Of interest to everyone involved in improving skills and learning opportunities across England
Introduction

This report provides National Council with an update on performance against Public Service Agreement (PSA) targets; strategic priorities and the development and implementation of policy and strategy from across the LSC. The report pulls together all of the information, setting out our latest achievements and challenges.

Section 1: Key highlights since last report

Train to Gain
As anticipated, Train to Gain skills brokers and providers have exceeded their target for employer engagements in the year since the service began in April 2006. A total of 40,020 employers have engaged with the service, against a 2006/07 financial year target of 33,000. 70% of which were classed as hard to reach which exceeds the target of 51%.

Research into Awareness and Understanding of FE system
Research has been commissioned to investigate the level of stakeholders’ awareness and understanding of the workings of the FE system, following the reform of the FE System and the introduction of the Agenda for Change programme. It is hoped that the research will enable the LSC and its stakeholders to have a clearer understanding of the issues effecting changes in the workings of the FE System. The survey will be repeated in twelve months time to assess progress. The full findings of the survey will be brought before Council once the conclusions have been drawn out.

Fees campaign
A Fees Public Relations (PR) Campaign has started. The aim of the Campaign is to use creative platforms to lay bare the issues relating to skills and learning, including delivering messages that explain the policy on fees to both leisure and vocational learners. The PR Campaign will become an integral part to the Skills Campaign, to be launched in July.

Skills Campaign
The “Our future: It’s in our hands” skills communications campaign is due to be launched in July using various media channels including TV, outdoor advertising, radio, press advertising, web and public relations.

The branding of the campaign will remain neutral. That is, the LSC logo/other logos will not appear. The strategy of the campaign will focus on making the call to action as simple as possible, using content that will enable learners to understand the journey they need to make including being supported by a range of specialist advisers who will provide learners with the trustworthy and re-assuring support.

Framework for Excellence
The Framework for Excellence (FfE) policy paper is being prepared for a DfES launch by Bill Rammell on 20 June. The related technical guidance, of particular importance to the 100 pilot providers, will be published by the end of June.

Learner Involvement Strategy
A Handbook: Developing a Learner Involvement Strategy for the FE Sector is due to be published on 1 June, in conjunction with the DfES response to the ‘Personalisation: Developing a Vision’ consultation.
The Further Education and Training Bill

The Second Commons’ Reading of the Further Education and Training Bill (FETB) took place on 21st May. The Bill will now go to the Commons’ Committee on 12th June.

- Government amendments will aim to restore the intervention powers of the LSC which the Lords opposed, and strengthen progression routes to full Honours Degrees awarded by FE College in Foundation Degrees Courses.

- The FETB proposes giving the LSC additional powers of intervention in respect of further education corporations. It also requires LSC Council to prepare and publish a statement of LSC ‘Intervention Policy’ with respect to the exercise of these powers.

- To support Parliamentary discussions of the FETB the LSC has produced a draft policy framework document that sets out the intended structure and principles of a statutory Intervention Policy. The framework is not a formal LSC publication, but it will be in the public domain.

- A full briefing paper has been distributed to the LSC National Council and non-Executive and Management Group. The Chair to LSC National Council has determined that a discussion and approval of the draft consultation document on the Intervention Policy should occur at the July meeting of Council.

Raising the Age of Compulsory Participation in Learning

The draft of the Council’s response to the proposal “Raising the Age of Compulsory Participation in Learning” was amended following comments at LSC National Council Meeting on 9 May. It is expected that responses would have been finalised by the Chair of Council prior to the Council’s Meeting in June.

A number of Council staff and the Secretary of State attended a series of consultation events arranged by DfES. Further to that, the LSC has (working with DEMOS) arranged an event for a variety of stakeholders to be held on 5 June in Manchester, and, subject to availability, an event for senior policy makers to be chaired by Chris Banks on 19 June.

Leitch Implementation

We have been working with DfES and Ministers to agree the final draft and scope and of the implementation plan to deliver the Leitch ambitions and which will be published shortly. There is a separate item for Council to discuss this and its implications in more detail.

Key Risks and Issues

Train to Gain

Train to Gain (TtG) programme delivery remains a key focus area. Performance by region is being reviewed by the Chief Executive and the national TtG team. Part of the action plan to address underperformance includes reviews of the brokerage, the provider role, sector activity and bureaucracy. We are particularly concerned about the level of take learner take up which presents concerns in relation how the service will support the delivery of the Adult Level 2 PSA target.

