

Development Committee

Date of Meeting	October 2017
Paper No.	DC1-E
Agenda Item	8
Subject of Paper	Flexible Workforce Development Fund update (FWDF)
FOISA Status	Disclosable
Primary Contact	Roy Gardner/Carla Gethin
Date of production	24/10/2017
Action	To discuss

1. Recommendations

- To note and discuss the Flexible Workforce Development Fund and activity to date.

2. Purpose of report

The purpose of this report is to provide the Board of Management with an update of the Scottish Governments FWDF programme.

3. Context

The Flexible Workforce Development Fund was launched earlier this year (announced at the end of 2016) following on from the announcement of the Apprenticeship Levy by the UK Government. This announcement detailed a £10M fund exclusively for the College Sector and has been notionally allocated per region and per college based on credit level activity.

Glasgow Region has been allocated: £1.9M

COGC: £885,260

Clyde: £625,430

Kelvin: £389,310

In summary the college sector has had to respond to guidance issued at short notice by the Scottish Funding Council. Further information is attached in Appendix 2 (GCRB grant offer letter) and the presentation will detail our activity to date.

Below are some of the key points for the FWDF:

- Fund to provide levy paying employers with workforce development training to up-skill and re-skill their existing workforce.
- Fund available to all levy payers in Scotland, including private, public and third sector
- Employers can make one application only 2017/18
- Application window from 11/9/17 – to 15/12/17
- If application after 15/12/17 – employer retained on waiting list
- Funded activity to take place from 11th September 2017 and no later than the end of June 2018
- Funding issued on a first come first served basis
- Each levy payer will be able to access up to a maximum total of £10,000 in 2017/18
- FWDF can be used as part contribution towards training at a higher cost
- College and Employer should ensure an employer's identified training need (s) reflect the fund criteria and priorities.
- Fund **will not** support provision of qualifications/training required by legislation
- Fund is in addition to apprenticeship support (all employers can access) + ITAs (individual's access)

Employers:

- Employers operating on a Scotland-wide basis or across more than one college region may submit only one application to the fund at a college of their choice
- Employers are required to submit evidence of their eligibility to pay the levy to accompany their application for funds (Employer Payment Summary, HMRC)
- Employers can appeal to SFC if application not successful.

Allocation of Funding:

- SFC will pay FWDF to GCRB quarterly, starting in October 2017 and then in January, April and July 2018
- Funds will be allocated to meet actual expenditure
- College will need to record actual/planned expenditure and provide this information to GCRB
- Upon receipt of these funds GCRB will review the information received and transfer funds to the college.
- If a College is unable to fully utilise the funds notionally allocated within the required timeframe, a process for redistribution within the region will be agreed

