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THIRD SECTOR ENGAGEMENT AND  
PARTICIPATION IN THE LEARNING  
AND SKILLS SECTOR

Provider Case Studies

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Prepared by:



Supported by



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# Introduction

In 2012 the Department for Business, Innovation and Skills (BIS) funded a research project to quantify the nature and extent of Third Sector involvement and participation in the delivery of learning and skills.

The final element of the second phase of research was the creation of six provider case studies led by the Third Sector National Learning Alliance (TSNLA) and Skills-Third Sector.

The purpose of the case studies is to highlight existing good practice in a number of key areas to provide useful insight for policy makers on current challenges for the Third Sector and examples of how some organisations are overcoming them.

## Case Studies

The case study topics are:

1. the experiences of operating as a sub-contractor;
2. a volunteer led provider for children and young people;
3. experiences of a third sector organisation in becoming a lead provider of learning and skills;
4. the loss of specialist learning and skills provision from the third sector;
5. experiences of a third sector organisation in managing multiple funding streams;  
and
6. operating as a 'hub and spoke' consortium and supply chain model.

## Case study 1: The experiences of operating as a sub-contractor

### Summary

This Council for Voluntary Service (CVS) works as a sub-contractor to two principal lead contractors. It delivers accredited learning to people experiencing disadvantage and who need extra levels of support and Information, Advice and Guidance (IAG). There are generally good relations with lead contractors but there exists a perception that in one case the management fee is high. There is the commitment within the CVS to expand the learning and skills delivered. This case study has been anonymised due to the sensitivities involved.

### Key lessons and issues

- The voluntary and community or third sector – through the CVS – does deliver to those people most on the margins – those who more formal and larger providers struggle to engage with. This is recognised by lead contractors but not always by government agencies.
- The Chief Executive Officer (CEO) makes the distinction between ‘targets’ and ‘targeting’ – whereby in setting targets providers are likely to go for those easiest to work with and in targeting this is where the sector commits to working with those furthest away from the labour market and formal entry routes.
- Certain restrictions or decisions do not allow for this dynamic when assessing what can be funded and what cannot – there is a need for government and its agencies to better understand the sector and to make systems more sector friendly.
- Constantly changing funding requirements make it very difficult for the CVS – their plea is to make applications simpler and to ensure that all parts of the supply chain are kept informed of key changes.

### Date

December 2012

### Provider name

A CVS in England

### Sector coverage

It is the harder to reach learners that the CVS provides learning for e.g. people with learning difficulties, mental health problems, young or single parents etc. The lead contractor recognises this as their strength. Some learners have had difficult experiences in more formal learning environments, such as in college settings, and so the more informal and individually tailored learning suits them more.

### Contact information

In order to retain anonymity no contact details are provided.

## About the organisation

The CVS has been in existence for 60+ years and has a strong presence in the voluntary and community sector in the area. There are around 30 paid staff and 15 volunteers. There is a volunteer centre as part of the operation.

The CVS run a range of projects – with carers and people with mental health problems – as well as being an infrastructure organisation providing support to a wide range of voluntary and community organisations (VCOs) in the area. The CEO is leading on a county wide partnership in the Transforming Local Infrastructure programme which seeks to enhance collaboration and to reduce the duplication of operational functions and costs among local infrastructure organisations.

## What we wanted to achieve through the case study

The majority of VCS providers of learning and skills which receive public funding do so through being in a sub-contractual relationship with a larger provider. The aim of this case study is to illustrate some of the dynamics and issues relevant to operating in this way.

## Funding and provision

This CVS receives a contribution to its core funding from its city council, the County Council and local NHS. This funding is enhanced by other income generating activities including training, project management, payroll services and investments. Additional funding has been attracted from a range of government departments, charitable trusts and private sector sponsorship.

In relation to learning and skills the CVS holds three sub-contracts:

- One is with a local college as lead provider for £40,000 – of which 23.5% is the management fee.

Under this contract the CVS Learning and Development department provide accredited courses at entry level to Level 3. Staff make a strong contribution through Information, Advice and Guidance (IAG) and are very committed to supporting progression in the learners. Key curriculum areas are IT, personal development and employability.

Under previous years' sub-contracts the CVS has been able to provide unaccredited day or 'taster' courses but Skills Funding Agency restrictions do not allow for this anymore. This is a disadvantage in that such courses can be a way of attracting people back into learning.

The lead contractor manages the sub-contract through a partnerships office and provides on-going phone support. More frequent learner reviews are being introduced to check if funded learners are genuine. Two spot checks are carried out each year by the lead contractor.

- The second sub-contract is with the county Adult and Community Learning (ACL) and is for around £40,000 to £45,000 per year – of which 15% is the management fee.

Part of the ACL work falls under the Neighbourhood Learning in Deprived Communities (NLDC) programme – with around 70 learners per year. The NLDC courses include an online basics course, employability skills, introduction to volunteering, and IAG support.

Under the county ACL contract there are various funding streams: Adult Safeguarded Learning for the short taster courses, Adult Learner Responsive (ALR) for the accredited courses and NLDC for other short courses. Through the Adult Safeguarded Learning budget courses delivered range from IT, personal development, developing your organisation, community development and professional development. Under the ALR budget courses provided include Award and Certification in progression, which mainly focus on personal development skills, Employability skills and IT-User Qualifications (ITQs). These are National Open College Network (NOCN) qualifications.

- The third sub-contract is with a regional VCS consortium and is for a variable amount of funding – of which 20% is the management fee.

The CVS are delivering one course at present under this contract – the NOCN Level 1 Award in Progression which is mainly focused on personal development and song writing skills. This work carries with it a lot of administration. It is possible that the CVS will be able to deliver more in the future as the VCS consortium seeks to expand its contract with the Agency.

*Last year this CVS delivered over 85 training courses to more than 800 voluntary and community sector staff, volunteers and active citizens.*

### Issues as a sub-contractor

One issue identified is of not always being advised when some levels/courses are no longer fundable and the CVS does not always receive this information promptly. They need to plan programmes anything up to nine months in advance so having accurate information with regards to funding and income generation is crucial as an organisation that needs to offer courses for free for the types of learning groups they are working with. The CVS can only run these courses if the funding covers the cost of delivery and they do not always get told if funding is reduced until the course has already started. Funding seems to fluctuate each year and this can be difficult for the CVS to plan whether a course is viable or not.

Not having a direct voice into the Skills Funding Agency is seen as a disadvantage – it is not clear how or whether feedback does reach the Agency.

It is not clear to staff at the CVS how certain decisions are made and who by: the local lead contractor used to fund day courses but no longer does – whereas the county ACL section will fund these courses.

There is also an assumed fee payment issue where the local lead contractor appears to assume that the CVS will charge for its courses – which given the nature of many of its service users (being unemployed and/or on a low income) is not a practicable proposition.

Variable management fees are a significant issue faced by the CVS as a sub-contractor. It is perceived that 23.5% is a high proportion of what is not a large value contract.

## Outcomes and impact

This is an issue that the CVS is developing – through a new data system which will enable accurate measurement of progress indicators and outcomes. This will include checking starting points and assessing progress at intervals, including at 12 months after completing a course.

Over the past year the CVS delivered over 100 training courses to over 860 voluntary sector staff, volunteers and active citizens and more than 300 people gained a national qualification.

## Where the provider fits within the learning and skills system

The CVS operates within its city area. It develops satellite centres with local VCOs e.g. the Drugs Project and YMCA. This is where local organisations do not have approved centre status and the CVS can provide this accreditation as well as supporting other organisations in going through the approval process. Other centres can access the CVS for Internal Verification and administration and quality functions. The YMCA was supported through this process.

As a provider of accredited programmes the CVS find that NOCN offers the most flexibility and units and awards that are fit for the sector.

The CVS is involved in the local Community Learning Trust which is led by the local college and includes the county ACL and one other VCS provider.

The CEO of the CVS is also on the council of governors of the local college (their lead contractor) which makes for an effective way to develop both communications and potential influencing.

