

**department for  
children, schools and families**

Department for  
**Innovation,  
Universities &  
Skills**

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16 November 2007

Dear Chris

**LSC GRANT LETTER: 2008-09**

Introduction

This Grant Letter sets out the priorities and budget for the Learning and Skills Council (LSC) for the period of the Comprehensive Spending Review beginning April 2008, and reflects the strategic direction set by the new Public Service Agreement targets. This is also the first time we are writing to you following the creation of the new Department for Innovation, Universities and Skills, and the Department for Children, Schools and Families. The shared commitment of both Departments to strengthen our adult skills base and secure the integrated support needed to ensure success for all our young people, and their families and communities, provides the framework for the Council's work in the coming three years.

The Council has continued to make good progress over the last year to improve participation and achievement. Improving the education and skills of young people and adults will remain central to our ambition of achieving economic success and a socially inclusive society.

Priorities for 2008-09

The Spending Review has provided a very good settlement for post-16 education and skills. Our overarching investment plans for this period focus on delivering a significant increase in participation and attainment post-16; ensuring that everyone has the basic platform of skills needed for employability and progression; and narrowing significantly the achievement gaps for those from disadvantaged backgrounds, and supporting their progression to sustainable employment and higher level skills. Funds must continue to be aligned to the achievement of our key priorities for 14-19 and skills, and targeted at those who will benefit most.

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## 14-19 learning

The 14-19 reform programme is designed to ensure that every young person can be prepared by their education and training to make a success of their life. The priorities are to raise attainment and participation now, while narrowing achievement gaps; to reform curriculum and qualifications, so that there are suitable progression routes which can serve all learners and which lead to valuable qualifications with wide recognition; and to deliver an entitlement to all young people to have access to whichever of these routes is most likely to lead to success. The Council has a central leadership role in this reform programme, with key responsibilities for the first and third of these priorities, and must continue to work in partnership with local authorities and Connexions to deliver the right provision for all young people, including for the most vulnerable.

The Council's role is essential to realising our ambitions to increase participation post-16, raise attainment at 19, and reduce the number of young people who are not in education, employment or training (NEET). We have existing PSA targets for achievement of Level 2 and Level 3 at 19, and to reduce the number of young people NEET by at least 2 percentage points by 2010. In addition, we have now extended our ambition for 90% participation of 17 year olds towards the goal of raising the participation age to 17 by 2013 and 18 by 2015; and set ourselves the goals that by 2013, 85% of young people would achieve Level 2 qualifications and 56% Level 3, while significantly narrowing achievement gaps. Over this year, the Council must put us on trajectory for delivering all of these goals.

The provision of good quality, comprehensive and impartial information, advice and guidance will underpin the achievement of our targets. We expect the Council to encourage providers to work with others to ensure that all learners up to the age of 19 (or 24 in the case of young adults with learning difficulties and/or disabilities) receive services that meet the requirements of the recently issued Quality Standards for Young People's Information, Advice and Guidance.

Particularly important is that every young person receives the offer of a suitable place at age 16 and 17. This means that the Council must work with Connexions and local authorities to ensure that in every area of the country, supply of provision (in relation to type and level of learning) matches demand from young people. We expect the Council to manage this across the system, and in particular to prioritise delivery of the September Guarantee for 16 year olds, so that every young person receives the offer of a place in post-16 learning before doing GCSEs; and that a similar offer is made to every 17 year old before the end of 'Year 12'. We also expect the Council to make significant progress this year in securing greater flexibility of provision so that it is easier for learners to start courses in January, rather than only in September.

Implementation of the September Guarantee this year has raised concerns about the sufficient availability of some forms of provision in some parts of the country. It is crucial that this is addressed in full for next September. Real progress must be made in increasing the supply of work-based learning provision - both Apprenticeships and Entry to Employment programmes; and to ensure that lower level programmes, which will form part of the Foundation Learning Tier, are available to all learners for whom they are the appropriate learning pathway.

