

Report to CABINET

UKSPF Skills Funding (15 – 19 NEET)

Portfolio Holder:

Councillor Ali, Cabinet Member for Education and Skills

Officer Contact: Gerard Jones, Managing Director of Children's services

Report Owner: Matthew Bulmer, Director Education, Skills and Early Years

Report Author: Amanda Youlden, Post 16 Lead

21 August 2023

Reason for Decision

To approve acceptance of a portion of the skills UK Shared Prosperity Fund (UKSPF) funding, to be provided via a direct grant agreement with GMCA, and to secure service delivery of the funded activities from September 2023 up until 31 March 2025 in accordance with Contract Procedure Rules.

Executive Summary

The purpose of the report is to request approval to accept and enter into a grant agreement with GMCA for a portion of the UKSPF Skills grant funding which has been allocated for 15 – 19 NEET support total funding of £720,000. The report also seeks approval for the delivery arrangements, as detailed in this report.

The primary goal of the UKSPF Fund is building pride in place and increasing life chances across the UK, while recognising the acute challenges town centres and communities have faced during the Covid pandemic. UKSPF will enable improvements to the places people live, as well as enabling support to individuals and businesses.

To focus delivery of the UKSPF GM NEET programme on locally driven priorities, informed by local knowledge, Local Authorities have been granted funding via GMCA to deliver NEET activity in their boundaries, using direct delivery, current provision or by commissioning new activity. The main aim of the programme is to mitigate the impacts on those young people most affected by the Covid-19 pandemic, those who are experiencing disadvantage, and those not engaged with other provision.

The proposal is that this will be delivered through a comprehensive engagement and transition offer that will enable these young people to successfully engage in a positive learning or work destination and develop the skills and confidence to continue into a sustainable career pathway.

Oldham Council has been allocated £720,000 from GMCA to deliver or secure the delivery of the 15 – 19 NEET support programme in 2023/24 and 2024/25. The previous programme for NEET support was commissioned directly by GMCA.

With the funding confirmed for 18 months, we are keen to develop a delivery programme that builds on the existing arrangements currently in place and aligns with the strategic vision for our NEET support in the future.

To establish the programme delivery, a decision is required on the method of implementation.

The existing programme (ESF NEET) commissioned by GMCA, is delivered locally via Positive Steps Oldham.

The services to be delivered using the awarded grant monies align with and complement our current arrangements for NEET provision which are delivered by Positive Steps Oldham following the multi lot tender for Integrated Support and Services for Oldham's Young People.

The contract between the Council and Positive Steps Oldham commenced on 1 April 2020 for an initial term of 2 years and relates to the provision of Support for Vulnerable Young People under Lot 3. The contract allowed for an extended term of 1 year and is due to end on 31 March 2024. Oldham is currently reviewing the future delivery arrangements following the expiry of the contract and, therefore, we need to build some contingency into this funding to ensure the funding is flexible enough to fit in with the new arrangements when agreed.

To allow for flexibility, we are recommending that the funding and outcomes profiling is split across two financial years:

- (a) the current contract in place between the Council and Positive Steps Oldham would be modified with effect from September 2023 to include the provision of a comprehensive engagement and transition offer that will enable young people to successfully engage in a positive learning or work destination and develop the skills and confidence to continue into a sustainable career pathway at a cost of £200,000;
- (b) activities to be delivered using grant funding over the period 1 April 2024 to 31 March 2025 would be built into a new contract, which would be commissioned in accordance with Contract Procedure Rules and the remaining funding for 2024/25 would be incorporated into the new arrangements for NEET provision delivery.

Recommendations

- 1 To approve acceptance of the funding for the UK Shared Prosperity Fund via GMCA for the 15 – 19 NEET support and to delegate authority to the Director of Education, Skills and Early Years to approve and enter into a grant agreement with GMCA
- 2 To approve the service delivery arrangements in respect of the grant funded activities, as detailed in this report, from September 2023 up until 31 March 2025 in accordance with Contract Procedure Rules and to delegate authority to the Director of Education, Skills and Early Years to approve and formalise any necessary commissioning activity or contractual arrangements.

UK Shared Prosperity Fund NEET Support Funding

1 Background

- 1.1 The full impact of Covid-19 and of Brexit on education and the labour market will become clearer over time, but we do know that young people aged 15 – 24 have been most affected economically and are at greater risk of long-term scarring and reduced earnings as a result. The Institute for Fiscal Studies reported in 2021 that the substantial loss of learning in schools due to lockdowns is likely to be followed by lower skills and qualifications for children at school during the pandemic, resulting in permanently lower incomes during their careers.
- 1.2 The risk of becoming NEET is not just about lost/disrupted learning but about other opportunities that help young people take their first steps on their career pathway: research has found that young people who have four or more employer encounters with the world of work whilst at school are five times less likely to become NEET, and on average will go on to earn 16% more than their peers who did not have such opportunities.
- 1.3 Many of these young people have personal barriers around motivation and confidence which hampers engagement, attendance and outcomes and the programme is designed as a “bridge” to address poor or fluctuating engagement, where local delivery and accessibility is a priority taking the needs and history of the young person into account to establish and strong and positive transition pathway into education, work and skills support.

