

<p><b>CABINET MEETING – 11 MARCH 2009</b></p> <p><b>EXECUTIVE SUMMARY SHEET – PART I</b></p>	
<p><b>Title of Report:</b> MACHINERY OF GOVERNMENT</p>	
<p><b>Author:</b> Director of Children’s Services</p>	
<p><b>Purpose of Report:</b> The purpose of this report is to update Cabinet on developments that have taken place in preparation for the changes to Machinery of Government since the initial report to Cabinet on this issue (December 2008)</p>	
<p><b>Description of Decision:</b> Members are asked to note the sub-regional response to the Stage 2 guidance (Annex 1) and the approach to the transition undertaken locally</p>	
<p><b>Is the decision consistent with the Budget/Policy Framework?</b> <span style="float: right;"><b>Yes</b></span></p>	
<p><b>If not, Council approval is required to change the Budget/Policy Framework</b></p>	
<p><b>Suggested reason(s) for Decision:</b> The Machinery of Government changes require local authorities to prepare for the transfer of statutory responsibility from LSC in 2010 by responding to the published guidance and managing the transition process in localities.</p>	
<p><b>Alternative options to be considered and recommended to be rejected:</b> Any alternative options depend upon the response from DCSF to the sub-regional response</p>	
<p><b>Is this a “Key Decision” as defined in the Constitution?</b> <span style="float: right;">No</span></p>	<p><b>Relevant Review Committee:</b>  Children’s Services</p>
<p><b>Is it included in the Forward Plan?</b> <span style="float: right;">No</span></p>	



**REPORT OF DIRECTOR OF CHILDREN'S SERVICES**

**MACHINERY OF GOVERNMENT**

**1. Purpose of the Report**

- 1.1 The purpose of this report is to update Cabinet on developments that have taken place in preparation for the changes to Machinery of Government since the initial report to Cabinet on this issue (December 2008).

**2. Description of Decision (Recommendations)**

- 2.1 Members are asked to note the sub-regional response to the Stage 2 guidance (Annex 1) and the approach to the transition undertaken locally.

**3. Introduction/Background**

- 3.1 A report to Cabinet in December 2008 outlined the background to the proposals to change machinery of government and create an effective system to deliver the learning entitlement to 14-19 year olds including the transfer of £7 billion of annual revenue funding to local authorities from the Learning and Skills Council. The reforms aim to restore to local authorities a significant relationship with (and accountability for) general further education colleges
- 3.2 The new system aims to enable local authorities to plan and commission provision to meet the needs of young people, to quality assure provision and to operate a funding model which ensures that money reaches providers appropriately.
- 3.3 Local authorities are also required to develop a plan for managing the transition from the current arrangements to the future. In September 2008 each local authorities of Tyne and Wear and Northumberland submitted a proposal to the Department for Children Schools and Families undertaking to form a sub-regional grouping (SRG) of those six authorities. It also identified a preferred commissioning model. North Tyneside was named as the local authority that would undertake the commissioning dialogue with providers.
- 3.4 In December 2008 local authorities received a response to the initial submission. It was judged as reasonable i.e. predominantly based upon travel to learn patterns and building on existing collaborative arrangements. On this basis the SRG was asked to develop the proposal (stage 2) so as to show how it will deliver the outcomes for young people through the 16-19 commissioning process. This proposal was to be submitted to Government Office North East (GONE) by the end of February 2008.

#### **4. Current Position**

- 4.1 The response of the SRG was submitted to GONE on February 27<sup>th</sup> 2008. As required, the response shows how the local authorities in the SRG will seek to ensure provider, employer and learner engagement and ensure effective governance arrangements.
- 4.2 The response is based upon a set of criteria relating to: Governance; Collaboration and strategic contribution; Resources and capacity; Policy and planning; and Quality and Targets.
- 4.4 The response will be considered alongside those of other local authorities in the region and the views from regional ACDS, LSC, RDA and provider representative organisations. The overall regional view will then be forwarded to the Department of Children, Schools and Families (DCSF) for review at national level. This will be an iterative process and there is an expectation that there will be further conversation through to May 2009. At this point, a further report will be presented to Cabinet.
- 4.5 A local authority project group has been established to manage the process locally and to consider the implications and opportunities of the transfer of responsibility. The group is chaired by Children's Services and includes representation from other directorates. It has established an officer group that meets regularly with the LSC to follow the business planning cycle that is in place in preparation for the transfer. It has also established a provider network of City of Sunderland College, schools with sixth forms, work-based learning providers and the specialist colleges in Sunderland. The local authority will use this mechanism to consult and communicate developments.

