

REVENUE INVESTMENT BUSINESS CASE

Plymouth Adult Education Budget (AEB)



EXECUTIVE SUMMARY

This paper seeks to gain approval for the procurement of services for the Plymouth Adult Education Budget (AEB):

- PCC receives an annual allocation circa £1,700,000 from Education and Skills Funding Agency (ESFA). This delivers a contract for a range of adult education courses and supports a learning programmes for 16-19 aged students predominantly at risk of dis-engagement.
- The adult education courses are delivered through internal provision via On Course South West (OCSW) and through external training providers, currently ODILS, Shekinah Mission, Trevi House, Mount Batten Centre, LiveWest and Greenlight Training.
- The current subcontracted provisions period ends on 31st July 2022.
- The external provision will be re-tendered for delivery starting from 1st August 2022.
- The new contracted period covers a five year period, with contracts awarded for the first three years with options to extend year on year up to a 5 year period.
- The process will be managed by the Head of Skills and Post-16, supported by Strategic Co-operative Commissioning.

There is no financial impact on PCC as the procurement is 100% grant funded from the Plymouth AEB. There are numerous non-financial benefits which arise from the procurement of services from suppliers, by involving more organisations in the delivery of adult and community learning and upskilling people across the city. It also aligns adult and community learning with city priorities, meets local needs and the needs of vulnerable groups.

There is a total of £3,450,000 available over the five years. This is 100% AEB funded and split over three delivery areas:

- 16 – 19 Learning programmes;
- Supporting Vulnerable Groups engage in learning and develop employability skills;
- Promoting and supporting engagement and progression in key sectors

The most significant risk rests with the timeline for procurement. The current timeline is extremely tight to ensure contracts are in place prior for delivery to commence at the start of the next academic year on 1st August 2022.

SECTION I: PROJECT DETAIL			
Project Value (indicate capital or revenue)	£3,450,000 Revenue	Contingency (show as £ and % of project value)	N/A
Programme	Education	Directorate	Education, Participation and Skills
Portfolio Holder	Councillor Dave Downie	Service Director	Ming Zhang
Senior Responsible Officer (client)	Tina Brinkworth	Project Manager	John Bale
Current Situation:			
<p>PCC receives an annual allocation circa £1,700,000 from Education and Skills Funding Agency (ESFA). This delivers a contract for a range of adult education courses and supports a learning programmes for 16-19 year-old students predominantly at risk of dis-engagement. The 16-19 year-old provision is sub-contracted, currently to YMCA Plymouth.</p> <p>The adult education courses are delivered through internal provision via On Course South West (OCSW) and through external training providers, currently ODILS, Shekinah Mission, Trevi House, Mount Batten Centre, LiveWest and Greenlight Training.</p> <p>The current contract period ends on 31st July 2022. The external provision will be re-tendered for delivery starting from 1st August 2022. The contracted period will cover a five year period, with contracts awarded for the first three years and options to extend year on year up to the 5 year period.</p> <p>The process will be managed by the Head of Skills and Post-16, supported by Strategic Co-operative Commissioning.</p>			
Proposal:			
<p>A procurement exercise will be carried out to replace the current 3 contracts which expire in July 2022. The services to be re-procured are:</p> <ol style="list-style-type: none"> 1. 16-19 Learning Programmes: Full-time study programmes for young people at risk of disengagement; and short re-engagement programmes for young people not in education or training (NEET) 2. Adult Education Programmes: Supporting Vulnerable Groups engage in learning and develop employability skills 3. Adult Education Programmes: Promoting and supporting engagement and progression in key sectors. <p>In January 2022 the specification requirements for the replacement services will be reviewed by the project team and updated to strategically align with current corporate and departments plans/strategies to address current city priorities and local needs. This work to renew the specifications along with market intelligence will inform the number of Lots to be included in the procurement exercise. Tenderers will be able to bid for one or more Lot.</p> <p>If we do not proceed with the scheme there will be no valid contracts in place from 1st August 2022 and we will have missed the opportunity to update the service specification to fit with current requirements for the next academic year.</p>			

Why is this your preferred option:**Background**

- We have been delivering Adult Education within PCC for over 20 years.
- This has been operated through direct delivery and through subcontracted provision to deliver the needs for the city to some of the most disadvantaged and vulnerable groups and to meet sectorial skills needs. This tried and tested approach enhances the quality of the learning needed in the city
- Through this procurement we are required to follow public sector procurement rules and demonstrate value for money, expertise in provision and better access to training facilities, particularly for the most vulnerable and disadvantaged residents.

