AGENDA MANAGEMENT SHEET

Name of Committee	**Leader Decision Making Session**
Date of Committee	**5 October 2010**
Report Title	**Government Consultation Responses - Skills for Sustainable Growth & A Simplified Further Education & Skills Funding System & Methodology**

Summary

The Government have published a consultation document on the future direction of skills policy. This document outlines the Governments emerging vision for skills and explores some key areas where they would like to seek further views. It also sets the context for the technical funding system and methodology context – A Simplified Further Education and Skills Funding System and Methodology – that is also being consulted on in parallel.

The Government will publish a full Strategy for Skills after the Spending Review in October which will set out in more detail how they intend to support their learning and skills priorities. This will accompany a BIS paper setting out how the Government will create the conditions for sustainable growth which will be published at about the same time. The deadline for consultation responses is 14th October 2010, and Warwickshire County Council's contribution to Coventry, Solihull and Warwickshire Partnership's (CSWP) draft proposed response on behalf of the sub region is contained in **Appendices A and B**.

For further information please contact	Sheila Hancox
	Head of Warwickshire Education Business Partnership
	Tel: 01926 738978
	sheilahancox@warwickshire.gov.uk
Would the recommended decision be contrary to the Budget and Policy Framework?	~~Yes~~/No
Background Papers	Consultation documents.

Warwickshire County Council

CONSULTATION ALREADY UNDERTAKEN:- *Details to be specified*

Other Committees ☐ ....

Local Member(s)
(With brief comments, if appropriate) ☐ ....

Other Elected Members ☒ Councillor M Doody
Councillor R Sweet
Councillor J Whitehouse } For information

Cabinet Member
(Reports to The Cabinet, to be cleared with appropriate Cabinet Member) ☒ Councillor J Appleton
Councillor A Cockburn
Councillor A Farnell

Chief Executive ☐ ....

Legal ☒ I Marriott

Finance ☐ ....

Other Chief Officers ☐ ....

District Councils ☐ ....

Health Authority ☐ ....

Police ☐ ....

Other Bodies/Individuals ☒ Torin Spence - Children, Young People and Families, Julie Wakefield – Adult, Health and Community Services

FINAL DECISION YES *(If 'No' complete Suggested Next Steps)*

SUGGESTED NEXT STEPS :

Details to be specified

Further consideration by this Committee ☐ ....

To Council ☐ ....

To Cabinet ☐ ....

To an O & S Committee ☐ ....

To an Area Committee ☐ ....

Further Consultation ☐ ....

Warwickshire County Council

Leader Decision Making Session - 5 October 2010

Government Consultation Responses -Skills for Sustainable Growth & A Simplified Further Education & Skills Funding System & Methodology

Report of the Strategic Director for Environment and Economy

Recommendation

It is recommended that the Leader considers and approves Warwickshire County Council's contribution to the Coventry, Solihull and Warwickshire Partnership's response on behalf of the sub region to the Skills for Sustainable Growth consultation document contained within **Appendix A** and A Simplified Further Education & Skills Funding System & Methodology consultation document contained within **Appendix B.**

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1.   Background

1.1   The Government's key priorities for skills are to build an internationally competitive skills base and to ensure we have a skills system that supports progression.

1.2   The Budget 2010 outlined that Government departments (once commitments on protecting health and overseas aid are taken into account) could see real cuts of around 25% over the next four years. This sets the context for consultation on a new skills strategy and a simplified funding system & methodology for further education & skills.

2.   Summary of Response

2.1   Officers have developed a proposed WCC draft response for these consultations, which is contained within **Appendix A & B**, that will feed into a sub regional response by CSWP. The consultations seek views on the Governments emerging vision for skills and ask a number of fundamental questions about where public investment is most important; how the skills system can be made simpler and more effective; and how we can better support employers and individuals to invest in learning and developing the skills they and our economy need. Key messages within our response include the importance of empowering learners and providers and the need for key measures of success to be in place.

Warwickshire County Council

3.   Next Steps

3.1   Warwickshire County Councils response to the consultation documents will be fed back to CSWP for inclusion in the sub regional response.

