

WMCA Board

Date	15 March 2024
Report title	Commissioning and Procurement of Skills Provision
Portfolio Lead	Skills & Productivity - Councillor George Duggins
Accountable Chief Executive	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
Accountable Employee	Clare Hatton, Interim Executive Director of Employment, Skills, Health & Communities email: clare.hatton@wmca.org.uk
Report has been considered by	LA Employment & Skills Officers WMCA Executive

Recommendation(s) for action or decision:

WMCA Boards is recommended to:

- (1) Agree the proposed commissioning and procurement approach for skills programmes to support ongoing delivery of adult education and skills training in meeting local and regional priorities:
 - (i) Grant awards to Further Education Colleges, Universities and Local Authorities.
 - (ii) Procurement through competitive tendering using the WMCA Dynamic purchasing System.
 - (iii) In consultation with Local Authorities, direct grant award of up to £100k to community and voluntary organisations to tackle specific resident or geographical needs where the market has failed to address.
- (2) Delegate authority to carry out commissioning of skills funding, including any procurement activity as required, to the Executive Director of Employment, Skills, Health and Communities, in consultation with the WMCA Section 151 Monitoring Officer, and in discussion with the Portfolio Lead.

1. Purpose

- 1.1 Following the approval of the [WMCA Employment & Skills Strategy](#) by the WMCA Board in February 2024, we are now seeking delegated authority to receive funds and to undertake commissioning and procurement of skills funding, in line with this Strategy.

2. Background

- 2.1 In the context of the deeper devolution deal for the WMCA area, and our preparations for a single settlement, we have reviewed and refreshed our current Adult Education Budget Strategy to create a wider Employment and Skills Strategy that sets out our priorities for the next 3 years. The Strategy will also inform the development of a functional strategy for the adult skills pillar of the single settlement, though it seeks to have a broader and deeper focus given the importance of employment support and careers to our work across all local authority areas.
- 2.2 Our ambition, as set out in the Strategy, is to develop a more integrated employment and skills ecosystem for the region through which we can stimulate economic growth, deliver better outcomes for residents and businesses, and create healthier thriving communities. For adult skills we will have a single coherent funding structure where the Adult Education Budget, Free Courses for Jobs and Bootcamps will form the basis initially. We hope and will endeavour to expand this to encompass an integrated employment and skills funding stream. And having a better integrated employment and skills ecosystem will also make it easier to align this investment with other services, such as business support and health etc, further improving outcomes in local areas.
- 2.3 These ambitions clearly align with and support delivery of the WMCAs Inclusive Growth Framework including Inclusive Economy, Health and Wellbeing and Education and Learning. Sector specific programmes will support our regional aspirations around climate resilience and localised offers will deliver against our Connected Communities and reduced employment inequalities.
- 2.4 For the financial year 2024/25, we currently receive in the region of £170m per year of funding from central government for employment and skills, including £134.1m of devolved Adult Education Budget plus delegated budgets for Free Courses for Jobs of £9.4m p.a. and Skills Bootcamps funding of £26.7m.
- 2.5 As approved by WMCA Board in June 2022, the majority of our skills funding is allocated to further education (FE) colleges and Local Authorities that deliver adult and community learning, through a plan-led grant funded approach, with the remaining funds allocated through competitive procurement. As set out in our Employment and Skills Strategy, we are now looking to engage universities in the co-design and delivery of adult training by extending grant agreements to universities who have a presence in the region, in line with the conditions we already provide to our colleges and Local Authorities.
- 2.6 This is broken down for 2024/25 as follows:

Grant payments to Further Education, Local Authorities, VCS	£124,415,000
Procurement with Independent Training Providers (DPS)	£29,350,400
Grant payments to Higher Education	£2,655,300
Total:	£156,420,700*

* £13.5m remaining to enable regional responses to emerging challenges and priorities.

