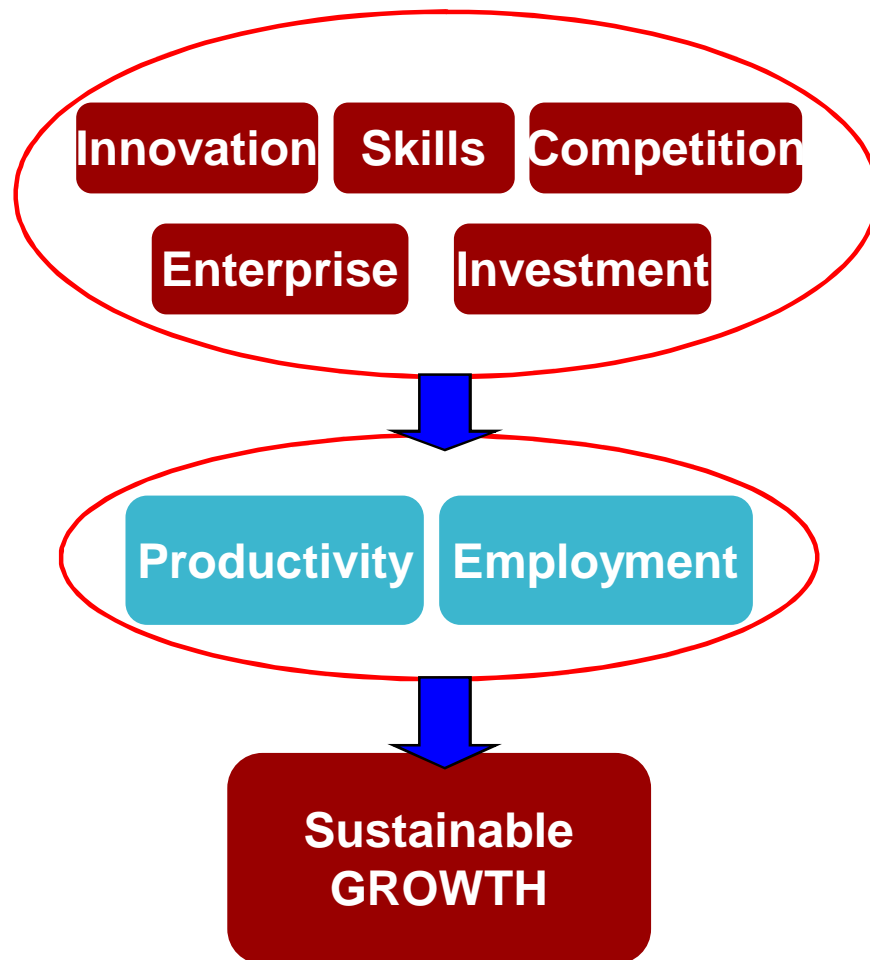


Bobbie McClelland
Deputy Director, FE & Skills System

**Improving Efficiency: Sharing
services and refocusing resources**

Monday, 26th March 2012

Growing the Economy



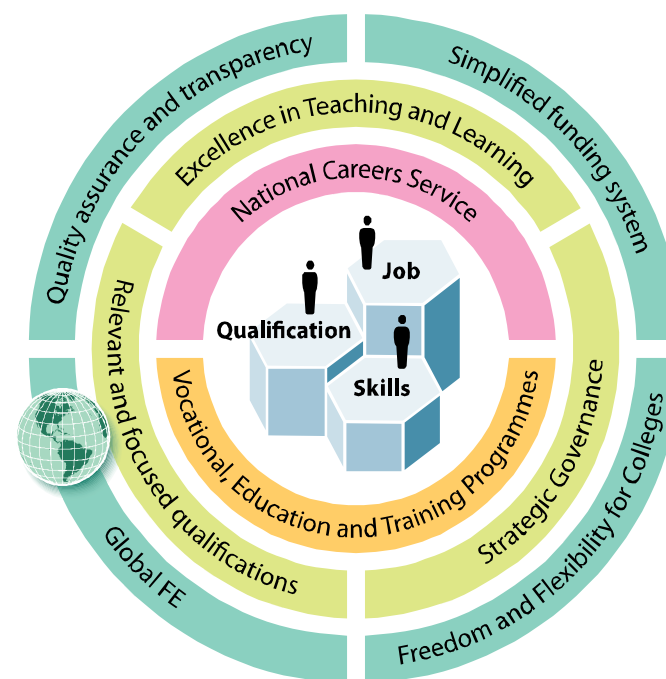
Growing People

The FE Sector provides and supports:

- basic skills**
- vocational learning**
- apprenticeships**
- progression into HE**
- reduced social exclusion**
- active communities**
- the Big Society**
- Globalism**