#### **5. Reasons for the Decision**

- 5.1 The Machinery of Government changes require local authorities to prepare for the transfer of statutory responsibility from LSC in 2010 by responding to the published guidance and managing the transition process in localities.

#### **6. Alternative Options**

- 6.1 Any alternative options depend upon the response from DCSF to the submission from the SRG.

#### **7. Relevant Considerations/Consultations**

- 7.1 Prior to submission of the response, discussions have taken place with key local stakeholders. A representative group of local stakeholders also attended a sub-regional consultation event. The document was circulated to

all stakeholders who attended the local and sub-regional event for comment prior to submission.

- 7.2 The potential for financial efficiencies would be explored through the commissioning process and in the next phase of the transfer. These will be reported in future reports.
- 7.3 The extent to which these developments represent a risk will be considered by the Sunderland local authority officer group at a local level and by the sub-regional group. This will include the development of a Risk Management Action Plan.





## **RAISING EXPECTATIONS**

### **TYNE & WEAR AND NORTHUMBERLAND SUB-REGIONAL GROUP**

### **STAGE 2 SUBMISSION**

**Submission date: Friday 27 February 2009**



# **TYNE & WEAR AND NORTHUMBERLAND SUB-REGIONAL GROUP**

## **Stage 2 Commissioning Proposal**

### **1. Introduction**

- 1.1 The Tyne & Wear and Northumberland authorities enjoy a strong and effective partnership across a wide range of areas, as evidenced by the common vision, vastly improved outcomes and ambitions reflected in the associated Multi-Area Agreement (MAA). As high performing local authorities with a strong track record of partnership working we welcome the opportunity to take a leadership role in strategically commissioning high quality provision so that all young people are able to access suitable learning opportunities and reach their potential. This resonates with the region's vision for regeneration and growth.
- 1.2 These priorities are part of a broader approach to strengthen the role of the City Region as a 'learning place', where the existing and future workforce is flexible and equipped with the necessary skills to embrace and drive forward economic transformation. The MAA goes on to say "In responding to the White Paper, City Region partners have agreed to pursue the opportunities afforded by 14-19 commissioning through the MAA, and for local authorities to adopt a cluster approach that reflects recognised travel to learn patterns across the City Region". This submission is in line with the MAA and its support for the 14-19 phase. This submission confirms the commitment to deliver entitlement and opportunity to all 14-19 learners in the sub-region.

### **2. Governance: regional governance arrangements**

- 2.1 It is proposed that a Regional Planning Group (RPG) would be formed based on the current Interim RPG. The interim group has been established to facilitate the transition from the current 16-19 commissioning arrangements to those that will be in place in 2010. The RPG will hold the formal accountability and responsibility for the regional aspects of 16-19 commissioning. It will be the route through which the national priorities of the DCSF and DIUS are contextualised for the region and the mechanism through which a regional statement of priorities is confirmed and communicated. The RPG will therefore consist of:

- Young People's Learning Agency (YPLA)
- One North East (ONE)
- Government Office (GONE)
- Skills Funding Agency (SFA/NAS)
- Durham Sub-Regional Group (SRG)
- Tees Valley SRG
- Tyne & Wear/Northumberland SRG



- 2.2. The current regional 14-19 Commission, established to add value to the local 14-19 partnerships, will be reconfigured/refreshed to form the Regional Planning Forum (RPF). Its membership would include representation from the RPG, other LAs, providers, employers and regional strategic agencies. The RPF will continue with the broad work of the 14-19 Commission in taking forward the 14-19 agenda and taking ownership of its thematic sub-groups. The RPF will allow a broad range of stakeholders to be engaged in, and fully inform, regional planning and the development of the regional statement of priorities. The RPG will consult directly with the Regional Planning Forum on behalf of the regional DCS Network.
- 2.3 The RPG will put in place arrangements for the oversight of work to integrate, where appropriate, the 16-19 strategic planning process with the adult skills agenda. This will include appropriate contribution to the Regional Economic Strategy, Regional Employability Framework and Regional Skills Partnership arrangements. There will be direct consultation with individual Sector Skills Councils. It will be important that the RPG and associated SRGs develop highly effective relationships with employers and HEIs in order that programme development is properly informed by the needs of those partners and prepares learners for progression along any given HE and/or skills pathway.
- 2.4 Similarly, the RPG will manage and develop protocols for cross-SRG working to address the travel to learn issues that regional specialism and/or learner preference creates.
- 2.5 The RPG and associated SRGs will therefore operate according to these fundamental principles:
- There will be a direct link and active engagement between the RPG, the SRGs and Local Partnerships in the region.
  - There is an expectation that RPG/SRG members have both a representational and communication role for the constituencies they represent.
  - There will be direct and responsive dialogue with learning providers
  - There will be direct and responsive dialogue with employers
  - There will be an effective mechanism for securing the views of learners
  - There will be direct and responsive dialogue with the Young People's Learning Agency and the Department of Children, Schools and Families (DCSF)
- 2.6 The Regional Planning Group arrangements will be described more fully in an additional paper that will support each of the region's three sub-regional proposals.

