

Report of the Head of Communities and Partnerships

Report to the Chief Officer Employment & Skills

Date: 5 April 2017

Subject: One year extension of 9JWG-6GT5UQ - Community Learning Framework 2014-2017

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 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 circa 7,500 learners through the Council's Adult Learning Programme. Funded by the Skills Funding Agency (SFA) under the Adult Education Budget (AEB), the Council delivers a broad and balanced programme of adult learning in Leeds each academic year.
- 3 Managed by the Employment and Skills Service, the majority of Adult Learning delivery activities are commissioned from external providers appointed to the Council's three year Adult Learning Framework 2014-17 including third sector organisations. On 31 July 2017, the Framework contract is due to expire. On 31 March, the Education and Skills Funding Agency (ESFA), the successor body to the SFA, provided notification of funding for the academic year 2017-18 enabling the Council to continue delivery of Adult Learning provision for a further year.
- 4 The Government continues to work towards full devolution of the AEB and the future commissioning and funding arrangements to support Adult Learning in the region remain unresolved. Therefore, the Council is not in a position to commission a new multi-year Framework at this time. This report seeks approval

for the Council to extend the existing Framework for a final year, under current Framework contract terms and contract procedures rules.

- 5 Extension of the Adult Learning Framework is required to enable the 22 existing providers on the Framework to receive funding allocations and delivery call-off contracts for the academic year commencing 1 August 2017 to 31 July 2018. Funding awards to each provider will be dependent upon successful provider performance in the current academic year and call-off contract award approval under a separate officer delegated key decision.

- 6 **Recommendations**

The Chief Officer Employment and Skills is asked to authorise the take up of the one year contract extension clause in the Community Learning framework 9JWG-6GT5UQ - 2014-2017 to enable the procurement of providers to deliver the 2017/18 programme funded from the ESFA grant allocation of £2,165,954.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval for an extension to the Council's Community Learning Framework 2014-17 contract for one year, following recent confirmation of funding by the Education and Skills Funding Agency (ESFA) for the academic year 2017-18.

2 Background information

- 2.1 Leeds City Council receives a funding allocation each academic year to deliver a broad and balanced programme of adult learning in Leeds. Managed by the Employment and Skills Service, this funding enables delivery of a wide range of activities, the majority of which is commissioned from external providers, primarily third sector organisations. An element of the provision, Family Learning, is delivered internally by the Employment and Skills Service.
- 2.2 Community Learning (recently renamed Adult Learning by the ESFA) re-engages 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 or disengaged from learning at school. The provision brings together adults, 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. Adult learning also provides a progression gateway to more formal learning, social mobility and longer term employability opportunities.
- 2.3 The Council's current Adult Learning Programme 2016-17 comprises a range of activities for personal enjoyment, to improve English, Maths and language skills in families and to support children's learning and development. The Council also prioritises activities aimed at adults 19 and over with low skill levels and currently not in work, offering tailored individual support and progression to employment opportunities. Targeted learning provision is also available for learners who have multiple and/or complex needs e.g. recovering from substance abuse or at risk of offending. The Council also delivers a small programme of accredited learning helping learners to achieve qualifications at level 1 and 2 including ICT, English and Maths courses.
- 2.4 The Council's Adult Learning Programme is currently funded under the ESFA's Adult Education Budget (AEB). Each academic year, the total funding available to the Council for external delivery is circa £1.6 million, supporting up to 8,000 learners and targeted at disadvantaged individuals and communities across the City.

3 Main Issues

- 3.1 All providers on the Adult Learning Framework 2014-17 are eligible, but not entitled, to receive funding awards and delivery call-off contracts each academic year. The original contract end date for the Council's Adult Learning Framework 2014-17 is 31 July 2017.
- 3.2 Following confirmation of funding for academic year 2017-18 from the ESFA, this report seeks approval for the Council to extend the existing Framework for a final year, under current Framework contract terms and contract procedures rules.