It is also crucial that the Council delivers the volumes of apprenticeships needed to achieve the ambition set out in the Leitch Implementation Plan, including through the implementation of recommendations from the Apprenticeship Review, particularly the national roll out of the apprenticeship matching service. Further announcements and reforms on apprenticeships will be announced during the coming year. We also expect the Council to continue the effective delivery of the Learning Agreement pilot projects in

2008-09, in line with the announcement in the 2007 Budget about the extension of these projects.

The Council should seek to exercise its powers to raise achievement and narrow gaps across all learning pathways. As numbers participating on all routes increase, the Council should ensure that achievement and completion rates are improved. It is important that Apprenticeship completion rates for young people continue to rise, but this should not be at the expense of access to Apprenticeships for those young people who might benefit from undertaking one. The Council's work with local authorities to ensure focused challenge and support to schools over student achievement in sixth forms must also be sustained and developed. The principle that we must improve both participation and success rates applies across all forms of provision.

At the same time, the Council's role in securing a national entitlement for all young people to the revised curriculum and qualifications is essential to effective delivery of 14-19 reform. The Council should continue to work as part of local 14-19 partnerships, including with third sector members, to secure delivery of the 14-19 entitlement and to create clear progression routes that link options to local employers and to higher education choices. The Council has an important role in ensuring that preparations and actions are in hand for implementing the full entitlement to all the new Diplomas from 2013; and we look to the Council to contribute in every part of the country to the early implementation of the new Diplomas and to preparing for the entitlement in the longer term.

We also look to the Council to work closely with delivery partners to support the reforms set out in the Children's Workforce Strategy Action Plan and our wider children and families agenda.

We are very grateful to the Council for its constructive approach to working through and implementing the changes that have been announced to the overall planning and funding responsibilities for the 16-19 phase of education. Until such time as the necessary legislative changes have been made, it is vital that the Council should remain focused on its key delivery tasks - securing and funding all forms of post-16 education and training outside higher education. Equally, we look to the Council to maintain its strong links with local authorities, both in supporting the 14-19 reforms and ensuring strong progression routes at 19; and to continue to contribute strongly to developing and implementing the plans for change.

### Adult Skills

We are continuing to make a substantial investment in adult skills, with a significant increase in the budget over this period. Our investment plans focus on the development of a world class workforce, including helping the disadvantaged and low skilled to achieve the training they need for employability and further progression. Our ambition for world class skills is also set in the context of a broader commitment to improving social justice through increased opportunity and achievement; and we will be launching a consultation shortly to help inform our approach to adult learning.

We expect the Council to play a central role in taking forward the actions set out in *World Class Skills* and in the Department for Work and Pension's (DWP) Welfare Reform Green Paper *In work, better off*. To realise our world class skills ambitions, we need to increase dramatically the skills of the workforce and effect a cultural change so that all employers and adults invest in learning for their own success and well-being.

To reflect this ambition we have set stretching targets for raising the skills of the workforce at all levels by 2011. The Council must continue to prioritise funding for those programmes that equip adults with the skills they need for sustainable employment and progression. We attach particular importance to pre-level 2 learning, and look to the Council to support a significant increase in the number of adults participating in and achieving a first literacy or numeracy qualification at the new threshold levels. This will include supporting an innovative and flexible learning offer for adults, focused on the needs of those whose learning will be inspired by less formal settings and programmes. Further progress must also be made in supporting adults to achieve a first full level 2 qualification, including through an increase in adult apprenticeships. For the first time, we also have a target indicator at level 3, and the Council will need to ensure that sufficient funding is made available to support the level of participation and achievement needed to reach this target, including through the introduction of match funding for level 3 programmes through Train to Gain from 2008/09.

### Sustainable employment and progression

The Council has a leading role in delivering the new integrated objective on sustainable employment and progression, working with the DWP and Jobcentre Plus. This shared objective is contained within both the Skills and Employment PSAs which were published alongside the Pre-Budget Report. The Council must work with the DIUS, DWP and Jobcentre Plus to secure the closer integration of skills and employment, including to trial aspects of the new universal adult careers service, which will promote personal advancement and offer advice and information on jobs, skills and training; and to ensure that effective skills training programmes are available at local level, especially through local employment partnerships. The Council will be expected to help more people, particularly those with low basic skills, move from being low skilled and out of work into good jobs with good prospects for further progression, including those who are disadvantaged in the labour market, people on incapacity benefit, lone parents and unemployed people on statutory New Deals.

