
REPORT OF THE CHIEF EXECUTIVE OF EDUCATION LEEDS

EXECUTIVE BOARD: 3 December 2008

SUBJECT: Machinery of Government & 14-19(25) Commissioning Arrangements

EXECUTIVE SUMMARY

1.0 PURPOSE OF THIS REPORT

- 1.1 To seek the approval of the Executive Board to the local approach to the implementation of the Machinery of Government changes that will deliver the transfer of responsibilities from the LSC to Leeds City Council. The report also informs the Board of the strategic approach to the commissioning for 16-19(25) learners in Leeds from September 2009 through which the council will trial the operational response to their new responsibilities.

2.0 BACKGROUND INFORMATION

- 2.1 From September 2010 responsibility for the strategic planning and funding of 16 to 19 education and training transfers from the LSC to local authorities. These responsibilities extend to learners with learning difficulties and/or disabilities (LLDD) up to the age of 25.
- 2.2 The Government has stated that for local authorities to lead the process they need to have clear responsibility for commissioning provision and for ensuring that all young people are able to access their learning entitlements. To do this local authorities will be required to develop a commissioning plan as part of the Children and Young People's Plan and as part of the integrated regional strategy for economic development. The plan will provide the basis for funding to flow to learning providers including schools and further education colleges.
- 2.3 The Government has stated that local authorities will be expected to collaborate in formal groups, generally at a sub-regional level, to consider the coherence of plans across a wider area and agree commissioning decisions. Sub regional groupings would be supported by the new national Young People's Learning Agency (YPLA) and include representation from the DIUS sponsored new national Skills Funding Agency (SFA) and Government Office. A National Apprenticeship Service (NAS) will also be established from April 2009, under the wing of the Skills Funding Agency of DIUS to oversee the delivery of apprenticeships.
- 2.4 After careful consideration and following detailed discussions with colleagues from neighbouring authorities, it is proposed that Leeds collaborates in a sub-regional

grouping alongside the other local authorities that make up the current LSC sub-region (Bradford, Calderdale, Kirklees, and Wakefield). Existing structures are already in place that mean that there are numerous protocols, processes, relationships, and constituent bodies that operate between the authorities in direct relationship to the development and the delivery of 16 - 19(25) learning.

2.5 Education Leeds and the LSC prepared a draft Local Area Statement of Need drawn from the 14-19 Education Plan and consulted the 14-19 Strategic Partnership, secondary Heads, FE college Principals, Work-based learning providers and Voluntary, Community and Faith sector organisations on the content before agreeing the final version. The LASN is used to inform local planning and also submitted to the LSC to inform the Regional Planning Statement. The LASN will be used to inform the post 16 funding discussions with providers that will be taking place over the next few months.

2.6 The LSC continue to hold the statutory responsibility for the commissioning of Post 16 provision for 2009/10. In Leeds this work is undertaken in partnership with the local authority through Education Leeds. In addition to discussions with individual schools, colleges, and other providers, for the first time there have been discussions with Confederations. Should the recommendations in this report be agreed then the commissioning of individual sixth forms will be determined through a confederated planning approach in the spring of 2009, as a precursor to broader locality commissioning in 2010.

3.0 **RECOMMENDATIONS**

3.1 The Executive Board is asked to:

- approve the local approach to implementing the arrangements for our response to the Machinery of Government changes that will transfer responsibilities from the LSC to Leeds City Council as detailed in sections 3.1.2 and 3.1.3 of the main report.
- note the basis for the strategic commissioning arrangements for post 16 learners in Leeds from September 2009 as detailed in sections 3.2.2 to 3.2.4 of the main report and invite the Director of Children's Services to develop detailed arrangements for the commissioning of provision and for monitoring and evaluating the impact of these activities.

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<p>Electoral Wards Affected:</p> <p>All</p> <p><input type="checkbox"/> Ward Members consulted (referred to in report)</p>	<p>Specific Implications For:</p> <p>Equality & Diversity <input checked="" type="checkbox"/></p> <p>Community Cohesion <input type="checkbox"/></p> <p>Narrowing the Gap <input checked="" type="checkbox"/></p>
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Eligible for Call-in

Not Eligible for Call-in (Details contained in the Report)

1.0 PURPOSE OF THIS REPORT

1.1 To seek the approval of the Executive Board to the local approach to the implementation of the Machinery of Government changes that will deliver the transfer of responsibilities from the LSC to Leeds City Council. The report also informs the Board of the strategic approach to the commissioning for 16-19(25) learners in Leeds from September 2009 through which the council will trial the operational response to their new responsibilities.

