

CHILDREN'S AND COMMUNITY SERVICES PORTFOLIO DECISION SCHEDULE



9 April 2013

at 10.00am

in Committee Room B, Civic Centre, Hartlepool

Councillor Cath Hill, Cabinet Member responsible for Children's and Community Services will consider the following items.

Also invited: Children's Services Committee.

1. KEY DECISIONS

- 1.1 School's Capital Works Programme 2013/14 – Phase 1 – *Assistant Director Child and Adult Services*
- 1.2 Adult Education Fees – Academic Year 2013-14 – *Assistant Director of Child and Adult Services (Community Services)*

2. OTHER ITEMS REQUIRING DECISION

No items

3. ITEMS FOR INFORMATION

- 3.1 Centenary of World War I – 2014 – *Assistant Director, Child and Adults Services*
- 3.2 The Changes to Community Learning – *Assistant Director of Child and Adults Service (Community Services)*
- 3.3 Safeguarding Children in Hartlepool – *Assistant Director, Child and Adult Services*

4. REPORTS FROM OVERVIEW OF SCRUTINY FORUMS

No items



CHILDREN'S & COMMUNITY SERVICES REPORT

9 April 2013



Report of: Assistant Director Child and Adult Services

Subject: SCHOOLS' CAPITAL WORKS PROGRAMME
2013/14 – PHASE 1

1. TYPE OF DECISIONS/APPLICABLE CATEGORY

Key decision, test (i) and (ii) apply. Forward plan reference: CAS 004/13

2. PURPOSE OF REPORT

To seek Portfolio Holder approval to the formation of a first phase of the Schools' Capital Works Programme for 2013/14.

3. BACKGROUND

- 3.1 On 1 March 2013, the Government announced the capital allocations relating to the school estate in Hartlepool. The funding available for 2013/14 is identified in Table 1, with the 2012/13 figures included for comparison.

4. FUNDING

2013/14 Capital Allocations

Table 1 - Capital Funding	2012/13 £	2013/14 £	Increase / (Reduction) £
Basic Need	532,442	0	-532,442
Capital Maintenance	1,167,711	1,143,496	-24,215
Total Local Authority (LA)	1,700,153	1,143,496	-556,657
Devolved Formula Capital (DFC)	243,709	238,061	-5,648
Total LA - Schools	243,709	238,061	-5,648
Locally Controlled Voluntary Aided Programme (LCVAP)	539,481	544,886	5,405
Voluntary Aided DFC	120,627	124,473	3,846
Total Voluntary Aided	660,108	669,359	9,251
Total Hartlepool DfE	2,603,970	2,050,916	-553,054

DSG Revenue Contribution to Capital Outlay (RCCO)	628,000	628,000	-
HARTLEPOOL TOTAL	3,231,970	2,678,916	-553,054

- 3.1 It is to be noted with disappointment that Hartlepool has not received any Basic Need funding for 2013/14. This funding was provided in 2011/12 and 2012/13 and is awarded according to relative need or new places.
- 3.2 As in the previous 2 years, there are sufficient places in Hartlepool schools to support forecast pupil numbers in the community, voluntary-aided and foundation sectors. There have been no schemes required to address places shortfalls planned in the capital programme, therefore the funding allocated in 2011/12 and 2012/13 was utilised to support schemes in the condition and development programmes.
- 3.3 As in previous years, the LA can allocate a proportion of its share of the Dedicated Schools Grant (DSG) - (£628,000 in 2012/13) - as a Revenue Contribution to Capital Outlay (RCCO) contribution towards the schools capital programme. The LA will again contribute a share of its DSG towards the 2013/14 schools capital programme and it is currently anticipated this will remain at the 2012/13 level ie. £628k.

Schools receive their own Devolved Formula Capital (DFC) funding and the Dioceses receive their own Government funding in the form of the Locally Co-ordinated Voluntary Aided Programme (LCVAP).

- 3.3 The LA will continue to develop the programme on the agreed 10% basis for school funding purposes and has been asked by the capital sub-group to take a reasonable approach with schools where a major contribution could cause financial difficulties.

4. DIOCESE COLLABORATION

- 4.1 Liaison with representatives from Hexham & Newcastle and Durham & Newcastle Dioceses has taken place and a consistent approach to the development of capital schemes has been agreed. In order to aid the creation of the 2013/14 LCVAP Programme, condition surveys have been forwarded to the two Dioceses for their consideration. Further liaison will take place to determine which schemes should feature in the LCVAP programme.

5. CHILDREN'S CENTRES

- 5.1 Prior to 2011/12, the LA has received a dedicated Children's Centre capital allocation. This funding stream no longer exists however the LA is expected to maintain Children's Centres utilising the Capital Maintenance allocations.
- 5.2 Condition surveys have been carried out at Children's Centres and it has been established that the only scheme required is at Miers Avenue.

However, there is a capital receipt from the sale of Lowthian Road Children's Centre and this should be spent on Sure Start buildings to honour the capital agreement with DfE. It is therefore proposed that part of this capital receipt will be used for the scheme at Miers Avenue.

6. PROPOSED PROGRAMME OF WORKS 2013/14

6.1 Condition Priorities

The schedule of condition priorities in **Appendix 1** is derived from the most recent Condition Surveys (carried out late 2012/early 2013). The Council's surveyors have highlighted priorities across a wide range of issues. These schemes have been provisionally costed. An explanation of prioritisation categories is shown below:

- | | | |
|-----------|---|--|
| D2 | D | Life Expired – Exhibits major deterioration. Serious risk of imminent breakdown or is a health and safety hazard |
| | 2 | Essential – Prevent serious deterioration of the fabric or service / address medium risk of H&S of occupants / remedy less serious breach of legislation |
| C2 | C | Poor – Exhibits various defects, each of which might not be significant in itself but together need attention on a planned basis |
| | 2 | Essential – Prevent serious deterioration of the fabric or service / address medium risk of H&S of occupants / remedy less serious breach of legislation |

6.2 Fire Safety

During 2010/11, the LA's Senior Health & Safety Officer (Fire Safety) carried out Fire Safety inspections of all schools. A subsequent action plan was sent to schools highlighting various works to be addressed. In conjunction with the Fire Safety Officer, the action points were prioritised and essential works were identified and approved for inclusion in the 2011/12 Capital Programme with a further phase in the 2012/13 programme.

Following further consultation with Health & Safety colleagues and electrical engineers, an additional two schools have been identified for Fire Safety works to complete that Programme. Approval is required for the additional two schools mentioned in **Appendix 1**.

6.3 Asbestos Surveys

The Control of Asbestos Regulations 2012 states, that those responsible for maintenance of non-domestic buildings have a duty to manage the asbestos containing materials, to protect anyone using or working in the premises from the risks to health that exposure to asbestos causes. As

per regulation 4 the condition of asbestos containing materials needs to be inspected regularly, and records kept which are accurately updated.

Asbestos surveys were commissioned via specialist consultants and completed during 2001/2002 for council buildings (including schools). The survey aims to ensure that nobody is harmed by the presence of asbestos, and that the asbestos remains in good condition, and that nobody has accidentally disturbed asbestos. However, over time, asbestos-based products can deteriorate, and it is considered that more robust survey data is required.

Funding for asbestos surveys of corporate buildings has recently been approved. It is therefore anticipated that collaboration with our colleagues in Regeneration & Neighbourhoods will commence within the near future with the intention of procuring and selecting a competent surveying company to carry out these surveys.

This report seeks approval for funding to commission a specialist consultant to carry out new asbestos surveys for a number of schools.

6.4 Special Educational Needs (SEN)

Prior to 2011/12, the LA received a dedicated Access funding allocation. This funding has been directed at providing disabled toilets/shower facilities, ramps and modifications to school buildings, specifically to meet the needs of targeted SEN children, either groups or individuals.

Access funding was withdrawn in 2011/12. However, the SEN team continue to be consulted to identify priority schemes. The SEN Manager has identified a potential disabled adaptations scheme at Fens Primary School. Further discussions will be held with the school to determine the exact nature of the scheme required, following receipt of an occupational therapist report.

7. FUNDING

7.1 Based on proposed programmes of works the funding allocations can be summarised as follows in Table 2.

Table 2 - Funding Split	Estimated Costs £	Schools/ Capital Receipt Contributions	Total LA Funding Required £
Capital Condition Items	1,521,568	152,156	1,369,412
Fire Safety	55,000	5,500	49,500
Children's Centres	43,810	43,810	-
Asbestos Surveys	50,000	-	50,000
SEN Modifications	20,000	2,000	18,000
Contingency	200,000	-	200,000

	1,890,378	203,466	1,686,912*
	Unallocated		84,584
<i>*Assuming schools contribute at least 10%</i>	Total Funding Available 2013/14		£1,771,496

8. Development Funding

- 8.1 As in the past and as part of the 2013/14 Schools' Capital Programme, an element of funding has been set aside in order to deliver schemes that can support schools in their aspirations to create school premises that will be more fit for purpose in a 21st century setting. The funding has been termed 'Development Funding'.
- 8.2 In January 2013 all community, foundation and special schools were asked to submit expressions of interest for potential schemes which will create the opportunity to raise achievement by tackling existing deficiencies in school premises and/or its infrastructure. Eight expressions of interest were received and following evaluation at a Schools Capital Sub Group, it was agreed to progress five schemes in terms of design, feasibility and costings.
- 8.3 Funding for these schemes will come from a combination of unallocated grants and slippage from the 2012/13 schools capital programme.
- 8.4 It is proposed that a list of fully costed and affordable Development Funding schemes will be brought to a later committee meeting with view to seeking approval for those schemes.

9. Priority Schools Building Programme (PSBP)

- 9.1 A report was submitted to Cabinet on 24 October 2011 indicating that expressions of interest for Priority Schools Building Programme (PSBP) had been submitted to Partnerships for Schools (PfS) – now known as the Education Funding Agency (EFA), for the following four Hartlepool schools:
- Manor College of Technology
 - Barnard Grove Primary School
 - West View Primary School
 - Holy Trinity Church of England Primary School
- 9.2 On 24 May 2012, the Secretary of State announced the names of the schools to be taken forward into the PSBP. The Council was informed that three out of the four expressions of interest made have been successful, these being:
- Manor College of Technology
 - Barnard Grove Primary School

- Holy Trinity Church of England Primary School – Diocese

- 9.3 On 19 June 2012, a further report was submitted to the Portfolio Holder for Children's & Community Services, outlining Phase 2 Schools Capital Works Programme for 2012/13.
- 9.4 The report sought approval for schemes which had become necessary since the Phase 1 Programme was approved in March 2012 and included schemes for West View Primary School as it had not been successful for the PSBP. The Portfolio Holder approved the recommendations in that report.
- 9.5 As explained in the 19 June 2012 report, further details in relation to a Phase 3 programme would be forthcoming as soon as the PSBP announcement had been made and further clarity had been obtained.
- 9.6 It was expected that the Council would be contacted by the EFA shortly after the 24 May 2012 announcement in order to give an indication when work would start to develop proposals for these schools. The respective Governing Bodies and Cabinet will need to make a decision at some point on whether they feel able to take the programme forward and that decision will be made once further details of the Terms and Conditions of the Private Finance Initiative (PFI) arrangements are known.
- 9.7 On 20 July 2012, the Council received correspondence from the EFA which stated that the PSBP will be delivered by grouping schools together into "batches". The process to group the schools would take into account a number of factors including condition, geography and commercial viability i.e. ensuring that there will be a healthy competition for the work which will deliver value for money for the public purse. As far as possible, the needs of the schools in the worst condition will be addressed first.
- 9.8 In Hartlepool's case, the projected contact date stated by the EFA is not until some time in 2015. The EFA scheduled a meeting with the Council and schools concerned on 21st November 2012 to share information on how the programme will be delivered and address any specific questions or concerns generated at this time. Despite this initial meeting, it is still not expected that any construction works will commence before 2016/17.

10. PROCUREMENT

- 10.1 The procurement route for schemes identified will be through the LA Condition, Planned Maintenance and Minor Building Works Partnership Contract.
- 10.2 This contract is used to procure all building construction work of a non-specialised nature, below an estimated construction value of £100,000. The building works will be procured through the in-house Facilities

Management Section plus two external contractors, using a partnering approach.

10.3 Works excluded from the partnership are :

- when the estimated contract value exceeds £100,000,
- work is of a specialist nature i.e. CCTV, Alarm Systems, and Soft Landscaping
- funding condition states that competitive quotes/tenders are required

10.4 For works estimated to be £100,000 and over where the in-house Facilities Management Section can prove best value against benchmarked prices they will be considered for the works. Otherwise a competitive process will be undertaken either by tender or via mini-competition using the North East Procurement Organisation construction framework. These approaches will provide a coordinated and efficient procurement best value principle.

11. RISK IMPLICATIONS

11.1 The report is concerned with the condition, protection and development of Council assets ie school buildings and children's centres.

11.2 The proposed programme of works has been compiled on the basis of those areas/sections of school buildings which are showing clear sign of failure together with aspects of the building which have the potential to improve teaching and learning.

12. MONITORING AND UPDATING THE PROGRAMME

12.1 The Schools Capital Sub Group meets on a termly basis and will review and monitor progress on the 2013/14 Capital Works Programme and at the same time develop plans for future programmes. Developments to the programme will be via Quarterly monitoring reports produced by the Authority's Corporate Finance team. In addition there will be direct reports to future meetings.

13. RECOMMENDATIONS

It is recommended that:

- The schedule of 2013/14 Capital Condition items are approved as summarised at **Appendix 1**, subject to the LA agreeing contributions from schools towards individual schemes in line with the shared funding principles established by the Schools Forum.

- The schedule of Fire Safety and Special Educational Needs schemes are approved as summarised at **Appendix 1**, subject to the LA agreeing contributions from schools towards individual schemes in line with the shared funding principles established by the Schools Forum.
- There is an intention to seek further approval for Development Funding schemes
- The Child and Adult Services Department be allowed dispensation and discretion to authorise works where a significant health and safety risk is exposed in advance of formal approval by the Portfolio Holder for Children's & Community Services.

14. BACKGROUND PAPERS

Report to the Schools Forum Capital Sub Group on 26 February 2013.

15. CONTACT OFFICERS

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2013/14 SCHOOLS' CAPITAL WORKS PROGRAMME – Phase 1

School	Scheme	Estimated Costs £
CONDITION		
Clavering Primary School	Window Replacement	30,000
Golden Flatts Primary School	Roofing	4,770
Golden Flatts Primary School	Toilet Refurbishment	140,830
Grange Primary School	Window Replacement	98,320
Greatham Primary School	Boiler Replacement	21,375
Hart Primary School	Boiler Replacement	40,500
St Helen's Primary School	Roofing - Block B	25,880
Throston Primary School	Electrical Works	175,000
Throston Primary School	Roofing - Block A	60,000
Lynnfield Primary School	External Walls	11,650
Rossmere Primary School	Window Replacement	30,000
Rossmere Primary School	Toilet Refurbishment	80,000
Owton Manor Primary School	Window Replacement	68,740
Stranton Primary School	Window Replacement	5,980
West Park Primary School	Window Replacement	90,000
West Park Primary School	Electrical Works	215,000
West View Primary School	Roofing - Block A	213,927
High Tunstall College of Science	Electrical Works - Block H	6,000
High Tunstall College of Science	Roofing - Block A	10,000
High Tunstall College of Science	Heating Distribution - Block G	88,230
High Tunstall College of Science	Changing Rooms Refurbishment	32,866
Springwell Special School	Boiler Replacement	49,500
Springwell Special School	Window Replacement - Block A	23,000
	Sub Total	1,521,568

Miers Avenue Children's Centre	Roofing	Sub Total	43,810
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HEALTH & SAFETY / SPECIAL EDUCATIONAL NEEDS

Fire Safety Modifications - Phase 3		
Clavering Primary School	Fire Detection System	30,000
Throston Primary School	Fire Detection System	25,000
Asbestos Surveys	Various Buildings	50,000
	Sub Total	105,000

Special Educational Needs		
Fens Primary School	Disabled Adaptations	20,000
	Sub Total	20,000

Contingency		200,000
	TOTAL	£1,890,378

CHILDREN'S AND COMMUNITY SERVICES REPORT

9th April 2013



Report of: Assistant Director of Child and Adult Services
(Community Services)

Subject: ADULT EDUCATION FEES – ACADEMIC YEAR
2013-2014

1. TYPE OF DECISION/APPLICABLE CATEGORY

This decision is a key decision - Key test (ii), reference number CAS005/13.

2. PURPOSE OF REPORT

- 2.1 To consider the level of adult education fees for the academic year 1st August 2013 to 31st July 2014

3. BACKGROUND

- 3.1 The Adult Education service delivers provision funded through the Skills Funding Agency (SFA) and other income sources. This report relates to the main SFA funding streams i.e. Adult Skills (AS) and Community Learning (CL). However it should be noted that some Adult Education courses operate under funding received from other funding streams and these courses may be subject to different fee levels prescribed by the funding requirements. There are also separate arrangements for the higher level courses.
- 3.2 In the level of funding which the SFA provides for Adult Skills, assumptions are made by the SFA about the level of income which providers will receive from fees. The following assumptions are made by the SFA in the grants which it makes to local authorities for the provision of SFA funded skills courses. At least 50% of the funding associated with the course is recovered in income from fees from learners or employers. There are exceptions to this for specific types of learners and courses where full fee remission is permitted, for example learners on Skills for Life courses and those on specific job related benefits

- 3.3 At present no specific income assumptions are made in relation to the CL although it is assumed that those learners who are able to pay are charged an appropriate fee.
- 3.4 The SFA has indicated that where organisations fail to collect the assumed fee income then this sum may be removed from the funding allocation
- 3.5 The current fee schedule for Adult Education courses (2012/2013) is attached as at **Appendix 1**. The level of fees at present is different according to the SFA funding stream
- 3.6 At present adult education courses fall into 2 categories:
- Adult Skills courses (leading to a formal or work-related qualification);
 - Community Learning (such as Family Learning, Foreign Languages, Arts and Crafts, and other courses which are studied for leisure or which support Learning in Deprived Communities.
- 3.7 At present the funding for these different types of courses is set at different levels. No fees are charged for Family Learning, Family Literacy Language and Numeracy or for learning in deprived communities. These are seen as developmental courses to reach non-traditional learners
- 3.8 No fees are charged for those studying English and maths. This is in line with government guidelines.
- 3.9 No fees are charged to learners on Skills courses who fall within specific groups as defined by the SFA as eligible for full funding e.g. those on JSA, 19-23 year olds and those who are unemployed and on any other state benefit. Learners on Community Learning courses who qualify under these definitions are charged the remitted fee. Learners who do not qualify under these conditions are charged the full fee. The current remitted fees are shown in **Appendix 1**.
- 3.10 At present courses which lead to a vocational qualification or are the first steps towards a qualification attract a lesser enrolment fee than those which are studied purely for leisure
- 3.11 Because of the desire to encourage participation in adult learning, a combination of low fees and extensive remission of fees has meant that overall income for adult education courses has been relatively low, e.g. in the academic year 2012/2013 income from student fees is expected to be approximately 3% of the expenditure/budget. This has been supplemented by the provision of bespoke and private courses for organisations such as employers which are charged at the full cost rate.
- 3.12 With the introduction of the student loan system from 1st August 2013 for those aged 23 and over on higher level courses, these course have been removed from the standard fee policy. The higher level courses e.g. Level 3, will each have a unique course fee which will depend on the length of the

course and the size of the qualification. These fees will be published separately.

4. PROPOSALS

There are a number of options proposed which will need to satisfy the reduced eligibility of fee remission and the need to collect sufficient fee income.

4.1.1 Skills courses

The first option would be to maintain the current fee rate for these types of courses. This would encourage participation and ensure that the service met its participation targets. However it could mean that the gap between fee income and assumed fee income would widen. This may have the effect of the SFA removing some element of funding but there is at present no clear guidance from the SFA that this will happen. (***This is the preferred option***)

- 4.1.2 The second option would be to continue to raise the level of fees with effect from August 2013 to move towards the higher level of fees which is assumed in the SFA guidelines. These levels are not yet clear but this would mean a significant increase in fees which will disadvantage many learners. This option could result in a loss of students to adult education courses, which in turn would mean that targets might not be achieved.

- 4.1.4 The third option would be to increase fees by the rate of inflation. This would give a rise of £2.62 per year for a 60 hour course taking the fee from £105 to £107.62. This figure could cause more administration time to collect. It is believed that this level of fee increase would generate additional income to cover increased costs and would move towards the required SFA fee increase levels in a gradual way. However it may lead to a reduction in learner number and therefore failure to reach the income targets.

4.2 Community Learning

- 4.2.1 The first option would be to maintain the current fee rate for all courses. This would mean, however, that the gap between fee income and course costs would widen as costs have risen by inflation. However the fees were increased by a substantial amount in 2011 and this led to a drop in learners participating in this type of provision, hence the preference to maintain at the present level. ***This is the preferred option.***

- 4.2.2 The second option would be to increase the differential fee structure for CL classes. Courses categorised as CL courses would be subject to a larger increase of 5%. This equates to an increase of £7.50 i.e. £157.50 a year for a 30 week course. This equates to £2.62 per hour which is a rise of 12p per hour. It is believed that this level of fee increase would generate sufficient income to cover increased costs and would move towards the required SFA fee increase levels. However this would make us more expensive than other

local providers which could lead to a reduction in learner numbers and a failure to reach the SFA targets.

- 4.2.3 The third option would be to increase fees by the rate of inflation. This would give a rise of £3.75 per year for a 60 hour course taking the fee from £150 to £153.75. This figure could cause more administration time to collect. It is believed that this level of fee increase would generate additional income. However it may lead to a reduction in learner number and therefore failure to reach the income targets.

4.3 Courses which attract no fee at present

- 4.3.1 The first option would be to introduce a fee structure to these classes which is consistent with the other types of courses. This would have a significant impact on those disadvantaged learners who are hard to reach.
- 4.3.2 The second option is to continue to give full fee remission for those classes which fall into developmental areas, i.e., English and Maths, Family Learning, Family Literacy, Language and Numeracy and Neighborhood Learning in Deprived Communities. This would continue to support widening participation in line with government priorities. ***This is the preferred option.***

4.4 Remitted Fee

- 4.4.1 This is the fee charged to students eligible for fee remission.
- 4.4.2 At present the remitted fee for students who are eligible for fee remission is set as £10 per skills course and £15 per CL course.
- 4.4.3 The first option would be to keep this at the same level for the next academic year. ***This is the preferred option.***
- 4.4.4 The second option would be to raise the remitted fee by the inflation rate. This would raise a very small amount of additional income, but this would be offset by the additional administrative costs of the charge.
- 4.4.5 The payment of the existing remitted fee does not seem to have presented barriers to access. Any individual cases of hardship would be considered confidentially.

4.5 Fee remission

- 4.5.1 The first option would be to come in line with the SFA guidelines on eligibility. This would reduce the number of learners who were eligible for fee remission. This would adversely affect some learners but would satisfy the SFA eligibility guidelines and therefore ensure the full income targets.
- 4.5.2 A second option would be to enhance the fee remission policy to include additional categories. This would include allowing fee remission to those on CL and Skills courses who are on any state benefit. This would ensure that

these courses were still accessible for all but would mean that extra funding would need to be set aside from the existing budget to cover these costs.

This is the preferred option

5. FINANCIAL CONSIDERATIONS

- 5.1 If adult education fees are set in accordance with SFA guidance, then there are no financial implications for the Council's budget as the level of fee increases will be sufficient to enable the Adult Education Service to operate SFA funded courses within the budget allocated by the SFA
- 5.2 If no increase in fees is agreed or insufficient increase, then there could be financial implications for the Council as any overspend on the SFA budget would have to be met by the Adult education service and potentially the Local Authority and no budgetary provision is available to meet this demand.
- 5.3 Any significant increase in fees is likely to result in a loss of student numbers. However if the fee income levels do not match SFA expectations then this may in future result in reduced funding as targets would not be achieved.

6. RECOMMENDATIONS

- 6.1 That the Portfolio Holder approves the following recommendations:
 - i. Adult Skills courses remain at £105 for a 60 hour course and £35 for a 20 hour course;
 - ii. Community Learning courses remain at £150 for a 60 hour course and £50 for a 20 hour course;
 - iii. No course fees should be charged to students entitled under the SFA guidance on remitted fees.
 - iv. The fee remission policy should be extended to include Community Learning courses and include eligibility for anyone on a state benefit. Courses which are developed to widen participation or in response to specific government initiatives e.g. students with a disability, Asylum seekers and Refugees, Family learning or community regeneration activities would continue to be given full fee remission. The full proposed policy is given in **Appendix 2**.
 - v. The remitted fee should remain at current levels i.e. £10 for Skills courses and £15 for Community Learning courses.
 - vi. Courses which are not supported through SFA funding or other income streams will be delivered at the Full Cost rate.

7. REASONS FOR RECOMMENDATIONS

The setting of adult education fees is a difficult task, involving a balance between the need to generate sufficient income to meet costs, while encouraging adult learners to participate. Any significant increase in fees is likely to be unpopular and could lead to some fall-off in student numbers. In the current climate the service wishes to support as many residents as possible to participate in learning and to improve their skills and therefore it is recommended that there is no increase in fees at the current time

8. BACKGROUND PAPERS

None.

9. CONTACT OFFICER

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ADULT EDUCATION: FEE STRUCTURE 2012-2013**COURSE FEES**

		2012-2013	
		Full	Remitted
Vocational and Non-Voc First Steps	30 weeks	£105	£10
PCDL	30 weeks	£150	£15

100 % fee remission will be given to students in the following categories at the time they enroll, **provided that they show documentary evidence at the time of enrolling or at the first class:-**

- Unemployed on active benefits
- In receipt of Employment Support Allowance (work related activity group)
- Aged 16-18 on 31st August 2012
- 19-23 studying for a first full level 2 or 3 qualification
- 19-23 studying for a level 1 qualification

100% fee remission will also be given to students on Vocational and First Step courses on any state benefit providing they are unemployed and seeking employment

No course fees will be charged for Hartlepool Borough resident students who:-

- enroll for basic skills courses i.e. English and maths
- enroll for certain designated courses as part of Widening participation and regeneration
- are part of a target client group on designated courses.

ADULT EDUCATION: FEE STRUCTURE 2013-2014**COURSE FEES**

		2012-2013		2013-2014	
		Full	Remitted	Full	Remitted
Adult Skills	30 weeks	£105	£10	£105	£10
Community Learning	30 weeks	£150	£15	£150	£15

100 % fee remission will be given to learners on Skills courses in the following categories at the time they enrol, **provided that they show documentary evidence at the time of enrolling or at the first class:-**

- Unemployed and on Job Seekers Allowance, Employment Support Allowance or Universal Credit
- Unemployed learners on state benefits other than those above and who want to use the new skills to enter employment.
- Aged 16-18 on 31st August 2013
- 19-23 studying for a first full level 2 or 3 qualification
- 19-23 studying for a level 1 qualification

Remitted fees will be charged to any learners the following categories

- On JSA, ESA or Universal Credit but wishing to enroll on a Community Learning course.
- On state benefits other than those mentioned above and who wish to study either a Skills based course or a Community Learning course.

No course fees will be charged for Hartlepool Borough resident students who:-

- enroll for basic skills courses i.e. English and maths
- enroll for certain designated courses as part of Widening participation and regeneration
- are part of a target client group on designated courses.

CHILDREN'S AND COMMUNITY SERVICES REPORT

9 April 2013



Report of: Assistant Director, Child and Adult Services

Subject: CENTENARY OF WORLD WAR I - 2014

1. TYPE OF DECISION/APPLICABLE CATEGORY

For information.

2. PURPOSE OF REPORT

- 2.1 The purpose of the report is to inform the Portfolio Holder how Hartlepool will commemorate the 100th anniversary of the start of World War and the centenary of the Bombardment of the Hartlepoons on 16th December 2014.

3. BACKGROUND

- 3.1 Until 1st April 2012 Hartlepool acted as the lead authority for the Tees Valley for the Museums, Libraries & Archives Council (latterly under the Arts Council England) Renaissance programme. We were granted an additional years transitional funding that took us to 31st March 2013. In October 2012 targeted sub regional applications were requested for the new Strategic Renaissance Fund. Hartlepool led the bid on behalf of the Tees Valley and on 21st March 2013 we received the news that our bid had been successful for £394,775 for a two year period.
- 3.2 The proposed activities are based on meetings within the Tees Valley where a collaborative approach was agreed to approach the Centenary of World War I in 2014. Staff from Services in the Tees Valley and representatives from the Heugh Gun Battery and local history groups have also attended sub-regional and regional meetings to help formulate a collaborative approach. Our planning and development has also leaned heavily on past experience of producing large scale drama performances such as the Stockton Riverside Festival and the Diamond Festival in Hartlepool. We have also used the experiences and learning taken from the Renaissance programmes in the Tees Valley in the areas of education, outreach and collections access and development to develop programmes of activity. We have linked collections to our outreach programmes in the Tees Valley

Museum Roadshows to engage with a wider audience in a variety of non-museum venues

- 3.3 In addition to the Strategic Renaissance bid there is a further bid from a Youth Services group to the Young Roots element of the Heritage Lottery Fund. The bid entitled 'Seeds of Change' will look at the social changes brought about by World War I. The result of this bid will be known in April 2013.

4. PROPOSALS

- 4.1 The funding will cover a variety of projects over a two year period beginning in April 2013. The main categories are: live theatre performances; digital access and holograms; collections access; exhibitions; outreach events; support for the Heugh Gun Battery; marketing; and a loans box education programme.
- 4.2 Performances – the project will engage a writer and theatre company to deliver a series of performances in each of the five Tees Valley Boroughs. Each performance will have a central theme with an ending specially written for the individual area. The final performance for Hartlepool is planned for the 16th December 2014 on the Town Moor in Hartlepool.
- 4.3 Digital access & holograms – this element will enable museum and library collections relating to World War I to be made more publically accessible including holograms on public buildings.
- 4.4 There will be a collections audit across the Tees Valley to ascertain the scope of the sub-regions collections relating to World War I. This material, along with external loans will be used in a series of exhibitions and outreach events.
- 4.5 There will be a series of exhibitions created for the projects, they will have a central World War I theme augmented with a local flavour and collections.
- 4.6 A series of outreach events will be held in the five boroughs which will engage with the public at non-museum venues such as libraries, community centres, shopping centres. The focus of these events will be to engage a wider audience and to collect family stories relating to World War I.
- 4.7 Loans boxes will be created between museums and libraries for schools, care homes, community groups and other bodies on the theme of World War I. An education programme will be developed for visiting schools and these groups will be encouraged to not only visit their local library and museum but also to visit the Heugh Gun Battery as the region's only World War I battlefield site.

- 4.8 The Young Roots bid, led by the young people of Hartlepool will look at the social issues that came out of World War I including the changing role of women, the breaking down of social structures and popular culture of the day.

5. FINANCIAL IMPLICATIONS

- 5.1 The successful application to the Arts Council was for £394,775 (£111,122 in 2013/14 and £283,653 in 2014/15) and a current outstanding £40,000 for the Young Roots bid. There are no additional financial implications for Hartlepool Borough Council.

6. RECOMMENDATIONS

- 6.1 It is recommended that the Portfolio Holder notes the successful outcome of the bid.

7. REASONS FOR RECOMMENDATIONS

- 7.1 This project will enable Hartlepool to be at the centre of the World War I commemorations in 2014. It will give the young people of Hartlepool a sense of the affect that the First World War had on their home town in one of the most momentous periods of 20th century history.

8. APPENDICES AVAILABLE ON REQUEST, IN THE MEMBERS LIBRARY AND ON-LINE

- 8.1 None.

9. BACKGROUND PAPERS

- 9.1 Project timeline.

10. CONTACT OFFICER

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CHILDREN'S AND COMMUNITY SERVICES REPORT

9th April 2013



Report of: Assistant Director of Child and Adult Services
(Community Services)

Subject: THE CHANGES TO COMMUNITY LEARNING

1. TYPE OF DECISION/APPLICABLE CATEGORY

To inform the portfolio holder – no decision required.

