

**STOCKTON-ON-TEES BOROUGH COUNCIL**

**CABINET RECOMMENDATIONS**

**PROFORMA**

Cabinet Meeting .....11th February 2010

1. Title of Item/Report

Raising Expectations enabling the system to deliver

2. Record of the Decision

Consideration was given to a report on progress in preparing for the transfer of funding and commissioning responsibility for the delivery of quality education and training for young people aged 16-19 (16-25 for learners with an identified learning disability), from the Learning and Skills Council (LSC) to individual Local Authorities (LAs) from April 2010.

The ASCL Act required LAs to put in place the arrangements described in the report and as such they represented statutory requirements. Approval was sought to progress the necessary HR, legal and financial arrangements required statutorily to facilitate the transfer of the commissioning responsibilities.

The White Paper Raising Expectations: Enabling the system to deliver, produced jointly by the DCSF and the Department for Innovation, Universities and Skills (DIUS) identified detailed proposed changes to the machinery of government with regard to skills training for adults and the creation of an effective system to deliver the learning entitlement to 14-19 year olds. The entitlement concept related to a range of curriculum and guidance initiatives and services that should be available to all 14-19 learners regardless of where they study. The reforms were designed to give councils the strategic lead for 14-19 education and training, enabling integration of provision between schools, colleges and employers as they jointly offer the new range of Diplomas and Apprenticeships alongside GCSEs and other qualifications.

Earlier in 2009, LAs were asked to consider the best way of grouping together to meet the learning needs of 14-19 year olds, informed by a detailed analysis of travel to learn patterns. This was a review of the choices that learners make in respect of their post-16 learning provider and the extent to which they stay within or move beyond their "home" local authority. This analysis informed the creation of sub-regional clusters of LAs to work together to create a commissioning plan for 14-19 learning in their geographical area. The LAs in Tees Valley submitted a

joint response – the SRG Stage 2 Submission - proposing a sub-regional grouping (SRG) of the 5 Tees Valley LAs. The SRG Stage 2 submission was approved by Cabinet in January 2009.

The Apprenticeships, Skills, Children and Learning Act 2009 (ASCL) was the legislative framework that confirmed the changes first outlined in the Raising Expectations White Paper. The Act was wide-ranging and encompassed a number of areas in addition to the changes to the machinery of government of the 16-19 phase.

From 1 April 2010, all unitary and county councils would take over responsibility for 16 to 19 education from the Learning and Skills Council (LSC). This was a significant shift in responsibility and funding, involving the transfer of £7 billion of public money and nearly 1,000 LSC staff nationally. The key features of the new system are:

- LAs to identify demand and plan provision to meet the learning needs of young people post 16
- LAs to commission the provision
- A funding model which ensures that money reaches providers appropriately

LAs would be responsible and accountable for securing the provision of high quality education and training for 16-19 year olds, (and 19-25 year olds subject to a learning difficulty assessment), and for those young people in youth custody aged 10 to 18. LAs would be supported by a small non-departmental public body – the Young People’s Learning Agency (YPLA) – which would ensure coherence of planning and budgetary control at a national level.

LAs would be responsible for commissioning and procuring learning provision on behalf of young people in their own area and for young people choosing to travel in to learn from other local authority areas. This would ensure that providers, particularly FE Colleges, were not required to have multiple dialogues with a number of LAs. Due regard would be given, through the SRG and Regional Planning Group (RPG), to ensuring appropriate learning was available to meet the needs of residents of their area within the constraints of the funding agreement reached with the YPLA.

The Department of Business Innovation and Skills (BIS), through a new agency, the Skills Funding Agency (SFA) would take on responsibility for all other learners over the age of 19, not subject to a learning difficulty assessment. It would also, through the National Apprenticeships Service (NAS), be responsible for securing apprenticeships for 16-18 year olds and all adults.

The legislation establishes LAs as the single point of responsibility and accountability for children's and young people's services from 0 to 19 (25 for learners subject to a learning difficulty assessment).

The proposed local, sub-regional and regional structures and planning processes were founded on the principle of subsidiarity, recognising the primacy of LAs. Through effective collaboration at SRG level LAs would inform and shape the regional agenda. They also reflected the key relationships being developed at SRG level with Multi-Area Agreements (MAAs) and sub-regional governance structures.

The ASCL Act required the dissolution of the LSC and the transfer of designated LSC staff to support the most appropriate element of the new system – the YPLA, the SFA, the NAS or the Local Authority. As part of the establishment of the new arrangements, current LSC staff had been through a "matching" process. The matching process reflected the duties and responsibilities that were transferring to each part of the new system from the existing LSC arrangements. Staff most closely aligned with the discharge of those responsibilities in respect of Local Authority areas had been identified to transfer to LA teams.

