

‘Valuing Voluntary Action’

Helping voluntary organisations understand changes to employment and skills

Employment and Skills Partnership and South West Forum
Alliance Summary Paper
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European Union
European Social Fund
Investing in jobs and skills



Programme

Employment and Skills Partnership and South West Forum

'Valuing Voluntary Action' Helping voluntary organisations understand changes to employment and skills

Somerset County Cricket Club, Taunton, Thursday 29 September

09:30 Registration and Refreshments

10:00 Welcome

Steve Woollett, South West Forum and Suzy Wright, ESP

The National Perspective

Louise Clatworthy, Skills Funding Agency

The European Union – future directions for skills and employment

Nicolas Brookes, SW UK Brussels Office

Voluntary Sector Developments

Tim Ward, The Learning Curve

Understanding and Influencing Local Enterprise Partnerships – Lessons and good practice from across the South West

Isabel Livingstone, South West Forum

11:05 Tea and Coffee

European Social Fund – making it work

Andrew Green, Cornwall Learning Partnership

Local Authority perspective - A Devon Case Study – responding to the changes

Cllr Christine Channon Tim Tod, Young Devon

12:00 Round table discussion - Helping VCS organisations to engage and deliver – priorities for action

Feedback

Andy Dean, SLIM

13:00 Close and Next Steps

Steve Woollett, South West Forum

All papers and presentations can be found on the **Employment and Skills Partnership** website at: <http://www.swrsb.org.uk>

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Introduction

The Employment and Skills Partnership (ESP) Alliance met on 29 September 2011 to discuss the topic, **'Valuing Voluntary Action' - helping voluntary organisations understand changes to employment and skills**. You can read more about the work of the South West Employment and Skills Partnership (ESP) Alliance in Appendix 1.

The conference was organised in partnership with South West Forum, and marks the end of the Voluntary Value project, funded through ESF Technical Assistance which had run from October 2008 to September 2011. The aim of the project was to promote and develop the voluntary and community sector in delivering the European Social Funding programme to disadvantaged people and communities. A full report on the project can be downloaded from: http://www.southwestforum.org.uk/sites/default/files/sitefiles/docs/voluntary_value_report_2011_web.pdf

The event explored the issues and challenges emerging for the voluntary sector as the employment and skills policy landscape changes. It was supported by a briefing paper available from the ESP and SW Forum websites. The Briefing Paper was produced by the Skills and Learning Intelligence Module (SLIM) of the South West Observatory, based at the Marchmont Observatory, University of Exeter. Its purpose was to outline the changes that are taking place in the employment and skills field and to identify the issues and challenges which the voluntary sector organisations face at present. It drew on the latest literature and conducted a series of interviews with voluntary organisations delivering employment and skills programmes, together with representatives of key agencies. Through a series of case studies, it also explored in detail some of the changes that are taking place and how organisations are responding.

The backdrop to the discussions at the Workshop was, of course, the Government's Big Society agenda, which seeks to shift power from government to local people. It is one where social purpose organisations could justifiably expect to be at the forefront of delivery. Not only do they already play an important role as providers of services; they are also employers, contributing to the economy. Indeed, the contribution that the voluntary sector makes to the economy has been well documented and acknowledged. Yet, to what extent has this new rhetoric become reality in terms of the delivery of services?

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Conclusions from Workshop Discussions

The full *Summary of Workshop Discussions* is included later in the report; however, in this section we reflect upon some of the most commonly-cited challenges and concerns mentioned by delegates.

Procurement was perceived as being too rigid. There is a need to allow greater flexibility of joined-up providers. Communication also needs to improve. Smaller organisations are not receiving the information they need to engage effectively and early. The Skills Funding Agency (SFA) and Department for Work and Pensions (DWP) should provide a lead contact for queries. Procuring bodies need people on the ground who understand who is delivering well. Prime contractors should be required to evidence knowledge of their area and its providers if they are to be allowed to sub-contract. Contracting also needs to be tightened up in terms of how funding is distributed and sub-contracted. SFA and DWP should set or publish standards to encourage informed partnership discussions.

Small providers feel marginalised. Delegates also believed that the high fees mean some contracts do not offer value for money. There needs to be greater openness over who is contracting. The SFA needs to look again at MERLIN and use this as a model for supply chain management. Many of the quality standards that exist are not ideal for voluntary sector bodies, but more needs to be done to attain minimum standards. Contracting needs to be an open process that encourages new entrants. The lack of transparency is an issue and some elements such as exclusivity clauses are not welcomed by delegates.

There was a feeling that sub-contractors were being asked to share far more of the risk than was intended in the original system and that they were being poorly rewarded for their efforts. Primes are being allowed to push the risk down to the sub-contractors instead of bearing this themselves as intended. It would be beneficial if SFA and DWP could build terms for sub-contracting into the contract awarded to the Prime or Lead contractor.

Delays in forwarding funding to sub-contractors need to be resolved, possibly through more creative contracting. Some delegates were curious about where the responsibility lay for transparency, communication and collaboration.

There is need for a consortium to make specialist needs provision more visible. There are two conflicting philosophies: Localism versus Economies of Scale. This chimes with other delegates feeling a contradiction between the ideas of Big Society and the reality of Big (exclusive) Contracts. The lead contractor must be responsible for identifying the needs of the sub-contractors. It should be possible to monitor Primes' and Lead contractors' use of specialists to ensure they are referring people to the best available support.

Many delegates expressed a need for specialist and discretionary funds. Specialist provision itself needs to be more visible.

Delegates also had concerns over 'representation and voice' – who is the recognised and credible voice for the voluntary sector with government and its agencies in this area? This extended to fears about representation via ESF Technical Assistance with the loss of the RDA and pressures and constraints on SFA/DWP and Local Authority spending.

