

Norfolk Unites



- the one start shop for Norfolk Third Sector learning & skills



Norfolk Unites



Norfolk Unites Discussion Paper:

*An exploration of the future landscape
for Third Sector Learning and Skills Consortia*

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1 Introduction

1.1

This document is a Norfolk Unites discussion paper which discusses issues affecting the development of learning consortia in the current climate. Discussion is raised to explore consideration of a number of key areas but does not seek to provide 'the solution' to these issues.

- What is a Consortium?
- The Third Sector in relation to Further Education
- Regional
- Holding Contracts or Effective Sub-Contracting?
- Local Norfolk Unites Service
- Future Positioning
- Obsolescence and Longevity

2 What is a Consortium?

2.1

Traditionally, Third Sector learning consortia have been based on:

- a) 'Guaranteed' contracts through Preferred Provider Status and
- b) Substantial LID (Local Intervention and Development) funds.

With the withdrawal/reduction of LID funds and the transition from Preferred Provider Status (for Third Sector organisations) to Open Competitive Tendering, this has brought into question the financial viability of learning consortia.

This is exemplified in the experience of one of the consortia surveyed who received funding for a consortium manager to contract manage but then Preferred Provider Status was withdrawn and then that consortium won no contracts and that person's role essentially became redundant.

2.2

The government review (the Gershon Report, 2004) looking at the efficiency of spending of public money has led to a stripping back of jobs in the civil service arena. The dismantling of the LSC will lead to two distinct brackets of work – 14-19 and 19+. In the 14-19 bracket, the Young People's Agency will be independent 'like' the LSC, to support local authorities in their 14-19 role. In 5-7 years these Young People's Agencies will no longer exist, with local authorities being expected to be ready to undertake this full role themselves. Regional Skills Funding Agencies will distribute previously LSC funded provision in the 19+ bracket. These Skills Funding Agencies will be funding bodies only, not strategic. Regardless of the dismantling of the LSC, the Regional Skills Funding Agencies, Young People's Agency and local authorities will still not want to directly contract with a myriad of organisations.

2.3

The question is how can consortia without that track record built up in the period of Preferred Provider Status and of substantial LID funds, of which earlier county consortia benefited, effectively compete against organisations from other sectors – e.g. FE – with established track records?

The national emphasis of contract holding within Third Sector learning consortia does not reflect the more flexible approach perhaps needed at this time where 50% of those organisations responding to the consortia survey did not actually hold contracts from the Winter 07/08 LSC ESF round, other than the Community Grants Programme which was targeted as Third Sector organisations.

2.4

There appear to be 4 main types of consortia – consortia may sit in more than one of the following categories:

- a) Mainstream delivery
- b) Regional partnership working to achieve discretionary fund contracts
- c) No contracts held, information and support post only, maybe post not even funded
- d) Contract responsive, e.g. ACER

Each consortium would need to evaluate where it would best sit within that.

3 The Third Sector in relation to Further Education

3.1

The question is whether non-established Third Sector learning consortia can compete with the FE sector and others who have built up a track record that could be prohibitive to even compete against in a time where there is no Preferred Provider Status. This corresponds with the Winter/Spring 07/08 LSC ESF round, where no Third Sector organisations in the eastern region achieved a contract.

3.2

Evidence suggests that smaller management fees are asked for from the Third Sector than other sectors:

- 15-20% Third Sector management fees from the learning consortia survey
- 37% reported FE average.

With less money spent in the contract management, more beneficiaries can be supported through these programmes. By more effectively organising itself, by becoming more competitive or more influential in a lobbying capacity, the Third Sector could in fact be seen to drive down management costs and therefore enable more beneficiaries to be served by those programmes.

3.3

Learning Plus, a Third Sector learning consortium in Devon & Cornwall, originally set up to meet Skills for Life targets in that area as a result of FE success in that area being poor at that time. Learning Plus approached the local LSC and lobbied to deliver mainstream FE learning to address these gaps. There is potential for consortia elsewhere in the country to approach in the same manner, filling the gaps left by current FE mainstream provision as regards addressing certain target groups. In Norfolk, evidence suggests that FE provision is very strong across the meeting of various target areas. However there may be scope in the future for the Third Sector to deliver mainstream FE delivery should any gaps emerge. The Third Sector may work in partnership with the FE here, supporting them to ensure all appropriate target groups and subject areas (e.g. Skills for Life) are being delivered to.

4 Regional

4.1

As the Third Sector in the Eastern region, there have been two principle barriers to achieving regional contracts:

- 1) Contract management experience and
- 2) Effective partnership working across the eastern region.

