

REPORT TO: Executive Board

DATE: 8 April 2010

REPORTING OFFICER: Strategic Director for Children's and Young People
Strategic Director Environment and Economy

SUBJECT: Commissioning of post 16 provision in Halton

WARDS: Boroughwide

1.0 PURPOSE OF THE REPORT

1.1 To inform Executive Board of the abolition of the Learning and Skills Council (LSC) under the Apprenticeship Skills Children & Learning Bill (ASCL) and transfer of statutory duty and powers to Local Authorities from April 2010.

2.0 RECOMMENDATION: That the council

- (1) assumes responsibility for commissioning of post 16 provision with effect from 1st April 2010;**
- (2) receives LSC staff under TUPE regulations to support post 16 commissioning;**
- (3) ensures a holistic approach to planning by reporting on post 16 commissioning to the Local Strategic Partnership and Employment Learning and Skills Strategic Partnership;**
- (4) Executive Board receives a report as part of the annual commissioning cycle for post 16 education and training; and**
- (5) replaces the Strategic Director for Children and Young People with Operational Director for Employment and Skills on Riverside College Governing body.**

3.0 SUPPORTING INFORMATION

PART A – TRANSITION FROM LSC TO YOUNG PEOPLE'S LEARNING AGENCY

3.1 On 1 April 2010, the LSC will be abolished, and all functions previously carried out by the LSC with respect to 16-19 education and training will transfer either to local authorities or the Young People's Learning Agency (YPLA). A number of brand-new duties and powers for local authorities will also be created

- 3.2 Local authorities will have the central commissioning role for all education and training for young people aged 16-19 and up to age 25 for those with learning difficulties, and for those young people in youth custody aged 10 to 18.
- 3.3 Currently the Strategic Director for Children and Young People and the Lead member for Children and Young People sit on Riverside College board which is the major provider of post16 education in Halton. This will not be appropriate from April the 1st 2010 when the Council assumes its commissioning responsibility due to inherent conflict of interest
- 3.4 The role of the YPLA will be to support local authorities in this new commissioning role. The YPLA will ensure local commissioning decisions are made within a consistent national framework, secure national budgetary control, provide a strategic analysis service to local authorities, and support the local, sub-regional and regional infrastructure.
- 3.5 Diagram at annex 1 illustrates the key responsibilities for partners who are central to the commissioning process
- 3.6 The Apprenticeship Learning and Skills Bill received Royal Assent on the 12th of November 2009 and nationally just under a 1,000 LSC staff will transfer to local authorities in April 2010, each authority has been notified of the allocated number of staff which for Halton is five. A matching process for LSC staff has been implemented and four members of staff from the Greater Merseyside LSC have been identified for transfer to Halton, the role of post 16 director remains as a vacancy. HBC will be required to fulfil this function. A welcome meeting for the LSC staff took place on the 11th of Jan 2010, further meetings have been arranged with briefings from CYPD and Human Resources, HBC inductions have been planned and CRB Checks are underway.
- 3.7 The transferred LSC posts and resources will be fully funded through a special purposes grant and a contribution towards non employment costs will be made.
- 3.8 Two key documents have been published that will support the transition:-
- The National Commissioning framework for 2011/12, the first end to end commissioning cycle that Local Authorities will be responsible for.
 - Raising Expectation Action (react) High level guide for local authorities to commissioning and funding arrangements of post 16 provision.
- 3.9 Implementation plans are underway including setting up systems, shadowing of LSC activity, inducting LSC transferees as part of the

transition phase to ensure that there is a thorough understanding of the HBCs duties and powers under the new legislation.

3.10 LSC staff will also transfer to the YPLA and the SFA, with a small number also transferring to Government Offices and to Regional Development Agencies. The TUPE Regulations and the Cabinet Office Protocol will apply.