4. Impact and implications

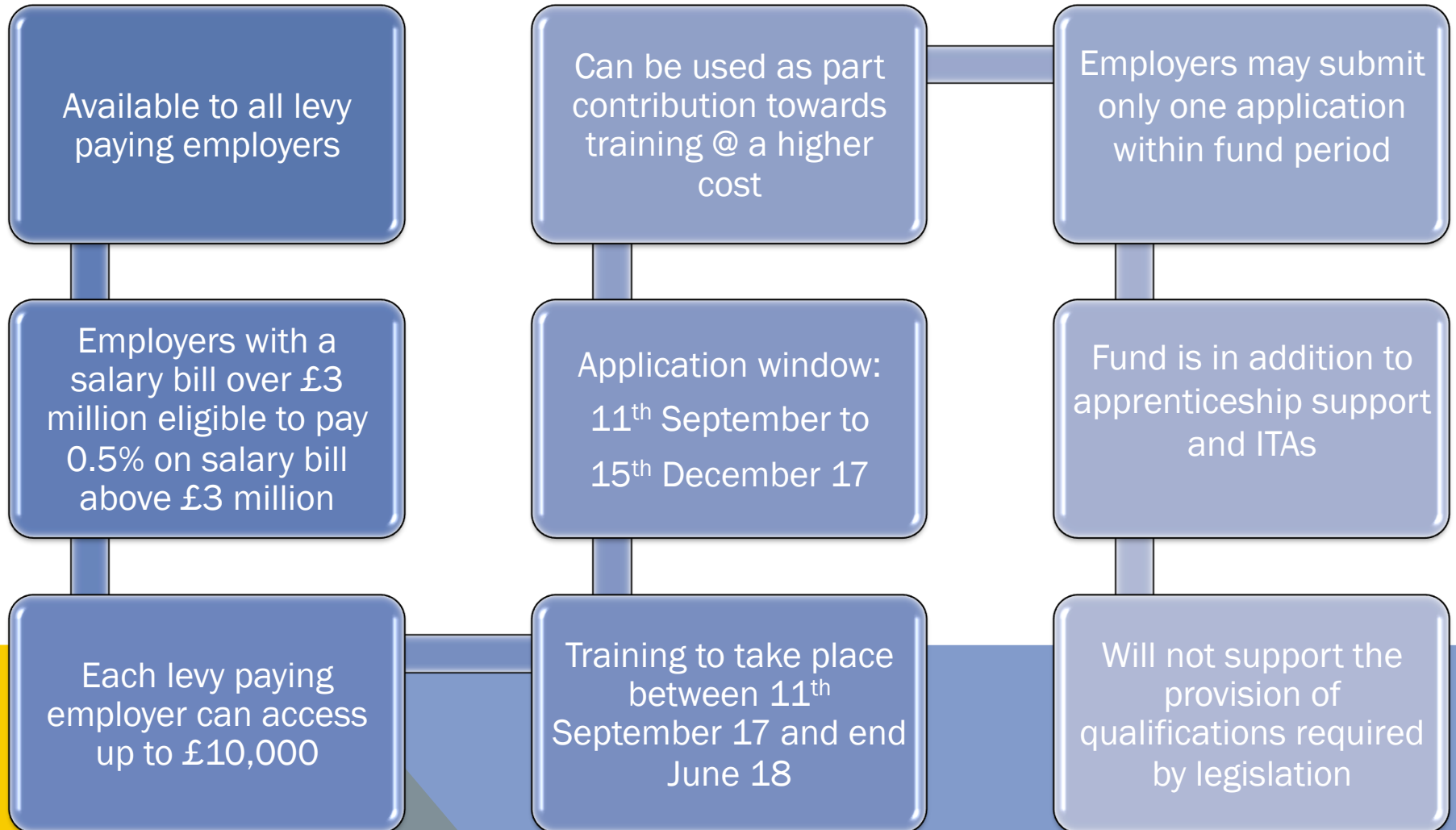
In principle, the FWDF is welcomed, however with the short timescales presented to the sector most colleges have struggled to undertake a coordinated and national approach to promoting the fund. Also, there has been little to no promotional activity from the SFC therefore colleges have taken this on through their own marketing activity since the announcement on the 07th of September.

It should also be noted that monies can be transferred across colleges depending on demand from industry. City has the largest allocation and has embarked up a range of activity to get employer engagement and buy in.

