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Delivering Learning and Skills – Progress Report 2006

Foreword

It is with great pleasure that I introduce the LSC’s first ever progress report, Delivering Learning and Skills. This report provides precise details of what the LSC has spent its money on and the successes that resulted from this investment.

Whilst the Annual Report outlined where the LSC’s budget was spent, Delivering Learning and Skills details what was purchased, where it was purchased and by whom. I think of it as the LSC’s ‘stocktake’ on the last 12 months and as such it provides a true reflection of what the learning and skills sector has achieved during the year with its funding from the LSC.

This is the first time we have ever captured all of these LSC-funded achievements in one place and taken together it paints an impressive picture of the performance of the sector. It reinforces the critical importance of skills and demonstrates how the achievements of the LSC, our partners and the wider sector are having a significant impact across a broad range of political, economic and social policy agendas.

The economic impacts are reflected by increases in the number of adults taking Level 2 qualifications, which rose by 9.4 per cent, and participation in Apprenticeships, which grew by 7.6 per cent to 154,000.

The achievement of higher level qualifications offer an equally optimistic outlook for the economy with the proportion of 19 years olds achieving Level 3 or equivalent reaching 45.9 per cent – an increase of 3.5 per cent on the previous year.

Beyond this, Delivering Learning and Skills also reveals how the work of the sector is delivering on a much broader policy context and impacting on a range of communities to reduce social exclusion through the provision of learning.

More opportunities for people to learn basic skills are at the heart of this. Last year the number of adult learners on Skills for Life programmes increased by 22.3 per cent. These are part of the 1.286 million people that have been helped with basic skills in recent years and contribute to the sector being on schedule to reach its target of improving the basic skills of 1.5 million people by 2007.

Similarly, the Education Maintenance Allowance (EMA), which provides financial assistance to young people, saw a take-up rate of 82 per cent and will have enabled many people from low income households to enter or remain in education or training.

Participation in LSC-funded learning also reflected the cultural and ethnic make-up of the communities it serves. Sixteen per cent of learners in Further Education colleges were from ethnic minorities as were 10 per cent of those in Adult and Community Learning.

Underpinning all of these achievements is the fact that success rates have risen by 2.6 per cent to 73.8 per cent in Further Education, with Work-based Learning expected to exceed 50 per cent by the end of 2006, meaning more people are completing courses and achieving qualifications. This is a ringing endorsement of the superb work of our partners throughout the sector and they should be warmly applauded for it.

Taken together, I believe Delivering Learning and Skills represents an impressive report on the progress made by the sector in the previous 12 months and shows that we are having a major impact on the economic and social well being of the communities we serve.

We are on course to meet all of our Public Service Agreement (PSA) targets on Level 2, Apprenticeships and Skills for Life and are delivering on government priorities for skills, for 14–19 learning and for the transformation of the Further Education system. However there is still much to do and we will shortly be outlining our key objectives for the next 12 months in the Annual Statement of Priorities (ASP).

For the LSC and its partners the challenges remain as ambitious and as daunting as ever. Learning and skills is the cornerstone of the economic and social well-being of the country and we continue to strive to deliver better and better performance every year.

The good news is that we are making progress and having a genuine impact. The challenge is to improve on this next year. I look forward to working with all of our partners to build on this and enable us to achieve our goal to make England better skilled and more competitive.

Mark Haysom
Chief Executive, Learning and Skills Council
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INTRODUCTION
This report pulls together a range of key information, from reports, statistical data releases and wider research data, into a single document that details the extent and nature of education, training and skills funded through the Learning and Skills Council (LSC).

The further education system is facing a number of important challenges. If we are to continue to increase the record number of young people participating in learning and continue the drive of raising the skills base and economic competitiveness of the nation, we must understand how the delivery system is currently performing. This report provides the initial phase of this analysis, by drawing together key statistical intelligence into a single view. We hope it will provide an important source of delivery evidence for partners and other stakeholders.

The report is structured around the key national priority areas across the learning and skills sector.

LEARNING AND SKILLS PROVISION IN PROFILE
Our collective success is measured through a number of Public Service Agreement (PSA) targets and supporting policy imperatives. Our investment in learning and skills must provide all young people and adults with personal success that is matched with the demands and flexibilities that employers need.

Our total spending in the year to March 2006 was £10.4 billion, a 13 per cent increase on the previous year (£9.2 billion). This investment supported the learning of 6 million learners in 2004/05, more learners than ever before. The vast majority of learners are provided for in Further Education (FE), followed by provision through Adult and Community Learning (ACL) and, to a more limited extent, Apprenticeships (Work-based Learning (WBL)) and School Sixth Forms (SSF).

There are some distinct trends in learner characteristics and learning aims by type of provision:

- Three-fifths of learners in FE are female, rising to 77 per cent in ACL, but just 43 per cent undertaking WBL.
- Around four-fifths of FE and ACL learners are white (based on all learners, including those of an unknown ethnicity), but the proportions are very different in WBL, where this is the case for more than nine-tenths of learners.
- The most popular areas of learning amongst FE learners are Information and Communication Technology; and Health, Social Care and Public Services. In WBL it is Engineering, Technology and Manufacturing; and Visual and Performing Arts and Media; and Hospitality, Sports, Leisure and Travel in ACL.
- The majority of provision in WBL is at Level 2, followed by Level 3 (combined, Level 2 and 3 learners account for 85 per cent of the total). In contrast, almost 40 per cent of FE learners are at Level 1 and entry, followed by Level 2 (28 per cent) and Level 3 (20 per cent). The majority of provision in ACL is also at Level 1.

The trend in recent years has been for a steady improvement in achievement and success across LSC funded provision:

- In FE overall success rates have increased by 2.6 percentage points between 2003/04 and 2004/05 to reach 73.8 per cent.
- WBL has seen an increase in success rates for complete frameworks in Advanced WBL (Level 3) and WBL (at Level 2), with the overall full framework success rate being 40 per cent in 2004/05, up from 31 per cent in 2003/04. In 2004/05, 68,000 learners completed an Apprenticeship framework, ahead of the number needed to meet our target 75,500 completions by 2007/08.
- Data for SSF also shows a steady rise in achievement year-on-year.

DELIVERING THE 14–19 AGENDA
Our PSA target is to increase the number of young people aged 19 achieving a Level 2. We also support the delivery of the target for reducing the number of young people not in education, employment and training (NEET) by increasing the number participating in learning and training.

In support of these targets, total LSC funding on participation for young people in FE, WBL, SSF and Entry to Employment (E2E) in 2004/05 was £5 billion, which marks an 13 per cent increase on 2003/04. The increase in expenditure reflects increases in funding rates, changes in the mix of learner programmes as well as the costs of increasing participation.
The proportion of 16 to 18 year olds in education and training was 76.2 per cent at the end of 2005, an increase from 75.2 per cent at the end of 2004. This equalled more than 1.5 million young people at end 2005 (of which 1.3 million were LSC-funded learners). The increase is partly attributed to the up take and incentives of Education Maintenance Allowances (EMA).

The majority of the 16 to 18 age group continue in full-time education from compulsory education, but there are alternative routes: 8 per cent enter WBL, with a further 10 per cent of young people either in employer-funded training (5 per cent) or other training (5 per cent).

We are on track to achieve the Level 2 at age 19 PSA target. Over the year to 2005 (the last point for which there is data) the level of attainment rose by 3 percentage points from 66.8 to 69.8 per cent. The target for 2008 is for a gain of 2 percentage points on the outturn for 2006. As attainment reaches higher levels, achieving a marginal gain will become more difficult. However, the gain of 2 percentage points over 2 years looks achievable based upon current performance levels.

Currently, around a quarter of young people are not in any form of education or training, and 11 per cent (220,000) are NEET. The LSC is working with partners and stakeholders to reduce the percentage of 16 to 18 year olds NEET from 10 per cent in 2004 to 8 per cent in 2010. The rise to 11 per cent in 2005 is obviously a shift in the wrong direction and means the reduction needed to achieve the reduction to 8 per cent by 2010 is increasingly challenging.

DELIVERING ADULT SKILLS

Adult learners (those aged 19 and over) engage in education and training for many reasons, including the need or desire to develop skills and for personal interest. The majority of provision is delivered through FE (3.1 million learners in 2004/05), followed by ACL (1 million). The remaining LSC-funded adults are provided for by University for Industry (UfI), WBL and Employer Training Pilots (ETP) which are now delivered nationally through Train to Gain.

Overall numbers of LSC-funded adult learners rose by 1.6 per cent between 2003/04 and 2004/05, although learner numbers actually fell in FE, ACL and WBL over this period. This is partly explained by the increased focus on priority provision at Level 2 and 3 – adult take-up in FE and ACL is in shorter courses and currently focused at Level 1 – and a planned fall in take up of NVQ learning in WBL. In contrast, there was a significant increase in UfI and ETP.

To meet PSA commitments around adult learners, we must meet targets around improving adult basic skills and raising the number of adults qualified at Level 2 or higher. At the basic skills level, we are on course to deliver an additional 750,000 Skills for Life achievements between 2004 and 2007, successfully moving towards the target of 1.5 million adults improving their basic skills. At Level 2, we have delivered over 270,000 first full Level 2 attainments between 2001/02 and 2004/05.

DELIVERING EMPLOYABILITY AND INCLUSION THROUGH LEARNING

To supplement the quantitative management information, we are currently piloting geodemographics data to examine the behaviour of different learner groups and patterns of learner activity. This allows us to infer, where we have limited knowledge of personal level characteristics, information around such factors as income, rurality, ethnicity, deprivation and so on.

For example:

- Those from lower income and/or traditionally working class neighbourhoods are less likely to engage in lifelong learning.
- Where cultural effects overcome poor socio-economic backgrounds to result in better than average educational performance.
Introduction

BACKGROUND

Each year, we publish several key documents that inform the planning and investment choices we set out in our Annual Statement of priorities. These include findings from key research surveys (for example National Employer Skills Survey), Statistical First Releases, the Skills in England report and analytical information to support key funding and policy documents, such as Priorities for Success. Reliable and relevant evidence is vital to ensure such planning and investment is optimally delivered and evidence based. There are currently a number of different routes used to publish performance information on the learning and skills sector, and no complete overview of what has been delivered.

This report is an attempt to pull together all the key information into a single document that details the extent and nature of education, training and skills delivered by the provision we fund.

The outputs of this research provide an evidential basis for monitoring progress against targets, and delivering LSC priority delivery areas, which include:

- Funding, in line with Government priorities;
- National, regional and sectoral skills needs; and
- Extent, and direction, of change over time.

REPORT CONTENT

The report is structured around our key priority areas.

