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**FUNDING CHANGES FOR 16-19 EDUCATION AND TRAINING – DELIVERY  
ARRANGEMENTS**

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**Responsible Cabinet Member – Cllr Chris McEwan, Children & Young People Portfolio**  
**Responsible Director – Murray Rose, Director of Children’s Services**

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**SUMMARY REPORT**

**Purpose of the Report**

1. To update Cabinet on:
  - (a) progress to date in preparing for the transfer of funding and commissioning responsibility for the delivery of quality education and training for young people aged 16-19 from the Learning and Skills Council (LSC) to individual Local Authorities from 2010; and
  - (b) to outline the Tees Valley Sub-Regional Group’s Stage 2 assessment proposal detailing commissioning and partnership arrangements to support the transfer.

**Summary**

2. From 2010 local authorities will have a statutory duty to provide learning places for pre-19 year olds, subject to legislation. By 2013 local authorities will have a statutory duty to deliver full participation for all 17 year olds in education and training, rising to 18 year olds by 2015. In addition, from 2010 they will have a duty to secure sufficient provision for young people up to the age of 19 (including, learners with learning difficulties and/or disabilities up to the age of 25 and young people in juvenile custody up to the age of 18), in line with their responsibility for commissioning all children and young people’s services.
3. Cabinet have previously agreed to enter into sub-regional arrangements with the other four Tees Valley authorities to support the delivery of the new statutory duties. The Department for Children, Schools and Families (DCSF) now requires details of how the sub-regional partnership will work.

**Recommendation**

4. It is recommended that Members endorse the proposal attached as **Appendix A** as the Tees Valley Sub-Regional Group’s Stage 2 assessment submission to Government Office North East (GONE) and DCSF.

**Reason**

5. In order to deliver statutory functions from 2010.

**Murray Rose,  
Director of Children's Services**

**Background Papers**

Raising Expectations White Paper

Murray Rose: Extension 2099

S17 Crime and Disorder	The new arrangements must ensure that appropriate provision is in place to meet the needs of those who have offended and those who are at risk of offending.
Health and Well Being	Successful implementation of the new arrangements will help to ensure that young people do not become NEET (Not in education, employment or training), with the consequent impact on wellbeing.
Sustainability	There are no specific sustainability issues presented in this report.
Diversity	The new arrangements must ensure that all groups of young people can access provision.
Wards Affected	All wards
Groups Affected	All young people aged 16-18.
Budget and Policy Framework	The machinery of government changes transferring responsibility for funding and commissioning education and training from the LSC to individual local authorities will result in the council being responsible for passporting significant additional resource to schools, colleges and training providers. Additional capacity will be required to deliver on the responsibility, which will have an impact on medium term financial planning. Whilst Authorities will receive funding to commission training and education places for all young people 16-19, this money is ring-fenced to the provision of those places and is not available to address the financial implications of local authorities assuming responsibility for this role. The DCSF have expressed the intention to transfer 1,000 LSC posts to local authorities nationally by September 2010, but no further detail has yet been made available. More clarity will be provided during the shadow year 2009/2010.
Key Decision	This is a key decision.
Urgent Decision	This is not an urgent decision.
One Darlington: Perfectly Placed	This report will contribute to the priority of One Darlington – narrowing the gap in outcomes between different groups of young people.

## MAIN REPORT

### Information and Analysis

#### Background

6. In September 2008, following Cabinet agreement, the 5 Tees Valley Authorities submitted to the Director of Children and Learners GONE a joint statement of intent outlining how the Tees Valley Authorities intend to work together as a sub-regional group to deliver their new responsibilities for the strategic commissioning of 14-19 education and training on transfer from the LSC in 2010. Individual Cabinets signed up to the sub-regional arrangement. Stockton was identified as the lead authority.
7. The proposed Tees Valley Sub-Regional Group (SRG) has now been ratified. Stage 2 of the process is an assessment, carried out by DCSF in March 2009, to enable a readiness to deliver judgement to be made regarding the group's capacity to deliver at sub-regional level. Groups are invited to submit proposals detailing their commissioning and other partnership arrangements to enable an assessment to be made by April 2009. This is intended to allow sufficient time for working/shadowing relationships to be agreed with the LSC for the start of the commissioning year in September 2009.
8. The Sub-Regional Group must submit a plan to Government Office North-East outlining how ready it is for operating in the transition year including:
  - (a) Governance arrangements;
  - (b) Decision making process;
  - (c) Dispute resolution;
  - (d) Staffing needs;
  - (e) Reporting processes, and
  - (f) Financial and performance accountabilities.
9. A national panel will review the plan and make decisions on the readiness of the Sub-Regional Group. Individual feedback will be provided to the Sub-Regional Group via GONE from March 2009.
10. The Tees Valley Stage 2 Proposal is attached to this report at **Appendix A**.