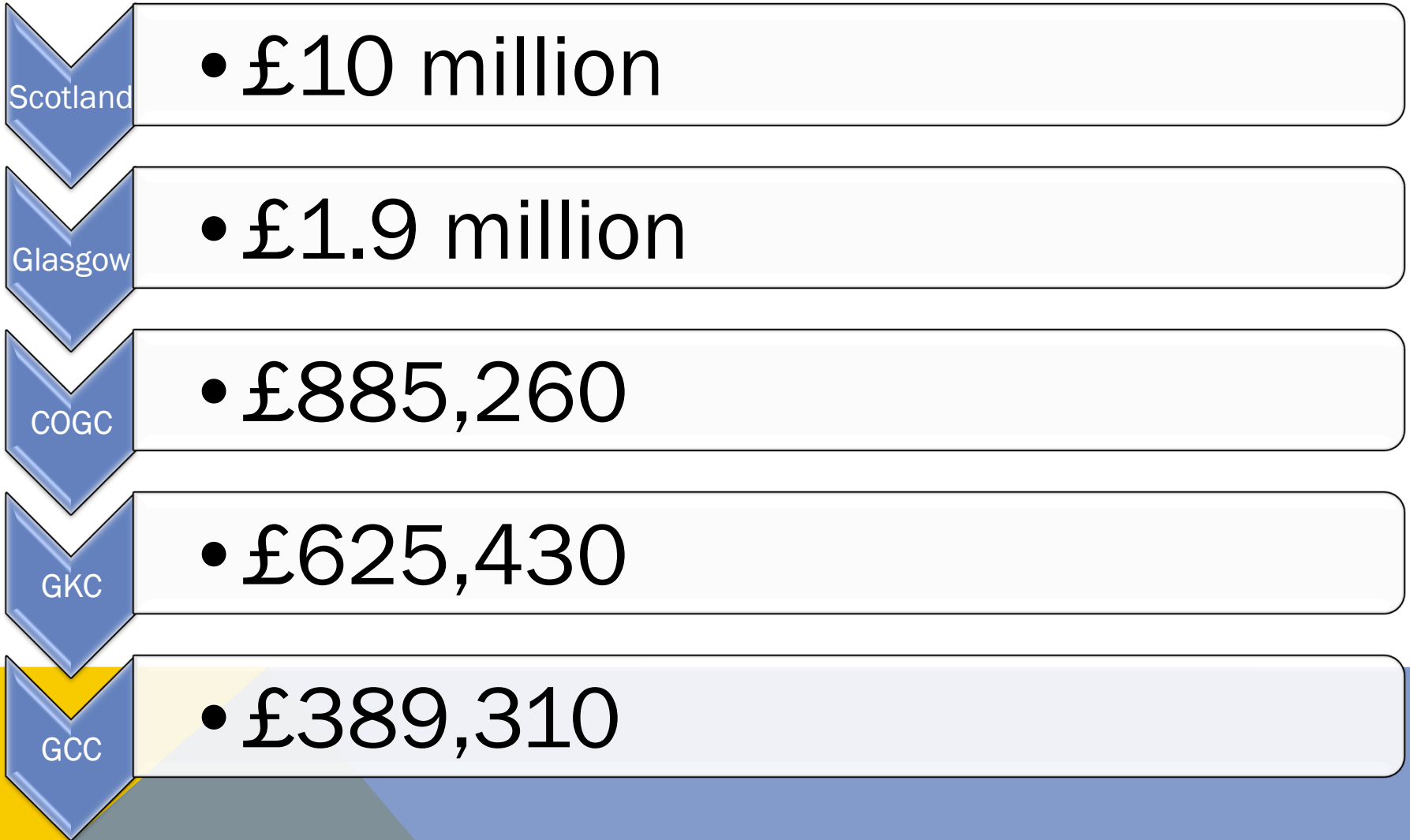
CITY OF GLASGOW
COLLEGE

CORPORATE DEVELOPMENT
FLEXIBLE WORKFORCE DEVELOPMENT FUND

FWDF – KEY FACTS



FWDF – FUNDING ALLOCATION



FWDF - MARKETING

- 
- Website (homepage)
 - Rolling Social Media Campaign
 - E Mail Marketing Campaign
 - Existing Contacts (Meetings/Telephone)
 - Telemarketing
 - Membership Institutions
 - Member Networks (Chamber of Commerce, Ceed)

CURRENT EMPLOYER ENGAGEMENT



Luddon Construction Ltd

First Group

Quarriers

NES

BMI Healthcare

Wheatley Group

University of Strathclyde

BBC

ORBIS



Arnold Clark

Saheliya

Guala Closures UK

STV

CBRE

Key Housing

Single Resource

The DRG/Di Maggios



McTaggart Mickel
Construction

Ingeus

David MacBrayne HR (UK)
Ltd

Arthur McKay Building
Services

Mitie

BAE Systems

Barrhead Travel

G1 Group

RA/WO 1718011

Friday 06 October 2017

Mr Paul Little
Principal and Chief Executive
City of Glasgow College

Sent via email to: paul.little@cityofglasgowcollege.ac.uk

Dear Paul

Flexible Workforce Development Fund (FWDF) - 2017-18

I am writing to confirm that Glasgow Colleges' Regional Board will provide funding to deliver the FWDF in 2017-18. The funding will be paid over academic year (AY) 2017-18 and is supplementary to the offer of main grant set out in my letter of 25 July 2017.

Policy Drivers

The purpose of the fund is to provide employers with flexible workforce development training opportunities to support inclusive economic growth through up-skilling or re-skilling of employees. The main policy drivers are:

- Supporting the needs of levy payers.
- Supporting workforce development in line with the aims of the Scottish Government's Labour Market Strategy, particularly in the areas of upskilling and reskilling workers, and consistent with the ambitions to raise productivity.
- Ensuring the fund further strengthens college engagement with industry.

National Outcomes and Regional Outcome Agreements

The FWDF will additionally support the delivery of SFC's strategic outcome of greater innovation in the economy. It also supports the Scottish Government's strategic priority of high quality learning in a learning system which is seamlessly connected for the learner, including learning which prepares people well for the world of work and successful long-term careers, prioritising provision that meets known skills gaps in the economy.

The fund also contributes to the following Scottish Government priorities, anchored in Scotland's Economic and Labour Market Strategies:

- A strong labour market that drives inclusive, sustainable economic growth.
- A skilled productive and engaged workforce capable of meeting the needs of employers.
- Equality of opportunity to access work and to progress to ensure everyone is able to maximise their potential.
- Increasing productivity.

