



**THE  
FURTHER  
EDUCATION  
FUNDING  
COUNCIL**

# **Local Priorities: Toolkit**

---

**Supplement A to  
Circular 99/39**

---

# Local Priorities Toolkit

## Introduction

1 The Council has prepared the following information to assist institutions in applying the local priorities policy.

## Background

2 The policy applies to new or any extension of existing out-of-area provision. It does not affect provision made on the main site of a college. It affects both franchised and direct provision, and provision made by distributed open and distance learning (DODL).

3 Where an institution has existing franchised or direct out-of-area provision, it should consider whether it should continue with that provision by considering it against the criteria and underpinning factors.

4 Institutions within a local area may wish to map the quantity and quality of further education provision being made by both local and distant providers. It will then be possible to develop a local strategy. Over time, this could see the disappearance of some provision, and the integration of other provision with that already made by local providers. Some provision may change into full-cost work. Some may continue, but with the distant provider working in collaboration and planning effectively with the lifelong learning partnership.

## Information Available from the Council

5 The Council publishes a wide range of statistical information, in the form of statistical first releases, specialist reports, such as that on widening participation, and reference volumes on staff and student statistics. Provisional versions of the reference volumes are provided on the Council's website.

6 Institutions may find the following information, provided on the website, of particular relevance to local priorities:

- information on the location of provision made by colleges in 1996-97. Information for 1997-98 will be available in September 1999

- information on enrolments on specific qualifications offered in 1997-98, together with the number of institutions offering these qualifications. This information will be available by September 1999.

7 The Council charges for providing information that is not readily available. The charge covers only the marginal cost of making the data available. Requests from individual colleges and external institutions may fall into this category, along with requests from groups of institutions, such as lifelong learning partnerships.

8 Regional offices have part-analysed individualised student record (ISR) files and requests for counts of students by, for example, local authority ward can normally be answered free of charge. More detailed analyses will normally be chargeable.

9 Other organisations have access to ISR data, under strict confidentiality conditions, and the Council can also offer a chargeable analysis service. Regional offices can advise further.

10 Where a group of institutions wishes to have an analysis that identifies data for individual institutions, the heads of all the institutions concerned will be asked to provide written confirmation that their data may be used in this way. This is a requirement under the Council's confidentiality guidelines which can be found in the ISR institution support manual.

## Local Recruitment Area: Statistical Definition

11 The Council has defined an institution's local recruitment area as the set of local authority districts from which the institution recruits 80% of its direct provision. The district containing the most direct provision, measured in guided learning hours provided, is selected, followed by the district with the second highest amount of direct provision and so on until at least 80% of direct provision is included. The wider recruitment area is the set of local authority districts from which the institution recruits 96% of its direct provision.

12 Each institution has been given details of the local authority districts comprising its local recruitment area. A college with a wide spread of centres making direct provision may well have a substantial local recruitment area under this

---

definition. The definition is dynamic, changing from year to year where the balance of a college's provision changes. In some parts of the country there will be substantial overlap in local recruitment areas, which may be entirely appropriate.

13 The group considered that this facility was a useful tool for institutions, but needed careful interpretation. The Council will develop other tools to assist the process of predicting demand for further education in a locality.

## **Local Lifelong Learning Partnerships and Local Priorities**

14 Local lifelong learning partnerships are at an early stage of their development but will be producing post-16 plans for their areas. Council-funded institutions will often have local recruitment areas that cover more than one partnership and may be members of more than one partnership. It is essential in preparing their plans that lifelong learning partnerships take account of out-of-area provision that serves the needs of their population. Provision in adjacent areas and more specialist provision should be taken into account in drawing up the area plan, otherwise there is a risk of duplication of facilities and destabilising existing providers.

15 Institutions should not establish new provision which might compete with provision by existing providers. Where demand appears to warrant new or an extension of existing provision, the institution should consult other providers who might be affected, even if the location of the provision is within the provider's own local area. Where existing out-of-area provision falls outside an agreed local plan, or where local providers are capable of meeting needs, institutions are expected to make plans to withdraw that provision.

