

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	3 November 2009
Report of:	Director of People
Subject/Title:	Updated Position : LSC transfer and Post 16 Funding
Portfolio Holder:	Councillor Paul Findlow

1.0 Report Summary

- 1.1 The purpose of this report is to provide a detailed update on the arrangements for the transfer of 16-19 funding from the LSC (Learning & Skills Council) to Local Authority control as from April 2010. This paper provides further details and recommendations relating to this transfer process, building on the earlier cabinet paper which was approved on the 16th June. A significant amount of the work relating to this process is being undertaken through the newly formed Sub Regional Group involving Cheshire East, Cheshire West & Chester and Warrington. This joint body is required to undertake the required steps to manage the full transfer arrangements including governance through external support from Government Office North West, the Young People's Learning Agency and React (Raising Expectations Action Programme), acting on behalf of the Department for Children, Schools & Families. The key action required from this paper is to endorse the proposed Memorandum of Understanding which sets out the collaborative arrangements between the three Local Authorities.

2.0 Decision Requested

- 2.1 To note the emerging collaboration and identified duties of the Sub Regional Grouping (SRG) and its continuing work to establish effective arrangements for the smooth transition of 16-19 funding from the LSC to Local Authorities.
- 2.2. To endorse the proposed Memorandum of Understanding (Appendix 1) which sets out an agreement of collaboration between the three Local Authorities in terms of strategic management, decision making processes, commissioning arrangements as well as stakeholder engagement.
- 2.3 To endorse the integration of 5 additional LSC staff to the Cheshire East workforce as part of the LSC transfer process. The identified staff have a variety of valuable skills and aptitudes which will add significant value to the work of Cheshire East in terms of integrating the activities and

functions of the previous LSC work streams as well as helping to secure improved outcomes for learners.

3.0 Reasons for Recommendations

- 3.1 The Post 16 transfer arrangements are likely to result in the Local Authority incurring expenditure, as well as receiving additional funding, which is significant in relation to the local authority's budget for the service or function to which the decision relates.

4.0 Wards Affected

- 4.1 All Wards will be affected by the LSC transfer as the implications for the transfer impact upon all secondary schools and colleges. As the issues relate to 14-19 reforms, schools with or without Sixth Forms are affected. In addition, the engagement of work based learning providers and employers will equally be affected in terms of supporting work related learning opportunities for young people as well as young apprenticeships schemes.

5.0 Local Ward Members

- 5.1 No specific Ward Members identified.

6.0 Policy Implications including - Climate change - Health

- 6.1 The Corporate Plan outlines the organisation's priorities which reflect the needs to all communities. These priorities are aligned to local partnership arrangements as part of the Local Area Agreement. The Post 16 transfer arrangements specifically relate to identified priority areas (in the majority of cases, through identified National Indicators) as they apply to Children & Families and the direct work of service teams. These include reducing NEET (Not in Education, Employment or Training) and take up of 14-19 Diplomas.

7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)

- 7.1 Not applicable

8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)

- 8.1 The LSC currently has allocated to all Cheshire East Schools and Colleges funding for the current academic year 2009-10. As part of the LSC transfer arrangements, a new National Commissioning Framework is being currently taken through Parliament as part of the Apprenticeships, Skills, Children & Learning Bill with a consultation

period commencing on the framework in October. The main objectives of the commissioning process are to:

- a. Determine the education and training needs of all young people.
- b. Ensure that the quality of provision at least meets minimum standards and continues to improve.
- c. Ensure that provision is commissioned within the framework of the national funding system.
- d. Ensure that provision is affordable with national and regional budgets.
- e. Enable the respective parties to the commissioning process to deliver their responsibilities for handling and accounting for the revenue and capital funds invested in young people's learning.

Any dates in terms of the commissioning and funding allocations process have yet to be confirmed

- 8.2 The 16-19 commissioning arrangements also include the continuing expansion of the 16-19 Apprenticeship scheme. This programme will be undertaken in conjunction with the National Apprenticeship Scheme (NAS) and will take into account the mix and type of apprenticeship provision which is available across Cheshire East. NAS will support Local Authorities in the management of budgets within which apprenticeship operations must operate.
- 8.3 As part of the LSC transfer arrangement, the 5 additional staff which the Local Authority will integrate into current staffing structures will come with three years of funding to cover salary and on costs. In addition, additional funding will be available to cover additional resource implications including IT equipment.
- 8.4 In terms of linkage to 16-19 LSC capital programmes, no further capital programmes are being considered for this year and there is an ongoing review of current and possible future commitments against the budget for 2010-11. Further information is due later this term.
- 8.5 There will be a requirement to fully understand and prepare for the increased work streams associated with the transfer. Firstly, there will be additional demands on current financial officers to integrate the significant additional funding and resource implications within existing workloads and this may require additional financial capacity. Secondly, increased training requirements of existing staff to fully understand the new functions will inevitably result in additional costs in terms of time and attendance at regional & local training programmes as provided by React.

