National Employer Service Annual Plan 2005-06 Summary

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

This is the fourth Business Plan of the LSC’s National Employer Service (previously the National Contracts Service). The plan sets out our contribution to the LSC’s Annual Statement of Priorities and to the Skills Strategy.

Over the last year we have:

- continued to extend participation in Apprenticeships from 41,000 young people to over 57,000 in the current year;
- engaged a further 40 new large employers in work based learning;
- engaged 30,000 employees in learning aged 25 and over, with an NVQ level 2 and a success rate of 80%;
- continued to raise the quality of provision to a position whereby 98% of learners are in provision graded as acceptable or above by the Adult Learning Inspectorate.

Looking forward over the next three years we aim to position the National Employer Service (NES) as the LSC interface with large national employers.

In doing this we will:

- build on our successful Account Management structure to provide a brokerage service to large national employers;
- develop a single unified offer for large national employers including:
  - Basic Skills
  - Apprenticeships
  - First full Level 2s for Adults
  - Higher level skills
  - iIP;
- establish a large employer consultative forum(s) to help the LSC in identifying skills priorities and shaping the design and delivery of training to meet them;
- double the number of large new employers engaged in work based learning;
- increase the number of young and adult learners engaged in Apprenticeships and NVQ programmes while ensuring any ethnic or gender imbalances are addressed;
- increase Ufi’s delivery counting against the LSC’s priorities, including Basic Skills, first NVQ level 2s and employer engagement.

Whilst we will continue to provide employer based national provision which is judged to be of the highest quality, the LSC has taken the opportunity of re-branding and re-launching our service as the National Employer Service. The change reinforces the focus of the Service on working strategically with large employers to meet their workforce development needs and will also strengthen linkages with new and emerging skills developments.

In taking forward our revised remit we will focus on large national employers with 5000 plus employees and who have the potential for at least 200 learners, including 100 Apprentices.

Over the coming year we look forward to continuing to work closely with colleagues within the LSC at local, regional and national level, with the Apprenticeship Task Force and Ufi to progress the priorities outlined in this plan. With our move to the Skills Group within the LSC, we anticipate the NES being at the heart of delivery of the LSC’s skills strategy. We also look forward to working more closely, as appropriate, with the Department for Education and Skills, the Sector Skills Councils and iIP UK.

Marinos Paphitis
Director – National Employer Service
Learning and Skills Council
1 STRATEGIC PRIORITIES

1.1 National Priorities

- The LSC’s Annual Statement of Priorities published in December 2004 sets out what needs to be done in order to support the delivery of world-class learning and skills. The LSC’s priorities are to:

1. Make learning truly demand-led so that it better meets the needs of employers, young people and adults.
2. Ensure that all 14-19 year olds have access to high quality, relevant learning opportunities.
3. Transform Further Education so that it attracts and stimulates more business investment in training and skills development.
4. Strengthen the role of the LSC in economic development so that we provide the skills needed to help all individuals into jobs.
5. Strengthen the LSC’s capacity to work effectively at a regional level – particularly with Regional Development Agencies and Regional Skills Partnerships.
6. Improve the skills of workers who are delivering public services.

- Government has set challenging skills targets that we are committed to delivering - directly and by influencing the activities of our partners. In supporting these priorities nationally, the LSC plans to deliver against the following targets:

For young people:
- Increase the proportion of 19 year olds who achieve at least Level 2 (equivalent of 5 GCSEs) by three percentage points between 2004 and 2006, and a further two percentage points between 2006 and 2008. Contributing to this, the LSC aims to deliver 23,000 additional 19 year olds at/above Level 2 in 2006 compared to 2004.

For apprentices:
- A performance indicator for apprenticeships has been developed. By 2008, the number completing their apprenticeship will have risen by three quarters.

For adults:
- Improve the basic skills of 2.25 million adults between 2001 and 2010, with a milestone of 1.5 million in 2007 of which the LSC plans to fund at least 1.4 million directly.
- 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. The LSC will lead on ensuring the delivery of this target through its own funding and contributions from others.

