

## Performance & Resources Committee Meeting

Date of Meeting	Wednesday 9 June 2021
Paper Title	Flexible Workforce Development Fund
Agenda Item	9
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:

- A total of £1,981,000 of Flexible Workforce activity (from the 2019-20 allocation) was contracted/agreed at 24 May 2021.
- Of the 2019-20 allocation, training totalling £1,428,000 had been delivered/commenced at 24 May 2021, leaving £491,000 of activity still to be delivered in the remainder of 2020-21.
- A further £2,878,000 of Flexible Workforce funding has been allocated to the Glasgow college region for 2020-21. Of this, training to the value of £484,000 had been delivered at 24 May 2021, leaving £2,394,000 of activity still to be delivered in the remainder of 2020-21.
- The potential value of FWDF activity to commence between 24 May 2021 and 31 August 2021 is therefore £2,885,000.

### 3. 2019-20 Allocation

- 3.1. The colleges and GCRB have actively promoted the Flexible Workforce Fund since it was introduced in September 2017 with levels of activity increasing up to March 2020.

Flexible Workforce Fund	Funds Available £'m	Funds Used/Contracted £'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	£1.92	£1.98	(£0.06)	103%

- 3.2. Flexible Workforce Activity was significantly curtailed in March 2020 with a limited amount of training delivered in the remainder of the academic year. The majority of contracted activity (for 2019-20) had to be cancelled or postponed. There is £555,000 of training activity that had been agreed in 2019-20 but is still awaiting delivery at 24 May 2021.
- 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, October & November 2020 and January, March & May 2021.
- 3.4. The Colleges provided update reports to GCRB in May 2021 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 24 May 2021	£695	£402	£331	£1,428
Balance remaining	£199	£230	£62	£491
Percentage of activity remaining	22%	36%	16%	26%
Value of training contractually agreed but not started at 24 May 2021	£207	£24	£5	£236
Value of training agreed in principal (not contracted) and not started at 24 May 2021	£0	£214	£105	£319

3.5. The following table shows the amounts drawdown by each college (at 24 May 2021):

<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>Cash Drawdown</b>	£652	£335	£371	<b>£1,358</b>
<b>Percentage of total allocation claimed</b>	73%	53%	94%	<b>71%</b>

3.6. At 24 May 2021, the Glasgow colleges had delivered 74% of the FWDF activity from 2019-20 and claimed 71% of the funding available.

#### 4. FWDF Allocation 2020-21 – Phase 1

4.1. On 21 October 2020, the Scottish Funding Council provided the programme guidance on the Flexible Workforce Development fund for colleges in 2020-21. The total amount allocated (phase 1) is £2.46m. This represents an increase of £0.54m compared to the previous year. The initial allocation to each college was previously approved by this Committee.

4.2. The Colleges provided an update report to GCRB at 24 May 2021 and this is summarised below:

<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>Initial allocation</b>	£1,147	£811	£505	<b>£2,463</b>
<b>Value of training delivered/started at 24 May 2021</b>	£177	£79	£132	<b>£388</b>
<b>Balance remaining</b>	£970	£732	£373	<b>£2,075</b>
<b>Percentage of activity remaining</b>	85%	90%	74%	<b>84%</b>
<b>Value of training contractually agreed but not started at 24 May 2021</b>	£690	£22	£83	<b>£795</b>
<b>Value of training agreed in principal (not contracted) and not started at 24 May 2021</b>	£0	£117	£279	<b>£396</b>

4.3. It is important to note that all training (within the FWDF Phase 1 allocation for 2020-21) must be contractually agreed by 31 July 2021 and must commence by 31 August 2021.

4.4. The Glasgow colleges can therefore commence the delivery of a further £2.566m<sup>1</sup> (of Phase 1 activity) between 25 May 2021 and 31 August 2021. The breakdown by college is: City of Glasgow College - £1.169m, Glasgow Clyde College - £0.962m and Glasgow Kelvin College £0.435m.

<sup>1</sup> £2.075m from 2020-21 and £0.491m from 2019-20.

- 4.5. To put the scale of the activity into context, the average FWDF activity delivered by the Glasgow region is historically less than £1.3m per annum.

## 5. FWDF Allocation 2020-21 – Phase 2

- 5.1. On 16 November 2020, the Minister for Business, Fair Work and Skills announced that a further “£5m will be distributed by the Scottish Funding Council to support SMEs through a college and Open University partnership”. The allocation provided to the Glasgow college region is £415,302. The initial allocation to each college was previously approved by this Committee.
- 5.2. The Colleges provided an update report to GCRB at 24 May 2021 and this is summarised below:

<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>Initial allocation</b>	£193	£137	£85	<b>£415</b>
<b>Value of training delivered/started at 24 May 2021</b>	£13	£46	£37	<b>£96</b>
<b>Balance remaining</b>	£180	£91	£48	<b>£319</b>
<b>Percentage of activity remaining</b>	93%	66%	56%	<b>77%</b>
<b>Value of training contractually agreed but not started at 24 May 2021</b>	£129	£42	£5	<b>£176</b>
<b>Value of training agreed in principal (not contracted) and not started at 24 May 2021</b>	£0	£83	£32	<b>£115</b>

- 5.3. It is important to note that all training (within the FWDF Phase 2 allocation for 2020-21) must be contractually agreed by 31 July 2021 and commence by 31 August 2021. As shown in the table above, £96,000 of activity has been delivered by 24 May 2021, with a further £176,000 contractually agreed and a total of £319,000 to be delivered.

## 6. Risk Analysis

- 6.1. The backlog of training (from 2019-20) is £491,000 and will require the commitment of significant college resources in the remainder of the academic year 2020-21. It will be extremely challenging for colleges to deliver the backlog of training and also the additional allocation of funding for 2020-21 (£2.874m).
- 6.2. 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).

**6.3.** There is a risk that colleges may not be able to deliver the volume of training (and therefore drawdown funding) given the current operating limitations. As such, there is an increased risk that “Financial sustainability is jeopardised by a reduction in income and/or an increase in costs”. (Risk 006).

**7. Equalities Implications**

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

**8. Legal Implications**

**8.1.** No legal implications are identified.

**9. Resource Implications**

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

**10. Strategic Plan Implications**

**10.1.** 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.