

## 16-19 Transfer Guidance note

### Sub-regional groupings and development process: stage two

#### 1. Introduction

##### **STAGE 1 COMPLETED**

The first stage of the sub-regional groupings (SRG) assessment process has now been completed. Local authorities were asked to confirm the membership of their sub-regional groupings to Government Offices (GOs) by 26 September.

Proposals from 41 sub-regional proposals were submitted providing a high level rationale for the groupings. These were reviewed by GOs, Association of Directors of Children's Services (ADCS), Learning skills council (LSC) and Regional Development Agency (RDA) representatives and then reviewed by a National Panel represented by Department of Children's Schools and Families (DCSF), GO, LSC, Association of Colleges (AoC), ADCS, and Department of Innovation Universities and Skills (DIUS) on the 31<sup>st</sup> October 2008. The Panel considered the local authorities' plans for creating sub-regional groupings and whether the groupings look sensible when viewed regionally and nationally.

##### *National panel results*

Overall the panel was encouraged by the level of progress made by local authorities towards collaborative ways of working. A majority of the SRG proposals demonstrated a grouping that the panel judged to be "reasonable", i.e. predominantly on travel to learn patterns and building on existing collaborative arrangements. The proposals also demonstrated an increase in understanding that future 16-19 commissioning decisions from September 2010 need to:

- take into account delivery of the 14-19 reforms;
- are based on informed learner choices; and
- are made jointly with local authority partners, employers and providers.

DCSF has asked Government Office leads on 14-19 to work with local authorities and their sub-regional groupings to set out the feedback from the panel. This feedback includes the regional strengths and areas of development, as well as some SRG specific focus for the stage two proposals.

##### **STAGE TWO**

We now invite those sub-regional groupings to develop their proposals (stage 2) so as to show they can deliver the outcomes for young people through the 16-19 commissioning process.

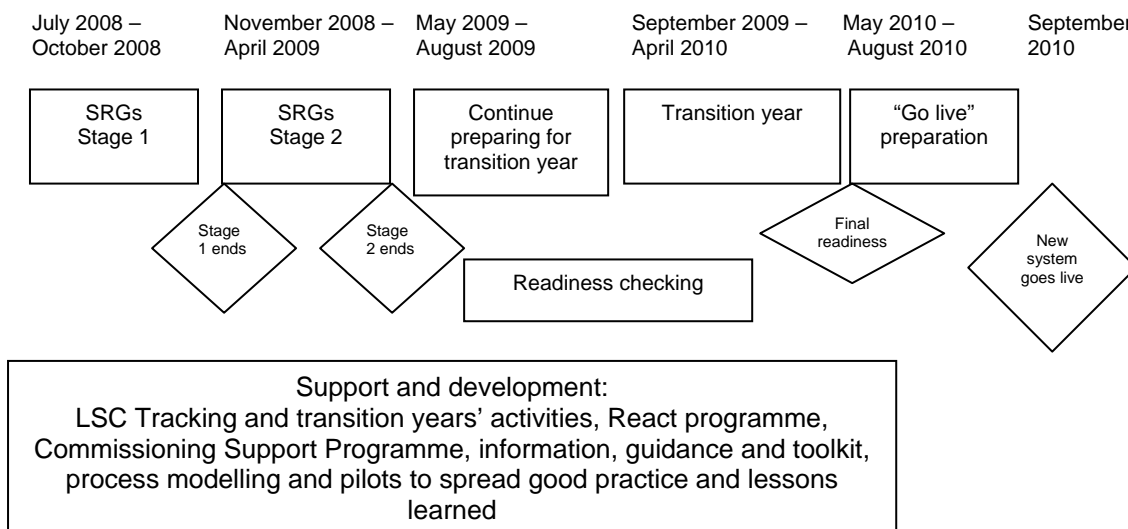
We are keen to ensure the stage two review process for sub-regional groupings adheres to the following principles:

- The process must be sector-led with local authorities working closely with the LSC and other key partners to develop the right infrastructure and expertise;
- The process is based on a dialogue, with DCSF requesting evidence from local authorities and local authorities informing DCSF of where further support or guidance is needed; and
- We will move as quickly as possible to create certainty over the composition of the SRGs because that will enable the LSC to begin to plan how to re-structure their resources towards these groupings and increase their support to local authorities.

## 2. Stage two overall timeline, process and criteria

### *The timeline*

The overall timeline for SRGs getting ready for operation in September 2010 (“go live”) is as follows:



Taking into account the feedback which GOs will provide to each SRG described above, we would like each SRG to submit a more detailed proposal following the process set out below.