2. PURPOSE OF REPORT

2.1 To inform the portfolio holder of the proposed changes affecting the funding and delivery of Community Learning.

3. BACKGROUND

3.1 The Adult Education service is fully funded by the Skills Funding Agency for the delivery of its Community Learning Programmes. Community Learning (CL) includes Family Learning and a range of non accredited learning. It has in the past been called Adult Safeguarded Learning as the funding has been safeguarded for a number of years at the same level. It is defined as non formal and undertaken for its own sake. In addition there is no requirement for the provision to lead to a qualification or to result in direct progression to other training.

3.2 At present the majority of the CL provision is delivered by Adult Education's own staff in partnership with a number of other partners. The design of the programmes on offer is carried out in consultation with the Adult Providers group as well as a range of local organisations. These organisations help the service to identify a need in a particular locality.

3.3 In Dec 2011 the (SFA) produced the paper New Challenges, New Chances. This paper set out their intentions for changing the way in which they wanted Community Learning to be funded and delivered. The paper is provided at **Appendix 1.**

- 3.4 In this paper the SFA set out 5 objectives which it required all Community Learning providers to work towards, these objectives are as follows:

Objectives of New Challenges, New Chances

- Focus Public Spending on people who are disadvantaged and least likely to participate, including people on low income with low skills
- Collect fee income from people who can afford to pay and use where possible to extend provision to those who cannot.
- Widen participation and transform people's destinies by supporting progression relevant to personal circumstances
- Develop stronger communities with more self sufficient, connected and proactive citizens.
- Commission, deliver and support learning in ways that contribute directly to these objectives.

- 3.5 Further to this paper, in December 2012 the SFA published its Skills Funding Statement for 2012-2015 (**Appendix 2**). In this document the SFA set out the requirements for all those in receipt of Community Learning funds. These requirements are to:

“Deliver a truly locally determined learning offer that conforms to the objectives of New Challenges, New Chances “and

“Operate in strong local partnerships to ensure their plans and strategies are underpinned by engagement with communities, LEPs and other .local stakeholders.”

- 3.6 In 2012 fifteen CL providers were given the opportunity to become a Community Learning Trust Pilot. These pilots are from a diverse range of areas and work in a number of ways. The experience of these pilots is being made available to all other providers to assist in their plans for the delivery of CL in 2013/2014.
- 3.7 A key part of the pilot is the strategies which are being used to maximise income. There is a requirement by all providers to lever in additional funding through the use of the CL funds. This is termed 'Pound Plus'. All providers are expected to deliver substantial 'Pound Plus' as part of their activities.
- 3.8 In order to fulfill the requirements of the funding in 2013 -2014 the service will need to put in place a number of activities. The service will review the current learning offer in the light of the SFA objectives. This will identify if there are any gaps or other opportunities which should be taken up.
- 3.8 The existing Adult Providers Group will be further developed and strengthen to form a strong local partnership. This will then give clear feedback from the

local community and about the local needs and will contribute to the agreed objectives for the delivery within the town.

- 3.9 Towards the end of the current academic year the results of the pilots will be published and the service will consider the findings and work with partners to determine the strategies for the fulfillment of the 'Pound Plus' elements.
- 3.10 The Adult Education service has a long history of working with the local community to determine the needs of individuals and groups and to respond to these by delivering high quality learning. The changes envisaged by the SFA are not seen as a threat to the existing provision but more an opportunity to enhance the delivery and attract more learners.

4. FINANCIAL IMPLICATIONS

- 4.1 For the coming academic year 2013-2014, the funding received will remain at the same level as in previous years. If the service fulfills all the requirements of the Skills Funding statement there will be no financial Implications for the service. Funding in subsequent years is not confirmed and is subject to government review.
- 4.2 There will need to be a clear balance between the amount of provision which is directly delivered by the service staff and any which is commissioned from partners. This is to ensure that the funding is used efficiently and effectively but also that quality and consistency are maintained
- 4.3 There will also need to be clear strategies in place to deliver the requirements 'Pound Plus'. At present the size of the 'Pound Plus' element is not determined by the SFA but is left to each provider. This may change in future years.

5. CONCLUSIONS

- 5.1 The changes which the SFA wish to see in the delivery of CL will have an impact on the Adult Education service. However the changes are seen as an opportunity to increase the provision on offer and to expand the range of informal learning to attract more learners
- 5.2 The service will review its current provision in the light of the 2 SFA papers to determine if it fulfills the requirements and to identify any further opportunities for development.
- 5.2 The service will develop and strengthen the existing partnerships to ensure that the provision is locally determined and is fully inclusive to the local population.
- 5.3 Strategies will be put in place to ensure the delivery of the 'Pound Plus' requirements.

6. APPENDICES AVAILABLE ON REQUEST, IN THE MEMBERS LIBRARY AND ON-LINE

- 6.1 **Appendix 1** - New Challenges, New Chances
Appendix 2 - Skills Funding Statement for 2013-2014

7. RECOMMENDATIONS

- 7.1 The portfolio holder is asked to note the report.

8. BACKGROUND PAPERS

None.

9. CONTACT OFFICER

Maggie Heaps

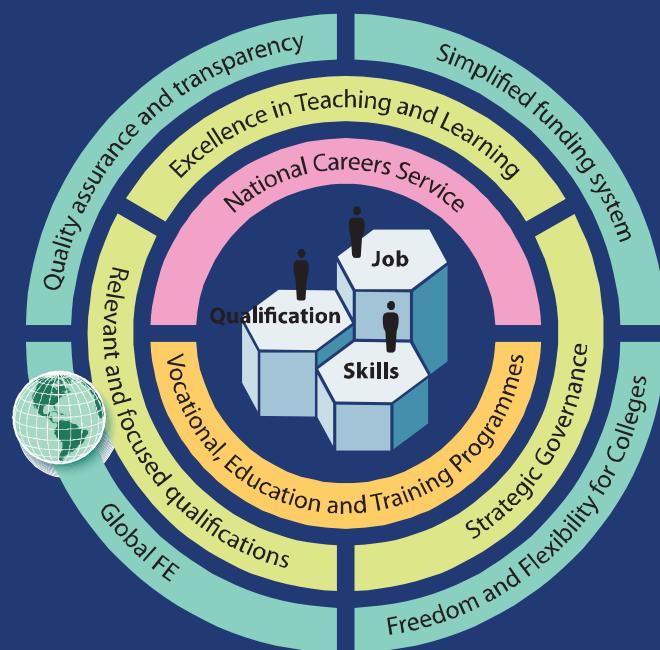
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NEW CHALLENGES, NEW CHANCES

Further Education and Skills
System Reform Plan: Building
a World Class Skills System

1 DECEMBER 2011



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A message from Vince Cable

A year ago, in *Skills for Sustainable Growth*, I set out my vision of how a freer, more user-focused further education and skills system could make a major contribution to economic recovery.

Events in the intervening months support that analysis. Only recently I was able to announce the excellent news that Apprenticeship starts in the 2010/11 academic year rose by more than a half over the previous year, with increases across all age ranges and levels. The unprecedented investment by my Department and the Department for Education in Apprenticeships is working for businesses and trainees. Our team's success in the WorldSkills 2011 competition showed their skills could be a match for any in the world.



As this country strives to strengthen economic growth and create the jobs that will come with it, businesses of all sizes are crying out for people with the right skills to design, produce and sell a quality product efficiently. The future of thousands of communities all over the land depends on whether or not those skills will be available. So, too, do the futures of millions of people, especially young people.

Most people have a fundamental need to work. Not only to earn a wage so that they can support themselves and their families, or to be able to aspire to a higher standard of living, but also so that they can take pride in their self-reliance and find a release for their own creativity and capacity to innovate.

Our plans have been informed at every stage by the views of stakeholders, from individual learners to sector representative bodies, and I would like to thank everyone who has contributed.

The challenge now is to put these new arrangements in place swiftly and efficiently. I know that I can count on the further education and skills sector's continued support in taking that work forward.

Introduction: John Hayes

The work that led to this document began long before the General Election of May 2010. It is the product of years of discussions with the very people who make our further education and skills sector function. The strategy described in these pages has been informed by the views that you expressed in response to *Skills for Sustainable Growth* and the *New Challenges, New Chances* consultation in November 2010 and August 2011.



The way in which our plans have developed reflects the way in which I want the sector itself to develop, guided by its own insights and experiences rather than by impersonal instructions from a remote bureaucracy. So this document is not about institutional hierarchies but about people and the relationships between them. It is about who should be listening to whom. That is perhaps the most important way in which it differs from the various other strategies for further education that have been printed in recent years.

At present, our national skills levels stand somewhere in the middle of the international rankings. I don't think that's good enough, we have the potential to do even better. It's certainly not a reflection of our people's abilities and potential. Wherever I go in the sector I hear, see and feel a hunger to do more. At the WorldSkills 2011 competition in London, Team UK won no fewer than 13 medals, placing us fifth in the world, our best-ever performance. Young people want to be their best by doing their best.

We will meet our potential only when those lecturers, trainers and managers, working to deliver education and training in communities and in businesses, are free to do their best. This document speaks of colleges' and providers' primary accountability being to students, employers and the community in their areas – that is not an ideology but a fact of life.

The Government can provide money and insist on proper accountability to the taxpayer for how it is spent. It will continue to do so. But we will always be mindful of a dictum of John Ruskin's, one of the fathers of British adult education that "a thing is worth what it can do for you, not what you choose to pay for it".

The overall vision for the future landscape of further education and skills that this document sets out is already becoming familiar and I am grateful for the contributions Baroness Sharp and Lord Boswell have made to this agenda.

Our end is through promotion of the common good to serve our national interest. This means a newly confident sector – released from years of confinement - free to excel.

We place our trust in the power of learning to bring about economic and social renewal for individuals and families. And we place our trust in those who provide further education and skills – whether they are lecturers, managers, governors, administrators or support staff – to the welfare of the communities of which they are such an integral part.

And in their commitment to the task of bringing fresh hope to the people they serve, playing a full part individually and collectively in renewing Britain.

Executive Summary

In 2010 the Government set out the vision for skills and how the Further Education (FE) and Skills System would need to reform. The vision brings together the necessity for businesses to continue to invest in training and skills of their workforce while recognising several key areas will continue to need government support. This document sets out what the Government will financially support and the programme of work required to take forward the reform of FE and skills system for adults aged 19 and over in England. It is based on the principles set out in *Skills for Sustainable Growth* and taking account of the responses to our *New Challenges, New Chances* consultation.

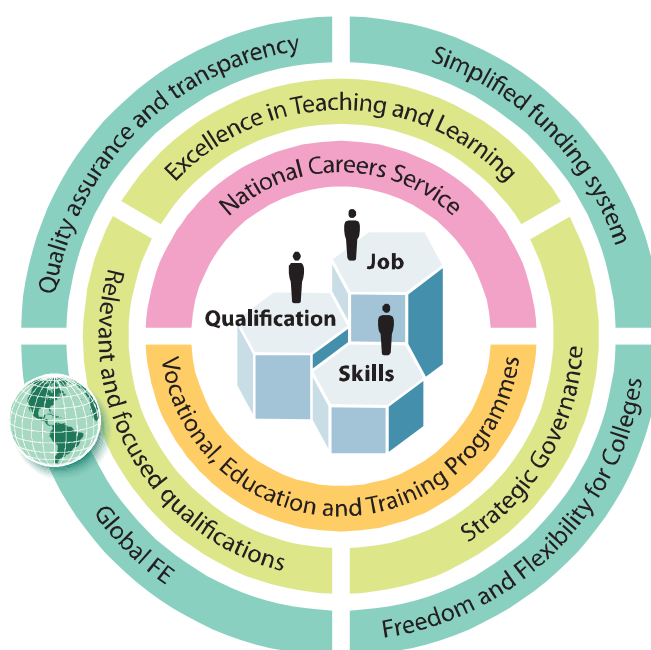
The key elements of the reform programme for the system are:

Students at the heart of the FE and skills system: we will empower learners from basic skills through to higher level skills to shape the system using information to inform their choices; government funding focused on supporting students where it can have most impact, including the introduction of FE loans.

First-class advice delivered by the National Careers Service: to be launched in April 2012, this will provide information, advice and guidance both to inform and to stimulate demand for further education, work-based training and higher education. Lifelong Learning Accounts will provide learners with the information they need to make the most of their learning opportunities.

A ladder of opportunity of comprehensive Vocational Education and Training programmes: from community learning and basic skills through to high-quality Apprenticeships to clear and flexible progression routes to Higher Vocational Education.

The system will fuel individual achievement, power the common good and drive upward economic performance.



Excellence in Teaching and Learning: we will take a number of actions to develop and promote excellent teaching, including establishing an independent commission on adult education and vocational pedagogy to develop a sector owned strategy and delivery programme. We will also facilitate an independent review of professionalism in the FE and skills workforce.

Relevant and focused learning programmes and qualifications: we are taking action to ensure that qualifications are high quality and easy to understand, by improving awareness of the Qualifications and Credit Framework, consulting employers on their engagement in qualification development and consulting on the role of National Occupational Standards.

Strategic Governance for a dynamic FE sector: our removal of restrictions and controls on college corporations paves the way for new roles for governors working closely with other educational providers in post-14 learning, and local stakeholders such as Local Authorities and Local Enterprise Partnerships (LEPs) to take the lead in developing delivery models to meet the needs of their communities.

Freedoms and Flexibilities: we are continuing our programme to free the FE system from central control building upon the successes already achieved, including further work by the Skills Funding Agency with colleges to remove bureaucratic burdens.

Funding priorities through a simplified funding system: to create a simple transparent funding system that is both robust in ensuring funding goes only to high quality provision that delivers good value for money, while being innovative to respond to local circumstances.

Empowered students making informed choices: in the place of Government - based quality assurance systems we will empower students by providing better access to quality information. At the same time, we will take swift action in relation to failing provision, providing intensive support and, if necessary, intervening to ensure that alternative and innovative delivery approaches are secured for the future.

Global FE: building on the growing international demand for technician and higher level vocational skills, and the legacy of our achievement at WorldSkills 2011, we will continue to support the sector to take advantage of opportunities in the global market.

The high level plan to implement this reform programme over the next four years is set out in Annex E.

1. Our Students

Learners are at the heart of the FE and skills system.

Their success and where they go next is our most important consideration. We cannot grow as a nation without a skilled workforce and students cannot reach their full potential without good skills. Our future students and their employers will need to be well informed and make good choices about their training. This strategy sets out how we will ensure that they and their employers are empowered to shape the FE and skills system.

The principles of fairness and shared responsibility underpin our strategy for investing in FE and skills. We will prioritise available grant funding on learning for young adults, those who need English and Maths skills, and those seeking work. Alongside this, and for the first time, we are introducing a system of FE loans, which shifts more of the responsibility for investing in learning to individuals, and maintains support for adults to learn at advanced and higher levels. Sharing the same progressive features as HE student finance – no up front cost to the learner, no repayment until earnings reach £21,000, and outstanding amounts written off after 30 years – FE loans will use much of the delivery infrastructure for HE student loans, creating a more coherent offer to learners. The introduction of loans is an important step, and we will be working closely with colleges, training providers and key stakeholders as we implement them for the 2013/14 academic year.

In the 2010/11 academic year we supported:

3,129,200 learners aged 19 years and over who participated in some form of Government funded FE and skills training (of whom 739,300 were aged 19-24 and 2,390,000 aged 25 or over). Of these, there were:

- 460,400 Apprentices
- 369,800 Below Level 2 (excluding Skills for Life)
- 956,200 Skills for Life (including Literacy, Numeracy and Language)
 - 639,300 learners participating in Literacy courses
 - 630,600 learners participating in Numeracy courses
- 972,100 Full Level 2
- 489,500 Full Level 3
- 36,100 Level 4 or higher

685,800 learners were funded from the Adult Safeguarded Learning Budget.

Source: Individualised Learner Record, based on provisional 2010/11 data.

To support learners and ensure employers have an appropriate, trained workforce, FE colleges and training providers will have more flexibility than ever before within their Adult

Skills budget to respond to local learner and employer demand. As set out in *Skills for Sustainable Growth*, Government funding will be concentrated on supporting students where it can have most impact, drawing on the knowledge of local government and LEPs about local labour markets.

The Government will financially support those:

- Who did not achieve basic English and Maths in school. The Skills for Life programmes which enable adults to improve their basic literacy and numeracy skills will be expanded to include and fund those who need GCSE English and / or Maths Level 2.
- Young people aged 19 up to 24 can access full funding for Foundation Learning where they need that to progress into further learning or to get a job. They can also access full funding for their first qualifications at Level 2 (or 3), including an opportunity to get GCSE English and Maths.
- Unemployed people on benefits who are looking for work to access labour market relevant courses, which help them improve their skills or re-train to help them get a job.
- At risk of social exclusion to support them to access community learning. We remain committed to safeguarding a range of learning opportunities that support access and progression for people who are disadvantaged and least likely to participate.

In partnership with employers and individuals, we will support those:

- Who wish to undertake an Apprenticeship framework. We will refocus our Apprenticeships programme to target public funding more sharply where returns are greatest.
- In SMEs who need further management training and workplace training to support their growth plans.
- Individuals over 24 who want to retrain or up-skill at Level 2 in order to secure different employment and/or improve their life-chances.

Through FE loans, we will also support those:

- Over 24 who wish to do full Level 3 (2 A-Levels or the vocational equivalent) or Level 4 (Higher Vocational Education) in order to qualify for a professional job and/or progress to higher education.

We will promote innovation and enterprise by:

- Supporting FE colleges and providers to draw down funding for programmes that meet a particular employer skills need whilst they are simultaneously developed for the QCF. This “Innovation Code” was a recommendation from Baroness Sharp’s Report on Colleges in their Communities and will operate on the understanding that colleges and providers will work with appropriate partners to develop the programme to fit the specifications of the QCF so that over time it can become part of a nationally regulated offer.

2. First-class advice delivered by the National Careers Service

However committed and however talented they are, students will always risk being let down by the system unless they have access to the information they need to make the right decisions in their learning and in their careers.

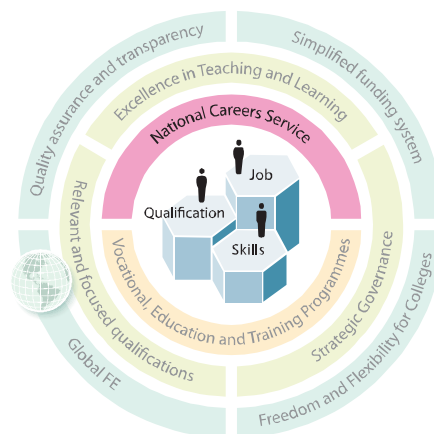
High-quality information about careers and skills, and independent, professional advice and guidance for people who need it most, are a vital part of an efficient labour market which drives growth. We want people to make learning and career choices which are well-informed, stimulating a supply of further education, work-based training and higher education which reflects individual, employer and labour market demand.

The Next Step careers service for adults is an extremely strong platform on which to build.

In April 2012 we will launch the National Careers Service, building on Next Step. The Service will have a new focus on specialist careers guidance, built on the principles of independence and professional standards, and will ensure there is a strong information, advice and guidance offer available for young people and adults.

The Service will have a presence in a wide range of organisations, including FE colleges, community centres, shops and places of worship. The Next Step service already has a presence in 139 colleges, and some (such as Barnet and Southgate College) are developing innovative new models combining careers support and job search. From January 2012, we will pilot new forms of co-location with other organisations.

We will also ensure that information, advice and guidance can make the greatest contribution to growth and social mobility. In particular we want individuals from troubled families get the help they need to turn their lives around.



The **National Careers Service** will provide information, advice and guidance on careers, skills and the labour market, covering further education, Apprenticeships and other types of training, and higher education. It will comprise:

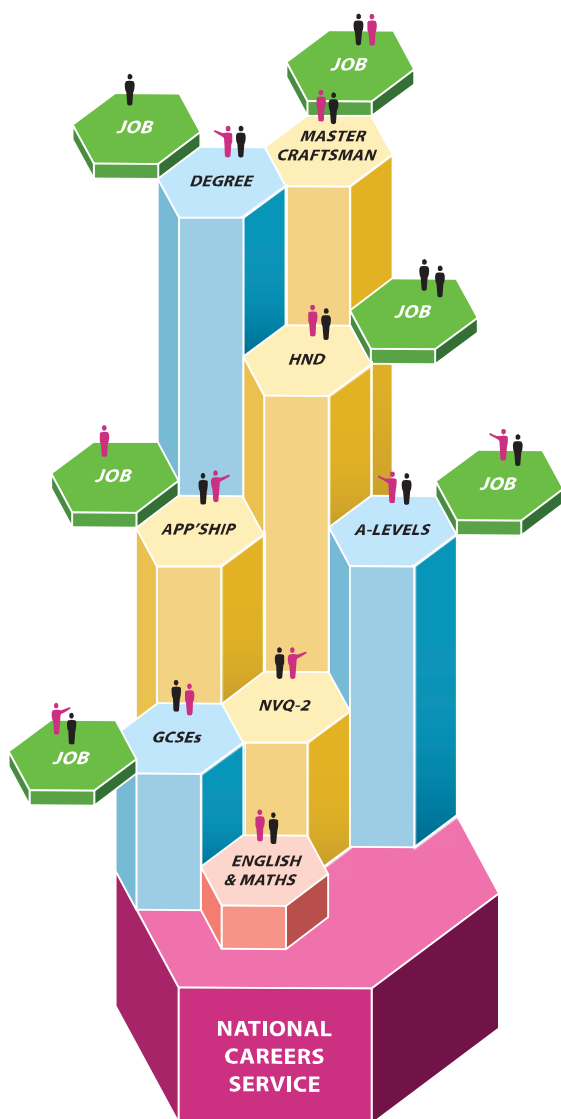
- An online and helpline service available to young people and adults, including a new website using the latest technology.
- A network of organisations providing face to face careers guidance in the community to adults (defined as those aged 19 and over, although the Service will support those aged 18 and over who are jobseekers).
- It will have the capacity to help 700,000 adults face to face each year; and handle up to 1 million telephone advice sessions and 20 million online sessions.
- The National Careers Service will operate to a rigorous, enhanced version of the Matrix Standard.

Schools will be responsible for securing access to independent, impartial careers guidance for their pupils. In line with our policy of raising the participation age to 18 by 2015, we will shortly be consulting on extending this duty to 16-18 year olds in school and further education settings. The Department for Education is providing statutory guidance to help schools discharge this duty, and will support the sharing of best practice.

We want the demand for high quality services from schools, young people and their parents, individuals in the labour market and employers to drive quality and professionalism in guidance services, wherever they are provided. Government is keen to see the best of new technologies used to support this agenda.

Supported by No.10, and brought together by a passion to inspire the next generation, industry partners Serco, Engine, Eversheds, the Institute of Education Business Excellence and the Ideas Foundation have created 'I Am...' a social enterprise that aims to inspire young people about their futures.

The enterprise is collaborating with young people, as well as a growing number of employers, brand and digital experts, notably Centrica, Dairycrest and Microsoft. 'I Am...' is an inspirational campaign and website that brings all careers information and opportunities for young people into one place. It will draw on specialist resources from a wide range of organisations and services, including the National Careers Service.



Alongside the National Careers Service, Lifelong Learning Accounts will encourage individuals to learn, and keep on learning. We want the accounts to help build a national community of learners with the desire to seek out knowledge and skills and invest in their own success.

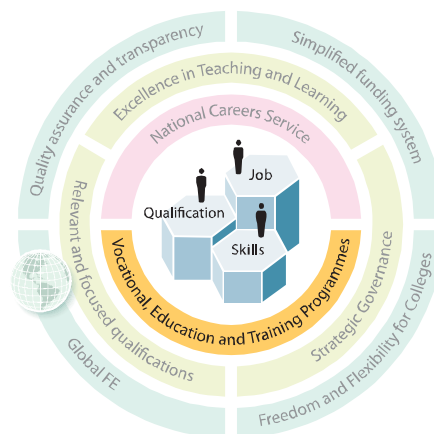
Lifelong Learning Accounts will empower adults to take greater control over their learning by providing clear information and advice on skills, careers and financial support, tailored for the individual, all in one place. Accounts will encourage users to link up with other learners to share knowledge and experiences, and account holders will be signposted to relevant learners' forums and communities through social media such as Facebook and Twitter.

3. Vocational Education and Training Programmes

Apprenticeships

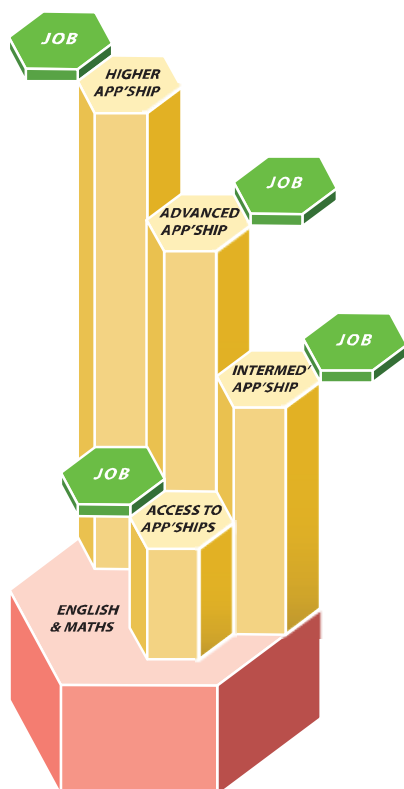
More young people and adults are applying to become an apprentice and in the 2010/11 academic year over 440,000 people started on a programme. Apprenticeships support people of all ages to gain the skills they need to succeed and progress in their careers and help employers to build a workforce with the motivation and expertise they need to compete globally.

Together with the Department for Education, we are committed to improving the quality and accessibility of Apprenticeships, for example, for small and medium-sized enterprises, young people from troubled families and for people living in rural communities.



Our main priorities are to:

- Focus the programme more sharply where Apprenticeships bring the greatest returns and wider benefits, including targeting younger adults, new employees, higher level qualifications and particular sectors where investment will make the greatest impact.
- Increase the number of 16-24 year old apprentices, including by encouraging small employers not yet engaged with the programme to take on new young apprentices. Partly through the Youth Contract, we will provide up to 40,000 incentive payments.
- Significantly extend Higher Apprenticeships provision, including with the launch of a further opportunity for organisations to bid for funding.
- Take strong action to drive up standards and quality, including withdrawing funding from providers that do not meet the high standards that learners and employers demand and ensuring that providers support apprentices to achieve Level 2 in English and Maths wherever possible. A major employer-led review of apprenticeships standards will consider how the programme should adapt to meet evolving employer and learner needs.
- Make it easier for employers to take on an apprentice, by reducing bureaucracy, streamlining and speeding up processes and removing all additional health and safety requirements on employers. We will ensure the National Apprenticeship Service better supports the needs of small employers through more targeted advice and guidance.



Putting employers in the lead: Employer Ownership Pilot

If we are to secure long-term competitiveness for the UK, we need to change the relationship between employers and the state on skills. We have committed to a new employer ownership pilot, working with the Department for Education, supported by up to £250 million of public investment over two years, subject to high-quality employer bids and ongoing evaluation. The employer ownership pilot will test the potential to raise businesses' engagement and investment, by routing public investment directly to businesses, rather than through FE colleges and training providers. A prospectus inviting proposals from employers will be launched in 2012.

Growth and Innovation

The Growth and Innovation fund co-invests alongside employers, with the support of their industry and sector bodies, to work within their supply chains, business clusters and with colleges and training providers to remove the barriers they face in developing the skills they need and to make the most of opportunities for growth.

Professional Updating for SMEs

The Leadership and Management Advisory Service (LMAS) is a £20 million programme offering support to up to 13,000 high growth SMEs and social enterprises in the 2011-12 financial year to help develop their management capability. In the 2012/13 academic year, LMAS will be aligned with Business Coaching for Growth and will form part of a package of support including: coaching of senior management teams; access to business and knowledge networks; and fast-track access to trusted sources of specialist advice such as the Technology Strategy Board and UKTI.

Alongside Apprenticeships, SMEs will also be able to draw down public funding for other workplace learning for Level 2 qualifications.

Skills for Life: English and Maths for adults

There has been a large improvement since 2003 in Level 2 and above literacy, but no improvement in lower level literacy and the nation's numeracy skills have shown a small decline. So despite considerable efforts over the last 10 years to improve the basic skills of adults, our new national survey¹ shows that 24% of adults (8.1 million



¹ Skills for Life survey: headline findings (2011), BIS research paper 57 – full report to be published in spring 2012

people) lack functional numeracy skills and 15% (5.1 million people) lack functional literacy skills. This is unacceptable.

Building on Lord Boswell's report on adult literacy we have undertaken a major review of how provision is delivered to improve the economic and personal returns to this investment.

Key actions:

- Re-establish the terms 'English' and 'Maths' for adults.
- Prioritise young adults who lack English and Maths skills, and those adults not in employment.
- Pilot in 2012 how providers can be funded on the basis of the distance a learner has travelled.
- Fund GCSE English and Maths qualifications from September 2012.
- Recognise the differential learning patterns of adults by enabling Awarding Organisations to create standalone units that provide the necessary rigour and flexibility to support progression to a GCSE or other training.
- Confirm that, from the 2012/13 academic year, all Apprenticeship providers will be required to support Apprentices in progressing towards the achievement of Level 2 English and Maths. From October 2012 all Apprentices starting English and Maths courses will be taking Functional Skills or GCSE qualifications.
- Embed effective and timely screening by Jobcentre Plus advisers of the English and Maths needs of relevant benefit claimants, mandating them to an initial interview with a provider where a lack of these skills is preventing them from moving into work.
- Reinforce the focus on assessing the English and Maths needs of offenders at the very start of their sentence through the new specification on which the procurement of new learning providers is based. In addition, we will pilot intensive English and Maths provision in prisons, commencing early in 2012.
- Include the training of English and Maths teachers in the development fund for the sector to explore new models of delivering Initial Teacher Education.
- Ensure that by September 2012 the Learning and Skills Improvement Service's (LSIS) continuing professional development programme for Skills for Life teachers prioritises the most effective pedagogy for teaching English and Maths. LSIS will support a range of peer reviews and practitioner research programmes.
- Ofsted proposes to increase its focus on the quality of teaching, learning and assessment in inspection. Paying particular attention to how well teaching develops English and Maths skills.
- Promote a national Maths campaign. Instead of taking an expensive, top-down approach as has been done in the past, we will work with stakeholders and seek to engage 'champions', including high profile employers. These champions will target other employers and individuals with low skills in employment; and those on the margins of the labour market.
- Undertake a new research, development and evaluation programme from 2012.

Education and Training Routes and Programmes for Unemployed People

Young people aged 19 up to 24 can access full funding for Foundation Learning where they need that to progress into further learning or to get a job. They can also access full funding for their first qualifications at Level 2 (or 3), including an opportunity to get GCSE English and Maths.

FE colleges and providers can also access units and full qualifications from the Qualifications and Credit Framework to design a flexible pre-employment training offer for the people who are unemployed and looking for work to enable them to access jobs in the local labour market. Where an individual's main goal on starting a course is to get a job, from 2012 the Skills Funding Agency will pilot paying for job outcomes.

We will ensure that young people aged 19 up to 24 have access to a full range of programmes to enable them to continue into further learning or move into employment. We will work closely with local government and Local Enterprise Partnerships in taking this forward.

Education, Training and Retraining

Individuals aged 24 and over will continue have access through colleges and providers to a range of training and retraining opportunities leading to a vocational qualification and progression to further learning or a job. The programmes on offer cover areas ranging from general education, A-levels, science, construction etc to skills for the new green technologies and industries. If they are in work, learners will be expected to contribute to the costs of their programme at Level 2 and will be able to access a loan for Level 3 or higher.

