

AGENDA SUPPLEMENT

Decision Session - Executive Member for Culture, Leisure and Communities

To: Councillor Smalley (Executive Member)

Date: Tuesday, 3 January 2023

Time: 10.00 am

Venue: The Thornton Room - Ground Floor, West Offices (G039)

The Agenda for the above meeting was published on **21 December 2022**. The attached additional documents are now available for the following agenda item:

4. Management and Governance of York (Pages 1 - 12)
Multiply Funding

Multiply is government funding via the UK Shared prosperity fund with the overall objective of increasing the levels of functional numeracy in the UK adult population. This report sets out the proposed operational and governance arrangements for Multiply to ensure that value and scrutiny of funds is in line with the authority's expectations on use of funds.

This agenda supplement was published on **22 December 2022**.

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**Decision Session – Executive Member for
Culture, Leisure and Communities**

3 January 2023

Report of the Director of Customer & Communities

Management and Governance of York Multiply Funding

Summary

1. Multiply is government funding via the UK Shared prosperity fund with the overall objective of increasing the levels of functional numeracy in the UK adult population.
2. Funding at upper tier authority level has been distributed in two separate amounts to York and North Yorkshire.
3. With a maximum of 10% of total funding to be used for administration and a smaller allocation given to City of York the decision was made within the investment plan submitted to the Department for Education for management of funds to be shared and managed by an Operational Manager and team to support Multiply based within North Yorkshire County Council (NYCC).
4. Following successful submission of the investment plan for both authorities, funding has now been received and operational roll-out needs to start as soon as possible.
5. This paper will set out the proposed operational and governance arrangements for Multiply to ensure that value and scrutiny of funds is in line with the authority's expectations on use of funds.

Recommendations

6. The Executive Member is recommended to approve:
 - (a) The transfer of all Multiply funds to North Yorkshire County Council for management, in a ring-fenced way, with oversight on performance provided by close working arrangements between Assistant Director (Customer and Communities) at City of York and Assistant Director (Education and Skills) at North Yorkshire County Council providing

open financial oversight of the work of the Multiply Operations Manager.

Reason: Multiply funding is subject to a maximum 10% administration cap, some of this is allocated to the operations manager role and further is to be passed onto project management for partners following procurement. North Yorkshire County Council have agreed that the management of Multiply funding can be completed within the existing central support arrangements for servicing the Adult Learning and Skills Service. This will then ensure that more of the money allocated to York can be spent upon provision.

- (b) That the Governance of Multiply sits with the York and North Yorkshire Local Enterprise Partnerships Skills and Employability Board.

Reason: Multiply funding is an aspect of UK Shared prosperity Funding (UKSPF) with the most obvious crossover being with the People and Skills Strand of this funding. In the proposals for the wider UKSPF in North Yorkshire there is a suggestion that the current York and North Yorkshire Local Enterprise Partnerships (YNYLEP) Skills and Employability Board (SEB) become the board with oversight over the People and Skills aspects of UKSPF. As this board is already formed and has representation from both authorities, FE (Further Education) Colleges, Community and Voluntary Sector and Employer membership that Multiply is also governed by this board.

- (c) Innovation Funding pot grant requests to be managed by the Multiply board but can be authorised by the Assistant Director for Customer and Communities where necessary.

Reason: The Innovation Pot funding as described within the investment plan is to be used for providers to identify innovative ways that they may engage adults in maths related activity. This fund is £130k for North Yorkshire and £32k approximately for York. The board it is expected will meet once a term, but funding may be required sooner than the board can meet. It is proposed that if required amounts could be signed off by the Assistant Director, taking advice from the Multiply Operations manager and the Heads of the Adult Learning Service(s).

Background

7. Multiply is government funding via the UKSPF with the overall objective of increasing the levels of functional numeracy in the UK adult population. This will be measured against 3 key success measures:
 1. More adults achieving maths qualifications
 2. Improved labour market outcomes
 3. Increased adult numeracy across the population
8. This funding at upper tier authority level has been distributed in York and North Yorkshire as follows:

Year	North Yorkshire	York
1	£806 587	£224 111
2	£930 678	£258 559
3	£930 678	£258.559
Total	£2.6m	£741 000

9. In our agreed implementation plan and locally with our Executive Member we have agreed to keep the finances of both authorities separate through independent management of the funds and its distribution by the Multiply Operations Manager. Now that money has arrived within the authority, we need to agree protocols for audit and accountability of these funds. In order to keep administration costs low, (as we can only spend 10% max on administration) it is proposed that these are provided by North Yorkshire County Council as this reduces the need for dual financial accounting, dual procurement etc.
10. As NYCC are gaining significantly larger amounts of money per head and reporting to Department for Education (DfE) is the same for both authorities it is proposed that we aim to keep administration largely on North Yorkshire systems. This approach will not result in any further service charges, as this cost will be covered by the management fees that the Adult Learning and Skills Service already pay to central NYCC.
11. From an audit and compliance perspective we cannot simply pay our contribution to North Yorkshire from York.