The transfer of staff would be governed by Transfer of Undertakings (Protection of Employment) – TUPE – regulations. LSC and local authority HR staff in Tees Valley had been working together to oversee the transfer, in line with best practice guidelines for TUPE transfers. Similarly, each LA had initiated a programme of orientation and induction activities in advance of the formal transfer date of 1 April 2010 so that appropriate organisational and team development can take place in readiness for the formal transfer of responsibilities. Most transferring LSC staff would be spending time in their respective LA teams working on associated 16-19 initiatives in advance of April 2010. In Tees Valley agreement was reached for formal shadowing to commence in January 2010.

For staff transferring, the actual staffing cost including on-costs will also transfer. Where a vacancy transfers, the average cost of the vacancy would be transferred. The transferring staff would be embedded within Local Authority teams and their Children's Trust commissioning arrangements.

The Authority would receive, annually up to 2012/13, a ring-fenced Special Purpose Grant from DCSF to cover the additional costs associated with taking on these additional responsibilities.

In addition to the LA team, a sub-regional shared service was approved

as part of the Stage 2 submission. This service would take the form of a virtual team and would undertake those activities which were best completed once on behalf of all LA partners. Accountability for these decisions would remain with individual LAs. The SRG structure to support these arrangements was attached to the report.

Each LA would take on the responsibility for administering the funding agreements with their local schools and colleges (and WBL/third sector providers for Foundation Learning). Funding for Academies would be administered by the YPLA who would assume responsibility for all open academies in April 2010. Academies would be considered within the commissioning process; however the YPLA would be responsible for deciding on the number of sixth form places to be funded in each 11 – 18 academy, taking account of the views of the local authority and the academy as well as its own local intelligence.

Funding agreements would cover the periods April 2010 – July 2010 (the current funding agreement) and August 2010 – July 2011. These agreements were already, or would be, in place before the formal transfer of responsibilities and as such they would transfer, along with the agreed funding allocations on April 2010. It would be for the LA team to administer rather than negotiate and agree these allocations.

For the delivery year August 2011 – July 2012, LAs would lead all elements of the planning, commissioning, administrative and quality assurance process. A consultation document had been produced by the DCSF – The National Commissioning Framework – that described the potential processes and lead responsibilities for 2011-12.

In addition to collaboration at a sub-regional level to plan and commission provision, LAs would need to come together with other key stakeholders such as the Regional Development Agency (RDA), Government Office North East (GONE), Young People's Learning Agency and the new Skills Funding Agency as part of a Regional Planning Group (RPG). The role and structure of the North East RPG was attached to the report.

The Regional Planning Group would scrutinise the commissioning plans of the Sub-Regional Groups to ensure that they were coherent, fall within the overall budget available and deliver the entitlement for all young people in the region. The RPG would also work with the Regional Skills Partnership to make sure that commissioning plans reflected local skills needs. Recent national guidance indicated an expectation that at a regional level the voice of employers should be strongly represented in helping to ensure that economic growth was driven forward and the needs of the labour market were being met.

RESOLVED that:-

1. The proposed Regional Planning arrangements (Appendix 1), and authorise the Director of Children's Services, in consultation with the Cabinet Member for Children & Young People to keep these arrangements under review to ensure they are effective in supporting the Authority in discharging its responsibilities be noted.
2. The outcomes of the Learning and Skills Council (LSC) staff matching process, 6 posts will transfer formally to the Local Authority from the LSC on April 1 2010 be noted.
3. In relation to Recommendation 2, the creation of the identified posts on the LA establishment be approved.
4. The financial implications to support the staff transfer be noted.
5. The intention to support shared services as appropriate at SRG level be confirmed.
6. The Director of Children's Services be authorised, in consultation with the Corporate Director of Resources and the Head of Legal Services, to put in place all necessary arrangements for receiving the transferring LSC staff in line with best practice in Transfer of Undertakings – Protection of Employment (TUPE) legislation.
7. The Director of Children's Services be authorised, in consultation with the Corporate Director of Resources, the Head of Legal Services and appropriate senior LSC officers, to put in place all necessary arrangements for the transfer and management of funding contracts, agreed by the LSC with learning providers in the borough, from April 1st 2010-July 31st 2010 and from August 1st 2010-July 31st 2011.

3. Reasons for the Decision

The Machinery of Government changes asked LAs to prepare for the transfer of statutory responsibility from the LSC in 2010 by agreeing regional and sub-regional arrangements. This has now been statutorily required as part of the enactment of the ASCL Bill. The recommendations placed before Cabinet have been widely consulted on with partners and providers and have been endorsed by the Children's Trust and 14-19 Partnership arrangements in each local authority in the region.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

Councillor Mrs Beaumont declared a personal, non-prejudicial interest in respect of this item as a result of her membership of the Riverside College Board.

6. Details of any Dispensations

Not applicable

7. Date and Time by which Call In must be executed

Not later than Midnight on Friday, 19th February 2010

Proper Officer  
15 February 2010