

Report to the Cabinet

Meeting to be held on Thursday, 9 June 2022

Report of the Director of the Lancashire Skills and Employment Hub and Director of Education, Culture and Skills

Part I

Electoral Division affected:
(All Divisions);

Corporate Priorities:
Supporting economic growth;

Multiply Funding to Improve Adult Numeracy Skills

(Appendix 'A' refers)

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Brief Summary

This report outlines the opportunity from government to develop and deliver a new skills programme, 'Multiply', aimed at boosting adult numeracy as part of the UK Shared Prosperity Fund, the successor programme to European Structural and Investment Funds.

The report describes the priorities for the Multiply programme and confirms that £5.9m has been allocated to Lancashire County Council for a three-year period from April 2022. The paper outlines the short-term requirement of an Investment Plan, which needs to be submitted to the Department for Education by the end of June 2022, and the ambition to view the programme as part of Lancashire's ambition to secure devolution through a county deal and new governance model, and government's push to devolve funds to local areas to drive 'Levelling Up' across a range of priorities, including skills and employment against local priorities.

A process is outlined in the report to develop the Investment Plan and to enable procurement of provision which will allow delivery to take place from September 2022 to March 2025.

This is deemed to be a Key Decision and the provisions of Standing Order C19 have been complied with.

Recommendation

Cabinet is asked to:

- (i) Authorise the development of the Investment Plan, and authorise the Executive Director of Growth, Environment, Transport and Community Services and the Executive Director of Education and Children Services, in consultation with the Cabinet Member for Economic Development and Growth and the Cabinet Member for Education and Skills to approve the plan.
- (ii) Authorise the Executive Director of Growth, Environment, Transport and Community Services and the Executive Director of Education and Children Services to finalise the programme and award funding to projects, in consultation with the Cabinet Member for Economic Development and Growth and the Cabinet Member for Education and Skills, Director of Corporate Services and Director of Finance. This will enable the commissioning and procurement of numeracy provision, including entering into legal/funding arrangements as required up to the indicative budget limit of £5.9m.

Detail

The European Structural and Investment Fund programme is due to cease delivery in 2023. The government is replacing the programme with the UK Shared Prosperity Fund and the programme will span three financial years, starting from April 2022.

The government has confirmed that the UK Shared Prosperity Fund will be made up of two strands: a general fund to be prioritised locally and the 'Multiply' programme, which will be led by the Department for Education. A funding formula has been used to allocate funds to local areas, with the general fund being devolved to unitary and district level in Lancashire, and the Multiply programme to the three Upper Tier Authorities. This report focuses solely on Multiply.

Funding for Multiply was announced in the Autumn Spending Review, with further information in the Levelling Up White Paper, followed by a prospectus which was published towards the end of April 2022. The programme is targeted at adults aged 19+, who do not have a GCSE at Grade 4 (or equivalent) and aims to help people improve their ability to understand and use maths in daily life, home, and work – from household finances, to helping children with homework, to making more sense of the facts in the media and improving employability/job prospects.

It is intended that Multiply will offer a range of options such as free personal tutoring, digital training and flexible courses that fit around people's lives and are tailored to specific needs, circumstances, sectors and industries. Locally devolved funds will be complemented by a digital on-line learning platform that is being developed by the Department for Education.

The funds allocated to the Upper Tier Authorities in the pan-Lancashire area are shown in the table below:

Upper Tier Local Authority	Total Funding Allocation (£)	Funding Allocation 2022-2023 (£)	Funding Allocation 2023-2024 (£)	Funding Allocation 2024-2025 (£)
Lancashire	5,911,986.99	1,787,344.91	2,062,321.04	2,062,321.04
Blackburn with Darwen	851,021.36	257,285.53	296,867.92	296,867.92
Blackpool	770,711.16	233,005.70	268,852.73	268,852.73

Authorities have the flexibility to determine what provision is needed to deliver high quality, innovative numeracy interventions that meet the needs of local people, as well as the national aims for Multiply against a menu of activities. Further details are provided at Appendix 'A'.

The Authorities are required to develop and submit Investment Plans to the Department for Education by 30 June 2022, to enable delivery to start in September 2022. Investment plans will be reviewed by government and must pay due regard and co-ordinate where possible with wider skills and employment interventions in local areas to avoid duplication. Authorities have been advised to submit their own investment plans although government has confirmed that they would welcome joint interventions between two or more local authorities where there was added value.

Authorities will be permitted to use up to a maximum of 10% of their funding allocation for administrative expenditure, in order to build the necessary capacity for successful delivery of the programme, including development of the investment plan, procurement, contract management, data collection and monitoring and evaluation. In this regard, Authorities may begin to spend at risk from April 2022.

Local areas are expected to measurably improve adult functional numeracy levels, including through increasing the number of adults participating in, and achieving, adult numeracy qualifications up to and including Level 2 (both GCSE Grade C/4 or above, and Functional Skills Qualifications). Improved labour market outcomes are also expected, with fewer numeracy skills gaps reported by employers, and an increase in the proportion of adults progressing into sustained employment and/or education.

