

Getting the Framework Right



1.40 As well as giving TECs clearer guidance on the role which the Government expects them to play at local level, we must also have a funding regime which supports the achievement of our objectives and a policy framework which enables TECs to work efficiently and effectively. This part of the document covers the policy framework. Part 2 covers the funding regime.

1.41 The policy framework will require TECs to:

work in partnership to achieve their goals;

continue to improve their efficiency and effectiveness; and

improve their accountability to their communities.

Working in partnership to develop local strategies

1.42 It is essential for TECs to work with others. This will critically involve working with the new Regional Development Agencies. RDAs will play an important part in ensuring that skills, training and enterprise match the needs of the economy, focusing in particular on skills which are central to the prosperity of their region. Each RDA will be responsible for

developing an economic strategy for their region and for assessing the contribution of TECs to regional economic objectives. We expect them to work with TECs and other organisations, such as local authorities, NTOs and the higher and further education sectors, to share information and develop strategies which take account of national, regional and local objectives. Whilst we believe that it is important to give RDAs the discretion to decide how to draw up these strategies, we would expect them to be informed by TEC analysis of the needs of their local labour market. We would also expect RDA strategies to indicate clearly which local, regional or sub-regional organisation has agreed to take responsibility for action. The Government will provide RDAs with a skills development fund to analyse regional skill needs and to work with TECs and other regional and sub-regional partners.

1.43 We would expect TECs to contribute to the regional economic strategy developed by the RDA and for this to be reflected in their corporate plans. We already require TECs to draw up these plans in consultation with key local partners. They will be expected to demonstrate that their plans have been drawn up in consultation with RDAs; and RDAs will also have a specific role to work with Government Offices and TECs to monitor and enhance the TEC contribution to regional economic objectives. Again, we do not believe that it would be right to prescribe before RDAs are set up how these arrangements should work in practice, but we will, for example, encourage RDA Boards to arrange periodic meetings with the Boards of the TECs in their region.

1.44 The framework we propose to introduce will ensure that RDAs have considerable influence over their regions and enable RDAs and TECs (and other sub-regional players) to work together in developing regional economic and skill strategies. It is not sensible to pass

responsibility for TEC contracting from Government Offices to RDAs from April 1999. We do not want to burden RDAs from the outset with a substantial management task while they are still finding their feet. RDAs must be able to concentrate on developing a strategic vision for their regions and to build the necessary relationships with a wide range of organisations. We will reflect further on the role of RDAs in TEC contracting after this review and when RDAs have had time to establish themselves.

1.45 We also want TECs to work with the National Training Organisations to design and implement national skills strategies for sectors of employment. We are keen that TECs engage local authorities, Careers Services and the further and higher education sectors to improve the co-ordination of planning activities and the provision and quality of training and skills. At a national level, we are working with the Local Government Association, Further Education Funding Council and the TEC National Council to promote greater collaboration by developing a network of post-16 education and training partnerships. A statement of principles underpinning the new partnership arrangements has been agreed. We welcome this approach. We would also encourage TECs to take account of the new compact between Government and voluntary organisations and to develop their own compacts for work with the voluntary sector.

Improving the efficiency and effectiveness of the network

1.46 As highlighted earlier, we are concerned that there are still wide variations in performance. Many TECs have performed well, but some still have significant room for improvement in one or more aspects of their core responsibilities. We will continue to work

with the TEC National Council and individual TECs to:

introduce new licensing arrangements so that all TECs follow the internationally recognised Business Excellence Model; and

share best practice more effectively and benchmark different aspects of performance to achieve value for money. For example, it will be vital for TECs to use evidence from inspection, and the reports of the Training Standards Council, to spread good practice and to take action where poor standards are found.

1.47 A critical part of raising performance is setting clear targets and performance indicators and monitoring progress against them. We would expect TECs to identify criteria for success which are made publicly available, go beyond simple programme outputs and look at the impact which the TEC has on its local economy. In addition, the Government wants to develop with TECs a stronger and more effective framework for highlighting good performance and tackling poor performance. We will be considering how we can build on the existing systems of performance tables, the new Government Office annual reports on TECs and the process of contract and licence review to achieve this. As set out in Part 2, we will be considering ways in which audit can support this approach by placing a sharper focus on TEC impact and the point of delivery. We would welcome views.

