National Employer Service Strategy 2006 - 07

Of interest to National Employers and their Providers, National, Regional and Local Learning and Skills Colleagues
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Executive Summary

This is the fifth annual publication setting out the strategy and priorities of the LSC’s National Employer Service.

Over the past year the National Employer Service has:
- continued to increase the number of young and adult learners engaged in Apprenticeships, first NVQ Level 2 and Skills for Life programmes;
- engaged a further 32 new large employers in work based learning;
- continued to raise the quality of provision and retention and achievement levels;
- developed a single unified offer for large national employers comprising of:
  - Apprenticeships
  - First full level 2s for Adults
  - Skills for Life;
- undertaken a research study into the kind of service large employers want from the LSC.

Looking forward, we are keen to build on these achievements and continue to enhance the service we provide to large employers.

In doing this we will:
- place a focus on enhancing relationships with the very large national employers. These will normally be employers in the FTSE 250 index or equivalent exchanges;
- develop relationships at the corporate level within large employer organisations, whilst maintaining strong operational relationships;
- through an external broker organisation, provide a targeted specialist skills brokerage service of the highest quality;
- continue to streamline the LSC’s contracting arrangements with large employers.

Whilst Apprenticeships remain a key part of our offer to large employers, we will place an increased focus on low skilled employees within large employer organisations i.e. those employees without an NVQ level 2 qualification and those with Skills for Life needs. We will also continue to work with employers and their providers to provide national based employer provision which is judged to be of the highest quality.

Over the coming year we will also continue to strengthen our linkages with colleagues within the LSC at regional level, Sector Skills Councils, the Sector Skills Development Agency, IIIP UK, the Department for Education and Skills and the Adult Learning Inspectorate. We also look forward to forging new relationships with employer organisations such as the CBI, the TUC and the new Quality Improvement Agency.

National Employer Service
Learning and Skills Council
OUR VISION

1.1 Role of the National Employer Service

- Our role in 2006/07 and beyond is to help large national employers find the skills solutions they need.
- We will build strategic relationships with large national employers to maximise good quality learning and skills opportunities. Train to Gain will provide a key foundation for our new relationship with large employers, encouraging increased investment and engagement in skills training, particularly for low skilled employees and those able to progress to higher skills.

In doing this, we will:
- place a focus on enhancing relationships with the very large national employers ie employers with 5,000 or more employees and the potential for at least 200 learners. These will normally be employers in the FTSE 250 index or equivalent exchanges;
- increase the number of low skilled adult employees in learning up to first full NVQ level 2;
- build on our successful Account Management service offering a focused point of contact for large employers developing relationships at the corporate level, whilst also maintaining strong operational relationships;
- through an external organisation provide a targeted specialist skills brokerage service offering skills brokerage of the highest quality;
- negotiate and agree more tailored packages of support with large employers which recognise their issues and needs, as well as providing for clearer additionality and added value;
- simplify contracting arrangements with large employers;
- increase large employer national provision which is judged to be of the highest quality, with high retention and achievement levels, and a network of quality marked providers.

To be successful, we will work very closely with:
- national employer organisations such as the CBI;
- regional and local colleagues within the LSC and develop clearer protocols for communication with them;
- the Department for Education and Skills;
- sector specific providers;
- Sector Skills Councils, the Sector Skills Development Agency, the TUC and IiP UK;
- external support bodies such as the Quality Improvement Agency; and
- Finance, Systems and IT colleagues within the LSC over funding approaches for large employers which meet employers needs, and maximise the contribution of large employers towards the Council’s targets.

1.2 LSC Priorities

- The LSC’s second Annual Statement of Priorities published in December 2005 sets out what needs to be done to take us further forward in our aim of transformation. The LSC’s six priorities for 2006/07 are to:
  1. Ensure that all 14-19 year olds have access to high quality, relevant learning opportunities.
  2. Make learning truly demand-led so that it better meets the needs of employers, young people and adults.
  3. Transform the learning and skills sector through agenda for change.
  4. Strengthen the role of the LSC in economic development so that we provide the skills needed to help individuals into jobs.
  5. Improve the skills of workers who are delivering public services.
  6. Strengthen the capacity of the LSC to lead change nationally, regionally and locally.

