

**RAISING EXPECTATIONS: ENABLING THE SYSTEM TO DELIVER
MACHINERY OF GOVERNMENT CHANGES**

EXECUTIVE SUMMARY

This report outlines the current stage in preparing for the transition of commissioning and funding of post-16 provision from the Learning and Skills Council to the Local Authority. Full transfer of commissioning and funding of post-16 funding will take place in 2010.

1. Background

- 1.1 The Machinery of Government changes announced on 28th June 2007 proposed that funding for 16-18 education and training would be delivered through Local Authorities – subject to full consultation and when the necessary legislation has facilitated this. These functions are currently carried out by the Learning and Skills Council. Consultation has now taken place and legislation is currently going through Parliament. The LSC will be abolished from September 2010 when the commissioning and funding of post-16 provision will transfer to the Local Authority.
- 1.2 The purposes of these changes are to:
- put commissioning of provision for all 0-19 year olds in the hands of a single body, reflecting the principles of local decision making at the right level and supporting the delivery of the 14-19 entitlement;
 - enable Local Authorities to take a more integrated approach to provision of all Children's Services;
 - create, at a regional level, a good join up with regional economic planning;
 - simultaneously allow government to streamline the post-19 skills system to better support the policies in World-Class Skills, and therefore make faster progress towards our 2020 skills ambitions.
- 1.3 The basic objectives are:
- to build on the year-on-year improvements that the Learning and Skills Council has helped deliver since its creation in 2001;
 - to drive the ambition to raise the participation age for every young person to pursue a programme that engages them and enables them to progress;
 - to place local leadership firmly with Local Authorities to successfully implement this vision;
 - to drive towards a more dynamic, demand-led approach within the adult education and skills market;
 - to ensure that we intervene less where there is success but take robust action where there is failure and minimise unnecessary costs and bureaucracy to support those delivering to focus on success;
 - to ensure that funding follows the learner's choice and comparable funding will be provided for comparable provision within a national funding formula.

2. Main Points of the Machinery of Government Changes

2.1 The participation in education or training will be raised to age 18 by 2015.

2.2 Every young person is entitled to the new 14-19 curriculum and new qualifications including the 17 new Diplomas alongside strengthened GCSEs and A levels and the guarantee of an Apprenticeship or pre-Apprenticeship place.

2.3 New national organisations are proposed:

- a streamlined Skills Funding Agency, designed to oversee the development of the FE sector and to route public funding effectively to where it is most needed;
- a Young People's Learning Agency, which will have responsibilities for budgetary control;
- a new National Apprenticeship Service (NAS).

2.4 Central to the changes are:

- implementing new secondary curriculum;
- making sure that the new qualification routes (Diplomas and the Foundation Learning Tier) are available to all;
- making sure there is good quality Information Advice and Guidance (IAG) to all young people through the transition of Connexions to Local Authorities and the development of Targeted Youth Support;
- making sure that those young people who need it get financial support especially for children with Learning Disabilities and/or Difficulties and through the support of Education Maintenance Allowances;
- support for every young person to make the transition from pre- to post-16 learning successfully by implementing the September Guarantee and extending this to age 17.

2.5 For 14-19 year-olds the aim is to build on the success of the current system while enabling Local Authorities to provide the leadership to bring about the necessary changes in their local area. The DCSF approach has four key features.

- Local authorities will discharge their responsibilities to provide a place in learning for every young person through strategic commissioning.
- Local authorities will cluster together in sub-regional groupings reflecting travel-to-learn patterns to commission provision for young people across the wider local area.
- This will be supplemented by a slim national Young People's Learning Agency, which will have responsibilities for budgetary control and for securing coherence in the event that agreement cannot be reached locally.
- There should be progressive devolution of power and authority to the sub-regional level as the collaborative arrangements become stronger, successful and more formal.

