

CHESHIRE FIRE AUTHORITY

MEETING OF: PERFORMANCE AND OVERVIEW COMMITTEE
DATE: 24 AUGUST 2016
REPORT OF: HEAD OF PREVENTION
AUTHOR: TAMSEN LESKO

SUBJECT: Prince's Trust Funding Update

Purpose of Report

1. This reports highlights the current funding issues with the Prince's Trust Team Programme (PTT Programme).

Recommended: That

[1] the report be noted.

Background

2. The contracting arrangements for the PTT Programme have proved to be more challenging for this academic year. This is due primarily to the Ofsted ratings of two colleges, as well as the changes to the funding requirements for the Skills Funding Agency (SFA), Education Funding Agency (EFA) and the ongoing Area Review of Colleges.
3. The Quarterly Internal Audit Plan progress report, at Item 3 on the agenda, includes a summary of the recent internal audit report on the PTT programme. It refers to the funding arrangements of the PTT Programme and this report provides further information on those arrangements for Members' information.

Area Review of Colleges

4. The Government has commissioned a review of all Further Education facilities with a view to colleges merging with other colleges within their locality and/or areas of specialism. The aim is to achieve a more streamlined education system.
5. Within the Cheshire locality it is envisaged that by the 2017/2018 academic year we will have one Cheshire College resulting from a merger of South Cheshire, West Cheshire and Mid-Cheshire colleges and Warrington Collegiate.

The effect of Ofsted ratings on sub-contracting:

6. Any college which has their Leadership and Management rated Level 4 (inadequate) by Ofsted is not permitted to increase the value of a sub-contract or to raise a new sub-contract.
7. In Cheshire we have had both West and Mid Cheshire colleges rated Level 4.

National funding changes for the 16/17 academic year:

8. EFA – Funding has remained the same for the EFA 16-18 age group. The EFA has however placed an emphasis on improving the quality assurance of sub-contracted provision by permitting colleges to only fund provision within their locality.
9. SFA – The SFA has now brought together the previous Adult Skills Budget, Community Learning and Discretionary Learner Support into a new single budget line known as the Adult Education Budget (AEB). This has been fixed at £1.5bn for the next academic year.
10. The learning aim eligibility has been re-aligned in accordance with the Department of Education (DoE) expectation and the AEB has been sub-divided into two categories.
11. Legal entitlements fully-funded – The entitlements allow learners aged:
 - 19-23 to be fully funded for a first qualification at Level 2 and/or Level 3
 - 19+ to be fully funded for a qualification in English and Maths up to and including Level 2
12. Local Flexibility (including non-qualification) – This is about the move towards full devolution of the AEB to local commissioners by 2018.
13. To support local area needs and deliver agreed local outcomes, colleges and other training organisations will decide on the most appropriate form of training provision. This may or may not include qualifications.

Impact of changes on local college provision

14. **Mid Cheshire College:** Current Ofsted rating - 4 (inadequate)
15. **15/16 academic year** - Funding was secured for Winsford, Crewe, Halton and Northwich Prince's Trust Programmes:
 - 16-18 funding was guaranteed at £3,733 per learner.
 - 19+ funding was guaranteed at £2,463 per learner.

