

LSC Transition – Sub-regional Arrangements

SUMMARY

- 1.1 The reforms proposed in the White Paper, *Raising Expectations: Enabling the System to Deliver*, will
- restore to local authorities a significant relationship with (and accountability for) FE colleges after more than 15 years
 - give Councils the clear strategic lead for 14-19 education and training, enhancing integration of provision between schools, colleges (sixth-form and FE) and employers as an integral part of raising the age of compulsory participation in education and training to 18
 - require greatly increased collaboration between a range of bodies at all levels.
- 1.2 This report focuses on 14-19 strategic planning, and particularly the issue of sub-regional arrangements for commissioning in the future. Council Cabinet will consider a report and recommendations in September.

RECOMMENDATION

- 2.1 To note the proposed arrangements for future commissioning of 14-19 provision, including a sub-regional grouping with Derby County Council.
- 2.2 To decide on any comments to be forwarded to Council Cabinet.



DERBY CITY COUNCIL

CHILDREN AND YOUNG PEOPLE'S COMMISSION 30 July 2008

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SUPPORTING INFORMATION

- 1.1 Building on recent improvements, it is intended that by 2013 at least 85% of 19 year-olds will achieve level 2 qualifications (up from 73.9% now) and at least 56% to achieve level 3 (up from 48% now). The aim is to reduce those not in education, employment or training (NEET) from 10% to 8% by 2010. The new system is designed to support and accelerate improvement through:
 - ensuring that informed learner choice can drive the system
 - leaving individual institutions responsible for their own performance and putting in place a transparent system for holding them to account
 - giving local authorities the levers to expand strong provision and cease to fund weak provision
 - requiring intervention in institutions where there is serious underperformance.
- 1.2 Government policy will now bring about significant changes in the structures to oversee the delivery of these objectives. The responsibility for funding and organisation of 16-19 learning (within the broader 14-19 context) is being transferred to local authorities and the dissolution of the Learning and Skills Council (LSC) is proposed. This will require legislation, and it is intended that the formal transfer will take effect from 2010-11, with as much progress as possible being made in advance.
- 1.3 Every young person should have access to an appropriate place in learning, with the new entitlements coming into force in 2013. Local authorities will be responsible for assessing the level and nature of demand (including the provision of information, advice and guidance services), the extent to which it is met by available supply, and the changes necessary to secure a full entitlement for all learners at the highest possible standard. This will require widespread discussion with providers of all kinds, and with other Local Authorities (LAs), including on a sub-regional and regional basis for specialist provision.
- 1.4 Authorities will then be funded according to the agreed plan for the institutions in their area, not the residency of young people. Authorities will need to collaborate, in formal groupings, to
 - understand what is happening across 'travel to learn' areas
 - ensure that they are working from consistent data and assumptions
 - make commissioning decisions, with agreement about who will lead the commissioning for each provider in the sub-region on behalf of the whole group.

Where possible, such groupings should develop from existing relationships or structures, for example those for Multi-Area Agreements.

