



DERBY CITY COUNCIL

COUNCIL CABINET
17 March 2009

ITEM 14

Report of the Corporate Director for Children and Young People

LSC Transition – Sub-regional Arrangements

SUMMARY

- 1.1 The reforms outlined in the Apprenticeship, Skills, Children and Schools Bill 2009 will move the duty for provision of education and training for young people aged 16-19, within the broader 14-19 context, from the Learning and Skills Council (LSC) to local authorities (LAs) from April 2010.
- 1.2 On 2 September 2008 Cabinet supported a proposal to establish a sub-regional grouping (SRG) with Derbyshire County Council for future commissioning of 16-19 provision.
- 1.3 We were required to submit further detailed proposals (LSC Transition Stage 2) to the Government Office for the East Midlands (GOEM) by 27 February 2009, setting out more in depth arrangements and subject to any comments from Council Cabinet.
- 1.4 This report recaps on the previous report to Council Cabinet on 2 September 2008 and summarises the proposed arrangements including the specific aspects required by GOEM; governance, collaboration, strategic planning, resources and capacity.

RECOMMENDATION

2. To approve retrospectively the proposed detailed arrangements for 16-19 planning and commissioning post-LSC, as contained in the Stage 2 response submitted to GOEM.

REASONS FOR RECOMMENDATIONS

- 3.1 The Apprenticeship, Skills, Children and Schools Bill 2009 requires LAs to meet their responsibilities for provision for 16–19 year-olds through SRGs, following the transfer of those responsibilities from the Learning and Skills Council (LSC) to LAs.
- 3.2 Data analysis shows that the majority of cross boundary travel to learn into Derby is from Derbyshire, whilst there is a reciprocal pattern of travel from Derby to Derbyshire. This supports the rationale for a SRG partnership with Derbyshire.
- 3.3 16-19 learners in the city and county access a diverse range of learning providers, including school sixth forms, colleges and work based trainers. Under the proposed sub-regional arrangements each provider will have a single commissioning contract

with one LA who will act on behalf of other LAs where learners reside. This arrangement will rely on effective sub-regional working.

- 3.4 Cabinet has previously supported a proposal to establish a sub-regional grouping (SRG) with the County Council for the future commissioning of 16-19 provision.

SUPPORTING INFORMATION

- 4.1 The reforms outlined in the Apprenticeship, Skills, Children and Schools Bill 2009 will move the duty for provision of education and training for young people aged 16-19, and those between 19 and 25 who have an assessed learning difficulty or who are in Local Authority care, from the LSC to local authorities from April 2010. This change of duty will give Councils the strategic lead for 16-19 education and training, and notably restore to local authorities a lead funding role with FE colleges and training providers.
- 4.2 'Travel to Learn' data, which shows the residence of learners in the relevant post-16 provision, has been analysed. Whilst it will be necessary for the Council to work with a number of authorities in both the East Midlands and West Midlands areas, the most significant cross-boundary movements and existing relationships are with Derbyshire. Therefore Derby City Council will need to work closely with Derbyshire County Council on planning for provision across and beyond the two LAs.
- 4.3 Derbyshire County Council has already supported a cluster arrangement with the city and on 2 September 2008, Council Cabinet supported a proposal to establish a sub-regional grouping (SRG) with the County Council for the future commissioning of 16-19 provision, within the broader context of 14-19 strategy.
- 4.4 The previous paper to Cabinet outlined the scope of the new duties on 16-19 provision and the process for transferring these duties from the LSC to the Council.
- 4.5 In our Stage 1 proposals we set out the broad principles which would govern the sub-regional group and these were approved by GOEM in December 2008. The Stage 2 proposals build on our Stage 1 submission and the key additions are summarised below, under headings set by GOEM. The full Stage 2 proposals are attached at Appendix 2.
- 4.6 We were required to set out the detailed working arrangements of the SRG in our Stage 2 Response by 27 February 2009, in order to gain full approval from GOEM. This paper is seeking retrospective approval from Cabinet for the proposed detailed arrangements. The Stage 2 response was also on the agenda for the Children and Young People's Commission on 10 March 2009.
- 4.7 **Stage 2 Response - Governance**
- 4.7.1 The main purpose of the SRG is to ensure that every young person who lives or studies in Derby and Derbyshire has access to appropriate provision which meets their choices and needs.

4.7.2 Derby and Derbyshire Councils will work in partnership through a non-executive board (the SRG) and within each Council's constitutional powers and processes. The work of the SRG will be governed by a memorandum of understanding that describes the collaborative arrangements between the two authorities and accountabilities to them and formal decisions will take place within each individual Authority's existing constitutional arrangements.

4.7.3 A joint panel of elected members from both Authorities will be formed and will meet three times per year (probably more frequently in the early stages of transition), to:

- enable members from each Authority to liaise over impending decisions in order to ensure consistency across both Authorities.
- enable elected members to reach agreement on any decisions which have to be taken jointly across the SRG area.

