

## Provider Reorganisations

Criteria and Procedures for Learning and Skills Council Consideration of Provider Reorganisations

### Summary

This circular provides the criteria by which the Learning and Skills Council (LSC) will consider proposals for provider reorganisations, where it has a statutory role or where it will wish to take a view in relation to provision that it may fund in the future. It provides the evidence indicators that will inform the LSC's consideration of proposals. It also confirms procedural arrangements for consideration of proposals for provider reorganisations.

### Supersedes

01/10 Reorganisations





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The Learning and Skills Council’s Criteria for Provider Reorganisations, Including Factors to be Taken into Account and Evidence Indicators

## **Further information**

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

# Executive Summary

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**Date:** June 2002

**Subject:** This circular provides the criteria by which the Learning and Skills Council (LSC) will consider proposals for provider reorganisations, where it has a statutory role or where it will wish to take a view in relation to provision that it may fund in the future. It provides the evidence indicators that will inform the LSC's consideration of proposals. It also confirms procedural arrangements for consideration of proposals for provider reorganisations.

**Intended recipients:** Chief Education Officers of Local Authorities, Clerks of School Organisation Committees, Heads of Higher Education Institutions, Principals of Colleges, Heads of other post-16 providers, provider representative bodies, other key institutions with an interest in provider reorganisations.

**Status:** For Information



# Criteria and Procedures for Learning and Skills Council Consideration of Provider Reorganisations

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## Introduction

This circular provides the criteria by which the Learning and Skills Council (LSC) will consider proposals for provider reorganisations, where it has a statutory role or where it will wish to take a view in relation to provision that it may fund in the future. It provides evidence indicators that will inform the LSC's consideration of proposals. It also confirms procedural arrangements in 2002/03 for the consideration of proposals for provider reorganisations.

## Background

1 The LSC's vision is that, by 2010, young people and adults in England will have knowledge and productive skills matching the best in the world. To realise this vision the national education and training infrastructure will need to develop further into an effective and efficient resource that also matches the best in the world. This will necessarily involve provider reorganisation.

2 The LSC funds a wide range of providers: adult and community learning (ACL) education providers; further education (FE) colleges; local education authority (LEA) maintained schools providing 16-19 education; and work based learning (WBL) providers. It currently has a statutory role in relation to:

- proposing reorganisations involving the incorporation or dissolution (including merger) of further education corporations, to be determined by the *Secretary of State for Education and Skills*; and

- in certain circumstances proposing the closure of inadequate sixth forms or discontinuance of inadequate 16-19 institutions maintained by local education authorities, to be determined by the appropriate school organisation committee (SOC).

3 The LSC will also wish to take a view on proposals for school reorganisation where it does not have a statutory role in proposing the reorganisation, if such reorganisation is likely to impact on the achievement of the LSC's objectives. The LSC will wish to respond to consultation and to provide a view as a member of the SOC as appropriate, where such proposals are considered and determined.

4 The LSC may wish to take a view on other provider reorganisation proposals, particularly where there are funding implications for the LSC or provision that the LSC may wish to fund in future.

5 There is currently no single legal framework to enable structural reorganisations of providers across the ACL, FE, LEA-maintained post-16 school and WBL sectors, although there is growing interest in patterns of delivery that involves cross-sector reorganisations. The LSC will wish to consider innovative proposals for reorganisations that will further the achievement of the LSC's objectives within the existing legislative framework.

6 The Education Bill currently before Parliament includes circumstances in which the LSC might propose reorganisation of 16-19 education in an area. Further guidance will

be issued in light of regulations and advice from the secretary of state.

7 The LSC wishes to adopt an approach in regard to a national framework for provider reorganisations that will enable local solutions to local needs. This will require that in most cases local Learning and Skills Councils (local LSCs) will take decisions on local issues. To ensure consistency, the LSC has provided national criteria against which decisions should be taken and a procedural framework that local LSCs will follow.

