

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	Meeting:	Cabinet Member for Adult Independence, Health and Wellbeing
2	Date:	September 27 th 2010
3	Title:	Consultation on the future direction of skills policy and a simplified funding system
4	Directorate:	Children and Young People's Services

5 **Summary**

On the 22 July 2010, the Government set out proposals for the future direction of skills policy and a simplified Further Education and Skills Funding System and Methodology. The consultation sets out the principles for a skills strategy and proposals on how the funding system can be made simpler and more effective. The intention is to ensure a focus on the offer to learners and employers rather than trying to navigate the funding system. As part of this review it is intended to overhaul the complex performance management regime of inspection, quality assurance and performance management so that it is more proportionate and the main driver is employer or learner choice.

6 **Recommendations**

That the proposed future direction of skills policy and changes to funding for Adult Learning be noted.

That the Senior Director for Schools and Lifelong Learning respond to the consultation by 14th October 2010.

That a further report regarding the impact of the review upon Adult Learning be submitted when further information is available.

7 **Proposals and Details**

In streamlining and reviewing the funding system the underpinning core principles should:

- Empower customers of all ages and employers to engage with colleges and training providers to make decisions about what is needed
- To put trust in colleges and training organisations, giving them the flexibility to maximise resources for frontline delivery
- Focus on outcomes particularly getting people back to work

- To be lean and fit for purpose, with low costs effective funding systems and agency structure
- A better balance in investment between the Government and individuals and employers.

The system based on these principles should:

- Allow colleges and training providers maximum flexibility to respond to customer needs
- Minimise the processes and costs in drawing down funds
- Establish a single route for organisations to receive their public funding to minimise transactions and costs
- Focus on delivery of quality outcomes so that those delivering these are rewarded
- Remove statutory or regulatory constraints which limit colleges ability to innovate
- Overhaul the complex performance management system so that it is more proportionate.

For Adult and Community Learning the proposals aim to strengthen relationships between colleges, local authorities, charities, voluntary organisations and social enterprises by encouraging and developing local leadership.

8 Finance

Funding for Adult Learning, like other areas of public spending, will be part of the Chancellor's spending review and details of the revised funding mechanism will not be available until after that date.

9 Risks and Uncertainties

The government have recognised the importance of Adult Learning but the funding mechanism and the priorities for future funding of Adult Learning will not be known until after the spending review.

10 Policy and Performance Agenda Implications

Adult Safeguarded Learning Skills Funding Agency targets

11 Background Papers and Consultation

All related documents are available from the Department for Business Innovation and Skills web site at: <http://www.bis.gov.uk/Consultations/funding-consultation>

Contact Name: Sue Shelley
Telephone: x 22540
E-mail: sue.shelley@rotherham.gov.uk

COMMITTEE/AATEMPLATE