

DECISION-MAKER:	CABINET		
SUBJECT:	IMPLICATIONS OF THE APPRENTICESHIPS, SKILLS, CHILDREN AND LEARNING ACT, 2009		
DATE OF DECISION:	15 FEBRUARY 2010		
REPORT OF:	CABINET MEMBER FOR CHILDREN'S SERVICES AND LEARNING		
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STATEMENT OF CONFIDENTIALITY			
Not applicable			

SUMMARY

The Apprenticeships, Skills, Children and Learning Act 2009 received Royal Assent on 12 November 2009 and bring new duties and powers to the local authority. This will enable creative work with partners to take forward key strategic objectives through developing innovative, diverse learning that has at its heart the commitment to improve the educational attainment and well-being of all residents, and support the city's economic growth.

RECOMMENDATIONS:

- (i) Note the implications of the Apprenticeships, Skills, Children and Learning Act 2009.
- (ii) Note that changes have been made to the scheme of executive delegations.

REASONS FOR REPORT RECOMMENDATIONS

1. The report recommendations are designed to assure Cabinet that the:
 - Local Authority will be compliant with the new duties and powers of the Act;
 - new duties and powers are being incorporated into elected members' portfolio and officer delegation; and
 - new duty and power enhances the local authorities' ability to integrate planning and delivery of 0-19 education and training and compliance with the raised statutory age of participation in 17 in 2013 and 18 in 2015.

CONSULTATION

2. Consultation has taken place at a national, regional and local level with all relevant organisations and bodies.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. Alternative options have not been considered, as not to prepare for the new duties and responsibilities of the Act would place the City Council at risk of legal challenge.

DETAIL

4. The Act in the main is an amending act and has 13 parts:
 - Arrangements for apprenticeships, including release of employees for study/training;
 - Local authority functions regarding commissioning learning and skills for 16-19 year olds and up to 25 for those with learning difficulty/disability assessment, including provision of transport to learning establishments;
 - The establishment of the Young People's Learning Agency;
 - The establishment of the Skills Funding Agency;
 - Sharing of information and the dissolution of the Learning and Skills Council;
 - Creation of a new legal basis for 6th Form Colleges and removal of powers to establish sixth form schools;
 - The establishment of an Office of Qualifications and Examinations Regulation;
 - The establishment of the Qualification and Curriculum Development Agency;
 - Arrangements to promote cooperation to improve the wellbeing of children, including safeguarding targets, and arrangements for children's centres and early childhood services;
 - New powers with regard to under performing schools, complaints, inspections, and establishment of the new School Support Staff Pay and Conditions Board;
 - The power to search learners and renaming of pupil referral units as 'short stay schools';
 - Miscellaneous provisions including careers education, reporting on annual children's services expenditure, support for participation in education and training, further education corporations duty to co-operate and student loans; and
 - Enabling orders and regulations.
5. Whilst this report introduces the Act in full, the main detail focuses on the significant duty and power transferring to the local authority regarding commissioning education and training for young people from 1 April 2010.
6. Local authorities will have the central commissioning role, endorsed by the Children and Young People Trust, for all education and training for young people aged 16-19, for those up to 25 with a learning disability and difficulty assessment, and for those young people in custody aged 10 to 18.
7. The local authority will ensure increased employer engagement in the commissioning process, to ensure the skills being delivered are relevant to the local economy and raises the aspirations and employability of the local residents.
8. All local commissioning decisions will take account of:
 - Local, sub regional, regional and national priorities;
 - The needs of learners including their age, ability and aptitudes;
 - The quality of provision and delivery location and times; and

- Support for vulnerable young people, particularly young people in local authority care, teenage parents, young people with learning difficulties and/or disabilities and young carers.
9. In 2008/09, approximately 1,650 Southampton residents aged 16-18 attended providers based outside the city, compared to an import of 1,200 learners

FINANCIAL/RESOURCE IMPLICATIONS

Capital

10. Currently if a college want, or needs, to ask a bank or other lender to support its cash position with additional funds, for either solvency or capital purposes, it needs the LSC's permission to do so. As set out in the Act, designated Sixth Form Colleges will come to local authorities for capital borrowing approvals, rather than the Learning and Skills Council as at present. The Young Peoples Learning Agency will be issuing guidance on how, and on what basis, local authorities should consider such requests.

