

SUMMARY OF THE COUNCIL'S RECOMMENDATIONS

Learning to Succeed – a new framework for post-16 learning

Question 1 What more might we do to ensure coherence between the work of the Learning and Skills Council and pre-16 learning?

- It is important that provision for 14-16 year olds articulates with vocational education and training provision beyond age 16, including the 'alternative' provision for 16-19 years proposed by the Social Exclusion Unit.
- The principle of funding following the learner should be extended to 14-16 provision and funding should be allocated by the LSC where provision for the young person is made outside school.
- The LaSC might also be given powers to fund outreach activities to retain particularly vulnerable 14-15 year olds in education and training.
- The Council recommends the establishment of a common tracking system for all students over the age of 14.

Question 2 Are the proposed responsibilities of the local Learning and Skills Councils the right ones to ensure responsiveness at local level to the needs of local labour markets and communities?

And

Question 6 Is there more we should do to ensure that we strike the right balance between national arrangements and local flexibility and discretion?

- The Council recommends that the local LaSC should ensure that local needs are met through influence over the pattern and mix of provision in their local area. The local LaSC should have:
 - responsibility for assessing the plans of all local providers
 - responsibility for influence over the allocation of funding for education and training provision within a local area within the national framework to ensure the availability of an appropriate range of provision to meet the needs of individuals, local skills needs and the requirements of national priorities
 - influence over the level at which the national tariff is set for different types of provision
 - discretion to flex the national tariff within a specified range
 - local discretionary funds for their distribution including matched funding for SRB and ESF

- local LaSCs would therefore directly control between 10-20% of the LaSCs' budget.
- The Council recommends that the statement of priorities should be sufficiently flexible to enable the local arms to respond to priorities that emerge after the completion of the annual statement of priorities.

Question 3 Are the functions described for the local learning partnerships the right ones to build on the momentum already generated?

- The learning partnerships should:
 - have an effective means of advising and influencing the work of the local LaSCs
 - be seen as a major vehicle for ensuring co-operative activity between providers
 - have adequate levers and some funding at their disposal to deliver these objectives
 - be given clearly specified, distinct roles.

Question 4 How can the local learning partnerships best work with and support the local learning and skills councils?

- The Council recommends that consultation by the local LaSC might best occur within a formal consultation framework.

Question 5 What more can we do to ensure accountability at local and national level?

- The Council recommends that:
 - the local directors should be accountable to their local Councils and to the chief executive of the National Council
 - the directors of the local LaSCs should be appointed by an appointing panel including the chief executive and chair of their local LaSC
 - for practical reasons, it is suggested that the members of the local boards should be appointed by the local LaSC, on behalf of the national council, in accordance with Nolan principles

Question 7 How can we ensure that the arrangements ensure the integration of all the public funding available within the area?

- The Council recommends that the LaSC should be responsible for:
 - identifying new sources of public funding as they become available
 - ensuring that its local LaSCs become the lead body for allocating all public funding for post-16 education and training within the local area, including sources from departments other than the DfEE.
 - enabling local LaSCs to both join partnerships and to fund such partnerships (eg UfI learning hubs)
 - earning and accessing non-public funds.

Question 8 How can we ensure that the planning and funding arrangements support people with special needs?

- The LaSC should have a duty for securing *residential* provision only when local facilities are not suitable
- The issue of joint funding arrangements needs to be addressed; present arrangements are inconsistent and dependent upon social services departments' interpretation of their duties
- The government should clarify the funding responsibilities of local authorities and the LaSC
- Co-ordination of inspection will be vital, and must take into account the inspection of some institutions as providers of care by the social services inspectorate.

Question 9 Are these the right set of critical success factors against which to evaluate the new arrangements?

- Specific targets and performance measures will need to be developed in each area. Some suggested examples are set out below:
 - to demonstrate high quality provision and responsiveness to local needs
 - to demonstrate improved efficiency and effectiveness – the LaSC should demonstrate the highest levels of efficiency embracing Nolan principles in all activities

- to promote lifelong learning - establish a 'learning and education' culture within all employer organisations and demonstrate active promotion of a lifelong learning culture
- In addition, it is proposed that a set of critical success factors should be developed to embrace the transition phase to ensure that current programmes continue to be adequate, sufficient and of high quality.

Question 10 How can we ensure that the Learning and Skills Council and its local arms develop effective links with partners at national, regional and local level?