2.0 BACKGROUND INFORMATION

2.1 On the 28th June 2007, the Prime Minister made a statement on the Machinery of Government that the strategic planning and funding for 16 to 19 education and training would be transferred from the LSC to local authorities. These responsibilities extend to learners with learning difficulties and/or disabilities (LLDD) up to the age of 25.

2.2 The Government has stated that for local authorities to lead the process they need to have clear responsibility for commissioning provision and for ensuring that all young people are able to access their learning entitlements. To do this local authorities will be required to develop a commissioning plan as part of the Children and Young

people's Plan and as part of the integrated regional strategy for economic development. The plan will provide the basis for funding to flow to learning providers including schools and further education colleges. Local authorities will be funded according to the agreed plan for the provision in their area, not according to the residency of young people. The government's proposals around the transfer of responsibilities are outlined in paper, Raising Expectations: enabling the system to deliver produced by the DCSF/DIUS in March 2008

- 2.3 The Government has stated that local authorities will be expected to collaborate in formal groups, generally at a sub-regional level, to consider the coherence of plans across a wider area and agree commissioning decisions. These should ensure that every young person has access to the provision they need within reasonable travelling distance; that is, in their 'travel-to-learn area'. Local authorities must work together on the planning and commissioning for learners with learning difficulties and/or disabilities (LLDD). Sub regional groupings would be supported by the new national Young People's Learning Agency (YPLA) and include representation from the DIUS sponsored new national Skills Funding Agency (SFA) and Government Office. These groups would check affordability within the regional budget, and quality assure provision at a regional level
- 2.4 There will be a clear consistent framework for assessing performance which is common across all providers of education and training for young people and adults. The Government is clear that whilst institutions will retain responsibility for their own performance, authorities will be able to expand, cease and reorganise provision. There will also be intervention where there is serious underperformance.
- 2.5 The Young People's Learning Agency would provide indicative budget allocations at the start of the commissioning process The YLPA will set out a framework to help and support local authorities to produce plans, ensure a level of consistency and make the job of aggregation at a sub-regional, regional and national level easier. Final budgets will be based on the commissioning plans agreed by the Regional Planning Group that is made up of key partners including the local authorities, the Regional Development Agency, Government Office, the YPLA and SFA Once final budgets are confirmed, they will flow to local authorities to fund the institutions, in their areas as a 16-19 grant alongside the Dedicated Schools Grant. The national funding formula now includes a major element (50%) based on success rates, i.e. the proportion of young people completing their courses *and* achieving qualifications. The Government plans to legislate at the earliest opportunity so that the transfer of funding to local authorities can be implemented in the academic year 2010/11, with the new system fully in place from September 2010. A move to a 14-19 funding formula, if agreed, would be implemented from the start of the 2011-12 financial year.
- 2.6 In Leeds a 14+ Review has begun with the objective that we will see city-wide restructuring of learning pathways to ensure access to high quality relevant provision for every post 14 learner. The 14+ Review will impact directly on every 14-19 year old learner in Leeds; every 14-25 year old with learning difficulties and disabilities; and every secondary school, college, training provider, and work based provider of learning. It will make a considerable contribution to the development of Leeds City Council's approach to commissioning all learning for young adults. Notably it has already seen providers coming together in confederations to jointly plan to ensure that every young person has access to the provision they need within reasonable travelling distance.

3.0 MAIN ISSUES

3.1 Machinery of Government

- 3.1.1 The Government wants to put in place a shadow structure, within the current legislative framework, through which local authorities take on greater responsibility and begin to lead the commissioning process locally. As indicated in 2.6 above and in 3.2 below this is being developed in Leeds through the 14+ Review. Formal duties would transfer to local authorities in September 2010. The Young People's Learning Agency will carry out the national functions that the LSC does now. The National Apprenticeship Service (NAS) will be established from April 2009, under the wing of the Skills Funding Agency of DIUS. The full shadow system would therefore be in place by September 2009 to manage the commissioning of learning for the 2010-11 academic year.
- 3.1.2 After careful consideration and following detailed discussions with colleagues from neighbouring authorities, it is proposed that Leeds collaborates in a sub-regional grouping alongside the other local authorities that make up the current LSC sub-region (Bradford, Calderdale, Kirklees, and Wakefield). Existing structures are already in place that mean that there are numerous protocols, processes, relationships, and constituent bodies that operate between the authorities in direct relationship to the development and the delivery of 16 - 19(25) learning. If this view is endorsed by the Executive Board then detail proposals will be drafted on this basis and submitted to the Government Office Y&H by the end of February.
- 3.1.3 The transfer of the strategic planning and funding for 16 to 19 education and training from the LSC to Leeds City Council is considered a transfer of undertaking that will protect the continuing employment of those LSC staff currently engaged in this activity. This means that a number of staff will transfer from the LSC to support this activity in Leeds. The precise number of staff to transfer will be determined closer to the transfer date on the 1st September 2010. However it is anticipated that the number of transferring staff will reflect the proportion of 16 – 19 learners attending provision in Leeds. Given that the Government expects a shadow structure in which local authorities will be able to take on greater responsibility, we will, subject to the agreement of the LSC, create a series of work shadowing opportunities for staff. These should be available from April 2009.

