

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 4th March 2014

Report of: Peter Cavanagh - 14+ Skills Manager

Subject/Title: Skills Development for Communities and the Unemployed through Re-Procurement of the SFA's Community Learning and Adult Skills Budget (Forward Plan Ref. CE 13/14-77)

Portfolio Holder: Cllr. Don Stockton – Housing, Planning, Economic Development and Regeneration

1.0 Report Summary

- 1.1 Economic growth is key to creating flourishing local communities and developing a sustainable local economy within Cheshire East. Ensuring that individuals have the skill sets to access employment opportunities that will become available through the planned Growth Strategy is a strategic priority. Whilst there is a clear need to focus on high level skills, linked to key employment sectors and emerging technologies, there is also a need to support those more disadvantaged individuals and communities. Good progress is being made. The number of young people aged 16-18 who are not in education employment or training (NEET) is currently 3.69% (Dec 2013) and the unemployment claimant count (Dec 2013) at 1.9% is below that of the North West (3.3%) and the UK (2.9).
- 1.2 The Cheshire East Lifelong Learning (CELL) service seeks to enable communities, families and individuals in Cheshire East to flourish and be self-reliant through excellent lifelong learning. Over 5,000 learners benefit from this service each year. The services are targeted towards those within communities who are the hardest to reach and others who live in areas of high deprivation. The provision aims to increase confidence and skills which help learners to overcome barriers to learning and progress to further education and employment opportunities.
- 1.3 The CELL team is fully funded through income that it earns from the Skills Funding Agency. The income is used to support individuals and community groups throughout Cheshire East in personal and skills development. CELL currently commission circa £450,000 per annum of non-accredited Community Learning and accredited Adult Skills provision services. The provision is accessed by residents of Cheshire

East, particularly those who are unemployed, have qualifications below level 2 and/or those who experience barriers to learning and employment.

- 1.4 This provision is currently delivered by 16 commissioned local partners (providers) which include community & voluntary organisations, training organisations and colleges from across Cheshire East. In the academic year 2012/13 the service delivered learning to 5,097 learners through 1,598 courses. Existing contracts commenced in August 2012 for two consecutive 12 month periods and are due to expire at the end of July 2014.
- 1.5 The purpose of the provision is to break down the barriers to education and employment that many individuals face and to develop their confidence and skills, in order for them to progress into further skills development or employment. Local people are supported to gain greater independence and self-reliance. Additionally, members of the wider family benefit from increased wellbeing which results from the positive impacts of learning and personal development. Through the provision and the commissioning process, the capacity of local community groups and training organisations is developed and CELL is able to support the local economy by working with local partners who, in turn, are able to re-invest through volunteering and employment opportunities, and purchase or hire of local resources.

This provision contributes to many of the objectives within the Council's Three Year Plan 2013-16.

- Outcome 1, *Our local communities are strong and supportive*
- Outcome 2, *Cheshire East has a strong resilient economy*
- Outcome 3, *People have the life skills and education they need to thrive*
- Outcome 5, *People live well and for longer*

- 1.6 This proposal is to re-procure for these services in order to sustain provision for the residents of Cheshire East. The tender, informed through needs analysis, will be divided into two lots (Community Learning and Adult Skills). Applicants will be allowed to apply for both lots and will be invited to submit proposals which outline the scope of the provision that they wish to provide. Multiple awards will be made to a variety of applicants who meet eligibility and evaluation requirements. The contract term is proposed to run from 1st August 2014 for one year with the option to extend for a further 12 month period.
- 1.7 The Corporate Procurement Unit has been consulted and will assist in the completion of an EU compliant procurement route.

2.0 Recommendations

- 2.1 It is recommended that the Cabinet support this re-procurement process in order to:
 - support and develop the capacity of individuals, community groups and training organisations within Cheshire East

- enable the most disadvantaged in Cheshire East to gain the skills required to obtain employment
- support the local economy through sub-contracting with local partners

- 2.2 It is recommended that the Council invite competitive tenders for the provision of these services and award contracts to the winning bidders.

