

Report to Cllr N Jupp, Cabinet Member for Learning and Skills

18 January 2023

Commissioning of an Adult Community Education Service

Report by Assistant Director Education and Skills

Electoral division(s): All

Summary

Adult learning in West Sussex is enabled by funding from the Department for Education which is provided to the County Council through the Education and Skills Funding Agency (ESFA). The Council has a contract with the ESFA and currently receives £3.2m funding per annum to provide Adult Education in West Sussex. The funding is split between Adult Skills and a non-formula based Community Learning budget.

The County Council has used a subcontracting model to deliver adult education since 2012, with most of the provision through a single provider. A review carried out in 2022 resulted in a widely consulted Adult Community Education (ACE) Mission Statement (see Appendix). This led to an options appraisal described in section 3, and further informed the Education and Learning Strategy 2022-2025. Following thorough consultation and review the ACE team identified that a new delivery model to commission Adult Community Education should be implemented.

The intention is to use appropriate procurement methods to enable the County Council to secure delivery of both Adult Skills courses through contracts and Community Learning with grant funding from September 2023, or earlier if that is practicable.

Recommendations

The Cabinet Member for Learning and Skills is asked to approve:

- (1) The commencement of an open procurement process to secure contracts with multiple providers to deliver Adult Skills courses for an initial period of three years with an option to extend for a further two years as set out in paragraph 2.1 of the report.
- (2) The commencement of process inviting organisations to submit Expressions of Interest to receive grant funding for the delivery of community learning from 2023 to 2026.
- (3) The delegation of authority to the Assistant Director (Education and Skills) to award the contracts to the successful providers against the ACE portfolio, for the initial 3-year period 2023 – 2026, and to extend contracts if required,

subject to performance meeting the required standards and to make grant awards for community learning as set out in section 2.3.

Proposal

1 Background and context

- 1.1 Provision of adult learning is a non-statutory requirement, however, the County Council recognise the importance of ensuring that a broad adult education offer is available to provide opportunities for building and developing skills. Participation has declined substantially over the last 10-years.
- 1.2 Funding for delivery of the service is provided through the ESFA and the County Council is accountable to the ESFA for the use of these monies, and to Ofsted for the quality and effectiveness of provision. The Adult Education Budget is ring fenced to be spent on a formula based Adult Skills element and a Community Learning element. The Council can use its judgement to decide the levels for each element.
- 1.3 Since 2012 the County Council has provided adult education through a subcontracting model, predominantly delivered by Aspire Sussex Ltd (Aspire). This contract included provision of a range of training including English and Maths Foundation to GCSE, English for Speakers of Other Languages (ESOL), digital skills, employability and personal development. It provided distance learning qualifications including health and social care, counselling and business start-up and independent living skills for adults with learning difficulties and disabilities. Community Learning has included health and wellbeing, family learning and re-engagement or first steps back into learning programmes to support progression to learning for work and life.
- 1.4 In 2020, the ESFA asked all providers to review their existing subcontracting activity. WSCC was in a minority of councils that subcontracted most provision to a sole provider. Therefore, it was recognised that the future model for adult education would need to meet the ESFA's expected approach and also enable delivery against the priorities and focus on Adult Skills, as set out in the [West Sussex Council Plan 2021-2025](#).
- 1.5 An Adult Community Education (ACE) Mission Statement (see Appendix) has been developed with stakeholders during 2022, emphasising the needs of different learners in the county. It has formed the basis of the options appraisal described in section 3.
- 1.6 The proposed new model has been developed taking on board the aspects of delivering learning that worked well during the pandemic. It endeavours to broaden the offer available through a range of providers leading to increased participation. Just under 17,000 learning hours were offered in 2021-22 and a minimum of 22,000 are expected through the new model.

2 Proposal details

- 2.1 It is proposed to launch a procurement to let contracts to multiple providers via outcome-based lots for the Adult Skills element of funding. This will include qualification-based courses including Maths and English GCSE and accredited

functional skills courses such as English for speakers of other languages, digital skills, and vocational courses.