Skills Funding Agency – the National perspective

Presentation by Louise Clatworthy, Skills Funding Agency

The SFA exists to ensure that the Further Education (FE) and Skills Sector is capable of offering adequate provision to meet the demands of learners and employers. It will operate a radically simpler and more market-driven funding system and regulatory system. The Agency will be less interventionist than its predecessor, the Learning and Skills Council, and will operate a simplified system with significant savings in operating costs and reducing bureaucracy.

The new structure has been designed to enable the Chief Executive to continue to discharge statutory responsibilities, and the organisation will seek to minimise costs and maximise effectiveness. The SFA has established local management of relationships with central budgetary control, processes and policy implications.

There is a network of 12 relationship teams across England. They are each:

- Responsible for maintaining relationships with providers and local/regional stakeholders.
- Providing a single relationship for providers through our Single Account Management.
- Gathering intelligence on learning and skills needs and on the performance of the skills system.

The South West area relationship team covers a slimmed down regional geography, with Wiltshire and Swindon now covered by the Thames Valley team and Dorset, by the South Central team. The new South West area team consists of:

- Paul Lucken – Director of Area Relationship Team South West
- Louise Clatworthy - Head of Relationship Team (Somerset)
- Sara Marshall – Head of Relationship Team (West of England)
- Tony Skeel – Head of Relationship Team (Devon and Torbay)
- Jackie Vosper – Head of Relationship Team (Cornwall and Plymouth)

The work of the SFA takes place within the Government's Skills for Sustainable Growth Strategy, crucial elements of which are a single adult budget, new freedoms and flexibilities for providers, a focus upon apprenticeships delivery and further provision for the unemployed.

In terms of contracting, the Approved College and Training Organisation Register (ACTOR) is used to procure all education and training services. All providers must be registered on ACTOR to be considered for funding. This is intended to meet the requirements of EU principles on public procurement. The system has not been without its critics and the process is under review. In particular, in future there will be scope for providers to include more information about their specialist provision. Consideration is being given to requiring the registration of sub-contractors.

From 2011/12, there will be a minimum level for SFA contracts, set at £500,000 (with some exceptions). This level may increase in future years. Voluntary organisations will continue to be eligible to receive public funding directly and indirectly through sub-contracting and consortia arrangements to support delivery across the whole of the skills system.

England's system of informal adult learning is currently under consultation via the document, *New Challenges, New Chances*. This is seeking to maximise its contribution to wider policy objectives, deliver value for money and support individual's progression. The closing date for responses is 21 October 2011.

The European Union – future directions for skills and employment

Presentation by Nicolas Brookes, SW European Partnership

The South West European Partnership (SWEP) is a new social enterprise formed from the South West UK Brussels Office. It is a small team of staff based in Brussels with a Director based in the South West. Staff currently consist of:

- David Fletcher, Director
- Nicolas Brookes, Assistant Director
- Emily Palmer, Senior Partnership Officer
- Maureen Hick, Assistant Partnership Officer
- Monica Rawlinson, Practice Manager

SWEP delivers tailored European services to a range of organisations, including:

- EU funding technical assistance (identifying EU funding opportunities, finding European partners, assistance with bid development, training events)
- Intelligence about EU funding and policy influencing opportunities
- Representation and profiling activities in Europe

The European Commission is currently considering 2014–2020 funding for employment and skills. Recent announcements have included Commission proposals for post-2013 EU budget (July 2011), and further proposals for post-2013 structural funds and for the successor of the Seventh Framework Programme (Horizon 2020) are expected in October 2011 and December 2011 respectively.

Currently, the proposed budget includes a slight increase in budget, along with moves to establish further simplification and flexibility. The Programmes are expected to add added value and linkages to the Europe 2020 strategy. ERDF is expected to decrease and ESF to increase.

In terms of post-2013 Cohesion Policy, there are likely to be some changes. There will be 376 billion Euros for Cohesion Policy for 2014 – 2020 (of which 84 billion Euros is for European Social Fund (ESF)). The current Competitiveness and Employment objective is split into two categories: 'transition regions' and 'more developed regions'. Within the ESF, minimum shares will be established for each category of region. There will also be Common Strategic Frameworks and multi-fund programmes.

Not all aspects of Cohesion Funding will change, however. Regional GDP at NUTS 2 level will still be used to calculate aid intensity and the delivery and implementation will still largely be left to national governments.

Over the next programming period, ERDF investment priorities will be targeted to a limited number of priorities (with additional flexibility for Convergence regions). Energy efficiency and renewable energies will receive at least 20% of funding and there will be renewed emphasis on SME (Small and Medium-sized Enterprises) competitiveness and innovation.

ESF investment priorities will focus upon the following:

- Employment and labour mobility
- Investment in education, skills and lifelong learning
- Promotion of social inclusion and combating poverty
- Enhancing institutional capacity and efficient public administration.

There are other funds that will also focus on employment and skills. *Investing in human capital* has been singled out as a priority for increased funding. The single integrated Programme on education, training and youth will replace the current Lifelong Learning Programme (Comenius, Erasmus, Leonardo, Grundtvig etc.). It will focus on 'developing the skills and mobility of human capital'.

Furthermore, there will be:

- More EU funding for culture and media activities.
- A Migration and Asylum Fund and an Internal Security Fund for the resettlement of refugees, re-admission and regional protection programmes.

The Horizon 2020 Programme (successor to FP7) will have large increases in funding on research and innovation, amounting to 80 billion Euros.