The short-term requirement is to develop a Multiply Investment Plan to be approved by government, that is fit for purpose and will boost the numeracy of Lancashire residents as part of a wider investment in employment and skills.

In the medium to longer term, it is important to consider the Multiply programme as part of Lancashire's ambition to secure devolution through a county deal and new governance model, and government's push to devolve funds to local areas to drive 'Levelling Up' across a range of priorities, including skills and employment.

For example, the Lancashire Skills and Employment Hub, which supports the work of the Local Authorities across the pan-Lancashire area and the Lancashire Enterprise Partnership, has secured £1.25m for the coming financial year from the Department for Education for 'Skills Bootcamps'. These bootcamps are intensive 12-16 week training programmes that enable unemployed residents to secure technical jobs at Level 3 and above, with a view to appointing to hard to fill vacancies in areas such as digital services. The funds have been devolved to enable procurement of Skills Bootcamps against local priorities based on local labour market intelligence.

To date due to the lack of a combined authority, such funds have been devolved to the Lancashire Enterprise Partnership, with the programme being driven by the Hub, thereby balancing the economic lens with the inclusive. Capacity is being built to manage the programme – ensuring strategic alignment with local priorities and programme management. Devolved skills and employment programmes targeted at adults will layer – with Multiply to follow, and as the model for Lancashire's governance evolves, funds such as the Adult Education Budget are also likely to be devolved. Building capacity to prioritise and manage large scale skills and employment programmes will allow Lancashire to make best use of these funds to boost the skills, employability and earning potential of local adult residents – in-line with the missions within the Levelling Up white paper, the priorities of the Lancashire Skills and Employment Strategic Framework and Lancashire County Council's Corporate Strategy.

A partnership approach has been adopted for Multiply for the county council across Education, Skills and Culture and the Lancashire Skills and Employment Hub, which currently reports into the Growth, Environment and Transport Directorate, aligning with Strategic Development and Business Growth, to develop a process for producing the Investment Plan and procuring provision. The process mirrors that undertaken for Skills Bootcamps, which involved consultation to build the proposal, followed by procurement of provision. A number of steps are recommended:

- **Consultation:** the Investment Plan guidance asks for creative and innovative approaches to boosting numeracy – and also stipulates that the fund must complement existing provision. Consultation will be undertaken internally within the county council, individually with Lancashire Adult Learning – the largest provider of Adult Education Budget provision in the county council footprint, and with the wider provider network in terms of current offers and ideas for added-value provision. A consultation event is being planned towards the end of May 2022 which will bring providers together, including community based and education partners, such as the colleges, to consult on ideas (making it clear that applications would need to be made via a local procurement process to secure funds).
- **Discussion with unitary authorities:** discussion will be undertaken to explore a joined up approach – in light of the evolving new governance model for Lancashire, and to discuss travel to learn patterns to ensure maximum access for residents within the three Upper Tier Authorities*.
- **Evidence:** local labour market intelligence will be gathered to evidence the need, including collecting information regarding employer needs.
- **Development and submission of the Investment Plan:** the plan will be developed using the ideas generated through the consultation, the review of

existing provision, the evidence base, and via consultation with internal teams including procurement and legal to ensure a robust approach is taken to procuring provision.

- **Building capacity:** there is potential to dovetail into the current recruitment process for Skills Bootcamps for programme management capacity, and to utilise the expertise of the existing European Structural and Investment Funds team within Business Growth. The 10% management and administration fee will be retained in-house within Lancashire County Council, to build capacity and fund the programme management.
- **Procurement:** a procurement process will be initiated as the Investment Plan is submitted, in lieu of approval from government, to enable delivery to commence early in the new academic year and for allocated funds for 2022/23 to be spent.

* It should be noted that in Lancashire County, adult community learning – 'Lancashire Adult Learning' was historically moved to Nelson and Colne College Group, and thus capacity to deliver numeracy programmes is not held in-house within Lancashire County Council. The two unitary authorities have retained small adult community learning teams.

Consultations

No formal consultations have taken place to date. However, conversations have commenced with partners, as well as internally, to seek initial views and interest in this project. Details of a formal consultation event being planned for the end of May 2022 are provided below.

Implications:

This item has the following implications, as indicated:

Risk management

The timescales for developing the Investment Plan are tight, as are the timescales for enabling delivery from September 2022. The recommended process will enable the development of a robust Investment Plan – building a programme which is evidence-based and informed through consultation with local stakeholders. Initiation of a procurement process as the Investment Plan is submitted will maximise the opportunity to commence delivery early in the 2022/23 academic year, thus maximising spend and impact.

The experience of developing the proposal and approach for Skills Bootcamps will inform the approach – including consultation and the procurement processes adopted to secure delivery providers. There is potential to also dovetail into the current recruitment process for project management capacity to support the appointment of staff, alongside funding expertise from capacity within the European Structural Investment Funds team in Business Growth.

Financial

Lancashire County Council will be the accountable body for the Multiply programme in Lancashire. In-line with guidance from procurement, a process will be undertaken to allocate the grant to providers, with back-to-back grant offers or service contracts, in accordance with legal advice, that will mirror the terms and conditions from the Department for Education thereby minimising financial risk to the county council.

List of Background Papers

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A