#### Progress to date - locally

11. The LSC Tees Valley has aligned the work of the Stockton Partnership Director, to enable her to support the development of the proposed Sub-Regional Group (SRG) and to co-ordinate the Stage 2 Proposal. As lead authority, Stockton has facilitated this work.
12. A very successful Stakeholder Conference was held at the Oakwood Centre on Tuesday 18 November. Over 50 people attended from across the Tees Valley. The purpose of the event was to provide an initial opportunity for partners from school, sixth form college, further education and work based learning sectors along with representatives from local authorities to contribute their thoughts on the development of the SRG. Contact with neighbouring SRG's has been made and colleagues were invited to the conference.

13. Individual meetings have been held with key partners across Tees Valley, to gather intelligence and to ensure that everyone has the opportunity to contribute to the development of the Stage 2 Proposal and the Sub-Regional Group.
14. A steering group has been established with representatives from each authority, FE, sixth form colleges, schools and work based learning providers to share good practice and contribute to and assist in the development of the Stage 2 Proposal.
15. The Tees Valley Directors of Children's Services (DCSs) agreed on a model for the structure of the Sub-Regional Group on 11 December. It was also agreed that the SRG should be aligned to Tees Valley Unlimited, through the establishment of a 14-19 Functional Board comprising the 5 DCSs.
16. At the time of writing there are ongoing discussions about governance arrangements, with the proposal that Lead Members for Children's Services should play an active role in monitoring and decision making. This will be in addition to the work of the Directors of Children's Services at the sub-regional level.

### **Progress to date – regionally**

17. In addition to collaboration at a sub-regional level to plan and commission provision, local authorities will need to come together with other key stakeholders such as the Regional Development Agency, GONE, Young People's Learning Agency and the new Skills Funding Agency as part of a Regional Planning Group (RPG).
18. The Regional Planning Group will scrutinise the commissioning plans of the Sub-Regional Groups to ensure that they are coherent, fall within the overall budget available and deliver the entitlement for all young people in the region. The RPG will also work with the Regional Skills Partnership to make sure that commissioning plans reflect local skills needs. Indeed recent national guidance indicates an expectation that at a regional level 'the voice of employers' should be 'strongly represented in helping to ensure that economic growth is driven forward and the needs of the labour market are being met'.
19. In the interim, a Regional Planning Forum has met to take a strategic overview of the development of Stage 1 and Stage 2 Proposals. This forum includes Directors of Children's Services, representatives from the FE sector, schools and work based learning providers, Government Office, the LSC and One NorthEast.

### **The Stage 2 Proposal**

20. The Stage 2 Proposal (attached at **Appendix A**) outlines the partnership arrangements, decision making protocols and governance structures which the sub-regional group intend to utilise in order to support and enable them to deliver the strategic planning and commissioning responsibility for the 16-19 education and training on transfer from the LSC in 2010. DCSF will make a decision on the SRGs readiness to deliver, on the basis of their Stage 2 Proposal.
21. The key principles underpinning the SRG's proposal put the learner at the centre, see the SRG as a forum for shared planning and delivery, focus on inclusivity, and ensure that whilst the lead authority has responsibility for co-ordination and administration of the SRG

each local authority retains its own statutory accountability.

