

ADULT EDUCATION BUSINESS CASE

TABLE OF CONTENTS

	Page Number
Background	2
Strategic Fit	3
Benefits	4
Conclusions & Recommendations	5

BACKGROUND

On Course South West was established on 1st April 2015 as a Joint Venture between YMCA, the former Adult Education Service of PCC and Shekinah Mission. The original intention was to novate the contract previously held by PCC to the new enterprise but shortly before the transfer the Skills Funding Agency (now ESFA) announced that under new regulations PCC had to maintain the contract. Each year there has been a review with the ESFA regarding the option to return or novate the contract and, due to late notification from the ESFA, it has been decided in previous years to continue via an exemption with the existing delivery model.

As detailed in this report an options appraisal has now been undertaken resulting in a recommendation to retain the contract in PCC and commission the service required from the market. The resultant procurement will be for the delivery of Adult Education. Providers will be free to continue to offer other courses to fee paying customers and the contract will not prevent a provider from selling courses outside the contract which do not directly support the Plan for Skills. The funded contract will however require the provider to offer courses and training which are aligned to the city's skills agenda.

Current situation

PCC holds a £1.48m budget from the Education and Skills Funding Agency (ESFA) for delivery of Adult Education (AEB). This is split into grant-funded Community Learning (£800k) and earnings-based Adult Skills (£680k). Ofsted inspection of provision, in April 2016, judged the overall effectiveness as good. The AEB funds learners to undertake the following:

English and maths, up to and including level 2, for individuals aged 19 and over, who have not previously attained a GCSE grade A* - C or grade 4, or higher:

- first full qualification at level 2 for individuals aged 19 to 23
- first full qualification at level 3 for individuals aged 19 to 23

The AEB also supports the delivery of flexible tailored provision for adults, including qualifications and components of these (units), and/or non-regulated learning, up to Level 2 – which is termed 'local flexibility'.

Learning opportunities offered through this range from traditional community learning courses such as arts and crafts / languages / cookery / IT / family learning, to English and Maths improvement and employability skills such as construction, hairdressing and health and safety.

Presently AEB provision is delivered through sub-contracts with 7 organisations. The largest provider, On-Course South West (OCSW) was previously the PCC in-house Adult and Community Learning service (PACL). A number (c25) of ex-LA staff transferred to OCSW in 2015 under TUPE legislation and many remain employed there.

OCSW held a budget in 2017/18 of £760k for delivering provision and £230k for providing administration of the AEB contract. Also supported by the ESFA funds are Shekinah Mission (£75k), Open Doors International Language School (£145k), Lynher Training (£60k), North Prospect Community Learning (£13k) YMCA Plymouth (£7k), Mount Batten Centre (£10k). £140k has been retained to support in-year growth and will be paid for delivery above contract. PCC retains £40k to manage the external contracts.

Contracts have previously not been competitively procured and the current provider network had previously received funding based on negotiations by the Head of Service for Adult Learning.

For 2017/18 PCC asked the ESFA to directly fund Adult Education. ESFA processes dictated this would be managed through a national procurement exercise. However, due to the timing of 2017 general election and procurement protocols, ESFA was unable to complete its procurement process to begin funding providers in September 2018 leading to a gap in the offer. PCC offered to hold onto the AEB allocation to secure a continuation of adult provision, continuing with existing providers to avoid de-stabilising the adult learning local infrastructure.

For 2018/19, PCC has secured the continued allocation for AEB, guidance from PCC Strategic Procurement and Legal Services have identified that there is no longer a case for exemption and a competitive tendering exercise is required to meet the procurement regulations.

STRATEGIC FIT

How does this procurement fit into the Councils strategic plans?

The commissioning of AEB funding supports the following plans:

Plan for Education

A key feature identified in the Plan for Education is the overall improvement in the education estate and maths and English in particular. We envisage more targeted activity as a result of the procurement.

Family learning programmes would improve parents' abilities to support the education of their children.

Plan for Employment and Skills

The Plan for Employment and Skills (PES) highlights the priority around meeting demand for skills from employers. It supports skills delivery that will enable quick wins and support people into employment. This fits with the concept of obtaining best value from funds that can be delivered locally. It will also make a valuable contribution to the Inclusive Growth flagship and emerging strategy from this. Specifically the procurement will enable support to key objectives from the PES including:

- Additional resource to contribute to the reduction of young adults Not in Education, Employment or Training (NEET)
- The reduction of long term unemployed residents by offering them skills to enter or be nearer to accessing employment.

Whilst there has been much accomplished by the Plan to date, this proposal will also help support the appointment of a post 16 co-ordinator who will be able to develop a series of projects that will enable delivery of the PES, support the post 16 partnership activity and STEM activity.

City wide STEM (Science, Technology, Engineering and Maths) strategy

The Plan will support the growth aspect within the sector by increasing engagement in STEM learning. In particular this will increase to take-up of ICT provision by adults.

Consultation / stakeholder engagement

Stakeholder consultation via Learning, Skills and Employability (LSE) Group and Employment and Skills Board (ESB). Agenda item to be tabled at Spring LSEG Group. Briefing will be provided to ESB.

Consultation with adult learning community:

Questionnaires/ consultation events to inform specification – Learners and Service provider events to be held in Spring

Market development

Historically these services have not been competitively procured in this area. Our understanding of the potential market, other than the existing supply base, is therefore limited.

Contractual opportunities will be advertised widely using the Supplying the South West procurement portal. Meet the buyer events to raise awareness and interest in our tender opportunities will be required

As many of the service providers have limited experience of participating in competitive tendering, market development activities such as tender training events will also be required to prepare and develop the capability of the provider market to participate in the tender exercise. This activity is essential to improve the quality of tenders and to help level the playing field for those providers that have little or no experience in competitive tendering.

BENEFITS

Benefit	Description / value / number
Cost avoidance	<ul style="list-style-type: none"> Letting a longer contract with options to extend will avoid the duplication of effort needed to run a competitive procurement every year.
Consistency of learner experience	<ul style="list-style-type: none"> An established network of providers and bases enables learners to access provision in an recognised fashion at a time / place of greatest convenience
Strategic alignment of learning provision	<ul style="list-style-type: none"> Service specifications for targetted requirements to meet citywide needs
Improved quality standards	<ul style="list-style-type: none"> Formal measurable KPIs to meet local needs built in to formal contractual arrangements
Demonstrable value for money	<ul style="list-style-type: none"> Competitive procurement will test the market and deliver the most economically advantageous tenders (MEAT)

CONCLUSIONS AND RECOMMENDATIONS

The option to commission the delivery of the AEB contract enables PCC to meet EU and its own procurement regulations.

The rationale for this approach becomes much stronger on the basis of a single channel for procurement where the LA is in control of both funds and quality of delivery.

The pattern of service usage suggests that this option is the best fit to strategic need with the resources provided, and that option can deliver improved performance as well as value for money.

In conclusion to meet the requirements of EU procurement regulations and provide PCC with the ability to better direct AEB funding to meet local strategic needs, option I is the preferred solution.