

Report of the Chief Officer Employment and Skills

Report to the Director of Children's Services

Date: 19 July 2016

Subject: Skills Funding Agency (SFA) Adult Education Budget - Funding Contract 2016-17



Are specific electoral Wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, name(s) of Ward(s):		
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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number:		

Summary of main issues

1. As set out in the Best Council Plan, the council has an ambition for Leeds to have a strong economy and to be a compassionate city, tackling poverty and inequalities. In 2015/16, activities contributing to these aims included helping more than 12,200 people acquire new skills, 4,800 people make the transition from benefits into work and improving employment outcomes for individuals with complex needs.
2. Supporting circa 8,000 learners each year in the city, the council's Adult Learning Programme (previously known as Community Learning) re-engages adults 19 years plus, in activities to acquire new skills and interests for the benefit of the individual and their wider family networks. Acting as fund holder of a local Adult Education Budget on behalf of the Skills Funding Agency (SFA), the council delivers a broad and balanced provision of adult learning each year in Leeds, primarily through sub-contracting arrangements. With a focus on delivery in an informal and safe environment, the programme provides a progression gateway to more formal adult learning, social mobility and longer term employability opportunities.
3. The Adult Learning Programme will also help to deliver outcomes under the Best Council Plan's More Jobs, Better Jobs Breakthrough Project, in particular supporting the integration of employment support and health interventions to reduce the number of out-of-work claimants with mental ill-health.

4. In July 2016, the council received confirmation of the annual funding allocation of £2.1 million from the SFA's Adult Education Budget for the academic year, 1 August 2016 to 31 July 2017 and an updated Conditions of Grant Funding contract.

Recommendations

5. The Director of Children's Services is asked to authorise expenditure by the Council of the £2.1million funding allocated to Leeds from the Skills Funding Agency Adult Education Budget and the acceptance of the new SFA Conditions of Grant Funding for the academic year 2016-17.

1 Purpose of this report

- 1.1 This report seeks authority to accept the 2016-17 SFA funding contract for £2,165,954 (£2.1million) awarded to the council under the Adult Education Budget for the academic year 2016-17.
- 1.2 The report also provides an overview of the Skills Funding Agency (SFA)'s "Variation to Conditions of Funding (Grant) for 2016-17" and, seeks approval for the council to accept the changed conditions.

2 Background information

- 2.1 Leeds City Council is the fund holder of a local Adult Education Budget (AEB) on behalf of the SFA, delivering a broad and balanced programme of adult learning each year in Leeds, managed by the Employment and Skills Service. Adult learning re-engages adults 19 years plus and 25 years plus for learners with learning difficulties or disabilities (LLDD), in activities to acquire new skills and interests for the benefit of the individual and their wider family networks.
- 2.2 The purpose of the Adult Learning Programme 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 adult 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 adult learning on the social and economic well-being of individuals, families and communities;
 - provide a progression gateway to more formal adult learning, social mobility and longer term employability opportunities.
- 2.3 In January 2016, notification was received from the SFA that a number of budgets to support adult learning (including the Community Learning and Adult Skills budgets previously access by the council) would be incorporated into a new wider Adult Education Budget from the start of the 2016-17 academic year. This change will have implications for the council in terms of how the provision is managed and delivered in the future and, will be phased in during the 2016-17, led by the Employment and Skills Service.
- 2.4 In July 2016, the SFA confirmed the council's AEB allocation of £2.1million and details of the amended Conditions of Grant Funding for the academic year 2016-17. A summary of the funding rule changes are contained in Appendix 1. This is the final year of a three year funding allocation agreed by the SFA with the

Council in August 2014. The funding amount awarded to the council is the same as that awarded for each of the two preceding years.

- 2.5 The Adult Learning Programme in Leeds is primarily delivered by the Council through sub-contracting arrangements. In August 2014, 30 external providers were appointed to a three-year framework to deliver the provision. For various reasons, only 23 of the original 30 providers, primarily third sector organisations, remain available to deliver adult learning activities in 2016-17.
- 2.6 The majority of the AEB will be used to procure learning provision from the Adult Learning Framework with around 10% allocated to develop and deliver Family Learning, managed by the Employment and Skills Service and, 16% to cover management, administration and quality assurance services to meet Ofsted requirements.

3 Main issues

- 3.1 The SFA's Adult Education Budget's Conditions of Grant Funding for the academic year 2016-17 has changed. A summary of the funding rule changes are included in Appendix 1, however, details of the main issues for the council arising from the changes are set out below.

3.2 Skills Funding Service Portal

- 3.2.1 A new SFA funding condition requires all funded organisations to accept the contract electronically on the secure Skills Funding Service (SFS) website portal. Due to the value of the contract above £100K, it was necessary to change Article 14 of the Council Constitution to allow one officer to electronically "sign" the contract.
- 3.2.2 Appropriate access has now been arranged for the Projects, Programmes and Procurement (PPPU) Legal Officer to accept the conditions of funding on the SFS website portal. Acceptance of the contract will only occur after all governance procedures have been completed for this delegated decision.

3.3 Unaccredited Provision (previously Community Learning)

- 3.3.1 For the academic year 2016-17, providers on the Adult Learning Framework previously delivering unaccredited activities will be able to receive funding in the same manner as before i.e. providers will be paid per course, with a minimum number of 8 learners and based on those starting each course.
- 3.3.2 However, it is anticipated that in future years, delivery of unaccredited and accredited provision will be paid per learner and based on learners completing each course. The academic year 2016-17 allows the council to consider and, potentially phase in the new arrangements that will fully take effect in 2017-18.
- 3.3.3 The minimum course length required for accredited and non-accredited provision has been reduced from 6 to 2 hours. This enables the council's learning providers to schedule in more 'taster' sessions to attract new learners in particular, the hardest groups to engage and furthest from the labour market.