- It may be necessary to find ways of managing the expectations of the partner bodies during the transitional period.
- The council recommends that the government and LSC should work jointly to ensure effective employer participation with the new LSE.
- The Council recommends that clear letters of guidance should be given to each party on the government's expectations of their role and the way in which they should carry out these roles. Joint performance indicators, which demonstrate how each body is expected to contribute to a specified task, might also be created.

Question 11 What more should we do to ensure that we drive up quality in post-16 provision?

- Within the approach to inspecting 16-19 provision proposed by the government, the Council recommends that lead responsibility for carrying out inspection of provision should be determined on an institutional basis as follows:
 - OFSTED should lead joint teams on the inspection of all provision in sixth form colleges, in addition to its existing responsibility for school sixth forms
 - The adult learning inspectorate should lead joint teams on the inspection of all provision in further education colleges, tertiary colleges and work-based training for young people.
- The Council recommends that the common inspection framework developed by OFSTED and the adult learning inspectorate should reflect a number of features which have been successfully implemented within the Council's own inspection method. These include:
 - published grades for provision, self assessment, reinspection of unsatisfactory provision, accreditation and an appeals mechanism, with quality improvement as a guiding principle.

- The strong links which currently exist between inspection and quality improvement should be preserved in any revised inspection arrangements.

Question 13 What more should we do to ensure that we develop coherent provision for unemployed people to gain the skills they need and to tackle other barriers they face in finding and keeping work?

- The Council recommends that the coherence of provision for unemployed people would be improved by funding their education and training on a common basis.

LEARNING TO SUCCEED – THE COUNCIL’S RESPONSE

Introduction

1 The Council warmly welcomes the government’s proposals for a new framework for post-16 learning and skills. The Council believes that the arrangements outlined will address effectively the objectives identified by the government in its white paper. The arrangements have the capacity to:

- respond to the identified needs of learners, employers and communities for education and training
- give employers real influence over decisions in their local area about the mix of skills and qualification to be delivered
- deliver flexible and tailored local solutions to improve the quality and standards of provision and extend social inclusion
- deliver national policy effectively, rapidly and flexibly, including the national learning targets, and implement new policy over time
- raise standards through a comprehensive quality improvement strategy.

2 The Council is also confident that the arrangements will: encourage the delivery of learner-centred provision; increase the transparency, consistency and equity of funding; and improve the coherence and planning of provision.

3 The Council endorses the integrated approach to post-16 funding set out in the white paper and notes that the proposed approach to policy development and implementation is consonant with the modernising government agenda. The proposals for a youth support service and a small business service also complement the new framework well by helping to ensure that provision reflects the full range of local needs.

4 The Council recognises the importance of ensuring that the national skills base supports economic development and the role of further education and training in delivering skills. While the new arrangements must reflect these needs, the Council would urge the government to give prominence to the importance of delivering high quality, general educational provision that will meet the needs of individuals wishing to take a broader programme of learning, including those who wish to progress onto higher education. The delivery of broader programmes will be necessary to achieve the government’s important social and citizenship objectives for learning.

5 The Council believes that the proposed demand-led framework for the delivery of education and training will be a major strength of the new arrangements. It will be important that the considerable investment in the college sector is maintained and built upon and the strength of this publicly funded service is carried through in the new arrangements. This response suggests how the government might ensure that these arrangements are as effective as possible.

Local flexibility

6 The local LaSCs will be central to achieving a demand-led approach to delivering education and training. They must be given sufficient flexibility over the discharge of their responsibilities to enable them to meet the needs of learners and employers and to deliver locally tailored responses to quality improvement and social inclusion.

7 At the same time, the Council believes that local flexibility must operate within an overarching national funding and policy framework, to ensure consistency, equity and transparency of funding. Such a framework need not restrict local flexibility to act; rather, it may enhance it by clarifying what may be varied locally.

8 The key to the success of the new arrangements will be finding a balance between flexibility at local level and transparency and consistency of funding at national level. The Council's responses to questions 2,6,7 and 14 of the white paper demonstrate how the balance between national and local responsibilities might operate.

Better post-16 planning

9 The Council believes that more coherent post-16 planning arrangements will be crucial to improving opportunity and choice, particularly for young people. The power to fund a wide range of post-16 providers that meet agreed quality standards and the power to rationalise the pattern of provision are a strong set of complementary levers through which to ensure adequate, sufficient and high quality provision. The local LaSCs must be entrusted sufficiently with these powers to enable them to shape provision in their local area. We would expect them to operate on the basis of assessing the plans of local colleges and other providers and influencing these to ensure that local and national priorities are met.

