

Report of Chief Officer Employment & Skills

Report to Director of Childrens Services

Date: 8 August 2016

Subject: Adult Learning Programme - 2016-17 Provider Awards



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 checked="" type="checkbox"/> Yes	<input 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: 1 CONFIDENTIAL AEB Provider Awards 2016-17	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

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 supporting more than 4,800 people make the transition from benefits into work and improving employment outcomes for individuals with complex needs.
- 2 In the same year, 12,200 local residents were supported to acquire new skills including 7,500 learners through the Council's Adult Learning Programme. Funded by the Skills Funding Agency (SFA) under the Adult Education Budget (AEB), this provision makes a significant contribution to the delivery of the Best Council Plan 2016-17. This includes supporting economic growth and access to economic opportunities, supporting communities and raising aspirations, providing skills programmes and employment opportunities and, building a Child Friendly City by helping to improve the progression and achievement of children at school.
- 3 In July this year, the Director of Children's Services authorised expenditure by the Council of the funding allocated to Leeds from the SFA and accepted the new SFA Conditions of Grant Funding for the academic year 2016-17.
- 4 This report seeks authorisation to award provider funding allocations for the academic year, commencing 1 August 2016 to 31 July 2017. Approval of changes to the Adult Learning Project Brief to reflect Council priorities and ensure compliance with the SFA's new funding conditions is also sought.

5 Recommendations

The Director of Children's Services is asked to approve:

- The proposed funding allocations for external delivery of the Council's Adult Learning Programme to the total value of £1.6 million for the 2016-17 academic year, and authorise Year 3 call-off contracts to 23 providers on the Adult Learning Framework 2014-17, as set out in the Confidential Appendix 1.
- Changes to the Council's provision to comply with the new SFA Conditions of Grant Funding, including reduction of the minimum course length from 6 to 2 hours, an increase in class size from 6 to 8 learners and retention of records until 2030.
- Changes to the project brief to ensure continued alignment with Council policy and priorities. This includes an increase in payment for Learning Support Assistants to reflect the West Yorkshire Combined Authority's Low Pay Charter, which committed the council to pay the equivalent hourly rate set by the Living Wage Foundation's Campaign for Living Wages; a revision to priority areas to reflect the 2015 Indices of Deprivation and; an increase in allocation of funding activities under Skills for Jobs by £150,000.
- The recommended maximum funding allocations set out in the Confidential Appendix 1 allowing individual provider allocations to be varied in accordance with Contract Procedure Rules to enable effective programme management to maximise delivery outcomes.

Purpose of this report

- 5.1 This report concerns the award of Year 3 call-off contracts for the academic year 2016-17 to 23 providers on the Council's Adult Learning Framework 2014-17 as set out in the Confidential Appendix 1.

6 Background information

- 6.1 Leeds City Council receives a funding allocation from the Skills Funding Agency (SFA) each academic year to deliver a broad and balanced programme of adult learning in Leeds. Managed by the Employment and Skills Service on behalf of the Council, this funding enables delivery of a wide range of activities, the majority of which is commissioned out to external providers including third sector organisations. An element of the provision, Family Learning, is delivered internally by the Employment and Skills Service.

- 6.2 The purpose of the Council's Adult Learning Programme is to:

- Re-engage people who are marginalised and least likely to participate in learning, including workless adults, people on low incomes with low skills and those who did not achieve at school or disengaged from learning at school.
- 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 entry level 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 and;
- Maximise the positive impact on the social and economic well-being of individuals, families and communities.

- 6.3 For the academic year 2016-17, the total funding available for external delivery is £1.6 million. The programme is expected to support up to 8,000 learners and will continue to be targeted at disadvantaged individuals and communities across the City. A greater focus will be given this year to working with residents experiencing mild to moderate mental ill-health and digital inclusion activities in line with Council priorities.

- 6.4 Earlier this year, the SFA changed its funding model bringing together the former Community Learning and Adult Skills Budget along with other skills programmes into a single pot called the Adult Education Budget (AEB). The Council's Adult Learning Programme is funded entirely under the new AEB enabling a continued focus on supporting local residents aged 19 years plus with skills development through a broad and balanced range of activities. Adult learning also provides a progression gateway to more formal learning, social mobility and longer term employability opportunities.

