



University of Wollongong

Statement of Priorities 2010/11

Provider Strategic Briefing Session

January 2009

Objectives



Learning Skills Council

To share with Providers/Partners

- Key policy changes
- Commissioning Cycle 2010/11 for Young People's Learning
- Investment Strategy
- Allocations Process
- National Commissioning Framework

Agenda



University of Walsley

1. Introduction
2. Commissioning Cycle 2010/11
3. Budgets and Funding Policy
4. 14-19 Qualification Strategy
5. Allocations process
6. 16-18 Apprenticeships (NAS)
7. SFA – Post-19 Skills Investment Strategy
8. NCF – an overview
9. Questions and Answers

National Statement of Priorities



- Will cover priorities for 16-18 year olds only (including 19-25 LLDD)
- Produced by LSC, but foreword by Les Walton as Chair of its YLPA Committee
- Secretary of State endorsement, published alongside the Grant Letter
- More of an LA-focused document: recognises that although LSC will commission for 2010/11, LAs will be responsible for delivery
- Awaiting decisions from DCSF regarding budget settlement, learner numbers and changes in funding policy
- Grant letter will be re-issued to the YPLA when it is established
- YPLA will adopt' the Statement of Priorities, as the LSC cannot publish on behalf of the YPLA.



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Session 2

Commissioning Cycle 2010/11

Commissioning Cycle 2010/11



Local Strategic Council

To aid delivery of the LSC's core functions of commissioning, procurement, allocations and performance management we design a Commissioning Cycle

LSC Commissioning Cycle for Young People's Learning 2010/11 (1)



The table below describes the Commissioning Cycle 2010/11 key activities from October to December 2009

October – December 2009

Regional

- Regional strategic analysis
- Local Area Statement of Need published
- Shadow Regional Planning Groups discuss 16–18 regional apprenticeship demand with the National Apprenticeship Service (NAS)
- Regional volumes and assumptions determined
- Provider and local authority briefings; December – January

National

- Funding envelope confirmed
- Bulk provider refresh of Qualified Provider Framework
- Policy for Minimum Levels of Performance 2010/11 published

LSC Commissioning Cycle for Young People's Learning 2010/11 (2)



The table below describes the Commissioning Cycle 2010/11 key activities from January to March 2010

January – March 2010

Regional

- Provider and local authority briefings; December – January
- Consolidated / sustainable baseline allocations (without negotiated growth) communicated to providers: 16 – 18 Learner Responsive (School Sixth Form and FE Youth); January
- Regional Commissioning Statements published
- Invitations to tender (ITT) issued for youth provision
- Provider Dialogue
- NAS to provide National Apprenticeship Delivery Statement to shadow Regional Planning Groups, to summarise the apprenticeship starts that will be procured by the Skills Funding Agency to deliver the apprenticeship ambition set out in the Regional Commissioning Statement
- Final negotiated allocations to providers: 16–18 Learner Responsive (School Sixth Form and FE Youth); March
- Final negotiated Maximum Contract Values: 16–18 Apprenticeships; March
- FE College Notices to Improve triggered

National

- National Statement of Priorities published
- National funding rate published
- First release of Funding Guidance (including Standard Learner Number values) published
- Negotiated growth allocations communicated to regions; January

LSC Commissioning Cycle for Young People's Learning 2010/11 (3)



The table below describes the Commissioning Cycle 2010/11 key activities from April to August 2010

April – August 2010

Regional

- Powers and duties transferred to YPLA
- Tendering decisions for youth provision (local authorities)
- Further opportunity to issue ITTs for youth provision
- Contracts awarded for youth provision (local authorities)
- Contracts and Financial Memorandums issued for youth and 16–18 Apprenticeship provision
- Allocations / Contracts start

National

- Powers and duties transferred to YPLA
- YPLA Funding Guidance published

16-18 Allocations Timeline



Learning Skills Council

- For youth learner responsive
 - By January 2010; consolidated / sustainable baseline allocations communicated
 - January – February 2010; potential growth numbers discussed with providers
 - By end of March 2010; final allocations including negotiated growth
- For 16-18 Apprenticeships (employer responsive)
 - By end of March 2010; Maximum contract values 2010
- For LLDD
 - Referrals agreed from December 2009 onwards
- For ALS
 - Same as youth learner responsive (by end of March 2010)
- For tendered provision
 - Ongoing depending on OCT timetables

Key Stages for LA / SRG / Shadow RPG involvement



Local Strategic Commission

- Ongoing input to planning and analysis
- Refresh of 14-19 Plan by LA in October
- Production of LASNs by Residency and Participation by LA / SRG in October
- Regional Commissioning Statements by LSC / RPG in November / December
- Provider Briefings in December / January
- Negotiated Growth agreed with Shadow RPG in February
- Local Commissioning Plans by LSC / RPG in February
- Strategic Analysis for 2011/12 for start of NCF

Targets and Priorities: Youth



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Targets

- 82% of young people achieve Level 2 by the age of 19
- 54% of young people achieve Level 3 by age 19
- 86% of 17 year olds participating in education or training
- 62% of those in receipt of free school meals at 16 achieve Level 2 by age 19

Priorities

- Reduce gap in attainment of Level 3 at 19 between those who were in receipt of free school meals and those who were not by 1.8 percentage points
- Reduce the proportion of 16-18 year olds NEET to 7.7% by 2010

Commissioning Approach 2010/11



- LSC remains accountable for commissioning and allocations in 2009-10
- Commitment will remain to ensuring that the commissioning strategy encourages existing and successful providers to develop and be innovative
- Negotiated commissioning is our preferred route for securing provision – including provision displaced by MLP

Tendering

- There will be circumstances where tendering will be used
 - to fill gaps
 - to replace poor provision
 - to cater for new / niche provision to meet ESF commitments
- This will continue to be co-ordinated through an e-tendering solution and will follow a structured process
- Where innovation in delivery is required for specialised or local services, a less structured tender process may be used to stimulate flexible approaches to delivery.