Funding opportunities still exist in the Programme to the end of 2013, notably:

- Daphne III (countering violence against women and children) – calls for proposals to be published in the autumn.
- Youth in Action (young people) – several calls a year.
- Lifelong Learning programme (education and training) – 2011 calls launched, deadlines from December to March.
- PROGRESS (social projects) – calls published throughout the year.
- European Integration Fund/Refugee Fund – early 2012 for UK call.

The official proposal for ESF/ERDF is to be published very soon (5 October) followed by political discussion with Ministers responsible for Regional Policy. Final agreement on post-2013 Structural Fund regulations is not anticipated until mid 2013.

Voluntary Sector Developments

Presentation by Tim Ward, the Learning Curve

The Learning Curve is a Not-for-Profit organisation, focused on workforce and organisational development within the Voluntary and Community sector (VCS).

There have been major changes to the employment and skills landscape since the election of the Coalition Government. The new employment and skills system appears to favour existing providers and the number of VCS organisations delivering ESF has plummeted from over 450 to just a handful.

In particular, the lack of direct VCS major contractors is quite marked. This increased emphasis on the importance of subcontracting and partnership poses questions around the 'power and fairness' of the

system. Greater security is needed for VCS organisations, and standards such as MERLIN need to be considered by the government agencies and departments.

VCS organisations have often shown a desire for open collaboration and it was with this in mind that the Community Learning Employment and Skills Partnership (CLESP) was formed. Consisting of 100 voluntary sector members with a combined turnover of £350million, it has great potential. It was aimed initially at regional ESF bids but now has to focus on capacity building and partnership development (with support from LSIS).

Collaborating for Success

28 October, Bridgwater

‘This conference is a unique opportunity for contracted learning and skills providers including colleges, independent providers and local authorities to meet together with third sector organisations to progress better joint working. The outcomes of the conference will inform the development of guidelines and good practice examples for cross sector collaboration to be published towards the end of the year.’

Enhancing learner progression through effective partnerships with the Third Sector

<http://www.learningcurve.org.uk/news/conference-collaborating-success>

Funding opportunities still exist, through the use of ESF Community Grants. These include up to £12,000 grants for voluntary sector organisations, to work specifically with the disadvantaged and unemployed.

The future is going to require greater cross-sectoral collaboration, such as the TSNLA national shared services project. There are opportunities for the sector to try and influence policy through:

- Informal Adult and Community Learning Consultation.
- Response to the evolving youth unemployment problem and to the recent riots.

It is still not too late for the Coalition Government to recognise the potential contribution of the voluntary sector.

Understanding and Influencing Local Enterprise Partnerships – Lessons and good practice

Isabel Livingstone, South West Forum

A new report examining the potential for VCS organisations to engage with the new Local Enterprise Partnerships (LEPs) was profiled. The research has been carried out by the South West Forum, in partnership with RISE.

A survey carried out to inform the work reveals that: one in four social purpose organisations had not heard of Local Enterprise Partnerships (LEPs) before the survey and only 8% knew ‘a lot’; only two out of 296 respondents felt they were ‘fully involved’. 86% reported they were ‘not involved’. 68% of social purpose network organisations which might expect to be engaged in LEP development were ‘not involved’.

There is a substantial amount of evidence demonstrating the economic contribution of the social purpose sector as a whole and the economic value of social purpose interventions promoting equality and tackling disadvantage and discrimination.

There have been varying degrees of dialogue between social purpose organisations and LEPs in

the South West, with those that were established first leading the way in developing a positive relationship. There is good practice in Cornwall and the Isles of Scilly and West of England LEAs but still concerns about lack of transparency and a pre-occupation with the interests of big business and large scale capital projects.

Copies of the report can be downloaded from: <http://www.southwestforum.org.uk/vital>

The European Social Fund – making it work

Andrew Green, Cornwall Learning Partnership

The Learning Partnership for Cornwall and the Isles of Scilly was formed to encourage collaboration among those involved in post-16 learning.

The Leitch Review of Skills in 2006 set challenging long-term objectives which included the desire to have 95% of adults possessing the basic skills of functional literacy and numeracy by 2020, an increase from levels of 85% literacy and 79% numeracy in 2005. It was against this backdrop that the Learning Partnership for Cornwall and the Isles of Scilly set out to support and deliver adult education. The table below indicates the numbers of successful participants on their courses to date along with titles of the courses themselves and their audience:

PROJECT	TARGET	SfL
Skills for Work	Adult Workforce	5,265
Partnership Works	Adult Unemployed	590
Capacity Building Works	Adult Workforce	508
Key Sectors	Adult Workforce	988
Clusters	Adult Workforce	325
InVolve	Young People	36
	TARGET	7,712

Working in partnership with 21 Delivery Partners – 18 of which were from the VCS - they have assisted 1,500 unemployed adults and economically inactive adults into work, FE or volunteering. Particular targets have included:

- Ethnic minorities
- Learning difficult or disability
- Lone parents
- Ex offenders
- People lacking basic skills.

Analysis of the delivery by differing types of organisation emphasizes the strengths inherent in the VCS which has been particularly successful at engaging with groups such as those with health problems, disabilities and learning problems.

Examples of successful and award-winning programmes include:

1. WILD Young Parents project

WILD is a county-wide facility supported by the Learning and Skills Council (LSC) through the ESF. The project reaches out to Cornish mums under the age of 23 and their children, including pregnant women and mums not living with their children. It is run through groups in Penzance, Hayle, Camborne, Redruth, Truro, Falmouth, St Austell, Newquay, Bodmin, Looe, and Torpoint.

The purpose of the project is to encourage and aid learning, organise a wide variety of academic, sporting and practical activities, improve self-esteem and promote confidence in each individual, both personally and as a parent.

