



  
*Local Government Association*

## mapping the terrain: 16–19 funding transfer

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### Background

The Apprenticeships, Skills, Children and Learning Bill 2009 outlines how the delivery of education and training to young people and adults will be improved. The intention is that more young people will have the skills and qualifications to progress onto further education (FE), higher education (HE) or into employment. At present the Learning and Skills Council (LSC) plans and funds all post-16 education, other than higher education. In April 2010 the LSC will be dissolved and the responsibility for planning and commissioning education and training for 16–18 year-olds will transfer to local authorities (LAs). The newly created organisation, the Young People's Learning Agency (YPLA), will provide funding and support for LAs. A new Skills Funding Agency (SFA) will manage a demand-led approach to education and training provision for adults.



The transition stage of this process is well underway. In stage one LAs organised themselves into 41 sub-regional groups (SRGs) based largely on the travel-to-learn patterns of learners. Each SRG submitted stage two plans at the end of February 2009 in which they outlined their proposals for delivering outcomes for young people through planning and commissioning post-16 provision. The intention is that shadow arrangements will be in place by September 2009 and the new system will be fully operational by April 2010.

In October 2008 the Local Government Association (LGA) commissioned the National Foundation for Educational Research (NFER) to undertake research to establish LAs' and providers' early experiences with regard to the 16–19 funding transfer. The aim was to inform future progress in terms of workforce capacity issues. This executive summary presents the key findings from nine case studies, including 54 semi-structured interviews (17 at LA level, 26 at provider level and 11 with LSC representatives).

## Key findings

### Progress

The evidence suggests that the pace of building and progressing collaborative relationships, in order to coordinate this journey towards the transfer of funding from the LSC to LAs in 2010, was noticeably reliant on pre-existing relationships. Where case-study areas appeared to be more advanced in their preparation for the transfer, this seemed to be related to a pre-existing culture of collaborative relationships, combined with direction and a positive attitude towards change rather than geographical area or LA type. Currently, according to LAs, progress in partnership work, particularly between LAs was at a strategic rather than operational level. There was limited evidence that some FE colleges were actively involved in moving the transfer forward.

Most LAs felt they had access to information on learner needs such as the Individual Learner Record (ILR) database. However, they may not have appreciated the importance of the collaboration between the LSC and colleges in terms of informing the database. The majority of LAs intended to rely on the LSC's historical analysis for the time being. Additionally, some LAs reported having engaged with employer analysis but, on the whole, LAs were presently relying on existing structures for employer analysis because building links with employers was not seen as a high priority.

Overall some useful lessons from the shadowing process were reported to have been learnt. For example, most LAs believed they have developed an understanding of the broad range of activities that the LSC undertakes. Some LAs also said they had developed an appreciation of the complexities of both the FE system and the tasks involved in commissioning 16–19 provision (although this was not the view of colleges). In addition, there was some limited pockets of progress made with regard to shadowing the commissioning process such as LA attendance at LSC briefings, training sessions and workshops; LSC attendance at LA 14–19 events; LA visits to other LAs within the SRG; and LA staff accompanying the LSC on school and college visits.

### Challenges

Many LAs reported not having enough time and staff capacity to, for example, further build collaborative relationships or reach SRG consensus over ways forward. Many of the more rural LAs found the lack of time for travelling to, and attending, meetings challenging.

In some SRGs the difficulties associated with collaborative working, and the current lack of capacity, were compounded by some LAs reportedly not being fully committed to the transfer, a perceived sense of competition between LAs and the absence, so far, of joint-working (in contrast to informa-

tion-sharing). There was also seen to be a need for more information from central sources, such as from the DCSF and REACT,<sup>1</sup> and clearer communication both at LA and SRG levels.

Providers perceived the most challenging aspects of the transfer was LAs' apparent lack of knowledge of the complex and diverse provider and FE system (and the educational and training needs of 16–19 year-olds), and the current funding system (for example, the complexities of different funding streams for 16–19 year-olds and students over 19 years old). In terms of the commissioning process, the key challenges identified by interviewees, were clarifying what the term 'commissioning' means and all parties not understanding the detail of the process or managing the complexities of the staff transfer.

