

CABINET MEETING – 15 JUNE 2021

EXECUTIVE SUMMARY SHEET – PART 1

Title of Report:

Procurement of Family, Adult and Community Learning provision for 2021/2022

Author(s):

Executive Director of Neighbourhoods

Purpose of Report:

To seek approval for the annual procurement process by which funding from the Education and Skills Funding Agency (ESFA) will be awarded to providers for the delivery of Family, Adult and Community Learning (FACL) training courses in the academic year 2021/2022 to support the city's strategic priorities.

Description of Decision:

Cabinet is requested to:

- Agree the annual procurement 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 Neighbourhoods, in consultation with the Portfolio Holder for Children, Learning and Skills, to undertake the procurement of FACL training courses in the academic year 2021/2022, as set out in the report, and subsequently to award the proposed contracts to the successful bidders.

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 Council receives Adult Education Budget grant under a contract with the Education and Skills Funding Agency annually to deliver locally responsive provision to adults aged 19+ to engage local communities, improve employability skills, improve skills for life, promote health and wellbeing and help people move closer to and into employment.
- The procurement 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 North East LEP. 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 benefits from delivery of the FACL provision have been proven through monitored outcomes as well as individual case studies. The curriculum and specification have been determined through a process informed by the requirements of the ESFA, the priorities of the City Plan and the North East LEP, as well as consultation with local VCS organisations, learning providers, DWP and Council Members.
In response to this, we will commission a wide range of learning programmes including English, Maths, Digital Skills, vocational qualifications, skills for employment, physical and mental health, wellbeing and resilience, environmental awareness, financial and budget management, volunteering, community engagement and therapeutic arts and crafts.
- The benefits of procuring delivery through the process described include:
 - wide community engagement, especially in more disadvantaged areas, via local provider partnerships
 - inclusion of 'hard to reach' learners on programmes designed to change their lives for the better
 - people entering employment and contributing to the local economy as a result of the skills they have acquired
 - people entering volunteering and supporting local communities and charities
 - learners developing a taste for learning and progressing to further education and qualifications
 - people becoming more aware of health and fitness and how to achieve and maintain a healthy lifestyle
 - people learning how develop mental resilience to cope with stressful situations
 - people gaining the confidence and self-esteem to change their lives for the better
- The subcontracting model demonstrates best use of resources and secures value for money, creating maximum impact from the funding available.
- Awarding short contracts (1 year in length) means that new provision can be introduced relatively quickly and simply, enabling us to react to funding available from the ESFA 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 Council's Constitution requires that the procurement of services over the value of £250,000 are subject to Cabinet approval. Whilst individual grant awards to separate providers will not necessitate this step, the overall sum brings this process within scope.

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 choose to award contracts for a longer period (2-3 years) however this would mean the curriculum would not be sufficiently responsive and flexible to meet changing needs including different requirements of the ESFA and there is uncertainty with regard to the levels of funding that will be provided by the ESFA in future years.

- The Council could withdraw from involvement in Adult and Community Learning delivery. This would result in the potential loss to Sunderland of over £1.2m 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 **Privacy** **Sustainability** **Crime and Disorder**

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

PROCUREMENT OF FAMILY, ADULT AND COMMUNITY LEARNING PROVISION FOR 2021-22

REPORT OF THE EXECUTIVE DIRECTOR, NEIGHBOURHOODS DIRECTORATE

1. Purpose of the Report

- 1.1 To seek approval for the annual procurement process by which funding from the Education and Skills Funding Agency (ESFA) will be awarded to providers for the delivery of Family, Adult and Community Learning (FACL) training courses in the academic year 2021/2022 to support the city's strategic priorities.

2. Description of Decision (Recommendations)

- 2.1 Cabinet is requested to:

- Agree the annual procurement 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 Neighbourhoods, in consultation with the Portfolio Holder for Children, Learning and Skills, to undertake the procurement of FACL training courses in the academic year 2021/2022, as set out in the report, and subsequently to award the proposed contracts to the successful bidders.

3. Introduction/Background

- 3.1 The Council has a contract with the ESFA which provides funding to deliver training and skills development for residents. The contract is awarded annually and runs from 1 August to 31 July, in line with the academic calendar year. In the current year (2020-21), the value of the ESFA contract is £1,214,582. The funding allocation for 2021/22 is yet to be confirmed.
- 3.2 The purpose of the ESFA 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 procuring 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 contract funding is split between Adult Skills (accredited learning) and Community Learning (non-accredited).