- 3.3 Potentially the Council could seek to commission a new multi-year Framework Agreement. However, Government proposals to devolve the Adult Education Budget along with changes in the AEB funding model are still under consideration. It would therefore not be prudent for the Council to seek to commission a new multi-year Adult Learning Framework, at this stage. Further details are as follows:

Devolution of the Adult Education Budget (AEB)

- 3.4 As part of the Government's devolution agenda, the ESFA intends to transfer control of AEB to local areas starting in 2018 for those core cities with an elected Mayor. How this will affect funding levels, future commissioning arrangements, funding methodology and compliance requirements for core cities without an elected mayor, including the Leeds City Region, remains uncertain.
- 3.5 This level of uncertainty is a significant factor that the Council must take into account in relation to the expiry of the current Adult Learning Framework at the end of July 2017. Extending the existing Framework for an additional year is considered low risk compared to procuring a completely new long term Adult Learning Framework that might not be fit for purpose when the new devolved funding arrangements are confirmed.

AEB new Formula Based Funding Model

- 3.6 In January 2016, the Government confirmed the amalgamation of the former Community Learning, non-apprenticeship Adult Skills and Discretionary Learner Support budgets into a single new Adult Education Budget (AEB). The Council's Adult Learning Programme is funded entirely through the new AEB which has placed a greater emphasis on the targeting of delivery in or near recognised areas of deprivation and on entry level skills such as English, Maths, Language and ICT to facilitate progression to more vocational training.
- 3.7 The current academic year, 2016-17 is a transitional year for providers, including the Council, to adapt to the ESFA's proposed funding model changes in respect of the AEB i.e. a move away from Grant Funded Block Allocations, which enables the Council to pay its providers a standard rate based on the number of guided learning hours delivered, to a formula based on funding per learner according to specified tariffs set by the ESFA. It is proposed all AEB activity will be Formula Funded from the new academic year, commencing 1 August 2017, but there remains uncertainty about how the new AEB arrangements will work under devolution.
- 3.8 Given the fundamental changes set out above, it would not be prudent to invest resources in the procurement of a new Adult Learning Framework until the uncertainty around the funding model and the devolution arrangements are clarified.

Adult Learning Framework Option to Extend One Year

- 3.9 This report seeks approval to extend the Council's Adult Learning Framework (Project Title: COMMUNITY LEARNING FRAMEWORK 2014-2017, ID reference LEEDSCITY-9JWG-6FT5UQ) for one academic year commencing 1 August 2017 to 31 July 2018. Provision under this one year extension would be externally financed following recent ESFA confirmation of allocation of funding for 2017-18

to the Council. The option to extend the three year Framework for a further 12 months was set out in the original tender documents and Framework contracts.

3.10 The 22 provider organisations on the existing Framework continue to deliver activities in 2016-17 to the required quality and performance standards and the programme was confirmed as 'Good' following a recent Ofsted inspection in February 2017. It is recommended that these providers are given the option to extend their Framework contracts with the Council. The framework contract extension itself has no monetary value.

3.11 Subject to approval, those providers that do elect to extend their Framework contracts with the Council will become eligible to submit their proposals for delivery content and amounts according to a revised 2017-18 Project Brief, which will set out the Council's priorities aligned with the ESFA's funding rules. Successful proposals, funding awards and delivery call-off contracts for the academic year 2017-18, will be subject to approval under a separate officer delegated key decision in July 2017.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The Executive Member for Employment, Skills and Opportunity was consulted in April 2017 on the proposals set out in this report.

4.1.2 The PPPU Category Manager and Legal Officer were consulted on the option to extend the current Adult Learning Framework 2014-17 for one year.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 Subject to approval of the one year extension of the framework, all providers will be required to submit 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 Council's Adult Learning Programme Provider Handbook that is updated annually.

4.2.2 Adult Learning provision is regulated by Ofsted against the requirements of 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.

