**Minutes**

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<tr>
<th>Date</th>
<th>5 March 2008</th>
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<tbody>
<tr>
<td>Subject</td>
<td>External Advisory Group</td>
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<td>Location</td>
<td>Radisson Edwardian Keinilworth Hotel, London</td>
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<tr>
<td>Time</td>
<td>10.30 - 2.00</td>
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<td>LSC office</td>
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<td>Publication intent</td>
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**Present**
- Verity Bullough – Chair
- Andrew Jones
- Carol Bannerman
- Donald Rae
- Geoff Hall
- John Dallinson
- John Guy
- Marion Plant
- Nick Lewis
- Steve Gray
- Sue Rimmer
- Bob Powell
- Stewart Segal
- Sue Meyer
- Lindsey Wharmby
- Susan Pember
- John Gush

**LSC staff**
- Geoff Daniels
- Judi Baxter
- Stephen Gardner
- Phil Head
- Paul Martinez
- Jonathan Dalton
- Rebecca Loveday

**Apologies**
Apologies have been received from:
- David Collins
- David Lawrence
- Ian Pryce
Item 1. Welcome and introductions

1.1 The Chair, Verity Bullough, welcomed members to the meeting.

1.2 Verity updated the Group on Mark Haysom’s restructuring of National Office and confirmed her new role as National Director for Funding, Planning and Performance. Verity confirmed she would be taking over the chairmanship of the External Advisory Group (EAG) from David Hughes as a result of her new role.

1.3 Verity outlined her vision for the future role and profile of the EAG. The Group would be the LSC’s main channel for stakeholder engagement and advice, particularly in light of the challenges ahead, and would be positioned centrally within the LSC’s Governance Structure.

1.4 Verity confirmed she would contact members over the following months to discuss the Group’s future focus and role.

Action: To confirm any changes to the policy for members’ claims for travel and expenses (RL)

Action: To ask members for preference of location of future meetings: London or Coventry (RL)

Item 2. Minutes of last meeting and matters arising

2.1 The minutes were accepted as an accurate record of the previous meeting.

2.2 Matters arising from the minutes were reported as follows:

- 2.2 (Matters Arising): Susan Pember confirmed the new models of delivery and intervention powers were dependent on the outcome of the Machinery of Government (MoG) consultation.
- 2.2 (MA): The proposal that the 2009/10 Provider Allocations Framework be written so as to be suitable for an external audience was considered by the Change Board and would be taken forward in 2008/09.
- 2.2 (MA): No further instances of failure to publish college details on LSC campaign literature had been reported.
- 2.2 (MA): A link to the Business Cycle Internet pages had been sent to members.
- 2.2 (MA): The impact of the funding models on college and provider allocations would be brought to the future meeting of the Group, once the impact was clear.
3.4(b): Members had discussed concerns regarding demand for priority provision beyond colleges’ capacity to deliver with the LSC’s Funding Team.

3.4(q): No further comments had been received regarding the MoG consultation (see 2.3 – 2.12).

6.5: The Single Equality Impact Assessment of Demand led Funding and UK Reform Programme was on the agenda. Members welcomed the report and complimented it on its contents.

**Action:** The LSC’s response to the Single Equality Impact Assessment of Demand led Funding and UK Reform Programme be brought back to the EAG (Janet Ryland / Gaynor Field)

2.3 The publication of the MoG consultation had been delayed to 17 March. This was due to the previous date’s clash with the Treasury’s Budget announcements on 12 March and the level of complexity of the issues being addressed.

2.4 A letter had been sent to sector leaders from Ministers, outlining the principles underpinning the MoG consultation.

2.5 The consultation would be a White Paper but with a number of consultation questions within it.

2.6 The drive towards, and benefits already gained through, bureaucracy reduction would be maintained. This would include audit, where the intent was that there would not be separate regimes as a result of the proposed restructuring.

2.7 The principles of self regulation, which were already imbedded in a number of outputs (sector chairmanship of major groups, provider / college awarding body status and peer group assessment) would remain.

2.8 Government intention and preferences would be clear within the White Paper.

2.9 The restructuring of the LSC would break the continuing legacy of the FEFC / TEC, to provide a new 21st Century driver, enabling sector empowerment.

2.10 Whilst recognising the large amount of best practice arising from Local Authorities, there remained a number of issues to be addressed, including within local partnership arrangements (Director of Children’s Services / Children’s Trust etc).

2.11 It was critical that John Denham continue to champion the role of colleges and providers to ensure they are recognised for the breadth of skills and experience they can bring.

2.12 The consultation would last three months, with events held jointly by DIUS and DCSF to accompany the consultation.

**Action:** The MoG consultation and New Models of Delivery be brought to the next meeting of the Group (SP)

**Item 3. Proposed National Apprenticeship Matching Service**

3.1 Stephen Gardner updated members on the implementation of the proposed National Apprenticeship Matching Service. The service would sit within the National Apprenticeship Service of the LSC and would form part of the wider Apprenticeship structure.

3.2 Members welcomed the intent of the programme.

3.3 The process should complement existing arrangements, addressing gaps and mismatches in provider / Apprenticeship arrangements. It should not be an additional management level (or barrier) to engagement.

3.4 The quality of employers and safety of apprentices enrolled in the service should be assured.
3.5 Whilst the safeguards for competitive advantage would be taken into account, the choice of young people was critical.

