LSC Delivery Report

DECEMBER 2007

LSC Management Group Report to Council

Agenda item 8
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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

The LSC published its fourth Statement of Priorities (SoP) on Friday 16 November 2007. The SoP sets out LSC investment plans over the next spending review period, 2008-09 to 2010-11. The underpinning theme of the new SoP is about investing in people to give them the skills they need to succeed in work and life. The SoP is set in the context of the Leitch Implementation Plan, and the 14-19 transition. The SoP has three national priorities: (i) Creating demand for learning and skills; (ii) Transforming the FE system to meet demand; (iii) Delivering better skills, better jobs, better lives.

The National Satisfaction Survey (NLSS)
The LSC has been conducting the NLSS since 2001/02 to investigate and provide evidence on LSC customer/learner insight into a range of areas covering delivery and learner satisfaction levels of education and training in England. The 2007 NLSS captured the views of over 43,000 learners, from 16-65 years. The survey was undertaken in three waves using a set of core questions to understand customers'/learners': (i) Overall satisfaction with the learning experience; (ii) Overall satisfaction with the quality of teaching and management of learning; and (iii) Likelihood to return to learning in the future. The findings from the initial data cut from the NLSS show that the overall satisfaction level is 90% for FE and WBL, consistent with the previous year’s figures. However, further analyses are planned to investigate other areas which showed a fall in satisfaction levels, when fuller data becomes available. And, it is planned that the full report including regional and sub-regional breakdowns from the FE sector will be published during spring 2008.

Skills Campaign Update – 12 November 2007
The next major burst of the Skills Campaign starts again from 31 December 2007, to be followed by a detailed and coherent calendar of work across 12 major campaign and communication areas during 2008/9. The LSC is currently discussing the calendar with partners and regional teams and will update the National Council as this work progresses. The Campaigns will concentrate on promoting Education Maintain Allowance (EMA), Apprenticeships, Skills for Life (SfL) (this is being transferred from DIUS to LSC), Skills Pledge (SP), Train to Gain (TtG), Adult Learning Grant (ALG), Skills Campaign (SP), Value of Learning (VoL), Get Set for Life (GSfL) (level 2 at 19), National Skills Academy (NaSA), a Road Map for Adult Skills (RMAS), and the New Standard (NS).

World Skills Competition
Rob Wye and Stephen Gardner represented the LSC at the 2007 four-day World Skills Competition, between 15-18 November in Shizuoka, Japan. Prior to the competition, competitors completed six months intensive training in technical and personal skills. Over 70% of the UK Team had an Apprenticeship qualification. The next World Skills events will take place in Calgary, Canada, in 2009 and in London in 2011. The results of the competition confirm that competitors from two LSC regions won medals: Gold – Cabinet Making (South East); Silver – Graphic Design (South East); and Bronze – Auto-body repair (North East). The full report including additional details on the medal tally will be reported in the next Report to Council.

Demand-Led Funding
The new funding models for young people and adults agreed by ministers were confirmed in the LSC’s SoP, published on November 16. The details of the models have been developed with stakeholders, in particular, the Association of School and College Leaders, the Association of Colleges, and the Association of Learning Providers. The 16-18 funding model for schools, colleges and providers is a significant step towards delivering the 14-19 strategy, and will contribute to the Government's aim of eliminating the funding gap between School Sixth Forms and colleges. The adult learner and employer funding models are based on the demand-led principles set out in the White Paper ‘Further
Education: Raising Skills, Improving Life Chances’ (March 2006). The funds received by colleges and providers are directly determined by the learning choices of individuals and employers. The new models are introduced for 2008/09 in the context of the SoP and the CSR settlements for 2008-09 to 2010-11. Regional, area and partnership teams have received a series of briefings on the new funding arrangements, and hands-on operational training on how the models will work as part of the business cycle leading to 2008/09 allocations. Documents setting out the details of the models are being published alongside the SoP. Regional teams have been briefing schools, colleges and providers and are now working with partners to implement the changes through the business cycle.

Business Cycle
The business cycle is being managed by the Change Board. The Chair of this Board is David Hughes, Regional Director for London, who is operating within the LSC’s delegated scheme of authority. The Change Board is agreeing a business cycle plan with key dates, activities and owners to ensure that key functions are delivered within the business cycle. The Board will receive monthly updates on progress against the plan and will report to both Management Group and Council on the activities that have occurred and update them on progress against its commitments.