10 Effective planning will require the co-operation of all of the key partners within the local area, including the youth support service, the small business service, the local education authorities and the regional development agency. The development of constructive relationships will be crucial, particularly where partner bodies share responsibility with the LaSC for meeting the national learning targets.

11 A focus on the local as the preferred level for planning provides a valuable opportunity to develop area-based approaches to assessing adequacy and sufficiency improving the quality of provision, especially for young people, and for promoting social inclusion.

12 The Council does not however favour a top-down 'soviet style' planning regime in which all budgets and volumes for specific programmes are locally negotiated and set. The starting point must be encouraging a responsive and entrepreneurial approach to the local market by all providers. The role of the local LaSCs must be to ensure that no gaps exist and that appropriate incentives are in place for action.

13 The Council's responses to questions 1,3,10,13 and 15 describes how the government might enhance its proposed planning arrangements.

Greater employer influence at local and national level

14 The Council believes that the new arrangements have the capacity to engage employers more fully in local and national decisions about post-16 funding and policy. To ensure this the Council believes that local LaSCs should have direct influence over:

- ensuring adequacy and sufficiency of provision locally, particularly with regard to skills needs
- the level at which the national tariff is set for different types of provision, through working with the national council
- local discretionary funding, used to respond to specific local needs through pump-prime funding or as a supplement to the national tariff within a specified range including the standards fund.

15 Whilst many employers are currently participating in education and training there remains the considerable task of ensuring that the new arrangements not only meet employers' education and training needs but that they are actively involved in the key decisions. Ensuring this is a task that the government and the LSC should jointly undertake.

16 The Council's response to questions 2,5,6,10,14 and 15 demonstrate the likely scope of employers' influence over the delivery of learning and skills.

Question 1 What more might we do to ensure coherence between the work of the Learning and Skills Council and pre-16 learning?

17 The Council welcomes the proposals by the Social Exclusion Unit to expand alternative approaches to learning at key stage 4. To enable effective progression into higher level learning, **it is important that this provision articulates with vocational education and training provision beyond age 16, including the 'alternative' provision for 16-19 year olds proposed by the Social Exclusion Unit.**

18 Where alternative approaches to learning at key stage 4 are delivered outside school, it is important that this provision is well planned and adequately funded. While the Council currently has the power to fund provision for 14-16 year olds in exceptional circumstances, funding for provision often relies upon ad-hoc agreements between LEAs and colleges providing the place for the young person. **The principle of funding following the learner should be extended to 14-16 provision and funding should be allocated by the Learning and Skills Council where provision for the young person is made outside school.** The Council believes that this would encourage proper funding and planning of alternative provision for 14-16 year olds and would encourage greater responsibility to be taken for their education and general welfare, potentially reducing drop-out and disengagement from education. It would also help to legitimise alternative, more vocational provision as a valid route for

young people. The local learning partnership might advise on the levels and types of alternative 14-16 provision needed and plan effective funding arrangements accordingly.

19 To ensure that the LaSC anticipates effectively the education and training needs of 16-18 year olds, it will need to have access to effective information on participation, retention levels and the aspirations of 14-15 year olds as well as 16-18 year olds. **The LaSC might also be given powers to fund outreach activities to retain particularly vulnerable 14-15 year olds in education and training.** To assist the identification of these needs, **the Council recommends the development of a common tracking system for all students over the age of 14.** Where drop-out from learning is significant within a local area, the Council might allocate funding to a local partnership to undertake outreach activities. The allocation of a unique student identifier would also assist the unitisation of adult provision.

Question 2 Are the proposed responsibilities of the local Learning and Skills Councils the right ones to ensure responsiveness at local level to the needs of local labour markets and communities?

and

Question 6 Is there more we should do to ensure that we strike the right balance between national arrangements and local flexibility and discretion?

20 **The Council recommends that the local LaSC should ensure that local needs are met through influence over the pattern and mix of provision in their local area.** This will be essential to address local priorities and to ensure that employers, in particular, have meaningful influence over the supply of provision. With regard to funding levers, the Council proposes that the following arrangements should operate:

- the local LSCs should have responsibility for assessing the plans of all local providers
- there should be a funding tariff, set nationally, in which the same provision would be funded at the same rate throughout the country
- local influence over the pattern of funding for education and training provision within a local area should be made locally to ensure the availability of an appropriate range of provision
- the local LaSCs should also have the authority to flex the national tariff within agreed limits. The national funding body should be obliged to respond positively where such action is necessary
- the local LaSCs should also have local funds for local distribution. These would draw together various streams of funding, including modern apprenticeships and national traineeships, ESF and other 'challenge' funds, funding for students with learning difficulties and

disabilities, funding for Investors in People promotion; rationalisation; establishment of new provision; and quality improvement funds.

