

Rt Hon John Denham MP
Secretary of State for Innovation, Universities and Skills
1 Victoria Street
London
SW1H 0ET

10 July 2007

Dear John

Machinery of Government changes and the Learning and Skills Council (LSC)

Thank you for your statement setting out the rationale for the creation of the new Department for Children, Schools and Families (DCSF) and the new Department for Innovation Universities and Skills (DIUS). The National Council has discussed the statement and has also started to consider the impact of the changes on the LSC and the wider Further Education (FE) system.

Ensuring the system continues to deliver for learners

The Council recognises that a huge amount of work is going on to understand the implications in detail and that there is a whole range of issues and questions that need to be resolved, as a matter of urgency. I will not attempt to cover all of these now but in the meantime, the Council agreed that it was important that we write to you to set out some of our views on key areas; and how we intend to support the DIUS and DCSF, the LSC and the FE sector during the forthcoming transition. We are also aware that the Sub National Review is due to be published imminently and that may have further implications for the LSC. I will write again subject to the outcome of that review.

As you know, the LSC has a strong track record of delivery for young people, adults and employers; and under its stewardship, the FE sector has gone from strength to strength. Skills and qualification levels have never been higher and there are more Apprentices in learning than ever before - our achievement rates are now comparable with the best in the world.

While the sharper focus on policies, programmes and services in the two departments is to be welcomed; the consequences of this new approach will take a lot of thought.

Focus on young people

The transfer of funding for 14-19 learning from the LSC to Local Authorities has significant implications for the LSC and for the FE sector; and indeed there are ramifications across the whole education sector, including for schools and for significant parts of the Higher Education sector. There is the potential for a great deal of disruption at a time when the system is working well, jeopardising the progress that has been made. The Council is concerned to ensure that these changes do not cause a loss in the momentum that has been built over the past few years, nor compromise our statutory responsibility to provide and fund relevant, high quality education and training for young people.

We will therefore do our utmost to make sure that the new policies and transfer in responsibilities at Department level do not have a negative impact on performance, or result in any kind of hiatus for learners– pre and post 19 – on the ground.

There is already evidence of confusion, and colleges, providers and partners are now putting on hold some of their plans for learners, until they receive further clarification and information.

We would therefore like to stress the need for urgency in resolving issues and in particular, the need to provide an indication of timescales as soon as possible. It is also critical that we regularly reinforce to the sector that the LSC remains responsible for 14-19 funding in the short term and that delivery of services for learners and employers must continue as planned. We must also reinforce that the DIUS and the LSC remain responsible for the Apprenticeship programme. Again, much has been achieved and we look forward to working with you and our partners on the Apprenticeship Guarantee and on plans to increase the number of Apprentices to 400,000 in England by 2020.

At a policy level, the LSC will have to work very closely with you and the new DCSF – and with Local Authorities - to ensure a smooth transition of responsibilities and funding, with the minimum amount of disruption for learners and providers.

As you are well aware, the LSC has a huge amount of expertise in the delivery of 14-19 learning and funding, and I know that Mark Haysom and his team are already working closely with officials in both Departments on the detail. I will also be writing to Ed Balls in similar terms, requesting to meet with him to discuss further.

Focus on adult skills

Of course the implications go far wider than young people. We look forward to continuing to deliver programmes and services for adult learners and for employers, not least through our highly successful and expanding Train to Gain service.

We are aware that the Sub National Review will be published imminently and we hope that its recommendations will build on the progress made in these key areas. In due course, we will also play a key part in the review of post 19 education and training.

The Council shares your concern that the focus on integrating employment and skills is not lost. The Leitch report has highlighted the critical importance of an integrated service for employment and skills, so that people are supported to get the right skills they need to get a good job and progress. We are keen to make sure that the new Departmental arrangements will strengthen links with the Department for Work and Pensions (DWP) and Jobcentre Plus further, so that our strategy for improving the skills of the nation also includes individuals out of work with no or low skills. If not, these individuals will be left behind in our modern global economy. With that in mind, I will also be writing to Peter Hain at the DWP to reiterate our commitment to this important agenda.

We will also want to work with the new Department for Business, Enterprise and Regulatory Reform (BERR) and continue our close working with the Regional Development Agencies, so that skills continue to be seen as integral to the drive for global competitiveness.

Management of transition within the LSC

These changes bring a great deal of uncertainty to LSC staff and to staff in the FE sector. The LSC has just undergone considerable re-organisation as part of its transformational programme. This latest development – and particularly the speed and way in which it was announced - will be disheartening for staff who very recently had to reapply for jobs and who have taken up new positions within the LSC.

We employ committed and expert people and there will be a real danger that our staff and much of the new talent brought in as part of this re-organisation will leave at a time when we need them the most. It will also be important to communicate that the rationale for change is no reflection on their – or the LSC's – ability to deliver.

The initial reaction of LSC staff and Council members has been very professional and there is a real determination to continue to deliver our ambitious programmes for young people, adults and employers; and that when the time comes, we hand over a truly excellent system for the benefit of learners, with the minimum amount of disruption.

Role of Councils and Committees

You will appreciate that these changes come in the middle of a major streamlining of the LSC's 'non-executive' structures. The delays in the passage of the FE Bill through Parliament have led to an extended period of uncertainty, where local Councils and statutory Committees have been informed that subject to the necessary changes in legislation, they will be disbanded, but the timing has been unclear.

It is a great credit to all concerned, that they continue to fulfil their statutory role with energy and expertise. Equally, it would be wrong simply to take their goodwill and commitment for granted. Your help in continuing to recognise their contribution will be very important.

Meanwhile, the National Council, our Chairs and Council / Committee members around the country, will do all they can to support the executive team, both in terms of morale and in continuing to deliver services to learners, employers and providers.

There is much to do to, and you can count on us at the LSC to continue to work to the very best of our ability and to deliver what you and the rest of Government ask of us.

I shall be writing in similar terms to the Prime Minister, the Chancellor, the Rt Hon Ed Balls MP, the Rt Hon Peter Hain MP and the Rt Hon John Hutton MP.

It will be important for us to meet on a regular basis as we progress these issues.

Best wishes

A handwritten signature in black ink, appearing to read 'Chris Banks', written in a cursive style.

Christopher N Banks CBE
Chairman