3.2 Commissioning Arrangements

- 3.2.1 The development of commissioning arrangements for post 16 provision from September 2009 is an opportunity to develop, test, and identify the potential for improvements. This is critical to inform the formal commissioning of all 14+ provision in Leeds from April 2010 when this statutory responsibility falls upon the Local Authority.
- 3.2.2 The following is offered as the basis for the strategic commissioning arrangements for post 16 learners in Leeds from September 2009;
- **City-wide Commissioning** will apply to Further Education colleges and Notre Dame Sixth Form College. These providers will act as the sole deliverer of some provision and also enable the provision of choice to learners across the entire spectrum of provision.
 - **Locality Commissioning** will apply to confederations of providers who will make some provision jointly across one of 5 areas of the city. This will also incorporate provision delivered by individual providers (normally through

schools) to specific neighbourhoods and communities. Locality commissioning in this form will mean that the Local Authority will expect the medium term funding of individual sixth forms to be determined through a confederated planning approach.

- **Work Based Commissioning** will apply to the provision to meet employer demand delivered by work-based providers and funded through the Skills Funding Agency.

3.2.3 It is important to remember that all this initial commissioning activity will be focused on the strategic planning of the provision available to learners in Leeds. For the foreseeable future funding arrangements will be to individual providers, but their planning will be informed by these local commissioning arrangements and to sub-regional, regional, and national priorities and planning arrangements.

3.2.4 It is important that each of the commissioning arrangements details expectations on providers to respond appropriately to learners with occasional additional needs. It will be particularly important to ensure that there are effective arrangements between partners to meet the needs and expectations of learners aged 19-25 with learning difficulties and disabilities. Learning providers need to understand the support available to co-ordinate the health and care needs of these learners to enable them to achieve their potential.

3.2.5 It is expected that the proposed city-wide, locality, and work-based commissioning arrangements will detail;

Quality Thresholds:

- Outputs, minimum quality thresholds, learner support

Activity Levels:

- Numbers, programmes, etc.

Available Resources:

- Clarity about total contractual value (per confederation)
- The unit costs of each programme of study including clarity about what is covered by unit costs.

An Intervention Framework:

- The procedure if there is a failure to achieve the above
- Process issues (timetable for when decisions are required on pattern provision, failure/slippage and consequences.)
- Disputes resolution (internal between providers in a confederation, city wide – the responsibility of the LA as market manager)
- Decommissioning
- Arbitration
- Risk Management

Progress on the 2008/9 Business Cycle

3.2.6 Education Leeds and the LSC have prepared a Local Area Statement of Need (attached as Annex 1) drawn from the 14-19 Education Plan and consulted the 14-19 Strategic Partnership, secondary Heads, FE college Principals, Work-based learning providers and Voluntary, Community and Faith sector organisations on the content before agreeing the final version. The Local Area Statement of Need (LASN) is used to inform local planning and also submitted to the LSC to inform the Regional Planning Statement. The LASN will be used to inform the post 16 funding discussions with providers that will be taking place over the next few months. In future this will have to reflect the city council's strategic priorities for commissioning in addition to the existing priorities for the development of provision.

3.2.7 The LSC continue to hold the statutory responsibility for the commissioning of Post 16 provision for 2009/10. In Leeds this work is undertaken in partnership with the local authority through Education Leeds. In addition to discussions with individual schools, colleges, and other providers, for the first time there have been discussions with Confederations. Should the recommendations in this report be agreed then the commissioning of individual sixth forms will be determined through a confederated planning approach in the spring of 2009, as a precursor to broader locality commissioning in 2010.

4.0 **IMPLICATIONS FOR COUNCIL POLICY AND GOVERNANCE**

4.1 The details of the Machinery of Government detailed above has far reaching implications for the city council's role in providing strategic leadership of the 14-19(25) agenda and how it works with other local authorities in the region to secure each learner's entitlement and improve outcomes. The proposals could significantly enhance the local authority's capacity to "Narrow the Gap" and "Go up a League" by securing stronger local and regional governance of provision to deliver the skills needs of the region.

