



# **Raising Expectations: Enabling the System to Deliver Update and next steps**

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## **A Introduction**

1. The Department for Children, Schools and Families (DCSF) and the Department for Innovation, Universities and Skills (DIUS) published the White Paper *Raising Expectations: Enabling the System to Deliver* on March 17 2008 to consult on how to implement proposed reforms to education and training for pre-19 and post-19 learners.

### **1.1 The consultation process**

2. Following publication of the White Paper, the Government carried out a twelve week formal consultation, which concluded on 9 June 2008.
3. We received 443 written responses, from a wide range of groups and individuals. These responses were analysed carefully and are being taken into account during the development of our plans to implement these proposals.
4. In addition to the written consultation, we also sought the views of individuals and organisations at nine regional events<sup>1</sup> held in May 2008. These events, which were attended by Ministers and/or senior officials, captured views of attendees on the proposals, including the challenges and opportunities of both implementation and the transition process. The feedback from these regional events was collected and considered alongside the written responses.

### **1.2 Summary of responses**

5. There was wide approval of the principle and commitment to increase participation, to give education and skills a greater priority at the local level, and the focus on performance and quality. Many respondents welcomed the creation of a single framework for integrated commissioning of education and training to age 19, which fits well with the principles of Every Child Matters.
6. The general support for the reforms was accompanied by the request for further information on the implementation and transition stages, including how the new agencies will work together and the plans for planning and commissioning under the new system. Stakeholders were also looking for assurance that the needs of young people, adults and employers will remain paramount under the arrangements and that the new reforms will reduce bureaucracy.

### **1.3 Structure of this report**

7. This report is one of a pair of documents published in tandem to provide an update on the reforms. The other document "Raising

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<sup>1</sup> London, Birmingham, Newcastle, Manchester, Leeds, Leicester, Bristol, Peterborough and Reading

Expectations: Enabling the System to Deliver: Summary of Events and Written Responses” presents a summary of both the written responses to the consultation and feedback from the regional events. We intend to publish further detail on next steps on a regular basis as we finalise our plans.

8. Although the consultation has now closed, both DIUS and DCSF remain committed to ensuring that stakeholders are kept involved with, and informed about the progress of, these reforms and we would welcome feedback as the proposals continue to develop.

#### 1.4 Audience notes

9. The whole of this report is likely to be of interest to most readers. However the table below shows which sections may be of most interest to specific audiences.

Audience	Section of this document
Local authorities	3.2 Building local authority capacity 3.3 Sub-regional and Regional groupings 3.4 The Young People’s Learning Agency 3.5 Pre-19 Funding 3.7 Pre-19 performance management 3.11 Learners with Learning Difficulties and/or Disabilities 3.12 Young Offenders 3.13 Pre-19 Information, Advice and Guidance 3.17 Post-19 Information, Advice and Guidance 3.18 The National Apprenticeships Service 3.19 Bureaucracy and Complexity 3.21 Consultation
FE colleges	3.4 The Young People’s Learning Agency 3.5 Pre-19 Funding 3.6 Pre-19 Commissioning 3.8 Sixth Form colleges 3.10 Capital 3.14 The Skills Funding Agency 3.15 Post-19 funding 3.16 Post-19 Performance management 3.21 Consultation
Sixth form colleges	3.5 Pre-19 Funding 3.6 Pre-19 Commissioning 3.7 Pre-19 Performance Management 3.8 Sixth form colleges 3.9 Competitions and presumptions 3.10 Capital 3.21 Consultation
Other providers	3.4 The Young People’s Learning Agency

	3.5 Pre-19 Funding 3.6 Pre-19 Commissioning 3.11 Learners with Learning Difficulties and/or Disabilities 3.12 Young Offenders 3.15 Post-19 Funding 3.19 The National Apprenticeships Service 3.21 Consultation
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Regional Development Agencies	3.3 Sub-regional and regional groupings 3.19 Bureaucracy and Complexity 3.21 Consultation

## **B Vision**

10. Through the consultation period some stakeholders and respondents asked for a reiteration and more detailed business case for why the reforms are needed. In this section we set out again the underlying principles for the change to re-emphasise what the reforms will enable us all to achieve.

### **2.1 Underpinning shared principles**

11. The principles shared across pre and post 19 systems are:
- Decision making, accountability and funding rules must be transparent and equitable;
  - There must be a clear focus on quality, and respect for our aim that the quality of the learner's experience is our ultimate goal;
  - Funding must follow the learner's choice;
  - Providers of all types should benefit from processes which are as simple and straightforward as possible and provide coherence for providers which span different areas and age groups;
  - Providers must have greater autonomy to act on behalf of learners within the national frameworks and any intervention should be proportionate to under-performance;
  - Economic growth must be driven forward and the needs of the labour market must be served; and
  - Good value for money must be secured in the allocation and use of public funds.
12. A copy of the joint letter issued by both Secretaries of State can be read [here](#). These principles underpin the detailed business case for the reforms.

### **2.2 Pre-19: Supporting Participation and Achievement for Young People**

13. The starting point for these reforms is our ambition to raise the education participation age and deliver better outcomes for all young people – an ambition which has been at the heart of the Every Child Matters agenda and which was emphasised again in the recent Children's Plan.
14. The reforms provide an opportunity to bring together in one place responsibility for the outcomes and achievement of all young people aged 0-19. The reforms build on the existing role and expertise

of local authorities as commissioners of a wide range of services which will help support pre-19 education and training.