- **Chapter 1: Learning and skills provision in profile.** An overview of the extent and type of education and training provision in England in recent years.
- **Chapter 2: Delivering the 14–19 agenda.** An overview of under 19 learners, breaking down the headline data presented in Chapter 1.
- **Chapter 3: Delivering adult skills.** Following the same format as the previous chapter to detail adult and employer engagement in learning and skills.
- **Chapter 4: Delivering employability and inclusion through learning.** Structured around key themes for the LSC, illustrating how LSC-funded provision contributes to the wider aims of Government to improve employability and social mobility.
- **Chapter 5: LSC progress against PSA targets.** A close to the report, reflecting on our progress towards targets.
### Report abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ACL</td>
<td>Adult and Community Learning (now referred to as Personal, Community and Development Learning. Data used in this report includes references to ACL due to the period covered by this report and introduction of PCDL and safeguard)</td>
</tr>
<tr>
<td>ALI</td>
<td>Adult Learning Inspectorate</td>
</tr>
<tr>
<td>BME</td>
<td>Black and Minority Ethnic</td>
</tr>
<tr>
<td>DCLG</td>
<td>Department for Communities and Local Government</td>
</tr>
<tr>
<td>DFES</td>
<td>Departments for Education and Skills</td>
</tr>
<tr>
<td>DWP</td>
<td>Department for Work and Pensions</td>
</tr>
<tr>
<td>E2E</td>
<td>Entry to Employment</td>
</tr>
<tr>
<td>EI</td>
<td>External Institutions</td>
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<tr>
<td>EMA</td>
<td>Education Maintenance Allowance</td>
</tr>
<tr>
<td>ETP</td>
<td>Employer Training Pilot</td>
</tr>
<tr>
<td>FE</td>
<td>Further Education</td>
</tr>
<tr>
<td>GFEC/TC</td>
<td>General FE and Tertiary College</td>
</tr>
<tr>
<td>HEFCE</td>
<td>Higher Education Funding Council for England</td>
</tr>
<tr>
<td>ILR</td>
<td>Individualised Learner Record</td>
</tr>
<tr>
<td>ISC</td>
<td>Independent Schools Council</td>
</tr>
<tr>
<td>LLDD</td>
<td>Learners with learning difficulties and/or disabilities</td>
</tr>
<tr>
<td>LSC</td>
<td>Learning and Skills Council</td>
</tr>
<tr>
<td>NEET</td>
<td>Not in education, employment or training</td>
</tr>
<tr>
<td>NESS</td>
<td>National Employer Skills Survey</td>
</tr>
<tr>
<td>PI</td>
<td>Performance Indicator</td>
</tr>
<tr>
<td>PLASC</td>
<td>Pupil Level Annual School Census</td>
</tr>
<tr>
<td>PSA</td>
<td>Public Service Agreement</td>
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<tr>
<td>QCA</td>
<td>Qualifications and Curriculum Authority</td>
</tr>
<tr>
<td>QIA</td>
<td>Quality Information Authority</td>
</tr>
<tr>
<td>RDA</td>
<td>Regional Development Agency</td>
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<tr>
<td>SFC</td>
<td>Sixth Form College</td>
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<tr>
<td>SSC</td>
<td>Sector Skills Council</td>
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<tr>
<td>SSF</td>
<td>School Sixth Forms</td>
</tr>
<tr>
<td>UfI</td>
<td>University for Industry</td>
</tr>
<tr>
<td>WBL</td>
<td>Work-based Learning</td>
</tr>
</tbody>
</table>
1. Learning and skills provision in profile

1.1 LSC-FUNDED PROVISION OF POST-16 LEARNING

Learner numbers in LSC-funded post-16 education and training in England totalled 6 million in 2004/05. As detailed in Table 1.1:

- There were 4.21 million learners in LSC-funded FE in 2004/05. This is an increase of 1.2 per cent on the 2003/04 figure;
- A total of 519,000 people participated in WBL during 2004/05, a 3.3 per cent decrease from 2003/04. The average number in learning was 300,000.
- A total of 915,000 learners were enrolled on ACL programmes in 2004/05. This is a decrease of 0.8 per cent on the previous year;
- The largest percentage increase in learner numbers was experienced in SSF, rising by 3.4 per cent to 362,000 in 2004/05. In a broader context, the number of school sixth formers has increased from 328,000 in September 2001 to 369,000 in September 2005 (this is a 12.5 per cent rise in SSF pupil numbers against a demographic increase of 7.2 per cent in the number of 16 to 19 year olds over the same period).1

In addition to LSC-funded post-16 provision, other provision is delivered through independent schools and through employers. According to the Independent Schools Council (ISC), a total of 97,600 16 to 19 year old pupils populated independent schools in the UK in January 2005 (a 0.6 per cent fall since 2004).2,3 This is equivalent to around one-quarter of learner numbers in LSC-funded SSF (which cater for a similar age group).

Employers also take responsibility for investment in education and training beyond LSC provision and indeed invest far more (with a current estimated investment of £33bn). The evidence suggests that employers are recognising the benefits of workforce skills development.

- In the 2005 National Employer Skills Survey (NESS) employers reported that they had provided training over the previous 12 months to almost 13.1 million workers, equivalent to three-fifths of the total current workforce (61 per cent, unchanged from 2004);4
- Some employer training is itself through FE institutions – just over a quarter (28 per cent) of employers that had funded or arranged training in the last 12 months (representing 18 per cent of all employers) had used an FE College to deliver some of their training. The vast majority were satisfied with the FE provision (82 per cent), though 8 per cent expressed dissatisfaction.

### Table 1.1: Learner numbers in England

<table>
<thead>
<tr>
<th>Further Education*</th>
<th>Work-based Learning**</th>
<th>Adult and Community Learning</th>
<th>School Sixth Forms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>% change</td>
<td>Number</td>
<td>% change</td>
</tr>
<tr>
<td>2003/04</td>
<td>4,155,300</td>
<td>535,900</td>
<td>922,700</td>
</tr>
<tr>
<td>2004/05</td>
<td>4,206,200</td>
<td>518,500</td>
<td>914,900</td>
</tr>
</tbody>
</table>

* University for Industry (UfI) provision is included with the data for Further Education in this table
** Work-based Learning comprises Advanced WBL, WBL at Level 2, NVQ Learning and Entry to Employment (E2E)

Source: ILR/SFR08 for Further Education, Work-based Learning and Adult and Community Learning; LSC Performance Report for School Sixth Forms

2 The total figure is grossed up from a sample estimate, based on the coverage of ISC schools to the total number of independent schools in the UK (around 80 per cent).
1.1.1 LSC funding streams
Total spending by the LSC in the year to March 2006 was £10.4 billion, a 13 per cent increase on the previous year (£9.2 billion). Almost half was allocated to FE, followed in value by SSF and WBL and E2E (Figure 1.1). A range of other programmes, such as learner support and local development funding, accounted for 21 per cent of LSC spending, and administration amounted to 3 per cent of expenditure.

The allocation of spend across learning areas has remained broadly the same between 2004/05 and 2005/06. There has been a slight increase in share – from 19 to 21 per cent – of spend on other programmes; and a slight decrease in share for WBL and E2E (12 to 10 per cent) and SSF (18 to 17 per cent).

1.1.2 Post-16 institutions
There are a total of 531 institutions that are funded under our FE umbrella:

- 261 General FE and Tertiary Colleges (GFEC/TC), amounting to 49 per cent of the total institutions;
- Former External Institutions (EI) number 131, or 25 per cent of the total;
- There are 103 Sixth Form Colleges, 19 per cent of all FE LSC institutions.

- Followed by different Specialist Colleges including:
  - 19 Specialist Agriculture and Horticulture Institutions (4 per cent of all LSC-funded FE institutions);
  - 13 Specialist Designated Colleges (2 per cent);
  - Four Specialist Art, Design and Performing Arts Colleges (1 per cent).

There are a further 1,760 School Sixth Forms and a total of 758 Work-based Learning providers, of which 254 are FE colleges.

1.2 CHARACTERISTICS OF LEARNERS

Gender
In total, 61 per cent of LSC funded learners (covering FE, WBL and ACL) in 2004/05 were female, with female over-representation a continuing annual trend. That said, a breakdown of the total illustrates that male learners are the larger group in WBL:

- 59 per cent of learners in FE in 2004/05 were female, 41 per cent were male;
- In contrast, 43 per cent of WBL learners were female, and 57 per cent male;
- 77 per cent of learners in ACL were female, and 23 per cent male.

Age
In line with the LSC’s statutory role, the largest group of total FE, WBL and ACL learners is the under 19 age group, with one-third of all learners under 25 years of age. However, we fund learners of all age groups, as illustrated in the profiles of learners by age in Figure 1.2:

- 19 per cent of all learners are aged under 19, followed in volume by the 19 to 24 age group and those aged 60 plus;
- The number of learners aged under 19 increased by 4.3 per cent between 2003/04 and 2004/05 from 699,000 to 729,000, and the number of adults (aged 19 and over) increased by 0.6 per cent to 3.48 million;
- Learner enrolments across FE, WBL and ACL vary considerably by age group – WBL is almost solely delivered to those aged under 25 due to programme eligibility, while one quarter (26 per cent) of ACL learners are aged over 60.

Figure 1.1: Profile of LSC spend, by type of provision

![Profile of LSC spend, by type of provision](image)

<table>
<thead>
<tr>
<th>Year</th>
<th>Provision</th>
<th>Spend (Million)</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Further education</td>
<td>£4,498 million</td>
<td>49%</td>
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<td>School sixth forms</td>
<td>£1,655 million</td>
<td>18%</td>
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<td></td>
<td>Apprenticeships and E2E</td>
<td>£1,105 million</td>
<td>12%</td>
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<td></td>
<td>Other programmes</td>
<td>£1,759 million</td>
<td>19%</td>
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<td>Administration</td>
<td>£233 million</td>
<td>3%</td>
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<tr>
<td>2004/05</td>
<td></td>
<td>£5,160 million</td>
<td>(49%)</td>
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<tr>
<td></td>
<td></td>
<td>£1,783 million</td>
<td>(17%)</td>
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<tr>
<td></td>
<td></td>
<td>£1,047 million</td>
<td>(10%)</td>
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<tr>
<td></td>
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<td>£2,147 million</td>
<td>(21%)</td>
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<td></td>
<td></td>
<td>£281 million</td>
<td>(3%)</td>
</tr>
</tbody>
</table>
Ethnicity

Around one-fifth of FE, WBL and ACL funded learners are from a Black or Minority Ethnic (BME) groups. To put this in context, almost one in ten people in England are from a BME group. Representation of learners from the BME group is lower in WBL than for either FE or ACL (Figure 1.3):

- 80 per cent of learners in FE were recorded as being of white ethnicity and 16 per cent from minority ethnic groups. Information on ethnicity was not available for the remaining 4.2 per cent of learners (with the percentage with unknown ethnicity decreasing from 4.9 per cent in 2003/04);
- 92 per cent of learners in WBL were recorded as being of white ethnicity and 6.9 per cent from minority ethnic groups. Information on ethnicity was not available for the remaining 1.0 per cent of learners;
- 82 per cent of learners in ACL were recorded as being of white ethnicity and 10 per cent from minority ethnic groups. Information on ethnicity was not available for the remaining 8.1 per cent of learners.

Learners with learning difficulties and/or disabilities

Current trends indicate that the headline number of learners with learning difficulties and/or disabilities (LLDD) in the sector is likely to increase. A total of 641,000 post-16 learners with learning difficulties or disabilities were recorded in 2004/05, represented across all types of provision but concentrated in FE (63 per cent of the total). The most common type of disability was ‘other’ medical conditions such as epilepsy, asthma and diabetes, followed by ‘other’ disability affecting mobility and hearing impairments. The most common type of learning difficulty was moderate learning difficulties, dyslexia and ‘other’ disabilities. The breakdown by gender and age is illustrated in Figure 1.4. This indicates that by gender there is little difference in the representation of people with disabilities according to type of provision.

In examining learners with disabilities there are a number of data quality and validity issues. Firstly, the data in this area relies on learner self-declaration, which may result in accuracy issues and/or under/over representation. Secondly, participation and achievement data for this group is derived from three separate data sources: the Individualised Learner Record (ILR), Pupil Level Annual School Census (PLASC) and our database for learners with disabilities attending programmes at independent specialist providers. At present, these three data sources use different definitions and do not record the same information.

As a result of current data limitations, there may be some disparities and omissions relating to this group of learners in this document.