4.2

It is important to distinguish between 'leading' and 'contract holding.' A lot of the focus has been on making aspect 1 above more robust, whereas in fact a lot of that experience, expertise and skills has already resided in individual, member organisations. However, track record and capacity are relevant issues in terms of managing and delivering larger/regional contracts. This was highlighted earlier in this discussion paper in terms of feasibility to compete when sufficient track records have not been already built up (2.3)

4.3

A regional working experience shared in the consortia survey was the East Midlands Learning Consortium, which had been created by a number of learning consortia in that region. This was a shared representative identity, a website and agreed rules of working. Here, all those providers under their umbrella are presented as a coherent whole – easier to put themselves in the position to win their own contracts; easier to manage any such contracts achieved; easier to present to sub-contractors and; more effective lobbying power as a whole. A similar approach could be taken in the eastern region.

4.4

Effective regional partnership working can also extend to attendance of national/ regional events where not all the consortium leads can attend and ensuring notes and information are circulated to those county leads to ensure no-one misses out on any opportunities. Less duplication of effort for a wider reach and influence.

4.5

As to applications made in the regional funding climate, the ESF round of Winter 2007/8 provided much anecdotal evidence of well constructed bids from experienced, established delivery organisations who failed to achieve contracts because they were limited in geographical scope. Those organisations were left to hope that the actual contract holders were prepared to use that organisation on a scale which reflected their potential to provide.

4.6

Another regional issue is whether the eastern region Third Sector can realistically expect to pool together enough beneficiary numbers to put forward to apply for a regional contract lead – e.g. how feasible is it that the eastern region Third Sector can provide for 7000 learners over 3 years on delivery of specific Skills for Life etc. qualifications?

4.7

Regards successful applications of ESF bids, a number of contracts were bounced-back and re-tendered in the 07/08 ESF round, as not all were deemed to have suitable applications. If the numbers of re-tendering remain high, both in the east of England and nationally, it may bring into question the viability of regional contracts. This may necessitate a move back to county wide contracts, better able to meet the needs of the contract specifications.

5 Holding Contracts or Effective Sub-Contracting

5.1

The question is, "Are we, as a learning consortium, more likely to achieve as contract holders or in facilitating more effective sub-contracting arrangements?" Any negotiating position on regional contracts would obviously hold more power if the 'Eastern Region Third Sector Consortia' presented itself as a coherent whole of provision.

5.2

Does the Third Sector sign up to every partner proposal, therefore helping every bid and not in fact aiding an organisation that may be more positive to work with, or is it more discerning, ensuring that the prized assets of the Third Sector are only affiliated to the more preferred partners offering better deals?

6 Local Norfolk Unites Service

6.1

One of the challenges of a consortium in a rural county is to ensure all geographical areas can take advantage of the opportunity offered by a county consortium. This can be achieved remotely, by an effective website for example and also by effectively engaging with those local networks. The latter can be achieved by attending local network meetings and close links with any individual co-ordinating those networks, in much the same way as the regional work has required close relationships with identified individuals in each county.

The responsibility of this does not need to solely be on the shoulders of the consortium co-ordinators. Should any member attend an event (local or regional) that they feel can be of benefit to other members, they can make representations in that light (on behalf of members as well as the original individual organisation) and cascade information back down the network.

6.2

In terms of bringing specialist training into Norfolk or indeed the eastern region (as demonstrated by Norfolk Unites bringing in provider training delivered by Learning Plus from Plymouth, for example, and similar to a consortium surveyed who had brought specialist homeless training into their county from outside of their region), such a desire was expressed in a previous scoping report of organisations from the Norfolk Infrastructure Consortium organisations, in 2006. The 'VCS Trainer Development and Mapping Project' looked at the training trends of the 14 members of the Norfolk Infrastructure Consortium. In this, 64% said that lack of availability of local courses was a constraint to training.

6.3

A view was expressed from the working groups that increased partnership working should be a desired aim of Norfolk Unites. For example, one organisation may have a contract they want to deliver on but not enough capacity. Another may have a service but no contract. Increasingly, delivery contracts are seen to include more diverse services, to require a more 'holistic' approach and these are seen to be yielding not just one organisation to 'do the delivery' but a multi-agency approach whereby engagement and referring, mentoring and support, soft skills and hard delivery come hand-in-hand. Norfolk Unites in this sense can be a 'match-maker,' linking up services wanted and required. This could also operate as an internet forum site.

6.4

In the light of this, the Third Sector has something extra to offer to contract holders of all sectors seeking a holistic, comprehensive support system, picking from a menu of services offered. Delivery is seen to be increasingly more subtle and complex. This is where specialist services of the Third Sector can come into its own – providers don't all need to be delivering NVQs to contribute.

