

 IMPROVING OUTCOMES FOR WEST LONDON	West London Economic Prosperity Board 6 December 2016
Title	West London Skills Update
Report of	Mary Harpley, Chief Executive Hounslow
Wards	All
Status	Public (<i>with separate exempt report</i>)
Urgent	No
Enclosures	Annex 1: Draft Terms of Reference for WLA Employment and Skills Board
Officer Contact Details	Katharine.purser@barnet.gov.uk 02083597728

Summary

The West London Post-16 Education and Training Area Review has concluded. Work commissioned by the West London Economic Prosperity Board (WLEPB) in September to a) establish a task and finish group to review the findings of the pan-London strategic review of adult community learning and b) establish a West London Skills Commissioning function and Skills and Employment board is underway. This Board will inherit strategic responsibility for overseeing implementation of the area review (with detailed work being undertaken by a pan-London body). The Board will also oversee the future development of partnerships between skills providers to strengthen the ability of the local skills sector to respond to local skills demand.

Recommendations

The Board is requested to:

1. Note the conclusion of the West London Post-16 Education and Training Area Review.
2. Comment on draft Terms of Reference for Skills and Employment Board and nominate a borough Leader to chair.
3. Confirm that the Board's priority, in discussions with the Greater London Authority (GLA) and Central Government on skills devolution, is control over how the majority of devolved funding is spent in the sub-region, rather than devolution of funding.

1. WHY THIS REPORT IS NEEDED

- 1.1 This report updates the West London Economic Prosperity Board on the conclusion of the review of post-16 education and training in West London and next steps as the sub-region prepares for the devolution of the Adult Education Budget (AEB). This includes an update on the establishment of a skills commissioning function in West London and a request for a steer on terms of reference and negotiation position with central government and the GLA. Negotiations on skills devolution are now expected to extend into 2017.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The West London Post-16 Education and Training Area Review concluded on the 8th November and the Pan-London process concluded on 28th November. This review was part of a series of reviews being undertaken nationally by the Department for Education and the FE commissioner. They are designed to ensure colleges are financially stable and efficiently run, so that they are more sustainable and better-positioned to meet the present and future needs of individual students and the demands of employers.
- 2.2 In London it was agreed that due to the volume of colleges in London the reviews would be undertaken sub-regionally and overseen by a pan-London steering board. In other parts of the country the process was overseen by the Department and chaired by the FE commissioner. Given the context of negotiations on the devolution of the adult skills budget, the Department also agreed that the pan-London steering board would be chaired by the Mayor of London and sub-regional steering boards would be chaired by a Borough Leader, and deputy-chaired by a local employer. This was agreed by the Department and the FE commissioner, at the request of the Mayor and the London Boroughs, on the basis that the reviews would still use the department defined methodology and the review steering boards recognise the sovereignty of college corporations to determine their own future.
- 2.3 Cllr Steve Curran chaired the West London review on behalf of the West London boroughs. The deputy-chair was Paula Stannett, HR Director, Heathrow. Membership of the steering group comprised each college's chair of governors and principal, a lead borough Chief Executive, a Lead Growth Director, a lead Director of Children's services and a borough SEND lead as well as representation from the West London Alliance (WLA). Membership also included representatives from the GLA, a second business representative, the FE Commissioner; the Deputy FE Commissioner; the Sixth Form Commissioner, the Regional Schools Commissioner, and representatives from the DfE, the Skills Funding Agency (SFA) and the Education Funding Agency (EFA).
- 2.4 The steering group met on six occasions between March and November 2016, and additional informal meetings also took place to consider and develop options in greater detail. In March, the West London boroughs set out a clear ambition for skills delivery in West London based on the needs of the local economy and population. Other analyses was presented to the Board through the process

including colleges' self-assessment their curriculum and specialisation and financial analysis of merger options proposed by colleges undertaken by the SFA. There was a specific focus on meeting the demand for Special Educational Needs in the sub-region and colleges nominated a lead representatives to work with boroughs on this.