## **Specialist Provision**

16 Where an institution wishes to make out-of-area provision which it considers to be specialist, it should consider the following information:

17 In order to be considered 'highly specialist' in the context of the local priorities policy, the provision should possess the following characteristics:

- recognised by the sector as highly specialist

- not intended for groups of students with learning difficulties and/or disabilities
- requiring specialist staff and/or specialist equipment
- high cost-weighting factor, that is, expensive to provide
- high level provision (level 3 or above) and/or a substantial length (minimum loadband 4)
- provided on a national, regional and subregional basis only
- fewer than 150 enrolments nationally
- auditable evidence that the local institution is unable or unwilling to provide and that evidence of a skill need exists.

18 In preparing or considering consultation information on out-of-area provision, institutions should search the Council's website to check on total enrolments on specific qualifications. Information will be included in the autumn 1999 on the number of institutions offering this provision in 1997-98. The institution should then search for enrolments on other similar qualifications by searching on the same superclass subarea in which the desired qualification appears. For convenience, qualifications in the same superclass subarea appear together.

19 For a qualification to be considered highly specialist, there should be few alternative qualifications and enrolment numbers on similar qualifications should be low. Where a similar qualification is already available in a locality, there is unlikely to be a need for alternative provision. Where there are more than 150 enrolments on any one qualification the provision is unlikely to be considered highly specialist. For highly specialist provision, demand within a region is unlikely to be more than 15-20 students in any one year.

## **National Contracts**

20 The Council defines a national contract as follows:

*A contract between a nationally recognised organisation and a Council-funded institution for either direct or franchised provision, by which a college is granted exclusive rights to enrol students on Council-funded programmes.*

---

The local priorities policy is particularly concerned with contracts for either franchised or direct provision delivered away from the main site of the college normally outside its local recruitment area. No new contracts should be signed and no existing contracts extended without consideration of the criteria and consultation with local institutions. All institutions with such contracts should consider the implications of the *Competition Act 1998* (the Act).

## Competition Act 1998

21 The Office of Fair Trading has indicated that it is unlikely that the Act will apply to the Council itself, but could apply to institutions. The Act outlaws two types of behaviour:

- agreements which are either intended to be, or in fact are, anti-competitive; and
- any behaviour which is an abuse of a dominant position in the market.

Advice to the Council suggests that the goals of local collaboration are compatible with the Act, but that institutions will need to exercise some care about the route they choose to reach these goals.

22 It will be possible to put together arrangements which achieve desirable collaborative goals and which comply with the Act. The key lies in considering carefully what restrictions, if any, should be imposed by participating institutions. For example, it would be lawful for two local institutions to agree that one will invest in new language teaching facilities, and the other in information technology (IT) training equipment and that each will let the other use these facilities on certain terms. It is more questionable if the institutions also agreed that students for languages would always be directed to college A, and students for IT always to college B.

23 Institutions which have entered into national agreements may contravene the Act if the agreement prevents the partner from dealing with other institutions or requires a prospective student to sign up with a particular institution.

## Criteria and Underpinning Factors

24 The local priorities group has suggested that institutions should use the following criteria when considering whether it is appropriate to make out-of-area provision.

### ***Criterion 1 – the relationship of the proposed provision to identified local priorities***

Factors to consider include:

- consideration of how the provision links into the post-16 plan that will be developed by the lifelong learning partnership for the local area
- demand not addressed in the local post-16 plan, evidence of unmet or unexpressed local skills need in the area in which the institution intends to locate out-of-area provision
- whether the institution will be able to meet its obligations under the post-16 plan for its local area if this out-of-area work goes ahead.

This does not imply a rigid set of prescriptions, but rather that the out-of-area provision should not conflict with the plan or undermine provision made by local institutions.