3.11 The 14-19 reform programme is a substantial element of the transfer and includes:

- The changes to commissioning of 16-19 education and training (the main subject of the High level guide)
- The raising of the age of participation in education, training or work with Training to 17 by 2013 and 18 by 2015, through the Education and Skills act 2008
- The introduction of an entitlement for all young people to access new curriculum routes so that they are able not just to achieve adequate results but to succeed in reaching their full potential. Local authorities will be able to commission other provision outside of the four main curriculum routes under a foundation learning strand to ensure the engagement of every young person and meet the Raising of the participation age requirement. Diagram 2 at annex 2 illustrates the pathways in more detail, they are:

- GCSE and 'A' level;
- Diplomas (foundation, higher and advanced);
- Apprenticeships;
- Employment with training;
- Foundation Learning

(All will include functional skills and personal, learning and thinking skills)

- The further development of information, advice and guidance for young people, which local authorities now need to embed services firmly within their overall commissioning processes, linking these activities with the broader integrated support systems for young people. (Annex 2 Diagram 2)

3.12 The abolition of the LSC and creation of the YPLA and SFA are the major agency changes under the ASCL Bill, HBC will continue to develop its good working relationships with existing bodies and agencies albeit under a new architecture summarised in annex 3.

TRANSITION FROM THE LSC TO THE SKILLS FUNDING AGENCY (SFA)

3.13 On the 1st April the Skills Funding Agency will be established to take on the post-19 functions of the LSC. In addition, some functions of the LSC will pass to Regional Development Agencies and to Government Offices.

- 3.14 The Department for Business Innovation & Skills (BIS) has identified what it needs to do for adults in terms of skills:
- Move towards a demand-led system where funding flows according to the actual choices made by individuals and employers;
 - Build a coherent lead agency on adult skills, which acts on the articulated demands of both employers and learners.
- 3.15 The SFA will be the lead agency, taking responsibility for funding post-19 learning in England (excluding HE). It will be at a shorter arms length from BIS, enabling a faster and more effective response to policy, while reinforcing the autonomy of the FE sector.
- 3.16 The SFA will route around £3.5 billion of funding to FE colleges and other providers including the Third Sector, primarily in response to customer (employer and learner) choice on programmes such as Train to Gain.
- 3.17 The SFA will operate through 3 customer-focused gateways:
- **National Apprenticeship Service** (NAS) – having end to end responsibility for the apprenticeship programme
 - **Employer Skills Services** – a national skills service to all sizes of business in all sectors via Train to Gain and the National Employer Service
 - **Learner Skills Services** – enabling access for learners through providing an adult advancement and careers service, building Skills Accounts and funding FE colleges and other providers.
- 3.18 The SFA will facilitate delivery of the skills of our economy needs to prosper in the future by implementing:
- A National Investment Strategy set by BIS to deliver national priorities as identified by the UK Commission for Employment & Skills and the Sector Skills Councils
 - A Regional Plan for Skills set by the RDAs in conjunction with Local Authorities as part of their ‘Single Integrated Regional Strategy’
 - Together with statutory Employment & Skills Boards and self organised networks of colleges and providers, the RDAs will identify **strategic skills gaps** and what **investment** employers need, to develop areas of economic importance and jobs of the future in each region.
- 3.19 A number of government publications underpin the distribution of SFA allocations for 2010/11, including:
- Skills for Growth: the national skills strategy – underlines the importance of skills to economic recovery
 - The Skills Investment Strategy 2010-11 – commits to provision being driven by employers and learners
 - Skills for Growth and Partnerships for Growth: a national framework for regional and local economic development – key agencies will be responsible for producing **regional strategies for skills** (RDA, JCP, LA, SSCs, colleges and providers including HE)

- 3.20 The SFA's **Delivery Plan** will set out how it will fund colleges and providers to deliver the priorities in the Skills Investment Strategy. Priority statements will be developed in partnership and signed off with BIS in early 2010. Pilot 'Joint Investment Schemes' with the Sector Skills Councils in areas key to economic recovery with a cash match from employers, will be finalised as part of the 2010/11 allocation process.
- 3.21 Skills policy will focus resources closely on skills that underwrite economic growth and support high valued-added employment. There will be a shift of resources into Apprentices and Train to Gain; however, the Strategy re-states the commitment to prioritise provision which helps people to get into work and stay in work. Funding available nationally for the 2010-11 academic year is as follows:
- 3.22 SFA will publish an outline Delivery Plan in January 2010 and the full plan published at the end of the allocation process. Between December 2009 and February 2010, LSC will hold discussions with providers on planning and funding for 2010-11. (Allocations will be calculated centrally based on previous performance) LSC will then moderate draft allocations/maximum contract values at regional and divisional level. These will then be moderated at national level in March 2010 and final allocations issued. During April and May 2010, SFA will agree schedules and issue funding agreements/contracts.
- 3.23 Quality is measured in terms of success rates and Apprenticeship Framework completions and inspection outcomes. Funding allocations will be determined on such measures. Minimum Levels of Performance (MLP) on Train to Gain will continue.