6.5 The Council's Adult Learning Programme 2016-17 will comprise a range of activities delivered under the following themes:

- Personal and Community Development Learning (PCDL) – activities for personal and community development, cultural enrichment, intellectual or creative stimulation and enjoyment. This provision does not usually involve any formal qualifications. This year, there will be a stronger focus on digital inclusion in line with Council priorities.
- Family English, Maths and Language (FEML) – aimed at Mothers, Fathers and Carers and designed to improve English, Maths and language skills in families.
- Wider Family Learning (WFL) – supports different generations of family members to learn together in order to support children's learning and development.
- Skills for Jobs (SFJ) – activities aimed at adults aged 19 and over, with low skills levels, who are not currently in employment but want to work. This provision will offer tailored, individual support and where possible, will be aligned with other services/opportunities. A key element of the Skills for Jobs programme is to support progression to employment opportunities.
- Targeted Learning Projects (TLP) - targeted learning provision for learners who have multiple and/or complex needs/or are difficult to reach e.g. recovering from drug abuse, at risk of offending, socially isolated etc. This provision also supports activities that are innovative and delivers added value to the wider programme e.g. includes a work placement or residential element and/or delivers high levels of individual support.
- Mental Health Pilot - in 2016-17, further work will be undertaken to embed the pilot that began in 2015-16 as a Targeted Learning Project. This includes facilitating greater collaboration between mental health treatment organisations and learning providers and establishing referral pathways for learners with conditions such as anxiety or depression.
- Accredited Learning – these activities help learners to achieve eligible qualifications as defined by the Skills Funding Agency e.g. level 1 and level 2 ICT, English and Maths courses and create opportunities for individuals to progress into employment including Apprenticeships.

6.6 For the academic year 2016-17, the activities and learner groups prioritised have been informed by the objectives of the SFA and the Council's refreshed Adult Learning Plan 2016-19. The programme has also been aligned with the priorities set out in the Best Council Plan 2015-20, namely to '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 to improve the progression and achievement of children at school.

7 Main Issues

7.1 In July 2017, the Director of Children’s Services authorised expenditure of the funding allocated to the Council from the SFA and accepted the new Conditions of Grant Funding for the academic year 2016-17.

7.2 Award of Funding Allocations

7.2.3 This report seeks approval to award funding allocations to providers on the Council’s Adult Learning Framework, for the academic year commencing 1 August 2016 to 31 July 2017, as set out in the Confidential Appendix 1 and summarised below.

Provision in 2016-17	Number of Providers	Total Value of Orders (£)	Enrolment Numbers (minimum)
Personal and Community Development (PCDL)	15	760,585	4,058
Family English and Maths (FEML) <i>Incl. crèche & tutor support</i>	2	197,916	318
Wider Family Learning (WFL)	4	32,570	161
Skills for Jobs (SfJ)	10	400,105	1,944
Targeted Learning Projects (TLP)	7	216,970	888
Accredited Learning	1	15,500	60
Totals		1,623,646	7,429

7.2.4 All organisations on the Framework who applied to deliver activities in 2016-17 are recommended to receive an award following an evaluation panel meeting in July. Learner numbers and the recommended allocations have been reduced for six learning providers because they did not meet their 2015-16 targets and/or the provider requested a smaller contract. The recommended allocations have been increased for 12 providers who exceeded last year’s contractual targets and have the capacity to deliver a larger provision this year.

7.2.5 To enable the Council to maximise grant expenditure and programme impact, recommended allocations are over-programmed by up to a maximum of 10% for each provider. This is compliant with Contract Procedure Rules and supports effective programme management to enable individual allocations to be varied throughout the year within the total funding allocation of £1.6m.

7.3 Compliance with the SFA’s Conditions of Funding

7.3.1 This report also seeks approval to implement changes to the Adult Learning Project Brief to ensure the Council complies with the new SFA’s funding rules, as summarised below:-

- Introduction of a minimum course length of 2 Guided Learning Hours (GLH) which is now eligible under the SFA’s new funding rules for use of the AEB (previously the minimum was 6 GLH). Providers will now be able to put on a greater number

of short taster sessions to attract more learners and introduce a more flexible offer to individuals with more complex needs

- Increase the minimum class size from 6 to 8 learners enrolled on any provision. This will ensure a continued commitment among providers to increase overall learner numbers.
- Retention of all records relating to the performance of the Council's contract with the SFA until 2030 in accordance with the new funding rules.

