

	<h1 style="margin: 0;">West London Economic Prosperity Board</h1> <p style="margin: 0;">13 November 2015</p>
Title	Post-16 education and training: Area Review
Report of	Andrew Travers, Chief Executive, London Borough of Barnet
Status	Public
Urgent	No
Enclosures	
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Summary

This report explains the approach being taken in London to reviewing post-16 education and skills provision, and the role of partnerships leading this approach within each sub region of London. The Board is asked to agree specific recommendations about the governance and process for the area review planned to take place in west London early in 2016.

Recommendations

The Board is asked to:

1. Agree in principle that a borough leader could be nominated to chair the sub-regional Steering Board that will be established to lead the West London response to Area Review
2. Endorse the proposed membership of the West London Steering Group as representative of the sub-region and relevant sectors (see section 1.25)
3. Identify the objectives of the Area Review for the West London sub-region.
4. Agree that each borough will nominate a lead officer to engage on the Review and co-ordinate borough contribution to the economic analysis that will be undertaken across the sub-region to inform the outcome of the Area Review.
5. Note that the proposed timing will be tight if the sub-region is to prepare the necessary analysis ready by February, so the Board should consider what is realistic and instruct officers to take appropriate action to meet this timeframe.

1. WHY THIS REPORT IS NEEDED

- 1.1 The government has announced a series of Area Reviews of post-16 education and training provision in order to deliver a rationalised Further Education (FE) sector, comprised of fewer, more financially sustainable institutions that are more responsive to local economic need, and that deliver high quality professional and technical routes to employment.
- 1.2 Post 16 refers to both 16-19 Education and Training currently funded through the Education Funding Agency (DfE) and Adult Skills, funded through the Skills Funding Agency (BIS). Area Reviews will focus primarily on general FE and sixth form colleges, but other post-16 skills providers, including schools and independent providers will be able to opt in. Area Reviews will take place in waves across the whole country and are due to be completed by March 2017.
- 1.3 Each review will start by taking stock of the skills landscape in local areas and assessing the economic and educational needs of the area and the implications for all post 16 education and training provision.
- 1.4 A national framework has been set out to ensure a level of consistency across the reviews, but the government has proposed a differentiated approach to local involvement. This will enable areas with strong governance and levers to take a leading role. London has been identified as one such area following the announcement in the March 2015 budget that the government would devolve further powers over the delivery of skills to the Mayor of London.
- 1.5 London government (the Mayor and the boroughs) made a case for the devolution of further powers and funding streams for adult skills as part of the London Proposition on devolution and public service reform submitted to the Treasury ahead of the Comprehensive Spending Review. In that proposition, London government committed to working with central government on area reviews to deliver a streamlined, resilient and responsive skills system, but emphasised that this would need to be part of a broader process of reform and devolution of the skills system. There has not yet been a formal response from central government to London's devolution proposition, but given their potential impact, London government is proposing to take a leading role in area reviews.

1.6 Local issues under consideration

- 1.7 Travel to Learn patterns across, into and out of London are complex, so will need analysing to provide clarity as to where residents study and whether their choice is for convenience, or the quality of the courses on offer.

- 1.8 In London, unlike other parts of the country, demand for post 16 provision is set to grow because of London demographics, so it is important that the data strengthens the responsiveness aspect of reviews.
- 1.9 In London, Further Education offers provision for the most vulnerable 16-19 year olds and adult learners, including care leavers and those with special education needs and disabilities, so the area reviews should take account of the needs of this cohort.
- 1.10 London Government is still in negotiation with government about the scope, governance, timing, and resources to support for area reviews in London, but the process is likely to recommend college mergers, federations and alternative structures, and result in fewer, larger, more specialised colleges. Due to their status as independent bodies, it will be up to the governing bodies of each individual institution to decide whether to accept the recommendations of the review.
- 1.11 Government has, however, made it clear that following the reviews, they would expect funding agencies to only fund institutions 'taking action to ensure they can provide a good quality offer to learners and employers, which is financially sustainable for the long term'.