## Support and system developments required

The CVS is a member of both LSIS and NIACE but have not as yet accessed support from either. They have put in recent funding bids to NIACE but been unsuccessful.

There is an aspiration within the CVS to grow the learning and skills provided. This could be done by going county wide as a provider – such a progression will depend on the resolution of the Transforming Local Infrastructure process. It would mean working more in partnership with others and would require greater capacity (i.e. more staff).

- A rethink on the part of government and its agencies in relation to the sector.

There appears to be an issue of a lack of understanding of the sector and the fact that it is working with people who need greater levels of support in order to be able to participate in formal learning. Learners on some courses have to prove that they are on benefits by going to the Job Centre and getting a letter stating this – this operates as a real barrier to some who are confused and worried by this.

- The assumed fee payment.

The CVS is providing learning to people who are unemployed and experiencing a high level of disadvantage – they are not in a position to pay for their learning.

- It would be helpful to attract funding for taster or day courses.

There is a need to provide courses which show people that they can manage learning – and get something out of it.

- Constantly changing funding requirements make it very difficult for the CVS – their plea is to make applications simpler and to ensure that all parts of the supply chain are kept informed of key changes.

### **Further reading**

None provided in order to retain anonymity.



## Case study 2: A volunteer led provider for children and young people



### Summary

NEAT is an example of the organisation which is truly ‘voluntary’ – in the sense that the organisation and management, and most delivery, is carried out by volunteers. Their lack of size and capacity appears to NEAT to exclude them from easily accessing the funds necessary to work with disadvantaged children and young people ‘Not in Education, Training or Employment’ (NEET) who are a concern for government and society and so the efforts of providers such as NEAT are particularly important.

### Key lessons and issues

- A key contribution made by NEAT is in engaging children and young people (11 to 25) who are in danger of disaffection and disengagement from school and later becoming NEET (not in education, employment or training) which is made by operating outside of formal settings.
- It is essential to reduce the amount of time required to apply for funds and monitor activity.

The Audit Commission report *‘Tired of hanging around?’* indicated that for every one hour of activity delivered a further hour was needed for applications for funding – and then a further hour for monitoring of activity delivered.

- The Chair of NEAT is concerned that government may not be implementing the Compact<sup>1</sup> effectively in relation to assessing the implications for the sector of new policies, legislation and guidance, aiming to reduce the bureaucratic burden, particularly on small organisations.

The National Audit Office report on the implementation of the Compact indicates some concern: *‘Whilst we identified examples of good practice in monitoring, reporting, evaluating and supporting the Compact’s implementation, these were patchy and departments could do more.’*

- A key issue as perceived by the Chair of NEAT is that Government policies – such as the Skills Funding Agency’s Minimum Contract Level of £500,000, or the Social Action Fund’s stipulation that only groups with a turnover of £100,000+ could apply – have imposed new barriers rather than remove the existing barriers.

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<sup>1</sup> The Compact: The Coalition Government and civil society organisations working effectively in partnership for the benefit of communities and citizens in England.

**Date**

January 2013

**Provider name**

North East Activities Training (NEAT)

**Sector coverage**

They support out of school hours activities for children and young people up to the age of 25 – as well as the training required for group leaders. They also disseminate information directly to young people through alumni. Many of the children and young people participating do not go to youth clubs and so the philosophy is to open up access to positive activities for those missing out. Activities are provided in Bradford, Leeds, North Tyneside and Sunderland. The vital signposting links are the teachers who recommend activities and alumni who keep in contact.

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**About the organisation**

NEAT began in the 1990s and was started by teachers wanting to develop out of school hours activities and were frustrated by not being able to access voluntary sector funding. It began life as an organisation in 2004 and became a registered charity in 2009. All organisation, management and fundraising is carried out by volunteers. There are seven trustees.

The aim of the organisation is to advance the education of young people under the age of 25 by:

- supporting, arranging or providing activities for young people; and
- supporting, arranging or providing training appropriate for adult leaders and helpers.

Mostly, leaders are volunteers with occasional exceptions (e.g. paying the deaf to teach sign language). There are approximately 50 active volunteer leaders.

**What we wanted to achieve through the case study**

Throughout the research it has been brought to our attention that organisations run by volunteers cannot access the same funding opportunities as organisations with paid staff. However, such volunteer led providers are often doing essential work with children and young people at risk of social and economic exclusion e.g. becoming NEET. The view of the NEAT Chair is that their work is very much about *prevention* – preventing disaffection

particularly in year 7 and 8 at high school – echoing Chris Tomlinson’s recommendation from the review of 14-19 curriculum and qualifications reform that many children need something other than the school curriculum.

## Funding and provision

At one point NEAT worked with Bradford College – through the Ilkley campus. This was delivering courses for outdoors leaders which were funded up to 50% by the Learning and Skills Council. In 2007 Bradford College ended this programme because of a shift in funding focus to employer needs.

It was also difficult operating under the funding rules for the programme – on registration 4/14 funds could be claimed – with 10/14 claimed on completion, meaning insufficient funds were available at the time of greatest need.

NEAT has only been a registered charity since 2009 – income declared to the Charities Commission on 31/3/11 is £24,634, and on 31/3/12 it is around £49,000.

NEAT is in receipt of the following funding (20/11/12):

- DCLG: Building Capacity for Cohesion and Integration – distributed via local authorities.
- Bradford University – for sport development.
- Lottery – ECOminds – distributed via MIND – to get young people with mild depression, anxiety or low self-esteem into the countryside as a natural therapy
- Princes Trust.
- Progress Training (ex-Children’s Workforce Development Council).
- Sportivate – for sport development.
- Young Lives Bradford – training in first aid.
- North Tyneside Learning Trust – to restore outdoor leader training.

## Programmes and activities

The range of activities delivered by NEAT includes:

- outdoor activities e.g. camping, horse riding, mountain rescue exercises;
- leisure and cultural activities e.g. theatre, arts, visits;
- health and wellbeing activities e.g. yoga, rugby, football; and
- training for specialist leaders.

NEAT does not work within fixed bases, rather operating in a range of venues according to what is being offered e.g. judo at a local judo centre. This ensures flexibility of approach and response to need from children and young people.

In a year NEAT works with approximately 500 children and young people – with the majority being worked with in the Leeds/Bradford area.

## Outcomes and impact

For the Ecominds project NEAT use the Cohen Scales – this involves self-rating moods before and after participation in activity. Results demonstrate a 35% increase in positive feelings for participants. NEAT is also using this approach in other projects.

NEAT also measure the increase in confidence over time for children and young people. Recently some of NEAT's participants took part in a focus group held under a research project led by Goodwin/Hull University – NEAT could provide people who had been participating for years aged 11 to 25 which proved to be useful for the study in demonstrating how NEAT participants had been empowered in different ways.

## Where the provider fits within the learning and skills system

Key partners for NEAT are local schools, youth organisations and other activity providers e.g. working with a local jujitsu club to put on this activity for their users. NEAT are not currently operating as part of a contractual supply chain – other than to deliver outputs and outcomes as specified by funders.

## Support and system developments required

NEAT has the aspiration to have strong activities associations in each area. At the moment this is patchy with Leeds and Bradford being stronger than Sunderland and North Tyneside. There is interest in their approach from Kirklees and Manchester. In relation to their volunteers, the desire is to see that they are fully supported – financially, through appropriate training and general support as volunteers can be isolated.

In commenting on the current policy and funding regimes NEAT have the following points to make:

- The Chair of NEAT is concerned that government may not be implementing the Compact effectively in relation to assessing the implications for the sector of new policies, legislation and guidance, aiming to reduce the bureaucratic burden, particularly on small organisations.

The issue here is that, according to the Compact, policy must include small voluntary and community organisations – in reality with the introduction of larger scale contracts and funding based accordingly, such providers are excluded even if this is not the intention.

NEAT has secured funding from the Joseph Rowntree Charitable Trust in order to explore this situation, and any specific disproportionate effect on excluding Black and Minority Ethnic (BME) learners.

