

Lancashire County Council

Education Scrutiny Committee

Tuesday, 28th March, 2017 at 10.30 am in Cabinet Room 'C' - The Duke of Lancaster Room, County Hall, Preston

Agenda

Part I (Open to Press and Public)

No.	Item
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1.	Apologies
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2.	Disclosure of Pecuniary and Non-Pecuniary Interests
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Members are asked to consider any Pecuniary and Non-Pecuniary Interests they may have to disclose to the meeting in relation to matters under consideration on the Agenda.

3.	Minutes of the meeting held on 29 November 2016	(Pages 1 - 6)
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4.	Schools National Funding Formula (SNFF)	(Pages 7 - 18)
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5.	30 Hours Free Childcare	(Pages 19 - 24)
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6.	Designated Children's Centres and the Implementation of the Property Strategy	(Pages 25 - 28)
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7.	Apprenticeship Reforms	(Pages 29 - 42)
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8.	Work Plan
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Verbal report.

9.	Urgent Business
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An item of urgent business may only be considered under this heading where, by reason of special circumstances to be recorded in the Minutes, the Chair of the meeting is of the opinion that the item should be considered at the meeting as a matter of urgency. Wherever possible, the Chief Executive should be given advance warning of any Member's intention to raise a matter under this heading.

10. Date of the Next Meeting

The next scheduled meeting of the Committee is due to be held at 10.30am on Tuesday 18 July 2017 in Cabinet Room 'C' – The Duke of Lancaster Room at County Hall, Preston.

I Young
Director of Governance,
Finance and Public Services

County Hall
Preston

Lancashire County Council

Education Scrutiny Committee

**Minutes of the Meeting held on Tuesday, 29th November, 2016 at 10.30 am
in Cabinet Room 'C' - The Duke of Lancaster Room, County Hall, Preston**

Present:

County Councillor Cynthia Dereli (Chair)

County Councillors

P Buckley	D Lord
A Cheetham	Mrs S Charles
Ms L Collinge	D T Smith

Co-opted members

Mr Ian Beck, Representing RC Schools
Mrs Janet Hamid, Representing Parent Governors
(Secondary)
Mr Kenvyn Wales, Representing Free Church Schools
Mr John Withington, Representing Parent Governors
(Primary)

1. Apologies

Apologies were received from County Councillor Andrea Kay, County Councillor, Sandra Perkins and Dr Sam Johnson.

County Councillor Liz Collinge was welcomed to the Committee replacing County Councillor Misfar Hassan.

The Chair welcomed the following speakers to the meeting:

Bob Stott, Director for Education, Schools and Care
Alison Kenny, Early Education and Learning Improvement Team Leader
Mel Ormesher, Head of Service Asset Management
Kathy Ashworth, Senior Manager, Wellbeing, Prevention and Early Help
Andrew Good, Head of Service Financial Management (Development and Schools)

2. Disclosure of Pecuniary and Non-Pecuniary Interests

There were no declarations of interest in relation to matters appearing on the agenda.

3. Minutes of the meeting held on 19 July 2016

Resolved: That the minutes from the meeting held on the 19 July 2016 be confirmed as an accurate record and signed by the Chair.

4. Funding changes as a result of the White Paper

Bob Stott, Director for Education, Schools and Care provided the Committee with an update on the funding changes as a result of the White Paper with a summary on the five briefing sessions held with schools across Lancashire in relation to these proposed changes (information appended to the minutes).

It was confirmed that the White Paper has not been taken forward by the Government at this time. However, members were advised that the stated intention of the Government continued for schools to become academies by 2022. One of the potential key drivers for this may be the funding changes although information has yet to be received on the consultation around this. It was confirmed that the submission to the consultation when completed would be circulated to members.

Members were advised that further work continued on the potential local partnership models which includes district maps of schools, children's centres and PRU's and information on the governance around these possible partnership models to be made available to schools.

Members of the Committee were invited to comment and raise questions and a summary of the discussion is set out below:

It was confirmed that examples from other authorities on the different types of partnerships would be explored and it was agreed that there was a need to identify suitable partnership models in Lancashire.

The Committee was provided with feedback from the schools following the five briefing sessions. It was reported that nursery schools raised concerns around the introduction of the 30 hours free childcare and possible impact on their services and a meeting would be arranged with all nursery heads to discuss this further.

Resolved: That;

- i. Update and comments from the Committee be noted
- ii. Further information on the consultation be circulated to members when available
- iii. Member briefing on the proposed financial changes be considered

5. Early Education and Early Years School Improvement Service Update

Alison Kenny, Early Education and Learning Improvement Lead was welcomed to the meeting to discuss the Early Education and Early Years School Improvement Service report which provided an update on the work of the Early Education and

Early Years teams following on from the initial report to the Committee on the 19 July 2016.

The Committee conveyed their thanks to Alison and the team on a very encouraging report.

Members of the Committee were invited to comment and raise questions and a summary of the discussion is set out below:

A query was raised in relation to the 30 hours free childcare entitlement and how it would impact on childcare providers. It was confirmed that due to the criteria set out, this would almost be a universal entitlement. It was unclear at this time how the market would respond but historically it has successfully managed any changes. It was highlighted that as it was unclear as to what the rate of funding would be, childcare providers were unable to make any decisions at this time. Members were informed that there is currently no date as to when that will be.

In relation to the Special Educational Needs support for childminders, it was reported that training resources would be provided to support childminders.

Members were advised that although there was no grant available to assist with any property concerns, the team were working closely with the Special Educational Needs and Disabilities team to identify resources to support childminders.

Resolved: That;

- i. The report and comments from the Committee be noted
- ii. Further information on the funding rates to childcare providers for the 30 hours free childcare be provided to members when available

6. Outcomes of the Property Strategy - Children's Centres

Mel Ormesher, Head of Asset Management, Kathy Ashworth, Senior Manager, Wellbeing, Prevention and Early Help and Andrew Good, Head of Service Financial Management, were welcomed to the meeting to provide further detail on the outcomes to the County Council's Property Strategy for children's centres across Lancashire following the decision originally taken by Cabinet on the 8 September and endorsed on the 26 September 2016.

The following information was reported to the Committee:

- Going forward there would be 53 children's centres with seven linked centres.
- Meetings were taking place regarding the transition.
- Work with Schools Forum to look at impact on schools finances on a school by school basis.
- The service delivery detail will inform the conversations with schools.
- Outreach support will be provided from Neighbourhood Centres to more rural/sparse areas and were reported to be building in capacity to outreach services to assist with this

Members of the Committee were invited to comment and raise questions and a summary of the discussion is set out below:

Concerns were raised in relation to outreach services and it was acknowledged that services would no longer have the capacity to operate the same level of provision. However, it was confirmed that it would be a more targeted service to those families in more need of help and support.