Our plan sets out how we will deliver these national priorities highlighting what actions will be critically important and what our contribution to the national targets will be.

1.3 Priorities for the National Employer Service

- Our priorities for 2006/07 are:
  - To build and maintain strategic relationships with large national employers leading to increased investment and involvement by large employers in the national skills agenda.
  - To ensure the effective implementation of Train to Gain, agreeing and/or signposting large employers to effective skills solutions.
  - To increase the number of low skilled employees in large companies working towards and achieving recognised Skills for Life and first full NVQ level 2 qualifications.
  - To improve the quality of Apprenticeships, adult NVQs and Skills for Life provision and deliver the agreed quality and achievement levels as detailed in our “key targets”.
  - To target and engage a further ten new large national employers in Work Based Learning.
  - To continue to develop our people, business processes and structure to improve our capacity to work collaboratively and productively with large employers and their providers, colleagues at local, regional and national level and partner organisations.
We will deliver these priorities through:
• ensuring that we lead and champion the large national employer perspective;
• being customer focussed, both externally with employers and internally with colleagues within the LSC;
• being streamlined and transformational – clear about the additionality and added value of the provision we contract with employers;
• demonstrating the LSC core values in all that we do.

1.4 Our Core Values

Our core values set out for us the way we work.
• Trust: the LSC has to be world-class at partnership and so we believe trust must be at the heart of the LSC.
• Expertise: we demonstrate expertise and true leadership in every aspect of our work. We have complete understanding of the communities we serve and of what is needed by business in terms of current and future skills.
• Ambition: we are ambitious for ourselves, in the goals and objectives we set, but more importantly we are ambitious for the communities we serve, for employers and for individuals in education and training.
• Urgency: we want to bring drive and urgency to the learning and skills sector, to tackle long-standing issues swiftly and professionally and to be responsive and fast moving.

Together, our four values will ensure the LSC can provide leadership and direction at a time of great change.

2 A Context for Delivery

2.1 What we have delivered

Over the last 3 years we have worked closely with national employers and their training providers, as well as with key sector training providers that represent their specialist industry and the employers within it. The main focus of the work has been to increase participation in work based learning and the breadth of provision available, while making significant improvements in the quality of the provision that is delivered.

A priority within our remit has always been to increase the participation of large national employers in work based learning programmes, including Apprenticeships, NVQs for Adult employees (over 23 years old) and Skills for Life. The main aim has been to engage in the delivery of high quality provision across the whole of the workforce, focussed on employers’ needs and how we can work in partnership with employers to meet our respective targets and goals. This means that rather than limiting contracts to a single occupation such as manufacturing, we have developed multi occupation and multi programme contracts that make learning opportunities (up to level 3) available to all eligible employees across the organisation.

Over 90 new employers have been engaged in work based learning since we were established, 32 in the past year. In addition; participation in Apprenticeships has been extended from 27,000 young people to over 63,000 and 20,000 employees aged 23 and over have been engaged in working towards a full NVQ level 2/3 with a success rate of 70%.

There have also been significant increases in the completion rates on all Apprenticeships from 23% to 42% in 3 years, as well as significant improvement in the grades awarded on external inspection by the Adult Learning Inspectorate. 80% of NES accounts are now graded as acceptable or better by the Adult Learning Inspectorate compared to 9% of accounts in 2001/02.

The data in table 1 shows that there are still significant differences in the uptake of Apprenticeships between ethnic minorities and white learners as well as men and women and these differences vary by sector.

The differences in gender and ethnicity are largely due to the provision we inherited when we were launched, under the name of National Contracts Service in 2002, when the majority of the 27,000 Apprentices were engaged primarily in traditional sectors. As a result, the vast majority of the cohort was made up of young white men. Addressing this imbalance has been inherent in all of our activities and we have enjoyed some successes in this area. For example, there has been an increase in ethnic participation in 8 sectors over the last year, and there has been a significant improvement in the external
assessment of this area by the Adult Learning Inspectorate (from 4.1 to 2.9) Summary information for the 2004/05 contract year is shown at Tables 1 and 2.