Supporting parents to take up training opportunities through increased use of Children's Centres and extended schools, as part of the overall infrastructure for adult learning, is also important. Childcare costs will, of course, continue to be a potential barrier to parents taking up training opportunities and moving into work. There are two key elements to addressing this issue which are important to our efforts to tackle child poverty. These are effective use of Care to Learn funding, and building effective links to funding announced in the Budget for childcare costs, to enable 50,000 workless parents to undertake training.

The Council will also need to support a more sophisticated programme of delivery which supports progression through and between targets, with a wider range of options for entering into learning and clear progression pathways. The commitment to Personal and Community Development Learning and the Foundation Learning Tier will therefore continue, but with raised expectations of subsequent learner destinations. The Council must maintain its commitment to Learners with Learning Difficulties and/or disabilities; and also support a renewed ambition for skills for life. It is expected that a higher proportion of skills for life learning will take place in a relevant vocational context, often a Level 2 programme, and often in the workplace; and we look to the Council to support the implementation of a strategy for embedded learning.

For ESOL, the Council must continue to focus on the most disadvantaged learners, in order to increase social cohesion by improving the life chances of the poorest and hardest to reach. Too few of the least economically active people in our settled immigrant communities are accessing support. The new ESOL for work qualifications,

launched last month, will provide an important support for the Council to increase individual and employer contributions to overall ESOL provision, as will implementing increased flexibility within Train to Gain. There are also important roles for technology and the voluntary sector, and the Council is expected to support their inclusion.

The Council should also continue to work with partners to deliver the Offender Learning and Skills Service reforms and to implement the proposals in *Next Steps*. Additional funding has been made available to support learning that will drive forward the offender employability agenda and produce more employment outcomes. This is an area where cross-Government relationships are already well developed, and we look to the Council to work through the partnerships to ensure that these resources produce the increase in offender skills needed to increase the numbers gaining employment.

The Council also has a key role in helping to change the culture towards learning, and must drive forward the trialling and delivery of Skills Accounts, which will form a key part of our new demand-led funding system. Skills Accounts will put purchasing power more transparently into the hands of learners and drive the system to ensure provision is delivered in a way that meets the needs of individuals. They will also help change attitudes to skills by providing individuals with greater awareness of their entitlements, and motivate more adults to participate in learning that supports sustainable employment and career progression through better and more informed choice.

The Council must also make significant progress in opening up and expanding the fee-paying market, reflecting the balance of responsibility for the skills investment set out in *World Class Skills*, through both Skills Accounts and the expansion of Train to Gain. We expect this to become a key part of the Council's annual business cycle, through the establishment and implementation of clear targets and robust collection of data.

Delivering an expanded and improved Train to Gain service must be one of the Council's top priorities, implementing the actions set out in the Delivery Plan and working closely with the DIUS and Regional Development Agencies to effect a smooth transition to a single brokerage service by April 2009. The flexibilities agreed within the Delivery Plan must be implemented in partnership with the DIUS in a way that increases take-up of the service and increases demand from employers for skills. This will be particularly important for small and medium sized enterprises where we have agreed a huge investment in leadership and management capacity.

The Council must also work closely with the new UK Commission for Employment and Skills and the Sector Skills Councils (SSCs) to shape the skills system around the needs of employers, and to encourage many more employers to commit to improving the skills of their employees through the Skills Pledge. There must also be a clear link between Train to Gain funding and the emerging needs expressed in Sector Skills Agreements, and we look to the Council to work with the DIUS to develop a regular dialogue with the SSCs about emerging or significant skills shortages.

We also expect significant progress to be made throughout this period on employer accreditation. This will require a more sophisticated approach to the funding of provision delivered through the National Employer Service, Apprenticeships and Train to Gain, and the development of mechanisms which reflect existing employer and employee knowledge, with more funding for those employers that require more help, training and assessment.