NEET Strategy
The Department for Children, Schools and Families (DCSF) and LSC published a Joint NEET Strategy on 5 November 2007. The NEET Strategy is seen as complementary to “Raising Participation Age”, as it ensures: (i) An excellent universal offer for all young people to prevent them disengaging (ii) A very efficient service for getting young people back into learning if they leave (iii) More targeted and intensive support for those facing particular barriers to participation.

Some of the specific proposals in the NEET Strategy affect, in particular, Education Maintenance Allowances (EMA) with immediate effect. To that end, a trial is underway making more provision eligible, subject to criteria developed jointly by DCSF and the LSC. And, from the academic year 2008/09 all Entry to Employment (E2E) learners will be eligible for the full £30 EMA, without means testing.

14-19 Machinery of Government Changes
The LSC’s 14-19 Transition Group has met five times and has considered a range of issues such as the implications that the Machinery of Government changes might have for Learner Support, Performance Management of colleges and provision for Learners with Learning Difficulties and/or Disabilities. The work that the Transition Group commissioned to clarify what the LSC does on 14-19 and in which part of the organisation (ie, nationally, regionally, locally) is now complete. The final version of this document will be shared with colleagues from the Department for Children, Schools and Families (DCSF) and the Department for Innovation, Universities and Skills (DIUS).

The LSC meets with the chair of the Association of Directors of Children’s Services (ADCS) on a monthly basis. A joint statement by ADCS and the LSC, sharing principles of general agreement about the Machinery of Government changes for 14-19, was made to DCSF and DIUS in October. A further joint statement will be put forward for consideration this month.

In addition to its own work on the implications of the Machinery of Government changes for provision for 14-19 year olds, the LSC has recently seconded four senior colleagues to work with DCSF on a part time basis on the implementation of the proposed changes.

**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**

The PSA target for attainment at age 19 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. 46.8% of young people have a Level 3 qualification (an increase of 4.7% on those aged 19 in 2004).

**Adult Skills**

The PSA targets for adults are to:

- 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; and

**Level 2 Target**

The Quarter 3 Labour Force Survey confirms that 74.3% of economically active adults qualified to at least level 2 – an increase of 0.6 percentage points since Quarter 2 and 0.6 percentage points since Quarter 3 in 2006.

This represents 1,741,000 adults since Quarter 4 in 2001 (our PSA target requires an increase of 3.6 million by 2010) 53.2% of economically active adults qualified to at least level 3 – an increase of 0.8 percentage points since Quarter 2 and 1.3 percentage points since Quarter 3 in 2006. Concerns have been expressed about use of the LFS as a monitoring tool and its reliability as a tracking tool remain. DIUS will continue to monitor LFS data in order to understand what is causing the fluctuations between quarters.

**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.**

**Skills for Life**

Latest estimates from October 2006 show that the 2007 milestone of 1.5 million adults with improved skills has already been exceeded one year early. The latest performance figures for 2005/06 confirm that by the end of July 2006, 1,759,000 achieved first qualifications that count towards the target.

The number of adults with Level 2 and Level 3 qualifications has grown, latest figures show that the number of economically active adults at or above Level 2 has increased – from 69.2% in 2001 to 73.9% in 2006. The number of adults with Level 3 qualifications has also increased – from 47.9% in autumn 2001 to 52.4% in 2006.

There are 12.4 million adults from an economically active population of 23.6 million with at least a Level 3 qualification. This represents an increase of 0.9 percentage points since Q2 of 2006, and no change since quarter one of 2007.

**Apprenticeships**

LSC remains in the excellent position to exceed its performance indicator to achieve 75,500 framework completions in 2007/08. This would represent a 75% increase in the volume of framework completions since 2002/03. In 2006/07 LSC expected to deliver 102,700 framework completions which would far exceed the 2007/08 performance indicator and that would be well in excess of what LSC had planned to achieve in the year. This is driven by framework completion success rate being higher than LSC original planning assumption, and LSC expects this to be 63% in 2006/07- a 10 percentage point increase on 2005/06. Although LSC have seen a fall in average in learning – 6 percent from 2005/06, the volume of starts is encouraging (180,000), particularly for adults, where LSC have seen a 14% increase on 2005/06.
Section 3: New PSA Targets

Young People
Two new PSA targets have now been agreed to cover the next CSR period, these are to increase the proportion of young people achieving (i) Level 2 at 19 from 71.4 percent in 2006 to 82 per cent by 2011 and, (ii) Level 3 at 19 from 46.8 per cent 54 per cent by 2011.