Regional Aims

The ambitions of the region will complement these national objectives and ensure that the fund meets the needs of the Glasgow Region: The FWDF should be used to address the following regional aims:

- Meets regional and employer skills needs - The content of delivery should be appropriately matched to employer demand, particularly in sectors and occupations in the regional economy where replacement demand is strong, including business services and financial and professional services, retail, social care/child care and tourism. It is also important that we support skills training in areas which meet the region's infrastructure needs given anticipated levels of demand arising from City Deal and other capital investment.
- Enhances employment progression and helps tackle in-work poverty - The Glasgow Economic Strategy: 2016-2023 makes tackling poverty and inequalities a priority for its plans for economic growth. Demand for skills in the region is strongest at the upper and lower skills levels – professional and elementary occupations – and so this funding should support progression to upper skills levels. The Glasgow region has made significant strides in moving to a more knowledge-based economy and there will need to be strong skills supply to sustain this transition and for businesses to move up the value chain and improve productivity and competitiveness.
- Provides more flexible training provision - Non-permanent employment is a feature of the regional economy and more of the future jobs are expected to be part-time. Non-traditional employment also means less conventional career paths, and movement between sectors. The skills training provision these funds provide should be equally flexible, with work-based learning a feature of a more demand led approach to meeting the needs of employers.

Eligibility

The FWDF is available to all levy-paying employers in Scotland across the private, public and third sector, and will be led by employer demand. GCRB will provide the funds to the three colleges to enable them to respond to employer demand at a regional level.

Employers are required to submit evidence of their eligibility to pay the levy alongside their FWDF application. This should take the form of a copy of the relevant part of the most recent Employer Payment Summary (EPS) which reports the level of Apprenticeship Levy contribution.

The FWDF will not support provision of qualifications/training required by legislation.

Access for employers

Colleges will work with levy-paying employers in the region to identify the training they require that will make a demonstrable return on investment. This may be commonly understood as a 'training needs analysis' and should be proportionate in nature. The analysis should form the basis of the employer's application, and colleges should work with employers to support the application process. An application template will be provided for employers to submit to colleges with their identified training needs.

With the aim of managing initial employer demand, applications can be submitted to colleges during the period 11 September to 15 December 2017. Providing that the employer, and the training identified, meets FWDF eligibility criteria, colleges are expected to allocate funds on a 'first-come first-served' basis.

At a national level, any underspend of funds after 15 December will be redistributed where there is evidence of unmet demand. In response, GCRB will coordinate a joint regional development and monitoring process to ensure that delivery across the Glasgow College Region is effectively monitored and Glasgow is in position to gain from any national redistribution, if appropriate.

Employers operating on a Scotland-wide basis, or across more than one college region, may submit only one application to the Fund at a college of their choice. On application employers are required to declare that their application is on behalf of the whole company and that this is the only application to the fund. If colleges require confirmation of the status of the application they should discuss this with GCRB in advance of entering into a commercial agreement. If, through the aggregation of applications, it is found an employer has made more than one application, GCRB will liaise with the college on the next steps.

It is estimated there are around 4,000 levy payers operating in Scotland across the private, public and third sector. In this pilot year, and against the background of the £10m allocation, Ministers have agreed that each levy payer will be able to access up to a maximum total of £10,000 in 2017-18.

Priority groups

Employers have the flexibility to train members of their workforce through college provision to bring the greatest benefit to their business. Within this, and again in line with Scottish Government priorities, employers are encouraged to give due consideration to specific groups such as older workers, those in low-skilled jobs, those working regularly with younger workers/apprentices, veterans/early service leavers, and those who identify as belonging to equality groups. Colleges should be aware of these priorities when consulting with employers on training needs and skills gaps.

Accreditation

Research highlights that secure, well-paid jobs which give fulfilment and offer opportunities for progression in organisations where employees have an effective voice are the key to increasing workplace innovation. We believe that this, in turn, can help to deliver a measurable shift in productivity. Provision of accredited training is one way to support this.

Colleges will ensure certification is provided for each employee participating in funded activity. They will make every practicable effort to deliver training recognised by the SCQF framework and/or, training that meets the requirements of an appropriate industry or employer standard. At the absolute minimum, the application form will require details of the projected developmental goal for the employees involved.

Application process

Colleges must work with levy-paying employers in the region to identify the training employers require to make a demonstrable return on investment; colleges should support employers in developing applications.

Providing that the employer, and training identified, meets the eligibility criteria, colleges must allocate funds to employers on a first-come first-served basis.

