

CABINET MEETING – 8 JUNE 2023

EXECUTIVE SUMMARY SHEET – PART 1

Title of Report: Extension of current funding arrangements for Family, Adult and Community Learning provision for 2023/2024

Author(s): Director of Children's Services

Purpose of Report:

To seek approval to extend the current funding agreements for the delivery of community-based Family, Adult and Community programmes to cover the funding year beginning on 1st August 2023 and ending 31st July 2024.

Description of Decision:

Cabinet is requested to:

- Agree an extension to the current funding agreements for the delivery of community-based Family, Adult and Community programmes for a 1-year period to cover the academic year 1st August 2023 to July 2024 on such terms as approved by the Director of Children's Services, in consultation with the Portfolio Holder for Children, Learning and Skills and the Director of Finance.

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

Suggested reason(s) for Decision:

In line with the Adult Education Budget grant from the Education and Skills Funding Agency, a competitive process was carried out by the Council in August 2021 to identify providers to address the education, skills and training needs throughout Sunderland's communities.

Funding agreements were subsequently entered into with the successful providers to cover an initial period from 1st September 2021 to 31st July 2022.

In June 2022, Cabinet subsequently approved an initial 1-year extension of the relevant funding agreements to cover academic year 1st August 2022 to July 2023.

After due consideration it has been determined that the best way forward to ensure the continuance of the high level of educational and pastoral support to the most vulnerable and needy citizens and communities offered by the current services would be to extend the existing agreements for a further one-year period to cover the next academic year 2023/2024. A further one-year extension would align with the transition of Adult Education Budget to the new North East Mayoral Combined Authority in 2024 which will determine the new long terms funding and delivery arrangements for the services. In the

interim, the temporary extension of the existing agreements will provide stability and continuity of quality assured provision.

Alternative options to be considered and recommended to be rejected:

- The Council could choose to carry out a new competition with providers for 2023/2024. This is not recommended at this stage in the interests of proportionality until the long term funding and delivery intentions are determined as current resources and pressures of Training Providers to complete a rigorous bid process are excessively stretched and at this stage may limit the number of applicants in a new competition, this in turn, has the potential to impact negatively on current delivery.
- 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 any future involvement in Adult and Community Learning delivery. This is not recommended as it would result in the loss of a significant amount of external funding for Sunderland designed to improve the social and economic position of the City through the delivery of education and skills training programmes.

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

EXTENSION OF CURRENT FUNDING ARRANGEMENTS FOR FAMILY, ADULT AND COMMUNITY LEARNING PROVISION FOR 2023/2024

REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

1. Purpose of the Report

- 1.1 To seek approval to extend the current funding agreements for the delivery of community-based Family, Adult and Community programmes to cover the funding year beginning on 1st August 2023 and ending 31st July 2024.

2. Description of Decision (Recommendations)

- 2.1 Cabinet is requested to:
- Agree an extension to the current funding agreements for the delivery of community-based Family, Adult and Community programmes for a 1-year period to cover the academic year 1st August 2023 to July 2024 on such terms as approved by the Director of Children's Services, in consultation with the Portfolio Holder for Children, Learning and Skills and the Director of Finance

3. Introduction/Background

- 3.1 The Council has a master funding agreement with the Education and Skills Funding Agency (ESFA) which provides external funding to deliver training and skills development for residents within Sunderland. The funding agreement with the ESFA is generally awarded annually and runs from 1 August to 31 July, in line with the academic calendar year. In the current year 2022/2023 the value of the ESFA grant is £1,316,266.
- 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 funding 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 ESFA external funding is split between Adult Skills (accredited learning) and Community Learning (non-accredited).
- 3.5 Traditionally, annual funding agreements have been awarded by the Council to FACL providers following an open and competitive bid process. Organisations are invited to bid for grant funding, putting forward proposals designed to meet the requirements of FACL's detailed Strategic Commissioning Plan. 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 grant funding allocations are not paid up-front to providers; instead, a funding agreement to deliver training courses is awarded, which enables them to draw down funding upon successful course completion. The Council reports all engagement and training activity to the ESFA on a monthly basis, which results in monthly payments by the ESFA to the Council in recognition of successful learner engagement and outcomes. The Council then pays providers, in accordance with their individual funding agreements and based on performance/delivery, whilst retaining a percentage to cover its operational overheads for the FACL project. 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 monitors the quality of teaching, learning and assessment by observing individual learning sessions and obtaining feedback from learners. In addition, the Council sets and monitors KPIs around performance standards such as efficiency of paperwork submission and effectiveness of learner documentation.
- 3.8 The Council's current providers were appointed in 2021 following a competitive bid process. The relevant providers are listed in Section 4 below.