6.5

Prime contractors and commissioning agents need to know that Norfolk Unites is the place to come to when looking for Third Sector delivery organisations for training contracts in Norfolk. Norfolk Unites needs to be the first port of call rather than the scatter gun approach as experienced previously when e-mails are sent out to people which are then sent out to other people in the hope that the people who may be a significant contributor to that programme a) receives that e-mail and b) recognises and appreciates the importance of that e-mail and so reacts to the opportunity. As the slogan for Norfolk Unites says, it needs to be seen as 'the one start shop for learning and skills in the Norfolk Third Sector.' Awareness of this, both at the grassroots, provider level and up to those commissioning agents, needs to be actively sought.

6.6

An effective awareness campaign would need the support of all appropriate Norfolk Third Sector organisations to ensure the message was spread as widely as possible. The work of Norfolk Unites essentially sat outside of the Norfolk Infrastructure Consortium whereas evidence suggested that in other counties in the eastern region, the development of the learning consortia were very much embedded in the various county infrastructure consortia, which had been seen to support their engagement and awareness needs. Future efforts will be able to be more targeted now that it is clear as to what Norfolk Unites 'is'.

7 Future Positioning

7.1

In light of the changes emanating from the Gershon Report, the regional development agencies are seen to be 'more relevant.' With 19+ provision being allied to regional economic and development strategies, by necessity this gravitates towards a regional perspective, a shift which we have seen in recent funding rounds.

The question is whether it is realistic for county consortia to put themselves forward for the management of such contracts. The learning and skills contracts are by necessity performance based (they need to achieve outputs to ensure the intended impact of those programmes are met). Cash flow status of the contract holding organisation needs to be very robust due to perhaps a 20/80 split of payment as offered by such larger performance related contracts by commissioning agents such as Jobcentre Plus.

Considering this, the Third Sector would need to think where it is positioning itself in terms of a) market penetration or b) delivery. With market penetration, the county consortia can offer a specific service in accessing/engaging those providers and providing a foot in the door for those contract holders, as individual Third Sector providers may prefer to work through a trusted intermediary rather than an unknown commercial face who may not even be based in the county of intended delivery.

"We are keen that VCS organisations are involved in as many of our contracts as possible as either a prime contractor or sub contractor. The latter may be more feasible as in future we will be letting fewer, larger contracts. "

(Jim Church, External Partnership Manager, Jobcentre Plus East of England)

7.2

It may be that regional or national Third Sector organisations have the capacity and cash flow stability to be in a position to apply for the larger regional contracts which could make them the preferred contract lead for the Third Sector in certain situations. The eastern region Third Sector would need to consider engaging 'more robust' organisations not previously engaged in the work of learning consortia if it was felt that those larger regional or national organisations would offer the most favourable terms to Third Sector partners and offering the best chances of success in securing such contracts.

7.3

If it was felt that the Third Sector would be best to put forward a limited selection of 'strong' proposed contract leads for regional opportunities, there would need to be a responsibility of those organisations to be inclusive in their approach, enabling other organisations to input their ideas into the proposals and to ensure managed costs would be favourable to Third Sector providers.

7.4

Whilst the Third Sector management of such larger contracts will not be as widespread as previously anticipated/advocated, there will still be opportunities for the Third Sector to contract manage, such as the Community Grants programme of the 2008 ESF round. This will, however, still need a collaborative approach by the Third Sector 'working together' to achieve success.

7.5

Indeed, with the move to unitary authorities it can be seen that the influence of those 'county' bodies will grow and that the presence of a well organised, coherent Third Sector provision will be just what those unitary authorities need to address recent influential social and skills strategies. Indeed, as Freud emphasises, the active contribution of the Third Sector in effective collaboration with other sectors will be required to meet such impacts. Therefore, it is easy to see why the presence of Third Sector learning and skills consortium will appeal to any strategic body in order to address social and economic inclusion policies as advocated, cross-party, at the highest political level. It may even be that it is at the unitary authority level where financial sustainability of consortia lie, helping to address local community and social priorities through the direction of Third Sector learning and skills provision.

7.6

The Prime Contractor environment currently operated by the LSC and Jobcentre Plus has been seen to actually marginalise the Third Sector in terms of influence and provision, for both small and larger providers alike – providers able to add diversity to larger delivery contracts. If all partners need to be named in a contract application and there are 12 organisations passed as potential Prime Contractors, this is a considerable amount of time required to complete expressions of interest for all those bodies – indeed, a prohibitive amount of time for smaller organisations with non-dedicated staff. Allied to the cash flow issues of delivering the service up front and getting paid after and it can be seen that the actual engagement of Third Sector providers – identified in numerous key government and regional strategies as being crucial to the vitality of initiatives to address target groups – is fraught with difficulties.