- 2.5 Broadly recommendations are based on each college corporation's own assessment of the most appropriate option for their college. Full recommendations of the West Area Review were agreed at the final steering board on 8th November 2016 and will be published with the final reports in January 2017. Further information is set out in the associated exempt report.
- 2.6 **The West London Economic Prosperity Board is requested to note the conclusion of the West London post-16 education and training area review**
- 2.7 At the West London Economic Prosperity Board meeting in September 2016, the Board agreed to the establishment of a skills commissioning function to provide a credible, robust steer to local skills providers on the demand for skills locally and our expectation on how these should be met. This included the agreement to establish a West London Skills and Employment Board (WLSEB), accountable to the WLEPB and tasked with development and overseeing delivery of the West London Skills Commissioning Strategy.
- 2.8 The West London Area Review steering board supported the WLEPB recommendation that the WLSEB take over oversight of the implementation of the Area Review recommendations in the sub-region. A pan-London implementation body will oversee the detailed work of implementation and report back to the WLSEB every six months. The WLSEB will also oversee the future development of partnerships between skills providers to further stabilise the FE sector, stimulate demand for apprenticeships and advanced learner loans, improve careers information, advice and guidance and integration of skills with employment services. This will be in the context of the West London Skills Commissioning Strategy developed and delivered by the board as well as broader London Skills Strategies and pan-London activity.
- 2.9 For the WLSEB to be effective, it is recommended that membership is small and with strong representation from local employers. It also recommended that a borough leader chair the board and invited a local employer to co-chair. A Draft Terms of Reference are set out in Annex 1. These terms of reference will be formally agreed by the board at their first meeting, expected to be early in 2017.
- 2.10 The draft terms of reference reflect that no formal deal has been struck with Government on the devolution of Adult Education Budget (AEB) to London nor has the detail on how sub-regions will control/influence any budget devolved to the Mayor been developed (including adult community learning budget currently directly allocated to boroughs by the SFA). The initial steer from ministers is that the AEB can only be devolved to the Mayor and not sub-regions or boroughs. The GLA has been open to working with sub-regions to develop mechanisms which allow strong sub-regional influence over devolved funding and potential for a proportion of the

funding to be granted or contracted to sub-regions to meet local priorities, although these are not yet formalised.

- 2.11 The West London skills commissioning function and WLSEB will ensure West London boroughs and employers develop a much clearer mechanism for articulating local skills demands to providers and holding them to account, regardless of the nature of the skills devolution deal in London. The WLEPB and WLSEB will be well placed to strongly engage with the GLA and emerging proposals for devolved funding in London. It is likely that sub regions will play an essential role in handling the direct relationships required with local providers to set funding allocations and objectives and hold them to account, which is unlikely to be duplicated by the GLA. Current thinking is that the mechanics of passing funding to colleges and the detailed work monitoring spending will be undertaken at the London level by an administrative agency, which is perceived to be the most efficient solution.
- 2.12 **The West London Economic Prosperity Board is requested to comment on draft terms of reference for Employment and Skills Board and nominate a borough Leader to chair**
- 2.13 **The West London Economic Prosperity Board is requested to comment on a suggested position in relation to devolution that seeks control over how the majority of devolved funding is spent in the sub-region, rather than formal devolution of this funding to sub-regional level.**
- 2.14 At the September EPB meeting, the board commissioned a task and finish group to review the findings of the Strategic Review of Adult Community Learning in London and make recommendations to the WLEPB on West London's response. The London ACL review was concluded on 21st November and the Task and Finish group is scheduled to meet on 2nd December and will report back to WLEPB in March 2017.
- 2.15 Boroughs are broadly supportive of closer working between ACL services to provide a more consistent service to residents and reduce costs. The task and finish group will consider, amongst other things:
 - Opportunities for consistent London / West London policies for example in areas such as Equality and Diversity, Safeguarding, Community Engagement and Social Inclusion and PREVENT. A consistent approach to entitlements, ESOL, basic skills offers and fees will also be considered.
 - Areas where savings might be achieved e.g. through 'back office' shared services
 - A clear curriculum offer and possibly a sub-regional Careers Advice service linked to jobs brokerage
 - A consistent approach to staff recruitment, contracts, professional development and assessment
 - Commercial opportunities including income generation

