



Leicester
City Council

WARDS AFFECTED
All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

OSMB
Cabinet

12th February 2009
16th February 2009

Machinery of Government Changes (MOG) 14 – 19: Transition From Learning & Skills Council to LA Provision

Report of the Interim Corporate Director of Children and Young Peoples Services.

1. Purpose of Report

- 1.1. To advise Cabinet of developments in respect of Machinery of Government (MOG) changes in Leicester and to recommend a course of action and structure to ensure a smooth, efficient and effective transition of responsibility for 14-19 learning and skills development from the Learning and Skills Council to the Local Authority.

2. Summary

- 2.1. Further to the Government announcement in June 2007, responsibility for 14-19 learning and skills development transfers from the Learning and Skills Council to the Local Authority. This is a phased process starting in 2008 until September 2010, when the LA will have complete responsibility for the 14-19 learning and skills programme provision.
- 2.2. An earlier report to Cabinet (1st September 2008) highlighted these changes and the first steps in responding to this new planning environment.

3. Recommendation

It is recommended that Cabinet:

- 3.1 Approve the establishment of a sub-regional partnership between Leicester City and Leicestershire to deliver the expectations of the Machinery of Government.
- 3.2 Authorize the Director of Children's Services (DCS) and Legal Services to take necessary action as further guidance becomes available in consultation with the Lead Member of Children Services.
- 3.3 A further report will be submitted to update Cabinet regarding the changes and implementation of the sub-regional arrangement between Leicester City Council and Leicestershire County Council.

4. Background:

- 4.1 In March 2008, the Government published its proposals for the future funding and organization of 14-19 education in the document "Raising Expectations: Enabling the system to deliver". This document gave the lead role for commissioning and funding

14-19 provision in Schools and Colleges to Local Authorities from 2010. It also proposed setting up a range of new regional and national bodies together with a reducing role for the Learning and Skills Council (LSC).

- 4.2 Under the new system, Local Authorities will be responsible for commissioning and funding all local 14-19 provision working closely with the new National Lead Agency for 14-19 education and the Young People's Learning Agency (YPLA). This reflects the main thrust of "Every Child Matters" and makes Local Authorities accountable for entitlement of the whole range of young people 14-19.
- 4.3 At the same time as these changes are being introduced, important developments are taking place in the range of 14-19 qualifications available. Most notable among these are the introduction of the Diplomas. There is no single school or college in the City capable of offering the whole range of qualifications 14-19 and thus there is an increased imperative to jointly manage a curriculum offer across the whole City and its environs.
- 4.4 There are significant implications for both the City and County Councils as the national Machinery of Government (MOG) proposals develop. These include:
 - 4.4.1 Commissioning and responsibilities for learning for 14-19 across the whole of Leicester City and Leicestershire.
 - 4.4.2 A significant extension of the Council's financial responsibilities for the funding of 14-19 education in Further Education colleges
 - 4.4.3 Arrangements will need to be in place for the transfer of staff from the Learning Skills Council (LSC)
- 4.5 In the light of these changes, Local Authorities have been asked to submit plans for sub-regional partnership working to ensure that the 16-19 provision is coherent and planned strategically to deliver the new entitlement commitments.
- 4.6 There is a commitment from Leicestershire County Council and Leicester City Council to work together to form a sub-regional grouping for the planning and commissioning of 16-19 provision as part of the Machinery Of Government transition (Stage 1 MOG submission attached as appendix 1).
- 4.7 The two authorities have a strong history of collaborative working to deliver 13-19 strategies within the sub-region. Existing structures include:
 - An inter-authority strategic group for 13-19
 - A jointly owned limited company for the delivery of Connexions services
 - An employment skills board
 - A MOG transition group including representation from both Local Authorities, the Learning Skills Council, providers from all sectors and Connexions
- 4.8 This collaboration is further strengthened by the formation of an MAA between the two Authorities and their partners and including key targets for post-16 participation, skills and NEET.

- 4.9 Leicester City Council and Leicestershire County Council believe that the greatest efficiencies and effectiveness will be delivered through shared services and 'pooling' of funding through a sub-regional grouping, providing a single point of contact, support, commissioning and monitoring for all providers within the sub-region.
- 4.10 A small inter-authority workforce dedicated to this work will enable a focus on delivering desired outcomes to tight timescales. The team will be responsible for the creation and negotiation of a commissioning plan which will establish allocations for individual institutions informed by:
- The 13-19 plans which will form part of the Children and Young People's plans of each Authority
 - Learner need analysis drawn from Intentions data, gathered by Connexions
 - Regional analysis on agreed priorities through the Regional Planning Group (RPG)
 - Economic skills and learning data Young People's Learning Agency
 - Planning and provision of apprenticeships through the National Apprenticeship Service (NAS)
- 4.11 By April 2009, shadow arrangements of LSC activity need to be in place to enable the Local Authority to gain insight and experience of a full year's activity before the formal transfer of the 1st September 2010.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1 Financial Implications

- 5.1.1 These changes will mean a significant extension of the Council's financial responsibilities into the funding of 14-19 education at Further Education Colleges and Sixth Form Colleges.
- 5.1.2 The current funding arrangements for secondary schools may also change, with the introduction of the new national diplomas and the potential move towards a national funding formula for the education of 14-19 year olds. Arrangements will be needed for the transfer of staff and information from the LSC. There is a significant amount of work required to plan and implement the changes at local level, and the CYPS Department will need to consider how these can be resourced and ensure that the potential impacts upon the Council are fully identified.

Colin Sharpe, Head of Finance and Efficiency, CYPS, EXT. 29 7750.

5.2 Legal Implications

- 5.2.1 Legal issues remain to be clarified following anticipated changes to legislation. Presently, it is apparent that MOG will require continuing legal advice in the following areas:
- 5.2.1.1 Employment issues will need to be addressed and continuing legal and HR advice will need to be provided up to any transfer of staff from LSC to any

company formed to administer MOG, to reduce inherent risks, including: (1) informing and consulting with affected employees and Trade Unions; and (2) pension arrangements, including employer contributions, closing valuation risk and, potentially, the need for the Council to provide a financial guarantee.

- 5.2.1.2 Any procurement of services (as opposed to the delegation of budgets or funding) needs to comply with domestic law, the Council's CPRs and, potentially, EU law. This will include procurement of services provided *through* (though not *by*) a company wholly owned and managed by both Councils and undertaking all its work for them.
- 5.2.1.3 The form of company (or other entity) referred to in paragraph 5.2.1.2 needs to be determined.

Greg Surtees, Senior Solicitor, Legal Services, Ext 29 6453

6. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph Within Supporting information	References
Equal Opportunities	Yes		
Policy	Yes		
Sustainable and Environmental	No		
Crime and Disorder	Yes		
Human Rights Act	Yes		
Elderly/People on Low Income			

7. Risk Assessment Matrix

Delete if not required and renumber paragraphs.

Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/appropriate)
1			
2			
3			
4 etc			

8. Background Papers –

Paper submitted to Cabinet on 1st September 2008: 13-19 Education: Changes to the National Machinery of Government and the Latest Developments in Leicester City.

9. Consultations. Learning and Skills Council, Leicestershire County Council, Connexions and providers from the post-16 Sector

10. Report Author.

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Key Decision	Yes
Reason	Is significant in terms of its effect on communities living or working in an area comprising more than one ward
Appeared in Forward Plan	Yes
Executive or Council Decision	Executive (Cabinet)