- Despite effective recruitment and participation practices, table 2 shows that in some sectors there are worrying differences in NVQ and framework completion rates between male and female learners as well as between ethnic minority and white learners.

Unlike the participation levels, this is a cause for concern and is being addressed at the employer/provider level. In construction and engineering, our two largest sectors, the differences in completion rates between ethnic and white learners are 21% and 8% respectively. During the 2006/07 delivery year, it will be essential for us to continue to research the reasons for these differences, and identify and implement remedial actions with employers and providers as needed.

### A Context for Delivery: Table 1 - In Learning Breakdown for the 2004/06 Contract Year.

<table>
<thead>
<tr>
<th>Funding Category</th>
<th>Ethnic Minority (% of In Learning)</th>
<th>White (% of In Learning)</th>
<th>Female (% of In Learning)</th>
<th>Male (% of In Learning)</th>
<th>Number of Learners On Programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Administration</td>
<td>2.6</td>
<td>97.4</td>
<td>31.7</td>
<td>68.3</td>
<td>1,617</td>
</tr>
<tr>
<td>Construction</td>
<td>2.0</td>
<td>98.0</td>
<td>0.8</td>
<td>99.2</td>
<td>12,883</td>
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<tr>
<td>Engineering</td>
<td>3.7</td>
<td>96.2</td>
<td>4.0</td>
<td>96.0</td>
<td>30,747</td>
</tr>
<tr>
<td>Hair &amp; Beauty</td>
<td>4.9</td>
<td>95.1</td>
<td>84.5</td>
<td>15.5</td>
<td>1,235</td>
</tr>
<tr>
<td>Health, Care &amp; Public Services</td>
<td>14.6</td>
<td>85.4</td>
<td>71.1</td>
<td>28.8</td>
<td>1,864</td>
</tr>
<tr>
<td>Hospitality</td>
<td>13.3</td>
<td>86.7</td>
<td>59.8</td>
<td>40.2</td>
<td>1,788</td>
</tr>
<tr>
<td>Leisure, Sport &amp; Travel</td>
<td>6.2</td>
<td>93.8</td>
<td>63.1</td>
<td>36.9</td>
<td>2,528</td>
</tr>
<tr>
<td>Management &amp; Professional</td>
<td>8.8</td>
<td>91.2</td>
<td>29.3</td>
<td>70.7</td>
<td>781</td>
</tr>
<tr>
<td>Manufacturing</td>
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<td>97.6</td>
<td>2.5</td>
<td>97.5</td>
<td>867</td>
</tr>
<tr>
<td>Media &amp; Design</td>
<td>0.0</td>
<td>100.0</td>
<td>26.6</td>
<td>73.3</td>
<td>77</td>
</tr>
<tr>
<td>Not Known</td>
<td>4.6</td>
<td>95.4</td>
<td>12.0</td>
<td>88.0</td>
<td>961</td>
</tr>
<tr>
<td>Retailing &amp; Customer Service</td>
<td>10.7</td>
<td>89.3</td>
<td>52.4</td>
<td>47.6</td>
<td>5,198</td>
</tr>
<tr>
<td>Transportation</td>
<td>11.1</td>
<td>88.9</td>
<td>10.7</td>
<td>89.3</td>
<td>3,119</td>
</tr>
<tr>
<td>Grand Total</td>
<td>5.0</td>
<td>94.9</td>
<td>16.2</td>
<td>83.8</td>
<td>63,665</td>
</tr>
</tbody>
</table>

