

Open Report on behalf of Richard Wills, Executive Director for Environment and Economy

Report to:	Economic Scrutiny Committee
Date:	12 July 2016
Subject:	Area Review of Post 16 Provision and FE College Institutions

Summary

The Economic Scrutiny Committee will recall previous discussions about the forthcoming Area Review – an appendix to this report provides a summary of Government guidance that details the reasons for and the anticipated outcomes of Area Reviews.

This particular report seeks the views of the Economic Scrutiny Committee on the economic aspects of the Area Review, in light of Government's wish to ensure a business perspective is reflected. The Children and Young People Scrutiny Committee also has a vital role to play in preparing a Lincolnshire County Council (LCC) response to the Area Review, focusing on opportunities for individuals.

Actions Required:

It is recommended that members of the Economic Scrutiny Committee:

1. Identify the economic development matters that should be communicated to the Area Review of post 16 Provision and FE College Institutions Members.
2. Recommends that the Executive Councillors for Development and for Children's Services agree a joint LCC input to the Area Review.

1. Background

An Appendix to this report provides a summary of the 60-page Government review guidance and details the purpose and intended outcomes of the Area Review.

The Area Review aim to (amongst other things) deliver:

- **Institutions which are financially viable, sustainable, resilient and efficient, and deliver maximum value for public investment** - This is likely to result in rationalised curriculum; fewer, larger and more financially

resilient organisations; and, where practicable, shared back office functions and curriculum delivery systems.

- **Sufficient access to high quality and relevant education and training for all**, including 16-19 year olds, adults and learners with Special Educational Needs and Disabilities (SEND).

In contrast to the formal guidance, this report highlights the challenges that businesses have told us about and want to see reflected in the review process.

Several organisations will be formally invited to participate in the review that is described by Government as a collaborative process. A full list of contributing bodies can be found in the Appendix. The list includes:

Local Enterprise Partnerships: Contributing to the analysis of the current and future economic and educational needs of their area. Engaging in and supporting the review process including through setting out their vision of the skills system in sufficient detail within their wider strategic economic development role and through use of their potential resource leverage including capital funding and other related funding streams like European Social Funding. Being impartial and economically driven, LEP involvement allows the business voice to feature largely in the discussions and ensure there is a full understanding of employer demand and how the system needs to change to better meet that demand.

Local Authorities: engaging in and supporting the review process including through setting out their vision of the education and skills system and their expectations on the role of colleges and other post-16 providers within their wider strategic role. Engaging with school sixth forms in maintained schools and taking account of the analysis produced by the review to inform their future deliberations about schools provision.

Combined or lead authorities (with devolution deals): taking a role, overseeing the process and chairing the local steering group where they choose to do so.

Scope of institutions to be covered:

The institutions that are in the scope for the Area Review are General Further Education (GFE) colleges and Sixth Form colleges (SFCs), listed below.

Information on all post 16 provision, including schools and academies, will be included in the initial analysis phase. Arrangements will be put in place to communicate with all providers and give them the opportunity to engage.

- Boston College
- Franklin College
- Grantham College
- Grimsby Institute for Further and Higher Education
- John Leggott Sixth Form College
- Lincoln College
- New College Stamford
- North Lindsey College

Financial support for restructuring as well as consultancy, analysis and advice may be available for institutions implementing recommendations following the review. Government has made clear that this support is time limited and that once the process and restructuring is complete there will be no further financial support. A new insolvency regime is being considered and a consultation about this is expected in July. It is anticipated that GFE colleges will be allowed to fail. Government expects funding agencies and local areas with devolution powers to 'only fund institutions that are taking action to ensure they can provide a good quality offer to learners and employers, which is financially sustainable for the long term'.

The Children and Young People Scrutiny Committee is preparing a LCC response to the area review, focusing on opportunities for 16-18 year olds.

They note that there has been little change in the total curriculum offer for 16 – 18 year olds over the last 5 years or any significant increase in programmes that reflect the priorities identified in the Greater Lincolnshire Local Enterprise Partnership (GLLEP) strategic plan.

There is over sufficiency of school sixth form A-level provision, with many small sixth forms and an increasing proportion of small classes giving cause for concern about the viability of some sixth form provision. The reducing size of the cohort means that there is increasing competition for students. Participation of 16 – 18 year olds overall in Lincolnshire is good, and is above the national average, however 18% of young people commencing A-level courses in school sixth forms do not continue into the second year of the course and complete full A-levels

In Lincolnshire young people aged 18 – 24 make up a consistently higher proportion of total unemployed residents than nationally. One hypothesis could be that they are not undertaking the right courses (including in higher education) to prepare them adequately to meet the skills requirements locally, regionally or nationally.