The introduction of Universal Credit in October 2013 means we will need to review the way we use benefits to define people who are near to the job market and therefore eligible for fully-funded skills training. There is likely to be a long transition period as people move from the existing benefits regime to Universal Credit and we will need to build in transitional arrangements. We will continue to work closely with the Department for Work Pensions to understand the implications for funded training. Over the coming year we will seek the views of, and test options, with FE colleges, providers and careers services.

Opening up Higher Vocational Education

The Government published its higher education White Paper '*Students at the heart of the system*' in June 2011. Its overall goal is to create a system which is more responsive to student choice, provides a better student experience and helps to improve social mobility.

The White Paper acknowledged the main barriers faced by institutions seeking to expand and new providers were around student number controls and the complex processes for obtaining, for example, taught degree-awarding powers. It also made a commitment to drive competition and innovation across the sector, by freeing student numbers and removing the regulatory barriers that are preventing a level playing field for higher education providers of all types, including FE colleges and alternative providers.

These changes will have significant implications for many FE providers. Further education already provides nearly 40% of new entrants to higher education (HE). The sector is an increasingly significant HE provider in its own right, hosting around 180,000

students on HNCs, HNDs, Foundation Degrees, degrees, Apprenticeships and professional awards. Colleges have a distinctive mission in delivering locally-relevant, vocational and technical higher-level skills across the country.

The use of the title “college of further and higher education” has received support from FE colleges with significant HE who wish to express that fact more explicitly. We will review the criteria for adoption of this title to ensure they better reflect the new and emerging landscape. We will take account of the outcomes of the Government’s proposed reforms to higher education including those proposals around university and university college title.

Whilst many colleges and providers have long and established track records in offering Level 4 technical and professional qualifications, this has been a neglected area in policy terms for some time, particularly around what has become known as ‘non-prescribed higher education’. We will develop and promote the concept, identity and value of our ‘Higher Vocational Education’ portfolio with clear, flexible and articulated progression routes into Levels 4, 5 and 6.

Our plans to introduce loans for certain students and courses in FE institutions are described elsewhere in this document. But to achieve their full potential for helping more adults progress from intermediate to higher-level skills, and to help them progress in their careers, these changes will need to be supported in other ways. We therefore intend to invite collaborative proposals to increase credit accumulation and transfer opportunities across further and higher education.

We also expect the further opening-up of awarding powers to national organisations, such as awarding organisations, to take into account the need for seamless and navigable pathways for our students and employers on an all-England basis.

It is clear that further and higher education institutions are advancing quickly in their thinking about innovative business models to secure effective progression for learners, and share risk. Examples include federated models, social enterprise hubs for shared delivery and services, mutualisation, strategic alliances with universities and FE organisations, academies, University Technical Colleges (UTCs), voluntary organisations and employers.

Community Learning

BIS funding will continue to support a universal community learning offer, with a wide range of learning opportunities available to all adults in England.

The consultation endorsed a new, clearer commitment to using the public funding subsidy to support access, and progression in its widest sense, for people who are disadvantaged and who are furthest from learning and therefore least likely to participate. In the 2012/13 academic year we will pilot different locally-based ‘community learning trust’ models to channel Adult Safeguarded Learning funding and lead the planning of local provision in cities, towns and rural settings. If this proves to be an effective model we will roll out community learning trusts across England to begin full operation from summer 2013. The new trusts will take account of the views of local government, local communities and local business leaders to ensure the purpose and objectives for the budget are implemented in ways that meet local need. A prospectus will be launched in spring 2012.

Purpose of Government Supported Community Learning:

- Maximise access to community learning for adults, bringing new opportunities and improving lives, whatever people's circumstances.
- Promote social renewal by bringing local communities together to experience the joy of learning and the pride that comes with achievement.
- Maximise the impact of community learning on the social and economic well-being of individuals, families and communities.

Objectives:

- Focus public funding on people who are disadvantaged and least likely to participate, including in rural areas and people on low incomes with low skills
- Collect fee income from people who can afford to pay and use where possible to extend provision to those who cannot.
- Widen participation and transform people's destinies by supporting progression relevant to personal circumstances, e.g.
 - improved confidence and willingness to engage in learning
 - acquisition of skills preparing people for training, employment or self-employment
 - improved digital, financial literacy and/or communication skills
 - parents/carers better equipped to support and encourage their children's learning
 - improved/maintained health and/or social well-being.
- Develop stronger communities, with more self-sufficient, connected and pro-active citizens, leading to:
 - increased volunteering, civic engagement and social integration
 - reduced costs on welfare, health and anti-social behaviour
 - increased online learning and self organised learning
 - the lives of our most troubled families being turned around.
- Commission, deliver and support learning in ways that contribute directly to these objectives, including:
 - bringing together people from all backgrounds, cultures and income groups, including people who can/cannot afford to pay
 - using effective local partnerships to bring together key providers and relevant local agencies and services
 - devolving planning and accountability to neighbourhood/parish level, with local people involved in decisions about the learning offer
 - involving volunteers and Voluntary and Community Sector groups, shifting long term, 'blocked' classes into learning clubs, growing self-organised learning groups, and encouraging employers to support informal learning in the workplace
 - supporting the wide use of online information and learning resources
 - minimising overheads, bureaucracy & administration.

Supporting the Justice System

Having the right skills enables released prisoners to get and keep jobs – and employment is critical to reducing re-offending.

Following a review we launched *Making Prisons Work: Skills for Rehabilitation* in May 2011, setting out a new strategy for offender learning. The strategy sets out an increased focus on vocational and employability skills, and introduces a decisive shift to local decision-making based on clusters of prisons between which prisoners move. It also sets out the Government's commitment to trial outcome payments giving colleges and training providers a greater stake in delivering learning successfully. Prison Governors will work closely with the Skills Funding Agency and other partners to determine a mix of learning provision that will fit offenders for the range of jobs and Apprenticeship opportunities available to them in the areas to which they are released.



4. Excellence in Teaching and Learning- ensuring world-class programmes

As demonstrated at the World Skills 2011 competition our young people can compete with the rest of the world. Our ambition must be that all our students and trainees receive the type of training our World Skills competitors received.

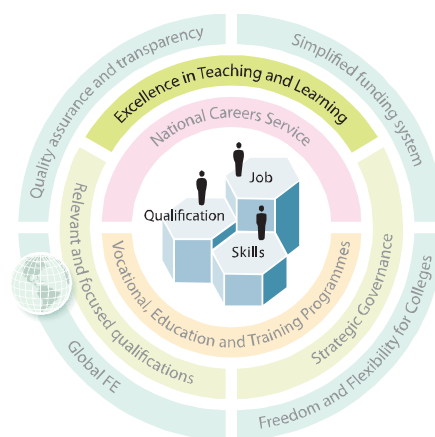
Colleges and approved training providers are responsible for improving the quality of teaching and learning. Much of what happens is good. However, Ofsted in its recent report *The Annual Report of Her Majesty's Chief Inspector of Education, Children's Services and Skills 2010/11*,² has found that there is too little outstanding teaching and learning and that around a third of provision is judged satisfactory or inadequate.

To ensure there is a clear sector-owned policy to support outstanding teaching and learning in FE, including making full use of the potential of technology, an independent commission on adult education and vocational pedagogy will be established. The Commission will:

- Bring together industry, teacher training colleges, professional associations and practitioners in the FE sector.
- Be supported by LSIS and Institute for Learning, and draw on evidence from Ofsted.
- Explore how the best colleges and providers work with employers.
- Set out the standard expected of a good learning opportunity for an adult and an apprentice, and define a range of effective pedagogical approaches.

LSIS will also lead work to support FE colleges in developing collaborative approaches to delivering HE including progression pathways from FE to HE.

"We support the establishment of a Commission on Vocational Teaching and Learning and would be keen to contribute to its work in whatever way we can. The 157 Group believes that a consistent focus on the quality of teaching and learning is the most important priority for the learning and skills sector." 157 Group



² <http://www.ofsted.gov.uk/resources/>

Focus on STEM

The Commission will need time to do its work but meanwhile the Growth Review has confirmed the need to focus on Science, Technology, Engineering and Mathematics (STEM), as well as English and Maths and Apprenticeship delivery. Key developments are:

- The Royal Academy of Engineering's two recent reports on the scale and nature of STEM provision and the economic returns on STEM qualifications in FE and HE³.
- Ofsted's thematic review on Improving Science in Colleges which illustrates good practice in the teaching of science⁴.
- LSIS's STEM support service which is aligned with national STEM policies and focused on improving the quality of teaching and learning.

Professional Workforce

Outstanding teaching and learning depends on the quality of teachers and trainers, their specialist skills and how they are supported. Three key actions are now being undertaken:

- An independent review of professionalism in the further education and skills sector. This will review the current arrangements to regulate and facilitate the professionalism of the FE and skills workforce, and make recommendations for how these should be changed or improved, given that building the status of workforce is central to building and promoting the reputation of the sector.
- Bursaries and a development fund for the sector to explore new models of delivering Initial Teacher Education. BIS has commissioned LSIS to work with the sector and provide development funding for new models of delivery.
- A network of expert practitioners in specific vocational skills. As part of the legacy of WorldSkills London 2011, LSIS will set up a pilot project to create a network of expert practitioners in FE in specific vocational fields. This will build excellence in dual professionalism in key industry areas, and will also contribute to the expert training for annual UK Skills competitions and international competitions.

³ FE STEM Data Project – July 2011 report 17 November 2011
http://www.thedataservice.org.uk/statistics/other_statistics_and_research/

The labour market value of STEM qualifications and occupations 17 November 2011
<http://raeng.org.uk/news/releases/shownews.htm?NewsID=701>

⁴ Improving science in colleges – sharing ideas and examples of good practice 14 October 2011
<http://www.ofsted.gov.uk/news/improving-science-colleges-sharing-ideas-and-examples-of-good-practice-0>

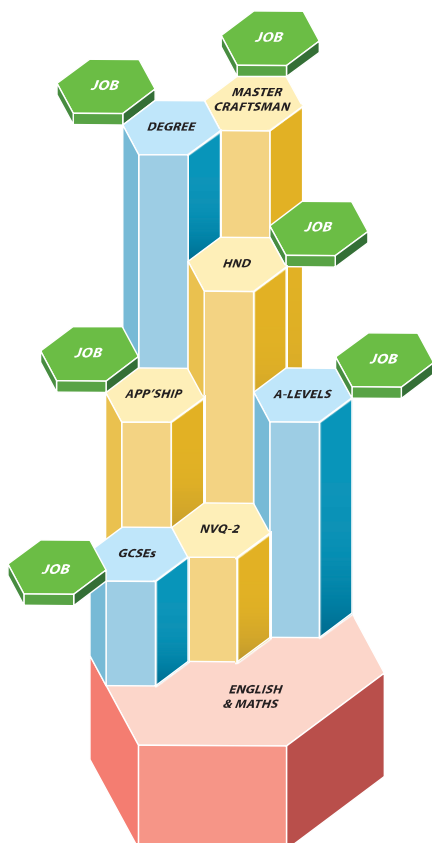
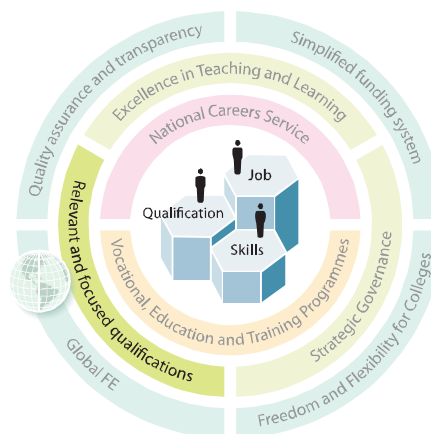
5. Relevant and focused learning programmes and qualifications

Our objective is that the qualifications offered in the FE and Skills sector are relevant to employer needs, high quality, and simple to understand:

- "High quality" means rigorous, meeting employer needs, and offering progression to higher levels.
- Qualifications need to be simpler - comprehensible to and trusted by employers and learners without the need for specialist knowledge of the system

The Qualifications and Curriculum Framework (QCF) provides a good starting point for us to achieve that vision, and we will not engage in significant upheaval to the qualifications regime, with all of the distraction that would cause. Instead we will work with businesses, providers, and awarding bodies to maximise the benefits of the QCF. We have already improved the quality of qualifications, and simplified the process of creating them, by removing the requirement for Sector Skills Councils to approve each unit or qualification.

Businesses need a stronger sense of ownership over qualifications. We will consult on how business can be more fully engaged in qualification design, development and assessment. This will create greater confidence in qualifications that equip learners with the skills they need to succeed. Consultation will begin early in 2012.



Following the recommendations in the Wolf report, we will consult on whether current National Occupational Standards are fit for purpose in a job market where the nature of work is evolving rapidly and individuals change occupations more frequently.

We have also welcomed a proposal from Ofqual, the independent regulator of qualifications, to launch a programme of work aimed at a better understanding of how well qualifications' markets are operating to deliver fit-for-purpose qualifications as a focus for its regulatory interventions. Ofqual will look to work collaboratively with other bodies, including the Office of Fair Trading on competition issues.

Where there is demand, Awarding Organisations will be able to develop new assessments based on criteria which ensures rigour and is focused on the core English and Maths skills needed in the labour market and for progression. We will expect greater employer involvement in the development of these awards and assessment models that are flexible enough to support lower level learners to progress.

6. Strategic Governance for a dynamic FE Sector

The FE sector is moving into a new era, where there is a fundamentally different relationship with Government. Our radical reform programme is freeing colleges from central government control and putting responsibility firmly on the shoulders of colleges themselves. This requires a change in thinking, where colleges will no longer look to central government for detailed steers or permissions. Accountability will be outwards to the colleges' communities, learners and employers.

This changed landscape means a new role for college governors, who need to be ready to use the new freedoms to lead their colleges strategically.

College governors will have collective responsibility for developing a diverse FE sector, working with schools, academies, independent training providers, universities, local government and the voluntary sector. Colleges have a key role to play in responding to the changing needs of a dynamic economy and society, contributing to the work of Local Enterprise Partnerships in driving local economic growth and working with local community leaders and the business sector through initiatives such as the city deals agenda.

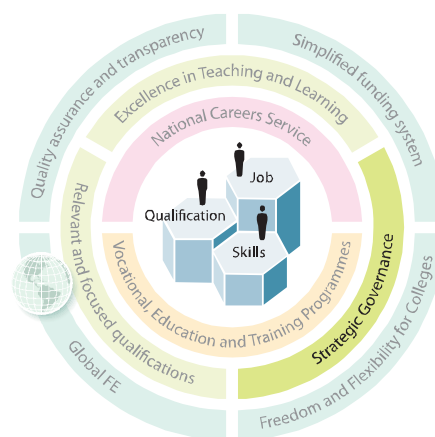
To create this new environment, through the Education Act 2011 we have removed a wide range of restrictions and controls on college corporations, putting colleges on a similar footing to charities operating within the independent/private sector. Corporations no longer need to seek permission to change their Instrument and Articles and the legislative requirements for these are now reduced to a minimum core of essential elements. A Corporation can decide to dissolve the college itself, if this seems the best approach to ensure the provision of high quality, flexible provision to meet the needs of their local areas. We will continue to ensure that the naming of colleges is accurate and meaningful. We will review ways of protecting the terminology and titles in relation to FE colleges to maintain the high reputation of the FE sector.

In considering the needs of their local areas – whether these are cities, towns or rural areas - we expect colleges and providers to look at a wide range of evolving models, including joint models across the post-14 education sector.

New organisational and business models might involve:

- Setting up companies or, trusts.
- Or mutualisation models, in line with the Coalition's commitment to support the creation of new public service mutuals, empowering employees to take over the services they provide.

Mutualisation models are already being considered by a number of colleges. As these fledgling mutuals develop they will be able to access the Mutuals Information Service, the gateway to a comprehensive support package provided by Cabinet Office



Stockport College: Public Service Mutual Pathfinder

- The College is consulting and working with stakeholders to ensure that future strategic planning is influenced by the community the College serves.
- As part of the Cabinet Office Mutuals Pathfinder Programme, the College is creating a Community Benefit Society or similar, made up of staff and other stakeholders in the College.
- The Society will have a clear voice in the strategic direction of the College.

New partnerships might include:

- Federations or joint venture models with other colleges.
- Working with an employer or groups of employers and an associated university to form University Technical Colleges, sponsored by the Department for Education.
- Partnerships to deliver specific training opportunities, including working with National Skills Academies, or setting up specialist skills centres.
- Working through Group Training Associations or Apprenticeship Training Associations to develop innovative Apprenticeship models.

Colleges might take up the opportunity to sponsor, establish or work with Academies (3-19 or 16-18) or Free Schools (3-19). There are many examples of this already working in practice, for example there are currently (as of November 2011) 27 FE colleges across the country sponsoring or co-sponsoring Academies, with a further 15 due to sponsor Academies in 2012.

The vital accountability to communities is recognised in Baroness Sharp's review of colleges' role in their communities. Any college considering a major change in their delivery model will undertake a College Structure and Prospects Appraisal and consider carefully and thoroughly the impact on their communities, consulting widely and transparently on their proposals, and taking explicit account of the views of the people - learners, employers, and the broader community - that they serve.

College corporations must recognise that they are operating in an open market which should allow for new entrants, offering greater choice and diversity. The processes for developing new delivery models or securing new provision or partners should be transparent and through open and competitive procurement practices, with demand driving a more diverse supply side.

The full range of factors that should be considered in a College Structure and Prospects Appraisal are set out in Annex A.

The recently published AoC Governors' Council Foundation Code of Governance provides an excellent basis for the development of good practice in governance. Government will continue to support this work alongside a range of programmes being developed together by LSIS, AoC and the 157 Group, as well as follow up work from Baroness Sharp's review, to develop a 'dynamic resource' that can be used to stimulate, encourage and support governors, principals and staff across the sector.

7. Freedom and Flexibility for Colleges and Providers

We are taking a three strand approach to helping colleges and training providers to run their businesses and better respond to the needs of learners, employers and communities:

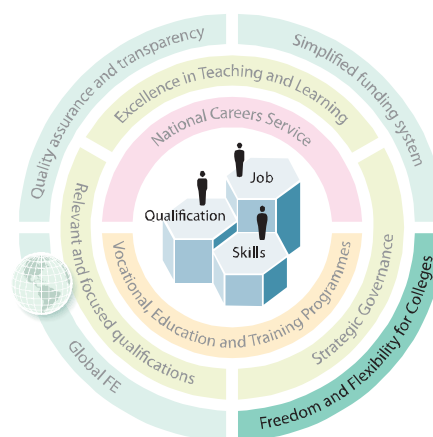
- **Streamlining the landscape.** We have abolished, merged, ceased funding or scaled back the number of government organisations in the FE landscape to ensure only the most focussed and relevant remain, so reducing the number of interactions providers have with Government.
- **Simplifying systems and processes.** The Skills Funding Agency is scaling back its bureaucracy to simplify processes, working jointly with the Young People's Learning Agency, so reducing the time spent on Agency related activity by providers.
- **Deregulation.** The Education Act 2011 removes burdensome duties on colleges and confers more power on governing bodies, while the Skills Funding Agency is working jointly with Young People's Learning Agency to reduce bureaucracy for providers.

To ensure change is delivered coherently across the whole of the FE sector, we are working with Department for Education via the FE Reform and Performance Board, on which the sector sits, to coordinate change via a joint plan of action.

The road map at Annex C outlines the direction of travel for the sector, and the key steps along the way. Our programme to introduce greater freedom and flexibility into the FE system has been moving at pace. This ambitious programme is being delivered in full consultation with the sector. The list at Annex D shows the significant progress and action already in place.

The Government should not control the FE sector, it cannot impose unwanted change. We have been highly consultative over our plans to simplify the system; our changes come heavily influenced by the sector view. Colleges and providers have told us how and where they want change. We have listened and responded accordingly, taking into account the capacity of colleges and providers to absorb change, for example introducing funding changes over two years rather than one to allow for piloting.

Creating a dynamic and deregulated sector means a significant change for colleges and providers leaving them in charge of how they manage their business and satisfy their customers. Greater freedom and flexibility means great responsibility, but also greater benefits of success. And, increased competition which drives up provider quality, customer-focus and responsiveness is also good for learners, employers and communities.



“We welcome the new flexibilities and are currently using them to benefit our local communities. This has included the creation of Employment Gateways in our colleges to support people seeking work to be directed to bespoke programmes that meet their needs.” College Group

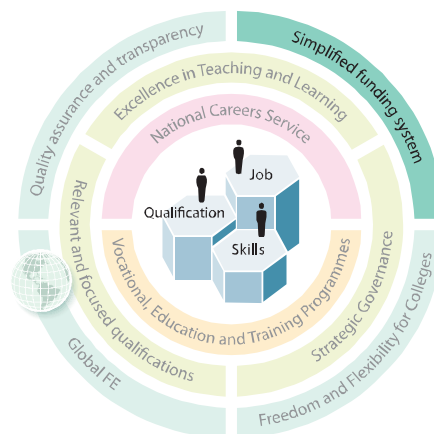
To help colleges and providers, the Skills Funding Agency is taking a number of steps to further reduce bureaucratic burdens and ensure where possible its business cycle is aligned to that of providers.

- **Whole College View.** This takes an end-to-end look at the Agency’s systems and processes in terms of their impact on the whole of the provider to better understand where the bureaucratic burdens lie, where they may be removed or simplified, and where cost savings can be made.
- **Annual Provider Survey.** The Agency has introduced an annual Provider Survey to elicit the views of training providers with whom the Agency contracts about their perceptions of its role, operations and communications. The Survey results are being used as a baseline for performance improvement.
- **Large Employer Programme Pilot.** Responding to calls for payments to be simplified, contracts streamlined and data collection and audit to be simplified. The Agency is piloting an outcome based payment system for large employers while ensuring robust quality measures.
- **Communications Framework.** The Agency is reducing the quantity and improving the quality of its communications with the aim of ensuring providers have a discrete number of reliable sources of guidance and information about immediate business issues and direction of travel. A clear schedule of communications will be established, aligned to providers’ business cycles and the academic year.

By keeping in close contact with the sector via its Annual Provider Survey, taking a deep dive look at every interaction a college has with Government, and aligning its business process to the FE sector’s, the Agency will be able to drive on-going simplification and system improvement in a measured way, targeting those areas which impose most cost and burden.

8. Investing in our priorities through a simplified funding system

The overall adult FE and skills investment in 2012-13 financial year will be £3.8 billion. Of this £3.6 billion will be routed through the Skills Funding Agency, falling to £3.4 billion by 2013-14 and £3.3 billion by 2014-15. This will be supplemented by £129 million and £398 million respectively provided through FE loans for adult learners aged 24 and over on Level 3 or higher courses.



Working with the Skills Funding Agency, we want to reduce the costs of operating the current funding system to maximise the amount of funding available for learners including those entering and remaining in work.

In continuing close collaboration with the sector, we will carry on developing a single funding system for adult skills for full implementation from the 2013/14 academic year. We will work closely with the Department for Education to ensure that the full benefits of simplification can be achieved for FE colleges and training organisations delivering for 16-18 and 19+ learners. The guiding principles of this new system will be:

- Fairness.
- Transparency.
- Recognition of the diverse needs of adults, some of whom face barriers because of disadvantage and/or a learning difficulty or disability.
- Safeguarding the use of public funds in a proportionate way.

The Skills Funding Agency's *A new streamlined funding system for adult skills*⁵ sets out the programme of work between now and 2013 to deliver changes which include:

- A single funding methodology for the Adult Skills Budget to realise fully the flexibilities introduced in the 2010/11 academic year for providers to use their budget to respond to demand from learners and employers.
- The introduction of a standard 'rates matrix' to replace over 6,000 different funding rates currently in place, moving away from a funding system that requires detailed information on the number of teaching hours to one that is transparent and enables providers to choose the right mode of delivery for the learner.

⁵http://readingroom.lsc.gov.uk/SFA/A_New_Streamlined_Funding_System_for_Adult_Skills_-_Published_10_October_2011.pdf

- Further rationalisation of Adult Learner Support funds to provide colleges and providers with increased local decision-making about how these funds are used to support students as they learn.

Colleges with modern and up-to-date premises, facilities and equipment are particularly well placed to support growth in their local economies by providing local people with a positive and stimulating environment within which to learn and acquire the skills employers need.

To achieve this, learners must have access to the latest equipment and facilities. This is why we are keen to promote and encourage even stronger partnerships between colleges, business and industry sectors. Partnerships that strengthen the business stake in colleges, whilst ensuring that learners have access to industry and market leading equipment and facilities. This is at the heart of our strategy for capital investment in FE.

Our new capital programme, launched in September 2011, builds upon our earlier investment in urgent capital works and provides £100 million in 2011-12 and 2012-13 to support the renewal, modernisation and rationalisation of the FE estate. And, over the remainder of this Parliament, we will continue to invest in capital infrastructure, equipment and facilities to; improve learner outcomes and employability; secure business capital investment; address the skills needs of growth sectors; increase Apprenticeship places; support unemployed people; improve facilities for learners with disabilities; and help to address issues of deprivation in rural and urban areas.



Shared Funding Responsibility - Further Education Loans

The Government remains committed to introducing a system of Further Education loans for adults aged 24 or over studying at Level 3 or higher. Although funding for participation is expected to fall during the Spending Review period, by introducing income contingent loans we have protected access to learning. The loans provide a strong financial package, removing the up front cost of training, and ensuring that no learner starts repayment until they can afford to do so. The availability of loans will demand higher quality from colleges and training providers, as individuals make fully informed decisions about their investment. And by introducing a single loans system across FE and HE, there will be a more coherent offer for learners.

Responses to the consultation and discussion at the FE Loans Stakeholder Advisory Group established by BIS, have shown that the FE and skills sector understands the policy, and will work with the Department and its partners to implement loans.

Many responses emphasised the contrast between a “typical” FE learner and a “typical” HE learner, and said that learners in FE might be less likely to take out a loan. Of course, we acknowledge that FE supports more students facing single or multiple disadvantages, and that many will require additional financial support to help them participate. We will therefore continue to consolidate funding streams so that colleges and training providers have maximum flexibility to respond.

Almost everyone who responded to the consultation stressed the importance of good information. We agree entirely. So we will provide clear information about the terms under which loans are available, and ensure that every potential learner interested in a loan has the best available information, including about the possible financial returns to courses. Building on the communications activity in train for HE student finance, we will work with the sector, and with other critical stakeholders – such as the NUS – to ensure there is a strong programme of communication with potential learners, partners and stakeholders.

Some employers of apprentices have raised concerns about asking their employees to take out a loan. We believe that a clear understanding by everyone involved of how the cost of a loan balances against the benefits of an Apprenticeship to the individual as well as to their employer will help to allay these fears. We are also exploring how employers can take on greater ownership of loans.

We will also complete a full Equalities Impact Assessment for FE Loans, so we can ensure that the way in which the policy is implemented takes account of the needs of different groups.

9. Quality assurance, transparency and data management

We want to see the FE sector build on and increase its innovation, responsiveness and its high quality offer to students and employers.

By empowering students to make informed choices through better access to information on quality, we create competition and the incentives for providers to be responsive to students and employers. If we get this right, we can minimise the Government-led quality systems, which divert providers from concentrating on the needs of students and employers. However, we will maintain minimum standards. Where student and employer needs are not being met and performance is poor, Government will intervene quickly and effectively to restore high quality choice.

The information students and employers say they need to make informed choices is in most cases already available but it is not accessible enough. Many students and employers turn to local sources, including provider websites for information, but the variety of formats of data does not make comparisons about the quality of different providers easy.

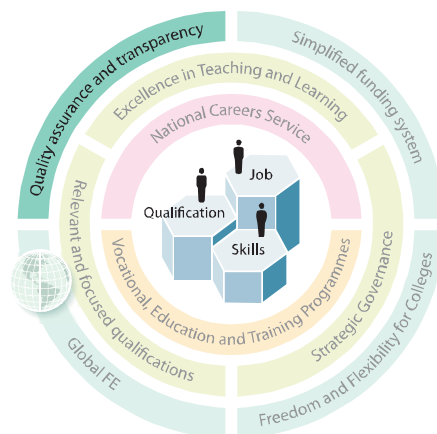
“We...believe that the way forward is a standard set of information so that individuals and employers would be able to make an informed choice about the provider who met their needs.” Association of Colleges

We will:

- **Integrate quality comparison information** we collect and students say they need with the new National Careers Service website – so that adult learners have only one national site to visit for information advice and guidance and to make comparisons of provider quality.
- **Make available quality information at more granular levels** wherever possible (ie about subject or course as well as institution or sector subject). The Department for Education is taking a similar approach with 16-18 provider performance tables.

We look to the sector to:

- **Create a ‘common information set’ of information** that students and employers say they need, presented in a standard format for each provider, available on each provider’s website, which facilitates quick comparison of quality and access to the national provider quality comparison information.



- **Ensure greater completion of the course information** available to learners on the National Careers Service website.

Most providers are already achieving excellent results. We want to encourage even more providers to strive for excellence. Skills competitions and awards can play an important part if they have prestige within the FE sector and beyond. We will continue to reform the current range of awards into a single framework that supports our ambitions.

With better-informed students and employers driving providers to be ever more responsive, we want to lift the burden of Government-based quality assurance systems. We have examined each of the current main systems. In each we have identified additional freedoms for providers who achieve high quality, responsive provision, while ensuring the overall framework secures minimum standards:

- **Market Entry.** We will continue to provide checks on FE colleges and independent training providers wishing to enter the market (to stop bogus providers and protect taxpayers' money). But there will be significant reductions in bureaucracy attached to the approved register of providers – the number of questions asked will be reduced significantly. The Skills Funding Agency will also aim to ensure information is collected only once across its systems.
- **Provider Self-Assessments.** The requirement for providers to submit their self-assessment reports to the Skills Funding Agency will cease. These are sector-owned tools for improvement and need to be recognised as such. The associated Government guidance will also be removed. However, they are a valuable tool for self-improvement and we would encourage all providers to continue to produce them and to submit them annually on a voluntary basis.
- **Ofsted Inspection.** Providers judged 'outstanding' will be exempt from further inspection, unless their performance drops. We commit to review the impact of the exemption to examine how our approach to inspection should be developed.
- **Minimum Levels of Performance.** We will reform the current Minimum Levels of Performance to make them more transparent and less complex. We will reduce the number of individual blocks of provision that are currently scrutinised (up to 270) giving providers more autonomy to manage their overall offer. We are working with the Department for Education, which is developing a similar approach to minimum standards that will apply across 16-18 provision.
- **Financial Performance Reporting and Assurance.** The Skills Funding Agency is undertaking an in depth investigation into the weight of different reporting burdens on providers and their effectiveness, including financial performance and audit. From spring 2012, the Agency expects to implement further reductions in burdens based on the outcome of this review.

These new freedoms and flexibilities also confer responsibilities on providers to meet the needs of their students and employers. In the event of poor performance, BIS, the Skills Funding Agency, the Department for Education and the Young People's Learning Agency (and in due course the Education Funding Agency) will work together closely and agree

appropriate action. The process outlined below will apply to FE colleges and independent training providers.

Failing provision will continue to be identified through three measures of performance: an 'inadequate' rating by Ofsted following inspection; learner success rates below minimum standards; and a rating of 'inadequate' by the Skills Funding Agency in either financial health or financial control.

The Skills Funding Agency actively reviews performance of all providers and, in the case of independent training providers, will usually cease funding where they fall below acceptable standards. The Government intends to continue this approach.

The process for colleges needs to recognise their community role and the value of their assets within that context. Poor performing colleges will therefore receive an 'Inadequacy Warning Notice', giving them limited time to resolve any quality or financial issues, with support from the Learning and Skills Improvement Service. Typically, that period will be an annual cycle i.e. once a further set of validated yearly data is available or once Ofsted has re-inspected.