- Reduce the amount of time required to apply for funds and monitor activity.

The Audit Commission report *'Tired of hanging around?'* indicated that for every one hour of activity delivered a further hour was needed for applications for funding – and then a further hour for monitoring of activity delivered.

- It would help to adopt a single reporting/monitoring framework rather than have to do this on multiple approaches.

- The lack of funds for training of new people in specialist skills is of real concern e.g. outdoor leadership, sign language, minibus driving etc.

### Further reading

The Compact. The Coalition Government and civil society organisations working effectively in partnership for the benefit of communities and citizens in England

<http://www.cabinetoffice.gov.uk/news/government-and-voluntary-sector-agree-new-compact>

[Review: Central Government's Implementation of the national Compact – NAO 2012](http://web.nao.org.uk/search/search.aspx?Schema=&terms=review+of+Compact)

<http://web.nao.org.uk/search/search.aspx?Schema=&terms=review+of+Compact>

*'Tired of Hanging Around - Using sport and leisure activities to prevent anti-social behaviour by young people'*, Audit Commission

<http://www.auditcommission.gov.uk/nationalstudies/childrenyoungpeople/hangingaround/Pages/Default.aspx>

Briefing paper on the Tomlinson report

[http://www.heacademy.ac.uk/assets/ps/documents/briefing\\_papers/ps0007\\_the\\_tomlinson\\_report\\_14\\_19\\_curriculum\\_and\\_qualifications\\_reform\\_feb\\_2005.pdf](http://www.heacademy.ac.uk/assets/ps/documents/briefing_papers/ps0007_the_tomlinson_report_14_19_curriculum_and_qualifications_reform_feb_2005.pdf)

## Case study 3: Experiences of a third sector organisation in becoming a lead provider of learning and skills



### Summary

The following case study presents the example of a third sector organisation, ELATT, which has successfully managed to maintain its status as a lead provider with the Skills Funding Agency since the introduction of Minimum Contract Levels in 2011/12.

The case study explores how ELATT has used its charitable mission and status to provide consistent, effective and holistic support for unemployed and ethnic minority learners who are excluded from mainstream provision.

### Key lessons and issues

Some key insights which may be drawn from this case study include the following:

- The benefits of taking a holistic approach to delivery, including both academic and pastoral support.
- The relevance of maintaining a focus on charitable purpose to provide long-term support to disadvantaged learners.
- The significance of guaranteeing a diverse income base via which to sustain and support learning activity over the long term.
- The importance of providing an alternative option to mainstream provision for disengaged or 'hard to reach' learners.
- How statutory funding arrangements and performance reviews can impact negatively upon the delivery patterns of third sector providers.
- The advantages of taking up available support from LSIS and being a member of affiliated networks of providers such as TSNLA to keep up with changes in funding and policy.

### Date published

January 2013

### Provider name

East London Advanced Technology Training (ELATT).

### Sector coverage

The present case study is based on an organisation from the third sector/voluntary and community sector which operates in London. Coverage includes those not in employment education and training or preparing for work; ethnic minority learners and ESOL; Skills for Life; literacy and numeracy, and IT. It may also be relevant to underrepresented groups and widening participation.

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## About ELATT

ELATT is a charity which was founded in 1984 to offer learning and skills provision to unemployed adults and speakers of other languages. This includes Apprenticeships, English for Speakers of Other Languages (ESOL), Skills for Life, and industry-standard IT courses.

The majority of ELATT's learners are unemployed at the point of engagement and around half speak English as a second or other language. It also offers an alternative setting of provision to a cohort of learners under the age of 18 who have recently dropped out of local sixth form colleges.

ELATT operates out of two separate learning centres in Hackney and Tower Hamlets, both disadvantaged boroughs in east London. It has an annual turnover of around £1.5 million, of which around 60% is derived through direct contract with the Skills Funding Agency, as the organisation also draws down other sources of income to support learners outside of publicly-funded learning and skills. ELATT currently has around 30 members of staff and a board of trustees. A significant proportion of ELATT's staff were previously learners or volunteers with the organisation itself.

## What we wanted to achieve

The purpose of this case study was to explore some of the characteristics of a third sector organisation which successfully maintained their status as a lead provider with the Skills Funding Agency. The introduction of Minimum Contract Levels for all providers in 2011/12 has meant that several learning and skills providers from the third sector have become vulnerable and have lost direct contracts with the Skills Funding Agency. In many cases this led to the loss of local or specialist provision and the formation of less generous subcontracting relationships with other organisations. This case study explores some of the lessons which may be learned in becoming a lead provider.

## Provision

ELATT currently has around 600 learners drawn from across East London and offers a range of courses to predominantly unemployed learners and speakers of other languages. The following section will briefly outline some of these courses:

- The *Web Design and Web Development* courses provide comprehensive training in software programmes such as HTML, Flash, Photoshop, MySQL, Dreamweaver and CSS. This includes the possibility of City & Guilds or Adobe Certified Associate accreditation to professional standard. As well as offering a Web Development programme to Advanced Level, courses are also on offer at Level 2 for Web Designers.



- The *IT Systems Support* courses enable learners to gain the qualifications required for a career in IT repair and maintenance. This includes an Introduction to Computing as well as Advanced Level City & Guilds accredited qualifications in Computer Engineering and industry standard vendor qualifications such as CompTIA A+ and Microsoft MCTS. A small number of learners are also enabled to spend time in an IT Support work placement for up to six months.
- *Apprenticeships* are offered in IT Office Applications; Business and Administration; IT Systems Support; Web Design; and Customer Service. These are offered at Level 2 or Level 3 and accredited by either City & Guilds or as an NVQ.
- The *Office Administration Skills* programme covers some of the basic skills needed to operate a computer, including Microsoft Office programmes such as Word, Excel and PowerPoint, plus email and online communications at the more advanced level. Courses are available at NVQ Levels 2 and 3.
- The *ESOL* and *Skills for Life* courses include the full qualification in Incorporating Citizenship, basic units which contribute towards a full qualification in Integration, and ESOL for work entry. These cover speaking, listening, reading and writing, plus verbal/written communication for work and cultural discussions at the more advanced level.
- The *Refugee Women's Project* provides women-only tuition and support for those on indefinite leave to remain or under humanitarian Protection. This enables such learners to gain an English and Vocational Qualification, with support available for childcare and travel costs as well as cultural trips and visits. It also enables local community organisations to refer a client and for learners to refer a friend to this course.
- The *Supporting Newly-Arrived Migrants in Spouse Visas* supports migrants who are on indefinite leave to remain through marriage or a spouse visa. This enables such learners to gain an English and Vocational Qualification, with support available for childcare and travel costs as well as cultural trips and visits.

ELATT's services are different in culture and approach to those on offer from other local providers. Learning is delivered in an alternative setting which is less formal and builds upon their shared values as a charity. ELATT are also able to offer additional support beyond skills provision to address some of the more holistic needs of learners, including advice and support with other public services such as housing and benefits. This approach is enabled by the fact that ELATT are a charity and do not have the same systemic constraints and departmental structures which exist in more formal further education settings. ELATT's tutors are able to gain a higher level of trust and engagement from disadvantaged learners precisely because they are enabled to provide a full range of pastoral and academic support.

## Funding

Traditionally ELATT has been funded directly by the Skills Funding Agency (and predecessor bodies), though it also draws upon a range of other funding sources. Funding via direct contract from the Skills Funding Agency constitutes over half of ELATT's annual income. In addition to this, the organisation also brings in project-related funding from various sources, including the UK Border Agency, the Big Lottery Fund, and charitable trusts/foundations. The wide range of funding sources allows ELATT to match-funds to offer courses to many learners who might otherwise find it difficult to access learning.



The Skills Funding Agency represents ELATT's most stable source of income and is in the form of a direct contract. This is due in part to the history of the organisation, which began as a satellite centre for Tower Hamlets College, and so has maintained contracting arrangements similar to an FE college.