1.48 When the TEC network was originally set up, the boundaries of individual TECs were principally determined by the wishes of local partners, reflecting a balance between the size of the working population, travel to work area, and existing local authority

boundaries. This has led to a broad range in the size of TECs. We want TECs to retain their local focus and recognise that small TECs bring advantages in terms of their ability to form close relationships with their local community. On the other hand we are conscious that a smaller number of TECs would reduce the administrative overhead and might improve their strategic capability. It is also open to question whether the existing boundaries remain appropriate, particularly to meet the needs of RDAs. We will be encouraging TECs to think creatively about what further efficiencies they can make. In some instances merging with another TEC (or other organisation) may provide a more efficient and effective solution, whilst still preserving the local focus. We would welcome comments on whether there is anything the Government can do to make the process of merger easier. We would also like TECs to explore further ways in which they can develop imaginative solutions to improving the efficiency and effectiveness of the services they provide. Options might include looking at the different ways of collaborative working such as pooling resources, sharing overheads, setting up centres of excellence or federations between TECs.

Improving Accountability

1.49 We have made it clear that a key strength of TECs is the active employer input which they uniquely bring to the development and delivery of programmes and policies. Many TECs engage with very large networks of employers and we would encourage those who do not to consider ways of enhancing their reach into the employer community.

1.50 But TECs also deliver a public service and must account effectively to their wider community. The TEC National Council has developed a framework for local accountability which provides a model of good practice and was approved by the Nolan Committee. Adherence to its principles is a requirement of TECs' contract with Government. We have also made changes to the eligibility criteria for TEC Boards to help ensure that Boards reflect a broader range of interests. We are keen to ensure that TECs strike the right balance between their accountability to business and to the wider community and would welcome views on what more needs to be done.

Wider structural questions

1.51 The past 7 years have seen increasing diversity in the structures of TECs. Fourteen TECs have merged with their local Chambers of Commerce to form CCTEs and more are in the process of doing so. Over half of the network have now incorporated their Business Link within the TEC, either as a division or a wholly owned subsidiary. These changes have been locally driven, primarily in response to calls from local businesses and individuals to reduce confusion, overlap and duplication and to better integrate training and skills with business. Many TECs also have in place broader economic development partnerships with key local players, including local authorities and development agencies. Whilst the Government has supported and encouraged arrangements which lead to closer working, we have not promoted one model over another. We have also been concerned to ensure that organisational changes do not divert TECs from their primary strategic role. Our objective is that structures should promote quality and ensure cohesion at a local level. Our view is that Government should define the standards it expects TECs to achieve and the principles underpinning these; the supporting

structures should be a matter for local decision (provided these standards are achieved).

1.52 Evaluation of TEC/Chamber mergers has shown that they can bring benefits, particularly in terms of improved coherence of business support, more efficient delivery of services and greater business involvement. On the other hand there are potential conflicts of interest. Firstly, between TECs' role as deliverers of public services and Chambers' role as organisations set up to lobby Government. And secondly, between the TECs' role as purchasers of Government funded training, and where the merging Chamber is also a provider of that training. We are also concerned that, as membership bodies, they engage with the wider community and not just the business members.

1.53 We have announced a moratorium on TEC/Chamber mergers whilst we are carrying out this review. And we will want to reflect on the outcome of the review, before taking any further decisions on applications for mergers. But, as a minimum, before approving any further mergers we would want to see strong evidence in terms of the benefits brought by the merger, and be satisfied that the potential for conflicts of interest had been minimised.

1.54 The new RDAs will play an important part in co-ordinating the work of TECs and other local partners to develop regional economic strategies with skills and business support strategies as key components. RDAs will no doubt take a keen interest in the nature and coverage of sub-regional structures. We would welcome views on the role of RDAs in influencing the TEC network at local level.



Questions for Consultation

1.55 We would welcome comments on this part of the consultation document. The questions on which we would particularly like views are set out below.

The way ahead (paragraphs 1.16 to 1.41)

- Q: Have we identified the right challenges where TECs have a key role to play?
- Q: Have we defined the right priorities for TECs in delivering these challenges?
- Q: Do TECs have the right programmes and levers to meet these priorities?
- Q: What role should TECs play in providing training and help for unemployed people? What elements are TECs best placed to deliver?

Working in Partnerships (paragraphs 1.42 to 1.45)

- Q: Are there further steps we should be taking to ensure that TECs continue to develop strong and effective partnership to achieve their goals?
- Q: How can we ensure that TECs and RDAs work together effectively? Have we identified the right mechanisms?
- Q: How can we ensure that TECs work strategically with National Training Organisations?