Adult Skills
The new adult targets provide us with a new challenge by increasing further the proportion of adults with both the basic skills and Level 2/3. However, going forward the target is now based upon the proportion of working age adults and not just those economically active. The new targets are (i) an additional 597,000 people of working age to achieve a first Level 1 (or above) literacy qualification; (ii) 390,000 to achieve a first Entry Level 3 (or above) numeracy; (iii) by 2011 79 per cent of working age adults should be qualified to level 2 and 56 per cent qualified to level 3.

Apprenticeships
Increase the proportion of Apprentices who complete the full Apprenticeship Framework. The Target is for 130,000 learners to complete the full Apprenticeship Framework in 2010/11.

In future reports we will set out the progress against these targets and the specific delivery issues associated with them.

Section 4: 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)
EMA is a weekly payment which encourages young people from low-income families to participate in post compulsory learning. As at the end of October 2007 422,946 learners had benefited from EMA payments this academic year. At 2 November 518,193 Notices of Entitlement (NoEs) had been issued to learners who had applied for and were eligible for EMA support in the academic year 2007/08.

Ministers recently agreed to a number of important changes to the EMA scheme including the EMA Guarantee under which learners applying for the first time from 2008/09, may receive a guaranteed entitlement to EMA support for up to 3 years. Further changes include trialling a new definition of valid provision to include some non-standard courses such as those which are intended to engage the hardest-to-reach, and changes to the bonus regime to strengthen the link between payment and effort and attainment. A key change to the EMA scheme will see all learners who follow an Entry to Employment programme receive the maximum weekly payment of £30 for the duration of their course.

Dance and Drama Awards (DaDA)
DaDAs enable the most talented individuals to train to become actors, dancers, and stage managers, regardless of their family income. At 26 October 1,465 Awards had been taken up for the 2007/08 with 853 learners (58%) also receiving further support from the income assessed student support fund.

Care to Learn (C2L)
C2L supports young parents in learning by contributing to the costs of their childcare while they learn. Ed Balls mentions C2L in his lecture to the Fabian Society stating that the C2L scheme pays for childcare so that young mothers can participate in post-16 education and training - as they will be required to do under our new legislation from 2013. At 26 October 4,463 young parents had benefited from support from the scheme in the 2007/08 academic year. This is on target for 7,500 young parents benefiting from C2L in 07/08.
Apprenticeship Review
The Prime Minister’s Strategy Unit led Apprenticeship Review was planned to conclude this month (November) but has now been extended to January 2008. One of the main outcomes for the LSC so far has been the announcement by the Prime Minister to roll out a national vacancy matching service across the country, which will bring together young people who want to take up an Apprenticeship, with employers looking for Apprentices, and is much more than an IT system. A project board is being set up to drive this forward, and will draw on expertise across national, regional and local teams. Pre-Apprenticeships trials are now commencing within 8 LSC regions.

The Single Equality Scheme provider support programme
National Institute of Audit Continuity Education: The LSC has now commissioned the National Institute of Adult Continuing Education (NIACE) and Learning and Skills Network (LSN) to work as a consortium and lead a national support programme for all LSC-supported learning providers to respond to the LSC Single Equality Scheme. The programme will assist them to equality-assure their delivery through a flexible package based on action research, sharing good practice and workshops, tailored at a regional level, to meet differing regional priorities.

Equality and Diversity Practitioners Project: The LSC is co-ordinating a project to explore the infrastructure associated with equality and diversity practice. And, LSC is working with practitioners to identify ways in which the infrastructure could be enhanced. One of the options being considered is an association and (if appropriate) a competency, qualifications and standards framework.

The project uses funding from the European Social Fund (ESF) EQUAL programme, and will finish at the end of 2007. The main output from the project will be a report including a business case and plan for an association. The business case will build on extensive consultation, including an event attended by nearly 100 practitioners and a web-based survey completed targeting over 400 practitioners to be launched at an event at the House of Commons on 17 December.

New Standard
12 organisations have been accredited under the New Standard, with a second tranche being considered at an approval panel in December. The Standard’s name has been confirmed as “the Training Quality Standard”.