### A Context for Delivery: Table 2 - Breakdown of Completion and Success Rates for the 2004/06 Contract Year.

<table>
<thead>
<tr>
<th>Funding Category</th>
<th>Female</th>
<th>Male</th>
<th>Ethnic Minority</th>
<th>White</th>
<th>All Learners</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Overall NVQ Success Rate</td>
<td>Overall Framework Completion Rate</td>
<td>Overall NVQ Success Rate</td>
<td>Overall Framework Completion Rate</td>
<td>Overall NVQ Success Rate</td>
</tr>
<tr>
<td>Business Administration</td>
<td>66.7</td>
<td>51.5</td>
<td>77.0</td>
<td>55.4</td>
<td>69.0</td>
</tr>
<tr>
<td>Construction</td>
<td>54.3</td>
<td>42.1</td>
<td>59.9</td>
<td>42.7</td>
<td>39.7</td>
</tr>
<tr>
<td>Engineering</td>
<td>62.5</td>
<td>54.5</td>
<td>58.5</td>
<td>51.8</td>
<td>49.5</td>
</tr>
<tr>
<td>Hair &amp; Beauty</td>
<td>47.1</td>
<td>39.0</td>
<td>31.3</td>
<td>25.8</td>
<td>48.4</td>
</tr>
<tr>
<td>Health, Care &amp; Public Services</td>
<td>38.2</td>
<td>21.5</td>
<td>63.2</td>
<td>59.7</td>
<td>57.6</td>
</tr>
<tr>
<td>Hospitality</td>
<td>45.1</td>
<td>35.8</td>
<td>36.4</td>
<td>25.8</td>
<td>42.9</td>
</tr>
<tr>
<td>Leisure, Sport &amp; Travel</td>
<td>49.6</td>
<td>30.3</td>
<td>37.2</td>
<td>25.2</td>
<td>29.0</td>
</tr>
<tr>
<td>Management &amp; Professional</td>
<td>49.5</td>
<td>42.9</td>
<td>44.4</td>
<td>35.3</td>
<td>41.1</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>63.6</td>
<td>31.6</td>
<td>70.0</td>
<td>52.7</td>
<td>80.0</td>
</tr>
<tr>
<td>Media &amp; Design</td>
<td>77.8</td>
<td>72.2</td>
<td>65.7</td>
<td>51.4</td>
<td>0.0</td>
</tr>
<tr>
<td>Not Known</td>
<td>2.1</td>
<td>2.1</td>
<td>5.1</td>
<td>5.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Retailing &amp; Customer Service</td>
<td>45.6</td>
<td>34.4</td>
<td>41.8</td>
<td>29.7</td>
<td>37.3</td>
</tr>
<tr>
<td>Transportation</td>
<td>76.0</td>
<td>71.8</td>
<td>61.6</td>
<td>54.6</td>
<td>69.5</td>
</tr>
<tr>
<td>Grand Total</td>
<td>47.7</td>
<td>35.5</td>
<td>56.4</td>
<td>44.8</td>
<td>46.1</td>
</tr>
</tbody>
</table>
During the latter half of the 2005 year, we also commissioned a research study into the views of large employers to answer three broad questions:

- what kind of a service from the LSC would add value to skills planning and developments in large, multi-sited employers?
- How should the service support and enhance the involvement of these large employers in LSC programmes?
- How should NES work alongside its partner organisations to deliver the service more effectively?

The key findings and implications from the research were:

- the importance of relationship brokerage;
- interest by large employers in developing “non-standard” approaches to training that make use of innovative technologies and learning methods;
- the value of a “single” focussed point of contact currently provided by the LSC via NES;
- the need for higher level skills planning discussions at the corporate level within companies in addition to the operational level;
- the need for greater intelligence about companies, sectors etc.

Also:

- Apprenticeships are seen as a “flagship” programme to be promoted;
- an unmet demand for Skills for Life training;
- the willingness of large employers to invest in training (particularly at level 3 and above) and the desire for a more variable funding arrangement with the LSC with more room for negotiation, leading to better value for money arrangements and more opportunities for additionality.