7.4 Alignment with Council Priorities

7.4.1 To ensure alignment with Council priorities and in response to local intelligence, approval is also sought to implement the following changes;

- An increase in payments for Learning Support Assistants and Crèche Workers from £8.50 to £9.00 per hour to reflect the West Yorkshire Combined Authority's Low Pay Charter, which committed the Council to pay the equivalent hourly rate set by the Living Wage Foundation's Campaign for Living Wages and, a small increase in the volunteer payment (from £2.50 to £3.00 per hour);
- A third year increase of funding for activities delivered under the Skills for Jobs programme by £150k this year. As the total funding allocation, remains the same, funding for other provision has been reduced to facilitate this.
- A revision to the priority geographical areas (SOAs) to reflect the 2015 Index of Deprivation
- An update of the Council's Provider Charges Policy to reflect the business processes for the recording of course and learner data. This follows the introduction of the MAYTAS management information system in 2016 in the Employment and Skills Service.

7.4.2 The local priorities identified in the Council's refreshed Adult Learning Plan 2016-19 have also helped to determine this year's provision. This includes widening participation for marginalised and underrepresented groups including people with mental ill-health. There will also be an increased focus on digital inclusion, improving impact measures and further development of progression pathways including into employment. Adults who are marginalised and least likely to participate will continue to be prioritised including workless adults, people on low incomes with low skills, those who did not achieve at school and people residing within communities that lie within the 20% most deprived nationally on the Indices of Multiple Deprivation.

7.4.3 The mix of providers, types of activity and target groups proposed will enable the Council to provide a broad and balanced programme for a range of adult learners. The SFA does not provide a set target for learner numbers but there is an expectation that learner numbers will, as a minimum, be maintained year on year. It is anticipated that the proposed awards to providers including the in-house provision will support up to 8,000 learners in 2016-17.

8 Corporate Considerations

8.1 Consultation and Engagement

- 8.1.1 The Executive Member for Employment, Skills and Opportunity was consulted in July 2016 on the proposals set out in this report.
- 8.1.2 A member of the Adult Learning Trust Board (includes providers and representatives from other Council services, FE and HE learning institutions and the third sector) was included on the Evaluation Panel to assess bids received and recommend the allocation of awards to providers on the Council's Adult Learning Framework for 2016-17.
- 8.1.3 The allocation of resources between activities under the programme has been informed by feedback from elected members, providers and learner forums. This includes information obtained through community committee champions' briefings, the annual Adult Learning self-assessment reporting (SAR) process and from classroom observations.

8.2 Equality and Diversity / Cohesion and Integration

- 8.2.1 All providers are required to submit an Equality Diversity and Community Cohesion (EDCC) information as part of their contractual reporting to demonstrate that equality issues have been considered and will be embedded in the planning, delivery and review of provision. The process for reporting and monitoring equality and diversity information is clearly defined in the Adult Learning Programme provider handbook that is updated annually.
- 8.2.2 The provision is also subject to Ofsted requirements through the Common Inspection Framework which are built into the contract monitoring and quality assurance processes. This includes a key focus on equality and diversity including providing quality inclusive services, identifying and removing barriers and narrowing any gaps in learner participation and achievement.
- 8.2.3 An equality screening was carried out on 21 July 2016 and is detailed at Appendix 2. The findings from this assessment are that equality, diversity, cohesion and integration issues have been appropriately considered in relation to the proposed allocation of awards to providers on the Council's Adult Learning Framework.

8.3 Council Policies and Best Council Plan

- 8.3.1 The proposals set out in this report contribute to the Best Council Plan 2016-17 priorities around supporting economic growth and access to economic opportunities, supporting communities and raising aspirations, providing skills programmes and access to employment opportunities. The proposals will also support the Council's ambitions to build a Child Friendly City by helping to improve the progression and achievement of children at school.
- 8.3.2 The objectives of the Council's 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 skills support and health interventions including people with mild to moderate mental ill-health.

8.4 Resources and Value for Money

- 8.4.1 The activities proposed will be funded through the 2016-17 AEB allocated to the Council by the SFA. A total amount of £1.6 million will be awarded to external providers on the Council's Adult Learning Framework 2014-17 to support the delivery of activities detailed in the Confidential Appendix 1 for the academic year 2016-17.
- 8.4.2 The awarding of year 3 call-off contracts to providers was influenced by a robust contract management process led by the Employment and Skills Service which assessed factors such as quality of provision, learner outcomes and cost per learner to ensure the programme delivers value for money.
- 8.4.3 The set tariff rates for standard provision under the Adult Learning Programme are comparable with those set by other local authority districts where provision is externally commissioned. Payments made to providers will be subject to the submission of invoices and satisfactory evidence of delivery and learner achievement. Courses being proposed or delivered where learner numbers fall below the minimum target threshold will not normally be funded without good reasons.
- 8.4.4 The Employment and Skills' Finance Manager has been consulted on the proposed awards to ensure financial integrity of the 2016-17 budget.