This approach ensures that we utilise public money to best support residents.

- Approximately 50% of the service is delivered in house through OCSW
- We do not have all of the in-house specialist capability to meet all of the vulnerable groups and sectorial skills focus. Therefore, we need to subcontract some of the provision
- At the time of writing, the view is that the subcontracted provision can be procured via 3 lots to address the needs of the city
 - Lot 1 – 16 to 19 year-old learning programmes
 - Lot 2 – supporting vulnerable groups to engage in learning and develop employability skills
 - Lot 3 – promoting and supporting engagement in key sectors
- We have taken this approach for the last 5 years (previous procurement) which has been successful in meeting funding targets. There are robust governance, processes and controls in place by PCC to support this approach
- As always, continuous improvements and learning from experience have been applied to the re-procurement process which has resulted in some minor amendments to meet the changing needs of the city in terms of growth sectors and in response to the pandemic
- This approach has also been aligned to the Plymouth Plan, Employment and Skills Board needs, local skills plans and Skills Launchpad Plymouth.
- We have also considered the funder ESFA who recognises that subcontracted provision plays an important part in ensuring that we deliver quality learning to all learners as well as enabling specialist delivery to meet the needs of employers and high quality learning.

Risks are managed through robust procurement, quality assurance and project delivery processes that are in place and have been throughout the last contract. This approach was commended in the last Ofsted report. The provision received 'significant' and 'reasonable' progress judgements in the last Ofsted monitoring visits and is due full inspection before December 2022.

Option Analysis:**Do Nothing Option**

The 'Do Nothing' option would mean that we would not meet the ESFA target and we would lose £1.7m per year from the city to invest in much needed skills investment for the most vulnerable and disadvantaged residents of the city.

List Benefits:

- No procurement exercise required

List Risk / Issues:

- No valid contracts in place for subcontracted provision
- Potential to lose £1.7m investment in skills from the city, at a time when we most need it. The city is still recovering from the pandemic and whilst the job market is buoyant, there is significant evidence which demonstrates that the gap has widened for those furthest away from the labour market
- Reputational risks

	<ul style="list-style-type: none"> The city would not be able to meet goals and aspirations laid out in local and regional strategic plans
Cost:	£0 to PCC (fully grant funded)
Why did you discount this option	This is not a valid option and the risks are too high
Do Minimum Option	All of the AEB budget could be provided through OCSW
List Benefits:	<ul style="list-style-type: none"> Grow OCSW provision No procurement exercise required
List Risk / Issues:	<ul style="list-style-type: none"> We do not have the in-house expertise, resource or specialist estate to deliver all requirements Extensive investment would be required in terms of estate, infrastructure etc We would be unlikely to achieve a minimum of good or better with Ofsted OCSW do not have the capacity to take on this work, and would need additional resources to support the redesign of the service and recruitment of higher positions – in essence doubling the current staff structure
Cost:	£0 to PCC (fully grant funded)
Why did you discount this option	This option has been discounted as we do not have the in-house capability to meet all of the objectives of the ESFA funding or the strategic skills intent for the city.
Viable Alternative Option	Subcontract all of the provision
List Benefits:	<ul style="list-style-type: none"> Reduction of team with EPS
List Risk / Issues:	<ul style="list-style-type: none"> Resources and capacity within the team to achieve re-procurement both within EPS and the Strategic Commissioning department Procurement timelines (which has only a 2 weeks built into the contingency programme) Ability to deliver and manage the subcontracted provision Significant redundancy liability within PCC for OCSW (circa 40 full time / part time staff) or TUPE position.
Cost:	£0 (fully grant funded) or part of every ones role
Why did you discount this option	This option has been discounted as it does not align with the strategic approach for skills and the risks are too high.