- 2.2 To ensure sustainability the contracts would be for three years, with a potential extension period of two years, depending on the nature and volume of the specified learning. The contracts are due to start in September 2023, it may be possible to start sooner for some subject areas to avoid losses in learning hours for learners whose learning has been disrupted over recent months.
- 2.3 The Community Learning element will be awarded through a grant application process. This will involve organisations submitting expressions of interest to seek funding which will be evaluated against specified criteria by a panel of officers to approve funding bids. This process will mirror the approach taken for the [Multiply Programme](#), which aims to help adults improve their ability to understand and use maths. The grant approach will enable the Council to better target funds to priorities and key groups and to ensure that community and specialist organisations have the opportunity to be part of the overall offer.
- 2.4 The offer is designed to counteract the decline in Community Learning over the last ten years. Courses funded through the Community Learning element are designed to develop the skills, confidence, motivation, and resilience of adults of different ages and backgrounds. Courses under this banner will include learning for
 - personal and community development, cultural enrichment, intellectual or creative stimulation and for enjoyment,
 - English, language and maths skills of parents, carers or guardians and their ability to help their children
 - different generations of family members to learn together how to support their children's learning
 - Neighbourhood learning in deprived communities
- 2.5 Approval is also sought from the Cabinet Member to delegate authority to the Assistant Director (Education and Skills) to award the contract/s on completion of the procurement process and the grants on the completion of Expression of Interests and Evaluation and to extend the contracts if required at the end of the initial contract period. The Cabinet Member is also asked to delegate authority to the Assistant Director to invite Expressions of Interest and award grant funding for delivery of future community learning. All these processes will be the subject of further key decision as appropriate.
- 2.6 In addition, the proposal seeks to strengthen joint working with teams across the Council to directly develop and offer to meet the needs of learners whose needs are considered to have priority. These include offering English for Speakers of Other Languages (ESOL), Independent Living Skills for Adults with Learning Difficulties and Family Learning.
- 2.7 The overarching mission for the Council's ACE is to maximise adult participation in education and training through an offer that supports five inter-related outcomes learning for work; learning for life, learning to support families; learning for health and wellbeing and learning for enrichment.
- 2.8 This will be achieved through a mixed economy of providers leaning to the strengths of the private sector, wider further education and independent

training providers, the community and voluntary sector and existing Council services. The range of courses will be developed and commissioned to meet the outcomes and encourage creative offers alongside formal qualifications and adult skills. There will be a greater focus on vocational pathways aligned to employment sectors that are prominent in the county and the Local Skills Improvement Plan priorities. A mix of virtual and in-person learning is expected for accredited courses and learning activities to complement existing engagement between learners and council teams.

- 2.9 The mixed economy model offers the Council greater flexibility for the use of both elements of the Adult Education Budget (AEB) in the county (see paragraph 2.11) and will ensure it acts as an enabler to community and social outcomes. The main benefits of this option are:
- Strategic alignment of the budget to Council priorities
 - Spreads risks and increases agility across multiple suppliers
 - Optimises the offer to priority groups
 - Greater Council ownership and responsibility for the curriculum and outcomes
 - Economies and efficiencies (e.g., use of the Library Venues)
 - Agility to respond to evolving skills agenda
- 2.10 The proposed model has been designed to meet the priorities within our [Council Plan 2021- 2025](#) and the [Economy Plan](#). The aims for adult learning will also be embedded in the forthcoming Skills Strategy. The new approach fosters synergies between council teams with the residents at the centre, who are existing service users and adult learners. This will allow easy and effective referral routes for priority groups to access the skills and training.
- 2.11 The ACE team within the County Council would become responsible for designing the curriculum rather than devolving this to subcontractors. The current team is insufficient and over the next two years will expand to create and shape the curriculum and ensure that the provision meets local needs and Ofsted requirements through subcontracts, grant funding and partnership working. The team will also become responsible for existing and future funding under the forthcoming Skills Agenda. All roles and associated costs will be agreed on a case-by-case basis and fully funded through the programme, mitigating long term risks to the Council. Any new employee will be either a tutor on a zero-hour contract or essential to the operation and management of a growing programme, on temporary contracts according to the term of funding available at the time of recruitment. Costs associated with recruitment and on costs to the Council will be paid in full through the funding and managed against the cost centre for ACE.
- 2.12 The Council strategically managing the curriculum opens opportunities for other funding streams, and additional funding for the post 16s. An increased budget from complementary streams will make a significant contribution to attracting new adults to start and continue participation, resulting in increased learner numbers and wider authority impact, but also providing increased future ESFA and Multiply funding against increased learner numbers.