1.12 Objectives of the London Area Review process

- o Increase the proportion of post-16 education and training in London that is "good" or "excellent".
- o Establish more responsive provision, particularly through
 - increased specialisation in technical courses at level 3, 4 and 5
 - and greater collaboration between the sector and industry.
- o Providers will be incentivised to support learners to progress in work and/or education
- o Resilient and financially sustainable institutions that can deliver learning programmes successfully over next 10 years.

1.13 Spatial issues

- 1.14 It has been agreed that London's reviews will be undertaken at a sub-regional level with some pan-London oversight .London Councils is working with boroughs to agree appropriate sub-regional boundaries, using existing sub-regions as a starting point.
- 1.15 West London has a very clear identity, consisting of the seven borough council areas of Barnet, Brent, Ealing, Hammersmith and Fulham, Harrow, Hillingdon and Hounslow.
- 1.16 Where colleges cross boundary lines, any analysis about the college's offer and its ability to meet local demand should be considered in each of the adjacent area reviews processes.

1.17 It is proposed that Specialist Designated Institutions (SDIs) should be considered as part of the area review for the sub-region where they are based.

1.18 Governance

1.19 London Steering Group

1.20 London Area Reviews will be overseen by a pan-London steering group to be chaired by the Mayor and deputy chaired by a borough leader. This group will:

- Lead, oversee and have overall responsibility for London reviews
- Set overarching skills strategy for reforms and London-wide stakeholder engagement strategy
- Ensure sufficient supply of post-16 skills provision is available in London to meet demand and London's economic needs
- Ensure findings and recommendations between sub-regional reviews are considered London-wide
- Agree and publish final recommendations of all reviews (by early 2017)
- Produce the London implementation plan for reform.

1.21 West London Steering Group

1.22 Sub-regional reviews will be overseen by a sub-regional steering board. This could be chaired by a borough leader (still to be confirmed with Central Government). Nationally, Area Review steering boards are chaired by the FE commissioner and consist of all institutions involved. In London this is considered unworkable and London Government has proposed that membership should be representative of all parties involved (including schools, sixth form colleges, FE colleges, local employers and the FE commissioner as well as experts from specialist areas (e.g. Special Education Needs). This is still in discussion with Central Government as institutions involved are strongly pushing for full representation.

1.22 The intention in WLA would be to have broad representation from all borough areas in the sub-region through ensuring representatives are from different parts of west London. It is not suggested that all partners (e.g. all boroughs / colleges) would be members of the sub regional steering group, due to the sheer numbers that would involve. It would be the role of board members to engage effectively with their peers from other parts of west London to properly represent their views and share information in a timely way.

1.23 All local authorities and colleges in the sub-region would be given the opportunity to "virtually" scrutinise, comment on and respond to the analysis

and findings at each stage prior to the sub-regional steering group coming together.

1.24 The sub-regional steering group will:

- Lead and oversee the Area Review in the sub-region, reporting into the London Steering Group to ensure that findings and recommendations between sub-regional reviews are considered London-wide;
- Oversee production of a sound evidence base taking into account local labour market information, institutions in the area and Ofsted data
- Agree the sub-regional stakeholder engagement plan
- Set the options to be considered as part of the review process ensuring there is sufficient supply of post-16 skills provision available in the respective area to meet demand whilst exploring opportunities for collaboration and improvements to efficiency are maximised; poor quality provision is addressed; work with the sector to secure long term financial sustainability of institutions in the area and achieve specialisation where appropriate;
- Agree and publish final recommendations of the review
- Produce and be responsible for the sub-regional implementation plan working in collaboration with the other sub-regional partnerships and London Steering Group.