21 The Council estimates that the overall level of funding for which the local LaSCs would have direct discretionary responsibility for allocating would be 10-20% of the anticipated budget of the LaSC.

22 The government proposes a number of other levers through which the local LaSC might influence supply of provision. The way in which these levers are used may affect their success. For example, the preparation of an annual statement of priorities will be a useful planning tool, enabling improved decisions about the supply of provision on the basis of coherent information. **However, the Council recommends that the statement of priorities should be made sufficiently flexible to enable the local arms to respond to priorities that emerge after the completion of the statement.** The statements of priorities will need to be couched sufficiently broadly to enable a balance to be struck between the planning and contingency funding of priorities.

Question 3 Are the functions described for the local learning partnerships the right ones to build on the momentum already generated?

23 The local learning partnerships were created to improve the coherence and planning of 16-19 provision and to promote social inclusion, particularly of young people. While they have taken on other functions more recently, the government should build on these roles and their acknowledged strength in understanding of the detailed economic and social needs of their local area.

24 In addition local LaSC's should have a responsibility to encourage responsiveness to local markets on the part of providers.

25 To ensure that the learning partnerships are able to make a full contribution to the new arrangements, they must:

- **have an effective means of advising and influencing the work of the local LaSC** to ensure that local knowledge is reflected in the planning and funding of local priorities and be accepted by the local arms as critical advisers of their work. Consultation must be meaningful; the views of providers will form a valuable supply-side perspective
- **be seen as a vehicle whereby specific local goals can be achieved and targets met through co-operative and partnership activity**
- **have adequate levers and some funding at their disposal**, albeit applied indirectly through the local LaSCs, to enable them to discharge their responsibility for driving forward action on the post-16 national learning targets. Consideration should be given to allocating funding to support this work
- **be given clearly specified, distinct roles** from that of the local LaSCs and other local partners.

Question 4 *How can the local learning partnerships best work with and support the local learning and skills councils?*

26 To enable the local LaSCs to make effective use of the knowledge and expertise within the partnerships, **the Council recommends that consultation by the local LaSCs might best occur within a formal consultation framework**, such as regular scheduled meetings or consultation documents. It might also be useful to invite partnerships to advise upon proposals for mergers between institutions and their locality. Formal links might be created between the partnerships and the local LaSCs through the appointment of the chair of the partnership to an appropriate sub-committee of the local council. This would ensure a formal communication and reporting mechanism.

Question 5 *What more can we do to ensure accountability at local and national level?*

27 It will be important to ensure that the best practice from the FE sector and the TECs is incorporated within the accountability framework of the LaSC. The framework should:

- adopt, as far as possible, the Nolan principles
- adopt the recommendations of *Quangos – Opening the Doors*

28 The LaSC Council and chief executive should be appointed by the Secretary of State with the chief executive being the accounting officer, responsible to parliament for the use of public funds allocated to the Council. Parliamentary committees would scrutinise as necessary.

29 With such a significant budget, strategic and operational responsibility it would seem appropriate that the LaSC chief executive is a member of the DfEE board.

30 The accountability arrangements at local level are a key issue. The arrangements must ensure that the directors of the local LaSCs have sufficient authority and discretion to fund local priorities. At the same time, they must be responsible to the national body for implementing the national policy framework. **The Council recommends that:**

- **the local directors should be accountable to their boards and to the chief executive of the national council**
- **the directors of the local LaSCs should be appointed by an appointing panel including the chief executive and chair of their local arm LaSC.**
- **for practical reasons, the Council recommends that members of the local boards should be appointed by the local LaSCs, rather than by the LaSC, in accordance with Nolan principals**

31 The key features of the accountability framework will include:

- publication of annual corporate plan and annual report, including performance measures and targets and an evaluation strategy for the LSC
- arrangements for the dissemination of decisions and consultation of all customers, including meeting the requirements of the Citizen's Charter and using electronic media at both a national and local level
- holding an annual general meeting and appropriate local meetings involving local stakeholders and the wider community
- adopting codes of conduct for Council members and staff and necessary financial and other regulations.

Question 7 How can we ensure that the arrangements ensure the integration of all the public funding available within the area?