Improving efficiency, effectiveness and quality (paragraphs 1.46 to 1.48)

- Q: Are there further steps we could take to improve the efficiency and effectiveness of TECs and reduce unnecessary bureaucracy?
- Q: In what ways could the contractual framework with the TECs be simplified?
- Q: How might we build on the existing range of measures to drive up TEC performance? How should we reward success and tackle poor performance?
- Q: What Critical Success Measures should we use to judge the performance of TECs in delivering the Government's objectives?
- Q: Do you think that there is the right number of TECs? If not, on what basis should any change be made? What further steps should we take to help those TECs considering the option of merging with another TECs?

Improving Accountability (paragraphs 1.49 to 1.50)

- Q: What further steps should we take to improve TEC accountability to the wider community?

Wider structural questions (paragraphs 1.51 to 1.55)

- Q: Do you agree that Government should define the standards, outputs and outcomes it expects TECs to achieve, but supporting structures should be a matter for local decision?
- Q: What should be the extent of the RDA role in influencing the TEC network at local level?

2.1 Part One has set out some challenges that we think TECs can help us meet. Part Two considers the TEC funding and audit system in more depth to allow the strengths and weaknesses of current arrangements to be set

PART 2: Paying for Quality

out and practical possibilities for change to be considered.

Principles for Funding

2.2 An overriding theme, which runs throughout our view of what TECs can offer, is the need for high standards, with a focus on continual improvement in quality. A powerful influence on TECs' capacity to deliver against these challenges, to the standards that the public deserve, comes from the way that we fund and contract with TECs. In our view there are five basic principles which we should expect to apply to the funding and audit system:

Effectiveness: The funding regime should help realise the Government's objectives. It should ensure that resources are deployed in accordance with Government priorities, for example in supporting the social inclusion agenda and help for the disadvantaged; though the funding system contributes to effective policy implementation, clear objectives and good contract management and quality assurance also play essential parts.

Efficiency: It should help Government, TECs and their contractors to achieve best value by maximising impact, minimising waste and preventing fraud; the system must actively promote best practice.

Flexibility: The funding regime must be durable in the sense that it can operate in a number of different policy environments, and be able to respond to change and opportunity in the longer term. It needs to be able to respond to local, regional and national priorities and provide the scope that allows TEC Boards to make a real difference in their areas.

Coherence: The successful delivery of training, education and business development objectives depends on a partnership between central Government, local Government, RDAs, the Employment Service, the private sector, TECs and providers; the system must offer incentives and benefits for all the partners.

Clarity: The system should give clear signals about priorities, including prices and performance expectations, which are transmitted from Government, through TECs to employers and training providers. This will facilitate long term planning and stability.

Five Key Funding Principles

Effectiveness

Efficiency

Flexibility

Coherence

Clarity

The TEC Funding and Audit System

2.3 The TEC funding and audit system consists of several key components:

the annual Government Office/TEC contract, including budgets for a range of programmes and arrangements for how these can be drawn down;

TECs' own plans for design and delivery of programmes and other initiatives;

financial relationships between TECs and their providers, employers and other stakeholders with whom they work.

2.4 These are underpinned by the processes in place to monitor and control contractual relationships, for example financial and quality audit; health and safety; management information and performance indicators. These processes have a profound influence over the way that the funding regime works, defining the priorities which people give to different parts of the system. These priorities in turn dramatically affect people's motivation, skills and capacity to deliver what is needed.

2.5 TECs receive funds from both private and public sources each year. Funding from public sources in 1998-99, which is primarily direct from Government Departments, amounts to over £1.3bn. The way that the money is paid to TECs varies considerably between different programmes. This is in part a reflection of the incremental way in which the current funding regime has developed, often in response to the changing priorities of Government and as a result of perceived weaknesses in the system.

2.6 TECs receive two main types of public funding:

mainstream training programmes, which account for 70 per cent of the £1.3bn, are funded through a semi-commercial regime. DfEE pays TECs on delivery against specific payment triggers. Triggers include trainee starts, training outcomes (for example qualifications and jobs), and intermediate progression points. Each trigger has an agreed price attached to it (the unit price), which is negotiated for the contract with Government. This regime allows TECs flexibility in expenditure and to generate surpluses from the difference between the price Government pays the

TEC and the actual cost of delivery. Those surpluses which remain unspent at the end of each financial year are retained by the TEC as reserves;

the remainder of TEC public income includes a fee element paid on profile for TEC strategic activity and payments as reimbursement for costs incurred. These include programmes such as the Single Regeneration Budget; Millennium Date Compliance Training; all European funding; and DTI payments for the Local Competitiveness agenda, including Business Links.