15. Local authorities will play the key role in the new system, taking responsibility for securing sufficient provision in their local area to meet the new entitlements and meet the ambition to raise the participation age. Local authorities will need to draw upon the expertise and skills of current LSC staff, who have done so much in recent years to secure improvements in attainment and participation. Local authorities will be supported by a slimline national Young People's Learning Agency in delivering these responsibilities

### **2.3 Post-19: Reforming the Post-19 Skills System to Secure Better Outcomes for Adults**

16. The LSC has been instrumental in delivering improvements in adult education and skills training. However the Leitch review has shown how much further there is to go if we are to develop the highly skilled workforce that we will need by 2020.
17. Our policy aims as set out in World Class Skills (the government's response to the Leitch review) and also our 2020 skills ambitions. These include meeting the Leitch skills targets, moving to a demand-led system of skills delivery and integration of employment and skills and will require a step change in the adult skills delivery landscape. The advent of Skills Accounts and the growth of Train to Gain sees a radically different model of organisation of the skills system, where the government role is to ensure customers are empowered, well informed and well supported so demand can lead supply.
18. The structural reforms set out in the White Paper are specifically designed to support these policies. The streamlined design of the Skills Funding Agency (SFA), which will focus on funding rather than planning, will deliver a strong, demand-led FE sector capable of meeting the nation's needs in respect of adult skills.
19. A guiding principle in the design of these reforms is that the needs of service users (learners and employers) come first; the post-19 arrangements have therefore been designed around their needs and priorities. An underpinning key aim of these new arrangements is to make the skills landscape simpler – especially for customers, but also for providers and for those managing the system and operating within it.
20. Our traditional economic competitors are all investing heavily in raising their skills levels, as are the rising economic powers of the 21<sup>st</sup> century in South and East Asia, Eastern Europe and elsewhere. The reforms of the post 19 landscape will deliver a responsive and flexible

system for adult education and training and ensure that we are able to compete in the future global marketplace.



## **C Policy and design frequently asked questions**

21. This section gives further information, where possible at this stage, in response to some frequently asked questions about the design and implementation of the reforms. There are many other questions and issues, which we will be working with all our key partners to resolve over the coming months. We will publish regular updates to provide the most up to date information on our implementation plans over the coming months.

### **Part 1: Supporting Participation and Achievement for Young People**

#### **3.1 Implementation Challenges**

22. Part one of the White Paper set out the proposed reforms to the pre-19 system, and the benefits to moving funding for pre-19 education and training from the Learning and Skills Council (LSC) to local authority control. The rest of this section looks at each of the main challenges and questions raised about implementation of the pre 19 proposals, and tries to set out more detailed answers to questions as well as information on next steps.

#### **3.2 Building local authority Capacity**

23. One of the key challenges highlighted by many respondents to the consultation was how best to build the capacity and capability of local authorities for their new role. We know that many local authorities already have a wide range of commissioning expertise on which we must build. We know however that local authorities don't have spare capacity or specific pre-19 expertise to take on new responsibilities in relation to pre-19 provision. The answers below set out how we intend to build capacity and capability during the transition period, as well as setting out the precise new duties that will apply to local authorities.

##### ***What are the new duties that will apply to local authorities from 2010?***

From 2010 local authorities will have a statutory duty to provide learning places for pre-19 year olds subject to legislation. By 2013 local authorities will have a statutory duty to deliver full participation for all 17 year olds in education and training (rising to 18 year olds by 2015). In addition, from 2010 they will have a duty to secure sufficient provision for young people up to the age of 19 in their areas (including learners with learning difficulties and/or disabilities up to the age of 25 and young people in juvenile custody up to the age of 18), in line with their responsibility for commissioning all children and young people's services.

##### ***How do you expect local authorities to develop their capacity to take on a new role in commissioning pre-19 provision?***

Local authorities already have significant expertise and capacity in relation to their wider commissioning role - for example in the commissioning of childcare places. We want to build on that existing expertise as local authorities prepare for

their new role in pre-19, working with the Association of Directors of Children's Services (ADCS), the Local Government Association (LGA), LSC and the Association of Colleges (AoC). In addition, ensuring that we retain the knowledge and expertise of LSC staff will be key in ensuring that appropriate skills are available in local authorities.

***What support will be available to local authorities during the transition period?*** DCSF is working with partner organisations including LGA, ADCS, LSC and AoC to develop a range of support for local authorities and providers to enable them to work closely together during the transition period. In addition DCSF is investing in a wider commissioning support programme which will be available for local authorities to draw on from September 2008. This will include a specific strand of support focused on pre-19 commissioning. Further details of the support available will be published in the autumn.

### **3.3 Sub-regional and Regional Groupings**

24. We are publishing interim guidance on the sub-regional assessment process alongside this next steps document. It sets out the immediate next steps for local authorities, Government Offices (GOs) and DCSF. In summary these include:

- Local authorities will need to submit their proposed sub-regional grouping to their GO by 26 September 2008;
- GOs will then pass their aggregated view of sub-regional groupings to DCSF with a view from other key regional stakeholders including ADCS, LSC and RDA on the proposals;
- DCSF will look to approve all of the proposed sub-regional groupings by the end of October 2008. Where issues emerge they will ask government offices to have further conversations with sub-regional groupings so they can be addressed quickly; and
- By the end of the 2008 calendar year DCSF will be asking for further evidence of how the sub-regional groupings intend to work including an indication of whether the sub-region is ready to operate on model a or model b.

