LSC Delivery Report

December 2008

LSC Management Group Report to Council

Agenda Item 11
Paper LSC 68/2008

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

This report provides National Council with an update on key strategic priorities and the development and implementation of policies and strategies across the LSC. In particular, the report focuses on strategic delivery issues, including Machinery of Government developments.

SECTION 1: MACHINERY OF GOVERNMENT

Young People’s Learning Agency (YPLA)

- Significant progress has been made on the design and development of the proposed blueprint for the YPLA. The YPLA blueprint will clarify the functional activity which needs to be undertaken nationally and regionally.

- The first stage of the assessment process for sub-regional groupings took place in September 2008. Local Authorities submitted their initial proposals to Government Office who reviewed them before presenting them to a national panel at which Rob Wye represented the LSC. The national panel was held at the end of October to consider and endorse the first stage submissions. Feedback and guidance on stage 2 of the sub regional grouping submissions was provided by DCSF in November.

- Following the Queen’s Speech and introduction of the Children, Skills and Learning Bill (see below), there will be a debate in the House on Thursday 11 December in which more details of the post-LSC arrangements are due to be announced. The implications of these will be the subject of further updates and discussion at the Council meeting.

Skills Funding Agency (SFA)

- DIUS has considered different options for the Skills Funding Agency (SFA) business/delivery model and an adult skills business model was presented to the LSC Leadership Team by Susan Pember on 19th September 2008 as part of her presentation about options for the SFA.

- Following this, the LSC has been working with DIUS on a commission to explore how the SFA business model could be delivered and the transitional arrangements and timescales for this. The work requires a clear understanding of both core and support functions. In early November the LSC and DIUS held a joint planning session to consider the headline proposition from the LSC as part of the commission in response to the Department’s adult skills business model.

- On 17th November the LSC submitted the proposals to the Departments for their consideration and response. Proposals were discussed at the Joint Programme Board on 25th November. We are now awaiting the formal response from the Department following Ministerial consideration. On receipt of the response the LSC will able to develop clear processes and a timetable for an overall transition plan and any interim management arrangements.

- Following the Queen’s Speech (see below), DIUS have released a number of documents describing post-LSC arrangements in terms of key responsibilities and functions, the implications of which will be the subject of further updates and discussion at the Council meeting.

- A number of recent discussions have taken place between the LSC and Ministers on Machinery of Government changes. Council members will have seen recent publications on this and will be discussing this in detail at their December meeting.
SECTION 2: HIGHLIGHTS

Queen’s Speech

- On 3rd December, the Queen gave her annual speech at the opening of Parliament. She opened by stating that the Government’s priority is to ensure the stability of the British economy during the global economic downturn, and helping families and businesses through difficult times.

- Of particular relevance to the LSC is the new Children, Skills and Learning Bill which establishes a new ‘light touch national body’ (YPLA) to support local delivery, and transfers responsibility for adult skills to a new Skills Funding body, established as an Executive Agency of DIUS. Responsibility for the funding and organisation of 16-19 learning will be transferred to local authorities to ensure support to children and their families is locally owned, locally integrated and accountable.

- The Bill will also introduce an entitlement to an Apprenticeship place for each qualified young person from 2013 and will transfer the regulatory functions of the QCA to a new independent regulator with strengthened powers (Ofqual). Additionally, to ensure that those who are in work are able to get the time needed to go on a course of study to advance their careers and realise their potential, employees will be given a right to request time off for training, and employers must consider it properly.

- A total of 14 bills introduced, including a Welfare Reform Bill, a Local Democracy, Economic Development and Construction Bill and an Equality Bill.

Statement of Priorities

- The LSC Statement of Priorities was launched at the Association of Colleges’ annual conference over 17th-19th November with statements from Chris Banks and by John Denham and Ed Balls. The Statement follows the structure set out in the version presented to the special meeting of the National Council in November and the published version incorporates the Grant Letter and a joint statement on the Government’s investment strategy from the Secretaries of State. The final Grant Letter contained some relatively small changes, mostly in relation to the flexibilities required to meet the demands posed by the current economic situation, from the draft version presented to the National Council. A summary version is being prepared and should be available in week commencing 1st December. Regional teams have delivered briefings to providers and work has started on implementing the allocations processes for 16 – 18 and 19+ budgets.