2 Current Position

- 2.1 Oldham’s NEET rate, in line with the national picture but at a faster rate, has increased significantly since the pandemic.
- 2.2 The position in June 2023 for our NEET and unknown Y12 and Y13 are shown below:

Progress	Year 12	Year 13	Total
Not Known %	1.53%	2.63%	2.06%
In Learning %	92.39%	84.21%	88.41%
NEET %	3.44%	6.47%	4.91%
NEET & Not Known %	4.96%	9.10%	6.98%

- 2.3 The June position above highlights the elevated rates of NEET and Not Known for our Y13 cohort. We know that this is the cohort that went into lockdown in Year 10 and missed most of both Year 10 and Year 11 of school, missing out on vital learning and social interaction required to successfully transition into Post 16 EET.
- 2.4 The UKSPF funding outlined in this report is replacing the previous ESF NEET programme, which funds delivery of this activity in Oldham. The ESF NEET programme is locally referred to as “Connect to Your Future” and runs from January 2022 to September 2023.
- 2.3 Connect to Your Future was commissioned directly by GMCA to deliver in GM localities. The contract was delivered in Oldham by two prime contractors, Career Connect who delivered the 15 – 19 portion of the programme; delivery in Oldham was sub-contracted to Positive Steps. The service specification for this delivery is outlined in Appendix 1.
- 2.4 The 19 – 25 programme was delivered in Oldham via Ingeous.

2.5 The request to approve grant funding in this report relates purely to the delivery of support for 15 – 19-year-olds. Support via the Skills UKSPF funding adults will be commissioned via GMCA directly. Appendix 2 outlines the arrangements for this support.

3 Options/Alternatives

3.1 Delivery of the grant funded activities

Option 1:

- (a) modify the current contract in place between the Council and Positive Steps Oldham with effect from September 2023 to include the provision of a comprehensive engagement and transition offer that will enable young people to successfully engage in a positive learning or work destination and develop the skills and confidence to continue into a sustainable career pathway at a cost of £200,000; and
- (b) build the activities to be delivered during the period 1 April 2024 to 31 March 2025 into a new contract, which will be commissioned in accordance with Contract Procedure Rules with the remaining grant funding for 2024/25 (and any future funding awarded) to be incorporated into the new arrangements for NEET provision delivery.

This option provides us with the shortest gap in delivery of the programme, but still allows the flexibility to align the funding to any new arrangements that may be in place on 1 April 2024.

Option 2: To commission grant funded activities for the full grant period in accordance with Contract Procedure Rules.

This option presents the risk of a gap in service delivery and support for young people at a critical time (Autumn term) in their transition to Post 16 provision.

4 Preferred Option

4.1 **Option 1:**

- (a) modify the current contract in place between the Council and Positive Steps Oldham with effect from September 2023 to include the provision of a comprehensive engagement and transition offer that will enable young people to successfully engage in a positive learning or work destination and develop the skills and confidence to continue into a sustainable career pathway at a cost of £200,000; and
- (b) build the activities to be delivered during the period 1 April 2024 to 31 March 2025 into a new contract, which will be commissioned in accordance with Contract Procedure Rules with the remaining grant funding for 2024/25 (and any future funding awarded) to be incorporated into the new arrangements for NEET provision delivery.

5 Consultation

5.1 Consultation on the ESF NEET programme has been undertaken by GMCA, and demonstrates the successes and learning which Oldham can learn from and implement going forward. Appendix 3 shows the interim evaluation report commissioned by GMCA.

6 Financial Implications

6.1 The report is seeking two approvals:

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1. To accept funding in the sum of £720k for the UK Shared Prosperity Fund via GMCA for the 15 – 19 NEET support and to delegate authority to the Director of Education, Skills and Early Years to approve and enter into a grant agreement with GMCA.
 - *The funding is for an 18 month period expiring on 31 March 2025. The aim of the funding is to focus delivery of the programme on locally driven priorities, informed by local knowledge, using direct delivery, current provision or by commissioning new activity. Under the previous arrangements the services were commissioned directly by the GMCA on behalf of the participating Authorities, the current provider is Positive Steps.*
 2. To approve the service delivery arrangements in respect of the grant funded activities, as detailed in this report, from September 2023 up until 31 March 2025 in accordance with Contract Procedure Rules and to delegate authority to the Director of Education, Skills and Early Years to approve and formalise any necessary commissioning activity or contractual arrangements.
 - In the first instances services will be continue to be provided by the currently commissioned GMCA provider (Positive Steps). This will be for the period 1 October 2023 to 31 March 2024 at an agreed sum of £200k. Positive Steps will be procured directly by the Authority as a modification to the existing Positive Steps Oldham Lot 3 contract Support for Vulnerable Young People.
 - The balance of £520k (plus any future funding that may be awarded subsequently) is therefore available to fund the activities that will be delivered during the period 1 April 2024 to 31 March 2025. This will be delivered by entering into a new contract, which will be commissioned in accordance with Contract Procedure Rules.