2.2 The Key Changes Needed in 2006 / 07

Looking forward, in 2006/07 we will build on the above research. The key changes we need to take forward are:

- the development and management of higher level relationships with large employers regardless of whether they have a contract or current relationship with us. This is to ensure that the support available is fit for purpose, both theirs and ours, as well as to maximise the contribution of large employers as champions of learning, for example with their supply chains;
- the development of an appropriate brokerage service for national employers;
- the development of bespoke packages of support so that we are enhancing large employer workforce development strategies with innovative delivery, funding and training solutions, rather than simply offering a cash subsidy for activity that is already taking place;

- increased delivery of Skills for Life qualifications: 3,000 new learners with 1,500 minimum expected outcomes funded in year, but with an aspirational target of up to 5,000 outcomes;
- expansion and integration of our 23+ Employee Initiative delivering adult NVQs through the effective implementation of Train to Gain. We are aiming for 15,000 new learners and a minimum of 10,500 first full level 2 qualifications to be delivered in 2006/07, but with an aspirational target of up to 20,000;
- increased delivery in each of the three priority NVQs that have been published in Sector Skills Agreements:
  - OSAT
  - ITQ
  - BiT;
- early and effective management of any provision not meeting the quality thresholds as set out in our Commissioning Plan.

In addition, a key focus will remain on the delivery of high quality Apprenticeships, and within Apprenticeships, particular attention will be paid to high quality provision within national skills shortage occupational areas, such as construction, E-Skills and engineering.

The volume or percentage changes we are looking for in the provision we fund are detailed in our “key targets” in Annex 2.
3 Key actions

3.1 Employers

In 2006/07 we will:

- Place a focus on the very large national employers. The criteria for contracting with the NES changed during the 2005 year to reflect the need to ensure that we only deal with truly national and fully engaged employer organisations. Having reviewed the criteria in light of our experiences during the last year, and bearing in mind the introduction of Train to Gain, we have decided to continue to focus on the large employers with 5000 plus employees, and with the potential for at least 200 learners. This number would include Apprentices, Adult NVQs and Skills for Life learners with no minimum number associated with any specific route, rather an expectation that the full range of workforce development opportunities will be offered within each company.

- Engage a further 10 targeted major national employers in Work Based Learning programmes. The target group is based on the FTSE 100/250 and other equivalent exchanges.

- Establish strategic relationships with 15 major national employers in order to develop a better understanding of their needs and maximise the learning and skills opportunities within large employer organisations and their supplier chains. These approaches will be led by the NES senior management team. Wherever feasible, the LSC Chair, Chief Executive, National Director of Skills or Regional Directors will also be involved.

- Provide a targeted brokerage service where appropriate through an external organisation, offering specialist skills brokerage services to the highest standards. A key element throughout will be the involvement of NES Account Managers so that the brokerage service fits as part of the overall strategic engagement with large employers. The effectiveness of this service will be measured through agreed Broker key performance indicators which focus on employer and Nes satisfaction with the service, as well as progress of the brokers working towards the new national quality standard for brokers.

- Develop more tailored packages of support which offer better value for money with large employers for implementation in 2007/08.

- Develop a customer relationship management database to hold all records of contact with both new and existing accounts. This system will create a single storage area which will be accessible by all LSC staff.

- Continue to raise the profile of the LSC amongst national employers. We will make effective use of all PR opportunities by encouraging employers to sign Apprenticeship commitment certificates and by using case studies and good news stories to promote work-based learning to other national employers, and more generally. We will also continue to develop our website to maximise its use and accessibility.

- Maximise the contributions of major employers towards the LSC targets through working with large employers and LSC Regions in respect of national employer supply chains.

- Develop a list of ‘employer champions’ to work with the LSC in engaging other major employers into workforce development.

- In addition, we have extensive links with each of the Armed Forces. Our plans for 2006-07 involve a number of work-streams:
  - support for the existing Army, Navy, RAF contracts to continue developing high quality provision combined with high success and completion rates;
  - involvement in the steering group managing ‘Project Velvet’ – the staged ‘roll-up’ of disparate Army provision into a single Army contract. This will involve significant high level liaison with local and regional LSC colleagues to ensure a smooth transition;
  - ‘roll-up’ of the Marines into a single Navy contract;
  - completion and implementation of the latest Gap analysis allowing for ‘cost effective’ purchase of provision from the MoD through the application of reduced funding rates, reflecting other public monies received from central Government;
  - strategic relationship with the MoD (through the DGT & E) informing the move towards the Defence Training Review and the establishment of Defence Training Establishments - working with local/regional colleagues when and where necessary;
  - formulation of a Skills for Life strategy with the MoD leading to long term solutions addressing identified needs.