4.0 POLICY IMPLICATIONS

FINANCIAL

Special Purpose Grant

- 4.1 The total administrative budget of the LSC is being divided between the various successor organisations – local authorities, the YPLA, the SFA, RDAs and Government Offices – and will include the full employment costs of the transferring staff together with an allocation for non employment costs. The DCSF will issue guidance on eligible spending and accounting and audit arrangements.
- 4.2 HBC will receive a Special Purpose Grant (SPG) of £246,781 per year for three years from the DCSF to enable it to carry out the new functions and, in particular, to cover the employment costs of the transferring staff and head of post 16 provision.
- 4.3 HBC will need to make arrangements to receive and account for the SPG. The SPG will be ring-fenced for the purposes of meeting the costs associated with the new statutory duties. The SPG will be paid in

2010/11, 2011/12 and 2012/13, with uplifts each year to cover agreed increases in employment and other costs. For 2013/14, the equivalent funding will be made available to local authorities on a non ring-fenced basis, either through Revenue Support Grant, or Area-Based Grant, or some other similar mechanism yet to be agreed. 2010/11 provision has already been agreed and confirmed to providers by the LSC

Commissioning

- 4.4 Each planning, commissioning and delivery cycle runs over a period in excess of two calendar years, as shown on the 16-19 Commissioning Schematic set out in diagram 3 annex 4.
- 4.5 The National Commissioning Framework (NCF) will cover the commissioning, allocations and funding cycle for delivery in the 2011/12 academic year, which will be the first end-to-end commissioning cycle for which local authorities will be fully responsible. The planning process for this cycle starts in the summer of 2010.
- 4.6 On 1 April 2010 local authorities will take responsibility for elements of three separate commissioning cycles:

2009/10: Local authorities will become responsible for the final five months of the 2009/10 academic years, that is, for the period April 2010 to August 2010, in particular payments of participation funding to colleges, schools, and other providers.

The LSC will inform HBC of the arrangements needed to make these payments, and by the end of March 2010 will have transferred contractual responsibilities to local authorities for private and third sector providers. HBC will have a contractual responsibility for Riverside College Halton, Saints Peter and Paul Catholic College, and St Chad's Catholic and Church of England High School.

The Financial allocation will flow from the YPLA to HBC on a monthly payment profile and is required to be with providers within seven days of receipt by HBC.

2010/11: This is the transitional commissioning cycle during which local authorities will become responsible for delivering the plans and allocations made by the LSC for Halton Providers of £12,247,87 for delivery in the academic year August 2010 to July 2011.

2011/12: This will be the first cycle of the end-to-end National Commissioning Framework (NCF), starting in the summer of 2010. The Secretary of State will write to the YPLA in October 2010 with the annual grant letter, 'Priorities for Success 6'. The YPLA will agree the Annual Statement of Priorities ('ASOP') in November 2010, leading to allocations to providers

in March 2011, for delivery in the academic year August 2011 to July 2012.

2013/14: This will be the first commissioning cycle in which local authorities will need to make statutory provision for ensuring that every young person is engaged in education or training, or work with training, to age 17.

2015/16: This will be the first commissioning cycle in which local authorities will need to make statutory provision for ensuring that every young person is engaged in education or training, or work with training, to age 18.

- 4.7 Once confirmed with the YPLA the funding will be received into the authority through a ring fenced grant which the authority will have a duty to provide for provision.

5.0 OTHER IMPLICATIONS

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

Local authorities will have the central commissioning role for all education and training for young people aged 16-19 and up to age 25 for those with learning difficulties, and for those young people in youth custody aged 10 to 18.

6.2 Employment, Learning and Skills in Halton

The SFA will be the lead agency, taking responsibility for funding post-19 learning in England (excluding HE). It will be at a shorter arms length from BIS, enabling a faster and more effective response to policy, while reinforcing the autonomy of the FE sector.

