

Countdown

a weekly email briefing distributed
to work-based learning providers

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'One voice' representing the providers of quality workforce development skills

Working with government and employers to develop policies and deliver high quality, learner centred, employer focused, demand-led skills development, valued by all.

ALP annual conference anticipates period of radical change in employment and skills

ALP members were quick to hail last week's ALP annual conference as a complete success with the new London venue being a principal factor in attracting a succession of top-level speakers over the event's two days. The pace of announcements and challenging viewpoints never wavered throughout against a backdrop of expected further sharp cuts in government spending and speculation over the substantial reforms being considered for the vocational education, adult skills and welfare-to-work sectors. Key points can be summarised as follows:

Conference day 1

- ALP chairman Martin Dunford called for a single unified policy between the DfE, BIS and DWP with integrated procurement arrangements to improve delivery
- ALP also wants to see a quality assured preferred supplier system introduced and a slashing of the quality assurance bureaucracy that currently burdens providers
- The FE system can expect process and administration costs to be substantially cut to enable providers to deliver more
- Skills minister John Hayes announced that ALP lobbying on functional skills testing had been successful and that dual running with the existing key skills testing arrangements would now take place until at least March next year (see more below)
- Ministers now recognise the importance of having proper pre-apprenticeship provision in place and ALP will continue to press for this. Renamed 'programme led apprenticeships' are expected to be part of the provision
- Chris Humphries of UKCES emphasised the economy's need for STEM skills and high skill job creation
- Untapped apprenticeship demand exists in companies with 250-4000 staff
- The Skills Funding Agency will oversee the market but will not determine demand. Providers will be expected to engage in Local Economic Partnerships to articulate demand
- The Young People's Learning Agency would like to see more 16 to 18 year olds start their careers through apprenticeships and more done for 17 year olds who made the wrong choice at 16
- Adult skills and Work Programme funding will be much more outcomes driven with sustainable employment for individual clients expected to be a major performance indicator
- ALP reaffirmed its view that freedoms and flexibilities granted to colleges by the coalition government should be equally applied to good-performing independent providers, some of whom have been around for 40 years and many others for at least 20
- The new government's prioritising of apprenticeships as its flagship FE and skills programme was strongly supported
- ALP members are equally happy that Guided Learning hours are on the way out
- Ofsted believes that 'growing your own' staff is fundamental to improving standards in work based learning provision (see more below).

Conference day 2

- DWP minister Lord Freud confirmed that the Work Programme will not over-specify on the type of provision required in a provider's 'black box'
- Sustained employment for anything up to 2 years will be the main outcome for triggering payment
- Using a soft start approach, differential pricing will be introduced for the barriers that unemployed clients have to overcome and it will be up to individual providers to decide how much training they wish to offer within this arrangement
- With the DEL-AME switch, prime contractor hopefuls only are expected to register for the new Work Programme framework
- Jobcentre Plus will encourage pre-employment training to take place through local partnerships and it does not want existing clients to fall through the cracks
- Martin Doel of the AoC believes that providers who see the direction of the market first will prosper under the coming reforms
- The introduction of minimum contract levels (MCLs) and HE institutions entering our market will mean more competition and collaboration. Quality at an affordable price should be the watchwords while ministers consider what reforms to undertake
- ALP will push for long-term contracts which confirm a relationship between a good-performing provider and its funding agency but not a fixed level of funding
- Managing agents, which don't actually deliver themselves, could be a feature of the skills market. ALP will be running further regional roadshows on the implications of MCLs for providers in the autumn, but it is clear that large providers will become larger
- Employers want soft skills built into all levels of the system
- A more simplified system must be geared to responding to an ageing workforce in key sectors like health which requires upskilling younger workers now
- Providers need to offer a consistent level of service across the country to national and regional employers and be flexible in their offer
- Businesses increasingly want more actual training as well as assessment
- Good quality providers with an all-age offer for the employed and unemployed should prosper
- Flexibilities granted by the government should not be abused.