1.25 Proposed membership of the board includes:

- A borough chief executive,
- A borough skills director,
- a lead college principal
- a lead college governor,
- a lead sixth form college representative (where relevant),
- a representative from local business/industry,
- a representative from the FE commissioner (potentially post-16 skills commissioner if they are in post).
- Experts from specialist areas e.g. Special Education Needs and Disability

1.29 Timing (still in negotiation)

1.30 Central London Forward & West London Alliance: March - May

1.31 South London Partnership & Local London: June - August.

1.32 Scope

- FE and Sixth Form Colleges

- London Government has proposed that London reviews should also include adult community learning providers and initial analysis to cover school sixth forms (including University Technical Colleges and Studio Schools) as well as independent providers and HE providers. Full inclusion of these institutions may require government agreement to share relevant data.
- Travel to learn patterns into and out of London need to be covered – with analysis of what courses are being taken where and the success rates of these courses

1.33 Resources

- 1.34 GLA is taking on secondees from the SFA and colleges to support analysis and delivery. GLA will provide the secretariat for pan-London steering group. GLA will also provide pan-London analysis
- 1.35 SFA/EFA Joint unit (Joint Area Review Delivery Unit – JARDU) will provide a secretariat function for sub-regional reviews and analysis of college curriculum offer and financial health
- 1.36 Sub-regions are expected to provide economic analysis of projected skills demand and projected demographic demand borough contributions to this work will increase its relevance, robustness and accuracy. It is proposed that this is commissioned jointly with other sub-regions to reduce cost and ensure consistency. Colleges and sub-regions may also want to contribute data and analytical resource to enhance / robustly check what EFA/SFA are producing.

1.37 Key points for EPB to consider

- 1.38 It is proposed that a borough leader will chair the sub-regional Steering Board, so a nomination is required
- 1.39 EPB is asked to endorse the view that membership of the sub regional steering group will need to be representative rather than fully-inclusive
- 1.40 Priorities in relation to the Area Review should be consistent with the objectives of the West London Vision for Growth.
- 1.41 Each borough will need to engage with and contribute to the economic analysis to be prepared in the sub-region.
- 1.42 Each borough will need to commit to providing regeneration and development data, as well as local business intelligence.
- 1.43 Each borough should nominate a key lead officer for liaison on the WLA process who will also be able to co-ordinate local financial and analytical resource as required.

- 1.44 Timing will be a tight to get all the data ready by February, so the Board should consider the implications of this, whether anything additional needs to happen to meet this timeframe.
- 1.45 A numbers of colleges are already developing merger proposals and these will continue to play out as the review process gets underway.

2 REASONS FOR RECOMMENDATIONS

- 2.1 To ensure that the outcome of the Area Review process in West London results in an optimal outcome for the sub-region and its residents.

3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Not engaging with the Area Review process will create a risk that the further education offer across west London does not match the aspirations and potential of people here, resulting in reduced outcomes and additional financial pressures on local authorities.

4 POST DECISION IMPLEMENTATION

- 4.1 If the recommendations are agreed an Area Review Group will be established and convened before Christmas 2015.

5 IMPLICATIONS OF DECISION

5.1 Priorities and Performance

- 5.1.1 Responding effectively to Area Review is consistent with the priorities set out in the West London Vision for growth, particularly in relation to improving skills and supporting people in to work.

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

- 5.3 No direct revenue implication. Resources required will be in the form of staff time in kind.

5.4 Legal and Constitutional References

The West London Economic Prosperity Board is a joint committee set up under section 102 of the Local Government Act 1972. This section allows two or more authorities to form a joint committee. The boroughs involved are Barnet, Brent, Hammersmith & Fulham, Harrow, Hounslow and Ealing. The Board's functions and procedure rules provide for Hillingdon to potentially join later. The boroughs making up the Board will be bound by the decisions made even if they voted against them. The Board will be able to make decisions on anything that falls within the Functions and Procedure Rules. It is proposed that any liabilities associated with the Committee will be allocated amongst the participating boroughs.

5.5 The post-16 education and skills provision work falls within the following paragraphs of the functions of the West London Economic Prosperity Board:

3.1.5 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.

3.1.6 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.

3.1.7 Representing the participating local authorities in discussions and negotiations in relation to pan-London matters relating to economic prosperity.

5.5 Risk Management

5.5.1 The risks of not engaging effectively with and influencing the outcome of the Area Review are:

- Higher costs associated with low skills and worklessness e.g. housing support, mental health, and out of work allowances
- FE outcomes below what they might otherwise be
- Higher levels of unemployment and lower average income across the West London area

5.6 Equalities and Diversity

5.7 A locally-led area reviews 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 any proposals affecting FE provision in west London.