Although relating to a very small number of colleges, there are likely to be cases where persistent poor performance continues and minimum standards are not achieved even after the Warning Notice expires. Colleges will then undertake a Structure and Prospects Appraisal. Intensive support and direction from a sector-led team of executive and governor leaders with experience of significant restructuring or innovation in further education will be assigned to the college during the Appraisal. We are working with the sector representative bodies and Learning and Skills Improvement Service to ensure such a team can be deployed.

The College Structure and Prospects Appraisal must address the key considerations that will be expected when exploring new models (see chapter 6). The presumption would be that the Appraisal would lead to leadership change, restructuring the model of delivery, new partnerships or opening up the provision to new providers. Where new partnerships are considered, even with other FE colleges, an open and transparent tendering process should be undertaken to secure the best solution. Future plans need to be credible to local stakeholders and to Government. If they are not or do not deliver the expected benefits, the Government will intervene directly to restore acceptable standards for learners and employers.

A diagram describing the new intervention escalation process for failing FE colleges and a table showing roles and responsibilities through the escalation process are at Annex Bi and Annex Bii. In exceptional circumstances, Government intervention could happen earlier than the timescales set out, where the interests of learners are seriously jeopardised.

Data management

Supporting informed choice needs to be balanced with the costs and burden of data collection. We are working with the FE sector to ensure a robust and effective data management strategy is in place.

Reducing burdens

We will ensure all data collection from the FE sector continues to be subject to a robust challenge process by the Information Authority that only allows change where it can clearly be demonstrated as necessary to support the effective delivery and development of the sector. We will also prioritise change to data collections and systems according to the benefits they bring to effective provision. We will ask the Information Authority to publish an assessment on the efficiency of and burden from data collections in 2011/12 and 2014/15 so our progress can be judged.

“We need to maintain a balance of having easily accessible information available about learner and provider performance, to identify trends, inform future funding decisions whilst posing a less onerous task for the provider” Private training provider

Re-use of data already held

We recognise that the Government, its agencies and the sector hold a great deal of information. Building on existing development work, we will also provide plans on how we might leverage more from existing data such as the Personal Learner Record as part of the work on sector wide data sharing.

Sector wide data sharing

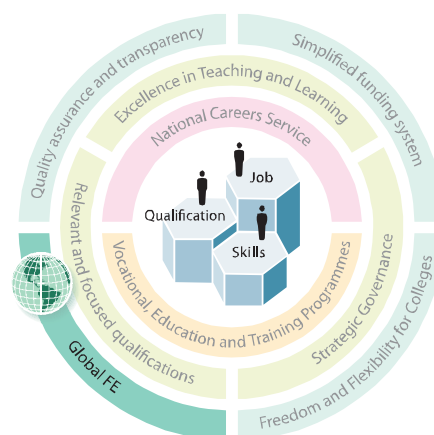
Sector-wide data sharing is simply about enabling the collection and sharing of data directly from the source best able to maintain it. This not only reduces re-collection or onward transmission of the same material but it also reduces the burden on holding supporting paper evidence that third parties such as providers frequently have to do.

BIS and the Information Authority in consultation with key stakeholders will build on the core principles of existing work to publish in the spring a road map for how we can deliver better data sharing. Key features of this road map will include a framework that provides confidence to: develop long-term plans for data sharing; maximise the use of a single identifier; agree common standards and interoperability for core FE data; and scope for and management of shared services and platforms.

10. Global FE

The global economy brings new challenges and risks, but for those with vision and enterprise there are huge opportunities to be grasped.

Education is a world-wide growth sector. UNESCO estimates that the numbers of students in higher education worldwide will grow 150 million to over 260 million by 2025. FE, as well as HE, institutions are well-placed to take advantage of this burgeoning global market.



Although currently higher education is by far the largest export market, there is significant emerging demand and potential for technician and higher level vocational skills, which are widely recognised as essential to sustain balanced economic growth. Further education exports are already valued at £1 billion a year⁶. Recent Ministerial discussions, for example with China and India, have confirmed the scale of need in these rapidly developing economies.

The UK is well-placed to take advantage of these opportunities. We have great traditions of excellence in craft, but equally cutting edge expertise in educational technology and distance-learning. We have a framework of national occupational standards and qualifications developed with employers. We have highly trained and qualified teachers, lecturers and leaders of colleges and training organisations. And at the heart of our system, the Apprenticeship model is genuinely employer-led and work-based, taking the best aspects of our traditions and shaping them for the 21st century economy.

The Government is now stepping up its efforts to support education as an export, and making this an explicit element of our growth strategy. This will involve:

- Building on the World Skills legacy.
- Actively promoting the Education UK Brand, including through the “Education is GREAT” strand of the GREAT Britain campaign associated with the Olympics.
- Developing a “system to system” model that with support from UKTI can package together a range of education products and services, depending on what is required by a particular emerging economy.
- Focusing these efforts on the emerging economies where we have identified the most significant UK educational export opportunities.

The Government is already playing an active part in supporting the sector to take advantage of opportunities in emerging economies, such as the skills strand of the UK

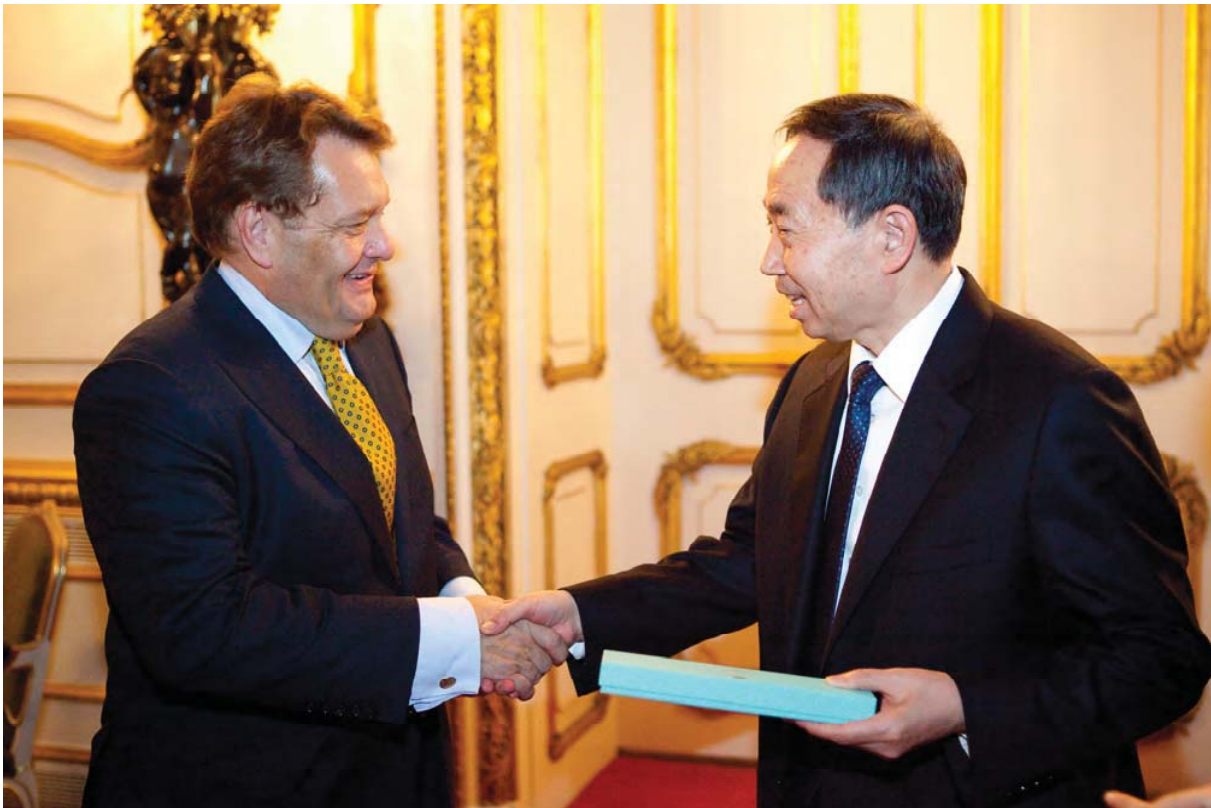
⁶ UKBA (ARK) figures 2008/09

India Education and Research Initiative (UKIERI) and the Memorandum of Understanding signed by John Hayes with the Chinese Ministry of Education in July 2011.

Operating within the international arena brings wider challenges. We know that the sector is concerned about some of the recent changes to the student visa system. These changes reflect the Government's concern to eliminate the abuse of student visas, most of which has come from those private education businesses that were not previously subject to the quality controls expected of providers receiving public funds. At the same time we want to ensure that legitimate organisations offering quality provision can attract high-performing, genuine students to study in the UK. The new approach should benefit genuine international students by ensuring that they receive high quality education wherever they study. It will also help to protect overseas students from unscrupulous providers and benefit the many legitimate colleges and training providers by protecting the excellent reputation of UK education worldwide.

We recognise that there are other issues that need to be examined that will enable the sector to reap greater benefits from international activity e.g. - recognition of qualifications and institutions, though these are more significant in some markets than others. BIS is working with the appropriate organisations to explore how these can be overcome.

We want to ensure that FE is in the strongest possible position to take advantage of these opportunities and punch its weight internationally. We are therefore tasking the Association of Colleges to bring together a working group to develop an FE global strategy. The aim of the strategy will be to ensure that both partnership and export opportunities are recognised and grasped for higher level technical and vocational education alongside higher education.



Annexes

Annex A: College Structure and Prospects Appraisal

Triggers	<ul style="list-style-type: none"> • Change of circumstances • Need to increase choice • Opportunity to think afresh • Poor/Coasting Performance • Poor Financial health
Appraisal	<ul style="list-style-type: none"> • Draw up vision and desired outcomes • Agree success criteria and assess options against factors below • Establish proposals/implementation plan • Consult widely and transparently on proposals, and publish outcomes of consultation
Action	<ul style="list-style-type: none"> • Implementation to move to new structure (including transitional arrangements) • Transparent open and competitive process to select any new partners

Factor	Appraisal
Vision for the future	Strategic Drivers for change The current and future needs of learners, employers and wider community
Selection of delivery solutions and partners	Consideration of the options for different delivery vehicles/partners Exploration of routes to secure partner(s) through open, transparent and competitive processes Clear rationale for selection of the proposed delivery model/partner
Value for money	Evaluation of the costs/savings/benefits of different options: why the chosen model represents the best value for money Assessment of how the chosen models can lead to efficiencies, eg shared delivery of common services and/or planning of delivery Undertake/and evidence due diligence on estates valuation and disposal Development and analysis of longer term investment plans
Impact on staff	An assessment of the implications for staff and appropriate consultations with staff and representative bodies/Trade Unions Assessment and resolution of issues in relation to staff Terms and Conditions including differences between staff groups TUPE implications in relation to any transfer of business or service provision change Pensions – an assessment of the implications, including transfer schemes, protection of individuals' rights, and any funding shortfalls
Impact on learners	Impact on the curriculum offer by subject, level, participation and location Implications for access to learning, eg location of sites/campuses Implications on choice for learners, including curriculum, type of institution, services Plans to secure continuity for existing learners, and to engage new learners (14-19, 19+, HE) and to improve progression Plans to improve provision for under-represented/under-achieving groups, including NEETs, and LLDD The outcomes of an Equality and Diversity impact assessment Implications of the outcomes of consultations with learners
Impact on employers	Current employer engagement and proposals for developing this further including brand sponsorship Impact on the development/expansion of Apprenticeships Impact on the development of focused, specialised employer led provision and how this will better meet local & regional skills needs Implications of the outcomes of consultations with employers
Impact within the community	Impact on the college's contribution to: skills; services; economic growth; and social cohesion and well being Impact on engagement and strategic partnerships with key community stakeholders, including LEPs and Cities Impact on access to provision for deprived communities Plans for 'branding' provision for the future, including any institutional name proposals and impact on local identity/presence
Impact on competition	Assessment of the impact of different delivery models on competition in the local area, drawing upon independent advice What steps will be taken to ensure diversity and choice and guard against anti-competitive behaviours in selection of partners, choice and operation of delivery vehicles
Quality of provision	Current assessment of quality (including Ofsted outcomes) Improvement strategies in relation to under-performance Impact of different options/proposals to ensure sustainable improvements and return to above minimum standards, if needed How account is taken of learner and employer feedback
Strategic leadership and management	Governance and management structures of different options; how to ensure clear accountability lines and effective long term strategic planning How to ensure an orderly and effective transition to new arrangements (including timetables, key milestones, risk analysis) How senior management and governors will ensure effective engagement with the communities the college they serve, forming appropriate strategic partnerships and securing regular feedback

Intervention Escalation Process

Stage One: Monitoring and support*

Problem Identified

Inadequate inspection; provision below minimum standards;
inadequate financial health and/or controls



Inadequacy Warning Notice

LSIS support triggered, recovery period set
(95% of providers using LSIS 'Improvement Support' recover successfully)



Stage Two: Intensive support*

If recovery unsuccessful – College undertakes Structure and Prospects Appraisal Intensive peer support team deployed

Review completed within 3 months



The Appraisal delivers a robust, evidence-based proposal with local stakeholder buy-in, and supported by funding bodies



College Implements Structural Change

Presumption of leadership change, restructuring the model of delivery, new partnerships, or opening up the provision to new providers. New models could include:

- New collaborative partnerships/sponsorships across post-14 education (eg federations, Academies, University Technical Colleges)
- Different organisational/business models (eg formation of companies, trusts, employee mutualisation models)
- Dissolution with provision transferred to other providers (sourced through competition)



Appraisal outcome not robust, does not receive local stakeholder acceptance or support from funding bodies, or implementation fails



Stage Three: Government leads action*

Government Intervention

Government decides and implements form of intervention, including:

- Funding ceases/direction to dissolve
- Leadership change (BIS Secretary of State directing corporation where necessary)
- Skills Funding Agency-sponsored open competition - invitation to new providers/models to run provision

* See Annex for further details on roles.

Stages

Annex Bii: Roles and Responsibilities

1

Monitoring and support
(approximately 1 year).

College responsible for delivering improvement.

Agency: identifies problem (or is notified by DfE or Ofsted); Issues Inadequacy Warning Notice; Agrees recovery plan with College; Monitors position.

BIS and DfE kept informed by the Agency as part of overall FE sector performance monitoring.

Role of others: Agreement on approach required throughout with DfE and Education Funding Agency where 16-18 provision involved. LSIS support available.

2

Intensive support
(approximately 3 months).

College: responsible for undertaking a Structure and Prospects Appraisal and arriving at new model / new leadership / tendering for partners etc; Seeks acceptance for change from local stakeholders; Receives high intensity peer direction.

Agency: checks to ensure college preferred Appraisal outcome is robust, if so, supports new models with any change in funding arrangements etc; If significant doubts of college direction, then draws up contingency, alternative options / action plan; Communicates any concerns and contingency plans to BIS.

BIS comments on any contingency plans, in relation to consistency with policy framework & any role proposed for BIS Secretary of State

Role of others: sector facilitates peer-led, intensive support to Governors to make strategic decisions. Agreement on approach required throughout with DfE and EFA where 16-18 provision involved. Local Stakeholders including LEPs are consulted on the preferred Appraisal outcome.

3

Government Leads Action

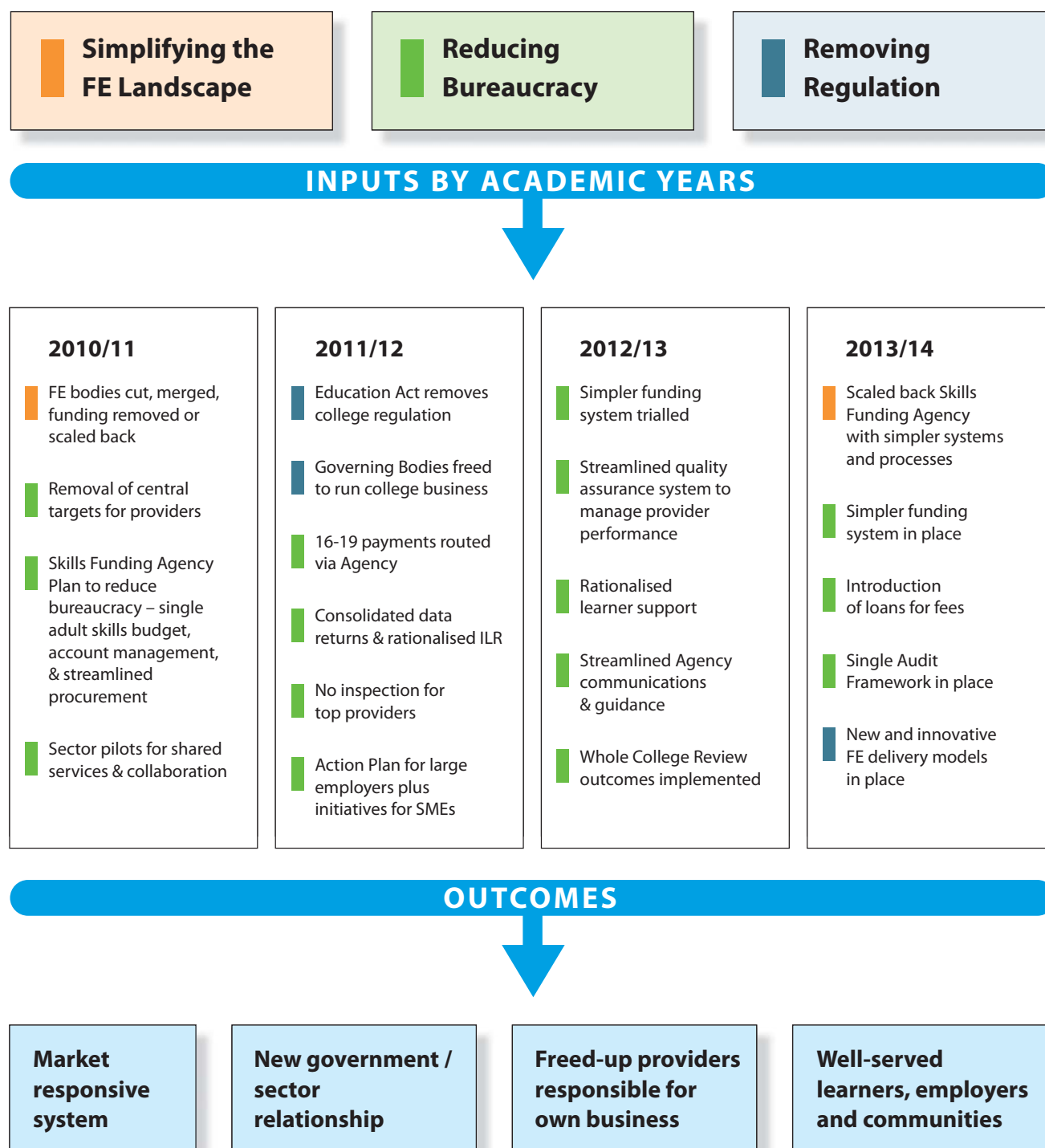
College: If *in extremis* position occurs, Governors could become directed by the Secretary of State.

Agency: Submits final intervention plans for approval to BIS. Where re-tendering required, runs competition, undertakes due diligence and re-contracting arrangements.

BIS reviews and agrees final intervention plans. BIS role may be required to direct governors to deliver options: eg. leadership change; new private / independent partner / merger with school, university or academy-type sponsorship.

Role of others: Ofsted could be asked to undertake monitoring visit / inspection to confirm need for further action. Agreement on approach required throughout with DfE & EFA where 16-18 provision

Freedom and Flexibility - Road Map



A DYNAMIC AND DEREGULATED SECTOR BY 2015

Annex D: Progress Report

SIMPLIFYING THE LANDSCAPE

Organisations removed from the FE sector to make interactions simpler:

Closed: British Educational Communications and Technology Agency (BECTA), Lifelong Learning UK (LLUK), Standards and Verification UK (SVUK), Qualifications and Curriculum Development Agency (QCDA), Regional Development Agencies (RDAs)

Merged: UK Skills merged with Skills Funding Agency (the Agency)

Administrative funding removed: Ufi/Learndirect

Sector-led and scaled back: Learning and Skills Improvement Service (LSIS)

Scaled back: Skills Funding Agency, UK Commission for Employment and Skills (UKCES)

REDUCING BUREAUCRACY

Central Targets – central government targets have been removed enabling colleges and providers to determine the right offer to meet local need

Simpler Funding – various funding streams for training have been brought together into a Single Adult Skills Budget rather than separate payments. Removing the need for colleges to account for their activity before funding has cut paperwork. A new streamlined funding system has been announced that will reduce funding programmes, approaches, rates and data collection by 2013/14.

Single Account Management – a single point of contact with the Skills Funding Agency for FE funding, performance and grants makes interaction with Agency easier. This includes 16-18 funding.

Streamlined Procurement – the Approved College and Training Organisation Register (ACTOR) is being reformed with a significant reduction in the number of questions and information that is required from providers.

Simpler Performance Management – by removing the need for colleges to be subject to in-year performance management or in-year reconciliation for 19+ provision, leaving them to focus on delivery. A semi-automated, quarterly approach for providers and large employers directly contracted with the Agency takes up less time, and allows money go to more successful providers.

Reduced Data Returns - for the Individualised Learner Record (ILR) returns in the adult skills sector includes consolidating data returns, reducing the number of collections required and the amount of data collected. This will reduce costs for providers, as will electronic storage of data by the Agency.

A Single Audit Framework - is being introduced by 2013/14 which will reduce the number of audits whilst maintaining assurance. A Code of Practice between the Agency and YPLA

has reduced audits further, meaning providers deal with a single organisation for all assurance work. This is a more proportionate performance approach driven by greater self-regulation in the sector.

Sector-led initiatives – the Agency is supporting a number of pilots exploring cost savings via collaborative procurement, shared services and efficiency tools.

Reducing bureaucracy for large employers - an Action Plan has been developed to cut red tape for large employers that contract directly with the Agency. This includes paying employers by outcomes rather than on-going monitoring, an online toolkit for Apprenticeships, streamlined contracting arrangements and electronic information.

Faster Apprenticeships for SMEs – bureaucracy for SMEs has been reduced, and the time taken to recruit an apprentice cut to one month.

REMOVING REGULATION

The Education Act 2011 will remove a raft of regulations to give colleges greater freedom over how they run their business, including:

Repealing statutory duties where non-statutory processes provide sufficient safeguards.

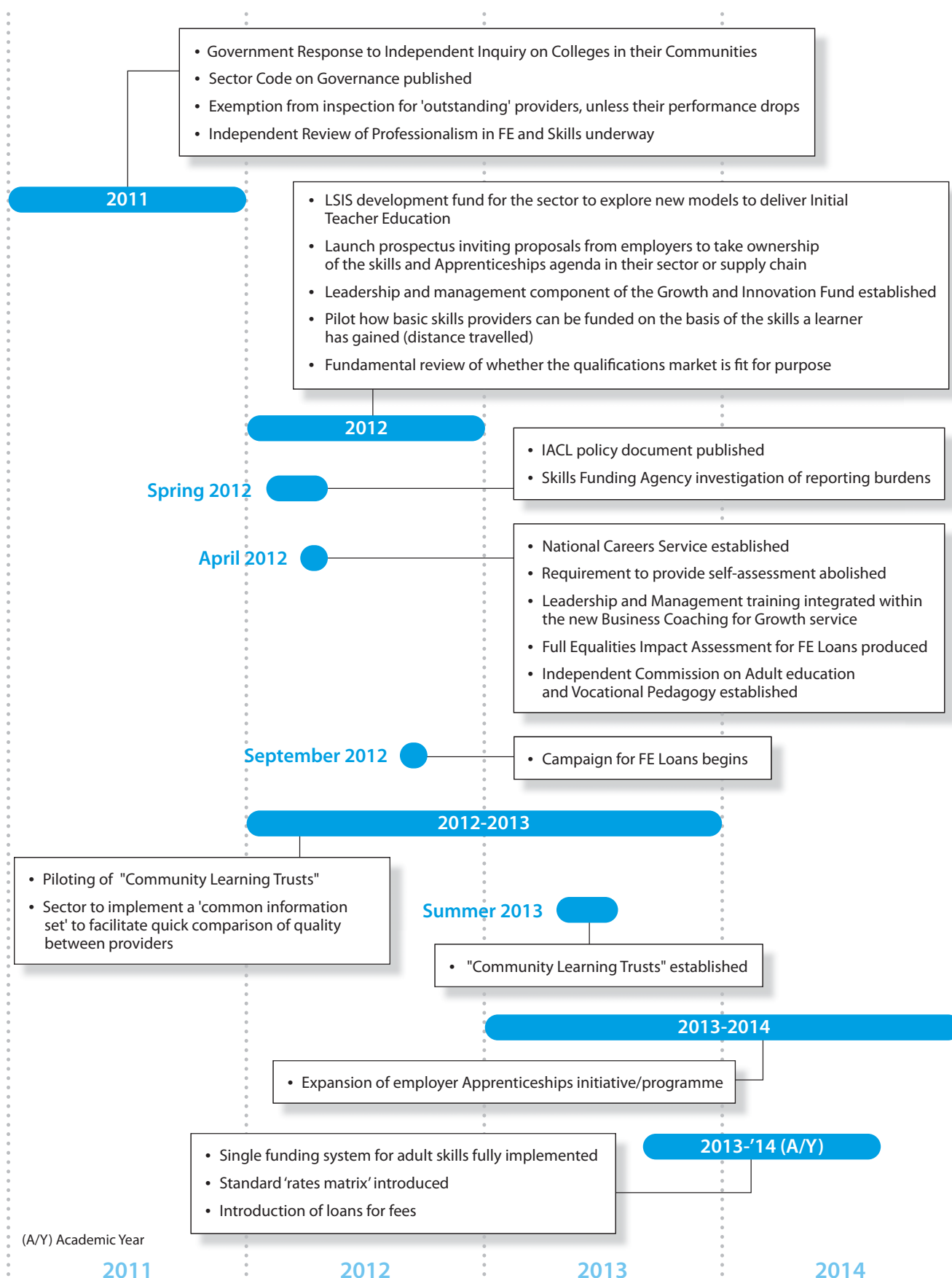
Limiting the power of intermediary bodies to intervene in the day-to-day management of college business

Removing the requirement for inspection of outstanding colleges, unless performance drops

Giving colleges greater financial freedom over borrowing and investment decisions

New powers for colleges to modify and replace their instruments and articles giving them control over their governance, and the ability to dissolve themselves to create new business models where needed

Implementation Plan



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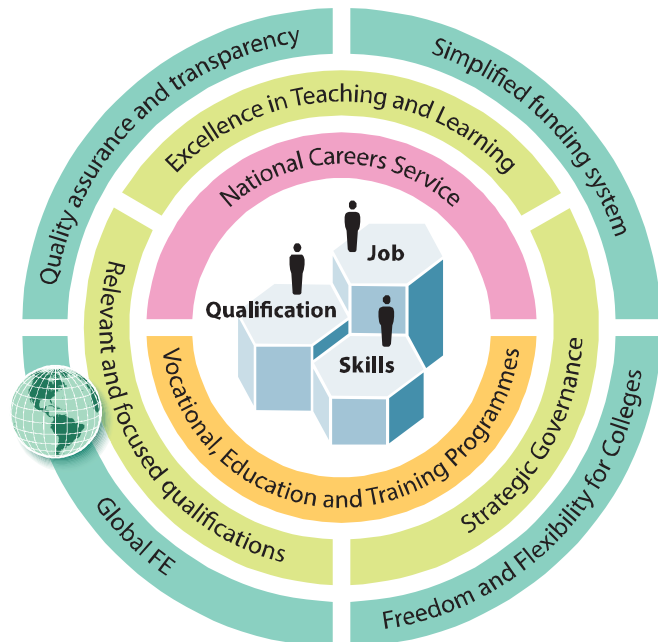


Department
for Business
Innovation & Skills

**Skills
Funding
Agency**

**SKILLS FUNDING STATEMENT
2012-2015**

DECEMBER 2012



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Foreword by Matthew Hancock, Minister for Skills

Britain is in a global race, involving not just traditional world economic powers, but also and increasingly, new players from Asia, the Middle East and South America who are investing more and more heavily in the skills of their people.

The Further Education and skills sector must be at the centre of our efforts to keep pace and to meet such challenges. To support employers in ensuring they have the workforces they will need to grow in a global and fiercely competitive marketplace. To equip young people and adults with the knowledge and skills necessary to succeed and thrive. And to ensure that no one is left behind.

This is a huge challenge. Meeting it will require all colleges and providers to rise to that challenge as enthusiastically as the best are already doing. The surest evidence that a college or a provider is delivering an excellent service lies principally in how many of its students get good qualifications or better jobs, and how well prepared their eventual employers find them.

At the Association of Colleges Conference last month, I laid out four challenges for the year ahead. These wider reforms are an important part of the context of this Skills Funding Statement.

First, we must match the record increases in the quantity of apprentices that the last couple of years have seen with increases in quality. That means that we need to focus even more closely on the knowledge and skills employers are really looking for and the evidence that emerges from the Employer Ownership Pilot. I will also be looking hard at the recommendations that have come out of the Richard Review. We are therefore not making radical changes to Apprenticeships funding this year, other than considering how to focus existing funding more closely on our key areas of skills shortage.

Second, the number of unemployed young people, though falling in recent months, remains a source of great concern to us all. Many colleges and Further Education providers have already formed strong links with their local Jobcentres and are making an important contribution to addressing this problem in their areas. That, too, is something that more need to emulate.

To help with this, we will consider developing a new traineeship scheme, combining a rigorous core of work preparation, work experience, English and maths, with a great deal of flexibility around everything else.

Third, we must do more to guarantee the value of the qualifications learners gain. For vocational education to be held in high esteem we must be uncompromising about the need for it to add genuine value and have credibility and relevance with the employer.

All the initiatives I have so far mentioned will contribute towards my fourth priority for reform in the coming year which is to raise standards.

A proposed new, sector-led Further Education guild should act as an important safeguard to teaching standards. I have also published plans for outstanding colleges and providers supported by Local Enterprise Partnerships to be eligible to apply for Chartered Status. And the funding for FE capital, increased by £270m in the Autumn Statement, will help ensure good teaching takes place in good buildings.

By the same token, we must be firmer in tackling educational and financial failure.

From this year, we are introducing common standards and measures of performance between schools and colleges. Both will be expected to meet minimum standards and I hope that both students and employers will as a result have a clearer picture of what they are being offered.

I know this Skills Funding Statement supports this strategy and the drive for high quality, relevant Further Education that helps everyone reach their potential.

Introduction

1. This year's Skills Funding Statement reaffirms our commitment to creating a Further Education (FE) system which secures the skills we need for everyone in Britain to succeed.
2. Since the announcement of the single Adult Skills Budget in 2010, we have significantly increased flexibilities for colleges and FE providers to enable them to respond more efficiently and effectively to the needs of learners and employers. We have removed planning controls, enabling them to be more responsive to their communities and achieve better value for money. With tight budgets across FE, these freedoms and flexibilities are now more important than ever.
3. Most colleges and FE providers have risen to the challenge. Despite the reduction in the budget for FE since 2010, overall levels of provision have risen, and we have continued to achieve significant growth in adult Apprenticeships. English and maths participation has also increased, a vital achievement given how crucial strong English and maths skills are for enabling individuals to progress in learning and employment. This Funding Statement sets out how we will enable the sector to build upon these achievements in the years ahead.
4. Employers play a crucial role in identifying and supporting the skills which we need for growth. Across the country, colleges are innovating and collaborating to build skills for growth. We want to encourage employer-led bodies to take the lead in designing the qualifications employers need, and ensuring that vocational qualifications are rigorous and valuable. In particular, employers will have a central role as we work to ensure that Apprenticeships are high quality, more rigorous, and deliver what employers need.
5. To enable employers to play a greater role in shaping skills provision going forward, we are giving Local Enterprise Partnerships (LEPs) a new strategic role over skills policy in line with the recommendations of the Heseltine Review. We will be asking LEPs to develop skills strategies for their areas, and to work closely with colleges and FE providers, including through initiatives such as City Deals and Whole Place Community Budgets, to ensure that skills provision is highly responsive to local employer demand.