3. Proposed approach to commissioning and procurement

- 3.1 Our provider strategy and approach to commissioning and procurement of funds is set out in our Employment and Skills Strategy. This includes a commitment to developing a single coherent funding structure for adult skills, a move to accountability agreements and 3-year funding allocations, setting out our overall expectations, and what our grant providers will deliver in return for their funding allocation.
- 3.2 Our commissioning strategy includes the commitment to continue to enter into Grant Agreements with Further Education Colleges and Local Authorities which was originally agreed at WMCA Board in 2019 prior to the commencement of devolved funding.
- 3.3 Our Dynamic Purchasing System (DPS) went live in November 2022 and now has around 250 registered providers who can access our competitions. In 2024, we have committed to introducing enhancements to our DPS to enable us to work more effectively with registered providers and strengthen our understanding of their capacity and capability. Providers will be able to contribute to the future design of our offers and bid more effectively through regular engagement events.
- 3.4 To support bidding, we will publish outline specifications alongside our outcomes framework covering the themes of community and innovation; good education up to level 2; into employment and career progression; and meeting future skills needs through reskilling and upskilling. We will also publish our procurement cycle broken down by quarter, enabling bidders to plan and contribute to design. Our procurement will continue to have a strong focus on people and place.
- 3.5 As noted in 3.4 an outcomes framework has been developed aligned to our Employment and Skills Strategy, this framework enables the directorate to fully monitor the delivery and performance of providers against clear outputs and outcomes and more importantly the impact these programmes are having on our region's residents. . Delivery plans are developed and agreed in collaboration with our colleges and LA's and reviewed monthly.
- 3.6 The Board is asked to agree to the approach outlined and to delegate authority to carry out commissioning and procurement for the period 2024-2027, and further activity during the contract term as may be required, to the Executive Director of Employment, Skills, Health and Communities, in consultation with the Section 151 Monitoring Officers, and the Portfolio Lead.

4. Financial Implications

- 4.1 The funding to be delegated is the Adult Education Budget, Free Courses for Jobs and the Skills Bootcamps with combined budgets of £170.2m for the financial year 2024/25 as outlined below and referred to in the Financial Monitoring report as new grant award.

Funding Stream	Budget £m
Adult Education Budget	£134.1
Free Courses for Jobs	£9.4
Skills Bootcamps	£26.7
Total	£170.2

4.2 The onward awarding of funding to delivery partners will follow the WMCA governance routes and ensure value for money.

5. Legal Implications

5.1 The function of adult education provision was conferred on the WMCA by the West Midlands Combined Authority (Adult Education Functions) Order 2018.

5.2 WMCA has a statutory duty in respect of adult education and are the accountable body responsible and accountable for funding monies allocated to them for adult education related training in the WMCA region. As such the funding streams impose terms and conditions on WMCA that have to be met and complied with. Failure to do so could result in the funding becoming repayable in whole or in part to the funding stream. Where funding is used as a grant scheme a full subsidy analysis should have been undertaken.

5.3 The approval sought is a Key Decision which has been included on the Forward Plan.

5.4 The proposed form of agreements will be developed by Legal Services in consultation with the client department on a case-by-case basis. This is to ensure that consideration is given to the grant recipients and prospective providers capacity to deliver the outcomes of the employment and skills programme to the satisfaction of the WMCA and the standards prescribed by the DfE and any funding conditions. Whilst Legal Services note the specific reference to accountability agreements, the terms and structure of such agreements will be explored further.

5.5 In respect of procurement activity through competitive tendering using the WMCA Dynamic Purchasing System, contract awards must comply with the Public Contracts Regulations 2015.

6. Equalities Implications

6.1 This paper sets out our commissioning approach to delivery activity set out in our Employment & Skills Strategy. The Strategy agreed by Board in February 2025 recognises that challenges and opportunities vary considerably by place and for different groups of people. It seeks to help tackle these challenges and to deliver for both people and place. As set out, we will work closely with our Local Authority partners to ensure that this delivery activity commissioned supports the delivery of local place-based plans. We will closely monitor the offer to and impact on each place and on the different communities that we serve as part of our performance monitoring activity.

7. Inclusive Growth Implications

7.1 The ambition outlined in our Employment and Skills Strategy align closely with, and support, our inclusive growth framework, in which education and learning and inclusive economy are key fundamentals. Through the approach set out in this paper we will ensure that our investment supports a wide range of metrics within the framework including clear outcomes, impacts and benefits to evidence this.

8. Geographical Area of Report's Implications

8.1 Full WMCA region

9. Other Implications

9.1 None