Figure 1.2: Profile of learners, by age

Proportion of learners on LSC-funded FE, WBL and ACL provision in 2004/05, by age and type

<table>
<thead>
<tr>
<th>Age</th>
<th>FE</th>
<th>WBL</th>
<th>ACL</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 19</td>
<td>17%</td>
<td>56%</td>
<td>3%</td>
<td>19%</td>
</tr>
<tr>
<td>19–24</td>
<td>13%</td>
<td>42%</td>
<td>5%</td>
<td>14%</td>
</tr>
<tr>
<td>25–29</td>
<td>10%</td>
<td>1%</td>
<td>7%</td>
<td>9%</td>
</tr>
<tr>
<td>30–34</td>
<td>10%</td>
<td>1%</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>35–39</td>
<td>11%</td>
<td>10%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>40–44</td>
<td>10%</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>45–49</td>
<td>5%</td>
<td>8%</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>50–54</td>
<td>6%</td>
<td>9%</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>55–59</td>
<td>5%</td>
<td>9%</td>
<td>9%</td>
<td>5%</td>
</tr>
<tr>
<td>60+</td>
<td>9%</td>
<td>26%</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Unknown</td>
<td>&lt;0.5%</td>
<td>5%</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: ILR/SFR08

Figure 1.3: Profile of learners, by ethnicity

Proportion of learners on LSC-funded FE, WBL and ACL provision in 2004/05, by ethnicity and gender

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Further Education</th>
<th>WBL</th>
<th>Adult and Community Learning</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>78.8%</td>
<td>53%</td>
<td>82.0%</td>
</tr>
<tr>
<td>Black</td>
<td>5.3%</td>
<td>2.2%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Asian</td>
<td>6.4%</td>
<td>2.7%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Mixed/Other</td>
<td>4.3%</td>
<td>2.0%</td>
<td>2.7%</td>
</tr>
<tr>
<td>Unknown</td>
<td>&lt;0.5%</td>
<td>1.0%</td>
<td>6.1%</td>
</tr>
</tbody>
</table>

Source: ILR/SFR08

7 A detailed breakdown of the ethnic groups reported on in this section is available in Appendix B.
10 Source: LSC, August 2006.
To improve the knowledge base around learners with disabilities, we are working, as part of agenda for change, to implement the ‘Data theme’. This is alongside the implementation of the data-related recommendations of the Through Inclusion to Excellence report. In future, this annual progress report will feature more information on learners with disabilities.

1.3 QUALIFICATION AND SKILLS PROFILE

1.3.1 Qualification level

The majority of LSC-funded provision is delivered up to and including Level 3 and equivalent.

By age and type of provision (Figure 1.5):

- Over half (57 per cent) of 16–18 learners in WBL are working towards a highest qualification at Level 2, while in FE 53 per cent are working towards Level 3;
- In WBL, an almost even proportion of adult learners (who are primarily 19 to 24 year olds, see Figure 1.2) are enrolled on Level 2 and Level 3 courses. In contrast, the focus of adult participants in FE is on programmes with the most common level being Level 1 and entry.
- There is a relatively small amount of provision at Levels 4 and above, which equate to degree level provision and above. This is mainly because the remit for funding higher education lies with the Higher Education Funding Council (HEFCE). Many FE providers deliver HEFCE-funded provision in partnership with Universities.
- An analysis of Individualised Learner Records (ILR04/05) indicates that ACL provision is primarily at Level 1, with a small amount (around 5 per cent) also delivered at Level 2.11

1.3.2 Subject area

Subject areas for LSC-funded provision are termed Areas of Learning. These match the 14 subject areas currently used by the Adult Learning Inspectorate (ALI).12 They are captured in ILR data returns and analysis is shown in Figure 1.6:

- The most popular areas of learning followed by FE learners in 2004/05 was Information and Communication Technology (18 per cent) and Health, Social Care and Public Services (16 per cent);
- The most popular area of learning in WBL in 2004/05 was Engineering, Technology and Manufacturing (20 per cent), as in 2003/04;13
- The most popular areas of learning for ACL in both 2003/0414 and 2004/05 were Visual and Performing Arts and Media (28 per cent in 2004/05) and Hospitality, Sports, Leisure and Travel (22 per cent).

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11 Source: Bespoke analysis of Individual Learner Records (ILR04/05) undertaken for this report.
12 The LSC also breaks down provision according to Sector Subject Areas (SSAs), which are defined in Appendix B.
14 ibid.
There are some notable distinctions in subject area provision when analysed by qualification level, which furthers our understanding of programme delivery according to priority provision at Level 2 and 3.

As shown in Figure 1.7:

- Level 1 and entry provision in FE is most likely within Information and Communication Technology and Hospitality, Sports, Leisure and Travel. In contrast, around two-thirds of Humanities aims are delivered at Level 3.
- Level 2 provision in WBL is delivered across all areas of learning, with particular concentrations within Construction; Retailing, Customer Service and Transportation; Hairdressing and Beauty Therapy and English, Languages and Communications.
- The majority of ACL provision is at Level 1, with some Level 2 delivery within Business Administration, Management and Professional.

### 1.3.3 Programme type

Based on named courses, excluding ‘other’ and unclassified, around half of all enrolments in FE and ACL in 2004/05 were GCE A/AS/A2 level, followed in number by NVQs. In smaller volumes, FE also delivered GNQVs/AVCEs while ACL also delivered GCSEs, although this represents only a small minority of named courses.

In WBL the average number in learning on an Apprenticeship in 2004/05 was 255,800 (Figure 1.8), an increase of 3.2 per cent over 2003/04. In addition, the policy to move towards full framework delivery has resulted in a move away from NVQ learning and towards Apprenticeships. An average of 26,300 learners were on E2E programmes in 2004/05, a decrease in enrolments on equivalent programmes in 2003/04.

### 1.4 POST-16 SUCCESS RATES

#### 1.4.1 Type of provision

The trend in recent years has been for a steady improvement in achievement and success across LSC-funded provision. However, at present different methods are used to calculate achievement and success measures for learners in FE, WBL, and SSF so relative success measures are not directly comparable.

Success rates in FE are calculated as the number of qualifications achieved divided by the number of starters who do not transfer out. In WBL we focus upon the performance of success rates for the whole framework, which combines together a number of separate qualifications. Using this methodology, the FE outputs, which are shown in Figure 1.9, are:

- Overall success rates have increased by 2.6 percentage points from 2003/04 to 2004/05 to stand at 74 per cent. Increasing retention and achievement rates have both contributed to this overall improvement.

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15 Source: ILR04/05 undertaken for this report.
16 The success rates are calculated as the number of learning aims achieved divided by the number of starters, excluding any learners who transferred onto another qualification within the same institution. The qualification a learner transfers onto will be included as a start. Success rates can also be derived by multiplying the retention rate by the achievement rate. The retention rate is calculated as the number of qualifications completed divided by the number of starts, excluding transfers. The achievement rate is calculated as the number of qualifications achieved divided by the number of completed qualifications. These statistics relate to learning aims so learners with more than one learning aim are included once for each aim.
The overall FE College success rates equalled 75 per cent, exceeding the target of 72 per cent set within the Success for All programme (a further target of 76 per cent has been set to be met by 2007/08).

The highest success rates in FE are evident in SFC. This is for the most part attributable to the delivery of Level 3 qualifications, which are generally higher across the FE sector.

Furthermore:

The success rate for full Level 2 courses has increased by 5.6 percentage points to 61.4 per cent between 2003/04 and 2004/05. This supports the PSA targets for Level 2 attainment at age 19 and adults. In autumn 2005, 69.8 per cent of people aged 19 were qualified to at least Level 2 and 73.2 per cent of economically active adults had a qualification at Level 2 or higher.

Female learners continue to have higher success rates than males, although the gap narrowed from 2.1 per cent to 1.6 per cent between 2003/04 and 2004/05.

Analysis by sector subject area shows that most categories improved their long course success rates by between 3 and 5 percentage points between 2003/04 and 2004/05. However, long course success rates for Preparation for Life and Work were the same as in the previous year; this was the only category not to show an increase.

Compared to success rates in 2002/03, progress was particularly strong in the last year in Health, Public Services and Care; Leisure, Travel and Tourism; and Agriculture, Horticulture and Animal Care.

Further analysis by sector suggests that while female learners generally have higher success rates than males, this trend is particularly strong in Engineering and Manufacturing Technologies; and Construction, Planning and the Built Environment, sector subject areas dominated by male starts. However, the reverse is true for Agriculture, Horticulture and Animal Care; and Health, Public Services and Care, the latter with a strong representation of female starts.

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**Figure 1.6: Profile of learners, by area of learning**

Proportion of learners on LSC-funded FE, WBL and ACL provision in 2004/05, by area of learning

<table>
<thead>
<tr>
<th>Area of Learning</th>
<th>FE</th>
<th>WBL</th>
<th>ACL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business administration, Management and Professional</td>
<td>9%</td>
<td>10%</td>
<td>1%</td>
</tr>
<tr>
<td>Construction</td>
<td>3%</td>
<td>11%</td>
<td>1%</td>
</tr>
<tr>
<td>Engineering, Technology and Manufacturing</td>
<td>4%</td>
<td>20%</td>
<td>&lt;0.5%</td>
</tr>
<tr>
<td>English, Languages and Communications</td>
<td>6%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Foundation programmes</td>
<td>15%</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>Hairdressing and Beauty Therapy</td>
<td>3%</td>
<td>7%</td>
<td>3%</td>
</tr>
<tr>
<td>Health, Social Care and Public Services</td>
<td>16%</td>
<td>11%</td>
<td>5%</td>
</tr>
<tr>
<td>Hospitality, Sports, Leisure and Travel</td>
<td>8%</td>
<td>9%</td>
<td>22%</td>
</tr>
<tr>
<td>Humanities</td>
<td>8%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Information &amp; Communications and Technology</td>
<td>18%</td>
<td>2%</td>
<td>9%</td>
</tr>
<tr>
<td>Land based provision</td>
<td>1%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Retailing, Customer Service and Transportation</td>
<td>11%</td>
<td>12%</td>
<td>&lt;0.5%</td>
</tr>
<tr>
<td>Science and Mathematics</td>
<td>4%</td>
<td>&lt;0.5%</td>
<td></td>
</tr>
<tr>
<td>Visual and Performing Arts and Media</td>
<td>7%</td>
<td>&lt;0.5%</td>
<td>28%</td>
</tr>
<tr>
<td>Not known</td>
<td>3%</td>
<td>17%</td>
<td>&lt;0.5%</td>
</tr>
</tbody>
</table>

Source: ILR/SFR08

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18 ibid.
Statistics on success rates within WBL (Figure 1.10) show that:\textsuperscript{22}

- The complete framework success rate was 40 per cent, up from 31 per cent in 2003/04.
- There has been an increase in the complete framework success rates for Advanced Apprenticeships (at Level 3) and Apprenticeships (at Level 2) of 6 and 10 percentage points respectively in 2004/05 on the previous year;
- At Level 2, improvements in success rates were greatest in Construction, Planning and the Built Environment; and Health, Public Services and Care (15 percentage points); and Engineering and Manufacturing Technologies (14 percentage points).\textsuperscript{23}
- At Level 3, improvements in success rates were greatest in Business, Administration and Law (11 percentage points); and Engineering and Manufacturing Technologies (9 percentage points). In contrast, success rates in Leisure, Travel and Tourism fell by 10 percentage points.\textsuperscript{24}
- As an NVQ is a component of a framework, it is as expected that the highest success rates for a framework or NVQ component are evident for NVQ training (56 per cent), with a relatively consistent success rate of around 50 per cent for others.
- Furthermore, increases in overall current success rates were comparable for the under 19s and older learners, and there is no gender difference.\textsuperscript{25} And of the five target sectors, the most improved sector achievement rates were experienced in Health and Social Care.