Lord Heseltine's Review 'No stone left unturned in pursuit of growth' (October 2012), identified the importance of skills in supporting local economic growth. It highlighted the role that LEPs could play in ensuring that publicly supported skills provision has the maximum impact on local growth.

Chartered status for FE colleges will be dependent on taking account of the skills priorities of local LEPs. In addition, the Government will encourage LEPs to have a seat on the governing bodies of FE colleges, with colleges represented on LEP boards. LEPs will also be able to determine how EU Common Strategic Framework funds, including the European Social Fund, are used locally and will be able to bring bidders together to access Employer Ownership Pilot funding.

The Richard Review of Apprenticeships was published on 27th November 2012, and set out a comprehensive vision for the future of Apprenticeships. Key themes and recommendations include:

- **Redefining Apprenticeships** – Apprenticeships should be targeted only at those who are new to a job or role that requires sustained and substantial training.
- **Focusing with greater rigour on the outcome of an Apprenticeship** – what the apprentice can do when training is completed – and freeing up the process by which apprentices get there. Trusted, independent assessment is key.
- **Recognised industry standards** should form the basis of every Apprenticeship – employers and other organisations with relevant industry expertise should be invited to design and develop new Apprenticeship qualifications for their sectors.
- **All apprentices should reach a good level in English and maths before they can complete their Apprenticeship.**
- **Government funding must create the right incentives for Apprenticeship training** – the purchasing power for investing in Apprenticeship training should lie with the employer.
- **Far greater diversity and innovation in training should be encouraged** – with employers and government taking a more active role in safeguarding quality.

Government warmly welcomed the Review with its focus on putting employers in the driving seat of the Apprenticeship programme, to ensure that the skills of the workforce match employers' needs; and its emphasis on quality, high standards and rigour. The Review set out a clear challenge for Government, employers, and providers to bring all Apprenticeships up to the standard of the very best.

The Government will respond formally to the Richard Review in the Spring, and then consult on its implementation. The Government invites views on the Review at this stage, and looks forward to engaging with the sector and with employers to consider its implementation in the coming months.

6. The Autumn Statement announced cuts to resource budgets of 1% in 2013-14 financial year (FY). There will, however, be no need for further reductions to the overall BIS programmes at this stage. The Department is managing this, having over-achieved on a number of savings programmes (in particular, the closure of Regional Development Agencies and the reduction in administration costs), and through the release of planned contingencies. The budgets on page 15 are therefore in line with the Spending Review settlement which FE and skills received. Budgets for 2014-15 FY remain indicative at this stage.

7. The Government will provide an additional £270 million for capital investment to improve FE colleges. This investment will be targeted where it will have the biggest impact on growth, and on colleges with the greatest needs.
8. As budgets tighten, it is essential that we strive to reduce the costs of operating the current funding system, in order to maximise the amount of funding available for learners. Following over a year of extensive development and testing, the Skills Funding Agency is close to completing work on a new streamlined funding system for adult skills. The new funding approach will be implemented in 2013/14 academic year (AY) and represents a significant change in the way Government is working with the FE and skills sector to simplify the FE system.
9. We will prioritise funding where its impact is greatest – on individuals who would not otherwise have undertaken the training and where market failures are strongest. Our focus will remain on young adults, the low skilled and those who are unemployed. Colleges and FE providers will be free to decide how best to continue to grow the level of co-investment, in order to rebalance the contribution made by employers, individuals and government.

The overall funding for adult FE and Skills will be £4.1bn in the 2013-14 FY. Of this, £3.6bn will be routed through the Skills Funding Agency to support the capacity for over 3 million learners. The adult teaching and learning budget in 2013-14 FY will be £3.2bn of which an estimate of £764m will be available to support Adult Apprenticeships. Funding for workplace training will continue to be focused on small and medium sized enterprises (SMEs) with fewer than 250 employees and we will continue to support Community Learning with funding of £210m per year.

10. The sector is also able to access funding through a number of alternative routes. The Employer Ownership Pilot will continue to offer employers the opportunity to shape training provision for themselves, and to invest in their current and future workforces. Colleges and FE providers played a key role in many Round 1 bids, illustrating the potential of the new freedoms and flexibilities. Round 2 of the pilot was launched in November, and up to £340m of Government funding will now be made available through to the 2015/16 AY. We encourage the sector to engage actively with local employers to develop solutions to their skills needs.
11. The Government is rebalancing investment in skills, focusing funding on young people, those with English and maths skills below Level 2 and the unemployed. To support this focus, 24+ Advanced Learning Loans will be available for learners in FE from the 2013/14 AY. Learners aged 24 and over studying at Level 3 and above will have access to loans to help meet up-front course fees, removing one of the main barriers to learning. The introduction of loans promotes shared responsibility for investing in skills, recognising that much of the benefit of advanced vocational study goes to the learner.

Value for Money

12. The overall value for money case for investment in skills is compelling, and we continue to work to improve value for money in the system – re-prioritising the Apprenticeships programme to safeguard quality, raise standards and focus where returns are highest, and removing bureaucratic restrictions on providers.

Impact of the Spending Review

13. The current Spending Review (SR) required significant savings to be made. FE made its contribution to the Government's deficit reduction requirements, with a top line real term reduction in funding of 25.1% for FE and Skills, which equates to a reduction of over £1bn by the 2014-15 FY. We secured additional funding to support the introduction of 24+ Advanced Learning Loans.
14. The settlement recognises the importance of adult learning, the need to improve the skills of the adult workforce, and the contribution FE makes to growth and social mobility. Funding changes have been phased over the SR period to enable providers to plan effectively. The tight settlement was accompanied by significant freedoms and flexibilities to deliver skills in a more responsive way and in order to secure greater value for money.
15. The Government recognises that focusing funding on longer and more comprehensive programmes with higher economic returns, such as Apprenticeships and 'full' qualifications, may affect the number of learners that can be supported through public funds, and most of the outcomes we expected for the 2011/12 academic year have been realised. There has been a significant growth in apprenticeships, and overall levels of provision remain higher than 2010/11 but less than 2009/10.
16. An indicative forecast of the number of learners aged 19 and over who could be supported through the available funding can be found at page 17.

Programmes and Students

Eligibility for funding

17. The table below sets out the level of Government funding for 2013/14 AY reflecting the statutory entitlement changes taken through Parliament as part of the Education Act 2011. Where Government is fully funding a programme, colleges and FE providers should not charge student fees.

	Programme	Student	2013/14 AY
1	Adults in receipt of benefits* where skills training will help them into work	Adults aged 19+	Full Funding for all learners up to Level 2 Access to 24+ Advanced Learning Loans (Loans) for those aged 24 and over studying at Level 3 and above
2	English and maths skills: GCSE English and Maths qualifications; Functional English and maths qualifications; and QCF English and maths units.	Adults aged 19+	Full Funding
3	Students undertaking a first full Level 2 Students undertaking Foundation Learning (pre-Level 2) to progress to Level 2 or above	Adults aged 19 up to 24	Full Funding
4	Students who are not otherwise eligible for full funding wishing to retrain at Level 2 for qualifications delivered in the classroom, or in the workplace if delivered for an SME	Adults aged 19+	Costs shared with the learner or the employer
5	Students undertaking a first full Level 3 qualification	Adults aged 19 up to 24	Full Funding
6	Students who are not otherwise eligible for full funding undertaking Level 3 or 4 qualifications delivered in the classroom	Adults aged 19+	Costs shared with the learner or the employer for those aged up to age 24 Access to Loans for those aged 24 and over including unemployed
7	Level 2 Intermediate Apprenticeship	Apprentices aged 19+	Co-Funding
8	Level 3 Advanced Apprenticeship	Apprentices aged 19 up to 24	Co-Funding up to age 24 Access to Loans for those aged 24 and over (half the amount to reflect employer contribution)

***Notes to eligibility table**

i) Adults on Job Seeker's Allowance or Employment and Support Allowance in the Work Related Activity Group for skills training in order to help them into work or to remove a barrier to getting work;

ii) Adults in receipt of Universal Credit (UC), who are unemployed, subject to the Skills Funding Agency's Funding Rules (e.g. residency and age criteria) and who are mandated to skills training by their JCP adviser;

- "Unemployed" includes claimants with earnings who would be eligible for JSA in the current system
- At the time of print this is approximately £70 per week or £110 per week for a household
- Colleges and FE providers should check the DWP earnings threshold for individuals claiming Universal Credit classified as "unemployed"; Or

iii) Adults on wider benefits, including those on UC who are unemployed (definition as before) but not mandated to skills training, who want to enter employment and need skills training to do so.

Universal Credit

18. Universal Credit (UC) replaces existing benefits, including income-based Job Seekers Allowance (JSA) and income-related Employment and Support Allowance (ESA), and will be introduced from October 2013. The roll out of UC will be complete by the end of 2017, when all legacy benefits will cease. Contributions-based JSA and contributory ESA will continue.
19. This means that in 2013/14 AY, claimants might be on UC or might be on legacy benefits when they approach providers. The funding entitlements will apply to both groups. As for other learners, loans will be available for those aged 24 and over studying for advanced qualifications at Level 3 and above.
20. Adults claiming UC because they are unemployed will be mandated for skills training by their Jobcentre adviser, so they will continue to be eligible for fully subsidised training¹. This is equivalent to people who would have been mandated under JSA or ESA (WRAG). Adults who are mandated to start skills training must complete that training – failure to do so could result in a benefit sanction.
21. Providers will retain current discretionary arrangements, that is to say, decisions on whether to support "self referrals", providing individuals confirm that they are 'out of work', are looking for work and need training to get the skills to help them get a job.
22. This process will be tested in a full systems UC Pathfinder test in Greater Manchester ongoing from April 2013. Any lessons from the Pathfinder will be applied and set out in detailed Agency guidance on the system to colleges and providers during the 2013/14 academic year.

¹ Subject to the Skills Funding Agency's Funding Rules (e.g. residency and age criteria)

Eligibility for Higher Vocational Education

The Government wants to ensure funding for higher level skills meets the needs of learners and the specific job roles required by employers. For this reason funding for these qualifications will be focused within Apprenticeships. Learners will continue to get support for other Higher Education qualifications through the Higher Education system.

For the 2013/14 AY onwards, funding above level 4 will be available only for Higher Apprenticeships at Levels 5 and 6. This will support the expansion of the Apprenticeship programme at Higher Levels, and will help to ensure that gaps in specialist skills can be addressed through the creation of the new frameworks at levels 5 and 6.

Qualifications

We will retain the post 19 Qualifications and Credit Framework (QCF) and will lead a review of its operation, in order to ensure that it works better, is simpler to use and understand and that the qualifications which are on it are of high quality.

23. This review will consider the impact of recent developments such as changes proposed by the Department for Education to qualifications for 16-18 year-olds; a review of current policy around qualifications linked to formal licence to practise; as well as how adult entitlements might be redefined and whether to extend the unit offer.
24. The review will take account of both the recommendations of the Richard Review and the implications of the Government's industrial strategy. It will consider the effectiveness and appropriateness of current regulatory and funding arrangements, including the nature and breadth of the fully funded offer post 19.
25. BIS will also work with the UK Commission for Employment and Skills and the devolved administrations on a review of National Occupational Standards, which underpin the qualifications systems throughout the UK, in order to ensure that they are sufficiently strategic and help to facilitate the development of qualifications which can respond to rapidly-changing skills needs.

Vocational Education and Training

English and maths

26. English and maths skills are essential to enable people to function in society, progress into vocational learning and employment, and to operate more productively in work. We have prioritised full Government funding on English and maths provision, comprising English and Maths GCSEs; Functional English and maths qualifications; and QCF English and maths qualifications and units. Providers are expected to use the new qualifications and units to support upward progression among lower level learners, to prepare them to achieve Level 2 standard such as a GCSE or Functional Skills qualification. Over the coming months, the Skills Funding Agency will review how these new qualifications and units are being used.

We have recognised that Functional Skills are larger and more rigorous qualifications than Key Skills, and as a result put greater demands on both learners and providers. Having reviewed this, the Skills Funding Agency is increasing the rate for Functional English and maths qualifications this year. The Skills Funding Agency is reviewing the current shadow rates which are due to come in next year (2013/14 AY) and the finalised rates will be published in January. The adult GCSE rate will increase in line with Functional Skills.

27. Work is currently underway to explore how providers can be funded on the basis of the skills gains (distance travelled) made by their learners, to incentivise providers to maximise skills acquisition. Evaluation of these pilots will be completed by June 2013. The funding rates for 2013/14 AY will be published in January as planned. Subject to the pilot outcomes, any changes to funding beyond this will be run in shadow for 2013/14 AY to allow preparation time for implementation in 2014/15 AY.

19-24 year old learners

28. The Government recognises that focussing funding on young adults will yield long term economic benefits. Young adults are more likely to have low incomes and come from disadvantaged areas than older learners studying at the same qualification level. Furthermore equipping them with the skills that they need will improve their life chances and support a return to economic growth.

The Unemployed

29. Participation in rigorous education and training makes a lasting difference to individuals, and is pivotal to the Government's ambitions to stimulate economic growth and improve social mobility. As part of the Government's commitment to support unemployed people into work, we will fully fund units and full qualifications for people in receipt of Jobseeker's Allowance and Employment and Support Allowance (in the Work Related Activity Group), and Universal Credit claimants who have had a skills need identified and where training will help them get into work.²

² The roll out of Universal Credit will be complete by the end of 2017, when legacy benefits (income-based JSA, income-related ESA, IS, HB) and Tax Credits (WTC, CTC) systems will have been completely shut down, although contributions-based JSA and contributory ESA will continue to be available. This means that in 2013/14, claimants and potential learners might be on UC or might be on older benefits when they approach colleges and FE providers.

30. Providers also have the discretion to provide fully funded training to the unemployed and those on other benefits where this will help them into employment. In line with wider policy, all those aged 24 and over studying at Level 3 and above will have access to 24+ Advanced Learning Loans.
31. Colleges and FE providers are expected to focus their offer for those who are unemployed on training which will help them enter and sustain employment. The unit offer allows providers to deliver short, flexible courses tailored to the specific needs of unemployed people and local employers. Training for people who are unemployed is likely to include employability skills, short vocational provision relevant to the local labour market, as well as focussed English and maths, QCF units and other ESOL provision for those who need it.
32. We expect providers to work closely with local partners to deliver appropriate training to help people into work and meet local labour market needs. Strong relationships and partnership working with Jobcentre Plus and Work Programme providers are important to ensure that unemployed learners who would benefit from improving their skills are able to access appropriate training opportunities.
33. We will continue to pay job outcome payments where a learner leaves a course to take up paid work and we will continue to exclude these learners from the qualification success rate calculation. We want to encourage providers to offer training which helps people into employment. We will therefore work with partners, including DWP and the sector, to ensure that there is an appropriate system to capture information about job outcomes for unemployed learners in the months after their training finishes. We will use existing sources of data wherever possible. Ensuring we have robust and reliable data on how many unemployed people enter and stay in work after training will support any future policy development on job outcome payments and incentives. This year, we will support City Region partners, who are interested in piloting further incentives for providers to deliver job outcomes for unemployed learners as part of their City Deals.

We recognise that equipping unemployed learners with a qualification which is a statutory or sector requirement is valuable and will enable them to compete for certain jobs. From January 2013, we will fund those stand-alone qualifications in Health and Safety at Work, Food Hygiene, First Aid at Work and Fork Lift Truck which we know to be high quality and robust. These will be fully funded for those individuals in receipt of Jobseekers' Allowance and those in the Work Related Activity Group of the Employment and Support Allowance as part of a broader package to help them find sustainable employment.

Retraining and training at Level 2 for learners aged 24+

34. The Government will continue to support learners aged 24 and above wishing to retrain and costs will be shared with the individual and the employer. This includes qualifications delivered in the workplace for Small and Medium sized Enterprises.

24+ Advanced Learning Loans

35. Learners will be able to apply for 24+ Advanced Learning Loans from April 2013, for courses starting in the 2013/14 AY. Eligible providers will receive a 'loans facility' from the Skills Funding Agency, and funds will be paid on behalf of the learner by the Student Loans Company. £129 million is available for loans in 2013-14 FY and £398 million in 2014-15 FY. BIS, the Skills Funding Agency and the Student Loans Company have provided a wide range of information to help providers prepare, and have run a range of workshops across the country.
36. Further information can be found at:
<https://www.gov.uk/government/policies/improving-the-quality-of-further-education-and-skills-training>
37. The Skills Funding Agency has issued indicative loans "facilities" to providers, alongside indicative allocations from the £50m bursary fund (see box below). These will be confirmed alongside Adult Skills Budget allocations.

Vulnerable learners will receive additional support as 24+ Advanced Learning Loans are introduced. Learners taking Access to HE courses who go on to complete an HE programme will have the outstanding balance of their loan for the Access to HE course written off. A £50m Bursary Fund over two years, administered directly by providers, will help those studying with a 24+ Advanced Learning Loan to meet associated learning costs. Additional help will be provided through the National Careers Service for adults who are uncertain about the benefits of learning funded through a loan.

Learner Support

38. The Government will continue to simplify learner support funds. Discretionary Learner Support offers vulnerable individuals, who are grant funded or self fund their learning, an opportunity to meet some of the costs associated with study. Professional and Career Development Loans also enable individuals to take responsibility for funding their learning in partnership with Government. Further information can be found at: <https://www.gov.uk/browse/education/find-course>

The current arrangements for funding Specialist Designated Institutions (SDIs) is confirmed for the foreseeable future, and an agreed proportion of the Adult Education Bursary will be included within the Discretionary Learners Support budget and allocated to the four residential SDIs.

Learners with Learning Difficulties and/or Disabilities

39. The cross-government Disability Strategy 'Fulfilling Potential', published in September 2012, set out the Government's commitment to support people with disabilities to gain employment, wherever possible. Training and re-training, is an important element of the support that Government provides to disabled people. We will continue to work with the FE sector and specialist organisations to identify and promote the most effective approaches to increasing employment opportunities.
40. To simplify the funding arrangements for learners with learning difficulties and/or disabilities, we are working to agree that from 2013/14 the Education Funding Agency will fund learners aged 19 up to 25 with Learning Difficulty Assessments (LDAs). The Skills Funding Agency will fund learners with learning difficulties and/or disabilities aged 19 and over excluding those with a LDA. Further details will be available in the new year

English for Speakers of Other Languages (ESOL)

41. We will continue to support ESOL in line with our wider priorities for skills. English language skills are essential for success in the labour market and for wider community engagement and support of children's education. It is important that learners have access to qualifications that are recognised by employers and others. We expect learners with ESOL needs to be able to progress to Functional Skills in English and GCSE English Language. We also expect ESOL courses to support employability, particularly for those learners referred for training by Jobcentres. We will work with Ofqual, the Skills Funding Agency, Awarding Organisations and other partners to ensure ESOL qualifications are rigorous, stretching and fully support our priorities.

Community Learning.

42. In 2012/13 AY, Community Learning Trust (CLT) pilots are working in new ways to enhance and turn around the lives of local people and maximise the impact of public funding on the social and economic well-being of individuals, families and communities.
43. In 2013/14 AY, we will require all directly funded providers of community learning to deliver a truly locally-determined learning offer that conforms to the objectives set out in 'New Challenges, New Chances' (December 2011) and piloted in 2012/13 AY by 15 CLTs. Providers will need to operate in strong local partnerships to ensure their plans and strategies are underpinned by engagement and consultation with communities, Local Authorities, LEPs and other key local stakeholders.
44. For 2013/14 AY, providers can expect to receive the same community learning allocations as in previous years. These allocations will now be regarded as a contribution in locally-owned community networks with clear strategic plans, priorities, delivery objectives and measurable learner outcomes – the ambitions of which will be achieved only by securing additional revenue over and above the public subsidy available. Lessons learned from the pilots will be shared widely to support preparation of delivery models in time for the start of the 2013/14 funding year.

Case Studies

West Sussex

- Liberate, the CLT pilot in West Sussex led by a new adult education social enterprise spun out from a Local Authority, is using its charitable status to secure private sponsorship and attract partnership funding to make the public pound stretch further.
- The new funding is being used to engage and motivate the most vulnerable and disadvantaged local groups, including isolated older people, recuperating hospital patients, learners with learning difficulties and disabilities, the long term unemployed and local shoppers in deprived postcodes. New learning channels include supermarkets, digital radio, open spaces, community cafes and football clubs. Local community learning champions are developing specialisms in order to empower local people, support self-organised learning groups and build stronger, more self-sufficient communities.

Solihull

- Solihull's CLT pilot has introduced a completely new fee strategy. It is re-investing fee income to provide more learning opportunities for people who are disadvantaged. It now offers tasters and workshops varying in length from one to 20 hours long, as well as 'loss leader' courses which attract more and different people into classes.
- Solihull has found that collecting fees from everyone, with concessions for initial engagement activity with the hardest to reach, maximises public investment and also ensures that learning is really valued by participants.

Exeter

- Exeter Community Learning Trust Pilot is a dynamic partnership supporting disadvantaged adults. Two partners, Exeter Community Voluntary Service and Devon County ACL, are helping young and vulnerable homeless women to gain the skills and confidence to prepare for a move back into mainstream society, working closely with the local Esther Community, which offers hostel and bed-sit accommodation.

Funding

The finance table shows the funding available through to 2014-15 FY.

Notes		Baseline 2012-13 £000s	Funding 2013-14 £000s	Indicative funding 2014-15 £000s
1	Adult Skills Budget	2,711,252	2,467,875	2,218,311
2	Employer Ownership	7,300	46,000	73,400
3	24+ Advanced Learning Loans	0	129,000	398,000
4	Offender Learning and Skills Service	131,800	130,400	128,900
5	Community Learning	210,747	210,747	210,747
6	European Social Fund	175,000	171,000	173,000
	TOTAL: Teaching and Learning	3,236,099	3,155,022	3,202,358
	<i>of which minimum expectation for apprenticeships</i>	<i>714,800</i>	<i>763,600</i>	<i>770,303</i>
7	Learner Support	163,730	176,800	205,507
8	National Careers Service	85,838	87,868	90,878
	TOTAL: Student /Learner Support	249,568	264,668	296,385
9	Skills Infrastructure	71,446	55,161	58,900
10	Funding to Support the FE and Skills Sector	159,007	156,706	155,004
11	Capital Grants	272,658	467,871	356,857
12	GRAND TOTAL	3,988,778	4,099,429	4,069,504

Budgets in lines 1, 4, 5, 7, 8, 9 and 11 are granted to the Skills Funding Agency for delivery by BIS

Budget line 6 is granted to the Skills Funding Agency by DWP

Notes to support the finance table on the facing page

1	The single Adult Skills Budget supports over 3 million students. The funding delivers entitlements and includes an amount to be transferred to the Education Funding Agency for 19-25 Learners with Learning Difficulties Assessments. Within this funding, the sector should focus at least £100m on workplace learning in Small and Medium Enterprises.
2	The Employer Ownership Pilot is a competitive fund of £340m available over 4 years. It is open to employers to invest in their current and future workforce. Employers can develop proposals to create jobs, raise skills, and drive enterprise and economic growth in England, and look for co-investment from Government to meet the costs.
3	24+ Advanced Learner Loans will be available for learners aged 24 and over studying at Level 3 and above from the 2013/14 academic year.
4	This provides vocational and employability skills programmes for offenders in custody, and includes £14m to meet the costs of delivering the National Careers Service in custody. We will continue to fund education for adult prisoners in England through the OLASS arrangements, with careers advice provided by the National Careers Service. We are working with the Ministry of Justice and others to improve the effectiveness of the expenditure.
5	More than 680,000 adults currently access a national programme of occupational courses enabled through local colleges, Local Authorities, the voluntary sector and a range of other training organisations.
6	The European Social Fund (ESF) is designed to improve the skills of the workforce and to help people who have difficulties finding work. The Skills Funding Agency uses ESF to provide additional investment to support and enhance its mainstream activity, to enable disadvantaged people to access and benefit from employment and skills opportunities.
	Funding relates to Apprenticeships delivered through the Adult Skills Budget, Employer Ownership and 24+ Advanced Learner Loans
7	In support of the simplification agenda, there continues to be no ring-fencing for the individual elements of this budget, giving providers the discretion to distribute the available funding to best meet the needs of their learners. In 2013/14 additional support is being offered for disadvantaged learners taking out a 24+ Advanced Learner Loan through a Bursary Fund. For the 2013/14 AY we will continue to provide Dance and Drama Awards.
8	This funds the National Careers Service which offers independent, impartial information and advice on learning and work and access to a wide range of information about careers and the job market.
9	This funding includes the Apprenticeship vacancy system and the promotion and development of the Apprenticeship Programme, including Higher Apprenticeships.
10	This includes funding for a range of programmes not routed through the Skills Funding Agency including the UK Commission for Employment and Skills.
11	This investment will provide funding to improve the college estate, particularly colleges with poor building conditions and inefficient estates.

Learner numbers

45. Based on past experience, we forecast that the funding available could support the following learners through to 2014/15 AY.

Indicative Adult (19+) learner numbers				
Year	2011/12	2012/13	2013/14	2014/15
Total Learners, of which:	3,211,000	3,126,000	3,060,000	3,130,000
19+ Apprenticeships	657,000	673,000	674,000	681,000

46. To date, the Skills Funding Agency has used ESF to fund around 1.3m learners in adult learning provision³.

³ excludes young people 14-18 on behalf of the Education Funding Agency, and Next Step/National Careers Service advice and guidance sessions

New Approaches

Apprenticeships

47. The Richard Review has recommended far-reaching changes to Apprenticeships. The Government will respond formally to the Review in the Spring and consult on the way forward.
48. Given these proposals for major change in the longer term, it has been decided not to proceed in 2013/14 AY with applying the simplified approach to setting Apprenticeships rates to existing frameworks that is being adopted for wider FE qualifications. This approach will, however, be applied for new Apprenticeship frameworks where these are developed. This will ensure that all new funding rates will in future link more transparently to the cost of the component qualifications, with account taken of the additional activities involved in Apprenticeship delivery. All other simplification changes to the system will continue to be made.
49. The Government is committed to supporting Apprenticeship growth where it can deliver the greatest returns. As part of the Government's industrial strategy, we will continue to examine how Apprenticeship funding rates can best support growth within priority sectors – such as engineering and manufacturing, construction and ICT – and will come forward with further details in the coming months.
50. The Apprenticeship Grant for Employers has been extended and will continue in its current form for at least a further 12 months, until March 2014. The scheme provides grant payments of £1,500 per apprentice to support smaller employers (up to 1,000 employees) taking on a new young apprentice aged 16-24 years old. To be eligible, the employer must not have taken on an apprentice in the previous 12 months. Employers can claim support for up to 10 apprentices.
51. In 2012/13AY, steps were taken to raise the bar on Apprenticeship standards, making it a requirement that all apprentices be supported to study towards English and maths to Level 2. This requirement on colleges and providers will remain in 2013/14AY, and further ways to raise levels of achievement in this area will continue to be explored.
52. The Government is committed to doing more to support fair access to Apprenticeships for learners with learning difficulties and disabilities, and, following Peter Little's report 'Creating an Inclusive Apprenticeship Offer' (May 2012)⁴ and the subsequent National Apprenticeships Service Action Plan, will continue to consider how their participation can be supported and obstacles overcome.

Large Employer Programme

53. In 2012/13 AY, a package of new measures was implemented to make it easier for large employers who directly contract with the Skills Funding Agency to take on apprentices. The Large Employer Outcome Pilot will continue in 2013/14 AY.

⁴ <http://www.apprenticeships.org.uk/News-Media/Latest-News/Article140.aspx>

Employer Ownership Pilot

54. Successful bids from Round 1 were announced in the summer, and Round 2 of the pilot was launched in November inviting innovative bids from employers of all sizes, and highlighting the importance of Apprenticeships in Industrial Strategy sectors. The Autumn Statement announced that the pilot will make up to £340m available through to 2015/16 AY.

Traineeships

The Government is exploring the development of a new pre-employment training offer for motivated young people seeking a route into Apprenticeships and other work or learning. Our vision for Traineeships is a model with a core content of work preparation, English and maths for those without a good GCSE pass, and a substantial work placement. Other elements, such as vocational training, could be added by providers and employers to suit local labour market needs. We expect to publish further information on our proposals shortly which will be followed by a dialogue with providers, employers and young people.

Innovation Code

55. The Innovation Code continues to offer providers greater opportunity to respond flexibly to the needs of local learners, communities and employers. It was re-launched in November 2012 with a renewed focus on supporting the unemployed to find work and improving engagement with local partners.

PBTS Ltd provides specialist training for the Healthcare Science Sector. It has been using the Innovation Code to address a gap for a new role within the Band 4 Agenda for Change of the Department for Health framework – Healthcare Science Associate Practitioner. Because the role is new, progression from Band 3 to 4 within employment can lack occupational competence in some cases. Employers are delighted that the Innovation Code can be used to enable their staff to develop their competencies at Level 4. There are over 60 NHS trusts that have shown interest in the proposed qualification.

The course is aimed at learners who have achieved NVQ level 2 and 3, as well as unemployed graduates on Job Seekers Allowance who lack vocational competence and experience.

To date 10 learners have completed the programme, with an additional 20 due to start in early in 2012 and a further 100 on the waiting list. Several learners from the first cohort were unemployed and, after completing the course, they all either moved into jobs in the healthcare sector or have continued their studies.

PBTS is working with the Hammersmith Group of Hospitals. The Association of Biomedical Healthcare Sciences and the Academy for Healthcare Science are also involved.

City Deals and Community Budget

56. In 'Unlocking Growth in Cities' (December 2011) the Government challenged eight Core Cities to agree tailored 'City Deals', in recognition of the important role that cities play alongside LEPs in driving economic development. BIS encouraged joint working with employers to raise demand for, and investment in, skills in their areas. enabling them to work with colleges and FE providers to create skills plans, against which providers could respond.
57. Details of the first wave of City Deals were announced in July 2012, setting out the innovative approaches they have negotiated to enable them better to meet their local skills needs. We are continuing to work with the Core Cities to ensure effective implementation.
58. The second wave of the City Deals was announced in October 2012. This provided the opportunity for a further 20 cities to bid for new powers to boost local growth. The aim is to complete the next wave of City Deals by November 2013.
59. We are also working with the Whole-Place Community Budget pilots in Greater Manchester, West Cheshire and Chester, Essex and Tri-borough (three LAs in London). Each pilot has developed proposals for improving responsiveness of the employment and skills systems to the needs of local employers and learners.
60. In order to make the education and skills system more effective and responsive to the needs of employers, the Government will make available the same information on FE course outcomes that is available for University courses through the Key Information Sets. Providing clear information to students on the potential returns to their investment in education and training will help them to exercise informed choice and exert upward pressure on the quality and labour market relevance of FE courses.