Tendering Processes



- The QPF will continue to be used to determine with whom tenders will be invited from the LSC, up till April 2010.
- Set up to pre-Qualify organisations to receive tenders for delivery of Education & Training only
- QPF launched October 2008 and can be used until 2012
- PQQs split into Complete Me First , Type 1 In year Responsive and Type 2 Employer and Learner Responsive
- Freeze date announced with 30 days notice
- Responses received on or before Freeze date downloaded and evaluated
- ITTs issued to those successful organisations as and when required and linked to Commissioning Statements
- Programme Specifications will need to be made available in sufficient time to meet the tendering timeline requirements
- Open tendering normally undertaken at three points each year (or as required) – January/May/September
- The SFA will move to using the Approved Supplier Register (ASR) from April 2010

Main Changes



- Increased line of sight between national and regional planning and modelling
- Integrated data sets created by Regions for Youth from Data Service and other sources to support the 14-19 planning activity
- Sustainable / consolidated baseline allocations by xx January 2010
- Dialogue with Schools / FE regarding growth requirements
- LAs, SRGs and RPGs actively involved to advise LSC and to build capacity
- NAS with the Shadow SFA will deliver the 16-18 Apprenticeship allocations
- Allocations moderated at SRG / RPG level for regional coherence and overall affordability
- F05 closure date brought forward – in 2009 it was Feb-09 using 07/08 data; in 2010 it will be available by 21 Jan-10, using 08/09 data
- 2009/10 census data /F01/F04 ratio used for sustainable funding position on xx Jan



Faculty of Law

Session 3

Budgets and Funding Policy

Investment / Funding Policy



Law Society of Scotland

(an update)

- There have been significant pressures generated by greater than expected levels of participation
- Final detail on overall budgets and key funding policy decisions are awaited
- Recruitment data for 2009/10 available in December
- The slides in this section and in section 3 (allocations process) are our best understanding of the current position

Priorities for Success 5



Learning Skills Centre

Priorities for young people –

- Participation
- Attainment
- Progression

Learners with Learning Difficulties and/or Disabilities

- Budgetary control, Roles and responsibilities
- Independent Specialist Providers (ISPs)
- Ofsted Review
- Local provision
- Inclusion in mainstream learning
- Employment, Access to Apprenticeships
- Research into funding of post 16 SEN in schools

Investment Strategy (1)



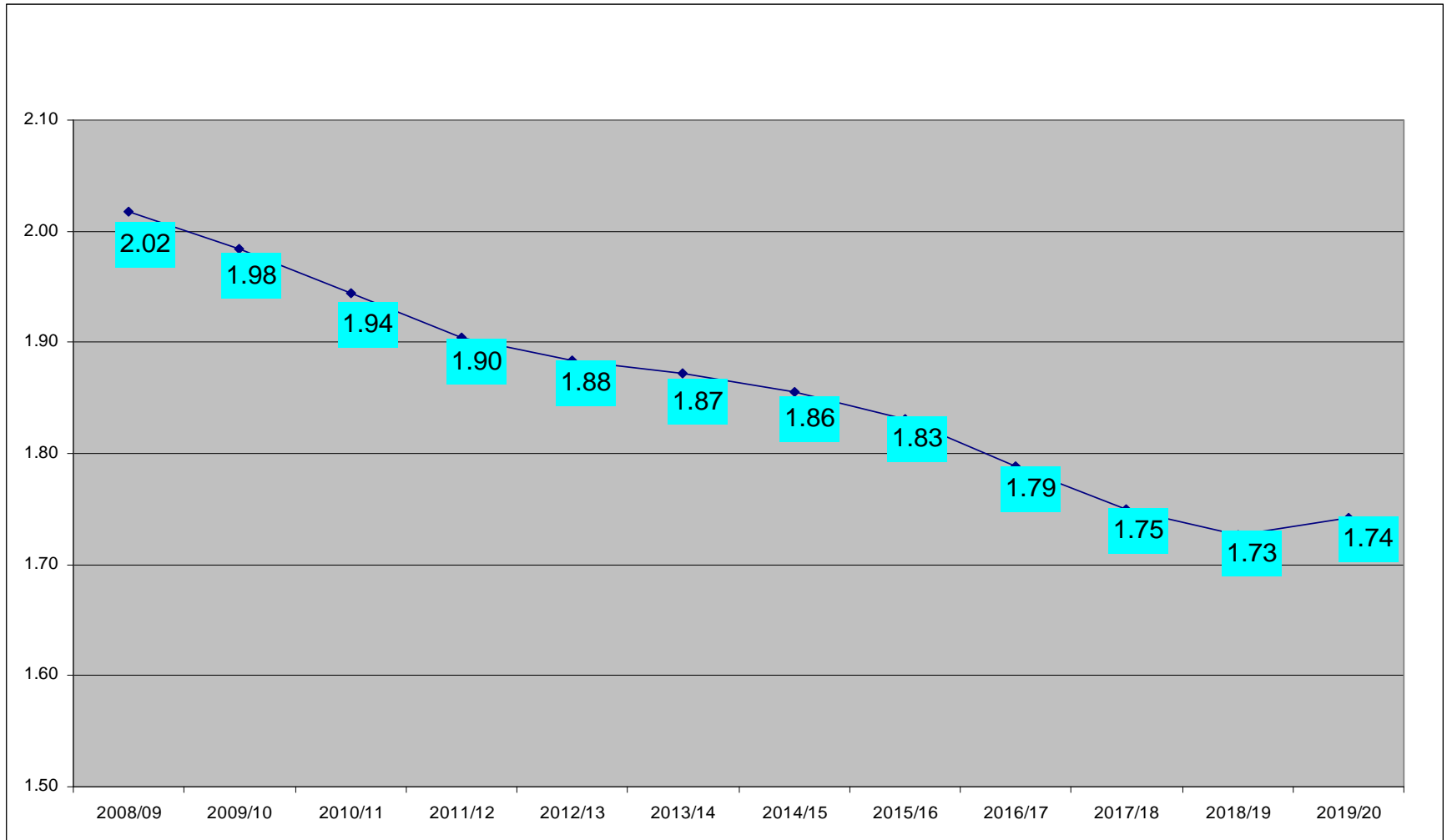
Learning Skills Centre

Key Messages

16-18 participation is increasing

- Participation for 16 year olds in 2010/11 - 96%
- Participation for 17 year olds in 2010/11 - 93%

16-18 population 2008/09 – 2019/20



Investment Strategy (2)



Learning Skills Council

Key Messages

16-18 budget is rising to match participation

- 2010-11, another record year for investment in education & training for young people

