

## Performance & Resources Committee Meeting

Date of Meeting	Wednesday 15 March 2023
Paper Title	FWDF Progress Report 2021-22 & 2022-23
Agenda Item	12
Paper Number	PRC3-G
Responsible Officer	Jim Godfrey, Finance and Resources Director
Status	Disclosable
Action	For Decision

### 1. Executive Summary

- 1.1. This report provides an update in respect of the Flexible Workforce Development Fund (FWDF).

### 2. Recommendations

- 2.1. The Committee is recommended to:

- **Note** that the full reconciliation of FWDF (to 31 July 2022) has been agreed with the Scottish Funding Council (SFC).
- **Note** that the underspend, and clawback, of regional funding (for the period ending 31 July 2022) is £99,256.
- **Note** that the total resources from earlier periods, held by GCRB at 28 February 2023, amount to £305,856.
- **Approve** that the historical resources from earlier periods are made available to the colleges for FWDF activity in 2022-23.
- **Approve** the re-distribution of resources to City of Glasgow College (£193,616) and Glasgow Kelvin College (£112,240) for 2022-23.
- **Note** that (subject to approval of the previous recommendation) the total resources available for 2022-23 will be £1,881,938. This represents 67.3% of the total value of training in 2021-22<sup>1</sup>
- **Note** that the Glasgow colleges will provide progress reports, on FWDF 2022-23, by 31 March 2023.

<sup>1</sup> At 28 February 2023.

### 3. Background

- 3.1. The region has actively promoted the flexible workforce development fund since it was introduced in September 2017. The level of activity was impacted by the Covid-19 pandemic but has subsequently increased. Funding of £860k was unused as a result of the pandemic and has been returned to the Scottish Funding Council<sup>2</sup>. In accordance with the SFC's monitoring arrangements, the latest reporting returns were submitted at 31 January 2023.

Flexible Workforce Fund	Revised allocation £'m	Training delivered £'m	(Over)/Under-utilisation £'m	% of funds used
2017-18	£1.92	£1.07	£0.85	56%
2018-19	£1.92	£1.89	£0.03	98%
2019-20	£1.79	£1.73	£0.06	97%
2020-21	£2.37	£2.32	£0.05	98%
2021-22	£2.81	£2.59	£0.22	92%
2022-23 <sup>3</sup>	£1.58	£0.00	£1.58	N/A

- 3.2. The funding allocation for 2022-23 is significantly reduced compared to previous years. The allocation to the Glasgow colleges was agreed by the Board of GCRB in January 2023.
- 3.3. The detailed analysis, for each tranche of funding, is set out in Annexes A to G of this report.

### 4. Report

#### 4.1. 2021-22 reconciliation

- 4.1.1. The reconciliation of all flexible workforce funds (to 31 July 2022) is now complete. This has involved a significant amount of work to gather all the evidence in support of the claims. As a result, the total underspend, and therefore amount clawed back by the Scottish Funding Council, is set out in the table below<sup>4</sup>:

College	Prior Year £'000	2021-22 Phase 1 £'000	2021-22 Phase 2 £'000	Total £'000
City of Glasgow College	£0	(£11)	£0	(£11)
Glasgow Clyde College	(£75)	£220	£11	£156
Glasgow Kelvin College	£0	(£46)	£0	(£46)
<b>Total</b>	<b>(£75)</b>	<b>£163</b>	<b>£11</b>	<b>£99</b>

<sup>2</sup> The amounts were £127k (2019-20), £634k (2020-21) and £99k (2021-22)

<sup>3</sup> This is the initial allocation provided by the Scottish Funding Council in January 2023. The additional allocation (proposed in this paper) has not been included in advance of the committee's deliberations.

<sup>4</sup> Within this table positive numbers represent underused funds to be clawed back. Negative numbers represent activity above the original target, which can be offset against the underused funds.

4.1.2. The Committee is recommended to:

- **Note** that the full reconciliation of flexible workforce funds (to 31 July 2022) has been agreed with the Scottish Funding Council.
- **Note** that the underspend, and clawback, of regional funding (for the period ending 31 July 2022) is £99,256.

4.1.3. The amounts, that remain available to be claimed by each college, are set out in the table below. These funds are currently held by GCRB and can be paid when a college provides evidence that a course, that was contracted in earlier periods, has been delivered.

College	2021-22 Phase 1 <sup>5</sup> £'000	2021-22 Phase 2 <sup>6</sup> £'000	Total £'000
	£'000	£'000	£'000
City of Glasgow College	£71	£22	£93
Glasgow Clyde College	£95	£16	£111
Glasgow Kelvin College	£4	£0	£4
<b>Total</b>	<b>£170</b>	<b>£38</b>	<b>£208</b>

## 4.2. Additional (Glasgow region) allocation

4.2.1. Funds totalling £305,856 remain unused for years before 31 July 2021. These funds were originally allocated but could not be used. For example, a course may have been planned but was then subsequently cancelled at the request of an employer.