2.7 Government's expectation is that the unit prices agreed with TECs for mainstream training programmes will allow them to cross-subsidise more expensive training from cheaper training and to ensure that a range of programme costs, such as design and development, marketing, monitoring and evaluation are met. Beyond these costs the surpluses and reserves that TECs can generate and retain from mainstream training programmes are used in part to support initiatives serving the same broad purpose as the programme from which the surpluses are made, for example initiatives to reintegrate disadvantaged and disaffected young people within learning. Surpluses and reserves are also used to support initiatives or projects within TECs wider ambit, for example business support and local economic development.

2.8 TEC activity is not funded wholly by public funds. In fact the funding regime is predicated on the assumption that the public funds spent through TECs will lever private sector contributions, both in cash and in kind, to the total cost of training and supporting local projects. For example we estimate that over 50 per cent of the cost associated with Modern Apprenticeships annually is met by employers.

Additionally, TECs generate their own income through charging fees to clients for business services which support local competitiveness.

What Happens in Practice?

2.9 In managing the current funding regime Government tries to achieve many things. The most immediate is to ensure the delivery of all the national objectives attached to individual programmes. When the system fails to meet this overall aim we often look to the funding regime to overcome problems TECs and others have experienced, or correct deficiencies in the way that programmes operate in practice. Some examples of the use of the funding regime in this way include:

altering funding incentives and payment triggers to accommodate changes in programme policy objectives;

procedural shortcomings that lead to irregular payments, poor value for money and instances of fraud are addressed by increasing controls such as audit.

2.10 The funding regime in use presently has had some significant successes. For example:

there have been significant efficiency improvements and cost reductions in DfEE training programmes. Two examples are the cost per output point in Work Based Training for Young People has reduced by around a quarter in the last three years and the percentage of leavers from adult training recorded getting jobs has increased from 31 per cent in 1991-92 to 47 per cent in 1997-98;

it has been very successful in leveraging employer contributions to programmes, for example employers contribute £700m a year towards the cost of Work Based

Training for Young People;

it enables TECs to operate with local flexibility and provides the financial resource to support that through the semi-commercial regime. TECs have developed and delivered products and services tailored to local needs;

it has allowed TECs to integrate local services which draw on several funding streams. This is very important for the future with the development of Action Zones and other cross Government initiatives intended to bring together different programmes into a coherent local package.

2.11 However, a number of commentators have drawn attention to perceived weaknesses in the funding regime and it is the issues that arise out of these which are the main focus of the next section looking at the way forward for the future. The issues that we see as key to be addressed in any new funding regime are:

surpluses and reserves are used on a range of local initiatives, which do not always align with the original intention for the funds. Their use is not fully understood or recognised nationally;

a lack of stability in funding arrangements for training programmes with significant unexpected swings from year to year affecting individual TECs;

the funding and contracting regime may act as a barrier to delivering high quality training in some circumstances;

the system of audit is bureaucratic, leading to a paper chase which imposes high administrative costs while failing to provide a secure system;

the system of local flexibility is difficult for

national employers and providers. TECs use many different delivery and purchasing methods locally.

Looking to the Future how should we develop the system?

2.12 We must be wary of making simplistic judgements. There are significant benefits in the current system and we should try to capture them in any change, but we need also to address the key weaknesses and look in the round at how we support quality and efficiency and ensure value for money and propriety. What then would we like to see in future from a funding regime?

Funding local Initiatives

2.13 The Government has made clear its intention to see public funds drawn together in a more coherent fashion locally and regionally. TECs have shown that they are good at drawing together different funding streams into effective local packages to meet key Government priorities. In future TECs will also need to be able to respond to RDAs, balancing regional against national and local priorities. If TECs are to continue to have a wider role than just delivering Government programmes, but are also to support local partnerships and initiatives which take forward Government priorities, then funding must recognise the need for TECs to pay for these activities.

2.14 The current system of funding allows TECs substantial discretion in how they finance and support local initiatives and projects. But it depends critically on the ability of TECs to generate surpluses from the main training programmes. TECs use these surpluses to support local initiatives which take forward the original purpose of the programme

as well as others which support wider activity. This system has however led to criticism from some training providers that it is too easy for TECs to reduce the amount they make available for training in order to allow greater spending on related initiatives or other areas of service. The questions this raises, therefore, are whether the need for local flexibility means that TECs have to be able to make surpluses and reserves; and whether the Government should place any restrictions on the spending of surpluses and reserves, for example to meet the objectives of the programme areas where the surpluses are made?