Members highlighted the need for councillors to be well informed to support communities through these changes and were assured that information would be made available particularly around who they can signpost to for further advice and guidance.

In relation to children's centres currently based on a school site, it was reported that talks were taking place with the schools to identify potential property use. In addition, it was confirmed that childcare providers would be supported through the Estates Service to negotiate the lease arrangements. All of this work will take place on a case by case basis.

It was confirmed that public transport was considered in relation to proximity to bus stop and train stations for accessibility to children's centres.

The Committee were advised that there continued to be multi-agency commitment through the Continuum of Need (CoN) pathways which identifies those families requiring support. The Wellbeing, Prevention and Early Help Service responds to Level 2 requests for support through the CoN. Members were assured that there were well embedded assessment and processes in place with a comprehensive step up/step down arrangement.

Resolved: That the report and comments from the Committee be noted.

7. A summary of the provisional results at the end of Key Stage 4 at Lancashire and District level

The Committee received a report which set out the overall attainment in Lancashire schools at the end of Key Stage 4 in 2016 based on provisional data not yet validated. The results have been analysed at district level and showed progress over the past three years.

It was confirmed that the published information would be mapped against the indices of deprivation and free school meals (FSM) data.

It was highlighted to members that the reporting on performance would be changing this year to the new measures: 'Attainment 8' and 'Progress 8'. The results tables included information based on Lancashire against the North West and the total from state-funded schools nationally.

A general discussion took place on the new measures outlined in the report. Concerns were expressed around the skills agenda and pathways to work. But members felt that this was also an opportunity for an open discussion to be held.

Resolved: That;

- i. The report and comments from the Committee be noted
- ii. A further report be presented to Committee in March on the new Key Stage 4 reporting model and potential impact on the curriculum

8. Update from the Chair

County Councillor Cynthia Dereli provided an update to the Committee on the working group set up to look at the Government proposals for multi academy trusts. The working group have been tasked to look at authorities across country on this subject and will pull comments together into a report.

Resolved: That a report be presented to the Committee at the March meeting

9. Work Plan

Wendy Broadley, Senior Democratic Services Officer, presented the report on the work plan to the Committee which had been updated to include current and future topics for scrutiny.

Members confirmed the following topics to be included:

- Transport to Schools
- Key Stage 4 Report models to come back to the March meeting
- Property Strategy update post May

Resolved: That;

- i. The work plan be noted
- ii. The work plan be updated to include the agreed topics

10. Urgent Business

There were no items of urgent business.

11. Date of the Next Meeting

The next meeting of the Education Scrutiny Committee is due to be held on Tuesday 28 March 2017 at 10.30am, Cabinet Room C, County Hall, Preston.

I Young
Director of Governance, Finance
and Public Services

County Hall
Preston

Education Scrutiny Committee

Meeting to be held on Tuesday, 28 March 2017

Electoral Division affected:
(All Divisions);

Schools National Funding Formula (SNFF)

Appendices A to D refer

Contact for further information:

Paul Bonser, Tel: 01772 531815, School Statutory and Forum Officer,

Paul.bonser@lancashire.gov.uk

Executive Summary

The Department for Education (DfE) have issued proposals relating to the introduction of a Schools National Funding Formula (SNFF). This report sets out possible implications for Lancashire.

Recommendation

The Education Scrutiny Committee is asked to note the report and express any views on the Schools National Funding Formula (SNFF).

Background and Advice

The DfE launched stage 2 of their Schools National Funding Formula (SNFF) consultation in December 2016, with responses required by 22 March 2017.

This proposes implementation of a 'soft' SNFF for 2018/19, where the Lancashire school funding formula will still apply, but the county's Schools Block funding will be calculated on the basis of SNFF allocations.

A 'Hard' SNFF will be introduced from 2019/20, where the LA will need to passport the national calculation to all Lancashire schools, without amendment.

The DfE's consultation documentation was accompanied by LA and school level analysis, based on 2016/17 data. The Lancashire level impact for the Schools Block (primary and secondary schools and academies) shows that total funding reduced by £0.265m to £697.074m.

At an individual establishment level, analysis of the Schools Block proposals shows that:

- 200 schools/academies gain under the proposals (35%);
- 310 schools/academies lose under the proposals (65%).

- Maximum gain – 12.4% increase in a school's budget;
- Maximum loss – minus 2.9% decrease in a school's budget.

The DfE's formula distributes more funding nationally through pupil-led factors, rather than school-led; and targets a greater proportion of funding using Additional Educational Needs (AEN) factors.

In Lancashire, these national decisions can be seen to impact in the primary phase. Historically, Lancashire has maintained a high lump sum allocation, of £155k per primary school per year, to offer protection to small schools in the County. The lump sum reduces to £110k under SNFF. This has a significant effect on small primary schools, with 91 of the 92 schools with a Number on Roll (NOR) below 105 losing under SNFF proposals. A full analysis of the primary school impact by district and school size is provided at Appendix A.

Similarly, in the primary phase, SNFF does appear to move more funding towards schools with higher levels of deprivation. 84% of primary schools with below the Lancashire average of Free School Meals (FSM) eligibility lose under SNFF, whereas of the primary schools with above average FSM, 62% gain. Appendix B provides a full analysis of the primary sector by district and level of deprivation.

In the secondary sector, the interaction of the national proposals and Lancashire's current formula appears more complex. There are no clear patterns of winners and losers based on size or deprivation. Appendices C and D show the secondary phase impact of SNFF proposals based on school size and deprivation by district.

The County Council, the Cabinet Member for Children, Young People and Schools and the Chair of the Education Scrutiny Committee have all submitted consultation responses by the 22 March 2017 deadline.

In addition, the Schools Forum has sent a response and encouraged Lancashire schools and academies to reply individually.

Key themes in the responses related to the overall pressures on all schools budgets and the risks to small schools.

Small Primary Schools

Lancashire has deliberately supported a local formula that has maintained high lump sum levels in the County in order to provide stability and protection for small rural schools. The allocation of lump sum funding in Lancashire has been at a level well above the national average and has been at almost 13% of Schools Block funding. There is concern that the SNFF proposals create fundamental difficulties for small rural schools.

