

New arrangements for pre 19 and post 19 funding: the government's machinery of government proposals

Policy briefing outcomes note

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The Campaign for Learning's policy briefings respond quickly to the publication of key papers and leading policy issues and offer essential information and analysis to inform the whole work of policy makers. This Paper summarises a recent seminar hosted by the Campaign looking at the DCSF/DIUS White Paper 'Raising Expectations: enabling the system to deliver'. The seminar consisted of two presentations, summarised below, and roundtable discussion.

Introduction

Last November, the Secretaries of State respectively for DCSF and DIUS released a joint letter setting out their initial thinking on the Machinery of Government changes around the learning and skills infrastructure. "*The creation of two new Departments*" they wrote, "*gives us a tremendous opportunity to develop new and innovative ways of tackling education and skills challenges and strengthen support for young people and adults.*" This White Paper, which remains open for consultation until 9 June 2008, sets out the details of those "*new and innovative ways of tackling education and skills.*"

The most obvious headline is the demise of the LSC over the next two – three years and of much of the system it has created over the last eight years. It's not that the LSC has done badly, after all "*it has delivered year on year on improvements in participation and success rates,*" it's just that the world has moved on. Then we had the Further Education Funding Council, National Training Organisations, infant RDAs and old, in the sense of pre – Labour, TECs. "*The system lacks clarity, co – ordination and coherence*" David Blunkett told the House of Commons on 30 June 1999.

Some of the problems have remained the same; social exclusion, 16 – 19 reform, basic skills concerns, global pressures on adult skill levels, but we have a different set of instruments and expectations now, covering 14 – 19 reform, Leitch, commissioned provision, demand – led funding and sector skill strategies. The world certainly feels a different place from when the Learning and Skills Council took its first tentative steps into the spotlight and David Blunkett welcomed it as "*the most significant and far – reaching reform ever enacted in post – 16 learning in this country.*" The burden of aspiration, let alone the hyperbole that goes with it, now rests on not one but two pairs of shoulders, principally Local Authorities for pre – 19 provision and a new Skills Funding Agency for post – 19 provision – and perhaps even three, if we add in the Higher Level Skills Strategy due out shortly.

The trigger for this latest round of changes was last summer's Sub – National Review and Machinery of Government changes and specifically the intention to transfer the £7bn of funding for 16 – 19 provision from the LSC to Local Authorities. The hole this created may have precipitated the changes but in truth two separate systems, one for 14 – 19 provision and one for adult skills have been emerging for some time. Distinct policy drivers sit behind each as the November 2007 Machinery of Government letter identified: an extension of the participation age for young people, a common 14 – 19 funding system, a new qualification offer, commissioned provision and a long – term Children's Plan driving 14 – 19 reform. Leitch targets, an upskilling agenda with public sign – up through a Skills Pledge, growing integration between employment and skills and the re – routing of funding through demand – led systems such as Train to Gain and Skills Accounts, providing the momentum for adult skills.

The twin policy objectives in this White Paper reflect the two emerging systems. Pre - 19, it's about giving "*Local Authorities the necessary funding and commissioning powers to effectively deliver the new entitlements and raise the participation age.*" For adult learning, it's about "*streamlining the post – 19 skills system, creating a demand – led system, integrating employment and skills*" and thereby making faster progress towards the 2020 skills targets.

Presentation by Rob Wye, National Director Learning and Skills Council

Rob provided a comprehensive summary of the White Paper. He broke his presentation down into four parts: brief initial thoughts, a summary of the main changes proposed for 16 – 19 provision, likewise for post – 19 provision, some concluding remarks and open discussion. This summary follows that format.

In his opening remarks, Rob drew attention to three points. Firstly, that the learning and skills system, which has been gradually evolving over the last few years, would need to have changed considerably by 2010 anyway to be able to support the Government's increasingly focused skills aspirations. Secondly, that although the landscape appeared more complex as a result of the Paper, the aim was greater simplicity and directness and that was the objective for 2010. Thirdly, some very distinct drivers were now apparent and driving the separation of the two systems. These were the need to cater for the extended learning age and the growing presence of Local Authorities for the pre – 19 system and the changing regulatory requirements underpinning demand – led funding post – 19.

Moving on to the changes proposed for the 16 – 19 system, Local Authorities would have strategic responsibility for all planning and funding of provision for 16 – 19 year olds as well as for those with learning difficulties up to the age of 25. They would not

work alone but in regional groupings reflecting the fact that learners often travel across boundaries, particularly from age 16 on. Regional Planning Forums will be organised by the Young People's Learning Agency (YPLA) with inputs from other bodies such as RDAs and the Government Office. The aim is to build a self governing system that can sort out the distribution of funding, match learner choices with provision and settle any differences. It's a model that has started to take shape already so there is something to build on.