For the awards' evening, young mums, project organisers and special guests gathered at the Keay Theatre at Cornwall College's St Austell site not just to collect certificates but to show off a variety of their new talents and achievements including a buffet of health-conscious snacks, dance and singing performances as well as short presentations about individual group activities, all prepared and delivered by the young mums themselves.

2. Pentreath Ltd

Pentreath is an award-winning mental health charity that strives to encourage improved awareness, health and wellbeing throughout Cornwall and the Isles of Scilly. They aim to promote good mental health through personal development, education and employment. A highly dedicated team of outreach workers delivers our much needed services to people with, or recovering from, mental ill-health.

“Pentreath recognises that supporting people to access facilities within their local community can help them to develop skills, self-confidence and raise their future prospects and aspirations. Our clients are at the very centre of our projects and these are developed to meet their needs. This means we are always providing a fresh and continually changing service.

The people we work with come from all kinds of backgrounds and have access to various programmes including vocational and recreational (leisure-related) activities through us.

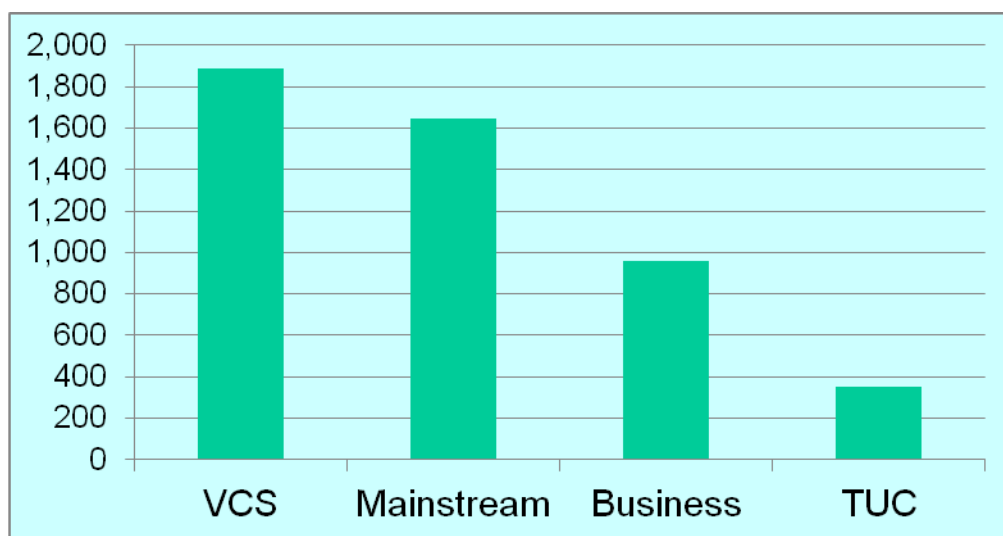
We work in partnership with various organisations including Outlook South West, the NHS, Jobcentre Plus and Connexions. We also work closely with other mental health charities such as Mind and Rethink. We accept self referrals from individuals as well as those from professionals such as GPs, Jobcentre Plus and many other organisations.

Pentreath was founded in 1990 and achieved registered charity status and became a company limited by guarantee in 1991.

The Learning Partnership for Cornwall and the Isles of Scilly has also assisted 5,265 employed adults to achieve basic skills – at the same time supporting 1,056 employers. Targets have included:

- Ethnic minorities
- People with a learning difficulty or disability
- People lacking basic skills
- Those at risk of redundancy.
-

At the start of the programme, they had 17 delivery Partners (six from the VCS); and by the end of the programme, this had grown to 31 delivery Partners (10 from the VCS). The chart below reveals the number of individual starts on Skills for Life courses and emphasizes the crucial role the VCS has played in delivery.



The VCS has also demonstrated added value in its capacity to deliver projects with SMEs– far out-performing the more traditional mainstream providers. It has also supported capacity building activities with employers, delivering, for example, embedded-skills for life and have worked successfully with Cornwall migrant worker communities.

In conclusion, the VCS successfully accesses ‘hard to reach’ learners, has demonstrated a capacity to work in partnership with mainstream providers and for relatively small outlays can ‘unlock doors’ to groups in need of support.

Local Authority perspective - A Devon Case Study – responding to the changes

Cllr Christine Channon, Devon County Council and Tim Tod, Young Devon

Christine Channon is a Devon County Councillor for the Budleigh Ward and is the Chair of the Children’s Trust.

Devon continued actively to seek to work with VCS organisations and highlighted the work of Young Devon as part of the portfolio of activities Devon County Council engages in to support youth programmes and organisations. Services provided for young people and supported by the Council include counseling, advocacy and supported lodgings.

Devon recognised the need to avoid 'silo funding' and instead to try and provide a holistic service for young people. Successes have included reducing re-offending and school-drop out rates.

A new innovation from the Council was the creation of small funding pots for individual Councillors of £15k which they choose to allocate and has proven a useful resource for young people's community activities.

Tim Tod spoke about Young Devon

Young Devon was established in 1949, and exists to "change the odds in favour of young people". It is a charitable organisation which aims to challenge the negative stereotypes about young people, campaigning alongside and for them. The organisation wants to facilitate every young person to grow as an individual valued by themselves, by others and by society.

Last year, Young Devon spent £2,800,000 on delivering a range of services to young people living in Devon. It employs 150 full and part-time workers across 13 sites as well as through outreach work around the county. Alongside paid staff, it also deploys more than 200 well-trained volunteers. Young Devon supports more than 60 voluntary youth groups across the County in delivering a range of provision to children and young people.

Young people can access Young Devon services in Exeter, Exmouth, Newton Abbot, Buckfastleigh, Totnes, Ivybridge, Kingsbridge, Dartmouth, Tavistock, Okehampton, Barnstaple, Ilfracombe and Bideford as well as via outreach workers in the more rurally-isolated communities.