4.   Recommendation

4.1   It is recommended that the Leader considers and approves the WCC contribution to the draft CSWP response to the Skills for Sustainable Growth consultation document, contained within **Appendix A** and A Simplified Further education & Skills Funding System & Methodology, contained within **Appendix B.**

PAUL GALLAND
Strategic Director for Environment and Economy
Shire Hall
Warwick

21 September 2010

Warwickshire
County Council

BIS | **Department for Business Innovation & Skills**

SKILLS FOR SUSTAINABLE GROWTH

Consultation response form

JULY 2010
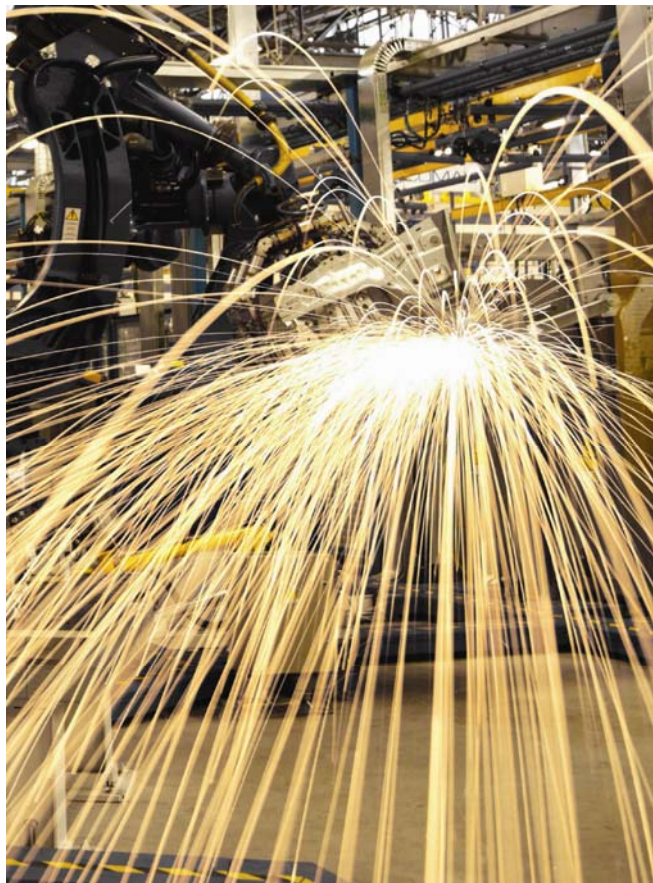
Skills for Sustainable Growth response form

If you are unable to use the online comments boxes to record your responses, please complete the questionnaire below and send it to:

Atif Rafique
Department for Business, Innovation and Skills
1 Victoria Street
London SW1H 0ET

Phone: 020 7215 1910
Email: skills@bis.gsi.gov.uk

The Department may, in accordance with the Code of Practice on Access to Government Information, make individual responses available on public request.

The closing date for this consultation is 14 October 2010.

Name: Louise Richardson

Organisation (if applicable): Coventry, Solihull & Warwickshire Partnership Ltd

Address: First Floor, Tower Court, Courtaulds Way, Coventry, West Midlands, CV6 5QT

Please tick the option below which best describes on whose behalf you are responding:

	General Further Education College
	Sixth Form College
	Charity or social enterprise
	Training Organisation
	Local Government
	Individual
	Large employer (250+)
	Medium employer (50 to 250 staff)
	Small employer (10 to 49 staff)
	Micro employer (up to 9 staff)
	Trade union or staff association
✓	Other (please describe): Sub-Regional Economic Development Partnership

Principles for a skills strategy

1. **We welcome views on these principles and whether there are others we should consider.**

Welcome the focus on;
- Greater involvement of employers in shaping the demand for skills.
- More empowerment of learners to access the learning the want and need to enable them to progress.
- Learning contributes to tackling poverty and deprivation in an holistic way.
- Learners and employers having access to high quality, impartial information. We think this should include advice and guidance.
- Greater freedom for college and training providers to respond to employer and local demand. We believe there should be measures to hold them to account to demonstrate they are doing this at a local level ie through LEPs or County Council.
- A move to ensure that a proportion of public funding is targeted at those who are most in need and who have least benefitted from learning opportunities in the past. The remainder is spent on a best return.
- All learning being supported whether it is for improving skills, employability or learning for its own sake. Learning supports individuals and communities to help themselves and builds the social capital essential to support the big society.

2. **How can we further simplify the skills system, including the number, roles and responsibilities of the many organisations working in the system?**

(original response doesn't answer question)

Reduce number of public sector bodies that colleges and other providers have to work with to deliver skills

Reduce, simplify and clarify who dos what in the system.

