

Performance and Resources Committee Meeting

Date of Meeting	Wednesday 26 September 2018
Paper Title	Flexible Workforce Development Fund – Progress Report
Agenda Item	8 (a)
Paper Number	PRC1-D
Responsible Officer	Jim Godfrey, Finance and Resources Director
Recommended Status	Disclosable
Action	For Noting

1. Report Purpose

- 1.1. The purpose of this report is to provide an update in respect of the Flexible Workforce Development Fund.

2. Recommendations

- 2.1. The Committee is invited to **note** that the value of contracted training for 2017-18 is almost £1.1m and equates to 56% of the maximum funds available.

3. Report

- 3.1. The Colleges and GCRB are working closely to monitor progress and have responded positively to the Fund requirements. The Committee has considered reports on the Flexible Workforce Fund at its previous meetings.
- 3.2. In accordance with the monitoring arrangements set out in the SFC guidance, GCRB has submitted returns to SFC on behalf of the region. Returns are submitted every two weeks which show the number of training contracts agreed with levy paying employers. The latest return identifies that a total of 100 employers have agreed a training contract and the region will deliver training to over 5,000 employees. A summary of the final return for 2017-18 is provided below:

Flexible Workforce Fund	City of Glasgow College	Glasgow Clyde College	Glasgow Kelvin College	Total
Initial Allocation	£894,240	£631,775	£393,260	£1,919,275
Contracted Training at 30 June 2018	£488,165	£405,327	£174,641	£1,068,133
Balance not required	£406,075	£226,448	£218,619	£851,142
Percentage	45%	36%	56%	44%

- 3.3. Grants have been paid to the colleges in accordance with the value of training undertaken. The following amounts have been paid so far:

Flexible Workforce Fund	City of Glasgow College	Glasgow Clyde College	Glasgow Kelvin College	Total
Contracted training at 30 June 2018	£488,165	£405,327	£174,641	£1,068,133
Value of training undertaken at 31 August 2018	£260,000	£247,983	£38,435	£546,418
Percentage of training delivered at 31 August 2018	53%	61%	22%	51%

4. Evaluation of Flexible Workforce Development Fund 2017-18

- 4.1.** As set out in the SFC Indicative Outcome Agreement Funding announcement SFC/AN/06/2018 there will be a continuation of the Flexible Workforce Development Fund in AY 2018-19. An independent evaluation of the pilot year has been completed and this has informed the operation and guidance of the fund for 2018-19.
- 4.2.** A copy of the full evaluation report is available via the following link:
<https://www.gov.scot/Publications/2018/07/7849/downloads#res-1>
- 4.3.** A summary of the recommendations from the report is provided as an Annex to this report.

5. Flexible Workforce Development Fund 2018-19

- 5.1.** On 31 July 2018, SFC published the guidance on the operation of the Fund for 2018-19.
- 5.2.** Full details of the announcement are available via the following link:
<http://www.sfc.ac.uk/publications-statistics/guidance/guidance-2018/SFCGD162018.aspx>
- 5.3.** The key points to note in respect of the arrangements for 2018-19 are:
 - The amounts allocated to each college region are the same as for 2017-18.
 - In year two of the Fund, Levy-paying employers can relinquish some of their FWDF to smaller employers within their supply chain or invite supply chain staff to attend FWDF training.
 - The volume of monitoring information to be provided to SFC/Scottish Government has increased.
 - The maximum amount of funding that can be claimed by each employer has increased from £10,000 to £15,000.

6. Publicity

6.1. In August 2018, GCRB issued a magazine promoting the contribution of the Glasgow region in delivering the Flexible Workforce programme. The magazine has been widely circulated and positive feedback received.

6.2. A link to the magazine is available via the following link:
<http://www.gcrb.ac.uk/content/people-productivity-and-flexible-workforce-development-fund>

7. Risk Analysis

7.1. The arrangements set out in this report, and those previously considered by the Board, are designed to minimise the risks. In particular, these actions are intended to minimise the risk that “Effective working relationships are not developed/maintained with key partners”.

7.2. The perceived risks, identified within the pilot year, are being reduced as a result of the proactive approach of the Glasgow Region in delivering the Fund.