8.5 Legal Implications, Access to Information and Call In

- 8.5.1 Providers were selected from the Council's Adult Learning Framework 2014-17 and will be awarded one year call-off contracts for the next academic year 2016-17 in accordance with the Council's Contract Procedure Rules and Financial Procedure Rules.
- 8.5.2 This is an officer delegated key decision which was notified in May on the Forward Plan for July 2016 and is subject to "call-in".
- 8.5.3 Officers in Legal Services were consulted on the changes proposed to contract terms and conditions in response to the SFA's Conditions of Grant.
- 8.5.4 Subject to approval, processing of call-off contracts for the academic year 2016-17 will be undertaken by officers in the Employment and Skills Service in conjunction with Legal Services and CPPPU.
- 8.5.5 The information contained in the Confidential Appendix 1 relates to the financial or business affairs of provider organisations and is therefore considered to be commercially sensitive. This information has been obtained through the framework contract management process which is still subject to negotiation in some areas. It is therefore considered that this element of the report should be treated as exempt under rule 10.4 (3) of the Access to Information Procedure Rules.

8.6 Risk Management

- 8.6.1 For the 2016-17 academic year only, the SFA funding rules for the use of the new AEB allows a continuation of the existing delivery arrangements. However it is expected that a new per learner payment model will be introduced in 2017-18 across all AEB funded activity. This academic year, therefore provides an

opportunity for the Council to fully understand the implications of and make a successful transition to, the new payment and delivery model e.g. the need to increase class sizes, fee increases for learners who are ineligible for AEB funded provision etc.

- 8.6.2 Advice on the terms and conditions, award methodology and criteria to award contracts for the 2016-17 academic year has been sought from the Procurement Governance and Regulation Manager.
- 8.6.3 All contracts awarded will be subject to robust financial and quality monitoring procedures led by officers in the Employment and Skills Service and in accordance with the Council's and the SFA's regulations.
- 8.6.4 To enable the Council to maximise grant expenditure and programme impact, recommended allocations are over-programmed by up to a maximum of 10% for each provider. Contracts are closely monitored throughout the year and where necessary, adjustments will be made to ensure the programme is delivered within budget and that learner targets are achieved by the end of the academic year.
- 8.6.5 A privacy impact assessment was carried out on 21 July 2016 to ensure that the Council and its external providers on the Adult Learning Framework remain compliant with information governance policies and statute. The Privacy Impact Analysis is detailed at Appendix 3.

9 Conclusions

- 9.1 Through the undertaking of an open and competitive tender process in July 2014, a number of organisations were appointed to a three year framework 2014-17 to deliver the Council's Adult Learning Programme, funded by the SFA.
- 9.2 This report deals with the award of call-off contracts for the third and final academic year starting on 1 August 2016 to 31 July 2017. The funding available for external delivery is £1.6 million and along with a small internal provision, is expected to support up to 8,000 learners in the city.
- 9.3 To ensure the Council can continue to fulfil its obligations to the SFA and to align with local priorities, further changes are proposed to the Adult Learning Project Brief.
- 9.4 The recommendations contained in this report will ensure the Council can continue to deliver a broad and balanced programme of adult learning across Leeds, targeting priority learner groups and those living in priority neighbourhoods.

10 Recommendations

- 10.1 The Director of Children's Services is asked to approve:
- The proposed funding allocations for external delivery of the Council's Adult Learning Programme to the total value of £1.6 million for the 2016-17 academic year, and authorise Year 3 call-off contracts to 23 providers on the Adult Learning Framework 2014-17, as set out in the Confidential Appendix 1.

- Changes to the Council's provision to comply with the new SFA Conditions of Grant Funding, including reduction of the minimum course length from 6 to 2 hours, an increase in class size from 6 to 8 learners and retention of records until 2030.
- Changes to the project brief to ensure continued alignment with Council policy and priorities. This includes an increase in payment for Learning Support Assistants to reflect the West Yorkshire Combined Authority's Low Pay Charter, which committed the council to pay the equivalent hourly rate set by the Living Wage Foundation's Campaign for Living Wages; a revision to priority areas to reflect the 2015 Indices of Deprivation and; an increase in allocation of funding activities under Skills for Jobs by £150,000.
- The recommended maximum funding allocations set out in the Confidential Appendix 1 allowing individual provider allocations to be varied in accordance with Contract Procedure Rules to enable effective programme management to maximise delivery outcomes.

11 Background documents¹

11.1 There are no background documents

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.