Formal recognition of LEP to identify local skills needs

3. **In view of the current fiscal deficit, what areas of public investment in skills could be reduced and where could private investment be increased? What are the main constraints on changing the balance between public and private investment and how could these be overcome?**

(Original response doesn't take into consideration the QCF and doesn't answer the question of constraints.)

Change culture in the assumption that Central Government pays for all training.

Employers recognise the value of upskilling staff.

Individuals recognise the return of investment in improving their own skills.

A respected and credible training offer

4. **How could the Apprenticeship programme be improved? What can be done to increase the proportion of apprentices progressing to Level 3 and beyond? What and how should employers contribute to Apprenticeships?**

We believe both learners and employers value apprenticeships. We need to tell the story better, an example from our area is that one provider of engineering training has identified that most of the chief executives of small and medium sized engineering companies started life as apprentices, his message is "if you want to be a chief Executive of an engineering SME the best and fastest way is to do an apprenticeship".

We need to make it easier for more small businesses to offer apprenticeships through the removal of HR burdens associated with them. Fiscal incentives to small and medium sixed businesses to offer apprenticeships could also be considered. We also need to ensure that employers are properly informed about apprenticeships opportunities through access to clear information about the benefits of participation.

There also needs to be more (technical?) and higher level apprenticeships with clear progression routes.

5. **We welcome views on how best to support people who might in time benefit from an Apprenticeship but who do not currently have the skills to begin one.**

We believe that answer lies in employer incentives to minimise the risk to an employer from employing and offering experience to an individual who is not the most qualified but has aspiration and a positive attitude. There are many thousands of stories of young people who were given a chance with an employer, grew in confidence and developed the skills and attitude to do their apprenticeship.

Clear progression routes must be included in the Work Programme.

The National Curriculum must offer a clear route to those learners where Apprenticeship is the appropriate option.

6. **We welcome views about progression from Level 3 Apprenticeships into higher education, including whether there is demand for Higher Apprenticeships at Levels 4 and 5.**

Refer to Aimhigher WOT Group (via Phil Dent, Aimhigher)

7. **How should we ensure that training leads to real gains in skills, knowledge and competence and not just the accreditation of existing skills?**

A key challenge to this issue is that the OFSTED framework for inspection of training providers has the strongest emphasis on accreditation and attainment. It does not give the credit that is deserved for developing strong work attitudes and the employability skills that employers need and demand.

Consideration must be given to baseline assessment of individual learning needs and linking to funding when accrediting prior learning.

8. **How can we incentivise colleges and training organisations to offer a flexible and cost-effective 'needs-led' offer for people who are out of work or at risk of becoming unemployed**?

We must design provision so it meets the unemployed person's individual agenda rather than it being something that is done to an individual. As soon as learning become fun or at least "not a humiliation" it becomes desirable. The most common heard phrase from unemployed people with low skills is "I didn't do well at school OR school and me didn't get on, I hated it". If we personalise learning and put on programmes that fit / meet their needs then learners will want more. It will cost more to provide learning in this way but will save much more because drop-out rates will reduce and achievement and progression will be higher.

Introduction of a points led system for those most in needs which would give increased funding to providers.

One set of paperwork for all Government-funded learning.

9. **How can we encourage colleges and training organisations to make the transition from learning to work as smooth as possible, enabling progression in the workplace, as well as to further learning?**

(Original response doesn't answer the question

:
Strengthening partnerships between trainers and employers via the LEP.

10. **How can we better promote enterprise education in further education colleges and throughout the training system?**

Make competencies that relate to enterprise a core part of training programmes and consult with Centres of Curriculum Excellence on programme development.

Funding and entitlements

11. **Should Government continue with an entitlements based approach? How can we ensure that Government money is targeted where it is needed most and where it will achieve most value?**

Yes, promoting the aims of Life Long Learning that should not be age bound.

Helping individuals and employers choose the learning they want

12. **How can the learning market be made to work more efficiently, effectively and economically and to be more responsive and accountable to demand by individuals and employers, while also delivering value for money?**

Introduction of a national database linking all provision. This should include a method of recording learner feedback.

13. **We welcome views on how best to ensure employers are able to shape the skills system to meet their needs.**

Employers working proactively with their Sector Skills Councils and greater involvement of SMEs with Sector Skills Councils.

14. **We are interested in views on what more might be needed to make the system responsive to employer needs.**

The system has the potential to be responsive but greater understanding is needed by employers and deliverers of the QCF and how to maximise its use to the benefit of all

There will need to be more focus on leadership and management development to support business growth and to help business have the skills to exploit new markets. More bite sized learning approaches could help fill skills gaps.