Close working with the Higher Education Funding Council for England (HEFCE) will be essential to promote a joined-up offer to employers on skills - ensuring clear routes into learning which help meet our requirement to increase the proportion of the workforce

with higher level skills, and developing options for the coherent funding for those progressing to higher level vocational qualifications. The Council must continue to work with HEFCE to support the higher education sector to achieve the HE PSA participation targets, including colleges who deliver higher education, by encouraging many more people from all backgrounds and ages to gain the qualifications and aspiration for higher education, and helping to ensure more progression over time from level 3 to level 4 and above.

The Council is also expected to provide continued support in preparation for the 2011 Worldskills event and the 2012 Olympics; and must use the power and excitement of both Worldskills and the Olympics to raise skills levels across the country, including encouraging languages, sport and coaching skills, creating new opportunities for young people and adults, and ensuring an enduring legacy for the UK as a whole. We also look to the Council to identify opportunities to develop appropriate support for other major strategic developments such as the Government's housing programme and regionally significant issues such as Crossrail or the Thames Gateway - especially through Local Employer Partnerships.

In making allocations for adult skills activities in London for the 2008-09 funding year, the Council must have regard to the Employment and Skills Strategy being prepared by the London Skills and Employment Board. This strategy will call for appropriate funding flexibilities and targets to address the unique challenges facing London, particularly to tackle worklessness; and the Council must work with the London Board, DWP and Jobcentre Plus to increase substantially the number of people taking up training that leads to sustainable employment and progression.

#### Reforming the system

Colleges and providers will continue to have a crucial role in delivering our ambitions for both young people and adults, and the significant increase in capital funds will enable us to continue to transform the FE estate and support the specialisation agenda. It will be vital to ensure that capital expenditure supports the overall delivery of our 14-19 reform programme and enables colleges to expand their capacity to deliver on the Leitch ambition, including through roll out of National Skills Academies (NSAs) and the development of NSA-led Specialist Networks, building on the success of Centres of Vocational Excellence. We look to the Council to work with Employers and the Sector Skills Councils to further extend the NSA network by running a competitive round 4 bidding process, moving towards achieving the Government's ambition to have at least one NSA for each major sector of the economy. It will be important to retain the flexibility to reward excellence through access to capital funding for those institutions that have met particular standards, whilst also ensuring that capital funds are used to address provision in deprived areas and to enable providers to respond effectively to the particular needs of these areas. Maintaining the Council's progress in supporting the sustainable development agenda is also essential. This must take into account the changing shape and needs of the sector over the longer term, and we look to the Council to integrate sustainable development into all its policies, practices and operations, and to deliver consistently high levels of sustainability in the capital investment programme - reporting back to ministers on how we can achieve the highest possible standards.

Ensuring the demand led funding system delivers high quality and responsive provision which meets the needs of learners in all areas remains a priority. The Council must continue to play its agreed role in supporting the sector to deliver excellent and responsive provision, including helping providers prepare for the new demand-led system, and intervening in areas where the market led approach is not working effectively. In developing an increasingly employer led and demand led focus, the

Council must also work with providers to ensure that there is sufficient access to education and training opportunities in areas of high social need, and that changes in the pattern of provision do not weaken the quality or choices available. We recognise the work that the Council is doing to build market capacity, especially among third sector niche providers, and look to the Council to work towards embedding the principles of the Compact in its ongoing relationship with the sector. We are also pleased with the Council's marketing plans for Skills for Life, and confirm that marketing funds will be transferred to the Council for 2008-09 to ensure the continued effectiveness of this programme.

The Council has a key role in introducing the new standard for employer responsiveness and vocational excellence for colleges and training providers; and through its intervention policy, eliminating inadequate and under-performing provision, as well as signalling that providers (or brokers) must play their part in enhancing the reputation of the sector as a whole. The Quality Improvement Agency led National Improvement Strategy will be vital in helping to keep up momentum to drive up standards across the board. The Council's ongoing work to develop and test the new Framework for Excellence, and to ensure a coherent approach with Ofsted's Common Inspection Framework, will also be essential, working towards the June 2008 launch. We also look to the Council to support the reform of the Further Education workforce by using contractual relationships to ensure that all providers act on the new FE workforce regulations, and continue to support payment of incentives for teachers in FE colleges.