## Criteria for Provider Reorganisations

8 The key objective in formulating new criteria for all provider reorganisations has been to promote clarity and simplicity in what the LSC wishes reorganisations to achieve. The same criteria will apply to all post-16 provider reorganisation proposals and focus on the achievement of the LSC's objectives.

9 The LSC has agreed the following seven new criterion for provider reorganisations:

### Criterion 1:

*The proposal is likely to extend participation, learning and training;*

### Criterion 2:

*The proposal is likely to result in raised learner achievement;*

### Criterion 3:

*The proposal is likely to result in raised standards of education and training delivered;*

### Criterion 4:

*The proposal is likely to address any issues of over-and under-provision in an area;*

### Criterion 5:

*Adequate consultation has been undertaken and proper consideration has been given to alternative options;*

### Criterion 6:

*The proposal is likely to be financially viable, affordable, cost-effective and successfully managed; and*

### Criterion 7:

*The proposal is consistent with any area-wide inspection report published.*

10 An indication of the evidence that should be presented in support of proposals to local LSCs is provided as the appendix.

## Procedures for LSC Consideration of Proposals

11 The LSC has delegated decision-making on local issues to local LSCs. Local LSCs will usually determine the Council's view on reorganisation proposals, against nationally agreed criteria and in accordance with a procedural framework to be adopted across the LSC.

12 The LSC has established a national Infrastructure Committee to consider and provide advice to the LSC on policy matters relating to provider reorganisations and to consider and provide advice and comments to local LSCs and the LSC Chief Executive on proposals for post-16 reorganisations referred to it by local LSCs or the LSC Chief Executive. Such referral could be at any stage in the process although it is anticipated that such referral would be exceptional rather than the rule.

13 The LSC is concerned not to introduce unnecessary bureaucracy. However, it would expect proposals for consideration by the LSC



to be well founded and focused on the LSC's objectives and local LSCs' strategic plans. The LSC expects that, in general, where providers are seeking LSC support for a proposal there shall be four distinct stages:

- a. LSC consideration of an outline proposal;
- b. appropriate consultation;
- c. LSC consideration of a full proposal; and
- d. evaluation of the success of the reorganisation.

14 The LSC will normally expect to consider an outline proposal at an early stage that sets out the rationale for the proposal and indicates any funding implications for the LSC and how it is likely to be consistent with the LSC's criteria and the local LSC strategic plan.

15 Appropriate consultation will depend on the nature of the proposal; local LSCs will provide an indication of what the LSC would expect after the consideration of the initial proposal. The key determinant of the appropriateness of consultation, in addition to any statutory requirements, will be the LSC's wish to demonstrate transparency and fairness in its consideration of proposals, but at the same time not introducing unnecessary bureaucracy. This may depend on local factors and may involve public consultation or consultation with other providers and the appropriate learning partnership(s), for example. Where the LSC has a statutory role in proposing the reorganisation, legislation and statutory guidance from the Secretary of State will determine the nature of the consultation.

16 The LSC's consideration of the full proposal will involve an assessment against the criteria set out above at paragraph 9 and the results of the consultation.

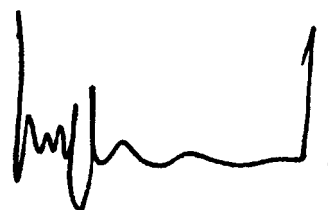
17 The LSC expects an evaluation will be undertaken of the success or otherwise of a reorganisation. The nature of the evaluation will depend on the type of the reorganisation although in all cases it will consider the outcomes against stated specific, measurable, achievable, realistic and time-related

objectives. It is anticipated that the appropriate local LSC will initiate the evaluation that may be undertaken either by an independent consultant, the appropriate local LSC or through rigorous self-assessment by the provider.

18 The LSC intends that within the broad framework outlined above at paragraph 13 and subject to statutory requirements, local LSCs will determine the nature of the consideration at each stage. Providers are asked to contact their local LSC for guidance as to the nature of each of the stages.