ELATT identified the planned introduction of Minimum Contract Levels by the Skills Funding Agency in 2011/12 as a potential threat to the future of their organisation. Prior to their implementation, ELATT had an existing contract with the Agency which was slightly below the £500,000 of provision needed to meet the necessary threshold. In anticipation of the coming changes ELATT joined the Third Sector National Learning Alliance (TSNLA) as source of mutual support with other vulnerable providers and looked to see how they could partner with another organisation in order to meet the threshold required to maintain direct funding for their learning and skills activities.

The decision was made to partner with another East London-based charity, the Bromley by Bow Centre. This partnership came into being due to the shared culture and ethos of the two organisations and in anticipation of significant management fees which were likely to result from any potential partnership with a larger provider or FE college. The eventual partnership between the two charities was worth in the region of £700,000.

After setting up this partnership ELATT actually managed to meet the required threshold of provision (with additional funding gained for apprenticeship provision) but chose to honour this partnership regardless. ELATT is the lead provider in this partnership due to the higher value of provision delivered. Though the partnership was one forged out of necessity, it has enabled ELATT to provide managerial and organisational support to the Bromley-by-Bow Centre.

A significant enabling factor for ELATT in dealing with the danger posed by changed funding arrangements was provided by their status as a third sector organisation. This made them better equipped to deal with funding changes and uncertainties, giving the organisation the ability to deal with adversity and remain true to their charitable purposes.

## Outcomes and impacts

ELATT gains consistently high achievement rates with learners from difficult circumstances. Over 50% of their ESOL students gain either work experience or enter volunteering and ELATT are able to track their students for six months and over post-engagement. The information which ELATT collects includes qualifications gained, progression to further learning, employment status prior to engagement, employment status post-engagement, and the progression to volunteering.

In their most recent Ofsted inspection report, ELATT received a 'Good' grade for their overall provision. This included achievement and standards, quality of provision, leadership and management and equality of opportunity. Programmes on offer were found to 'meet the needs of learners and the community particularly well', with good overall success rates. Data was 'very well used' by the organisation, involving all staff in both gathering evidence and identifying areas for improvement. Ofsted also found strong leadership, the existence of 'helpful partnerships to meet community needs', and an 'impressive culture' of helping staff with personal development.

The Ofsted report also highlighted the important work undertaken by ELATT in addition to direct provision, including advice and guidance on matters which can impact upon life and learning, 'ranging from finance to lifestyle', and that learners make good use of this support across several different services. This support also enables those with potential barriers to learning to remain in their course of study and to succeed. Learners were also given the opportunity to learn in diverse groups and their staff team provided a welcoming environment and support for a wide range of languages.

ELATT's impact can also be measured by reflecting on what would happen in their absence. If they were unable to operate, many disadvantaged individuals would no longer access learning. The organisation maintains a great deal of flexibility so as to support learners who may find themselves no longer eligible for public funding. For instance, it has continued to support around 200 learners who are no longer eligible for the costs of ESOL provision via the use of alternative sources of income, such as fundraising and the Big Lottery Fund. This flexibility and focus on supporting learners' need is something which they say comes from their charity status and is a different approach to that taken by other providers. ELATT are 'not too big to change direction' and can be reactive to changes in policy which impact their learners.

### **Experiences of the learning and skills system**

The transition from the Learning and Skills Council to the Skills Funding Agency has meant that rules and eligibility criteria have changed rapidly for ELATT. The move towards a centralised data management strategy is not always suited to third sector organisations which work with disadvantaged learners. ELATT welcome the shift towards outcome-based and more flexible funding, though the need for quarterly reviews is felt to contradict ELATT's actual delivery patterns, in which learners often sign up for courses at a later date due to circumstances in which they have left or been rejected at the start of term by other providers.

Therefore the Quarter 1 review in October was especially difficult as, rather than having delivered since August (period 1) ELATT's delivery did not begin in earnest until early to mid-October, just weeks before the Quarter 1 review by which time providers should have delivered 24% of their contracts. However, ELATT's more responsive entry dates are highly valued by Jobcentre Plus, the local Work Programme Prime Contractors and the Local Authority. Whilst recognising that in the past year over-performance during Quarterly Review has allowed ELATT to increase its funding allocation, it is still the case that the quarterly review process presents a threat to providers like ELATT who provide to those who cannot find a place in more mainstream provision, particularly in Quarter 1.

In terms of lessons learned from experience, ELATT stress the need for third sector providers to prepare for hard work, to constantly study funding guidance and to not take anything for granted. Providers from the third sector are urged to be creative and to expect the rules to change. It is also important for organisations to maintain a good working relationship with funders, especially the designated contract manager at the Skills Funding Agency. Supportive networks are also a helpful means of gaining information and support, and to share experiences with other providers. Organisations should avoid working in isolation and to take up offers of support and training available. They should also be flexible and determined, be prepared to present their case, and to believe in their charitable purposes and values over and above short term funding objectives.

## Support and system developments required

ELATT has gained additional insight into the learning and skills system by virtue of having an Ofsted inspector on their board of trustees and a Chief Executive who has been involved in LSIS activities with third sector providers. ELATT managed the 'First Class, Third Sector' project which exists to provide peer support in quality management to five Third Sector partners, including funding an Action Research Project of the partner's choice worth £3,000, and free training in Learning Coaching to tutors at 10 organisations. In terms of provider support needs, ELATT cite the following as essential over the coming 12 months or so: preparation for Ofsted and the new common inspection framework; how to make the organisation's own self-assessment exercises consistent with those of Ofsted inspections; on-going concerns around the quarterly review cycles; finding sources of funding for delivery; and finding sources of funding and materials for continuing professional development (CPD).

In terms of support received, ELATT has attended some of LSIS' regional events and presentations, and made use of online webinars. They have also proactively pursued sources of support and funding for CPD and are members of the Third Sector National Learning Alliance and the London Work-based Learning Alliance. Such groups have been found to help with the feeling of isolation and to share experiences with similar providers.

## Further reading

ELATT Courses: <http://www.elatt.org.uk/courses/index.html>

ELATT 'First Class, Third Sector': <http://www.elatt.org.uk/thirdsector/>

ELATT Web Academy: <http://www.elatt.ac.uk/>

ELATT Ofsted Inspection Report:  
[http://www.elatt.org.uk/PDF's/ELATT\\_Final\\_Inspection\\_Report\\_2009.pdf](http://www.elatt.org.uk/PDF's/ELATT_Final_Inspection_Report_2009.pdf)

## Case study 4: The loss of specialist learning and skills provision from the third sector



### Summary

The following case study presents the example of a third sector organisation, St Mungo's, which offers learning and skills provision to the homeless or those at risk of becoming homeless. The future of this specialist provision has been put at risk due to recent changes in the funding of learning and skills activity.

The case study explores some of the unique characteristics and challenges faced by a provider delivering services to 'hard to reach' groups of learners.

### Key lessons and issues

Key insights from this case study include the following:

- The potential effects of loss of funding on learning and skills provision for the homeless.
- Experiences of the Work Programme from the perspective of a third sector provider.
- The unsuitability of mainstream classroom-based provision for groups such as the homeless and the need for increased support for this.
- The importance of providing meaningful engagement activity for those with multiple needs.
- The lack of effective ways and incentives for mainstream providers to work with homeless people.

### Date published

January 2013

### Provider name

St Mungo Community Housing Association (St Mungo's)

### Sector coverage

St Mungo's is an organisation from the third sector/voluntary and community sector which operates in London, the South East and the South West of England. The case study is of relevance to underrepresented groups and widening participation.

### Contact information

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## About St Mungo's

St Mungo's is a charity which exists to provide housing and support services to the homeless and those at risk of becoming homeless or recovering from a period of homelessness. This encompasses a broad range of activity of which learning and skills provision is a single part. This includes the provision of temporary and permanent accommodation, advocacy and advice services, health services, and employment and skills activities.

