

**Meeting of the Cabinet – 28 October 2009**

**Report of the Director of Children’s Services**

**16-19 Funding Transfer – the Black Country Sub-regional Group Proposal**

**Purpose of Report**

1. Building on the report “16-19 Funding Transfer – operational changes” presented to Cabinet on 9<sup>th</sup> September, to present the draft Stage 2 proposal for a Sub-regional Grouping of the four Black Country Authorities: the City of Wolverhampton, and the Boroughs of Dudley, Sandwell, and Walsall. The report details the arrangements to manage 16-19 commissioning following the transfer of responsibility for 16-18 funding from the LSC to Local Authorities and reflects the guidance provided by the DCSF.

**The Black Country Sub-regional Group Proposal**

**Governance**

2. All four Black Country Authorities are committed to a model that recognises the sub-regional travel to learn patterns of its 16-18 learners but which also ensures each local authority retains its statutory responsibilities. This translates into a model where commissioning is essentially managed on a local basis with each Local Authority having a commissioning function and responsibility and then bringing these together through the Sub Regional Commissioning Group to ensure a coordinated sub-regional commissioning plan designed to achieve the highest possible quality of provision.
3. Under this model each Local Authority would take principal responsibility for agreeing the 16-18 provision with the FE and other colleges, schools and providers based in its area. This local commissioning function and responsibility would be complemented by a Sub Regional Commissioning Group drawn from LA leads. It would be expected that Local Authorities would liaise with and co-ordinate arrangements with neighbours beyond their boundaries with whom there might be significant travel to learn exchanges.
4. Framing, guiding and sanctioning the commissioning process would be a clear sub-regional governance structure established by a Memorandum of Understanding between the four Local Authorities endorsed by Elected Members in each of the Authorities through their individual

political decision making process. The Terms of Agreement of the Memorandum of Understanding are currently being worked up.

5. The governance structure would recognise and reflect the role and statutory responsibilities of individual LAs and their commissioning processes. In keeping with the guidance from the DCSF on the function of the 14-19 Partnership in an LA, each individual LA would have its arrangements for agreeing the 16-18 commissioning plan to be for its area, reflecting its established governance structures for commissioning with in all likelihood, at least, Cabinet approval in each of the respective Local Authorities for its 16-18 plan.
6. Then, at sub-regional level, there would be two principal groups that would inform, manage, and sanction the Black Country SRG commissioning plan to be proposed to the West Midlands Regional Planning Group (RPG). There would be a Black Country Post 16 Commissioning Executive Group composed of the 4 Directors of Children's Services for the Black Country Local Authorities plus supporting officers. This would manage and inform the bringing together of the individual LA commissioning plans. This process would be supported by clear links to the Black Country Consortium through which it will be ensured commissioning intentions align appropriately with the wider regeneration agenda. The Executive Group would report to a Post 16 Commissioning Board, composed of the four Lead Members for Children's Services which would sanction the SRG plan. These two groups would meet as required during the period of the commissioning cycle.
7. The Black Country Post 16 Commissioning Executive and the Member Level Board would operate under clear and agreed Terms of Reference (to be signed off by Elected Members in each of the 4 LA's) and operate under clear delegated authority from each of the four Local Authorities. It is anticipated that papers would be in the public domain and subject to call in, scrutiny and challenge by the existing Scrutiny arrangements within each of the four Local Authorities. The work programme for the LA commissioning process would initially be based on the current LSC business cycle, and be supported by the 16-19 Operational Commissioning Group, with meetings arranged to ensure that timely decisions are made in order to ensure that colleges and other providers received budgets in good time.
8. Discussions are currently underway with colleges, schools, work based learning providers and other stakeholders including learners and employers about how they could be best engaged. It is not envisaged, however, that the provider network would be invited to join the SRG Commissioning Board as the SRG would want to maintain a clear separation between commissioners and providers. It is the case that the Black Country has engaged stakeholders in the 14-19 Implementation Plan agenda for a number of years, having held an annual conference since 2006. There are two provider representative groups, Black Country Partnership for Learning (BCPL), and Black Country Training Group (BCTG), that the SRG has also engaged in taking forward the dialogue around the needs of young people and how best the LAs and the SRG

can meet them. It is anticipated that engagement of learners and employers will be conducted at both the local level – based on existing Local authority arrangements for example youth Cabinets and Parliaments – and at the sub regional level.

