

Notice of Non-Key Executive Decision

Subject Heading:	Variation 2 to Contract Contract to existing approved provider of adult education
Decision Maker:	Tara Geere, Director of Children’s Services
Cabinet Member:	Cllr Oscar Ford, Cabinet Member for Children and Young People
SLT Lead:	Barbara Nicholls, Strategic Director for People
Report Author and contact details:	Bradley Burton, Acting Quality & Curriculum Manager Bradley.Burton@havering.gov.uk
Policy context:	Delivery of Adult Education Budget aligned to Skills for Londoners Strategy, to protect the LA against loss of funds through under-delivery and clawback by GLA
Financial summary:	Variation to Contract – Academic Year 1 August 2023 to 31 July 2024 The original award was for £130,000 with an option to increase the contract value up to a maximum of £280,000. A variation of £80,000 was approved recently. Therefore the £45,000 variation requested in this decision increases the total approved spend to £255,000. Additional financial commitment of £45,000 within the academic year 1 August 2023 to 31 July 2024, funded

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	by existing Adult Education Budget grant
Relevant OSC:	People OSSC
Is this decision exempt from being called-in?	Yes, it is a non-key decision

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The subject matter of this report deals with the following Council Objectives

People - Things that matter for residents X

Place - A great place to live, work and enjoy

Resources - A well run Council that delivers for People and Place.

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

To vary the contract with Specialist Trade Courses Limited dated 1 August 2023, as follows

Permitted spend is increased :

- with Specialist Trade Courses (STC Group) from £210,000 to £255,000 (Adult Skills Provision)

AUTHORITY UNDER WHICH DECISION IS MADE

3.3.3 Powers common to all Strategic Directors

2.1 To incur expenditure for their allocated directorate within the revenue and capital budgets as approved by the Council, or as otherwise approved, subject to any variation permitted by the Council's contract and financial procedure rules.

STATEMENT OF THE REASONS FOR THE DECISION

The Havering Adult College (HAC) is an adult education service delivered by Local Authority staff, managing a range of national and local priorities and implements the statutory powers of the Local Authority to secure full and part time education suitable to the requirements of persons who have reached the age of 19. The Council receives funding from the Greater London Authority (GLA) and Education & Skills Funding Agency (ESFA) to deliver appropriate adult learning courses, some of which are delivered by HAC. In discharging its statutory power, the Council sub-contracts a proportion of its Adult Education Budget grant (AEB) to approved providers.

Havering Adult College has been implementing sub-contracting arrangements successfully since 2010. Sub-contractors are commissioned via the LA's preferred procurement framework (Matrix) as mandated by the Council's contract procedure

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rules. In line with AEB guidance, contracts are awarded for specialist curriculum offers which HAC is not able to deliver as effectively as a contractor can.

HAC actively manages these sub-contracts throughout the year to ensure value for money and high quality delivery. The contract management process includes a regular review of performance data which includes earned grant funding, learner numbers and success rates. Contract review meetings with the provider are held monthly to discuss any performance issues and to record agreed actions. Based on the review outcome, maximum contract values are varied if necessary. Furthermore, value for money is demonstrated through the provider's achievement of contracted targets (the amount earned per learner is a fixed rate determined externally by the Department of Education and is not a variable).

Other aspects of the provider's delivery are also discussed at the review meetings, including quality, safeguarding and health & safety and the relevant managers from the Havering Adult College also attend provider sites to monitor performance for their relevant specialist area. Havering Adult College and any subcontractor are also covered within the remit of Ofsted, and as such both are subject to external scrutiny and audit to ensure compliance and quality.

Whilst the option to undertake a mini-tender for an alternative provider is routinely considered, an annual mini-competition is not undertaken given the lack of specialist competition within the London Borough of Havering. To undertake such a competition would unnecessarily draw upon the limited external grant funding which is intended to support delivery to learners.

The Council has a remaining buffer of £70,000 funding available for the provision of adult education. Without the additional funds being allocated the amount will be clawed back by the relevant Funding Agencies.

Specialist Trade Courses have advised an increased demand for construction courses and confirmed they have the capacity to deliver the additional allocated amount by the end of the academic year. This secures the grant funding allocated to Havering Adult College by the GLA and ESFA and avoids potential clawback.

It is proposed that a proportion of the buffer is allocated in the following way:

Increase the contract with Specialist Trade Courses Limited by £45,000

OTHER OPTIONS CONSIDERED AND REJECTED

1. Do nothing – not recommended.

The Council is not able to offer this provision directly and funding will be clawed back by the GLA if drawdown targets are not achieved

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2. Procure an additional contract via a tendering process on the open market – not recommended.