Cost Pressures on all Schools

Even schools that appear to gain under the SNFF proposals are likely to be real term losers when cost pressures are taken in account, particularly around increases in staff related costs like superannuation, teachers' pension contributions and the apprenticeship levy. Consultation responses urge the DfE to combine any implementation of the SNFF with the release of significant real terms increases in

resource into the sector, or the consequences will be substantial cuts to staffing establishments across the county, with the inevitable reduction in standards that would follow.

Consultations

Consultations with the Schools Forum took place to provide direct school involvement in shaping the County Council responses.

Implications:

This item has the following implications, as indicated:

Risk management

Financial

These proposals relate to the ring fenced Dedicated Schools Grant (DSG), and indicative figures provided by the DfE to accompany the SNFF consultation show that 2/3 of all Lancashire primary and secondary schools and academies lose funding as a result of these proposals. The final proposals may be altered as a result of consultation process and the pupil and school data behind the SNFF will be updated by full implementation in 2019/20. However, there appears to be a significant risk that many Lancashire schools will need to make budget reductions, which will impact on the standard of education that they are able to deliver.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Tel
DfE Schools national funding formula - stage 2 consultation	December 2016	https://consult.education.gov.uk/funding-policy-unit/schools-national-funding-formula2/

Reason for inclusion in Part II, if appropriate

N/A

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Lancashire winners and losers by district and size – primary schools

District	Count	NOR below 105 Gains	NOR below 105 Lose	NOR 105-210 Gains	NOR 105-210 Lose	NOR above 210 Gains	NOR above 210 Lose
Burnley	30	0	0	10	4	13	3
Chorley	50	0	9	5	21	4	11
Fylde	24	0	4	0	13	4	3
Hyndburn	60	0	11	15	17	11	6
Lancaster	52	0	16	7	13	10	6
Pendle	37	0	4	9	9	10	5
Preston	60	0	9	17	12	14	8
Rosendale	31	0	3	4	14	4	6
South Ribble	39	0	3	4	15	8	9
West Lancs	56	1	19	7	18	5	6
Wyre	43	0	13	1	13	9	7
Total	482	1	91	79	149	92	70

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Lancashire winners and losers by district and deprivation – primary schools

District	Count	FSM below Lancs ave Gain	FSM below Lancs ave Loss	FSM above Lancs ave Gain	FSM above Lancs ave Loss
Burnley	30	5	2	18	5
Chorley	50	1	37	8	4
Fylde	24	2	13	2	7
Hyndburn	60	7	29	19	5
Lancaster	52	6	27	11	8
Pendle	37	3	13	16	5
Preston	60	11	21	20	8
Rosendale	31	2	14	6	9
South Ribble	39	4	23	8	4
West Lancs	56	4	30	9	13
Wyre	43	1	24	9	9
Total	482	46	233	126	77

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Lancashire winners and losers by district and size – secondary schools

District	Count	NOR Below 600 Gain	NOR Below 600 Loss	NOR Above 600 Gain	NOR Above 600 Loss
Burnley	7	2	1	1	3
Chorley	6	0	0	0	6
Fylde	3	0	0	2	1
Hyndburn	10	1	3	2	4
Lancaster	8	2	1	0	5
Pendle	6	2	0	1	3
Preston	12	2	3	0	7
Rosendale	6	1	2	0	3
South Ribble	11	1	2	6	2
West Lancs	7	1	0	2	4
Wyre	7	0	0	2	5
Total	83	12	12	16	43

Education Scrutiny Committee 28 March 2017

Lancashire winners and losers by district and deprivation – secondary schools

District	Count	FSM below Lancs ave Gain	FSM below Lancs ave Loss	FSM above Lancs ave Gain	FSM above Lancs ave Loss
Burnley	7	0	1	3	3
Chorley	6	0	3	0	3
Fylde	3	1	1	1	0
Hyndburn	10	3	2	0	5
Lancaster	8	1	3	1	3
Pendle	6	0	0	3	3
Preston	12	2	5	0	5
Rosendale	6	0	2	1	3
South Ribble	11	4	2	3	2
West Lancs	7	3	1	0	3
Wyre	7	1	3	1	2
Total	83	15	23	13	32

Education Scrutiny Committee

Meeting to be held on Tuesday, 28 March 2017

Electoral Division affected:
(All Divisions);

30 Hours Free Childcare

Contact for further information:

Alison Kenny, Early Education and Learning Improvement Lead,
alison.kenny@lancashire.gov.uk

Executive Summary

All three and four year old children are currently entitled to 15 hours free childcare a week. From September 2017 working parents will be able to access free childcare for their three and four year olds for up to 30 hours per week.

This report sets out some of the background to the entitlement, funding rates and what is being done to support the sector in preparing for the implementation.

Recommendation

The Education Scrutiny Committee is asked to note and comment on the report.

Background and Advice

All three and four year old children are currently entitled to 15 hours free childcare a week. From 1 September 2017 this will increase by an additional 15 hours for working parents who meets the Governments criteria below.

Eligibility rules for 30 hours free childcare:

- Both parents need to be working (or the sole parent is working in a lone parent family);
- Each parent has a weekly minimum income equivalent to 16 hours at national minimum wage or living wage;
- Neither parent has an income of more than £100,000 per year;
- Parents will only be able to apply for the additional hours if they are resident in the UK, as in the case for Tax Free Childcare.

By offering working parents the additional free childcare the government aims to give parents real choice about how they balance raising children with their working lives. The 30 hours free childcare also aims to support those parents who wish to work, or to work more hours, to be able to do so.

Lancashire has over 2000 childcare environments across Lancashire. These are made up of maintained nursery schools and classes, out of school clubs, childminders, day nurseries and pre-school play groups.

In order to ensure that Lancashire County Council provides its statutory duty to provide sufficient childcare for parents and carers it will have to work with providers to encourage new methods and joint working arrangements. Parents will be able to access childcare for up to 10 hours per day, between 6am and 8pm. This means that children may access more than one childcare environment within a working day.

What Lancashire County Council has done to support the Childcare Sector

Communication

Lancashire County Council is consulting with the sector through the Early Years Consultative Group to identify what support is needed. Part of the support already provided includes the development of a provider web page on 30 hours where practitioners can access guidance and useful links to other information. Briefing sessions have been arranged through the Council and the national delivery partner 'Childcare Works' on 27, 28 and 29 March across Lancashire. The briefings will cover:

- Current delivery models to help understand the existing childcare market in the local area.
- An update on the 30 hour policy, the entitlement and delivery model
- Key messages, implementation planning and sufficiency information
- Challenges 30-hours may offer them and the locality
- Working creatively together to find solutions to meet the local demand for the funded entitlements

Social media such as Twitter and Facebook is also being used to promote information for parents and there is a communication plan in place to take this forward.