Revenue

11. The 2010/11 grant allocation for the transfer of responsibility to Southampton from the LSC is £278,237. Efficiency savings of £95,000 have been made in the 2010/11 budget by redeploying existing staff rather than recruiting directly to some of the six posts. The grant for each authority will initially be paid as part of the Area Based Grant. The grant will be paid for three years with 2011-13 allocations finalised as part of the next Government Comprehensive Spending Review.
12. The current Learning and Skills Council 16-19 funding streams paid to external providers, and expected to transfer to the City Council from 2010/11 are shown in the table below:

Table 1: Post 16 education and training funding streams

Funding stream	2009/10 allocation
16-19 further education	£20,021,000
Entry to Employment (Foundation Learning from 2010)	£954,522
Education Business Links	£121,651
Practical and Collaborative Learning Fund	£45,000
Teenage Parents Learning Programme	£26,622
Key Stage Four Engagement Programme	£225,000
Total	£21,393,795

13. From April 2010 the Local Authority will be responsible for commissioning provision from providers. The financial resource will be allocated by the Young People's Learning Agency, according to a national funding formula, and only released to local authorities once allocations to individual providers have been agreed. This approach minimises the risk of budgets overspending, as allocations are agreed with the Young People Learning agency before payments are made to providers.

14. The LSC is currently required to monitor the financial health of providers and, as part of this duty, to keep their level of balances under review. In addition the LSC assesses colleges' financial health to understand the degree of risk they may represent to the LSC if they do not have the financial resources to continue operating. It is likely that this responsibility will transfer to the City Council from April 2010 along with additional audit requirements being finalised under the Joint Audit Code of Practice drawn up between the Skills Funding Agency, Young Persons' Learning Agency and Local Authorities.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

15. The Solicitor to the Council has delegated authority to amend the Constitution (including the Officer Scheme of delegation and, following consultation with the Leader and relevant Cabinet members, the Executive Scheme of delegation) to give effect to any changes in national or local legislation. The Executive Scheme of Delegation has been amended to ensure that all functions which are executive functions flowing from the Act are included within the Terms of reference of the Cabinet Member for Children's Services & Learning in January. The Officer Scheme of delegation will be amended as part of the ongoing Constitutional review to include power for the Executive Director of Children's Services to exercise all powers and duties granted or imposed under the Act and to do anything necessary to commission services as provided for in accordance with the Council's 16 – 19 obligations. Should more detailed delegations be required in due course as the Authorities duties become clearer, the Solicitor to the Council will, following consultation with relevant Chief Officers and Cabinet Members, take action to amend the Constitution accordingly.

Other Legal Implications:

16. The Council will be required to exercise it's duties and powers under the Act having regard to the provisions of Equalities legislation and the Human Rights Act 1998, and the need to reduce or eliminate Crime & Disorder in it's area having regard to it's duties under s.17 of the Crime & Disorder Act 1998.

POLICY FRAMEWORK IMPLICATIONS

17. The Plan will help progress the aims of the Children and Young Peoples Plan, 14-19 Learning and Skills and Employability Strategy, Local Regeneration Strategy, Health and Wellbeing Strategic Plan, Safe City Plan and Economic Development Plan and adult Learning and Skills Plan.

SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	None
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Documents In Members' Rooms

1.	Apprenticeships, Skills, Children and Learning Act 2009
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Background Documents

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	16-19 Statement of priorities and investment strategy 2010-11	
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Background documents available for inspection at: Room 50, Civic Centre

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	ALL
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