3.4 Retention of Documents

- 3.4.1 All Adult Learning provision is now in scope for European Social Fund (ESF) match funding. This means that the council and all sub-contracted providers must follow the 'Retention of Documents, 'Publicity' and Horizontal Themes' rules and the 'Evaluation, Surveys and Annual Implementation Reporting' rules asset out in the ESF 2014 to 2020 funding rules.
- 3.4.2 This change will be reflected in the providers' terms and conditions and the Provider Handbook.

3.5 Individualised Learner Records (ILR) data returns to SFA

- 3.5.1 ILR data returns are submitted to the SFA by the council, five times a year as a condition of our funding agreement. The specification for the ILR has been rewritten, with effect from 2016-17.
- 3.5.2 Key changes include reporting delivery location postcodes and reporting on the percentage of online delivery are now mandatory.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The Executive Member for Employment, Skills and Opportunity has been informed about the 2016-17 SFA funding allocation and Conditions of Grant variations.
- 4.1.2 The PPPU Legal Officer has reviewed the new contract and agreed the contents.
- 4.1.3 The Finance Manager has reviewed the new contract and will review the 2016/17 profile of payments to the Council from the SFA after contract signing.
- 4.1.4 Consultation and engagement with service users and providers is focused on the programme content, access and the quality of delivery and is undertaken throughout the academic year.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 This Key decision relates to authorisation of expenditure by the Council of the £2.1million grant funding allocated to Leeds from the SFA's Adult Education Budget and, acceptance of the new SFA Conditions of Grant Funding for the academic year 2016-17.
- 4.2.2 An equality screening, attached as Appendix 2, was undertaken by the Employment and Skills service on 12 July 2016, the findings of which confirm that the authorisation of the Grant and Conditions of Funding contract has no Equality and Diversity / Cohesion and Integration implications.
- 4.2.3 Subject to approval, the use of the SFA funding allocation to deliver adult learning across the city will have Equality and Diversity / Cohesion and Integration implications. A further impact assessment will be undertaken prior to the awarding

of 2016-17 call-off contracts to providers on the three-year Adult Learning Framework.

4.3 Council policies and Best Council Plan

- 4.3.1 The £2.1million funding allocated to the Council from the SFA's Adult Education Budget to deliver the Adult Learning Programme, will contribute to the Best Council Plan outcome for everyone in Leeds to earn enough to support themselves and their families. It contributes specifically to, Best Council Plan 2016/17 priorities around supporting economic growth and access to economic opportunities, supporting communities and raising aspirations, providing skills programmes and employment support and helping people adjust to welfare changes.
- 4.3.2 Provision delivered under this contract will also contribute to the promotion of sustainable and inclusive economic growth by increasing the number of people with improved skills and, building a Child Friendly City by helping all children to progress and achieve at school (Family Learning).
- 4.3.3 The outcomes of the Adult Learning Programme will also help to deliver outcomes under the Best Council Plan's More Jobs, Better Jobs Breakthrough Project, in particular supporting the integration of employment support and health interventions to reduce the number of out-of-work claimants with mental ill-health.

4.4 Resources and value for money

- 4.4.1 The Employment and Skills service manages the £2.1million annual SFA funding contract and also manages the Adult Learning providers on behalf of the council. Providers deliver learning to 8,000 residents in Leeds each year and primarily targets learners from communities experiencing high levels of deprivation and priority groups identified in the Best Council Plan.
- 4.4.2 In 2015-16, activities delivered under the Adult Learning Programme contributed to the 12,200 adults acquiring new skills in Leeds and the, 4,800 people supported to make the transition from benefits into work. This could not take place on this scale without the annual SFA funding allocation.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 A Delegated Key Decision is required to accept the funding allocation of £2.1million awarded by the SFA to Leeds City Council and, the SFA Conditions of Funding (Grant) 2016-17. This decision is subject to call-in.
- 4.5.2 Notice of the forthcoming Delegated Key Decision to accept the SFA Conditions of Funding (Grant) 2016-17 was published on 25 April 2016.
- 4.5.3 The SFA's new funding condition that fund holders must accept the contract electronically on the Skills Funding Service secure website required a change to Article 14 of the council's Constitution in order to electronically "sign" an online acceptance of the contract. This decision was taken by the City's Solicitor on 14 June 2016.

4.6 Risk Management

- 4.6.1 The council and its providers must comply with the new conditions as there is no scope for negotiation on SFA Conditions of Funding. There are no significant risks identified with the key decisions set out in this report.

5 Conclusions

- 5.1 The allocation of funding from the Skills Funding Agency (SFA) enables the Council to deliver a broad and balanced programme of Adult 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 January 2016, the SFA created a new Adult Education Budget (AEB) which includes the former Community Learning and Adult Skills budgets accessed by the Council. On 12 July 2016, the SFA issued a 2016-17 funding contract under the new AEB to Leeds City Council to the value of £2.1million.
- 5.3 The vast majority of grant conditions remain the same as the previous year but with some important amendments. There are no revised conditions of funding that the council is unable to meet.

6 Recommendations

- 6.1 The Director of Children's Services is asked to authorise expenditure by the Council of the £2.1million funding allocated to Leeds from the Skills Funding Agency Adult Education Budget and the acceptance of the new SFA Conditions of Grant Funding for the academic year 2016-17.

7 Background documents¹

- 7.1 None

¹ 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.