

North Tyneside Council

Report to Cabinet

Date: 30 November 2020

Title: Adult Skills Funding

Portfolio(s): Children, Young People and Learning

Cabinet Member(s): Councillor Peter Earley

Report from Service

Area: Health, Education, Care and Safeguarding

Responsible Officer: Jacqui Old

Tel: (0191) 643 7317

Wards affected: All

PART 1

1.1 Executive Summary:

The purpose of the report is to seek approval to accept the annual funding and contracts offered by the North of Tyne Combined Authority (NTCA) through new devolved arrangements, the Education and Skills Funding Agency (ESFA) and the sub-contract offered by Barnardo's for the provision and delivery by the Authority of post-16 education, training, apprenticeships and work experience. This funding will enable the Authority to deliver a programme of skills provision that targets low-skilled, unemployed and disadvantaged young people and adults thus narrowing the gap in skills attainment and unemployment levels.

The contract period is one year from 1 August 2020 to 31 July 2021 and the aggregate contract value is £2.54 million.

The report also seeks approval for delegated authority to the Head of Health, Education, Care and Safeguarding to negotiate and accept future offers of funding subject to consultation.

1.2 Recommendation(s):

It is recommended that Cabinet:

- (1) approves the offer of funding on terms and conditions accepted by the Head of Law and Governance and the Chief Executive in consultation with the Head of Resources and the Cabinet Member with responsibility for Children, Young People and Learning;
- (2) authorises the Head of Health, Education, Care and Safeguarding in consultation with the Cabinet Member for Children, Young People and Learning and the Chief Executive in consultation with the Head of Resources to take all necessary steps to

manage the associated funding and deliver the education and training programmes for residents; and

- (3) authorises the Head of Health, Education, Care and Safeguarding to continue the negotiations with the North of Tyne Combined Authority, Education and Skills Funding Agency and Barnardo's relating to the contracts available to the Authority and approve future offers of funding in consultation with the Head of Law and Governance and the Head of Resources and the Cabinet Member for Children, Young People and Learning.

1.3 Forward Plan:

28 days' notice of this report has been given and it first appeared on the Forward Plan that was published on 9 October 2020.

1.4 Council Plan and Policy Framework

The Authority is committed to ensuring young people, adults and families are helped to gain the vocational and key skills to enter and/or thrive at work, secure their economic well-being and support their children's aspirations and attainment.

This report and the funding contracts on offer support delivery that makes a significant contribution to the aspirations and outcomes set out in Our North Tyneside Council Plan:

Our People – Be ready for work and life with the right skills and abilities to achieve their full potential, economic independence and meet business needs.

Our Economy – Grow by supporting new businesses and building on our strengths, including our existing world class companies, and small and growing enterprises. Be business friendly, ensuring the right skills and conditions are in place to support investment, and create and sustain new high-quality jobs and apprenticeships for working age people.

The two key outcomes that will be positively affected by the funding and associated delivery are:

- The gap in educational attainment across the borough has been reduced
- Local employers find it easier to recruit the skilled workforce they need from the local area.

1.5 Information:

1.5.1 Background

1.5.2 The contracts and funding from the North of Tyne Combined Authority (the "NTCA"), Education and Skills Funding Agency (the "ESFA") and the sub-contract with Barnardo's will be annually renewed to all providers. In the North of Tyne area, the three Constituent Authorities receive the main funding streams. This offer covers the period of 1st August 2020 to 31st July 2021.

1.5.3 NTCA took control of a devolved Adult Education Budget (AEB) of over £24 million from Government for learners residing in the North of Tyne area from 1st August 2020. The devolved AEB, which will enable a greater control of skills provision delivered across North of Tyne to respond to residents and business needs, has been allocated to 29 education providers across 10 Grant Agreements and 21 Contracts for Services. The

ESFA has retained control of other funding streams covered by this report including apprenticeships, 16-19 Education, AEB for learners who reside outside of the NTCA area but who are educated by providers in the area and Advanced Learner Loans.

