AEB Devolution Survey

Introduction

During the recent AEB devolution procurement, member feedback was passed by AELP to the DfE regarding the challenging experiences that they had experienced throughout the process and concerns about the likely outcomes for individuals and employers. DfE is keen for feedback from representative organisations and so AELP surveyed a wider group of members on their experiences of the AEB devolution procurement process.

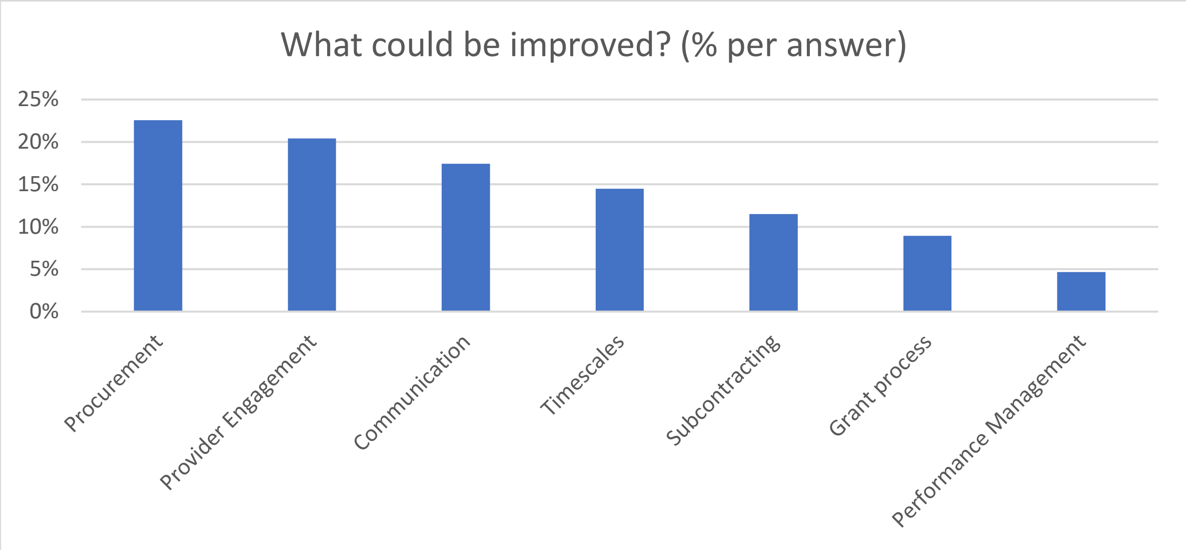
AELP produced a short online questionnaire survey with a mixture of closed and open free text comment questions, which was sent to all full members in early September 2019. The questions were carefully balanced for objectivity and to allow positive experiences and pitfalls to be identified to help in future. The researchers note that the self-selecting sample of AELP members presents potential bias in that providers with negative experiences were more likely to respond.

A total of 93 providers completed the questionnaire.

The results are reported on below. They give real insight into overall views on and impact of the process and identify some key differences between areas.

Each question is given in turn, with summarising graphic and brief commentary. Where there are two graphics for a question, it is the same data presented in two different ways.