30 Hour Capital Grant

In April 2016, as part of its commitment to support providers in delivery of the 30 hour extended entitlement, the Government announced it would be making £50m capital funding available for local authorities to submit funding bids for the creation of new childcare places.

Each authority was notified how many individual project bids they could submit, based on the estimated number of children that were eligible for the 30 hours extended entitlement.

Lancashire County Council was able to submit a maximum of six projects on behalf of eligible childcare providers, where they could demonstrate clear evidence of the need for additional childcare places. There was a project limit of £1m, and this also had to include 25% match funding from each childcare provider. Local authorities

were required to submit their bids by 31 August 2016 in order to be considered for any capital funding.

In July 2016 the authority invited all eligible childcare providers in Lancashire to submit an application for funding. Childminders were not eligible to apply.

Applications were received from nine childcare providers, and the authority undertook a shortlisting exercise to select the six projects that provided the strongest evidence of the need for additional childcare places.

There was no guarantee that any of the six projects submitted on behalf of Lancashire's childcare providers would be successful as the Education Funding Agency (EFA) stated that funding would be prioritised nationally to projects across the country that were able to evidence the strongest need for additional childcare places.

The authority received notification at the end of December that the EFA had awarded funding to two of the six projects submitted by Lancashire totalling £1,466,130.

The two projects have to be completed by 31 August 2017, at the latest, to ensure new places are available from 1 September 2017, and all funding must be spent by 31 October 2017.

A separate report relating to the Capital Grant is being presented to Executive Committee Scrutiny, and Cabinet Member for Children, Young People and Schools in early April 2017.

Funding

The EFA have also introduced an Early Years National Funding Formula (EYNFF) from April 2017. The EFA expect that the funding rates used to fund the 15 hours free childcare a week from April 2017 will also be used from September 2017 for the additional 15 hours of childcare for working parents.

The requirements for the EYNFF include:

- New national formula for allocating early years funding to local authorities;
- Introduction of a Universal Base Rate, by 2019/20;
- A supplementary grant for maintained nursery schools to keep their funding stable, until at least 2019/20;
- Restrictions on the available supplements and on the level of funding to be distributed (A 'Teacher' supplement is no longer allowable);
- A new Disability Access Fund (DAF) for 3 and 4 year olds and confirmation of SEN inclusion funds;
- Continuation of the current Early Years Pupil Premium (EYPP) arrangements.

Key implications for Lancashire include:

- The formulaic distribution of EYNFF generates approximately £2m less for Lancashire, as part of the ring fenced Dedicated Schools Grant (DSG);

- A supplementary grant is also provided for maintained nursery schools, of circa £4m, which will keep funding stable for these schools while it is available, but it is only guaranteed until 2019/20. There is considerable concern about the viability of maintained nursery schools if this funding is removed;
- A teacher supplement for nursery classes in maintained schools is no longer allowable.

Following discussions with the Schools Forum and consultation with providers, a principle of stability was adopted for 2017/18 in Lancashire. This was due to the limited time available to fundamentally revise the Lancashire Early Years Single Funding Formula (EYSFF) and to provide a period of stable funding to allow those providers that were likely to lose under EYNFF arrangements a more reasonable lead in time.

The proposals for 2017/18 included:

- As a starting point to retain funding levels across all providers;
- Target any available headroom in the EYNFF, of circa £1m, towards the Private Voluntary and Independent (PVI) sector base rate, as a first step towards a Universal Base Rate;
- Retain the current deprivation and rurality supplements, using the existing methodologies, at the 2016/17 levels;
- Transfer of the teacher supplement to a temporary increase in base funding for nursery classes;
- Fully utilise the ring-fenced Maintained Nursery School (MNS) supplementary funding within the sector, as agreed at the Nursery Headteacher meeting;
- Implement Disability Access Fund (DAF) and SEN inclusion fund arrangements in accordance with EFA guidance;

The agreed 2017/18 3 and 4 Year Olds base rates, which were agreed by the Cabinet Member for Children, Young People and Schools when approving the Schools Budget for 2017/18 are shown below:

- Private Voluntary and Independent (PVI) providers - £4.03 per hour Base Rate (increased by £0.13 per hour from 2016/17 rates)
- Child Minders – £4.03 per hour Base Rate plus transitional protection of £0.91 per hour (Total = £4.94 per hour);
- Nursery Classes – £4.03 per hour Base Rate plus transitional protection £0.45 per hour (Total = £4.48 per hour);
- Maintained Nursery Schools - £4.03 per hour Base Rate plus transitional maintained nursery school (MNS) funding to at least maintain 2016/17 funding levels. (This will vary by school as the MNS funding is calculated on forecast 2017/18 budgeted hours).

The base rates are supplemented by additional local payments for:

- Deprivation Supplement;
- Rurality Supplement;
- Early Years Pupil Premium (EYPP);
- Disability Living Allowance (DLA).

The LA will consult again with all providers on the transition of the formula for 2018/19 and 2019/20. This will include the range and level of supplements and further transition towards a Universal Base Rate.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

If the Early Years providers do not want to offer 30 hours childcare there is a potential risk of not having sufficient childcare in Lancashire. However childcare providers are businesses and the market has always adapted to meet the need.

Risk management

Statutory Duty

Lancashire County Council is working with the sector (as outlined above) to help them prepare for the September implementation.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Directorate/Tel
N/A	-	-

Reason for inclusion in Part II, if appropriate

N/A

Education Scrutiny Committee

Meeting to be held on Tuesday, 28 March 2017

Electoral Division affected:
(All Divisions);

Designated Children's Centres and the Implementation of the Property Strategy

Contact for further information:

Andrew Good, Tel: 01772 534053, Head of Service, Financial Management
(Development and Schools)

Andrew.good@lancashire.gov.uk

Executive Summary

This report provides information on the implementation of the Property Strategy with particular reference to designated Children's Centres and transitional protection.

Recommendation

The Education Scrutiny Committee is asked to note the report and express any views on the implementation of the Property Strategy with particular reference to designated Children's Centres and transitional protection.

Background and Advice

As part of the Wellbeing, Prevention and Early Help (WPEH) transformation the Children's Centres provision is being re-configured. This is resulting in the vacation of provision in 23 schools and a revised offer being retained within 21 schools.

