



Department
for Business
Innovation & Skills

THIRD SECTOR ENGAGEMENT AND
PARTICIPATION IN THE LEARNING
AND SKILLS SECTOR

Strategic Framework

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Strategic Framework

Purpose

This purpose of this document is to provide an outline strategic framework to shape the direction of travel both for government departments and their agencies, and primarily for Third Sector providers and stakeholders and sector membership and representative bodies to ensure that their plans and activities support the Third Sector to play a full role in learning and skills provision.

The framework sets out the strategic objectives, priorities for action and initial recommendations that could be further developed through consultation into a new strategy and implementation plan for the Third Sector.

Vision

That the contribution the Third Sector makes to society and the economy through its delivery of learning and skills provision is recognised, valued and supported by government, its agencies and collectively by the learning and skills sector.

Background and context

Policy makers in the Department for Business, Innovation and Skills (BIS) want to increase the participation of Third Sector providers in the delivery of learning and skills and maximise the contribution the Third Sector can make to:

- improving participation rates (including for those willing to pay for provision);
- fostering more effective collaboration between the Third Sector and other types of learning and skills providers;
- enhancing the quality of provision in the further education and skills sector;
- engaging greater numbers of 'hard to reach' learners;
- securing greater diversity in the pool of learning and skills providers; and,
- enabling efficiency savings through more effective collaboration.

This is set within the government's current public sector reform policy and growth agenda where the contribution of the further education and skills sector is fundamental to economic recovery and future prosperity.

The reform agenda is grounded in a challenging fiscal environment with reductions in the amount of public funding and an expectation to utilise smaller levels of investment to greater effect. In addition more freedom is being handed down from government to the sector to enable change. These freedoms and flexibilities provide a unique opportunity for the sector to engage in developing a narrative about the contribution of learning to civic life, and to addressing future economic, social and demographic challenges. However, it also places additional responsibilities on providers to be truly responsive to their communities and shifts the balance of accountability.

Other emerging challenges include an increase in sub-contracting and new providers entering the marketplace, restrictions to learning entitlements, increases in tuition fees, and the introduction of 24+ Advanced Learning Loans, a greater emphasis on job outcomes and payments by results, raising the participation age and reconciling different approaches to the pre- and post-19 learning systems in organisations with a broad post-16 offer.

All of this creates both opportunities for the Third Sector – in terms of being a major strategic player in economic regeneration and responding innovatively and appropriately to employers demand for skills – and responsibilities with greater demands upon the capacity of the sector to set and meet these high expectations and improve the visibility of its contribution to economic and social renewal.

New Challenges, New Chances, and the accompanying Skills Investment Statement published in December 2011, set out what provision the government would support financially, together with a programme of work to reform the further education and skills system for adults. Responses from Third Sector organisations to the consultation on *New Challenges, New Chances* indicated concerns about how new funding arrangements – particularly minimum contract levels / minimum levels of performance, and supply chain management and development, could impact negatively on their delivery of learning and skills provision.

In addition, the Third Sector National Learning Alliance's (TSNLA's) recent 'Strategic Dialogues' process (supported by LSIS and involving the Skills Funding Agency, the Young Peoples Learning Agency (as was) and Third Sector providers) clearly identified a widespread concern in the Third Sector that insufficient care is being taken in supply chain management and development – which endangers current provision to the most disadvantaged.

In response to this, BIS funded a research project in early 2012 to quantify the nature and extent of Third Sector involvement and participation in the delivery of learning and skills. The research which was delivered by a partnership of Skills-Third Sector, the Third Sector National Learning Alliance (TSNLA), NIACE, Fairtrain, HOLEX and the Learning and Skills Improvement Service (LSIS) set out to examine how the Third Sector can play a full role in learning and skills and in meeting wider government objectives.

The research, which included a literature review, quantitative provider survey, focus groups, a statistical analysis of learner and provider records held by the Skills Funding Agency and case studies to complement to quantitative survey, was the largest study into the Third Sector and has provided a significant and rich source of evidence which has informed the development of this strategic framework.

Priorities for action

The Third Sector has many strengths meaning that it is well placed to contribute to the government's priorities for learning and skills. These include being able to take a holistic approach to delivery, as learning and skills is often part of a broader role in community; economic and social development; an extensive role in outreach and learner support services, which are often the first step to engaging with 'hard to reach' learners; the capability to operate at a community or sub-regional level; the ability to draw down a diverse range of funding streams; and the ability to deliver to a high proportion of female learners, those with learning difficulties and/or disabilities, BME groups, and people aged 65 and over.

Despite these there remains a number of challenges that prevent some Third Sector providers playing a full and active role in delivering learning and skills and which should not be underestimated. Identifying and addressing the right priorities for action would make a significant difference and are critical if the challenges are to be overcome. These challenges include:

- the lack of capacity;
- the relatively low income of the majority of providers from the third sector;
- addressing the reality that reaching more disadvantaged learners can often require additional funding;
- a dependency on some funding streams which may be at risk, such as grant funding and contracted services from local authorities;
- a lack of awareness of existing support services and materials available through LSIS and NIACE;
- further scope for improvement in the quality of provision to raise the number of providers graded 'good' and 'outstanding' by Ofsted;
- a susceptibility to negative effects as a result of recent changes in policy and funding, in particular the introduction of minimum contract level and payment by results; and
- issues with the current commissioning process, subcontracting policies and arrangements.

Responsibility for action is shared by all and will require input from many including government and its departments and agencies, organisations with a remit to support and represent Third Sector providers and the Third Sector itself.