32 Integration of all sources of public funding within the local area of the LaSC will make a significant contribution to improving the coherence of provision and enhancing learning opportunities for students. In carrying out its responsibilities for securing adequacy and sufficiency the LaSC will need to identify all provision which is supported by public funding, and assess this pattern of provision against the needs of young people, adults and the labour market.

33 **The Council recommends that the LaSC should:**

- **be responsible for identifying new sources of public funding, as they become available**
- **ensure that its local LaSCs become the lead body for allocating all public funding for post-16 education and training within the local area, including sources from departments other than the DfEE.**
- **be able to join other local partnerships, such as economic development partnerships, and should be able to fund such partnerships, such as UfI learning hubs.**
- **should be able to earn and access non-public funds.**

34 The white paper identifies the particular importance of European Social Fund (ESF) in supporting the government's objectives for post-16 education and training. The LaSC should be given responsibility for the planning and management of ESF for the institutions within the new further and adult education sector. The LaSC should manage an identified proportion of ESF, allocating funds on the basis of transparent criteria to support projects. Matched funding should be identified from the LaSC overall budget to support approved projects. The current "regionalised" arrangements for objective 3 ESF, for example, have not been helpful in encouraging a planned approach to the development of provision in colleges; colleges have been required to

compete with other sectors for available ESF, with a high degree of uncertainty in both the timing and outcomes of decisions on projects.

Question 8 *How can we ensure that the planning and funding arrangements support people with special needs?*

35 The Council welcomes the opportunity identified in the white paper to improve arrangements for learners, and the recognition of the progress made by colleges in meeting the needs of students with learning difficulties and/or disabilities. Key factors in that progress have included:

- the ‘additional support’ element of the Council’s approach to funding, which should be carried forward into the new funding arrangements
- the impact of the ‘inclusive learning’ approach recommended by the Tomlinson Committee, currently being disseminated through a major programme of staff and institutional development (the Inclusive Learning Quality Initiative).

36 There are a number of issues that should be addressed in developing the new arrangements:

a funding residential provision

Currently, the Council only has power to fund residential provision at specialist colleges when facilities for particular students at local colleges are not suitable. The operation of section 4 of the Further and Higher Education Act 1992 depends upon a precise definition of the ‘FE sector’. It will be necessary to define the ‘adult and further education sectors’ in the same detailed way if the LaSC is to have a ‘section 4’ duty. If adult education centres and private training providers are to be part of the new sector, then a strong case may be made for including some specialist further education colleges. In some cases, these provide for over a hundred students annually, receiving funds in excess of £2 million, and are substantially dependent on Council funds. **If such colleges are to be included in the new sector, it might be better to cast the duty on the LaSC in terms of only securing residential provision when local facilities are not suitable.** This might be more appropriate than making decisions on placements on the basis of whether particular institutions within a ‘sector’ can or cannot meet a student’s needs, especially as colleges within the present FE sector are developing specialist residential provision.

b statements of special educational need

Local education authorities maintain statements for young people up to the age of nineteen where they continue their education in school. Where students transfer to further education, they do not retain the protection of a statement. Subject to the outcomes of consultation on the funding of sixth forms, 16-18 year olds in colleges and special

schools may be funded on a common basis. This would provide an opportunity to make statementing arrangements consistent, possibly giving the LSC a specific role in transition planning and responsibility for maintaining statements for 16-18s in the college sector. This would facilitate more effective liaison between the LaSC, local education authorities and social services departments over the longer term education, care and other requirements of young people and adults. **The issue of joint funding arrangements also needs to be addressed; present arrangements are inconsistent and dependent upon social services departments' interpretation of their duties.**

c removal of schedule 2/non-schedule 2 division

The removal of 'schedule 2' proposed in the white paper will have benefits for students with learning difficulties and/or disabilities. In particular it will enable provision focussed on developing skills for adult life to be funded (as recommended by the Tomlinson Committee), without the sometimes inappropriate requirement for progression to a further course. This may address some of the issues raised, for example, by the Parkinson judgement. **However, the government will need to clarify the funding responsibilities of local authorities and the LaSC.** Some non-schedule 2 provision is funded by local education authorities, but also by social services departments. This would need to be taken into account in determining the responsibilities of the LaSC. The Council has estimated that the additional costs of funding non-schedule 2 provision for students with learning difficulties and/or disabilities could be £50 million per year, (doubling the current cost of schedule 2 provision) some of which may be substitution of provision currently funded by social services departments unless responsibilities are clarified.