15. **Which qualifications have most value for employers and learners? Which do not have value? How do we evolve the Qualifications and Credit Framework so that it focuses on the former and removes the latter?**

The Coventry & Warwickshire Chamber of Commerce Survey July 2010, and the Annual Employer and Skills Survey both show that customer service, managerial and technical skills (especially in manufacturing) are needed. The survey also showed that 'work preparedness' is particularly important amongst young and unemployed people. It is not just vocational qualifications that are important, but also the softer people skills such as management and customer service type skills that are valued and needed.

Rate of return analysis required for every qualification.

16. **How can we improve the accessibility and quality of careers information, advice and guidance services for adults?**

LMI should be applied when giving IAG services but LMI should reflect community policies and working patterns in geographic   . Consideration should be given to future as well as current economic need.

We welcome the new Next Step service and its strong focus on the labour market. There is still a need to "join up" careers information, advice and guidance service for young people with the service for adults. We believe the strong emphasis on quality coming from government backed up by OFSTED inspection framework will soon result in improvements to quality of delivery. One simple thing we could do would be to encourage providers of learning to refer learning who are not clear on learning they want to do and why to the adult careers services, currently this rarely happened because the providers is concerned that they will receive advice about other learning opportunities with different providers hence the provider could loose a customer.

17. **We welcome views on the vision for lifelong learning accounts, and their potential usefulness.**

We believe the vision for lifelong learning accounts is a good one. To make it a success it will require greater collaboration between key stakeholders and consistency of advice nationally. c

18. **We welcome views on approaches to informing learners and employers including how better information can be made available while reducing bureaucracy.**

We believe there should be one national data base OR every provider web-site is hyper linked to all the others. Our experience is that potential learners want to be able to simply get the answers to the following questions;
- What qualifications / courses are on offer?
- How much do they cost? What help is available to pay for them?
- How many people who previously did the course passed / failed / didn't finish?
- What difference did it make to those learners who've done the course?

Refer to Q12 re single national database.

Giving colleges and training organisations the freedom to respond

19. **We welcome views on our planned measures for simplification and freeing colleges and training organisations.**

Comment will be made via our response to the consultation paper on 'A Simplified FE and Skills Funding System and Methodology

20. **How can we enable colleges and training organisations to be more efficient and responsive to the needs of employers, learners and their community but without adding new layers of control by local bodies?**

Remove statutory obligations

21. **What mechanisms could we use to hold colleges and other training organisations to account for their performance in responding to employers' needs and for prioritising training that adds real economic value?**

Service users should holding training providers to account via rate of return analysis as in response to Q15.

Incentives to train in priority areas

22. **Do we need a framework that will enable and encourage employers and individuals to invest in training in priority areas and for colleges and other training organisations to provide appropriate courses?**

Introduction of fiscal incentives where appropriate. Subsidised training programmes for sectors where there is economic need.

23. **Should we promote training innovation, particularly in rapidly changing or wholly new areas of the economy? If so, how might we do this?**

The Local Enterprise Partnership should identify new growth areas for which there should be extra financial support to help the college and training organisations with new start up costs for new provision.

24. **How can we ensure employers can access high quality labour market information?**

The key is to make it simple. Each LEP should have a local labour market information website for use by employers, teachers, lecturers, advisors etc which has simple information. It will need robust content but will need to be written and presented in an accessible style.

Each LEP to input into a national LMI website to reduce burden on employers.

Encouraging a more productive workforce

25. **What would enable businesses to use skills as a driver of productivity and business improvement?**

Show rates of return for businesses and fiscal incentives to encourage investment in skills.

26. **We welcome views on ways in which businesses can be encouraged to increase the UK's leadership and management capability to create better run and more highly performing businesses.**

Answer as Q 25

Reinvigorating adult and community learning

27. **How could we encourage the development of productive partnerships with third sector organisations?**

- The Coventry Partnership's Economy, Learning, Skills and Employment Theme Group plays an important role in building strong and sustainable partnerships across services, with other public sector services and learning providers, and with the third sector organisations that are often the most effective at reaching the people who have had the fewest opportunities in the past. Such partnerships will be a key catalyst in helping the Big Society to take shape and supporting the most disadvantaged individuals to progress in their lives.

This second bullet is descriptive and not an answer
- The third sector has an increasing and important role to play in learning and skills. There are many examples of effective models of collaborative partnership in the skills sector. These play on the key strengths of the various partners, with third sector organisations providing the connections with and support for vulnerable groups.