In July 2016, the then Chairman of the School Forum, wrote to Asset Management following a presentation given at the July School Forum meeting. The letter, whilst understanding the financial necessity for change asked the following:

- that LCC work closely with specifically affected schools; and
- to "make available transition funding to allow schools the necessary time and financial support to remain stable and viable as the new arrangements are implemented".

The Wellbeing, Prevention and Early Help (WPEH), Asset Management and the Statutory School Finance teams have held individual meetings with each of the schools impacted by the Children's Centre reconfiguration. These meetings started in December and run until mid January, and, where necessary, further follow up visits to certain schools have been made.

The purpose of these meetings was fourfold:

- for WPEH to explain how the service will meet the needs of children in areas where provision within the school setting is being withdrawn and what level of provision will be provided where WPEH are remaining;
- for Asset Management to understand what are the issues on the ground concerning current and future premises related usage. This includes what provision LCC will utilise (including non-WPEH usage) and what needs the school has in terms of space. The aim of this work being to define a new shared use agreement with schools which defines how the premises costs will be shared in future. LCC does not work on a rent basis but one of shared costs given that all buildings are ultimately the County Councils. Detailed on-site visits are being undertaken by the Asset Management Team to determine these new shared use documents;
- for the Finance team to understand any financial viability issues that the withdrawal or change of provision may have on the individual schools budget and to advice and support as needed. Also to assist Asset Management with any financial issues that may arise;
- to allow individual schools to raise any concerns or issues they may have with the services present.

The Estates service and WPEH are currently reviewing the space requirements at 21 schools where the WPEH service will be remaining. This will result in changes to the amount of funds that schools receive from LCC in the 2017/18 financial year. This will be funded from on-going LCC revenue budgets and will be reviewed moving forward as and when provision changes over time.

Following on from the initial financial assessment, proposals were developed for transitional support for the schools involved.

These proposals were agreed by the Deputy Leader of the County Council at the Decision Making Session on 23 January 2017.

The proposals were for circa £0.658m of transitional funding will be paid to all schools currently with Children's Centres irrespective of whether the authority is remaining in them or removing provision. Payment is agreed to be at the level of "running costs" identified by the authority for 2016/17. These payments are additional to any new shared use payments for the schools we are remaining within and is a one-off transition funding for 2017/18.

Correspondence has now been sent to the schools involved informing them of their individual transitional allocation for 2017/18.

Arrangements will be made to pay the allocations in the new financial year.

Consultations

Consultations have taken place with the Schools Forum and with the individual schools affected by the proposals.

Implications:

This item has the following implications, as indicated:

Risk management**Financial**

The allocation of circa £0.658m for the 2017/18 financial year to be paid to 44 schools affected by the County Council's proposals will provide one year of certainty for schools funding and assist in ensuring financial viability where this is an issue. This will be funded from the County Council's Transitional Reserve.

**Local Government (Access to Information) Act 1985
List of Background Papers**

Paper	Date	Contact/Tel
Report to Deputy Leader of the County Council	23 January 2017	Paul Bonser 01772 531815

Reason for inclusion in Part II, if appropriate

N/A

Education Scrutiny Committee

Meeting to be held on Tuesday, 28 March 2017

Electoral Division affected: All

Apprenticeship Reforms

Appendix A refers

Contact for further information:

Lisa Moizer, Co-ordinator of the Lancashire Skills and Employment Hub,

Lisa.moizer@lancashirlep.co.uk

Executive Summary

This report provides the Committee with an overview of the apprenticeship reforms, including the apprenticeship levy, and the development of an Apprenticeship Growth Plan to support individuals, employers and providers.

Recommendation

The report is presented for information and comment as appropriate.

Background and Advice

The Government has set a target to achieve 3 million apprenticeship starts by 2020 which is underpinned by a series of reforms in apprenticeship policy and funding.

Apprenticeship Reforms

In the spring of 2017 the Government are introducing the Apprenticeship Levy for all employers with a pay bill over £3 million, this will impact 2% of businesses in England.

The apprenticeship reforms also include: employer-designed standards, expansion of higher level and degree apprenticeships, a new funding model, an Apprenticeship Delivery Board and a digital apprenticeship service. These reforms are putting employers at the heart of the apprenticeship system.

Furthermore there is a duty that is due to come into force from 1 April 2017 that will require public sector organisations with a headcount of over 250 to have on average 2.3% apprentice starts based on the headcount, per annum. See further information at the links to the Government papers below.

Apprenticeship Growth Plan

The purpose of the Apprenticeship Growth Plan is to make the apprenticeship system work for Lancashire, encompassing the areas supported by Lancashire County Council, Blackpool Borough Council and Blackburn with Darwen Borough Council.

The Lancashire Skills and Employment Strategic Framework identifies growth in apprenticeships as a key priority in tackling replacement demand and skills shortages, as well as improving economic wellbeing in Lancashire.

Embedded throughout the Strategic Framework are the following objectives that have now come together in the Apprenticeship Growth Plan:

- Increase the number, range and quality of apprenticeships.
- Encourage greater levels of provision at higher and degree level.
- Reach more employers in sectors with high replacement demand and growth.
- Ensure that young people and adults are aware of apprenticeships and enthused.

The 4 themes of the Lancashire Skills and Employment Strategic Framework: Future Workforce, Skilled & Productive Workforce, Inclusive Workforce and An Informed Approach are the framework for the action plan.

Please note that the Apprenticeship Growth Plan will be a live document and therefore will be updated in a timely and appropriate manner.

Consultations

As set out in the report.

Implications:

This item has the following implications, as indicated:

Risk management

There are no risk management implications.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Tel
Lancashire Skills and Employment Strategic Framework	Published February 2016	Lisa Moizer

[Apprenticeship
Targets for Public
Sector Bodies
Government consultation
response](#)

Published January
2017

[Schools' guide to
apprenticeship reforms](#)

Published March 2017

Reason for inclusion in Part II, if appropriate

N/A



Apprenticeship Growth Plan

Introduction

The purpose of the Apprenticeship Growth Plan is to make the apprenticeship system work for Lancashire, encompassing the areas supported by Lancashire County Council, Blackpool Borough Council and Blackburn with Darwen Borough Council.

The Apprenticeship Growth Plan has been informed by a robust evidence base including comprehensive review of skills and employment issues in Lancashire and seven sector studies focusing on high replacement demand and growth potential. The evidence base continues to be maintained and evolve to ensure that Apprenticeship Growth Plan focusses on meeting the socio economic needs for the area by directing resources and activities in an informed way.