***What criteria will be used to assess the proposed sub-regional groupings?*** The detailed criteria are set out in the interim guidance published alongside this document. For September the key criteria focus on the fit with travel to learn patterns and other sub-regional groupings within a region. For the second stage the criteria focus on governance and decision making mechanisms and the commitment of all partners to the proposed grouping. Whilst we want to avoid creating too many additional stages for local authorities, it is important we move as quickly as possible to create as much certainty over the "reasonableness" of the sub-regional groupings. That will enable the LSC to begin to align their resources towards these groupings and increase their support to local authorities.

***Can a single authority/ whole region be a sub-regional group?*** Ultimately, it has to be a local decision as to what arrangements will work best to commission the right range of provision to meet the needs of all young people to deliver a raised participation age and 14-19 entitlements. We believe there may be instances where it is appropriate for a single local authority or region to act as the sub-regional group as long as there is a clear rationale as to why this is the right solution in that particular area and it has the support of the range of partners involved.

***What will the membership of the sub-regional grouping be? Will providers have any say in their decision making?*** Again the membership and governance of sub-regional groupings has to be a local decision. We would expect each of the relevant local authorities to be represented in the grouping. Given that commissioning decisions are being taken at this forum about individual providers it would not be appropriate for them to be members themselves. What is important is that the rationale for any commissioning decision is clear and that providers are kept informed and engaged throughout the process. We will look to the submissions on sub-regional groupings in December to set out how that engagement will take place.

25. A number of respondents to the consultation questioned whether there was a need for the Regional Development Agency (RDA) to co-chair the regional planning group. We have considered carefully the arguments here but still believe the RDA has a critical role to play in bringing to the table the regional analysis of economic skills needs. Our strong presumption remains that we expect the RDA to co-chair the group although we will consider alternative propositions which can clearly show how employers' views of regional skills needs can be brought to the group.

***What are the role and functions of the regional planning group?***

The regional planning groups will agree the aggregated plans of the sub-regional groupings and ensure they cohere regionally. This will also enable them to identify any provision (e.g. Learners with Learning Difficulties and/or Disabilities (LLDD), specialist/large providers) which may need to be commissioned at a regional or national level. The regional planning groups will ensure that plans fit with the region's wider economic strategy and that they are coherent with post 19 commissioning through discussion with the SFA.

***What should the membership of the regional planning group be?*** The membership, governance and operation of the regional planning groups will be determined best in each region. Whilst ultimately the overall composition of the regional planning group will be at the discretion of each region, in order to ensure effective regional coherence, as a minimum we would expect the regional planning group to include local authorities who represent the sub-regional groupings; and other regional stakeholders including: YPLA, SFA, NAS, GOs and RDA.

### 3.4 The Young People's Learning Agency (YPLA) and its interfaces

26. We are currently working on the detailed design of the new organisation and precisely how it will work with local authorities, the SFA and NAS. We intend to publish more detail on the role and functions of YPLA in the autumn.

***What are the role and powers of the YPLA?*** The YPLA will have a duty to ensure national budgetary control and check plans are consistent with the concept of a 14-19 entitlement. It will be an enabling body to support local authorities in carrying out their new duties – providing a broad commissioning framework and strategic data and analysis for local authorities to use. It will have reserve powers to intervene and arbitrate in the event that local authorities cannot fulfil their new duties to ensure plans are agreed and cohere at sub-regional, regional and national level. The YPLA will also have reserve powers to commission FE colleges, where sub-regional groupings are not yet ready to move to model b, and with regional or national provision where necessary.

***How will you ensure the YPLA is a slim body?*** The YPLA will be a very different body to the current LSC with a primary focus on providing funds to local authorities to meet their commissioning plans and ensuring overall budgetary control. It will also have a role to ensure the overall coherence of the plans and that the entitlement is being delivered to all learners. The planning and commissioning responsibilities and resource for these functions will reside with local authorities.

***How will YPLA work with the SFA and NAS?*** The YPLA and SFA will have clearly defined roles in their interaction with each other including in their interaction vis-à-vis performance management of the FE sector and the SFA's sponsorship role of the FE system in general. The front facing services of the SFA, including the National Apprenticeship Service, will have a critical role in meeting the objectives of the YPLA and local authorities in securing sufficient apprenticeships for young people. Details of the roles and responsibilities of each organisation will be published in the autumn.

### 3.5 Funding

27. The questions around funding focused on the national funding formula, ring-fencing of funding, auditing, the National Apprenticeship Service (NAS) and the funding of different providers. This is, perhaps, the most important aspect to get right and we continue to develop our thinking in this critical aspect of the pre-19 transfer. The questions are not a full or detailed reply. We aim to publish more details as soon as they are available.

***Will there be a difference between the present and future national funding formulas?*** At the moment we do not envisage any major changes to the national funding formula. We will of course review the formula to ensure that it is the most suitable means by which to fund learners.

***Will funding be ring-fenced for local authority pre-19 provision?*** The national funding formula will operate at institution level. Local authorities will commission learner numbers and type of provision from each institution, which will drive the allocation through the national funding formula. In this way, funding will follow the learner and thus maximise the funding for participation and attainment.