Currently, post-16 performance tables produced by the Department for Education and Skills (DFES) report the achievements of 16 to 18 year olds in schools using the average point scores achieved by learners when they take examinations.\textsuperscript{26}

Data shows a steady rise in achievement year on year:

- The average score achieved per student rose from 254.7 in 2003 to 277.8 in 2005,\textsuperscript{27} while the average point score per examination also rose, albeit to a lesser extent, from 76.0 per exam to

\begin{figure}
\centering
\includegraphics[width=\textwidth]{figure17.png}
\caption{Profile of study, by area of learning and qualification level}
\end{figure}

\textsuperscript{22} For Apprenticeships the success rates are calculated as the number of leavers who either meet all of the requirements of their Apprenticeship framework, or achieve an NVQ required by the framework, divided by the number of learners who have either left training or successfully completed their programme. Learners who have transferred to another programme are excluded from the calculation until such time as they finally complete their programme or leave learning. This methodology means that if the number of learners leaving training decreases significantly between years, then success will increase (and vice versa), even if the underlying performance of learners remains constant. For learners working towards National Vocational Qualifications (NVQs) the success rate will be the number of learners who have achieved the NVQ divided by the number of learners who left learning or successfully completed their programme. As with Apprenticeships, year on year comparisons of success rate calculation will be influenced by changes in the number of learners who have left.


\textsuperscript{24} ibid.

\textsuperscript{25} ibid.

\textsuperscript{26} Although this provides a common measure, it does so only for a limited range of qualifications (GCSE, A/AS, AVCE and Level 3 Key Skills).

\textsuperscript{27} The average point score per student is calculated as the sum of the points awarded to each 16–18 year old student, using a point scoring system, divided by the total number of 16–18 year old students entered for a GCE/VCE A level or Key Skill at Level 3.
In combination, these statistics suggest that pupils are sitting more exams (hence the score per student is rising) but that the level of achievement per exam entry is more static, though improving marginally.

- The proportion of individuals achieving a qualification shows a general upwards trend:
  - In the case of intermediate vocational qualifications (for example, GNVQs, BTEC first qualification; City and Guilds Diploma intermediate level), the proportion achieving rose from 68 per cent in 2001 to 80 per cent in 2005;
  - While in the case of Other Advanced awards (for example, BTEC, City and Guilds Diploma), the proportion rose from 80 per cent in 2001 to 86 per cent in 2005;

Achievement of the Advanced Extension Award has shown less of an increase with 55 per cent of entrants achieving it annually to 2005.

1.4.2 WBL Framework Completions

Our target for Apprenticeships is to increase the number of learners completing their Apprenticeship by 75 per cent in 2007/08, compared to 2002/03. This means 75,500 apprentices completing their framework in 2007/08.

Figure 1.8: Profile of WBL learners (average in learning)

<table>
<thead>
<tr>
<th>Learners on WBL provision, 2004/05 year average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Apprenticeship</td>
</tr>
<tr>
<td>Apprenticeship</td>
</tr>
<tr>
<td>NVQ Learning</td>
</tr>
<tr>
<td>Entry to Employment</td>
</tr>
</tbody>
</table>

In 2003/04, 52,000 Apprenticeship frameworks were achieved and in 2004/05 this increased to 68,000, an annual increase of 31 per cent (Figure 1.12). The latest figures for 2005/06 show that Apprenticeship completions are expected to reach in excess of 75,000 by the end of the year, building on a rate of over 50 per cent of apprentices completing their WBL frameworks in 2005/06 (up from 24 per cent in 2001/02).

1.5 QUALITY – INSPECTION AND LEARNER SATISFACTION

Overall, learners in LSC-funded provision are more satisfied than ever before with their experience. Levels of satisfaction (that is, those that said they were ‘extremely satisfied’ and ‘very satisfied’) in 2004/05 are at their highest levels for the four years since the survey began (Figure 1.13), and up on the previous year (2003/04).

Furthermore, the proportion of learners expressing themselves as being ‘extremely satisfied’ rose in all areas of learning, with learners receiving education and training through Adult Learning Providers and Non-accredited Adult and Community providers expressing the highest levels of satisfaction (33 per cent and 39 per cent respectively were ‘extremely satisfied’).

Nevertheless, there is still scope for improvement, particularly in WBL where 9 per cent of learners said they were not satisfied with their learning experience (that is, those who were ambivalent or fairly or very or extremely dissatisfied) and 29 per cent were only ‘fairly satisfied’ (although WBL had the largest increase in learners who were ‘extremely satisfied’).

1.5.1 Type of provision

Parents of school children view primary and secondary education, the pathway to LSC-funded provision, positively. Drawing predominantly on evidence from 7,000 Ofsted inspections conducted between September 2003 and the first week of July 2005, it was found that: “A very high proportion of parents are satisfied with the school that their child attends, and the quality of links with parents has improved steadily in recent years. Parents’ satisfaction is strongly associated with school effectiveness and the achievement of pupil. Parents’ level of satisfaction is also found to be strongly associated with other aspects of the school, especially the ethos, the quality of the leadership and management, the behaviour of pupils, the welfare of pupils and the handling of issues such as bullying and harassment.”

According to Ofsted inspection results of FE provision, “most teaching in FE colleges is good or better, and the great majority of colleges are satisfactorily or well managed. Sixth form colleges make almost uniformly good provision.”

Furthermore, there has been a slight but accelerating trend of improvement:

- Success rates have risen, there is more good and outstanding rated teaching, and the proportion of unsatisfactory provision has fallen. The proportion of colleges that are deemed inadequate has also fallen from 11 per cent to just over 4 per cent
- The quality of colleges’ self-assessment and quality assurance mechanisms has also improved.

28 The average point score per examination entry is calculated as the sum of the points awarded to each 16–18 year old student, divided by the total number of GCE/VCE examination entries.
29 LSC (not dated) LSC Delivery Plan 2006/07.
31 Ofsted (March 2006) Parents’ satisfaction with schools.
32 Ofsted (November 2005) Further education matters – The first four years of Ofsted/ALI college inspections.
Ofsted report that the main strengths of FE are:
• the success of the best colleges in the whole community through a commitment to social inclusion;
• its contribution to 14 to 19 developments through increasing collaboration with schools to provide vocational alternatives;
• the quality of support and guidance given to young people aged 16 to 19;
• the responsiveness of colleges to the needs of employers; and
• the responsiveness of colleges to government policies and initiatives.

As with the LSC National Learner Satisfaction Survey, UfI/learndirect undertook a survey of learndirect learners. Headline findings from the 2002 research found that the majority of learners said they were very satisfied, linked to product and support issues. Overall satisfaction had increased from 18 months previous.33

Figure 1.9: Post-16 success rates in FE

Success rates in Further Education 2002/03 to 2004/05. All institutions by institution type

Source: ILR/SFR10

Figure 1.10: Post-16 success rates in WBL

Current success rates in Work-based learning 2003/04 to 2004/05 by programme type

Source: ILR/SFR10

33 BMG Research for UfI/learndirect (November 2002) Are learndirect Learners Satisfied: Research Summary.
Delivering Learning and Skills – Progress Report 2006

Figure 1.11: Post-16 achievement rates in schools

Post-16 school and college achievement and attainment

Source: DfES School and College Achievement and Attainment Tables

Figure 1.12: Apprenticeship achievements in WBL

Work Based Learning Apprenticeship completions – Performance Indicator baseline and progress

Source: LSC Delivery Plan 2006/07

Figure 1.13: LSC learner levels of satisfaction

Overall satisfaction with learning experience 2001/02 to 2004/05 by type of provision

Source: LSC National Learner Satisfaction Survey
2 Delivering the 14–19 agenda

2.1 PARTICIPATION IN EDUCATION AND TRAINING

Absolute numbers of young people in education and training are at an all time high, and participation rates – the proportion of young people as a percentage of their population cohort participating in education – are shifting upwards, continuing the trajectory post 2002 which marked a low point (Figure 2.1):

- The proportion of 16 to 18 year olds in education and training was 76.2 per cent at the end of 2005, an increase from 75.2 per cent at the end of 2004, but still below the 77.6 per cent at the end of 1994.
- The total number of 16 to 18 year olds in education and training increased by 34,500 to over 1.5 million at the end of 2005.

The recent increase in participation in full-time education of young people has been supported by the introduction of the Education Maintenance Allowance (EMA). The first year of the national scheme achieved 82 per cent take-up by the target group.\textsuperscript{34} For year two, records suggest this will be exceeded with 84.3 per cent of eligible 16 year olds and 76.3 per cent of eligible 17 year olds taking up EMA by the end of April 2006. EMA will be fully rolled out to 16 to 18 year olds from September 2006 and its positive effect on participation is expected to continue.

Participation by age

The current participation rate of 76.2 per cent reflects a rise in participation rates amongst all young people (that is, 16, 17 and 18 year olds), with the more marked increases seen amongst 16 and 17 year olds (Figure 2.2):

- 89.1 per cent of all 16 year olds were in education or training at the end of 2005, falling to 80.3 per cent of all 17 year olds and 59.3 per cent of all 18 year olds.

\textsuperscript{34} LSC (June 2006) LSC Performance Report.
The proportion of 16 year olds, the first post-compulsory year, in full-time education at the end of 2005 is estimated at 76.5 per cent – the highest ever rate and an increase of 2.7 percentage points since the end of 2004. For many years, the 16 year-old participation rate in full-time education has been reasonably flat, but there have now been significant increases for the past two years.

Participation in full-time education by 17 year olds was 62.9 per cent at the end of 2005, an increase of 2.8 percentage points since the end of 2004, and also at its highest ever level.

Participation in full-time education by 18 year olds at the end of 2005 was 38.4 per cent, an increase of 0.9 percentage points from the end of 2004 but a decrease when compared with 38.7 per cent at the end of 1994.

The 14–19 Implementation Plan set the long-term ambition to transform participation, so ‘that by 2015 90 per cent of 17 year olds are participating’. On the most comparable measure, 17 year old participation in education and WBL was 76 per cent at end 2005, up by around 2 percentage points over the year.35

Post 16 pathways

The majority of young people (59 per cent) are in full-time education (Figure 2.3), but there are alternative routes: 8 per cent undertake WBL with a further 10 per cent of young people either in employer-funded training (5 per cent) or other training (5 per cent, such as part-time education not funded by employers or through WBL; also full- or part-time education in FE and HE institutions). A significant proportion of young people – almost a quarter (24 per cent) – are not in any form of education or training.

Gender

There is a gender divide in the path of young people leaving compulsory education, as Figure 2.4 shows. Females are more likely to enter full-time education (64 per cent of all females, compared to 55 per cent of all males), while males are more likely to enter WBL (9 per cent compared to 6 per cent) or employer-funded training (6 per cent compared to 4 per cent). Young men are more likely to be in the not in any education or training group (25 per cent compared to 22 per cent).

Level of participation

Over the past decade, there has been an increase in participation at the lowest and highest levels of the FE qualification spectrum (Figure 2.5):

- The proportion undertaking Level 1 and entry provision is increasing – up from 1.4 per cent of all 16 to 18 year olds in 1994 to 3.0 per cent in 2005. This would suggest an expansion, and therefore increased availability, of provision at this level;
- Participation at Level 3 has risen from 37 to 39 per cent, reflecting the increased focus on priority provision at Level 3. In contrast, Level 2 participation at 16–18 has decreased from 10 to 8 per cent over this period, but this in fact masks an increase in the number of 16 to 18 year olds in Level 2 education and training between 2000 and 2005;
- The proportion taking qualifications through WBL has fallen from 11 to 8 per cent, although the downturn is focused as planned within NVQ only learning. In contrast, in 2005 5 per cent of 16 to 18 year olds were engaged in WBL at Level 2 and 2 per cent in WBL at Level 3, from a near zero baseline in 1994.