3.2 Young People

- In 2006/07 our key action will be to work with large employers and their training providers, and national sector providers, to deliver significant improvements in Framework completions. We will do this through:
  - supporting improvements in the quality of the management and delivery of learning with existing accounts, as well as ensuring that new employers have this as a priority;
  - working with accounts in specific sectors where achievement rates are lower to address their specific issues. This will include the construction and health care sectors; and
  - moving resources, where appropriate, to those accounts who can deliver increased achievement rates.

- Our key measure of success will be Apprenticeship Framework achievement and quality improvement
levels detailed in our “key targets” in Annex 1.

3.3 Adults

- In 2006/07 our key action will be to increase the number of employees within large national employers working towards their first full NVQ Level 2 and recognised Skills for Life qualification. We will do this through:
  - working with existing accounts to target their “harder to reach” employees – geographically, sectorally and/or in particular business units;
  - working with new employers; and
  - encouraging and supporting take up of the three skill shortage areas identified within the first round of Sector Skills Agreements of OSAT, BIT and ITQ.

- Our key measure of success will be the Participation and Achievement levels detailed in Annex 1.

3.4 Skills for Life

- In 2006/07 employers will continue to be supported by their Account Manager to either:
  - develop the capacity to assess need and deliver packages of work related learning, or
  - engage a high quality training provider, or
  - set up a ‘hub and spoke’ model engaging the best colleges and other providers in each locality.

  Learning will generally be at Entry level 3 and above. Those at Entry level 1 or 2, or requiring specialist support such as ESOL, will be referred to local provision. Where appropriate, employers will choose their provider(s) from a shortlist of quality assured organisations available on the NES website.

- Specifically we will:
  - procure the services of a range of high quality providers of training for Skills for Life qualifications;
  - include Skills for Life in the agenda for the strategic dialogue with existing and new national companies;
  - develop the Account Management team to be able to fully advise client companies, using external expertise where necessary;
  - mainstream the Initial Assessment Healthcheck which was successfully piloted in 2005.

- In addition to our key targets of 3,000 new learners engaged in Skills for Life and an achievement rate of 60%, we will engage, at minimum, a further 25 employers in delivering Skills for Life qualifications.

3.5 Equality and Diversity

- In 2006/07 we will ensure that information and specific resources are made available to support employers and providers in addressing Equality and Diversity issues, both from a business and an Inspection perspective. This includes call-off consultancy, benchmarking data, client specific ‘healthchecks’, good practice workshops and newsletters. Account Managers will ensure EDIMs are in place with every account and are reviewed bi-annually.

- Key action will be:
  - specific actions agreed at employer/provider level with NES Account Managers to address inequality in framework achievement level between white and ethnic learners, engaging expert resource as necessary;
  - all accounts to have EDIMs in place within six months of obtaining an LSC contract;
  - 50% of accounts to have undertaken the Initial Assessment and/or Equality and Diversity Healthcheck;
  - information given to all accounts regarding new legislation, for example the Disability Discrimination Act.

- Our key measures for success for this area will be:
  - increases in framework achievements to be similar for male, female, ethnic, white and disabled learners;
  - reduce the gap of 10 percentage points between the completion rates of white and ethnic learners;
  - EDIM reviews will demonstrate a 75% achievement rate over a full year;
  - ALI Inspection rolling average for Equality of Opportunity grading to be reduced to 2.7.
4. Our Delivery Resources

4.1 Our Internal Structure

- Account Managers providing a focussed point of contact and acting as the key interface with employers and providers on all issues, remain a fundamental part of our service to large employers. Account Managers provide a one stop shop to employers and providers. This includes advice and support on:
  - Quality assurance and development
  - The LSC’s contracting process
  - New business and wider opportunities in workforce development.