### 3. **Governance: sub-regional arrangements**

- 3.1 The commissioning arrangements proposed for the Tyne & Wear and Northumberland sub-region will ensure an all-age approach to the development of strategy relating to learning, skills and regeneration. The City Region strategy for employment and skills is essentially an 'economic outcomes' based partnership that has an agreed business case to guide its work. The business case provided the foundation for the sub-region's Multi-Area Agreement (MAA) submission and the MAA has a number of specific policy provisions and *Asks of Government* including one related to 14-19 provision.
- 3.2 The sub-regional commissioning arrangements for 14-19 provision will clearly integrate the strategic planning and governance responsibilities of the SRG with the 14-19 provisions of the MAA. The SRG will have the lead responsibility for delivering the 14-19 outcomes described in the MAA. Appropriate mechanisms for the formal reporting of 14-19 progress will be established between the Tyne & Wear and Northumberland SRG and the City Region Employment and Skills Board (CRESB). The SRG will be particularly supported by the CRESB in:
- Effectively engaging a broad range of employers and their representative organisations in shaping vocational and work-based elements of the 14-19 entitlement
  - Ensuring collaboration across sub-regional groupings in relation to employment and skills matters
- 3.3 The Tyne & Wear and Northumberland SRG has committed to a number of principles in its operation and development. These principles are:
- **The principle of subsidiarity:** wherever possible and practicable, planning and decision-making will take place first in the Local Authority area
  - **The principle of universality:** the SRG will ensure a 14-19 entitlement across the whole of the sub-region and will strive to remove barriers to learning for all learners
  - **The principle of transparency:** the SRG will conduct its business openly and will ensure that its operations are democratically accountable through the appropriate and timely endorsement from local authority Cabinet arrangements. This will include appropriate delegations to allow responsive management of the system.
- 3.4 The SRG will be led by North Tyneside Council. The leadership role in this context is confirmed as

- Representing the SRG on the Regional Planning Group
  - Reflecting and articulating SRG priorities to influence and inform the regional statement of priorities
  - Facilitating SRG development of the sub-regional commissioning plan and its agreed underpinning priorities
  - Hosting any shared service arrangements established to support each local authority in the procurement and contracting process to deliver the local 14-19 plan
  - Providing the secretariat to manage SRG business
  - Acting as the representative body for any sub-regional business
- 3.5 The governance arrangements for the Tyne & Wear and Northumberland SRG will be formalised through a Memorandum of Understanding. This will be agreed and signed off by each DCS and their associated lead member following cabinet approval. Cabinet approval will be sought from all LA members of the SRG. Progress reporting and decision-making mechanisms, through political processes at local authority level, are in place and have been utilised.
- 3.6 Each LA will ensure a full engagement and involvement with its Local Strategic Partnership and will contribute fully to any 14-19 or related component of its Local Area Agreement.
- 3.7 The SRG will consist of a core planning group made up of LA senior officers with strategic responsibility for 14-19 issues along with representatives from schools, FE, WBL providers and HE. An SRG executive group consisting of the sub-regional DCS will sign off the work of the broader planning group. (SEE ANNEX 1) The prime responsibilities of the associated groups are:
- 3.8.1 SRG Core Planning Group
- Consult on emerging and continuing LA/SRG priorities;
  - Liaise with RPG on regional and national priorities;
  - Develop and propose the SRG Commissioning Plan
- 3.8.2 SRG Executive
- Agree the Commissioning Plan
  - Confirm allocations to providers
  - Interface with the RPG
- 3.9 A SRG shared service will be established that will be hosted by the lead authority on behalf of all LAs in the SRG. The shared service will take on any agreed sub-regional responsibilities for financial management and allocations

(if appropriate – see YPLA Blueprint). The shared service will also develop and embed common QA processes and rigorous monitoring systems to support this accountability. The service will support the effective enactment of the principle of subsidiarity. Each LA will lead a local consultation to identify local priorities for delivery, with agreed support from the shared service.