Unit costs are increasing

- Inflation
- Increased Success Rates
- Increases in size of learner programmes
- Recruiting more learners from disadvantaged areas

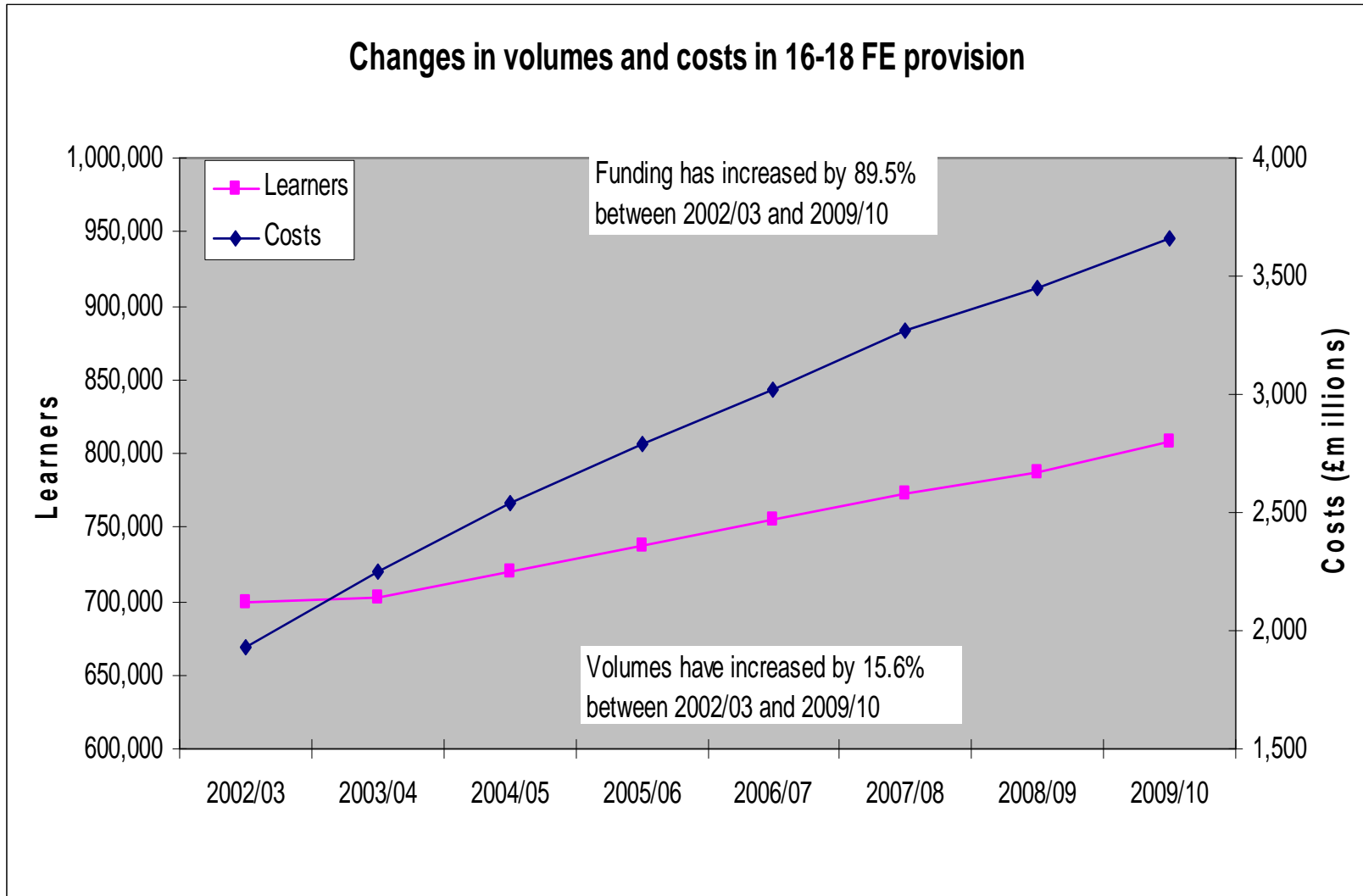
Government has asked education sector to absorb some of these costs for 2010-11

