

FE Week Events...

Flexibility and 'black box

Nick Reinis

@fenickr

In the seemingly ever-changing landscape of further education, providers are forced to adapt at a rapid rate of knots.

With that in mind, and in the wake of a number of challenges to the sector and a raft of new policy announcements, AELP put together a weighty agenda for its annual 'In-Tray' conference, in Leeds.

It focused on five themes; youth unemployment, apprenticeships, employability, funding simplification and delivery.

However, it was discussions around flexibility and 'the black box' approach which caught the imagination.

It was a theme set from the outset, particularly by AELP chief executive Graham Hoyle, in his opening address when discussing the single Adult Skills Budget, which was opened up to providers on August 1 last year.

He said: "You have a single flexible budget, some of you don't believe it, some of you don't know how to use it, and some of you are scared about using it. I'm told by the SFA that 128 providers out of about 1,000 use it.

"That's a darn good figure from a standing start against something which we never thought would happen."

Stewart Segal, director at Aegis, later described "a change of culture" in the sector:

He said: "There is more flexibility. The move this year to a move flexible contract was a massive move forward.

"Some of you have taken part in that new flexibility and delivering new things, others are very good at what you do and sticking to it and that's absolutely right. You should be choosing what's good for you."

Mr Segal, meanwhile, also added: "There are flexibilities in the new contract that we are uncomfortable about.

"There will be lots of times when the rules are unclear:

"We need to be brave and take hold of those opportunities and deliver a programme that's right for you, that's right for the employers and right for the learners and justify it when it comes to it."

Mr Hoyle also called for more freedom, in the form of 'the black box' approach similar to the one used by the Department for Work and Pensions (DWP) in its flagship Work Programme.

He said: "There's two big things we are asking for, and I think I almost heard a yes to one of them, we are basically saying we want a DWP type 'black box' to design a bespoke offer for often difficult young people.

"I think we really want to check it out because if it really is the case, I'm not disbelieving you, but we need to look again and grasp if we have got that freedom, so I'm hoping that's a tick in that box.

"The other one, and I won't go into today as we don't have time, is we're still concerned and it's a policy led thing, not a funding led

thing, that we still believe that the whole of foundation learning should be not just giving them extra qualification, but actually focusing on getting them (the learner) into work as a positively funded outcome and we are not there yet."

The approach was also referred to by Olly Newton, head of raising participation unit at the Department for Education (DfE) in his speech.

Following which, Mr Hoyle said: "The words I picked up on were 'black box'. We've not heard that from DfE before, but we have from DWP. That's music to our ears. We want to unpack and look inside that black box."

In reply, Mr Newton said: "The black box we are talking about is similar to what we are talking about with the Work Programme.

"We will put out information on the first phase in the next few weeks."

Meanwhile, a question from the audience floor asked about flexibilities in foundation learning.

It sparked an encouraging response from Kevin Street, head of funding development at the Young People's Learning Agency (YPLA).

He said: "Whatever a learner needs when they come through that door, deliver it, put the learner first, think about progression first and then think about how you are going to fund it.

"If you get any hassle from our auditors for doing that then we will personally take them on, because that's the intention of the programme and the intention of the funding methodology."

He added: "Anybody who wants to come to me in the coffee break and say 'I want to do that for our foundation learners but I can't fund it', I'll go back tomorrow and I'll fix it."

Nick Chomyk, funding policy development manager at the Skills Funding Agency, spoke about the work currently ongoing to simplify the funding system.

He said: "We have people out there who don't understand how it works.

"After three years of the existing system, there are still people struggling and we need to make it more transparent."

He added: "Every single qualification will be given a rate. When you simplify things you do end up with rough justice.

"Complexity gives you precision, but it's getting the balance between the two because we don't want rough justice."

However, Mr Street also spoke out about a "poor" response to the 16-19 funding review consultation from independent providers.

He said: "It was single numbers. That indicates you are not particularly engaged with this consultation, you haven't seen the issues around it. The AELP did respond - an extremely good response.

"So we have to assume that the AELP represent your views because the response was so low. Today, I really want to get you back engaged with that so you can recognise that it's important to you."