12. To satisfy audit and compliance needs we propose that the Multiply Operations manager provide regular financial reports to the Assistant Director (AD) Customer and Communities and on demand to Head of Service Finance. We can then ensure accountability of York's funds sitting within the council.
13. Within the initial prospectus from Department for Levelling Up and Department for Education it was specified that UKSPF and Multiply must have structured and independent governance. In early discussions with the YNLEP, (who are managing UKSPF in North Yorkshire and working closely with the York team) due to the expected crossover with UKSPF there was a suggestion that governance should sit with the LEP Skills and Employability board. This board has representation by the AD's of Education and Skills at both authorities and would seem a good way to minimise duplication, particularly with crossovers with other funding streams and the likelihood that People and Skills aspect of UKSPF will be governed by this board also. This board may need a smaller sub-group to then approve funding through the innovation pot that sits within the investment plan. This idea has been discussed with governance specialists at the LEP and the Chair of the board and has been positively welcomed.
14. As the Multiply board is only likely to sit possibly three times a year, the innovation fund distribution could be more efficiently managed for smaller amounts at Assistant Director level. The Innovation Pot funding as described within the investment plan is to be used for providers to identify innovative ways that they may engage adults in maths related activity. This fund is £130k for North Yorkshire and £32k approximately for York. The board it is expected will meet once a term, but funding may be required sooner than the board can meet. It is proposed that amounts up to 51% of the innovation fund value could be signed off by the Assistant Director, taking advice from the Multiply Operations manager and the Heads of the Adult Learning Service(s).
15. Multiply funding is provided through a distinct strand of the UKSPF. In line with this funding for Multiply will transfer to the Mayoral Combined Authority (MCA) should this be approved for the final year of its 3-year planned funding life. Creating a single working operation model for funding of this type would allow for a more efficient transfer to the MCA should that be approved.

Consultation

16. The investment plan for Multiply was signed off by both Executive Member and Chief Operating Officer, there was then a period of consultation with external stakeholders, via webinars and an open-ended Q+A email address.
17. As plans have been signed off that incorporate the operating model for management of Multiply within North Yorkshire County Council, in the absence of an Operational manager this work has been led by the Shared Head of Adult Learning and Skills (York and North Yorkshire). This work has incorporated executive sign off of an approved procurement route in North Yorkshire, the allocation of funds to individual interventions, and the creation of an accounting infrastructure, the production of an intervention prospectus and the recruitment of key roles to make up the Multiply Operations team. This consists of a manager and 3 (full time equivalent) Project workers to come into post from 19th December 2022.
18. This work has been subject to internal consultation with senior officers across City of York Council Management Team, North Yorkshire County Council and with the York and North Yorkshire Local Enterprise Partnership Skills and Employability Board.

Options

19. The alternative to the proposal would be for the funds to be entirely managed within City of York. This would then require central service support for financial management and procurement.
20. There is again an opportunity for local governance of Multiply to sit with the City Skills Board. This allows there to be a closer link between the 10-year skills plan and Multiply outcomes. It should however be considered that in Year 3 of UKSPF this will then be potentially managed at MCA Level so a wider discussion may be required on the position of the two skills boards as we potentially move toward devolved authority powers.

Analysis

21. The proposal to manage funds at North Yorkshire greatly minimises the administrative cost creating more opportunities to direct funds towards

the project aims. The implementation plans and the team supporting interventions are shared anyway across both authorities and this would take further time to unpick from a more complex spending arrangement.

22. Operating a central team also allows us to base provision and cost at site of delivery rather than postcode of participant. This will drive greater engagement from those in work who may live in North Yorkshire and work in York or vice versa. Likewise, a single approach to procurement allows us to maximise the range of partners we work with particularly around geographical borders.
23. The obvious disadvantage is the direct oversight of funds and the trust that must be placed on this function being delivered by another authority. This should be mitigated by the separate fund's accountabilities and the direct management and reporting into York.
24. Governance arrangements must be independent and with local representation on the YNLEP skills and employability board we should be able to ensure suitable local accountability.
25. Moving governance to the City Skills Board does provide greater local accountability but does run the risk of detachment from the vital community engagement role that the plan hopes to address.

Council Plan

26. The strong intention in the use of this funding is to support progression on to provision that will upskill / reskill individuals to address the significant skills shortages in the city. Additional to this will be to use the experiences of the provider base to test delivery and engagement methods with different demographics.
27. Provision of the right types of adult learning are seen as a key cornerstone of government policy and the importance of community level education is stressed, but the context stresses the importance of progression to higher level qualifications and in offering provision that meets local and national skills needs. The most effective use of Multiply within York and North Yorkshire in line with these aims must be based upon engagement and effective Information Advice and Guidance (IAG) led progression. Utilising a range of partners and creating efficiency in multiple opportunities to discuss the relevance of maths will support this. Close working and collaborative relationships between delivery partners will ensure effective use of resource, engaging residents at places they

may feel comfortable rather than ones set by specific geographical boundaries. For example, a resident may undertake their job role in Selby and choose to engage in life changing education when their shift finishes in Selby. Single approaches to finance and IAG would enable us to use York funds for that activity without complex financial bureaucracy.