Young People’s Learner Support

- As Council will be aware from the last meeting, there have been technical issues surrounding the processing and payments of the Education Maintenance Allowance (EMA). In the past 6-8 weeks of their contract, Liberata worked hard to process applications, and a significant improvement was made. However, following continued delays to application processing, it was announced on 19th November that the LSC had terminated their contract with Liberata, with effect from 28th November. On this date, Capita took up the contract with the LSC to manage the full range of learner support services. Further information will be available for the next meeting, after the handover to Capita is completed in the coming weeks.

Ministerial Review

- In October, Mark Haysom, Chris Banks and other senior colleagues attended the Ministerial Review with Jim Knight and Siôn Simon. Following the review, both Ministers wrote to Chris Banks and said that they were ‘grateful for the progress the LSC is continuing to make across all its programmes and particularly on apprenticeships and Train to Gain’.
• As well as overall LSC performance, areas of focus in the review were on learner support and the performance of Liberata, for which Mark was praised for his leadership; exceptional financial support for college mergers; managing cost pressures in the budget for learners with learning difficulties and/or disabilities; the September Guarantee and school sixth form performance.

• The next Ministerial Review is being held on 16th December, for which Ministers have asked for a discussion about youth participation and the LSC’s response to current economic difficulties.

Responding to the economic downturn

• Good progress is being made with the new SME flexibilities and many technical issues (i.e. funding units) have been resolved subject to DIUS agreement. We are working towards a series of regional road shows for staff, providers and brokers to be held week commencing 8th December at which we will be able to deliver detailed guidance to enable providers, brokers and LSC staff to ensure the flexibilities are available and ready for implementation from January 2009. The Leadership and Management flexibility (reducing the entry size from 10 to 5 employees) has already been agreed and went live on 3rd November.

• DIUS will be required to clear a number of issues before we go live with technical changes including confirming the agreed list of units and thin qualifications that will be available under this new offer; agreeing the funding rates for the new units – in line with current Train to Gain funding policy; defining an SME, clarifying whether the offer is open to the Third Sector and lastly whether any restrictions will be placed on the full level 2/3 availability for SMEs as part of this package;

• A high profile marketing and communications phase started on 10th November with TV and radio adverts raising the profile of Train to Gain and the potential to get bite-sized courses; and easier access to funding and support.

• We have yet to agree the changes to the PSA targets in the Statement of Priorities as a consequence of funding units and more repeats.

• As part of the Government’s response to redundancy and the economic downturn, the LSC will be working with Jobcentre Plus in every region to consider how best to meet the needs of those facing mass redundancy, those recently made redundant and the long term unemployed. Joint regional plans will include prioritising the expansion of aspects of the IES Service to address the needs of individuals affected by changes in local labour markets, ensuring that they have their skills assessed and are prepared for work as quickly as possible in either the same or a new sector.

Qualified Provider Framework

• On 31st October 2008, we launched a Qualified Provider Framework (QPF) for providers of education and training services. The Qualified Provider Framework is a maintained list of all providers from whom the LSC will secure provision, and it incorporates those providers with whom we will negotiate and/or invite to tender. The QPF will streamline the way we commission and contract for provision and will remove barriers for new providers wishing to work with us. Providers that wish to be eligible to receive invitations to tender can apply to be pre-qualified at any time during the year. This ‘always open’ approach will allow providers to apply at a time convenient to them and which suits their business need.

• Our main tendering round takes place in January 2009 when we will invite invitations to tender for European Social Fund Activity and for rapid response provision to support those either at risk of redundancy or newly redundant, as part of the package of measures announced by the Secretary of State in October.

Single Contracting
The Statement of Priorities outlines the LSC’s intention to streamline the allocations and contracting process, based on feedback from the sector. From 2009/10, the LSC will operate a principle of having only one relationship with each provider, moving towards only one contract with each provider, managed through a single point of contact. Providers operating in different regions will no longer have to agree multiple funding contracts or be restricted to where services to adults and employers are provided. This work is being piloted in 2008/09 with the 9 largest providers the LSC contracts with. These are: VT, JHP, JTL, CITB, Nacro, YMCA, Rathbone, Economic Solutions and Protocol.

Mergers and reorganisations

Changes to the Ministerial team have led to further developments and challenges to policy around the consideration of reorganisations proposals that are currently in progress by a number of colleges in the sector. The LSC is working with colleagues at DIUS to ensure appropriate continuation of quality provision for learners in all areas of risk. LSC, DIUS and DCSF will meet again in early December to discuss progress made and agree a way forward.