---


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Figure 2.2: Participation of 16–18 year olds in education and training

Participation in education and training of 16, 17 and 18 year olds, England, 1994 onwards

<table>
<thead>
<tr>
<th>Year</th>
<th>18 year olds</th>
<th>17 year olds</th>
<th>16 year olds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td>60.7%</td>
<td>61.0%</td>
<td>61.3%</td>
</tr>
<tr>
<td>1995</td>
<td>61.4%</td>
<td>61.3%</td>
<td>61.2%</td>
</tr>
<tr>
<td>1996</td>
<td>61.3%</td>
<td>61.0%</td>
<td>61.1%</td>
</tr>
<tr>
<td>1997</td>
<td>61.0%</td>
<td>60.8%</td>
<td>60.6%</td>
</tr>
<tr>
<td>1998</td>
<td>60.6%</td>
<td>60.3%</td>
<td>60.0%</td>
</tr>
<tr>
<td>1999</td>
<td>60.2%</td>
<td>59.8%</td>
<td>59.5%</td>
</tr>
<tr>
<td>2000</td>
<td>60.0%</td>
<td>59.6%</td>
<td>59.3%</td>
</tr>
<tr>
<td>2001</td>
<td>59.7%</td>
<td>59.3%</td>
<td>59.0%</td>
</tr>
<tr>
<td>2002</td>
<td>59.4%</td>
<td>59.0%</td>
<td>58.7%</td>
</tr>
<tr>
<td>2003</td>
<td>59.1%</td>
<td>58.7%</td>
<td>58.4%</td>
</tr>
<tr>
<td>2004</td>
<td>58.8%</td>
<td>58.4%</td>
<td>58.1%</td>
</tr>
<tr>
<td>2005 provisional</td>
<td>58.5%</td>
<td>58.1%</td>
<td>57.8%</td>
</tr>
</tbody>
</table>

Source: DfES SFR21/2006

Figure 2.3: Participation of 16–18 year olds in education and training, by labour market status

Participation in education and training of 16–18 year olds by labour market status, England, 2005 provisional

- Not in any education or training: 24%
- Other education and training: 5%
- Employer Funded Training (EFT): 5%
- Work Based Learning (WBL): 8%
- Full-time education: 59%

Source: DfES SFR21/2006
2.1.1 LSC funded

A total of 1.1 million young people were in LSC-funded FE and SSF provision in 2004/05 and an average 194,000 in WBL and E2E (Table 2.1). In respect of the distribution of funding, the majority of students access LSC-funded programmes through FE or SSF, which have seen a rise in numbers of young people:

- Numbers of young people in FE rose from 705,000 in 2003/04 to 722,000 in 2004/05. An increase is planned for 2005/06 up to 738,000 learners;
- SSF also experienced an increase from 350,000 in 2003/04 to 362,000 in 2004/05, with a rise to 369,000 expected in 2005/06;
- In WBL, after a slight increase in young people from 165,800 in 2003/04 to 168,000 in 2004/05, a decrease is expected for 2005/06 to 163,000;
- The numbers of young people in E2E programmes is also experiencing a decline. From 25,600 in 2004/05, the level is expected to fall to 24,800 in 2005/06.

Total funding of participation for young people in FE, WBL, SSF and E2E in 2005/06 is estimated as £5.4 billion, which marks a 7 per cent increase on 2004/05 (in addition, expenditure increased by 8 per cent between 2003/04 and 2004/05).36 The increased expenditure reflects the costs of increasing participation, increases in funding rates, and changes in the mix of learner programmes. In addition, in the second year of roll-out, expenditure on EMAs will be £570 million, a 40 per cent increase from 2005/06.

Table 2.1: 16–18 learner numbers in England

<table>
<thead>
<tr>
<th></th>
<th>2003/04 (actual)</th>
<th>2004/05 (actual)</th>
<th>2005/06 (expected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Further Education</td>
<td>705,000</td>
<td>722,000</td>
<td>738,000</td>
</tr>
<tr>
<td>Work-based Learning</td>
<td>165,800</td>
<td>168,000</td>
<td>163,000</td>
</tr>
<tr>
<td>School Sixth Forms</td>
<td>350,000</td>
<td>362,000</td>
<td>369,000</td>
</tr>
<tr>
<td>Entry to Employment</td>
<td>n/a</td>
<td>25,600</td>
<td>24,800</td>
</tr>
</tbody>
</table>

Source: LSC Delivery Plan 2005/06 for 2003/04; LSC Delivery Plan 2006/07 for 2004/05 and 2005/06

36 LSC (not dated) LSC Delivery Plan 2005/06; and LSC (not dated), LSC Delivery Plan 2006/07.
2.2 NOT IN EDUCATION, EMPLOYMENT OR TRAINING

Disengagement with the education system early in life is associated with poorer life outcomes. The group of young people 16 plus who are not in education, employment or training (NEET) is therefore a cause for concern, hence the DfES PSA target to reduce the proportion of young people not in education, employment or training by 2 percentage points by 2010. The baseline is the 2004 level of 10 per cent. The LSC plays an important part in the delivery of this target by ensuring there are sufficient and appropriate opportunities for these young people to enter learning.

The proportion of 16 to 18 year old NEETs increased from 10 per cent at end 2004 to 11 per cent at end 2005. The total number of 16 to 18 year old NEETs was estimated at 220,000 at the end of 2005. This statistic is the result of an increase in overall participation in learning by 16 to 18 year olds but a reduction in the proportion of 16 to 18 year olds in work.

That said, the 10 per cent categorised as NEET at any one time are not a consistent or homogenous group. The DfES youth cohort study, which tracks cohorts of young people over a longitudinal time horizon, shows only one per cent of the cohort are NEET at all three snapshots of age 16, 17 and 18. Within the 10 per cent of 16 to 18 year olds there will be some young people who are taking gap years or changing their direction. It is those young people who experience longer periods of being NEET that are of most concern and in most need of support. There is a strong correlation to measures and indicators of disadvantage for these young people.

Young people are more likely to appreciate the benefits of engagement if the experiences and responses from family and career advisors are positive. A simple regional ranking of the percentage of 16 to 18 year old NEET versus employment and inactivity rates shows strong correlation with the performance of the wider labour market (Table 2.2):

- The East of England, South West and South East have the lowest NEET rates, and are also experiencing the lowest unemployment rates and highest employment and economic activity rates.
- Conversely, the North East, North West and West Midlands rank as the highest regions for the percentage of 16 to 18 year old NEETs, while also bearing relatively high unemployment and low employment and economic activity overall.
- The trend in London is less clear, placed mid-table in terms of NEET, but with current employment and activity rates the lowest in England, and the highest unemployment rates. This partly reflects the distortion created by commuting patterns, and the uptake of employment opportunities from residents outside the region but which are visible to young people as they make their career choices.

### Table 2.2: Regional ranking of NEET, and wider labour market indicators

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>North East</td>
<td>London</td>
<td>London</td>
<td>London</td>
</tr>
<tr>
<td>2</td>
<td>West Midlands</td>
<td>North East</td>
<td>North East</td>
<td>North East</td>
</tr>
<tr>
<td>3</td>
<td>North West</td>
<td>North West</td>
<td>West Midlands</td>
<td>North West</td>
</tr>
<tr>
<td>4</td>
<td>Yorkshire and the Humber</td>
<td>West Midlands</td>
<td>Yorkshire and the Humber</td>
<td>West Midlands</td>
</tr>
<tr>
<td>5</td>
<td>London</td>
<td>Yorkshire and the Humber</td>
<td>East Midlands</td>
<td>Yorkshire and the Humber</td>
</tr>
<tr>
<td>6</td>
<td>East Midlands</td>
<td>East Midlands</td>
<td>North West</td>
<td>East Midlands</td>
</tr>
<tr>
<td>7</td>
<td>East of England</td>
<td>East of England</td>
<td>East of England</td>
<td>South West</td>
</tr>
<tr>
<td>8</td>
<td>South West</td>
<td>South East</td>
<td>South West</td>
<td>East of England</td>
</tr>
<tr>
<td>9</td>
<td>South East</td>
<td>South West</td>
<td>South East</td>
<td>South East</td>
</tr>
</tbody>
</table>

Source: Connexions/DfES for NEET; Annual Population Survey for labour market rates


38 To produce NEET estimates DfES firstly calculates the number of young people that are not in education or training (NET), by subtracting the number of young people known to be in education and training from the total population. They then use the LFS to estimate what proportion of that residual NET group is NEET.
2.3 16–18 ACHIEVEMENT AND SUCCESS

2.3.1 Type of provision
Across all FE provision (Figure 2.7) success rates for young people have risen from an average 69 per cent in 2003/04 to 72 per cent in 2004/05, although there is some variation by type of provision:

- GFEC/TC and SFC, which deliver the majority of learning to young people, both experienced improvement in success rates. Between 2002/03 and 2004/05 success rates rose by 4 percentage points to 68 per cent in GFEC/TC, and by 2 percentage points to 81 per cent in SFC.

- Specialist colleges and EI, of which there are fewer institutions delivering to fewer learners, both experienced a slight fall in success rates over the same period. In the case of Specialist colleges this was from 70 to 69 per cent and for EI from 63 per cent to 62 per cent.

Figure 2.6: Not in education, employment or training (NEET), by region
Percentage not in education, employment or training and % not known groups

Source: Connexions: DfES

Figure 2.7: 16–18 FE success rates
Success rates for 16–18 year olds in Further Education 2002/03 to 2004/05
All institutions by institution type

Source: ILR/SFR10
In WBL (Figure 2.8), the current full framework success rate in 2004/05 was 41 per cent, up from 33 per cent in 2003/04, and a rise was experienced at both Apprenticeship (Level 2) and Advanced Apprenticeship (Level 3).

As part of the complete framework, there was a relatively consistent success rate of around 50 per cent for all frameworks or NVQ components, although NVQ training experienced the largest increase since the year previous.

Currently post-16 performance tables report the achievements of 16 to 18 year olds in schools using the average point scores achieved by learners when they take examinations. The proportion of individuals achieving a qualification shows a general upward trend:

- The average score achieved per student rose from 254.7 in 2003 to 277.8 in 2005, while the average point score per examination also rose, albeit to a lesser extent, from 76.0 per exam to 79.9. In combination, these statistics suggest that pupils are sitting more exams (hence the score per student is rising) but that the level of achievement per exam entry is more static, though improving marginally.

- In the case of other vocational qualifications (for example, GNVQs, BTEC first qualification; City and Guilds Diploma intermediate level) the proportion achieving rose from 68 per cent in 2001 to 80 per cent in 2005;

- While in the case of Other Advanced awards (for example, BTEC, City and Guilds Diploma) rose from 80 per cent in 2001 to 86 per cent in 2005;

- Achievement of the Advanced Extension Award has shown less of an increase with 55 per cent of entrants achieving it in annually to 2005.

Although this provides a common measure, it does so only for a limited range of qualifications (GCSE, A/AS, AVCE and Level 3 Key Skills).

The average point score per student is calculated as the sum of the points awarded to each 16–18 year old student, using a point scoring system, divided by the total number of 16–18 year old students entered for a GCE/VCE A level or Key Skill at Level 3.