22. Key features of the Tees Valley SRG Stage 2 Proposal include:
- (a) Alignment with Tees Valley Unlimited. One mechanism for doing this could be through the establishment of an additional 14-19 group, comprising the 5 Directors of Children's Services supported by the lead officer from the lead authority. This board would be the decision making group for the commissioning arrangements of 14-19 provision and could report either directly to the TVU executive or through one of the already established boards (e.g. Employment and Skills).
  - (b) Development of a Commissioning Group, with board membership from across the 5 authorities, including representation from sixth form colleges, schools and work based learning providers. Representation will also be invited from Durham and North Yorkshire to reflect travel to learn patterns.
  - (c) The existing 5 Tees Valley 14-19 Partnership Boards will remain, with their roles reviewed to ensure they align more closely with one another.
  - (d) Robust accountability and governance through the well established Tees Valley Unlimited structure.
23. The SRG is seen as a partnership of equals, driven by a common purpose and ambition to ensure the very best outcomes for young people. The model outlined in the Stage 2 Proposal will support effective partnership working within a robust accountability framework.

### **Next Steps**

24. Pending ratification of the Stage 2 Proposal, work will need to continue to develop the Sub-Regional Group in order that the shadow year is spent productively and opportunities are maximised in the approach to transfer. Issues of resources and capacity have to be resolved, both within individual authorities and across the Sub-Regional Group.
25. The Steering Group will develop an action plan between January and March 2009 pending the outcome of the Stage 2 Proposal, to take forward the work in progress and to include for example:
- (a) Continued relationship development within and between the 5 local authorities and also with North Yorkshire and Durham SRG's;
  - (b) Embedding the SRG within Tees Valley Unlimited;
  - (c) Further consideration of delivery and staffing needs;
  - (d) Developing the purpose, terms of reference, membership and accountability of component groups building on the already agreed TOR of the Steering Group;
  - (e) Undertaking a self-assessment of readiness to operate Model B;
  - (f) Reviewing TVU protocols for dispute resolution to ensure they are appropriate to the needs of the SRG;
  - (g) Reviewing existing data sharing protocols;
  - (h) Developing a Memorandum of Understanding for partnership working;
  - (i) Reviewing 14-19 Partnerships to ensure they are aligned;
  - (j) Developing a three year strategic SRG plan;
  - (k) Establishing a group to lead on quality and develop a process to ensure that only quality provision is commissioned;

- (l) Developing strategy around working arrangements with the neighbouring SRG's of North Yorkshire and Durham; and
  - (m) Developing a strategy around cross cutting themes (e.g. Learning Disabilities/Difficulties, Diploma development, common prospectus).
26. DCSF have indicated an in principle decision to transfer around 1,000 LSC posts to local authorities for September 2010. However, specific details regarding the transfer of staff from the LSC to local authorities have not been made available yet, which makes it difficult to engage at sub-regional level in any formal decision making in relation to staffing or capacity. Aligning the work of the LSC Partnership Director-Stockton to support the development of the SRG and Stage 2 Proposal has proved very effective. Continuing this arrangement through the shadow year would prove a productive and cost-effective way of taking the work forward. Relationships have been established and effective working practices are now in place, continuity of approach is judged to be the most beneficial in the circumstances.
27. Throughout consultation and development, the constant message from partners across all sectors has been the need to maintain the good practice and effective working relationships established by the LSC, and build on that firm foundation to improve outcomes still further for young people across the Tees Valley. The model of a shared service, working across the Tees Valley but with specific local focus as appropriate, is one which would achieve economies of scale, retain current effective practice and ensure commissioning decisions are strategically co-ordinated. Aligning more of the LSC Partnership team to this model over the shadow year would enable smooth transfer in 2010 and ensure good practice is sustained. Developing an agreed staffing model across the sub-region will be a key priority over the coming year.
28. Each Sub-Regional Group is required to nominate a lead authority. Having been nominated as lead by the Tees Valley group in the first instance, Stockton co-ordinated the initial grouping proposal, developed the Sub-Regional Group and produced the second stage proposal and subsequent work plan. The proposed structure presents the Tees Valley DCSs as the decision making body, as the 14-19 functional board of TVU, with additional governance through to the Executive and Leadership Boards of TVU. Having established a model where the 'lead' responsibility is clearly one of facilitating and co-ordinating partnership working, it is proposed that Stockton continue to deliver this responsibility on behalf of the Tees Valley Authorities. In the first instance this would be through the tracking, shadowing and transfer years, with opportunity for the 14-19 functional board to review the arrangements in 2011 once transfer is complete and practice is established.

### **Outcome of Consultation**

29. The decision to submit a Tees Valley Statement of Intent to form a sub-regional group was taken by Cabinet in September 2008 after consultation with 14-19 partners. Consultation with all relevant partners has continued.