### *The process*

The key steps of the stage two review process are:

- a) SRGs may submit their plans at any stage up to the end of February 2009, to the relevant Government Office. This plan should outline how they are preparing to work as an effective sub-regional grouping, based on the criteria set out in Annex A and how ready they are for operating in the transition year. This includes focussing on:
  - governance arrangements,
  - decision-making processes,
  - dispute resolution,
  - staffing needs,
  - reporting processes, and

- o financial and performance accountabilities
- b) Government Office will coordinate views on the proposals from the regional ADCS, LSC, RDA and provider representative organisations and will collate these views to form an overall regional view and forward this to 16-19 transfer team in the DCSF.
- c) These plans will be reviewed at national level. A series of national panels will be held to provide flexibility for those SRGs that want to offer an early view of progress.
- d) The national panels (including representatives from ADCS, DCSF, LGA, LSC, RDA, DIUS (representing the Skills Funding Agency (SFA)), and National Apprenticeship Service (NAS)) will review the proposals submitted and consider the readiness of the SRG. This will be an iterative process and will probably mean panels every month from January 2009 through to May 2009.
- e) The national panel may identify a need for further clarification of a group's readiness. In these cases a representative from Raising Expectations Action Programme (React) and the SRG may discuss and clarify the proposal (React is the LGA/ADCS support programme). On the basis of this further conversation, the React representative will provide a recommendation to the national panel.
- f) Feedback will be provided to SRGs via Government Offices.

#### *The criteria*

The proposals will be assessed against a number of criteria. These criteria are set out in Annex A. The review process aims to be as simple and as helpful as possible – minimising any additional bureaucracy. The following summarises the criteria which have been developed to facilitate and review local authorities working up their plans for implementing arrangements with those confirmed partners in their SRGs:

- **Governance** – this must demonstrate clear and robust evidence of how the sub-regional grouping will be governed, how political sign-off for the detailed mechanisms governing the arrangements, how conflicts will be resolved, how speedy and well informed decisions will be made, and how local authority statutory accountabilities will be treated within those governance arrangements. There should be well presented arguments for who will be identified as having the lead commissioning relationship (particularly with FE colleges and other large providers) and how the sub-regional grouping will be effectively and fairly represented on the Regional Planning Group. The expectation is that LAs will take on the majority of provider commissioning, where SRGs are not planning to identify a lead LA for all the colleges in their area a strong

argument should be presented as to why the YPLA would be better placed to take on the lead relationship.

- **Collaborative and strategic contribution** – includes evidence of how commissioning fits with wider and collective strategic priorities both locally, and regionally. The proposal must provide clear evidence of how schools and colleges have and will be involved in the detailed development of the sub-regional groupings, whilst managing any potential conflicts of interest. We expect to see strong evidence of employer and provider engagement on the proposals – particularly from those that serve a number of local authorities within the SRG.
- **Resources and capacity** – an initial analysis and assessment of the task required to deliver the change, as well as what the transition arrangements are to work with the local LSC. Proposals should also provide some indication of whether there are any intentions to share services to deliver this transferring function and, if so, then how and where any such services would operate and be located. This will be particularly important in informing any dealings with LSC staff representatives. Within this criterion is a review of the grouping's intention and capacity to work on model (a) or (b) (see below for explanation).
- **Policy and Planning** – includes demonstrating how commissioning will help deliver the wider 14-19 agenda, including delivery of the entitlement and raising of the participation age.
- **Quality and targets** – the process will draw on information to understand how groupings will work to raise performance and meet the 14-19 reform priorities.

Annex A provides the criteria definitions and evidence (indicating whether it is essential or desirable) that the plans and proposals will be reviewed against. It may also be used as a checklist to understand the required outcomes on a typical progression for getting ready to work as sub-regional groupings. The criteria can also help to scope the basis of transition plans. We recognise, however, that an excellent plan and proposal could also evidence innovative approaches not detailed in this guidance.

#### *Key features of the process and proposals*

The proposals must show how the local authorities in the SRGs will:

- seek to ensure provider, employer and learner engagement; and
- ensure effective governance arrangements.

Some SRGs have indicated a preference for working as a limited company. Early financial and audit assessment of this way of working indicates that

these arrangements need to sit alongside individual local authority accountability. So while SRGs may choose to work as a limited company the funding will flow to individual local authorities who can then pool resources to the company. For those SRGs considering forming a limited company we welcome further dialogue on this approach.