There are three key challenges at the heart of the organisation to enable them to achieve their vision:

- A. To promote and support a quality life experience, enabling children, young people and young adults to become resilient and succeed in their right to enjoy safe, healthy and happy lives.
- B. To secure children, young people and young adults' right to participate and be meaningfully involved in society and to influence decision-makers who have the power to impact on their lives.
- C. To invest in children, young people and young adults, building their life skills, confidence and motivation; and to create opportunities for them to make an active and valued contribution in their communities.

Young Devon is achieving its Vision through seven key service areas, each with multiple approaches and projects:

- Supported Housing
- Information Advice and Rights
- Emotional Health and Wellbeing
- Youth Inclusion and Community
- Participation in Action
- Skills and Enterprise.

The current economic crisis and consequent squeeze on finances has led Young Devon to revisit and embed its core values alongside a new 5-year business plan. It has secured significant Transition fund

investment to assist with income diversification and formed partnerships with others locally, regionally and nationally.

The future is going to pose many challenges; it is anticipated that there will have to be a reduction in the range and levels of provision; greater emphasis on the most vulnerable; a rise in unemployment; less young people going on to Higher Education and a fear that there will be a further loss of hope for a significant number of young people on the margins.

Young Devon is consequently seeing an increased demand for its open-access services (25% increase) and is anticipating bottle-necks occurring for young people ready to progress - but with nowhere to go. It is seeking the chance to work creatively with others, exploring how it can make a difference for young people.

Potential solutions for the challenges to providing employment and skills in the current economic climate include:

- Longer-term more effective engagement – less job search – more exploration of talent, skills & leadership development in young people (taster activities/personal development programmes).
- Brokering support for young people and employers.
- Developing partnerships with employers.
- More financial support to take young people into apprenticeships.
- Tackling the desires around employment.
- More enterprise and leadership development and facilities – such as its new ‘Change Academies’.
- Social investment – more core funding for the right organisations to be available to young people.

In practical terms, it is joining forces with others and building in particular on two strands of inter-related activity:

Youth Inclusion and community

- NCS pilot – they led a south west consortium and have just been successful in expanding the reach and volumes for next year.
- Youth in Focus – led a Devon consortium to create more opportunities for Children in Care as they make their transition to adulthood.
- Youth in Focus – part of a Devon Consortium to create more opportunities for Young Carers as they make their transition to adulthood.
- Improving outcomes DFE project – part of national consortium offering targeted intervention and accredited learning.

Skill and enterprise

- Dream catcher – Partnership project led by DCC offering traineeships for young people with additional needs where the jobs builds on THEIR dreams!
- Two Change Academies, one in North and one in South Devon, providing a range of positive activities including youth cafe, creativity suite, live music and dance, photography, leadership training, all based on the principles of positive activity, community benefit, youth leadership and social enterprise.

- Youth work apprenticeships and traineeships for those ready to go for it!

Summary of Workshop Discussions

The Alliance attendees worked in table groups to address two or more from the following four questions:

- 1) How can commissioning and procurement processes (including those of the Skills Funding Agency) be improved to be more accessible to small and medium-sized voluntary organisations and businesses?
- 2) What help do voluntary organisations need to secure fair and effective subcontracting relationships with Prime providers?
- 3) How can we ensure larger contracts delivered by larger organisations over larger geographical areas still meet the needs of particular groups of people and communities with 'specialist' support needs?
- 4) What are the key messages to take to central government and government agencies on the role and potential of the voluntary sector in skills, employment and learning?

These are tackled under the same headings below.

How can commissioning and procurement processes (including those of Skills Funding Agency) be improved to be more accessible to small and medium sized voluntary organisations and businesses?

Some delegates were very unhappy with the existing frameworks and infrastructure. They believe the SFA ACTOR system is not working as intended. It works directly against the social purpose sector and needs re-thinking if it is not to remain a significant obstacle. Problems include:

- Delays
- Language
- Queries
- Ease of use
- Inhibits innovation
- Too much focus on outputs rather than distance travelled.

Procurement was perceived as being too rigid; there is a need to allow greater flexibility of joined up providers. Communication also needs to improve. Smaller organisations are not receiving the information they need to engage effectively and early. The SFA and DWP should provide a lead contact for queries.

Procuring bodies need people on the ground who understand who is delivering well. Prime contractors should be required to evidence knowledge of their area and its providers if they are to be allowed to subcontract. Contracting also needs to be tightened up in terms of how funding is distributed and subcontracted. SFA and DWP should set or publish standards to encourage informed partnership discussions.

The assessment process needs to improve to ensure providers can actually meet the needs of learners. Too often, voluntary providers have to work without funding with people who have dropped off

mainstream funded courses. There is a need for proper scrutiny of partnership agreements as there were fears that the larger providers were increasingly unaccountable.

Many delegates believe that the large commissioning bodies do not want the hassle of working with smaller bodies that may need greater time and support. But the large contracts come with major risks – notably the danger of some providers ‘creaming-off’ the easy outputs and parking the more difficult ones (or passing these to VCS – presumably with a challenging results-based contract).

Having a single relationship manager within the funding agency is perceived by some as a retrograde step. Unless they maintain a relationship with the small providers, their issues and voice will not be heard - unless the Prime contractor has this relationship management role as part of their requirements. VCS need to be involved at the commissioning stage to ensure openness and transparency.

Consortia are seen by many delegates as a potential way forward but they are not supported by ACTOR. It should be possible to use intermediaries for procurement to allow contracts to be bundled into smaller packages.