Adult and Community Learning Services are a natural partner for the Third Sector. We have a similar ethos and are working in the same local communities. Partnerships go from strength to strength in spite of some major issues. These include imposed constraints such as increasing bureaucracy, quality assurance processes, inspection and funding restrictions.

We are still concerned that this may only be seen in terms of college based provision. Many of our third sector partners struggle with that context which is so different from ours. It would be good to have recognised the diversity of the work we do, particularly in regard to community development. We bring funding and practitioners to these partnerships, which are brokered in a relationship which focuses on actual need.

ACLs exist because of the expertise of all staff in working with communities and individuals. We are used to meeting the needs of learners and communities and not working to our own agenda. We are a key player in developing communities.

We want to continue to work within local authorities, linking with Local Strategic Partnerships. We can bring more that just literacy, numeracy and language skills to our work. We also offer wider aspects of employability such

as assertiveness and social skills and have a successful record of engaging with employers in Warwickshire, albeit on a small scale.

Our service is working effectively already but would welcome opportunities to develop and embed a sustained response. We would welcome a future based in a culture of continuous improvement and reflection and responsiveness to need.

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28. **We welcome views on new ways that colleges could be used to support the community.**

Access to employability, including welfare to work provision; support for 'first steps' learning (including Pre-apprenticeship training); offering progression to apprenticeships, Level 2 and beyond; and securing effective support to enable marginalised or vulnerable groups to undertake learning which successfully supports access to labour markets.

Workforce development, supporting employers and employees in developing skills, knowledge and understanding to enhance business success; individual opportunity in existing jobs and career development and social mobility through learning programmes offered in and outside the workplace; supporting trade union learning indicatives' and encouraging new and emerging enterprises through initiatives to foster innovation and entrepreneurship.

A locus for creating and sustaining social capital by fostering critical and informed engagement with social, political and moral issues; in the words of the Prime Minister, "broadening the mind, giving people self-belief, strengthening the bonds of community". In this way colleges contribute to a tolerant participative democracy that encourages appreciation and participation in the arts, sports and cultural activities as well as community engagement.

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29. **How could adult and community learning be reinvigorated? We especially welcome ideas for how businesses and others could be encouraged to engage in supporting local community learning to help create local ownership and momentum.**

Ensure continuation of safeguarded learning by:

Putting purchasing power in the hands of learners (including people retired from the labour market) through lifelong learning accounts.

Running a programme of innovative demonstration projects – not only in colleges but also in the third sector bodies and local authority services to develop capacity for Big Society indicatives, focussing on family learning and learning for active citizenship.

Supporting those who have particular needs to be met before they are likely to find paid employment.

Measuring success

30. **We welcome views on those indicators of success would be most useful to you or your organisation.**

(Unsure how to hold any establishment to account for any of the measures suggested).

Measure by success rates, learner satisfaction, rates of return.

Do you have any other comments that might aid the consultation process as a whole?

Please use this space for any general comments that you may have.

Comments on the layout of this consultation would also be welcomed.

Item 6 - Appendix B

BIS | **Department for Business Innovation & Skills**

A Simplified Further Education and Skills Funding System and Methodology

Consultation Response Form

July 2010

Simplified Further Education and Skills Funding System and Methodology Consultation Response Form

The Department may, in accordance with the Code of Practice on Access to Government Information, make available, on public request, individual responses.

The closing date for this consultation is 14/10/2010

Please return completed forms to:
Jessica Ward
FE & Skills Investment Directorate
Department for Business, Innovation and Skills
1 Victoria Street
London
SW1H 0ET

email: fe.fundingreview@bis.gsi.gov.uk

Please can you tick a box from a list of options that best describes you as a respondent. This allows views to be presented by group type.

☐	General Further Education College
☐	Sixth Form College
☐	Charity or social enterprise
☐	Training Organisation
☒	Local Government
☐	Individual
☐	Local Government
☐	Large employer (250+)
☐	Medium employer (50 to 250 staff)
☐	Small employer (10 to 49 staff)
☐	Micro employer (up to 9 staff)
☐	Trade union or staff association
☐	Other (please describe):

Please use this space for any general comments that you may have, comments on the layout of this consultation would also be welcomed.

Question one: paragraphs 12 and 13

In paragraphs 12 and 13 we describe a proposed streamlined FE system based on principles of a marketplace with empowered informed customers, trusted colleges and training organisations, a focus on outcomes and a minimal role for Government intervention.