Government offices play a key role in the coordination of the sub-regional grouping review process. They are, and will continue to be, a conduit for information to flow from SRGs to the Department and provide coordination for the regional reviews.

#### *A recap of model (a) and model (b) – General FE colleges*

The resources and capacity criterion looks for evidence of the grouping's intention and likely capability to operate on model (a) or model (b). In model (a) YPLA does the management of the funding agreement with the General Further Education (GFE) provider on behalf of the SRG. It could be likely that these groupings may also want to draw on additional support to carry out the commissioning dialogues and allocations part of the cycle. Model (b) groupings manage the commissioning end to end process without support. Our aspiration is that all groupings will progress to model (b) by demonstrating understanding of the wider context of GFE providers in the future commissioning process, therefore, further review activity will be run.

### **3. Support for local authorities and sub-regional groupings**

This section is a summary of the support measures to help local authorities through the stage two process and beyond.

- We have published alongside this document two documents that provide local authorities with additional information to support the stage two proposals: **16-19 Transfer Guidance: Commissioning Process** and **14-19 Commissioning through Transition**.
- DSCF is investing in a Commissioning Support Programme which will be available to local authorities and their Children's Trust partners over the next two and a half years. The Programme will work with stakeholders at regional and national level, as well as with individual Children's Trusts to ensure that the support meshes with other initiatives wherever opportunities exist. Many commissioners have identified commissioning 16-19 provision as a priority, and the Programme will respond to need. The Commissioning Support Programme will encompass the commissioning of 16-19 provision as an area that is a core focus for Children's Trusts. Specific commissioning themes, such as 16-19 commissioning will be explored through special interest groups, which will be facilitated by the Programme in response to specific need identified by Children's Trusts and individual commissioners. The learning from these special interest groups will inform the direct support offered to individual Children's Trusts as well as the resources made available through the

Programme's website and regional and national conferences. There will be further communication from the Commissioning Support Programme over the coming weeks and months to make sure practitioners and other stakeholders have up to date information on how the Programme is developing and how it can support effective commissioning for better outcomes. A pilot website for the Commissioning Support Programme is currently available at [www.commissioningsupport.org.uk](http://www.commissioningsupport.org.uk). A complete website will be developed in response to commissioners' needs and will be available in early 2009.

- LGA and ADCS will be launching the Raising Expectations Action Programme (**React**) in November, with staffing fully in place by January. The React Programme will provide sector support through working with national groups (including: ADCS, LGA AoC, 157 Group, Six Form College Forum (SFCF), Association of Learning Providers (ALP) and Third Sector National Learning Alliance) and communication across the sectors. The emphasis in the first period will be supporting SRGs to achieve panel ratification. React will support a continuing programme of development, including for instance assisting SRGs on model (a) to work towards model (b) for go live year. However, the capacity for providing direct support to SRGs and local authorities will be limited.
- The DCSF will allocate funding to SRGs to help build their capacity through stage 2. This funding will be made available via Government Offices and should be used specifically for this use. Each region will receive a minimum of £40,000 for this purpose.
- DCSF is also examining what additional capacity can be found to support individual local authorities to support them through this transition from April 2009 onwards. As and when these plans are firmed up, we will provide more information.
- LSC is working with local authorities to develop the tracking and transition years. This is set out in a paper published alongside this guidance, **14-19 Commissioning through Transition**. While LSC will remain accountable for the 16-19 commissioning until September 2010, ways of working will be developed to ensure an increasing role for local authorities working alongside the local LSC staff.
- We will continue to work with LGA, ADCS, LSC, AoC, SFCF and other partners to ensure that as good practice is identified we have the right mechanisms to share that around the network. However, we encourage local authorities to collaborate through their wider network on sharing ideas and ways of working. We are already looking at guidance on the roles and responsibilities of Regional Planning Groups (RPGs) and a detailed toolkit produced to support local authorities and SRGs.

- During the tracking and transition years, we encourage SRGs to model their approaches alongside LSC actuals to test out how the new system will work. We will be monitoring ongoing examples and will share evidence and conclusions from any evaluation around the network.
- We will keep you informed via regular bulletins. You can sign up to receive the following monthly bulletin:
  - 16-19 and post 19 Funding Transfer Bulletin at the web address:  
<http://www.dcsf.gov.uk/14-19/index.cfm?go=site.home&sid=51&pid=426&ctype=NEWSLETTER&ptype=Single>
  - We provide regular content for the FE and Skills monthly bulletin.

