Minutes

Date 22 May 2007
Subject External Advisory Group
Location LSC National Office, Coventry
Time 10:30
LSC office National Office
Publication intent Public

Present Andrew Jones
David Lawrence
Donald Rae
Geoff Hall
Ian Pryce
John Guy
Juliette Sargent
Di Dale
Malcolm Trobe
Marion Plant
Steve Gray
Tim Ward
Sue Rimmer
Bob Powell
Julian Gravatt
Graham Hoyle
Stewart Segal
Verity Bullough

In attendance Geoff Daniels
Julia Dowd
Julie Nugent
Janet Ryland
Michele Roberts

Apologies Apologies have been received from:
David Hughes
Kevin O’Brien
David Collins
Lindsey Wharmby
Carol Gibson
David Russell
Elaine McMahon
Item 1. Welcome and introductions
1.1 Members were welcomed to the meeting. The apologies were noted. Verity Bullough stood in as chair in the absence of David Hughes.
1.2 The Chair noted Kevin O’Brien would be stepping down from the Group following his appointment as Director of Development for a national learning charity. A new representative of NATSPEC was being sought.

Item 2. Minutes of last meeting
2.1 The minutes were accepted as an accurate record of the previous meeting.

Item 3. Matters arising / Actions Log
3.1 The actions log was noted.

   Action: Members to forward expressions of interest in attending a pre-meeting to identify issues to be raised at the meeting with Mark Haysom and Stephen Marston on 20 June (All)

   Action: The possibility of bringing the meeting of 20 June forward to an earlier start time be investigated (RL)

   Action: Guidance be issued on the level of funding cap for Independent Training Providers (PN)

Item 4. Demand led Funding Systems for 2008/09
4.1 Geoff Daniels introduced his paper which outlined the responses to the funding aspects of the consultation ‘Delivering World-class Skills in a Demand-led System’ and asked for members’ views on the proposals the LSC intended to recommend to Ministers and the DfES in order to implement the funding arrangements for the 2007/08 business cycle, leading to 2008/09 allocations.

4.2 Members made the following comments:
   a. The virement of funding by providers across priority areas was difficult where the cross was vertical (16-18 and adult learners)
   b. The LSC would be revisiting research previously undertaken by LSDA on the 16 – 18 funding gap. This would identify funding from all sources.
   c. The Minimum Funding Guarantee (MFG) would be outlined within the Comprehensive Spending Review (CSR), including its application.
   d. New contracting arrangements were considered fundamental in the drive for a demand led system but they risked significant instability for the FE sector. Submissions would be made to ministers shortly by the LSC
highlighting, through scenarios and clear examples, the potential impact of that instability. Possible impact could include an increase in the level of agency workers, franchising and monopolies. Greater clarity on the intended and unintended consequences of the arrangements was required.

e. Suppliers should be provided with clear criteria for successful contract awards, thereby offering greater stability. These criteria should be communicated in good time to enable suppliers to adapt.

f. Partnerships were not legal entities. Funding should remain with providers, who needed encouragement and the freedom to enter into collaborative working.

g. The challenges of collaborating and competing with other providers in the context of a complex entitlement offer was noted. Schools would also become more competitive in light of a shrinking market, although the willingness of providers to enrol challenging learners was noted as a risk.

h. There was huge pressure on the unit cost of 16-18 funding if the focus on 19-25 continued: Funding constraints compromised policy delivery.

i. There was a risk that the expectations of ministers in creating a demand led system were not being met.

j. Next steps: Comments from this forum and the LSC Management Group would be incorporated and a proposal for 2008/09, including an impact assessment, sent to ministers by mid June. A decision by ministers was required by the end of June to enable implementation and roll out for the 2008/09 allocations.

Item 5. United Kingdom Vocational Qualifications Reform Programme

5.1 Janet Ryland introduced her paper which provided a summary update on the progress of the UK Vocational Qualifications Reform Programme and the specific work the LSC was taking forward within the programme.

5.2 Members made the following comments:

a. Funding and qualifications needed to be part of a single coherent system.

b. The advice of Sector Skills Councils (SSCs) would be taken into account when approving the funding of provision, alongside views of providers.

c. Pilots of new provision required SSC approval, leading to barriers in progression in those pilots.

d. Only those SSCs with the necessary level of infrastructure in place should be included within the pilot work of the Programme.

e. LSC policies should ensure they are consistent with the direction of travel towards a qualifications and credit framework, for example, Apprenticeships.

Item 6. 14 – 19 Reform Update

6.1 Julia Dowd presented to members the progress made on the multi-stranded 14-19 reform agenda. In addition, she outlined how the LSC was working with DfES to inject additional practice led strategy into policy developments.
6.2 Members made the following comments:
   a. Much of the guidance was too general to be useful. Providers welcomed clarity on what the desired policy outcomes were but the freedom to deliver it in the most appropriate way.
   b. Mechanisms were required however to ensure all providers, including schools, contributed to the provision for challenging learners. It was proposed that schools would be responsible for ensuring learners were placed with the most appropriate provider to meet their needs.
   c. Flexibility was required from the LSC in the delivery of level one provision.
   d. Connexions and other agencies needed to work together to ensure a coherent approach.
   e. Transport should be included within the planning arrangements.
   f. The eligibility rules for EMAs prevented access for the most vulnerable young people, for example, the requirement of information on parent income.
   g. A longer-term strategy was required to consider year 6 provision, rather than of that for 14 year olds.

**Action:** Members were invited to submit further comments on the proposals to Julia Dowd within the next ten days (All)

**Item 7. New Standard**

7.1 Michele Roberts gave a presentation on the roll out of the New Standard, employer responsiveness and specialisation, including the National Skills Academies.

7.2 Members made the following comments:
   a. The process provided a framework for providers to assist them in meeting the commitment to a demand led system.
   b. SSCs were inputting into the process although Ofsted did not wish to be aligned to it. Ofsted were involved in the proposals for Framework for Excellence.
   c. The Department for Work and Pensions were creating a STAR rating system for Jobcentre plus. The LSC were not involved in this work but would investigate the area further.

**Action:** Clarity on the total funding of £5 billion highlighted within the presentation would be provided (MR)

**Item 8. New Models of Delivery overview and Case Studies**

8.1 Julie Nugent introduced the item in the absence of Susan Pember, which outlined the case for collaborative working and the new models of delivery.

8.2 Members made the following comments:
   a. Examples from the adult sector could be provided by HOLEX if required.
   b. The LSC should give clear guidance to its staff on the development of partnerships in order to remove the creation of unnecessary obstacles.
c. There was concern that legal constraints were not taken into account within the document. It was confirmed that advice was being sought from the DfES and LSC legal teams on the document.

d. Communication on the purpose of the document needed to be clear to ensure providers did not spend resources on the creation of unnecessary infrastructure in the incorrect belief they must enter into the outlined proposals.

e. Clarity on the powers of providers within the collaborative working framework would be welcome to prevent multiple providers seeking individual, costly advice.

**Action: Members’ comments to be communicated back to the DfES for taking forward (JN)**

**Item 9. Any other business**

9.1 No other business was raised.

**Item 10. Date of next meeting**

10.1 The next meeting of the Group would be 20 June in London.

Publication no.
Meeting chair Verity Bullough
Minute taker Rebecca Loveday
Date created 21 May 2007
Document ref. G:\Organisational Data\Business Performance & Development\afc Programme\afc External Advisory Group\Meetings\3 - 22 May 07\nat-externaladvisorygroup-publicminutes-22may2007.doc