- 1.5.4 The initial funding offer is set by the NTCA and ESFA and therefore no further negotiation is required. However, through the devolved arrangements for AEB to the NTCA and as part of the response to the Covid-19 pandemic, additional funds are being made available and this could result in a further increase in the funding allocation during the academic year. Additional funds for an awarded contract for services (Digital Outreach Project) and Covid-19 response funding (Sector Based Work Academy Programmes (SWAPs)) are already included in this offer.
- 1.5.5 The contracts will be paid on a monthly basis in arrears based on submission of monthly data returns to the ESFA indicating the numbers of learners enrolled and the qualifications and support delivered and via a monthly invoice to NTCA and Barnardo's in line with the ESFA data reports.
- 1.5.6 Annually the Authority's Adult Learning Service (the "ALS") delivers training and learning with over 2500 enrolments equating to around 600 learners. The vast majority of the learners are either unemployed or low skilled, i.e. do not possess qualifications at level 2 (GCSE equivalent). Additionally, around 23% of learners live in the most deprived areas of the borough or have a learning difficulty or disability. The proportion of learners with Special Educational Needs or Disabilities (SEND) rises to 64% amongst 16-18-year-old learners.
- 1.5.7 The Authority via the ALS has been delivering these contracts for over 20 years. In recent years the funding has been offered with increasing focus on qualifications, formal skills development and performance. The Authority has responded well to these changes by improving the quality and range of formal qualifications offered to residents.
- 1.5.8 This funding will enable the Authority to continue to provide a wide range of programmes to support residents to gain the skills and abilities to engage successfully in work, in their own self-development and learning, engage in their community through volunteering and work placements, and support their children's attainment and aspirations.
- 1.5.9 The focus of the Authority's programme is on low skilled, unemployed or disadvantaged young people and adults. A wide range of provision is offered including apprenticeships (at 16-18 and 19 plus), study programmes, community and family learning, first steps engagement to support disadvantaged adults and families, English, Maths and ICT basic skills, work experience, volunteering and provision for the unemployed and for adults with learning difficulties and disabilities.
- 1.5.10 The service has developed a range of vocational provision in areas such as construction, hospitality and catering, retail, early years and teaching and has received additional funding this year to support the development of digital skills in the local community through the Authority's Digital Outreach Project. The service has increased the range of Distance Learning courses available to support blended learning approaches and in direct response to Covid-19 received additional funding from the NTCA to deliver Sector Based Work Academy Programmes to support residents to gain employment in the Health and Social Care sector. The Authority has also developed a successful 'Ignite your Potential' three-year study programme to support young learners with Special Educational Needs and Disabilities to access employment, apprenticeships, supported internships and further learning.

- 1.5.11 The direct impact of this level of skills provision targeted to low skilled, unemployed or disadvantaged is that the Authority offers a routeway or an alternative to more formal Further Education establishments, including colleges. Many learners progress onto extended learning programmes with colleges or directly access work that they would not have been able to access prior to the learning provided. The Authority's joint prospectus and progression strategy with Tyne Met College continues to ensure that learners can achieve this progression through a pathway to higher levels of learning assisting them to enter employment and develop their own skills to deliver career development.
- 1.5.12 All of the provision will be delivered by the Authority's direct delivery arm, the ALS; the ALS does not currently sub-contract any provision to third party providers, but instead works closely with the Authority's partners and funders at a strategic level to ensure that any gaps in provision are identified and can be filled through the targeting of funding.
- 1.5.13 Delivery will be provided by existing Authority employees who are fully funded from these funding streams and therefore are not a pressure on the Authority's Budget. Any changes in delivery will be met from the available funding.
- 1.5.14 The most recent Ofsted inspection (April 2018) graded the ALS as good with outstanding features and particular attention was given to the impact of the work with unemployed adults, the support provided to young and vulnerable learners, high levels of performance and the leadership and management of the service.
- 1.5.15 The overall contract funding has an aggregate value of £2.54m and this is broken into a number of specific funding streams:

| Funding Stream | Value | Funding Body |
|--|-------------------|---------------------|
| Adult Education Budget (North of Tyne) | £1,889,704 | NTCA |
| Contract for Services – Digital Outreach | £149,764 | NTCA |
| Sector Based Work Academies | £59,511 | NTCA |
| Adult Education Budget (Out of Area) | £18,856 | ESFA |
| Apprenticeships Carry-In | £3,000 | ESFA |
| 16-19 Education including High Needs | £348,806 | ESFA |
| Advanced Learner Loans Facility | £45,830 | ESFA |
| 16–19 Education | £20,000 | Barnardo's ETSN |
| Total | £2,535,471 | |