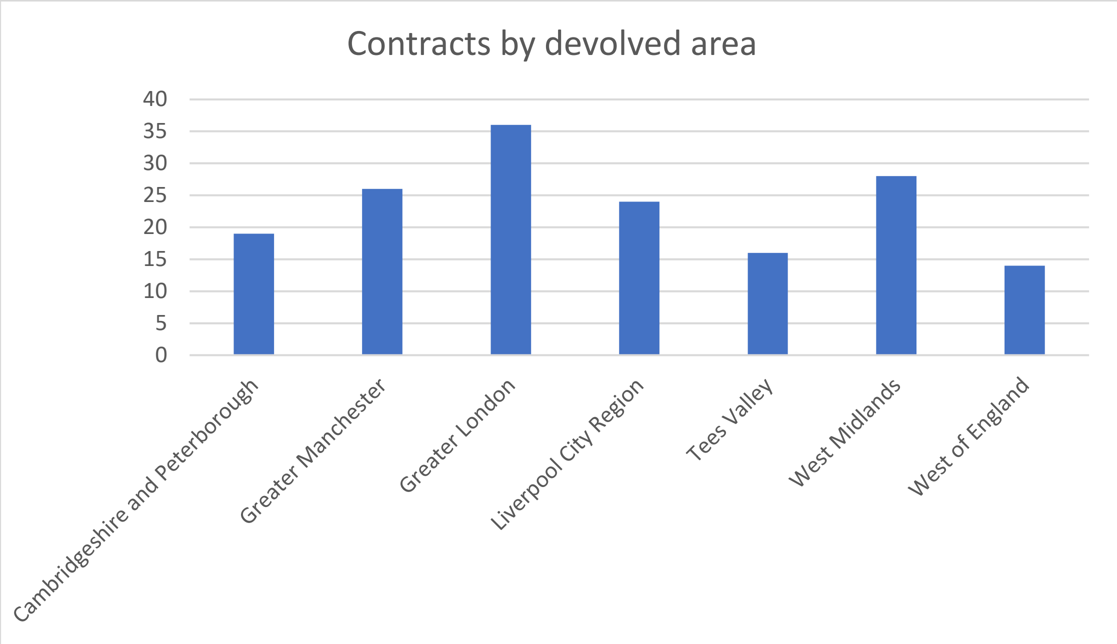
1. In your view, which of the following could be improved?



Taken on their own, these results look fairly positive. Approximately a fifth of respondents said procurement and provider engagement could be improved. However, in the open text comments, the former was heavily criticised while the early stages of the latter was regularly praised. (This question allowed multiple answers per respondent; there were a total 235 answers from the 93 respondents.)

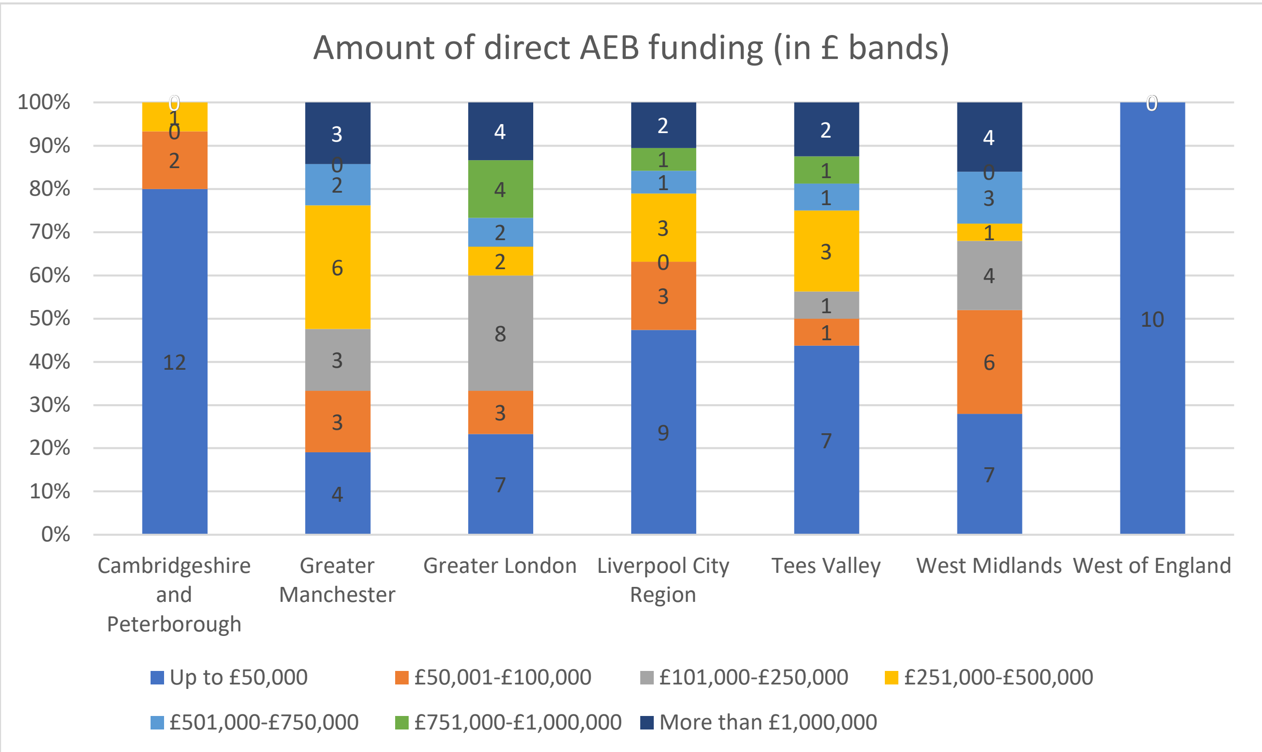
Refer to appendix 1 for typical comments. In these open text comments, subcontracting was by far the most frequently mentioned. Analysis of comments also found improvements needed in terms of well-informed approaches to skills sector procurement, including realistic analyses of local employment opportunities suitable for typical AEB clients and consideration of the relative benefits of continuity and disruption of existing relationships. Unmet needs at individual, employer and local economy levels were mentioned as ultimate impacts, which could be improved using different approaches in future.