The YPLA will have the status of an NDPB (non – departmental public body.) It will have 'control' over funding, numbers planning, management information, strategic analysis, the national funding formula – in effect the operation of the whole system. Funding will be based on the LSC system being introduced this year, a national funding formula with funding following the learner, based on institutions rather than resident learners in the area. Allocations will be plan – led , there will be no recoupment or clawback and performance will be based on established performance and inspection measures.

Two other points are worth noting. First that the Paper creates for the first time a separate category of Sixth Form Colleges, previously they had been lumped, often incongruously, in with the learning and skills sector. Second that the position with Apprenticeships is slightly different. Funding will pass to the National Apprenticeship Agency (NAS) and Local Authorities will bid separately for funded places.

On the post – 19 system, the new funding body, the Skills Funding Agency (SFA) will be a funding not a planning body and will be wholly aligned to Government even to the extent of having its Chief Executive on the Board of DIUS. In effect, the SFA will sponsor the FE system using locally commissioned and contracted provision and including community and offender learning.

It will house three separate sub – bodies, the NAS, the National Employer Service (NES) and the Adult Advancement and Careers Service. It will also house the post – 16 data service currently operating through the Information Authority.

Finally by way of concluding remarks, Rob drew attention to the fact that the changes will require legislation probably in the form of an Act to be announced in the Queen's Speech later this year with a view to the whole thing being up and running by 2010. Some parts, such as the National Apprenticeship Service, are already being put in place.

A number of specific points were raised in summary discussion as follows:

- Academy funding. Some hedging of the position in the Paper but essentially this remains outside Local Authority funding and under Government direction
- National Apprenticeship Service. This will operate as a separate but coherent unit to ensure direct focus on the national Leitch based targets
- 14 – 19 Funding Agency. Will a distinct agency be created in due course to operate 14 – 19 funding? The odds on this seem quite high
- How much real responsibility is being transferred to Local Authorities or are they just channels to do the Government's bidding? Time will tell but they will have responsibility for instance for providing places for the extended participation age, for bidding for Apprenticeship places and for commissioning 16 – 19 provision
- If the SFA is not a planning agency, who is doing all the planning? Actually the SFA is doing some planning, the UK Commission and RDAs will also do other planning but it does seem like a much more open and less planned market than currently
- There is little in the Paper on SSCs. The reason may well be that with their re – licensing due later this year, SSCs have been left out of this particular move while their own positions are clarified
- The SFA will have a difficult job with so many 'units' under its roof, each with different chains of command
- Finally, critically, how far does the creation of two separate systems, one pre – 19 and one post – 19, help or hinder colleges? Might they withdraw from the 14 – 19 market and concentrate on just the adult one? This seemed quite a strong possibility

Presentation by Mark Corney, Policy Adviser, Campaign for Learning

Mark provided a 'bigger picture' overview of some of the issues around the proposals in the White Paper.

First, in terms of the political context, two points stand out. One is that at some time either just before or just after these changes are due to happen, a general election will take place which may alter things even more. And the other is that the Government's current difficulties mean that we can no longer assume that there will be a Labour majority when that election occurs, so it's important to keep an eye on Opposition policies in this area as well.

Current battlefields on education policy seem to resolve around Academies and 14 – 19 funding for Labour, how best to deal with the claimed 600 failing schools for the Conservatives and Academies and the pupil premium for the Lib Dems. Interestingly, just as 16 – 19 FE comes much closer to local Authorities again after 15 years, many schools notably Academies, Trusts and specialist schools, seem to be moving away. It's an irony that may be picked up in any future policy debate over education standards.

Second, the big question is when, rather than if, a single 14 – 19 funding system is created. Thinking seems to have moved on from earlier Reports such as Foster and Leitch for this White Paper states quite clearly in para 5.2 "*we are consulting on this change as part of our review of schools funding and would implement this change from 2011;*" the change being referred to here is 14 – 19 funding. Indeed the question of a single funding model now even appears in the consultation. Either way, the issue is that any such move would need to tally in with what is now quite a well defined set of actions lined up over the next few years leading to the extension of the compulsory participation age.

Third, one of the critical issues in the White Paper is that of boundaries – boundaries such as those between Jobcentre Plus and other bodies, the SFA and other bodies, Employment and Skills Boards and others and many more. Two things are worth looking out for in this context: one is the review of the system by the Commission of Employment and Skills due in 2010 and the other is the positioning of the Skills Funding Agency and Jobcentre Plus also around the same time.

As they say...watch this space.