***How will the 3<sup>rd</sup> sector be funded?*** Local authorities will identify the learning opportunities needed in their area. Emphasis will be on high quality and appropriate provision for all young people. We expect the Third Sector to be well placed to deliver the high quality provision local authorities will be looking for. There may be a small number of third sector providers for whom regional or national arrangements are appropriate.

***Can you provide further information at this stage about the proposed move to a 14-19 funding system?*** We are exploring options for extending the national funding formula as part of the Schools Funding Review. We are consulting a group of expert stakeholders (the Formula Review Group) to evaluate the options for implementation. Changes to funding arrangements arising from the School Funding Review would not be implemented before 2011/12.

### **3.6 Commissioning**

28. The LSC will continue to be responsible for commissioning pre-19 provision until 2010 and we will expect them to work increasingly closely with local authorities during the next two years. We are currently working to produce a draft of the potential new planning and commissioning cycle which will highlight the role of different bodies in the process and what needs to happen at each stage. We will publish this in the autumn to give local authorities and providers a better understanding of who will need to do what at a local level. During the transition phase local authorities will have the opportunity to work closely with the LSC to track current systems and to influence the development of new systems and processes.

***Will local authorities try to keep their young people in their area to make commissioning easier?*** Young people travel significant distances to learn, often across local authority boundaries. Local authorities should not and nor will they be able to constrain where young people go as this will be a demand-led system where funding will follow the choices of the learner. Local authorities and individual providers will continue to need to provide high quality impartial information, advice and guidance to every young person so that they can make informed choices.

***What is the difference between commissioning pre-19 provision in a sixth form college vs. an FE college?*** There will be no difference in how commissioning decisions are arrived at in relation to any provider. We would expect both sixth form colleges and FE Colleges to be members of the local 14-19 Partnership which will produce the local strategic 14-19 plan. This will form the basis on which the local authority identifies pre-19 commissioning

needs. The only difference will be who carries out the dialogue about what and how much provision will be purchased, with the home local authority leading this dialogue with sixth form colleges and the lead local authority acting on behalf of the sub-region for the FE college.

***What about specialist providers who draw students from all over the country? How will the commissioning relationship work for them and how will they receive their funding?*** We recognise that specialist providers like land based colleges draw students from all over the country and that we need to ensure that the commissioning process and the proposed sub-regional and regional structures need to be flexible across regional boundaries to take account of those providers operating across regions. We would still want these providers to have a lead relationship with a local authority. YPLA will nonetheless play an important role in aggregating the demand for these providers at a regional and national level and will lead the commissioning dialogue where a lead local authority cannot be identified.

***How will the voluntary sector be involved in the aim to provide the most appropriate and high quality provision for all young people?*** In order to deliver the most appropriate and high quality provision for all young people, many types of provider will need to be involved in the delivery of education and training, and we anticipate the voluntary sector having an important role in this process. The voluntary and private sectors have played a major role in the delivery of education and training and we intend to build on their success.

### **3.7 Performance Management**

***Will you ensure that providers are being commissioned by local authorities on the same basis using common performance information?*** We want there to be a clear framework for assessing performance which is common across all providers of education and training for young people and adults. We think that this framework will need to include information about the standards achieved and the quality of provision, about the views of young people and (where appropriate) of employers and the value for money achieved. It should include key performance measures of individual achievement at 19, which are now part of local authority performance indicators. We believe that the Framework for Excellence (FfE) provides the best basis for developing such a framework. We will publish further details of how we intend to take forward the development of the FfE later in the year.

***How will local authorities be able to raise concerns about the performance of FE Colleges?*** The SFA will be responsible for the performance management of FE Colleges. Where a local authority has a concern about the quality of a college's pre-19 provision, which is not able to be resolved as part of the normal commissioning discussions which the lead local authority and college will be having, then this should be escalated to the SFA (via the local authority with the strategic commissioning relationship for that college). The SFA will have responsibility for the overall oversight of a college's performance although it will continue to adopt the principle that colleges are responsible for their own performance improvement and will only

seek to intervene by exception as and when agreed national performance levels aren't met.

### **3.8 Sixth form colleges**

29. A number of respondents to the consultation questioned the logic of creating a separate and distinct sixth form college sector. As we said in the White Paper we believe we need a strong and coherent pre-19 sector which is made up of many different types of institution including sixth form colleges, FE colleges, Tertiary colleges, specialist colleges and school sixth forms, if we are to deliver the shared ambitions for young people and adults.

30. The aim of creating a new, legally distinct sixth form college sector is to be clear about who each provider is ultimately accountable to. The key difference between sixth form colleges and FE colleges at the end of this process will be their performance manager: for sixth form colleges this will be a local authority and for FE colleges this will be the SFA. This will not affect the balance of provision in either a FE college or a sixth form college. An important principle will be that being a designated sixth form college does not preclude you from being commissioned to do any adult work, just as being a GFE does not preclude you from being commissioned for pre-19 work. The designation process will be underpinned by legislation and proposals on the criteria and process will be published shortly. It will be designed with the need to ensure stability and to avoid any unintended consequences. We are working closely with the Sixth Form Colleges Forum and the Association of Colleges on the proposals.