The average point score per examination entry is calculated as the sum of the points awarded to each 16–18 year old student, divided by the total number of GCE/VCE examination entries.
3 Delivering adult skills

3.1 19+ PARTICPATION IN EDUCATION AND TRAINING

3.1.1 LSC funded

Adult learning funded by the LSC prioritises those pursuing qualifications and employment-related skills, focusing on those qualifications that employers value and are need to fill skills shortages. The LSC also supports learners whose participation in learning is driven by an interest in acquiring new skills or for whom social interaction through learning is a step towards social inclusion. The overwhelming majority of LSC-funded adult learners are found in the FE sector, followed by ACL (a roughly 3:1 ratio). The LSC also supports learners whose participation in learning is driven by an interest in acquiring new skills or for whom social interaction through learning is a step towards social inclusion. The overwhelming majority of LSC-funded adult learners are found in the FE sector, followed by ACL (a roughly 3:1 ratio). The remaining adult learners (accounting for around one-fifth of all adult learners) were found on UfI, WBL and ETP programmes, although this percentage is increasing rapidly.

Overall numbers of LSC-funded adult learners have risen by 1.6 per cent between 2003/04 and 2004/05 from a total of 4.7 million to 4.8 million. Within this total volume there is a mix of different programmes (Table 3.1). The numbers of adults in FE has fallen (by 4.3 per cent) and there has also been a fall in numbers on ACL (by 1.9 per cent) and WBL (down 2.7 per cent) programmes. However, this was countered by a significant increase in starts on UfI programmes (up 64 per cent) and ETP (up 36 per cent).

In more detail:

- Adult learner numbers in FE stood at 3.1 million in 2004/05. This marks a slight fall on the preceding year (3.2 million) and reflects the focus on priority provision at Level 2 and 3. The LSC funded 850,000 adult Level 2 and 433,000 adult Level 3 learners in 2004/05.

- WBL also experienced a fall in numbers, although this was primarily the result of a fall in take up of NVQ only learning and a clearer focus on Apprenticeship frameworks. Numbers of learners on Apprenticeships increased over the same period.

- ACL accounted for 915,000 adult learners in 2004/05. This represents a fall on the preceding year (993,500).

- A total of 23,000 employers and almost 200,000 employees were involved in Employer Training Pilots – the forerunner to Train to Gain, the National Employer Training Programme – between September 2002 and August 2005,42 with starts most recently rising from 70,500 in 2003/04 to 96,000 in 2004/05.

- Between 2003/04 and 2004/05, the number of UfI learners increased by almost two-thirds, a noteworthy growth in take-up. UfI delivers learrdirect provision in high streets, shopping centres, libraries and other commonly accessed community spaces.

Table 3.1: 19+ learner numbers in England

<table>
<thead>
<tr>
<th>Number of adult learners (19+) participating on LSC-funded programmes</th>
<th>2003/04</th>
<th>2004/05</th>
<th>2005/06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Further Education</td>
<td>3,240,000</td>
<td>3,100,000</td>
<td>2,604,000</td>
</tr>
<tr>
<td>Work-based Learning (average in learning)</td>
<td>110,000</td>
<td>107,000</td>
<td>103,000</td>
</tr>
<tr>
<td>Adult and Community Learning</td>
<td>993,500</td>
<td>915,000</td>
<td>958,000</td>
</tr>
<tr>
<td>ETP starts/learners</td>
<td>70,500</td>
<td>96,000</td>
<td>n/a</td>
</tr>
<tr>
<td>University for Industry/Learndirect</td>
<td>300,000</td>
<td>493,000</td>
<td>500,000</td>
</tr>
</tbody>
</table>

Source: LSC Delivery Plan 2005/06 for 2003/04; LSC Delivery Plan 2006/07 for 2004/05 and 2005/06

• We have also funded a range of sector-based pilots to develop and test funding and delivery models; engaging with sector employers increases the responsiveness and flexibility of learning provision. Over the last three years over 20 pilots have been trialled with high levels of success. For example, alternative assessment within the care sector, the development of ITQ, and a schools support staff qualification plus the delivery of on-site assessment within the construction sector (on site assessment and training (OSAT)). The OSAT pilot alone recruited over 13,000 learners with a success rate of 73 per cent. In total almost 57,000 learners have been recruited and will enable us to better understand the offer to support sectors in the delivery of their priority qualifications and in particular at Level 2.

Total funding of FE participation for adult learners in 2005/06 is estimated as £2.9 billion, which marks a 4.6 per cent increase on 2004/05, despite the fact that overall adult learner numbers have fallen. The increase in funding is explained by the change in mix of provision being delivered from short to long courses and an increase in retention and achievement rates.

3.1.2 Employer supported

Up until 2002, overall adult participation in learning and training at work was identified in the Learning and Training at Work survey, conducted annually by DfES. The LSC NESS has since replaced this survey, and addresses training and workforce development activity and expenditure amongst employers in England. In 2005, employers reported providing training over the previous 12 months to just over 13.1 million workers, equivalent to three-fifths of the total current workforce.

Comparable data for 2003, 2004 and 2005 suggests a greater acceptance by employers of the importance of training, with the proportion training staff rising from 59 per cent to 65 per cent over this period, and those with a training plan increasing from 39 per cent to 45 per cent. Although there is little change in the proportion of employers with a budget for training, the number of employees receiving training per 1,000 has increased from 567 to 609.

The new National Employer Training Programme – Train to Gain – began in April 2006 and early indications are that it is attracting new employers, as well as those previously involved through the ETP.44

According to NESS, just under a fifth (18 per cent) of employers had used an FE college to deliver some of their training, and the vast majority (82 per cent) were satisfied with this provision.

### Figure 3.1: Adult FE success rates

Success rates for 19+ year olds in Further Education 2002/03 to 2004/05

<table>
<thead>
<tr>
<th>Institution Type</th>
<th>2002/03</th>
<th>2003/04</th>
<th>2004/05</th>
</tr>
</thead>
<tbody>
<tr>
<td>All institutions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General FE and Tertiary Colleges</td>
<td>77%</td>
<td>76%</td>
<td>75%</td>
</tr>
<tr>
<td>Sixth Form Colleges</td>
<td>77%</td>
<td>75%</td>
<td>73%</td>
</tr>
<tr>
<td>FE Colleges</td>
<td>73%</td>
<td>71%</td>
<td>68%</td>
</tr>
<tr>
<td>Specialist Colleges</td>
<td>66%</td>
<td>67%</td>
<td>68%</td>
</tr>
<tr>
<td>External Institutions</td>
<td>73%</td>
<td>72%</td>
<td>75%</td>
</tr>
<tr>
<td>All</td>
<td>77%</td>
<td>75%</td>
<td>73%</td>
</tr>
</tbody>
</table>

Source: ILR/SFR10

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44 LSC (June 2006) LSC Performance Report.
3.2 19+ ACHIEVEMENT AND SUCCESS

3.2.1 Type of provision

Across all FE provision (Figure 3.1) adult learner success rates have risen from an average 72 per cent in 2003/04 to 75 per cent in 2004/05, slightly above success rates for young learners. There is some variation by type of provision, with External Institutions performing below the average.

Current success rates for adult learners in WBL stood at 38 per cent in 2004/05, a 9 percentage point increase on the preceding year (Figure 3.2). This is a comparable increase to that of the under 19s (see Figure 2.8). The improvement is primarily down to an increase in the success rates of Level 2 WBL from 29 per cent to 40 per cent.

In terms of Apprenticeship frameworks and NVQ components, the average success rate was 53 per cent. The highest success rates were evident for NVQ training (66 per cent).

Figure 3.2: 19+ WBL success rates

19+ current success rates in Work-based learning 2003/04 to 2004/05, by programme type

Source: ILR/SFR10

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4 Delivering employability and inclusion through learning

4.1 THE POLICY CONTEXT

The LSC operates within a broad policy context that involves the activities of a wide range of agencies including central government departments for Education and Skills (DfES), Work and Pensions (DWP) and Communities and Local Government (DCLG); together with Regional Development Agencies (RDA); quality bodies such as the Quality Improvement Agency (QIA) and the Qualifications and Curriculum Authority (QCA); and the Sector Skills Councils (SSC).

Moving away from the focus on ‘concrete’ data to support delivery of targets and priorities presented in Chapters 1-3, this section reflects on the wider policy context shaping our work. To support this, we are piloting the use of the geo-demographic classification system Mosaic to examine the behaviour of different learner groups and patterns of learning activity.

4.1.1 Supporting policy aims using geo-demographic tools

Geo-demographics is the classification of people according to where they live. The classification system we use in this analysis is Experian’s Mosaic Public Sector, which covers the whole of the UK, classifying citizens into 11 groups and 61 types. The building of Mosaic Public Sector is a process involving detailed analysis of societal trends; identification of suitable data sources to input; sophisticated clustering analysis; followed by extensive fieldwork and market research to validate and interpret the segmentations.

Geo-demographics are used widely by commercial businesses to understand their consumer base and to identify market opportunities. Increasingly, the benefits of consumer segmentation, as it is widely known, are being successfully deployed to target the resources of public sector agencies and local government. Mosaic allows us to infer, where we have limited knowledge of personal level characteristics, information around such factors as income, rurality, ethnicity, deprivation and so on.

In the sections that follow we look at the impact the LSC and wider sector has had in delivering against wider social and economic priorities. To support this, we have included examples of ‘consumer segmentation’ to inform our understanding of learner characteristics in relation to these key policy imperatives.

4.2 UNDERSTANDING THE LEARNER MARKET

Understanding the learner base is the first step towards designing and delivering learning that meets their needs. Getting this right provides an essential basis for improving rates of participation and increasing the chances of success.

For example, we know that certain types of learning are much more likely to be taken up by younger age groups. The Mosaic analysis allows us to segment this in more detail so that we can look at the actual location and particular range of households where young learners predominate. These include:

- Successful, high earning couples with new jobs in areas of growing high tech employment;
- Military personnel living in purpose-built accommodation;
- Suburbs sought after by the more successful members of the Asian community;
- Communities of lowly paid factory workers;
- High density social housing, mostly in inner London, with high levels of diversity;
- Older tenements of small private flats often occupied by highly disadvantaged individuals;
- Social housing, typically in ‘new towns’, with good job opportunities for the poorly qualified.

We also know that, on average, black and minority ethnic learners make up around 18 per cent of the young FE learner population. However, as well as differentiating by the particular black or minority ethnic community from which people come, we can also differentiate according to the different location or cluster, including:

- Suburbs sought after by the more successful members of the Asian community;
- Communities of lowly paid factory workers;
- Inner city terraces attracting second generation settlers from diverse communities;
- High density social housing, mostly in inner London, with high levels of diversity.
Age and ethnicity are also factors used to develop groupings, but in mapping Mosaic to the learner profile we can extend the analysis further and show that, in very broad terms, the LSC does well in attracting learners from suburban, middle income areas and in attracting older learners from the more well off areas.\(^{46}\) A breakdown shows that:

- Across all types of learning — FE, WBL, ACL and UfI — the highest participation in FE-funded learning courses comes from older families living in suburbia and close-knit, inner city and manufacturing town communities groups;
- There is a generally low representation of older people living in social housing with high care needs and an under-representation (compared to the profile of the population) of educated, young, single people living in areas of transient population, which includes university students;
- Compared to the total population, FE learners are more likely to be drawn from close-knit, inner city and manufacturing town communities, people living in social housing with uncertain employment in deprived areas and low income families living in estate-based social housing;
- Learners are more likely to be in WBL if they are younger families living in newer homes,\(^{47}\) close-knit, inner city and manufacturing town communities, low income families living in estate-based social housing and upwardly mobile families living in homes bought from social landlords;
- Those learners that are more likely to be drawn to ACL are career professionals living in sought-after locations, older families living in suburbia, independent older people with relatively active lives and people living in rural areas far from urbanisation;
- UfI learners are most likely to be from people living in social housing with uncertain employment in deprived areas, low income families living in estate-based social housing, and close-knit, inner city and manufacturing town communities.