The conference learnt that BIS will be publishing a structural reform plan in the autumn which will be open for consultation for a short period. Prior to this, the SFA will issue a consultation document on a new demand-led funding system which will propose how providers can help articulate local demand for skills.

Via a new website, the DWP will also be undertaking a short consultation on the design of the Work Programme. The department recognises that capital funding will be needed from the City and that the Third Sector must be included in consortia. Lord Freud said that bidders for prime contracts 'must not lie' about which sub-contractors they are actually going to use for delivery.

The conference began with John Hayes telling delegates, "I regard ALP as the voice of learning in the workplace" and despite the challenging climate, the event continued on a very positive note from thereon. Graham Hoyle, ALP chief executive, comments: "The conference confirmed in no uncertain terms what people have been saying for months, i.e. ALP has truly arrived as a strong and highly influential voice in the employment and skills system. The functional skills announcement on the first morning was a prime example of how our influence is making itself felt at the highest echelons of government. We had a terrific line-up of speakers and I want to thank them and the conference organising team for their marvellous contribution to the debate and dialogue which occurred. Our member delegates too played their part with their astute contributions from the floor and their enthusiastic participation in a full programme of workshops. Next year's conference is expected to be at the same London venue and I am looking forward to it already!"

Registered delegates can download copies of the main presentations at:

<https://registration.livegroup.co.uk/alp2010/Downloads/>

Minister announces extension of Key Skills for Apprenticeships

As indicated above, John Hayes, Minister of State for Further Education, Skills and Lifelong Learning, announced at the ALP conference that Key Skills in Apprenticeship Frameworks will be extended until March 2011. This will allow providers the choice of offering either Functional Skills or Key Skills until 31 March 2011. The minister has stressed that this is a temporary measure to allow more flexibility for providers whilst they finalise their preparations for delivery of Functional Skills from April 2011. The welcome decision follows weeks of lobbying by ALP and was one of the leading items for discussion when the ALP chairman and chief executive met with Mr Hayes soon after the coalition government took office. As a result, ALP expects that the feared negative impact on apprenticeship completion rates will be removed, at least for the time being. Graham Hoyle told *Countdown*: "In a week when we could announce that ALP's membership has gone beyond the 500 mark, this clearly shows how membership brings value for money to our independent and college providers. While we are absolutely delighted that John Hayes has listened so carefully to the reasoned case that we put forward, the issue hasn't entirely been resolved yet and we will be working hard with BIS officials to find a long-term solution that works best for our employer and individual learner customers."

YPLA can fund providers directly from this August

The DfE announced on Tuesday changes to the funding arrangements for 16-18 provision which will allow the Young People's Learning Agency to fund independent providers and colleges directly from this August. Local authorities will still play a strategic role but there will no longer be any need for sub-regional groups and regional planning groups. The cuts in bureaucracy should lead to more money being available for frontline delivery. ALP argued for a central commissioning role for the YPLA as soon as the idea of the agency was conceived, saying that it was essential for plugging any gaps in NEET provision, and learning providers continued to press for it while the National Commissioning Framework was being drafted. ALP is therefore delighted that the coalition government has reviewed the YPLA's remit and made welcome and constructive changes to it. The DfE press release on the announcement can be read here:

<http://www.education.gov.uk/news/press-notices-new/simplify-college-funding>

Ofsted publishes report on work based learning best practice

To coincide with the Chief Inspector's speech at the ALP conference, Ofsted published a report showcasing twelve outstanding work-based learning providers that excel at providing apprenticeships, NVQs and other vocational qualifications for young people and adults. The providers from across England have taken different routes to achieve excellent results but all have been committed to bringing out the potential of their learners, many of whom had previously not achieved educational success. Christine Gilbert set out to the conference how the best training providers in areas such as manufacturing, retail, hospitality and IT, are meeting the skills needs of both learners and employers, while reflecting on Ofsted's role in identifying and sharing examples of excellent performance to help support improvement. The report can be downloaded here:

<http://www.ofsted.gov.uk/Ofsted-home/Publications-and-research/Browse-all-by/Documents-by-type/Thematic-reports/Twelve-outstanding-providers-of-work-based-learning>

Excellent market intelligence on the nation's capital

ALP's Paul Warner joined the director of the London Skills and Employment Board, Judith Rutherford, at the conference in drawing members' attention to the excellent resource available to providers in the capital in the form of the online London Skills and Employment Observatory (LSEO). The user-friendly website offers a central source of information, research and data on all

skills and employment issues for London. The data compilers, CESI, say that they strive to make it easier to find and use the evidence that exists, so that the design and delivery of services better meets the needs of Londoners and London's employers. Newsletters are also regularly published on the site. The LSEO can be accessed here: <http://lseo.org.uk/>

YPLA announce closure of learner support programme

The government has taken the decision to stop the Free Childcare for Training and Learning for Work (FCTLW) national trial scheme from August 31st this year. No new applications will be accepted for this scheme.

The Free Childcare for Training and Learning for Work trial scheme has provided support with the costs of childcare for a small group of parents since April 2009. However, since the scheme started, take-up has been lower than anticipated. Continued pressures on public expenditure means that the Department for Education is unable to continue with this trial scheme.

The Department will do all it can to minimise the impact on learning for parents currently supported by the scheme. All parents currently receiving support from Free Childcare for Training and Learning for Work in 2009/10 will continue to receive financial support until 31st August 2010. Transition arrangements will be offered to individual learners if their course ends after this date.

For further information about this announcement contact the Learner Support Service provider helpline on 0845 600 7979.

Prime Minister offers more detail on how the Big Society will work

In a speech in Liverpool on Monday, David Cameron said that the aim of his Big Society initiative was to unleash community engagement. The initiative would comprise: social action; public service reform; and community empowerment. To bring it about, the coalition government will use: more decentralisation of power to the localities; greater transparency; and funding which includes payment by results. The government will also set up a Big Society Bank to provide start-up capital to voluntary organisations and social enterprises. Based around volunteering in the community, the Prime Minister said: "It's about people setting up great new schools. Businesses helping people getting trained for work. Charities working to rehabilitate offenders." These are all of course areas where ALP members are already active.

Mr Cameron went on to say: "We've got to get rid of the centralised bureaucracy that wastes money and undermines morale. And in its place we've got to give professionals much more freedom, and open up public services to new providers like charities, social enterprises and private companies so we get more innovation, diversity and responsiveness to public need." ALP is naturally pleased that the Prime Minister is a firm believer in opening up public service markets and expects that his principles will be firmly applied to learning and skills. David Cameron's speech can be read here: <http://www.number10.gov.uk/news/speeches-and-transcripts/2010/07/big-society-speech-53572>

'Open markets are key to more effective delivery', says OFT head

There must be a level playing field between public, private and voluntary providers in the delivery of public services, according to the chief executive of the Office of Fair Trading, John Fingleton. Speaking just before the ALP conference, Mr Fingleton picked up on the benefits of choice and competition which the Prime Minister had just set out in an article for the Daily Telegraph, but pointed out potential barriers such as the political impossibility of closing some services, such as schools and hospitals, even if they were performing badly. According to the OFT, this might prove a fatal impediment to introducing successful market mechanisms in the public sector. The OFT strongly backs the greater use of choice and competition as a means of driving improved performance and innovation. However, market entry for new providers must be easy; consumers must have simple and understandable information to allow them to exercise choice; and a level playing field must exist between public, private and voluntary providers. On the last point, issues such as pensions, taxation and regulation had to be addressed to ensure competitive neutrality and

to improve delivery. Mr Fingleton cited DWP employment zones as an example of where customer choice over providers had worked well. His speech can be read here:

<http://www.oft.gov.uk/news-and-updates/speeches/2010/0810>

Large employer reduction in rates for 19+ learners to take effect from 1st August 2010

(On behalf of the Data Service)

The Skills Funding Agency introduced a 25% rate reduction for all 19+ Employer Responsive provisions delivered to and by large employers. This reduction will take effect from 1st August 2010. Large employers are defined as those with 1000 or more employees in their company, subsidiaries or group. The funding rate reduction will be applied to all 19+ Employer Responsive learners. This will include carry over learners into 2010/11 as well as new learners in 2010/11.