3.10 The shared service will provide consistency in commissioning dialogue across the sub-region and will add capacity to local commissioning processes. The shared service will manage the aggregation of local processes to create the sub-regional plan. The shared service will support the moderation of local commissioning decisions where required. The shared service will, in consultation with LA commissioning functions, manage the contracting and procurement of any agreed 14-19 sub-regional provision. Under these circumstances, the financial regulations and procedures of the host authority, North Tyneside Council will be followed.

3.11 Dispute resolution (subject to any further national guidance)

3.11.1 The SRG will ensure that, in accordance with its principles of operation, there is full consultation and engagement across all partners in implementing a strategy or managing a change process in respect of:

- Funding methodologies
- Developing and agreeing local and sub-regional priorities
- Learner volumes and demographic change
- Infrastructure investment

3.11.2 Should there be a dispute about any aspect of the work of the SRG that cannot be resolved by this way of working, a Dispute Resolution process will be initiated. This will involve the following:

- SRG Director of Children’s Services (Chair): DCS independent of the dispute
- Advisory panel consisting of appropriate provider representatives in the sub-region not involved in the dispute
- YPLA representative (advisory) for technical support

3.11.3 The DCS and Advisory Panel will manage a formal hearing of all evidence to the dispute and will reach a decision. The outcome of the Dispute Resolution process will be final.

3.11.4 For disputes that may be sub-regional in nature, the dispute resolution arrangements of the Regional Planning Group will be enacted.

#### **4. Collaboration and strategic contribution**

- 4.1. The emerging regional planning group (RPG) and regional planning forum (RPF) will provide the overarching arrangements within which collaboration and management across the SRGs of the region will be supported. This will allow integration with national and regional agencies and strategies – e.g. DCSF/YPLA; SFA/NAS; ONE; GONE; RES and facilitate informed and appropriately challenged sub-regional commissioning plans.
- 4.2. The Tyne & Wear and Northumberland SRG will be the responsible body for the delivery of the 14-19 and any related “asks” of the City Region Strategy and associated Employment and Skills Board. This will ensure proper coordination with the adult skills agenda. The SRG will also be the forum for the sharing of other strategic needs analyses that inform the Children’s Plans for each local authority.
- 4.3. The SRG Commissioning process will take due regard of all stakeholder views in determining commissioning priorities and will establish a formal and regular annual cycle of consultation and strategy development to capture this.
- 4.4. The SRG has already established a shared service to support effective and high quality IAG delivered by and through the IYSS/Connexions arrangements in each LA. The local on-line prospectus developed in each LA will be enhanced by sub-regional and regional developments, including CAP and ILP developments, to support informed choice and travel to learn across LAs and sub-regional clusters.
- 4.7. The LA 14-19 Partnerships will be the key interface with local providers and partners. The engagement of strategic stakeholders will occur through this route and through a related sub-regional stakeholder forum. 14-19 Learning Partnerships will be responsible for articulating local 14-19 priorities within the national and regional policy context. These priorities will drive the commissioning of places through a LA 14-19 commissioning plan that is differentiated by age.
- 4.6. The Tyne & Wear and Northumberland SRG recognises that it has to address some issues of commissioning that go beyond the sub-region and region. The detailed mechanisms for determining commissioning, procurement and contracting in these circumstances are yet to be confirmed. Due regard will be taken of the existing arrangements for managing provision in these circumstances. For example, the SRG will work with regional and national agencies to engage in a dialogue with the Scottish Executive around cross-border learner flows and 16-19 commissioning arrangements. The SRG will agree, with the Scottish Executive, the principles for supporting and funding learners, based upon a shared understanding of current patterns of learner