2.6 Local authorities individually and through the sub-regional grouping will judge demand for different forms of provision, and the extent to which the available supply meets that demand and makes a full reality of the new entitlements to

Diplomas, Apprenticeships and the Foundation Learning Tier. Local Authorities and the sub-regional grouping will then decide where to commission more provision, where to expand the best provision to fill gaps, and where to remove the least effective provision. In doing so, they will aim to make the new entitlements available in full to all young people at the highest possible standard.

- 2.7 As part of its Children and Young People's Plan, the Local Authority will be expected to produce a commissioning plan for post-16 learning. It must take particular account of the need to raise participation, raise achievement at levels 2 and 3 by age 19 and reduce the number of young people who are NEET. When it has been agreed, it will then provide the basis for funding allocation. The intention is that funding should follow the learner's choice and comparable funding will be provided for comparable provision within a national funding formula, which will continue on a very similar basis to the current formula. The intention is that Local Authorities will be funded according to the institutions which are in their area, not according to where young people live.
- 2.8 Knowing what young people want is important to ensure that the correct provision is commissioned. Since September 2007, it has been a requirement that every local area has an online prospectus setting out information about each course available across the area to inform choice. DCSF is strongly encouraging Local Authorities to develop a common online application process alongside the prospectus to manage and track post-16 applications.
- 2.9 Further Education Colleges and training providers may draw students from many Local Authority areas and so Local Authorities are expected to come together in sub-regional groupings to commission provision. This will involve sharing their 16-18 commissioning plans, analysing together how learners move across and within their borders and make sure that their collective plans accommodate them; aggregating demands for Apprenticeships in order to commission the National Apprenticeship Service (NAS); and deciding who is responsible for leading the planning, commissioning, procuring and funding for each college and provider.
- 2.10 Some specialist provision will have to be commissioned on a regional basis.
- 2.11 This framework will be supplemented by a national Young People's Learning Agency, which will have reserve powers to step in to secure coherence of plans and budgetary control in the event that agreement cannot be reached. The idea of this agency with some budgetary control is that funding can be plan-led rather than 'lagged' i.e. based on the previous year's student numbers.
- 2.12 A key part of the new curriculum and qualifications entitlement is that from 2013 every suitably qualified young person should be entitled to an Apprenticeship place. Local demand will be identified by each LA, aggregated within the region and agreed with the National Apprenticeship Service (NAS). It will then be the task of the NAS to provide the necessary Apprenticeship places (through contracting with employers and training providers) to deliver the entitlement in every part of the country.
- 2.13 Sub-regional groupings will come together as a regional planning group in each of the nine Government Office regions to consider and agree the overall commissioning plan for the region. The Regional Development Agency (RDA) will co-chair this group, which will be convened by the Young People's Learning

Agency and include representatives from the Government Office and the adult Skills Funding Agency.

- 2.14 Sixth Form Colleges will become a distinct legal category for the first time.
- 2.15 Academies will be expected to collaborate and contribute through the local 14-19 Partnership. Where an Academy is unable to agree with the Local Authority what its provision should be, the Secretary of State has powers to decide.
- 2.16 Local Authorities will be primarily responsible for planning and funding of provision for learners with Learning Difficulties and/or Disabilities (LLDD), who have an entitlement to education or training up to the age of 25, and for the education and training of young people in juvenile custody.
- 2.17 Through the planning and commissioning cycle Local Authorities will be able to expand strong and cease to fund weak provision. Local Authorities will also have powers to lead more significant reorganisations of 16-18 provision where this is necessary. Ultimately, there must be robust intervention where there is serious underperformance.
- 2.18 The “home” Local Authority will have the lead responsibility for improving quality and raising standards in relation to School Sixth Forms and Sixth Form Colleges, but the Local Authority will need to work through the DIUS Skills Funding Agency in relation to FE Colleges. School Improvement Partners (SIPs) will continue to hold performance discussions with School Sixth Forms on behalf of LA as part of the ‘single conversation’.
- 2.19 The DCSF aims to ensure that the system is supported by excellent data, collected in a low-burden way, shared efficiently and in a timely way with those who need it.
- 2.20 The transfer of revenue funding totalling more than £7 billion is important, but the organisational changes that will underpin the new arrangements are even more important – not least in terms of the LA commissioning provision across the 14-19 age range. In particular, the new arrangements need to allow and encourage provision to change and develop to meet new needs. The existing configuration of provision will need to continue to change to respond to demography, changing employer demands, changing learner demands, the changing curriculum offer and as a consequence of the raising of the participation age to 18.