Q1.	We welcome views on whether these are the right principles for a streamlined FE and Skills system - are there any others?

Yes, the principals seem appropriate.

But along with LEAFEA we "*broadly support the key elements of the proposed system listed in paragraph 13. However, we have some reservations as to whether more time might be required in some cases for full implementation of the proposed establishment of a single route for adult public funding*".

Question two: paragraphs 12 and 13

Following paragraphs 12 and 13 we would also like to identify further areas requiring simplification.

Q2.	We welcome views on whether there are other areas of the wider FE and skills system that should be focussed on to simplify systems and processes and reduce burden?

Yes, with the exception of SSC's, the other government bodies in this arena tend to confuse issues rather than help, we need a clearer description of who does what and the list should be minimal if we are to keep to the principal of Self Governing provider base

Question three: paragraph 14

In paragraph 14 we described the potential for extending a single budget approach for post-19 provision to include other areas such as programmes for the unemployed and the current Adult Safeguarded Learning budget.

> **Q3.   We welcome views on the benefits of extending the current approach to a single post-19 funding stream and whether there are alternative models to consider.**

> Support establishment of a single post-19 budget as a medium term goal, but recommend that ACL budget remains ring fenced until thinking around the creation of the Big Society has crystallised and gained momentum and pending the development of a structured approach to enable ACL to contribute fully to the achievement of the Big Society.
>
> In summary ACL in Warwickshire would welcome the introduction on a single adult budget for post 19 learning as long as due regard is given to equitability and that such a budget is protected, at least in the short term, to enable the continuation of learning in our County. We would ask, though, that the contribution which ACLs make across a variety of national and local agendas is recognised and sustained. We would wish to continue to work with our partners (both third Sector and corporate) in order to meet the needs of our most vulnerable learners, by giving them both the hope and the skills for a better future.

Question four: paragraph 16

In paragraph 16 we ask for feedback on the benefits of giving colleges and training organisations a funding envelope covering the Spending Review period (subject to responsiveness and quality of provision).

> **Q4.   Would a funding envelope covering the Spending Review period support improved delivery and performance - if so to what extent?**

☒ **Yes**   ☐**No**

> ACL would support this. The current funding arrangements leave little time for planning and do not coincide with local authority budget setting, etc.
>
> Extremely important to ensure thorough curriculum design and the sureties that courses (if appropriate) are going to continue to run.

Question five: paragraphs 17 and 18

In paragraphs 17 and 18 we describe an alternative approach to routing funding previously given to the Learning and Skills Improvement Service (LSIS) to colleges and training organisations.

> **Q5. We welcome views on how the sector should take the lead in determining the funding allocated for LSIS and the broad parameters of how this is spent.**

No Comment

Question six: paragraph 21

In paragraph 21we examine some of the issues surrounding funding for the most disadvantaged learners, and explore options for ensuring the funding system supports and does not act against supporting the most disadvantaged.

> **Q6. We welcome views on how we can ensure the funding system supports the sector in responding to the needs of the most disadvantaged.**

Rate each QCF qual with a rate of return and then apply funding proportionately. Instigate a National website holding details of all provision in England, make it contractual that Colleges and providers keep it up to date on an annual basis and then allow users to leave ebay style feedback against it.

Pay a premium for vulnerable learners, including the unemployed, those on low incomes and people with learning difficulties and disabilities.

Questions seven and eight: paragraph 24

In paragraphs 21 - 24 we describe possible future systems in which the level of public subsidy is differentiated according to the type of learner, or the type of learning.

> **Q7. We welcome views on whether the approach to public subsidy should be differentiated.**

.Yes, and differentiated on the need of the labour market based either on England plc data or with the LEP's at a local level determining from a preset list which quals are needed most on their patch.

Q8. We welcome views on whether employers should be accommodated through different measures within the funding system based on their size

Yes, but more around better support for small companies (50 or less employees rather than just cutting the really big ones.

Question nine: paragraph 27

In paragraphs 25-27, we set out how we could implement the recommendation made by the Independent Review of Fees and Co-funding in FE in which it was suggested that public funding should follow and match the choices and private co-investment contributions of learners and employers.

Q9. We welcome views on the practical implications of taking into account the need for optimising co-investment and the need for simplification.