The Council is mandated to procure contracts of this type via the LA's preferred procurement framework (Matrix) by its contracts procedure rules. Furthermore, the Council is not able to procure contracts for terms of more than a year as there is no guarantee of level of grant year on year. Given the costs associated with an open tender, this option is not cost effective.

PRE-DECISION CONSULTATION

No formal consultation has taken place.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Bradley Burton

Designation: Acting Quality & Curriculum Manager

Signature:



Date:

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council has a power to provide adult education within its area under the Education Act 1996. Extension of the contract will facilitate the Council to implement the discharge of this power.

The Council's existing contract (the Contract) with Specialist Trade Courses expressly provides that the contract value may be increased by up to £150,000 in the event that demand for the service is greater than availability. The Contract has been previously extended by £80,000. £45,000 is within the maximum permitted extension and therefore permissible.

For the reasons set out above, the Council may vary the contract to extend its maximum value as set out in this report.

FINANCIAL IMPLICATIONS AND RISKS

The original award was for £130,000 with an option to increase the contract value up to a maximum of £280,000. A variation of £80,000 was approved recently. Therefore the £45,000 variation requested in this decision increases the total approved spend to £255,000.

The terms of the grant agreement with the Greater London Authority and Education & Skills Funding Agency permit the Council to sub-contract provision of some of the courses. As such, the grant passes to the Local Authority and is administered through the Council's General Ledger in order to set up a budget to fund Adult Education provision. The expenditure is expected to be in the region of £280,000 for the 23/24 academic year, although actual costs will be subject to individual arrangements, and will be managed within the overall funding envelope. The AEB funding rules allow the adult college to sub-contract a proportion of the grant as management deems reasonable to support the increasing and widening of participation within specialist areas the college is unable to effectively resource.

Contract monitoring processes are in place whereby the Havering Adult College monitors expenditure and quality of all its sub-contractors and takes actions to address any issues identified. The funding agency also requires an external audit be undertaken annually for compliance, supporting transparency. Value for money in terms of quality is addressed as part of this monitoring process. As stated above, amounts paid for each qualification will be based on the AEB funding methodology and as such are "uncontrollable" within set parameters. The subcontracted provision falls within the remit of Ofsted, and is monitored under the terms of their Inspection Framework as well.

The financial risk of not awarding is that the College will be unable to meet the demands of its own AEB contract allocations, thus resulting in a destabilising of the service, as

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well as both a risk of grant monies being clawed back, and this in turn resulting in a significant underspend, impacting the service and the Council adversely.

An identified risk to the provision of the finances would be if, for some reason, the sub-contractor was unable to fulfil its delivery of the provision (due to closure, for example). In the event of this, any sub-contractor has to have a business continuity plan that safeguards enrolled learners who would otherwise be at risk of missing out on their qualification. Sub-contractor business continuity plans are approved as fit for purpose as part of the due diligence process completed for all sub-contractors for Havering.

The costs for provision of the courses will be funded from the GLA & ESFA AEB grant, Academic Year 2023/2024 to the Adult College, on A30910 HCAE Central Office cost centre. There are therefore no further financial implications to the revenue budget for Havering.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no direct Human Resources implications or risks to the Council, or its workforce, arising from the recommendations made in this report, that can be identified at this time.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:
the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment. The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

Under Section 149 of the Equality Act 2010 a local authority has a duty when carrying out their functions to have due regard to the need to:

Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
Advance equality of opportunity between people who share a protected characteristic and those who do not;
Foster good relations between people who have a protected characteristic and those that do not.

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There are no Equalities implications and risks at this stage, as the awarding of the contracts does not reduce the scope for access, but rather increases the opportunity to widen participation for all.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

The environmental positive considerations of this decision rest mainly in the location of the specialist provision, specifically in central Romford. This is relevant as it reduces travel time for learners who are mostly located in Romford according to previous MIS data. The reduction in distance equates to fewer vehicles required to get the learners to the locations, and in some cases, it is within walking distance, resulting in a carbon reduction impact.

Additionally, the construction courses incorporate a focus on sustainable builds and materials as part of the curriculum, thus embedding a culture of sustainability within the learning.

BACKGROUND PAPERS

None.

APPENDICES

None

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Signed



Details of decision maker

Signed:



Name: Tara Geere

CMT Member title: Director of Children's services

Date:

Lodging this notice

The signed decision notice must be delivered to Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____

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