The Further Education funding system

61. The Skills Funding Agency will implement a new streamlined funding system for adult skills in 2013/14 AY. This represents a significant change in the way Government is working with the FE sector to simplify the FE system. All aspects of the current system – funding rates, funding formula and earnings methodology – have been reviewed by the Skills Funding Agency with challenge and input from an externally chaired Advisory Group including sector bodies and representatives from colleges and FE providers. The sector is currently testing and trialling the new approach through a period of parallel running of the current and proposed new funding systems.
62. The result will be a clear and transparent way of funding adult learning with minimal bureaucracy. Importantly, the benefits of simplifying the funding system will be realised by the whole sector – providers, learners and employers alike. The Skills Funding Agency will publish the full final description of the new funding system in January 2013.
63. At the same time, and significantly earlier than before, the new funding rules and rates for 2013/14 AY will also be published. Early notice of the funding rates will help providers to prepare their offer for 2013/14 AY, including that delivered in the future through 24+ Advanced Learning Loans.
64. Freeing the FE system from central control is crucial to the Government's wider reform agenda which recognises the maturity of the sector to run its own business and places the emphasis on learners, employers and communities. This is about whole system reform; it is not about tinkering at the edges. The future relationship between the sector and Government will be built on freedom not control.
65. Government agreed with the National Audit Office (NAO) and the Public Account Committee's (PAC) recommendations to reduce bureaucracy further in the FE sector. The BIS response to the PAC (July 2012) included a single Cross Government Simplification Plan which emphasises the benefits of a coherent approach to policy development and implementation between BIS, the Department for Education and their Agencies. It covers over 40 strands of activity and all the main Departments and Agencies that impose burdens on the FE and skills sector. Members of the FE Reform and Performance Board are convinced that the Cross-Government Simplification Plan will improve the effectiveness of the FE and skills sector by releasing time and money to front-line delivery, providing more people with the skills needed for growth. The plan can be found here:

<http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/F/further-education-and-skills-simplification-plan>

66. Removing unnecessary bureaucracy is just one stream of activity to free the FE sector to meet local needs. Other priorities have been to:
- introduce a single Adult Skills budget;
 - remove central targets and introduce the Innovation Code;
 - close, merge or shrink over 20 (intermediary) public bodies;
 - legislate so that FE colleges are able to effectively shape and manage their own organisation and business;
 - streamline systems and processes through a Whole College and Provider View; and
 - improve policy making.
67. By closing down, merging or shrinking public bodies, involving over 20 organisations, 11⁵ have been closed; some have been moved out to the public sector, such as Ufl learndirect which is now a private provider; and the remaining bodies, such as the Skills Funding Agency, have been shrunk. By 2015, the UKCES's budget will be £1.5m lower than in 2011/12 AY; and refocusing the work of Sector Skills Councils will save £35.6m by 2015. Further progress is being made through implementation of the recommendations from the Lingfield Review 'Professionalism in Further Education' (October 2012)⁶ and the development of an FE guild to provide a single focal point for professionalism.
68. The Government is working closely with the sector to ensure that the simplification plans are having maximum impact. The Skills Funding Agency has worked closely with the Education Funding Agency and a small group of providers on the "Whole Provider View" project, which identifies bureaucratic and redundant processes and activities, and is now delivering an action plan to streamline or eliminate them.
69. Alongside this activity, steps are being taken to ensure that bureaucracy does not creep back in as policies develop and change. A simple tool has been developed to support policy makers to think through the key impacts of their policy for providers, learners, employers and their community early in development process.
70. Through the Employer Ownership Pilot, funding has been brought together for 16-18 year old and adult learners, alongside Growth and Innovation funding, enabling employers to bring forward proposals which may include employer networks, skills frameworks and training delivery mechanisms.
71. This Statement includes new proposals such as Traineeships and the second round of the Employer Ownership Pilot, which will be launched in 2013-14 FY. We will monitor, review and evaluate the implementation of these to ensure that they deliver value for money.

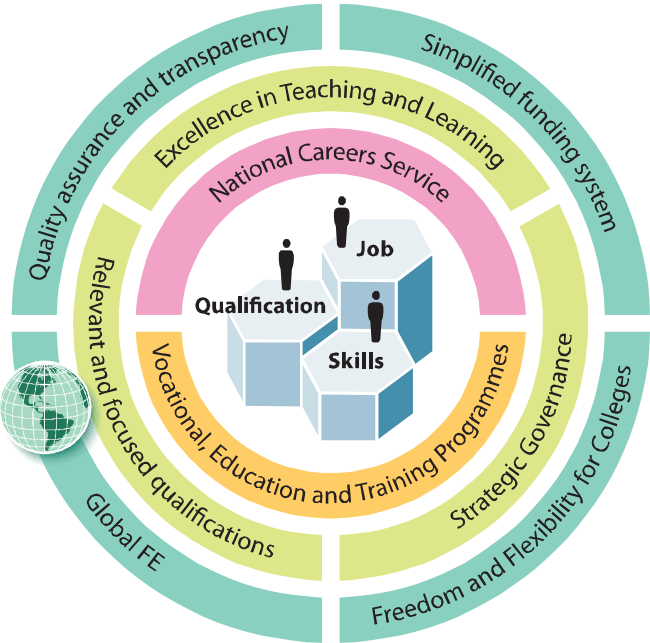
⁵ RDAs, BECTA and QCDA

⁶ <http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/p/12-1198-professionalism-in-further-education-final.pdf>

Guided by the government-wide Compact with the third sector, BIS has taken steps to involve the sector more closely in learning and skills policy development through regular dialogue with representative bodies. BIS has also funded research on the scale and scope of third sector engagement in this area, resulting in the development of a Strategic Framework for the third sector to take forward itself the outcomes and recommendations from the research programme. This work will be facilitated by NIACE and third sector partners overseen by a new third sector-led steering group. In addition, the Skills Funding Agency has agreed to review its market entry arrangements with third sector providers, whether in a "prime" or sub-contractor capacity, to ensure that the sector's unique contribution to working with hard-to-reach and disadvantaged groups is maximised.

72. The Skills Funding Agency, working closely with the Education Funding Agency, is undertaking a programme of work to review the burdens it places on colleges and training organisations in respect of Funding, and Financial Performance Reporting and Assurance.
73. Last year, the Government set out how it will intervene quickly and robustly where student and employer needs are not being met and the Skills Funding Agency is now working with the sector to develop new Minimum Standards. In line with the published Intervention Strategy, the Skills Funding Agency will secure alternative solutions where quality is poor and improvements are not made, in order to protect the interests of students, employers and local communities.

DATA ANNEX



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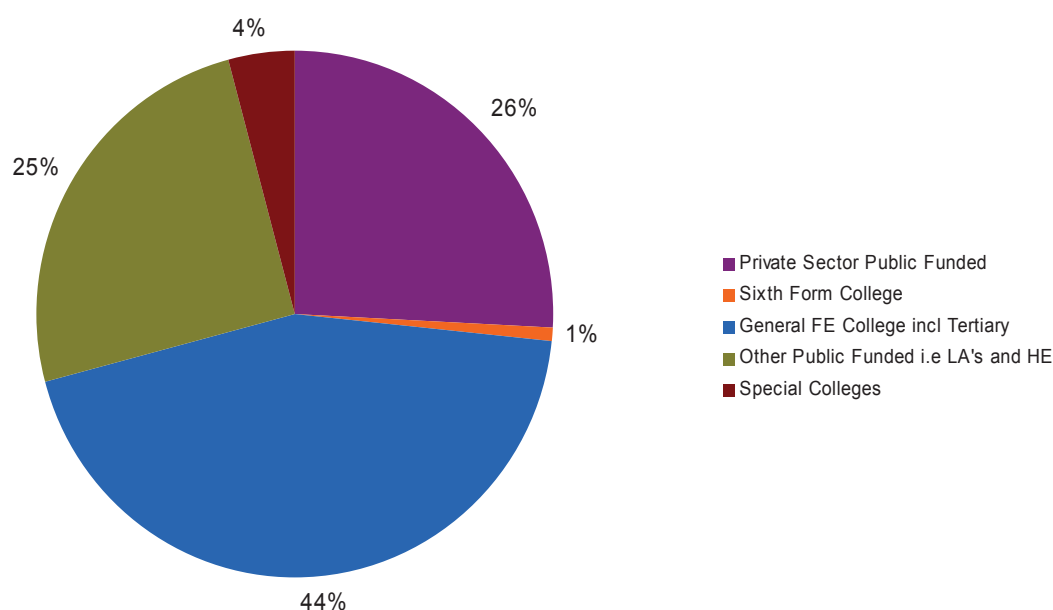
Summary

This section provides summary information on the number of learners aged 19 and over funded by the Department for Business, Innovation and Skills, in line with the strategy set out in 'New Challenges, New Chances' (NCNC), (December 2011), and the amount of funding that has been spent during 2010/11 and 2011/12 ^{7, 8}.

Adult (19+)

In 2011/12, there were 3,139,200 government-funded learners aged 19+ participating in Vocational and Educational Training (VET) programmes. 44 per cent of these carried out learning in a GFEC (General FE College).

Figure 1 Adult (19+) Learners by Provider Type, 2011/12 (provisional)



⁷Learner data based on 2011/12 is provisional because providers may not have reported all their information relating to this period. It is not possible to determine how incomplete this data is, therefore caution must be taken when comparing against earlier academic years.

⁸ Data based on aims reports all recorded FE aims on the ILR (Individualised Learning Record).

Figure 2a Adult (19+)⁹ Learners by Vocational and Educational Training Programmes, 2010/11 and 2011/12 (provisional)

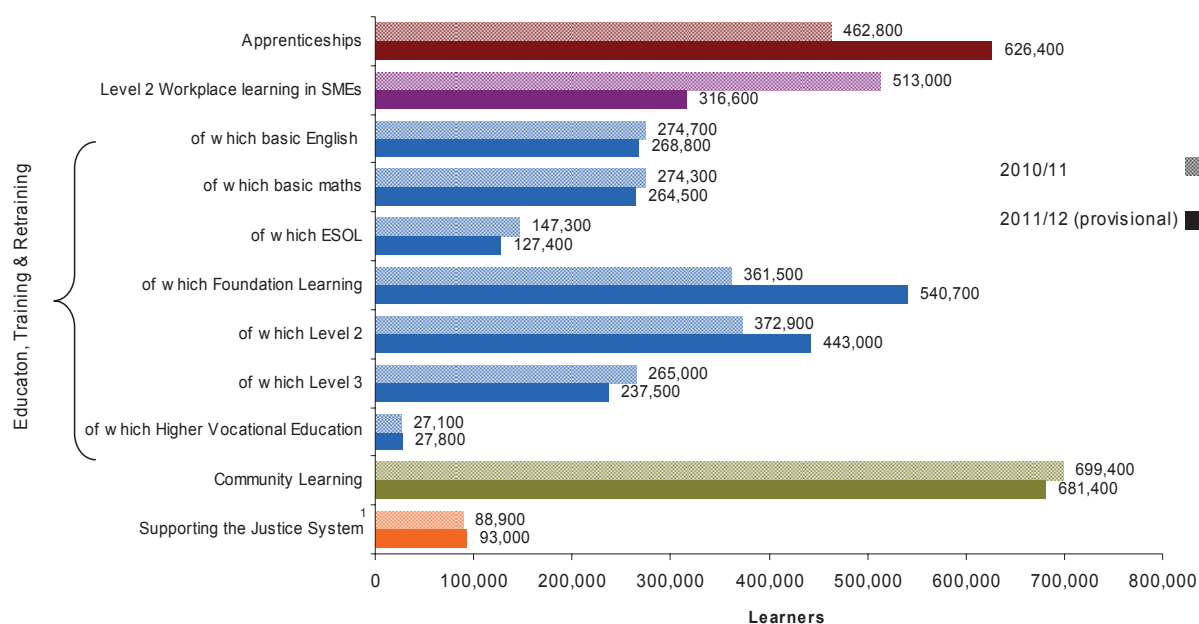
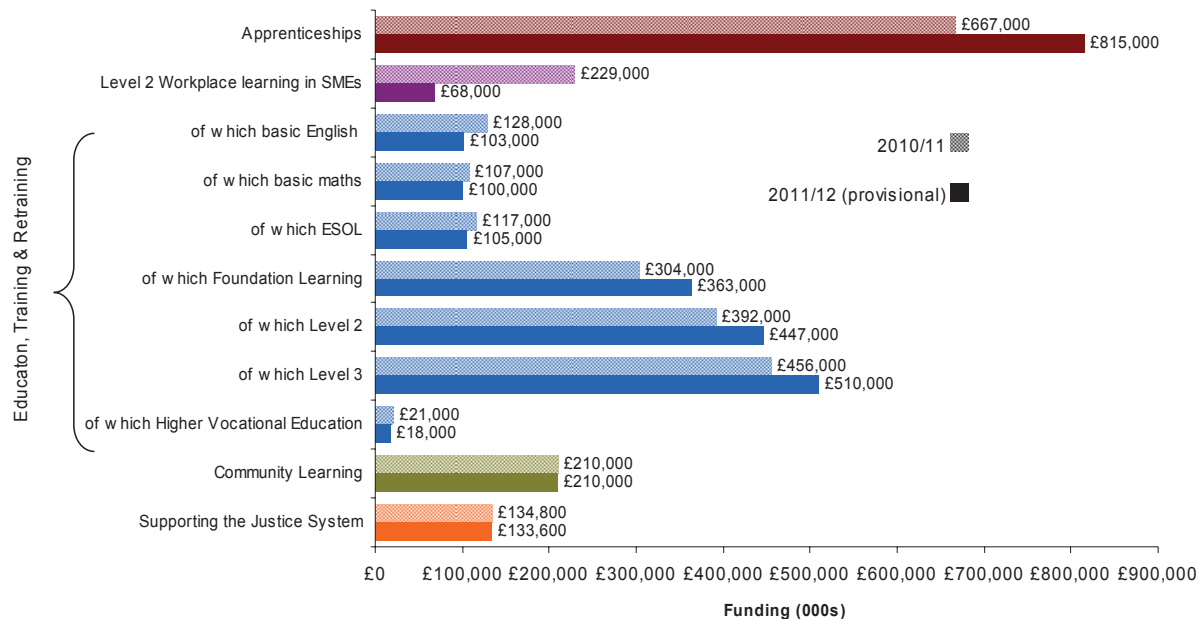


Figure 2b Adult (19+) Funding by Vocational and Educational Training Programmes, 2010/11 and 2011/12 (provisional)

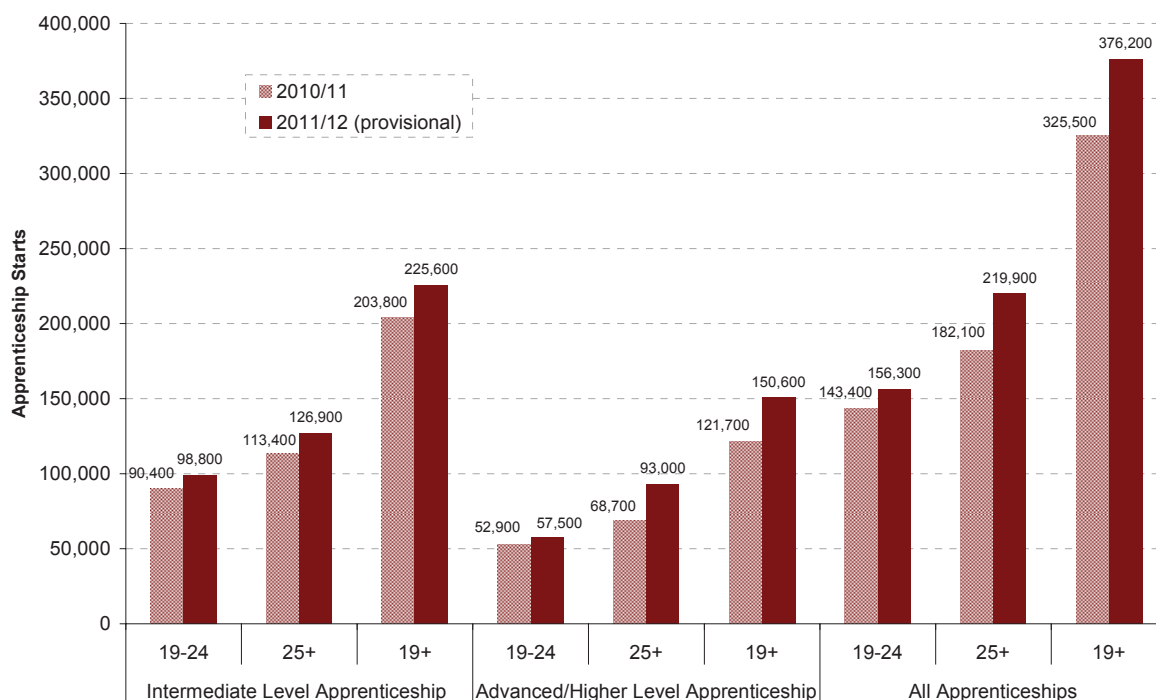


There was an increase in the number of Apprenticeship starts aged 19 and over, up from 457,200 in 2010/11 to 502,500 in 2011/12 (provisional). Of these there were:

- 225,600 Intermediate Level Apprenticeship starts, compared to 203,800 in 2010/11;
- 147,300 Advanced Level Apprenticeship starts, compared to 119,700 in 2010/11;
- 3,200 Higher Apprenticeship starts, compared to 2,000 in 2010/11.

⁹ includes offenders aged 18 or over in the 'Supporting the Justice System' category

Figure 3 Adult (19+) Apprenticeship Starts, by Age and Level, 2010/11 and 2011/12 (provisional)



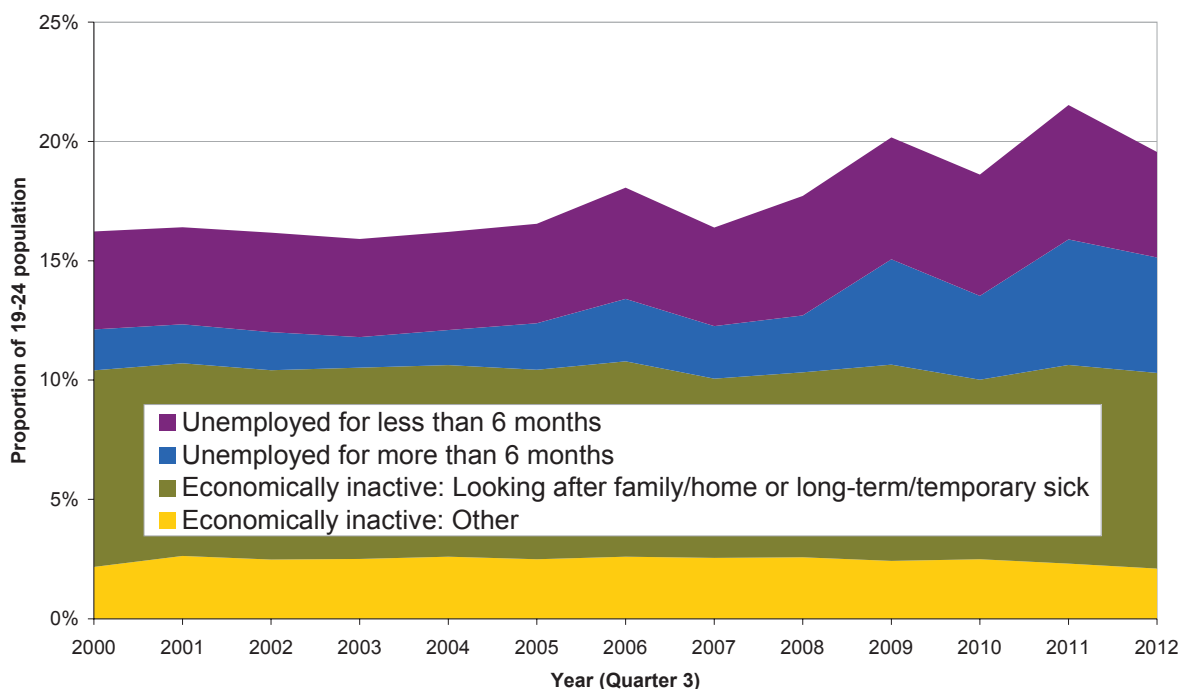
Adult (19-24)

Almost 20 per cent of 19-24 year olds are Not in Education, Employment or Training (NEET). The Government recognises that there are still too many young people who are NEET. Those who struggle with the transition from education to work and spend six months or more as NEET are more likely to experience poverty and the effects of disadvantage well into adulthood. Participation in education and training makes a lasting difference to individuals, and is pivotal to the Government's ambitions to stimulate economic growth and improve social mobility.

Around 50 per cent of the 19-24 year olds NEET are unemployed whilst the other 50 per cent are economically inactive¹⁰, including those with caring responsibilities or who are sick. The recent rise in 19-24 year olds NEET has been driven by those who are unemployed, specifically those who have been unemployed for more than six months.

¹⁰ Economically inactive people are not in work and do not meet the internationally agreed definition of unemployment. They are people without a job who have not actively sought work in the last four weeks and/or are not available to start work in the next two weeks.

Figure 4 19-24 Year Olds NEET as a Proportion of the 18-24 Population, Q4 2000 to Q3 2012



In 2011/12, there were 657,200 government-funded learners aged 19-24 participating in VET programmes.

Figure 5a Adult (19-24) Learners by Vocational and Educational Training Programmes, 2010/11 and 2011/12 (provisional)

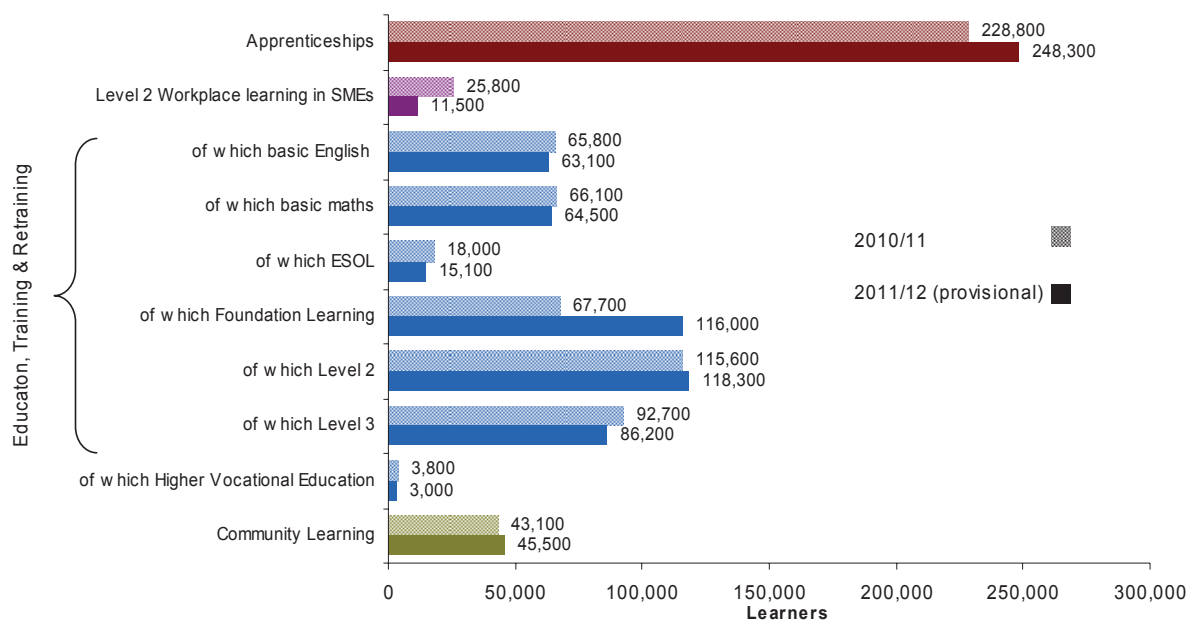
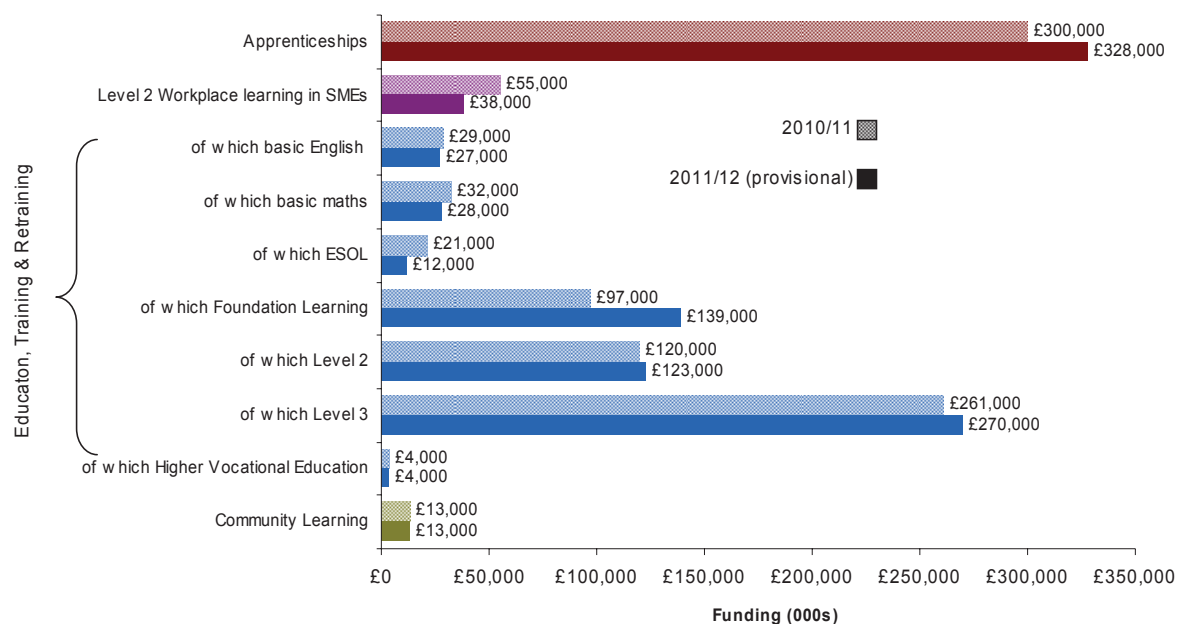


Figure 5b Adult (19-24) Funding by Vocational and Educational Training Programmes, 2010/11, 2011/12 (provisional)



English and maths

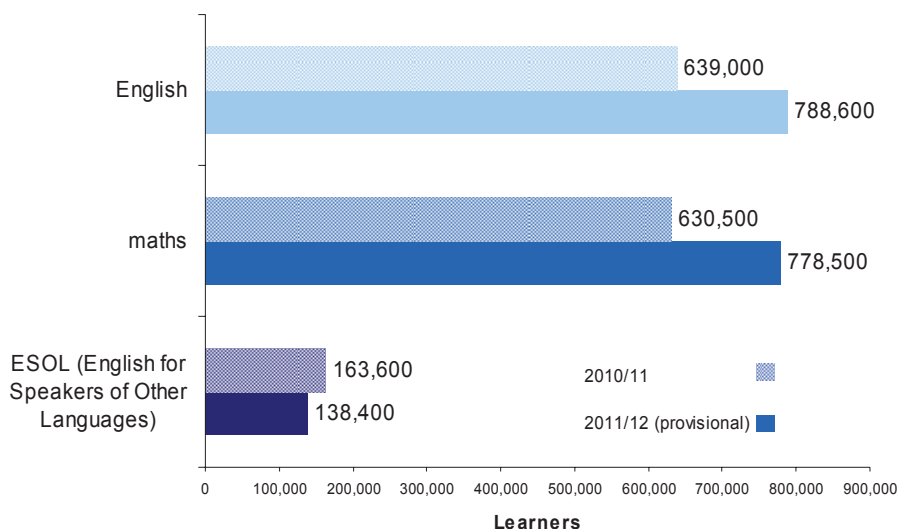
English and maths skills are essential in enabling people to function in society and progress in learning and employment. The tables in this sub-section provide information on English and maths skills and English for Speakers of Other Languages (ESOL) provision carried out across all VET programmes, not just the Education, Training and Retraining programmes as shown in previous charts.

Many learners participate in more than one English and maths course. The number of modelled enrolments in basic skills/ESOL in 2011/12 was 1,088,000 with an estimated £480 million being spent on this provision.

Table 1 Adult (19+) English and maths Provision – Covering Discrete Provision, Apprenticeship Functional Skills, and Activity Embedded in Community Learning and Foundation Learning - Modelled Enrolments and Funding, 2011/12 (provisional)

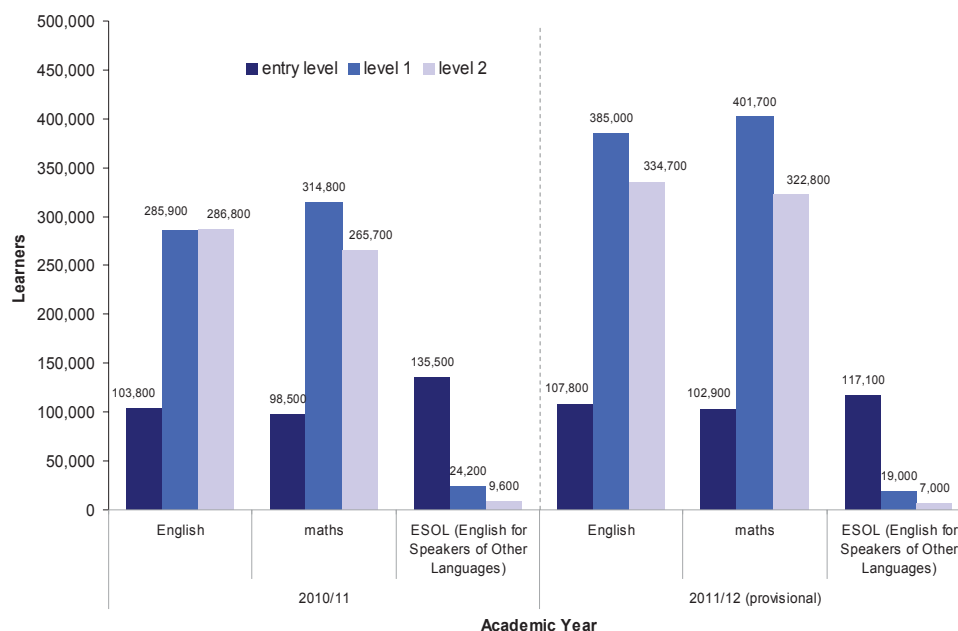
	Aims Funded	Funding (£m)
English	777,000	£190
Maths	779,000	£180
ESOL	138,000	£110
TOTAL	1,088,000	£480

Figure 6a Adult (19+) English and maths Participation by Subject, 2010/11 and 2011/12 (provisional)



In line with our policy to maintain full funding for English and maths for all adults who need it, and extending this to include GCSEs, there has been an increase in English and maths participation in 2011/12 (provisional) compared to 2010/11. Learner participation was around 780,000 in both subjects, up from around 640,000 in 2010/11. ESOL participation has dropped slightly from nearly 164,000 to just over 138,000. In 2011/12, ESOL provision has been refocused to those living in settled communities or where skills gaps have been identified as a barrier to employment.

Figure 6b Adult (19+) English and maths Participation by Subject and Level, 2010/11 and 2011/12 (provisional)



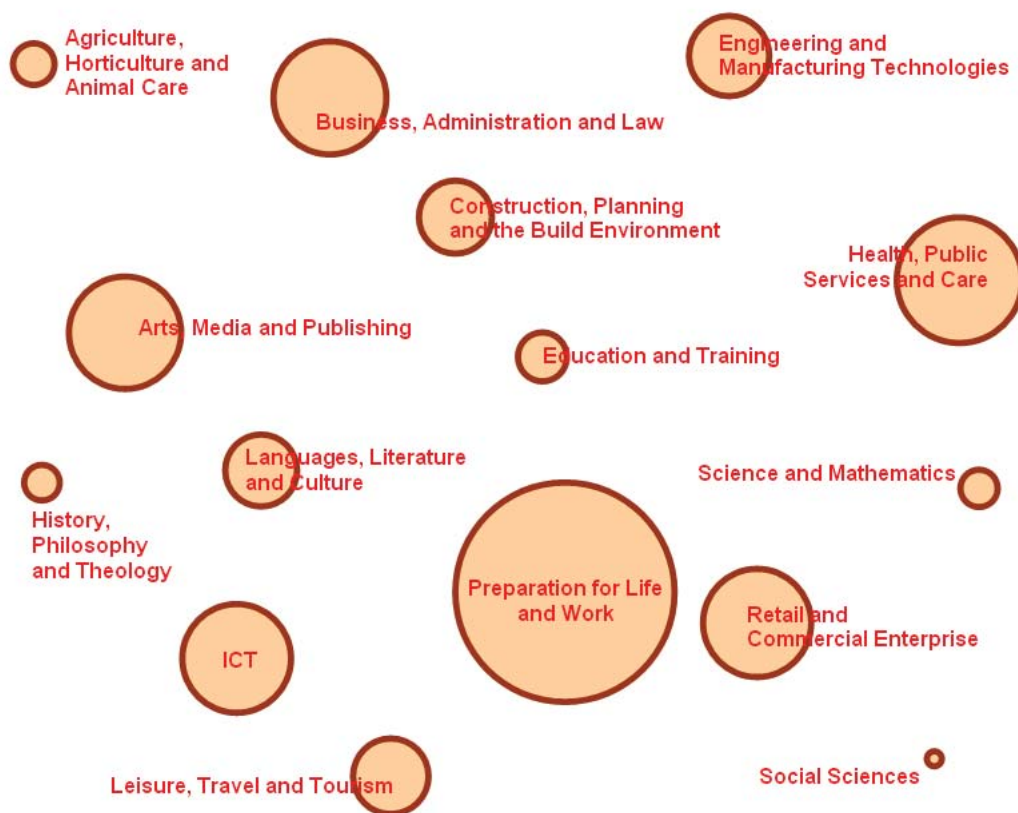
Sectors

VET programmes cover a wide range of subject areas. This section looks at the Sector Subject Areas learners study on their VET programmes. Sector Subject Areas are classifications of business areas as determined by the Qualification and Curriculum Authority (QCA). Figures 7a and d give breakdowns by Sector Subject Area, Tier 1 (15 Sector Subject Areas). Figure 7b gives the top 5 Tier 2 Sector Subject Areas (a more detailed classification).