The Council is also expected to play an active role in working with the sector to take forward the Government's ambition of creating an education and training environment that delivers the best in science teaching and learning, building on *Science and Innovation Investment Framework 2004-2014: Next Steps*, and to help drive forward our ambition to increase the supply of people in Science, Technology, Engineering and Maths (STEM). Providers will be expected to build capability in responsiveness, vocational excellence, business innovation and knowledge transfer through the NSA led Specialist Networks; and there is to be a presumption in favour of accredited providers seeking capital funds to support their capability in these areas.

Further progress on vocational qualification reform is also essential. The Council must work with the Sector Skills Councils to trial the new process for advising on priority vocational qualifications for public funding; to support the development of employer and learner led qualifications, building on the work to develop units of qualifications; and to widen the testing of progression pathways in the Foundation Learning Tier in order to build momentum for implementation in 2010. Working closely with DIUS and the Awarding Bodies, the Council must help implement the overall reduction in costs of NVQs to reflect the planned cessation of the NVQ levy and the move to fund national occupational standards development through Grant In Aid.

The Council must also work closely with the sector to drive forward further efficiency savings, including in the areas of FE procurement and shared services, and deliver the further savings on its own administration budget of 5% year on year over the course of this three year settlement. We also look forward to receiving your annual simplification plan, and to your continued work to take forward the MIAP programme and to secure widespread adoption of the Unique Learner Number across the FE system. A close strategic partnership with Becta will ensure coherent technology implementation across the 14-19 and wider FE sectors.

## Equality and Diversity

Equality and Diversity is central to the work of both our Departments, the Council and the sector as a whole. We welcome the Council's Single Equality Scheme, and look forward to receiving further updates on its progress, making use of the performance data now available. In taking forward the Council's strategy for Learners with Learning Difficulties and/or Disabilities, full account must be taken of our joint strategy with the Department of Health and the Department for Work and Pensions, which was launched in June 2007. Similarly, we look to the Council to work with FE providers to take forward, at national and local level, initiatives arising from the forthcoming consultation on the role of FE in promoting community cohesion.

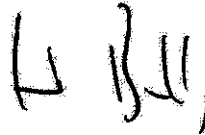
## Conclusion

This is a challenging agenda, and it will be vital to maintain the capacity and performance of the Council and the sector more widely, particularly during the transition to the new 14-19 arrangements. As you know, we will be consulting on the new arrangements early in the New Year, including the functions and services that are necessary to support the FE sector and to achieve our skills ambitions. This will build on and sustain the progress made by the Council over recent years, and we look forward to working with you as we take forward this next stage of our reform programme.



**John Denham**

Secretary of State for  
Innovation, Universities and Skills



**Ed Balls**

Secretary of State for  
Children, Schools and Families

## KEY TARGETS

New Public Service Agreements (PSAs) announced in the 2007 CSR set out the priority outcomes the Government wants to achieve in the next spending period (2008-11). Each PSA is underpinned by a Delivery Agreement with its own set of outcome focussed performance indicators, some of which have national targets attached.

The PSAs and indicators with national targets most relevant to the LSC are:

**Raise the educational achievement** of all children and young people so that by 2010/11:

- 82% of young people achieve L2 by the age of 19;
- 54% of young people achieve L3 by the age of 19.

**Narrow the gap in educational achievement between children from low income and disadvantaged backgrounds and their peers**

- The gap between the initial participation in full time higher education rates for young people aged 18, 19 and 20 from the top three and bottom four socio-economic classes.