Local Authorities need to be pro-active and to engage positively with smaller groups so they better understand what they do. They also need to have a better understanding of what funds are available. It would be useful if they were to identify a specific contact to facilitate information about contracts. They need to develop a culture of trust and openness.

Further points raised by delegates are:

- Some delegates would welcome a return to open, competitive tendering.
- VCS needs to be more open about what they do and who they are.
- There needs to be a redefinition of outcomes and a shift away from £-centred to people-centred.
- CLESP was a good idea but in reality it has not been successful as originally envisaged.
- Smaller pots of funding would be welcomed by delegates.
- There is a need to protect face-to-face services which are more expensive – but effective. There is also a need to monitor rural access.

What help do voluntary organisations need to secure fair and effective subcontracting relationships with Prime providers?

There was criticism of some of the Primes and Lead organisations. In particular, some management fees are excessive (up to 40%). Small providers feel marginalised. Delegates believed that the high fees mean some contracts do not offer value for money. There needs to be greater openness over who is contracting. The SFA needs to look again at MERLIN and use this as a model for supply chain management. Many of the quality standards that exist are not ideal for voluntary sector bodies, but more needs to be done to attain minimum standards.

Contracting needs to be an open process that encourages new entrants. The lack of transparency is an issue and some elements such as exclusivity clauses are not welcomed by delegates.

There was a feeling that sub-contractors were being asked to share far more of the risk than intended in the original system and that they were being poorly rewarded for their efforts. Primes are being allowed to push the risk down to the sub-contractors instead of bearing this themselves, as intended. It would be beneficial if SFA and DWP could build terms for subcontracting into the contract awarded to the Prime or Lead contractor.

Delays in forwarding funding to subcontractors needs to be resolved, possibly through more creative contracting. Some delegates were curious about where the responsibility lay for transparency, communication and collaboration.

There should be more scrutiny from the procurement process to include organisations mentioned in the bid. There should also be penalties for when these organisations are dropped subsequently, not contracting. Prime contractors should be required to engage with a wide and diverse range of specialist subcontractors to ensure they reach the required target groups. There also needs to be better contract planning – such as what recording measures will be needed from subcontractors. There should also be better contract setting and more realistic time scales.

Lead agencies should run bidding workshops and facilitate information sharing and giving a chance to meet the commissioning body. They should also help people to build consortia to collaborate on bidding – though this may not even be allowed under current procurement rules. Voluntary organisations need to work together to share their value. On the same note – there should be more localised consortia and forums to help buyers and larger organisations. It should be possible for consortia to have equal liabilities.

Information is key to understanding and there needs to be greater transparency to translate national information into relevance for local areas. VCS need to know how to promote what they do quickly and to communicate better.

Some innovative solutions were suggested including:

- Using programmes such as ‘Procuring Plymouth’ (currently aimed at SMEs). Is it possible to do the same for VCS and social enterprises?
- South West Forum could usefully have an online portal where VCOs could promote what they do.
- Training and support in negotiating skills and bid writing would be useful.
- There needs to be more support for third sector bodies in negotiating skills.
- Using the Jobcentre Plus as a model for engagement between Primes/ESBs/LEPs/potential sub-contractors.
- Developing a way to measure and monitor social value as part of the process.
- Learning Curve is excellent and good practice.
- There is a need to consider shifting contract requirements towards softer, more person-centred outcomes.

There needs to be greater clarity about:

- How subcontractors get redress with contractors?
- VCS representation on SFA and DWP.
- Giving feedback to bidders.

How can we ensure larger contracts delivered by larger organisations over larger geographical areas still meet the needs of particular groups of people and communities with “specialist” support needs?

There should be greater recognition that the support of the third sector is crucial if the programme is to succeed but currently innovation is being stifled by large contracts and bureaucracy.

There is need for a consortium to make specialist needs provision more visible. There are two conflicting philosophies: Localism versus Economies of Scale. This chimes with other delegates feeling a contradiction between the ideas of Big Society and the reality of Big (exclusive) Contracts. The lead

contractor must be responsible for identifying the needs of the subcontractors. It should be possible to monitor Primes' and Lead contractors' use of specialists to ensure they are referring people to the best available support.

Many delegates expressed a need for specialist and discretionary funds. Specialist provision itself needs to be more visible.

There were questions from delegates about where the accountability from government is – is it national or is it the current version of 'regional'.

Contractors and deliverers should include users of the services in the design of the contracts and should ensure evaluation feeds back into guidance for future provision. It should be possible to ring-fence achievement rates and targets to 'cushion' working with the voluntary sector where aims and objectives may differ. Primes are felt to be too interested in outputs rather than individual people.

Delegates feel a way forward is for social purpose organisations to form consortia. These should reflect the differing sizes of groups and focus on outcomes. An alternative was to use larger organisations to help form partnerships – perhaps offering places on training courses they run.

Other useful and innovative comments made by delegates were:

- On-the-ground project workers do not tend to engage with events such as today's (sic) workshop. Therefore they miss out on information, funding and networking.
- Reinstate an innovation fund to allow risk and experimentation – perhaps a local initiative fund.
- Teaching VCS how to demonstrate and evidence outcome and impact would be beneficial. SW Forum could help with this.
- Small providers should be more pro-active about promoting themselves and demonstrating impact and value for investment.

What are the key messages to take to central government and government agencies on the role and potential of the voluntary sector in skills, employment and learning?

Crucial here is the idea, expressed by many, that you cannot impose a purely commercial model on social purpose organisations. They have differing priorities and aims.

A number of delegates were concerned about the difficulty of accessing future Technical Assistance support for the sector/region because previous sources of matched funding from within the region are no longer available, given the closure of SWRDA and much reduced flexibility for using SFA funds and severe spending pressures on local authorities.

