

## Agenda for change Progress Report – Annex A

RAG	TREND	PRIORITY
Amber / Green	Steady	1 - 21
<p>The reporting this time has been grouped by project so the Board can get a good overview of the progress in each priority area. Each project reports on key achievements; forward look; current issues; interdependencies and risk management. At the end of this section risks that the board need to be aware of are identified separately.</p> <p>The DfES led priorities are also included for completeness.</p> <p><b>1. Promoting Excellence, Quality Improvement Strategy Amber/Red</b> The Consultation on the Improvement Strategy completed. However the publication of the Improvement Strategy has been postponed until 31 January to take account of Leitch. The Implementation Plan for the Strategy will be published at the same time. QIA and partners are consulting on the Leitch proposals in the strategy and will publish an updated version later in the year.</p> <p><b>2. Teaching and Learning, Learner Voice Amber/Green</b> The National Learner Panel and consultation on Personalisation launched on 22 November and finishes in February. The introduction of the FE Bill and regulation may generate high levels of public interest and correspondence.</p> <p><b>3. Workforce Strategy Amber/Green</b> Standards for Teachers and Leaders published in December. Work on ITT, leadership and CPD regulations is progressing. Submissions on draft regulations for Qualified Teacher Learning and Skills (QTLS) and to update the Minister on draft regulations for CPD are expected this month.</p> <p><b>4. Quality Landscapes Simplification Amber/Red</b> The merger of ALI and Ofsted is on track for 1 April. Issues around the ALI/Ofsted transition continue to require significant attention hence the rating.</p> <p><b>5. Assuring Quality, Eliminating Poor Performance Amber/Green</b> Delays in publishing the minimum level of performance and associated guidance will limit the sector's time to consider and subscribe to the concept of minimum levels of performance as a process. The LSC is responding to this by ensuring that there is clear communication via regions and through the annual provider dialogue so providers understand the implications of introducing minimum levels of performance. There is ongoing communication to local and regional LSC colleagues regarding content and direction of the guidance. Refinements have been completed and slippage will be addressed during January 2007. In the next three months the first wave of initial intervention measures implemented where action is required. The interdependencies identified for this priority are Framework for Excellence (balanced scorecard), Planning and provision commissioning processes, Competitions and infrastructure changes, Skills – Employer Standard, 14-19 Collaboration and Diploma Gateway, Employer strategies, Learner satisfaction, Learner Involvement, Inspection, Performance data, Self Assessment/self Regulation, Leadership, Funding, Financial management. The risks for this project are:</p> <ul style="list-style-type: none"> <li>• Lack of clarity on roles and responsibilities of main partners.</li> <li>• Inability to get accurate, complete and timely performance data on providers makes it difficult to target actions. Issue with Awarding Bodies' timeliness of results to providers.</li> <li>• Delays in developing, issuing and implementing guidance on tackling underperformance and handling competitions.</li> <li>• QIA - limitations on their capacity to support reforms in first year of operation.</li> <li>• Legislation on LSC intervention not passed.</li> <li>• Delays in introducing FE Bill caused problems in implementing the LSC's Intervention</li> </ul>		

Strategy.

- Interventions (e.g. merger; withdrawal of provision; closure; removal of SMT) which address underperformance may have a disproportionate impact on disadvantaged groups.
- Failure to apply process equitably across provider base – exclusion of schools.

#### **6. Developing the scorecard and rating – Red**

The Project remains on “Red” for the time being. Remedial actions are well in progress so we are confident the situation is improving.

Major restructuring of the projects is complete and the exercise to produce robust plans is in progress. Policy publication has been re-scheduled for mid-February. The Framework for Excellence Programme has adopted a fourteen-point high-level action plan in response to the KPMG report on programme readiness and consultation outcomes. Draft specifications of several Key Performance Indicators are under trial in over eighty test sites. Testing and trialling has commenced with over eighty colleges and providers. In the next three months a revised high-level timeline and programme and project documentation will be completed including stakeholder management strategy, risk management strategy and communications plan. The interdependencies are the policy development on contestability, procurement and scorecard and rating strategies. The risks for this project are:

no agreed vision or purpose, differing priorities among stakeholders, no agreement about the usage of the Framework no agreed vision or purpose, differing priorities among stakeholders, no agreement about the usage of the Framework; benefits are not realised because timescales for both scorecard and Framework are too ambitious. Fitness for purpose and possibility of perverse incentives and unintended consequences if programme proceeds without proper testing, trialling and piloting. Project portfolio and governance are overly complex and consequently ineffective. Such a large and complex programme becomes incoherent or inconsistent. That the credibility of FfE and ability to deliver key benefits of informing learner choice and putting learners in the driving seat will be undermined because of exclusion of schools. An action plan is in plan to mitigate all these risks.

#### **7. 14-19 Raise Attainment – Green**

No issues have been raised at this time. The review of employer engagement for 14 – 19 has been achieved. Within the next three months a progress review in recruiting 16-18 year olds for 2006/07 – 27000 new places are planned will be conducted. The interdependencies raised are ensuring clarity on apprentice guarantee / entitlement with new funding methodologies and its integration within overarching 14 – 19 plan and entitlement and integration of initiatives and programmes such as e2e into the Foundation Learning Tier (FLT). There are no risks identified at this time.

