

NATIONAL COMMISSIONING FRAMEWORK

Response from Plumpton College

Plumpton is a medium-size land-based college in East Sussex, close to the boundaries with West Sussex and Brighton & Hove. We draw 14-19 students from all parts of Sussex and increasingly from Surrey. We lead on the partnership providing land-based diplomas across most of Sussex. We have a strong reputation for inclusivity; the average attainment on entry of the 16 year olds we recruit is consistently the lowest of any tertiary institution within East Sussex. Our 14-19 success rates are nevertheless amongst the highest in Sussex.

We have strong relationships with rural business across Sussex and are accredited under the Training Quality Standard. We achieve very high satisfaction rates amongst employers in LSC surveys; but, like most other land-based colleges, we struggle to deliver apprenticeships, particularly 16-18 apprenticeships, economically to the far-flung and predominantly rural micro-businesses we serve.

We are pleased to have the opportunity to comment on the Consultation draft.

General/Section 1.1

Q.1 No, although the document sets out a clear structure and clear roles, it leaves some serious fuzziness about the respective responsibilities of local authorities and YPLA in areas which are important to our recruitment decisions over the next few months. We discuss these more fully in response to Q.4 below. More importantly the timetable allowed in the document for collating learner preferences across local authority areas and for reconciling the positions of local authorities within the SRG seems to us simply unconvincing. As a college that draws significantly from all local authorities in Sussex, and from many beyond, we are heavily exposed to any slippage in the timetable or any compression of process. **We ask that the LSC and its successors provide an early assessment of these risks, and the steps they will take to mitigate them.**

Q.2 No, on two counts. Firstly, although page 2 sets out clearly enough the Government's long term policy aspirations, there is no assurance here that the achievement of these aspirations is affordable or that the measures set out in this document are sufficient to realise them. Para 1.1.9 suggests that the new system and the new approach from local authorities will simply "help" to deliver the policy goals. What other measures are felt to be essential for their delivery, and what risks are associated with them.

Secondly, there is no indication that the framework has bipartisan political support. Our understanding is that they do not, and that there is a significant risk of further structural change if there is a change of government at the General Election, including the re-centralisation of commissioning and funding. The detailed proposals for implementing the Machinery of Government changes have taken much longer to emerge than originally envisaged, and this has delayed full implementation until 2011/12. The result has been a period of extended uncertainty, which has inhibited strategic planning within the sector, held back the building of our strategic relationships with local authorities, and absorbed large amounts of the College's senior management time to the detriment of the emphasis we wanted to put on further improving the quality of our provision. To help limit the duration of further uncertainty, we ask that **those working out the fine detail of the current**

machinery of government changes take in to account, as far as possible, the scope for easy reversibility of the detailed proposals they recommend.

Q.3 No, the goals of increased participation, attainment, and progression have been strongly delivered by the FE sector in the last few years under the current regime. We see no evidence that the new strategic framework will be any more effective than what it replaces. Its complexity is likely to add to cost and inefficiency, through the loss of skills and disruption to relationships, and through the greater compartmentalisation of funding streams; and hence offers poorer value for money. We do not, however, see any way of improving the framework at the strategic level without prolonging the uncertainty in a way that would do more damage than any benefit we can identify. The priority now should be to make the NCF work, to reduce the large risks associated with it, and to provide clarity about the likely funding colleges can expect in 2011/12.

Q.4 Generally, yes. We agree with the key principles set out at para 1.1.11, and particularly the promise that funding will follow the learner. However it is not clear how YPLA will assure itself that funding is actually following the learner. We single out three areas which we believe need further attention if this principle is to be met:

(a) Consolidation of Additional Recruitment into Following Years' Baseline

This is a key consideration for the level of our 16-18 recruitment for academic year 2010/11 (recruitment is now well under way); and a significant financial risk if we get it wrong. We note the statement on page 23 that the principle of consolidation "does not guarantee funding, but should be taken into account in the assessment of providers' baselines." We ask that **YPLA should amplify this statement at an early opportunity to indicate what weight it expects to be placed on consolidation relative to other factors in 2011/12.**

(b) Additional Learning Support

There is little discussion in the Consultation Document of Additional Learning Support. Given our emphasis on inclusivity, Plumpton's Additional Learning Support costs are inevitably high relative to other colleges. Our historic allocation of ALS grant was low, and the LSC's failure to fully implement the formula basis for ALS grant allocations has left us chronically, and increasingly, underfunded. Our understanding is that YPLA mean to make no substantive changes to the current arrangements for allocating ALS grant to SRG's. However, we ask that **SRGs should have flexibility to allocate the ring-fenced ALS grant earmarked to them in the way which they believe is best designed to achieve the inclusion of students with Additional Learning Support needs.**