4.7.4 The SRG will report to the Council Leader and Chief Executive (in the context of the sub-regional economic development arrangements,) scrutiny committees, the Children and Young People's Trust and 14-19 Partnerships as required.

4.8 **Stage 2 Response - Arrangements for collaboration**

4.8.1 Derby City and Derbyshire County Councils already work collaboratively on a number of issues and the need to share knowledge and undertake joint planning where appropriate has long been recognised by the two authorities. Draft data sharing protocols are nearing completion between the two LAs and other partners, including Connexions Derbyshire Ltd. Agreements directly between the two LAs already exist with particular reference to safeguarding procedures. This existing collaboration demonstrates the readiness of the two LAs to work together effectively within the SRG.

4.8.2 Both Councils already have 14-19 Partnerships which are well established and are in a strong position to take on the increased responsibilities which will be required within the sub-regional arrangements.

4.8.3 Good liaison with neighbouring authorities will be essential for successful cross-boundary planning. Derby and Derbyshire already work with a range of neighbours, particularly on planning of school places and special educational needs.

4.8.4 It is essential that we achieve co-ordination between this new commissioning function and existing arrangements. The SRG will liaise closely with the existing Derby Joint Strategic Commissioning Board which has established processes for commissioning including community and voluntary sector provision, health service provision and a range of locality based services.

4.9 **Stage 2 Response - Resources and capacity**

4.9.1 We need to demonstrate that the SRG will have sufficient resource and capacity to fulfil the new duties around planning and commissioning education and training for 16-19 year olds. A significant amount of analysis of post-16 need has already been carried out across the SRG area, including place planning at a school level within each LAs' BSF plans.

- 4.9.2 Working together, the SRG will co-ordinate the planning and commissioning of 16-19 provision, within 14-19 strategy, across Derby and Derbyshire providers. It is intended that local decision making will also be informed by a network of cross-boundary relationships which will take account of these and other significant links including those related to local skills needs, to learner progression and to the delivery of collaborative provision including Diplomas where appropriate. The impact of a new curriculum entitlement, raising of the participation age, increasing attainment and a declining cohort will mean that the SRG will need to carefully manage the mix and balance of post-16 provision to ensure that it continues to meet the needs of all 16 and 17 year-olds, in particular focussing on the demand for a skilled workforce.
- 4.9.3 Transition of LSC duties will place additional capacity demands across a range of functions including school place planning, special needs commissioning, data analysis, quality assurance, capital planning, finance and personnel.
- 4.9.4 Existing staff already have a high level of understanding and engagement with 16-19 commissioning, through excellent partnership working with the LSC. Despite this, there is a current lack of capacity to support the transition process. LSC staff will transfer in due course to each local authority, but not until the actual transfer of duties. This issue has been raised regularly with the DCSF and LSC.
- 4.10 **Stage 2 Response – Policy and Planning**
- 4.10.1 We have established a 14-19 Strategic Planning Group within the Children and Young People's department to ensure that future 14-19 commissioning arrangements are informed by a single strategic approach.
- 4.10.2 In addition to this, both LAs have commissioned Connexions Derbyshire to implement a 14-19 area wide prospectus and to have the responsibility to operationally manage a website which provides guidance on choice of courses to young people.
- 4.10.3 Plans for a Common Application process for all 16-19 courses across both LAs are well developed. A preferred product has been identified; pilot schools and colleges have agreed to trial the system in the summer term 2009, with a rollout strategy planned for the academic year 2009/10.
- 4.10.4 Planning for the 16-19 phase take close account of the education and training needs of adult learners through alignment with the Derby City Partnership Jobs and Skills Group and with the Council's Adult Learning Service.

OTHER OPTIONS CONSIDERED

5. The earlier paper to Cabinet set out the possibility of Derby operating as a single authority. This option was not pursued as GOEM's response is that clusters reflecting 'travel to learn' patterns are expected. No additional options have been considered since.

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Background papers:	LSC Transition --Sub-regional Arrangements, report to Cabinet, 2 September 2008
List of appendices:	Appendix 1 - Implications Appendix 2 – Submission documentation

IMPLICATIONS**Financial**

- 1.1 There has been little further information about funding allocations since the previous Cabinet paper. The broad position is set out below. We remain concerned about the overall capacity that will be required to effect transition, given that significant new responsibilities will be added to existing roles.
- 1.2 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.
- 1.3 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.
- 1.4 Each authority will receive a budget from the Young People's Learning Agency (YPLA), another successor body to the LSC, 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 grant, alongside the Dedicated Schools Grant.
- 1.5 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.
- 1.6 The financial regulations and contract procedures of each individual authority will apply to all 14-19 commissioning and procurement.

Legal

2. The intended dates for legislation and the related actions are:

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

Personnel

- 3.1 Once again, there has been little further information about numbers and current functions of staff transferring into the LA from the LSC since the previous Cabinet paper. Here too, we remain concerned about the overall additional funding that will be required to effect transition.
- 3.2 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.
- 3.3 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. 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. The role of the LSC currently relates to the Corporate Plan priority of supporting everyone in learning and achieving.