The majority of St Mungo's clients have low skills and employment rates and often have multiple needs. These needs may relate to issues such as substance abuse, poor mental health, fluctuating health conditions, experience of domestic violence and offending histories. The organisation's annual report notes that the problems of homelessness and long-term unemployment have been increasing, coupled with a loss of much existing welfare support for clients.

The organisation operates in London and several other counties in the South of England. Over 2011/12, St Mungo's had an annual income of £49.8 million. This was mostly derived from local authority sources, though the organisation also generates income from other sources, such as rents and fundraising, and has been expanding its social enterprise activities. The vast majority of St Mungo's income is spent on housing and support services (68.2%), with around 3% used to fund skills and employment activities. As of July 2012, St Mungo's employed 833 staff, of which nearly 6% had direct experience of homelessness. A total of 249 volunteers also contributed an average of 204 hours to the organisation.

## What we wanted to achieve

The purpose of this case study was to explore some of the characteristics of specialist provision delivered by a third sector organisation and the risks associated with the potential loss of such support. Delivering learning and skills services to the homeless or those at risk of homelessness poses some unique challenges in terms of learner circumstances, with many learners suffering from multiple disadvantages. Such provision is by necessity delivered outside of formal education settings and the nature of close individual support for learners is vulnerable under current funding arrangements in both learning and skills, and employment services.

## Provision

St Mungo's run a total of 13 specialist employment and skills programmes, including 10 projects based in London. Training is offered to clients in painting and decorating, construction, horticulture, and music production. The aim of these courses is to build personal confidence through meaningful engagement activity and to assist clients into further training or paid employment. The following section briefly outlines some of these programmes.

- The *Bricks and Mortar* programme provides clients with professional skills in plastering and bricklaying. This includes three Open College Network (OCN) accredited courses a year offered to around eight learners at a time.

- The *Putting Down Roots* programme is a gardening project which takes place in a variety of hostel grounds, public parks and allotments. Along with general gardening there are opportunities for hard landscaping and building work and to undertake accredited horticulture training from the Open College Network (OCN) and/or a Construction Skills Certificate Scheme (CSCS).
- The *Woodworks* programme takes place in a workshop space and allows clients to attend up to six months training and work experience in a commercial production setting. Furniture made within the workshops is sold to other organisations or private individuals to help fund the project.
- The *Endell Street Studio* is an accommodation project in central London with an on-site recording studio. This enables clients to play or record music and some have used the studio facilities to work towards an Open College Network qualification in sound recording.
- The *Painting and Decorating* programme was set up with the purpose of helping clients learn professional decorating skills and to gain a recognised qualification. Trainees who finish the programme are awarded an Open College Network qualification and given the further opportunity to work on *ReVive*, the painting and decorating social enterprise run by St Mungo's.
- The *ReVive* social enterprise was established to offer workplace experience to clients who complete the Painting and Decorating training programme. *ReVive* operates on a competitive basis to provide painting and decorating services for St Mungo's own facilities. It also intends to negotiate for external contracts with partner housing associations, and has been guaranteed sub-contracting work in the private sector.
- The *Pathways to Employment* programme is a model of service delivery which takes homeless residents through several stages of pre-vocational and pre-employment support. This is delivered through a team of personal support workers based in hostels to give personal support to clients on-site. Residents write their own Pathways to Employment plan with their key worker and receive regular support from a vocational guidance and coaching specialist. The programme begins with an initial health check and includes appropriate training, job search and interview techniques, membership of a homeless job club, and access to volunteering opportunities. This also includes basic skills training, including ESOL, numeracy and literacy provision on a one-to-one or small group setting.

In addition to the specific programmes and qualifications outlined above, St Mungo's also offers qualifications from the British Institute of Cleaning Science (BICSc) as well as Apprenticeships, first aid qualification and IT Training. Learning Clubs have also developed over the last year to provide a supportive environment where clients come together to learn, focusing on literacy, numeracy and digital inclusion.

## Funding

Though St Mungo's continues to record an operating surplus (around £3.2 million), the organisation's income fell by £1 million over the past 12 months. This included a significant fall in grant funding from local authorities (mostly via a reduction in the Supporting People programme). Whilst St Mungo's is mostly dependent on funding from local authority sources, it also generates income from fundraising and rents, plus a small amount of funding from central government and financial investments. Such funding must cover the full range of services provided by St Mungo's.



The employment and skills services offered by St. Mungo's were previously funded in the main part by the Department for Work and Pensions (DWP) and the European Social Fund. This funding from the European Social Fund has now disappeared and the organisation has received little money directly from other grant sources. Currently, the only source of statutory funding for St Mungo's employment and skills services comes from the DWP's Flexible Support Fund. This fund exists to make payments to remove claimant's barriers to work and to cover travel expenses for job interviews.

The issue of access to statutory funding for employment and skills activity is clearly one which affects St Mungo's and the sustainability of their services. In May 2012, St Mungo's made the announcement that they had withdrawn from the Work Programme due to a lack of referrals in the nine months in which they were involved on a subcontractor basis with three prime providers. The organisation has recently launched a report in partnership with two other homelessness charities which makes the case that the Work Programme insufficiently identifies and supports homeless clients.

St Mungo's has been trying to bring in more earned income in response to a less favorable public funding environment, and the organisation's employment and skills services are now funded mainly through fundraising activities. This is an area which St Mungo's have recognised as a priority and they have invested considerable funds in order to maintain the existing level of voluntary donations (around £5.3 million in 2011/12). Indeed the organisation's annual report states the target of generating enough income via fundraising to provide an average of £550 worth of skills and employment services to each resident in 2012-13. The organisation's social enterprise and trading activities also generate around £250,000 on an annual basis. However, this has only been in operation for the past few years and the organisation admits that there is still some learning to be done.

## Outcomes and impacts

According to their 2011/12 annual report, St Mungo's services had some of the following key impacts:

- Provision of housing support to over 4,500 people.
- Provision of accommodation to over 1,700 people who are homeless, or at risk of homelessness.
- Support for 441 people to enter learning, with 138 gaining an accredited qualification.
- Provision of support for 94 people to enter work and 204 people into volunteering.
- Help for 263 clients to improve their literacy skills.

In terms of some of their specific employment and skills activities, over 150 clients at St Mungo's benefited from professional IT training in a six month programme inspired by Adult Learners' Week; around 90% of the 58 formerly homeless people who completed an Apprenticeship scheme with St Mungo's found a job with either the organisation or another employer; and St Mungo's helped a further 21 people either into self-employment or supported them towards that goal, and supported 73 clients to work with social enterprises in bicycle repair and media. ReVive has also completed more than 17 painting and decorating contracts since its formation in 2009.

An evaluation of the Pathways to Employment programme conducted in 2010 found the following impacts for clients: 13% had gone into a full or part-time job, 6% had gained a work placement, 6% were doing voluntary work, 17% were taking a further education course, and 14% were completing a vocational training course.

Only around 6% of St Mungo's clients were in employment at the point of engagement and over a quarter (27%) had been out of work for over a decade. Clients often have low levels of literacy, with over a third (36%) lacking the necessary literacy skills to read a letter and/or complete a form without support. St Mungo's annual review also estimates that around 63% of their clients have educational issues. In terms of learner demographics, only 43% of St Mungo's clients are White British (compared to over 80% of the UK population as a whole); 47% are ex-offenders or have been in prison; 8% are from an ex-care or foster-care background; and 4% were in the armed forces.

The multiple needs faced by St Mungo's client's means that their way of working provides an effective way of providing cross-cutting personal support. In 2007 ORC International conducted research on behalf of St Mungo's on the costs and benefits of supporting people back into work. Their research showed that helping 125 homeless people into stable employment each year could save the economy as much as £5.6 million, or £45,000 per client. Despite some of the barriers faced, around 80% of St Mungo's clients say that they want to return to work. If St Mungo's were not there, the worry among staff of the charity is that other providers would not have the expertise necessary to work with these client groups.

