

CYNGOR SIR POWYS COUNTY COUNCIL.

**Report for Delegated Portfolio Decision
by Cllr. Phil Pritchard, Portfolio Holder for Human Resources
March 2016**

**REPORT AUTHOR: Jason Lewis, Head of Professional Services and
Commissioning**

SUBJECT: Mid Wales Work Based Learning Consortium

REPORT FOR: Decision

1. Background

Mid Wales Work Based Learning Consortium (MWWBL)

MWWBL was established as a consortium in 2010 to deliver a work based learning contract (comprising traineeship and apprenticeship delivery) across Mid Wales on behalf of DCELLS (now DfES). The consortium was established in response to DCELLS stated objective of contracting with fewer providers across Wales.

The consortium comprised Powys Training (now Powys Skills Academy), Ceredigion Training (HCT), Coleg Ceredigion and Coleg Powys with Ceredigion Training acting as the lead provider. The consortium were awarded the contract to deliver work based learning across Mid Wales.

During a re-tendering exercise in 2014, the consortium was only allocated the Apprenticeship contract. The Engagement and Traineeship contracts had been allocated to People Plus in Ceredigion (formerly known as A4E) and ACT in Powys. Subsequently, ACT approached Powys Skills Academy to become a sub-contractor for the delivery of the Engagement and Traineeship contracts in Powys, which was accepted subject to a 10% management fee.

On the 1st April 2015, both FE colleges withdrew from the consortium leaving the two local authority providers as the remaining partners in the consortium with Ceredigion Training maintaining the lead provider role.

Current Position

On the 27th of November, 2015, members of the Consortium were asked to attend a meeting with Welsh Government. At the meeting WG clearly stated that they had concerns with regards to the Consortium's learner attainment data / key performance indicators for 2014/15. The data for all routes appeared

to be significantly below the national averages.

The members of the Consortium agreed with WG, but explained that the data for 2014/2015 (which in essence was historical data), included the four consortium partners and PERA. (PERA failed to deliver, ultimately withdrawing from the contract). The potential new data/KPI figures for 2015/16, under the new consortium, were indicatively more positive.

WG gave the Consortium two options to consider as ways of moving ahead –

- To ensure an improvement in the data over the next 6 months (and to produce an action plan stating how this will be achieved). If no improvement was evidenced, WG could terminate the contract.
- To consider relinquishing the contract, and becoming a sub-contractor to another organisation.

Ensuring an improvement in the 2014/15 data is no longer possible, as most learners have left and the data is historic. Improving the 2015/16 data within 6 months, is an unrealistic option, as it would take at least 12-18 months to be able to demonstrate an improvement in the data. Terminating the contract completely is not an option as there would be no Work Based Learning provision available for the learners in Mid Wales.

In early December 2015, the Consortium had a support and guidance visit from Estyn. Estyn stated that there had been insufficient progress made by the Consortium against the recommendations left at the time of the last inspection in 2012 and Estyn's monitoring visit in 2014. They also stated that the unpublished data for 2014-2015 showed a decline in framework achievements for learners compared to 2013-14.

As a result of both of both the initial meeting with WG and the support and guidance visit from Estyn, Senior Officers and the Chair of the Management Group (MWWBL) asked to meet WG again. This meeting took place on December the 22nd, 2015.

The Consortium asked WG if they would be willing to contact People Plus and ACT, to ask if they would be interested in accepting a new contract in Mid Wales, and for Ceredigion Training and Powys Skills Academy to become the sub-contractors. A meeting was arranged for representatives of MWWBL, People Plus and ACT to explore the opportunities for delivering work based learning in partnership across Mid Wales. Both People Plus and ACT were keen to work in partnership with Ceredigion Training and Powys Skills Academy but it was agreed that a contractual arrangement between more than two organisations would be unnecessarily complex.

Consequently, the proposal discussed related to the transfer of the entire Consortium contract to either People Plus or ACT, who would then re-issue the contract out to Ceredigion Training and Powys Skills Academy separately with the apportionment reflecting current arrangements. The Consortium would cease at this point.

Welsh Government also confirmed that if both Ceredigion Training and Powys

Skills Academy decided to become sub-contractors, all Consortium data would become historical data, and both organisations would begin the new contract with only the data that is held on their current learners. Estyn's 6 months scheduled visit would be cancelled, as the Consortium would no longer exist.

Whilst both People Plus and ACT were both keen to take on the contract, their sub-contracting offers differ for the following reasons.

The People Plus offer would include a management fee of 15% for the whole apprenticeship and traineeship contract whereas the ACT offer would include a management fee of 10%. This equates to a difference of £31,500 over 16 months based upon the current apprenticeship contract value of £630k for Powys Skills Academy.

Additionally, People Plus have a more limited presence in Wales with a contract value of £4.4m whereas ACT are by far the largest work based learning provider in Wales with a contract value of over £29m, have won numerous awards and receive consistently good reports from Estyn in respect to the quality of their learning provision. The size of their operation in Wales also means that they have the capacity to support significant improvement in the quality and availability of work based learning in Powys.

Proposal

This proposal replicates that being submitted for approval at Ceredigion County Council and is the recommendation of the Consortium Strategic Board as well as the respective officer leads for each authority and follows detailed consideration of the options provided by Welsh Government.

For the reasons set out in this report, it is considered that the only feasible option that protects and provides the opportunity to enhance the work based learning offer in Powys is to terminate the consortium and enter into a sub-contract arrangement with another provider. Welsh Government facilitated discussion with People Plus and ACT Ltd. and it is believed that ACT Ltd. offer the most attractive partnership opportunities both in terms of cost and opportunity. This approach also safeguards a work based learning presence in Powys through the continuing existence of Powys Skills Academy and also safeguards the employment of staff within the service, with the potential for a broader range of career progression opportunities.

This recommendation is made subject to the contractual arrangements between Powys Skills Academy and ACT Ltd. Being approved by the Solicitor to the Council.

Support Services (Legal, Finance, Corporate Property, HR, ICT, Business Services)

Legal: The recommendation can be supported from a legal point of view

Finance: The recommendation is supported from a financial viewpoint and has no budgetary implications.

Statutory Officers

The Solicitor to the Council (Monitoring Officer) has commented as follows – “I note the legal comment and have nothing to add to the report”

The Strategic Director Resources (S151 Officer) notes the comments made by Finance.

Members' Interests

The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If the Portfolio Holder has an interest he should declare it, complete the relevant notification form and refer the matter to Cabinet for decision.

Recommendation:	Reason for Recommendation:
That the Consortium and the contract for delivering work based learning in Mid Wales is terminated and that Powys Skills Academy enter into sub-contract arrangements with ACT Ltd. For the delivery of the Apprenticeship contract in Powys.	To safeguard and enhance work based learning provision in Powys
That the above recommendation is subject to the contract between both parties being ratified by the Solicitor to the Council.	
Person(s) To Implement Decision:	Jason Lewis
Date By When Decision To Be Implemented:	31st March 2016

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Background Papers used to prepare Report: