

Minutes

Date	17 February 2011
Subject	Skills Funding Agency Advisory Board
Attendees	As per Annex

1. Welcome and Introductions

1.1 Geoff Russell welcomed everyone to the third meeting of the Advisory Board and gave a particular welcome to Les Walton, who had joined since the last meeting, and to Isobel Stephen (job sharing with Jacinda Humphry) who has taken over from Matthew Nicholas. Apologies had been received from Frances O'Grady, James Fothergill, David Frost and Philip Rutnam.

2. Minutes and matters arising

2.1 The minutes of the last meeting held on 15 December 2010 were agreed. These would now be published on the Agency's website.

2.2 Since the last meeting the Audit and Risk Committee had held its first meeting and Geoff Russell asked the Chair to comment. Mark Farrar reported that the meeting had been quorate and other attendees present included representatives from the NAO and BIS. Members had agreed the terms of reference and other items covered included internal audit arrangements, provider financial assurance arrangements and the performance and risk report. This first meeting was useful in that it gave members the opportunity to understand better the arrangements the Skills Funding Agency has in place on audit and risk as well as some of the current issues facing the organisation.

3. Accountability to Local Community and Stakeholders

3.1 Geoff Russell introduced the item by commenting as with the last meeting, today's meeting would be focused on a single topic of discussion so members could feed in their views and shape and influence the work of the Agency. Today's discussion theme followed on from the last meeting in that he wanted to develop debate and consider how we can best ensure local accountability to communities and stakeholders, given the direction of travel towards local democratic accountability.

3.2 Colleagues from AOC, ALP and 157 Group had been asked to give the college/ independent provider view of local accountability and what would be effective and sensible from their perspective. He hoped that other Advisory Board

members would then respond from their own perspective as a stakeholder e.g. the business view, local authority view, learner view etc.

3.3 Martin Doel gave a presentation which included input from Graham Hoyle and Ian Pryce. He started by setting out the existing accountabilities that colleges and providers face which include audit, inspection and requirements set by the Skills Funding Agency and YPLA. The differences were highlighted between colleges, independent providers and third sector providers as all have different governance arrangements and so, as a result, have a range of different accountabilities.

3.4 In terms of how they would be accountable, Martin suggested that the community and stakeholders would inform and influence and the college/ provider would produce a plan upon which they would report on to the community. He proposed that the Agency would monitor this rather than run the process. To ensure consistency and encourage best practice, a template or framework would be used and a national stakeholder group would be convened. He ended his presentation by raising some issues for discussion for the Board to debate.

3.5 There was a wide ranging discussion and the following points were raised:

- Colleges and providers serve more than one community and there are other sub-regional players to consider.
- The college governing body is accountable – not just the Principal – to learners, employers and communities.
- Governing bodies are appointed rather than elected and this needs to be considered in the context of local accountability
- A broader definition of stakeholders is needed as independent providers are employer facing.
- Colleges and providers are not always based on a specific geographical area and we need to acknowledge that the communities they serve can in reality be complex.
- There is a need to look at the outcomes of public spending and this should be driven by stakeholders rather than funders.
- Objective labour market information that is sector based, but with a national overview is needed – this could include information on localised impact.
- Transparency of labour market information leads to better decisions and accountability.
- Accountability should be about behaviour not process and there needs to be an appetite from colleges and providers to take the 'behavioural' approach.
- There is an opportunity to pool labour market information with others such as Jobcentre Plus.
- Need to look at the existing accountabilities before adding another layer.
- Students are central to accountability i.e. they need to be recognised as customers will be attending and in some cases paying for courses.

- There is a lack of collaboration sub-regionally and stakeholders should do this together and have a consolidated conversation.
- There are differences in how accountability will work in a small town versus a large urban conurbation and this will need to be worked through.
- Learners' choices are based on reputation, quality and progression and there needs to be mechanisms in place to engage them and support them with appropriate information to make informed choices.
- A common currency of measurement is needed in the framework and it is worth noting that colleges collect lots of information already.
- The role of the Agency should not be to review and approve providers' business/delivery plan. Local communities who are not content with delivery need to approach their colleges and independent providers directly, with the Agency only getting involved if there is an unresolved issue.
- All educational institutions i.e. colleges, schools, universities should work together on local accountability to avoid overlap.
- The stakeholders consulted need to reflect what the college or provider is trying to achieve.
- We need to pilot a variety of models and test them in different places.
- There is the potential for lots of provider/stakeholder groups but these have to be self-determining as there is a sense of voluntarism to this.
- It is worth noting that this is also about transparency of accountability.
- There is difference between engagement and accountability. Engagement relates to the place and accountability is to the funder and the customer.

3.6 Geoff Russell ended the discussion by stating that the ultimate aim must be for customers to drive the market and the forthcoming fee loans and outcome incentive payments will assist in enabling a more authentic market place. For the next CSR period, it will be important to demonstrate to Treasury the sector's contribution to economic growth and the outcome driven approach will do this. Local accountability will be therefore be key to this, as it will be used to demonstrate that public money is being used for what communities need. We will need to collect and aggregate local outcome delivery into national level data so that we can show overall results.

3.7 The Chair thanked Martin Doel, Ian Pryce and Graham Hoyle for their presentation and others for their contribution to the discussion. He asked members to let him or other Agency leads know which themes they wished to be considered for discussion at future meetings.

4. Any Other Business

4.1 There was no other business and the meeting drew to a close.

ANNEX

List of attendees

Members:

Geoff Russell (Chair)	Skills Funding Agency
Derrick Anderson	Lambeth Council
Shane Chowen	National Union of Students
Peter Davies	City Lit
Michael Davis	UK Commission for Employment and Skills
Martin Doel	Association of Colleges
Mark Farrar	Construction Skills
Prof Ruth Farwell	Bucks New University
Jon Graham	CIPFA
Scott Johnson	CBI SME Council
Graham Hoyle	Association of Learning Providers
Ian Pryce	Bedford College and 157 Group
Isobel Stephen	Jobcentre Plus
Les Walton	YPLA
Tim Ward	Learning Curve and TSNLA

In attendance:

David Cragg	Skills Funding Agency
Priya Gossain (Secretariat)	Skills Funding Agency
David Hughes	Skills Funding Agency
Julie Robson	Skills Funding Agency
Susan Pember	BIS

Apologies:

James Fothergill	Confederation of British Industries
David Frost	British Chambers of Commerce
Frances O'Grady	Trades Union Congress
Philip Rutnam	BIS