### Experiences of the learning and skills system

St Mungo's experience of the learning and skills system has been largely positive, but the feeling remains that most training providers do not see the homeless or those at risk of homelessness as a priority. Constraints currently exist in terms of funding and delivery which impede providers from working with their client group.

Funding restrictions often prevent colleges and mainstream providers from working in hostels. There is also an inappropriate focus on moving learners onto accredited qualifications, however most of St Mungo's clients are not yet ready for learning in a formal environment and their personal circumstances mean they are unable to maintain high levels of attendance. Many of St Mungo's clients are simply not ready to undertake either Level 1 or Level 2 qualifications. Though the organisation acknowledges that in their experience many colleges have been keen to work with homeless learners but are worried about the potential impact this could have on their benchmarks and performance, especially in terms of completion rates and learner progression. In addition to this, working with homeless clients often requires greater resources and smaller class sizes than in formal provision.

St Mungo's experience of the welfare-to-work system has been less positive. In the aforementioned recent report, *The Programme's Not Working*, St Mungo's state that there are only a few examples of homeless people who have found employment via the Work Programme and that it has insufficiently engaged with those who are furthest away from the labour market. Some of the specific issues raised include difficulties within Jobcentre Plus in identifying people who are homeless or the barriers which they face to employment (including health, housing alcohol and/or drug problems and confidence). St Mungo's feel that their expertise with such client groups was not properly recognised or rewarded in



their position as a subcontractor, a factor which ultimately led to their withdrawal from the programme.

### Support and system developments required

St Mungo's report that they manage to support themselves with many of their support needs, however they have also worked with NIACE recently to gain some support and funding for their work in relation to literacy. In general the organisation feels that more needs to be done to bring together similar organisations to work together to develop good practice in their employment and skills activity and that little currently exists on a statutory level, with no money available to support this work. St Mungo's currently find that the LSIS support services are more focused on college-based provision. This was borne out when some of their tutors attended LSIS courses but found that they were not focused on the needs of those working with disadvantaged learners.

In terms of system developments, St Mungo's is still involved in the delivery of welfare support and are currently engaged in a programme with Jobcentre Plus to support people who are not eligible to participate in the Work Programme. St Mungo's are also interested in the prospect of establishing a programme of support prior to the Work Programme for those client groups with multiple needs (e.g. homelessness, substance abuse, mental or physical health conditions, experience of domestic violence and offending histories) who are least likely to succeed without additional levels of support.

### Further reading

St Mungo's: <http://www.mungos.org/>

Annual Review 2011/12: [http://www.mungos.org/about/current\\_annual\\_review](http://www.mungos.org/about/current_annual_review)

Pathways to Employment: supporting homeless people's journey to work:  
<http://www.mungos.org/documents/4289.pdf>

The Programme's Not Working: Experiences of homeless people on the Work Programme:  
<http://www.mungos.org/documents/3609/3609.pdf>

St Mungo's withdraws from Work Programme:  
[http://www.civilsociety.co.uk/finance/news/content/12395/st\\_mungos\\_withdraws\\_from\\_work\\_programme](http://www.civilsociety.co.uk/finance/news/content/12395/st_mungos_withdraws_from_work_programme)

Work Matters: <http://www.mungos.org/documents/4045.pdf>

## Case study 5: Experiences of a third sector organisation in managing multiple funding streams



### Summary

The following case study presents the example of a third sector organisation, Harrogate Skills 4 Living Centre, which has experience of managing multiple funding streams and fulfilling multiple reporting requirements.

The case study explores how Harrogate Skills 4 Living Centre has managed to maintain a diverse learning offer centred on the wider needs of their service users and to meet the requirements of various funders in order to support this work.

### Key lessons and issues

Some key insights which may be drawn from this case study include the following:

- The importance of funders recognising the full range of impacts and outcomes delivered by a third sector provider of learning and skills.
- The need for funders to consider the full operational costs of an organisation.
- The recognition that there are additional needs and costs faced by organisations providing to those with learning difficulties and/or physical disabilities.
- The likely impact of 24+ Advanced Learning Loans on learners based in third sector provision, especially those likely to lose previous eligibility for public funding.
- Possible issues in the use of declining adult social care funds, including personal budgets, to support specialist learning and skills provision.

### Date published

January 2013

### Provider name

Harrogate Skills 4 Living Centre

### Sector coverage

The present case study is based on an organisation from the third sector/voluntary and community sector which operates in North Yorkshire. Coverage includes those with learning difficulties, including learners who are blind or partially-sighted, those with mental health difficulties, and people with disabilities. It is also of relevance to learning for leisure and the over 50s.

### Contact information

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## About Harrogate Skills 4 Living Centre

Harrogate Skills 4 Living Centre is a charity which was initially set up in 1995 (under the name 'The Junction'). It exists to provide lifelong learning and day care support for people with learning disabilities, physical disabilities and mental health challenges in the Harrogate area. The organisation is also active in delivering qualifications to those in the education, health and social care professions.

The organisation provides learning activities to around 90 people per week. Learners based with the organisation can range from 17 years old to those in older age. Many of the young people who attend the organisation are referred as a cohort of learners from local special education schools and colleges.

Harrogate Skills 4 Living Centre is a small organisation, with an annual income of less than £200,000. The organisation operates from a learning centre based in Harrogate which provides support to improve people's abilities to read and write, as well as a range of practical skills for independent living. A total of 14 staff are based at the organisation (or 5.2 full-time equivalents). The tutors work on a sessional basis and there are around six volunteers at a time who tend to operate as learning support assistants.

## What we wanted to achieve

The purpose of this case study was to explore some of the challenges faced by a small charity which depends upon a diversity of funding sources. This intends to cover some of the complex criteria for funding and reporting to a range of funders. It illustrates some of the challenges faced by an organisation in which learning and skills delivery is part of a broader remit in the provision of adult care services. It also highlights some of the ways in which a relatively small charity can be affected by changes in government policy.

## Provision

Harrogate Skills 4 Living Centre offers a diverse range of provision which brings together several service areas. This includes adult day care, continuing adult education, transition for young people leaving education, qualifications for education and social care professionals, drop-in services, and leisure craft courses. The provision is predominantly classroom based, though there may be opportunities for learners to take part in more practical settings such as drama workshops or hairdressing tuition.

The learning centre provides around 35 courses per week. This includes some of the following activities:

- Apprenticeships, diplomas, on-going professional development modules, and mandatory training for employees in the care and education sector. This includes accreditation up to level 3 as well as Preparing to Teach in the Lifelong Learning Sector (PTTLS).
- *Computer Groups* for people to learn to access the internet. This includes the use of touch screen technology, Braille-embosser and specialist speech software.

- *Planning and Shopping on A Budget* for people to learn about everyday essentials such as creating a shopping list and learning a recipe.
- *Skills 4 Employment* to teach skills for the workplace such as literacy, numeracy, time-keeping, using office equipment, personal presentation, independent travel and team working. This also includes trainee work placements in the local district or job training in customer service in the charity's own café.
- *Ebay Shopping* in which people learn how to buy and sell charity goods online and manage the profits.
- *Skills 4 Independent Living* which features accredited units in developing writing skills, early mathematics and reading.
- *Pottery* classes in which learners are able to make pottery with an on-site kiln-fire.
- *Health and Wellbeing* which teaches participants to understand health issues, make appointments, daily care routines, and healthy eating.
- *Community Enterprises* supports a small group of people to earn money through creating and selling gifts and craft packages in the local area and online.
- *Planning for Independence* provides support to people in planning personal budgets and make decisions around living independently.
- *Music and Singing/Musical Instruments/Drama* include courses at Level 1 and 2 which have a focus on promoting communication skills and self-esteem.
- *Employment Taster Catering* for 16 to 24 year olds to gain skills in basic food hygiene, health and safety, and food preparation.
- *Friendship Circle* is a drop-in service in which people can attend for social purposes or to speak to a member of staff about any information or advice needs which they have.