The Apprenticeship Growth Plan provides a strategic plan for investment and collaboration in apprenticeship activities and initiatives in Lancashire to achieve Lancashire's aims of apprenticeship growth by utilising apprenticeship reforms to the advantage of individuals, employers, apprenticeship providers and all other relevant stakeholders across Lancashire.

The Apprenticeship Growth Plan identifies key priorities and actions that should be addressed to help deliver apprenticeships to meet our growth target, local needs and opportunities. The Apprenticeship Growth Plan It covers issues of traineeships and low level apprenticeships; technical skills gaps and skills shortages; and high level apprenticeships, including degree apprenticeships.

Nationally

In the last parliament 2010/11 to 2014/15 there were 2.4 million apprenticeships starts. The Government has set itself an ambition growth target to increase the number of starts from 2.4 million to 3 million, which is 25% growth in apprenticeships in this parliament (2015-2020).

To achieve this target the Government have set out a number of substantial reforms which are fundamentally transforming the Apprenticeship system. In December 2015 the Government published: English apprenticeships: our 2020 vision¹, with the aim of implementing reforms to 'boost the benefits of apprenticeships even further'.

In spring of 2017 they are introducing the Apprenticeship Levy for all employers with a pay bill over £3 million. The reforms also include: employer-designed standards, expansion of higher level and degree apprenticeships, a new funding model, a digital apprenticeship service and a public sector apprenticeship growth target of 2.3% of their workforce.

Lancashire

Over the last parliament Lancashire delivered 81,010 apprenticeships starts, which on average was a 3.37 per cent contribution to the 2.4 million national apprenticeship starts over these 5 years.

¹ <https://www.gov.uk/government/publications/apprenticeships-in-england-vision-for-2020>

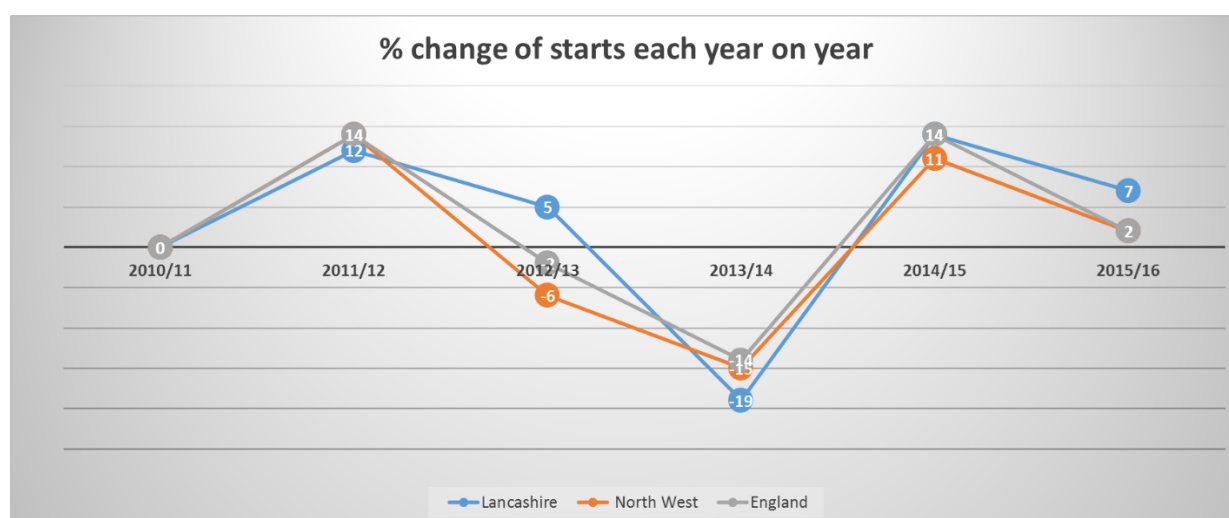


In 2015/16 Lancashire contributed 3.52 per cent to national starts and delivered a further 1,130 apprenticeship starts than the previous year 2014/15. So far in this academic year (Aug-Oct 2017) we have delivered 5,560 which is 3.63% of the 153,300 national starts. Our percentage contribution exceeds our relative size, in 2015 The Lancashire LEP area's population was 2.27% of the population of England.

	2010/11	2011/12	2012/13	2013/14	2014/15	Total in last parliament 2010-15	2015/16
Lancashire LEP	15,270	17,070	17,860	14,390	16,420	81,010	17,550
North West	78,660	89,310	84,180	71,670	79,310	403,130	80,820
England	453,000	515,000	504,200	434,600	494,200	2,401,000	503,900
% Contribution to National Starts	3.37	3.31	3.54	3.31	3.32	3.37	3.48

Source: <https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships>

The year on year percentage change in apprenticeship starts below shows that the growth of apprenticeships since 2010/11 has been significantly impacted. Between 2014/15 and 2015/16 Lancashire has grown its apprenticeship starts by 7 per cent compare to the North West and England's 2 per cent growth.



Source: <https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships>

While Lancashire is in a stronger position than others, the governments 3 million target for England is unrealistic. To meet their target of 2.4 million additional starts in this parliament, year on year there would need be a further 120,000 apprenticeship starts per annum. Between 2014/15 and 2015/16 there were only 9,700 more starts.

Our ambition is therefore is to incrementally grow our apprenticeships focussing on meeting the needs of Lancashire while continue the growth of our percentage contribution to the overall national starts year on year.



The table below shows a two year comparison of Lancashire's apprenticeship starts by priority sector and apprenticeship level. The majority of provision is growing across the board, with those which have declined or aren't delivered highlighted in bold. Data even at this macro level illustrates the opportunities availability, for example, with the introduction of the levy and standards in higher and degree apprenticeships. To note, the higher level data is mainly Level 4.

Priority Sector	Intermediate		Advanced		Higher	
	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16
Advanced Manufacturing and Engineering	1072	1080	862	878	18	21
Construction	503	579	153	173	2	6
Creative and Digital	108	115	262	330	26	54
Energy and Environmental Technology	13	22	0	0	0	0
Financial and Professional Services	2931	3089	1692	1747	383	558
Health and Social Care	1405	1395	1426	1437	393	425
Logistics	293	343	48	36	1	0
Science	0	0	7	11	0	3
Visitor Economy	1152	1192	480	550	7	26

Source: SFA Data Cube (2017)

Lancashire's Skills and Employment Priorities

Creating sustainable skills and employment to drive prosperity is key to Lancashire's future.