- 8.6 There is a clear need to integrate the work of the Sub Regional Group with new initiatives which are being developed within Cheshire East. The Future Jobs Fund programme, initiated through economic regeneration, has a significant grant income to provide 200 employment opportunities for vulnerable young people and this initiative will have clear links with the 19-25 agenda as part of the SRG.

9.0 Legal Implications (Authorised by the Borough Solicitor)

- 9.1 As stated in the White Paper (March 2008) , “Raising Expectations: enabling the system to deliver”, these reforms make the expectation that all young people will participate in education or training until the end of the academic year in which they turn 17 by 2013 and 18 by 2015.
- 9.2. The proposed memorandum of Understanding is currently in the process of being scrutinised by legal services to ensure it is fit for purpose in terms of an agreement for collaboration between the three Local Authorities.
- 9.3 The legal implications relating to the transfer of LSC staff to Cheshire East Local Authority is also being investigated in terms of the terms and conditions of transfer under TUPE.

10.0 Risk Management

- 10.1 There are regional and national arrangements in place to check the ongoing readiness of the sub regional group to successfully undertake its function in all transfer arrangements. Reports from GONW and React are reporting that the current rate of progress is positive and all necessary arrangements are in place at this early stage of the process. A structured monitoring programme of ‘Readiness to deliver’ will be initiated over the coming months to minimise any risk in terms of the ongoing work of the SRG.
- 10.2 The transfer of LSC staff to the Local Authority may bring some potential risk in terms of ensuring that these additional posts are filled with suitably experienced staff. The indications of both appointed as well as matched staff shows positive signs in terms of both experience and expertise and it is essential that a successful induction programme is initiated with these new staff to Cheshire East.
- 10.3 The increased financial accountability will bring potentially increased pressures on current staff to meet the demands associated with the transfer of 16-19 funding. This financial capacity will have to be monitored closely as part of the transitional arrangements..

11.0 Background and Options

- 11.1 In June 2007, the Department for Children, Schools & Families (DCSF) announced, as part of the Machinery of Government changes, that responsibility for planning and funding for 16-18 year olds will transfer from the Learning and Skills Council (LSC) to Local Authorities in 2010. A key part of this structural change would require all Local Authorities to work within Sub Regional Groupings which promote localised collaboration, building upon current successful partnership arrangements.
- 11.2 Through the React programme and the LSC, this shadowing year will include a detailed programme of training and development for both transferred staff and Local Authority staff. This training programme will commence in November.
- 11.3 Existing work as part of the normal LSC activity with local Authorities will continue during this transition year. The key activity this term includes the completion/agreement of a Local Area 14-19 statement of need.
- 11.4 The Sub Regional Group is currently undertaking a programme of meetings of staff across all three Local Authorities in terms of both induction as well as identifying priority actions resulting from the transfer arrangements. Key groups of staff who will be establishing regular meetings include HR, Health & Safety, Audit, Learners with Learning Difficulties or Disabilities (LLDD) and Contracting.
- 11.5 As well as its continuing development of constitutional arrangements, the Sub Regional Group are very keen to utilise its newly formed collaborative powers to begin to tackle the strategic issues which are common across the sub region. The initial focus areas will include reducing NEET as well as travel to learn patterns with neighbouring authorities who are not part of our sub region.

12.0 Overview of Year One and Term One Issues

- 12.1 As of September 2009, the Post 16 transfer arrangements have commenced in that we are now within the identified transition year which runs through to April 2010 when the full transfer of responsibilities moves to the Local Authority. The Sub Regional Group will monitor all transfer arrangements throughout this year with the strategic core group currently meeting on a three week cycle. The LSC have identified a calendar of dates when key actions will be required. Many of these relate to allocated funding to Local Authorities and this will be determined through the National Commissioning Framework which is due out for consultation later this month (October). It is expected that actual figures in terms of funding to Cheshire East schools and colleges will not be finalised until March next year.

- 12.2 In terms of LSC transferred staff, October 1st saw the commencement of the formal shadow arrangements which requires the Local Authority to establish effective induction processes for the 5 staff. A national training framework will also commence in november to support the transfer arrangements.

13.0 *Access to Information*

The background papers relating to this report can be inspected by contacting the report writer:

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