- 1.5.16 Whilst there are annual changes to the funding lines above with changes in Apprenticeship funding being influenced by recent Apprenticeship reforms and increases this year being received for digital skills, Sector Based Work Academies and 16-19 Education for young people with SEND the overall amount of funding has remained relatively stable for a number of years. The main change this year is in the funder arrangements with the NTCA receiving an overall delegated package of AEB of £24m to allocate to providers. This is a positive development that enables more responsive provision to be delivered to meet the needs of the local economy rather than a nationally designed set of priorities. The ESFA will continue to allocate funds for 16-19 Education, legacy Apprenticeship payments, Advanced Learner Loans and AEB for learners who live outside of the North of Tyne area. The ALS receives a small number of enrolments for out of Borough learners mainly for Distance Learning courses.
- 1.5.17 Annual business planning takes place in the Spring/Summer term to plan staffing and delivery requirements for the Academic year that this funding relates to. Any changes to resource requirements are addressed prior to the commencement of the Academic year. The key resource is tutor costs, tutors are employed on a range of full and part time

contract arrangements that offers the service flexibility to changing demand from learners and changes in funding, but that also offers job quality, security and satisfaction for staff in the service.

1.6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

Cabinet may approve the recommendations as set out in paragraph 1.2 of this report

Option 2

Cabinet may decide not to approve the recommendations in this report and may request officers to develop alternative options.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

1. The Authority will continue to access resources and deliver provision which supports young people and adults who are unemployed and/or low skilled to develop vocational, academic and key skills to support their transition to employment, their development and their ability to sustain themselves economically and contribute to their community.
2. The programmes are high performing and judged by key partners such as Jobcentre Plus as essential to supporting disadvantaged communities. The Authority's provision for vulnerable residents has been praised by partners including the Northumbria Police and Crime Commissioner; Jobcentre Plus are similarly positive about the Authority's role as a key provider of training and support to unemployed adults in the borough; employers such as the NHS and businesses across the Borough are closely aligned and supportive of the Authority's delivery and training to prepare young people for work in a range of sectors.
3. A lack of basic qualifications is causally linked to poorer health and employment outcomes in later life; supporting the most vulnerable residents to address their key skills has positive benefits in terms of improving the health of unemployed and under skilled people and reducing out of work benefit costs.
4. Acceptance of this funding will ensure residents in North Tyneside are not disadvantaged in terms of the levels of support available in neighbouring local authority areas.

1.8 Appendices:

None.

1.9 Contact officers:

Jacqui Old, Head of Health, Education, Care and Safeguarding; tel. (0191) 643 7317
Mark Barrett, Senior Manager – Employment and Skills; tel. 07970 227094
David Dunford, Senior Business Partner – Finance; tel. 0191 6437027

1.10 Background information:

Follow hyperlink to:

[North of Tyne Combined Authority Adult Education Budget Strategic Skills Plan September 2019](#)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The North of Tyne Combined Authority and Education Skills Funding Agency will fully fund the programmes; there is no additional cost to the Authority. Other financial implications in terms of small changes to grant allocations for 2020-21 will be managed as described in the main body of this report.

2.2 Legal

Appropriate contracts and/or Funding Agreements will be entered into with those bodies providing funding to the Authority as required.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

Consultation has been carried out with the Cabinet Member for Children, Young People and Learning.

2.3.2 External Consultation/Engagement

Engagement and consultation with the wider partnership for Employment, Learning and Skills has been undertaken.

2.4 Human rights

Under Article 2 of the First Protocol of the Human Rights Act 1998 a person shall not be denied the right to education.

2.5 Equalities and diversity

The programme is available to all eligible adults and young people resident in the borough. Eligibility varies across each element of the programme and is determined by funding rules provided by the funding body. Disadvantaged, unskilled, unemployed and young people are able to access the provision.

2.6 Risk management

Any proposals agreed would be appropriately risk managed to ensure the Authority and any partners are not exposed to unmanageable operational risks.

2.7 Crime and disorder

A proportion of the learner cohort will be drawn from referrals from young people who are Not in Education, Employment or Training (NEET) in contact with the Connexions Service and the Youth Justice Service. Engaging these young people in productive training and work experience

and progressing them into mainstream Further Education provision, apprenticeships and or/work will help reduce rates of re-offending. The Cabinet Member for Children, Young People and Learning and the Senior Manager for Employment and Skills are members of the North Tyneside Youth Justice Board.

2.8 Environment and sustainability

There are no environmental and sustainability implications directly arising from this report.

PART 3 - SIGN OFF

- Chief Executive X
- Head(s) of Service X
- Mayor/Cabinet Member(s) X
- Chief Finance Officer X
- Monitoring Officer X
- Head of Corporate Strategy and Customer Service X