

**CABINET MEETING – 14 March 2024  
EXECUTIVE SUMMARY SHEET – PART I**

**Title of Report:**

Funding arrangements for the Adult Education Budget - Family, Adult and Community Learning Provision for 2024/25

**Author(s):**

Director of Children Services

**Purpose of Report:**

To seek approval for the competitive process by which funding from the North East Mayoral Combined Authority (NEMCA) will be awarded to providers for the delivery of Adult Education Budget - Family, Adult and Community Learning (FACL) training courses in the academic year 2024/2025 to support the city's strategic priorities.

**Description of Decision:**

Cabinet is requested to:

- Agree the competitive process to be followed that will enable the identification and selection of suitable providers to ensure the delivery of training outcomes that support the city's strategic priorities.
- Authorise the Executive Director of Children Services, in consultation with the Portfolio Holder for Children, Learning and Skills, to undertake the competitive process for providers of FACL training courses in the academic year 2024/25, as set out in the report, and subsequently to award the proposed funding agreements to the successful providers.

**Is the decision consistent with the Budget/Policy Framework?      \*Yes**

**If not, Council approval is required to change the Budget/Policy Framework**

**Suggested reason(s) for Decision:**

The decision is required to:

- a) Enable the Council to comply with the grant funding from NEMCA and ensure the delivery of training outcomes for residents of Sunderland.
- b) Select suitable and experienced training providers to deliver quality Family, Adult and Community Learning (FACL) training courses in the academic year 2024/2025 via grant funding arrangements.
- c) Obtain Cabinet approval before Chief Officer's provide assistance to any third party by way of loan, grant or guarantee of over £50,000 to any one body in any

one financial year. The proposed competitive process will result in grant funding awards to successful providers some of which may be in excess of £50,000.

**Alternative options to be considered and recommended to be rejected:**

- The Council could choose to recruit and employ tutors to deliver training courses. While this would have some advantages relating to the contract management process, it could prove difficult to offer the wide range of courses which are required. In addition, should this course of action be adopted as a future model, it would need a full year to be planned and implemented effectively.
- The Council could withdraw from involvement in Adult and Community Learning delivery. This would result in the potential loss to Sunderland of over £1.4m of funding and reduced influence in how any funding received into the City was used to contribute to delivery of the Council's strategic vision for the City.

**Impacts analysed.**

Equality  Yes Privacy  Yes Sustainability  Yes Crime and Disorder  Yes

**Is the Decision consistent with the Council's co-operative values? Yes**

**Is this a "Key Decision" as defined in the Constitution? Yes**

**Is it included in the 28-day Notice of Decisions? Yes**

**FUNDING ARRANGEMENTS FOR THE ADULT EDUCATION BUDGET - FAMILY, ADULT AND COMMUNITY LEARNING PROVISION FOR 2024/25****REPORT OF DIRECTOR OF CHILDREN SERVICES****1. Purpose of the Report**

To seek approval for the competitive process by which funding from the North East Mayoral Combined Authority (NEMCA) will be awarded to providers for the delivery of Adult Education Budget - Family, Adult and Community Learning (FACL) training courses in the academic year 2024/2025 to support the city's strategic priorities. T

**2. Description of Decision (Recommendations)****2.1 Cabinet is requested to:**

- Agree the competitive process to be followed that will enable the identification and selection of suitable providers to ensure the delivery of training outcomes that support the city's strategic priorities.
- Authorise the Executive Director of Children Services, in consultation with the Portfolio Holder for Children, Learning and Skills, to undertake the competitive selection process for FACL training courses in the academic year 2024/2025, as set out in the report, and subsequently to award the proposed grant funding agreement to the successful bidders.