Employers are required to submit evidence of their eligibility to pay the levy to accompany their FWDF application. This should take the form of a copy of the relevant part of the most recent Employer Payment Summary (EPS) which reports the level of Apprenticeship Levy contribution. HM Revenue & Customs guidance can be found at: <https://www.gov.uk/guidance/what-payrollinformation-to-report-to-hmrc#eps-what-to-report>.

In addition to evidence of employer levy eligibility, the following information is required in all funding applications:

- Company name and sector.
- Company registration detail and number.
- Details of skills gap to be addressed (based on skills gap analysis, see paragraph 5).
- Impact of training on productivity.
- Cost of training.
- Training identified/to be delivered.
- Timescale for training delivery.
- Number of employees to be enrolled.
- Number and level of qualifications to be achieved.
- Number of notional hours of study.
- Course / delivery employer evaluation.

Where demand from employers is greater than their regional allocation, colleges should create a waiting list and include this in their reporting process to GCRB. If a college is unable to provide the training provision an employer requires, the college should advise the employer of the most appropriate college to meet their identified training needs and broker contact between the employer and that college.

Employers have the right to appeal a decision made by the college on their application for training. In practical terms an appeal is only likely to arise where there are insufficient funds available to enable the college to undertake the training or where an application does not meet the eligibility criteria. Colleges should direct employers to appeal through the SFC mailbox i.e. fwdfappeals@sfc.ac.uk

Funding Allocation

The GCRB Board has agreed that funds are notionally allocated to the three colleges for 2017-18 based upon a relative share of the college credit activity including ESF. The amounts set out below are the maximum amounts available to each college:

	City of Glasgow College	Glasgow Clyde College	Glasgow Kelvin College	Total
Flexible Workforce Fund	£885,260	£625,430	£389,310	£1,900,000

This funding is offered in accordance with the Financial Memorandum to enable the college to meet the national policy drivers, outcomes and regional aims set out in this letter.

The funds will be paid to the colleges quarterly, starting in October 2017, and then in January, April and July 2018. This will ensure we do not pay in advance of need and are able, if necessary, to redistribute funds between colleges. GCRB will consider a request from the college to vary the payment profile where this is required and justified.

The payment of funding is contingent upon the college providing the monitoring information set out in the following section.

Monitoring the use of funds

While there is no credit target associated with the delivery of FWDF, uptake of activity will be monitored through the FES return. GCRB and SFC will need data on the employers, the training delivered, the number of students (employees) enrolled, the number/level of qualifications achieved and the notional hours of study. Further guidance on data requirements is included in the SFC reporting template (<http://www.sfc.ac.uk/publications-statistics/announcements/announcements-2017/SFCAN132017.aspx>)

In addition to using this data to monitor the use of funds, SFC will use student data to calculate a Full-Time Equivalent (FTE) student figure to contribute to the circa 116,000 FTEs sector activity target.

Reporting

In order to establish that the fund is meeting the needs of employers and addressing Scottish Government priorities, GCRB has been asked to report on activity to the SFC at the end of October 2017.

The reporting template (provided on the SFC website) should be completed on an on-going basis when an application has been received and training has been agreed with the employer. The college should use the template to report the level of demand to GCRB on 23 October, 6 November, 20 November, 4 December and 18 December. Monitoring forms should be submitted to Wendy Odedina (wendy.odedina@gcrb.ac.uk), GCRB Executive Assistant and copied to Jim Godfrey (jim.godfrey@gcrb.ac.uk), GCRB Interim Finance and Resources Director.

This reporting process will ensure that GCRB, SFC and the Scottish Government are able to evidence the level of employer demand in each college region and use this to inform any redistribution of funds between regions. If any college region is unable to meet the demand from employers due to a depletion of funds, colleges should develop a waiting list and report this information to GCRB.

As Academic Year (AY) 2017-18 is the first year of the delivery of the FWDF, an evidence base will need to be developed to capture information about employer requirements and the ability of the college sector to meet them in a responsive and agile manner. Therefore there is a requirement for colleges to retain the employer application information for the purpose of on-going, and future reporting, to GCRB, SFC and the Scottish Government.

Whilst recognising the operational challenges inherent in meeting the requirements of the Flexible Workforce Development Fund, it represents an extremely valuable opportunity to effectively engage and strengthen relationships with a large number of employers across the Glasgow Region. Improving the alignment and responsiveness of college learning to economic and employer needs is at the heart of our regional ambitions, and I thank you for your positive participation towards the successful delivery these funds.

Yours sincerely



Robin Ashton
Executive Director