Date 30 September 2008
Subject External Advisory Group
Location Lion Court Conference Centre, London
Time 10:30
LSC office National Office
Publication intent Internal

Present
Andrew Jones
Bob Powell
Carol Bannerman
Caroline Neville
David Lawrence
Elaine McMahon
Geoff Daniels
Helen Sexton
John Guy
Julian Gravatt
Malcolm Trobe
Mark Crawley
Nick Lewis
Steve Gray
Stewart Segal
Sue Rimmer
Verity Bullough

In attendance
Charlotte Beckford
Keith Smith
Laurence Leader
Rob Wye
Rebecca Loveday (minutes)

Apologies
Apologies have been received from:
David Collins
Donald Rae
Geoff Hall
Graham Hoyle
John Dallinson

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Item 1. Welcome and introductions
1.1 The Chair welcomed everyone to the meeting. The apologies were noted.
1.2 Apologies were given for the late change to the meeting location. Any expenses incurred as a result of travel purchases to Coventry could be sent to Rebecca Loveday (rebecca.loveday@lsc.gov.uk) for reimbursement.

Item 2. Minutes of last meeting and Matters Arising
2.1 After it was noted David Lawrence was present, the minutes of the last meeting were accepted as an accurate record.
2.2 Regional Directors had sent a letter to colleges and providers containing a national overview of the funds being made available for learning and skills in 2008/09.
2.3 The summary of allocations for 08/09 was in production. It would be published on the internet within pivot tables to enable provider analysis. Youth would be available first, followed by Adult and then Employer Responsive.

Action: Confirmation of the publication date of the pivot tables to be emailed to members (GD)
Action: Confirmation to be sought that Adult Safeguarded Learning would be included within the tables (GD)
Action: Members to notify Geoff Daniels (geoff.daniels@lsc.gov.uk) if there is any additional data they would want to see within the allocations pivot tables (All)
Action: A link to the tables be sent to members when available (RL)

Item 3. LSC’s Research and Evaluation Plan
3.1 Charlotte Beckford presented an overview of the Research and Evaluation Plan for the LSC in 2008-09. Members were asked for views on the proposed plan and for guidance on how to gain sector buy-in to the projects outlined.
3.2 It was confirmed no decision had been made on the future position of research and evaluation within the new, post-MOG landscape.
3.3 Two further pieces of research were recommended:  
    a. Learner aspirations and barriers to success  
    b. Impact of vocational learning routes for 14-16 year olds on subsequent employability (to be wider than Diplomas).

3.4 Research by Geoff Stanton into post-14 curriculum and qualifications should be considered, with Information, Advice and Guidance based on evidence and learner aspirations.

3.5 Strategic funding should be at the forefront of research given its significant impact on the sector. It was confirmed the impact of Demand led Funding on the financial health of the sector would be on the agenda at the next meeting of the Group.

3.6 Representative bodies should be contacted in future to provide a route into the provider network for research and evaluation projects.

3.7 It was confirmed the MIAP Board had not stopped any of the planned LSC research and that there was a sharing of project plans to prevent duplication across agencies. Risk of duplication was a risk that needed to be taken into account within the proposals for the new MoG landscape.

3.8 It was confirmed there were detailed case studies to test initial research findings to ensure they reflected reality.

**Action:** Members to notify Charlotte Beckford (charlotte.beckford@lsc.gov.uk) if they are willing to consider specifications for future research and evaluation (All)

**Item 4. LSC’s Statement of Priorities**

4.1 Verity Bullough confirmed work was ongoing in the development of the Statement of Priorities (SoP). This year’s would provide greater detail on the allocations process and subsequent dates to provide greater assurance to the sector.

4.2 The latest draft was currently with Ministers to consider the funding and mix and balance of provision and document structure. Ministers may also wish to use the document to set out their own vision for the sector but there was a risk this would delay the publication so was yet to be resolved.

4.3 There was a possibility of delay in publication until mid-November, around the time of the AoC conference.

4.4 It was confirmed there were funding pressures on Youth, Adult/Employer, OLASS and LLDD that were still being resolved. This was in the backdrop of a deteriorating economic climate.

4.5 It was proposed that all Youth allocations (FE, SSF, 16-18 Apprenticeships) would follow the same timetable this year. This would result in FE allocations being earlier and SSF allocations being later. DIUS and DCSF were yet to decide if this was acceptable. There was also a dependency on resolving data issues, particularly the availability of the school census data and the quality of the data received.

