

Circular 02/02

For Action: Responses to annex A are requested by 01 May 2002

Quality Improvement

Learning and Skills Standards Fund 2002/03

Summary

This circular provides information on the Learning and Skills Council's intended use of its standards fund for 2002/03. The circular sets out three streams of funding. These are: a standards fund allocated by each local Learning and Skills Council (local Council); an investment fund held centrally for allocation by local Councils; and a national priorities fund.

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Further information

For further information, please contact the appropriate Learning and Skills Council local office.

Responses to Annex A

Responses are requested by 01 May 2002

Executive Summary

This circular provides information on the Learning and Skills Council's (the Council) intended use of its standards fund for 2002/03. The circular sets out three streams of funding. These are: a standards fund allocated by each local Learning and Skills Council (local Council); an investment fund held centrally for allocation by local Councils; and a national priorities fund.

Providers may respond to the proposal set out in paragraph 19 if they wish to do so. Responses to annex A should be made by 01 May 2002.

Eligibility for financial support from the Learning and Skills Standards Fund 2002/03

The Learning and Skills Standards Fund for 2002/03 will be used to support quality improvement in Council-funded providers to contribute to raising standards in post-16 learning. For 2002/03, school sixth forms will continue to be covered by the schools standards fund. This is because for 2002/03 there has been no reduction in the schools standards fund paid to LEAs, and no increase in the Learning and Skills Standards Fund for schools with sixth forms. Therefore, all whole-school improvements that would benefit the sixth form equally with the rest of the school will continue to be funded from school standards funds.

However, there may be exceptional circumstances, for example, post-area inspection or some particular local Council strategic objective where the local Council may see a case for utilising monies from the Learning and Skills Standards Fund to address post-16 standards issues that would include school sixth forms. In these cases, they will need to discuss the options available with the relevant LEA.

For 2002/03, independent specialist colleges for students with learning difficulties and/or disabilities will receive allocations from the Council's national office. During 2002/03, stakeholders will be consulted about arrangements for 2003/04.

The providers covered by the Learning and Skills Standards Fund for 2002/03 are:

- Further Education (FE) sector colleges
- Work-based learning providers
- Adult and community learning providers
- Higher education institutions offering FE provision
- Independent specialist colleges for students with learning difficulties and/or disabilities
- Dance and drama schools in receipt of Department for Education and Skills (DfES) awards
- Ufi hubs.

Learning and Skills Standards Fund 2002/03

Introduction

1 This circular provides information about the Learning and Skills Standards Fund for 2002/03 and explains the significant developments we have made to the current standards fund. During the last 12 months we have collected views from a variety of sources to inform the design of a unified and simplified standards fund for 2002/03. These views identified a need for a common approach to funding providers; and a reduction in the number of initiatives funded. We are also committed to reducing unnecessary bureaucracy for providers. The design of the Learning and Skills Standards Fund for 2002/03 has been strongly influenced by these factors.

2 The key developments for 2002/03 are:

- a significant reduction in the number of different initiatives
- a reduction in bureaucracy, for example, there will be no additional action plans, except for providers with significant weaknesses
- that the majority of the funds will be provided by local Councils
- that providers will receive notification of their funding as soon as possible in the Council's financial year.

3 The Learning and Skills Standards Fund will help providers to meet Government priorities, to contribute to achieving the targets set out in the Council's Corporate Plan and to implement the Council's Quality Improvement Strategy. The Council intends to recognise and share excellence, and enable

providers to have access to funds to help them to secure improvement.

4 In November 2001, the Secretary of State for Education and Skills announced key principles for the new standards fund. The fund is intended to help the Council to raise standards, and to address the priorities in the Secretary of State for Education and Skills' grant letter of December 2001.

5 The principles which underpin the design of the Learning and Skills Standards Fund for 2002/03 are:

- the basis for allocating funding to providers should be open to public scrutiny and be transparent
- the Council will consult annually with providers on the policy/priorities and operational aspects of the fund
- bureaucracy should be kept to a minimum
- where possible, providers should receive details of their funding allocations close to the start of the Council's financial year
- providers are expected to develop their staff and achieve continuous improvement with their core funding from the Council, but may require additional funding to fully meet national and local priorities to reach or further improve standards
- providers should receive funding to address significant weaknesses and also to disseminate good practice

- a proportion of funding should be available for national priorities including area inspections and the Centres of Vocational Excellence (CoVE) programme
- value for money.

Funding Streams for 2002/03

6 The Learning and Skills Standards Fund for 2002/03 will be made up of three streams of funding:

- a local standards fund, allocated by each local Council
- an investment fund, held centrally for allocation by local Councils
- a national priorities fund.

The Local Standards Fund

7 Each local Council will allocate targeted funding for quality improvement from its local standards fund. Providers are already expected to improve their provision through the application of the core funding they receive from the Council. All providers are required to undertake an annual self-assessment and to produce a development plan to address weaknesses and build on strengths. The local Council approves this plan. The targeted standards funding will enable local Councils to make a contribution to funding providers' development plans, where they consider this is needed by providers to either address their development needs, or national or local priorities. The funding will also enable local Councils to disseminate good practice locally, and to provide funding for new initiatives which are designed to raise standards.