2.15 TECs have also voiced concerns about the system under which TECs wider role covering activities such as supporting business effectiveness, workforce development, addressing skill shortages and promoting economic development is funded partly by surpluses. A number have commented that Government has tended to under-fund these wider activities, relying instead on TECs ability to supplement direct government funding through their surpluses and reserves. These TECs also suggest that Government Offices spend much less time influencing and evaluating these wider activities, compared with the focus on training programme performance measures. The questions this raises are how Government should fund TECs wider activities and how best to measure overall TEC effectiveness and impact?

2.16 One possible approach is that in future Government could contract to pay for these wider activities by including them in the value of each TEC s plans. Payment could be linked less to the delivery of individual programme outputs and more to the successful delivery of all the activities agreed in a TEC s plans. For such an approach to be successful assessment of performance cannot focus only on volumes and cost, but must consider the wider aspects of a TEC s activity. This could be

achieved through considering local effectiveness using agreed impact measures. This kind of approach also offers the opportunity for the close involvement of the RDAs both in the development of TEC plans and assessment of impact.

Balancing Efficiency and Quality

2.17 The current system of funding training has resulted in significant programme efficiencies. However, some TECs and many providers argue that it puts too much emphasis on efficiency as opposed to quality; and that the funds available for training have been reduced by Government seeking efficiency improvements and then further reduced by TECs who seek to maximise the range and scale of other local initiatives. Some commentators have also criticised the high level of payments for qualifications and jobs (typically accounting for at least 30 per cent of Government funding of TECs for training but in some cases 100 per cent of TEC funding of employers or providers).

2.18 We are especially concerned that too much emphasis on these kinds of outcomes work against individuals in disadvantaged and disaffected groups. Nor do the existing arrangements appear to support adequate funding for provision aimed at these groups. This argues that we need to redress the balance between incentives for volumes and efficiency and look for incentives which reflect the value of the training experience itself. Such incentives could relate to retention and progression, as much as the final output.

2.19 One method of seeking to provide a stronger focus on the quality of training and the way a TEC should seek to build its training infrastructure could be to require a TEC to produce a delivery plan as part of its agreed contract with Government. Part of the delivery plan could be a purchasing strategy which

sets out the delivery strategy, pricing structures and funding levels the TEC intends to use. TECs might publish this for providers and such a plan might also include tackling quality assurance, audit and value for money. Such an approach at local level might complement the national focus of the new Training Standards Council.

Promoting Planning

2.20 TECs and providers also argue that the short-term nature of Government and TEC funding affects quality. For many the uncertainty created by annual contracts creates barriers to effective forward planning. Uncertainty about budget levels, the potential lack of price stability and changes to volume of provision discourage TECs from having longer term contracts with their providers, and making the investment in development and support these would merit. Short-term contracts discourage providers from planning the proper resourcing of their business, both in terms of equipment and staff. While the development of the TEC licence and guarantees within the Government contract with TECs already offer some commitments for future years, TECs argue that the annual nature of the contracting process undermines these benefits in practice.

Supporting National Employers and Providers

2.21 The funding system must also help TECs address the difficulties that different kinds of providers face in their relationships with TECs. While many training providers operate in the local area of the TEC alone, there are a significant number of large national providers and employers who operate on a wider basis. In a situation based on local delivery these organisations frequently work with a number of TECs all of which may have differing delivery infrastructures and administrative systems and will negotiate for example a range of prices for

training delivery. National employers and providers argue that these differences place a costly and unrewarding burden on them, hampering the delivery of quality training. However, employers are very different from providers. Local employers benefit from a relationship with TECs which includes not only these training programmes, but also taking part in education/ business initiatives, Investors in People and wider workforce development services. National employers need a relationship with TECs which can deliver these too.

2.22 The new funding system needs to support both local and national employers and providers in the way that it operates. There are in place already the National Training Partnership and lead TEC arrangements to try to help, but more needs to be done. One possible approach that the TECs and Government Office in the West Midlands are piloting involves a single TEC contracting with a specific employer on a regional basis. Unlike the lead TEC arrangements, there is no inter-TEC contracting, rather each TEC with a regional contract claims for all the training delivered.

Managing for Quality

2.23 The desire to place a greater emphasis on quality has been the driving force behind the introduction of the Training Standards Council (TSC) and its Inspectorate from May 1998. The TSC, through the Inspectorate, will assess the quality of Government funded training provision against a basis of self-assessment by training providers. However, we do not believe it is sufficient to rely solely on the external inspection regime to deliver improvements in quality. The Inspectorate's task is a large one and will visit providers only every four years.