### ***Criterion 2 – the educational benefits of the proposed provision for students, particularly in terms of access or choice***

Factors to consider include:

- whether the provision is specialist, that is, offering opportunities not available in the area
- whether local institutions wish to make this provision
- whether there are student support arrangements in place
- whether progression opportunities have been developed.

### ***Criterion 3 – the implications of the proposed provision for the future development of post-16 provision in the area, including the potential impact on the viability and quality of existing further education provision in the area***

Factors to consider include:

- volume of provision, and whether it is dedicated for employers or open to individuals
- issues of 'wasteful competition', including undercutting of fees, duplication of courses, and duplication of facilities
- impact on local institutions' relationships with their partners.

---

**Criterion 4 – the extent of consultation and the consideration which has been given to alternative options**

Factors to consider include:

- the extent and results of consultation with providers of further education in the area
- evidence that alternative arrangements to those proposed, such as delivery in partnership with local further education providers, have been thoroughly examined, and that reasons for their rejection can be provided.

The group considered that these criteria should also be used by institutions within a local area.

## How to Apply the Criteria

25 Institutions should apply the criteria to the proposed provision using the checklist provided at paragraph 28. At this stage it may be helpful to have informal discussions with institutions in the locality where an institution is planning to make the provision. This is likely to resolve many of the issues and indicate whether other institutions wish to work in partnership or whether objections to the provision are likely to be raised. The institution should then formally consult other institutions concerned, providing the information suggested in the checklist.

26 Further education institutions within a locality may wish to consider the preparation of joint information about the area, local provision and local needs. This can be shared with institutions which wish to make provision within the area. This could be co-ordinated by the local lifelong learning partnership. An example of an early approach to information sharing by the Kent widening participation partnership is included at annex A to this supplement.

27 Where an institution already makes widespread out-of-area provision it may be helpful to prepare standard information which can be shared with institutions making enquiries about provision being made within their local recruitment area.

## Checklist of Information Required to Consider Proposals

28 To be able to assess proposals against the criteria and underpinning factors, institutions

seeking to make provision in the local area of another further education institution are expected to provide the following information:

- whether this is a continuation of existing provision, extension of existing provision or new provision
  - for new provision, the anticipated number of students in the area
  - for existing provision, the current number of students in the area and any proposed extension
  - proposed implementation date
  - period for which provision is to be made
  - whether the provision is franchised or direct
  - where franchised, name and address of partner organisation
  - type of organisation making the provision, for example, private training provider, local, regional, national employer, voluntary organisation
  - target client group
  - local authority district (LAD) and/or postcode(s) of site(s) where provision is to be made
  - LADs or postcodes from which students are or are expected to be drawn
  - total funding units anticipated in 1999-2000 and 2000-01, 2001-02 if applicable
  - specific qualification(s) to be offered
    - title and awarding body
    - qualifications database number level
    - schedule 2 status
    - guided learning hours
    - superclass code for example, WM63
  - if this provision is considered to be specialist – a justification for this view together with a request for information on whether these qualifications or similar are already offered in the local area – the institution may wish to request a copy of the post-16 plan for the area concerned
  - evidence of unmet or unexpressed skills need
  - progression rates for existing students
-

- 
- actual or proposed student support arrangements
  - confirmation that the tuition fee to be charged is at least that implied by the tuition fee remission units within the tariff, except for students who qualify under the Council's tuition fee remission policy
  - confirmation that the institution making the provision holds quality grade 3 minimum for curriculum, quality assurance, governance and management together with information on retention, achievement, destinations and progression
  - confirmation that the institution is able to meet requirements of its local post-16 plan
  - alternative options to be considered
  - list of organisations consulted.
  - whether the same or similar provision is already available within the locality
  - if not, is the nearest alternative provider within a distance that can be travelled in 60 to 90 minutes. This should be considered in the context of the age and type of student involved and the nature of transport available
  - whether information on inspection grades for curriculum, quality assurance and governance and management has been provided; how these grades compare with the institution's grades or those of alternative providers in the area; whether information on retention, achievement, destinations and progression has been provided
  - whether this provision will give rise to unnecessary duplication of provision and potential wasteful competition
  - whether the provision will be of sufficient size and quality to deliver the planned curriculum suited to the needs of the students
  - whether the size of the planned provision is such that it will have no significant impact now and in the future within the area, or on existing providers outside the area in question
  - whether the provision will be delivered at reasonable cost without significantly undercutting local fee levels
  - provision of details of additional benefits to students in the area, for example, enhanced facilities for learning, student support, or quality assurance
  - extent of consultation and the consideration that has been given to alternative options, for example, transferring the provision to a local institution or working in collaboration with a local institution.