**8. Improve Apprenticeships** – Needs to re-assigned to QCA – No progress report available without an agency lead.

#### **9. 14-19 Local delivery Arrangements – Green**

There are no current issues within this priority. However, The FE presumption guidance alongside 2006/07 guidance on 6<sup>th</sup> form Presumption and Competition Guide has been published and the Gateway self assessments have been sent to the DfES. Within the next three months the first Gateway approvals will be published and the Area prospectus vision workshops organised. The interdependencies identified are P11 – Federations and Trusts sub strand must be integral to local delivery arrangement developments and P10/12 (planning and funding) Competitions and Contestability sub strand must be integral to local delivery arrangement developments. The risks are 14-19 funding model is not robust or supportive of coherent, collaborative planning of provision including diplomas and we are continually in discussion with funding colleagues to address funding issues

#### **10/12 Planning & Funding provider capacity and contestability; Red/Amber**

The guidance on minimum levels of performance and notice to improve will be published during January. This was originally due for publication in October and subsequently December. There are slippages against individual milestones as some of the activities agreed have since been incorporated in a more holistic approach through the Demand led Consultation. This has meant that we are not putting in place lots of pilots but instead

consulting on the development of a whole system approach to reform. Achievements have been that the Demand led Systems consultation document has included sections on light-touch planning, implementation plan / long term strategy for widening the provider base and LSC principles have been developed for changes to infrastructure, aligned with approaches to strategic commissioning. In the next three months Competition process (that will be used to replace failing blocks of provision and to meet significant gaps) will continue to be developed, with the procurement process commencing in February. Interdependencies identified are P11 – Federations and Trusts sub strand must be integrated. P9 (14-19 local delivery structures) must be integral with competitions and contestability sub strand of planning and depends upon funding methodologies being agreed and how we frame increased competition and contestability in a world of light touch, new relationships may be an issue. The risks are that other parts of the reform programme develop in a way that is contradictory to contestability. For example new relationships and light touch planning and the mid-year claw back and review process proposed in the funding consultation.

#### **11. New relationships, Self regulation, RB and Governance: Amber / Green**

There are no issues at this time. Achievements have been Agreement from Ministers on the streamlined accountability structure for the LSC and A single LSC strategic partner is in place for each current college / provider. In the next three months Sector proposals will be ready for wider consultation. Advice to colleges on federations and trusts will be issued and there will be the launch of good governance practice guide. The interdependencies identified will affect the different sub-strands of this Priority. The risks identified are that by pushing ahead on some milestones may risk losing opportunity to streamline processes and guidance. Some guidance should wait for the passage of the FE Act such as the revised instruments and articles which is also linked to the Intervention Strategy. A submission on the I&A links and timings is due to go to the Minister shortly.

#### **13. Reputation & Status: Amber / Green**

There are no issues reported at this time. Key achievement has been Research objectives and high-level plans have been shared with external stakeholders at the first meeting of the Reputation Steering Group. In the next three months the Vision statement will be developed, tested and research commissioned. The interdependencies identified are that the development of key messages for reputation has links with WP communications work on messaging. This strand of work directly supports the overall big skills campaign which integrates messages, brands, services and campaigns into an overall approach for marketing and communications. Messaging workshops are being carried out by the same agency (Cohn & Wolfe) to ensure consistency. There are no risks identified at this time.

#### **14. Specialisation: Amber/ Green**

There are no issues reported at this time. Key achievements include confirmation of the New Standard testing model and sector specific criteria for engineering (SEMTEA), construction (CITB) and ICT (E-Skills). In the next three months the New standard for Employer Responsiveness and Vocational Excellence will be tested with 75 providers. The interdependencies identified are the nature of the roll out of the New Standard from February 2007 is dependent upon the readiness of the sector specific criteria to be developed by SSCs and Alignment with the Framework for Excellence KPI for employer responsiveness is being sought. The risks identified are that the delay in publication of the Round 3 Prospectus will cause slippage in Round 3 Expressions of Interest timescales. Ministerial announcements may be missed. LSC, DfES, and communication colleagues to work closely together to avoid delays. Of the 8 Expressions of Interest interviewed in September only 4 were successful and will receive funding for the business planning phase. Those not approved may generate negative publicity regarding NSAs in general which could impact on future employer sponsorship. Colleagues from LSC meeting unsuccessful Expressions of Interest project managers to give full feedback and manage negativities.

#### **15. Employer Voice: Amber / Green**

There are no issues reported at this time. Key achievements are a final design for National Skills Academies branding has been produced and agreed. The Construction Skills Academy was formally launched by Alan Johnson and Phil Hope on 27 November. In the next three

months the third National Skills Academies round will be announced. The interdependencies identified are that the nature of the roll out of the New Standard from February 2007 is dependant upon the readiness of the sector specific criteria to be developed by SSCs and alignment with the Framework for Excellence KPI for employer responsiveness is being sought. Risks identified are that If a coherent approach between Framework for Excellence and New standard is not developed and communicated externally, there is a risk of causing duplication and confusion in the sector. The success of the new standard rests upon the credibility of the standard with employers and consequently providers. Ownership needs to ensure that the primary goal of the new standard is achieved and does not become driven by LSC planning and funding processes.