**3. Introduction/Background**

- 3.1 The Council will receive grant funding from the NEMCA to deliver training and skills development for residents which will be subject to a master grant agreement which runs from 1 August to 31 July, in line with the academic calendar year. In the current academic year (2023/2024), the indicative value of the Adult Education Budget contract is c. £1.4m.
- 3.2 The purpose of the funding is to improve the local skills base, to meet employers' needs, to deliver a wide range of courses within the local community, to target and reach people who may otherwise not engage in learning, to encourage progression and make a positive impact on the social and economic position of Sunderland.
- 3.3 The Council's delivery model involves the commissioning and management of external providers to deliver the training, rather than directly employing tutors. This has enabled quality standards to be maintained whilst achieving financial efficiencies, by engaging services which represent best value for money. Delivery is subject to Ofsted Inspection and at the last inspection in April 2019, the Service was awarded Grade 2 – Good for all aspects of the provision.
- 3.4 The grant funding is split between Adult Skills (accredited learning), Community Learning (non-accredited) and National Skills Fund – Skills for Jobs

- 3.5 Traditionally, annual grants have been awarded to FACL providers following a robust, open, and competitive tendering process. Organisations are invited to bid for grant funding, putting forward proposals designed to meet the requirements of FACL's detailed Service Specification. Submissions are evaluated against set quality criteria and allocations made according to the best fit with our strategic direction, as the invitation to tender process is invariably over-subscribed.
- 3.6 It should be noted that funding allocations are not paid up-front to providers; instead, a funding agreement to deliver training courses is awarded, which enables providers to draw down funding upon successful course completion. The Council will report all engagement and training activity to NEMCA and the Department of Education on a monthly basis, which then results in monthly payments to the Council in recognition of successful learner engagement and outcomes. The Council then pays providers, in accordance with their individual performance, whilst retaining a percentage to cover overheads. If a provider does not deliver part (or all) of their training, they do not receive part (or all) of their funding.
- 3.7 Performance of FACL providers is measured using key performance indicators (KPIs) such as number of people engaged in learning, % retention and % of learners achieving their learning and personal aims. The Council also monitor the quality of teaching, learning and assessment by observing individual learning sessions and obtaining feedback from learners. In addition, the Council sets and monitor KPIs around contract compliance such as efficiency of paperwork submission and effectiveness of learner documentation.

#### **4. Current Position**

- 4.1 For the academic year 2024/2025, it is anticipated that the amount of funding allocated will be largely the same as in the current year. This report seeks approval for the process to procure providers and award funding agreements to them, as appropriate.
- 4.2 The series of steps described below will be followed:
- Review and finalise the FACL Service Specification.
  - Finalise the competitive selection process and all documentation.
  - Awareness-raising amongst the PVI sector and other community organisations for this funding opportunity.
  - Advertise the funding opportunity on NEPO.
  - Hold information/Q&A sessions for potential bidders.
  - Receive and evaluate Stage 1 (Business Questionnaire) submissions.
  - Notify bidders of results and invite successful organisations to proceed to Stage 2.
  - Receive and evaluate Stage 2 (Method Statement) submissions.
  - Assess and agree the funding allocation amounts to be awarded to individual providers.
  - Compile a list of successful organisations and seek a delegated decision to award the funding agreements subject to receipt of the grant funding from NEMCA.
  - Notify successful training providers of grant awards (subject to receipt of the Grant Funding from NEMCA)

- 4.3 The above steps will be taken between mid-April to June 2024 (following Cabinet's consideration and approval), so that delivery can commence by 1 August 2024.
- 4.4 Grant funding agreements will be awarded to the successful training providers for a period of two years with the possibility of a year extension.
- 4.5 The Service Manager will ensure local community groups are informed about the funding opportunity and the grant application process. In addition to this a briefing note will be produced which will be circulated to all VCS members which will explain the timescales involved, as well as the application process, and who to contact for further support and information.

## **5. Reasons for the Decision**

- 5.1 The decision enables the Council to comply with the grant funding from NEMCA and ensure the delivery of training outcomes for residents of Sunderland.
- 5.2 The decision to select suitable and experienced training providers using the competitive selection model described in paragraph 4.2 is being proposed for the following reasons:
- The provider competitive selection model demonstrates best use of resources and secures value for money, creating maximum impact from the funding available. The model is highly effective and successful and has been cited by Department of Education as a model of best practice.
  - Awarding short contracts (2 year in length) means that new provision can be introduced relatively quickly and simply, enabling us to react to funding available from NEMCA as well as changing circumstances and local need. The Learning and Skills Service can, therefore, remain flexible and responsive, ensuring provision is always relevant and of high quality.
  - The service specification is written so that it describes the broad outcomes that must be achieved, in support of the City Plan priorities, as well as the priorities of the five Area Committees and the Northeast Local Skills Improvement Plans. This approach facilitates partnerships with local organisations, frequently within the Voluntary and Community Sector, who have a good track record of supporting "hard to reach" people, by delivering provision which is within their scope and using their existing tutor base. It builds on delivery partners' strengths to achieve social and economic improvements for Sunderland. This local partnership approach delivers added social value within the city, by helping to sustain and build the capacity of the voluntary and community sector.
  - The Council's Constitution (FPR 16 Payments of Grants and Benefits) requires the approval of Cabinet before Chief Officer's provide assistance to any third party by way of loan, grant or guarantee of over £50,000 to any one body in any one financial year and it possible that some of the training providers will be awarded grant funding in excess of £50,000.