Strategic Case:	
Which Corporate Plan priorities does this project deliver?	quality jobs and valuable skills
	economic growth that benefits as many people as possible
	Select a priority
Explain how the project delivers or supports delivery of Joint Local Plan/Plymouth Plan Policies (include policy references)	The project supports the Corporate Plan 2021-2025 which sets out the vision for the city and the Council and reflects the Council's mission, values and priorities to support this. The project will lead to positive impact of the Corporate Plan's priority - A vibrant economy, developing quality jobs and skills
	This strand of work is an integral part of Skills 4 Plymouth, one of the Plymouth City Council's Covid-19 Pandemic recovery priorities.

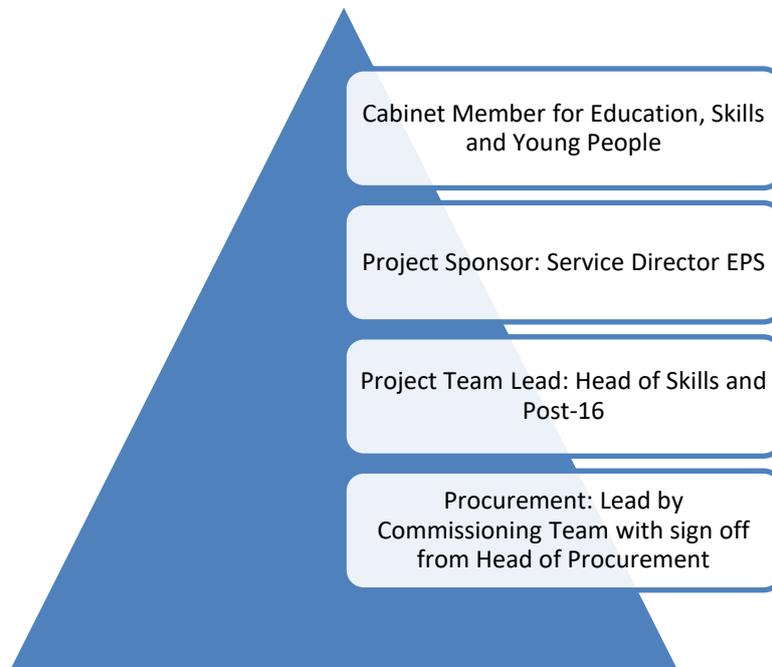
	<p>It also support the delivery of the Plymouth Plan in two of the three strategic objectives, Healthy City and Growing City:</p> <ul style="list-style-type: none"> • Policy HEA2 Delivering the best outcomes for children, young people and families – the provision of adult learning provides young people and parents with the skills to improve their wellbeing. This includes STEM skills and activities as well as ensuring that parents are supported in gaining better qualifications, sustainable employment and have access to support for mental health and wellbeing which will improve learning outcomes for their children. • Policy GRO2 Delivering skills and talent development – the provision of adult learning contributes to high quality lifelong learning. It will develop, attract and retain a highly skilled and adaptable workforce and help people to prepare for and progress in work. It achieves this through the provision of core skills, STEM and support.
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Project Scope:	
In Scope	Out of Scope
<p>Learning provision funded by ESFA, an annual allocation of £1.7m</p> <p>Adult Skills provision ESFA funded AEB engage adults and provide the skills and learning they need to progress into, or within, work; or equip them for an apprenticeship or other learning. Flexible tailored programmes of learning to be made available, which may or may not require a qualification, to help eligible learners engage in learning, build confidence, and/or enhance their wellbeing.</p> <p>16-19 Learning Students aged 16 to 19 and students up to the age of 25 when they have an education, health and care (EHC) plan. The study programme must be tailored to the prior attainment of each student, have clear study and/or employment goals reflecting the student’s prior attainment, show progression in learning, and should include:</p> <ul style="list-style-type: none"> • substantial qualifications or work experience • maths and English for students who have not achieved grade 9 to 4, A*-C GCSE in these subjects by age 16 • high-quality work experience • added value non-qualification activity <p>Administration 20% of ESFA allocations are retained to provide leadership and management of the provision.</p>	<p>Provision delivered beyond ESFA allocations</p>