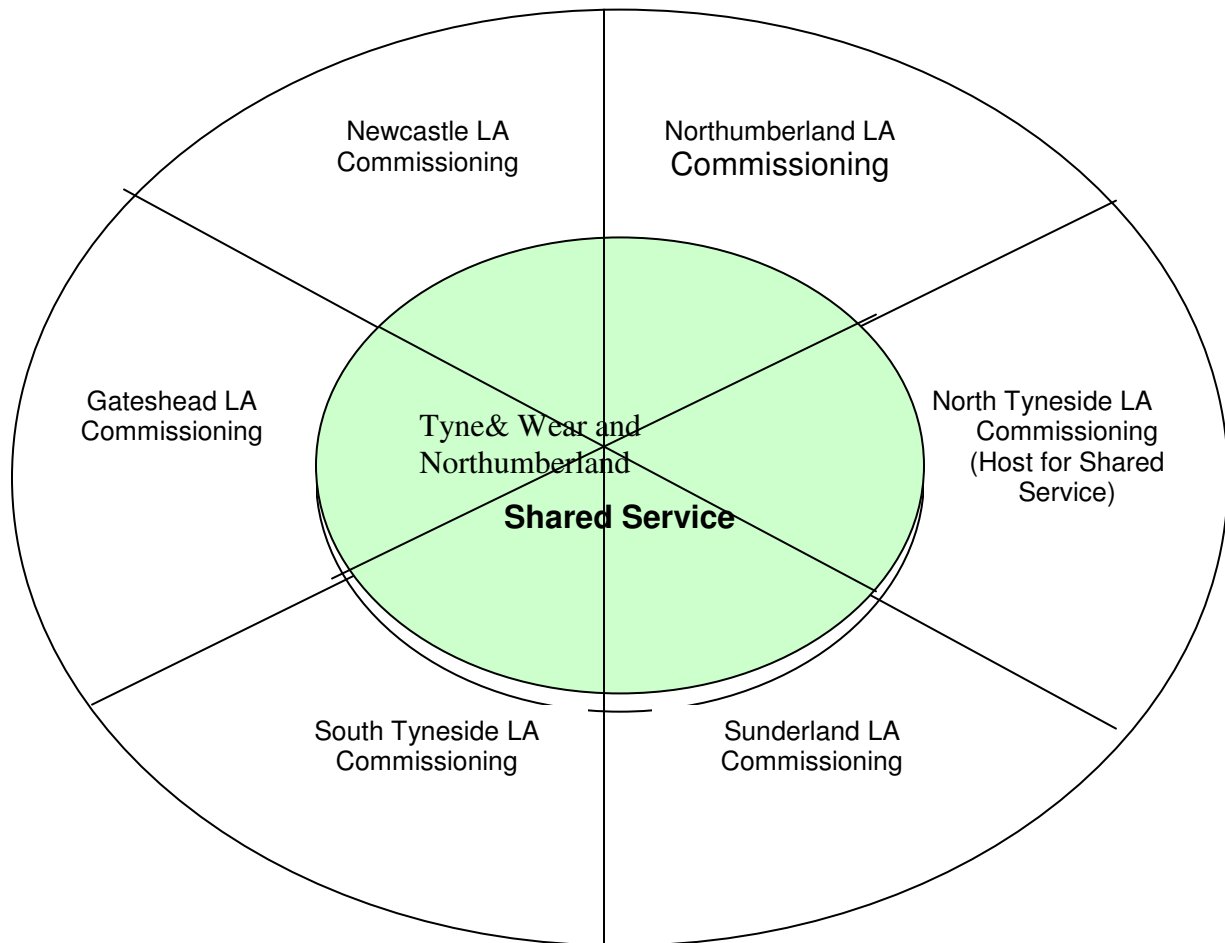
flow and the key 16-19 policy and funding drivers. The SRG will also develop a memorandum of understanding with the Scottish Executive to consolidate these arrangements.

- 4.7 Similarly, further consultation is continuing with providers, LAs, sub-regional and regional planning agencies to confirm the commissioning arrangements for providers with provision beyond the sub-region and region. For example, the Newcastle College Group has a range of 14-19 provision both within and outside of the region and sub-region. Newcastle College will play a full role, as a key provider, in the developing sub-regional and regional commissioning arrangements. The Tyne & Wear and Northumberland Commissioning Group will also work with the Newcastle College Group to engage the DCSF, LSC and the emerging YPLA in managing an effective and efficient commissioning solution for the Group's provision outside of the region.
- 4.8 Once publication of the detailed guidance around end-to-end commissioning has occurred, the SRG will finalise its proposals, in consultation with those partners.