4.6 The inclusion of timescales within the SoP was welcomed. Any slip to the publication of the SoP would be acceptable provided it did not impact on the
allocations deadlines. These were critical to enable colleges and providers to assess any impact.

4.7 The priorities within the SoP needed to take account of the impact of the current economic climate, where industries such as construction were not taking on Apprentices or were making others redundant. These learners were therefore being brought into mainstream learning, thereby affecting learner satisfaction.

4.8 It was noted the impact of the economic downturn was not yet evidenced within the data.

4.9 Ministers should reiterate their commitment to FE and ensure budgets support learning and training within the current economic climate. This would ensure Apprenticeships continued to be available, supported by a commitment from employers that apprentices would be employed as soon as the economy permitted.

4.10 In-year adjustments were considered. It was noted there would be an increase in audit, adjustments could go up and down and that the timing may not be appropriate for meeting college needs. There also remained scope for Regions to deal with exceptional circumstances.

4.11 The Group discussed the delay to the EMA, where colleges were now using Learner Support Funding to support learners where submissions in June were still outstanding. Care to Learn was also affected by delays.

4.12 It was noted it was not possible to enter into loan agreements with 16-18 year olds or their parents. College money would therefore most likely be lost, disadvantaging future learners where funding was no longer available.

4.13 The LSC was very disappointed with the performance of issuing the EMA and was currently working with the contractor to address the remaining backlog. The LSC would be speaking to the AoC regarding the sharing of the impact of the risk.

4.14 There would be a review of what went wrong and lessons to be learnt – with consideration given to proposals for new structures for managing the payment of the EMA.

**Action:** Regions to be asked for evidence of impact of economic climate to inform discussions with DIUS and DCSF on the priorities within the SoP (VB)

**Action:** Members to submit evidential data to Verity Bullough (verity.bullough@lsc.gov.uk) on the impact of the economic climate for use in discussions with Ministers, DIUS and DCSF (All)

**Action:** A draft of the SoP, once cleared by Ministers, be shared with members for comment prior to publication (VB)

**Item 5. Commissioning Strategy**

5.1 Keith Smith presented the key developments within the LSC’s Commissioning Strategy for 2009/10.

5.2 Existing providers would be entered automatically onto the Qualified Provider List and eligible to enter into negotiations for provision. However, should a provider wish to enter Open and Competitive Tendering, they would need to
complete a pre qualification questionnaire to ensure they had capacity and capability. Those providers who had already completed the PQQ process would be automatically transferred to the OCT category within the QPL. No provider would be forced to go through the OCT process and may remain within the negotiation category.

5.3 It was confirmed some tendering was necessary to enable ESF match-funding. The LSC recognised this as a barrier and would enter into discussions with DWP to see if this ESF criterion was still appropriate.

5.4 Tendering would not be used as a mechanism to demonstrate contestability but would be entered into where there was good business reasons for doing so – such as a gap in provision that could not be met by an existing provider. This approach was welcomed.

5.5 The tendering process was also being revised. It was recommended a weighting system of quality, capacity and experience should be used to ensure the best provision was purchased. The process should be flexible but still be transparent to enable fairness.

5.6 The Commissioning Strategy proposals provide continuity and consistency for Local Authorities to operate within in the future.

5.7 Communication of the proposals was important, particularly to the Third Sector that saw contestability as a key mechanism for opening up the market. The communication of the advantages of the new strategy was therefore critical.

Action: Members to be kept informed of the progress in developing the Commissioning Strategy (KS)

Action: A clear, short summary of the Commissioning Strategy be written and shared with members for communicating to the sector (KS)

Item 6. Investing in Specialisation: The LSC's Capital Skills Prospectus

6.1 Laurence Leader presented the LSC’s Capital Skills Prospectus to members, who welcomed the general approach.

6.2 There was a strong governance aspect to this work, with the new Regional Councils taking a lead in considering these proposals.

6.3 The Prospectus was clear but the proposals were likely to generate a lot of demand, with associated risks. Ministers were currently considering these risks.

6.4 Reference needed to be made in the document to the increase in demand from learners as a result of capital investment.

6.5 The focus on specialisation for colleges was a concern, given the current economic situation.

Action: Members to submit any further comments to Laurence Leader (Laurence.leader@lsc.gov.uk) by close of play Wednesday 1 October (All)
Item 7. Any other business

7.1 The next meeting of the Group would be on 28 November at 10.30 in Centre Point, London. The main focus of the meeting would be Demand led Funding and the financial health of the sector.

Meeting chair          Verity Bullough
Minute taker           Rebecca Loveday
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