people and businesses' with a specific focus on improving skills and building a Child Friendly City by helping all children to progress and achieve at school.

### **Recommendations**

5. The Director of Children's Services is asked to authorise acceptance of SFA Conditions of Funding (Grant) – 2015 to 2016 to receive £2.1 million SFA funding for Leeds Community Learning and £16k for Adult Skills Budget delivery in the academic year 2015-16.

## **1 Purpose of this report**

- 1.1 This report seeks authority to accept the 2015-16 SFA funding contract for £2.1m Community Learning funding in academic year 2015-16.
- 1.2 The report provides overview information of the SFA “Variation to Conditions of Funding (Grant) - 2015-16” and seeks approval to accept those changed conditions.

## **2 Background information**

- 2.1 The Council acts as fund holder on behalf of the Skills Funding Agency (SFA) to deliver a broad and balanced programme of community learning including a small element of adult skills provision each year in Leeds. A three-year contract from the SFA “Conditions of Funding (Grant) 2014-17 – ANE-50871” was signed by the Council in August 2014.
- 2.2 SFA funding is allocated annually in conjunction with updated funding rules each year and Appendix 2 – “Conditions of Funding (Grant) 15-16 Final” contains all the conditions that the Council is required to comply with in order to receive 2015 funding.
- 2.3 In April 2015, the SFA notified the Council of the proposed funding allocation for the academic year 2015-16. Subsequently in July 2015, the Adult Skills Budget (ASB) funding component was reduced nationally by 3.9% following the Government’s Summer Budget. The Council’s ASB allocation is £16k and the 3.9% reduction will have minimal impact on the level of provision delivered.
- 2.4 Appendix 3 contains the 2015 SFA Variation to Conditions of Funding and confirms the actual SFA funding to Leeds for the academic year 2015-16.
- 2.5 Community Learning in Leeds (including a small element of accredited adult skills provision) is primarily delivered through sub-contracting arrangements. In August 2014, 30 external providers were appointed to a three-year framework to deliver the Leeds Community Learning Programme each academic year.
- 2.6 The majority of the SFA funding will be used to procure learning provision from registered learning and skills providers, with around 10% allocated to develop and deliver Family Learning by the Council and 16% of the allocation will be used to support programme management and administration.
- 2.7 The purpose of Community Learning is to:
  - provide a broad range of learning that brings together adults, often of different ages and backgrounds to address a need, acquire a new skill, become healthier, pursue an interest or learn how to support their children;
  - maximise access to community learning for adults, bringing new opportunities to improve lives, whatever people’s circumstances;

- promote social renewal by bringing local communities together to experience the joy of learning and the pride that comes with achievement;
- maximise the impact of community learning on the social and economic well-being of individuals, families and communities.

### **3 Main issues**

#### **3.1 Council Compliance with the SFA Variation to Conditions of Funding (Grant) – 2015 to 2016**

The revised SFA funding rules for Academic year 2015-16 comprise three topics: Principles of Funding, Sub-contracting and Principles of Evidence. A synopsis of the changes and implications for the Council is attached as Appendix 4 – “SYNOPSIS Leeds SFA rule changes 15-16”.

##### **3.1.1 Changes to Principles of Funding : Council can comply**

The updated SFA rules concern having a financial strategy, adding value and cost-cutting. These aspects have been taken into account during the Leeds preparations for academic year 2015-16. Corresponding changes will be included in the Leeds Community Learning Strategy 2013-16 mid-term review, currently planned to be completed in September 2015. There is also a new requirement for the Council to show evidence that it has worked in partnership with the LEP to ensure that the delivery of provision takes account of the LEP’s local economic and skills priorities. There are existing good working relationships with Leeds City Region Enterprise Partnership and provision is largely aligned to its priority objectives.

##### **3.1.2 Changes to Sub-contracting: Council is compliant**

The Council, as a public body, is already compliant with many of the 2015 sub-contracting changes aimed at FE colleges to strengthen governance, procurement and management of sub-contractors.

##### **3.1.3 Changes to Principles of Evidence: Council changes required to comply**

There is a new requirement across all funding streams to introduce a process to check that the Council is not inadvertently funding extremist organisations, although there is no definition of the term “extremist organisation”. CPPU were consulted on this and current corporate procurement procedures do include background checks on company directors and trustees’ eligibility as responsible officers of their respective organisations and also each organisation’s safeguarding policies. There are, however, currently no explicit procurement checks or procedures for membership of “extremist organisations”. This needs further work and possibly new policy and procedures at the corporate procurement level. In the interim until a new corporate procurement policy and procedure is in place, the Projects and Programmes Quality officers will monitor for evidence of “extremist organisations” during their tutor observations, document audits, safeguarding monitoring activities and processing of learner feedback forms.