## **6. Alternative Options**

6.1 There are a number of alternative options that have been identified and discounted, as follows:

- The Council could choose to recruit and employ tutors to deliver training courses. While this would have some advantages relating to the contract management process, it could prove difficult to offer the wide range of courses which are required. In addition, should this course of action be adopted as a future model, it would need a full year to be planned and implemented effectively.
- The Council could withdraw from involvement in Adult and Community Learning delivery. This would result in the potential loss to Sunderland of over £1.4m of funding and reduced influence in how any funding received into the City was used to contribute to delivery of the Council's strategic vision for the City.

## **7. Impact Analysis**

- **Equality Impact Analysis**

An Equality Impact Analysis has been carried out in order to assess the impact on communities of interest and to comply with the public sector equality duty. It has shown that people who share protected characteristics (age, disability, pregnancy and maternity, race, religion or belief, sex, sexual orientation and marriage or civil partnership) have equality of opportunity to access FACL training provision.

The Service collects and analyses learner data to identify protected characteristics amongst learners, in order to measure the extent to which such individuals are accessing training provision. Monthly EDIM (Equality and Diversity Impact Measures) reports are produced for the full service and also for individual providers, which measure age, gender, disability and ethnicity. These findings are discussed with providers, to improve participation rates over time and address any barriers that may be identified.

The Service Specification makes clear that people who share protected characteristics should be actively encouraged to participate and provision should be designed to ensure they are fully supported and in no way disadvantaged from achieving learning goals. An example of positive impact achieved is that the percentage of BME residents engaging in FACL provision is generally higher than the percentage of the city's BME population and is increasing year on year.

- **Privacy Impact Assessment (PIA)**

A significant amount of personal data pertaining to learners is collected and uploaded to the ESFA's systems. This includes names, addresses, age, NI numbers, ethnicity and disabilities and some non-personal data, such as names and addresses of training organisations, details of courses, funding and opportunities that might be available to learners. In order to safeguard privacy and confidentiality, the Learning and Skills Service shall comply with Data Protection legislation and ensure learner and provider data is only processed in accordance with Data Protection legislation and approved Data Sharing Agreements and in accordance with the General Data Protection Regulation.

In addition to this, we require that Subcontracted training providers ensure that General Data Protection Requirements are adhered to with regards to the handling of any FACL documentation containing the personal details of learners, for example Enrolment Forms and evidence of benefit.

Protective Measures are in place to protect against a Data Loss Event including:

- ensuring that only designated staff process personal data.
- taking all reasonable steps to ensure the reliability and integrity of any of the Service's staff who have access to the personal data.
- ensuring that staff are aware of and comply with the Service's duties in relation to privacy and confidentiality.
- ensuring staff are informed of the confidential nature of the data and do not publish, disclose or divulge any of the data to any third Party unless instructed to do so by management.
- ensuring staff have undergone adequate training in the use, care, protection and handling of personal data.
- ensuring that destruction of data is carried out securely and according to policies and schedules agreed in accordance with the ESFA.

- **Sustainability**

The procurement of Family, Adult and Community Learning provision supports the aims of the Council's City Plan and the Health and Wellbeing Strategy and NEMCA Skills Strategy by addressing Council priorities around providing education and skills development for some of Sunderland's most disadvantaged citizens, enabling them to move closer to the labour market and to increase self-confidence and wellbeing.

No significant environmental impacts will occur as a result of this decision.

- **Reduction of Crime and Disorder – Community Cohesion / Social Inclusion**

The training courses procured by FACL have a positive impact on crime and disorder, community cohesion and social inclusion. Services are designed to target, engage with and support people who are often classed as "hard to reach" or "hard to help", in that they often have chaotic lifestyles and face multiple barriers to learning. This can be as a result of patterns of behaviour that include a history of offending or other anti-social behaviour. The PREVENT duty is a formal requirement of delivery and a key area of focus in inspection.