- 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 contract to deliver training courses is awarded, which enables them to draw down funding upon successful course completion. FACL reports all engagement and training activity to the ESFA on a monthly basis, which results in monthly payments to the Council in recognition of successful learner engagement and outcomes. FACL then pays providers, in accordance with their individual performance, whilst retaining a percentage to cover overheads. If a subcontractor does not deliver part (or all) of their contract, 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. We also monitor the quality of teaching, learning and assessment by observing individual learning sessions and obtaining feedback from learners. In addition, we set 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 2021-22, it is anticipated that the amount of ESFA funding allocation will be largely the same as in the current year (£1.215m). This report seeks approval for the annual process to procure subcontractors and award grants to them, as appropriate.
- 4.2 The series of steps described below will be followed:
- Review and finalise the FACL Service Specification;
 - Finalise the procurement 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 allocation amounts to be awarded to individual providers;
 - Compile a list of successful organisations and seek a delegated decision to award contracts;
 - Notify successful subcontractors of grant awards
- 4.3 The above steps will be taken between mid-June 2021 (following Cabinet's consideration and approval) and the beginning of August 2021, so that delivery can commence by 1 September 2021.

- 4.4 Contracts will be awarded for a period of one year, so that provision can be reviewed annually to ensure it continues to meet changing demands and remains relevant to the needs of both learners and employers.
- 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 model described above is being proposed for the following reasons:
- The subcontracting model demonstrates best use of resources and secures value for money, creating maximum impact from the funding available
 - Awarding short contracts (1 year in length) means that new provision can be introduced relatively quickly and simply, enabling us to react to funding available from the ESFA 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 Council receives Adult Education Budget grant under a contract with the Education and Skills Funding Agency annually to deliver locally responsive provision to adults aged 19+ to engage local communities, improve employability skills, improve skills for life, promote health and wellbeing and help people move closer to and into employment.
 - The procurement 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 North East LEP. 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 benefits from delivery of the FACL provision have been proven through monitored outcomes as well as individual case studies. The curriculum and specification have been determined through a process informed by the requirements of the ESFA, the priorities of the City Plan and the North East LEP, as well as consultation with local VCS organisations, learning providers, DWP and Council Members.
In response to this, we will commission a wide range of learning programmes including English, Maths, Digital Skills, vocational qualifications, skills for employment, physical and mental health, wellbeing and resilience, environmental awareness, financial and budget management, volunteering, community engagement and therapeutic arts and crafts.

- The benefits of procuring delivery through the process described include:
 - wide community engagement, especially in more disadvantaged areas, via local provider partnerships
 - inclusion of 'hard to reach' learners on programmes designed to change their lives for the better
 - people entering employment and contributing to the local economy as a result of the skills they have acquired
 - people entering volunteering and supporting local communities and charities
 - learners developing a taste for learning and progressing to further education and qualifications
 - people becoming more aware of health and fitness and how to achieve and maintain a healthy lifestyle
 - people learning how develop mental resilience to cope with stressful situations
 - people gaining the confidence and self-esteem to change their lives for the better
- The Council's Constitution requires that the procurement of services over the value of £250,000 are subject to Cabinet approval. Whilst individual grant awards to separate providers will not necessitate this step, the overall sum brings this process within scope.

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 choose to award contracts for a longer period (2-3 years) however this would mean the curriculum would not be sufficiently responsive and flexible to meet changing needs including different requirements of the ESFA and there is uncertainty with regard to the levels of funding that will be provided by the ESFA in future years.
- The Council could withdraw from involvement in Adult and Community Learning delivery. This would result in the potential loss to Sunderland of over £1.2m 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, Health and Wellbeing Strategy and Education and 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 procurement 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 is fully funded by ESFA grant income. In addition, between 15% and 25% of the ESFA grant allocation is retained 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 an ESFA 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 contract monitoring including ensuring that payments to the providers are only made on the delivery of outcomes. FACL 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**

The Service complies with all legal requirements stated within the contract with the ESFA as well as legal requirements around open and transparent procurement

- **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.

- **Implications for Other Services**

The Executive Director of Neighbourhoods, Assistant Director 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.

- **Procurement**

The corporate procurement process will be followed and an officer from procurement has been nominated to support the Service to ensure the procurement process is open, fair and transparent and that best value is achieved.