SECTION 3: UPDATE ON STRATEGY AND DELIVERY

Young People’s Learning and Skills

Delivering 14-19 Reform: Next Steps presents a clear picture of the overall 14 to 19 reform programme in terms of progress to date; developments since 2005; and the wider objectives for every child aged 0 to 19 and beyond as set out in the Children’s Plan. It shows how the programme fits together, including the anticipated changes in relation to the Machinery of Government, starting from the perspective of the young person and the learning and support available to them and building out to the local consortia and partnerships and the local, regional and national systems that will deliver for them. Next Steps sets out the timetable of reform to 2015 to ensure that together we achieve the ambitious goals for all young people aged 14 to 19. The report is available here:


An LSC document entitled Commissioning 14 -19 through Transition has been produced and is expected to be jointly published by DCSF and the LSC and should be used to guide the regional and local commissioning activity and the engagement of Local Authorities in the process.

A support scheme led by the Local Government Association to prepare Local Authorities for the £7bn transfer of 16 to 19 funding from the LSC in 2010 was unveiled on 18th November called REAct, or the Raising Expectations Action programme. Children’s Secretary Ed Balls invited every Local Authority Director of Children’s Services to attend the launch, alongside ministers and high-profile children’s services professionals. The LSC is seconding a Partnership Director as part of the team.

September Guarantee: Connexions data as at the end of September (the latest data available for consideration) demonstrates that 94.3% of this year’s year 11 leaver cohort has been made an offer of learning with only 3.2% having not been made an offer (other categories into which young people are classified are: not ready for learning 2.8% and not recorded 0.7%). The same data for 17 year olds leaving learning shows 79.4% to have been made an offer with 7.5% not having received an offer (not ready for learning 9.5% and not recorded 3.7%). The final position on the delivery of the Guarantee for 2008 will be reported to Council in January.

Adult Learning, Skills and Employment

The National Vacancy Matching Service goes live for employers and training providers to upload their apprenticeship vacancies from 8th December. This follows extensive testing of the
system and training for providers and employers. Subject to the successful upload of vacancies in December, this will be made available publicly from early January.

- Ministers have signed off the **Apprenticeships Delivery Plan**, noting that it is a continuously updated planning document and the Select Committees are due to publish their response to the draft Apprenticeship Bill in early December. The Bill is expected to begin its formal passage through Parliament in February.

- A number of activities are underway to focus on **increasing the number of apprenticeship starts and completions** set against the current economic climate. The actions include:
  
  - **Pilots to support additional training of apprentices**: a Prospectus inviting employers to bid for funding to support training of additional apprentices was published in early December. The goal is to encourage employers who already take on apprentices to look at innovative ways in which they can support the training of more apprentices who might then apply those skills in their supply chain or within the sector regionally.

  - **Public Sector Action Plan**: we have been developing a number of links with the priority public sectors (Central Government, Education, Health and Local Authorities). Following on from the national Public Sector Summit in November, we held a regional public sector summit for regional public sector employer champions to discuss in more detail ways in which we can increase the number of apprentices. We have also been working across the priority areas: for example, we have set out the benefits to HE and costs involved, including an illustrative model, which could be used in discussions with Vice Chancellors to promote Apprenticeships; the Teacher Training Agency are developing delivery models to increase the take up of the new Apprenticeship Framework for teaching assistants in schools, including a Group Training Association model and we are working with the Prime Ministers Delivery Unit to undertake a fundamental review of Apprenticeships in Local Authorities.

  - **Construction matching service**: we are working with Construction Skills and other providers to help place Apprentices being made redundant.

  - **Group Training Associations**: we anticipate developing a series of new expanded associations.

  - Capital Prospectus and the DCSF Building Schools for the Future Prospectus highlight the importance of **capital bids** showing how the skills of the workforce will be developed including apprentices.