#### **4. Contacts and Questions**

We look forward to receiving your detailed proposals by February 2009.

If there are specific questions you would like to pose to the team or would like clarification on this guidance, please email:

[Transfer.16-19@dcsf.gsi.gov.uk](mailto:Transfer.16-19@dcsf.gsi.gov.uk)

We are keen to know what else would be helpful and look forward to feedback and any additional support requirements in your stage two proposal.

## Annex A - Criteria for reviewing sub-regional groupings stage two

The criteria set out in the table reference some of the areas that will be developed from now until September 2010. The majority of activity will be 'work in progress' for some time. At this stage we want to see clear evidence of commitment to carrying out the work and addressing the issues. We appreciate that not all the evidence will, or can, be in place by the March 2009 submission date so the evidence must be of work in progress and planning for 2010. We recognise that a variety of valid evidence can be supplied.

Criterion	Criterion description	Evidence	LA	SRG	Essential	Desirable
<b>Governance</b>	<ul style="list-style-type: none"> <li>▪ Demonstrates strong shared governance arrangements, political sign-off, clear decision making and accountability mechanisms.</li> <li>▪ Demonstrates commitment and ability to ensure that the grouping is focused on outcomes for young people by understanding their needs and aspirations.</li> <li>▪ Able to articulate how demand will be met by a supply base committed to quality.</li> <li>▪ Demonstrates that the learning and skills agendas are actively linked in their area and will make a tangible difference to the area's social and economic outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>▪ An outline of arrangements that assures effective governance, to cover:               <ul style="list-style-type: none"> <li>○ What arrangements are to be put in place? for example, a memoranda of understanding for the SRG endorsed by elected members, or a Joint Committee is established</li> <li>○ How will these arrangements be agreed and signed off?</li> <li>○ How will these arrangements be enforced?</li> <li>○ How will arrangements cover partners and other stakeholders?</li> <li>○ How will representatives of the SRG be delegated authority to take decisions on its behalf and how will the SRG ensure decisions are scrutinised and challenged? (e.g. RPG working)</li> <li>○ How will the SRG ensure that strategic decision-making processes are clear and transparent?</li> </ul> </li> </ul>	x		x	



Criterion	Criterion description	Evidence	LA	SRG	Essential	Desirable
		<ul style="list-style-type: none"> <li>○ How will the SRG ensure timely decision making, which may include iterations under tight time pressures?</li> </ul>				
		<ul style="list-style-type: none"> <li>• Local authorities to provide written statements / memoranda of understanding / protocols outlining links with relevant existing arrangements (e.g. Local Authority Area (LAA)/ Local Strategic partnership (LSP)/ Children's Trust arrangements/14-19 partnerships and their Children and Young People's Plan (and Multi Area Agreement (MAA) if applicable))</li> </ul>	x		x	
		<ul style="list-style-type: none"> <li>• Sub-regional group to provide proposed terms of reference</li> </ul>		x	x	
		<ul style="list-style-type: none"> <li>• Proposal showing how financial accountability will be managed in the future</li> </ul>	x	x	x	
		<ul style="list-style-type: none"> <li>• Proposals for establishing (or using existing) forums to include learner and employer voice</li> </ul>		x	x	
		<ul style="list-style-type: none"> <li>• Evidence of clear lines of accountability that will ensure quality provision is being commissioned (e.g. criteria established for determining lead commissioning local authority for providers and establishing how the group will be effectively and fairly represented on the Regional Planning Group)</li> </ul>		x	x	