- 1.5 There will be a process of designation by the Secretary of State to allow functions to be delegated to groupings, subject to good shared governance arrangements and clear decision-making. As a default, a national Young People's Learning Agency (YPLA) would have a significant role, which will diminish as authorities can demonstrate that they have put in place sufficiently robust formal partnership and decision-making structures.
- 1.6 The YPLA will provide an indicative budget for a region and local authorities collectively will need to ensure that their plans will fit within it, considering jointly the impact on providers. The Agency is likely to operate nationally and regionally and will provide support to the regional groupings of authorities, with the involvement of a complex array of other agencies - the Regional Development Agency, the Department for Innovation, Universities and Skills (DIUS), Skills Funding Agency (which will fund adult skills development) and the Government Office.
- 1.7 The home local authority will lead for all local authorities the relationship with the provider, covering commissioning and performance management (including intervention if necessary), and the key powers of the LSC will transfer to the home authority
- 1.8 Local authorities will be responsible for provision for all learners with learning difficulties and/or disabilities (LLDD) up to age 25. Planning will take place at local level, supported by brokerage with specialist providers at regional level.
- 1.9 Whilst there will also be links to other neighbouring LAs, the most logical formal sub-regional grouping for Derby is with the County Council, supported by the 'travel to learn' data. The County Council's Cabinet has approved a link with the city and the issue now needs to be determined from our perspective. Derby would lead on the relationship with Derby College, a very large institution. The aim is for shadow sub-regional structures to be agreed by January 2009 with a move to such structures starting by March 2009. Work has already begun with the LSC across the region, GOEM and specifically with the County Council.
- 1.10 Local authorities will be under a duty to ensure that young people in their area have access to the best provision within reasonable travelling distance, whether situated within or outside their own local authority boundaries. This builds on what is already developing through the city's 14-19 Partnership. The home authority will have lead responsibility for improving quality and raising standards in school sixth forms, but will need to work through the DIUS Skills Funding Agency in relation to FE colleges. Where performance is inadequate, intervention may be required; if the necessary improvement is not made, a local authority may need to withdraw significant funding in order to purchase provision elsewhere (subject to giving reasonable notice).
- 1.11 Local authorities will be held to account for the outcomes achieved through the new local government performance framework, which includes a number of relevant measures in the National Indicator Set. Local Area Agreements and Comprehensive Area Assessments will also play a part.
- 1.12 Overall the complex proposed arrangements will require a high level of collaboration with neighbouring authorities, others in the sub-region and the region, and with a variety of institutions and other agencies.

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Background papers:
List of appendices:

IMPLICATIONS

Financial

- 1.1 It is intended to legislate as early as possible in order that the transfer of funding to local authorities can be made in the academic year 2010/11 with the new system fully in place from September 2010. A move to a 14-19 formula, if agreed, would be implemented from the start of the 2011/12 financial year.
- 1.2 The commissioning process will drive funding: once plans are agreed, funding will flow (through a national formula) according to the plan. The principles are:
- funding follows the learner, with young people's choices driving allocations, not the other way round
 - comparable funding for comparable activity, irrespective of the type of institution
 - funding is transparent, simple to understand, provides stability for planning and avoids unnecessary bureaucracy
 - the methodology facilitates collaboration between providers, so that a learner's programme may be followed at two or more institutions.
- 1.3 Each authority will receive a budget from the YPLA for the institutions in its area, rather than for residents. Local commissioning plans will be aggregated in respect of each provider, so it is clear what will be bought from each. Final budgets, once confirmed, will flow to local authorities to fund the institutions in their area as a 16-18 grant, alongside the Dedicated Schools Grant.
- 1.4 Capital funding will be largely through Building Schools for the Future (BSF), devolved capital and the 16-19 capital pot (proposed to be held in future by the Young People's Learning Agency, not LAs themselves). Local authorities will have to ensure that capital plans are coherent in developing the infrastructure necessary to deliver the increase in the participation age and the new learning entitlements to all young people, and that they use all sources of capital to best effect to achieve the necessary pattern of provision; this will involve working with others in the sub-regional grouping, and with the YPLA and the DIUS Skills Funding Agency to create a coherent overall programme.

Legal

- 2.1 The intended dates for legislation and the related actions are:

Bill published	Nov 2008
Sub-regional structures agreed	Jan 2009
Shadow LA/LSC arrangements fully in place	Sept 2009
Royal Assent	Sept 2009
Transfer of LSC powers	April 2010
Full transfer of powers	Sept 2010

Personnel

- 3.1 The transitional period will in theory create the opportunity for staff to transfer, structures to be developed and capacity built. The shadowing period prior to full implementation is very demanding. All of the staffing resource is with the LSC now and the scale of the task is far too great for it to be absorbed into current workloads, especially alongside other major developments such as BSF and the Primary Capital Programme.
- 3.2 There will also be competing pressures for LSC staff concerned about their futures as the National Apprenticeship Service will be set up first (from April 2009), and some will transfer to that, and there will be opportunities in other parts of the proposed structure.

Equalities impact

- 4.1 The intention, through all of the structural changes, must be to ensure continued improvement in outcomes for young people, and narrowing the gaps in those outcomes between different groups and communities.

Corporate priorities

- 5.1 Supporting everyone in learning and achieving.