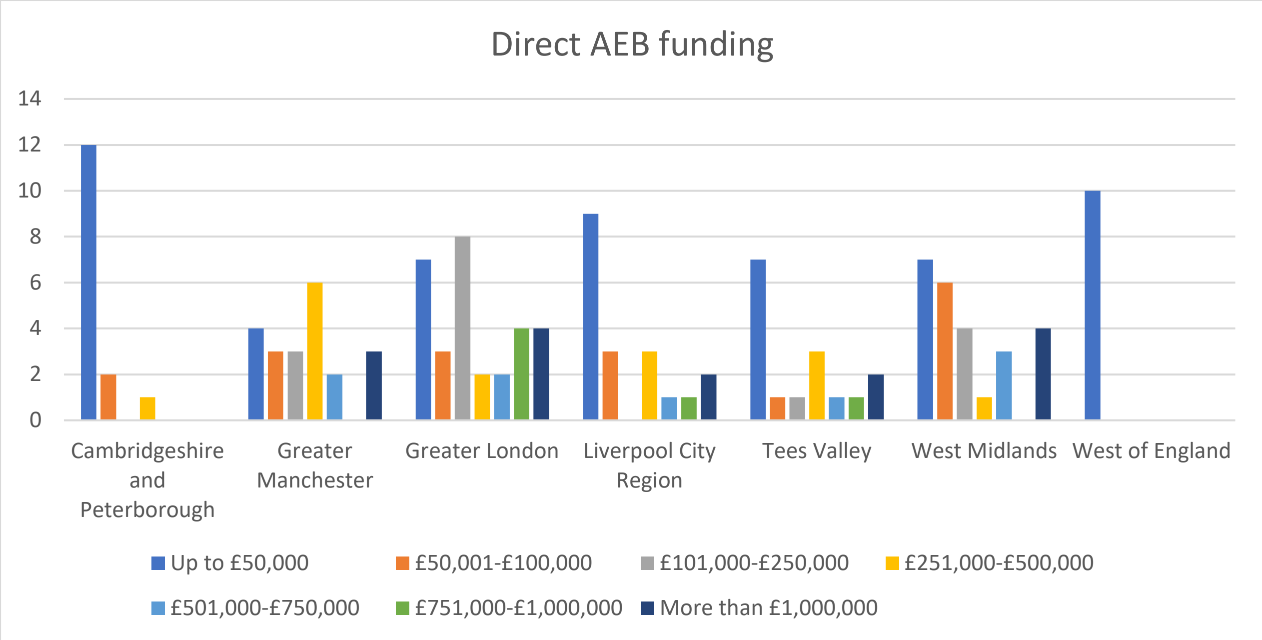
2. **Which devolved areas did you deliver AEB in 2018/19?**



This chart describes the sample we surveyed. The 93 respondents to this survey had a total of 163 contracts, with the contracts per area as shown above.