A [list of Employer Numbers](#) for all employers defined as 'large' is available from the Data Service website. Names of employers are not published due to the commercial arrangements the Skills Funding Agency has with the list provider. When one of the listed Employer Numbers is used in the Employer identifier field, field A44, in the ILR the funding calculation will automatically apply the 25% reduction.

If you have any queries on this please view the [FAQs](#) on the Data Service website. If you cannot find an answer to your query please call the Service Desk on 0870 2670001.

The Work Programme: Your Thoughts - comment online

The Government has announced plans for radical reform of the welfare to work system and the implementation of The Work Programme. The Work Programme will be an integrated package of support providing personalised help for people who find themselves out of work based on need rather than benefit claimed.

To enable DWP suppliers to propose and discuss ideas on specific areas of The Work Programme, they have launched an online facility at <http://interactive.dwp.gov.uk/the-work-programme-your-thoughts> at which to respond to specific themes and take part in online discussions.

The following pages contain a number of themes - already raised in discussions with providers - for discussion and comment. DWP have promised to consider all comments and publish a brief online summary after the end date (see below).

The first theme is inviting comments on capital raising and payment models and is available for comment until **30 July 2010**.

The second theme, inviting comments on efficiencies, customers and implementation will be available for comments from **2 August 2010** to the **13 August 2010**.

If you have a direct question requiring a response from DWP on comments or ideas unrelated to the themes, you should email theworkprogramme.external@dwp.gsi.gov.uk.

Provider Focused Workshops

Birmingham – 12th & 19th August 2010

Next month ALP launches '**Provider Focused Workshops**' for ALP Members.

The first two of a series of one day sessions will focus on open and competitive tendering in a '[Prime Contractor](#)' environment and '[FAM Compliance Practices](#)' for independent Work Based Learning (WBL) Providers. These workshops will be important to all providers with the advent of minimum contract levels proposed by the Skills Funding Agency.

The first one day workshop is designed to help provider staff improve their understanding and ability to submit quality tenders for both prime and sub-contracted specifications, whether funded through core or co-financed tender calls. The second will give the key essentials for all providers to ensure compliance with EU rules, meet the expectations of FAM inspections and contracting bodies and to improve organisation practices.

The delegate fee for each of the **Provider Focused Workshops** is ALP Members - £125.00 + VAT and for Non-Members - £225.00 + VAT a saving of £100 compared to the non member rate. For more information, details of agenda, venue and how to register, click on the respective workshop session below and follow the links:

- 12th August - [How to win Open and Competitive Tenders and Succeed in the Prime Contractor Environment](#)
- 19th August - [Critical Business & FAM Compliance Practices for Providers of WBL](#)



ALP Member Events are internal meetings organised by ALP and restricted to **members only**. To attend, please register your interest by clicking on the meeting link below.

If any Member experiences difficulty registering online, please contact [Marilyn Harper](#) via email.

The following ALP Special Interest Groups (SIG) & Sector Strategic Issues Meetings (SIM) are now open for registration:

[Welfare to Work SIG](#) 21 July 2010 13.30 - 15.30 Tea/Coffee and Biscuits on arrival

[14-19](#) 4th August 2010 9:30am (Tea/Coffee) 10:00am – 3:30pm (lunch provided) Sheffield

Provider Focus Workshops

[How to win Open and Competitive tenders and Succeed in the Prime Contractor Environment](#)

12th August 2010 – Maple House, City Centre, Birmingham

[Critical Business & FAM Compliance Practices for Providers of WBL](#)

19th August 2010 – Maple House, City Centre, Birmingham

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