Education and Skills Committee Report on 14-19 Diplomas

On 17 May, the Education and Skills Committee published a report on its inquiry into 14-19 Diplomas. The report received widespread, but generally negative, coverage in the media. In particular, it was reported that the Diplomas would be delivered on a rushed timetable, that the qualifications are muddled, and that the diplomas may lack the practical content.

The LSC recognises that the introduction of the Diplomas presents a significant challenge in keeping with the radical nature of the full 14-19 reform programme. All young people
deserve the very best out of our educational system and the new Diplomas have a central part to play in that provision.

**Vocational Qualification Reform**
The LSC is highly dependent on the work of our partners in SSDA, SSCs and QCA in order to deliver reformed qualifications into the new Qualifications and Credit Framework (QCF) for use in September 2008.

There continues to be some further slippage in the process of the five pilot SSCs producing reformed sector qualification strategies. We are therefore working to mitigate this risk by examining how far the partners in the programme can agree a ‘fast track’ mechanism whereby existing qualifications which are highly valued by employers can be moved relatively quickly, through re-specification, into the QCF.

In addition the LSC is discussing with QCA and SSDA and SSCs a range of work which can also support the transition to the QCF.

**Foundation Learning Tier**
It is intended that the first Progression Pathways (PPs) will be phased in from August 2007, using the existing Foundation Learning Tier (FLT) trial sites, with a comprehensive range of PPs in place from 2010. However, there has been significant delay in confirming a high level specification for PPs. But, with three months left before August 2007, there is now an urgent need to accelerate the process.

LSC held urgent discussions with both DfES and QCA to resolve this unhelpful situation. Following these discussions it is now proposed that the remitted partners should consider a commissioning approach to developing the first tranche of PPs. That is, the LSC will ask awarding bodies to tender to develop the units and qualifications to be available in PPs from August 2007.

**National Skills Academies**
The Food and Drink manufacturing academy which was due to be launched on 23 May has been deferred to 28 June.

**Section 2: Update on delivery of PSA Targets**

This section provides an update on our latest progress toward the delivery of our PSA targets. All information included in this section has been updated to reflect the latest delivery information.

**Young People**

Our PSA target for Young People is to:

*Increase the proportion of 19 year olds who achieve at least level 2 by 3 percentage points between 2004 and 2006, and a further 2 percentage points between 2006 and 2008 and improve attainment at level 3*

There have been no further updates to performance in this area since the last report to Council. 71.4% of people aged 19 in 2006 were qualified to at least level 2, a rise from 66.3% in 2004.

This now confirms the first part of the target has been exceeded, with a 5.1 percentage point increase in attainment of people aged 19 between 2004 and 2006.
Adult Skills

Our **adult skills** target is comprised of two elements:

*Increase the number of adults with the skills required for employability and progression to higher levels of training by:*

**Improving the basic skill levels of 2.25 million adults between the launch of Skills for Life in 2001 and 2010, with a milestone of 1.5 million in 2007;**

There are also no further updates of performance since our last report. Latest estimates continue to confirm that the 2007 milestone of 1.5 million adults with improved skills **has already been exceeded** one year early.

The **second element** of the adult skills target is:

**Reducing by at least 40 per cent the number of adults in the workforce who lack NVQ 2 or equivalent qualifications by 2010. Working towards this, one million adults in the workforce to achieve Level 2 between 2003 and 2006.**

**Direct Contributions from LSC**

The LSC delivered over 200,000 full level 2 achievements in 2005/06, more than half of which were through FE. Of these, we estimate 141,300 (including Level 3 Jumpers) were first full level 2 achievements.

In 2006/07, early participation information for the year to date shows an increase of 7% (including Level 3 Jumpers) in the number of full level 2 learners in FE in October 2006.

**Overall National Performance**

The Statistical First Release based on the Labour Force Survey published on Thursday 15 March confirmed that in the last quarter of 2006, the proportion of economically active adults in England qualified to at least NVQ level 2 or equivalent was 73.9%. This represents around 17.5 million adults from an economically active population of 23.7 million.

**These results show that the 2006 milestone of an increase of 1 million between 2003 and 2006 has been achieved.**

**Apprenticeships**

Good progress continues to be made against the Performance Indicator for 75,500 framework completions in 2007/08. We have 49,900 framework completions by the end of period 7 in 2006/07.

The framework completion success rate continues to rise, and at present for 2006/07 is 59% - a 6 percentage point increase on the final figure for 2005/06. If this level is maintained for the rest of the year, it would meet the target.