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

Train to Gain
LSC data shows that performance has picked up in the area of TtG. Starts on full level 2 programmes increased by 38% between the end of April and the end of August. TtG exceeded its engagement targets, with 52,730 employers engaged in the first 16 months of operation. 72% of these were hard to reach. In June, further work was undertaken to determine the number of learners participating as a result of these hard-to-reach engagements and shared with DIUS colleagues. This showed that around 32% of all employers with starts on the TtG programme were classified as hard to reach employers. Although this figure is much lower than the proportion of employers engaged by the service that are hard to reach, this is not surprising, given that it is likely to be relatively easier to engage a small employer than to translate this into learning in a short period of time. The first cut of full-year data for 2006/07 showed that LSC had delivered 229,470 starts, which is approximately 73% of the total number that LSC had planned to deliver by the end of the academic year.

Despite successes with the brokerage elements of the service, LSC continues to focus on the importance of the delivery aspects of TtG. It is encouraging that TtG full level 2 volumes increased significantly towards the end of the 2006/07 academic year as a result of the action plan, but performance remains well below the levels planned for the 2006/07 academic year.

It should also be noted that is making progress in the following delivery areas:

- Skills Pledge: Four more large employers who received their Skills Pledge certificate from David Lammy, the Skills Minister, at the recent National Employer Service’s (NES) Conference were: Reliance Security Group Ltd, Interserve Plc, VT Group Plc and EDS UK; between them they
employ 45,000 people. The NES Event was attended by 100 representatives from large national employers, focusing on the accreditation of employers’ In-house Training. Speakers at the Event from the employers’ side included McDonalds and Tesco and they talked about the support they needed from the LSC and others to turn In-house Training into national qualifications. Also they talked about the need to reduce bureaucracy. To date, 443 employer organisations (covering 2.5 million employees – an average of 150 commitments per month) have made a Statement of Intent to take up the Skills Pledge.

- Plan for Growth: The TtG Plan for Growth is being finalised and will be published before the end of November 2007. A number of briefing events will be held to inform people internally and externally of its contents and impact.

- Delivery: Early data received from brokers for the first two months of this academic year show that LSC has not engaged with the number of employers that LSC had planned to engage with in August and September, although skills brokers in 2 regions are yet to submit all of their data due to problems with their data systems. It is anticipated that the problems would be resolved in time for the next report. By the end of September LSC had engaged with 5,590 employers through the brokerage network, compared to an expected level of around 9,000.

In regard to Starts 24,640 Starts have been recorded, contributing to a cumulative total of 254,110 starts since 1 April 2006. Of these Starts, in 2007/08, 19,970 are full Level 2 and 2,040 full Level 3, 300 of which are pilot starts. A further 2,320 starts have also been delivered on Skills to Life qualifications. Cumulatively LSC has now delivered 111,340 full Level 2 achievements (including Level 3 jumpers) and 13,630 Skills for Life achievements. Whilst LSC is delighted with the volume of Level 2 achievements, LSC is aware that initial expectations were that LSC would deliver significantly more Skills for Life achievements.

Offender Learning and Skills Service (OLASS) Learner Satisfaction Survey
The OLASS pilot was undertaken with learners from 18 public prisons and Young Offender Institutions (YOIs), covering 786 learners across 3 regions. The OLASS research is the first to be conducted with learners in prisons and it tested out several ways of gaining views to understand the most effective means of getting feedback from offenders about their learning experiences.

LSC Publications information
In July 2006 Mark Haysom signed a new contract with the Central Office of Information (COI) to move the LSC’s publications function to COI’s publications unit to: (i) reduce the overall volume of publications (it was estimated that this would result in a 50% reduction in the total volume); (ii) streamline the amount of suppliers LSC operates with; (iii) educate internal teams on cost effective methods of producing publications /alternatives; (iv) create more accurate management information systems. Accordingly, LSC publication volumes have since reduced dramatically. For example, from January to October in 2006 the LSC produced 575 publications (527 being external). For the same period, January to October 2007, LSC produced just 197 publications (188 being external). This means LSC now produces around a third of the publications that it used to. Also, utilised web communications during this period, reducing expensive print and storage costs, where LSC could.

Adult Learning Grant (ALG)
ALG provides adult learners from low income households with financial support to help achieve their first full Level 2 or full Level 3 qualification. At 26 October 22,685 applications for support from the scheme have so far been received. While it is too early to tell how many of the applications received will turn into awards, it seems possible that LSC will exceed the planned take-up of 17,500 adults receiving ALG by the end of 2007/08.

Career Development Loans (CDLs)
CDLs are commercial bank loans which help individuals to pay for learning that will enhance their career prospects. The latest figures confirm that at 13 November 10,407 loans were live.