A key development in 2006/07 will be the building of strategic, high level relationships with large employers, as well as involvement of Account Managers in “brokering” and managing the arrangements between the external brokerage service and national employers.

- The Planning and Performance team will continue to be responsible for all aspects of the internal running the NES, including planning, provision and analysis of high level performance information, key policy advice, co-ordinating communications, liaison with other National Office teams and management of our outsourced service contracts, including quality and health and safety.

Particular priorities for this team over the coming year will be the further development of our strategic planning intelligence, contracting and support processes for Train to Gain, as well as continuing to simplify the funding, contracting and payment processes for large national employers.

4.2 Our People

- We remain committed to developing all our people to ensure that we have the skills and knowledge to deliver our strategic priorities and in a way which meets the LSC’s core values of Trust, Expertise, Ambition and Urgency.

In addition to individual objectives and learning plans we will undertake a range of activities including:
  - regular team meetings and briefings;
  - regular senior managers meetings;
  - regular all staff communications event;
  - twice yearly Business Planning and Performance events;
  - training focussing on the continued development of core skills with a focus on the effective use of performance information and IT, account management skills to support quality assurance with employers and providers, as well as to effectively engage with national employers in respect of their wider workforce development needs, and broker value for money tailored packages of support.

- This will ensure that all staff are kept up to date on achievements, new developments, issues and have the appropriate knowledge and skills.

4.3 Quality

- The responsibility for the continuous improvement of the quality of learning remains with employers and providers. Our Account Managers will continue to work with them to ensure that improvements are being made and that support is available at appropriate points in the development of the contract.

- Key focus for support activity in 2006/07 will centre around:
  - supporting the development of effective self assessment and robust development plans, with clearly identified improvement indicators and acknowledged risks to delivery;
  - full integration into the NES support structure of the timeline approach developed in 2005/06 for pre contract development with new employers;
  - continued development of the NES capacity to assure the quality of provision;
  - effective communication – internally and externally – of key developments and good practice;
  - implementing the new Measures of Success;
  - supporting the development of a high quality network of quality marked providers.

- Where an employer or provider fails to meet the quality thresholds set, we will look to put a hold on recruitment of new learners, as part of the development action plan agreed, until the quality of provision has improved. We will also discuss the medium to long term future of the contract with the employer or provider.

4.4 Health and Safety

- The health, safety and welfare of learners is a fundamental value of the LSC. We will promote the integration of the safe learner concept within national employers and providers existing management systems for health and safety.

Key to our approach to the continuing development of the health and safety systems of large national employers and providers will be:
  - supporting employers and providers in the development of the safe learner concept and the raising of the safe learner profile;
  - the promotion of the health and safety procurement standards;
  - the promotion of the year of the young person 2006;
  - working with employers and providers to further improve the quality of learner incident management reports.
The key activities will build on previous years quality assurance activities, but will place an increased focus on the integration of safe learner frameworks into employers existing systems.

4.5 Our financial performance management controls

We will continue to operate a number of strict financial and performance management controls to ensure appropriate expenditure and delivery of contracts and performance within budgets. Our key financial and performance management controls are:

- robust initial and annual financial health assessments of employers and providers;
- robust financial assurance arrangements of employers and providers;
- an annual report of financial assurance arrangements to the National Audit Committee;
- agreement of contract values at appropriate levels based on the size and financial health and risk of organisations, together with historical performance;
- growth managed at a steady rate to ensure funds are not released in advance of need and capacity;
- monthly assessment of account performance;
- NES Director performance review meetings with Account Management teams;
- agreement and review of development plans with employers and providers to address areas of key concerns;
- an annual formal review of all accounts and development plan progress by the NES senior management team.

4.7 Partnership Working

We will continue to focus on establishing and developing effective relationships with all key stakeholders, including:

- NES Accounts (employers and providers);
- targeted new large national employers;
- LSC colleagues, with a particular focus at the regional level;
- The Department for Education and Skills, Jobcentre Plus, DTI, CBI, the TUC, The Ministry of Defence, Sector Skills Councils, the Sector Skills Development Agency and IiP UK;
- The Adult Learning Inspectorate and new Quality Improvement Agency;
- The Improving Apprenticeship Framework Achievement Rates Steering Group.