7 Legal Services Comments

- 7.1 Acceptance of the UKSPF grant funding should have negligible legal implications, provided the terms of the GMCA grant agreement are reviewed via Legal Services and it is confirmed the terms can be complied with. The subsidy control regime has been considered and it has been determined that the grant will not amount to a subsidy; the Council will not be acting as an economic operator in the delivery of the grant requirements.
- 7.2 Rule 17 of the Contract Procedure Rules governs modifications to contracts which have a value which is below the financial threshold for the Public Contract Regulations 2015 (PCR 2015) and Regulation 72 of PCR 2015 governs contract modifications for above threshold contracts. Rule 17 largely mirrors Regulation 72.
- 7.3 The proposed modification would extend the scope of the currently commissioned services from Positive Steps Oldham to include the grant funded activities referenced in this report. The modification would have a value of £200,000 for the period commencing in September 2023 and expiring at the end of the contract term, which is 31 March 2024.
- 7.4 A modification of this nature would be in line with Rule 17.1(b) and Regulation 72(1)(b) of PCR 2015 which allows for a contract to be modified to include additional services that have become necessary and were not included in the initial procurement, where a change of contractor (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, and (ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority. Regulation 72(1)(b) has a financial limited of 50% of the value of the original contract. Legal Services should be instructed to ensure that any modification to the contract with Positive Steps Oldham is formalised correctly.

7.5 The proposed arrangements for 1 April 2024 to 31 March 2025 would be built into the commissioning programme for the services being delivered under the current contract with Positive Steps Oldham. Provided any commissioning activity is in accordance with Contract Procedure Rules, the Commercial Procurement Unit is fully engaged and a suitable form of contract is supplied via Legal Services, there should be minimal legal implications to the proposal.

Sarah Orrell – Commercial & Procurement Solicitor

8. **Co-operative Agenda**

8.1 The investment in and further development of skills and capacity to support young people facing disadvantage, aligns with the Council's Co-operative Agenda in relation to supporting us championing fairness and equality of opportunity and better life chances in the borough

9 **Human Resources Comments**

9.1 No specific HR implications identified for Oldham Council employees. Should Option 2 be preferred there may be TUPE implications for providers

Kate Jolley
HR Strategic Lead

10 **Risk Assessments**

10.1 [NONE]

11 **IT Implications**

11.1 [NONE]

12 **Property Implications**

12.1 [NONE]

13 **Procurement Implications**

13.1 These contracts are subject to the Public Procurement Regulations 2015 (PCR 15). The contracts are currently with Positive Steps for Lot 3. There is a provision in Public Procurement Regulations 2015 (PCR 15) circumstances where services are proposed are need for the Modification has been brought and it does not alter the overall nature of the contract and its value. On this basis Commercial Unit acknowledges the requirement of the services, in accordance to Regulation 72(1)(c) provides: (1) Contracts and framework agreements may be modified without a new procurement procedure in accordance with this Part in any of the following cases:-

where all of the following conditions are fulfilled:-

(i) the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;

(ii) the modification does not alter the overall nature of the contract;

(iii) any increase in price does not exceed 50% of the value of the original contract or framework agreement. The value of the proposed modification is £200,000 until 31/03/2024 as per report this needs to be procured and advertised via the Chest portal.

The Commercial Procurement Unit recommends the following future actions:

a. The setting up of a working group involving the Procurement Team at an early stage ensuring no further requests will be made to extend this contract in the future.

b. Service review work to begin immediately.

c. Ensure appropriate consultation is undertaken. (Mohammad Sharif) 17/7/2023

14 **Environmental and Health & Safety Implications**

14.1 [NONE]

15 **Equality, community cohesion and crime implications**

15.1 [NONE]

16 **Implications for Children and Young People**

16.1 The funding outlined will directly support Oldham young people aged 15 – 19 who are currently not in education, employment and training.

17 **Equality Impact Assessment Completed?**

17.1 No

18 **Key Decision**

18.1 Yes

19 **Key Decision Reference**

19.1 To be advised

20 **Background Papers**

20.1 None

21 **Appendices**

- 21.1
1. GMCA Service Specification
 2. GMCA Report relating to UKSPF funding for skills
 3. ESF NEET Interim Evaluation