4.2.2. The Committee is recommended to:

- **Note** that the total resources from earlier periods, held by GCRB at 28 February 2023, amount to £305,856.

4.2.3. There is the potential to redistribute these resources between the Glasgow colleges. This would enable more activity to be delivered to employers in 2022-23 and offset the reduction in funding provided by the Scottish Funding Council. It is also prudent to utilise these resources in the near future to mitigate any risk that the flexible workforce fund could materially change. The potential release of these historic resources is supported by college colleagues.

4.2.4. The Committee is recommended to:

- **Approve** that the historical resources from earlier periods are re-distributed to the colleges for FWDF activity in 2022-23.

4.2.5. The initial allocations for 2022-23 were agreed by GCRB at the meeting of the Board on 30 January 2023. The basis of the initial allocation was the relative volume of credit activity i.e. the same basis that has been used previously.

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<sup>5</sup> Phase 1 funds are available to employers who pay the Apprenticeship Levy

<sup>6</sup> Phase 2 funds are available to employers who are small and medium-sized enterprises (SMEs)

4.2.6. With the updated reconciliation for 2021-22 we have agreed the final out-turn figures. It is apparent that Glasgow Clyde College faced challenges meeting its target in 2021-22<sup>7</sup>. Using the historical allocation basis results in Glasgow Clyde College receiving a higher level of funding (as a percentage of actual activity delivery in 2021-22) compared to the other two colleges. Or alternatively, City of Glasgow College and Glasgow Kelvin College are likely to have more employers whose training needs cannot be delivered in 2022-23.

4.2.7. It is therefore proposed, subject to agreement of the committee, to release these and to Glasgow Kelvin College and City of Glasgow College.

4.2.8. The Committee is recommended to:

- **Approve** the re-distribution of additional resources to City of Glasgow College (£193,616) and Glasgow Kelvin College (£112,240) for 2022-23.

4.2.9. Approval of this allocation would mean that the total funds allocated, to both colleges for 2022-23, would equate to 66.6% of the expected delivery in 2021-22. The figure for Glasgow Clyde College would still be slightly higher using the same basis (at 69.5%).

4.2.10. The Committee is recommended to:

- **Note** that (subject to approval of the previous recommendations) the total funds available for 2022-23 will be £1,881,938. This represents 67.3% of the total value of training in 2021-22.

### 4.3. Flexible Workforce Development 2022-23

4.3.1. The Glasgow colleges are progressing activity in the current financial year. Monitoring returns are due to be submitted at the end of March, May, July and September 2023. These returns will be submitted to GCRB in the first instance before being consolidated and submitted to the Scottish Funding Council. The information supplied also provides evidence to support the payments from GCRB to the three colleges.

4.3.2. The Committee is invited to:

- **Note** that the Glasgow colleges will provide progress reports, on FWDF 2022-23, by 31 March 2023.

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<sup>7</sup> Note the figure of £220,000 in the table in section 4.1.1.

## **5. Risk and Compliance Analysis**

**5.1.** The arrangements set out in this report, and those previously considered by the Committee, are designed to minimise risks. In particular, these actions are intended to minimise the risk that “Effective working relationships are not developed/maintained with key external stakeholders” (Risk 002). However, there is a further risk, in 2022-23, that funds the funds available are insufficient to meet employer demand.

**5.2.** There are no legal, or compliance, implications identified in this report.

## **6. Financial and Resource Analysis**

**6.1.** The financial implications of the Flexible Workforce Development Fund are outlined in the report.

## **7. Equalities Implications**

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

## **8. Learner Implications**

**8.1.** The curriculum delivery, supported by these funds, provides support to the achievement of ambitions set out in the Glasgow Region Strategic Plan. Delivery, supported by the Flexible Workforce Development 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.

**2019-20 Allocation**

The fund is now closed. Therefore, no further monitoring information is required and no further payments can be made.

<b>Flexible Workforce Fund 2019-20</b>	<b>City of Glasgow College £'000</b>	<b>Glasgow Clyde College £'000</b>	<b>Glasgow Kelvin College £'000</b>	<b>Total £'000</b>
<b>Revised allocation</b>	£889	£499	£404	<b>£1,792</b>
<b>Value of training delivered/started at 31 January 2023</b>	£836	£494	£404	<b>£1,734</b>
<b>Percentage of revised allocation delivered</b>	94%	99%	100%	<b>97%</b>
<b>Funding paid at 17 February 2023</b>	£836	£494	£404	<b>£1,734</b>

**FWDF Allocation 2020-21 – Phase 1**

The fund is now closed. Therefore, no further monitoring information is required and the final payment was made in March 2023.

<b>Flexible Workforce Fund 2020-21 – Phase 1</b>	<b>City of Glasgow College £'000</b>	<b>Glasgow Clyde College £'000</b>	<b>Glasgow Kelvin College £'000</b>	<b>Total £'000</b>
<b>Revised allocation</b>	£1,186	£362	£407	<b>£1,955</b>
<b>Value of training delivered/started at 31 January 2023</b>	£1,122	£364	£407	<b>£1,893</b>
<b>Percentage of revised allocation delivered</b>	95%	101%	100%	<b>97%</b>
<b>Funding paid at 17 February 2023</b>	£1,122	£362	£407	<b>£1,891</b>
<b>Funding paid 15 March 2023</b>	£0	£2	£0	<b>£2</b>

**FWDF Allocation 2020-21 – Phase 2**

The fund is now closed. Therefore, no further monitoring information is required and no further payments will be made.

