

Performance and Resources Committee Meeting

Date of Meeting	Monday 1 June 2020
Paper Title	Flexible Workforce Development Fund – 2019-20
Agenda Item	8
Paper Number	PRC5-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:

- £1,854,000 of Flexible Workforce Activity has been contracted/agreed and delivery planned at March 2020.
- The value of training delivered/started at the end of April was £383,000.
- A further £796,000 of Flexible Workforce Activity was contracted in 2018-19 and delivered in 2019-20.

3. Report

- 3.1. The Colleges and GCRB have actively promoted the Flexible Workforce Fund since it was introduced in September 2017. As can be seen from the table below, levels of activity increased significantly since the fund commenced.

Flexible Workforce Fund	Funds Available £'m	Funds Used/Contracted £'m	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	£1.92	£1.85 ¹	£0.07	96%

¹ This was the value of training contracted/agreed at March 2020.

- 3.2. Further expansion of the programme took place in the period August 2019 to March 2020. However, Flexible Workforce Activity was significantly curtailed in March 2020 and a limited amount of training will be delivered in the remainder of this financial year. The majority of contracted activity for 2019-20 has been cancelled.
- 3.3. In accordance with the monitoring arrangements set out in the SFC guidance, GCRB has submitted returns on behalf of the region at the end of September, November 2019 and January 2020.
- 3.4. The Colleges also provided an update report to GCRB in May and this is summarised below:

Flexible Workforce Fund 2019-20	City of Glasgow College £'000	Glasgow Clyde College £'000	Glasgow Kelvin College £'000	Total £'000
Initial allocation	£894	£632	£393	£1,919
Value of training delivered/started at 31 May 2020	£170	£129	£84	£383
Balance remaining	£724	£503	£309	£1,536
Percentage of activity remaining	81%	80%	79%	80%

- 3.5. The balance remaining was previously contracted/committed by mid-March. However, due to the Covid-19 pandemic, the majority of employers cancelled courses. Further courses were cancelled as a result of the closure of colleges from mid-March. A small number of courses are being delivered remotely during the remainder of the financial year.
- 3.6. The reduction in FWDF activity, as a direct result of Covid-19, is expected to be £1.5m. Colleges Scotland have approached the Scottish Funding Council and requested that the funding (for courses that have been cancelled) is released to colleges. However, there remains a risk that funding will only be provided for courses delivered/started.
- 3.7. The following table shows the amounts drawdown by each college (at 31 May 2020):

Flexible Workforce Fund 2019-20	City of Glasgow College £'000	Glasgow Clyde College £'000	Glasgow Kelvin College £'000	Total £'000
Cash Drawdown	£224	£101	£371	£696
Percentage of funds claimed	25%	16%	94%	36%

- 3.8. It is important to note that the amount of funding drawn by City of Glasgow College and Glasgow Clyde College is similar to the value of training delivered/started. The amount of funding drawn by Glasgow Kelvin College is similar to the total allocation for the year (and £287,000 higher than the value of actual training delivered/started). If SFC, and Scottish Government, determine that funding will only be provided for courses delivered/started then Glasgow Kelvin College will be required to repay funding. At present, this funding is helping to support the cash position of the college.

- 3.9.** If SFC, and Scottish Government, determine that colleges will be funded for all contracted activity then Glasgow Clyde College and City of Glasgow College will be able to claim significant additional funding.

4. Risk Analysis

- 4.1.** 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 (002) that “Effective working relationships are not developed/maintained with key partners”.
- 4.2.** The potential loss of income (perhaps as much as £1.5m) will have a significant impact on the financial sustainability of the colleges in the Glasgow region. This increases the risk (008) that “Financial sustainability is jeopardised by a reduction in funding and/or an increase in costs).

5. Equalities Implications

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

6. Legal Implications

- 6.1.** No legal implications are identified.

7. Resource Implications

- 7.1.** The financial implications of the Flexible Workforce Fund are outlined in the report.
- 7.2.** 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.

8. Strategic Plan Implications

- 8.1.** 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.