

REPORT FOR: **CABINET**

Date of Meeting:	11 April 2013
Subject:	Adult Learning Commissioning Framework
Key Decision:	Yes
Responsible Officer:	Paul Najsarek, Corporate Director of Community, Health and Wellbeing
Portfolio Holder:	Councillor David Perry, Portfolio Holder for Community and Cultural Services
Exempt:	No
Decision subject to Call-in:	Yes
Enclosures:	Appendix A: Commissioning Prospectus Number 1 Appendix B List of providers on Commissioning Framework

Section 1 – Summary and Recommendations

This report sets out a new Commissioning Framework for Adult Learning and suggests how it can best be used to achieve the vision for Community Learning set out in the Department for Business, Innovation and Skills (Bis) document, ***New Challenges, New Chances***

Recommendations:

Cabinet is requested to :

- 1) approve a Preferred Providers Framework Agreement for Adult Learning with a total estimated annual value of £450,000
- 2) delegate the decision to make annual contract awards under the Framework Agreement during its lifetime to providers on the

Framework to the Corporate Director, Community, Health & Wellbeing in consultation with the Portfolio Holder for Community and Cultural Services, provided that the total value of contract awards does not exceed the overall Framework value

Reason: (For recommendation)

The Adult, Community and Family Learning Service, as a recipient of a Community Learning funding allocation, must deliver to the objectives set out in **New Challenges, New Chances**. Provision should be targeted for the benefit of disadvantaged learners whilst maintaining a fee-paying universal offer and should show strong partnership working, with a diversified provider base. Establishing a Framework of Preferred Providers with delegated approval of contracts will enable the Service to respond flexibly to local needs throughout the year and target core funding to achieve overall objectives.

Section 2 – Report

2.1 Introductory paragraph

2.1.1 As part of a national move towards targeting Community Learning funding on priority groups, the Adult, Community & Family Learning Service is moving to a Commissioning Framework for the academic year 2013/14. Strong partnership working and a diversified provider base are an essential part of this. This report seeks approval for establishing a Framework of Preferred Providers from which specific programmes targeted at priority learner groups and curriculum areas can be commissioned.

2.1.2 The decision sought will help the Council achieve its vision by addressing the Corporate priorities of supporting and protecting people who are most in need and of united and involved communities

2.2 Options considered

2.2.1 In order to comply with Skills Funding Agency requirements for Community Learning funding for 2013/14, the Adult, Community & Family Learning Service is required to widen its provider base and secure a mixture of targeted provision and universal access. In order to achieve this, Harrow needs to identify potential providers and establish a formal Framework for commissioning delivery of services.

2.2.2 To enable this process to take place potential providers have been invited to formally register interest and access the open Invitation To Tender (ITT) on the council's E-Tendering portal.

This process closed on 15th March 2013. The ITT consisted of 2 envelopes. The qualifying envelope comprised questions relating to financial and legal issues and whether organisations and their staff are fit and proper to bid into the framework. The technical envelope comprised questions relating to the organisation, capacity to deliver and learner journey. There were 56 Expressions of Interest, of which 22 completed the full application process. 20 scored sufficiently to pass the Quality/Technical threshold and are eligible for a place on the framework.

2.2.3 Following the completion of this process all Framework participants scoring above the threshold will be issued with a Prospectus and invited to submit proposals for funding for specific programmes for 2013/14. The Prospectus will cover work within both the Adults Skills Budget and the Community Learning budget and will set out priority learner groups and priority curriculum areas. This process will close on 12 May 2013.

2.2.4 Applications will be assessed in Stage 2 against factors that include:

- The extent to which an application addresses identified needs and engagement of target group(s)
- Evidence on quality assurance, H & S and Safeguarding
- Promotion of learner progression
- Value for money

2.2.5 The process set out at paragraph 2.2.3 above is then repeated as and when more external grant funding becomes available. The processes at paragraphs 2.2.2 and 2.2.3 will be repeated annually to enable new providers to enter into the framework. Criteria for scoring will be set out in the Prospectus.