16. The amount of funding appears higher for Mid-Cheshire College; it is thought that this is, in part, due to the Disadvantage Uplift funding being passed onto us by the college. Passing on the additional funding is discretionary.
17. Due to continued poor performance of the Northwich team and the implications that running this team was having on the recruitment of the Winsford team the decision was made to stop the Northwich provision from January 2016.
18. In May 2016, following an unfavourable Ofsted review, Mid-Cheshire College stated that they were no longer able to fund our May provision. Due to not fulfilling our September 2015 contract value we were able to negotiate the maintenance of the Winsford provision for May. The resulting financial implications and staffing levels at the time led to the team delivery being reduced to 4 locations for the May provision (Winsford, Crewe, Chester and Ellesmere Port).
19. **16/17 academic year** – Due to contracts having already been successfully agreed with other colleges, we will not be negotiating or re-contracting with Mid-Cheshire College for the next academic year.
20. **West Cheshire College:** Current Ofsted rating: 4 (inadequate)
21. **15/16 academic year** - Funding was secured for Chester and Ellesmere Port Prince's Trust Programmes:
 - 16-18 funding was guaranteed at £2,700 per learner.
 - 19+ funding was guaranteed at £2,670 per learner.
22. During the contract period, West Cheshire College underwent an Ofsted inspection resulting in a Level 4 status. This placed concern over the possibility of future funding with the college. As a result of the Area Reviews, a merger between West Cheshire College and South Cheshire College is imminent and the SFA has agreed, in the circumstances, that West Cheshire can re-contract with us and increase their value.
23. **16/17 academic year** - funding has been secured for Winsford, Chester and Ellesmere Port Prince's Trust Programmes:
 - 16 – 18 Funding guaranteed at £2,700 per learner.
 - 19+ Funding guaranteed at £2,670 per learner.
24. West Cheshire College has historically been poor at paying invoices on time. Under the new area reviews it is now mirroring South Cheshire College's processes. Thus, the next academic year should see improvements in this area.
25. **South Cheshire College:** Current Ofsted rating: 2 (good)

26. **15/16 academic year** – Funding was secured for Macclesfield Prince's Trust Programme:
 - 16 – 18 Funding was guaranteed at £2,700 per learner.
 - 19+ Funding was guaranteed at £2,670 per learner.
27. Due to the implications of Mid-Cheshire College's poor Ofsted rating, South Cheshire College agreed to shift the funding from Macclesfield to Crewe for the May period.
28. **16/17 academic year** – Funding has been secured for Crewe and Macclesfield Prince's Trust Programme (16-18 only):
 - 16 – 18 Funding guaranteed at £2,700 per learner.

New opportunities for funding

29. **Warrington Collegiate:** Current Ofsted rating: 3 (needs improvement). Warrington Collegiate has agreed to fund the Apprentice Level 2 and Halton PTT Programmes.
30. **Reaseheath College:** Current Ofsted rating: 2 (good). Reaseheath has been approached to discuss contracting the Service to deliver the PTT Programme. Whilst keen to engage in delivery, they are looking at whether they have the capacity within their current delivery to fund this. The contract would look more like a partnership agreement where the staff for Halton would in fact be seconded over to Reaseheath College rather than the typical sub-contract arrangement.
31. **Cheshire West and Chester Council (CW&C):** Meeting has been held with CW&C to explore the possibility of sourcing AEB funding directly from the council. This was a very positive meeting looking at scoping both PTT Programmes as well as potentially securing funding to develop and deliver more bespoke programmes aimed at 19+ individuals with no upper age limit. Funding will not be available until after the portal and tendering process has been successfully completed. This process should be completed by November 2016. This would secure funding for up to 4 years.
32. **Cheshire East Council (CE):** Meeting has been held with CE to explore the possibility of sourcing AEB funding directly from the council. This was a very positive meeting looking at scoping both PTT Programmes as well as potentially funding to develop and deliver more bespoke programmes aimed at 19+ individuals with no upper age limit. Funding will not be available until after the portal and tendering process has been successfully completed. This process should be completed by November 2016. This would secure funding for up to 4 years.
33. **Halton Borough Council:** An email has been sent through requesting a meeting regarding the possibility of funding future delivery. To date, no response has been received. We will continue to explore this option.

34. **Warrington Borough Council:** We are currently exploring who is responsible for this provision within Warrington Borough Council.

Financial implications

35. Due to the increased requirement for 16-18 year olds to be recruited onto teams and the difficulties recruiting within this age group, the recruitment targets may not be met and therefore a loss may be incurred, as reported in the report at Item 2 on the agenda.

Legal implications

36. There are no known legal implications associated with the submission of this paper. Advice will be sought from legal colleagues as to the implications of any future funding and contractual arrangements.

Equality and diversity implications

37. The lack of contract allowance for 19+ provision prevents us being able to recruit these learners and results in us potentially having to turn these individuals away.

Environmental implications

38. There are no known environmental implications associated with the submission of this paper.

BACKGROUND PAPERS: None