In addition the LSC to lead on:

- increasing the numbers of 17 year olds in education or training so that 86% are participating in 2010/11;
- reducing the inequality gap in attainment at levels 2 and 3 so that, by 2010/11, 61% of those in receipt of free school meals at 16 achieve L2 by the age of 19 and 29% of those in receipt of free school meals at 16 achieve L3 by the age of 19.<sup>1</sup>

The LSC is also expected to contribute to increasing the take up of Diplomas in every local authority area. [Note: PSA indicators such as this one are subject to consultation]

**Increase the number of children and young people on the path to success** so that everyone achieves their full potential, makes a positive contribution and makes a successful transition to adulthood. In particular by

- reducing the proportion of young people NEET by two percentage points by 2010 (from a baseline of 10 per cent at end 2004).

**Improve the skills of the population, on the way to ensuring a world-class skills base by 2020<sup>2</sup>:**

The Council is expected to improve the skills of the population by 2011, consistent with the stretching objectives for the UK to meet by 2020 set out in the Leitch Review of Skills, by helping to ensure:

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<sup>1</sup> The indicator for narrowing the inequality gap in attainment at level 3 by the age of 19 is still to be confirmed.

<sup>2</sup> DIUS will review on an annual basis our progress in reshaping publicly funded provision towards these priorities, and the impact on colleges and training providers, to sustain an ambitious but achievable rate of change.

- 597,000 people of working age (defined as all adults aged 16-64 inclusive) to achieve a first level 1 or above literacy qualification, and 390,000 to achieve a first entry level 3 or above numeracy qualification.
- 79% of working age adults (men and women aged 19 to state pension age, including both economically active and inactive) are qualified to at least full Level 2 qualification.
- 56% of working age adults (men and women aged 19- state pension age, including both economically active and inactive) qualified to at least full level 3 qualification.
- 130,000 apprentices to complete the full apprenticeship framework in 2010/11<sup>3</sup>.

**Science and Innovation:** help achieve the Government's ambition to deliver world class science and innovation in the UK through:

- The number of young people in England taking "A" Levels in mathematics, physics, chemistry and biological sciences.

The Council is expected to lead on these targets.

We also expect the Council to support the higher education sector to achieve the HE PSA participation target by encouraging many more young people from all backgrounds to gain the qualifications and aspiration for higher education.

In addition, we expect the LSC to lead on delivery of agreed key indicators, including:

- An apprenticeship completion success rate target for 2008-9 of 65%.
- An FE Learner Success Rate of 80% for FE colleges by 2010/11, while also continuing to drive improvements in success rates of key priority areas, including functional literacy and numeracy, full Level 2 qualifications and full Level 3 qualifications.
- A balanced scorecard for FE, being developed through the CSR period through the Framework for Excellence, covering (once data is available):
  - employer and learner satisfaction
  - employer engagement with FE
  - student success rates and employment outcomes
  - value for money

and to contribute to the indicator to:

- Increase the proportion of low-skilled into employment and increase their wages (to be developed over the CSR period).

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<sup>3</sup> Further detail on measurement and definitions relating to this set of skills indicators is contained in the measurement annexes to the skills PSA Delivery Agreement.

