

## Report of the Chief Officer Employment and Skills

### Report to the Director of City Development

**Date: 14 August 2017**

**Subject: Education and Skills Funding Agency (ESFA) Adult Education Budget - Funding Contract 2017-18**

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. The Best Council Plan 2017/18, sets out the Council's ambition for Leeds to have a strong economy and to be a compassionate city, tackling poverty and inequalities. Supporting residents into work, including apprenticeships, is an important contributor to this ambition. In 2016/17 the Employment and Skills service helped 6,204 people into work and 384 people into apprenticeships.
2. In the same year, 6639 local residents were supported to acquire new skills through the Council's Adult Learning Programme. Funded by the Education and Skills Funding Agency (ESFA) under the Adult Education Budget (AEB), this provision makes a significant contribution to the delivery of the Best Council Plan 2017-18 ambitions. 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 August 2017, the Council received confirmation of the annual funding allocation of £2.1 million from the ESFA for the delivery of Adult Learning in the academic year, 1 August 2017 to 31 July 2018 and an updated Conditions of Grant Funding contract.
4. This report seeks authorisation to accept the Education and Skills Funding Agency Adult Learning Conditions of Funding for the academic year 2017-18, commencing on 1 August 2017 and running through to 31 July 2018

## **Recommendations**

5. The Director of City Development is asked to accept the Education and Skills Funding Agency Adult Learning Conditions of Funding for the academic year 2017-18.
6. 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.

## **1 Purpose of this report**

- 1.1 This report seeks authority to accept the 2017-18 Education and Skills Funding Agency (ESFA) funding contract for £2,165,954 (£2.1million) awarded to the council under the Adult Education Budget for the academic year 2017-18.
- 1.2 The report also provides an overview of the ESFA's Funding Rules changes 2017-18 plus changes to Leeds City Council Conditions of Funding for 2017-18.

## **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 August 2017, the ESFA confirmed the council's AEB allocation of £2.1million and details of the amended Conditions of Grant Funding for the academic year 2017-18. A summary of the ESFA Funding Rules changes are contained in Appendix 1 and an overview of changes to Conditions of Funding in Appendix 2 complete with an action plan for the Council to comply with changes.
- 2.4 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 21 of the original 30 providers, primarily third sector organisations, remain available to deliver adult learning activities in 2017-18.
- 2.5 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 ESFA's Funding Rules and also Conditions of Funding for the academic year 2017-18 have changed. A summary of the Funding Rules changes are included in Appendix 1 and Conditions of Funding changes in Appendix 2. The main issues for the council arising from the changes are set out below.
- 3.2 Following the merger of the Government's Education and Skills departments on 1 April 2017, funding and Funding Rules are now the remit of the Education and Skills Funding Agency (ESFA).
- 3.3 ESFA have reviewed and rationalised the Funding Rules that apply to general funding to align with Education department business processes, remove duplication and encompass the new Apprenticeships Standards. For the 2017-18 Funding Rules, ESFA have incorporated the relevant sections from the previous Common Funding Rules into one document. ESFA have provided a summary of Funding Rules changes in Appendix 1
- 3.4 The ESFA funding contract itself comprises Conditions of Funding, statement of funding allocation, monthly payment profile and a letter confirming the funding is matched with ESF and that EU ESF retention rules apply. Appendix 2 contains a summary of Conditions of Funding changes and also a Projects and Programmes action plan to ensure compliance with those changes affecting AEB delivery.
- 3.5 Individualised Learner Records (ILR) data returns are submitted to the ESFA five times a year by the council as a condition of our funding agreement. The 2017-18 specification for the ILR has undergone an annual refresh to accommodate new funded activities. Compliance with ILR data returns changes are implemented by Tribal, the Maytas MIS supplier in their Maytas update for 2017-18.
- 3.6 Other 2017-18 Funding Rules and Conditions of Funding changes do not directly affect AEB delivery and mainly concern Apprenticeships, Traineeships, Princes Trust and A-Levels.

### **4 Corporate Considerations**

#### **4.1 Consultation and Engagement**

- 4.1.1 The Executive Member for Employment, Skills and Opportunity has been informed about the 2017-18 ESFA 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 2017-18 profile of payments to the Council from the ESFA.

- 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 is concerned with £2.1million (Grant) funding allocated to Leeds from the SFA's Adult Education Budget and acceptance of the new ESFA Conditions of Grant Funding for the academic year 2017-18.
- 4.2.2 An equality screening, attached as Appendix 3, was undertaken by the Employment and Skills service on 21 July 2017, 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 ESFA funding allocation to deliver adult learning across the city will have Equality and Diversity / Cohesion and Integration implications. A further impact assessment was undertaken concerning the award of 2017-18 call-off contracts to providers on the 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.
- 4.3.2 To ensure alignment with recent revisions to Council priorities the 2017-18 Project Brief introduced additional requirements for providers to recruit learners from priority neighbourhoods comprising the SOA's in the 1% most deprived areas.
- 4.3.3 Local priorities identified in the Council's refreshed Adult Learning Plan 2016-19, continue to determine this year's provision. There will be 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
- 4.3.4 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).
- 4.3.5 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 ESFA allocation enables the delivery of a fully funded adult learning programme to support skills development and progression by local residents. The Council seeks to align this provision with other programmes to make best use of resources and maximise the benefits to target communities.
- 4.4.2 Providers delivering learning engage with around 8,000 residents in Leeds each year and are required to target learners from communities experiencing high levels of deprivation. In the longer term, learning supports community capacity building and resilience and a reduction in the number of individuals reliant on benefits thereby reducing costs to the public purse.

#### **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 ESFA to Leeds City Council and, the ESFA Conditions of Funding (Grant) 2017-18. This decision is subject to call-in.
- 4.5.2 Notice of the forthcoming Delegated Key Decision to accept the ESFA Conditions of Funding (Grant) 2017-18 was published in May 2017.
- 4.5.3 The ESFA's funding conditions requires all fund holders to accept their contracts electronically on the Skills Funding Service secure website. Electronic acceptance of the funding contract will be implemented by a designated procurement solicitor once this decision is taken.

#### **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 ESFA 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 Education and Skills Funding Agency (ESFA) 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 August 2017, 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 2017 to 31 July 2018 and an updated Conditions of Grant Funding contract.
- 5.3 The vast majority of Funding Rules and Conditions of Funding affecting the AEB components of Adult Learning delivery remain the same as previous years with some amendments due to the Skills Funding Agency move from the Business Department to the Education Department. The Council is able to comply with all Conditions of Funding changes. Appendix 2 contains the compliance action plan.

## **6 Recommendations**

- 6.1 The Director of City Development is asked to accept the Education and Skills Funding Agency Adult Learning Conditions of Funding for the academic year 2017-18.
- 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 documents<sup>1</sup>**

- 7.1 None.

## **8 Appendices**

- 8.1 Appendix 1 - ESFA 2017\_to\_2018\_AEB\_funding\_rules\_version\_1\_CHANGES
- 8.2 Appendix 2 - 2017-18 CoF Changes and P&P Action Plan.
- 8.3 Appendix 3 - Equality Impact Assessment Screening 21 July 2017.

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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.