## **Checklist for Local Institution to Use in Considering Information Supplied**

29 Institutions within a locality/lifelong learning partnership may wish to provide a joint response to an approach from outside the area. It will not be sufficient simply to object to the provision without considering the case presented. The following matters should be considered:

- implications of the proposal for the future development of post-16 provision in the area, including the potential impact on other further education providers
- whether provision is already adequate and/or sufficient
- how the college plans to make this or similar provision itself or make this provision in partnership with the proposed provider
- the benefits of the proposal to students in the area – will it significantly increase choice and diversity
- students' access to impartial information on progression routes in other institutions
- highly specialist provision, meeting the characteristics outlined in paragraph 17

# Widening Participation in Kent – Local Planning

## Partners Involved

1 The Kent Association of FE Corporations (KAFEC) was formally established in 1996, bringing together the county's seven further education colleges which are: Canterbury, Hadlow, Mid Kent, North West Kent, South Kent, Thanet and West Kent colleges. In 1997 KAFEC successfully led the formation of a broader strategic partnership to bid for the FEFC widening participation strategic partnership fund, focusing on the Kennedy Report, *Learning Works*, and government widening participation agendas.

2 The complete partnership includes the KAFEC colleges; four Kent higher education (HE) institutions, Canterbury Christ Church University College, Kent Institute of Art & Design, University of Greenwich and the University of Kent; Kent Adult Education Services; Kent TEC (Learning business link Ltd) and the Kent Careers Services Ltd. Kent LEA and Medway Unitary Authority LEA are also interested partners. Kent Open College Network (OCN), the Kent Traveller Education Service and the Workers' Educational Association (WEA) have also supported project work. The widening participation partnership has built upon Kent's established history of partnership approaches and is now informing the strategies of both the Kent and Medway lifelong learning partnerships.

## Objectives

- 3 The original objectives of the project were to:
- collect, map and interpret participation data from all partners (for 1996-97);
  - build on good practice and disseminate project work accordingly;
  - map and dovetail with other relevant projects avoiding duplication;
  - produce a single widening participation strategic plan for Kent and Medway;
  - incorporate in individual partners' strategic plans the recommendations, targets and implications of the overall widening participation project.

## How Participation Data were Collected

- 4 Data were collected in the following way:
- FE college and adult education schedule 2 data for institutions in Kent were collected via the Council's research and statistics team, and shared with the agreement of partners;
  - HE institutions' data were purchased through the Higher Education Statistical Agency (HESA);
  - adult education schedule 2 data were collected. After validation, these were supplied again in a compatible format to the main Council data set;
  - TEC trainee data were collected avoiding duplication of those based in colleges;
  - schools' post-16 data were collected from the LEAs and from the careers service. Note: At present, the two LEAs do not collect individualised student record (ISR) comparable data, but the completion of ward-mapping was possible using careers service destination postcode data;
  - franchised direct provision data were also collected via the Council, to enable an assessment of provision coming into the county. The provider institution data were not available at this stage although this information can now be found on the Council's website. Using these data, 75 non-Kent colleges were requested to complete a form outlining their 'into' Kent provision plans to 2001. This was used to help identify future provision intentions and establish further potential partnership links particularly for progression purposes. Some 50 institutions have responded. The majority no longer intend to deliver franchised or direct provision into the county.