## Annex B

## LSC Budgets 2008-09 to 2010-11

Budget Line	Financial Years			
	2007-08	2008-09	2009-10	2010-11
	£000's	£000's	£000's	£000's
<b>Block A - Participation</b>				
of which for planning purposes:				
School Sixth Forms	2,022,918	2,054,284	2,082,360	2,101,397
16-19 FE	3,045,790	3,300,077	3,416,064	3,556,140
16-18 Apprenticeships	624,299	636,847	705,251	776,153
Entry to Employment	197,810	185,170	186,010	190,714
Specialist Provision for Learners with Learning Disabilities and/or Difficulties	185,869	196,311	236,311	275,647
<b>Total Youth Participation (DCSF)</b>	<b>6,076,686</b>	<b>6,372,689</b>	<b>6,625,996</b>	<b>6,900,052</b>
<b>Adult Learner Responsive</b>				
19+ FE	1,612,655	1,576,452	1,504,867	1,510,199
Ufl/learndirect	113,625	122,100	122,000	122,000
Employability Learning	24,409	29,102	35,529	41,770
<b>Adult Learner Responsive Sub Total</b>	<b>1,750,689</b>	<b>1,727,653</b>	<b>1,662,396</b>	<b>1,673,968</b>
of which for planning purposes:				
Foundation Learning Tier		243,262	274,962	289,738
Skills for Life		568,337	590,037	606,114
Full Level 2		217,064	233,293	259,521
Full Level 3		313,141	372,842	412,374
Developmental Learning		385,850	191,263	106,222
<b>Employer Responsive</b>				
Employer based NVQs	194,287	208,275	214,352	230,559
Apprenticeships and work based learning	275,010	290,068	317,024	333,646
Train to Gain	520,527	657,073	777,287	1,023,240
<b>Employer Responsive Sub Total</b>	<b>989,824</b>	<b>1,155,416</b>	<b>1,308,663</b>	<b>1,587,445</b>
of which for planning purposes:				
Foundation Learning Tier		15,515	14,718	14,681
Skills for Life		51,794	56,994	61,997
Full Level 2		666,969	769,563	834,683
Full Level 3		142,531	167,659	362,081
Apprenticeships (Excluding Skills for Life)		269,715	297,286	313,795
Developmental Learning		8,893	2,443	208
<b>Adult Safeguarded Learning</b>	<b>210,000</b>	<b>210,000</b>	<b>210,000</b>	<b>210,000</b>
<b>Offender Learning &amp; Skills Service</b>	<b>113,038</b>	<b>122,203</b>	<b>124,770</b>	<b>127,933</b>
<b>Total Adult Participation (DIUS)</b>	<b>3,063,551</b>	<b>3,215,272</b>	<b>3,305,830</b>	<b>3,599,346</b>

<b>Block A - Total Participation</b>	<b>9,148,237</b>	<b>9,557,961</b>	<b>9,531,825</b>	<b>10,499,398</b>
<b>Block B - Learner Support and Development</b>				
of which for planning purposes:				
Learner Support Funds (DCSF)	91,809	90,813	90,813	90,813
Learner Support Funds (DIUS)	143,065	139,466	139,466	139,466
Education Maintenance Allowance (DCSF)	577,000	529,000	509,000	509,000
14-19 Reform (DCSF)	209,388	90,616	76,616	65,100
Adult Skills Reform (DIUS)	132,464	73,400	70,050	67,300
Ufl/learndirect Advice, Marketing & Infrastructure (DIUS)	39,257	45,949	46,351	46,763
Quality Reform (DIUS)	167,138	60,851	60,351	60,351
Capacity and Infrastructure (DIUS)	69,840	62,758	62,967	65,814
<b>Block B - Learner Support and Development</b>	<b>1,429,961</b>	<b>1,092,853</b>	<b>1,055,614</b>	<b>1,044,607</b>
<b>Block C - Capital Grants</b>				
14-19 Capital Grants (DCSF)	180,000	210,000	210,000	240,000
19+ Capital Grants (DIUS)	404,480	484,400	609,800	609,800
<b>Block C - Total Capital Grants</b>	<b>584,480</b>	<b>694,400</b>	<b>819,800</b>	<b>849,800</b>
<b>Block D - Administration (DIUS)</b>	<b>219,495</b>	<b>214,775</b>	<b>216,171</b>	<b>205,680</b>
<b>Total DCSF Funding</b>	<b>7,134,883</b>	<b>7,293,118</b>	<b>7,512,425</b>	<b>7,804,965</b>
<b>Total DIUS Funding</b>	<b>4,239,290</b>	<b>4,296,871</b>	<b>4,504,986</b>	<b>4,794,520</b>
<b>Grand Total</b>	<b>11,374,173</b>	<b>11,589,989</b>	<b>12,017,411</b>	<b>12,599,485</b>

Note 1 - Employer Responsive budget currently includes Train to Gain brokerage costs of £24m in 2009-10 and 2010-11. This funding will transfer to Regional Development Agencies.

Note 2 - The LSC cannot vire between DIUS and DCSF programmes or between Budget Blocks without the agreement of the Departments. These will be notified separately.