- Efficiencies required

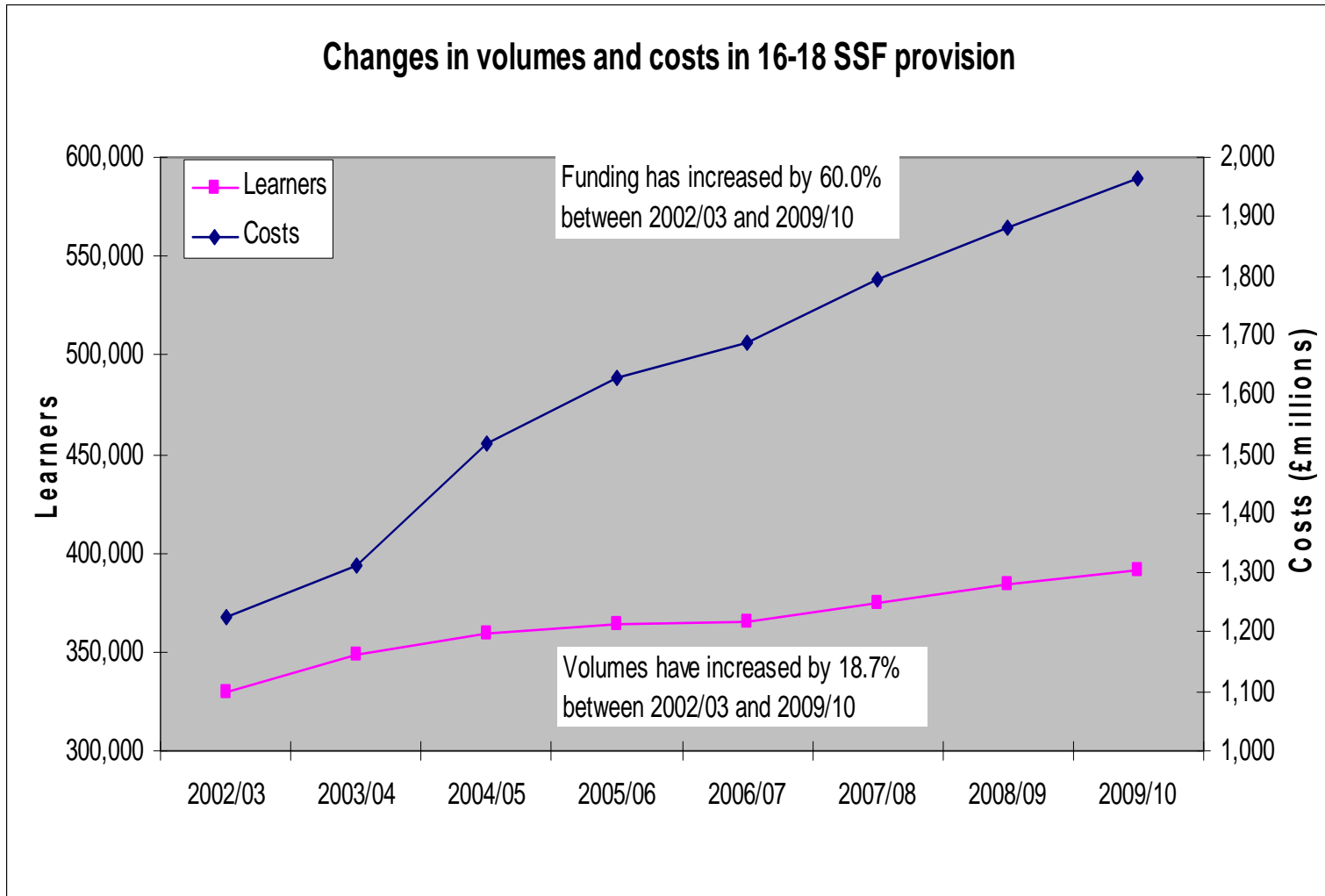
FE funding 2002/03 – 2009/10



Learning Skills Council



School sixth form funding 2002/03 – 2009/10



14-19 Strategy



Learning Skills Council

First year of expecting providers to shift provision towards 4 national routes:

- E2E integrated into FL
- FE Foundation to FL
- Increases in Apprenticeships
- Increases in Diplomas
- Control over Components and Stand-Alones

Integrating FE and E2E into FL



Learning Skills Council

- No E2E funding stream or mechanism
- Vast majority of provision to FL Programme Specification
- Weekly route for contingency
- One allocation for FE foundation and E2E
- Control over Components and Stand-Alones
- Eligible for entitlement funding

Three categories of learner

- E2E Carry Over
- Qualification Funded
- Weekly funded (for start period only)

Community Service across FL

European Social Fund (ESF)



- ESF - improves employment opportunities in the EU and so raises standards of living. Helps people fulfil their potential by giving them better skills and better job prospects.
- Approx £53m for 17,000 learners 2010-11 (of which approx 5000 additional to those also supported by mainstream)
- Supports YPLA priorities by:
 - Enhancing effectiveness of mainstream for those with barriers to learning
 - Supporting additional volumes by engaging those who have not yet accessed mainstream
- Focus on: young people in jobs without training with multiple barriers to participation; Specific groups of disadvantaged young people to narrow the attainment gap; individually tailored packages of education and support
- The SFA will manage a Shared Service for ESF on behalf of YPLA and Local Authorities, through a Shared Service Agreement

OLASS Investment



Learning Skills Council

Historical Approach

- Funding
- Hours
- Information, Advice and Guidance (IAG)

New Funding Methodology

- Bed price Model
- Bed price allocation
- Investment



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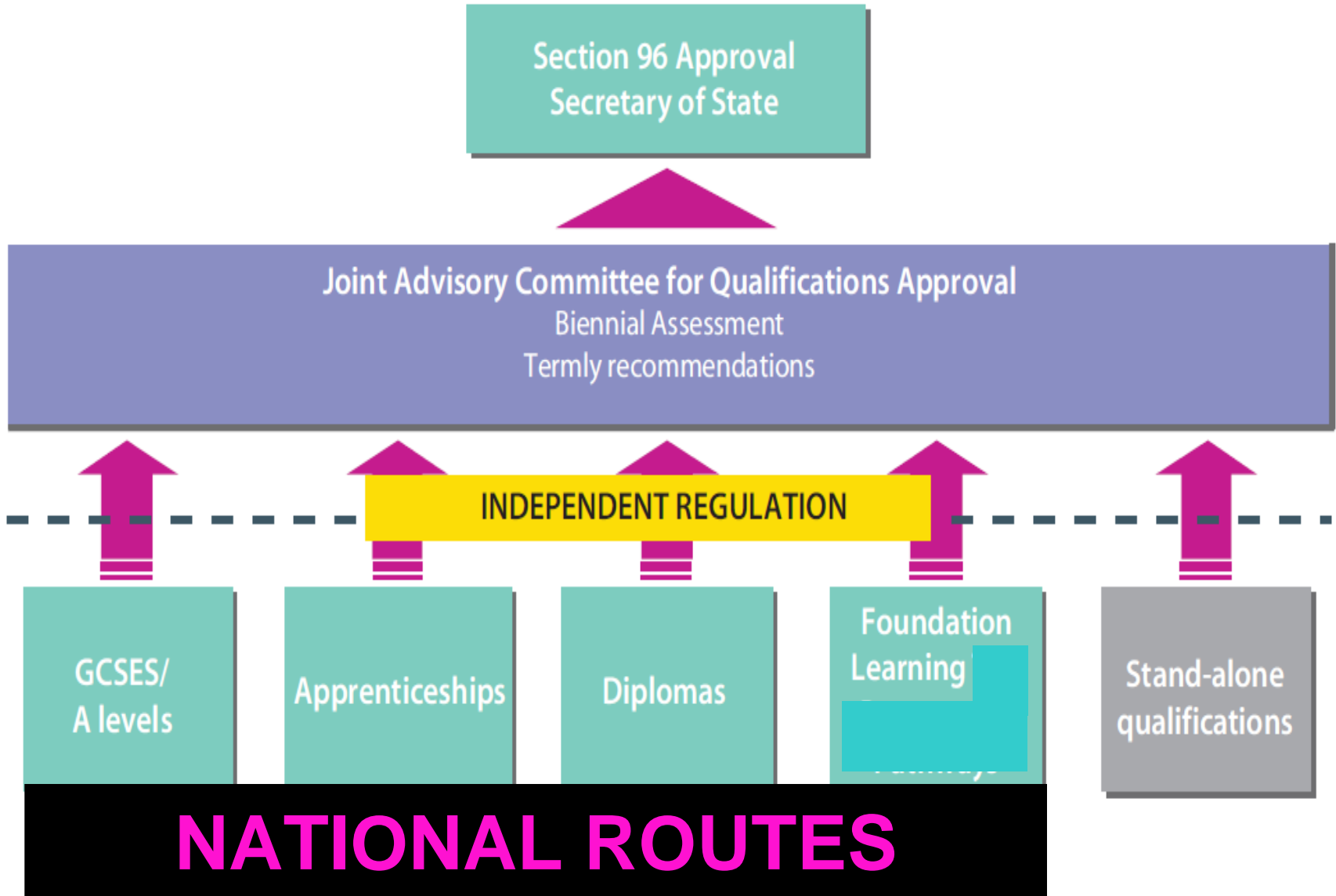
Session 4