We are currently exploring the extent to which this type of analysis can help us to understand our local communities more and ensure that the range of learning opportunities available meets learner needs and aspirations.

### 4.3 Delivering Employability and Social Mobility

In today’s global economy the pace of change is unrelenting. The rise of the service sector continues, as does the decline of manufacturing employment. Within this structural shift, further change is also evident as the pattern of occupations changes too.

Operating in a labour market that is rapidly changing requires individuals to adapt and change their skills over the course of their lifetime. A job for life is now rare and the majority of individuals face changes of job and often occupation over their working lives. Furthermore, concern over pensions indicates that people will be in future working longer and are more likely to have multiple careers. The need to adapt to and prepare people for change is at the heart of our employability agenda.

#### 4.3.1 Delivering Skills for Life

For too many people in England, the issue is not just upskilling to keep pace with labour market changes but also developing the basic skills for life that many lack. Whilst we are on track to deliver our target for Skills for Life, many adults continue to suffer as a result of poor literacy and numeracy skills that are associated with lower incomes and unemployment and an increased likelihood of poor health and social exclusion. For example, research undertaken for the Social Exclusion Unit shows that lack of basic skills has intergenerational implications, with parenting skills having an impact on children’s performance in compulsory education and creating further cycles of disadvantage.

Skills for Life qualifications offer individuals an opportunity to develop basic literacy, numeracy and English language skills and are an LSC priority target area. Skills for Life learners make up more than a tenth of all FE learners, just under half of WBL learners and almost all ACL learners.

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46 This refers to FE, WBL, ACL and UfI, and does not cover provision in SSF (the data source is ILR 0405, which does not include SSF).
47 Analysis of under/over representation in WBL of the group is mainly driven by the type Military personnel living in purpose-built accommodation.
Figure 4.1 shows the characteristics of Skills for Life learners drawing on ILR data. These learners are predominantly:

- Young (under 19)
- Male
- Learners with learning difficulties and/or disabilities
- From BME groups

Figure 4.2 illustrates the profile of Skills for Life learners by regions and identifies above and below average representation:

- Regions performing particularly well in attracting Skills for Life learners are London and the North West.
- The regions that appear to be delivering fewer Skills for Life qualifications than would be expected are the East Midlands, the South West, and the West Midlands.

Across all areas, and particularly in those regions where we have identified that more could be done to reach expected levels of Skills for Life learning, we can profile learners in more detail. Skills for Life learners are most likely to be people living in social housing with uncertain employment in deprived areas, low income families living in estate-based housing and upwardly mobile families living in homes bought from social landlords groups, and some types within close-knit, inner city and manufacturing town communities.
4.4 INCLUSION AND WIDENING PARTICIPATION

Education and training are perhaps the most important tools in promoting social mobility and inclusion. Higher qualifications are associated with greater earnings and within families the life chances of young people are closely associated with the qualification levels of their parents. Participation in education and training, and the opportunities this opens access to, are key to success in adult and working life, and to career development. In contrast, lack of education and training is linked to poor basic skills, and limited academic and vocational achievement.

In profiling the success rates (the proportion of aims started and successfully achieved) against the Mosaic groupings show that:

- Above average achievement rates for career professionals living in sought-after locations, younger families living in newer homes, older families living in suburbs, independent older people with relatively active lifestyles and people living in rural areas far from urbanisation;
- Below average success rates for people living in social housing with uncertain employment in deprived areas, low income families living in estate-based social housing and upwardly mobile families living in homes bought from social landlords; and also for educated, young, single people living in areas of transient populations and close-knit, inner city and manufacturing town communities.

Again, we will be using this type of information to better target and adapt provision to meet learner needs.

4.5 PROMOTING PROVIDER EXCELLENCE

Resources are finite and the LSC is committed to getting the best value for public money. This means supporting learning that helps individuals access the labour market, and which is valued by employers and businesses as fit for purpose. It also means investing in those providers that provide excellent standards of delivery and achievement. Government funding needs to be targeted at those who have not reached the platform for employability – Level 2.

If we want all colleges and providers to deliver high-quality training and education, we must help them to improve quality and put learners’ and employers’ needs at the heart of the way they measure their performance. We want to support successful colleges and other delivery partners. Ideally, self-regulation based on providers reviewing their own and their colleagues’ performance would become the normal way of working. After consulting the sector, in January 2006 we published Planning for Success, which explains how we will make quality assurance part of the planning and funding process. And our New Measures for Success programme will allow us to publish a yearly review of performance. We have also made it clear that we will not fund providers who don’t make the grade after September 2008.

Conventionally, league tables of educational performance are predicated on achievement rates. There is dissatisfaction with this crude measure as it fails to take account of the different social and economic backgrounds of learners and consequently the real value added provided by an institution in achieving qualification success. There is work currently underway at the LSC to produce value added measures of FE institutional performance. The DfES already constructs alternative measures of performance for schools.

Figure 4.3: Relationship between FE disadvantage measures and achievement

<table>
<thead>
<tr>
<th>Disadvantage uplift factor</th>
<th>Achievement rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.00</td>
<td>0%</td>
</tr>
<tr>
<td>1.05</td>
<td>20%</td>
</tr>
<tr>
<td>1.10</td>
<td>40%</td>
</tr>
<tr>
<td>1.15</td>
<td>60%</td>
</tr>
<tr>
<td>1.20</td>
<td>80%</td>
</tr>
<tr>
<td>1.25</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: ILR 04/05

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48 Success rates, which are presented in previous sections of this report, are a combination of achievement and retention. However, in this section achievement was chosen as a straightforward means of illustrating attainment according to learner Mosaic type.

Within the LSC data which is used to measure success, there is an ‘uplift’ factor which represents additional funding provided for students who reside in a deprived area. Figure 4.3 shows the Disadvantage Uplift factor graphed against success using the FE ILR aims database. We would expect a relationship between the uplift factor (that is, indicating levels of deprivation) and levels of achievement. This is not evident, and it has previously been argued that the Index of Deprivation is not closely correlated with achievement and is therefore not an effective tool for discriminating relative performance.50

4.6 PROMOTING ECONOMIC COMPETITIVENESS AND PERFORMANCE

The success of regional economies, coupled with a growing interest in the concept of city-region competitiveness, is increasingly at the forefront of government policy. This agenda is growing in influence in UK policymaking circles, underpinned by the tenet that cities and their hinterlands form economic units capable of driving regional and national economies. The 2003 study, Cities, Regions, Competitiveness, brought this debate to the forefront of policymaking circles. The 2004 study, Competitive European Cities: Where do the Core Cities stand?, further found evidence that the most competitive cities in Europe were to be found at the heart of Europe’s most competitive regions. Cities are once again being viewed as engines of regional economic growth.

The renewed focus on cities and their hinterlands has been particularly strong in England, most evident in the attention being paid to the eight English Core Cities of Bristol, Birmingham, Nottingham, Leeds, Sheffield, Manchester, Liverpool and Newcastle. The city-region agenda is also driving the ‘Northern Way’, which is the response of the RDAs of northern England to the output gap with the rest of the UK. The State of the English Cities report provides further evidence on the role and performance of English cities and pilot programmes are to be announced shortly in England to give city-regions more powers.

The city-regional scale is seen to reflect the geographies of daily life more effectively than administrative boundaries, but for the functioning of the city-region to be supported, new forms of working between central, regional, local government and partnerships will be needed. This is the focus of a number of government reports including A Framework for the City Regions and The future of local government: developing a 10-year vision.55

There are currently 87 Local Area Agreement pilots with local authorities and anticipated to roll out through 2008. These are three-year agreements that set out the priorities for a local area agreed between central government and the local area represented by the local authority and Local Strategic Partnership and other key partners at the local level. They are designed to improve coordination between central and local government, devolve decision making and reduce bureaucracy, improve services and outcomes, improve performance through more flexible use of resources, and help partners join up at the local level.

The LSC is committed to the ongoing supply and development of local and regional intelligence on skills to underpin local and regional efforts to improve business and individual competitiveness.

4.6.1 The regional growth agenda, education and skills

A skilled workforce in one of the key criteria in the relative performance of city-regions.56

The skills profiles of areas, be that local LSC, city-region, region or country, are a function of the current skills and qualifications held by its residents, and those that are added through the flows of learners, with migration — internal and international — another factor in the skills mix available to a locality.

In the context of this report, for the majority of regions outside London and the South East, it is the education sector that plays the central role in knowledge-driven development, as business drivers are relatively weak. In contrast, London and the South East dominate the business knowledge economy and act as a magnet for graduates and skilled professionals.57 However, although London and the South East are regarded as the driving force in UK economic growth, in respect of education and learning achievement they fare less well that their northern counterparts.

Figure 4.4 shows actual achievement benchmarked against predicted achievement for all qualification aims (based on the Mosaic profile of learners). While the South is benefiting from the brain drain of other regions, and benefiting from the talents of migrant workers, swathes of these areas are not succeeding in developing indigenous pools of labour.

The mapping raises interesting questions that require complex answers. The patterns of achievement they show are relative rather than absolute, so whilst they show ‘less successful areas’ doing better than supposed, the absolute levels of skills necessary to raise productivity are not necessarily there. Part of the explanation also lies in the higher take-up of Higher Education in the southern areas, and the ‘batting average’ effect this has on other learner populations. Labour market buoyancy further influences: when jobs are available and wages reasonable, many choose to enter employment and develop on-the-job skills rather than qualifications.
4.6.2 A digital divide?
The take-up and achievement of IT related qualifications is one factor that will contribute to the skills pool that can support a knowledge economy. It is also a factor in social inclusion, a means of bridging the digital divide.

Looking at the representation of ICT programme aims learners to the average representation of ICT learning indicates:

- Within FE, the largest group of ICT learners are from close-knit, inner city and manufacturing town communities and older families living in suburbia. However, this pattern is reflective of all FE learning.

- Older families living in suburbia are also over-represented compared to all programme areas, as are older people living in social housing with high care needs and independent older people with relatively active lifestyles.

- In contrast, people living in social housing with uncertain employment in deprived areas and low income families living in estate-based social are strongly under-represented in ICT programmes compared to all learning.

This analysis suggests there is a strong age factor in the take-up of ICT programmes, but levels of income and deprivation are also key. However, further consideration is required of enrolment on different types of ICT programmes, from entry level Certificate in ICT Skills for Life to Level 3 Advanced GCE in Applied ICT, to fully understand the groups engaging on IT related qualifications.

Figure 4.4: Actual achievement benchmarked against predicted achievement by postal area

58 This illustration is mapped by postal area, for which one code crosses the boundary of England and Wales, although representing provision within England.
5 LSC progress against PSA targets

5.1 SUMMARY

A summary of our progress against our PSA targets is set out below (Table 5.1).

5.1.1 Young people

Raising achievement at NVQ Level 2

The LSC is on track to meet its target for young people achieving Level 2 by age 19, encouraged by a significant increase in the number of full Level 2 learners over the last two years (see Figure 5.1 for all learners and Figure 5.2 for under 19 learners). The milestone was to increase the number of 19 year olds achieving the Level 2 threshold from 66.8 per cent in Autumn 2004 to 69.8 per cent in Autumn 2006. This level was already achieved by Autumn 2005.

The target also requires a further 2 percentage points increase to 2008 on the 2006 results. 68.4 per cent of young people who will be 19 in 2006 have already reached Level 2 by age 18. As attainment reaches higher levels achieving a marginal gain will become more difficult, but the gain of 2 percentage points over two years looks achievable on the current trajectory.