3. Implementation

- 3.1 The 2008/2009 academic year is being referred to as a “Tracking Year” where Local Authorities are expected to track the activities of the LSC. The 2009/2010 academic year is being referred to as a “Transition Year” where Local Authorities are jointly working with the LSC.
- 3.2 The full transfer of commissioning/funding to Local Authorities is the academic year 2010/11 with the new system fully in place from September 2010. A move to a 14-19 funding formula, if agreed, would be implemented from the start of the 2011-12 financial year or later.

- 3.3 The LSC has started to identify those staff in local partnership teams who work on 14-19 reform and commissioning so that they can begin to work closely with the relevant LA.
- 3.4 The first stage of the process is for Local Authorities to agree to be part of a sub-regional grouping. In Greater Merseyside it is proposed that this is done as part of a Multi-Area Agreement with other Greater Merseyside Local Authorities.
- 3.5 Sub-regional groupings are required to submit proposals to the relevant Government Office up to the end of February 2009, subject to Council approval, which outline how they are preparing to work as a sub-regional grouping and how they are preparing for the Transition Year. These proposals should include:
- Governance arrangements across the sub-regional grouping
 - Decision-making processes
 - Dispute resolution
 - Staffing needs
 - Reporting processes
 - Financial and performance accountabilities
- 3.6 Appendix 1 contains the draft sub-regional Stage 2 Application for approval by Elected Members.
- 3.7 Once the proposals have been approved by the Government Office North West, the sub-regional group is expected to then work through the action plan and through the Transition Year Local Authorities working with LSC colleagues will start to formulate the framework for the commissioning process. Key to this will be guidance from the DCSF as yet to be published regarding the end-to-end commissioning process.

4. Financial implications

- 4.1 There are no financial implications arising directly from this report. Implementation of these changes will, however, have significant financial implications as the Council will be in receipt of monies to fund post-16 provision in the Borough.

5. Staffing implications

- 5.1 There are no staffing implications arising directly from this report. However, there will be increased staffing requirements in order to implement these changes. It is expected that these will be funded from the transfer of grant from the LSC. This will give rise to a need to amend the structure and establishment within the Children and Young People's Department and to establish posts in good time for the full implementation of these changes. There may be TUPE implications for existing LSC staff. A further report will be presented in due course.

6. Equal opportunities implications

- 6.1 There are no equal opportunities implications arising directly from this report. Nevertheless it will be necessary to consider equal opportunity issues that may arise from any staffing changes and also as part of developing the commissioning framework.

7. Community safety implications

7.1 There are no community safety implications arising directly from this report.

8. Local Agenda 21 implications

8.1 There are no Local Agenda 21 implications arising directly from this report.

9. Planning implications

9.1 There are no planning implications arising directly from this report.

10. Anti-poverty implications

10.1 There are no anti-poverty implications arising directly from this report. However, providing high quality education and training post-16 which engages young people and enables them to aspire and achieve will contribute to our anti-poverty strategies.

11. Social inclusion implications

11.1 There are no social inclusion implications arising directly from this report. However, providing high quality education and training post-16 which engages young people and enables them to aspire and achieve will contribute to our social inclusion strategies.

12. Local Member Support implications

12.1 These changes affect provision in all wards across the Borough.

13. Background papers

None

RECOMMENDATIONS

That

(1) the Stage 2 Application be approved for submission to Government Office North West; and

(2) the Director of Children's Services be requested to report back on staffing and financial implications of these changes as they arise.

Howard Cooper
Director of Children's Services