14-19 Qualifications Strategy

14-19 Strategy



Learning Skills Council



Who Decides?



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The Secretary of State approves external qualifications, for use for young people under section 96 of the Learning and Skills Act 2000, following accreditation by Ofqual, and having received advice from the Joint Advisory Committee for Qualifications Approval (JACQA)

OfQUAL - independent regulator of qualifications, exams and tests in England, with the sole responsibility for the accreditation of public qualifications

JACQA - The Joint Advisory Committee for Qualifications Approval (JACQA) is made up of representatives from Higher Education, Employers and all parts of the education sector will advise the secretary of state on whether qualifications meet these criteria

14-19 Qualification

Hierarchy by 2011/12

- Should do a full national route (1 of 4)
- If not available, then component
- If component not available then Stand Alone
- Before funding anything else

Timetable



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2009/10 – Establish a formal process for awarding organisations to submit a business case to JACQA for the approval of stand alone qualifications.

2010/11 – Ask providers to detail their contribution to the Young Peoples entitlement in terms of the 4 national routes, components and stand alone qualifications, via a nationally consistent planning tool.

2011/12 – Expect to see a significant shift towards the delivery and participation of the 4 national routes.

2012/13 – Expect providers to justify any provision that is not meeting this criterion.

2013/14 – Switch off funding that does not fall within the national routes, components of, or approved stand alone qualifications.



Session 5

Allocations Process

Key Dates for 2010/11



Ministry of Justice

Activity	Key Date
Final Data, Provider Factors etc (F01)	Dec '09
Sustainable Baseline	Jan '10
Dialogue / Local Review	Jan / Feb '10
Final Allocations	March '10



Key Elements of the Process - 1

Key Principles

Level of Allocation / Contracts

- Allocations for learner responsive provision will be at Provider level with a single LA acting as a lead commissioner for all providers based in its area.

Foundation Learning

- Foundation Learning will not be a separate budget in 2010/11, as E2E has been, it will be contracted/allocated as 16-18 Learner Responsive provision and shown as an “of which” in allocations and highlighted as such in “16 to 18 Planning Volumes”

Learners aged 19-24 with LLDD

- Funding for LLDD learners and are aged 19-24 inclusive will be allocated as a discrete line within the allocation.

Funding Formula



University of Wales

$$\begin{aligned} & \text{Standard Learner Numbers (SLNs)} \\ & \quad \times \\ & \quad \text{National Funding Rate} \\ & \quad \quad \times \\ & \quad \quad \text{Provider Factor} \\ & \quad \quad \quad + \\ & \quad \quad \quad \text{Additional Learning Support (ALS)} \\ & \quad \quad \quad \quad + \\ & \quad \quad \quad \quad \text{Pension Funding (SSF only)} \\ & \quad \quad \quad \quad \quad = \\ & \quad \quad \quad \quad \quad \text{Funding Allocation} \end{aligned}$$

Funding Formula



University of Wales

- Funding Rates / SLN
- Minimum Funding Guarantee
- Annual review of Learner Responsive SLN values will be finalised by December and published in January
- Transitional Protection will be reviewed once the full impact of the allocations process is fully known
- In-Year Adjustments
- Funding Gap

Calculation of Learner Numbers 1



Learning Skills Council

Step 1 – Consolidated Baseline

Numbers determined from:

- SSF Autumn 2009 school census data
- FE 2009/10 F01 data uplifted to full year estimate using 2008/09 F01 to F04 ratio

F01 to F04 Business Cases:

- Catastrophic data failure
- Significant change in pattern of recruitment
- Changes linked to infrastructure changes

Calculation of Learner Numbers 2



Learning Skills Council

Step 2 – Sustainable Baseline

Numbers adjusted for changes in cohort size:

- SSF – difference in size between current year 11 and previous year 11
- FE – LAs aggregate difference between current year 11 and previous year 11 (based on existing recruitment pattern)
- Applied to current year 12, similar approach then used for years 13 and 14

Example of Cohort Change



London School of Commerce

School Sixth Form 1

Calculate a change rate for each year group

learner number data from Autumn 08 Census for school X

NC year Group 11	NC year group 12	NC year group 13	NC year group 14
222	64	63	0

learner number data from Autumn 09 Census for school X

NC year group 11	NC year group 12	NC year group 13	NC year group 14
200	69	47	3

change rates school X

	year 11	year 12	year 13
%age reduction	-9.90%	7.80%	-25.40%
change rate	90.10%	107.80%	74.60%

Example of Cohort Change



University of Wollongong

School Sixth Form 2

Cohort change calculation	results
09/10 year cohort 12 x year 11 change rate = 69 x 90.1%	62.2
+09/10 year cohort 13 x year 12 change rate = 47 x 107.8%	50.7
+09/10 year cohort 14 x year 13 change rate = 3 x 74.6%	2.2
Total Learner number allocation	115

cohort change = -4

Example of Cohort Change



Learning Skills Centre

FE 1

Calculating “year 11” change rate for a provider:

- Use total year 11 pupils in schools in each LA in 08/09 and 09/10 to calculate year 11 change rate for the LA
- Identify no of 16 year olds in FE provider from each LA in 09/10
- Estimate no of 16 year olds from each LA in 10/11 (yr 11 change rate for LA x no. of learners in 09/10 from that LA)
- Overall change rate = total estimated 10/11 divided by total 09/10