3. **What was the value of your DIRECT AEB delivery in 2018/19?**

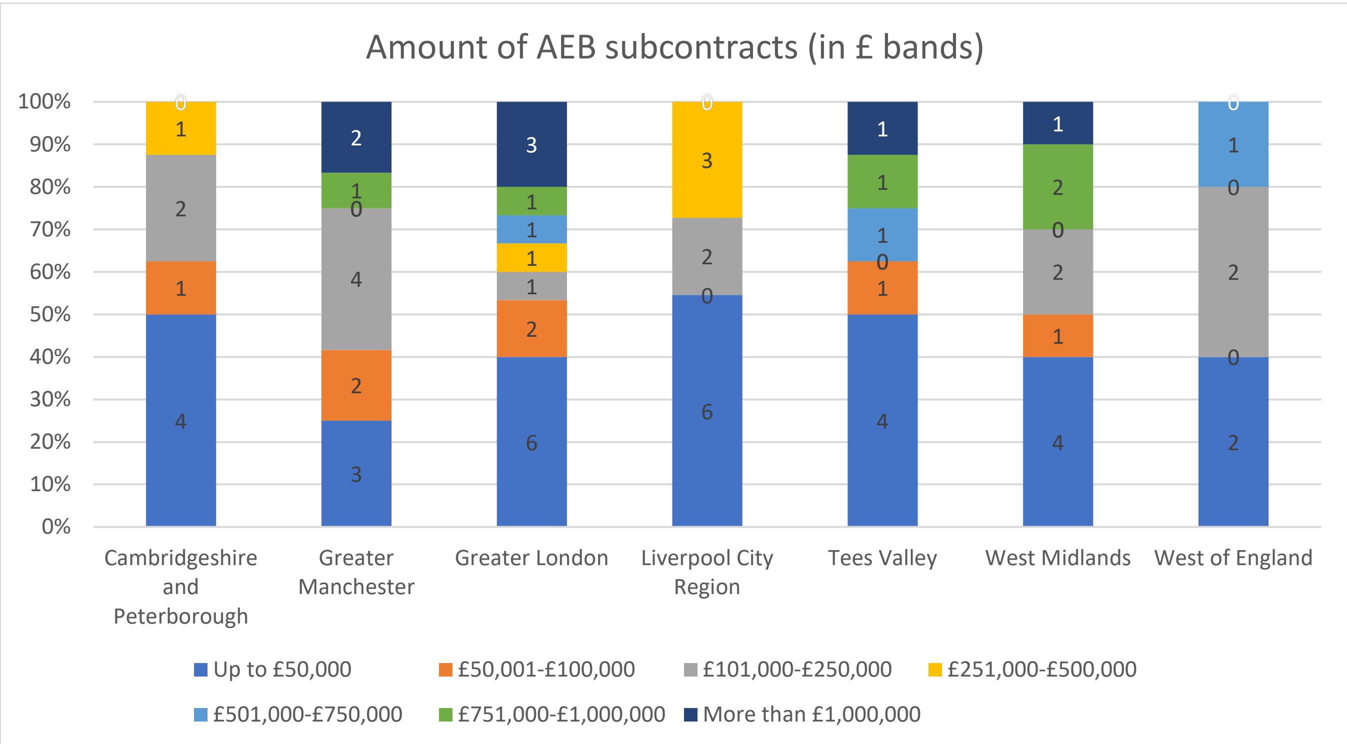




The above charts of direct AEB in 18/19 give a baseline for comparison with the amount received for 19/20 further below. There was a total of 137 direct contracts given to respondents in 2018/19.