4.2.3 An equality screening was carried out on 4 April 2017 in relation to the decision set out in this report and is detailed at Appendix 1. The findings from this assessment are that equality, diversity, cohesion and integration issues have been appropriately considered in relation to the proposed one year extension to providers on the Council's Adult Learning Framework 2014-2017 and that there were no issues of concern.

4.3 Council Policies and Best Council Plan

- 4.3.1 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.
- 4.3.2 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.

4.4 Resources and Value for Money

- 4.4.1 The proposed Adult Learning Framework extension follows confirmation of the 2017-18 AEB allocation to the Council by the ESFA. The Framework contract itself has no monetary value. Subject to approval of this decision, a total amount of circa £1.6 million will be awarded to 22 external providers on the Council's Adult Learning Framework via one year call-off contracts to support the delivery of activities for the academic year 2017-18.
- 4.4.2 The awarding of Framework contract extensions to providers will be informed by a robust contract management process led by the Employment and Skills Service which assesses factors such as quality of provision, learner outcomes and cost per learner to ensure the programme continues to deliver value for money, and is aligned with the Council's priorities.
- 4.4.3 The Financial Services Manager will be consulted on proposed 2017-18 awards to ensure financial integrity of the 2017-18 budgets.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 Subject to approval, providers on the Council's Adult Learning Framework 2014-17 will receive a one year Framework contract extension and will become eligible to be awarded one year call-off contracts for the next academic year 2017-18, in accordance with the Council's Contract Procedure Rules and Financial Procedure Rules.
- 4.5.2 This is an officer delegated key decision which was notified in March 2017 on the Forward Plan for April 2017 and is subject to "call-in".
- 4.5.3 Officers in Legal Services and CPPU were consulted on the proposed one year extension to Framework contract terms and conditions.
- 4.5.4 Subject to approval, the processing of Framework and call-off contracts for the academic year 2017-18 will be undertaken by officers in the Employment and Skills Service in conjunction with Legal Services and CPPPU.

4.6 Risk Management

- 4.6.1 Advice on the Framework extension terms and conditions, award methodology and criteria to award contracts for the 2017-18 academic year, has been sought from the Procurement Governance and Regulation Manager.

- 4.6.2 All call-off contracts awarded under the extended Framework 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 ESFA's financial and contractual regulations.
- 4.6.3 Subject to approval and the subsequent award of call-off contracts for 2017-18 to providers on the Framework, a privacy impact assessment will be carried out to ensure that the Council and its external providers remain compliant with the Council's information governance policies and statute.
- 4.6.4 Extending the Framework contract for a further year is considered low risk. There is already a degree of uncertainty for providers from 2018 given the devolution proposals and this proposal offers some continuity and enables the Council to carry on building delivery capacity within the city.

5 Conclusions

- 5.1 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.
- 5.2 This report concerns the one year extension of the Framework for the academic year starting on 1 August 2017 to 31 July 2018, following the ESFA notification of funding for this period.
- 5.3 The Adult Education Budget for future academic years is expected to be devolved to local areas as part of the Government's wider devolution proposals. Until there is further clarity on devolution arrangements and greater certainty around the new AEB funding rules and models, it is not considered prudent to commission a new multi-year Framework at this stage.
- 5.4 The recommendations contained in this report are low risk and will ensure the Council can continue to deliver a broad and balanced programme of adult learning across Leeds in 2017-18, targeting priority learner groups and those living in priority neighbourhoods.

6 Recommendations

- 6.1 The Chief Officer Employment and Skills is asked to authorise the take up of the one year contract extension clause in the Community Learning framework 9JWG-6GT5UQ - 2014-2017 to enable the procurement of providers to deliver the 2017/18 programme funded from the ESFA grant allocation of £2,165,954.
- 6.2 The Head of Projects and Programmes, Employment and Skills Service will be responsible for the implementation of the recommendations set out in this report and, the management of the Adult Learning Programme on behalf of the Council.

7 Background documents¹

- 7.1 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.