In 2011/12, the most popular Sector Subject Area for adult (19+) learners was “Preparation for Life and Work”, with 1,635,100 aims. Other popular areas were “Health, Public Services and Care” (542,400 aims); “Business, Administration and Law” (438,200 aims); “Arts, Media and Publishing” (434,200 aims); “Information and Communication Technology” (405,800 aims) and “Retail and Commercial Enterprise” (398,400 aims).

The top Frameworks studied through Apprenticeships in 2011/12 were “Health and Social Care” (62,600 starts); “Customer Service” (46,700 starts) and “Management” (42,900 starts).

Figure 7a Adult (19+) Enrolments (aims) by Sector Subject Area (Tier 1), 2011/12 (provisional)



* Size of bubble represents the number of aims

Figure 7b Adult (19+) Top Sector Subject Areas (Tier 2), Enrolments (aims), 2010/11 and 2011/12 (provisional)

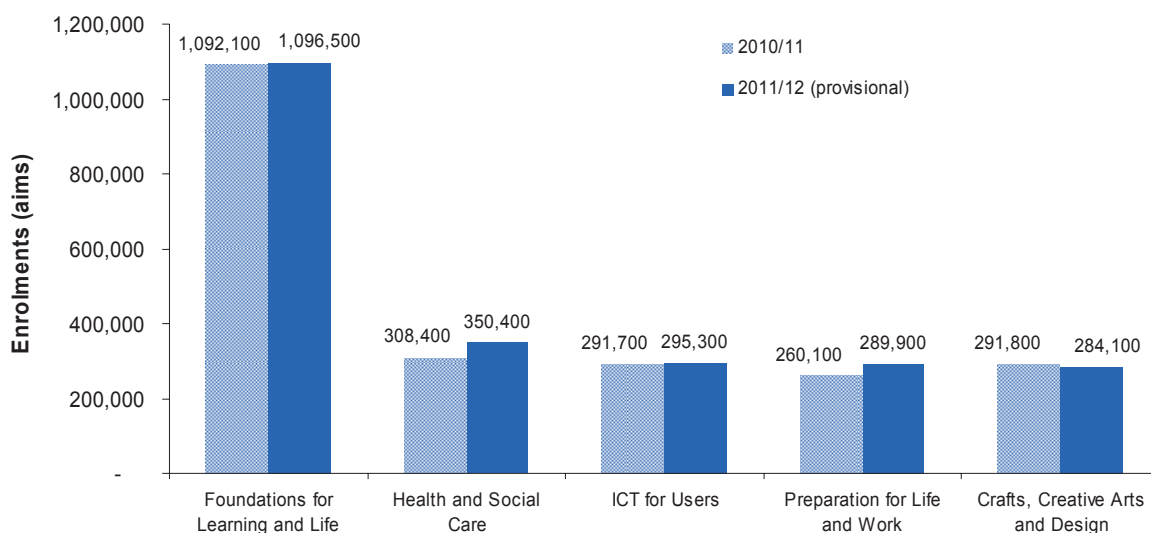


Figure 7c Adult (19+) Top Frameworks, Apprenticeship Starts, 2010/11 and 2011/12 (provisional)

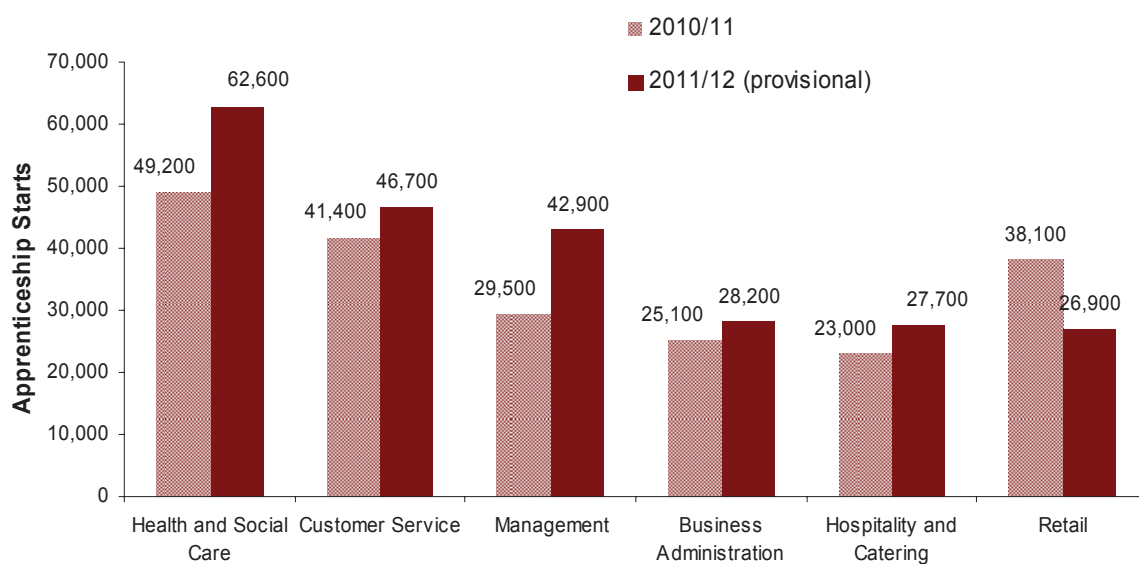
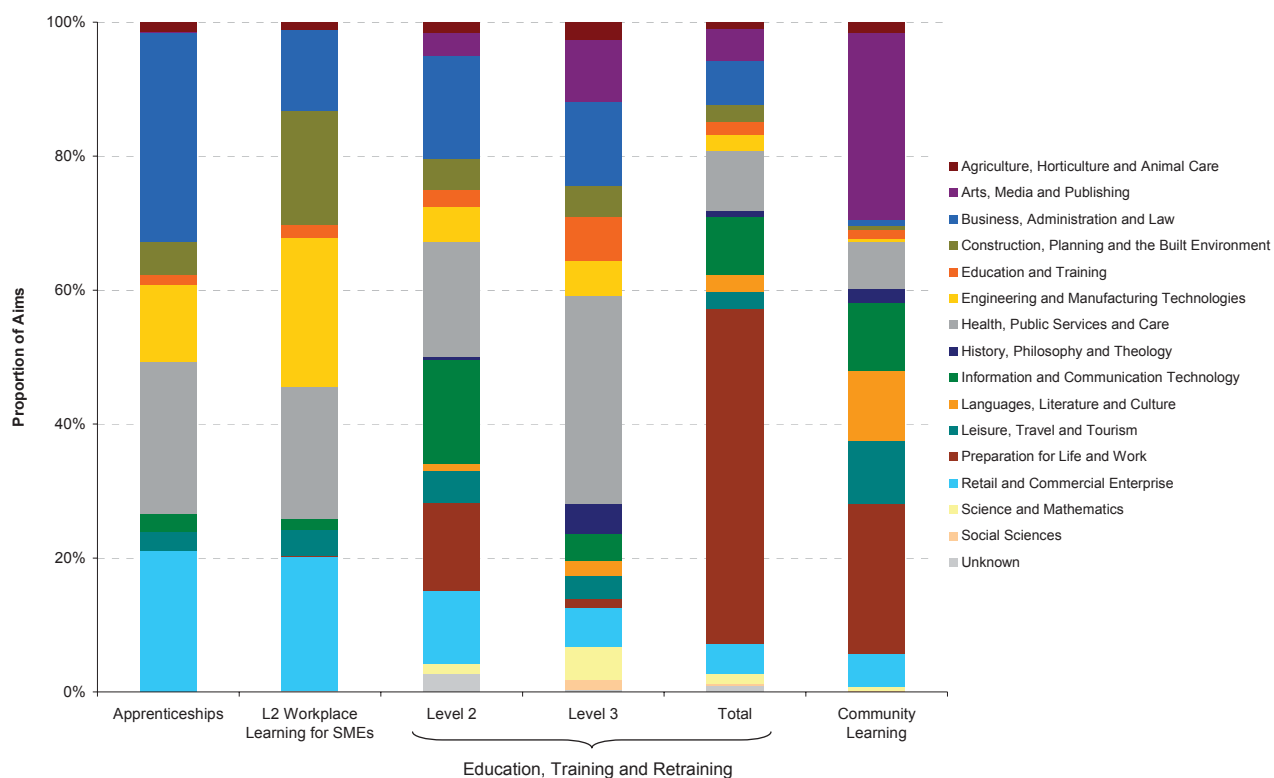


Figure 7d Adult (19+) Enrolments (aims) by Sector Subject Area (Tier 1) and Vocational and Educational Training Programmes, 2011/12 (provisional)



Equality & Diversity

The Government believes that a commitment to equality and diversity is critical to ensuring that we are able to deliver on BIS priorities, as well as the Government's wider goals. Tackling inequality at an early age through education is vital to achieving a fairer and more equal society. As well as helping young people fresh out of the compulsory education system continue into Further Education, BIS funds learners across all ages and social economic backgrounds to achieve their full potential and become more qualified.

Around 20 per cent of learners participating in VET programmes in 2011/12 were in a Black, Asian or Minority Ethnic (BAME) group. This compares to 13 per cent of the total 19-64 year old English population that are BAME.

Figure 8a Adult (19+) Equality and Diversity by Vocational and Educational Training Programmes, 2011/12 (provisional)

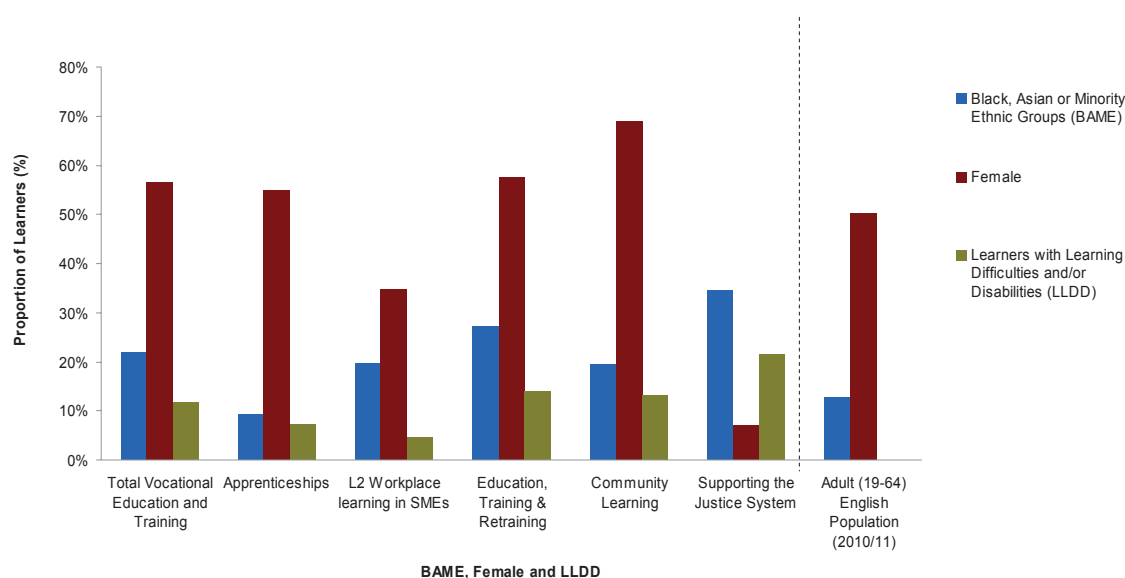


Figure 8b Adult (19+) Vocational and Educational Training by Gender and Age, 2011/12 (provisional)

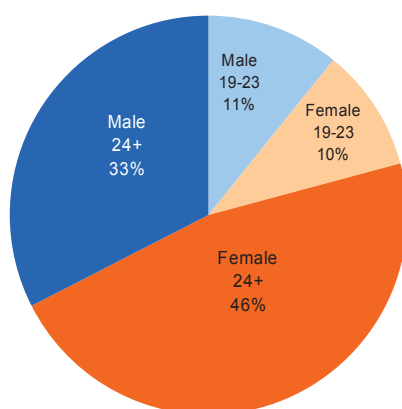
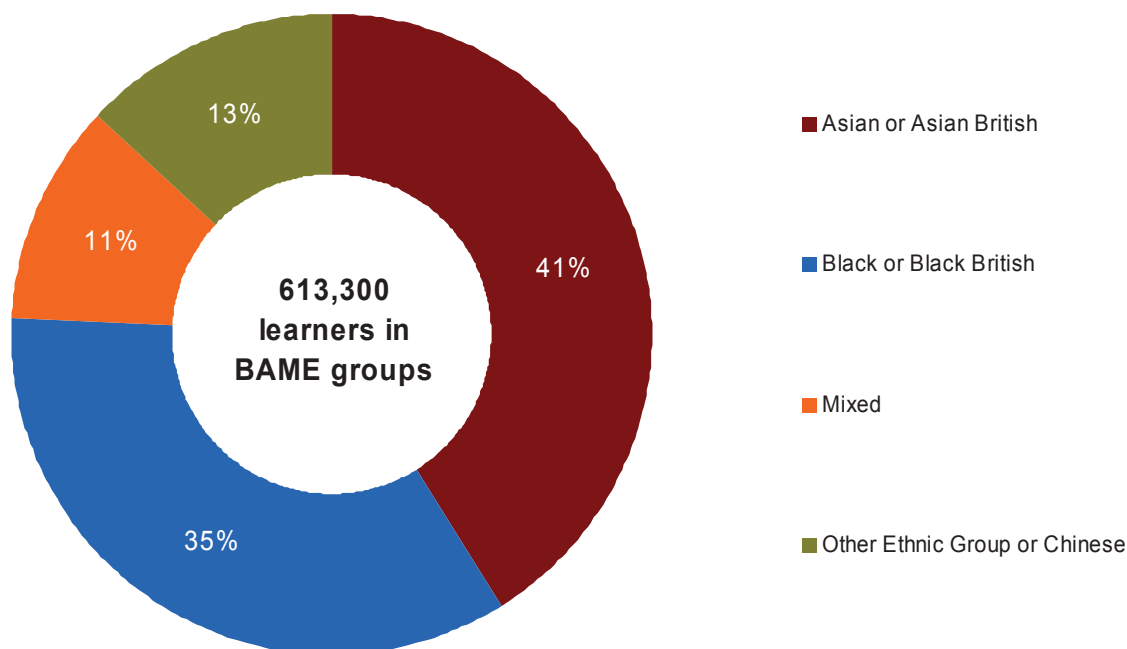


Figure 8c Adult (19+) Total Vocational and Educational Training by BAME group, 2011/12 (provisional)



Further Education and Benefit Claims

Lack of qualifications and skills is one of the main barriers to employment. In 2011, the employment rate of those qualified at below Level 2 (including no qualifications) was 58.1 per cent. This is below the average rate for all people aged 19-59/64 in England (75.1 per cent). It also compares unfavourably to those qualified at Level 2 (76.4 per cent); those qualified at Level 3 (75.8 per cent) and those qualified at Level 4 and above (83.5 per cent).

Matched BIS learner and DWP benefit data show that in 2010/11, (the most recent year for which data is available) 470,100 learners participated in VET programmes whilst on benefits. 62 per cent of these were receiving Jobseeker's Allowance or Employment and Support Allowance (JSA/ESA WRAG).

Figure 9a Adult (19+) Learners on Benefits, by Benefit Type, 2010/11

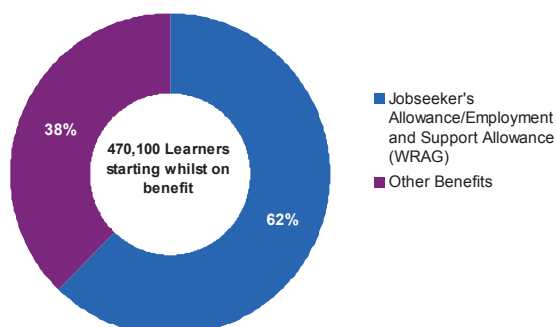
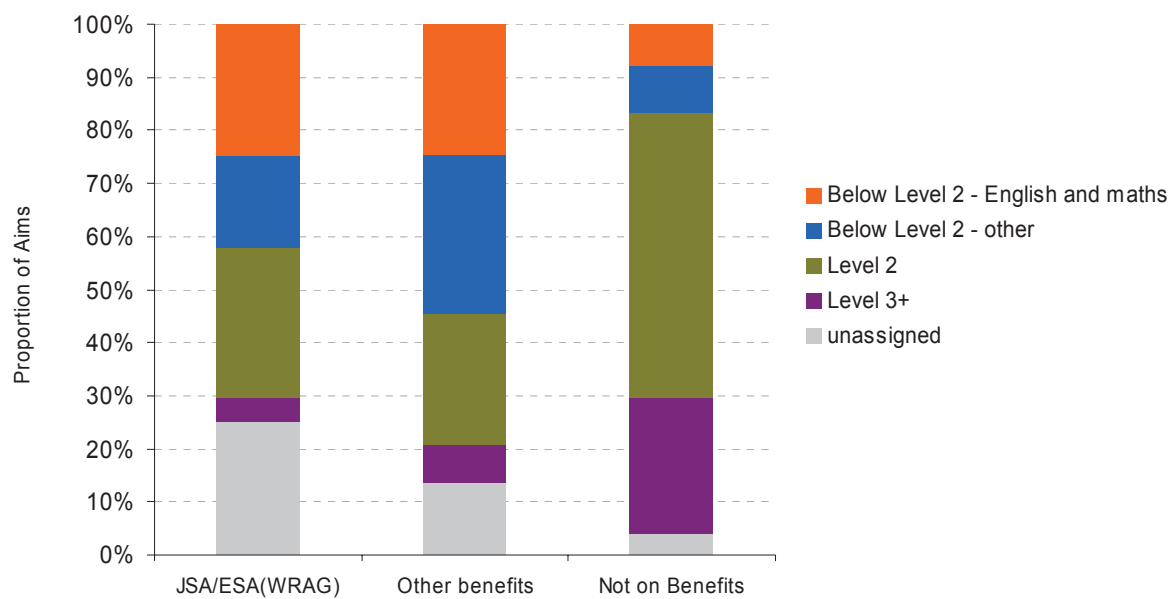


Figure 9b Adult (19+) Aims on Benefits, by Benefit Type and Level, 2010/11

Progression and Outcomes

Highest Level of Qualification in the Population

Having a skilled population is vital to maintaining the international competitiveness of our economy and creating high quality jobs. Improving our skills does not just improve our economy; it also has the potential to make the UK a fairer place by creating more social mobility and enabling people to play their part in society.

The qualification levels of the working age population have increased gradually over the past few years. In 2011 it was estimated that 78.9 per cent were qualified to Level 2 and above; 59.5 per cent were qualified to Level 3 and above; and 37.9 were qualified to Level 4 and above.

Figure 10 Highest Level of Qualification Held by Adults of Working Age, 2006 to 2011

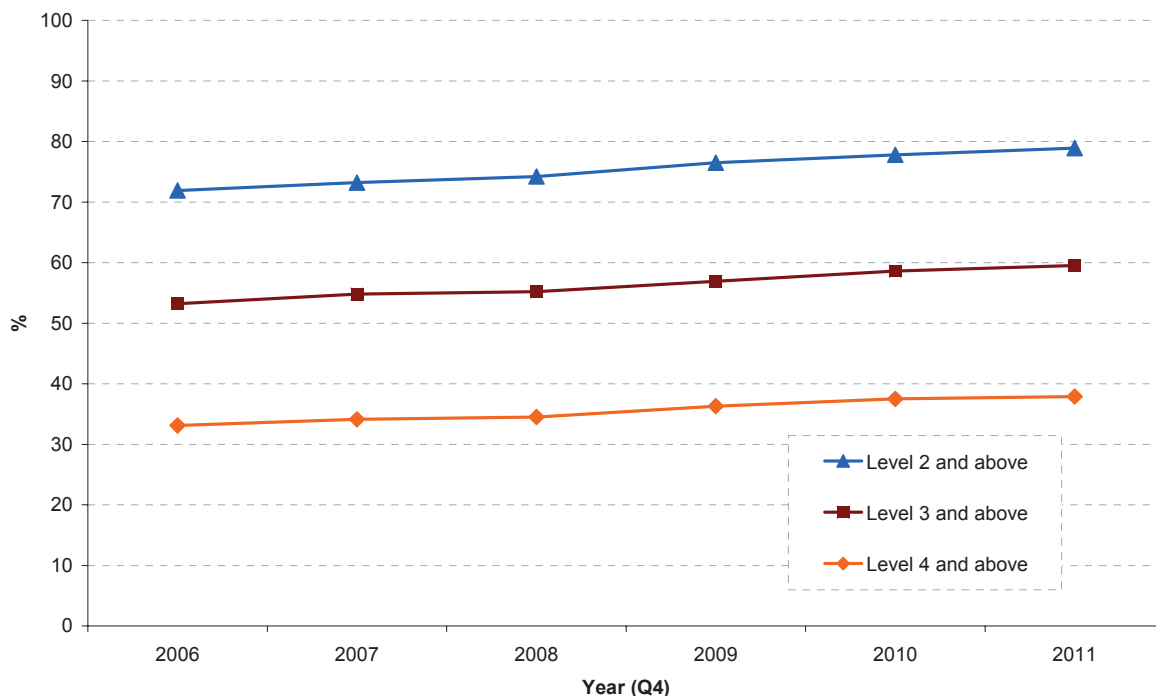


Figure 11 Highest Level of Qualification Held by Adults of Working Age, by Economic Activity¹¹ 2011

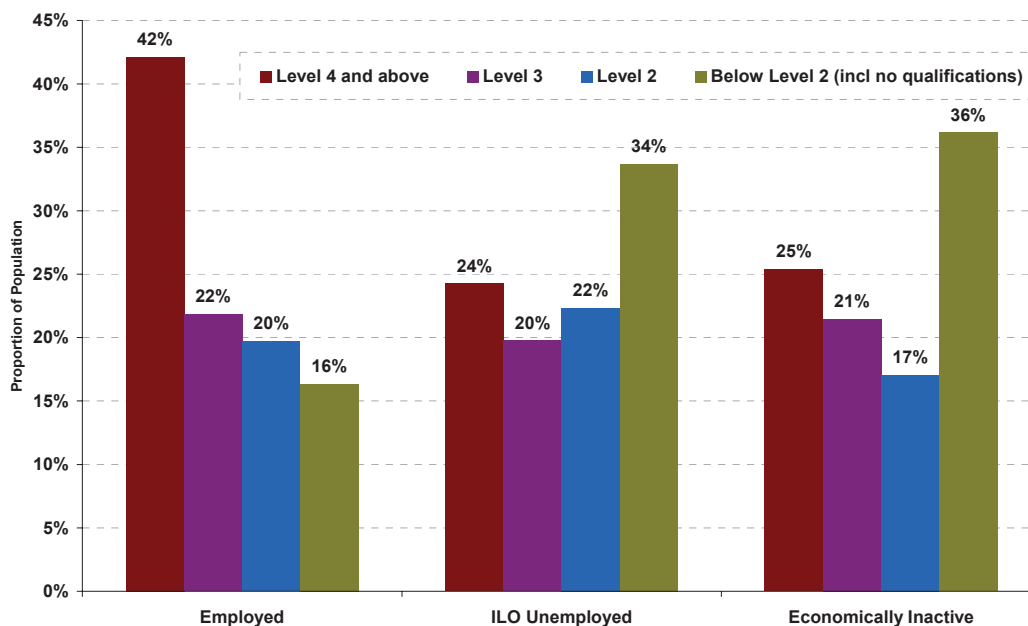


Table 2 Economic Activity⁵ by Level of Highest Qualification Held by People aged 19-59/64 (Quarter 4), percentages, 2010 to 2011

Percentages					
Year	All people aged 19-59/64 ¹	Level 4 and above	Level 3	Level 2	Below Level 2 (incl no qualifications)
Employment Rate					
2010	75.4	84.2	76.0	76.5	58.9
2011	75.1	83.5	75.8	76.4	58.1
2011 95% CI (+/-)	0.4	0.6	0.9	0.9	1.0
ILO Unemployment Rate					
2010	7.1	4.3	6.3	8.4	12.9
2011	7.6	4.5	6.9	8.5	14.5
2011 95% CI (+/-)	0.3	0.3	0.6	0.6	0.8
Inactivity Rate					
2010	18.9	12.0	18.9	16.5	32.4
2011	18.7	12.6	18.6	16.5	32.1
2011 95% CI (+/-)	0.4	0.5	0.8	0.8	0.9

¹¹ 'International Labour Organisation (ILO) unemployed' estimates are taken as those people declaring themselves as not being employed and actively looking and available for employment. The ILO Unemployment Rate is calculated as the number ILO Unemployed divided by the number Economically Active (ILO Unemployed + Employed). Economically inactive people are not in work and do not meet the internationally agreed definition of unemployment. They are people without a job who have not actively sought work in the last four weeks and/or are not available to start work in the next two weeks.

Achievements

In 2010/11 – the most recent year for which final data are available – there were 2,265,000 achievements in VET programmes to add to the country's skills base. 232,000 of these were first time achievements in Full Level 2 qualifications and 124,700 were first time achievements in Full Level 3 qualifications.

Figure 12a Adult (19+) Learner Achievements, by Level, 2010/11

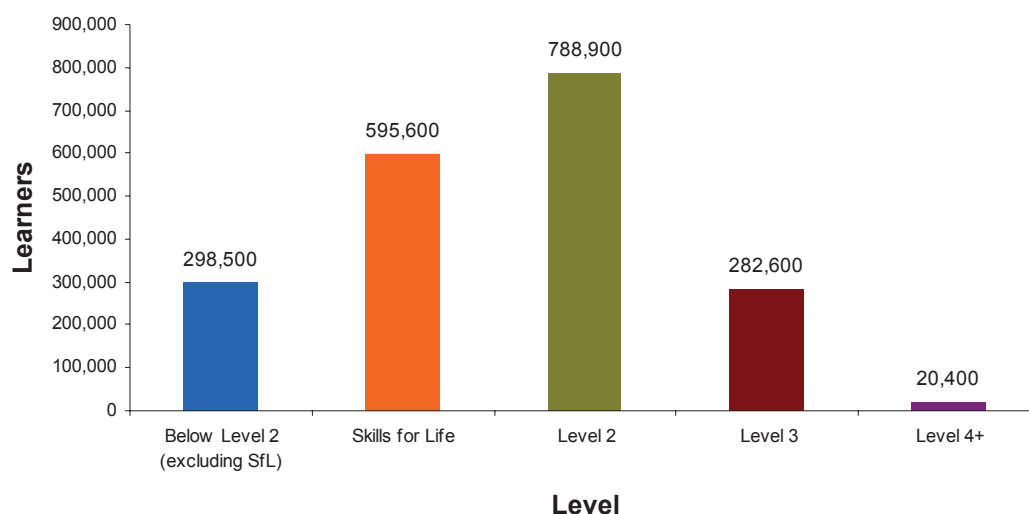


Figure 12b Adult (19+) Full level 2 Learner Achievements, by Firstness, 2002/03 to 2010/11

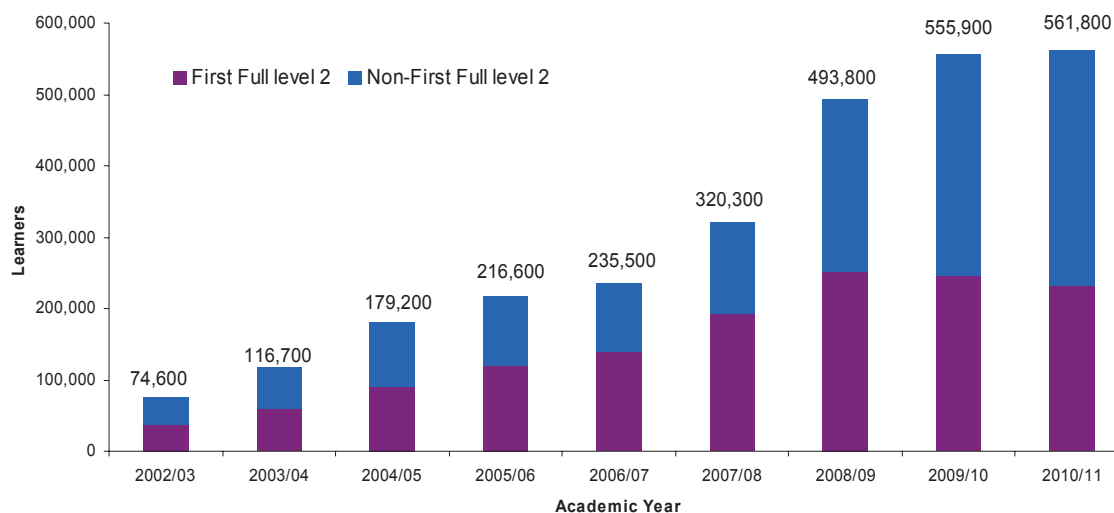
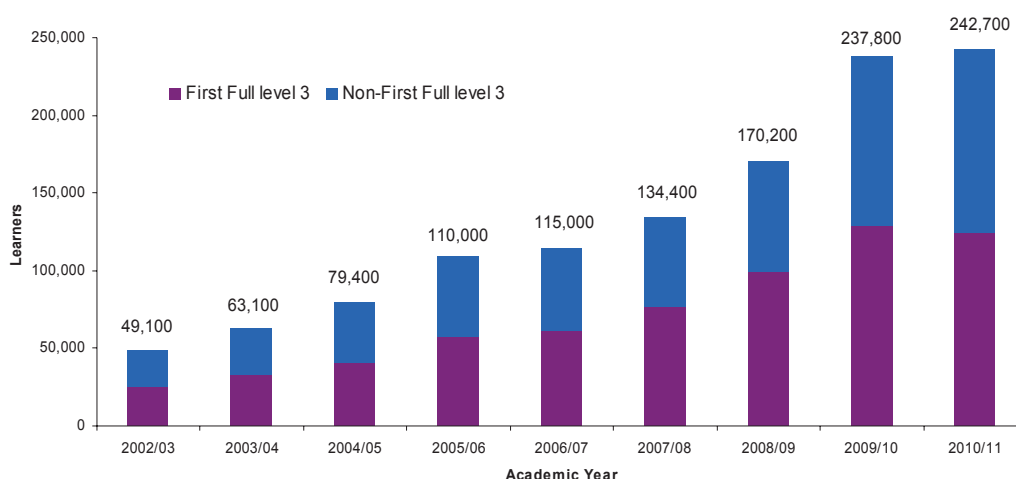


Figure 12c Adult (19+) Full level 3 Learner Achievements, by Firstness, 2002/03 to 2010/11



Earnings benefits for learners

Benefits to the individual

Evidence¹² suggests that those who achieve a qualification earn substantially more in years 4 to 7 post-completion, than those who start but do not achieve a qualification. They are also more likely to be employed. This varies across qualifications and Levels.