## Data Range and Depth

- 5 The main participation data collected by the end of the data collection phase were at 'student level' and enabled an analysis by:
- institution
  - Council programme area, mode of attendance, duration and level of study
  - age, sex, ethnicity and disability
  - fee status
  - domicile postcode (full code).

6 The postcode data were particularly important as these enabled a full ward-level mapping of the county's participation. From this, participation indicators were drawn, for example: average participation in Kent & Medway 11%; lowest ward participation 5%; and highest ward participation 16% (all excluding non-schedule 2).

### Example of ward participation table information and layout

Ward	AE Total	FE Total	OCP Total	HE Total	Kent TEC	Schools Total	Council pop	Total particip	Total (exc non sch2)	% Total Particip	% Total exc non sch2
Ward X	59	149	34	48	9	48	3,090	347	314	11%	10%

Private provider data and in-house training data not linked to the core partners were not collected as part of this project. Thus, although the mapping is extensive, it is not complete.

## How Priorities were Derived

7 Shortfalls and gaps in participation were identified using the participation data. In addition to the use of existing Council statistical data, comparisons were made with other sources of data, such as the Office for National Statistics (ONS) census data and mid-term survey data, regional household survey data, Basic Skills Agency (BSA), Workers' Educational Association (WEA), workforce skills data, local regional labour market intelligence (LMI) and business sector development projections through to 2006. Further local information has also been collected on traveller communities through the Kent Traveller Education Service and on the voluntary sector through the Charities Aid Foundation.

8 To supplement both the quantitative and qualitative data and to test the coverage of the Council's ward uplift factors against local deprivation, a ward level deprivation survey was conducted. This used the Townsend deprivation index and allowed for the inclusion of deprivation factors not used in the Council's methodology. The two surveys produced similar patterns, although there were some Kent and Medway wards identified as deprived which do not receive uplifts, and some rural deprivation is missed.

## Priorities

9 The widening participation priorities and target areas identified in Kent and Medway are:

- individuals in wards where unemployment is particularly high (10%)
- males in identified key target wards (particularly in the 19–24 age group)
- individuals with basic educational needs
- progression shortfalls from level 1 to 2 and from level 3 to 4
- Asian women in North Kent and Medway
- traveller communities and refugees
- participation in construction, engineering, tourism and leisure (including hotel and catering) and ICT.

## Planning Methodology

10 The Kent Medway strategic plan to widen participation produced through the project identifies these target groups and makes a number of local recommendations. The plan develops Kennedy's good practice characteristics and applies them in a local context. Specialist subgroups produced the recommendations with reference to local conditions.

11 Individual partner institutions have committed themselves to the relevant target groups, recommendations and monitoring through their own strategic plans. The final phase of the project has been to disseminate the project findings to institutions, to confirm commitment and to identify institutions' widening participation growth for the targets through to 2002.



# Examples

## Example 1

College A with national expertise in catering has been inspected and awarded a grade 1 for its catering provision. A national catering company is interested in training its workforce to NVQ standards and wishes to set up a partnership with the college to train its staff. The college already has similar contracts and this proposal would extend activities.

### **Response**

If the provision is specialist and the prospective students travel to attend college A there is no difficulty. However, if the provision is to be made outside college A's local recruitment area, either by direct, franchised or DODL provision, the college needs to consider the proposed provision against the criteria. The college should consult local providers supplying full information. If necessary, it should be prepared to work in partnership with local institutions unless the provision is so highly specialist that local institutions could not be expected to deliver it. For assistance with the definition of 'highly specialist', see paragraph 17 of supplement A.

## Example 2

Similar to example 1 except that college B has little expertise in the curriculum area and other colleges in the localities have the expertise.

### **Response**

In this case, college B should not consider making the provision itself. It should suggest to the company concerned that it approach other colleges with this expertise. The Council could assist in identifying these colleges.