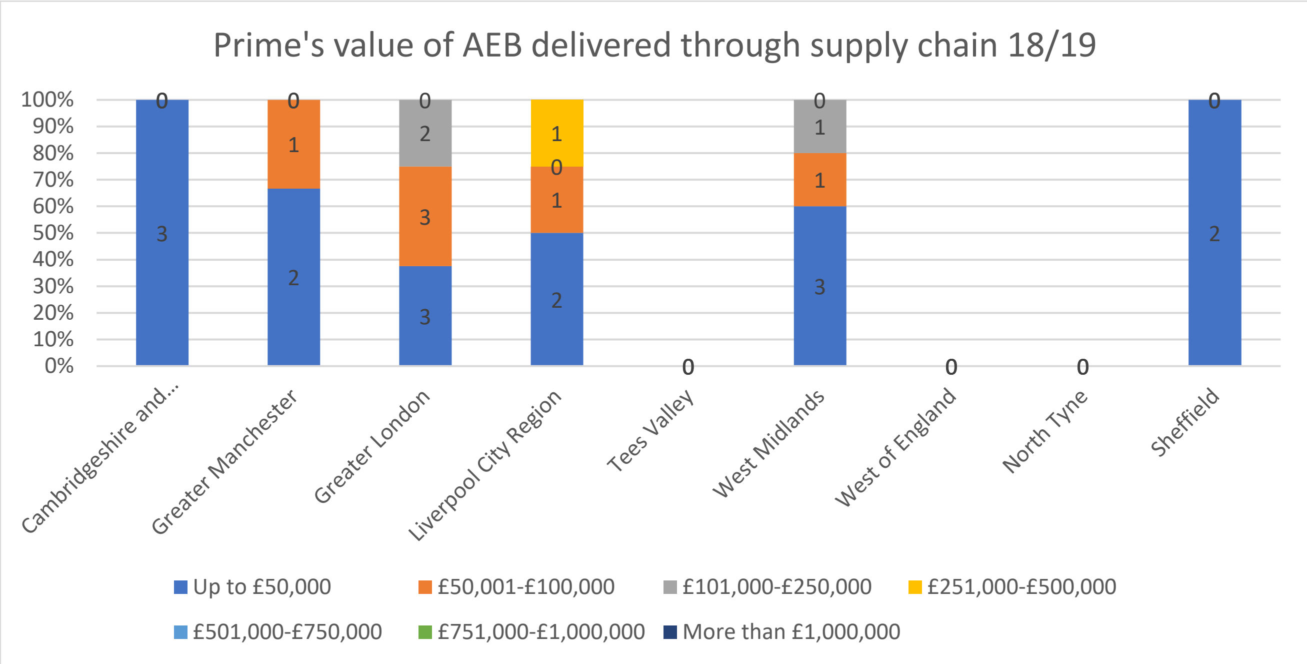
Just to note, almost all respondents with funding from Cambridgeshire and Peterborough Combined Authority (CPCA) and West of England Combined Authority reported receiving less than £50K contract value, reflecting their rurality. Also, Liverpool and Tees Valley have similar profiles to each other with around 40% at less than £50K.