<b>Flexible Workforce Fund 2020-21 – Phase 2</b>	<b>City of Glasgow College £'000</b>	<b>Glasgow Clyde College £'000</b>	<b>Glasgow Kelvin College £'000</b>	<b>Total £'000</b>
<b>Allocation</b>	£193	£137	£85	<b>£415</b>
<b>Value of training delivered/started at 31 January 2023</b>	£205	£134	£85	<b>£424</b>
<b>Percentage of activity delivered</b>	106%	98%	100%	<b>102%</b>
<b>Funding paid at 17 February 2023</b>	£205	£134	£85	<b>£424</b>



**FWDF Allocation 2021-22 – Phase 1**

The fund is now closed and fully reconciled. The reconciliation process is complete and payments totalling £323,000 were made in March 2023. Further funding, up to £170,000, remains available to be claimed.

<b>Flexible Workforce Fund 2021-22 – Phase 1</b>	<b>City of Glasgow College £'000</b>	<b>Glasgow Clyde College £'000</b>	<b>Glasgow Kelvin College £'000</b>	<b>Total £'000</b>
<b>Revised allocation</b>	£1,149	£583	£546	<b>£2,278</b>
<b>Value of training delivered/started at 31 January 2023</b>	£1,078	£488	£542	<b>£2,108</b>
<b>Percentage of revised allocation delivered</b>	94%	84%	99%	<b>93%</b>
<b>Balance remaining</b>	£71	£95	£4	<b>£170</b>
<b>Value of training contractually agreed but not started at 31 January 2023</b>	£71	£0	£0	<b>£71</b>
<b>Funding paid at 17 February 2023</b>	£932	£353	£500	<b>£1,785</b>
<b>Funding paid 15 March 2023</b>	£146	£135	£42	<b>£323</b>
<b>Potential funding available to be claimed</b>	£71	£95	£4	<b>£170</b>

**FWDF Allocation 2021-22 – Phase 2**

The fund is now closed and fully reconciled. The reconciliation process is complete and payments totalling £323,000 were made in March 2023. Further funding, up to £170,000, remains available to be claimed.

<b>Flexible Workforce Fund 2021-22 – Phase 2</b>	<b>City of Glasgow College £'000</b>	<b>Glasgow Clyde College £'000</b>	<b>Glasgow Kelvin College £'000</b>	<b>Total £'000</b>
<b>Revised Allocation</b>	£245	£164	£108	<b>£528</b>
<b>Value of training delivered/started at 31 January 2023</b>	£223	£148	£108	<b>£479</b>
<b>Percentage of activity delivered</b>	91%	85%	100%	<b>91%</b>
<b>Balance remaining</b>	£22	£16	£0	<b>£38</b>
<b>Value of training contractually agreed but not started at 31 January 2023</b>	£22	£0	£0	<b>£22</b>
<b>Funding paid at 17 February 2023</b>	£189	£141	£106	<b>£436</b>
<b>Funding paid 15 March 2023</b>	£34	£7	£2	<b>£43</b>
<b>Potential funding available to be claimed</b>	£22	£16	£0	<b>£38</b>

**FWDF Allocation 2022-23 – Phase 1<sup>8</sup>**

The allocations were made by SFC, and GCRB, in January 2023. Work is underway to deliver this activity.

<b>Flexible Workforce Fund 2022-23 – Phase 1</b>	<b>City of Glasgow College £'000</b>	<b>Glasgow Clyde College £'000</b>	<b>Glasgow Kelvin College £'000</b>	<b>Total £'000</b>
<b>Allocation</b>	£587	£415	£258	<b>£1,260</b>
<b>Funding paid at 17 February 2023</b>	£0	£0	£0	<b>£0</b>
<b>Funding paid 15 March 2023</b>	£0	£0	£0	<b>£0</b>

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<sup>8</sup> This table does not include the additional allocation proposed in this report.

**FWDF Allocation 2022-23 – Phase 2<sup>9</sup>**

The allocations were made by SFC, and GCRB, in January 2023. Work is underway to deliver this activity.

<b>Flexible Workforce Fund 2022-23 – Phase 2</b>	<b>City of Glasgow College £'000</b>	<b>Glasgow Clyde College £'000</b>	<b>Glasgow Kelvin College £'000</b>	<b>Total £'000</b>
<b>Allocation</b>	£147	£104	£65	<b>£316</b>
<b>Funding paid at 17 February 2023</b>	£0	£0	£0	<b>£0</b>
<b>Funding paid 15 March 2023</b>	£0	£0	£0	<b>£0</b>

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<sup>9</sup> This table does not include the additional allocation proposed in this report.