## Example 3

College C has considerably more units in its target than can be accommodated in its own locality. It is approached by a third party who, for a consideration, will put it in touch with a private trainer in another part of the country who is seeking Council funding support for its eligible provision. The local colleges could support the provision, but have insufficient units to meet their direct provision

and this franchised provision.

### **Response**

The Council has indicated that institutions should not enter into new distance franchising contracts. In this case college C should approach the appropriate regional director to discuss the Council's assistance in rebasing its funding allocation. The third party should be reminded of the Council's local priorities policy and advised to put the private training provider in touch with local colleges. If the private training provider subsequently contacts other local colleges, they should discuss their funding unit allocation with the appropriate regional director.

## Example 4

University A has Council-funded provision in decline. In order to meet its funding agreement, it sets up a capital intensive programme which will extend its level 4 provision down to level 3 and 2. This will be in direct competition with a local FE college, college D, and the competition would put at risk the viability of the college's provision. This could make it difficult for the Council to continue to meet its statutory duty to secure sufficient and adequate facilities for further education.

### **Response**

The appropriate regional director could indicate to university A that this provision may give rise to unnecessary and wasteful duplication. The local post-16 plan could be used as evidence and might also indicate where the university's activity might be better focused. Alternatively, the regional director could consider a request to rebase university A's funding allocation.

## Example 5

College E has more units in its funding agreement than can be accommodated in its own locality and seeks to franchise in another city. The local colleges complain. College E responds that it would be happy to remain in its own locality if the other six colleges offering distance franchising there also withdraw.

### **Response**

The expectation is that institutions will wish to work in their local community first and will gradually withdraw from distant provision. There should be

no new distance franchising contracts. College E should offer to assist the other six colleges, by offering to work with their local partners and assist in a phased transfer of provision. If necessary, the appropriate regional director could assist discussion.

### **Example 6**

A large city has a large number of colleges and excellent transport links between them. One college, college F, with a mission and reputation for working with community groups, has built up a relationship with a particular community group and tailors provision to meet its specific needs. It has been asked by community leaders to extend its provision to other groups within the city. These other groups are in close proximity to other colleges in the city.

#### ***Response***

College F should consider the planned provision against the criteria. It should then consult other colleges in the city about making this provision, providing information as indicated at paragraph 28 of supplement A. If local colleges wish to make this provision, college F should be prepared to work in collaboration with them so that they too can learn how to meet the needs of this group. Alternatively, local colleges may recognise college F's expertise and the local need, and are content that college F makes this provision.

### **Example 7**

College G has a large core of construction provision tailored to meet local provision identified through its strategic plan. A small traditional sixth-form college in another city, college H, missing its target, wishes to enter a franchise with a construction company in the locality of the first college to provide construction courses levels 1 and 2. The contract will not necessarily threaten the overall provision, but will prevent the college from cross-subsidising the minority provision from the more cost-effective level 1 and 2 provision.

#### ***Response***

College H needs to consider appropriate ways of reaching its targets within its local area by seeking to fulfil local needs. If it finds this difficult, it needs to seek assistance from the regional office to explore options. If college H consults on the proposed development, college G would be justified in

objecting to the proposed arrangement on grounds of wasteful competition and unnecessary duplication.

### **Example 8**

Several colleges operating in a large city find that there are a considerable number of other colleges that are operating in the locality all offering entry-level provision and schedule 2(d) provision. All the local colleges are up to their target units and cannot offer the necessary progression routes. They have talked to the franchising colleges, but they are unable to help as the local partners have neither expertise nor facilities to offer other than entry-level provision.

#### ***Response***

Post-16 plans for the area should identify the level of need. If there is over-provision of entry level and schedule 2(d) and under-provision of necessary progression routes, some rebalancing of units may be required. One solution could be the transfer of franchised units into the area with local colleges agreeing to support entry level via franchising and shift some of their provision to higher level programmes. Discussion would focus on what level of provision was required and what could be supported through local Council-funded provision if insufficient funding units are available in the area.