### **Decision Making Processes**

9. Under the proposed model set out above, decision making processes would, in the first instance be essentially local with each Local Authority having a strategic dialogue with its FE College(s), schools and other providers. It would then go through an iterative process of co-ordination and moderation through the 16-19 Operational Commissioning Group. The intention is to create a structure which would allow both a local and a sub regional commissioning level. The decision making process at least initially would therefore be similar to that currently operated within the LSC going from strategic dialogue with colleges and other providers (often based on national and regional as well as local policy priorities) and then moving through sub regional, regional and national iterations as set out in DCSF guidance. The quality of provision would, of course, be a key factor in decisions about commissioning or decommissioning provision. Decisions would be made by the Executive Group and Board where appropriate under delegated authority and where necessary signed off by Elected Members in each of the 4 LA's either acting under individual executive powers or through Cabinet and, where necessary, endorsed by the full Council. The Executive Group will also have a key role in liaising with other Sub Regional partnerships and where appropriate co-ordinating commissioning arrangements in order to ensure that there is no unnecessary duplication of provision or that decisions are not made about provision within our Sub Region which would have an adverse impact on learners in neighbouring Sub Regions. The SRG's proposed commissioning plan would then go to the RPG for final sanction.

### **Dispute Resolution**

10. We anticipate that with both a Member and an Officer group most potential disputes within the four Black Country Authorities could be resolved either by the Executive Group or by the Commissioning Board. Where this is not possible disputes will be referred to the Young People's Learning or by working with and through the Agency Regional Planning Group (or its successors).

### **Staffing Needs**

11. Staffing needs are at this stage difficult to estimate, but based on the appropriate indications of the number of staff and names to transfer to Local Authorities we anticipate that each of the Local Authorities will have a commissioning team. These posts will need to be supported by between 2 and 4 posts probably at a level equivalent to LSC Band 2 or 3. It is likely that one of these posts in each Local Authority will need to take responsibility for the functions relating to the placement of learners with learning difficulties and other issues around LLDD. These latter posts are

likely to be based in existing Inclusion teams to maximise the synergies with other SEN related work.

12. The local teams will be managed primarily within the individual Local Authority's Children and Young People's Services.
13. At both local and sub regional level close links will need to be established between the teams responsible for commissioning provision and those responsible for IAG. (Decisions are currently being made across the Black Country LA's about the future arrangements for the Connexions Service). This will enable the production of both an Area prospectus, covering the Black Country, as well as more local ones for each LA area or part thereof. Links with IAG services will also help develop a learner stakeholder group.

### **Reporting Responsibilities**

14. Reporting lines will be essentially local i.e. from each of the Local Commissioning Teams up through appropriate management and political arrangements in each of the 4 Local Authorities and also sub regional i.e. to the Post-16 Commissioning Executive Group made up of the four DCS's and to the Sub Regional Commissioning Board of the four Lead Members for Children's Services in the Black Country Local Authorities. Where necessary these arrangements will allow reports to be made to other sub regional groupings such as the Association of Black Country Authorities, the Black Country Consortium and also allow reporting to regional bodies such as the Regional Planning Group. Reports could also, under this system, be readily produced for national or regional agencies such as the YPLA or the Government Office of the West Midlands.

### **Financial and Performance Accountabilities**

15. There is insufficient information at this stage to say much concrete about this area. At this stage all that can be said is that we would expect the funding for FE colleges and other post 16 providers to flow through the Local Authorities but to be based as now on a national formula. The financial and performance accountability will therefore be both local and regional/national. We await further information on Government's expectation on how financial and performance accountabilities will be managed within the new Sub Regional frameworks.

### **Finance**

16. From 1st April 2010 the funding for the education and training of 16-19 year olds will transfer to the Local Authority who will be responsible for it's distribution. The full details of the budget transfer are not known as this stage.

### **Law**

17. Under the Education and Skills Act 2008, the age of participation in education or training will increase to 17 years by 2013, and to 18 years

by 2015. On 1 April 2010, unitary and county councils will take over responsibility for commissioning education and training for 16-19 year olds. This responsibility is transferring from the Learning and Skills Council (LSC).

### **Equality Impact**

18. The report takes into account the Council's Equality and Diversity Policy.

### **Recommendation**

19. It is recommended that the Cabinet agree to:

- The proposed Sub-regional Group governance arrangements and structures as outlined above.



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### **List of background papers**