Government is felt to be too removed from delivery. They need to get out into the field and experience/witness delivery. They also need to be clear about who they want to deliver activity and should avoid contradictory messages. Red tape is getting in the way of voluntary organisations being successful with bids. Examples include:

- Minimum contract values.
- Minimum levels of performance.
- Payment by results (and similar risk factors).

Transferring management costs from the public sector to large private sector organisations, by, for example, using minimum contract values is a fallacy. Management time is still needed and using subcontractors simply reduces the funds available for delivery.

Delegates had concerns over representation and voice – who is the recognised and credible voice for the voluntary sector with government and its agencies in this area? The Voluntary Sector is best placed to meet needs of hard-to-reach groups and it is they who require most support but how do they get this message across?

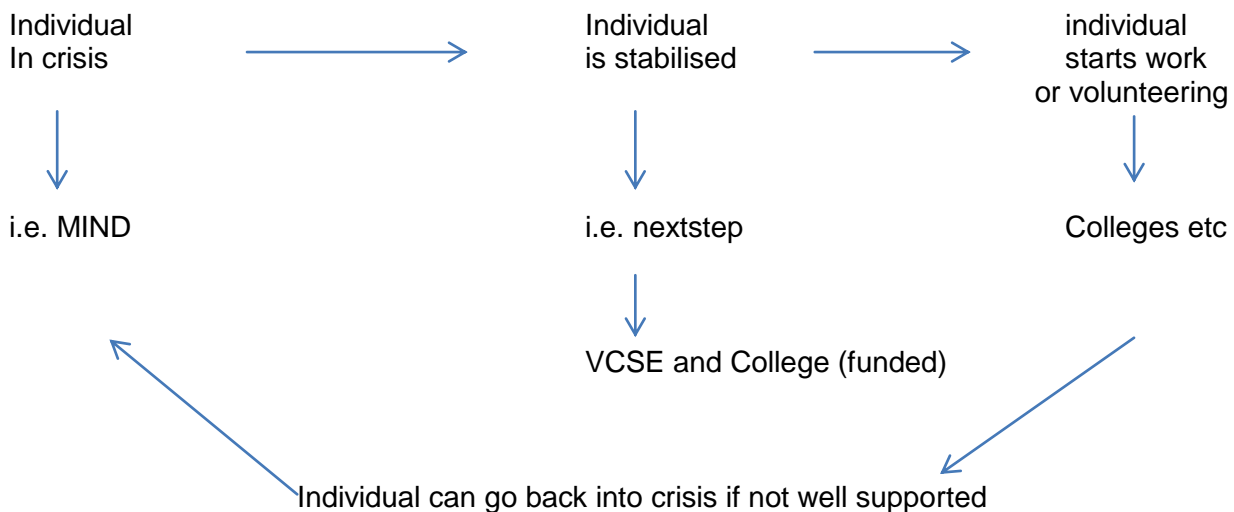
Additional recommendations and thoughts were:

- Emphasise quality in VCS and recognise they are genuine learning providers. Some could benefit from being more commercially focused.
- Confidence needs to be built from a local level.
- Voluntary bodies represent added value as they are more likely to interact with SMEs.
- It would be worth looking at how successful support and delivery is managed and sourced in other countries. Future transnational ESF could look at this area.
- We really need long-term continuity of provision for the beneficiaries, many of whom keep getting picked up and dropped.

In terms of funding, in addition to the problems cited above with subcontracting:

- ESF funding is now too time-constrained and there is no guarantee of future funding levels.
- Use funding for employers to engage more in work experience programmes.

There needs to be more funding for getting people ready for training/mainstream-funded support. Diagrammatically this is:



Finally... with all the provision in the world... you still need jobs for people to go into.

Further Reading

Valuing Voluntary Action in the new learning and skills landscape

<http://www.swslim.org.uk/themes/alliance.asp>

Get Britain Working document

<http://www.dwp.gov.uk/policy/welfare-reform/get-britain-working/>

Spending Review: NCVO Analysis, NCVO, November 2010

http://www.ncvo-vol.org.uk/sites/default/files/SR_10_Policy_Analysis_0.pdf

HM Government (2010a) Local Growth: Realising Every Places Potential. CM7961, London: HMSO

https://online.businesslink.gov.uk/Horizontal_Services_files/local_growth_white_paper.pdf

Neighbourhood Learning in Deprived Communities (NLDC)

<http://www.networkforeurope.eu/neighbourhood-learning-deprived-communities-2010-2011>

Information on the structure and role of the SFA:

http://readingroom.skillsfundingagency.bis.gov.uk/sfa/the_new_skills_funding_agency_remit_structure_operation_and_personnel_paper_web_copy_11july11.pdf

Open Public Services White Paper, July 2011

<http://www.cabinetoffice.gov.uk/sites/default/files/resources/open-public-services-white-paper.pdf>

NCVO Policy Analysis: Open Public Services White Paper, July 2011 The Guardian, 11 July 2011

http://www.ncvo-vol.org.uk/sites/default/files/NCVO_Policy_Analysis_OPSWP_for_web_final1.pdf

The Vital Link, The role of social purpose organisations in Local Enterprise Partnerships, SW Forum and rise (September 2011)

<http://www.southwestforum.org.uk/>

Skills for Sustainable Growth, BIS, November 2010

<http://www.bis.gov.uk/skillsforgrowth>

One Step Forward, Two Steps Back? Skills Policy in England under the Coalition Government, SKOPE Research Paper No. 102 July 2011, Jonathon Payne and Ewart Keep, pg 11

<http://www.cardiff.ac.uk/socsi/research/researchcentres/skope/publications/researchpapers/RP102.pdf>

Work Programme website

<http://www.dwp.gov.uk/supplying-dwp/what-we-buy/welfare-to-work-services/work-programme/>

Work Programme Prospectus

<http://www.dwp.gov.uk/docs/work-prog-prospectus-v2.pdf>

Work Programme Subcontractors and Partners

<http://www.dwp.gov.uk/docs/wp-supply-chain-cpa.xls>

Universal Credit: welfare that works, DWP, November 2010

<http://www.dwp.gov.uk/docs/universal-credit-full-document.pdf>

SLIM report on the Work Programme

<http://www.swslim.org.uk/Downloads/SL2661.pdf>

Appendix 1. The Employment and Skills Partnership Alliance

The ESP Alliance brings together more than 30 organisations to be responsible for:

Communicating the needs of the region's employers and learning community in order to refine priorities and to develop joint actions.