2.2.6 Establishing a Framework of Preferred Providers with delegated approval of subsequent contracts will enable the Adult, Community and Family Learning Service to respond flexibly to local needs throughout the year. The option of seeking approval for every individual contract would make such flexibility impossible. Therefore Cabinet is recommended to approve a Framework of Preferred Providers and to delegate the award of subsequent contracts annually to providers on the Framework to the Corporate Director of Community, Health and Wellbeing in consultation with the Portfolio Holder for Community and Cultural Services.

2.3 Background

2.3.1 The Adult Community and Family Learning Service is externally funded by the Skills Funding Agency, within a policy context set by the Department for Business, Innovation and Skills (BIS). The government publications, *New Challenges, New Chances* (December 2011) and *Skills Funding Statement 2012-2015*

(December 2012) set out the objectives for Community Learning and expectations of recipients of Community Learning funding from 2013/14 onwards. This requires providers to operate in strong local partnerships to deliver a locally-determined learning offer, with disadvantaged groups/individuals identified and targeted. The Adult Skills Budget received will also become formula-funded, with payment based on outcomes.

2.4 Current situation

- 2.4.1 The Adult Community and Family Learning Service currently secures community and adult learning through a mixture of around 1/3rd direct delivery and 2/3^{rds} contracted –out provision. The majority of external delivery is through Harrow and Stanmore Colleges under arrangements set up over 15 years ago, with a few smaller contracts or Service Agreements with a number of voluntary and community sector organisations.
- 2.4.2 There has been a balance between fee-paying universal access courses, largely delivered through the Further Education Colleges, and more targeted ‘first step’ provision, largely directly delivered or through the voluntary sector. The majority of learners are on fee-paying universal access programmes, which have a subsidy of around 32% of the total overall budget.

2.5 Why a change is needed

- 2.5.1 *New Challenges, New Chances and Skills Funding Statement 2012-2015* set out new objectives and models of delivery for Community Learning in order to focus funding on people or groups who are disadvantaged and least likely to participate, increase fee income from those who can afford to pay and develop effective local partnerships with a widened provider base. Fees and concessions for Community Learning can be locally determined.
- 2.5.2 In order to identify and target priority groups/individuals and show measurable impact, and maximise additional resources, the current delivery arrangements need to change for a more flexible and responsive model, including a shift of funding more towards targeted work and accredited programmes. Under the proposed change, participants on a pre-approved Framework of Preferred Providers can be commissioned throughout the year to deliver specific programmes with priority target groups. The principle of universal access can also be maintained in some programmes in order to maximise fee income.

2.6 Implications of the Recommendation Staffing/Workforce

- 2.6.1 In order to enable this new delivery of service to take place, a review of roles and responsibilities within the Adult, Community and Family Learning Service will be undertaken before September 2013 to reflect new requirements for contract

management, curriculum development, partnership working and accredited provision. Any changes will be undertaken with due regard to the organisation's Protocol for Managing Change.

2.7 Legal Implications

- 2.7.1 Local authorities are under a duty to provide adequate facilities for the education of adults. However the arrangements for securing and/or delivering provision is the decision of the local authority. The proposals set out in this Report will meet that duty.
- 2.7.2 Education services are Part B Services under the Public Contracts Regulations and so they only need to be procured in an open, non-discriminatory and fair way. The procurement process set out in this Report meets that duty.
- 2.7.3 Legal Services will advise on the terms of the Framework Agreement and the subsequent contracts to be awarded.

2.8 Financial Implications

- 2.8.1 The Adult, Community and Family Learning Service is currently funded via the Skills Funding Agency from the Community Learning budget (£486,000) and through the Formal First Steps budget (£205,000). There is also in 2012/13 a Harrow Council net budget of £123,000.
- 2.8.2 The Harrow Council budget is being reduced by £73,000 in 2013/14 and by £50,000 in 2014/15. This means that the Service will be funded entirely by external funding from 2014.
- 2.8.3 From September 2013, the Formal First Steps allocation moves into the Adult Skills budget and will be formula-funded, with funding linked to numbers of learners on specified programmes with qualifications on the Qualifications Credit Framework. This will be capped at £188,000, an 8% reduction on the 2012/13 budget.
- 2.8.4 Community Learning allocations are expected to remain the same for 2013/14. Notification of allocations is expected by the end of March 2013. However providers will be expected to work in line with the policy and objectives outlined in **New Challenges, New Chances** (BIS December 2011) and which the process set out in this report is intended to address. This process includes a Pound Plus approach to maximise additional income (i.e. seeking to generate additional income or value over and above the core budget)
- 2.8.5 The expectation from the Skills Funding Agency and the Department for Business, Innovation and Skills is that providers generate additional income above the core funding through a variable fee policy: "To collect fee income from people who can