Example of Cohort Change

FE 2



London School of Commerce

calculation of year 11 change rate for college X

Local Authority	2009/10 16 year old learners	LA change from 2008/09 to 2009/10	estimated 2010/11 16 year old learners
A	337	0.98733	333
B	525	0.98876	519
C	1	1	1
D	1	1.00476	1
E	135	1.00698	136
F	35	1.01061	35
G	6	1.02714	6
Z*	3	1	3
College X Totals	1043		1,034
College X year 11 change rate		0.99167	

Example of Cohort Change



Louisiana State Council of Education

FE 3

learner number data from 08/09 F01 for college X

16 year olds	17 year olds	18 year olds
1060	1086	780

learner number data from 09/10 F01 for college X

16 year olds	17 year olds	18 year olds
1043	1056	800

College X change rates

year 11	year 12	year 13
99.167%	98.396%	97.238%

Example of Cohort Change



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FE 4

cohort change calculation	results
09/10 year cohort 12 x year 11 change rate = 1043 x 99.167%	1034
+09/10 year cohort 13 x year 12 change rate = 1056 x 98.396%	1039
+09/10 year cohort 14 x year 13 change rate = 800 x 97.238%	778
Total Learner number allocation (09/10=2899)	2851

Cohort change = -48

Calculation of Learner Numbers 3



Local Schools Council

Step 3 – Infrastructure Change Adjustment

- Approved capital build
 - Closing or opening schools
 - Mergers
 - Opening of Academies
 - Competitions (200+)
-
- All changes will need to go to Regional and National moderation and will be subject to affordability

Calculation of Learner Numbers 4



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Step 4 – Negotiated Growth

- National calculation of available growth allocated to regions based on NEET data as a **proxy** for participation gap (to be confirmed)
- Allocated to individual providers to support:
 - NEETs
 - Gaps in provision to meet September Guarantee
 - Other needs identified in 14-19 plan and regional commissioning statement

Academies



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- Academies submit learner numbers to DCSF
- Provided to LSC
- Regions to sense check and feedback
- Joint moderation meeting
- Feedback to regions

SLN to Learner Ratio 1



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Key aspect of allocations process - represents size of learners programmes

- Should the latest (08/09) ratio be used, would build in all unplanned increases in programme size
- Use lower of 09/10 allocated and 08/09 actual ratio
- Business cases needed for changes to ratios – subject to meeting agreed criteria and affordability

Criteria for business cases:

- Shift from part-time to full-time
- Flexible recruitment patterns (likely to be a decrease in SLN:learner linked to an increase in F01:F04)
- Policy-driven curriculum infrastructure change (IB, Diplomas)
- Integration of E2E in Foundation Learning

SLN to Learner Ratio 2



University of Exeter

Currently significant variations between providers – formulaic approach to address the extremes:

- Providers in the top 10% of SLN/learner ratio identified by provider type
- SLN/learner ratios reduced by 50% of the gap - appeals to Regional/National moderation
- Savings used to increase SLN/learner ratios for bottom 10%/exceptional cases

Funding Rates



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- National Rates - to be announced in Statement of Priorities
- Transitional Rates
 - policy to be agreed based around National Rate
 - most FE on the National Rate
 - outlier policy for schools and small number of FE institutions with extreme rates

Outliers



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All schools and colleges with a funding rate per SLN of £3,600 or more will have a reduced rate in 2010/11

- From 2009/10 introduced a process to reduce the SLN rate where this was above the national rate for the type of provider
- Aim to bring all providers to the national rate by 2012/13
- 2009/10 48 providers, with a rate greater than £3800
- 2010/11 additional 42 providers with a rate above £3600
- A reduction of 33% of the difference between their rate and £3200 for that year and 2 subsequent years

Provider Factor



University of Warwick

- Elements as before, no significant changes – likely to be little change from last year for most schools and colleges
- Figures calculated from F04 and summer census – so earlier data than previously
- **Same factors used in final allocations as in baseline**
- Main issues are around success factors



Key Elements of the Process – 2

Success Rates

- 2007/08 FE success rates
- 2008/09 Learner Responsive (FE success rates
- Minimum Levels of Performance
- 2007/08 School success rates

Why use 07/08 success rates for 10/11 allocations?



Local Schools Council

- Schools data not due until first week of February and of dubious quality
- FE data not due until January
- New FE methodology – uncertainty of quality

2007/08 FE QSR



Learning Skills Council

- Success rate is defined as: $\text{achievers} / (\text{starts} - \text{transfers})$
- Cohort includes funded and non-funded aims
- Exclusions: Additional units, Diagnostic tests, Tutorial support, Complimentary Studies, Ufi, Olass, Key Skills, Transfers
- Success Factor is defined as: $(1 + \text{QSR}) / 2$

2008/09 LR QSR Changes



Learning Skills Council

- 6 week rule – align with Demand Led Funding
- Cohort consists of LSC funded learning aims only
- Learners below the age of 16 are excluded
- QCF units are excluded
- National Vocational Training Pilot is excluded
- Entry 2 Employment is excluded
- Programme Led Pathways at programme level excluded
- Diplomas at programme level are excluded
- Flexibilities are excluded
- First Steps are excluded

Impact of Changes



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- Excluding FE NVQs in the 2007/08 success rates increased the national level success rate by a negligible amount
- Including only LSC funded learning aims decreased the national level success rate by (just over 1% point)
- Excluding all learners below the age of 16 from success rates had very little or no impact nationally
- 6 week rule – effect was a small decrease nationally (less than 0.5 % points)

Minimum Levels of Performance



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- No change in methodology, although AS levels will be excluded from MLP
- No change to threshold in 2008/09
- Weighted success rate based on guided learning hours for the life of the learning aim
- Weighted success rate by sector subject area
- Detailed guidance will be published in late November /early December in an update of Identifying and Managing Underperformance

Minimum Levels of Performance



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Programme/qualification type	Minimum level
FE long qualification Level 1	60%
FE long qualification Level 2	60%
FE long qualification Level 3	60%
A-Levels	75%
FE long qualification level 4 or higher	58%
FE short qualification (all levels/5 to 24 weeks)	62%
Apprenticeships (full framework)	50%
Advanced Apprenticeships (full framework)	50%
Train to Gain	65%

2007/08 SSF QSR (1)



Learning Skills Council

In theory

A school's 2007/08 success rate should have been:

- The % of learning aims that were expected to be completed in 2007/08 that were successfully completed

