

## EXECUTIVE BOARD – 20 July 2010

<b>Title of paper:</b>	Commissioning 16-19 Education and Training	
<b>Director(s)/ Corporate Director(s):</b>	John Yarham, Director of Young People's Learning and Skills Ian Curryer, Corporate Director, Children and Families	<b>Wards affected: All</b>
<b>Portfolio Holder(s):</b>	Cllr Ahmed Cllr Mellen	<b>Date of consultation with Portfolio Holder(s): 24 June 2010</b>
<b>Contact Officer(s) and contact details:</b>	John Yarham, Director of Young People's Learning and Skills <a href="mailto:John.yarham@nottinghamcity.gov.uk">John.yarham@nottinghamcity.gov.uk</a> 50761	
<b>Other officers who have provided input:</b>	None	
<b>Key Decision:</b>		
		<b>Yes</b>
Expenditure of £500,000 or in a single year		<b>X</b>
Revenue income of £500,000 or more in a single year		<b>X</b>
Significant effects on communities living or working in an area comprising two or more wards in the City		<b>X</b>
<b>Relevant Council Plan Strategic Priority:</b>		
World Class Nottingham		
Work in Nottingham		<b>X</b>
Safer Nottingham		
Neighbourhood Nottingham		
Family Nottingham		<b>X</b>
Healthy Nottingham		
Serving Nottingham Better		
<b>Summary of issues (including benefits to customers/service users):</b>		
<p>The responsibility for commissioning 16-19 education and training from Nottingham based FE colleges, school sixth forms and training providers transferred from the Learning and Skills Council to Nottingham City Council on 1 April 2010.</p> <p>With 16-19 provision already commissioned for the 2010/11 academic year, the focus is now turned on to the longer term priorities that Nottingham City Council wishes to address through this area of work. This paper outlines the proposed priorities for future arrangements to enable more young people to participate and achieve in Nottingham as well as the need to formally contract with the organisations that will deliver education and training provision in the 2010/11 academic year.</p>		
<b>Recommendation(s):</b>		
<b>1</b>	<b><u>To note the national process that Nottingham City Council is required to follow in adopting its new responsibilities for commissioning 16-19 education and training and approve the contracting process outlined within the paper for the delivery of 16-19 education and training in the 2010/11 academic year.</u></b>	
<b>2</b>	<b><u>To approve the priorities outlined in this paper for 16-19 education and training provision.</u></b>	

# **1 BACKGROUND**

- 1.1 Local Authorities across England assumed responsibility for funding and commissioning education and training for 16-19 year olds from 1 April 2010. There are two main aspects to this role; allocating funding to institutions and managing their performance against this funding. As agreed at the December 2009 Executive Board, the model that Nottingham City Council has entered into for managing these arrangements is to deploy the staff that have transferred from the Learning and Skills Council (LSC) in a joint venture company alongside those that transferred into Nottinghamshire County Council. The company; known as 'Nottingham and Nottinghamshire Futures'; is owned and controlled by both Nottingham City Council and Nottinghamshire County Council and combines Connexions, the education business partnership and post 16 commissioning functions. It has provided greater economies of scale than stand alone arrangements as well as establishing a connection between staff commissioning 16-19 provision and staff directly advising these young people.
- 1.2 The functions of allocating funding and performance managing delivery of 16-19 education and training are undertaken against a range of priorities. In the past, these have been established at a national level by the LSC. With arrangements now transferred to a local level, it is important that Nottingham City Council has clear priorities that it wishes to establish for the delivery of 16-19 provision, recorded in a commissioning plan.
- 1.3 A national procedure has been developed for managing 16-19 funding allocations. This process sees providers (colleges, schools and training providers) generating revenue funding on the basis of the number of learners that they recruit, the type of provision that they offer and the success rates that they record. Local Authorities receive the sum of the funding generated by the providers that work within their boundaries. Much of the funding allocations process is therefore formulaic but the commissioning plan priorities are central to the significant influence that is brought to bear on what is delivered within the funding received by a provider.
- 1.4 Part of this national process sees Local Authorities contracting in August 2010 for 16-19 provision taking place in the 2010/11 academic year. This provision has been set by the LSC, which made funding allocations to colleges, school sixth forms and training providers for the 2010/11 academic year in March 2010. Executive Board is asked to approve these contracts, noting that they are to be established against nationally set obligations on the Council. These details of these funding allocations are as follows:

## **16-19 Funding Allocations for 2010/11 Academic Year**

New College Nottingham	£22,206,110
Castle College	£13,119,971
Bilborough College	£8,294,222
Bluecoat School Sixth Form	£1,377,388
Trinity School Sixth Form	£1,218,490
Emmanuel School Sixth Form	£824,222
Access Training	£517,108
Nottingham City Council (E2E)	£425,259
JHP Group	£364,431
Rathbone	£101,565
Newcastle College (Construction)	£101,205
Nacro	£56,132
<b>Total</b>	<b>£48,606,103</b>

1.5 A range of planning and assessment processes have influenced the development of the priorities for 16-19 education and training. These include: the Nottingham Plan, the Children and Young People's Plan, the 14-19 Plan and a needs assessment of 14-19 year olds in Nottingham City. Against this backdrop it is proposed that the commissioning plan for 16-19 education and training moving forward contains the following priorities:

- i) The commissioned provision meets the **outcomes** that we wish our young people to achieve as well as those that have also been established by central government. These includes the increase in the proportion of 16-19 year olds participating in education and training, leading to the statutory rise in the age that young people are required to remain in some form of learning in both 2013 and 2015. It also includes the requirement to increase the number of young people starting Apprenticeships and the proportions achieving the level 2 threshold (equivalent to 5 A\*-C GCSEs) and level 3 threshold (equivalent to 2 A' Levels) by the age of 19.
- ii) The activity commissioned should be high **quality**, leading to improved outcomes for our young people. Nottingham requires a step change in the proportion of 19 year olds attaining level 2 and 3 thresholds to enable local young people to actively contribute to the local economy. We currently have the lowest proportion of young people in the country attaining level 2 qualifications by the age of 19, which has an inevitable impact on their ability to be job ready. It is also important that the commissioning of quality provision recognises the 'value added' that is gained by the 16-19 phase of education and training.
- iii) The increased connection between 16-19 education and training provision and the **needs of the local economy** is important if we are to address skills shortages and enable more local young people to progress into good local jobs. There needs to be a greater prioritisation in education and training of the sectors that are central to the growth of the local economy. The 16-19 commissioning arrangements will insist that there is a stronger connection between education providers and the identified needs of employers. This will also include the prioritisation of Apprenticeships as a proven mechanism for meeting employer skills requirements and enabling young people to learn within employment.
- iv) **Value for money** considerations will also need to be made in relation to the types of education and training provision that are commissioned. We know that different providers cost significantly different amounts for the learning that they deliver. These considerations will not be crude judgements based purely on cost, but the outcomes achieved for the investment made will inevitably be a significant consideration of the new arrangements.
- v) Provision is required to meet the needs of our most **vulnerable young people**. This will include appropriate Foundation Learning for young people that have not attained GCSE A\*-C level. To be successful and enable progression from this provision, it is likely that the voluntary and community sector will need to be more fully engaged in delivery than is the case currently. A greater mix of education for learners with learning difficulties and disabilities will also be required.

- vi) The **infrastructure** of 16-19 education and training arrangements is the final area that requires ongoing consideration within the commissioning arrangements for 16-19 education and training. This has a number of aspects. The configuration of further education in Nottingham is an ongoing issue that is being further developed with the proposed merger of South Nottingham College and Castle College. Further issues also require resolution including the role of special schools and academies, which have introduced a range of new 16-19 provision into Nottingham.

## **2 REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)**

- 2.1 The recommendation to formally contract with the Nottingham City based organisations detailed in 1.4 is in line with national requirements established through the Apprenticeships, Skills, Children and Learners Act 2009.
- 2.2 The principles outlined in 1.5 are those that have been established by the Nottingham City 14-19 partnership to be central to achieving the desired objectives for 16-19 provision. They combine national objectives with those areas felt to have a significant impact in Nottingham. A strategic needs analysis has been undertaken to inform the creation of these overarching objectives.

## **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

- 3.1 The position regarding contracting is a national situation but there are options in relation to the commissioning intentions for 16-19 education and training provision. It was considered whether there should be fewer priorities that potentially have greater impact but the recommendation is based on the need in Nottingham to address all of the issues covered by this set of priorities.

## **4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY)**

- 4.1 Local Authorities role in undertaking their responsibilities for funding 16-19 provision are to pay providers according to a nationally determined allocations process as well as contract manage the provision that is then delivered. The total annual funding contracted by Nottingham City Council through this process amounts to £48.6 million and is received from central government on a monthly basis four days before the Council is then required to pay providers. This system has operated effectively since April 2010, when the responsibility for payment transferred from the LSC. Because of these arrangements the budget management and financial risk implications of the arrangements are slight.
- 4.2 The arrangements for contract managing the providers that Nottingham City Council provides funding to for 16-19 provision, approved at the December 2009 Executive Board, have been established with value for money clearly considered. Three of the five staff that have TUPE transferred from the LSC have been based alongside colleagues that transferred across to Nottinghamshire County Council within the Nottingham and Nottinghamshire Futures company. This has created a critical mass of staff to cover the work required and fit within existing management structures.

## **5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS, CRIME AND**

## **DISORDER ACT IMPLICATIONS AND EQUALITY AND DIVERSITY IMPLICATIONS)**

- 5.1 The legal obligation on Local Authorities to fund providers in the 2010/11 academic year according to the amounts determined by the LSC's allocations process is made within the Apprenticeships, Skills, Children and Learners Act 2009.
- 5.2 The risks associated with this piece of work are primarily associated with payments not being made to providers and the provision commissioned not delivering the outcomes required. Systems and structures have been put into place to assure prompt and accurate payment of providers and this has worked effectively since the responsibilities transferred in April 2010. The activity that has been commissioned will be managed through a performance management framework by the staff that have transferred from the LSC to ensure that the risk of targets being missed is mitigated as far as is possible.

## **6 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION**

- 6.1 National Commissioning Framework for 16-19 Education and Training, Young People's Learning Agency
- 6.2 Commissioning and Funding 16-19 Education and Training, April 2010 – March 2011, High Level Guide for Local Authorities, REACT.

## **7 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

- 7.1 16-19 Funding Executive Board Report, December 2009
- 7.2 The Nottingham Plan to 2020
- 7.3 Nottingham City Children and Young People's Plan 2010-14
- 7.4 Nottingham City 14-19 Plan 2010-13
- 7.5 Apprenticeships, Skills, Children and Learners Act 2009