The ESP is 'owned' by the business and learning community with a common goal - matching individual skills to the employer needs in South West England.

Alliance meetings are organised and managed by the ESP which focuses on ensuring that employers and businesses in the region have access to the skills they need to prosper and that individuals can get the training required to enable them to fulfil their career potential and ambitions within the region.

Alliance meetings are single-subject events where partners consider, analyse and debate key skills issues on that subject. The Alliance includes a wide range of partners who represent business, trainers, public funders and individual learners.

This paper is not intended as a 'minute', nor as a precise record of the Alliance meeting. Instead, it sets out the issues discussed and, in brief, the context from which these emerged. In so doing, this paper draws on both the presentations and contributions made at the meeting and the wider policy literature.

Appendix 2. Delegate List

Name	Organisation
Adam Slater	BTCV
Adrian Bailey	Employment and Skills Partnership
Alan Tait	The Alternative Education Company Ltd
Alex Picot	Groundwork SW
Alison Lewis	City College Plymouth
Andrew Lightfoot	Devon County Council
Andrew Dean	SLIM, Marchmont Observatory
Andrew Green	Learning Partnership for Cornwall & IoS Ltd
Belinda Payne	BDP Employment and Skills Board
Beverley Crocker	Age UK Devon
Brian Farmer	Events4All
Brian McNally	Hartcliffe & Witherwood Ventures
Bryan Mitchell	Careers South West
Catherine Beedell	ViSTA
Cherida Warner	Homes and Communities Agency
Cheryl Westbury	Tribal
Chris Hounsell	Chris Hounsell Associates Ltd
Christine Channon	SW Councils
Claire Mould	Five Valleys Foyer
Colette Bennett	Equality South West
Dan Gale	Somerset Film
Danny Sloman	Careers South West Ltd
Dawn Dines	SOS Global
Debbie Pomeroy-Finch	Prospects Services Ltd
Debra Horide	South West Forum

Dr. Deborah Watson	Universities South West
Eleanor Hayne	Dorset County Council
Emma Cordeaux	Somerset Film
Fiona Horrell	City College Plymouth
Greg Davies	Community Council of Devon
Helen Scadding	Citizens Advice
Ian Munro	Association Of Colleges
Isabel Livingstone	South West Forum
Jack Skuse	Ambios / Sharpham trust
Jackie Longworth	Equality South West
Jane Smallcombe	South West Forum
Jo Grant	Jo Grant Consulting Limited
John Allen	Connect South West Ltd
Karen Deverell	Mendip YMCA
Kate Cotton	Consultant
Kerry Taylor	Mind in Taunton & West Somerset
Leonie Girling	Volunteer Centre - South Somerset
Lesley Roddick-Harris	Action for Blind People
Linda Okuniewska	Acacia Training & Development Ltd
Louise Clatworthy	Skills Funding Agency
Louise Jones	Shaw Trust
Lynda Davis	Consultant
Marisa McClelland	The Learning Curve
Mark Baker	Open College Network South West Region
Mark Yeoman	Convergence Partnership Office
Mary-Ellen Harris	Somerset Advocacy

Meriel Lee	The Open University
Natalie Wainwright	Somerset County Council
Nicholas Holmes	Devon County Council
Nick Bailey	Cornwall Neighbourhoods for Change
Nick Bonnie	Prince's Trust
Nick Edwards	Energy and Utility Skills
Nicolas Brookes	SW UK Brussels Office
Oliver Green	Shaw Trust
Pat Mundy	Hartcliffe & Withywood Ventures
Paula Sudbury	St Loye's Enterprises
Pete Ashton	Federations of Small Businesses
Peter Carr	UK Online Centres
Peter Oakley	Open College Network South West Region
Philip Sharratt	Kjelgaard (UK) Limited
Richard Road	Dorset County Council
Richard Usher	Community Matters
Rob Garrett	TUC Unionlearn
Rosalita Mainwaring	Skills for Care
Ruth Hedger	Dorset County Council
Sam Best	South Somerset Association for Voluntary & Community Action Ltd (SSVCA)
Sara Clay	Glastonbury Community Development Trust
Sarah Kay-Hawker	TP Community Access Programme
Sarah Smith	Somerset College
Sarah-Jane Dale	Skills for Care
Simon Flenley	Prospects
Stephanie Johnson	Torrige Training Services Ltd
Stephen Woollett	South West Forum
Sue Attewell	WEP
Sue Edwards	Learning South West

Susan Shield	Dorset County Council
Suzy Wright	Employment and Skills Partnership
Tim Tod	Young Devon
Tim Ward	The Learning Curve
Tony Skeel	Skills Funding Agency
Trish Hill	Employment and Skills Partnership
Vickie Bishop	Open College Network South West Region
Vicky Ellaway-Bell	Exeter University
Yvette Naylor	Jobcentre Plus

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<http://swresb.org.uk>