19 The LSC shall in due course, publish a series of procedural guidance briefings further detailing the procedures that it will adopt relating to reorganisations in the following areas:

- further education reorganisations;
- further and higher education reorganisations;
- post-16 school reorganisations.

A handwritten signature in black ink, appearing to read 'John Harwood', followed by a period.

*John Harwood, Chief Executive*

# Appendix: The Learning and Skills Council's Criteria for Provider Reorganisations, Including Factors to be Taken into Account and Evidence Indicators

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The following factors and evidence indicators are provided to enable local LSC staff and providers to draw up proposals for local LSC consideration. This guidance should not be seen as prescriptive or exhaustive.

## Factors to be Taken into Account

- the outcome of the proposal should not put at risk the LSC's ability to fulfil its duties to ensure proper and reasonable facilities for education and training, under the *Learning and Skills Act 2000*;
- the proposal, and in particular the evidence (strategies, plans, research, information, analysis) provided within the proposal should identify and take account of local, regional and national implications. The baseline/benchmarking data used should be auditable and the analysis including projected outcomes and targets should be well founded with due diligence given to any assumptions made. Risk analysis should be completed and contingency plans drawn up clearly demonstrating action to be undertaken should the underlying assumptions not be realised;
- the project proposal should be structured in such a way that the objectives set are SMART (Specific, Measurable, Achievable, Realistic and Time-Related). Baseline data and three-year targets should be set using qualitative and quantitative information;
- local LSCs will consider the implications of the overall proposal in relation to the objectives set in their local strategic plans, (which have been agreed with local partners) and the proposal should be consistent with this. The LSC will also consider the implications of the overall proposal in relation to the creation of a coherent, well-balanced 14-19 phase of learning, and the adult learning and skills agenda;
- each fully documented proposal should include a three year business plan with a clear vision and strategic focus documenting the educational and financial case for the implementation of the proposal. The plan should include asset management, financial planning, curriculum development, risk management and learner profiling data with supporting evidence. It shall also

demonstrate full commitment to promoting equal opportunities across all organisational activities;

- the reorganisation proposal must satisfy the criteria detailed below, as appropriate. The evidence indicators that relate to the criteria provide an indication of the evidence that will need to be presented within a proposal to demonstrate that the criteria are satisfied.

The LSC recognises that different proposals or even similar proposals from different sectors facing differing circumstances may offer educational and financial benefits that satisfy some criteria more than others. Similarly, the proposal may have educational and financial implications that impact adversely against some or all of the criteria. In these situations the LSC will consider the proposal against the criteria taking into account the individual circumstances of the proposal and relating factors. The intention is that where the benefits clearly outweigh the disadvantages, the LSC would support the proposal.

It is recognised that there may be situations where proposals solely promote the most cost-effective delivery of provision in an area. Provided that on balance the evidence is not negative in relation to each criterion, local LSCs should expect to support such proposals.

## Evidence Indicators

### Criterion 1:

*The proposal is likely to extend participation, learning and training; and*

### Criterion 2:

*The proposal is likely to result in raised learner achievement;*

- plans for increasing participation locally (for example, recruitment and enrolment baseline data against

targets; social/ethnic groups and geographical areas to be targeted; economic and labour market data; raising awareness, social inclusion, integration initiatives);

- strategies for widening access and choice locally (for example, enriching and improving the choice of curriculum offer and increasing access to provision individually with other providers);
- strategies for raising basic skills locally (for example, baseline data against targets; social/ethnic groups and geographical areas to be targeted; outreach programmes; quality of transport links);
- strategies for greater inclusion of students with learning difficulties and/or disabilities (for example, facilities and access arrangements; support and development plans; policy statement);
- strategies to raise retention and achievement of learners locally (for example, increase the overall staying-on rates in the area; mapping progression opportunities; assessment at induction and advice and guidance to ensure that learners take courses best matched to their prior achievements; advice and support; retention of teachers where appropriate);
- current and anticipated intake of students against 3 year forecasted targets with achievement rates.