4. Current Position

- 4.1 For the academic year 2023/2024, the amount of ESFA funding allocation will be approx.. £1.4m. This report seeks approval to extend current funding agreements with providers to cover the academic year 2023/2024.
- 4.2 Training and learning organisations who will potentially receive extension to their funding agreements to deliver accredited and/or non-accredited provision to Sunderland residents are as follows:

Apextra Learning
Brightsparks Training CIC
Cultural Creatives
Foundation of Light
Keep Active Ltd
Media Savvy CIC
Michael Erskine
Northern Rights Social Enterprise
Penshaw View Training
Sportscape
Training in Childcare Ltd
Three 13
Uplift Associates
Learning Concepts
Winnovation Ltd

The proposed extension of the above funding agreements will be subject to due diligence financial checks, review of current performance and conditional on providers producing appropriate delivery plans in line with the requirements of the Strategic Commissioning Plan.

- 4.3 Subject to Cabinet's approval and the above due diligence, the intention would be to issue extension letters to the relevant providers in June 2023, so that funding and delivery can continue from 1 August 2023.
- 4.4 The relevant funding agreements will be extended for a period of one year only, after this time Adult Education Budget will become part of the devolution deal and transfer to the new North East Combined Authority. The long-term funding and delivery intentions for FACL will then be determined by the new Combined Authority.

5. Reasons for the Decision

- 5.1 In line with the Adult Education Budget grant from the Education and Skills Funding Agency, a competitive process was carried out by the Council in August 2021 to identify providers to address the education, skills and training needs throughout Sunderland's communities.
- 5.2 Funding agreements were subsequently entered into with the successful providers to cover an initial period from 1st September 2021 to 31st July 2022
- 5.3 After due consideration it has been determined that the best way forward to ensure the continuance of the high level of educational and pastoral support to the most vulnerable and needy citizens and communities offered by the current services would be to extend the existing agreements for a further one-year period to cover the next academic year 2023/2024. A further one-year extension would align with the transition of Adult Education Budget to the new North East Mayoral Combined Authority in 2024 which will determine the new long terms funding and delivery arrangements for the services. In the interim, the temporary extension of the existing agreements will provide stability and continuity of quality assured provision.

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 carry out a new competition with providers for 2023/2024. This is not recommended at this stage in the interests of proportionality until the long-term funding and delivery intentions are determined as current resources and pressures of Training Providers to complete a rigorous bid process are excessively stretched and at this stage may limit the number of applicants in a new competition, this in turn, has the potential to impact negatively on current delivery.
 - 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 is not recommended as it would result in the loss of a significant amount of external funding for Sunderland designed to improve the social and economic position of the City through the delivery of education and skills training programmes

7. Impact Analysis

- **Equality Impact Analysis**

An Equality Impact Analysis has been carried out in order to assess the impact of the proposals on communities of interest and to comply with the public sector equality duty. A copy is attached for Cabinet's information. 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 Strategic Commissioning Plan 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, 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, training providers are required to 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 FACL provision supports the aims of the Council's City Plan and Health and Wellbeing 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.

- **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 previous procurement process has sought 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, contracts 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 appointment process is open, fair and transparent, which complies with the values of democracy and equality. The Strategic Commissioning Plan 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 Strategic Commissioning Plan 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 from the ESFA 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.

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 existing funding agreements with the Councils' providers are entered into pursuant to the terms of the Council's master grant agreement with the ESFA for the funding and delivery of FACL in Sunderland.

The relevant funding agreements with providers are grant agreements only (incorporating the grant funding terms from the ESFA) and are not contracts for services for the purpose 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 services 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 are not considered to be an economic activity for the purpose of the SCA.

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

- **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.