2.16 In all of these area the work of the task and finish group will feed into, take into account and take advantage of work being undertaking a pan London Level as well as developments in the adult skills budget devolution negotiations.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 Direct control of all devolved skills funding at a sub-regional level has been considered. However, this approach would attract additional administrative cost and risk at the sub-regional level, with duplication of this across sub-regions at the Pan-London level which is unlikely to be acceptable to the Mayor. This paper recommends a pragmatic approach to ensure the planned skills commissioning function in West London is in a position to exert maximum influence and control over skills spending without having direct administration of the funding.

4. POST DECISION IMPLEMENTATION (APPROACH AND NEXT STEPS)

4.1 The work of the West London ACL review task and finish group will continue in parallel with activity to establish the skills commissioning function and WLSEB, which is likely to hold its first meeting in early 2017. The task and finish group is expected to report findings to EPB in March 2017 and the WLSEB aims to proposed a West London Skills and Employment Strategy for WLEPB sign off in June 2017.

5. IMPLICATIONS OF DECISION

2.17 Corporate Priorities and Performance

2.17.1 The proposals support the West London Vision for Growth and Growth Plan on employment and skills, as well as the WLEPB ambition for skills devolution.

2.18 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

2.18.1 Further resource implications to those previously raised with WLEPB have not been identified at this stage.

2.19 Legal and Constitutional References

2.19.1 The post-16 education and skills provision work falls within the following functions of the West London Economic Prosperity Board as set out in the Board's Functions and Procedure Rules:

- *Representing the participating local authorities in discussions and negotiations with regional bodies, national bodies and central government on matters relating to economic prosperity for the benefit of the local government areas of the participating authorities.*

- *Representing the participating authorities in connection with the Greater London Authority, London Councils and the London Enterprise Panel, for the benefit of the local government areas of the participating authorities, in matters relating to the economic prosperity agenda*
- *Representing the participating local authorities in discussions and negotiations in relation to pan-London matters relating to economic prosperity.*
- *Agreeing and approving any additional governance structures as related to the Joint Committee, or any sub-committees formed by the Joint Committee.*

2.20 Risk Management

2.20.1 There is a risk that GLA administration of the Adult Education Budget will be designed in such a way that sub-regional control over spend is restricted. WLA officials are working closely with the GLA to ensure governance and supporting mechanisms developed at regional and sub-regional level to support delivery of the devolved skills budget work well together and maximise leverage of the sub-regions.

2.21 Equalities and Diversity

2.21.1 A locally-led skills commissioning process provides the opportunity to review the best available evidence and work with all partners locally to ensure the needs of all residents and businesses are given full consideration in skills delivery in West London. The strategy will seek to be inclusive and address specific priorities of the sub-region including and specific issues identified for particular groups accessing skills training. Full equality impact assessments will be undertaken as the strategy develops.

2.22 Consultation and Engagement

2.22.1 The Post-16 Area Review process has provided a valuable forum for extensive consultation and engagement with local colleges on future skills provision and our proposed approach for skills commissioning. WLA borough officials have also been in consultation with the Greater London Authority and representatives from other sub-regions to ensure structures developed here align with those being developed in other sub-regions and at the London level. It will also be important to engage with other skills providers, learners and employers as the detail of the skills commissioning function a strategy is further developed.

2.22.2 Colleges will begin a process of consultation and engagement with local stakeholders including learners as the move towards implementing the recommendations of the area review.

2.23 Insight

2.23.1 Hammersmith and Fulham insight team have been commissioned on behalf of the WLA boroughs to gather together and enhance existing data and analysis as an evidence base for consideration by the WL Skills and Employment Board.