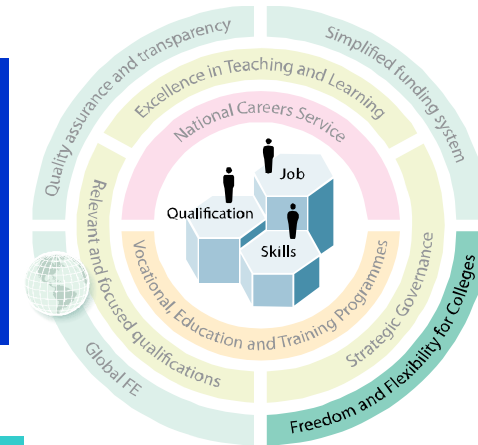
The FE system is being reformed

- Empowered Students at the heart of the system
- First class advice delivered by the National Careers Service
- A ladder of opportunity of comprehensive Vocational Education and Training Programmes
- Excellence in Teaching and Learning
- Relevant and Focused learning programmes and qualifications
- Strategic governance for a Dynamic FE Sector
- **Freedoms and Flexibilities**
- Funding priorities through a simplified funding system
- Empowered students making informed choices
- Global FE



Freedom and Flexibility – the rationale

“...providers need to be responsive to ongoing developments in the labour marketthis raises questions about the forces driving the system, whether it is too complex and sufficiently empowers customers, the pattern of future demand, its performance and scope for quality improvement”

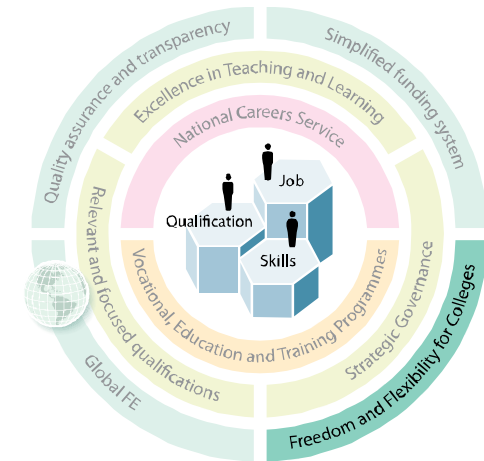


- More demand-led system
- Freed the system to be more responsive
- Relationship between FE and direct customers takes primacy - the key to securing high quality and relevant training.

Freedoms and Flexibilities – removing central targets

No top down targets with colleges and providers free to determine the learning offer they put on

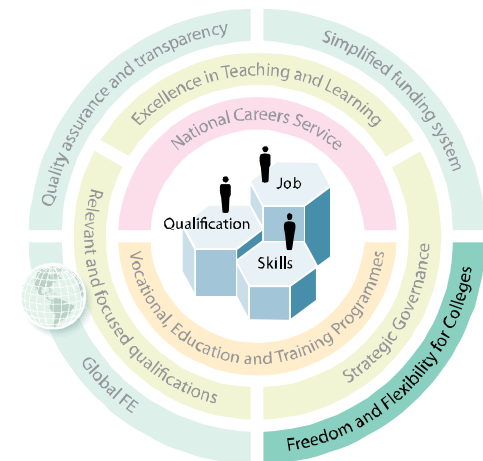
- Enables colleges and providers to determine the learning offer they put on, appropriate for their local community
- Makes planning time more realistic and “bottom up”
- Allows colleges and providers to further improve their responsiveness to employers and support local growth areas



Freedoms and Flexibilities – encouraging innovation

An Innovation Code which enables colleges and providers to develop new programmes which meet the needs of their communities

- About shared responsibility with learners and employers
- Recommendation - *A dynamic nucleus: Colleges at the heart of local communities* (Nov 2011) - supporting providers in delivering responsive provision which meets locally assessed priority needs.
- Skills Funding Agency introducing the Code for the 2012/13 academic year, enabling colleges and training organisations to draw down funding whilst simultaneously developing the programme and qualifications.
- Qualifications designed in partnership with business, with a commitment to time limited funding, and expected to migrate onto the Qualifications and Credit Framework (QCF) through the process.



Freedoms and Flexibilities – less intermediary bodies

**Simplified FE and Skills System:
Simplifying the landscape**

**A number of government bodies
that interacted with providers
have been closed, merged, had
funding removed or been scaled
back**

**This will save time and public
money**

**The Skills Funding Agency will
reduce its administrative costs
by 33% by 2015**

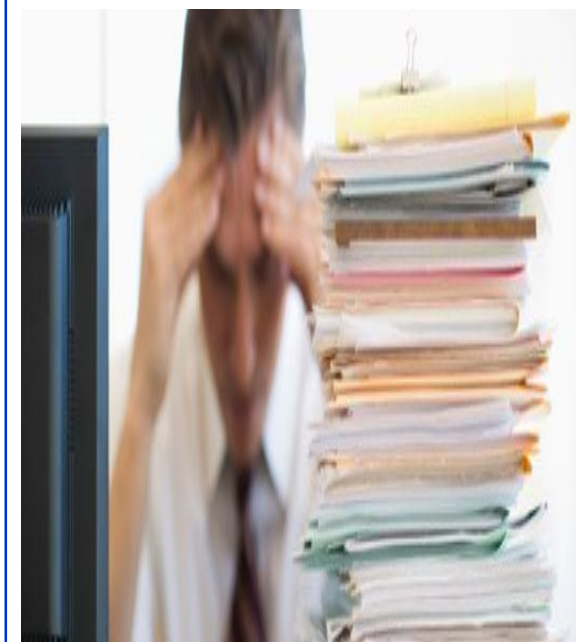


Freedoms and Flexibilities: Simpler Systems

Simplified FE and Skills System: Reducing bureaucracy

Bureaucracy busting initiatives:

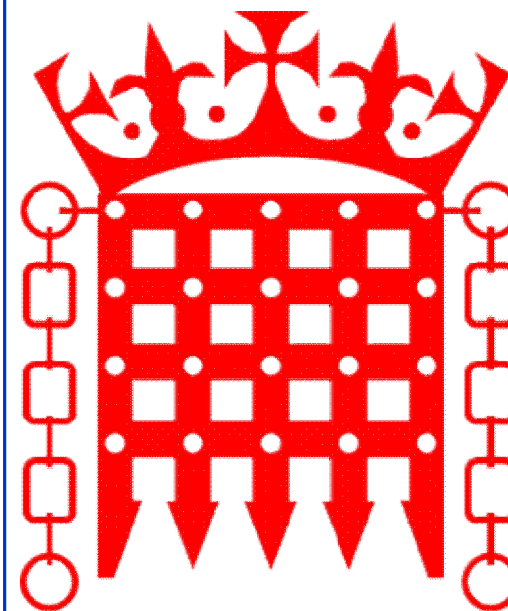
- Simpler funding from 2013
- Single Account Management
- Streamlined Procurement
- Simpler Performance Management
- Reduced data returns and better data sharing
- Single Audit Framework
- Coordinated communication
- An Action Plan for large employers
- Faster apprenticeships for Small to Medium Employers



Freedoms and Flexibilities: Less Regulation

Simplified FE and Skills System: Reducing regulations

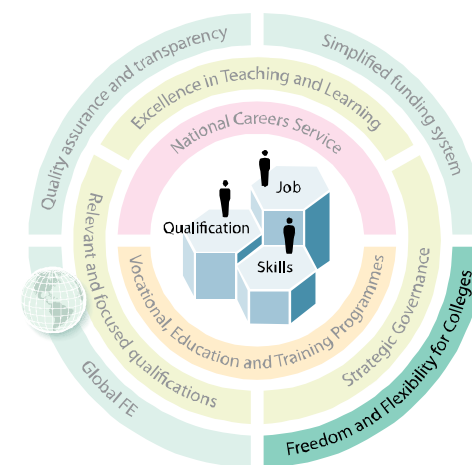
- New, simplified and clarified regulatory framework for colleges – putting colleges on similar footing to other charities.
- Repeals legislative requirements that impose unnecessary or inappropriate controls on colleges
- Transfers power to modify and replace a college's instrument and articles of government to the college
- Provides 'light touch' set of requirements in legislation for Instruments and Articles
- Transfers power to dissolve a college to the college itself, with responsibility to undertake consultation, and to transfer its property, rights, and liabilities
- Gives the 'in extremis' powers to intervene in the affairs of colleges to the Secretary of State



Freedoms and Flexibilities: Supporting local partnerships

A City Skills Fund to support effective working between colleges, providers and Cities

- Worth £4.5 m in total - available to eight core cities (Manchester, Liverpool, Leeds, Birmingham, Bristol, Nottingham, Newcastle and Sheffield) and London.
- Facilitates cooperation and partnership between LEPs, Cities, and colleges/providers.
- To develop shared understanding of key skills priorities and how they will be met.
- Cities can develop innovative approaches to establishing Apprenticeship hubs.



Freedoms and Flexibilities: Sector initiatives

A confident sector that sets standards and safeguards its reputation

- £15m allocated to support sector efficiency and innovation through collaboration and shared services
- Innovation Pilots - projects expected to save £25m over two years
- Benchmarking pilots to assess colleges costs e.g. HR, IT
- Sector led National Improvement Partnership Board developing 'efficiency indicators'
- VAT exemption for shared services

Many examples of excellent practice

Shared services in:
IM, Finance, HR and procurement

Stronger collaboration:
New business models and
federations

Benchmarking to drive out variable
efficiency levels

Evaluation and sharing of
best practice

And work is on-going.....



**‘Whole College View’ to
measure, benchmark and
reduce the cost of Skills
Funding Agency bureaucracy
for colleges**

**Information Authority reviewing
data collection**

**FE Reform and Performance
Board taking a wider look at
reform across all government
bodies in FE sector**

The outcome - a simpler FE system by 2015