Not all sector specific criteria ready for national roll out from February 2007 however the 3 lead sectors criteria have been developed. The LSC are working with the leading SSCs, to explore the options for involvement and to gauge their feasibility. This can be explored further through the testing process from November 2006.

#### **16. Develop an Account Mechanism: Amber / Red**

Interim staffing arrangements have now been agreed and are in place until staff recruited. Key achievements have been that following agreement by the LSC to fund the system developments required to support Learner Accounts in 2007/08, a submission describing the proposed small-scale trials in the South East and East regions was made to Ministers on Tuesday 12 December. Work is continuing to develop the trials in line with the submission. In the next three months there will be Operational readiness review – Second Gateway. Interdependencies identified are; Level 3 entitlement trials, MIAP project including ULN, IAG, including NextStep project, *agenda for change* funding methodologies, Changes to ILR and the Learner Registration System, LSC initial assessment process for new providers and the UK Register of Learning Providers. There are no risks identified at this time.

#### **17. Develop a demand-led system: Amber / Green**

The consultation document was not published December 2006 as planned due to the publication of the Leitch report later than expected, thereby delaying the writing of sections of the document that needed to reflect Leitch's ambitions etc. This has meant COI received final copy too late to produce a full copy/edit in time to meet December milestone. However the full written consultation on Demand led Funding proposals was published on the LSC's internet on 5 January. Consultation events will be run throughout January and February and the consultation on Demand led System ends on 30 March. The interdependencies are Planning and funding, Data and MIAP, Developing an account mechanism and the 14-19 local delivery arrangements. These are being managed through various mechanisms including representation on various boards/working groups: There are no risks identified at this stage.

#### **18. 19-25 : Green**

There are no issues raised at this time. In the next three months the Operational Guidance will be published in the 2007/08 Funding Rates document and the Full guidance issued to regions. There are no Interdependencies or risks identified at this time.

#### **19. Capital: Amber /Green**

There was slippage of the prospective national capital strategy launch by one month to reflect the joint DfES/LSC requirement to review pre-Budget report funding announcements, the Leitch outcomes and the outcome of the joint DfES/LSC research on contestability. A key achievement has been the LSC Capital Prospectus text was shared with DfES and passed to Col for publication by end of January. In the next three months the National Capital Strategy will be re-launched. There are no interdependencies identified at this time and the risk is that the Strategic policy context needs to inform national Learning and Skills policies and also regional capital plans and local development priorities.

#### **20. Efficiency, vfm and shared services: Amber / Green**

*Procurement* - The loss of one team member and subsequent delayed recruitment is adversely impacting on additions to FELP website, Contracting programme and the Benchmarking initiative. Key achievements have been that the shared services strategic business case and blueprint was delivered on schedule to the LSC's Director of Resources. In the next three months Gateway 0 review of learning and skills shared services as part of

education and skills shared services work will be undertaken, the LSC will consider the role of shared services within a wider settlements system to support demand led funding, we will agree efficiency targets under CSR 07 and eight colleges to go 'live' with e-procurement. There are significant unresolved dependencies between shared services and parallel work in the HE and cross sector shared services plans, and with MIAP. The risks identified are While EMMFE has been issued; the concern is that colleges are not sufficiently aware of the need to use it and also of the saving to non-teaching costs colleges must secure. Work to be done through workshops and existing meetings with college finance directors to raise profile of EMMFE is needed Oct to Dec 2006. More formal communication linked to the Framework for Excellence in Jan 2007. EMM – Risk that colleges do not adopt the tool. Every opportunity will be taken to promote its use. Risk of Confusion – The number of initiatives coming from LSC, DfES (e.g. Procurement, Shared Services, Procurement Hubs) may lead to 'initiative fatigue' with Colleges delaying adoption in case another conflicting initiative comes along. The various work streams need to be co-ordinated to give consistent message.

#### **21. Data and MIAP: Amber / green**

The programme is currently meeting all strategic target dates. This has been at the expense of best practice in programme and risk management. A number of key programme administration products are outstanding leading to an overall AMBER/GREEN status. This assessment is based on a recent internal review conducted by the programme team and based on OGC initial Gateway 0 Best Practice questions. Current achievements have been The draft FEISA protocol has gained broad agreement from stakeholders, draft names and visuals have been produced for FEISA and Data Service Branding and the Unique Learner Number Test and Trials Plan was completed. In the next three months the following will occur; Advertise for permanent FEISA Chair, Ministerial approval for pilot initiative granted, Award the contract to design, build and operate MIAP services and the OGC Gateway 3 Review takes place. The interdependency is on the development of demand-led funding. A number of headline risks have been identified but have not yet been fully evaluated and assigned management provisions. The programme starts detailed risk work in mid January with a brain storming session involving key stakeholders. This section will be updated with extracts from the developing full feature risk register in next month's report.