2.13 Proposed Split of the Adult Education Budget (AEB)

	Curriculum / subject area / sub-category	Learning for Work and Life	Learning to Support Families	Learning for Health & Wellbeing	Learning for Enrichment
Adult Skills 66%	English	6%			
	Maths	6%			
	English for Speakers of Other Languages	12%			
	Adults with Learning Disabilities	12%			
	Essential Digital Skills Qualifications	1%			
	Vocational Routes into employment sectors	16%			
Community Learning 34%	Family Learning & Parenting		15%		
	Community Learning	5%		5%	2%

2.14 The DfE defines the AEB provision and individuals which they fund:

- a. Four legal entitlements which enable eligible learners to be fully funded for the following qualifications ([ESFA list of qualifications approved for funding](#)):
 - English and maths GCSE and Functional Skills up to level 2 for those aged 19 and over and who have not achieved a GCSE grade 4-9 (prev. A*-C)
 - Provision to support progression up to and including a first full level 2 (equivalent to 5 GCSEs A*-C or grade 4-9) for individuals aged 19-23
 - Provision to support progression up to a first full level 3 for individuals aged 19-23
 - Essential digital skills, up to and including level 1, for individuals aged 19 and over, who have digital skills assessed at below level 1.
- b. Skills provision for the unemployed (incorporating 'local flexibility': tailored provision for adults, including qualifications and components of these and / or non-regulated learning, up to level 2. Either is fully or co-funded, depending on the learner's age, prior attainment, and circumstances).
- c. National Skills Fund - level 3 courses for jobs: targeted level 3 adult offer has been developed to support adults without an existing full level 3 qualification.
- d. Sector-based Work Academy Programme (SWAP), pre-employment elements: designed to help Jobcentre Plus claimants build confidence to improve their job prospects and enhance their CV, whilst helping employers in sectors with current local vacancies to fill them.
- e. Traineeships.
- f. Community Learning for learners furthest from learning or employment.

- 2.15 Vocational Routes will focus on the following employment sectors: spectator safety, construction and engineering, health & social care, education and teaching, green sector and digital sector.
- 2.16 Funding will be allocated to organisations for between one and three years in accordance with the contract terms through a compliant procurement exercise. Bids will be evaluated based on the organisation's ability to meet the following principles:
- Responsive, accessible, and high-quality learning opportunities
 - Maximising the reach to adults eligible for means tested benefit
 - Targeting areas of social and economic deprivation – levelling up
 - Being inclusive and open to all learners
 - Partnerships complementary and coherent with other learning opportunities available to residents
 - Understanding the impact of their actions on the climate and the environment.
- 2.17 As part of the contract terms organisations will have to demonstrate minimum standards to meet Ofsted requirements and the subcontracting rules of the ESFA.

3 Other options considered (and reasons for not proposing)

- 3.1 A long list of delivery models for Adult Education was originally identified and evaluated and a preferred model was selected through a four-stage options appraisal.
- 3.2 Twelve delivery models were identified using good practice from other local authorities. They were considered against key principles when considering whether to instigate a change (ability to deliver, opportunities for growth, value for money, agility, quality and outcomes, and the effort required to make the change). This appraisal demonstrated that the Council would not have the capacity to move to a radically different model without taking on a high degree of risk.
- 3.3 Of the long list, four models were considered achievable. Using multiple sub-contractors and full direct delivery plus two hybrid options of a mixed economy and internal commissioning (commissioning expertise from within departments of the County Council). To establish the most viable, they were tested against success factors (cost to set up the model; timeframe; securing capability and how well it aligns with the Council's approach to working through providers). Despite full direct delivery being the most common model used by local authorities, it represented a step change from current ways of working in West Sussex. This would require a complex transition and lead in time and so this option was discounted. Similarly the internal commissioning model was discounted. It represents a radical shift in how departments would be accountable to Education & Skills, and it was felt that the current structures and working practices leant more towards collaboration.

- 3.4 Following this assessment, the two favoured models emerged:
- Multiple sub-contractors: all delivery via external contractors - secure Quality Assurance and contract management carried out by the Council
 - Mixed economy: majority external contractors, plus specialist Council teams undertaking curriculum design, contract management and quality assurance and the ability to develop specialist curriculum provision.
- 3.5 These two models were sensed checked against the ESFA funding guidelines along with the 'Do nothing' option to continue with the existing model of using a single subcontractor. This established that the single sub-contractor model was no longer fit for purpose as it had limited ability to tailor its offer according to location and learner needs. The experience through COVID also demonstrated the problems associated with the whole risk burden being carried by a single organisation.
- 3.6 Two options were considered in detail through a feasibility study that sought to understand which held the best chance of success, including the planning and the transition within the timeframe. A working group of procurement, legal, HR and finance with the service agreed that a 'mixed economy' was the preferred option, with most of the adult learning sourced through multiple sub-contractors and the option of developing offers in partnership with council teams. It is considered that this will give the Council greater strategic agility for use of the funding whilst being able to utilise existing relationships.