3.6 A risk of multiple providers working with single employers was noted and would be managed.

3.7 The start date for the service was an ambitious one: discussions should be held with Local Authorities and Connexions to help resolve such issues as Health and Safety and data ownership.

**Action:** Apprenticeship Matching Service be brought back to the July meeting of the Group to explore the strategic drivers of the proposals and their impact on stakeholders (SG)

**Item 4. LSC Capital Strategy**

4.1 Phil Head presented an overview of the progress made in the delivery of the LSC’s Capital Strategy.

4.2 Concern was raised that the Third Sector / private training providers may not be able to meet the raising expectations of young people who arrived from schools and FE providers where the capital expenditure had been much greater. However, it was noted a CoVE style approach could be applied to access capital funding.

4.3 Guidance on the access to LSC capital funding for Building Schools for the Future (BSF) would be welcomed. It was confirmed there would be a policy review of BSF.

4.4 QIA/CEL were launching a study into the delivery of teaching and learning in new buildings. It was recommended that the results of this should be taken into account when considering the performance of providers who were unable to access the capital investment budget.

4.5 The next spending review was imminent. Examples of positive impact and future benefits would be needed to secure the same budget levels. It was important to ensure the sector did not become risk averse and fail to spend the available capital budget.

**Item 5. Skills Accounts**

5.1 This item was moved forward from item 6 on the agenda.

5.2 Jonathan Dalton presented the progress made in the development and implementation of Skills Accounts.

5.3 The level of consideration given to the routes towards accessing Skills Accounts was welcome.

5.4 The link to the QCF programme was questioned: There was confusion (particularly amongst employers) regarding the funding of short-term qualifications below a full level 2, where employers wanted employees to undertake first steps learning. The funding of part qualifications that led to a full level 2 would be welcome (provided the time taken to reach that qualification was not so long as to risk a higher drop-out rate).

5.5 It was recommended that the proposals be taken to the National Learner Panel for consideration to ensure there were no incorrect assumptions regarding the customers of Skills Accounts.

**Action:** Skills Accounts be taken to the National Learner Panel at an appropriate point in the programme for consideration (JD)

**Item 6. Framework for Excellence**

6.1 This item was originally item 5 on the agenda.
6.2 Paul Martinez reported on the progress of the Framework for Excellence and next steps and invited members to discuss and provide feedback on a draft future vision.

6.3 The impact of capital projects and investment on financial indicators needed to be considered.

6.4 The link to quality of service (within table 3 of the report) was welcomed.

6.5 Other measures beyond qualification success rates would be given greater focus within the national framework of ‘Every Child Matters’.

6.6 Verity Bullough reported the views of Ian Pryce, who was unable to attend the meeting. Ian asked for greater clarification regarding the Common Inspection Framework and the broadness of scope of Ofsted as compared to that of Framework for Excellence. It was confirmed that the scope of the CIF was broader because of its wider educational base.

6.7 The Paper’s conclusions needed firmer supporting evidence and explanations provided as to how views were reached.

6.8 Greater prominence should be given to increased participation and the reduction in overheads - if the intended audience of the document made it appropriate. The challenge for the document to address the views and aspirations of all the stakeholders was noted.

6.9 Following discussions with DCSF, Ofsted and DIUS, it was considered more applicable to move towards a performance management system, rather than quality assurance only. The document sought to position the framework in that wider context. However, the focus towards quality assurance should not be lost.

Action: Members to submit further comments on the document to Paul Martinez

(All)

Item 7. Business Cycle – Forward Look

7.1 Judi Baxter presented an update on the progress being made in delivering the LSC’s Business Cycle in 2007/08 for 2008/09.

7.2 It was confirmed that this year had been very challenging, following the slippage to the publication of the Statement of Priorities, the implementation of three new funding methodologies and the creation of two Government Departments.

7.3 Planning assumptions were based on a rate per SLN which was now lower than originally expected. It was noted that provision of good quality should be appropriately funded else put at risk future delivery.

7.4 Concern was raised regarding the process for issuing 16-18 (excluding school sixth forms (SSF)) allocations. The following comments were raised:

a. Whilst it was recognised that the LSC were dealing with a number of difficult issues outside of its control, failure to finalise allocations until May made it impossible for colleges to plan their infrastructure responses in time for 2008/09. In the absence of provisional allocations, Principals were making ‘guesses’ on their allocations, which was a risk for planning assumptions for learner choice for 2008/09.

b. Colleges were facing potential industrial action because they were unable to plan for staffing requirements within appropriate lead times.

c. It was yet to be confirmed if Developmental Learning would receive any funding for 2008/09.

d. Deregulation would allow colleges to operate as businesses and respond more effectively to demand.
e. It was recommended that all competitions be suspended for one year whilst the funding models were implemented in 2008/09.

7.5 FE Growth would be moderated using the same criteria and guidelines as was employed for school sixth forms.

Action: The Chair to take back the comments and concerns of the Group regarding the 16-18 (excluding SSF) process for the LSC’s Management Group to consider. Any subsequent action to be communicated to the Group (VB)

Item 8. Any other business
8.1 There was no other business.

Item 9. Date of next meeting
9.1 The next meeting will be chaired by David Hughes and will take place on 7 May. The time of this meeting needed to be changed to enable Mark Haysom to attend. The venue will be London.

Publication no. EAG-07/Minutes
Meeting chair Verity Bullough
Minute taker Rebecca Loveday
Date created 17 March 2008