Note 3 - The Adult Skills Budget for Greater London Region for 2007-08 financial year was £588m. The regional allocations for the period of the Spending Review will be £603m in 2008-09, £619m in 2009-10, and £672m in 2010-11. This is in line with national increases, subject to the delivery of the targets to be agreed as part of the London Employment and Skills Board (LESB) strategy. It has also been agreed that 0.06% of the London Skills Budget will be available to support the LESB.

Note 4 - The School Sixth Form budget detailed above does not include funding for Sixth Form Academies which is routed directly from DCSF.

## Planned Outputs/Volumes (Academic Year)

Budget Line	Academic Years		
	2008/09	2009/10	2010/11
	Learner Numbers		
<b>Youth Participation</b>			
of which for planning purposes:			
School Sixth Forms	376,000	370,000	364,000
16-19 FE	773,000	773,000	773,000
16-18 Apprenticeships	240,000	260,000	281,000
Entry to Employment	70,000	70,000	70,000
<b>Total Youth Participation</b>	<b>1,460,000</b>	<b>1,473,000</b>	<b>1,488,000</b>
Academies	16,000	22,000	28,000
<b>Adult Learner Responsive</b>			
FE 19+	1,372,000	1,127,000	1,154,000
Ufl/learnirect	204,000	179,000	152,000
Employability Learning	24,000	29,000	37,000
<b>Adult Learner Responsive Sub Total</b>	<b>1,600,000</b>	<b>1,335,000</b>	<b>1,343,000</b>
of which for planning purposes:			
Foundation Learning Tier	368,000	372,000	374,000
Skills for Life	923,000	914,000	904,000
Full Level 2	133,000	143,000	161,000
Full Level 3	137,000	157,000	165,000
Developmental Learning	497,000	216,000	116,000
<b>Employer Responsive</b>			
Employer based NVQ's	185,000	196,000	216,000
Apprenticeships / Workbased Learning	114,000	124,000	126,000
Train to Gain	600,000	638,000	872,000
<b>Employer Responsive Sub Total</b>	<b>899,000</b>	<b>958,000</b>	<b>1,214,000</b>
of which for planning purposes:			
Foundation Learning Tier	10,000	10,000	10,000
Skills for Life	304,000	313,000	323,000
Full Level 2 (Excluding Apprenticeships)	603,000	637,000	664,000
Full Level 3 (Excluding Apprenticeships)	136,000	144,000	356,000
Apprenticeships	113,000	123,000	125,000
Developmental Learning	11,000	3,000	0
<b>Safeguarded Learning</b>	<b>630,000</b>	<b>605,000</b>	<b>585,000</b>
<b>Total Adult and Employer Responsive</b>	<b>2,499,000</b>	<b>2,293,000</b>	<b>2,557,000</b>

## Key PSA related outputs

	2008/09	2009/10	2010/11
Skills for Life- achievements counting towards the literacy level 1 target and the numeracy entry level 3 target	349,000	368,000	387,000
First Full Level 2 Adult Achievements (All)	346,000	388,000	412,000
First Full Level 3	115,000	168,000	213,000
16-18 Apprenticeships Average in Learning	160,000	172,000	183,000
Total Apprenticeship Completions	123,000	134,000	142,000

Note 1- Skills for Life volumes when added together will remain constant. There will be issued shortly a consultation document on English for Speakers of Other Languages (ESOL). These projections will then be remodelled.

Note 2- Youth Participation figures exclude those delivered through Specialist Colleges with Learners with Learning Disabilities and or Difficulties.

Note 3- Funding of Academies is not routed through the LSC, so Academy volumes are not included in the Youth Participation total. However Academies volumes do contribute to overall participation.

Note 4- Component learner numbers and achievements presented are not cumulative. For example; a learner may undertake an apprenticeship programme of study that incorporates the successful achievements of both a Skills for Life literacy and numeracy qualification.

Note 5 – Developmental learning is defined as below level 2 learning outside the national qualifications framework, and learning above level 3. Figures are indicative and subject to further modelling. Activity associated with developmental learning will form part of the consultation the Secretary of State will launch shortly to help inform our approach to adult learning.