## **5. Resources and capacity**

- 5.1 The LSC will support SRG and individual LAs through the creation of Tracking and Transition Years. Aligned LSC officer support is already in place. LSC Shadow arrangements will be in place by September 2009 for the Business Cycle 'Transition Year'. These arrangements will be the basis for the establishment of an SRG shared service to support each LA and the SRG in enacting commissioning decisions. It will integrate with and add value to the enabling support provided by the YPLA. It will build on, and, where appropriate, further develop the data-sharing protocols that already underpin the LA Children's Plans, LSP Community Plans and existing sub-regional agreements e.g. MAA.
- 5.2 The accountable body for the shared service will be North Tyneside Council. The size and shape of the shared service will be determined in more detail as the roles and responsibilities of the YPLA are further developed and as understanding of the end-to-end commissioning process develops. Ongoing monitoring of local performance and evaluation of impact will be undertaken by LAs. This will be supported by the shared service. Good practice will be shared across the SRG, its associated stakeholder arrangements and with the YPLA/RPG.

## Tyne & Wear and Northumberland Shared Service Model



### 5.3 The shared service will therefore:

- Support each LA in their role as single point of contact for all providers in their locality
- Strengthen strategic needs assessment and the alignment of LA commissioning plans
- Communicate requirements of the YPLA Commissioning Cycle, allocations framework and funding formula
- Support local and SRG wide commissioning dialogues
- Support procurement processes to build economies of scale, maximise resources and improve efficiency,
- Ensure consistency of approach regarding QA, performance, intervention policies
- Support LAs / providers with management and technical data requirements and liaise with National/Regional Data Service leads.

- Monitor and report on the impact of commissioning on improving outcomes for young people
- Monitor achievement of targets and entitlements
- Support external communication with regional bodies (SFA, NAS, YPLA, RDA, GO) and structures (RPG and RPF), individual providers and provider representatives (AOC, ALP, Schools NE), LPs and stakeholders including employers and learners.

5.4 The SRG will commission on the Model B approach from September 2010.

## 6. **Policy and Planning**

6.1 There are strong 14-19 partnership arrangements in each of the Tyne & Wear and Northumberland authorities. The LSC is a key partner with all of the Local Authorities and is represented at all levels of partnership working. These partnerships have a track record of successful sub-regional collaboration and sharing of good practice. A number of high profile, high value learning initiatives have been delivered collaboratively and the 6 authorities contain 14-19 Pathfinder partnerships and partnerships that have been commissioned by the DCSF to host 14-19 learning visits to share their good practice with other authorities.

6.2 All LAs are actively progressing their plans to deliver the full 14-19 entitlement. Two LAs in the SRG have had a recent, highly successful 14-19 OFSTED Survey inspections and one LA is already through the Diploma Gateway for all 10 lines in 2008 and 2009. We will utilise the SRG collaborative arrangements to disseminate their good practice. Work is progressing within the sub-region to better understand the opportunities that the emerging Foundation Learning Tier will bring and there has been substantial work to establish the new Integrated Youth Support Services and associated IAG provision. This embedded collaboration is reflected in the Connexions Hub, which is a shared service that supports the local Connexions Service in each authority. Particularly strong working relationships exist in the 14-19 phase.

6.3 All Tyne and Wear and Northumberland authorities are at various stages of implementing transformational Building Schools for the Future programmes, These initiatives underpin the future thinking that is informing curriculum reform and a new curriculum model for the 14-19 phase. This is closely aligned to LSC capital programmes where appropriate to ensure maximum benefit and value for money from both initiatives.

6.4 A regional 14-19 Partnership Managers group already exists and meets regularly. This group is taking forward the thinking around a range of practical implementation issues to do with progressing the 14-19 entitlement. Sub-regional groupings will be drawn from these arrangements.



- 6.5 Tyne & Wear and Northumberland has seen successful development of Diploma Gateway bids and subsequent planning for delivery of the new curriculum offer across the sub-region. Two of the LAs are five-line Diploma leads for 08-09. Each local authority has an on-line prospectus which is available for young people from across the region to access. A sub-regional 14-19 partnership, with representation from all 6 14-19 partnerships already exists, with the mandate to develop a consistent approach to diploma delivery. Formalising the partnership will provide scope for this group to work on a broader focus.
- 6.6 The SRG has already established two task-and-finish groups to develop our strategy for the commissioning of WRL and enterprise support along with a detailed review of the issues and potential solutions relating to the commissioning of learning for learners with LDD.
- 6.7 The SRG will take account of the LMI and other strategic needs analyses provided by the YPLA and will integrate those with local intelligence on skill needs, economic development and regeneration drivers and learner demand. This will be managed by the SRG shared service post 2010 and by the hybrid shadow planning arrangements in the interim.
- 6.8 Similarly, improving outcomes for children, young people and their communities will be supported by sub-regional and local quality improvement arrangements that will build on the current Framework for Excellence and take into account other effective mechanisms for providing appropriate challenge and support to the whole system