Provision at the Harrogate Skills 4 Living Centre tends to operate with a relatively high staff to student ratio (usually around 1 staff to every 3 learners). This is in recognition of the fact that the learning needs to be more focused and requires greater levels of support for learners with physical disabilities and requirements in terms of equipment, facilities and learning materials.

## Funding

Harrogate Skills 4 Living Centre depends upon statutory health and social care budgets for around 40% of its income. The overall amount of this funding has declined in recent times, though it remains the most significant source of income for the organisation. It is expected that the forthcoming reductions in local authority spending will further impact upon this as a source of income, increasing the vulnerability of the organisation and its services.

In addition to this, the organisation generates around 30% of its income through private fee payers. This is mostly in the form of learning disabled people who have managed personal budgets which are used to pay for services. Again this is a source of income which is vulnerable and expected to decline, with several learners being told that they are no longer able to access personal budgets to pay for adult learning.

The organisation has become increasingly involved in the delivery of publicly-funded learning and skills in recent years, in particular the Single Adult Skills Budget and Community Learning Grants. However, the future of this activity is deemed likely to be affected negatively by the introduction of 24+ Advanced Learning Loans from August 2013. This is expected to impact upon around a quarter of the organisation's learners.

Harrogate Skills 4 Living Centre also generates a certain amount of income from fundraising. This is predominantly made up of grants from charitable trusts and foundations and is used to cover core organisational running costs as well as specific projects. The organisation has remained flexible and kept its operating costs low but finds that these are still not covered within most existing funding streams.

## Outcomes and impacts

Harrogate Skills 4 Living Centre faces difficulties with the focus on entry to employment as it operates in the current learning and skills system. For many of the learners based with the Harrogate Skills 4 Living Centre, the greater focus tends to be on entry level skills which may be better captured through continuing education or other soft outcomes.

The people who use Harrogate Skills 4 Living Centre's services tend to have a range of learning and/or behavioural difficulties. Though they may be good learners with the willingness to participate, they have particular needs in terms of routine, structure and the style of delivery. The services on offer contribute much in terms of people's sense of worth and the feeling that they have a safe place in which to participate in a range of learning and social activities.

If Harrogate Skills 4 Living Centre did not exist then there would be a far more limited range of activities on offer to people with care needs. The diversity of learning activities offered meet a range of complex needs which may be beyond the ability of existing carers to provide and serve to prevent the escalation of learning difficulties, physical difficulties and mental health issues. Indeed, none of the current cohort of older learners currently has dementia, a point which validates the clear benefits of such learning activities.

The sense of community and mutual support shared among learners is an important part of the Harrogate Skills 4 Living Centre but is something which funders have not been too good at either requesting or requiring. In recognition of this, the organisation is launching its own 'Star Outcomes' tool to measure these softer outcomes. This will be launched in January 2013 and will be applicable to all learners, measuring aspects relating to community cohesion and social isolation.

## Experiences of the learning and skills system

Harrogate Skills 4 Living Centre report difficulties in engaging with the learning and skills system, principally in relation to funding. The size of the organisation means that it needs to be part of a consortium to deliver learning and skills. Last year the organisation obtained a contract for Adult and Community Learning as a lead partner with Craven College, a local FE provider. It has also been a part of a regional voluntary sector consortia to provide learning under the Single Adult Skills Budget.

The organisation's experiences with the Adult and Community Learning Fund have been on the whole quite good, with the ability to capture information via a broader range of methods, including the use of case studies and video. Experiences with the European Social Fund have been more burdensome however, with a great deal of duplication leading to the loss of valuable time and resources. The organisation has had to increase their administrative capacity and have recently recruited in this area of operations. This

has also included developing managerial staff to take on functions and expertise as internal verifiers.

The Harrogate Skills 4 Living Centre has had limited success in obtaining funding from the Skills Funding Agency and (prior to that) the Learning and Skills Council. Despite being an accredited centre for adult learning, they have found direct funding elusive. This is the first year in which the organisation has been able to access significant funding linked to the Qualifications and Credit Framework (QCF) Matrix.

### Support and system developments required

Harrogate Skills 4 Living Centre report that being a member of a third sector-led consortia has not been without difficulties. The organisation feels less able to gain support due to the consortia operating on a regional scale and having grown in size.

The organisation used to be successful in drawing upon Government funded sources of support such as Capacitybuilders, Futurebuilders and the Social Enterprise Business Support Programme. They also successfully obtained a grant to purchase their own learning centre.

A great deal of the support accessed by the Harrogate Skills 4 Living Centre comes via the local voluntary sector infrastructure, especially Harrogate CVS and other sources of information from North Yorkshire. For Harrogate Skills 4 Living Centre, accessing support provided by national organisations such as LSIS or NIACE has depended upon pro-actively knowing what or who is out there, though it feels that such organisations need to properly engage with smaller third sector providers and with the existing local infrastructure.

On the whole, the view within the Harrogate Skills 4 Living Centre is that much of the existing rhetoric on public-private partnerships has not been matched by activities on the ground. There is a lack of good working models for making this happen and there is no real evidence to show that the Compact has made a difference in this area. In light of this, Harrogate Skills 4 Living Centre is keen for funders and statutory authorities to seek ways of ensuring mandatory ways for providers from across sectors to work with one another.

### Further reading

Harrogate Skills 4 Living Centre Website: <http://www.hs4lc.co.uk/>

Harrogate Skills 4 Living Centre Course Prospectus:  
<https://docs.google.com/viewer?a=v&pid=sites&srcid=ZGVmYXVsdGRvbWFpbnxiYzEzYmE5ZWY4MmIxMmNkGd4OjI5MjIwOWY0NWRhZjcxYjc>

Courses for people with learning and support needs: <http://www.hs4lc.co.uk/about-us/our-courses>

Courses for professionals in the care and education professions:  
<http://www.hs4lc.co.uk/contact-us/about-us>



## Case study 6: Operating as a ‘hub and spoke’ consortium and supply chain model



### Summary

Your Consortium (formerly North Yorkshire Learning Consortium) operates as a ‘hub and spoke’ model, working with up to 175 supply partners to provide the sourcing of funds, project and contract management, and also capacity building and strategic influencing. As a consortium with a solid track record it has been able to bring in over £7 million of funding for the Voluntary and Community Sector (VCS) to work with the most disadvantaged people and communities.

### Key lessons and issues

- The key to the success of this consortium approach is *not competing with supply partners*.
- The staff work with a very strong customer focus – which in return attracts strong support from the sector.
- They have an effective board of trustees composed both of business people and CEOs of VCS organisations both large and small.
- Your Consortium has grown by ‘being brave’ and in believing in the quality of their products and services.
- It is still a very unfair ‘playing field’ where there are different (and more restrictive) rules for this sector compared to others e.g. there is currently no capital funding available to the sector – all capital funds are aimed at colleges etc. A second example is in relation to payment on actuals with quarterly reconciliation and performance management, whilst colleges are still paid on profile. This makes it very difficult for the consortium to plan effectively.
- Inspection: it is perceived that there is confusion and sometimes actual contradiction between Skills Funding Agency requirements (minimum performance levels) and what Ofsted inspect against (e.g. national benchmarks). New providers no longer get support visits from Ofsted so if they are ‘on the wrong’ track it can be several years before this is corrected. The Skills Funding Agency no longer provides this kind of support which has left a big gap for small and new providers.
- The VCS or third sector can be a *leader* - Your Consortium demonstrates this when leading cross-sectoral partnerships.
- The CEO is adamant that quality has to be constantly driven up and that there is no ‘special case’ for the sector without good quality provision.

### Date

December 2012

## Provider name

Your Consortium Ltd.

## Sector coverage

Your Consortium aims to strengthen and empower voluntary and community organisations to achieve their goals as sustainable and high quality social businesses. The Consortium is open to all voluntary and community enterprises - charities, social enterprises and others - who are based in North and West Yorkshire. The purpose of social businesses and local charities is to maximise any investment into communities and this ethos underpins all that they do.