4. **What was the value of AEB you delivered as a SUBCONTRACTOR in 2018/19?**



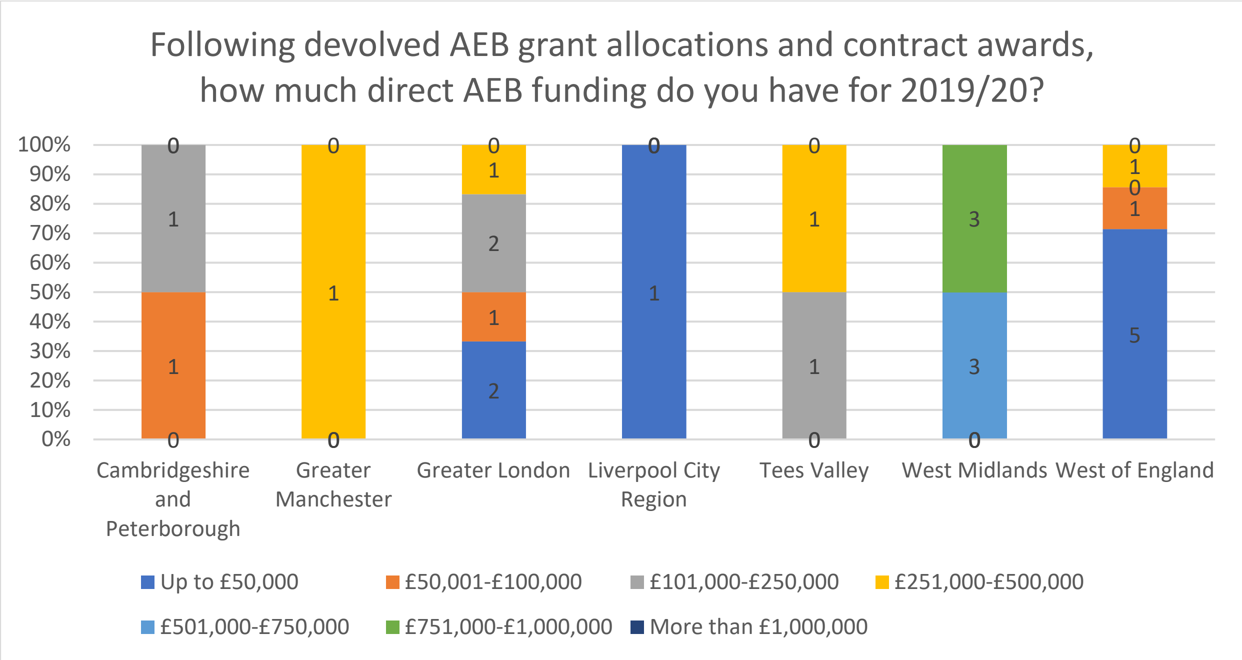
There were 69 subcontracts given to respondents in 2018/19. The above shows that 20%-30% of GM, GL, Tees Valley and West Midlands subcontracts were relatively large (more than £750,000 – in navy and green), but the majority of subcontracts – 58% to 87% - were under £250,000. Also, that each Area had a very different profile of subcontracting by value in 2018/19.

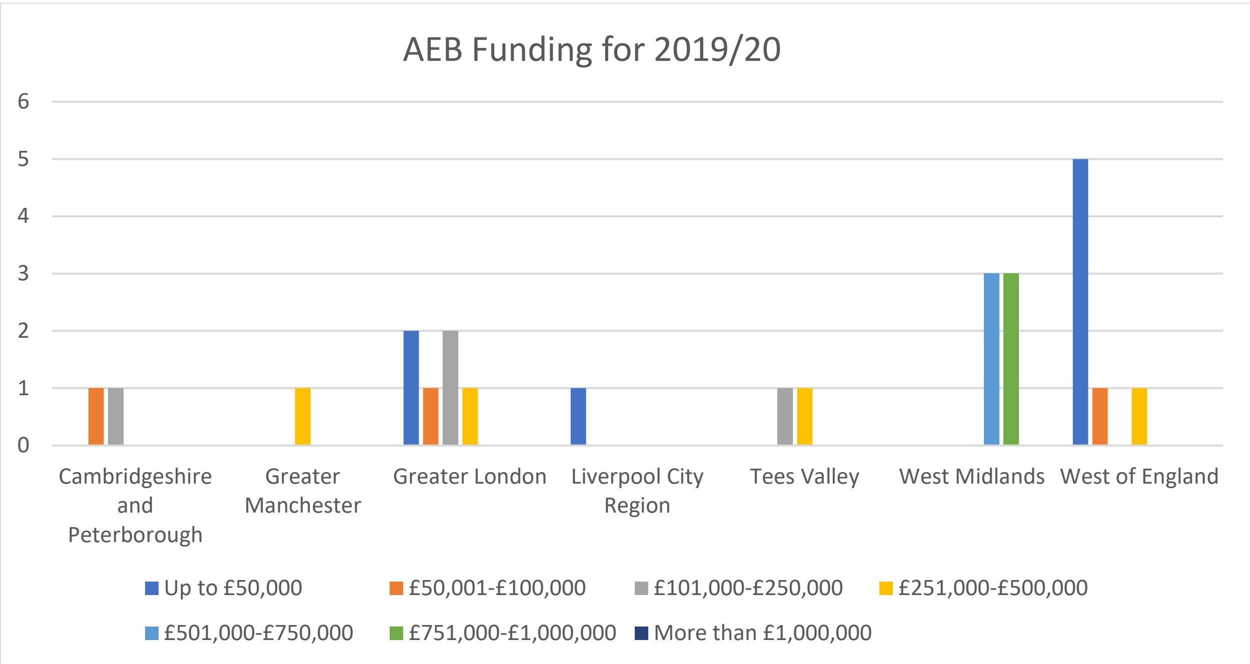
5. **If you are a LEAD/PRIME provider, what was the value of AEB delivered through your supply chain in 2018/19?**



