

Report of the Head of Projects and Programmes

Report to the Chief Officer Employment & Skills

Date: 26 July 2018

Subject: Education and Skills Funding Agency (ESFA) Adult Education Budget - Funding Contract 2018-19

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 Best Council Plan 2018/19, sets out the Council's ambition for Leeds to have a strong economy and to be a compassionate city, tackling poverty and reducing inequalities. Supporting residents into learning and work is an important contributor to this ambition. In 2018-19 the Employment and Skills service helped 5,624 people into work and 7,200 adults learn new skills.
2. The proposals set out in this report contribute to the Best Council Plan 2018/19 priorities around supporting economic growth and access to economic opportunities, providing skills programmes and employment support and building a Child Friendly City by helping families to improve the progression and achievement of children at school.
3. In July 2018, the Council received confirmation of the annual funding allocation of £2.1 million from the Education and Skills Funding Agency (ESFA) under the Adult Education Budget (AEB), for the delivery of Adult Learning in the academic year 2018-19 from 1 August 2018 to 31 July 2019 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 2018-19.

Recommendations

5. The Chief Officer Employment and Skills is asked to accept the Education and Skills Funding Agency Adult Learning Conditions of Funding for the academic year 2018-19.
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 2018-19 Education and Skills Funding Agency (ESFA) funding contract for £2,191,234 (£2.1million) awarded to the Council under the Adult Education Budget for the academic year 2018-19.
- 1.2 The report also provides an overview of the ESFA's Funding Rules changes 2018-19, attached as Appendix 1, plus changes to Leeds City Council Conditions of Funding for 2018-19 attached as Appendix 2.

2 Background information

- 2.1 Leeds City Council is the fund holder of a local Adult Education Budget (AEB) on behalf of the ESFA, 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 Council's Adult Learning Programme is to develop the skills, confidence, motivation and resilience of adults of different ages and backgrounds to:
 - improve their health and well-being, including mental health and/or
 - progress towards formal learning or employment, and/or
 - develop stronger communities
- 2.3 In July 2018, the ESFA confirmed the Council's AEB allocation of £2.1million and details of the amended Conditions of Grant Funding for the academic year 2018-19. The ESFA's summary of all the Funding Rules changes are contained in Appendix 1 and an overview of changes to Conditions of Funding affecting the Council Adult Learning programme in Appendix 2.
- 2.4 The Adult Learning Programme in Leeds is primarily delivered by the Council through sub-contracting arrangements. In March 2018, the previous Adult Learning Framework was replaced by the Employment and Skills Dynamic Purchasing System (DPS). Subsequently a mini-competition for Adult Learning 2018-19 provider contracts was held in May 2018. Once the ESFA contract is signed, 20 external organisations, plus the Council's own Library and Information Service, will be contracted to deliver this learning provision.
- 2.5 The majority of the AEB will be used to procure learning provision from contracted providers 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 ESFA's Funding Rules and also Conditions of Funding for the academic year 2018-19 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.
 - 3.1.1 The ESFA 2018-19 AEB contract has been revised to be compliant with the introduction of the General Data Protection Regulation (GDPR) in May 2018. The Council contracts with providers have also been amended to be GDPR compliant and also the learner enrolment forms have been revised to include the revised ESFA and Council Information Statements and obtain the necessary learner consents.
 - 3.1.2 New eligibility criteria for free learning has been introduced to include those in employment with a low annual wage below £15,736.50. This low wage eligibility will be propagated to the Council's Community Learning programme fees policy and all sub-contracted provider contracts for academic year 2018-19.
- 3.2 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 2018-19 specification for the ILR has undergone an annual refresh to accommodate new funded activities. Compliance with ILR data returns changes will be implemented by Tribal, the Maytas MIS supplier in their Maytas August update for 2018-19.
- 3.3 Other 2018-19 Funding Rules and Conditions of Funding changes do not directly affect AEB delivery and mainly concern Apprenticeships, Traineeships and 16 to 19 provision such as A-Levels.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The Executive Member for Learning, Skills and Employment has been consulted and informed about the 2018-19 ESFA funding allocation and Conditions of Grant variations.
- 4.1.2 The Procurement Manager has reviewed the new contract and agreed the contents.
- 4.1.3 The Employment and Skills Finance Manager has reviewed the new contract and 2018-19 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 integral to service planning and review 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 ESFA's Adult Education

Budget and, acceptance of the new ESFA Conditions of Grant Funding for the academic year 2018-19.

- 4.2.2 An equality screening, attached as Appendix 3, was undertaken on 5 July 2018, 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 2018-19 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 ESFA's Adult Education Budget to deliver the Adult Learning Programme will contribute to the Best Council Plan 2018-19 priorities around supporting Inclusive Growth by helping adults learn new skills to benefit from the economy to their full potential and tackling poverty in priority neighbourhoods; building a Child Friendly City by supporting families to give their children the best start in life; helping parents and carers improve their young children's educational attainment and closing achievement gaps for children and young people vulnerable to poor learning outcomes.
- 4.3.2 To ensure continued alignment with Council priorities, the 2018-19 Project Brief continues to emphasise recruitment of learners from priority neighbourhoods comprising the SOA's that fall within the 1% most deprived nationally on the Indices of Multiple Deprivation.
- 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 an increased focus on digital inclusion, improving impact measures and further development of progression pathways, including into employment. Adults who are marginalised and the 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 1% to 20% most deprived nationally on the Indices of Multiple Deprivation

4.4 Resources and value for money

- 4.4.1 The Employment and Skills service manages the £2.1million annual ESFA funding contract and the Adult Learning providers on behalf of the Council. Providers deliver learning to 8,000 residents in Leeds each year and primarily target learners from communities experiencing high levels of deprivation and priority groups identified in the Best Council Plan.
- 4.4.2 In the previous year, 2017-18, activities delivered in Leeds under the Adult Learning Programme contributed to 7,200 adults acquiring new skills and the service also supported 5,624 people to make the transition from benefits into work. This could not take place on this scale without the annual ESFA 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 ESFA to Leeds City Council and, the ESFA Conditions of Funding (Grant) 2018-19. 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) 2018-19 was published in June 2018.
- 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 The Procurement Manager 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 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 July 2018, the Council received confirmation of the annual funding allocation of £2.1 million from the ESFA's Adult Education Budget for the academic year, 1 August 2018 to 31 July 2019 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 the main amendments being related to compliance with May 2018 GDPR legislation and also to widen eligibility for free adult learning to adults on low annual wages up to £15k. The Council is able to comply with all Conditions of Funding changes. Appendix 2 contains the compliance action plan.

6 Recommendations

- 6.1 The Chief Officer Employment and Skills is asked to accept the Education and Skills Funding Agency Adult Learning Conditions of Funding for the academic year 2018-19.
- 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 ESFA Conditions of Funding 2018-19: 10003853_MAIN-5035_v1.

8 Appendices

8.1 Appendix 1 - ESFA 2018-19 AEB_funding_rules_version_2_CHANGES

8.2 Appendix 2 - Summary of ESFA CoF 2018-19 Changes for Adult learning.

8.3 Appendix 3 - EIA Adult Education Budget 18-19 ESFA Funding Contract.

8.4 Appendix - 4 DPIA Adult Education Budget 18-19 ESFA Funding Contract

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.