Criterion	Criterion description	Evidence	LA	SRG	Essential	Desirable
		<ul style="list-style-type: none"> <li>Examples of clear protocols for dispute resolution</li> </ul>		X	X	
<b>Collaboration and strategic contribution</b>	<ul style="list-style-type: none"> <li>Demonstrates how commissioning fits with wider strategic priorities both locally and regionally.</li> <li>Demonstrates how personnel are building understanding of the FE sector and strategic relationships to enhance strategic commissioning role.</li> </ul>	<ul style="list-style-type: none"> <li>Evidence of engagement with all key providers (across the diverse range of providers) and employers</li> </ul>		X	X	
		<ul style="list-style-type: none"> <li>Plan in place for establishing agreements with providers and local authorities about how they will work together</li> </ul>	X			X
		<ul style="list-style-type: none"> <li>Supporting statement from key stakeholders e.g. RDA, Sector Skills Councils</li> </ul>		X		X
		<ul style="list-style-type: none"> <li>Proposals to build on existing collaboration to deliver</li> </ul>	X			X
		<ul style="list-style-type: none"> <li>Demonstrate how provision of Information Advice and Guidance (IAG) via Connexions services will adhere to the Quality Standard and will fit within the overall operation of the grouping</li> </ul>	X		X	
		<ul style="list-style-type: none"> <li>Local authorities to demonstrate what links are being made with other joint commissioner / commissioning arrangements e.g. on health</li> </ul>	X			X
		<ul style="list-style-type: none"> <li>Evidence of a strategy for engagement with local authorities outside the sub-regional group where there is some cross-over or wider Travel to Learn patterns</li> </ul>		X	X	
<b>Resources and capacity</b>	<ul style="list-style-type: none"> <li>Demonstrates that staffing and infrastructure requirements have</li> </ul>	<ul style="list-style-type: none"> <li>Proposed delivery structure and staffing needs in the local authority and the sub-</li> </ul>	X	X	X	

Criterion	Criterion description	Evidence	LA	SRG	Essential	Desirable
	<p>been considered to deliver the planned changes. Where appropriate, has demonstrated that shared services arrangements are being considered to maximise the effectiveness of the grouping.</p> <ul style="list-style-type: none"> <li>Indicates a commitment to the planned shadow arrangements to work with LSC staff.</li> <li>Demonstrates readiness for working to model (b)</li> </ul>	<p>regional group, including consideration of shared services to gain economies of scale and transition arrangements to work with the LSC</p> <ul style="list-style-type: none"> <li>Planning to understand the required capacity in relation to managing the new commissioning role e.g. conducting a skills audit</li> <li>Draft data sharing protocols have been established between local authorities and the sub-regional group</li> <li>There is a mechanism within the sub-regional group to share good practice amongst local authorities</li> <li>Self-assessment of intention and capacity to work on model (b), including planned timescale</li> </ul>				
			x		x	
				x		x
				x		x
<b>Policy and Planning</b>	<ul style="list-style-type: none"> <li>Demonstrates how the planned SRG approach to commissioning will help deliver the wider 14-19 agenda, including delivery of the entitlement and raising of the participation age.</li> <li>Demonstrates progression towards an effective transition strategy and plan to achieve</li> </ul>	<ul style="list-style-type: none"> <li>Evidence of analysis of fit with current 14-19 partnership planning: <ul style="list-style-type: none"> <li>to secure entitlement and the infrastructure to enable it (e.g. including each LA having a transport policy that meets the needs of learners)</li> <li>ensuring the effective representation of a broad provider base (including FE Colleges, 3<sup>rd</sup> Sector and WBL providers)</li> </ul> </li> </ul>	x		x	

Criterion	Criterion description	Evidence	LA	SRG	Essential	Desirable
	operational excellence.	<ul style="list-style-type: none"> <li>Draft plans for establishing sub-regional strategic analysis i.e. how will the group work to understand current supply and demand</li> </ul>		X		X
	<ul style="list-style-type: none"> <li>Demonstrates an understanding of how the grouping can collectively support (in a way that is future proofed) raising participation and attainment even where there are no shared travel to learn patterns.</li> </ul>	<ul style="list-style-type: none"> <li>Evidence of plans to develop shared knowledge regarding 14-19 policy areas including improving the well-being of and outcomes for children across the five outcomes set out in the 2004 Children Act</li> </ul>		X	X	
		<ul style="list-style-type: none"> <li>Consideration of how the commissioning of education for vulnerable groups will be undertaken e.g. LLDD learners</li> </ul>	X	X		X
		<ul style="list-style-type: none"> <li>Plans and progress towards developing an area wide prospectus</li> </ul>	X		X	
		<ul style="list-style-type: none"> <li>Plans and progress towards developing a common on-line application process</li> </ul>	X		X	
<b>Quality and targets.</b> This criterion is for the DCSF to lead on in conjunction with partners eg GOs)	<ul style="list-style-type: none"> <li>The evidence associated with this criterion will be used by the reviewing team to ensure current performance is considered and to review the overall strength of the grouping.</li> </ul>	<ul style="list-style-type: none"> <li>Evidence of capacity to deliver the model (including expertise to plan and commission effectively and how this will be developed) – evidence of where the initial capacity that is required will be built (especially for model (b))</li> <li>The national indicator set</li> <li>Progress checks</li> <li>Information from 14-19 Advisers</li> <li>Number of Diploma lines</li> </ul>				