University for Industry (UfI)
Delivery under the current UfI contracting arrangement is stable with:-
- Ufi Skills for Life achievements 07/08 year to date totalling 4,063 (which represents 98% of the year to date target of 4,147) against a whole year target of 55,000 achievements;
- Ufi First Full Level 2 achievements to Period 2 total 308 (102% of the monthly profile) against an annual target of 5,000 achievements;
- Learner numbers totalling 56,653 against an expected year total of 217,000.

Employability Skills Programme (ESP)
All regions have provision in place, either through newly contracted Phase 3 providers or through contingencies with Phase 2 providers. Local relationship managers are working with Jobcentre Plus and providers to resolve any remaining issues about providers’ readiness. Cumulative data for 2007/08 period 2 (end September) shows that 4,840 Jobcentre Plus customers have been referred to the Employability Skills Programme for assessment, resulting in 516 learner enrolments onto 815 learning aims.

National Skills Academies
Ministers have recently confirmed a £12m budget for a 4th selection round to continue building the network.

New Standard for Employer Responsiveness and Vocational Excellence
Confirmation has been received that the title for the new standard is: “Training Quality Standard”. Of the 45 companies completing the new standard assessment process, 12 providers have been accredited under the Standard and around a further 23 companies are in the final stages of approval. An event has been arranged for 12 December for David Lammy to congratulate the successful companies.

ESOL
DIUS are due to undertake a consultation on the future of ESOL funding. The LSC has is yet to be made aware of the content of the consultation. However, it is believed that it may be wide ranging. It is likely that the consultation will be launched by DIUS in early December, although this is also yet to be agreed.

Mark Haysom has commissioned an internal review of ESOL and the associated funding to feed into the consultation. This work is being led by David Hughes (on behalf of Management Group) because a large proportion of the issues regarding ESOL stem from demand in London.

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

Adult Learner Accounts trials
To date, a total of 319 individuals have opened an Adult Learner Account against the target of 4,000 (109 are from the East Midlands and 210 from the South East).

Skills Accounts
The wider Skills Accounts project is currently in the scoping phase for full national rollout (as set out in World Class Skills). Internal and external discussions have been taking place on the ambition for Skills Accounts in 2010/11 and what an Account will actually be and contain, as well as the scope of provision available through an Account.

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

Local Employment Partnerships (LEPs)
When LEPs were first announced they had involved a limited number of large retailers who would work in partnership with Jobcentre Plus to facilitate the recruitment of disadvantaged workless individuals into their companies. The publication of the DWP Green Paper - In work, better off - signalled a broadening of the focus of LEPs beyond retail to other sectors, and established an ambition to place 250,000 disadvantaged workless people into jobs through local employment partnerships by the end of 2010.
LEPs are fundamental to meeting the Government’s aspirations of an 80% employment rate (based on a working arrangement) toward which the LSC and Jobcentre Plus (JCP) prepare long term unemployed people for work and employers with vacancies will give them an opportunity to work. The commitment from the LSC is to provide the pre-employment training for local employment partnerships where employers commit to working with LSC on TtG. This will place the focus on ongoing “up-skilling” rather than simply securing jobs.

**Adult Learning Option (ALO)**
The ALO pilots are testing the effectiveness of providing financial support to enable low skilled participants to study for their first full Level 2 qualification. The current DWP evaluation exercise is considering the impact on take-up and completion of courses; take up of further training and most importantly, employment and labour market outcomes. The available data will be reviewed at the ALO Steering Group (jointly by DWP/JCP and LSC) Meeting in December, to provide interim evaluation and aid future action planning.

**Skills for Jobs (SfJs)**
Procurement of discrete SFJs activity (using £14m funding, identified for skills for jobs activity in 07-08) is progressing. It is anticipated that contracts will be agreed for delivery to start by the end of November 2007.

**Skills Coaching (SC) and Skills Passports (SPs)**
SC is currently funded to the end of March 2008. A decision will be made shortly as to whether SC should end in March 2008, or if there should be an extension to allow the trials to continue until July 2008, as there is currently a gap between SC ending and trials of the Adult Careers Service (ACS) commencing. SC has trialled some of the elements that will form part of the new ACS, that is, an intensive guidance service and a skills diagnostic and ongoing support. The SC and SPs project board has recommended the potential value of retaining the infrastructure, knowledge and expertise in trial areas, pending a decision as to where the ACS will be trialled.