4.2 The local authority will have the strategic overview of learning provision from 0-19(25) and be in a position to develop links to local economic development and the needs of the labour market, both to enhance the prospects of young people and promote economic growth.

4.3 Through ensuring 14-19 commissioning is closely aligned with the implementation of the Integrated Youth Support Service we should be able to support all our young people to remain and achieve in learning.

4.4 The strategic commissioning of post 16 provision in Leeds will impact directly on all five Every Child Matters outcomes but in particular enjoy and achieve, making a positive contribution, and being economically active. It is expected that this commissioning will make a very significant contribution to freeing young people in Leeds from the effects of poverty.

4.5 It will be important to align strategic commissioning in this area to the emerging priorities in the new Children and Young People Plan (CYPP). There is specific potential to see strong alignment with;

- All children and young people thriving in learning;
- All children and young people making the right choices;
- Places to go, things to do;
- Aiming high for disabled children and young people;
- All children, young people and families supported by excellent, integrated services.

5.0 **LEGAL AND RESOURCE IMPLICATIONS**

5.1 As more detail emerges, officers will assess the precise legal and resource implications of these proposals. However, it is clear that the city council will need to systematically plan to develop its capacity to deliver on this agenda and ensure that appropriate resources are released from the LSC to enable this capacity to effectively support improving outcomes.

6.0 **RECOMMENDATIONS**

6.1 The Executive Board is asked to:

- approve the local approach to implementing the arrangements for our response to the Machinery of Government changes that will transfer responsibilities from the LSC to Leeds City Council as detailed in sections 3.1.2 and 3.1.3 above.
- note the basis for the strategic commissioning arrangements for post 16 learners in Leeds from September 2009 as detailed in sections 3.2.2 to 3.2.4 above and invite the Director of Children's Services to develop detailed arrangements for the commissioning of provision and for monitoring and evaluating the impact of these activities.

Background Papers

- Raising Expectations: enabling the system to deliver - DCSF/DIUS March 2008
- Sub-regional groupings stage one assessment: Leeds proposal – September 2008

LOCAL AREA STATEMENT OF NEED

Extracted from 2008/9 version of 14-19 Education Plan

Local Authority Area: Leeds

Resident Participation

Key conclusions:

- 16-19 resident cohort in Leeds expected to decline from 30,300 in 2008 to 29,700 in 2009, a decrease of 2%
- 70.9% of 17 year olds participating in full-time education or work-based learning in 2006/7 (end 2006); an increase of 3.1% on the 2005/6 figure (end 2005)
- Apprenticeship starts for 16-18 year olds have dropped to 1,308 (07/08) a decrease of 6.24% since 2006/7
- 16-18 NEET for Leeds at 9.9% in Dec 07 (0.8% increase between Dec 06 and Dec 07), judged red in Progress Check, however in September 08 the rate had fallen to 7.61%.
- Percentage of Year 11 learners staying on in sixth forms up 0.86% and learners progressing to FE up 0.61% from 2006/7 to 2007/8
- Two proposals to change schools to academies are at consultation stage. Intake currently has 105 post-16 learners and South Leeds has 52 post-16 learners; the proposal is for 300 place sixth forms at both academies. However, planning assumption is for a total of 160 post learners between these schools in 2009/10 with any impact only likely in subsequent years
- Recruitment to Diplomas starting in Sept 2008 was 96% of application target as stated in the Diploma Gateway bidding process. Early indications of similar/slightly lower level of recruitment against target for Diplomas starting in Sept 2009.
- Need to improve range of vocational and work-related learning opportunities for young people with learning difficulties and/or disabilities (LDD) as highlighted in the Joint Area Review

Priorities:

- Increase availability of Apprenticeships
- Focus on skills shortage areas and promotion of Apprenticeships in the public sector
- Coordinate the implementation of Diplomas in line with Education Plan volume projections of 2009/10 Diploma new start targets of 30 learners at Level 1, 340 at Level 2 and 180 at Level 3
- Commission specific provision through ESF fund to re-engage those who are NEET and develop effective post 16 pathways to increase progression to Level 2
- Develop range of provision for learners with LDD

Resident Learner Support

Key conclusions:

- All schools and FE colleges using Leeds Pathways (Leeds Area Prospectus)
- Around 75% of schools using Common Application Process
- Around 50% of schools engaged with i-Leeds (Leeds e-ILP)
- A larger proportion of Leeds young people are unhappy with support compared to their peers nationally

Priorities:

- Secure engagement with the Leeds Learner Entitlement
- Monitor the implementation of the Learner Entitlement and national quality standards for IAG standards
- Develop Leeds Pathways and i-Leeds to ensure they are accessible for learners with LDD
- Improve a multi-agency approach to improving transition and retention for learners with LDD

Provider Participation

Key conclusions:

- Growth in sixth form participation due to increased KS4 achievement, local partnership working and academy development
- 13 schools have sixth forms of less than 150 learners
- Decrease in 16-18 apprenticeship numbers, although participation of 19+ learners is increasing, reflecting trend of employers taking on older learners

- Leeds is a net importer of learners; 76% of FE provision in Leeds FE colleges is accessed by Leeds residents
- Learners with LDD participating in FE decreased from 14.5% in 2006/7 to 11.7% in 2007/8
- Decrease in learners with LDD participating in work-based learning
- Young person population of 326 at Wetherby Young Offenders Institution (Jan 07)
- Post 16 participation in Diplomas set to increase from 35 in 2008/9 to over 200 in 2009/10 and 14-16 participation from around 100 to 800 learners. It is expected that the majority of Diploma growth will replace existing programmes
- New College anticipated to maintain numbers from 3 constituent colleges and operate across all confederations
- No significant impact from merger of Wortley and West Leeds to form Swallow Hill and the associated new build

Priorities:

- Assess viability of sixth forms
- Assess impact of new academies with 300 place sixth forms on FE Review, BSF and Diploma capital project programmes
- Develop an inclusive confederation model representing all providers and partners and formalise their role to deliver the right mix of provision
- Continue Diploma roll out programme
- Strengthen links between SILCs and colleges to ensure appropriate support for LLDD

Resident Achievement

Key conclusions:

- Level 1 achievement at 16 improving slowly with increase of 1.6% to 91.6% for 2007/8 (provisional)
- Level 2 achievement, including English and Maths at 16 increasing faster than national average, up from 40.4% in 2005/6 to 42.1% in 2006/7. (45.4% in 2007/8 (provisional))
- Level 2 achievement at 19 improving from 62.9% in 2005/6 to 64.8% in 2006/7
- Level 3 achievement at 19 an issue, 41.1% in 2005/6, 41.0% in 2006/7
- Overall 16-18 success rates for Leeds FE providers declined slightly from 75.4% in 2005/6 to 74.8% in 2006/7
- Level 2 success rates dropping in 5 out of 8 Leeds FE providers between 2005/6 and 2006/7
- Level 2 and 3 achievement at age 19 for learners in receipt of free school meals at age 15 is an issue, 43.1% and 28.3% respectively
- 2.3% decrease in advanced apprenticeship success rates between 2005/6 and 2006/7 but 11.7% increase in apprenticeship success rates

Priorities:

- Implement Challenge and Support priorities with schools
- Commission targeted programmes of learning and support to improve outcomes for disadvantaged and vulnerable learners to support "narrowing the gap" agenda
- Gain a clear understanding of issues contributing to the decrease in level 3 achievement at age 19 and develop strategies to reverse the decline
- Develop the Foundation Learning Tier
- Promote opportunities for continuing learning while in employment of 16-19 year olds to support Level 2 and 3 achievement at 19

Provider Quality

Key conclusions:

- Five schools with Grade 4 for effectiveness of sixth form provision at latest inspection
- Two schools currently consulting on proposals to become academies
- Post-16 success rates in a significant number of schools is an issue with 12 schools with a success rate of less than 75% and six below 60%
- Four of the eight FE colleges with a success rate of less than 75%; no college has a success rate below 60% in 2006/7
- Significant quality issues with some off-site 14-16 providers
- The number of providers meeting minimum levels of performance in some specific Apprenticeship occupation areas has decreased

Priorities:

- Embed robust quality assurance processes for Diploma delivery
- Increase awareness in schools of the quality of 14-16 off-site learning and decommission poor quality provision
- Use minimum levels of performance to remove poor provision in WBL and FE colleges
- Implement Challenge and Support priorities with schools
- Address capacity issues for Apprenticeships in specific occupational areas

Commissioning Priorities 2008-09

- Increase provision and take up of 16-18 year olds on Apprenticeships
- Provide better, wide-ranging local provision and support for learners with LDD
- Prioritise Diploma growth where it clearly does not displace the existing curriculum offer
- Commission through ESF provision appropriate to meet the needs of young people who are NEET and to increase engagement and achievement of vulnerable and disadvantaged groups, particularly BME groups and Looked After Children and Young People
- Develop collaborative provision that can demonstrate it will lead to improved viability, success rates and participation
- Only consider supporting consolidated growth where institutional level success rates are above 60% for 2006/7