4 Consultation, engagement, and advice

- 4.1 An Internal stakeholder event in April 2022 brought together council colleagues to consider future delivery of Adult Community Education (ACE) and groups that it caters for. There was a strong theme to target individuals who are facing disadvantage and making the offer as easy and accessible and linking back to existing community and Council offers.
- 4.2 A soft market engagement survey in 2021, revealed that smaller providers in the market wanted a greater opportunity to play a part in the delivery of Adult Learning. Service providers come from a place of social value and favoured a model that would encourage more targeted, specialist and focussed provision rather than an all-encompassing single contract. They also wanted to enable links with employers and the creation of learning through to local employment pathways.
- 4.3 In summer 2022 market providers were invited to informal engagement sessions to hear about the suggestions for ACE and register their interest. Providers that attended were in favour of a multiple contractor model and saw how they could work in partnerships and consortiums to complement the offer across the county. The market analysis revealed at least 255 possible providers working in West Sussex 70 of whom are registered with Sussex Council of Training Providers.
- 4.4 Within the feasibility study an independent ACE professional was invited to act as a critical friend and review the preferred option. Feedback indicated the County Council should build on mutually beneficial links and identified opportunities for specialist teams working with target groups, and the need to foster greater support for the purpose of Adult Education. Advice was also

provided about how the budget should be used, who the key beneficiaries should be and the intended outcomes.

- 4.5 The ACE team are members of national forums and expertise for the Adult Learning, including [HOLEX](#) (the lead professional body) and liaise regularly with neighbouring authorities and counterparts across the region to gain and share expertise on best practice. This has enabled them to draw on this resource in developing the future model.

5 Finance

- 5.1 ESFA provide the Adult Skills and Community Learning grant to WSSC to a maximum value of £3,227,743 per annum. This grant comprises 4 main elements detailed below.

Grant Component	Grant Basis	£	Comments
Community Learning	Value for Money	1,895,178	Broad discretion to support learning outcomes as prioritised by the authority. Requirement to demonstrate value for money
Adult Skills	Performance based	1,249,320	Value of grant is awarded up to this value based on volume of delivery of specified courses such as Maths and English
Courses For Jobs	Performance based	45,451	Value of grant is awarded up to this value based on volume of delivery of specified courses
16-19 (Programme Funding and Tuition fund)	Performance based	37,794	Value of grant is awarded up to this value based on volume of delivery of specified courses. Value of grant can increase in subsequent years based on performance
Total		3,227,743	

5.2 Revenue consequences

- 5.2.1 It is anticipated that the full delivery model will take up to 24 months to reach anticipated volumes of learners. As such revenue directly related to course delivery will be reduced during this period. It is anticipated that the residual funding will be utilised to develop course delivery and the overarching learning market.
- 5.2.2 The managed increase in learner volumes will reduce reliance on the performance-based elements of the grant by enabling contracts and costs to only be expanded in instances of demonstrable demand and delivery.
- 5.2.3 This delivery model is detailed below. All values exclude inflation.

	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s
Learning delivery	1,500	2,200	2,900
Available for development	1,727	1,027	327
Total Grant	3,227	3,227	3,227

5.3 **The effect of the proposal:**

(a) **How the cost represents good value**

5.3.1 The current proposal uses the existing infrastructure of West Sussex County Council, reducing duplication of overhead costs. Including cross fertilisation with other council services and teams.

5.3.2 It is also anticipated that the proposed model of commissioning several providers will enable greater transparency and control of delivery to ensure support to a greater volume of learners.

(b) **Future savings/efficiencies being delivered**

5.3.3 AEB funding is ringfenced to the delivery of Adult Learning and part is subject to a claw back as a consequence of under-delivery. The new model mitigates this risk by enabling the County Council to respond and act if there are low enrolments and to work with market providers to tailor offers and fill gaps. The model will maximize use of the Community Learning element, which is not formula funded and subject to claw back.

5.3.4 The model encourages effective use of the budget to support broader Council teams in their objectives, freeing up budgets elsewhere, thus bringing a collective opportunity for efficiency and avoidable cost. This is particularly in the priority areas of Family Learning, ESOL and Adults with Learning Difficulties.