Of the 93 respondents, a total of 25 were primes with supply chains in 18/19; 15 of these 25 subcontracted out £50K or less. No providers that were surveyed had any AEB delivered through supply chains in the Tees Valley, West of England and North of Tyne areas.

6. Following devolved AEB grant allocations and contract awards, how much direct AEB funding do you have for 2019/20?





Readers will find it most helpful to compare figures 18/19 above with figures for 19/20 in order to note the effect of devolved AEB implementation. There were 29 contracts won by our respondents in 2019/20, down from 69 in 2018/19. A quick visual comparison shows far fewer respondents with AEB funding in 2019/20 than they had in 2019/20 and at lower amounts.

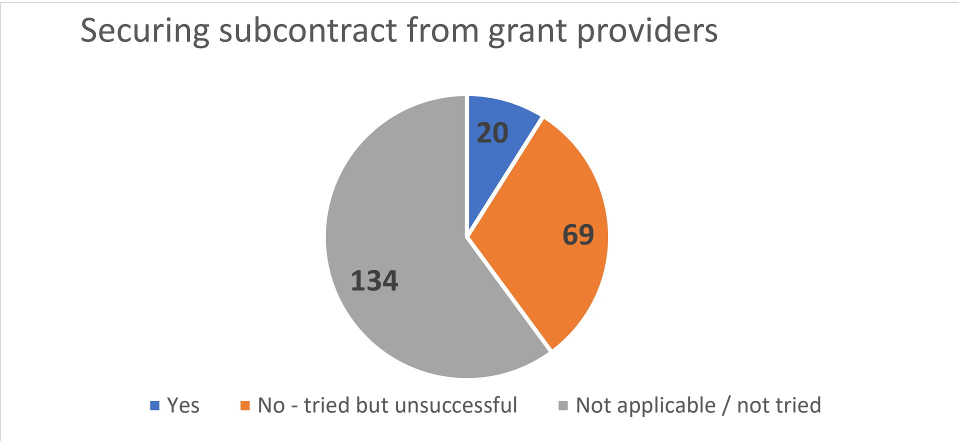
7. **Under the devolved areas, if you were NOT successful in securing direct funding, how easy has it been to engage with lead /prime providers in each of the areas?**

Returning to this question, respondents found that it had been difficult to engage with primes. 99 out of 119 said difficult or very difficult to engage with a lead or prime provider, only 7 said easy or very easy. This includes 17 out of 19 in one area and 24 out of 28 in another finding it difficult or very difficult.

Open comments revealed that many providers were surprised to not have won a contract this year, several saying that initial communications/presentations from Authority staff had indicated far greater budgets than had materialised. Some 'would not have bothered' if they'd known in advance the extent of budget cuts (and in some Areas consolidation) was going to happen.

