

**Date** 22 June 2011  
**Subject** Advisory Forum  
**Location** Conference Centre, 1 Victoria Street, London  
**Time** 11:00-14:30

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## Attendees:

Kim Thorneywork (Chair)	Skills Funding Agency
Miranda Floy (Minutes)	Skills Funding Agency
Jon Gamble	Skills Funding Agency
Sue Baldwin	Young People's Learning Agency (YPLA)
Jane Cowell	YPLA
Ruth Curry	Department of Business, Innovation and Skills (BIS)
Jo Thomas	Department for Education (DfE)
Julian Gravatt	Association of Colleges (AoC)
Sue Rimmer	AoC
Marion Plant	AoC
Stewart Segal	Association of Learning Providers (ALP)
Angela O'Donohue	157 Group
David Igoe	Sixth Form Colleges Forum (SFCF)
Andrew Jones	SFCF
David Kendall	NatSpec
Malcolm Trobe	Association of School and College Leaders (ASCL)
Bob Powell	HOLEX
Donald Rae	Local Government Association (LGA)
Jasbir Jhas	LGA
Alastair Thomson	NIACE
David Lawrence	Landex
Nigel Robins	Tertiary Colleges Group (TCG)
Alastair Moon	Independent Academies Association (IAA)
Stephen Jeffery	Third Sector National Learning Alliance (TSNLA)

## Apologies:

Verity Bullough	Skills Funding Agency
Julie Nugent	Skills Funding Agency
Susan Pember	BIS
David Way	National Apprenticeship Service
Graham Hoyle	ALP
Jim Chambers	ALP
Paul Warner	ALP
Tim Ward	TSNLA
David Grigg	ASCL
Alan Tuckett	NIACE
Philip Mind	LGA
Jonathan Fawcett	ASCL
Juliette Sargeant	Universities UK (UUK)

## Item 1. Welcome and introductions

- 1.1 Kim Thorneywork introduced herself and Sue Baldwin as the new Co-Chairs of the Forum, and the group introduced themselves.

## Item 2. Minutes of last meeting

- 2.1 The group agreed the minutes with one small amendment.  
**Action: MF to update the minutes before publishing them**
- 2.3 Donald Rae updated the group on his meeting with the DfE on Transport Issues and confirmed that further guidance would be published shortly. Once this was issued, a further meeting would be arranged. The action will be carried over for update at the next meeting.  
**Action: Transport issues – DR to organise a meeting with SB / JG / DL**
- 2.4 Kim explained that some of the items suggested at the previous meeting were not on the agenda as she and Sue felt it was important to meet the group, discuss the purpose of the meetings and what the group wanted to see on future agendas.
- 2.5 Jane Cowell confirmed that she had been in discussion with Landex over the impact sessions with providers, and she agreed to pick up this work with Keith Smith.

**Action: JC and KS to discuss**

- 2.6 Sue Baldwin updated the group on the Wolf review, and confirmed that the recommendations have been taken up across government (as per the government's published response) and will have a big impact on the sector but stressed that it was very early days of implementation. It was agreed to put Wolf on the agenda for the next meeting.

**Action: MF to add Wolf to the September agenda**

- 2.7 Bob Powell updated the group on the work of the Advisory Group on Qualifications and Curriculum Reform, highlighting general concern over the implementation of the Wolf recommendations. He stressed this was not just a pre-19 issue or a DfE issue, and that members were anxious that the FE Sector was not being heard. Bob stated that the Group would meet again shortly before the September meeting of the Advisory Forum. He also stressed that 'DfE and BIS must take every opportunity to actively engage with provider fora as implementation of the Wolf recommendations proceeds. This was critical, he believed, for those recommendations which focussed on the nature and principles of programmes and provision. There were also a range of provider forums which could act as 'critical friends' and reference groups for DfE (and Ofqual) as implementation was taken forward.'
- 2.8 Sue Baldwin confirmed that there was a discussion to be had about how the Forum wanted to contribute because the Terms of Reference were broad. She acknowledged that both Departments have a variety of groups and that it would be helpful to consider how they linked.
- 2.9 Jo Thomas and Ruth Curry agreed to take this discussion back to their Departments for consideration.
- 2.10 KT agreed that it would be helpful to consider the structure of groups within both Departments and discuss further at the next meeting of the Advisory Forum.

**Action: KT to commission a piece of work on this and bring to the next meeting**

- 2.11 The Group summarised the purposes of the Advisory Forum which included acting a safety net to catch the big issues that might otherwise be missed in other areas, understanding and advising on what was being addressed by the two Agencies and providing opportunity for different parts of the sector to contribute their different perspectives. It was suggested that the level of expertise around the table at the Advisor Forum was considerable but that the group needed early sight of communications if it was to make a full contribution.

2.12 KT confirmed that communication was important issue for the two Agencies and suggested this become a standing item on future agendas. The group believed that communication should be simplified.

**Action: MF to add Communications to future agendas**

Comments from the group included:

- At the moment we are all engaged with trying to match policy to resources.
- There is more coming out than ever before; members feel they are drowning in bulletins and information. The volume is enormous and organisations can't cope with so much data.

2.13 SB observed that the two agencies were engaged in the operationalisation of policies of DfE/BIS (and sometimes other departments such as DWP) and suggested this might be the legitimate footprint for the Forum, to advise on operational policy. In response, the Group believed that another function of this group was to advise on whether policy is realistically doable.

**Action: KT as before on TOR**

### **Item 3. Allocations Impact**

3.1 Jane Cowell reminded the Group of the charts she had distributed at the last meeting showing what the distribution looked like across the different provider types, adding that they would be published at the end of August. She reported on a visit to a sixth form college and said that she had been encouraged to see innovative work being undertaken to deal with changes in entitlements, transport and the EMA.

3.2 There was great concern over the impact of the withdrawal of the EMA and the knock-on effect on recruitment. JT said she would take these comments back to DfE. SB said that this was very early days, and that the challenge should be dealt with in a two ways: (i) organisations were being trusted to decide how best to disperse the money that was available; and (ii) the Agency was monitoring the impact of the various changes very closely.

3.3 There was a question from the group concerning college debt, and a request that this be taken into account as most colleges, it was reported, were now in debt due to transitional relief. They needed to know how to take this into account in meetings with potential lenders, or auditors. KT said that it was important for everyone to understand that the two Agencies worked together when considering the financial health of institutions.

The Group emphasised the extent of the financial pressures in the sector and offered to assist in financial modelling, but that would require the sharing of information and data. SB said that the Agencies would share their analysis.

- 3.4 The Group explained the difficulties associated with forecasting and in a vacuum, whilst being asked to do a three year financial plan. Institutions were working on a future financial assumption of 25% over three years with no knowledge of how this will be split. No one gets an absolute budget over 4 years, but given the direction of travel surely we could be given some idea?
- 3.5 KT said that the two Agencies needed to pull everything together to see how things might be simplified.

#### **Item 4. YPLA Update**

- 4.1 SB said that at the last meeting there was a discussion on LLDD, and she encouraged people to make their own contributions into the SEN Green Paper.

**Action: SB to bring paper to session on working together**

- 4.2 SB said that the YPLA were currently undergoing a major reshaping, the aim being to devote resources to academies whilst ensuring the good process on 16-19 funding was not lost.
- 4.3 A question was raised as to whether the YPLA would be running competitions in some areas or a pilot? SB said that there wasn't a pilot being run, but that sometimes gaps open up which need to be filled with competitive tender. The YPLA are working with local authorities in those instances to ensure this is the case. There are exceptions to lag funding, but there are issues of transparency; there is a need to communicate the process better.

**Action: MF to put Contracting Purposes on the next agenda**

#### **Item 5. Funding Simplification and Review of 16-19 Funding**

- 5.1 KT opened the discussion by talking about the work which had begun on the Skills Investment Strategy for the 2012/13 funding round. She said that the Agency and BIS had simplified many systems, but the simplifications had been undertaken in sections and were not widely seen as coherent at this stage.
- 5.2 Members of the group commented that the changes were not in fact simplifications, and KT agreed that it was important, as we worked around simplification, to see what things look like in the round. It was agreed to set up a small working party to review this.

**Action: KT to put together a small technical working group for a meeting in August**

- 5.3 KT stressed that, together with the YPLA, the Skills Funding Agency were committed to aligning, where possible, the funding methodologies. She said that the two Agencies had not been aligned on timing. The Skills Funding Agency consultation took place last year, and had resulted in the creation of the Single Adult Budget, the removal of colleges from in-year reconciliation, freedoms and flexibilities made available to other providers and the development of SAMS. These changes represented progress but had not gone far enough. The Agency was looking to make further improvements.
- 5.4 The intention for 2012/13 was to simplify the rates structure. A technical sub-group had been operating for some time, but the work needed to cohere further. Where the Skills Funding Agency can align with the YPLA, they will, where they can't it will be clear, and the reasons will be explained.
- 5.5 While we won't end up with common programme weightings structure, there will be simplification. The aim was to remove the bulk of the provider factor, while area costs would be left. Both Agencies will explore whether there could be common area costs.
- 5.6 Comments and questions from the group included:
- Employers won't take the risks, they will pass it on to providers.
  - It needed to be understood what the full consequences of such a pilot would be – it might work in year one, but it will not be sustainable.
- 5.7 KT said the pilot was aimed at employers training their workforce, not providers. It was a major priority for the Agency and designed to make the system easier for large employers. There were wider potential benefits such as testing data systems, understanding how Awarding Organisations could be used better and streamlining ACTOR. She said the pilot could mean paying solely on outcome and taking out the ILR altogether.
- 5.8 SB said that work was continuing between the YPLA and DfE on the post 16 funding review. First, it would look to the continuation of the pupil premium and how that may work. The other part is the simplification of the national formula and including what may happen with success rates. This could lead to savings for the sector in terms of reduction in data collection.
- 5.9 The contracting system was believed to be more of an issue as the funding methodology was complex for a reason.