(c) Residential Grants

The document is silent on these grants, which for many land-based students are crucial for participation. We have unfortunately been unable to establish, either directly or through Landex, what DCSF's proposals are for the future allocation of 16-18 residential grants or the funding route envisaged. In 2008, LSC gave Plumpton a large capital grant towards the cost of increasing our accommodation capacity with a view to increasing the number of residential 16-18 students from poorer families in remoter parts of Sussex. The additional accommodation was built but then LSC was unable to provide the additional residential grant to defray the cost of the rent payable by the target students, and many dropped out. This really does need resolving quickly in a way that is consistent with the principles of the NCF. We ask that **YPLA should establish a national residential grant rate per full-time residential student, and allocate it to local authorities pro rate with the number**

of projected 16-18 residential bedspaces in each area. Interim arrangements along these lines should be put in place for 2010/11.

Q.5-13 No comment, except to reiterate the point at Q1 about the need for DCSF to share their risk assessment about the timetable allowed for reaching agreement on allocations in the SRG

Q.14a Our understanding from the table on page 36 is that colleges will no longer receive grant-in-aid. Once the money is routed via local authorities it will be in the form of simple grant (or contract). As para 3.1.13 says Local Authorities do not use this central government model. We believe that the implications of this for the Finance Memorandum of FE colleges needs to be thought through rather more fully than para 3.1.15 implies. **While we agree that much of the Finance Memorandum, e.g. the sections covering borrowing, acquisition and disposal of assets should remain (although in a more liberalised form), other features – and particularly the concept of the Principal as an Accounting Officer answerable to the PAC - are clearly no longer appropriate and should be dropped as soon as the funding responsibility transfers to local authorities in April 2010.**

Q.14b While we welcome the concept of a Joint Audit Code of practice, we are disappointed at the absence of specific proposals for rationalisation of the audit burden on Colleges. **For the reasons set out above we believe regularity audits are no longer appropriate for bodies funded outside the central government net, nor is its continuation consistent with “the minimum demands commensurate with good stewardship” (page 42). We would like to see a discussion of assurance on funding being provided through the internal audit route rather than as a standalone funding audit; and the financial health audit being dealt with much more transparently and in proper context through the vehicle of the College’s Annual Report rather than as a separate piece of data gathering.** In short, we ask **that there should be a proper consultation with colleges on the future audit requirements, which actively looks at the scope for rationalisation.**

Q.14c We are concerned that the delay in the drafting of the NCF has led to a position where local authorities are acquiring responsibility for funding 14-19 provision in ten weeks time, but the financial and audit procedures under which payments will be made and controlled have not been adequately discussed with providers, and in some cases not discussed at all. At this late stage there would be real difficulties for colleges if local authorities introduced from April 2010 significant changes (or even a large number of small changes) to the current LSC payment and audit processes. We therefore ask that **YPLA should mandate a continuation by local authorities of LSC payment and audit processes at least until March 2011.** Without this we are concerned that we may not be able to provide the necessary degree of assurance about the adequacy of our financial controls and audit processes in respect of our 16-19 funding.

Q.14d We note the document’s expectation that apprenticeships will grow. While this may be realistic in respect of large employers with many apprentices, as discussed at para 3.1.10, in respect of small employers our experience is that growth will be difficult to achieve without well-designed incentives. The high cost of marketing and supervising apprenticeships among small rural employers is compounded by relatively high administrative costs to colleges. Payment is in arrears, unlike other 16-18 provision, and evidenced by specific data confirming delivery of apprenticeships. As the table on page 38 says this arrangement is very labour

intensive for both the funding body and providers, and it is the most uncertain arrangement for providers' cash flow. The timing of completion of individual apprenticeships is particularly difficult to forecast. Where the NAS are working under strict annuality rules, there is a risk to the provider that the NAS will not pay for apprenticeships which fall into the following fiscal year. We ask that **this should be reviewed with a view to NAS making payments on account in respect of 16-18 apprenticeships.**

Q.15 Para 3.1.10 makes clear the intention that there should be a rigid ring-fence between the funding of 16-18 apprenticeships and 19+ apprenticeships. We understand the Government accounting rules that drive this. However on the ground the employers we serve do not see a particular logic for the strict segregation, and for providers the lack of flexibility makes it more difficult to market apprenticeships as a whole. We ask that **there should be some (limited) flexibility for NAS to vire between its two allocations in-year, subject to a compensating adjustment in the following year.**

Q.16 Para 4.1.16 refers to a new Approved Supplier Register. It is unclear whether this is simply for new entrants or whether it applies to Colleges too; and if so how it relates to existing accreditation such as the Training Quality Standard.

Q.17 No comment.