***How will you ensure that the different performance management systems will not cause local authorities to have a more distant relationship with FE colleges?*** Local authorities will be expected to be provider neutral in their commissioning decisions. They will work with all providers in the same way to secure provision and will consider performance issues as part of the process of commissioning. It is only when intervention is needed as a result of ongoing poor performance that different approaches will be taken. It is important that the performance management arrangements do not make any difference to the relationship between local authorities and FE colleges or sixth form colleges; all colleges will retain their status as independent, incorporated institutions, and be considered equally as part of the local authority's commissioning processes like other providers.

***What will be the governance arrangements for FE and sixth form colleges?*** The governance arrangements for colleges will stay as they are now. Colleges will remain fully independent corporations and the corporation remains responsible for the institution.

***When will designation decisions be made?*** Ministers are considering detailed proposals on the designation process and timing. In principle we want to keep them short, transparent and as free from bureaucracy as possible. It is our intention that there will be ongoing opportunities for institutions to be designated as sixth form colleges or to review their designation if the need

arises.

***Who will decide whether a college should be a sixth form college or an FE college?*** We are currently working through the legal definition of a sixth form college and will come forward with further information as soon as these decisions have been made. It is important to emphasise that we are not creating any incentives for a college to change sectors; it will simply be a business decision that reflects the ethos and nature of the college as it stands. The final decision on designation will lie with the Secretary of State.

***How will sixth form colleges fit into Building Schools for the Future (BSF) plans?*** We are still working on the detail of the place of sixth form colleges in BSF plans. BSF and the equivalent programme in the FE sector are under way and we will have to make transitional arrangements to recognise that some sixth form colleges are already undergoing modernisation.

### **3.9 Presumptions and competitions**

***Will there be changes to the presumption in the new system?*** We have made a commitment in the White Paper to amend the Decision Makers' guidance and the arrangements for presumptions in order to align them better with the arrangements for local delivery of pre-19 plans. We intend to extend the eligibility period for presumptions (currently one year from the date that the Applied Learning specialism comes into force) in order to give more time for proposals to be considered in the context of local planning. We will introduce a requirement for evidence that there has been local collaboration in developing proposals and a statement of how the proposed places will be aligned with current local provision. In considering statutory proposals, the Decision Maker will take account of:

- the need for collaboration with local partners;
- the effectiveness of pre-19 organisation in the local area; and
- the need for the proposals to improve standards and offer better progression routes to students at the presumption school.

Since the legislation is already in place, new guidance can come into force as soon as it is published, following consultation. Subject to Ministerial agreement, we will consult in the autumn term 2008 and then publish a new version of the Decision Makers' guidance which will then be binding on local authorities and the Schools' Adjudicator.

***Who will be responsible for running competitions for new places under the new arrangements? Will the current LSC requirements continue to apply?*** The LSC's current guidance on competitions will continue to apply until 2010. From that date local authorities will take on responsibility for 16-19 competitions alongside their wider responsibilities for schools competitions. More details on this area will follow in the autumn.



### 3.10 Capital

***Can you provide further clarity about the capital arrangements in the new system?*** As the questions raised in the consultation reflect, capital is a complex area and it is important that the future capital funding system responds in the right way to meet the needs of young people and adult learners. We will come forward with fuller proposals on the future funding of capital projects in the autumn.

### 3.11 Learners with Learning Difficulties and/or Disabilities

31. This was an area in the consultation which prompted much debate over the definition of LLDD learners and how the duty to deliver education and training provision should be described, as well as the best mechanism for commissioning and funding LLDD provision in future. We are clear that we want local authorities to be in the lead in terms of commissioning LLDD provision, however in recognition of the often specialist and sometimes expensive nature of the provision needed, planning and investment decisions will need to be done at a sub-regional and regional level. As with other types of specialist provision (paragraph 3.6 Commissioning) there may be a case for some providers to have arrangements with the YPLA. Further information on the arrangements for the commissioning and funding of LLDD will be available in the autumn.

### 3.12 Young Offenders

***Which model is now the preferred option?*** We believe that the arrangements for funding and planning in custody should mirror those proposed for education in the mainstream sector as far as possible. Many respondents felt that it is important to ensure a role for home local authorities (where young people are from and usually return), but felt that there are mechanisms beyond funding flows, which should be considered in working up how this can best be delivered.

***If the home model is chosen, will the recoupment arrangements be too complex to administer?*** A number of responses to the consultation highlighted the complexity of the option for a funding model which places funding responsibilities on 'Home' local authorities and which involve the recoupment of funds. We recognise that this model would be complex to administer.

***How will it be ensured that local authorities will deal with all wider issues, and not just local issues?*** In moving towards more local commissioning arrangements for young offenders' education in custody, we recognise that this will need to pick up both local and wider issues. We are considering this within our further work on the new funding and delivery model and within our further plans to improve education and training for young offenders which we recently announced in the Youth Crime Action Plan.

***How is it being ensured that when young offenders return to their locality there will be a seamless, one stop support service?*** It will be important that the new funding and delivery model for education and training in juvenile custody fosters a consistent experience for young offenders, which is embedded into their wider rehabilitation plans, particularly as they leave custody and return to their community.

***How will local authorities work with other sector agencies, (e.g. the National Offender Management Service (NOMS))?*** It will be critical that local authorities work with a range of other agencies and partners in implementing their new responsibilities for planning and commissioning. We recently committed to a range of proposals in the Youth Crime Action Plan which will place increased focus on partnership working. This included a commitment to develop a new National Delivery Framework for education and training in juvenile custody, which aligns with the new funding and planning arrangements and will be underpinned by local partnership agreements with relevant organisations.

