

---

23 November 1999

---

# CIRCULAR

**THE  
FURTHER  
EDUCATION  
FUNDING  
COUNCIL**

---

**Local Priorities: Responses to  
Consultation**

Cheylesmore House  
Quinton Road  
Coventry CV1 2WT

---

To

Principals of colleges  
Heads of external institutions  
Chief education officers  
Heads of higher education  
institutions receiving  
Council funds

---

Circular type

Information

---

Summary

Analysis of responses to Circular  
99/39 and next steps

---

Reference number: 99/46

---

Enquiries:  
Regional directors  
Website [www.fefc.ac.uk](http://www.fefc.ac.uk)

---

**99/46**

---

# Local Priorities: Responses to Consultation

## Introduction

1 This circular provides an analysis of the responses received to Circular 99/39 *Local Priorities* and outlines the next steps agreed by the local priorities working group.

## Background

2 Circular 99/39 provided interim guidance to institutions on the Council's local priorities policy and consulted on a number of proposals. The circular was accompanied by two supplements: a toolkit which was designed to assist institutions in applying the local priorities policy, and statistical evidence, which contained a summary of the evidence which informed the group's recommendations. The circular also asked institutions to provide information on national contracts.

3 The Council consulted the sector on the following proposals:

- a self-regulatory approach based on a protocol or code of conduct
- a criterion-led approach
- that the protocol or code of conduct should apply to both local and distant provision
- that full information should be provided by institutions consulting local institutions
- whether the Council should have an approval mechanism for national contracts
- that inspection grades for the provision, quality assurance and governance and management should be at least grade 3 and/or equal to that of any local provider
- that the Council should develop techniques to forecast student numbers and funding unit projections for a local area.

4 Comments on the circular were requested by 15 September 1999. The Council asked respondents whether they supported each proposal, and invited additional comments.

## Responses

5 Two hundred and twenty-seven responses were received, of which 87% were from sector colleges. The majority of responses supported the proposals; further analysis of responses will be undertaken.

6 A summary of the responses to Circular 99/39 is provided in annex A to this circular.

## National Contracts

7 Forty institutions provided the Council with information on a total of 243 separate national contracts. These institutions reported between one and 99 national contracts. A first analysis of the information provided is included at annex B. The Council will undertake further analysis of these data and may contact institutions individually to clarify the information provided.

## Next steps

8 Although there has been a favourable response from the sector to the consultation on local priorities, the Council and the local priorities working group recognise that there are tensions inherent in moving from a competitive to a collaborative locally based approach. The issues are complex and the working group has agreed that, at this stage, the interim guidance should be allowed to operate before deciding whether a code of practice is required.

9 The working group plans to undertake a series of visits during December 1999 and January 2000 to a number of institutions, in particular those that have expressed concerns about how the policy should be applied, in order to understand more fully their concerns. The group also wishes to gather information from colleges where the local priorities guidance is working well.

## Further Information

10 Institutions are reminded that the guidance on local priorities included in Circular 99/39 is operational for 1999-2000. Institutions seeking further advice on the matters addressed in this circular should contact the appropriate regional director in the first instance.



# Responses to Consultation

1 Two hundred and twenty-seven responses to Circular 99/39 were received in total. Table 1 sets out the number of responses by type of institution.

**Table 1. Responses by type of institution**

<b>Type of institution</b>	<b>No.</b>
general further education colleges	149
sixth form colleges	34
agriculture and horticulture colleges	12
art and design/performing arts colleges	1
external institutions	21
higher education institutions	7
specialist designated	1
other organisations/institutions	2
<b>Total</b>	<b>227</b>

2 Respondents were invited to indicate their support or otherwise for a series of proposals, and to offer comments on individual proposals and on the group's recommendations in general.

3 The response to the recommendations was largely positive. With one exception, all of the seven proposals and four criteria received over 85% support. Twenty-five institutions offered longer comments on the proposals and on the local priorities policy in general. Only four of these were wholly negative. Table 2 sets out the responses to each proposal.

**Table 2. Responses to proposals**

<b>Proposal</b>	<b>Support %</b>	<b>Do not support %</b>	<b>Total responses No.</b>
<b>1</b> A self-regulatory approach based on a protocol or code of conduct	90	10	221
<b>2</b> A criterion-led approach	92	8	196
i. the relationship of the proposed provision to identified local priorities	91	9	203
ii. the educational benefits of the proposed provision for students, particularly in terms of access or choice	94	6	205

<b>Proposal</b>	<b>Support %</b>	<b>Do not support %</b>	<b>Total responses No.</b>
iii. 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	92	8	205
iv. the extent of consultation and the consideration which has been given to alternative options	89	11	206
<b>3</b> Protocol or code of conduct to apply to both local and distant provision	85	15	214
<b>4</b> Full information to be provided by institutions consulting local institutions	90	10	211
<b>5</b> The Council to have an approval mechanism for national contracts	88	12	216
<b>6</b> Inspection grades for the provision, quality assurance and governance and management should be at least grade 3 and/or equal to that of any local provider	83	17	220
<b>7</b> The Council to develop techniques to forecast student numbers and funding unit projections for a local area	86	14	213

4 The majority of comments focused on institutions' concerns over the feasibility of implementing the policy through self-regulation and the need for some form of Council involvement in 'enforcing' the policy. The role of local learning partnerships and the feasibility of allowing the partnerships to oversee all provision and potential disputes in an area concerned a number of institutions.