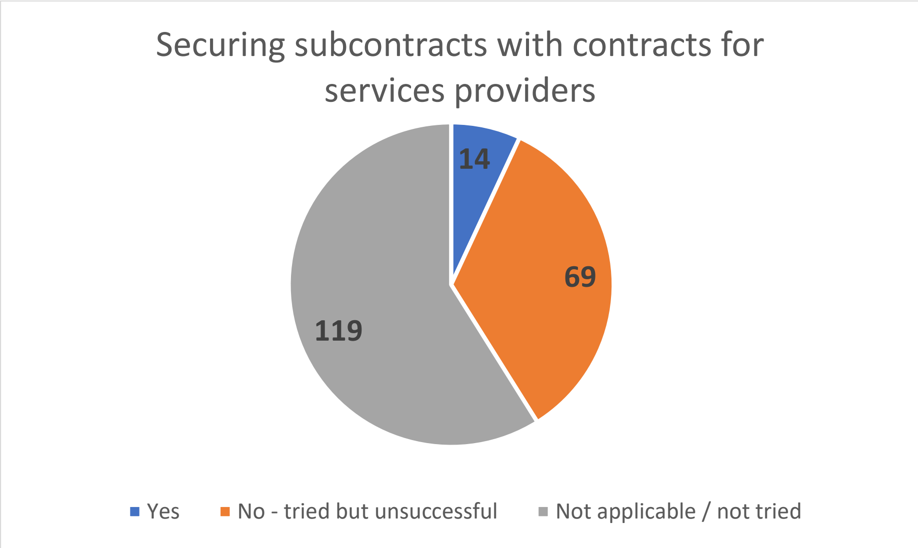
Open text comments both confirms the reason as primes having a reduced budget so have nothing left to subcontract out and indicates a significant minority of providers unaware how the Area-wide or national picture has changed. The procurement process made subcontracting harder as unsuccessful partners and others seeking subcontracts weren't given the names of the AEB contract winners so had to ring around to ask and sometimes couldn't find who it was.

8. **Have you been able to secure subcontracting arrangements with any of the grant providers in the areas?**



20 were successful, an additional 69 tried but weren't successful. This represents around 1/3rd to ¼ success rate.

9. **Have you been able to secure subcontracting arrangements with any of the procured contract for services providers in the areas?**



Only 14 were successful in securing subcontracts from contract for services providers, 69 tried unsuccessfully. This is a ratio of just under 1 in 5 who wanted subcontracts and were successful.

10. **Provision in which sectors/subjects do you think will be lost or significantly reduced, resulting in skills shortages in that devolved area?**

Health and social care is very clearly the single greatest concern (36 out of 157). Retail and commercial is the next highest (18 out of 157) but is of less concern to skills policy and provision as there are wider factors at play.

Appendix 1. Typical quotes – what could be improved

Bidding transparency – ‘Wouldn't have bid if known only a few contracts being awarded. Procurement process 'nightmare' for bid writers. Awards given to unproven providers including some not fully inspected. After 5 years work with hard-to-reach communities left unfunded.’

Proven providers – ‘Unproven providers with good bid writers won over track record / established footprint/community links.’’ ‘National providers with low local footprint’ not yet delivering well into contract period.

Unmet skills needs / Knowledge and experience of commissioning staff – Commissioners’ understanding of skills was poor. They focused on activity with residents over skills and employment partnership: skills needs are now unmet. [Similarly, other comments were that STEM was aspirationally commissioned when the actual employer base/ LMI data shows other industries need support *and* are realistic employment opportunities for most unemployed people.

Fairness - Providers given contracts are now seeking new partnerships, [indicating that they] requested more than they could use, while others bid within capabilities.

Fairness – providers eligible for grants could also bid in the procurement process and don’t necessarily have the best track record in AEB. The whole budget should go through procurement.

Consistency across areas – overly-complex in some areas, too light touch to make credible judgements in others.

Technicalities and rules late, re-written or not consistently applied – e.g. ‘Provider complied with guidance but was unsuccessful due to technical point that appears to contradict guidance’. Provider believes they complied with the Information and instructions provided for bidders.