afford to pay and use where possible to extend provision to those who cannot” (*New Challenges, New Chances*). The Prospectus to be sent to providers requires providers to raise fee income where possible, with the full fee at the provider’s discretion and concessions for people receiving a set range of benefits. Any fee income would be used to lower the subsidy from the core funding. The policy is outlined in the Fees section of the Prospectus (Appendix A).

2.9 Performance Issues

- 2.9.1 The Adult Community and Family Learning Service returns regular sets of learner data to the Skills Funding Agency, including returns for achievement and success, and produces an annual Self Assessment Report, used by Ofsted as a key document in any Inspection.
- 2.9.2 There are no new or additional data requirements for Community Learning for 2013/14 but each learning programme will be monitored for the extent to which an application addresses identified needs and engagement of target group(s).
- 2.9.3 It is anticipated at this stage that provision will remain under potential inspection by Ofsted and all provision will be monitored against the Service’s Quality Improvement Framework, revised to take account of new Ofsted requirements and new delivery arrangements.

2.10 Environmental Impact

- 2.10.1 There are no environmental impact considerations in this report

2.11 Risk Management Implications

- 2.11.1 Risk included on Directorate risk register? Yes
Separate risk register in place? Yes

- 2.11.2 The risks identified with these proposals are:

- *Commissioning process fails to deliver anticipated learner numbers through providers under-delivering or through loss of current large universal access providers.* There are planned phases of commissioning new programmes at later stages in the year and for direct delivery to increase the volume of delivery if necessary
- *There is insufficient expertise within the framework to deliver all identified areas of work.* There is the opportunity for new providers to apply to join the Framework annually. There is also potential to deliver alternative curriculum areas
- *A widened provider base with new providers could have a negative impact on quality standards and risk a low grading in an Ofsted Inspection.* There is a revised Quality Improvement Framework for all providers to ensure delivery is aligned to the Common Inspection Framework. There is also a planned Continuous Professional Development programme for

providers to cover preparing for inspection and raising quality in teaching and learning.

2.12 Equalities implications

2.12.1 An initial quality implications assessment concludes that the likely impact on the protected characteristics is unknown due to the competitive nature of the application process but it does not identify any potential for an adverse impact on any of the protected characteristics

2.12.3 The introduction of a commissioning process intended to widen participation in learning through targeting community learning with funding focused on programmes designed for identified priority groups should have a positive impact and improve equality of opportunity. Programmes designed to encourage individuals or groups with the most barriers to learning to join a Community Learning programme are a major strand of the Prospectus.

2.13 Corporate Priorities

2.13.1 This report addresses the following Council corporate priorities:

- Supporting and protecting people who are most in need
- United and Involved Communities

Section 3 - Statutory Officer Clearance

Name: Roger Hampson	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 7 March 2013		
Name: Stephen Dorrian	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 7 March 2013		

Section 4 – Performance Officer Clearance

Name: Martin Randall



on behalf of the
Divisional Director
Strategic
Commissioning

Date: 6 March 2013

Section 5 – Environmental Impact Officer Clearance

Name: John Edwards



Divisional Director
(Environmental
Services)

Date: 4 March 2013

Section 6 - Contact Details and Background Papers

Contact: Geoff Trodd, Service Manager for Community Learning, 020 8416 8805

Background Papers:

[New Challenges, New Chances](#), (BIS December 2011)

[Skills Funding Statement](#) (BIS/SFA December 2012)

**Call-In Waived by the
Chairman of Overview
and Scrutiny
Committee**

NOT APPLICABLE

[Call-in applies]