5 Several institutions were not content with the definition of the local recruitment area, usually because they felt it was insufficiently sensitive or did not reflect the institution's individual circumstances, and requested that the Council undertake further work on this.

6 The impact of distributed open and distance learning (DODL) and the University for Industry upon the policy was raised by several institutions. The concern focused on whether the local priorities policy would hamper institutions' involvement in these activities.

7 The cost of implementing the policy was raised by a few institutions. In particular, they were concerned about the potential costs of undertaking full consultation with other providers, but also the implications for institutions' financial stability of withdrawing from provision which might constitute a significant proportion of its provision.

8 Specific comments on each of the proposals are given below.

#### ***A self-regulatory approach based on a code of conduct***

9 The main comments (25 responses) were that the policy was unlikely to work unless it was compulsory and the Council undertook some form of enforcement. Five responses indicated that regional offices should have a role in monitoring whether self-regulation was working.

#### ***A criterion-led approach***

10 While a number of respondents specifically commented that the approach was sensible and

helpful, some expressed concerns over the feasibility of operating such an approach, indicating that it would be time-consuming and over bureaucratic, and could lead to further disputes between institutions (10 responses). Some respondents felt that the criterion-led approach could actually damage existing partnership arrangements.

11 Few specific comments were received on the individual criteria.

***The protocol to apply to local and distant provision***

12 Five responses suggested that the protocol should only apply to distant provision; two commented that it should only apply to franchised provision.

***Full information to be provided during consultation***

13 Six respondents felt that all providers, including schools and private training providers, should be included in the requirement to provide full information. A few expressed some concerns over confidentiality issues.

***Council to have an approval mechanism for national contracts***

14 A few comments were received suggesting that this would be too restrictive would add to the bureaucracy.

***Inspection grades at least 3 and/or equal to local provider***

15 Twenty respondents were of the view that it was not necessary for the grades to be equal to those of any local provider; it would be sufficient to have a grade 3 regardless of other institutions' grades. Eleven respondents felt that it was not appropriate to use inspection grades as a measure; this was particularly true for those institutions that were not FEFC-inspected or for those that had not been through a recent inspection. Six responses suggested that inspection grades should be minimum of 2.

***Council to develop techniques to forecast student numbers/funding unit projections***

16 Eight comments suggested that this would be too complex and time-consuming; some expressed concerns over the definition of 'local'.

# National Contracts

1 Institutions were asked to provide information on national contracts, including the name and location of partners, the type of provision, the courses offered and the number of units and students involved.

2 Supplement A to Circular 99/39, *Local Priorities: Toolkit*, defined a national contract as:

*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.*

3 An initial analysis of information provided by institutions has been undertaken and is set out below. Further analysis will be carried out. This may involve discussions with individual institutions over the information provided.

4 In total, 40 institutions identified that they held national contracts, and 38 of these institutions were general FE colleges. Table 1 shows the number of institutions in each region with national contracts and the number of contracts, the units generated and the number of students involved.

**Table 1. National contracts by region**

<b>Region</b>	<b>Institutions with national contracts</b>	<b>National contracts</b>	<b>Units involved in national contracts</b>	<b>Students involved in national contracts</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
Eastern Region	2	6	73,948	2,194
East Midlands	7	26	235,030	16,968
Greater London	3	9	26,500	825
Northern Region	2	8	23,600	1,430
North West	4	120	139,321 <sup>1</sup>	27,258 <sup>2</sup>
South East	5	9	34,048	3,105
South West	3	4	9,801	206
West Midlands	13	60	460,589	27,535
Yorkshire and Humberside	1	1	700	40
<b>Total</b>	<b>40</b>	<b>243</b>	<b>1,003,537</b>	<b>79,561</b>

<sup>1</sup> includes data for 28 contracts

<sup>2</sup> includes data for 26 contracts

5 While the number of institutions with contracts is broadly similar in each region, the number of contracts and the associated number of students and units varies significantly.

6 The majority of national contracts are delivered through franchise arrangements. Table 2 shows national contracts by type of delivery.

7 Information on the level of courses provided through national contracts was not provided for over half of all contracts. For the contracts where data were available, the majority of courses were at level 2 (table 3).

**Table 2. National contracts by type of delivery**

<i>Region</i>	<i>Franchised</i>	<i>Direct</i>	<i>DODL*</i>	<i>Not known</i>	<i>Total</i>
Eastern Region	4	2	1	0	7
East Midlands	11	4	0	11	26
Greater London	5	1	0	3	9
Northern Region	5	3	0	0	8
North West	112	6	3	0	121
South East	2	7	0	0	9
South West	0	4	0	0	4
West Midlands	33	23	11	1	68
Yorkshire and Humberside	1	0	0	0	1
<b>Total</b>	<b>173</b>	<b>50</b>	<b>15</b>	<b>15</b>	<b>253</b>

Note: the total number in table 2 is higher than the total number of contracts since contracts may be delivered in a number of different ways

\*DODL distributed open and distance learning

**Table 3. National contracts by level of course**

<i>Level</i>	<i>Courses</i>	
	<i>No.</i>	<i>%</i>
0 (Entry)	15	1
1 (Foundation)	117	9
2 (Intermediate)	298	22
3 (Advanced)	144	10.5
4 (Higher)	16	1
5 (Higher)	7	0.5
Not known or not provided	770	56
<b>Total</b>	<b>1,367</b>	<b>100</b>