Whilst the principle and theory are sound, the process could increase the bureaucracy for all involved

Question ten: paragraph 30

In paragraph 30 we explore options for streamlining the approach to fee subsidies including: establishing a nationally defined group or learners eligible for full fee subsidy, using a learner premium to encourage providers to cater for certain groups of learners and supplementing a national approach with a locally-determined bursary scheme.

Q10: We welcome your views on streamlining the way in which we currently support learners' additional needs including what (if any) aspects of current arrangements should remain.

If you introduce local bursary style system you are significantly increasing the public administration, a Learner Premium, simila to the pupil premium seems logical.

ACL in Warwickshire has never received separate funding for additional learner support. We would welcome it. Many of our learners have declared disabilities. Warwickshire has an ageing population, and many of our learners wishing to join informal learning classes have disability needs. The service experiences a lot of financial strain supporting these. Although the growth of a volunteering base in the County is helping, we still need to purchase equipment and software, and ensure that our teaching staff are trained to offer appropriate support.

Question eleven: paragraph 34

In paragraphs 31-34 we set out the need to balance supporting the flexibility of the Qualification and Credit Framework against the reduced funding available.

Q11. We welcome views on targeting funding where it will have the most impact; what elements of the Qualification and Credit Framework should be eligible for funding and why?

Have each qual on the QCF have a rate of return on it that can be used to target funding.

Question twelve: paragraph 40

In paragraphs 35-40 we describe a possible future system in which we move away from funding on the basis of estimated costs of delivery towards a price model based on funding for outcomes delivered

Q12. We welcome views on the benefits of moving to a more price-driven system; including how we would mitigate against the risk of focusing too much on a single outcome at the expense of the quality and relevance of the learner experience.

Some learning is about the journey, not just the outcome – a qualification can be a useful skill learnt or it can be a bit of paper, outcomes should include customer satisfaction – we need some feedback method so prospective new learners or employers can see the worth of what they are proposing to buy.

Question thirteen: paragraph 41

In paragraph 41, we examine different means of delivering Further Education, through e-learning and the efficiencies this can bring.

Q13. Are there any other barriers to the sector delivering more efficiently and effectively?

☒ Yes ☐ No

Location/transport issues.
Historic 'ways of working' of some Colleges/providers
Employers believing training has ever been 'free' – the culture of offering 'free' NVQs etc has been extremely damaging to any value of training.

Question fourteen: paragraph 42

In paragraph 42 we set out options for how we could streamline the current approach to rate setting, including bands of funding levels based on the size of the qualification on the Qualification and Credit Framework, the characteristics of the learner or a combination of the two.

Q14. We welcome views on whether there are alternative approaches that could be considered (including maintaining the status quo) which meet the principles of simplification and value for money; if so, how might they work?

No Comment

Question fifteen: paragraph 44

In paragraph 44, we discuss possible changes to the way the programme weighting is used, perhaps with a standard programme weighting applied across a sector subject area.

Q15. We welcome views on how this might be achieved, and whether its benefits would justify the change

Benefits would be justified if it could focus on te skills needed for the workforce locally.

Question sixteen: paragraph 48

Paragraphs 47 and 48 discuss the possibility of there being a different but related basis for determining funding rates for Apprenticeships compared with other provision

Q16. Should there be a different approach to setting rates for post 19 Apprenticeships?

☒ Yes   ☐ No

It should follow the same principles for the funding for 16-18 yr old Apprenticeships.

Standard assumptions seem sensible.
Need to involve SMEs more with SSCs and also ensure there is genuine feedback from learners and employers about provision being offered.

Question seventeen: paragraph 51

In paragraphs 49-51 we describe a possible future system in which the provider factor is more transparent.

Q17. We welcome views on whether there are other elements of the provider factor that could be removed / simplified in light of the proposed approach to allocations, rates and funding?

No Comment

Question eighteen: paragraph 52

In paragraph 52 we describe possible future systems for funding allocations, with option 1 including adjusting the overall budget based on the previous year's delivery, adjusted for quality and responsiveness, and option 2 including core and marginal funding.

Q18. We welcome views on the options – including how we could use the approach to marginal funding to reward good performance in delivering quality outcomes in response to learner and employer needs.

Option 2 sounds better, but would increase the process administration and might damage partnerships at a local level.

Question nineteen and twenty: paragraph 55

In paragraphs 53-55, we describe how currently 8% of Skills Funding Agency funding goes to 778 providers with allocations of less than £1m, and suggest an approach to minimum contract levels to reduce the number of direct contractual relationships between colleges and training organisations and the Skills Funding Agency.