What went wrong

- No achievement data on uncashed AS
- Some awarding body data couldn't be matched to census data
- In some cases, it wasn't possible to be sure whether the grade information was meant to show a pass or fail
- The census didn't show whether aims were completed – most were marked as 'continuing'

2007/08 SSF QSR (2)



Learning Skills Council

What happened in practice

Success Rates are defined by:

Success Rates = Year 12 retention factor * Year 13 success factor

Exclusions:

Vocational programmes

Level 1 programmes

Unmatched awarding body aims

What happened in practice: Many schools complained

2007/08 SSF QSR and 2010/11 allocations



Legal Services Commission

Using the Autumn 2008 census data

Making adjustments for those who put August end dates in

2008/09 SSF QSR



Learning Skills Council

- Much improved data quality
- Uncashed AS issue remains
- Poor achievement data on vocational quals and entry level quals
- Work starts once data is here in February



lsc@lsc.org

Additional Learning Support



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- Currently no major changes planned
- Retain 60/40 for FE
- Expecting more movement this year
- 19-24 LLDD not yet resolved

- Rate per SLN based on previous cohort's Maths and English GCSE results
- SSFs 100% calculated through ALS rate per SLN
- 16-18 Learner Responsive:
 - Lower level calculated through ALS rate per SLN (60%)
 - Lower level discretionary
 - Higher level discretionary (£5500+)
- 19-24 LLDD – policy on funding these learners still to be agreed

Entry to Employment

- Impact on Allocations (1)

- FE and E2E learner numbers and SLN treated separately initially (step 1)
- Combined figure produced for baseline, reduction for any double-counting
- Single figure used for steps 2 to 4, and for final numbers, SLN for 2010/11 allocation
- Potentially some moderation of SLN for E2E-only providers

Entry to Employment Learner Numbers and SLN - Example



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	Learners		SLN/learner ratio		SLN
FE	100	X	1.3	→	130
					+
E2E	40	X	0.8	→	32
					↓
Overall	135		1.2	←	162

Entry to Employment

- Impact on Allocations (2)

- **Provider factors**
 - **E2E and FE combined for 2010/11**
 - **E2E specific features still apply during transition**
 - **Programme weighting (1.3), Success factor (0.88), Area costs based on delivery location**
- **Additional Learning Support**
 - **Historically included in SLN**
 - **Separated out for 2010/11**
 - **Foundation Learning eligible for formulaic and discretionary ALS**

Key Data Returns



Learning Service Company

FE

F04 (08/09): *7 September* return date

18 November final closing date

- used for all elements of provider factor except success rates
- also used for whole-year learner numbers and SLNs

F01 (09/10): *7 December* return date

- used for in-year learner numbers to inform baseline
- key date – no extensions possible

Schools

Summer census (08/09):

- used for all elements of provider factor except success rates
- also used for whole-year learner numbers and SLNs

Autumn census (09/10):

- used for in-year learner numbers to inform baseline

Our
future.
It's in
our hands.



Session 6

Apprenticeships

Presented by
November 2009

Introduction

- **The National Apprenticeship Service**
- **The National Apprenticeship Skills Strategy**
- **Delivering a new ambition for Apprenticeships as part of the new package for skills investment**

Priorities for the National Apprenticeship Service

- Our vision is ‘that by 2020 every employer will value an Apprenticeship as the key route to equipping them with the skills they need for their business’
- Promoting Apprenticeships and their value to learners and employers and working with colleges/providers to open up new opportunities. Working through the account management system.
- National Apprenticeship policy in terms of delivering the skills white paper (working with Joint Apprenticeship Unit)
- Directly accountable to Ministers for the delivery of Apprenticeship growth and delivery of targets
- Commissioning the funding and delivery priorities for Apprenticeship places
- Responding to the specific challenges in funding 16-18 Apprenticeships in each LA/SRG/RPG.

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Priorities for Success for Apprenticeships

Priorities for Success of Apprenticeships



- Apprenticeships, Skills, Children and Learning Bill will put Apprenticeships on 'statutory footing' for the first time
- Investment increasing by 12.2%: 21,000 extra places
- All suitably qualified young people to have access to an Apprenticeship in one of two chosen sectors by 2013
- Move towards 1 in 5 young people undertaking an Apprenticeship by 2020
- Responsibility on the NAS to promote progression for young people to a level 3 Apprenticeship
- Need for more employers to support the programme a priority for the NAS
- Public Sector priority – historically low level of Apprenticeships
- Apprenticeship trials to increase employer support
- Critical Mass Pilots to help address inequality and stereotyping in the take up of Apprenticeships and increase diversity of the programme

The Skills Strategy and a new focus on Advanced Apprenticeships

- While acknowledging its focus on adults, the priorities in the Skills Strategy are relevant for young people on Apprenticeships
- Significant expansion of Advanced Apprenticeships is the Government's 'central plank' for meeting the needs of higher level jobs
- Will boost the numbers and availability of Level 4 apprenticeship frameworks
- Work with DCSF will see the development of 'University Technical Colleges', increase the flow of young people with vocational skills and increase the number of young people progressing from an Apprenticeship to an Advanced Apprenticeship
- From April 2011 all Level3/4 frameworks must have UCAS tariff points

Our
future.
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**Delivering the
Apprenticeship
Ambition**

Employer Priorities

- **To increase the number of employers who offer Apprenticeships**
 - **Direct NAS employer engagement activity**
 - **Enhanced provider employer engagement**
 - **Specific focus on the public sector with a target for 20k extra starts in 2009-10**
- **To increase employer support for priority learners**
 - **16-18**
 - **19-30**

Learner Priorities

- **Increase the number of 16-19 year olds undertaking an Apprenticeship and enable progression into Advanced Apprenticeships**
- **Provide clear progression routes from an Apprenticeship to Higher Education – key component to the new national specification for apprenticeship standards**
- **16-19 Action Plan**
 - **Jobs Without Training**
 - **Employer Engagement**
 - **Local Authorities**
 - **GTA/ATAs**

Our
future.
It's in
our hands.