8. Equalities Implications

8.1. There are no equalities implications as a direct result of this report.

9. Legal Implications

9.1. No legal implications are identified.

10. Resource Implications

10.1. The financial implications of the Flexible Workforce Fund are outlined in the report.

10.2. The requirement to actively promote the Fund and submit regular monitoring information to SFC has a resource implication for the colleges and GCRB. This is a significant additional administrative burden.

11. Strategic Plan Implications

11.1. The curriculum delivery, supported by these funds, will provide significant support to the achievement of ambitions set out in the Glasgow Region Strategic Plan. Delivery supported by the Flexible Workforce Fund makes a significant contribution to meeting the aim of meeting Glasgow’s ambitions working with employers to deliver a range and depth of training opportunities.

Evaluation of the First Year of the Flexible Workforce Development Fund

Recommendations

Overall, the Fund is welcomed and valued by all stakeholders, and is providing benefit to colleges, employers and employees. Many of the recommendations outlined below are process related, and based on learning from the first year of the Fund.

At this stage and based on the above conclusions, we would not recommend any major or wholesale changes, but instead an incremental approach which can show that we have listened and made some adjustments. However, it will still require a few years to understand how well the Fund works before any macro changes should be considered or progressed.

We have therefore highlighted some short term improvements to the Fund together with some longer term issues for further consideration, once the FWDF has run for a few years.

Short Term Improvements for Consideration

- **continue to adopt a flexible approach to budget allocation**
 - the inbuilt flexibility of the Fund to reallocate additional budgets to those colleges/regions with evidence of unmet demand should continue;
- **college allocation**
 - consideration should be given to allowing employers to choose which college they engage with in the delivery of training – this could be a college in their region, a college outwith their (main) region, and/or more than one college
 - review ways to reduce competition within regional networks to ensure that it is the most appropriate college who delivers the training;
- **training needs analysis**
 - while some colleges/employers are completing this step not all appear to be (albeit this might be being undertaken relatively
- **improve marketing and awareness**
 - consideration should be given to a national marketing programme Evaluation of the First Year of the Flexible Workforce Development Fund
 - at a minimum, marketing materials and communications issued by the college network need to convey consistent and common messages to avoid any unnecessary confusion or misinterpretation among employers;

- **data monitoring and reporting**
 - in order to provide meaningful and robust information about the performance of the Fund, there are some steps which could be taken to improve both the consistency and quality of data provided, and this should be undertaken in partnership between the SFC and college representatives:
 - guidance should be reviewed to ensure that it is clear what is being asked for – more detail is perhaps required in places, and some worked up examples could be provided
 - there is a role for the SFC to review the forms when they are submitted, and to go back to colleges regarding any points of clarification and/or to plug any gaps
 - there might be value in hosting a session on monitoring with key college personnel to ensure that there is a clear and shared understanding of how the form should be completed, and what data would be useful to record
 - consideration could be given to developing a “drop-down” list of options under each indicator based on experience from Year 1. This would aid consistency (and ease) of input;

- **output and outcome indicators**
 - there would also be merit in expanding the indicators used for monitoring purposes to capture the following data:
 - business sector
 - size of business
 - existing relationship with college or new employer contact
 - existing training course and/or new/bespoke training course
 - cost of training should be broken down by FWDF award
 - number of employees completing the training
 - number/type of qualification/certification gained
 - private leverage; and

- **aiding evaluation**
 - in light of the challenges encountered with the Employers Survey, consideration could be given to amending the application form - and that a condition of the award is that employer contact details might be passed to a third party organisation for the purposes of evaluation only. The same could hold true for employees.

Long Term Recommendations for Consideration

- **level of grant**
 - consideration should be given to increasing the scale of funding available per employer. For example, this could range from £10,000 to £25,000 and could be scaled on the amount of levy paid by employers;
- **widen delivery of training**
 - consideration of allowing employers to access non-college and commercial training providers to deliver training if they are more appropriate; and
- **future evaluations**
 - any future evaluation work should include an economic impact assessment, and include a greater emphasis on securing feedback from employees and from eligible (levy paying) employers who have chosen not to access the Fund (albeit there are challenges in doing this in the absence of a levy-paying employer contact list).

We would recommend that these should be reviewed as part of an interim impact evaluation which should be undertaken towards the end of Year 3.