Budgets to sub-contractors will be subject adjustment to reflect ESFA allocations received	
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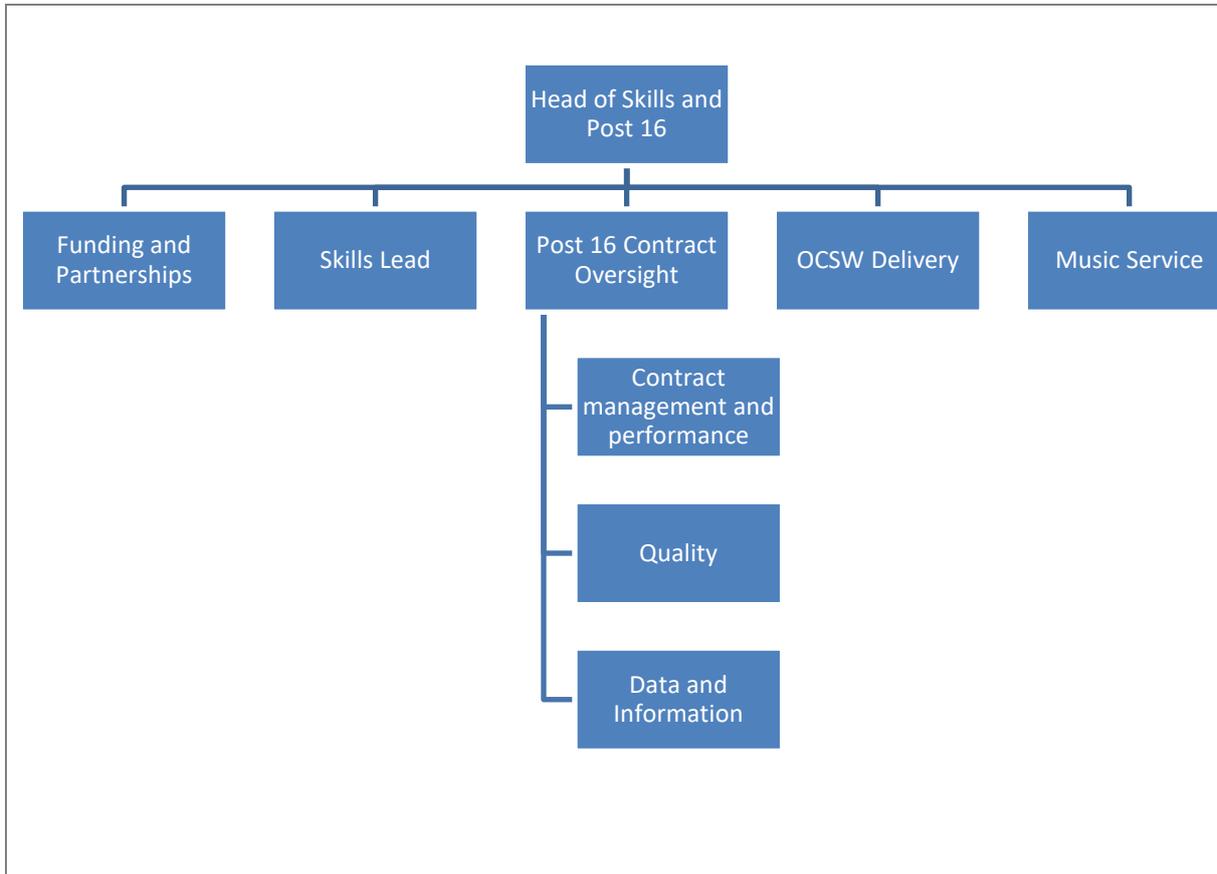
Project Governance : *How the project delivery is structured (amend example chart as appropriate)*
High Risk Projects will require a Project Board Chaired by Portfolio Holder
Low Risk Projects will require a structured Project Team reporting to Portfolio Holder

The AeB re-procurement is a low risk project, and we are proposing the following commissioning governance structure:



It is proposed that the following sign off, the decision for contract award of each Lot is delegated to the EPS Service Director, with day to day management delegated to Head of Skills and Post 16 (existing arrangement).

The day to day management of the service will be overseen by the Head of Skills and Post 16, with contract oversight, data and information and quality overseen by the Post 16 team. Regular updates will be provided to cabinet member through briefing papers and portfolio holder meetings.