In support of this, during 2006/07 we will engage in the following activities:

- continue to distribute the NES Update to existing accounts on a bi monthly basis;
- review the current communication arrangements with local LSCs and the LSC at a regional level with a view to focussing and strengthening the links. This will include having a nominated contact within NES for each region and working closely with Regional Skills and Planning Performance Directors;
- continue to develop our website;
- continue to contribute to key internal and external skills and quality forums.
For young people

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

Nationally we need an additional 31,000 young people to gain a Level 2 in 2005/2006 compared to 2003/2004 and a further 22,000 in 2007/2008 compared to 2005/2006.

For adults

- Reduce by at least 40 per cent the number of adults in the workforce who lack an NVQ Level 2 or equivalent qualifications by 2010.

Nationally, in 2006/07 we need to increase the numbers of full Level 2 / 3 provision to 350,000. The roll out of the National Employer Training Programme will increase the LSC contribution to this target.

- Improve the basic skills of 2.25 million adults between 2001 and 2010, with a milestone of 1.5 million in 2007.

For Apprenticeships

- The LSC has agreed a new Performance Indicator for Apprenticeships. The aim is for 75 per cent more people to complete their apprenticeships in 2007/08, compared to 2002/03.

- Nationally we aim to raise the number of completions to 70,000 in 2006/07 supporting the achievement of Level 2 and Level 3 qualification targets.

We also work with key partners to contribute to the following targets

- Increase the proportion of young people and adults achieving a Level 3 qualification.

- Reduce the proportion of young people not in education, employment or training by two percentage points by 2010.

- Increase participation in Higher Education towards 50 per cent of those aged 18 to 30 by 2010.

- The National Employer Service contribution to these national target is our “key targets” set out in Annex 2.
In addition to our key targets we have set ourselves some Equality and Diversity and Quality process benchmarks:

### Equality and Diversity
- 50% of accounts to have undertaken the Initial Assessment and/or Equality and Diversity Health check
- EDIMs to be agreed with all accounts who have held a contract for 6 months or more
- Reduce the gap of 10 percentage points between the Framework completion rates of white and ethnic learners
- Improve the rolling ALI average for Equality of Opportunity from its current 2.9 position to 2.7

### Quality
- Improve the percentage of overall inspection grades awarded as acceptable or better by category:
  - Overall effectiveness from 55% to 60%
  - Leadership and Management from 75% to 80%
  - Programme Delivery from 71% to 85%

<table>
<thead>
<tr>
<th>Programme / Target</th>
<th>2005/06</th>
<th>2006/07</th>
<th>2007/08</th>
<th>2008/09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apprenticeships - New Learners</td>
<td>30,000</td>
<td>28,000</td>
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<tr>
<td>Train to Gain NVQ Level 2 Initiative - New Learners</td>
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<td>15,000</td>
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<tr>
<td>Train to Gain Skills for Life - New learners</td>
<td>N/A</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
</tr>
</tbody>
</table>

### Participation and Recruitment

| Advanced Apprenticeship Framework Completion Rate | 42% | 52% | 65% | 75% |
| Advanced Apprenticeship Success Rate | 50% | 65% | 75% | 85% |
| Apprenticeship Completion Rate | 30% | 52% | 65% | 75% |
| Apprenticeship Success Rate | 35% | 65% | 75% | 85% |
| Train to Gain Level 2 Employee NVQ Completion Rate | 75% | 80% | 80% | 80% |
| Train to Gain Skills for Life Outcome Achievement Rate (per learner) | N/A | 60% | 63% | 66% |

### Retention and Achievement

| Percentage of employers/providers inspected whose “overall effectiveness” is graded by the ALI as good or better | 55% | 60% | 65% | 70% |

### Quality Assurance

<table>
<thead>
<tr>
<th>Increased Employer Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of new targeted employers</td>
</tr>
<tr>
<td>Number of employers engaged in a strategic relationship</td>
</tr>
</tbody>
</table>