The Skills and Employment Board was created to consider skills and employment priorities and make recommendations within Lancashire. The board supports the work of the Lancashire Enterprise Partnership and the evolving Lancashire Combined Authority.

The Board in turn discharges its duties through the Skills and Employment Hub. Both the Board and the Hub aim to facilitate/enable a balanced, skilled and inclusive labour market which underpins and contributes to economic well-being and growth across the County.

Skills and Employment Strategic Framework

The Board commissioned an evidence-base which enabled an understanding of the key skills and employment demands in Lancashire. This evidence-base underpins the Lancashire Skills and Employment Strategic Framework² which draws together the key priorities, common themes and issues. The draft framework was consulted upon prior to finalisation with a wide variety of stakeholders including young people, employers, partners, providers and local authorities. The framework:

- Identifies the key priorities and actions required to drive up skills and employment in Lancashire.
- Aligns our pipeline of skills with the needs of businesses – now and into the future.
- Informs and underpins local investment decisions.
- Influences the use of the mainstream funding and help define our future asks of Government
- Channels energy of businesses, providers and partners at areas of priority.

² <http://www.lancashirelep.co.uk/lep-priorities/skills-employment/skills-and-employment-strategic-framework-2016-2021.aspx>



Key skills and employment issues

- An ageing workforce / reducing working age population.
- Slower employment recovery post-recession.
- Varying school attainment levels.
- 29% of residents qualified to Level 4+ compared to 32% nationally.
- Fragmented Careers Advice and Guidance / engagement with the world of work.
- Graduate attraction and retention.
- Employer engagement with workforce planning / learning and development.
- Work programme performance.

Apprenticeships

Apprenticeships have been identified as a priority and one of the solutions to address Lancashire's key issues throughout the evidence base and in consultation with stakeholders. Embedded throughout the Strategic Framework are the following objectives that have now come together in this Apprenticeship Growth Plan:

- Increase the number, range and quality of apprenticeships.
- Encourage greater levels of provision at higher and degree level.
- Reach more employers in sectors with high replacement demand and growth.
- Ensure that young people and adults are aware of apprenticeships and enthused.

An overview of the framework, where Apprenticeship activity is embedded is provided below, by its 4 themes: Future Workforce, Skilled & Productive Workforce, Inclusive Workforce and An Informed Approach.

FUTURE WORKFORCE	SKILLED & PRODUCTIVE WORKFORCE
<ul style="list-style-type: none"> • Inspiring young people and improving Careers Education, Information, Advice and Guidance. • Improving employability skills and aligning curriculum. • Investing in our learning infrastructure. 	<ul style="list-style-type: none"> • Apprenticeship growth – routes to higher levels of professional and technical skills. • Professional / Graduate attraction & retention. • Workforce planning. • Leadership and Management / Innovation capacity in SMEs.
INCLUSIVE WORKFORCE	INFORMED APPROACH
<ul style="list-style-type: none"> • Enabling an inclusive workforce; supporting unemployed & inactive into work. • Digital inclusion. • Incorporating social value into public procurement processes. 	<ul style="list-style-type: none"> • Employer engagement to inform our approach. • Maintain our evidence base and insight. • Influence, prioritise and direct the use of funding – maximise impact. • Connect with other LEPS.



Meeting Lancashire's needs

By focussing on the three key ways of working we will meet the needs of Lancashire.

1. Collaborating and working in partnership

The Apprenticeship Growth Plan can only be achieved in partnership with all stakeholders. A collaborative approach is required to ensure that the plan meets the needs of Lancashire, for example:

- Collaborating to create a granular plan which targets priority growth areas in particular sectors, occupational areas and levels. To forecast demand from employers and match that against what apprenticeships providers are planning to deliver.
- Collectively identify and work together to address areas of concern where the market on its own may not deliver the apprenticeships provisions needed by Lancashire businesses and where there are gaps in provision needed by employers.
- Encourage and support apprenticeship providers to collaborate on apprenticeship standard development to create complete provision pathways from level 2 to degree for employers in Lancashire's priority sectors.
- Apprenticeships providers working on a collaborative marketing campaigns.

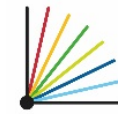
2. Informing, engaging and supporting key stakeholders

Key stakeholders must not only understand apprenticeships and the reforms but find it easy to engage with apprenticeships whether that is as an individual, an employer or a provider of apprenticeships, for example:

- Supporting SME's to take on apprenticeships, through pre-apprenticeship provision, apprenticeship supervisor development and the development of apprenticeship standards.
- Supporting the public sector to meet its 2.3% target.
- Engaging with schools and teaching staff so that they can inspire young people to consider an apprenticeship.

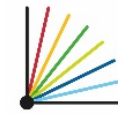
3. Directing funding and resources to support the plan

Working in partnership to deliver this Apprenticeship Growth Plan which focusses on growth in specific key sectors, occupations and levels to meet Lancashire's needs will allow us to direct and focus limited funding and resources to areas which have greatest impact on Lancashire residents and the economy.



Action Plan 2016-2017

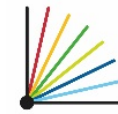
Informed Approach			
ACTION: Stakeholder engagement to inform our approach and maintain our evidence base and insight			
Activity	Owner	Success metric	Planned Impact
A pilot approach to conduct research into the planned growth and scope of supply of apprenticeships collated from Lancashire based apprenticeship providers.	The Lancashire Skills and Employment Hub The Lancashire Colleges WBL Forum	An informed Lancashire growth plan in regard to supply.	Understanding the growth of the supply of apprenticeships will allow involved partners to consider gaps and duplication in the market.
Research into the employers in Lancashire, using SFA funding and data to identify who is engaged with apprenticeships, in what sector and at what level.	The Hub SFA	An informed Lancashire growth plan in regard to demand.	Highlight strengths and weakness of demand by sector, level etc. Cross referenced with the supply data above to identify under and over supply.
Regular meetings with representatives of the WBL Executive Forum.	WBL Forum The Hub	Outcomes of the meetings feed into the development of the growth plan. Evidence of collaborating on activities and shared ownership of the growth plan.	The plan reflects the needs of stakeholders and activities are successfully delivered in partnership.
ACTION: Influence, prioritise and direct the use of funding			
Activity	Owner	Success metric	Planned Impact
Funding from ESF, Careers Enterprise Company etc. to be directed to support the apprenticeship growth plan.	The Hub	Clear overview of funding and contribution to the Apprenticeship Growth Plan.	Achievement of apprenticeship growth targets.
ACTION: Connect with other LEPs			
Activity	Owner	Success metric	Planned Impact
Regular meetings with the North West, national network of LEPs and collaborating with other LEPs where appropriate.	The Hub	Cross boundary working is established to grow apprenticeships. E.g. collaborating in negotiating access to key data.	To consider where working across LEP boundaries can effectively grow traineeships and apprenticeships.