d inspection of specialist colleges

At present, provision for 16-18s and adults at specialist colleges is inspected by the Council's inspectorate. The Council inspects only the provision it funds for individual students, which in some institutions is for small numbers. Consideration needs to be given to inspection arrangements in such institutions; for example, only three students may be placed at a particular institution, and only one of which may be under 19. **Co-ordination of inspection will be vital, and must take into account the inspection of some institutions as providers of care by the social services inspectorate.**

Question 9 *Are these the right set of critical success factors against which to evaluate the new arrangements?*

37 The Council agrees that the areas set out cover the most important aspects of the new Council's work. **Specific targets and performance measures will need to be developed in each area. Some suggested examples are set out below:**

- **to demonstrate high quality provision and be responsiveness to local needs – benchmarking all of local LaSC’s provision against others**
- **to demonstrate improved efficiency and effectiveness – the LSC should demonstrate the highest levels of efficiency embracing Nolan principals in all activities**
- **to promote lifelong learning - establish a ‘learning and education’ culture within all employer organisations and demonstrate active promotion of a lifelong learning culture**

38 **In addition it is proposed that a set of critical success factors should be developed to embrace the transition phase to ensure that current programmes continue to be adequate, sufficient and of high quality.**

Question 10 How can we ensure that the Learning and Skills Council and its local arms develop effective links with partners at national, regional and local level?

39 The Council believes that the development of constructive relationships will be crucial to effective planning, particularly where partner bodies share responsibility with the LaSC for meeting the national learning targets.

40 Many partner bodies will already have developed ways of working with the organisations that fund them, such as the links between the FEFC and colleges or between TECs and private training providers. The LaSC should retain and build upon these existing relationships. At the same time, the LaSC will have to address a wider range of interests than before and its relationship with partner bodies, such as colleges, will differ from that developed between the Council and partner bodies. **In view of these changing relationships, it may be necessary to find ways of managing the expectations of the partner bodies during the transitional period.**

41 Engaging employers in the arrangements will be crucial to their success. Links with the small business sector, employers and national training organisations should be promoted through the development of a meaningful role for these organisations within the LaSC at an appropriate level. For example, national employers and national training organisations may wish to develop relationships with the LaSC at national level. Smaller employers may find it more fruitful to develop links with the local LaSC. **The Council recommends that the government and LSC should work jointly to ensure effective employer participation with the new LSC.**

42 Links with both the local education authorities and the regional development agencies will be important in promoting local and regional economic development. Effective links with the local education authority will also be crucial to ensuring the success of the local youth support service and meeting the national learning targets for 16-18 year olds, funding of sixth form provision and ensuring the adequacy of adult education provision. The LaSC will need to develop these relationships carefully by demonstrating that the Council is not challenging current functions of these bodies. **The Council recommends that clear letters of guidance to each party on the**

government's expectations of their role and the way in which they should carry it out might be helpful, as might some joint performance indicators which demonstrate how each body is expected to contribute to the specified task.

Question 11 What more should we do to ensure that we drive up quality in post-16 provision?

43 The Council welcomes the proposed roles for the LaSC in securing the quality of the bodies that it funds and for implementing a robust quality improvement strategy. The principle of intervening in inverse proportion to success, which will underpin the LaSC's quality improvement strategy, builds upon the Council's existing approaches to accreditation and providing exceptional support to colleges that need it.

44 To assist it to discharge its duties as effectively as possible, the LaSC is likely to require:

- consistent inspection advice prepared on an institution-wide basis as well as from a subject-based and age-based perspective
- inspection outcomes that are comparable and derived from a common inspection method and performance indicators
- advice on a range of key policy areas which span the range of post-16 provision, such as the qualification base
- capacity to request or commission, within reason, inspection of provision causing concern.

Arrangements for inspecting post-16 provision

45 The Council acknowledges the government's desire for coherence and unity in inspection arrangements for 16-19 provision. It also notes the government's proposal that the new adult inspectorate and OFSTED should work jointly in inspecting 16-19 provision, including a joint inspection programme for sixth forms, FE and tertiary colleges. The Council would favour the following arrangements within this context:

- OFSTED should lead joint teams on the inspection of all provision in sixth form colleges, in addition to its existing responsibility for schools sixth forms
- The adult learning inspectorate should lead joint teams on the inspection of all provision in further education colleges, tertiary colleges and work-based training for young people.

46 Such an approach would enable the production of consistent and coherent advice on the quality of institution-wide provision. It would also enhance the capacity to ensure that the large differences in performance and quality within each sector are successfully addressed.