6.3 A Healthy Halton

Post 16 development will enhance the existing curriculum offer through the personalised learning agenda and contribute to healthy outcomes for young people.

6.4 A Safer Halton

Commissioning of post 16 provision will be underpinned by the principles for safeguarding young people.

6.5 Halton's Urban Renewal

7.0 RISK ANALYSIS

Risk Register attached at annex 7

8.0 EQUALITY AND DIVERSITY ISSUES

Equality impact assessment will be undertaken to ensure that planned commissioning has positive outcomes for vulnerable groups and narrows the gap

9.0 REASON(S) FOR DECISION

Council assumes responsibility for commissioning of post 16 provision from 1st April 2010. Through commissioning the Council will be able to ensure that a broad range of High quality 14-19 pathways is available for all young people. The strategic Director for Childrens Services will be the key commissioner of provision therefore cannot sit on Riverside College Board

10.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

Statutory Responsibility therefore no other options available.

11.0 IMPLEMENTATION DATE

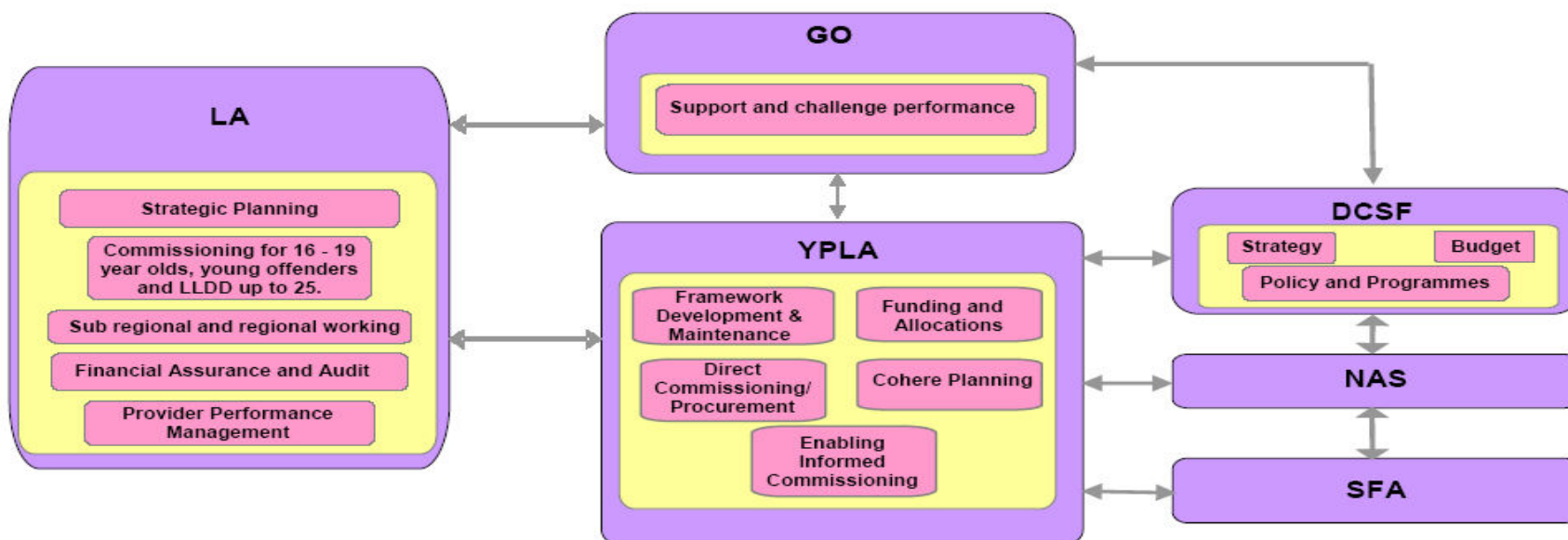
1st April 2010

12.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
Apprenticeship, Skills, Children and Learning Act 2009	Grosvenor House	Simon Clough
REACT High Level Guide to Commissioning post 16 provision	Grosvenor House	Simon Clough
Draft National Commissioning Framework	Grosvenor House	Simon Clough
Skills for Growth: the national skills strategy	Kingsway Centre	Learning Siobhan Saunders
The Skills Investment Strategy 2010-11	Kingsway Centre	Learning Siobhan Saunders