- The LSC launched an **FE Innovation Pathfinder Fund** in July 2008, with the aim of promoting Innovation in the FE sector. 136 FE providers bid for funding, and 17 were short listed of which 5 were recommended to and approved by ministers. The 5 successful bids were announced on December 1st by Sion Simon. They are:

  1: **South West Composites Gateway**  
  Aerospace Training SW, West of England Aerospace Forum and GWE Business West - Lead partner: City of Bristol College

  2: **Innovation in Sustainable Construction**  
  East Midlands NTI Construction Network - Lead partner: West Nottinghamshire College

  3: **College: Business Innovation Accelerator**  
  South West Business Innovation and Knowledge Exchange College Partnership - Lead partner: Cornwall College

  4: **Knowledge Transfer Leadership**  
  The Corporate College Consortium - Lead partner: Barnfield College
5:  ©link to FSXchange
National Skills Academy (NSA) for Financial Services

• The National Skills Academy for Sport & Active Leisure held its official launch at Lord’s Cricket Ground on 19th November. Lord Young was among the speakers who welcomed the Academy’s opening and the contribution it has already made to the sector. Sports Minister Gerry Sutcliffe and representatives from a training provider, employer and other sector stakeholders also spoke at the event which has received good press coverage.

• Over 80 providers of training have now achieved the Training Quality Standard with another 100 plus in the process, including many large employers and several Universities. The UK Accreditation Service has agreed to add the Training Quality Standard to the official register of Government standards and to act as the quality moderator for the application of the standard.

• The end of November saw the launch of the Skills Accounts website on which individuals will be able to register for an Account through a self-directed route, through the Careers Advice Service and nextstep providers in the East Midlands and South East Regions. Twenty providers across both regions have been able to automatically register learners since 29th September. From week commencing 24th November, learners in receipt of a Skills Account will be able to identify provision in their area and produce a Skills Voucher which can then be presented to their chosen learning provider.

• During the spring of 2009 we will integrate the MIAP learner record into an individual's Skills Account and where they have undertaken a Skills Health Check as part of the IES trials, their action plan. Both will support the provision of better integrated advice services. We are also developing links with the apprenticeship matching service so that learners can move seamlessly through both services.

• We are also introducing through Skills Accounts in the trial areas an enhanced learner support offer for priority groups that will focus on level 3 learning. Proposals are currently being developed and agreed with both trial regions and DIUS. Discussions continue with DIUS to develop plans for extending the Skills Accounts trials to all regions in 2009/10 whilst ensuring these align with plans for the SFA. Proposals for the inclusion of Skills Accounts within the West Midlands IES trials are currently being finalised.

• The first round of Sector Skills Council re-licensing commences with feedback on the first five due on 8th December. This group comprises the SSCs covering manufacturing (Semta), hospitality and tourism (People First), financial services (FSSC), power production and polymers (Cogent) and media (Skillset).

• On 1st December the Learning and Skills Task Group is due to announce its final report on skills in the public services. This work has been led by LSC, TUC and the Cabinet Office and reports into the cross Government Public Services Forum. The report makes recommendations for employers and the skills system including for apprenticeships, Train to Gain and Skills Pledge, in order to increase demand and investment in skills from employers in the sector.

• Following a successful launch of the IES Service in the West Midlands, plans are being developed to expand the trial to cover offenders in custody coming up to release. Initially this will be a small scale trial, making Skills Health Checks and improved handover processes available to prisoners.

• Ministers have agreed the expansion of the IES Service to a further seven districts in England following on from the roll out in the West Midlands:
  o Cambridgeshire and Suffolk District (1st December 2008)
  o Norfolk (16th February 2009)
  o Hampshire and the Isle of Wight (16th February 2009)
Work on Data Sharing across DWP, DIUS, Jobcentre Plus and the LSC is continuing at pace. The Department for Work and Pensions are leading this work on behalf of all four partners DWP, DIUS, Jobcentre Plus and the LSC. LSC have also been working closely with DWP, JCP and DIUS to ensure that any SFA organisational model takes into account the need to work at the right spatial level to address the needs of the labour market.

DWP and DIUS have appointed an Interim Programme Director for IES – the process of clarifying workstreams, key milestones and accountabilities is now progressing with LSC playing an active role.

ESOL: work is still continuing to develop an approach which will better enable Local Authorities and their partners to identify priorities to meet local needs. A submission is with Ministers and it is intended that the outcomes from the consultation on Focusing ESOL on Community Cohesion will be published shortly together with a short statement on the way forward by John Denham.

DIUS are intending to publish, in the near future, a refresh of the 2001 Skills for Life Strategy. The refresh is intended to set out what the Government and its partners are doing to make the necessary progress towards the Leitch ambitions. It will focus on four themes: improving literacy and numeracy skill in the workplace; engaging and supporting learners to develop their literacy and numeracy skills; building capacity in the provider base and improving quality, achievement and progression.