We will issue further detail on the proposed model of delivery within the implementation plan to be published in the autumn.

### **3.13 Information, Advice and Guidance (IAG)**

***What is being done to improve the IAG system, including ensuring that it is well resourced, easily accessible, and backed up by well researched and robust data?*** Local authorities are now responsible for delivering IAG and are required to have regard to the IAG Quality Standards, which emphasise impartiality. The Education and Skills Bill, currently going through Parliament, includes a clause requiring schools to deliver Careers Education (CE) impartially. Subject to parliamentary approval, Schools will also be required to have regard to Principles of CE and to good practice guidance linked to the Principles.

An IAG support programme has been launched which will support IAG practitioners through the dissemination of good practice materials, lesson plans, case studies and newsletters via a central website ([www.cegnet.co.uk](http://www.cegnet.co.uk)). A key output from the programme will be an online IAG pre-19 practitioner guide. This will improve the knowledge of Connexions Personal Advisors, Careers Coordinators, teachers and others involved in talking to young people about programme options.

In order to further improve the IAG system, work is also underway to:

- Commission research into the skills gap of careers coordinators, which will inform an effective continued professional development programme for careers education teachers;
- Improve online IAG services by developing Connexions Direct and by introducing the 14-19 prospectuses, which will provide accessible information for young people and their parents about local

opportunities; and

- Effectively engage Sector Skills Councils to ensure that information about careers and opportunities will be supported by labour market information.

## **Part 2: Post-19: Reforming the Post-19 Skills System to Secure Better Outcomes for Adults**

### **3.14 Structure, role and responsibilities of the SFA**

32. More information about the SFA and how it will work with both the YPLA and other parts of the post-19 system was one of the key requests emerging from the consultation. Work is now underway to understand the specific business model and organisational design of the SFA. Once this work is complete we will be able to provide more information on the agency's structure, including its operation at regional and sub-regional level. We aim to have a completed SFA business model by the end of August with an implementation plan by the end of October.

***Why will the SFA be a national/next steps agency instead of an NDPB like HEFCE or the YPLA? Won't it limit the sources of advice to government?*** Our thinking about the SFA status is that as a next steps agency it can move closer to government; ensuring strong strategic oversight and closer working between the Department and the agency. DIUS welcomes the expertise of partners and is committed to continuing to engage with all partners and stakeholders, particularly learners, both directly and through the SFA.

***How will the SFA fit into the wider landscape?*** As part of the SFA design work, we are looking to ensure that the agency fits into and complements the work of other organisations/agencies. Once this work is complete we will set out and publish the relative roles of the organisations and the interface between them.

***How will the voluntary sector be involved?*** We are committed to ensuring that the voluntary sector can engage effectively with the reformed post-19 sector. To that end we will continue to build on the good work undertaken by the LSC in this area, and, as set out in the DIUS Simplification Plan, we remain committed to ensuring that this engagement is as streamlined as possible.

DIUS officials are scheduled to meet with the National Learning Alliance in September to discuss more fully how the SFA should work with the voluntary sector.

***Will the SFA have a planning role?*** The move to a demand-led system, led by customer choices via Train to Gain and Skills Accounts, dictates that the SFA will be a funding agency; it will not have a formal planning role.

***What is the role of the SFA in relation to Informal Adult Learning and when will more information be available?*** Responses from stakeholders attending the *Raising Expectations* regional events expressed interest in the future arrangements for funding informal learning, or learning for its own sake, particularly for disadvantaged groups, the retired and elderly.

The comments received in this consultation reflected responses in the recent DIUS informal adult learning consultation *Informal Adult Learning: Shaping the Way Ahead*, which emphasised the importance of this kind of learning for individual health, community development and social inclusion. This DIUS consultation has received more than 5,000 responses and will publish its report in September, providing the basis for a new IAL strategy to be published later this year. The strategy will set out arrangements for planning and funding this work in the medium term, including the proposed role of the SFA.

### **3.15 Funding and commissioning**

***Will FE colleges have multiple funding streams?*** FE colleges do not currently receive all of their funding from the LSC and so they are already used to dealing with multiple funding streams. FE colleges will have a single commissioner for pre-19 provision and a single commissioner for post-19 provision through the DIUS sponsored agency. We intend to bring these discussions into line so they are held together but the actual payment would come from two different sources.

***What about provision in colleges that helps less advantaged people in the community to reengage with society and the world of work?*** The SFA will continue to support a wide range of learning that does not lead to formal qualifications and we are currently consulting on the best way of doing this and will build it in to the Agency's remit.

***Will colleges be able to flex their funding across age ranges?*** At individual college and provider level we would not seek to impose any specific ring fence of budgets and providers will be free to spend the funding they are allocated to deliver the outcomes they have been commissioned to deliver, making use of the funding in the best and most efficient way to deliver high quality outcomes for young people and adults.

***How will you ensure Skills Accounts work?*** We are starting trials of universal Skills Accounts from September this year in two regions – the East Midlands and the South East. From autumn 2009 we will trial components of Skills Accounts nationally and then from autumn 2010 we intend to be ready to start national roll out. With several years of testing with ongoing evaluation, the supporting funding models will be fully operational ahead of national roll-out. Skills Accounts provision will only be delivered through accredited providers that meet strong quality assurance tests. Funding will be received only for approved providers under existing eligibility guidelines. Overall, the success of the trials will be measured on quality of service, quality of output

from providers and the experience of learners.