The inspection process

47 The quality improvement strategies drawn up by the LaSC should encourage providers of education and training to assess themselves critically and to improve their performance continuously. Key tenets of the Business Excellence model, which is cited in the government's white paper, *Modernising Government*, as an example of good practice in improving performance should be reflected in the inspection method used.

48 The FEFC's existing approach to inspection mirrors the Business Excellence model, encourages quality improvement in the college sector, and has contributed to the development of a mature relationship between the Council and the sector.

49 Key to ensuring that quality and standards are driven across post-16 provision will be the use of a consistent inspection framework and method and a common approach to reporting on inspection and the use of inspection gradings. **The Council would urge the government to incorporate the following features into the inspection method. These have been implemented successfully in the Council's own inspection method:**

50 **Self-assessment** linked to external inspection has proved to be a powerful mechanism for raising standards. A recently published inspectorate national exercise on self-assessment, *Effective Self-Assessment*, reported on the significant effects that self-assessment is having on the sector. The Council is keen that self-assessment is retained and that it informs the inspection process and the LaSC's quality improvement strategy.

51 **Inspection against a graded scale** enables clear and comparable judgements to be made and an assessment of national trends. It also promotes public accountability in the use of funds allocated to the sector. The Council favours strongly the use of a consistent set of gradings across all post-16 provision. It also urges the government to promote consistency in the gradings used in the inspection and quality assessment of post-16 and higher education provision.

52 All provision graded 4 or 5 is subject to **re-inspection**, normally within 12 months of an inspection report being published. This ensures that weak provision is not allowed to continue without further inspection to check progress on weaknesses identified in published inspection reports.

53 The Council inspection framework requires that **cross-college aspects** are covered in all inspections, thus helping to ensure that high standards of probity, governance and management operate in the sector.

54 **Joint inspection arrangements** with the audit service, enables inspectors to make specific judgements about financial management and internal controls and more comprehensive judgements about governance and management. It is important that this is retained in any new inspection framework.

55 Council inspectors make judgements against **national benchmarking data and college targets** for achievement and retention. Published inspection reports

include retention and achievement data for each programme area inspected and aggregate data for the whole college. This data and financial information is given for a three-year period, enabling trends to be assessed.

56 The Council also advocates the operation of an **appeals procedure**. This enables colleges to challenge aspects of the inspection outcomes and helps reduce perceptions of an adversarial inspection process.

57 The Council believes that its accreditation process has contributed much to **quality improvement** in the further education sector by establishing a recognised award to which colleges might aspire. The white paper acknowledges the role of accredited status in chapter one, but does not expand upon this in the later chapter on improving quality. The Council would wish to see the accreditation concept retained and extended. The government may wish to give special consideration to how sixth form colleges, if inspected by OFSTED, may apply for accreditation. Whatever arrangements are eventually chosen, effective quality improvement will require close working between the adult inspectorate and the Learning and Skills Council to ensure effective information flows and inspectorate advice as necessary.

58 **The Council has been advised by the quality assessment committee that the strong links which currently exist between inspection and quality improvement should be preserved in any revised inspection arrangements.** The inspection methodology used by FEFC incorporates many of the features of the Business Excellence model and the committee wishes to see these retained under any new arrangements.

Chapter 6: education and training of young people

59 Please see the Council's response to the report of the social exclusion unit on 16-18 year olds not in education, training or employment, a copy of which is set out in Council report 99/51.

60 Please see also the Council's response to the government's consultation on the funding of school sixth forms.

Question 12 In what further ways can the Learning and Skills Council best deliver improvements in adult learning?

61 The white paper sets out a range of major initiatives that government has already undertaken to stimulate adult learning and meet new needs, in particular individual learning accounts and the UfI. The plan to give responsibility to the LaSC for planning and funding adult information, advice and guidance services will be crucial to ensuring that guidance services are consistently available in all localities.

62 The Council welcomes the proposal to transfer "non-schedule 2" funding to the LaSC. This will enable lifelong learning partnerships to build on the pilot projects funded by the Council in 1999-2000 to help disadvantaged adults to return to learning. Coherent planning and funding arrangements should improve progression of students from return to learn and other less formal programmes to courses leading to qualifications that will enhance the individual's employability. Integrated funding

arrangements will be of particular benefit to adult education centres and voluntary organisations that are currently funded by the Council as “external institutions”; it will reduce the number of funding regimes and accountability requirements that such institutions have to face. External institutions have a major contribution to make in terms of providing local learning centres, often for disadvantaged learners, and also make significant provision of basic skills. The role and funding arrangements for external institutions is currently being reviewed by a group chaired by Professor Bob Fryer CBE, and its report, which will be available in the autumn, should assist in developing thinking on how the LaSC can improve adult learning.