The competitive selection process helps to identify service providers who have a track record of successfully working with and supporting this type of learner. Results from previous years show high retention rates, which demonstrate success in sustaining the engagement of learners, meaning they are less likely to return to their old patterns of behaviour and more likely to make positive progress in terms of improving their skills and move into either employment or further learning.

## **8. Other Relevant Considerations / Consultations**

- **Co-operative Values**

This proposal supports co-operative values of self-help, self-responsibility, democracy, equality, equity, and solidarity. Through the procurement process,

grants are awarded which support residents, primarily those most in need, to gain new skills and often new self-confidence, which supports them to help themselves to make progress in their lives. The personal development and training courses which are delivered help people make progress towards employment, which means they become less dependent on employment benefits and more personally responsible for their own lives.

The procurement process is open, fair, and transparent, which complies with the values of democracy and equality. The Service Specification ensures that those people who may be disadvantaged by personal circumstances, making it less likely that they engage in training, are targeted for engagement.

The Service Specification clearly describes that provision must be delivered within community venues across the city, to reach out to people who are potentially isolated, thus facilitating greater community cohesion and reducing social isolation, helping to create greater solidarity within neighbourhoods.

- **Financial implications**

All commissioned delivery will be fully funded by NEMCA grant income. The award of the funding agreements with the providers is therefore subject to the receipt of the relevant grant funding from NEMCA.

In addition, 20% of the grant funding allocation is to be retained by the Council to fund the operating costs of the Council's Learning and Skills Service, with the final percentage determined by the actual costs incurred. There is a contractual requirement that the Council must publicise this information in a "Fees and Charges Policy", and this is made available on the Council's website.

- **Risk Analysis**

Financial risk is minimal as all costs and overheads are covered within the grant allocation and risks of clawback are mitigated through robust contract monitoring including ensuring that payments to the providers are only made on the delivery of outcomes.

Learning and Skills Service has delivered this service successfully for many years and has the experience and knowledge to ensure compliance with all contractual requirements.

There is a reputational risk through non-performance in Ofsted inspection, however the Service has developed and embedded a rigorous performance management strategy, as well as robust quality monitoring processes to ensure that subcontracted training providers provide high quality training and learning, and all learners achieve to the best of their ability.

- **Employee Implications**

None

- **Legal Implications**

From the 1st August 2019 the Education and Skills Funding Agency (ESFA) is no longer accountable for the totality of the Adult Education Budget (AEB). Mayoral Combined Authorities (MCAs) and the Greater London Authority (GLA) have



responsibility for funding adult education in their local areas, giving greater powers to local areas.

It is understood that NEMCA will issue a master grant agreement to the Council in respect to the AEB which will be reviewed by Legal Services to ensure the Council complies with the terms of the master grant agreement with NEMCA.

The relevant funding agreements with the training providers are grant agreements only (incorporating the grant funding terms from NEMCA) and are not contracts for services for the purposes of the Procurement Procedure Rules and the Public Contracts Regulations 2015.

In addition, the relevant funding agreements with the providers are also outside the scope of Section 2 of the Subsidy Control Act 2022 (“the SCA”). Whilst financial assistance is being provided by the Council from public resources, the relevant training providers are not acting as an “enterprise” in this instance because they are providing education and community learning free of charge through the use of public funding. The Statutory Guidance issued under the SCA confirms that such education and training activities are services that are not considered to be economic activity for the purposes of the SCA.

As a consequence, there are no SCA implications arising from the proposals.

- **Policy Implications**

None

- **Health and Safety Considerations**

This project has no impact in relation to the Council’s Health and Safety Policy for its employees. However, the safeguarding of learners is a primary consideration which the Service addresses via robust strategies and policies for Safeguarding, Prevent and Health & Safety. These aspects of the provision are monitored closely and are Key Performance Indicators when measuring provider performance.

- **Property Implications**

None

- **Implications for Other Services**

The Executive Director of Children Services and Portfolio Holder have been consulted and asked for approval for this proposal. Information is shared widely within the Council to ensure that opportunities for partnership working are addressed.