To achieve this it provides:

- funding and contracting opportunities;
- a comprehensive project and contract management service;
- capacity building activities to ensure they can respond to the growing opportunities; and
- strategic influencing.

## Contact information

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## About the organisation

Established 'by the sector, for the sector', Your Consortium has evolved from the work undertaken by North Yorkshire Learning Consortium (NYLC). NYLC was established in 2007 to enable providers within the voluntary and community sector to compete effectively for funding opportunities, particularly in learning skills and employability markets.

It has been successful in securing over £7 million of new money for the sector within the first three years of its existence and has highlighted the true capability of the sector in delivering quality provision.

In response to demands to diversify contract management skills into more areas of the VCS it has rebranded as Your Consortium Ltd with the aim that this will enable them to develop work in areas of delivery such as health and social care and children and young people's services.

Your Consortium Ltd has a track record of encouraging high quality partnership working. They support this by diversifying their strategic reach in these new areas. It already plays



a key role in the multi-agency Care Alliance for Workforce Development (CAWD) and North Yorkshire Advice Services Partnership.

Your Consortium Ltd provides what they identify as a new type of VCS leadership - positioning the sector as an important and equal player, driving innovation and contributing positively to multi-agency priorities. This is done by leading new partnerships and securing new funding through facilitating partnership bids.

Your Consortium believes that the sector must be integrated within wider strategic priorities to safeguard and improve the vital work done by VCS providers.

### What we wanted to achieve through the case study

This case study illustrates the positive role of a consortium – acting as fund manager, lead partner and delivering support to sub-contracted providers. Smaller providers cannot access larger funding opportunities offered by the Skills Funding Agency, Department for Work and Pensions etc. so being part of a consortium offers access to both funding, quality improvement and access to more sophisticated measurement and administration systems.

### Funding and provision

Your Consortium operates a ‘hub and spoke’ model in which it is *not* itself a provider so can act as ‘honest broker’ without being in competition with any of its supply partners. The consortium principally provides in the following ways for its partners:

- sourcing funding, funding applications, bid writing – informed by in depth knowledge of funding opportunities;
- managing funding programmes;
- standardised data collection via Management Information System (MIS) – with a fit to local permutations;
- influencing within strategic forums; and
- capacity building.

It has had a direct contract from the Skills Funding Agency since 2008 – currently £850,000 within the Adult Skills Budget and £175,000 within Neighbourhood and Community Learning.

In the past year 2,000 learners have been helped through this hub and spoke supply chain model.

Management fees for providers in the consortium vary between as little as 5% and 15%. The philosophy of Your Consortium is centred around the importance of building a strong supply chain. To this end there is an emphasis on capacity building in order to improve the quality of provision. The CEO is adamant that quality has to be constantly driven up and that there is no ‘special case’ for the sector without good quality provision.

The skills and experience of Your Consortium are recognised both within public and private sectors – the NEET partnership was led by Your Consortium. When funding is available the consortium invites Expressions of Interest from partners and selection is managed by scoring and geographical coverage.

Provision by partners is generally on a payment by results or outputs system (e.g. jobs or work placements). Partners take mandatory training which enables them to understand the nature of the sub-contract and the requirements that fit with this. There are guidance documents and regular reviews held in order to keep activity on track. Contracts can be terminated where providers have not met with requirements. There is an emphasis on the initial assessment for learners and the use of SMART (specific, measurable, achievable, realistic, time bound) objectives.

### **ESF NEET – Starting Fresh 2011-2013**

Your Consortium acts as fund manager for this significant programme across York and North Yorkshire. The target group for the project will include carers, Learners with Learning Difficulties and or Disabilities (LLDD), Black and Minority Ethnic Groups (BME), Young Parents and 17 and 18 year olds as well as young people in other vulnerable groups such as young offenders (14-16), mental ill health, those suffering from the impact of homelessness and learners with a physical/sensory disability. Your Consortium also leads a partnership delivering apprenticeships.

### **National Citizen Service**

‘Do It Change It Live It’ is a National Citizen Service (NCS) programme. NCS provides young people from all backgrounds with the opportunity to take on challenges, learn new skills, have fun with new friends and make a positive impact on their community. Your Consortium has been working with a number of delivery partners and local organisations to offer an exciting programme of volunteering opportunities over the summer of 2012.

### **Outcomes and impact**

Under the Adult Skills Budget activity Your Consortium is measured on success rates rather than progressions. Generally, the consortium measures outcomes e.g. turning up for training, speaking out in the group etc. and this sits alongside the importance of the initial assessment so that progress can be properly tracked. This tracking back to initial assessment is carried out by the contracts/grants team. Case studies are also collected.

Every aspect of the Consortium’s delivery has a strong focus on measuring outcomes for learners/clients as well as demonstrating the impact of provision by delivery partners. This is built into the funding received via ESF NEET (payment on outputs/outcomes) and Adult Skills Budget performance managed on success rates/timely success rates. However, Your Consortium has consciously integrated output based payment and impact measurement into a wide range of contracted activity even where this is not a requirement from the funder, e.g. Community Learning, Community York etc. A key principle of the Consortium’s ethos is that the sector must demonstrate impact for all public funds and to enable this culture change they introduce this working methodology in all areas of their work, including small grants.

The importance of the initial assessment with the learner cannot be overemphasised according to the CEO - progress is tracked against this assessment and is carried out by the contracts/grants team. Case studies are also collected to highlight best practice.

## Where the provider fits within the learning and skills system

The consortium works with approximately 175 voluntary and community sector partners – ranging from the very small, specialised and local to the large national charities (e.g. Barnardo's). It faces competition from both public and private sectors – and has succeeded against both (e.g. in winning the ESF NEET Fund Manager contract). The successes of Your Consortium clearly demonstrates that the VCS can *lead* in the context of providing learning and skills.

Currently the approach developing with the public sector is of more collaboration rather than competition and there are collaborative developments focusing on apprenticeships and community learning. Your Consortium is a member of the Community Learning Partnership and the CEO represents the sector on the Leeds City Region Skills Network (functioning as the Local Enterprise Partnership). This is a significant recognition of the VCS within a context in which the sector is gaining little in terms of engagement.

## Support and system developments required

- **LSIS support:** Your Consortium seeks LSIS support but has concerns that only LSIS products and services can be accessed through the accounts system. Also, the CEO makes the point that Your Consortium supports a large number of providers but can only access one LSIS account.
- **Strategic influence:** It is crucial that Your Consortium is able to field strategic representatives at 'the right tables' e.g. local government, Local Enterprise Partnership, central government etc. The CEO believes that traditional umbrella organisations cannot represent the 'contracting' side of delivery as they don't do it so don't have the in-depth knowledge of the issues. National organisations such as 3SC deliver in the regions so are competing with existing consortia so can't undertake the honest broker role.
- **Funding restrictions:** There are occasions when the third sector is excluded from opportunities – one example being that Your Consortium has had NLDC funding but were never able to access Formal First Steps, Personal and Community Development Learning (PCDL) or Family Learning Funds despite there being obvious strengths in the sector in these areas. Despite constant over-performance there was no vehicle to allow growth in this area with funding remaining the same year on year.
- **Quality:** colleges have benefited from investment in the Common Inspection Framework and in quality improvements – the VCS needs this investment also.
- **Inspection:** Your Consortium was inspected for the first time after four years and faced inspectors who had no understanding of the context for the sector, having no grasp of the concept of a lead partner/managing agent. Training could be given to inspectors and some inspectors could be recruited from the sector.
- **Capital funding:** again this has only been for FE colleges. There has not even been any chance to compete for such funding.
- **Funding systems:** colleges are paid on profile with funds allocated for the year and carrying less performance management requirements – whereas the consortium is paid on quarterly performance management – this makes it more difficult to plan ahead.
- **Funding Flexibility:** The Adult Skills Budget is deemed to be more 'flexible' – but in reality 90% has to be directed to apprenticeships and only 10% is flexible – this is

an issue which is covered by the Compact but not manifested in this funding system.

**Further reading**

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