

Briefing for Peers

Second Reading of the Local Democracy, Economic Development and Construction Bill

Wednesday 17 December 2008

The 364 English further education and sixth form colleges:

- educate and train 727,000 16-18 year olds each year (more than are in school sixth forms, private schools and private training providers put together);
- enrol more than 2 million adults each year, the majority of whom achieve economically valuable qualifications.

In 2006/07 colleges received £6.7 billion a year in public funding, 79% of which came from the Learning and Skills Council (LSC).

AoC view of regional government

- AoC believes that there remains a need for a regional tier between central and local government in the areas of economic development, business support and regeneration. The regional tier has a key role to play in developing overall strategy, setting out the economic, social and environmental objectives for the region as a whole;
- AoC believes that RDAs have been largely successful in promoting economic development in the regions. Their investment in educational infrastructure and projects has added value;
- RDAs have the appropriate expertise to carry out their functions effectively and they should also draw upon expertise from partner organisations;

- AoC believes there are advantages in moving to an integrated regional strategy which sets out the economic, social and environmental objectives for each region. The role of skills policy in the integrated regional strategy needs to be clarified;
- RDAs need to remain accountable to Parliament through their sponsoring department and to the region through a process of effective regional scrutiny which involves partner organisations;
- Future arrangements for performance management will need to focus on how well RDAs are performing in their new strategic role. AoC supports the replacement of output targets for RDAs with a simplified outcome and growth-focused framework.

Specific proposals in the Local Democracy, Economic Development and Construction Bill

This legislation has a number of potential effects on Colleges.

New duty to promote understanding of colleges

- The Bill places a new duty on local authorities to promote 'understanding of the functions and democratic arrangements of public bodies'. Further education colleges are included in the list of public bodies but we note that this new duty only applies to Colleges in England and not in Wales.
- AoC has no objection to further education colleges being included

in this list. In fact the Children, Skills and Learning Bill, also to be introduced during this Parliamentary session, will propose a new role for local authorities in funding education and training for 16 to 18 year olds so a new duty to promote an understanding of colleges seems sensible.

- However, the Children, Skills and Learning Bill will also establish sixth form colleges as new separate legal entities from general further education colleges. We seek clarification from Government as to whether sixth form colleges are to be included under the new local authority duty.
- AoC would also recommend to Government that academies and universities should be included in the list of public bodies which local authorities have to promote because they play an equally important role in public life as schools and colleges.

Local Authority Economic Assessments

- The legislation would establish a new role for local authorities to 'assess the economic conditions' in their area and lists a number of organisations that must be consulted when this assessment is carried out.
- Among the organisations to be consulted is the Learning and Skills Council (LSC). The LSC is to be abolished under proposals to be included in the Children, Skills and Learning Bill and will cease to exist in 2010 therefore we do not think it appropriate to include it in this list.
- The LSC is to be replaced by three new organisations – a Skills Funding Agency (to fund post-19 learning which takes place outside a university), a Young People's Learning Agency (to assist local

authorities in their new role of funding 16-18 learning) and a National Apprenticeship Service.

- Currently, there is a lack of clarity as to the expected regional presence of these three new bodies so we think Colleges should be included on the list of those organisations to be consulted rather than the LSC.

Multi-Area Agreements

- The legislation allows two or more local authorities to establish a multi-area agreement which will set 'improvement targets' to focus on the 'economic, social or environmental' well-being of some, or all, of the area.
- The LSC is listed as a partner authority for this Part of the Bill. AoC repeats the concerns made above regarding the short period in which the LSC will remain in place and suggests that colleges are listed as partner organisations in its place.