

Education Skills and Employability Board

19 October 2021

Proposal for a Lessons Learned Review of Adult Education Budget Commissioning

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| Is the paper exempt from the press and public? | No |
| Purpose of this report: | Policy Decision |
| Is this a Key Decision? | No |
| Has it been included on the Forward Plan? | Not a Key Decision |

Director Approving Submission of the Report:
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Executive Summary

The proposed evaluation will allow stakeholders to feedback on some of the under-pinning decisions that have shaped how the authority has engaged with providers. It is important that the Lessons Learned process draws out feedback for change that the Authority should consider ahead of any future commissioning of the Adult Education Budget (AEB).

What does this mean for businesses, people and places in South Yorkshire?

AEB represents a significant investment in the skills of South Yorkshire's residents. It is also a new responsibility for the Authority to manage. For future commissioning it is important the authority seeks to learn where improvements could be made as this will improve the adult skills offer available.

Recommendations

The board approves the proposal to appoint a third party to conduct the evaluation as outlined in Option 3.

Consideration by any other Board, Committee, Assurance or Advisory Panel

None

1. Background

- 1.1 The process of devolving AEB has broken new ground for the Authority. The Authority has brought in significant changes including a substantial rationalisation of the provider base. This change has meant many providers who had been delivering AEB to South Yorkshire residents are no longer able to continue. The Authority is conscious that this will have had a significant impact on providers who relied on AEB funding, leading to premises being closed and staff facing redundancies.
- 1.2 The proposed evaluation will allow stakeholders to feedback on some of the under-pinning decisions that have shaped how the authority engaged with the provider market and how the commissioning and procurement processes were managed.
- 1.3 The scope of the proposed work is important. There are some areas which should not be in scope for review. The review will not look at the individual outcomes of the procurement process. The procurement process was designed to comply with the Authorities procurement policies as well as relevant national procurement regulations. This should not be seen to be an opportunity for providers who did not receive a contract or grant to challenge that decision. Instead, the evaluation will identify recommendations on how the next round of AEB engagement, commissioning and procurement should be managed by the Authority.
- 1.4 The Authority wants to ensure that it is transparent about what it will do with the outputs of this process. The paper also discusses the need for objectivity in the process.

2. Key Issues

- 2.1 Firstly, there is a small amount of funding (£400,000 unallocated Grant funding and £40,000 unallocated under the separate Adult Level 3 offer) from the AEB budgets. Secondly, there is a possibility that providers awarded contracts through the initial process find themselves unable to meet the performance targets set out in their delivery plans. Thirdly, the demand for Adult skills from employers could change. This is potentially at odds with how we have engaged AEB providers. The Contracts and Grants that are in place are intended to last for three years (subject to appropriate provider performance), this was done to provide stability and to encourage providers to start to think longer term about their offer. This could create gaps in provision. All three of these factors mean that there is a possibility that the Authority could choose to commission further AEB provision this academic year.
- 2.2 The Authority wants to ensure that feedback from providers has been collected to inform any commissioning that may take place this academic year (2021/22).
- 2.3 The Authority has identified the following cohorts to consult with: -

Internal feedback

1. Internal teams within the Authority

Grant Side of Commissioning

2. South Yorkshire Based Grant Organisations (Local Colleges and Local LAs)
3. Providers previously working via Grant conditions who were excluded

Procurement Side of Commissioning

4. Providers appointed to the framework but who weren't offered an initial contract
5. Providers who were offered an initial contract

2.4 The scope of the work will be to seek feedback on the parameters set around commissioning.

2.5 Rather than being focused on elements of commissioning providers didn't like or agree with, the evaluation will be framed around encouraging recommendations for future AEB Commissioning: -

Grant Allocation Process

1. Should the Authority's position on restricting Grant Allocation to providers based in South Yorkshire be changed? If so to what?
2. The Authority decided to provide additional funding to Grant Providers specifically focused on delivery of priority provision – should this continue?

Procurement Process

3. The Authority's decision to not use OfSTED grading as a pre-qualification for potential bidders ensured that new providers, or providers who had undergone recent mergers were able to participate, it also reflected an environment where OfSTED had been unable to properly inspect providers. What should the minimum requirements for providers be in the future?
4. Smaller Organisations, (including the voluntary and community sector) – should the Authority do something different to support their participation such as setting lower minimum contract thresholds in future procurement?
5. Some of the informal feedback we have received has been on the perceived high number of "out of area" providers securing contracts - could the Authority do something different in future to support SY based providers, whilst still running a robust and competitive procurement process?
6. General feedback on the procurement process.

