

## Regional Funding Advice

### Consultation with FE Colleges at GOSW – 3<sup>rd</sup> November 2008

This is a note of the key points to emerge from a meeting convened by GOSW and AoC SW of a small number of college principals, on the skills section of the Regional Funding Advice (RFA).

#### General points

1. Colleges were seeing clear signs that employers were now more cautious about engaging in training. In these conditions it is not only more challenging to meet targets for programmes such as Train to Gain, but also more difficult to undertake the important job of stimulating employer demand for training.
2. At the same time there were opportunities to encourage greater numbers into training to re-skill and upskill. Both those seeking work and those facing the prospect of redundancy may be more inclined to train to improve their position in a precarious jobs market. Indeed, engaging more learners is critical if the skills base is to be maintained, as and when economic conditions improve. It needs to be recognised that funding plans were set in a more benign environment. The reality is that, if these potential new demands are to be met then additional funding might also be required.
3. There is a great deal of complexity within the post 14 system and the proposed new institutional changes will add even greater complexity. The RFA needs to take account of the post 14 arrangements (not post 16), in light of these changes.
4. The overriding message from colleges is that, to respond effectively to the needs of employers and learners, in the context of the current economic climate and beyond, they need the following:
  - greater flexibilities in relation to the use of funding; and
  - the ability to support employers need for skills as opposed to qualifications.
5. The RFA should recognise that significant local and sub regional diversity exists within the region, and this should be reflected in the advice.
6. Colleges should be seen as an important public asset and one which plays an invaluable role, particularly during the economic crisis.

#### Flexibility

7. Flexibility is seen as essential in terms of the ability of colleges to meet the needs of employers both in the current economic climate and beyond. Specifically colleges are calling for the following measures.

- The ability to move funding between the employer responsive and adult responsive budgets.
- The ability to move funding between streams to meet local and sub regional priorities.
- Greater flexibility in the rules around the need for apprentices to have employed status. Many apprentices are in sectors where they may face redundancies and thus lose their apprenticeships. Employers are also less likely to take on the commitment of an apprentice at this time. A loosening up of the rules around employed status may go some way to averting problems.
- There are also exists a range of perverse incentives for employers and these need to be removed. These include fees for 19+ and adult apprenticeships. In the medium term the apprenticeship frameworks need to be simplified and made more accessible for employers and learners.
- There was some support for a return to the SSC compacts, which allowed sectors to better understand and therefore respond to employer needs.
- Flexibilities within Train to Gain.

### **Skills v qualifications**

8. Whilst it is recognised that individuals will want qualifications, the imperative for employers will be getting the skills that they need. The pressure to look to short term needs will be even more imperative at this present time. It is therefore critical that colleges are given the flexibility to meet employers need for skills. This may include bespoke training, bite sized chunks of learning or parts of qualifications. This should be recognised within the targets.

### **Better Regional Co-ordination**

9. There is a danger that the new arrangements in place to deal with the economic downturn could form an additional layer on top of RSPs. At the same time there is currently no clear route for dealing with the co-ordination of what emerges from the sub regional planning that will take place within local Employment and Skills Boards. This argues for a single regional body that is able to co-ordinate these arrangements, and reduces the potential for duplication.
10. A Regional Skills Fund should be established to respond to short term requirements. This should not be top sliced from existing budget, but should underpin greater stability and flexibility in provision during the short term economic crisis.
11. The Local Authority Clusters that are being developed to respond to the new 14-19 funding arrangements should be aligned with the local Employment and Skills Boards.

## Medium to long term

12. The point was made that whilst many of these changes are critical in the context of the current economic downturn, they should also be retained as economic prospects improve.
13. There are currently areas of provision which fall between funding stools. It is critical that Level 4 skills are funded in future.
14. The joining up agenda is an important one with DWP/DIUS/DCFS/BERR funding being better aligned at the national, regional and local level. The development of Employment and Skills Boards should help to enable this.
15. The extension of the age limit for engagement in education and learning will require greater innovation in the development of attractive pathways for those who currently do not engage in learning beyond 16. Colleges wish to take a lead role in developing new solutions for this group.
16. Colleges also believe that they have much to contribute to the creativity and innovation agenda, where traditionally HE has been the key partner.

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