Annex 1

Diagram 1



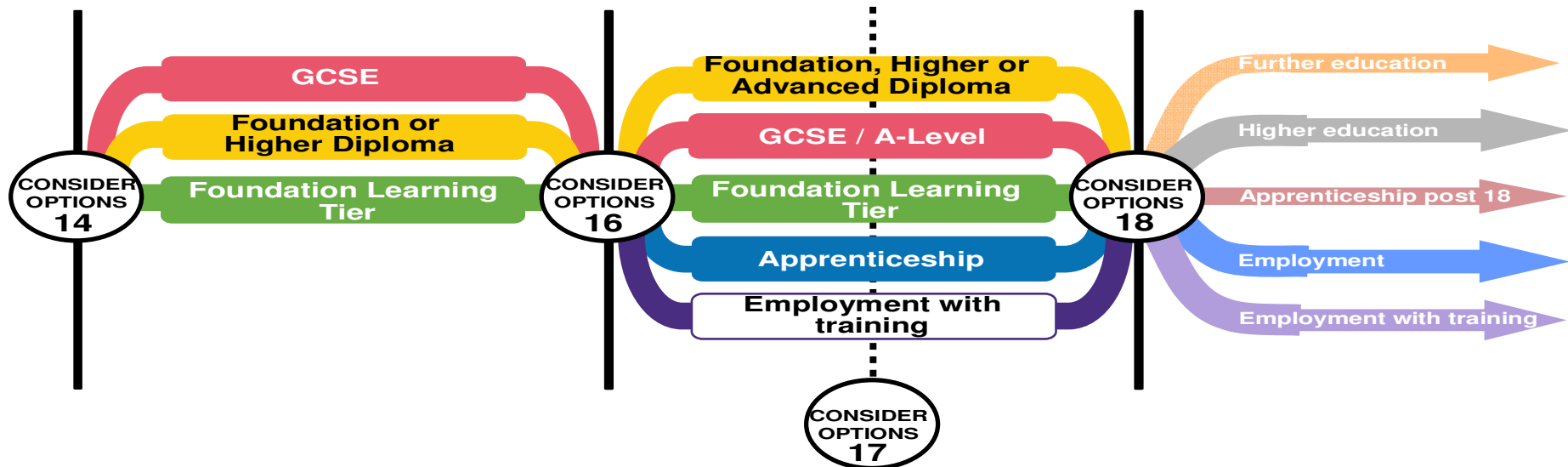
Key

- LA Local Authority
- GO Government Office
- YPLA Young Peoples Learning Agency
- DCSF Department for Children Schools and Families
- NAS National Apprenticeship Service
- SFA Skills Funding Agency



New pathways

The qualifications currently available are being brought together into a series of distinct pathways:



ANNEX 3 -The new architecture

Children's Trusts

The ASCL Act 2009 makes provision for the formal constitution of Children's Trust Boards, and adds to the lists of partners: maintained schools; CTCs; academies, and further education colleges. GFE colleges and sixth form colleges are also given a duty to promote the well-being of their local area.

14-19 Partnerships

Local 14-19 Partnerships work within the framework of Children's Trusts and are the strategic bodies that:

- agree the local long-term vision for delivering the 14-19 entitlement;
- develop and evaluate area-wide strategies for the full range of 14-19 priorities based on a robust understanding of the needs of learners and the quality of provision and services; and
- have oversight of local consortia's delivery of the local curriculum offer, including Diplomas, to ensure this fits with the longer term strategy.

It is critical that all 14-19 Partnership members are fully involved in the planning of provision and support for 14-19 learners in the local area. Participating in the 14-19 planning process will enable members of the 14-19 Partnership to shape the strategic priorities of the local authority both in the wider context of its 'Every Child Matters' role and as strategic leader of 14-19 reform.

HBC will be responsible for ensuring provision is commissioned, designed, secured, monitored, supported and challenged – around the needs of learners. The development of the Halton Collegiate will play an important role in supporting the council to meet its responsibilities.