Service Transition

7. How could the Authority improve transition arrangements to support learners to access new providers in the future?
8. How could the Authority improve the effectiveness of Provider Onboarding?

Other Areas

9. The Authority is keen to keep providers who are on the procurement framework aware of how AEB is going. This will mean that these providers

are better able to propose appropriate services. Beyond using the mailing list that the Authority has established is there anything else providers on the framework would want us to do?

- 2.6 In addition to this evaluation on commissioning DfE requires that the authority conducts and submits an annual evaluation of AEB. The scope of this evaluation is set out in the MHCLG's National Local Growth Assurance Framework. This evaluation is submitted each January on the preceding year. SYMCAs first annual evaluation will be submitted in January 2023.
- 2.7 There are three options to be considered in terms of the actual delivery of the lessons learned evaluation: -
1. Conducted and directed internally by Authority Officers
 2. Conducted internally by Authority Staff but supported by and Task and Finish Panel led by Authority Staff but including provider stakeholders
 3. Conducted externally

This paper considers those three options below.

3. Options Considered and Recommended Proposal

3.1 Option 1 - Conducted and directed internally by Authority Officers

Officers from the Policy and Assurance team would work with the Education, Skills and Employment Commissioning team to deliver the evaluation through a mix of surveying and face to face focus group work.

3.2 There would be no cost to the work aside from the displacement of other work.

3.4 Option 1 Risks and Mitigations

There is a risk that capacity constraints within both the Policy and Skills Teams would delay delivery of this work. It is unlikely to be delivered in the window needed to inform. There is also a risk that this approach would not be seen as objective by providers.

3.5 Option 2 - Conducted internally by Authority Staff but supported by an advisory panel

A small advisory panel (potentially including a member from key representative groups such as the South Yorkshire College Group, SCR Provider Network and the LA Officers Group) led by Exec Officers could provide advice on the design of the activity and the subsequent reporting. As with Option 1, the expectation would be that Officers from the Policy and Assurance team would work with the Education, Skills and Employment Commissioning team to deliver the evaluation through a mix of surveying and face to face focus group work.

3.6 There would be no cost to the work aside from the displacement of other work.

3.7 Option 2 Risks and Mitigations

Again, there is a risk around capacity constraints within the Policy and Skills teams would delay delivery of this work as outlined for Option 1. Establishing a Steering a Panel as well as conducting the work could delay the work further. There is also a

risk associated with the Authority giving control of the direction of the work to the Steering Panel.

3.8 Option 3 - Conducted externally.

The Policy and Assurance Team would commission a third party to deliver the work according to a Request for Quote specification based on this Board Paper. The value of the work would likely to be circa £15k and as such according to the Authority's Procurement Procedure Rules could be secured via obtaining a minimum of 3 competitive written quotes.

3.9 Option 3 is the only option that is fully compliant with the MCA's Monitoring and Evaluation Framework. The MCA's framework stipulates that the evaluation of MCA funded programmes and projects will be commissioned to ensure impartiality and transparency and that the management of the evaluation will be independent of programme delivery.

3.10 Option 3 Risks and Mitigations

There is a risk that a procurement process causes delays. There is also a risk associated with the Authority giving control of both the direction and the delivery of the work to the third party.

3.11 Recommended Option

Option 3.

4. Consultation on Proposal

4.1 Stakeholder consultation not appropriate for this decision.

5. Timetable and Accountability for Implementing this Decision

5.1 The Policy and Assurance Team to commission the evaluation in accordance with procurement rules. Outcome of the evaluation to be used to inform any further commissioning in the 2021/22 academic year.

6. Financial and Procurement Implications and Advice

6.1 A total of £20,000 has been identified from internal vacancy savings within the AEB management and admin budget. The usage of this is subject to relevant internal approvals regarding reallocating budget.

6.2 Any procurement activity would be delivered in accordance with our CPR's and the PCR regulations.

7. Legal Implications and Advice

7.1 There are no specific legal implications arising from this report.

8. Human Resources Implications and Advice

8.1 None.

9. Equality and Diversity Implications and Advice

9.1 None.

10. Climate Change Implications and Advice

10.1 None.

11. Information and Communication Technology Implications and Advice

11.1 None.

12. Communications and Marketing Implications and Advice

12.1 Currently we cannot see any implications, compromises or threats. However, the marketing and communications team will look to review and engage in any external findings provided by a third party. We will then be in a better position to offer further advice and guidance.

List of Appendices Included

None

Background Papers

None