Future Workforce			
ACTION: Inspiring young people			
Activity	Owner	Success metric	Planned Impact
Growing the Employer and Young Apprenticeship Ambassador Network. This activity is supported by ESF activity funds.	The Hub WBL Forum LESEP Learndirect	Expand the network to 100 by summer 2017. Network to engage in a min of 150 activities by summer 2017.	Ambassadors break down misconceptions young people, teachers, parents and employers may have about apprenticeships and inspire people to engage with apprenticeships or traineeships.
The ASK project aim is to support schools to meet their statutory duties regarding apprenticeships and traineeships and inspire people to engage with apprenticeships or traineeships.	WBL Forum	Visit 80 schools Inform 4000 students about Apprenticeships. Work with 4000 students to register on Find an Apprenticeship with 120 applying for vacancies.	The ASK programme breaks down misconceptions young people, teachers and parents may have about apprenticeships and it inspires people to engage with apprenticeships or traineeships.
LMI Workshops inform adults that influence young people's choices about traineeships and apprenticeships.	The Hub NCS	Deliver LMI workshops to 150 individuals by summer 2017.	The workshops to break down misconceptions or misunderstandings teachers and school governors may have about apprenticeships and they inspire people to engage with apprenticeships or traineeships.
Lancashire Enterprise Advisor Network (LEAN) – embeds apprenticeship inspiration into the employer engagement strategies of each school in the network.	LEAN Inspira The Hub	Expand the network from 20 schools to 60 schools by end of January 2017 and 72 by June 17.	The enterprise advisors will embed traineeships and apprenticeships inspiration in each school's employer engagement strategy.
ACTION: Improving employability skills and aligning curriculum			
Activity	Owner	Success metric	Planned Impact
Digital Advantage Pilot being delivered in 10 institutions. Engage digital companies with apprenticeship providers to identify apprenticeships for young people.	The White Room Digital Lancashire WBL Forum	10 schools and colleges engaged in 2016/17. 150 young people engaged. 50% minimum progress into an apprenticeship.	Inspire young people to take up an apprenticeship in a digital company. Inspire Lancashire's digital employers to take on an apprentice. Address skills shortages in Lancashire's digital sector.



Skilled and Productive Workforce			
ACTION: Apprenticeship growth			
Activity	Owner	Success metric	Planned Impact
A series of apprenticeship levy events conducted in partnership.	WBL Forum The Hub	Good attendance and positive feedback.	Employers are informed of the apprenticeship driven reforms. Relationships between employers and apprenticeship providers strengthened.
Members of the WBL Forum producing a collective marketing campaign.	WBL Forum	Campaign is launched and results in additional apprentices.	Employers find it easy to engage with the WBL Forum and get an apprenticeship solution that meets their needs.
ESF funding for sector specific interventions to support Lancashire's priority sector SMEs to engage with the development and delivery of new apprenticeship standards, especially at higher levels.	TBC	Increase of employers especially SMEs delivering and being involved new apprenticeship standards in priority sectors.	Employers are supported to engage with the new standards and this leads to more standards being offered in Lancashire.
ACTION: Capacity in employers to engage with apprenticeship reforms			
Activity	Owner	Success metric	Planned Impact
ESF Employer Skills Support (ESS) - Mentoring training for supervisors. Supporting existing employees into apprenticeships.	Learndirect and subcontractors	Increased number of businesses offering apprenticeship standards.	Greater number of opportunities for Lancashire's people. Impact on productivity and growth for Lancashire's businesses.
ESF Access to Employment (A2E) - supporting unemployed candidates into apprenticeships.	LESEP	Increased number of businesses offering apprenticeships	Greater number of opportunities for Lancashire's people. Impact on productivity and growth for Lancashire's businesses.
ACTION: Workforce planning			
Activity	Owner	Success metric	Planned Impact
Strengthen relationship with BOOST Gateway Service, so they are fully informed of reforms, providers and how to link employers with them.	BOOST The Hub WBL Forum	Appropriate referrals from the Gateway Advisers to ESS programme and apprenticeship providers.	Making it easy for employers to take on an apprentice and therefore increase the number of apprenticeships.
Embedding apprenticeships support into sectors across organisations such as, NAA, Construction Hub, Digital Lancashire and the Health and Social Care Skills Partnership.	As per activity box	Increase the number of apprenticeships in Lancashire's priority sectors.	Inform employers about the routes, levy and reforms during interactions and linking up to apprenticeship providers to meet the needs identified.



TNA's undertaken by the ESF funded 'Employer Skills Support' programme embeds discussions regarding apprenticeship into the TNA.	Learndirect and subcontractors	Increase the number of apprenticeships in Lancashire.	Inform employers about the routes, levy and reforms during and refer to Lancashire based providers.
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Inclusive Workforce			
ACTION: Enabling an inclusive workforce; supporting unemployment & inactive into work			
Activity	Owner	Success metric	Planned Impact
Traineeship and Apprenticeship outcomes supported and incentivised in the ESF funded project 'Moving On' which supports young people not engaged in education, employment or training or at risk of disengaging.	Lancashire Employment and Skills Partnership (LESEP)	Target numbers of young people progressing into traineeships and apprenticeships are exceeded.	More young people will understand the routes from traineeships to apprenticeships and they will successfully take up a traineeship or apprenticeship opportunity.
Apprenticeship outcomes supported and incentivised in the ESF funded project 'Access to Employment' which supports unemployed adults into work.	Lancashire Employment and Skills Partnership (LESEP)	Target numbers of adults progressing into apprenticeships are exceeded.	More adults will understand the routes from level 2 to apprenticeships and they will successfully take up an apprenticeship opportunity.
ACTION: Incorporating social value into public procurement processes			
Activity	Owner	Success metric	Planned Impact
Traineeships and apprenticeships are social value outcomes in the Growth Deal and City Deal programme's projects. Disseminate the social value toolkit to support employers to meet their social value requirements.	The Hub	Social Value outcomes are achieved using local education providers.	Employers find it easy to find a provider that meets their skills needs and helps them achieve their social value requirements.