(c) **Human Resources, IT and Assets Impact**

5.3.5 Additional resources will be required to develop, oversee, and control the curriculum and learning offer from all providers to meet Ofsted requirements. 10% of the ESFA funding can be used for management and administration costs. Within the parameters of the funding guidelines the ACE Team will expand to incorporate the expertise required to run an effective curriculum. This does not propose a risk to the Council long term with temporary contracts for the duration of funding. The roles will benefit from the existing Council infrastructure and overheads, rather than duplicating overheads through a subcontractor. All associated costs during the term of the funding are covered by the funding allocation and monitored through the ACE cost center.

5.3.6 A Management Information System has been procured to support the Multiply Programme (Shared Prosperity Fund) and this will service the broader requirements. No additional IT will be required. The full cost of this is within the funding allocation and is a requirement of both the DfE and ESFA. Ownership of

such a system will enable better analysis of impact, learner tracking and development of a needs-based curriculum.

- 5.3.7 The team will use Council and community buildings as learning venues, aligned with our Smarter Working Programme. Wherever possible working jointly with teams who are already supporting learners in (but not exclusive to) our day centres, children’s centres, and libraries.

6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
Ofsted inspection of the adult education service is due	Ofsted and ESFA are briefed on the new model and WSCC have provided reassurance about the plans in place. Both parties are confident in the new model proposed and increased impact possibilities.
Under delivery on 22/23 resulting in Clawback	Use quarterly milestones with ESFA to update, track and monitor forecast to secure future funding and limit clawback.
Lack of Market providers	Soft Engagement with providers has indicated significant interest in the contract which will be complemented by a marketing and communication strategy. Early responses to ESOL provision indicate a strong market and associated need.

7 Policy alignment and compliance

7.1 Our Council Plan –

7.1.1 ACE links to all four priorities of the West Sussex Plan. With a particular focus under the third priority, to work with education providers to support them to run accessible learning and development opportunities as a focus on Lifelong Learning.

7.1.2 The economy and skills agenda has never been more important as the county recovers from the COVID 19 pandemic. The Council has developed an Economy Reset plan with a clear focus to re-focusing the Adult Learning Curriculum to support employability and provide opportunities.

7.2 Legal implications –

7.2.1 Legal and Procurement Services have been engaged and endorsed the proposal of contracts to meet the conditions of the funding and the legal implications and standards.

7.2.2 The Council is a Contracting Authority as defined in the Public Contract Regulations 2015 (“PCR”) and as such is governed by those regulations. The value of the proposed contract is above the relevant UK Thresholds as referred to in the PCR and as such the Council will competitively tender these services in accordance with the procedures set out in PCR.

7.2.3 The Council will enter into a services contract using terms and conditions, approved by Commercial Legal Services and compliant with section 10 of the

Council's Standing Orders on Procurement and Contracts. The services contract will include provisions similar to the grant conditions imposed on the Council in terms of required standards and clawback.

7.3 Equality duty and human rights assessment –

7.3.1 The funding will be distributed through a fair and equal procurement process. Public Sector Equalities Duty (PSED) will be applied to the tender documentation alongside the Council's Values. Through our commissioning, we will proactively seek organisations to engage with a diverse audience. All partners we procure will be required to have equality policies and codes of conduct. Data collection and analysis (incl. Individual Learner Records) will monitor engagement, progress and progression by demographics and individuals' characteristics to ensure provision is being accessed proportionately by the local population. All learners, regardless of having a protected characteristic or not, will be monitored to ensure they are achieving in line with their peers, allowing interventions if needed.

7.4 Climate change

7.4.1 The impact on the climate will be considered through the procurement process. For example, ensuring a balance of face to face, local provision alongside remote engagement opportunities. Providers will be asked to make proposals where adult learning can be added to existing activity including the Multiply programme.

7.5 Crime and disorder

7.5.1 It is anticipated that the council will create partnership with local prisons to develop interventions which focus on reducing the number of offenders re-offending and increasing the number who are in employment six weeks after release. The team will also seek to attract more funding to expand the offer for Post 16 to support initiatives to encourage young people to be in education, employment, or training after school.

7.6 Public health

7.6.1 ACE supports Public Health across all the curriculum areas and specifically through the development of life skills, family support to embed experiences and confidence that can be transferred to all aspects of an enriching lifestyle.

7.7 Social value

7.7.1 The whole service embodies social value and there is a broad opportunity to bring this into the contracts. Many suppliers will be local and linked into community networks, it will be in their interest to bring in aspects that are over and above the core offer to recruit and retain adult learners. This will be considered and included as part of the procurement and tendering exercise.

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Appendices

Annex 1 – ACE Mission Statement

Background papers - None