63 The Council welcomes the proposal in paragraph 5.27 that the LaSC should fund units of qualifications for adult learners. This will enable institutions to offer more flexible programmes for adults, particularly for those returning to learning, and allow the achievement of small steps of learning to be recognised. Funding of units of qualifications should contribute to improved rates of retention and achievement amongst adult learners, and contribute to the attainment of the national learning targets for the work force. The Council is proposing to extend its unitisation shadow funding pilot in 2000 to fund combinations of units of qualifications that meet the needs of adult learners.

Question 13 What more should we do to ensure that we develop coherent provision for unemployed people to gain the skills they need and to tackle other barriers they face in finding and keeping work?

64 The value of a personal adviser for unemployed people has been demonstrated clearly through the New Deal. The Council welcomes the extension of this approach to work-based learning for adults, and agrees that a personal adviser may have much to contribute to students undertaking courses under the 16-hour rule. This advice and guidance should dovetail with the development of a coherent adult information, advice and guidance service by the LaSC. It will be important, however, to ensure that the inherent value of education is recognised as well as its role in promoting re-entry to the labour market.

65 The Council would welcome the opportunity to contribute to analysis of the evidence referred to in paragraph 7.45 that people studying under the 16 hour rule do not always follow courses that improve their long term employability. The Council is concerned that strengthening the link between courses and employment might be interpreted in a narrow and mechanical way, undervaluing the long term benefits of, for example, access to higher education. Arrangements need to be developed so that students can complete programmes leading to recognised qualifications without constant pressure to take employment that may be short term and that offers no basis for enhancing their longer term employability. The suggestion in paragraph 7.47 that more people might be allowed to undertake full-time study under the 16-hour rule is therefore welcome.

66 **The Council recommends that the coherence of provision for unemployed people would be improved by funding their education and training on a common basis.** The national tariff should be applied to provision for the unemployed, including the full-time education and training option for the New Deal. The current differences in funding methodologies create perverse incentives for institutions (in

particular the varying levels of outcome related funding), as well as administrative complexity.

Question 14 Are the measures proposed sufficient to engage business in the new arrangements?

67 It is crucial to the success of the Learning and Skills Council that employers are engaged in the new arrangements at all levels. The measures outlined in the white paper are essential. To further encourage employers to become involved in the new arrangements the government may wish to consider introducing:

- significant employer representation on each of the national and local Council boards
- local accountability of the local director to the local board and national chief executive
- the range of flexibilities for the local arm of the LaSC proposed at paragraph 19 of the Council's response
- arrangements for administering funds to 'national' employers, ensuring that local administrative arrangements are as simple as possible
- establishment of realistic, achievable and measurable targets, that are meaningful to employers and based on robust data
- employer influence over the local quality improvement strategy.

68 It is also essential that, during the transition phase, there is minimum disruption to current operations.

Question 15 Do you support our proposals for the role of the Learning and Skills Council at national and local level in relation to skills and workforce development?

69 It is the LaSC's responsibility for undertaking labour market assessments, at local, national, and sectoral levels, will make a major contribution to improving the links between skill demands and supply of education and training. The key issue is to find ways in which demand for skills can be expressed in a form to which institutions can respond. In many cases this will mean identifying qualifications or groups of qualifications at particular levels that reflect the skill needs of employers. Colleges and other institutions will be able to respond more effectively to such specific indicators of market demand than to the more generalised information that has been available hitherto. Close working with NTOs is particularly welcomed, in their role of identifying the skill needs of industry sectors, and setting occupational standards that inform the development of relevant qualifications. Where necessary, the local arm of the LSC may be able to provide initiative funding to establish or support particular courses leading to qualifications in local demand.

70 It is presumed that the reference in paragraph 8.17 to strengthening the purchasing power of businesses relates to provision not supported by public funds. If employers are to be encouraged to develop, for example, Group Training Associations, then the LaSC will need to ensure that they form part of the overall planning of facilities for further education and training within the area. It would be helpful to develop in more detail how public and private funding will interact to ensure that the needs of individuals and employers are met most effectively; the role of individual learning accounts will be particularly important. The further development of the proposed arrangements need to reflect clearly the government's policy that employers should contribute an increased proportion of the costs of publicly funded education and training. The opportunity to deal directly with national companies for the delivery of education and training will help the LaSC to set standards for funding and accountability systems that can provide the basis for work with smaller employers in the local context.