The majority of FE and LSC interviewees reported considerable concern with regard to strategic links between LAs and employers. Additionally, matching learner and employer needs and the significance of providing appropriate information, advice and guidance (IAG) for learners were also considered as challenging. The LSC was experiencing challenges in terms of supporting LAs while fulfilling its own responsibilities, especially within the context of decreasing staff numbers.

### **The future**

A number of interviewees felt that a workable system at the local level could yield positive impacts and opportunities for young people. It was believed that bringing together responsibility for the whole 14–19 funding phase should mean more effective planning for the phase and the ability to respond better to the individual needs of young people. This would allow more flexibility for learners in terms of learning opportunities and progression. Additionally, the potential that the funding transfer could have in highlighting local needs and raising participation was recognised.

There was some recognition that the transfer might provide an opportunity for LAs to recognise equality amongst all providers, for example, between school sixth forms and colleges and might open up opportunities, such as for training providers for future provision.

Interviewees appeared to be concerned that previously identified challenges may turn into risks. Such risks identified by interviewees were short-term destabilisation of the FE sector, increased complexity and bureaucracy (unless the SRGs are fully utilised) and LAs not fully appreciating the complexities of the FE system and the skills agenda. These may not be fully appreciated by LAs and could be minimised through further central support and guidance about how the new commissioning process was going to work in practice, the staffing transfer and the role and functions of new organisations.

Overall, one of the main messages that emerged was the need for effective communication between all parties, allied with trust and transparency. An important component of this communication would be two-way dialogue, for example, between senior LA staff, and senior college staff, and colleges and training providers proactively engaging with local government in order to fully contribute to local partnerships to improve the overall provision for young people.

### **Recommendations**

For transformational change, such as the transfer of funding for 16–19 year-olds from the LSC to LAs, to be successfully implemented, it is perhaps advisable that all parties are consulted and their views are, and are seen to be, listened to. This would encourage all parties to take ownership of the change. It is suggested that all stakeholders might wish to consider the importance of effective communication and dialogue, at all levels between all parties, in order to complete this journey to the successful conclusion of a seamless transition. It was notable in this research that a culture of

teamwork, direction and a positive attitude towards the change were key to stakeholders' state of readiness and to building further capacity.

#### More specifically, **LAs and SRGs may wish to consider:**

- maximising SRG development to ensure that there is no duplication of effort, that a wider skills base (where all individual LA's skills are used across the SRG) is established, that there is common understanding between all LAs and providers, and that protocols are universally understood and used
- encouraging staff to embrace the change, appreciate the benefits for young people and promote collaborative working within LA departments and across LAs in a SRG, between neighbouring SRGs and between LAs and all providers (including schools)
- acquiring a comprehensive understanding of all providers, including the FE system and its culture, and the 14–19 and skills agenda, and listening to and engaging in dialogue with FE colleges, other providers and employers at both strategic and operational levels
- using this as an opportunity to promote equality of provision
- engaging with the LSC to address any concerns (for example, with regard to new job specifications or a different working culture) that staff may have with regard to potentially working for the LAs.

#### **Providers may wish to consider:**

- dedicating staff to keeping up to date with developments in order to best embrace and contribute to preparations for the change
- engaging in dialogue with LAs and other providers at both strategic and operational levels in order to contribute to a fuller understanding of 16–19 year-olds' educational and training requirements and the complexities of different funding streams, and appreciating the role of local partnerships.

#### **LGA and REACT may wish to consider:**

- as a matter of urgency, clarifying the position with regard to the staff transfer and providing support and direction to both the LSC and the LAs in order to reassure them that capacity will be transferred and developed, in terms of existing, transferred and new staff, within LAs.

#### **DCSF may wish to consider:**

- providing detailed explanation and guidance about how the commissioning process will work and the role and functions of organisations and groups, including both the SRG and the LA and those external to the LA (such as the YPLA, SFA and RPGs).

#### **The LSC may wish to consider:**

- how they can best continue to support the LAs not only in terms of sharing information about their business cycle but also with regard to ways of accessing and building on knowledge on FE, skills and employment
- engaging in dialogue with the LAs to establish the detail of how LAs operate and how their roles would change in the new environment.



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<sup>1</sup> REACT – Funded by the Department for Children, Schools and Families (DCSF), the **React** Programme is hosted by the LGA and supported by practitioners in local authorities. The team supports local authorities in building capacity to ensure the smooth transfer of commissioning and funding from the LSC.