Ufi – Provider Network: Ufi have shared with their provider network major changes in the way it intends its learndirect provision is to be delivered in the future. Ufi plans to put in place a three-year change programme for its business and delivery model with the intention to deliver the majority of learning via the internet and telephone rather than through a centre-based provider network. The changes will enable learndirect learners to benefit from the latest technological developments in on-line learning. Ufi will continue to work with, and support, its provider network to deliver learndirect provision during 2008/09 and 2009/10.

UK Vocational Qualification Reform Programme: remit letters were received in November by key partners across the Vocational Qualifications Reform Programme concerning implementation of the Qualifications and Credit Framework (QCF) and on 5th November, the Secretary of State for Innovation, Universities and Skills confirmed that the QCF would be implemented by 2010. The LSC will be remitted to deliver QCF implementation across the wider employment and skills sector ensuring planning, funding and performance systems support the QCF and also remitted to deliver the QCF service layer across England, Wales and Northern Ireland. The Secretary of State has also confirmed the interim definition of Full Level 2 in the QCF as a 13 credit threshold. The definition will run for a two year period and LSC will monitor the suitability and affordability of this interim definition. A confirmation of the interim definition for Full Level 3 is expected to be confirmed shortly, LSC will be charged with leading the consultation on this.

Foundation Learning Tier (FLT): a national conference was held on 11th November with keynote presentations from QCA, LSC and Sion Simon; the event was a significant success and heavily over subscribed. Work is now being taken forward on greater integration of FLT with QCF implementation plan and stronger links between FLT, Integrated Employment and Skills (IES) and Train to Gain.

Technology for Learning: 30 lead Colleges have been now been selected from the 112 bids submitted to receive funding to participate in phase 2 of the mobile learning scheme (MoLeNET) funded by the Council and managed in partnership with the Learning and Skills Network. These successful colleges join the existing 32 colleges from phase 1 in this unique collaborative approach to the implementation of mobile learning via supported mobile learning projects within a wider community of practitioners and experts. A new case-study publication funded by the Council, “Go Mobile! Maximising the potential of mobile technologies for learners with disabilities”,
was launched at the M-Learn conference in October. This publication helps practitioners and support staff in mainstream FE and specialist colleges find new and innovative approaches to helping learners with a range of accessibility needs achieve their full potential.

- **Review of Former External Institutions (FEIs) and Specialist Designated Institutions (SDIs):** following the hypothesis testing and the site visits we have developed an in-depth understanding of how different patterns of learning provision have developed within these organisations. The report following the review is now nearing completion and will be circulated to Council members in the New Year. Although not part of the DIUS consultation on Informal Adult Learning, the review has identified clear synergies with this aspect of adult learning and the report will reflect this in its recommendations.

- The **adult advancement and careers service (aacs)** prospectus was launched by John Denham, Secretary of State at an event in London on 29th October. The event was attended by approximately sixty people including representatives from the LSC, nextstep organisations and the advancement prototypes.

- Seven tendering events have taken place for organisations invited to tender for the new **Offenders' Learning and Skills Service (OLASS)** contracts which commence in August 2009. An average of 80 delegates attended each event. The DCSF and Youth Justice Board (YJB) have asked the LSC to seek variant tenders for 10, 13 and 15 hours of delivery in Young Offender Institutions per person per week.

**SECTION 4: RISKS**

- The Risk Management Board last met in September. The LSC top risks have already been agreed and reported to Council. Indicative causal factors and mitigating controls underlying the top risks were considered and it was agreed that risk owners would be asked to confirm the data for input to the corporate risk register and for sharing across the LSC. The Chair of the Risk Management Board makes a report to Management Group as soon as practicable following Board meetings in order to report progress and to offer assurance that the top risks are being effectively managed. Once the detail of each of the four top risks have been approved by risk owners and input to the corporate risk register, regular updates on progress to mitigate the risks will be made and an executive summary provided for Council. The next meeting of the Risk Management Board is due to take place on 16th December.

- Management Group agreed in November that EMA and National Apprenticeship Service should additionally become top risks bringing the total to six. A report on how the top risks are being mitigated has been prepared for the December meeting of Management Group.

- The Chief Executive has decided that risk management should be the first agenda item at every future Management Group meeting.