Date 10 July 2009
Subject LSC's External Advisory Group
Location National Office, Coventry
Time 10:30 – 1.15
LSC office National Office
Publication intent Publish on internet

Present
Alan Tuckett - NIACE
Bob Powell - HOLEX
David Hughes – LSC (Chair)
David Kendall – NATSPEC
David Lawrence – Easton College
Elaine McMahon – Hull College
Geoff Daniels - LSC
Jane Watts - NIACE
Judi Baxter - LSC
Malcolm Trobe - ASCL
Mark Crawley – University of the Arts
Rebecca Loveday – LSC (secretariat)
Ruth Curry - DIUS
Steve Gray – training 2000 Ltd
Stewart Segal – ALP
Sue Baldwin - DCSF
Sue Rimmer – South Thames College

LSC staff
Geoff Russsell
Priya Gossain
Janet Ryland
Paula Chapman

Apologies
Apologies have been received from:
Andrew Jones
Tim Ward
John Guy
Julian Gravatt
Graham Hoyle
Marion Plant
John Morgan

Learning and Skills Council
National Office
Cheylesmore House  Quinton Road  Coventry  CV1 2WT
T 0845 019 4170  F 024 7682 3675  www.lsc.gov.uk
John Dallinson
Di Date
Carol Bannerman
Geoff Hall
Caroline Neville
Nick Lewis
Susan Pember
Mark Ravenhall
Helen Sexton
Donald Rae

Item 1. Welcome and introductions
1.1 Members were welcomed to the meeting. The apologies were noted.

Item 2. Minutes of last meeting and Matters Arising
- 2.1: No items were submitted to Geoff Russell prior to his attendance at the meeting.
- 4.5: The minute referred to the issue of electronic records.
  Action: An update on the Electronic Records Project be sent with the minutes (RL)
- 5.12: No further views were submitted on the impact of reduced Development Learning funding.
- 5.13: Ruth Curry updated the Group on the progress on ESOL. Following a consultation last year, a new approach was being developed. This had been trialled through over 30 pathfinders and would be followed by a national roll-out in September. This was an issue of reprioritisation rather than additional funding.
  Action: The impact of fees for ESOL and the regional variation analysis be brought back to the meeting (RC)
- 9.1: The SFA regional structure would be brought to the next meeting of the Group.

Item 3. Apprenticeship Vacancies On-line
3.1 Paula Chapman presented her paper on the 2010-11 draft contractual clause in respect of the Apprenticeship Vacancies on-line system. Members were asked to consider the proposal.
3.2 ALP members stated that they preferred an optional system because a contractual relationship would see an increase in audit requirements and possibly a reduction in provider goodwill.

3.3 However, it there was support for any work which helped address issues of poaching of employers from other providers.

3.4 Flexibility was required where employers did not wish to have their names identified on the system. Group Training Associations needed flexibility in this.

3.5 A balance was required between an open system and an appropriate focus on equality and diversity, including gender and LLDD. It was noted however that the system would enable the capture of equality and diversity data more easily. It was agreed that the issue of equality and diversity would be taken forward with the NIACE representative outside of the meeting.

3.6 Concern was raised at the ability of small, third sector organisations to enter the system. However, it was confirmed the system was built to enable flexible involvement for a range of small organisations.

3.7 It was confirmed further consultation would take place on the contractual clause.

**Item 4. Analysis of the 2009/10 allocations process**

4.1 Geoff Daniels presented a series of slides on the analysis of the 2009/10 allocations process.

4.2 It was noted that the slides were not all derived from the same breadth of data sources and therefore did not enable like for like comparison.

4.3 Specialist LLDD and OLASS provision was not included in the data.

4.4 The data encouraged the need for further discussion on the stability of the sector. It was noted risks were comparable to reward, where the ability of private training providers to grow, against a school’s stability year on year was to be taken into account.

4.5 There were other issues behind the data that should be considered.

4.6 The next step was to publish the analysis. It was requested that Train to Gain and Apprenticeships be included within a single chart to enable analysis of correlation.

**Item 5. Qualifications and Credit Framework Update**

5.1 Janet Ryland presented an update on the QCF.

5.2 Concern was raised regarding funding and eligibility for classes of mixed age groups where some would be within the QCF SFA funding route (19-24) and the others on non-QCF LA funding (16-18): College planning of classes was based on learner needs, not learner age and should be maintained.

5.3 The Programme recognised the critical need to prevent perverse outcomes (including any impact on behaviour) as a result of policy decisions.

5.4 Concern was also raised regarding the impact analysis by SSCs on setting targets. It was confirmed SSCs had been asked to set aside funding
concerns and to consider the appropriate level of credits (not hours) to ensure competence: Funding would be based on activity, not credits.

5.5 The current funding system set a rate based on the level of activity, which was funded on output. To move away from this would be a risk.

5.6 The QCF took the focus away from traditionally shaped programmes, as was currently seen in Train to Gain (where the programme is structured to consolidate and increase skills of the learner). However, there was provider concern regarding the destabilisation of the sector during transition, which would be of greater risk than in Train to Gain due to the consolidated, rather than parallel process being rolled out.

Item 6. Single Contracting Update
6.1 Judi Baxter presented the item on the Single Contracting on behalf of Susan Collins.
6.2 It was confirmed most providers understood who their contract manager was.
6.3 Clarity was also required on what the intention of single contracting was, given the future management of 16-18 by Local Authorities.

Item 7. Any other business (item 8 on agenda)
7.1 Congratulations were given to Elaine McMahon on her award of a CBE.
7.2 It was confirmed the Group would continue to provide a single consultative forum for the LSC, DCSF and BIS.

Item 8. Introduction and Discussion (item 9 on agenda)
8.1 Geoff Russell and Priya Gossain were introduced to the meeting. Geoff discussed with the Group the main challenges facing the LSC at present, including:
   a. Demand stimulation verses demand management, as seen in:
      o Train to Gain
      o 16-18 Apprenticeship targets
      o Capital
   b. Regional versus national focus
   c. The move to local authorities by some LSC staff
   d. The best use of LSC budgets and efficiency savings.
   e. The relationship between providers and the new organisations
   f. The need to find efficiency savings in a tighter public funding situation
   g. The desire within the LSC to seek guidance and advice from the sector on these issues

8.2 The use of private finance for future capital projects was being considered by the sector, led by AoC with LSC support. There would be guidance on sensible borrowing limits.

8.3 Geoff confirmed regions would now be working with a national focus. There were a number of challenges when changing from regional to national focus,
with the need for greater relationships with more bodies. However, the adult national contracts should assist in this.

8.4 The readiness of local authorities to take forward the challenges ahead, including single contracting, was to be assessed and addressed through the shadow arrangements, although it was recognised some were already very active.

8.5 It was important to maintain socially and ethically correct strategies / policies, even within a constrained budget. The LSC took seriously equality and diversity issues and a recent audit showed the LSC did very well in this area.

8.6 Geoff wished to recognise the fantastic people he had met and worked with during his first 3½ months and, although there were many challenges, he had enjoyed the work and overseen a lot of positive changes.

Meeting chair  David Hughes
Minute taker    Rebecca Loveday
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