Mr Segal conceded that the response to the 16-19 consultation "was not a good signal", adding: "The AELP response was very strong and lots



of people supported it and thought that was all that needed.

"So we need to be careful that it's not seen to be a low response because we are not interested."

However, Mr Hoyle asked Mr Street not to worry about the lack of responses from independent providers.

He said: "We pushed those out twice, before they came back to you to 600 members. A lot of members join to get behind AELP. So please don't worry about the apparent lack of response, they have done it through ours."

While flexibilities formed an important part of the debate at the conference, discussions also took place on a range of other subjects.

Michelle Manson, managing director at Best Ltd, asked about the government's recent announcements on wage incentives.

She said: "Wage incentives for the Work Programme, which are available to employers, but can an employer access the apprenticeship incentive as well? We don't want these initiatives competing against each other.

"A Work Programme customer should be able to access an apprenticeship programme and will an employer, if not allowed to access both of the incentives, will they choose one over another?"

"We certainly don't want to disadvantage any youngsters on the Work Programme from taking an apprenticeship."

Mr Newton replied, saying the issue has been raised by a number of organisations.

He added: "There hasn't been a final decision made yet.

"But I know it's at the top of the agenda in terms of discussions DWP and Treasury colleagues are having.

"Clearly we need to get the balance right to in the right outcomes without double funding."



"Anybody who wants to come to me in the coffee break and say 'I want to do that for our foundation learners but I can't fund it', I'll go back tomorrow and I'll fix it"

- Kevin Street, head of funding development at the YPLA

' at top of AELP 'In-Tray'



The definition of 'black box' funding

The term 'black box' has been adopted by the Department for Work and Pensions (DWP) to describe the funding approach implemented in the Work Programme.

The definition of 'black box' is a system which judges results, in this case employment outcomes, without any knowledge of its internal workings.

In the Work Programme, training providers are paid by government agencies based on the number of learners which find a job; it doesn't what training programme or

framework has been delivered, provided the end results are the same.

A Work Programme report, published by the DWP in June 2011, states: "Rather than asking providers to make one-size-fits-all services work for a wide range of participants with varying needs, government is providing freedom for providers to personalise support for the individual in a way that fits the local labour market.

"This is sometimes referred to as a 'black box' commissioning approach."

Graham Hoyle, on getting flexible

It was one of the buzz words from the conference, but what exactly does flexibility mean to independent providers?

Speaking to *FE Week*, Graham Hoyle, chief executive of the AELP, said it is something to be embraced by the sector.

He said: "One of the big things that has come out of the conference is the scope for our members to embrace the flexibility offered to them.

"We have a government philosophy through the Skills Funding Agency saying, 'you go out with your marketplace with you stakeholders, your communities, find out what you need and do it'.

"The AELP message is embrace this offer of flexibility and there's real scope for you to really do what your customers want."

However, Mr Hoyle admitted not all providers would be happy to give up their business plans in favour of flexibility.

He said: "There's also an interesting side to it that for many of our members their core business has been apprenticeships.

"They are good at it so they have not got an awful lot of inclination to move out of it but it appears to be a high government priority just now.

"So, on the other hand it's absolutely right that some providers say, 'that's fine but we are good at this and we will do more of it, I'm sticking to apprenticeships' and that cannot be a wrong answer.

"In fact, if everybody took the flexibility route and they did less apprenticeships, I have a feeling there would be some political repercussions.

"So at the moment we're saying more of our members could do more for unemployed as well as working with apprenticeships."

However, Mr Hoyle also warned that some members are "holding themselves back".

He said: "They are fearful of doing something and someone down the track six months later saying, 'sorry you're not doing that, we're taking your funding back'.

"So there's a tension there and we have to get confidence through the system and say 'be bold'.

"I think independent providers more of them ought to explore broadening portfolios, but not criticising top class apprenticeship providers that are producing the kind of figures we have seen this week with 96 per cent achievement, employer and learner satisfaction rates sky high."



Nick Chomyk talks funding simplification



Stewart Segal talks of cultural change



Delegates were given plenty of opportunity to ask questions and make comments.



FE Week's Nick "news hound" Reinis interviews Graham Hoyle

Pictures by Nick Linford