Local Strategic Partnerships (LSP)

LSPs are responsible for developing and driving the implementation of Community Strategies and Local Area Agreements, and, where appropriate, Multiple Area Agreements. LSPs will become more and more important as they drive Local Area Agreements (LAAs) and set out the local Sustainable Community Strategy. LSPs will need to be engaged by 14-19 Partnerships and Children's Trusts in development of strategic planning to meet the needs of young people aged 14-19, and in the development of strategic commissioning plans for 16-19 education and training. The particular focus for this engagement should be the development of community well-being and, within that, the economic development of the area.

Sub-Regional Groupings of Local Authorities

43 Sub-Regional Groupings (SRGs) have been set up across England to enable cooperation between local authorities, varying in scale from single local authorities to the 32 London boroughs. The SRGs have been set up to enable

planning and commissioning to take account of the wider travel-to-learn patterns that young people follow after the age of 16. However, all SRGs will experience some flow of learners in and out of the sub-region, and the borders of SRGs must not be allowed to artificially constrain learner choice.

The roles and functions of SRGs include:

- providing a forum for local authorities to work and plan together to build a picture of demand, which will include analysing data to understand travel-to-learn patterns and cross-border learner flows, how well the current curriculum is delivering for young people and what the future curriculum entitlement will mean for learner demand;
- agreeing who will lead the commissioning dialogue with each provider in the sub-region on behalf of the whole group, ensuring that providers have a single commissioning conversation;
- reviewing individual local authority 16-19 commissioning plans to ensure they cohere, taking into consideration learner numbers, available budgets and other factors such as LLDD and specialist provision and to ensure this information is ready for review by the Regional Planning Group;
- considering how to deploy commissioning resources in the most cost-effective and efficient manner.

HBC will need to consider how the work of the SRG can be best informed by the work of the 14-19 Partnerships and the development of local strategic plans for 14-19 education.

Halton is part of the Merseyside SRG which has been formed to complement other collaborative arrangements, including delivery arrangements for the local area agreement. Halton will also maintain a strong dialogue with Warrington as this is a key travel to learn area for many learners.

Regional Planning Groups

From April 2010, the nine Regional Planning Groups (RPGs) will provide regional oversight of the commissioning of 16-19 learning provision, support and challenge to local authorities, and their SRGs, to help them make collaborative commissioning decisions that meet regional learning, economic development and skills priorities and are coherent across travel-to-learn patterns. The RPGs will also give assurance to the YPLA that local plans have been regionally endorsed and meet the YPLA's requirements, as set out in the National Commissioning Framework (NCF) and associated guidance.

RPGs will have a formal role in the planning process for regional activity funded by the European Social Fund and in the management of provider complaints.

Employment and Skills Boards

Employment and Skills Boards have been formed in many areas, sometimes as part of LSPs or similar arrangements, operating on a regional or sub-regional basis. Where Employment and Skills Boards operate, it is important that provision for 14-19 year olds as well as adults is a key aspect of their work.

The Young People's Learning Agency

The Apprenticeships, Skills, Children and Learning Act 2009 establishes the the YPLA as a Non-Departmental Public Body (NDPB) with funding responsibilities for education and training provision for all those aged 16-19, and for 19-25 year olds assessed for a learning difficulty and/or disability. The funding for this role will transfer from the Learning and Skills Council from April 2010. The YPLA will also assume responsibility for the funding, support and challenge of all open academies from April 2010, with these functions transferring from the Department for Children, Schools and Families.

The YPLA will principally be an enabling body, designed to support local authorities in fulfilling their new duties, individually, and in SRGs and RPGs.

The YPLA's core functions will be:

- to support and enable local authorities to plan, allocate and fund a coherent offer to all young people whilst ensuring budgetary control; and
 - to provide nationally-consistent funding and commissioning frameworks.
- The YPLA will also have reserve intervention powers where local authorities fail to discharge their statutory duties.

The Skills Funding Agency

The Skills Funding Agency (SFA) will be, from April 2010, the single funding provider for adult skills in England outside of higher education. The SFA is located within the Department of Business, Innovation and Skills (BIS).

The SFA's main function will be to direct funding quickly and efficiently to further education colleges and other skills providers, encouraging them to offer innovative solutions in response to individual and employer demand.