Overall numbers on Apprenticeships are down in 2006/07, due primarily to the number of leavers during 2005/06. However, we remain confident that despite reductions in average in learning, the significant improvements in success rates mean that the Performance Indicator for framework achievements in 2007/08 will be achieved.

We have produced an action plan to address the reduction in Apprenticeship numbers in 2006/07.
Section 3: Delivering our Priorities

Priority 1: Raise the quality and improve the choice of learning opportunities for all young people to equip them with the skills for employment, further or higher learning, and for wider social and community engagement.

Education Maintenance Allowance (EMA)
The EMA campaign recently won a Gold Award for the production of an interactive DVD aimed at young people from the International Visual Communication Association (external interactive media category) and is being developed (by the Government Communications Network (GCN)) as a good practice case study across government.

As at the end of April 2007 514,950 learners have benefited from EMA payments this academic year.

We are reviewing the EMA bonus structure to ensure it is more closely linked to achievement and progression. Proposals for the new structure were presented to LPP Learner Support Sub Group in January. LSC recently held 2 very successful consultation events (in London and York) at which FE providers were able to put forward their thoughts on linking the bonus model more closely to attainment. Further to those events another event is planned at which young people will be asked for their views on the bonus structure. The Proposals for that are will be put forward to ministers in the summer.

Plans to change the EMA application process to help young offenders to make a smooth transition to learning following a custodial sentence are up and running.

Learner Support Schemes
The Administration of the Learner Support Schemes has changed hands from Manchester City Council to Capita, after competitive bidding campaign.

Care to Learn (C2L)
As at 30 March 2007 6,171 (latest figures) young parents are benefiting from C2L. This figure is a cumulative total for the whole of 2006/07 and is on target for 7,000 young parents benefiting from Care to learn in 06/07.

Also, there is a strategy aimed at ensuring that young parents eligible for both EMA and C2L are able to receive the full package of financial support available to them. Working with its partners, the LSC has cross referenced the data on both the EMA and C2L programmes application forms, websites and brochures for the next academic year. In particular, the strategy is to continue to match the data for both programmes with the view to seeing how many young parents have/are taking up both forms of support, and to ensure that LSC continues to get the right message out to young parents on both programmes.

NEET strategy and action plan
Ministers from DfES and DWP agreed in May a strategy and action plan, incorporating the key actions that DfES, DWP and LSC would take in order to ensure progress on meeting the PSA target to reduce the number of young people Not in Education, Employment or Training (NEET).
Core features of the strategy and action plan are:

- better tracking and recording of young people
- improved information, advice and guidance and targeted support
- effective early intervention, particularly by schools during Key Stage 4
- aligning supply with demand
- improved incentives for participation.

**Learning Agreements**

Learning Agreement Pilots have been operating in eight areas since April 2006. After an initial slow start and re-profiling exercise, partnerships achieved 82% of their target for sign-ups, which means that 2,932 young people who were in employment without training, are now participating or have participated in learning over the last year. Around half of those sign-ups took place in the final three months of the year.

A significant number of young people contacted by advisers either declined to participate (5,183) or withdrew from the process (567). The reasons for this were in some cases positive, such as the young person starting on another training programme or formal education. Further analysis is however underway on the reasons for declining to participate, particularly in light of the Government's intention to increase the participation age.

As at the end of March 2007, 114 young people had completed their Learning Agreement, leading to increased confidence and ownership of their own learning, and positive outcomes ranging from promotion, permanent employment, and acquiring qualifications such as Level 2 and Apprenticeships, or embarking on further progression in education.

**Priority 2: Raise the skills of the nation, giving employers and individuals the skills they need to improve productivity, employability and social cohesion.**

**Delivering Train to Gain**

In 2006/07 we had planned to have 313,590 starters but have to date achieved 154,290, accounting for 51% of the starters. Of the total we had planned, we expected 268,820 to be Level 2 starters but we have so far we have only achieved 132,470.

On Skills for Life we had planned 44,770 starters but have achieved 13,400 so far, which is only 30% of the anticipated number of starters. Of which, we 11,720 learners have achieved.

We have achieved 81,760 learners achieving a Level 2 and 2,040 learners achieving a Level 3.

**National Skills Academies**

The Financial Services Academy was launched on 10 May.

As part of the third round, seven academy expressions of interest were shortlisted, and assessed early in May. They included proposals from SkillsActive, Skillsmart, Proskills, Newham College, Veolia, ECITB, and Directions Finningley. Working with DfES the LSC is drafting a submission to Ministers outlining the four recommended organisations to be invited to progress to the business planning stage.