### Criterion 3:

*The proposal is likely to result in raised standards of education and training delivered*

- plans to modernise technical, general and vocational education (for example, excellence/specialist status and skills; commitment to Information Communication Technology (ICT);

- innovate ways of learning and delivery);
- specific benefits to learners (for example, the creation or enhancement of facilities for learning, student support and recreation; advice and guidance; health and safety policy; learner experience and performance monitoring);
- strategy for promoting equal opportunities (for example, equality and diversity policy statement and arrangements for implementation and monitoring);
- quality assurance process to enhance provision (for example, learner experience and performance data collection and monitoring system; self assessment);
- plans for the professional development, training and support of staff, management and governors (for example, Investors in People, training budget as a percentage of income; staff experience and performance data collection and monitoring system; self assessment; career paths);
- collaboration with other providers (adult community learning, colleges, schools, work based learning, voluntary organisations) locally and regionally (for example, sharing expertise, good practice and facilities; enhancing progression routes);

## Criterion 4

*The proposal is likely to address any issues of over-and under-provision in an area*

- research detailing the current and projected future learner and employer demand for provision locally (for example, details of customers by market segments; learner profile; customer surveys and opinion);

- research detailing the current supply of provision locally (for example, baseline data; offer in the locality or region by other providers);
- analysis of how the proposal will meet learner and employer demand of provision locally, including any skills shortage identified;
- plans for the organisation of provision (for example, reconfiguration of current provision; introduction of new provision; elimination of wasteful provision).

## Criterion 5

*Adequate consultation has been undertaken and proper consideration has been given to alternative options*

- the extent and outcome of consultation ensuring all interest have been fully considered (for example, providers of education and training in the local area and where the proposal impacts outside the area; those with an interest including, students, parents and representatives of the community and particular faiths/denominations);
- evidence that alternative solutions (for example, establishment of a new centre, collaborative activity, merger, closure) and the potential effect if the reorganisation did not proceed have been thoroughly examined and the reasons for their rejection (for example, structural options appraisal).

## Criterion 6

*The proposed reorganisation is likely to be financially viable, affordable, cost-effective and successfully managed*

- the proposal is likely to be financially viable, affordable and demonstrates value for money (for example, three-year financial forecast; best value planning/assessment);

- impact of the reorganisation on the cost-efficiency of provision, together with details of how any cost-efficiencies would be reinvested;
- risk management, sensitivity analysis and contingency planning; evidence that the risks to the successful implementation of the proposal have been fully considered;
- property management for the institution, including proposals for the removal/replacement of facilities and for new developments, investment projections (for example, three-year accommodation and asset management plans);
- details of arrangements for the proposed governance and management of the institution, including, plans for committees and advisory groups with terms of reference and interests served; strategic planning, information collection and analysis (MIS); financial management and quality assurance; experience of the management and governing body to deliver what is proposed;
- arrangements for ensuring that students are not disadvantaged during the transition and by the new structure (in particular, multi-site operations where the centres are some distance apart) which may effect the length and nature of journeys, including the quality of transport links;
- project plan for the implementation of the proposal, including timescales (for example, set-up or harmonisation of operational, financial/audit and quality assurance processes/systems; recruitment of learners and staff, creation of new programmes for delivery; development of resources);

## Criterion 7

*The proposed reorganisation takes account of area-wide inspection action plans, where appropriate*

- implications of the proposal in relation to the findings of the local area-wide inspection action plan and any action plan for neighbouring areas, particularly regarding structural change (for example, other reorganisatio proposals);
- contribution the proposal is likely to make to the achievement of the objectives set out in the area-wide inspection action plan.

The LSC would not normally expect to consider a reorganisation proposal where an Area Wide Inspection is planned. It is recommended that local partners do not finalise any reorganisation proposals until the outcome of the inspection is known.

# Notes

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