5.10 SB said there was the option of simplifying into bands, but that the issue of getting planning into contracting had consistently not been tackled.

**Action: SB and David Lawrence to talk more on this outside the meeting**

5.11 The point was raised that 16-18 is a cohort not a consistent group and that there was not a consistent funding methodology to cover the diverse mix of students. Colleges have been able historically to use short programmes to motivate and engage and there was a danger with NEET and with the loss of the EMA that students will drop out.

5.12 Discussions took place regarding how job outcome payments would be made and whether providers would be penalised if learners secured a job but did not complete a qualification. In response, the guidance was clarified.

## **Item 6. National Careers Service**

6.1 Jon Gamble said that the Skills Funding Agency had a remit to implement the National Careers Service from April 2012. He summarised his paper, highlighting certain points. The paper deliberately avoids the use of the words 'all age' but that doesn't mean the service won't be available to all ages. The DfE have confirmed their preference for a helpline which will be available across the Agency with a single number, available from September. It will use voice recognition technology to direct people to a call centre. Adult functions would be available to young people, but this was not an all age channel because the two groups have different needs. The NCS is still adult focussed, but under an act currently going through parliament schools will have a duty to provide access to careers advice.

6.2 Jon talked through the steps to the April launch. He said that the Agency was also in the final stages of the commercial strategy, and that this isn't a universal process with entitlements for all. Comments from the floor included:

- There is concern over the breaking down of impartial advice and with so much more choice now there is a need for personalised careers advice.
- The value of market forces was not apparent and there is concern that boys in particular will not seek out advice about their future.
- There were concerns that the paper was very clear, but was worrying. This would be nothing like Connexions.

6.3 Jon said the Service would be working with an £80m per annum budget. Comments included:

- Whilst organisations welcome paragraph 4 of the paper there is disappointment about the last sentence – there is really dangerous if this is not monitored closely.

6.4 Jon said that ministers were aware and that they would be seeking out good practice – not naming and shaming, but action would be taken.

Comments included:

- What if a young person feels they are not getting advice? What are the residual responsibilities? Who at a local level is monitoring this? Some local authorities will continue to keep an eye on things.

6.5 Jon said that 16-18 was not the remit that the Skills Funding Agency has, but will remain with the LAs. Though there won't be an earmarked budget, and LAs won't be monitored by the Skills Funding Agency. Comments included:

- DfE keep telling AoC that a government body should monitor the work being done.
- What happens to NEET pre-16? As a head teacher you would be in despair.
- We are looking at the total demise of face to face work, who has access to an online service if they are NEET?
- Engagement doesn't begin at 16.

6.5 Jo Thomas said that all these issues are being raised to ministers and the DfE are trusting the front line. Some of the perverse incentives are being addressed and if examples come to ministers of colleges being refused access to schools they would be taken seriously.

Comments included:

- The worst case scenario was that training providers would go straight to parents. Ministers needed to understand the range of things providers need to do and the range of risks involved. A significant minority of schools were engineering things to prevent the FE sector getting in. This created a rift when the sector has spent the last 10 years gaining access. This allowed a significant minority to keep providers out, particularly where the same subjects were on offer. Also, schools complain that inappropriate advice is given when colleges do come in.

Questions included:

- What about Lifelong Learning Accounts and 19+ education training providers?

6.6 Jon said that Next Step was the forerunner to Lifelong Learning Accounts; it will be your own personal online space, where information will be kept and stored safely, so individuals would be able to access all the details that would be available on the PLR. They were also implementing the Individual Learning Account, and in that way individuals will be able to access personalised information on all the packages available to them. BIS aim to have 1 million advance members accessing it by 2012.

- 6.7 The courses will be available at enrolment, to help people make informed choices.

**Item 7. Apprenticeships**

- 7.1 Keith Smith updated the group on Apprenticeships. He said that: 16-18 numbers were strong. NAS is aiming to get 131,000 young people into Apprenticeships. In the last two years there has been a 30% increase, which represents a big success. There is still a need to make sure of the quality and relevance of the training, but it was important to keep up the momentum and confidence. NAS are looking to recycle funding to growth cases and demand, and are keen to hear of issues/barriers. For the Skills Funding Agency this represents the only 16-18 budget and the budget is not fixed.
- 7.2 In relation to 19-24 NEETS, there was a process of putting plan into place agreed by ministers, which would mean general allocations would go out quickly. Followed by a second tranche through mini competition through ACTOR.
- 7.3 The Access pathway would be a formal pathway available in August this year. The expectation would be that provision offered to be as close as possible to apprenticeship framework.
- 7.4 Concern was expressed about changes in rates given the passing of time.

**Item 8. Any other business**

- 8.1 There was no other business.

**Item 9. Date of next meeting**

- 9.1 The next meeting will take place on **7 September, 11:00-13:30** in the Media Suite, Cheylesmore House, Coventry.

<b>Meeting chair</b>	Kim Thorneywork
<b>Minutes creator</b>	Miranda Floy
<b>Date created</b>	23 June 2011