**New Standard**

The New Standard for Employer Responsiveness and Vocational Excellence will be launched early June, and final negotiations and discussions on ownership, branding and finance are currently taking place. The CoVE transition plan, approved by Council at the
last meeting, has been approved by ministers, and all holders of CoVE status will be notified of the changes early in June.

**Higher Level Skills**

Further work is now underway on developing a joint and common HEFCE and LSC strategy for higher level skills to deliver the Leitch ambitions and aspirations. The LSC is keen to develop a shared option for moving forward where responsibility for higher level provision continues to be shared across HEFCE and LSC, though with greater clarity in the arrangements and a more rational approach to shared responsibilities. This will include the proposal that higher level skills provision should be funded on the same basis as all other higher education. A final version of the strategy will be submitted to a higher level strategic forum drawn from LSC, HEFCE and DfES in early Autumn.

**Career Development Loan (CDL)**

In 2006/07 12,126 (latest figures) live loans were issued totalling £63,020,909 of private investment.

**Diverse Britain 2007**

The LSC has contributed a section to the book *Diverse Britain 2007*, which brings together a host of the nation’s leading employers from the private, public and voluntary sectors to explore and exchange best practice. Drawing upon the expertise and knowledge of academics, policymakers, media commentators and diversity practitioners, the book provides a platform to assess the diversity agenda in Britain today. The book also tells the story of diversity in the UK and presents a historical overview of Britain’s Abolition of the Slave Trade.

The LSC’s contribution outlines its commitment to diversity. It includes quotations from Chris Banks, Sally Stewart and Melanie Hunt, who writes that ‘Diversity has been important to us from day one... If we don't maximise skill levels of all people from different backgrounds, we're never going to be able to compete effectively in the global marketplace.’

**Progress on Implementing the PCDL policy reforms**

The LSC is on track to achieve the timetable for implementing the PCDL reforms agreed with ministers, which runs to the end of January 2008. Two major, immediate milestones in the timetable are:

- LSC Regions to formulate and agree Partnership arrangements – **End of March 2007**
- All Partnerships in operation; final 2007/08 PCDL budget allocations to providers – **End of May 2007**

By the end of March 2007, 4 out of the 9 regions had identified all their Partnerships. In 2 of the remaining 5 regions, all but one Partnership had been identified and in a further 2 (of the remaining 3 regions) 75% and 60% of Partnerships (respectively) had been identified.

In the remaining region, London, the recently appointed London Skills and Employment Board is expected to publish its strategy on adult skills and employment by the end of the year. It is anticipated that London region’s Partnerships will be put in place by September 2007.

**Dance and Drama Award (DaDA)**

As at the end of April 2007 1,572 (latest figures) Dance and Drama awards have been granted in 2006/07.

**Adult Learning Grant (ALG)**
As at 14 May 2007 11,442 (latest figures) adult learners had been awarded ALG in the academic year 2006/07 meaning our target of 11,000 awards this year has already been exceeded. This figure is a cumulative total for the whole of 2006/07. ALG is currently in its final piloting phase in many areas of England and will be rolled out nationally from September 2007.

**Priority 3: Raise the performance of a world-class system that is responsive, provides choice and is valued and recognised for excellence.**

**UK Vocational Qualification Reform Programme (UKVRP)**
The LSC has revised its programme of work within the programme of reform to take account of the QCF being open for business from August 2007. The programme of work is now focusing on how funding can be aligned to support the reform programme. The reform has implications for LSC business processes, the performance measures including the FfE and the development of an LSC transition plan to support the movement of both provision and funding from the National Qualifications Framework to the QCF.

**Offender Learning and Skills**
Work is now well advanced on forthcoming consultation setting out the LSC’s proposals for developing and reforming the way in which learning provision for offenders in custody is planned, organised, delivered and funded – signalling a move away from historical arrangements by prioritising the availability and range of provision based upon learner and employer need. For offenders in the community, the proposals set out how the scope, range and availability of learning provision may be widened. In all cases, the proposals also ensure that, for all offenders, the learning offer is explicitly aligned with all other criminal justice service interventions.

The consultation document itself, which will take the form of an *Offender Learning and Skills Prospectus*, contains a series of proposals that have been developed explicitly in line with the government’s green paper *Reducing Reoffending Through Skills and Employment*, and the agenda for action set out in both *Reducing Re-offending Through Skills and Employment – Next Steps* and the *Leitch Review of Skills*.