Q19. Should some areas of provision and/or types of provider be exempt from minimum contract levels?

☒ Yes ☐ No

Local Authorities should not have to subcontract through a provider
Any minimum contract value should include YPLA funded delivery otherwise some large 16-18 FL providers who have smaller adult work could suffer and that could affect the 16-18 provision.

Care needs to be taken to ensure a MCV would not eliminate small specialised providers from the market or put barriers up to new entrants.

We agree with the following statement from LEAFEA:
"LEAFEA recognises that the Skills Funding Agency needs to streamline its operations in the interests of cost and efficiency and appreciates that in many instances a system of minimum of contract levels will be a useful approach to this. At the same time such a move will see a greater concentration of power in the hands of fewer and larger organisations – which is surely contrary to the ideals of the Big Society. Nevertheless, we see no obvious reason why the ASL budget per se should be exempted from this approach if it is adopted but we do envisage considerable difficulties if the approach were to be applied to local authorities in their role of Skills Funding Agency contract holders."

Q20. We welcome views on what the "right" minimum level might be.

If a minimum contract value is a given, £1000000 sounds right, but needs to include any 16-18 government funded provision –the more sensible route would be to have 1 government funding body for all skills training not delivered in schools – potentially including HE as well given a lot of Colleges and training providers now deliver Foundation degrees.

Question twenty-one: paragraph 57

In paragraphs 56 and 57 we describe a possible future system involving sub-contracting and actions to ensure this is efficient and mitigate any risks.

Q21. We welcome views on the risks of greater sub-contracting, what can we and the sector do to minimise those.

We believe sub contracting could have a serious effect and remove from the market some smaller, more specialised providers, but also put a barrier to new providers entering the market.

A move on the part of the Skills Funding Agency from managing a large number of small contracts to monitoring the management of an equally large number of small sub contracts is unlikely to achieve the sort of streamlined approach intended.

Question twenty-two: paragraph 66

In paragraphs 61-66, we describe a system in which colleges and training organisations are accountable to learners and employers through provision of information, including on outcomes.

Q22. Do you think it would be reasonable to expect this information to be publicly available on a monthly or quarterly basis?

☐ Monthly   ☒ Quarterly

From contract management Monthly makes sense, but public do not need this so frequently.

Question twenty-three: paragraph 68

In paragraphs 67 and 68 we reflect on the impact of changes in the consultation on the potential to reduce data burdens for colleges and training organisations.

Q23. We welcome views on the extent to which the proposals in this document help to reduce the burden of data collection? Are there other areas that need attention?

Yes, the differing paperwork and processes used for skills programmes funded from DWP through JCP than that of DBIS.

Question twenty-four: paragraph 69

In paragraph 69 we describe a payment system for colleges and training organisations with introduction of automated contract adjustment.

Q24. We welcome views on whether there are other changes that would promote simplification and better value for money.

If only contracting with bodies over £X Million, why have different funding models between Colleges and Providers?

Question twenty-five: paragraph 72

In paragraphs 70-72 we describe a possible future system in which a single audit framework using internal and external audits colleges and training organisations are already required to use remove the need for Skills Funding Agency audit.

Q25. We welcome views on the existing aspects of the audit approach that would need to be included in a framework for use by external auditors? Are there alternative approaches to build on existing practice?

The SFA has responsibility for the Audit of the FE Estate – however in some cases these Colleges are over 80% 16-18 provision, better communication is needed with the LA who are responsible for commissioning the 16-18 provision to ensure they are fully aware of any Audit findings that could affect the 16-18 provision.

Question twenty-six: General

As a general question:

Q26. **We welcome views on whether there are any other areas not covered in this document that could realise significant efficiencies if we simplified or streamlined.**

Merge the YPLA and SFA responsibilities into 1 body so we have 1 funding body and not 2 separate government agency's / bodies when we are trying to get something resolved.

Question twenty-seven: General

As a general question

Q27. Are these changes suitable to be taken forward specifically for 19+ provision?

☐ Yes   ☒ No

Need to include 16-18 non school provision so colleges, providers and LA's are only dealing with 1 system.

Question twenty- eight: Implementation

As a general question

We would welcome your views on the key considerations that we need to take into account when implementing any changes.

Ensure no loss of service to the customers – the learners and employers.

Do you have any other comments that might aid the consultation process as a whole?

Thank you for taking the time to let us have your views. We do not intend to acknowledge receipt of individual responses unless you tick the box below.

Please acknowledge this reply ⊠