Apprenticeship Commissioning

Commissioning for 2010/11

- **LA's and the NAS to work jointly to commission Apprenticeships for young people**
- **YPLA provide overall analysis including Apprenticeships (will draw upon Apprenticeship vacancies in future years)**
- **LA's determine demand for places within SRG boundaries**
- **Annual dialogue between LA's/NAS to discuss demand and current performance**
- **LA's express Apprenticeship requirements as discussed within Local Area Statement of Need.**

Commissioning for 2010/11

- **Regional Planning Group's aggregate demand for Apprenticeships and ensure coherence with overall 16-18 planning**
- **NAS agrees Strategic Summary of Demand (for Apprenticeships) including needs agreed with RPG's and instruct Skills Funding Agency to commence procurement**
- **Following procurement process, summary of available provision to be available**

Procurement

- **Following the commissioning process with Local Authorities, the Skills Funding Agency will carry out the procurement of Apprenticeships on behalf of the NAS**
- **Strategic Summary of Demand to summarise requirements to Skills Funding Agency**
- **National contracting which reflects Regional and Local needs**
- **Specific procurement where specialist response is required**
- **Ongoing reporting to Local Authorities**

Session 7

Skills Funding Agency

Skills Funding Agency

- Responsible for all Government/public funding in adult skills and learning (except higher education)
- Ensuring individuals and employers can access the skills they need to:
 - develop their career
 - grow their business
 - contribute to economic recovery
- Delivery organisation
 - large scale programmes delivered efficiently and consistently across the country
 - National organisation with the capacity to respond to regional priorities
- Simplification – through account management structure

Account management

- A single national interface with each provider, covering:
 - negotiation/allocation of funding
 - performance management: monitoring and review
 - intervention, relative to risk
 - provider-specific projects (capital etc)
- A shift from the LSC's "partnership" management to a performance management relationship

Account management is not about acting as a provider's advocate or adversary - a neutral/objective view

Visits to providers less frequent

Providers to take on responsibility for issues with their data

Risk based approach to performance management

OLASS in custody, AACS and leadership and management managed by regional skills teams

Skills Strategy - themes

- **Prioritisation**
 - New Industry, New Jobs
 - young adults (19-30 year olds) – new ambition
- **Choice**
 - Skills Accounts rolled out
 - better information enabling demand to shape provision
- **Simplification**
 - reduction in number of bodies
 - ‘Earned autonomy’ for colleges and providers
- **Entitlements**
 - reaffirmed
 - other priority learning protected

Strategy

- Huge pressure on public finances – savings of £340m to be made across Business, Innovation and Skills
- Equates to about £240m savings from Skills Funding Agency participation budget
- Tried to minimise change – rates and volumes reduced rather than lots of micro changes
- Overall, investment going up: £3.5bn (total participation in 10-11 compared to £3.4bn in 09-10)
 - Of which, ALR – including Response to Redundancy provision - increases slightly (1.75 to 1.78bn)
 - Investment in Apprenticeships increases slightly
 - As does Train to Gain

Changes to funding **BIS** | Department for Business Innovation & Skills

For 2010/11 academic year:

- **Adult Learner Responsive**

- 3% cash reduction in rates
- Programme weighting for all Skills for Life provision (except target-bearing numeracy) – reduced from 1.4 to 1.2
- Reduction in UFI budget

- **Apprenticeships**

- 3% cash reduction in rates for adult Apprenticeships
- 10% reduction in rates for 25+ Apprenticeships

- **Train to Gain**

- Removal of premium funding increase (3%) applied in 08/09
- Further 3% reduction to rates
- Remove funding for units
- Reintroduction of co-funding for Train to Gain repeat Level 2s

- And reduction in rates for provision delivered to large employers

Reprioritisation

On top of savings, further reprioritisation within budgets:

Adult learner responsive

- Ongoing focus on target bearing/priority provision – significant reductions to Developmental Learning
- Need to define what constitutes priority provision
- LLDD will be protected
- Focus on numeracy – some competitive tendering

Employer responsive

- Money moved from Train to Gain to Apprenticeships – to support expansion of 19-30 places
- Within Train to Gain, c£100m focused on training for New Industries

Impact

- Impact on providers will be significant
- Some opportunities / flexibilities - principle of Earned Autonomy
 - **All institutions, except new/poor performing, will have full virement flexibilities within (although not between) their Employer Responsive and Adult Learner Responsive budgets.**
 - **Outstanding providers identified on the basis of Framework for Excellence indicators will have ability to vire between budget streams**
 - **Colleges/providers will still need to reflect national and regional priorities**
- We need to work with the sector to ensure this gives the flexibility needed to manage the scale of change – consultation from January 2010

- principles

Adult Learner Responsive

- Review of 2008/09 performance to inform 2010/11 allocations
- Options for agreeing allocations being considered
- All involve concept of initial baseline, plus adjustments
- Significant reduction in funding overall
- Aiming for a method which supports priority provision and minimises destabilisation of providers

Employer responsive

- Review 09/10 performance using period 5 data
- Renegotiate April to August portion of 09/10 contracts – agreement of smooth profiles for 10/11 year
- Calculate costs of carry in learners
- Re-allocate remainder of funds to meet strategic priorities e.g. New Industry sectors

- Quarter 1 review of employer responsive provision begins – November
- Letter to providers setting out allocations process – December
- Changes to 2009/10 maximum contract values – January/February
- Account management dialogue with providers – begins in January
- Minimum levels of performance data used to inform 2010/11 allocations – January/February
- Notification of allocation to providers – March/April
- Contracts issued to providers - May/June



Faculty of Law

Session 8

National Commissioning Framework

National Commissioning Framework



The NCF is intended to help the system provide the best outcomes possible for all young people to enable them to reach their potential and gain the skills needed for employment and rich fulfilling lives. The main objectives for the commissioning process are to:

- Determine the education and training needs of young people in each area and to ensure that;
 - provision is available for all young people to progress in learning, including delivery of the learner entitlements.
 - the quality of provision at least meets minimum standards (e.g., of accreditation), and continues to improve.
 - provision is commissioned within the framework of the national funding system.
 - provision is affordable.
- Enabling 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

Timetable for delivery

- Development, including testing in 2009
- Consultation period: November 2009 – February 2010
- Consultation report – February 2010
- Revised version for approval - March 2010
- Published by YPLA – April 2010
- Guidance applies to planning process for provision to be delivered in 2011/12 Academic Year
- Some aspects, including funding flows, apply from April 2010



Law Society of Scotland

Questions and Answers



University of Wuppertal

End