The Skills Funding Agency will have a number of public-focused gateways:

- The **National Apprenticeship Service** (NAS) will have end-to-end responsibility for the Apprenticeship programme covering both employer and learner services (see separate section below on the NAS).
- The **Employer Skills Service** will have responsibility for delivering skills services to all types of businesses in all sectors via the National Employer Service and Train to Gain.
- The **Adult Advancement and Careers Service** (AACCS) will provide the support to enable more effective choices on skills, careers, work and life.

The National Apprenticeship Service

The National Apprenticeship Service will be housed in the SFA.

The National Apprenticeship Service (NAS) has end-to-end responsibility for apprenticeships. It is responsible for achieving the Government's expectation that every suitably qualified young person has access to an apprenticeship place in one of two chosen sectors, and for the associated target that 1 in 5 young people will be undertaking an apprenticeship by 2020.

Local authorities will need to work closely with the NAS, usually at SRG level, to identify and agree the demand from young people, using data from the apprenticeship vacancies system and the Common Application Process, as well as any other local intelligence available.

The NAS will manage the overall apprenticeship budget, and will work through the SFA to manage payments to providers, ensuring they have access to funding to meet emerging demand from young people in local areas. Training providers will then be responsible for supporting delivery of the programme, and their performance will be managed by the NAS through the SFA.

Regional Development Agencies

RDAs are the bodies responsible for producing regional economic strategies and from April 2010 they will work with regional local authority Leaders' Boards to draw up and agree integrated regional strategies which will include long-term skills strategies.

Government Offices

GOs have a performance management role for local authorities, and to carry this out have specialist staff, for example in children's services. Two members of staff will transfer to each GO from the LSC, to provide GOs with the capacity to carry out their functions under the new arrangements.

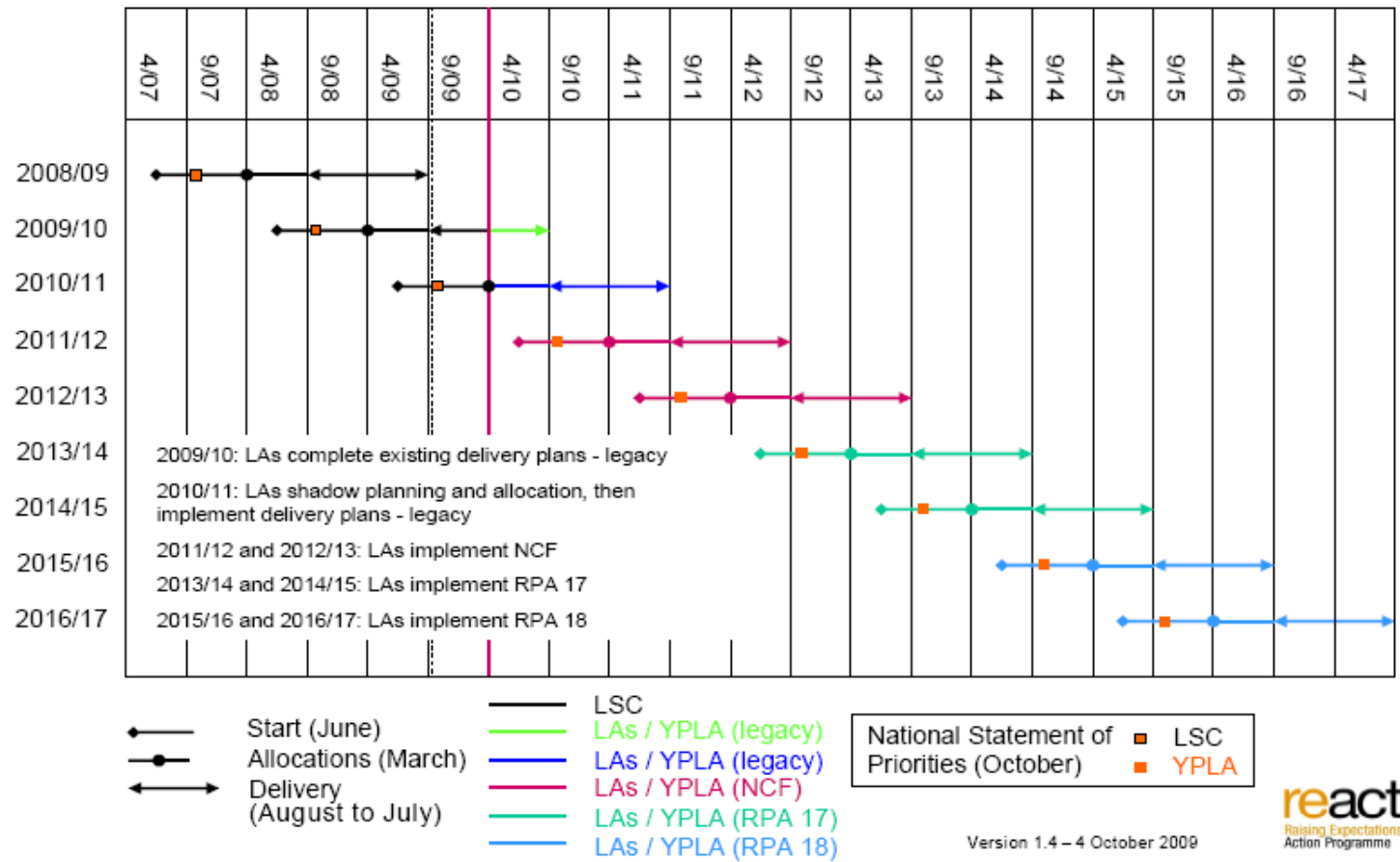
GOs already have a key role ensuring that the priorities of the 14-19 reform programme are delivered. Responsibilities include:

- using the Children's Services Improvement Support protocol to agree priorities, share innovation and best practice and broker support for local authorities to improve outcomes;
- supporting and challenging local authorities in relation to the relevant national indicators and PSA targets, notably Level 2 and Level 3 by 19 (including narrowing the attainment gap) and 16-18 disengaged young people;
- ensuring that 14-19 priorities are reflected in local area agreement targets
- where appropriate;
- supporting and challenging local authorities to deliver 14-19 learning
- pathways, provide high quality impartial information, advice and guidance
- and deliver the 2013 entitlement;

- managing and validating processes introduced to support and measure
- progress with the reforms, including 14-19 Progress Checks, the Diploma Gateway and 16-19 transition planning;
- working with regional and sub-regional partners (in the context of RPGs, SRGs and 14-19 partnerships) to influence and inform the development of a
- 16-19 regional commissioning strategy and to oversee progress on 16-19 transfer;
- working with national and regional partners, including the YPLA and RPGs, to develop strategic approaches to support the 14-19 reform programme and improve outcomes for young people.

**Annex 4
Diagram3**

16-19 Commissioning Schematic 2007 - 2017



Version 1.4 – 4 October 2009



Annex 5
RISK REGISTER
Post 19 Commissioning
Post 16 - 1

Risk No	Risk Identified	Impact	Likelihood	Risk Score	Risk Control Measures	Assessment of Residual Risk when Control Measures Implemented			Responsible Person	Timescale for Review	Progress Comments	Date
						Impact	Likelihood	Risk Score				
1	<p>Future funding is insufficient to meet the requirement for a place in learning for every 16-18 year old.</p> <p>Significant changes to post 16 landscape through Presumption and Academies</p> <p>Improved standards of post 16 provision reverses trend resulting in significant increased demand for local provision</p>	3	3	9	<ul style="list-style-type: none"> Implement an effective 14-19 commissioning strategy to influence planning and commissioning Develop the function of the 14-19 partnership to plan provision to meet individual need effectively Develop the provider base to be efficient and effective in service delivery Map provision to influence offer and broker sub regional and regional agreements for sufficient local funding to meet demand 	2	3	6	S.Clough	Mar 11		Mar 10
2		3	4	12		2	4	8				
3		4	4	16		2	4	8				

Post 16 - 2

Risk No	Risk Identified	Impact	Likelihood	Risk Score	Risk Control Measures	Assessment of Residual Risk when Control Measures Implemented			Responsible Person	Timescale for Review	Progress Comments	Date
1	Special purposes grant to Fund LSC staff transfer guaranteed for three years, unclear if funding will continue beyond 2013.	4	2	8	Implement progression planning to prepare for any demise in future grant funding post 2013	2	2	4	J. Kirk	Mar 11		Mar 11