Strategic objectives

We propose that the following strategic objectives would steer the future development of any new strategy for the Third Sector and provide a way of framing future research and development work.

1. Demonstrate the benefits of working with the Third Sector

1.1. Improving and developing the evidence base.

- 1.2. Utilising the unique expertise and strengths of the Third Sector.
- 1.3. Demonstrating the contribution the Third Sector makes to social value and impact.

2. Further develop the capability and capacity of the Third Sector to deliver learning and skills

- 2.1. Enhancing the diversity of the learning and skills sector through the development of the Third Sector.
- 2.2. Influencing the development of the supply chain, funding and contracting to take account of and to better support Third Sector involvement and developing a range of income generation routes.
- 2.3. Developing the capacity of Third Sector organisations to lead, manage and deliver learning and skills provision and supporting activities.

3. Improve Third Sector learning and skills delivery

- 3.1. Improving participation, outcomes and achievements.
- 3.2. Engaging more 'hard to reach' learners.
- 3.3. Enhancing the quality of provision.

4. Develop effective collaboration within and with the Third Sector

- 4.1. Fostering effective engagement between the Third Sector, BIS and other Government departments.
- 4.2. Encouraging more effective collaboration between the Third Sector and other providers including colleges, providers, and local authority adult education services.
- 4.3. Supporting Third Sector providers to network, collaborate, pool resources and share expertise.

Implementation and evaluation

A new Implementation Board will steer the next phase of the work and will be chaired by an independent Third Sector representative with support from NIACE. It will also include representatives from BIS and other government departments, as well as Third Sector providers and representative bodies.

The role of the Implementation Board will be to receive the outputs from the research project, review and refine the strategic framework and draft action plan, prioritise the actions for change and commission and oversee their successful implementation. The table overleaf should, therefore, be seen as a starting point for the new Board to develop further.

Recommended actions

Strategic Objectives	Potential Actions	Responsibility
<p>1. Demonstrate the benefits of working with the Third Sector</p> <p>1.1. Improve and develop the evidence base.</p> <p>1.2. Demonstrate the impact of the Third Sector.</p>	<ul style="list-style-type: none"> • Undertake further local level research to demonstrate the unique attributes of the Third Sector – i.e. what it does better - and how it supports the most disadvantaged • Explore the use of social value and impact measures and their applicability for the Third Sector • Undertake an analysis of the Working Together Strategy, Voluntary Sector Compact and the Procurement Pledge to capture the critical success factors and understand the areas where implementation has been more challenging • Develop analysis of data related to subcontracted provision. • Investigate and integrate other public sector data sets 	<p>NB - The first task of the new Implementation Board will be to prioritise actions and to formally assign responsibility for taking them forward.</p> <p>NIACE</p> <p>TSNLA</p>
<p>2. Further develop the capability and capacity of the Third Sector to deliver learning and skills</p> <p>2.1. Enhance the diversity of the learning and skills sector through the development of the Third Sector.</p>	<ul style="list-style-type: none"> • Develop skills training with and for the Third Sector • Review existing contracting and funding processes for Third Sector providers and explore the benefits and constraints of alternative contracting systems 	<p>Office for Civil Society / Cabinet Office</p> <p>Fairtrain</p> <p>Skills Funding Agency</p> <p>Skills - Third Sector</p>

Strategic Objectives	Potential Actions	Responsibility
<p>2.2. Influence the development of the supply chain, funding and contracting to take account of and to better support Third Sector involvement</p> <p>2.3. Develop the capacity of Third Sector organisations to lead, manage and deliver learning and skills provision and supporting activities.</p>	<ul style="list-style-type: none"> • Produce good practice guidance for leads and sub-contractors to improve contracting relationships • Provide training and support for Third Sector providers on procurement and contracting • Develop toolkits and support for Third Sector providers on partnership and consortia working • Support the Third Sector to explore options for generating income • Build Third Sector workforce capacity utilising the Apprenticeships programme to address skills needs and for succession planning 	<p>TSNLA</p> <p>Office for Civil Society / Cabinet Office</p> <p>NIACE</p> <p>Fairtrain</p>
<p>3. Improve Third Sector learning and skills delivery</p> <p>3.1. Improve participation, outcomes and achievements.</p> <p>3.2. Engage more 'hard to reach' learners.</p> <p>3.3. Enhance the quality of provision.</p>		<p>NIACE</p> <p>Skills Funding Agency</p> <p>Skills – Third Sector</p> <p>TSNLA</p>
<p>4. Develop effective collaboration within and with the Third Sector</p> <p>4.1. Foster effective engagement</p>	<ul style="list-style-type: none"> • Develop toolkits and support for Third Sector providers on partnership and consortia working 	<p>Compact Voice</p> <p>HOLEX</p>

Strategic Objectives	Potential Actions	Responsibility
<p>between the Third Sector, BIS and other Government departments.</p> <p>4.2. Encourage more effective collaboration between the Third Sector and other providers including colleges, providers, and local authority adult education services.</p> <p>4.3. Support Third Sector providers to network, collaborate, pool resources and share expertise.</p>	<ul style="list-style-type: none"> • Develop the capacity of Third Sector consortia/umbrella organisations • Review the current level of implementation/support for the Compact and consider how best to strengthen compliance 	<p>NIACE</p> <p>TSNLA</p>

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Any enquiries regarding this publication should be sent to:

Department for Business, Innovation and Skills
1 Victoria Street
London SW1H 0ET
Tel: 020 7215 5000

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