7.7

Recent developments bear witness to an increasingly nomadic competitive arena, with organisations from a number of regions coming into the East of England hunting for Prime Contractor opportunities. This affords additional power for the eastern region Third Sector as by allying itself with one/a few preferred named partners, this increases potential lobbying and influence capacity. Regards this, it can be seen that organisations such as ACER from within the East of England FE need the eastern region Third Sector as much as vice versa. The stronger and more coherent way that (regional and/or Norfolk) Third Sector provision is presented, the more advantageous it will be for both parties within the procurement cycle.

7.8

The Norfolk Unites service in brokering/signposting to contacts has been well received throughout the development phase. However, as far as larger providers being linked to contracts that directly affect them, they have generally been able to make the links directly to those contact holders. For smaller providers as regards these contracts, many are less ready to deliver on these contracts or indeed less willing to actually deliver due to payment schedules etc.

7.9

In response to the Freud Report, calling for a mixed economy of delivery whereby the Third Sector works alongside the private and statutory sectors, there is great emphasis on all sectors to ensure that they are working effectively in partnership to ensure suitable delivery to target groups. This would need the Third Sector to present itself as a viable, coherent provision to cross sector parties.

An effective approach across the eastern region Third Sector and engaging professionally with stakeholders of other sectors can be seen to ensure greater influence than some of the individual arbitrary franchising and sub-contracting relationships of the past. This has often resulted in the voluntary and community sector being the poor relation, even losing money by taking on contract delivery just because of their desire to deliver to those priority groups. Ultimately, those non-Third Sector contract holders have benefited more financially than the actual amount of work that they themselves had put in.

There would be clear benefits for all of an effective partnership approach – the Third Sector in having a greater influence and to receive a better financial deal; contract holders of other sectors having an organised third sector provision to help them to better engage the target groups; strategic funding bodies would be able to have greater numbers of beneficiaries to take advantage of the programmes, which all of course; would ultimately seek to best serve the end user from those target groups.

7.10

Potentially, the Eastern Region Third Sector could be another chair around the table of ACER, working with the FE sector on respective bids and, when the time was right, even leading on contracts themselves if it was felt that the third sector was best placed to lead. Mentoring arrangements could even be put in place with an FE college to support these eventualities. In some instances, it could be that the FE sector provided the systems and processes on a contract and the third sector led on the actual delivery to a specific group (maybe delivered in a community setting, for example) if it was felt the third sector was best placed for this aspect of it. All this would ensure that as the eastern region, all were effectively working to support the priority groups that the strategic funding bodies are trying to reach.

7.11

In relation to the Freud Report, this is not so much as an effective cross-sector approach as a 'one sector' approach, empowering all through effective partnership working to deliver the most efficient and effective service to the end user available.

8 Obsolescence and Longevity

8.1

Obsolescence of a consortium existing in a non-contract management facility needs to be considered. If it is that individual providers have been put in touch with commissioning agents; partnerships have been formed; individual members have formed sub-groups/clusters where they have supported each other on other projects, then; it may be that the consortium ceases to retain the need to survive in its current form. A consortium may prevail in terms of the on-line Directory being maintained (with members sharing the cost of this) or representatives from the network attending appropriate meetings/events and passing that on for the benefit of other members, for example, but the consortium need not be a funded post/staff team. It can exist as a partnership of organisation supporting each other, sharing resources and sharing a joint vision.

The consortium is valid in this sense regardless of who is actually working on behalf of it. Mechanisms can be put in place regardless of who is on board or doing the work on any given piece of work. Such an approach requires a shared commitment and – as with any partnership – energy to drive it on.

Consortia exist in other sectors on the basis of joint partnership working or member contributions. They do not rely on grants to sustain the networks; rather, they rely on a shared vision and purpose and a joint commitment in the shape of membership fees or time. It depends how much the presence of the consortium is perceived as adding value to the individual members: how much do the members benefit; what would they do if that consortium did not exist; how are they be prepared to contribute to sustain that consortium, if it is that they feel they would like that service to remain?

That contribution could be in terms of membership fees (as in ACER, in which each individual members pay a fee to sustain the co-ordinating network) or in terms of time (as in many private sector consortia, for example, with there being no central hub that is financially supported, the resource being the time that each member contributes). In both instances there is an investment by all in the consortium, the investment in the consortium, individually, perceived to ultimately reap greater dividends for those individual members making that upfront investment.

If it is that a network, stripped of resources, continues in terms of organising joint training, group lobbying with respective parties, disseminating relevant information throughout the members, it will only be because the individual members feel the need for it to continue. If it is that the individual members do not feel the need for it to continue, then the network is obviously not meeting the needs of the members and therefore the need for its existence becomes outdated.