8 Providers would be expected not only to address their own development needs, but also to address national priorities, where these are appropriate. For 2002/03, these are:

- raising learners' achievement
- improving teaching and learning, including: equipping all staff with the

knowledge, understanding and skills to work with diverse groups of learners; training unqualified teachers and trainers; and improving skills in information learning technology for teachers and trainers

- improving skills in teaching and learning in basic adult literacy, numeracy and ESOL
- improving skills in leadership and management
- encouraging collaboration between schools, colleges and work-based learning providers to ensure accessibility and progression
- improving quality assurance systems and continuous improvement.

9 Local Councils will inform providers about their eligibility for funding and the arrangements they will put in place for allocating and paying funds. As part of their regular monitoring of providers, local Councils will monitor the progress of providers' development plans and their use of the standards fund, and this progress will be reported through the performance review process.

Target Setting

10 Providers receiving funding will be expected to demonstrate that funding has led to measurable improvements in quality. Targets should be set and linked to providers' development plans. Where action plans are required, for example following inspections, these will supplement providers' development plans.

11 Goals and targets set may be a mixture of the national priorities set out in the Secretary of State for Education and Skills' grant letter, the Council's Corporate Plan and Quality Improvement Strategy, and specific improvement targets linked to local needs and individual circumstances.

12 Targets may include those for participation, retention, achievement at level 1, 2 and 3, HE progression, basic skills, completion of learning goals, and some process targets such as learner satisfaction. Depending on the targets concerned, the following approaches may be used:

- for some targets it will be appropriate for local Councils to agree with providers that they improve by a given percentage, or reach a particular threshold, for example, in retention and achievement. This will be appropriate where performance is not currently good enough. In some cases, interim indicators of progress may need to be set so that monitoring of achievement against longer-term targets can be carried out
- for other targets that do not have benchmarks, for example, the number of teachers/trainers trained or targets such as learner satisfaction, local Councils and providers will agree an outcome target. Baseline data will be collected during 2002/03 so that benchmarks can be developed for these areas.

The Investment Fund

13 A proportion of the standards fund will be held nationally for access by local Councils to address particular priorities:

- the development and implementation of post-area inspection action plans
- funding to support the Centres of Vocational Excellence (CoVE) programme
- funding to address extremely significant weaknesses in an individual provider. The quality of provision in a provider may substantially deteriorate. This may be identified through inspection or through monitoring of providers by local Councils and reported through the performance

review process. Local Councils may need to provide significant additional funding for providers to help them to make major improvements speedily

- recognising and sharing excellence nationally.

The National Priorities Fund

14 The great majority of the Learning and Skills Standards Fund for 2002/03 will be distributed by local Councils to their providers through the local standards fund and the investment fund set out above. However, a proportion of the fund will be held back to address government and national priorities. These will include:

- a programme of training and development for black managers and staff in FE colleges, which will be designed, developed and piloted in 2002/03. In addition, training will be developed for governors, principals, and senior managers from a range of providers. These training programmes will continue until the new, recently announced, leadership college has been established
- programmes of dissemination of good practice to address specific regional, sectoral and national issues, for example, to address weaknesses in learning areas identified by the inspectorates. This is similar to a programme developed to share good practice in engineering and construction
- the further development of the Council's basic skills quality initiative
- the Raising Quality and Achievement programme, which provides support for providers.

Next Steps

15 Following the publication of this circular, local Councils will arrange briefing events in February and March, for providers in their local area. The purpose of these events will be to inform providers about how the Learning and Skills Standards Fund 2002/03 will be implemented.

16 Following the briefing events, colleagues in local Councils will meet with providers, where appropriate, to discuss indicative funding allocations for 2002/03.

17 In respect of the local standards fund, for 2002/03, where possible and appropriate, providers will be informed about their funding allocations by May 2002. Where development plans and/or targets have yet to be submitted and approved, funding allocations will need to be notified to providers at a later date.

18 It is intended that, where possible, local Councils will give providers an indication of the funding they can expect to receive in 2003/04 and 2004/05.

19 In future years, it is suggested that there might be an annual standards fund cycle which could reflect the following timetable:

| For 2003/04 | |
|----------------------|---|
| November/December 02 | Providers prepare development plans |
| January 03 | Deadline for providers to return final development plans to local Councils |
| February/March 03 | Local Councils approve plans and make provisional standards fund allocations to providers |
| April 03 | Standards fund allocations finalised for the Council's 2003/04 financial year. |

If providers wish to comment on this suggestion, they may complete the form at annex A. Arrangements for 2003/04 will be made known to providers.

20 For further information about the standards fund for 2002/03, providers should contact their local Council.

21 For general enquiries about this circular, please contact the helpdesk on cvh-standardsfundhelpdesk@lsc.gov.uk



John Harwood, Chief Executive

Annex A: Response Form

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T 024 7670 3241
F 024 7670 3334

www.lsc.gov.uk
info@lsc.gov.uk

(Reference Circular (02/02))

Confidential

Please photocopy, complete and return this form to Bettina Bullock at the Council's national office by 01 May 2002.
The fax number is 024 7670 3334.



Learning+Skills Council

| | |
|--|-----|
| Name of provider <i>(please print)</i> | |
| LSC code | |
| Contact name for enquiries <i>(please print)</i> | |
| Tel | Fax |
| E-mail address | |

**Please indicate your broad support for the following proposal by ticking 'yes'.
Space has been left for brief comments.**

| | |
|--|------------------------------|
| 1 The annual standards fund cycle should reflect the suggestion set out in paragraph 19. | Yes <input type="checkbox"/> |
| | No <input type="checkbox"/> |

Comments

Notes

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