2.24 There is also a vital role for the contract management function to ensure that the outputs Government buys meet the standards that the public expects. However, the present

focus of audit and monitoring on the prescribed processes set out in the TEC contract do not encourage an effective consideration of quality issues. As the processes have become more complex, audit has become more and more focused on compliance. The increasing demands on audit to chase paper trails diverts valuable resources in GOs, TECs, and providers away from considering the quality of the outputs they are delivering in order to consider the detail of the delivery process.

Audit and Evaluation

2.25 We can tackle this problem by adopting a new approach to the audit and evaluation work that underpins delivery of Government programmes and focuses on propriety of payments. There are three possible elements to a new approach. Government could:

I place a greater emphasis on the use of risk and materiality as the basis of deciding the scope of audit. In effect we might focus audit on those areas where the risk of problems is sufficiently high to justify it. Decisions on what to audit would be informed by available information from various sources including trainee databases, the Business Excellence Model and the Training Inspectorate.

II change the nature of the audit of TECs by Government Offices. This might entail integrating financial audit, health and safety, and quality assurance to allow more rounded and holistic judgements of TECs and their impact.

III. change the nature of the audit of providers. A more focused audit of TECs will free resources to look at quality and value for money at the point of delivery.

Offices and TECs.

2.26 A key prerequisite for the approach to audit set out above is to remove the dependency of payments on a vast array of different payment triggers and levels. While the system of payment remains complex and multi-layered, audit is forced to focus on the detail. If the funding regime is going to support a new and challenging approach to audit then it must be as simple as possible. This simplicity should help concentrate people's minds at all levels in the system on material difficulties, instead of the detailed audit trails and paperwork they look at now. However, it is not only audit that requires changes to the funding regime. We want also to tackle the unnecessary bureaucracy which imposes wasteful costs; leads to a high volume of administrative mistakes and opens up scope for the irregularities and fraud that are perpetrated against the system at present; and which causes the general opacity of the funding arrangements between Government and TECs, and TECs and providers. All these things argue for a funding regime that is simple, not only between Government and TECs, but as importantly is simple at the point of delivery with employers and providers.

Developing Capacity

2.27 While considering all the possible changes that we can make to a funding regime, it is important to remember that the quality of management and implementation is as important as the design of the system itself. Many of the changes suggested above require a move away from a bureaucratic regime to one that promotes quality and value for money and actively encourages the fight against fraud. That means developing capacity and achieving culture change in Government

Questions for Consultation

2.28 We would welcome comments on this part of the consultation document. The questions on which we would particularly like views are set out below.

Principles for Funding (paragraph 2.2)

- Q: Do you believe that the principles outlined are the right ones? Are there others you think should be included?
- Q: If the principles are right, could we meet them by leaving our current regime in place, while improving the way that it operates at all levels?

Funding Local Initiatives (paragraphs 2.13 to 2.16)

- Q: Are there funding methods other than the current semi-commercial funding regime which would allow TECs local flexibility?
- Q: Should the Government restrict spending of surpluses and reserves to those areas for which the money is paid to TECs?
- Q: How should Government fund TECs wider activities outside mainstream training programmes?
- Q: How can TECs overall effectiveness and impact best be measured?

Balancing Efficiency and Quality (paragraphs 2.17 to 2.19)

- Q: Is there any evidence that the balance is currently wrong between incentives to focus on quality and added value and incentives to focus on volumes and cost? If so, how should the balance be changed?
- Q: Would a TEC delivery plan, including a purchasing strategy be a helpful part of the

TEC contract with Government? If so, what should it contain?

Promoting Planning (paragraph 2.20)

- Q: What can be done to create a more stable approach to contracting at TEC and provider levels?

Supporting National Employers and Providers (paragraphs 2.21 to 2.22)

- Q: Are there ways in which TECs can manage more effectively relationships with national providers? And with national employers? What might either of these mean in funding and contractual terms?

Managing for Quality (paragraphs 2.23 to 2.24)

- Q: Do you believe that the approach to audit outlined above is the right way to go? If so, what needs to be done to support the change?

Developing Capacity (paragraph 2.27)

- Q: How quickly can Government Offices and TECs develop the skills and behaviour necessary for a system which promotes quality and trust, rather than focusing on compliance; and which addresses effectiveness and impact rather than process and detail?