3.0 Reasons for Recommendations

- 3.1 To ensure that the Council sustains this provision for the residents of Cheshire East.
- 3.2 To ensure that this external funding is utilised and commissioned in line with the Skills Funding Agency's Funding Rules which "provide the requirements for partners to make sure public funding is protected in a proportionate way" and make up the terms and conditions of the funding agreement.
- 3.3 To ensure that the Council obtains maximum value for money and to ensure a robust, compliant procurement procedure is undertaken.
- 3.4 To ensure that future procurement and contracts for these services comply with the Public Contracts Regulations 2006 and the Council's own Finance and Contract Procedure Rules.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications

- 6.1 The recommendations within this report support the Outcomes within the Council's Three Year Plan 2013-16. Specifically:

OUTCOME 1- *Our local communities are strong and supportive.* Individuals and families are self-reliant and take personal responsibility for their quality of life. Communities are cohesive, with a strong sense of neighbourliness. There is genuine civic pride and mutual respect.

OUTCOME 2- *Cheshire East has a strong and resilient economy.* Cheshire East is known as a good place to do business – we attract inward investment, there is access to a high quality workforce and our businesses and visitor economy grow, to create prosperity for all.

OUTCOME 3- *People have the life skills and education they need to thrive.* Children and young people get a good start in life, and are

prepared for the world of work. Everyone is equipped to live independent, self-sufficient lives, and to realise their particular talents and abilities.

OUTCOME 5 - *People live well and for longer.* Local people have healthy lifestyles and access to good cultural, leisure and recreational facilities. Care services focus on prevention, early intervention and physical and mental wellbeing.

7.0 Financial Implications

- 7.1 The annual approximate spend is anticipated to be circa £450,000-£500,000 across both Lots, funded from external Skills Funding Agency funding for Community Learning and Adult Skills.
- 7.2 Given that the duration of each new contract will be one year with an option to extend for one further year, then the spend over the total possible two year life of all contracts that will be entered into will be circa £900,000 - £1,000,000, and possibly more up to £1.2m should the Skills Funding Agency provide additional money within year.
- 7.3 Contracts will be in place with each successful bidder and invoices paid based on successful delivery against agreed profiles.

8.0 Legal Implications

- 8.1 The existing contracts for Community Learning and Adult Skills provision will expire on or before 31st July 2014 and cannot be further extended by the Council.
- 8.2 Given, as noted at 7.2, the total possible value of all contracts that will be entered into, the Council will need to re-procure the services in accordance with the Public Contract Regulations 2006 and also in accordance with the Council's own Finance and Contract Procedure Rules.

9.0 Risk Management

- 9.1 Failure to re-procure new contracts for these services by end June 2014 would breach both the Public Contract Regulations 2006 and the Council's own Finance and Contract Procedure Rules.
- 9.2 Failure to re-procure new contracts for these services would mean that delivery of publically subsidised post-19 education, which is primarily targeted at those in Cheshire East who are most at risk, are unemployed, have below level 2 qualifications and/or those who experience barriers to learning, would cease.
- 9.3 The use of this external funding is governed by the Skills Funding Agency's Funding Rules which "provide the requirements for partners

to make sure public funding is protected in a proportionate way” and which state “You must operate within the terms and conditions of the funding agreement and the funding rules. If you break these funding rules you are in breach of (have broken) the funding agreement with the Chief Executive. We will take action as set out in the funding agreement” (where “You” is the Council/partner, and “We” is the Agency). Reference: Skills Funding Agency Funding Rules 2013/14 version 3.

10.0 Background

- 10.1 During academic year 2012-13 CELL delivered 5.62% of learning through a direct delivery team and 94.38% of learning through sub-contracted partners. Provision is delivered through commissioned partners across many sector subject areas. Our aim is to widen participation and breakdown barriers to learning through delivery of an innovative and responsive curriculum. Combining contracted out delivery with internal delivery we maximise the learning opportunities available to many learners who want to progress to qualification courses as their confidence and skills develop.
- 10.2 In an almost entirely commissioned out service, quality monitoring and raising standards is paramount and CELL has extensive expertise in this area. The role of the development officer is critical to support each provider to deliver the very best teaching and learning in line with the Common Inspection Framework.
- 10.3 This commissioning model has been effectively used since the CELL team was established (just prior to LGR) and previous to that when the service was run by Cheshire County Council.
- 10.3 During academic year 2013-14 CELL have commissioned £450,000 (circa) on non accredited Community Learning and accredited Adult Skills provision. The provision is accessed by residents of Cheshire East, particularly those who are unemployed, have below level 2 qualifications and/or those who experience barriers to learning.
- 10.4 It is proposed that the Council re-procure for these services in order to sustain provision for the residents of Cheshire East. The tender will be divided into two lots (Community Learning and Adult Skills). The contract term is proposed to run from 1st August 2014 for one year with an option to extend for a further 12 month period. The total proposed contract value over the maximum 2 year contract period will be £1.2m (circa).

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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