### **3.16 Performance management/intervention**

33. Most respondents agreed that a common performance management framework, applying to pre and post-19 providers, including school sixth forms, should be based on Framework for Excellence (FfE) but called for greater clarity about respective responsibilities for managing performance. Discussions are already taking place between the relevant departments, agencies and the Single Voice, on how the system will evolve and how it will take account of a growing self regulating FE sector.

**How will the Framework for Excellence work?** It is intended that when the FfE is in place it will help drive quality improvement, fuel moves towards a demand-led sector through informing learner and employer choice, and support the development of self regulation. It will also provide evidence for central government and its partners on the value for money achieved through spending on the FE sector.

#### **What role will the Framework for Excellence have in post-19?**

The FfE will be a fundamental tool for managing performance of post 19 provision. It will be used across the sector to assess quality and help drive improvement. It will be integral to providers' own self assessment/ self improvement processes and it will support the drive towards a demand-led sector, by providing information to inform learner and employer choice.

It will also support the development of self regulation. We expect the Single Voice and individual providers will want to use FfE evidence to identify and take action in order to improve performance across the sector. It will provide evidence for central government and its partners on the value for money achieved through spending on the FE sector.

Guidance on the FfE was set out in 'Framework for Excellence - Putting the Framework into Practice', published in June 2008; and we anticipate that more detail on self-assessment will follow in the autumn. In addition, we hope to provide more information on performance management resulting from the reforms, by end of the year.

### **3.17 Information, Advice and Guidance**

**How will the Adult Advancement and Careers Service (AACS) operate under the new arrangements?** The AACS will be a universal service, available to all adults aged 20 and over, in England, whatever their skill levels. It will offer a more personalised service, with a skills health check at the centre of discussions that a careers adviser will have with the individual. There will be on-going advice and support with follow up contact for those most disadvantaged in the labour market – for example, the low skilled, people on Jobcentre Plus benefits, those cycling between welfare and work and people with a learning difficulty or disability. The SFA will be responsible for strategic commissioning and performance management of the service.

The Department of Innovation, Universities and Skills (DIUS) is working closely with DCSF to ensure that there will be a seamless transition for young adults from young people's information, advice and guidance services to the AACS. The two services will also work collaboratively on areas of joint interest, for example labour market information.

***When will more information on AACS be available?*** DIUS will publish a prospectus in the autumn setting out in detail the vision for AACS, its structure and key features and how it fits into the wider adult skills landscape. DIUS will also publish the main steps over the next two years to ensure delivery of a fully operational AACS by Autumn 2010 and an engagement strategy for working with and drawing on the expertise of those involved in delivering advice and support to adults as we take developments forward.

### **Part 3: Cross-cutting areas**

34. Some of the areas for clarification cross both the pre and post-19 systems. These areas are outlined below as a joint approach will be taken to addressing these areas.

#### **3.18 The National Apprenticeship Service (NAS)**

***How will Apprenticeships for pre-19 year olds be funded when the NAS sits inside the SFA?*** An assessment of the number and type of apprenticeship places each local authority will need to be included in all commissioning plans. The local authority plans will be aggregated at a sub-regional and regional level where local authorities will then work together with the National Apprenticeship Service (NAS) to agree how this will be delivered. It is vital that the assessment of Apprenticeship places between sub-regional groupings and NAS is realistic. Funding to work based learning providers and voluntary bodies will be based on the same systems as they are now.

***Why will NAS be housed in the SFA?*** Sponsorship of and funding for Apprenticeships sits with DIUS; this decision reflects three major considerations:

- The overall purpose and nature of the Apprenticeships programme is fundamentally an employment-based, skills development programme. Apprenticeships cover both young people and adults, and although the majority of Apprenticeships starts are pre-19, there are overarching objectives for the programme as a whole – most centrally the Leitch ambition of 400,000 Apprenticeships in England by 2020.
- It is not administratively practical to route funding through local authorities. There are 150 local authorities with education responsibilities and at present, few would have the capacity, staff, expertise or networks to administer apprenticeships successfully. Also, many (20%) Apprenticeship places are

contracted centrally by the LSC's National Employer Service to large national employers.

- Sponsorship of the Further Education service, post-19 funding and work-based training providers all sit within DIUS.

***How NAS fits into pre and post-19 landscape?*** NAS will work closely with the YPLA and local authorities in order to ensure seamless delivery of Apprenticeships across both young people and adults. Each local authority, for example, will assess the need for apprenticeship in its area and negotiate with NAS (possibly through sub-regional groupings or YPLA) how that need can be met.

It is the intention that more post-19 Apprenticeships will be delivered through Train to Gain; already the funding criteria for Train to Gain carries a strong presumption that funding will be provided for Apprenticeships rather than NVQs only, except in individual circumstances.

***How NAS will work at local level?*** The primary role of the NAS field force will be to work with employers locally and regionally to expand the number of Apprenticeship places. They will be expected to work effectively and seamlessly with skills brokers and use other intelligence to support employers interested in taking on Apprentices. Skills brokers and the NAS field force will work from shared databases on customer relationship management, and will co-ordinate their activities to avoid multiple approaches.