Milestones and Date:		
Contract Award Date	Start On Site Date	Completion Date
1 July 2022	1 August 2022	31 July 2027

Who are the key customers and Stakeholders	N/A	Which Partners are you working with	N/A
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SECTION 2: PROJECT RISK, OUTCOMES AND BENEFITS

Risk Register:

Potential Risks Identified		Likelihood	Impact	Overall Rating
Risk	The procurement timeline is extremely tight to ensure contracts are in place prior for delivery to commence at the start of the next academic year in August 2022.	Low	High	Medium
Mitigation	Create a clear timeline with procurement and democratic support to ensure all necessary steps are taken in a timely fashion. Request delegation of contract award decision to Service Director for Education, Participation & Skills	Low	Low	Low
Calculated risk value in £ (Extent of financial risk)	£ N/A	Risk Owner	Tina Brinkworth	
Risk	There is insufficient breadth of expertise within providers to meet all sector needs	Low	High	Medium
Mitigation	Design specification and procurement to reach a range of providers with the relevant expertise	Low	Low	Low
Calculated risk value in £ (Extent of financial risk)	£ N/A	Risk Owner	Tina Brinkworth	
Risk	There is insufficient breadth of expertise to meet the needs of key vulnerable and disadvantaged groups	Low	High	Medium
Mitigation	Design specification and procurement to require providers to demonstrate their ability to meet these needs	Low	Low	Low
Calculated risk value in £ (Extent of financial risk)	£ N/A	Risk Owner	Tina Brinkworth	

Outcomes and Benefits

List the outcomes and benefits expected from this project.

Financial outcomes and benefits:	Non-financial outcomes and benefits:
£0, fully grant funded positions and all income must be spent on resources in support of this contract	<ul style="list-style-type: none"> Provides opportunity for the council to directly invest in the upskilling of adults to support re-engagement into the labour market; increase the skills levels of those in work; and maintain community learning for older citizens and those at most need of help, which in turn strengthens communities. Adult and community learning is aligned to city priorities, meets local needs and the needs of vulnerable groups Funding is used to enable adult learners to undertake English and maths, up to level 2; first full qualifications at level 2 or 3 for individuals aged 19 to 23; and to support flexible tailored provision for adults, including qualifications and components of these, and/or non-regulated learning, up to level 2 either fully or co-funded.

	<ul style="list-style-type: none">• Effective, efficient and responsive service with strong governance and accountability through effective controls including oversight of data, contract performance, KPIs and quality of teaching, learning and assessments, employer engagement, outcomes, progression and finance• Drives a stronger post 16 place shaping strategy• PCC directly influences the quantity and quality of the local offer• PCC is better prepared to respond to the on-going changes to post 16 education, employment and training• PCC is able to deliver a quality provision in response to local and national priorities post-COVID-19 and post-Brexit toward economic recovery and improved productivity• PCC is able to develop and deliver effective and efficient programmes and services to support Skills4Plymouth• Provides PCC with the ability to provide support for NEETs to help them re-engage in education and training that will lead to realistic employment opportunities and/or further learning, particularly those with disadvantaged backgrounds.• Provides PCC with the opportunity to directly enhance employability skills of young people through targeted support.
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SECTION 3: CONSULTATION

Does this business case need to go to CMT	Yes	Date business case approved by CMT (if required)	6 th January 2021
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Have you engaged with Procurement Service?		Yes
Procurement route options considered for goods, services or works	<p>This is an above threshold procurement in scope of the Public Contract Regulations 2015, Regulation 74 Schedule 3 Light Touch Regime. The conditions for the 'Use of the negotiated procedure without prior publication' do not apply in this case. The contract award therefore needs to be subject to a competitive procurement.</p> <p>This is a re-procurement of expiring contracts so although the specification will be updated and aligned to current PCC policies and strategies the requirement is largely already defined. The value of the contracts is dictated by external funding sources. The Competitive procedure with negotiation, Competitive dialogue and Innovation partnership procedures are therefore not suitable.</p> <p>Market intelligence gained from the previous Adult Education and Youth Education tender exercises in 2018 and associated market engagement event along with in house knowledge gained by delivery of On Course South West services tells us that there is a relatively small supply market for these specialist services and the number of bids that we expect to receive is low. As there is no need to limit the number of bids the Restricted procedure is not required.</p> <p>There is flexibility under the scope of the Light Touch Regime to amend the standard Procedures and design our own, however no reasons to step outside of the standard procedures have been identified in this case. On the basis that the number of tender submissions is expected to be of a manageable number and a new contract needs to be in place by 1st Aug 2022 the Open Procedure tender exercise to be conducted in accordance with PCC Contract Standing Orders will facilitate the award of contract(s) within the required timescales as it stands.</p>	
Procurements Recommended route.	Open Procedure competitive tender	
Who is your Procurement Lead	Sandra Stanton	