Approximately 441,200 19 year olds need to have reached Level 2 or above by 2006 to meet the first part of the PSA target. Based on achievements by this age group to age 18 (increases in attainment have contributed to the higher proportion of 19 year olds with Level 2 or above) another 15,000 people need to reach this level to be sure of meeting the target; by comparison around 28,000 19 year olds reached Level 2 or above in both 2004 and 2005.

There is no quantifiable Level 3 PSA target for young people at present. However, latest data (see Figure 5.1) shows:

- An increasing proportion of 19 year olds are qualified to Level 3 – 46 per cent of people aged 19 in 2005 compared with 42 per cent of people aged 19 in 2004;
- 40 per cent of people who will be 19 in 2006 have already reached Level 3 by age 18 – higher than figures for 18 year olds in the previous two years.

Table 5.1: LSC performance against targets

<table>
<thead>
<tr>
<th>Target area</th>
<th>Target</th>
<th>Latest progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>19 year olds achieving</td>
<td>Increase the number of 19 year olds from 66.8% in Autumn 2004 to 69.8% in Autumn 2006</td>
<td>69.8% in Autumn 2005</td>
</tr>
<tr>
<td>Adults achieving</td>
<td>Reduce by at least 40% the number of adults in the workforce who</td>
<td>841,000 working adults had achieved</td>
</tr>
<tr>
<td>Level 2</td>
<td>lack Level 2 by 2010. Working towards this, one million adults in the</td>
<td>Level 2 by Autumn 2005</td>
</tr>
<tr>
<td>Skills for Life</td>
<td>Improve the basic skills of 2.25 million adults between 2001 and</td>
<td>1.286 million adults had improved</td>
</tr>
<tr>
<td></td>
<td>2010, with targets of 750,000 by 2004 and 1.5 million by 2007</td>
<td>their basic skills by the end of 2005</td>
</tr>
</tbody>
</table>


Table 5.2: Under 19 LSC performance against targets

<table>
<thead>
<tr>
<th>Target area</th>
<th>Target</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSA target for attainment at age 19 ( % of 19 year olds achieving Level 2 plus)</td>
<td>Baseline (2004)</td>
<td>66.8%</td>
</tr>
<tr>
<td></td>
<td>Latest actual (2005)</td>
<td>69.8%</td>
</tr>
<tr>
<td></td>
<td>Target (2006)</td>
<td>69.8% (increase of 3 percentage points)</td>
</tr>
<tr>
<td></td>
<td>Target (2008)</td>
<td>2006 outturn plus 2 percentage points</td>
</tr>
</tbody>
</table>

Source: LSC National Office (June 2006) LSC Performance Report

5.1.2 Raising the skills levels of adults

The LSC has lead responsibility for the PSA targets for adults, with the aim of increasing 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
- 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.

![Figure 5.1: Level 2 qualifications at age 19](image)

Proportion of young people qualified to Level 2 or higher by age and cohort

![Figure 5.2: Level 3 qualifications at age 19](image)

Proportion of young people qualified to Level 3, by age and cohort

Table 5.3: Adult LSC performance against targets

<table>
<thead>
<tr>
<th>Target area</th>
<th>Target</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skills for Life attainment (includes both adults and young people)</td>
<td>Milestone (2004)</td>
<td>750,000</td>
</tr>
<tr>
<td></td>
<td>Latest actual (2005)</td>
<td>1,286,000</td>
</tr>
<tr>
<td></td>
<td>Milestone (2007)</td>
<td>1,500,000</td>
</tr>
<tr>
<td></td>
<td>Target (2010)</td>
<td>2,250,000</td>
</tr>
</tbody>
</table>

Source: LSC National Office (June 2006) LSC Performance Report
**Equipping adults with basic skills**
The LSC is also working to raise basic skills levels in the adult population with its Skills for Life programme. By 2010, 2.25 million adults will have improved their basic skills if targets are met. In the interim, the challenge is for 1.5 million to have improved by 2007 (see Table 5.4).

By the end of 2005, 1.286 million adults had improved their basic skills. Furthermore, latest data from the LSC and partners shows that in the region of 1,416,000 learners have counted towards the Skills for Life target, as at July 2006.

This is above the trajectory required to meet the 2007 interim target of improving the skills of 1.5 million adults.

It is highly likely that the target of 1.5 million in 2007 will be successfully met (Figure 5.3).

**Adult achievement at Level 2**
To meet the Level 2 target for the adult population requires there to be an increase of one million adults in the workforce with Level 2 or above between 2003 and 2006 (and an overall increase of 3.6 million Level 2 or above adults in the workforce between 2001 and 2010).

Recent trends, as shown in Figure 5.4, suggest that in Autumn 2005, 73 per cent of economically active adults are qualified to Level 2 or higher, an increase of 2.7 percentage points from Autumn 2002. This represents an increase of 841,000 adults towards the one million target.

In addition, latest figures report that the proportion of working age people with no qualifications is falling. There has been a 2.6 percentage point decrease since 1999, which is equivalent to 656,000 fewer people with no qualifications.60

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Appendix A

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## Appendix B

### Data analysis methodology

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Area of Learning</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>1. Science and Mathematics</td>
</tr>
<tr>
<td></td>
<td>2. Land based Provision</td>
</tr>
<tr>
<td></td>
<td>3. Construction</td>
</tr>
<tr>
<td>Black</td>
<td>4. Engineering, Technology and Manufacturing</td>
</tr>
<tr>
<td></td>
<td>5. Business Administration, Management and Professional</td>
</tr>
<tr>
<td>Asian</td>
<td>6. Information and Communication Technology</td>
</tr>
<tr>
<td></td>
<td>7. Retailing, Customer Service and Transportation</td>
</tr>
<tr>
<td>Mixed/Other</td>
<td>8. Hospitality, Sport, Leisure and Travel</td>
</tr>
<tr>
<td></td>
<td>9. Hairdressing and Beauty Therapy</td>
</tr>
<tr>
<td></td>
<td>10. Health, Social Care and Public Services</td>
</tr>
<tr>
<td></td>
<td>11. Visual and Performing Arts and Media</td>
</tr>
<tr>
<td></td>
<td>12. Humanities</td>
</tr>
<tr>
<td></td>
<td>13. English Language and Communication</td>
</tr>
<tr>
<td></td>
<td>14. Foundation Programmes</td>
</tr>
<tr>
<td>White – British</td>
<td></td>
</tr>
<tr>
<td>White – Irish</td>
<td></td>
</tr>
<tr>
<td>White – any other White background</td>
<td></td>
</tr>
<tr>
<td>Black or Black British – African</td>
<td></td>
</tr>
<tr>
<td>Black or Black British – Caribbean</td>
<td></td>
</tr>
<tr>
<td>Black or Black British – any other Black background</td>
<td></td>
</tr>
<tr>
<td>Asian or Asian British – Bangladeshi</td>
<td></td>
</tr>
<tr>
<td>Asian or Asian British – Indian</td>
<td></td>
</tr>
<tr>
<td>Asian or Asian British – Pakistani</td>
<td></td>
</tr>
<tr>
<td>Asian or Asian British – any other Asian background</td>
<td></td>
</tr>
<tr>
<td>Chinese</td>
<td></td>
</tr>
<tr>
<td>Mixed – White and Asian</td>
<td></td>
</tr>
<tr>
<td>Mixed – White and Black African</td>
<td></td>
</tr>
<tr>
<td>Mixed – White and Black Caribbean</td>
<td></td>
</tr>
<tr>
<td>Mixed – any other Mixed background</td>
<td></td>
</tr>
<tr>
<td>Any other</td>
<td></td>
</tr>
<tr>
<td>Not known/not provided</td>
<td></td>
</tr>
</tbody>
</table>

### Sector Subject Areas

| Sector Subject Areas                        | 1. Health, Public Services and Care          |
|                                           | 2. Science and Mathematics                  |
|                                           | 3. Agriculture, Horticulture and Animal Care |
|                                           | 4. Engineering and Manufacturing Technologies |
|                                           | 5. Construction, Planning and the Built Environment |
|                                           | 6. Information and Communication Technology |
|                                           | 7. Retail and Commercial Enterprise         |
|                                           | 8. Leisure, Travel and Tourism              |
|                                           | 9. Arts, Media and Publishing               |
|                                           | 10. History, Philosophy and Theology        |
|                                           | 11. Social Sciences                          |
|                                           | 12. Languages, Literature and Culture       |
|                                           | 13. Education and Training                  |
|                                           | 14. Preparation for Life and Work           |
|                                           | 15. Business, Administration and Law        |
**Young People**
A young person is defined as a learner who is aged under 19 at the start of the academic year. For example, young people in 2005/06 are those learners aged under 19 at the start of the 2005/06 academic year.

**Adults**
An adult is defined as a learner who is aged 19 or over. This means that adults in 2005/06 are those learners aged 19 or over at the start of the 2005/06 academic year. The one exception to this is for the Skills for Life target, which applies to all learners aged 16 and over.

**Further Education Success Rates**
For FE, the success rate is calculated as the number of learning aims achieved divided by the number of starters, excluding any learners who transferred onto another qualification. The qualification a learner transfers to will be included as a start on the new qualification. The figures relate to learning aims so learners with more than one learning aim are included once for each aim.

**Work-based Learning Success Rates**
For WBL the success rate is calculated as the number of leavers who either meet all of the requirements of their Apprenticeship framework, or achieve an NVQ required by the framework, divided by the number of learners who have either left training or successfully completed their programme. Learners who have transferred to another programme are excluded from the calculation until such time as they finally complete their programme or leave learning.

For learners working towards NVQs, the success rate will be the number of learners who have achieved the NVQ divided by the number of learners who left learning or successfully completed their programme.

Learners who leave learning as a result of a positive outcome, such as to take up employment, are recorded as not having achieved their learning aim.

Two success rates are published for WBL – the framework completion rate, which looks only at those learners on WBL and includes as successes only those learners who achieve the full framework, and the NVQ success rate, which includes those learners on WBL who achieve the full framework or just achieve the NVQ element, and those learners on NVQ-only programmes who achieve the NVQ.

From 2007/08, a new WBL success rate will be used by the LSC. This ‘overall’ success rate has been published alongside the current success rate for 2004/05 onwards and ensures all achievements within WBL are recorded in the appropriate year and brings success rate measures more in line with those used in Further Education.

**Work-based Learning (average in learning)**
The annual average in learning figure represents the total of the proportions of the twelve monthly periods in year where learning activities on a programme were occurring at any point during that month. Learning activities are assumed to occur at all points between the start and end date of an aim. Therefore a programme has a value of 1 where learning has occurred in all twelve monthly periods, a value of 0.5 where learning has occurred in six of the twelve monthly periods and so on. The average in learning figures for a group of programmes are then added together to give a total figure for that group and are then used to provide the national figures.

**Apprenticeship Completions**
An Apprenticeship is deemed to be completed if a learner meets all the requirements of their Apprenticeship framework. This is akin to the term ‘achievement’ in FE.

**Skills for Life**
The following count as Skills for Life qualifications:
- Any learner who achieves at least one Key Skills test pass in either Numeracy or Communication, at Level 1 or Level 2 (note that the learner does not need to complete the full Key Skills, just the test pass)
- Any learner who passes a GCSE in either English or Mathematics (grades A* to G)
- Any learner who passes any basic skills courses approved by the Secretary of State – including ESOL/language courses, literacy courses and numeracy courses offered by awarding bodies. These qualifications are all at entry Level 3, Level 1 or Level 2