28. By funding innovative ways to reach a wider demographic Multiply can set an effective gateway to many of the UKSPF initiatives to follow. Maximising engagement and throughput to the strategic outputs of the skills plans, will support many of the UKSPF in levelling up disparities in the county where clear disparities exist between those with qualifications and those without.
29. The transfer of funding to North Yorkshire would not detract from the aim to be an open and effective council, funding spend on York residents would be accessible and open to any requests. The spend will be monitored in house by the Assistant Director. What it will provide is an efficient way of maximising the spend per resident, bringing parity between the funding received by both authorities.

Implications

Financial Implications

30. CYC has been awarded £740k funding over three years as part of the UK Shared Prosperity Fund. The council has submitted plans for how this funding will be allocated. This report is primarily focussed on the administration of the funds and recommends appropriate governance arrangements. The funding will be provided to CYC and will be paid over to NYCC subject to satisfactory justification. This will need to be incorporated into a Funding Agreement with NYCC. CYC will maintain records detailing the income and expenditure for the funding.
31. The administration of the fund will be undertaken by NYCC and CYC will pay for its share of these costs utilising the administration element of the grant which is capped at 10% of the overall fund £22 to £26k per annum.

Human Resources (HR)

32. There will be a requirement to recruit dedicated staff to oversee the management and success of Multiply. With only 10% of funding allowable for administration this does not stretch much beyond a band 9 Operational Manager although funding for this post will be shared with North Yorkshire as detailed in the intervention prospectus.

33. Further engagement staff are required but these are to be funded from the delivery funding with York paying 50% of one of the roles.

Equalities

34. There are no equality implications with provision being aimed at all individuals aged 19+ without a formal Level 2 qualification in Maths.
35. We will seek to engage with all learners in ways that they feel most comfortable to engage. Those who are already engaged with learning will likely to have already been subject to some levels of screening at enrolment and will likely be offered additional support.
36. By working directly with groups in the community we will show our openness to engagement with individuals within any protected characteristic and will aim to support those individuals in ways that they feel most comfortable with, engaging low level diagnostic activity and supporting access through use of funding to provide additional support.

Legal

37. There will be a need for a formal written agreement with North Yorkshire County Council which caps CYC's contribution to administrative costs at the 10% level specified in the funding award, and confirms operational fund management. This will be confirmed with legal services following the approval of the arrangements in this report.
38. To support delivery, the initiative can appropriately be supported by an appointed governance board with powers to award funds against transparent criteria. It is noted that delegated authority to the Assistant Director (AD) Customer and Communities is proposed for awards up to 51% of the value of the fund and this will avoid delay in the dissemination of funding in between termly Board meetings.

Crime and Disorder

39. It is not anticipated that there will be any crime and disorder implications

Information Technology (IT)

40. As part of the government's total investment in Multiply there will be a launch of national Multiply website to support delivery, this will link directly to local information sources so we must ensure that Multiply is visible on the website and that links are in place. The expectation is that

resources on this site support individuals to overcome barriers to numeracy but this will potentially highlight digital poverty and digital inequality. As an authority we must be sensitive to that and use our networks to complete further digital upskilling.

Property

41. There are no expected implications for property.

Risk Management

42.

	Description of risk	Actions you will take to mitigate	After mitigation what is the likelihood of the risk occurring (High >70%, Possible 70-30%, Unlikely <30%)	After mitigation what would be the impact of the risk materialising? (High: significant impact of unable to deliver, Medium: delivery compromised, Low: Minor / no impact)
1	Fund management does not meet audit requirements	The funds at North Yorkshire have been given different origin codes for each fund with all funds being then appropriately coded in the system. Clear accounting reports can be exported and shared at any time, but will be regularly reviewed alongside the reporting arrangements with the DfE	Possible	Low
2	Provision seen to be North Yorkshire centric and not meeting the needs of York residents	Engagement of local partners for delivery in York in line with the implementation plan. Regular reviews of provision completed in line with reporting requirements.	Unlikely	Low

Contact Details

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Chief Officer's name:
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Director of Customers & Communities

Report **Date** 22/12/2022
Approved

Specialist Implications Officer(s) List information for all

Financial:
Patrick Looker
Finance Manager

Legal:
Frances Harrison
Head of Legal Services & Deputy
Monitoring Officer

Wards Affected: [List wards or tick box to indicate all] **All**

For further information please contact the author of the report

Background Papers:

[Agenda for Decision Session - Executive Member for Culture, Leisure and Communities on Tuesday, 7 June 2022, 10.00 am \(york.gov.uk\)](#)

Multiply Investment Plan Approval

Annexes: None

List of Abbreviations

AD – Assistant Director

CYC – City of York Council

DfE – Department for Education

FE – Further Education

FTE – Full Time equivalent

IAG – Information, Advice and Guidance

MCA - Mayoral Combined Authority

NYCC – North Yorkshire County Council

SEB – Skills and Employability Board

UKSPF – UK Shared Prosperity Fund

YNYLEP – York and North Yorkshire Local Enterprise Partnership

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