### **3.1.4 New Conditions to comply with EU funding requirements, where applicable**

The Adult Skills Budget (ASB) funding programmes are eligible to be used by the SFA as Match Funding for the 2014-20 European Social Fund (ESF) programme. There are clauses within the 2015 to 2016 Agreement that detail the requirements placed on Leeds ASB funding used for this purpose. In Appendix 2 – SFA Variation to Conditions of Funding the letter titled “ESF Match Funding 2015-16” provides further details of what is required. Briefly where the SFA uses the Council’s funding as match, the Council is required under the terms of the funding agreement to:

- Display an ESF poster prominently in Council premises;
- Have in place Equal Opportunities and Sustainable Development policies and action plans;
- Inform all ASB learners that they are on a programme part financed by ESF;
- Retain documentation for audit including having in place a document retention policy that reflects the minimum date requirement of 31<sup>st</sup> December 2030;
- ASB provision may also fall within scope for the Department for Work and Pensions and European Commission auditors who inspect the ESF programmes;
- The correct initial employment status of ASB learners must be completed prior to enrolment.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

4.1.1 As the Leeds Community Learning Programme is funded under this contract by the Skills Funding Agency, there is no opportunity to vary the contract conditions.

4.1.2 The Executive Member for Employment, Enterprise and Opportunity has been informed about and consulted on the 2015-16 SFA funding contract and variations.

4.1.3 The Finance Manager has reviewed the new contract and the Council will receive the 2015-16 payments profile from SFA after contract signing.

4.1.4 The CPPU Legal Officer has reviewed the new contract and agreed the contents.

### **4.2 Equality and Diversity / Cohesion and Integration**

4.2.1 The acceptance of the 2015-15 SFA Conditions of Funding (Grant) contract itself has no Equality and Diversity / Cohesion and Integration implications.

4.2.2 The use of the SFA funding allocation to deliver Community Learning across the city does have Equality and Diversity / Cohesion and Integration implications. An equality screening was undertaken by the Employment and Skills service on 23

July 2015 to ensure that equality, diversity, cohesion and integration issues have been appropriately considered prior to the awarding of 2015-16 call-off contracts to providers on the three-year Community Learning Framework (2014-17).

4.2.3 Ensuring that all providers continue to undertake, address and report EDCC considerations supports the Council to effectively monitor those issues identified and the actions agreed during the delivery phase. This is being achieved through well-established contract management arrangements by the Employment and Skills service.

4.2.4 The nature of this universal programme, in delivering provision in local community settings where possible, does promote positive relationships between different equality groups. This is frequently evidenced in learner feedback forms, case studies and tutor quality observations at provider sites.

### **4.3 Council policies and Best Council Plan**

4.3.1 The SFA funding to deliver Community Learning provision will support the delivery of the Best Council Business Plan 2015-20. Provision delivered under this contract will contribute to the achievement of the following objectives: 1) promotion of sustainable and inclusive economic growth by increasing the number of people with improved skills and, 2) building a Child Friendly City by helping all children to progress and achieve at school.

### **4.4 Resources and value for money**

4.4.1 The Employment and Skills staff manage the SFA funding contract and also the community learning providers.

4.4.2 Community Learning in Leeds could not take place on the current scale without the annual SFA funding allocation.

### **4.5 Legal Implications, Access to Information and Call In**

4.5.1 This a Delegated Key Decision to accept the SFA Conditions of Funding (Grant) 2015-16 and is subject to call-in.

4.5.2 Following confirmation of the proposed SFA for 2015-16, a notice of forthcoming Delegated Key Decision to accept the SFA Conditions of Funding (Grant) 2015-16 was published on 14 April 2015.

### **4.6 Risk Management**

4.6.1 The Council and its sub-contractors must comply with the new condition as there is no scope for negotiation on SFA Conditions of Funding. There are no significant risks identified.

4.6.2 There is a minor potential risk to coordinated, broad and balanced provision across Leeds as the SFA has strengthened its right to move sub-contractors into a direct contractual relationship. The potential risk could arise in the future should SFA unilaterally decide to fund Leeds City College and Swarthmore College directly as both Colleges receive more than £100k each to deliver community

learning programmes from the Council. Approximately half of the Community Learning courses in Leeds are delivered by the two colleges.

## **5 Conclusions**

- 5.1 The SFA funding enables the Council to provide a broad and balanced programme of community learning across Leeds, targeting priority learner groups, primarily from disadvantaged areas and with provision delivered by a range of public, third sector and specialist organisations.
- 5.2 In August 2015, the SFA issued a 2015-16 funding contract and also a variation letter attached as Appendix 2 and Appendix 3 to this report. The vast majority of contract conditions remain the same as the previous year with some amendments and additions in the variation.
- 5.3 There are no revised conditions of funding the Council is unable to meet, however one updated funding condition does require significant Council changes to introduce new procedures to identify “Extremist Organisations” in order to comply fully. The Council is recommended to sign a paper copy of the acceptance form and return it to the SFA and implement the changes.

## **6 Recommendations**

- 6.1 The Director of Children’s Services is asked to authorise acceptance of SFA Conditions of Funding (Grant) – 2015 to 2016 to receive £2.1 million SFA funding for Leeds Community Learning and £16k for Adult Skills Budget delivery in the academic year 2015-16.

## **7 Background documents<sup>1</sup>**

- 7.1 None.

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<sup>1</sup> The background documents listed in this section are available to download from the Council’s website, unless they contain confidential or exempt information. The list of background documents does not include published works.