**Developing effective adviser awareness of learner support**
Building on MORI research which identified that funding and childcare were two of the main contributory factors to non-participation in learning, the Learner Support Directorate has been undertaking a review of advisers’ awareness and understanding of the nine strands of the Learner Support Programme and in doing so have been considering how advisers address the financial and other support needs of learners, including identifying emerging trends and good practice.

A total of 278 completed questionnaires have been received. The majority of respondents (79%) were advisers working in either a generalist (143) or specialist (73) capacity. The remainder (19%) were primarily managers.

The survey respondents are employed by 100 different organisations in the field. Just under half (49%) were from Connexions Services and Careers Companies, a fifth (19%) from nextstep (contractors or sub-contractors), one in ten from Jobcentre Plus and 7% cent from Local Authorities. The remainder (15%) is employed by a range of other agencies including Aim Higher, Citizens Advice Bureau, learndirect, OLASS and Youth Offending Teams.
The findings from the survey will be used to inform a range of professional development activities to improve adviser awareness and subsequent promotion of learner support.

**Learner Support within a demand led system**

In order to inform policy development and subsequent delivery of the Learner Support Programme within a demand led system a programme of research has been ongoing across the FE system to identify:

- How the financial needs of learners are identified;
- How national entitlements and discretionary financial packages are promoted;
- How the discretionary Learner Support Fund is delivered;
- What the discretionary Learner Support Fund is used for, and
- To what extent is the Learner Support Fund effective in retaining at-risk learners

The survey closed on Friday 11th May and a total of 385 organisations completed questionnaires.

**Adult Level 3 Learner Account Trials**

Development of Adult Level 3 Learner Account Trials continues in the East Midlands (Nottingham City, Lincolnshire and Rutland) and the South East (Brighton and Hove, Gatwick Diamond, Ashford, Milton Keynes, Oxford, Reading area, Basingstoke, Southampton/Portsmouth and the Thames Gateway). The marketing campaign is being finalised, to be delivered in two phases, covering briefing and preparing providers for a state of ‘readiness’ early Summer, followed by targeting audiences in the first to weeks of September and January to coincide with peak recruitment times for colleges and providers.

The project will undertake an OGC Gateway Review, to determine the health of the project at this stage. This will take place in June.

**Priority 4: Raise our contribution to economic development locally and regionally through partnership working.**

**Skills for Jobs**

LSC submitted the Skills for Jobs proposal to Ministers on 18 May, following detailed discussions with DfES colleagues, and are awaiting feedback from ministers.

**Skills Coaching and Skills Passports**

The interim report from the second year evaluation of skills coaching and skills passports, undertaken by Institute of Employment Studies (IES) has recently reported. The evaluation includes an examination of the effectiveness of delivery of the customer journey, the capacity of skills coaches, and the effectiveness of skills passports.

The report indicates that skills’ coaching seems, in some cases, to be helping learners to take the first steps of a long journey towards the labour market, and that suitability of skilled workers no longer appears to be a concern, following changes to the learner journey in year 2 as a result of the previous evaluation. The increased flexibility to tailor the learner journey to learner needs and the ability to see learners frequently and to provide face to face ongoing support is particularly valued by skills coaches. As found with the year 1 evaluation, there continues to be a need for greater roll-on, roll-off provision, and reporting systems have been tightened to monitor closely.

A learner’s motivation is felt to be important or/and related to the likely outcomes the learner would experience from skills coaching. Skills coaches reported that learners gained a better understanding of themselves and their skills alongside an increased motivation empowering them to seek work.
Entry into learning and voluntary opportunities is often reported but its outcomes are largely centred round increased confidence and motivation. Linkages are being made with pathways to work, and skills’ coaching is also seen as complementing the Adult Learning Option (ALO) pilots, discussed below.

Proposals for increasing take up include co-location with Jobcentre Plus where possible and developing outreach approaches. Key recommendations from the report are being disseminated to local trials throughout May and June.

**Adult Learning Option**
Performance by the ALO pilot areas had been causing concern, and with Jobcentre Plus, DfES and DWP we have been investigating potential actions to bring the pilot back on track.

Four/five City Strategy pathfinder areas have declared an interest in offering the ALO in their areas, which is good news as the infrastructure and processes to manage the pilot are already in place to introduce the ALO and support Jobcentre Plus customers to move off benefits to study a first full Level 2 qualification on a full time basis. Research is currently underway into the cost per customer, to estimate the impact of extending the pilot and the scale of ambition which could be achieved within the resources available.