***Does the NAS have the capacity to provide an Apprenticeship for everyone who wants one?*** The Government has introduced an entitlement to an Apprenticeship place for each suitably qualified young person from 2013. We will maintain our commitment to meeting the demand from suitably qualified young people, so that if more come forward we will work with employers to expand the programme further. On this basis, we anticipate that one in five of all young people will be undertaking an Apprenticeship within the next decade. In support of this work, the funding for Apprenticeships is planned to increase by almost a quarter between 2007-08 and 2010-11, to over £1 billion. We are also working to meet Lord Leitch's ambition to increase the skills of those who have already completed their compulsory education; we will be aiming for significant growth in Apprenticeships for those aged 25 or over. We need to respond to the high employer demand for places in this category, and we need to assist adults who are seeking the skills to make a step change or transition in their career.

In 'World-class Apprenticeships, Unlocking Talent, Building Skills for All', we have set out a comprehensive package of measures designed to boost capacity and make it easier for employers to take on Apprentices. These include direct incentives payments (in addition to formal training costs) for some employers to take on more apprentices. There will be greater flexibility in the Apprenticeships Blueprint and employers will be allowed to submit their own frameworks for funding, by drawing from a Sector Skills Council 'bank' of qualifications.

***How will employers, particularly small and medium employers, be engaged in the reforms?*** We recognise that raising the number of employers offering Apprenticeships is critical and we will make it easier for employers to improve the range of Apprenticeships by enabling them to include their own accredited qualifications; and by introducing a pilot wage subsidy programme for small businesses, to make it more attractive for them to offer high quality Apprenticeship places.

### **3.19 Bureaucracy and complexity**

***How will bureaucracy be avoided in the new system?*** We are committed to reducing bureaucracy. The best way of doing this is to work with practitioners and users in the design of the systems. We have started work with the Bureaucracy Reduction Group to address complexities and bureaucracies from the FE and skills perspective. There are many potential components of bureaucracy ranging from a lead local authority having a conversation with each college/provider, which should prevent the duplication of work and excessive bureaucracy, to making sure data is produced once and used many times.

***How will it be ensured that providers will not have a more bureaucratic commissioning process to negotiate?*** In order to minimise burdens, each provider will have a single strategic commissioning dialogue for pre-19 provision. For post-19 commissioning the SFA will provide a single agency for skills which builds on the success of the LSC but is better placed to respond quickly and flexibly to national, regional and local skills needs. By having a single strategic commissioning conversation schools, colleges and other providers will be able to focus on effective education and training. We will continue to involve those that will be affected by the changes as we implement them. This will ensure that they can direct their resource where it is needed most – educating and training the learner.

***How will decision making be kept quick and responsive?*** We are committed to the principle of commissioning and planning happening at the right level in the system. Most planning will happen at the local level; this will allow the system to be flexible and responsive to learner needs. The sub-regional and regional levels will be used to aggregate commissioning plans across an area for certain providers, if appropriate, to ensure the single commissioning conversation.

### **3.20 LSC transition**

***How will the skills of the LSC staff be retained?*** We wish to retain as much LSC staff expertise as possible. We recognise that the potential impact upon the retention of this valuable expertise is a key risk and a crucial component of the continued performance and delivery during the transition period. We will continue to work with the LSC and other key stakeholders to ensure that issues that could affect retention are addressed through the Machinery of Government governance arrangements that have been established; and officials will work with the LSC and stakeholders within this framework to



ensure that the new structures and processes are implemented in a consistent and coordinated manner.

***How will LSC staff be given certainty during the transition period?*** There has been uncertainty about the detail of the changes that will affect LSC staff following the Machinery of Government announcement in June 2007. The *Raising Expectations* consultation outlined the vision of the system required to meet the needs of the changing education and skills landscape and the LSC expects to move to interim arrangements to provide further certainty for staff about the new arrangements. We are committed to ensuring that staff involved in any transfers are treated fairly and consistently and in line with best practice.

***Will the LSC be moving to new interim arrangements?*** Once the organisational design is developed to sufficient detail and we have clarity on the proposed sub-regional groupings from local authorities, the LSC expects to move to an initial interim structure which reflects the planned new arrangements and provides staff with further information on how the changes will apply to them. We expect interim structures to be in place by the end of 2008.

### **3.21 Consultation**

35. Although the formal consultation process has now closed, we are committed to working with all partners and stakeholders and taking account of their views throughout the reform process.

***Have the concerns and views of respondents been taken into account through this consultation?*** We have read or listened to all the views and issues raised and are taking account of these in developing our proposals. As you can imagine the views we received were many and varied and sometimes conflicting so we cannot reflect every single point of view but we are continuing to work with key national organisations, including AoC, ALP, LGA, ADCS, LSC in developing our implementation plans.

***When will we receive further information?*** Both DCSF and DIUS will be publishing detailed plans for implementing the new arrangements in the autumn. And from August we will be issuing a joint monthly bulletin to keep you informed of decisions that have been made, things to look out for in the coming weeks and any other information about the changes. Access to this bulletin will be via the FE and Skills Newsletter and the local authority and Schools e-mail. We will also be using our websites as a portal for further information about the reforms and a facility where further questions and answers can be posted.

## D Timelines

The Diagrams below outline the timelines for design and implementation of the pre-19 and post-19 systems.