- Those who achieve an Advanced Apprenticeship are 5 per cent more likely to be employed and earn 17 per cent more in employment than those who start but do not achieve. For an Intermediate Apprenticeship these figures are 5 per cent and 12 per cent.
- Those who achieve a Level 2 English qualification are 4 per cent more likely to be employed and earn 3 per cent more than those who start but did not achieve.
- Those who achieve a Level 2 maths qualification are 8 per cent more likely to be employed and earn 11 per cent more than those who start but did not achieve.
- Those who achieve a Level 3 NVQ are 7 per cent more likely to be employed and earn 11 per cent more than those who start but did not achieve. For a Level 2 NVQ, these figures are 7 per cent and 10 per cent.

¹² Source: London Economics (forthcoming), 'A disaggregated analysis of the long run impact of vocational qualifications' BIS Research Paper.

Economic Benefits

Research¹³ published by the Department for Business, Innovation and Skills last year suggests substantial economic benefits from a range of government-funded post-19 qualifications. For example, the report suggests net economic benefits of £28 for every pound the government invests in the Apprenticeship programme. The figure for English and maths was £23.

Learner Destinations

Learner Destinations is the percentage of learners that completed a government-funded programme in one academic year who progressed to a positive destination in the following academic year.

In 2009/10, the median provider score for the percentage of learners progressing to positive destinations was 84 per cent. Providers scored a range of 51 per cent to 100 per cent.

Learner Satisfaction is a score out of 10 derived from a questionnaire on learners' views. The latest survey was undertaken between November 2010 and May 2011 and was based on views relating to training in the 2010/11 academic year.

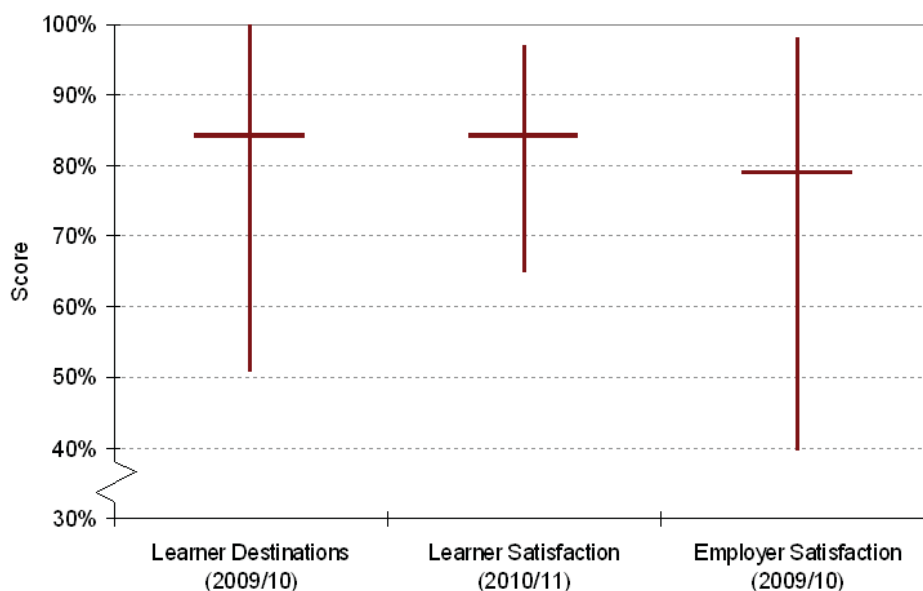
In 2010/11, the median provider score for learner satisfaction was 84 per cent. Providers scored a range of 65 per cent to 97 per cent.

Employer Satisfaction is a score out of 10 derived from employers' responses to a survey of its providers' responsiveness and quality of training. The latest survey was undertaken between January 2011 and March 2011 and was based on views on training provided in the 2009/10 academic year.

In 2009/10, the median provider score employer satisfaction was 79 per cent. Providers scored a range of 40 per cent to 98 per cent.

13 Source: Cambridge Econometrics and Institute for Employment Research (2011), 'Measuring the Economic Impact of Further Education' BIS Research Paper No. 38
<http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/m/11-816-measuring-economic-impact-further-education>

Figure 13 Learner Destinations, Learner Satisfaction and Employer Satisfaction Provider Scores

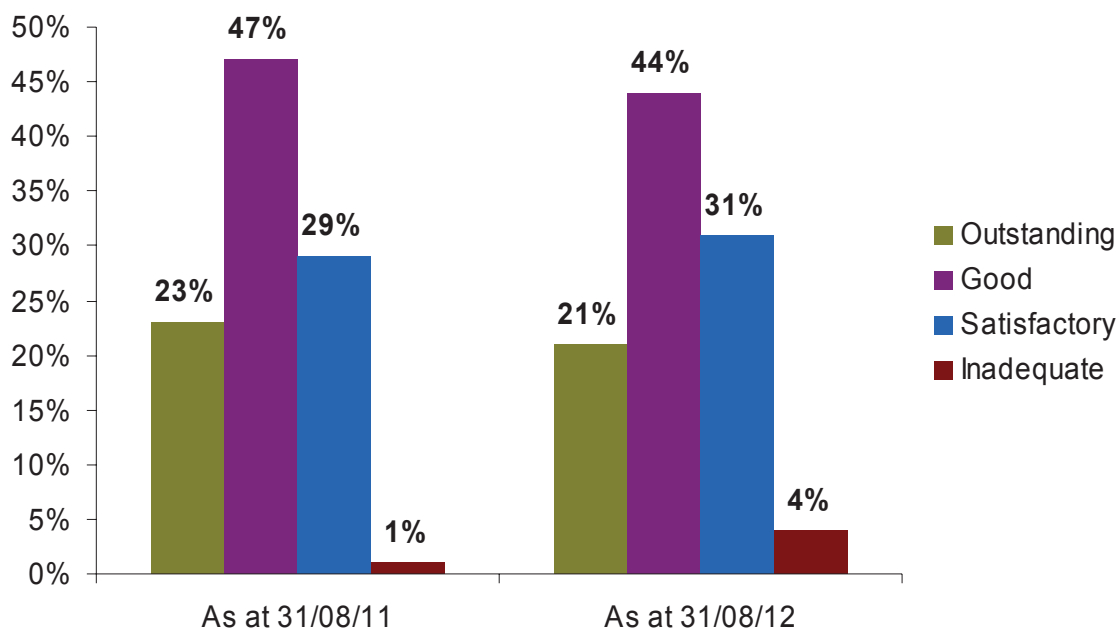


Quality

Ofsted grades

The service that providers give their learners must be of the highest quality. The Office for Standards in Education, Children's Services and Skills (Ofsted) published their *Annual Report of Her Majesty's Chief Inspector (HMCI) of Education, Children's Service and Skills, 2011/12* on 27th November 2012. This showed that as at 31/08/12, 21 per cent of colleges were graded "Outstanding"; 44 per cent were graded "Good"; 31 per cent were graded "Satisfactory"; and 4 per cent were graded "Inadequate" following their most recent inspection.

Differences to previous year's results will in part reflect that Ofsted's inspections are risk based, so they are focused more on poor performers, or high performers believed to have suffered declining performance.

Figure 14 Most Recent Inspection grades held by All Colleges

Success Rates

Success rates are also a helpful indication of the quality of education being provided. In 2010/11, the most recent full year for which figures are available, 81 per cent of adult (19+) learners successfully completed their Education, Training and Retraining courses. The Apprenticeship success rate was 78 per cent.

Table 3 Adult (19+) Education and Training and Apprenticeship Success Rates by Level, 2008/09 to 2010/11

			2008/09	2009/10	2010/11
Education and Training Provision			81%	80%	81%
	of which...	Skills for Life	75%	74%	79%
		Full Level 2	72%	75%	78%
		Full Level 3	70%	75%	78%
All Apprenticeships			72%	75%	78%
	of which...	Intermediate Level	73%	76%	78%
		Advanced Level	71%	74%	78%
		Higher			85%

Local Provision

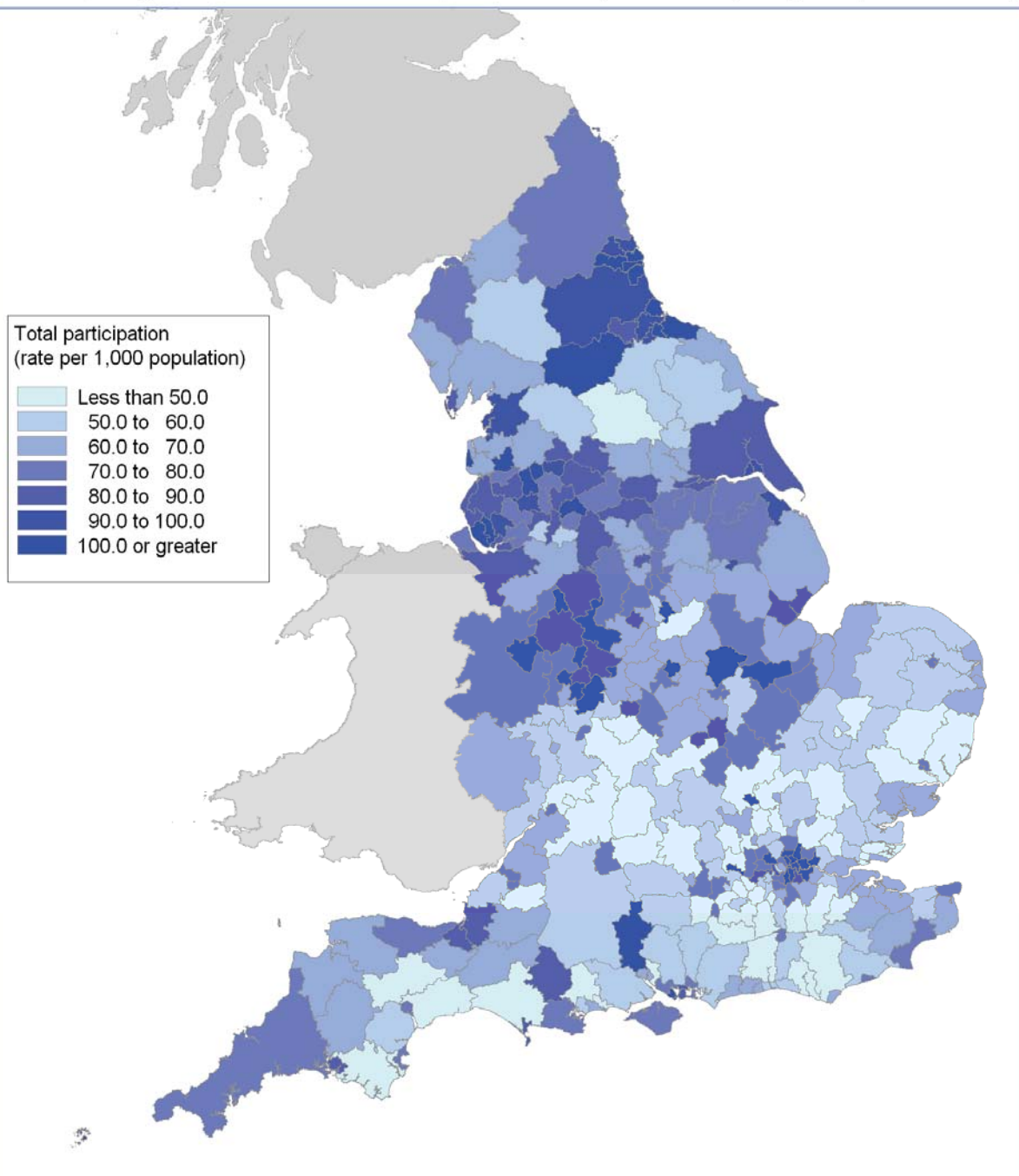
Colleges and providers have a key role to play in responding to the changing needs of a dynamic economy and society. Through *New Challenges New Chances* the Government has created the environment for colleges and providers to be better able to engage with their communities, and respond to the needs of local employers and learners.

Government has given LEPs a new strategic role over skills policy; asking them to set skills strategies for their areas, and are encouraging providers to work with them, including through initiatives such as the City Deals and Whole Place Community Budgets, to make skills provision more responsive to local employer demand.

This section includes two maps showing total Adult (19+) participation and Apprenticeship participation by Local Authority District.



Department for Business, Innovation & Skills

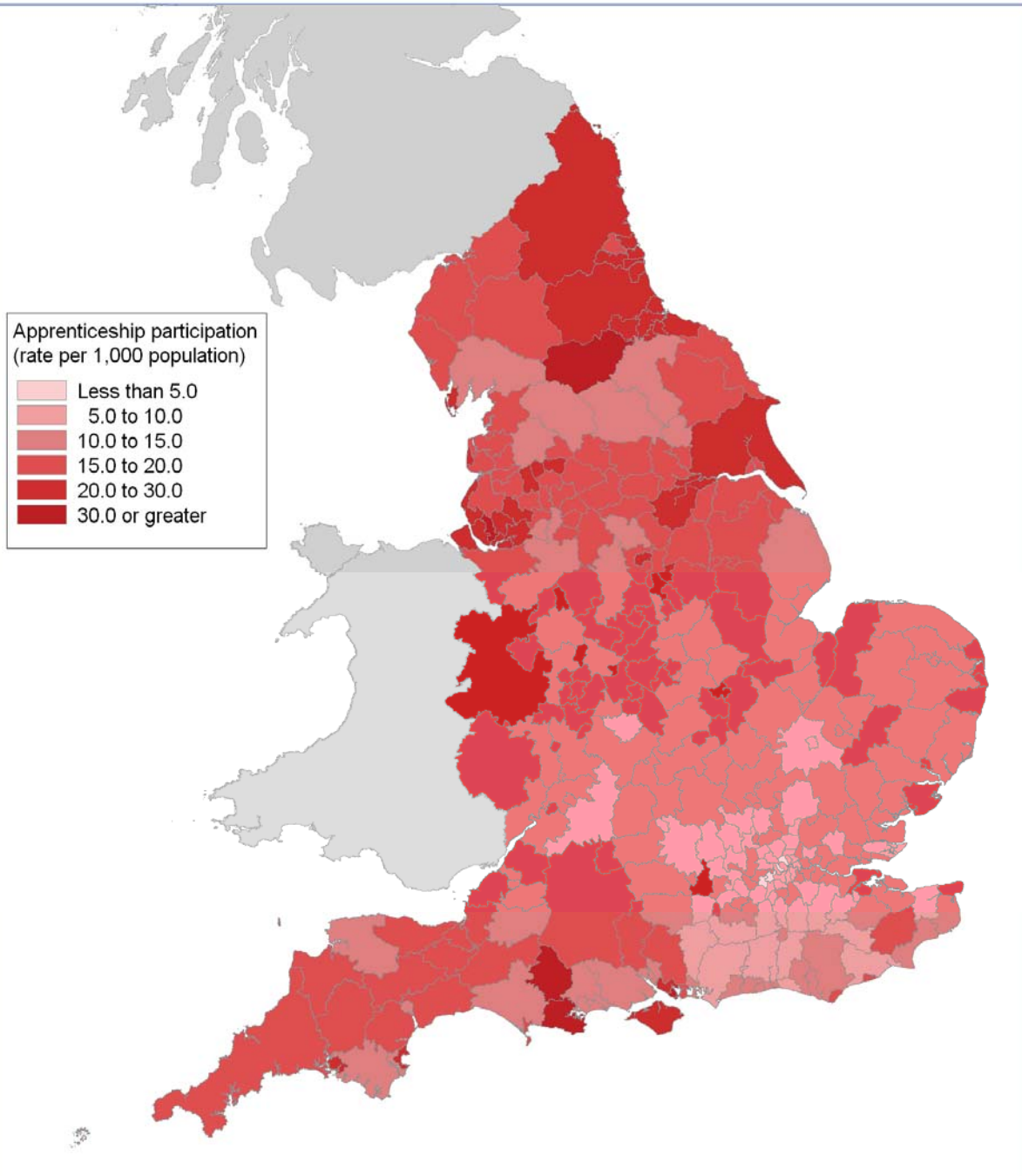
Adult (19+) Total Learner Participation Rate, 2011/12 (full year provisional)

Produced by Statistical Analysis Directorate
Source: Individualised Learner Record (BIS) & Interim
2011-based sub-national Population Projections (ONS)

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Contains National Statistics data © Crown copyright and database right 2012



Department for Business, Innovation & Skills

Adult (19+) Apprenticeship Participation Rate, 2011/12 (full year provisional)

Produced by Statistical Analysis Directorate
Source: Individualised Learner Record (BIS) & Interim
2011-based sub-national Population Projections (ONS)

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Data Sources

Learners

Learner data based on the 2011/12 academic year is provisional because providers may not have reported all their information relating to this period. It is not possible to determine how incomplete this data is, therefore caution must be taken when comparing against earlier academic years.

Aims

Data based on aims reports all recorded FE aims on the ILR (Individualised Learning Record).

Unemployment

International Labour Organisation (ILO) unemployed estimates are taken as those people declaring themselves as not being employed and actively looking and available for employment. The ILO Unemployment Rate is calculated as the number ILO Unemployed divided by the number Economically Active (ILO Unemployed + Employed). Economically inactive people are not in work and do not meet the internationally agreed definition of unemployment. They are people without a job who have not actively sought work in the last four weeks and/or are not available to start work in the next two weeks.

Figures and Tables

Figure 1 - Adult (19+) Learners by Provider Type, 2011/12 (provisional). **Source:** *Individualised Learner Record (ILR)*

Figure 2a - Adult (19+)¹⁴ Learners by Vocational and Educational Training Programmes, 2010/11 and 2011/12 (provisional). **Source:** *Individualised Learner Record (ILR)*

Figure 2b - Adult (19+) Funding by Vocational and Educational Training Programmes, 2010/11 and 2011/12 (provisional). **Source:** *Skills Funding Agency modelling based on actual performance*

Figure 3 -Adult (19+) Apprenticeship Starts, by Age and Level, 2010/11 and 2011/12 (provisional). **Source:** *Quarterly Statistical First Release: 'Post-16 Education & Skills: Learner Participation, Outcomes and Level of Highest Qualification Held'*
http://www.thedataservice.org.uk/statistics/statisticalfirstrelease/sfr_current/

Figure 4 -19-24 Year Olds NEET as a Proportion of the 18-24 Population, Q3 2000 to Q3 2012. **Source:** *Labour Force Survey (LFS)*

Figure 5a - Adult (19-24) Learners by Vocational and Educational Training Programmes, 2010/11 and 2011/12 (provisional). **Source:** *Individualised Learner Record (ILR)*

¹⁴ includes offenders aged 18 or over in the 'Supporting the Justice System' category

Figure 5b - Adult (19-24) Funding by Vocational and Educational Training Programmes, 2010/11, 2011/12 (provisional). **Source:** *Skills Funding Agency modelling based on actual performance*

Table 1 - Adult (19+) Basic Skills Provision – Covering Discrete Provision, Apprenticeship Functional Skills, and Activity Embedded in Community Learning and Foundation Learning - Modelled Enrolments and Funding, 2011/12. **Source:** *Skills Funding Agency modelling based on actual performance*

Figure 6a - Adult (19+) Basic Skills Participation by Subject, 2010/11 and 2011/12 (full year provisional). **Source:** *Individualised Learner Record (ILR)*

Figure 6b - Adult (19+) Basic Skills Participation by Subject and Level, 2010/11 and 2011/12 (full year provisional). **Source:** *Individualised Learner Record (ILR)*

Figure 7a - Adult (19+) Enrolments (aims) by Sector Subject Area (Tier 1), 2011/12 (full year provisional). **Source:** *Individualised Learner Record (ILR)*

Figure 7b -Adult (19+) Top Sector Subject Areas (Tier 2), Enrolments (aims), 2010/11 and 2011/12 (full year provisional). **Source:** *Individualised Learner Record (ILR)*

Figure 7c - Adult (19+) Top Sector Subject Areas (Tier 2), Apprenticeship Frameworks, 2010/11 and 2011/12 (full year provisional). **Source:** *Individualised Learner Record (ILR)*

Figure 7d - Adult (19+) Enrolments (aims) by Sector Subject Area and Vocational and Educational Training Programmes, 2011/12 (provisional). **Source:** *Individualised Learner Record (ILR)*

Figure 8a - Adult (19+) Equality and Diversity by Vocational and Educational Training Programmes, 2011/12 (full year provisional). **Source:** *Individualised Learner Record (ILR)*

Figure 8b - Adult (19+) Vocational and Educational Training by Gender and Age, 2011/12 (Full year provisional). **Source:** *Individualised Learner Record (ILR)*

Figure 8c - Adult (19+) Total Vocational and Educational Training by BAME group, 2011/12 (Full year provisional). **Source:** *Individualised Learner Record (ILR)*

Figure 9a - Adult (19+) Learners on Benefits, by Benefit Type, 2010/11. **Source:** *FE and Benefit Claims – Emerging Findings from the Data Matching Project: Update to 2010- 11*
http://www.thedataservice.org.uk/statistics/statisticalfirstrelease/sfr_current/

Figure 9b - Adult (19+) Aims on Benefits, by Benefit Type and Level, 2010/11. **Source:** *FE and Benefit Claims – Emerging Findings from the Data Matching Project: Update to 2010- 11*
http://www.thedataservice.org.uk/statistics/statisticalfirstrelease/sfr_current/

Figure 10 - Highest Level of Qualification Held by Adults of Working Age, 2006 to 2011. **Source:** *Quarterly Statistical First Release: 'Post-16 Education & Skills: Learner Participation, Outcomes and Level of Highest Qualification Held'*
http://www.thedataservice.org.uk/statistics/statisticalfirstrelease/sfr_current/

Figure 11 - Highest Level of Qualification Held by Adults of Working Age, by Economic Activity, 2011. **Source:** *Labour Force survey (LFS)*

Table 2 - Economic Activity by Level of Highest Qualification Held by People aged 19-59/64 (Quarter 4), percentages, 2010 to 2011. **Source:** *Quarterly Statistical First Release: 'Post-16 Education & Skills: Learner Participation, Outcomes and Level of Highest Qualification Held'*

http://www.thedataservice.org.uk/statistics/statisticalfirstrelease/sfr_current/

Figure 12a - Adult (19+) Learner Achievements, by Level, 2010/11. **Source:** *Quarterly Statistical First Release: 'Post-16 Education & Skills: Learner Participation, Outcomes and Level of Highest Qualification Held'*

http://www.thedataservice.org.uk/statistics/statisticalfirstrelease/sfr_current/

Figure 12b - Adult (19+) Full level 2 Learner Achievements, by Firstness, 2002/03 to 2010/11. **Source:** *Quarterly Statistical First Release: 'Post-16 Education & Skills: Learner Participation, Outcomes and Level of Highest Qualification Held'*

http://www.thedataservice.org.uk/statistics/statisticalfirstrelease/sfr_current/

Figure 12c - Adult (19+) Full level 3 Learner Achievements, by Firstness, 2002/03 to 2010/11. **Source:** *Quarterly Statistical First Release: 'Post-16 Education & Skills: Learner Participation, Outcomes and Level of Highest Qualification Held'*

http://www.thedataservice.org.uk/statistics/statisticalfirstrelease/sfr_current/

Figure 13 - Learner Destinations, Learner Satisfaction and Employer Satisfaction Provider Scores. **Source:** *FE Choices*

http://www.thedataservice.org.uk/statistics/statistics_fechoices/

Figure 14 - Most Recent Inspection GRADES HELD by All Colleges. **Source:** *The report of Her Majesty's Chief Inspector of Education, Children's Services and Skills: Learning and Skills* <http://www.ofsted.gov.uk/resources/report-of-her-majestys-chief-inspector-of-education-childrens-services-and-skills-learning-and-skill>

Table 3 - Adult (19+) Education and Training and Apprenticeship Success Rates by Level, 2008/09 to 2010/11. **Source:** *Quarterly Statistical First Release: 'Post-16 Education & Skills: Learner Participation, Outcomes and Level of Highest Qualification Held'*

http://www.thedataservice.org.uk/statistics/statisticalfirstrelease/sfr_current/

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CHILDREN'S AND COMMUNITY SERVICES REPORT

9 April 2013



Report of: Assistant Director, Child and Adult Services

Subject: SAFEGUARDING CHILDREN IN HARTLEPOOL

1. TYPE OF DECISION/APPLICABLE CATEGORY

For information.

2. PURPOSE OF REPORT

- 2.1 To present information on the workload of children's social work teams in providing service to children in need in Hartlepool including those in need of protection and children looked after.

3. BACKGROUND

- 3.1 There is a clear expectation from Government that Elected Members are routinely and regularly informed of the workload of children's social care services. The Government requires that the information set out in this report is regularly presented to Members to ensure the Council is fulfilling its statutory responsibilities.
- 3.2 The report provides details of the activity in children's social care throughout the period from September to December 2012. Information provided in this report is taken from the Integrated Children's System (ICS), the electronic social care record.

4. REFERRALS AND ASSESSMENTS

- 4.1 During the third quarter of 2012 a total of 1326 contacts were received into the department and from that number 326 contacts progressed to referral. This compares with 353 contacts to referrals in the second quarter of 2012 signifying a slight decrease in the number of referrals for services. It is pleasing to note that there has been a 23.4% decrease in the number of re-referrals for the same quarter in 2011. The team manager in the initial response team has implemented a more robust quality assurance system and this seems to be

paying dividends as a reduction in the re-referrals rates is an indicator that assessments and plans are more effective.

- 4.2 In this quarter there were a total of 238 referrals coded to the Child in Need category of abuse or neglect compared with 279 in the previous quarter. The remaining referrals were categorized as follows; - 44 referrals due to the family being in acute stress, 36 were received due to family dysfunction, 5 referrals due to a child with a disability and 3 referrals received due to parental illness.
- 4.3 During the third quarter, a total of 255 Initial Assessments were completed and 200 of these were completed within the timescale of 10 working days. This compares with 214 Initial Assessments completed in timescales within the same quarter of 2012.
- 4.4 In the third quarter of 2012, 85 core assessments were complete and 56 were within timescales. This was in comparison to the 57 core assessments being initiated in the third quarter of 2011.
- 4.5 The revised statutory guidance on *Working Together to Safeguard Children* has just been published. One of the most significant changes to our working practice is that from 15th April 2013 separate timescales for 'initial' and 'core' assessments of children in need will be removed. This will make the assessment a continuous process, rather than a stop/start one and allow professionals the flexibility they need to carry out assessments designed around individual children and proportionate to the level of presenting need. Notwithstanding there will be a requirement that all assessments are complete within 45 working days of the referral.
- 4.6 In the third quarter of 2012 there was a 14.6% increase in the number of Section 47 Child Protection enquires in comparison to the same quarter in 2011. A Section 47 enquiry is undertaken where a child is believed to be suffering or at risk of suffering significant harm. These circumstances are very complex and officers need to determine what type of action is required to safeguard and promote the welfare of the child. The enquiry will involve an assessment of the child's needs and the ability of those caring for the child to meet his or her needs and will involve the co-operation and participation from all the professionals involved with the family.
- 4.6 There were no unallocated cases in the service during the period. Once a referral is received by the Initial Response Team, it is always allocated promptly within 24 to 48 hours. Similarly when a child is assessed as requiring services and is transferred to the Safeguarding, Assessment and Support Teams, a social worker is identified and the case is allocated without delay. Prompt allocation of cases is an important test of the effectiveness of local safeguarding arrangements.

5. CHILD PROTECTION

- 5.1 The total number of children who became subject to a protection plan throughout the third quarter of 2012 was 36 in comparison to 34 in the previous

quarter. None of the children who became subject to child protection plan were looked after suggesting that the practice of the children's circumstances being captured in one plan is working well.

- 5.2 At 31st December 2012 there was 118 children subject to a Protection Plan within Hartlepool with neglect being the highest category accounting for 93 children. The risk of physical abuse accounted for 16 children, whilst emotional abuse accounted for 7 children and the remaining 2 children were subject to a plan due to risk of sexual abuse.
- 5.3 There were 5 children who became subject to a protection plan for a second or subsequent time during this quarter. The percentage of children becoming subject to a child protection plan for a second or subsequent time together with the length of time the child has been subject to a plan is an important indicator of the effectiveness of previous interventions.

6. LOOKED AFTER CHILDREN

- 6.1 There were 191 children looked after by Hartlepool Borough Council at 31st December 2012 compared to 192 in the same quarter in 2011. The Edge of Care Team continues to work with a small number of young people at risk of coming into care. The project manager has just completed a review of the service's impact over the last six months and it evidences that the service works extremely well in diverting young people from coming into care.
- 6.2 Of the children looked after, 152 are placed in foster care and 12 children living with a relative or friend, with the remaining number in residential care or school, placed with parents or another person with parental responsibility, placed for adoption or living independently. In terms of placement stability, there are 6 children who experienced 3 or more placement moves within the past 12 months. Placement stability is a critical measurement of the quality of looked after services as stability in placement supports education, health and well-being and improved long term outcomes for children.
- 6.3 At 31st December 2012, 15 children were subject to an Interim Care Order and 93 children subject to a full Care Order. In addition there are currently 16 children subject to a Placement Order in preparation for adoption. The remaining 67 children were accommodated under Section 20 of the Children Act 1989 at the request of/with the agreement of their parents. Twelve children received family support via short break care where they receive care as part of a plan; this support is usually provided to disabled children who receive short break care at Exmoor Grove.
- 6.4 From October to December 2012 the local authority issued 10 applications for care proceeding on 17 children. The service is complying well with the stringent timescales for conclusion of care proceeding set by the family justice review as 5 of the cases issued during the aforementioned period have now concluded.

7. CHILDREN IN NEED

- 7.1 The service is working with 1073 children in total across the town. Of these, 118 are Children in need of Protection 191 are Children Looked After and the remaining 764 are receiving services as children in need of support under the Children Act 1989. 3 children are looked after and are subject to a Protection Plan.

8. WORKFORCE/WORKLOAD

- 8.1 The service currently employs 44 qualified social workers who provide direct services to children and their families. The service has recruited a newly qualified social worker to the vacant post in the over 11's team and the worker will commence employment in April 2013.
- 8.2 All children receiving services are allocated to a qualified social worker. Three quarters of the social workers in the service are experienced having worked two or more years since qualifying. The demand for services continues to increase and as a consequence social worker's caseloads have risen. Notwithstanding this does fluctuate between workers dependent upon their experience and the complexity of the issues within the case. Despite increasing caseloads we continue to strive to maintain the protection of the newly qualified social worker case load and ensure that this support is accompanied by an appropriate level of management oversight.
- 8.3 There is currently one member of staff on long term sickness absence. Consecutive periods of short term absence are identified by Human Resources and managed by the team manager in accordance with the Council's Attendance Management Policy.
- 8.4 One social worker is on maternity leave and is due to return to work in July 2013, her case load is being absorbed within the team.

9. COMMENTS, COMPLAINTS AND COMPLIMENTS

- 9.1 Seven complaints were received in the third quarter of 2012. Three complaints were resolved at Stage 1 (informal) of the Complaints Procedure and four complaints are ongoing at Stage 1. Of the five complaints ongoing from the last quarter one remains ongoing at stage 1, one complaint has been resolved at stage 1 and three complaints have been resolved at stage 2
- 9.2 In the aforementioned period the service received 3 compliments. In addition one of the complainants wrote a compliment arising from the complaint commenting on how very professional the response to her complaint had been. She expressed it had been hard for her to complain but now sees light at the end of the tunnel and wished to thank everyone concerned.

10. RECOMMENDATIONS

That the Portfolio Holder notes the contents of this report of activity within children's social care.

11. REASONS FOR RECOMMENDATIONS

- 11.1 It is part of the Lead Member's leadership role to ensure the effective discharge of the Authority's statutory children's services functions. As the Lead Member for Children's and Community Services, the Portfolio Holder has a responsibility to ensure there is a clear focus on safeguarding and that coordinated action is in place to safeguard vulnerable children.

12. CONTACT OFFICER

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