Which Members have you engaged with and how have they been consulted (including the Leader, Portfolio Holders and Ward Members)	Councillor Downie has been verbally briefed on this area of work and the related current arrangements.
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Confirm you have taken necessary Legal advice, is this proposal State Aid	Yes. This falls outside the scope of State Aid
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compliant, if yes please explain why.	
Who is your Legal advisor you have consulted with.	Mo Sajjad

Equalities Impact Assessment completed <i>(This is a working document which should inform the project throughout its development. The final version will need to be submitted with your Executive Decision)</i>	Yes
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SECTION 4: FINANCIAL ASSESSMENT

FINANCIAL ASSESSMENT : In this section the robustness of the proposals should be set out in financial terms. The Project Manager will need to work closely with the revenue finance teams to ensure that these sections demonstrate the affordability of the proposals to the Council as a whole.

REVENUE COSTS AND FINANCING

Breakdown of project costs	Prev. Yr.	22/23	23/24	24/25	25/26	26/27	Future Yrs.	Total
	£m	£m	£m	£m	£m	£m	£m	£m
16-19 Learning Programmes	N/A	200,000	200,000	200,000	200,000	200,000	N/A	1,000,000
Supporting Vulnerable Groups engage in learning and develop employability skills	N/A	360,000	360,000	360,000	360,000	360,000	N/A	1,800,000
Promoting and supporting engagement and progression in key sectors	N/A	130,000	130,000	130,000	130,000	130,000	N/A	650,000
Total spend	N/A	690,000	690,000	690,000	690,000	690,000	N/A	3,450,000

Provide details of proposed funding: Funding to match with Project Value

Breakdown of proposed funding	Prev. Yr.	20/21	21/22	22/23	23/24	24/25	Future Yrs.	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Adult education Budget (AEB)	N/A	690,000	690,000	690,000	690,000	690,000	N/A	3,450,000
Total funding	N/A	690,000	690,000	690,000	690,000	690,000	N/A	3,450,000

SECTION 5: MONITORING PERFORMANCE & POST PROJECT REVIEW

To conclude, the purpose of a business case is to outline the business rationale for undertaking a project and to provide a means to continually assess and evaluate project progress throughout delivery. It is the responsibility of the project manager to ensure the project remains on time and within budget during delivery and to monitor the project throughout and provide a Post Project Review on completion.

Project Team Monitoring:

Project monitoring will be undertaken by the team led by the Leadership Advisor responsible for Post 16 provision and funding. This will include regular meetings with sub-contractors, reporting and undertaking remedial action (if and when this becomes necessary).

Finance Monitoring :

It is essential for Revenue Finance Team to monitor the financial element of projects during delivery for reporting purposes. Monthly spend profiles against budget, matching with finance profiles will be collected monthly during delivery and on completion of the project.

Version Control: *(The version control table must be updated and signed off each time a change is made to the document to provide an audit trail for the revision and update of draft and final versions)*

Author of Business Case	Date	Document Version	Reviewed By	Date
Tina Brinkworth	07/01/2022	v 1.0	John Bale	07/01/2022
	00/00/2020	v 2.0		00/00/2020
	00/00/2020	v 3.0		00/00/2020
	00/00/2020	v 4.0		00/00/2020
	00/00/2020	v 5.0		00/00/2020

SECTION 6: RECOMMENDATION AND ENDORSEMENT**Recommended Decision****It is recommended that Cabinet -**

- Approves the Business Case
- Authorises the procurement process
- Delegates the award of the contract to Service Director for Education, Participation & Skills

Councillor Nick Kelly (Leader)		Service Director Alison Botham	
Either email dated:	<i>Date 25 Jan 22</i>	Either email dated:	<i>Date 25 Jan 2022</i>
Or signed:		Signed:	
Date:		Date:	