Developing a Business and Economic Perspective

The Employment and Skills Board is holding additional meetings to focus on Area Reviews and a Greater Lincolnshire LEP working group will meet before the review begins, to refine the vision taking into account the views of business and the Board. Volunteers include: Andy Orrey (Ongo Housing), Cllr Bob Adams (both LEP Board Directors), Herman Kok (Lindum Group), Heather Lee (Lincolnshire Co-op), Jeanette Dawson (Bishop Burton College) and James Pinchbeck (Streets and Co). Clare Hughes and Maggie Freeman (LCC Children's Services) will also be involved.

A view from the Economic Scrutiny Committee would be valuable so that LCC's input to the Review is jointly agreed by Children and Young People Scrutiny Committee (CYPSC) and Economic Scrutiny Committee.

The Economic Challenge

As discussed at previous Committee meetings many times, the challenge for local businesses is to ensure there are sufficiently skilled people to fill the 200,000 job vacancies that are predicted to be available over the next ten years. There are around 128,000 young people leaving school (at 18 years old) within that timeframe.

This means that a significant proportion of the vacancies that are predicted to be available will need to be filled by adults. Some will be filled by people who are unemployed and actively seeking work, however the vast majority will be filled by the existing workforce who will need to re-train and upskill, because the available jobs will require higher skills levels than they currently possess.

Large businesses are already planning for the future, some are developing the training themselves, some purchase the training outside of the county. Medium sized businesses also tell us they want to train their staff, but sometimes they struggle to find the right training at local institutions. Smaller businesses have greater barriers, particularly in terms of letting their staff attend training during normal working hours.

It should be noted that 90,000 employees (22% of total employment in Greater Lincolnshire) are employed by businesses with less than 10 members of staff.

It is therefore extremely important to the future prosperity of Greater Lincolnshire that our training institutions consider the training needs of adults and the existing workforce, whether through public funding (Adult Education Budgets, European Social Fund (ESF)) or developing commercial courses that employers will invest in.

Business Statements

Following a series of meetings it has been agreed that the business perspective can be delivered to best effect through a number of value statements.

The following statements or values are a starting point for discussion and development – they are NOT the final product. Some of the statements have an example linked to them to help the discussion.

Greater Lincolnshire business owners are not against training for trainings sake, however where the training is less obviously linked to a job – not likely to be a job available locally - the provider must ensure that truly effective pathways to employability are in place through the development of transferable skills - Example: 14 year old Abigail wants to study PE after she has completed her GCSEs. There is already an over-supply of young people with PE qualification in the Greater Lincolnshire area and the evidence shows there are few job vacancies available.

Greater Lincolnshire business owners would like to see providers of training taking greater risks in areas (location and/or subject) that support local businesses to grow, particularly businesses in priority sectors - Example:

textile manufacturing business, Hypothetical Ltd is based in East Lindsey and requires sewing machine training for around twenty members of staff. The training isn't available, free or chargeable.

The proportion of training available should be appropriate to the number of vacancies within the local/Greater Lincolnshire economy. Evidence suggests that many adults take up training that is not linked to local jobs.

There are not enough people leaving school to fill the predicted job vacancies over the next ten years. It is vital that the existing workforce, those already in work, receive new skills. Training the workforce should be seen as an important priority by Colleges, and just as important as 16-18 education. Currently training the workforce is a much lower priority because there is a much smaller budget attached to it. Training should be as appropriate for 50 year olds as it is for 18 year olds.

It is important to employers of all sizes that they have access to good quality training, in terms of location, ability to navigate the organisation, and awareness that it exists. Example: Bill owns a farm and has 3 employees. His day starts at 4am and finishes at 3.30pm. He needs to find training to help him set up a computer system and excel package. He doesn't know who to contact and is worried he will need to take a day off work.

Local businesses would like to see greater collaboration between Colleges and more College-employer collaborations – the collaborations already seen have been really powerful.

The statements above do not currently reflect views about careers advice, 16-18 Sixth Form provision versus College provision, or adult unemployment. It is highly likely that others around the table will include some of this within their evidence; however it is important that where similar views are held the LEP endorses or provides a view.

Members are asked to:

- Discuss this 'value statement' approach for the Area Review
- Discuss the existing individual statements
- Provide additional or replacement statements

2. Conclusion

The Area Review will have a significant impact on post-16 training. Providing a strong input from an economic development perspective will be beneficial.

3. Consultation

a) Policy Proofing Actions Required

n/a

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Review of Post 16 Provision and FE College Institutions
Appendix B	Area Review – A Summary

5. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Clare Hughes, who can be contacted on 01522 550545 or clare.hughes@lincolnshire.gov.uk.