We will also work with key partners to contribute to their efforts to:
- Increase the proportion of young people and adults achieving a Level 3 qualification. These targets will be set regionally to reflect the priorities of regional skills partnerships and regional skills needs.
- Reduce the proportion of young people not in education, training or employment by two percentage points by 2010
- Increase participation in Higher Education towards 50 per cent of those aged 18 to 30 by 2010.

1.2 The LSC’s National Employer Service Priorities

- Our priorities are to:
  - Build strategic relationships with large national employers to identify emerging skills and represent their views within the LSC.
  - Position the National Employer Service as the interface with large national employers for the National Employer Training Programme.
  - Deliver agreed Apprenticeships, NVQ and Skills for Life participation, quality and achievement levels, as detailed in our “key targets”.
  - Target and engage a further 10 new national employers into Work Based Learning in order to increase participation.
  - Build on the successful transition of Ufi contract management to the LSC, ensuring greater synergy between Ufi provision and the LSC’s priorities and targets.

- We will do this by:
  - providing a highly effective and professional brokerage and contracting arm of the LSC;
  - developing our people, systems and processes;
  - Continuing to work with LSCs at local, regional and national level in order to meet the needs of the LSC’s Business Cycle and support achievement of regional skills priorities.

- Our key targets in support of these priorities are set out in Annex 1.
MARKET ANALYSIS

2.1 Local Context

- The National Employer Service responds to the recruitment and workforce development needs of large national employers and the providers that represent them. Additionally NES will develop new relationships with large employers in order to identify emerging skill needs and represent their views within the LSC. We work also with large sector specific providers where Apprenticeship delivery, focussed on a specific occupation or sector, is nationwide. All of the learners funded by the NES are normally employees.

- Each of the employers engaged in Apprenticeships or the 25+ Employee Initiative through NES have their workforce spread across the country in line with their business needs. To ensure local and regional LSC colleagues are fully aware of the provision being delivered in their locality, a monthly suite of Management Information is supplied detailing the recruitment, retention and achievement patterns for NES employers across each of the 47 local and 9 regional areas. This information includes details of occupation, programme, age group, gender and ethnicity etc.

- Over the coming year we will continue to work with the organisations we contract with and colleagues at the LSC local and regional level to strengthen the link between national and regional planning and that provision contracted for on a national basis. In particular we will ensure that large national employers are fully engaged in the Skills Strategy. We will also ensure that sector specific provision aligns with local and regional planning.

2.2 National Context

- The provision delivered by NES has continued to grow and develop over the last 12 months. 30 new employers have been brought into Apprenticeships and we are currently working closely with 40 more. This continued, long term engagement of new employers has an impact on the types of provision available and the make up of learners that are participating.

- Since we were established in April 2002, there has been a three-fold increase in participation. We reported last year that the growth has reduced the percentage of learners engaged in traditional Apprenticeship sectors of engineering and construction and moved our delivery towards less traditional sectors such as Leisure, Sport and Travel and Health and Social Care. This pattern has continued throughout the 2003/04 contract year and first quarter of the 2004/05 contract year. The details of the shift are shown in Tables 1 and 2 below.
Over the coming year, linked to emerging Skills Strategy developments, we will review the focus for our activity. It is envisaged, for example, that we will place a particular priority on those companies with the highest workforce levels in the UK. The public sector will also remain a priority, in particular the Forces and central Government departments.

The shift in occupations has been accompanied by a shift in programme and age group. There has been a significant increase in the percentage of learners participating in an Apprenticeship, while Advanced Apprenticeship participation has seen a corresponding reduction. At the same time there has been a lower, but still marked increase in participation by learners aged 19 or over at the start of their programme. In some occupations the changes are inextricably linked. For example in the care sector where there is both a Level 2 requirement for employees and also minimum age requirement for full time employees of 18 years. With the continued engagement of new employers in non-traditional sectors it is expected that this shift will continue for 2 – 4 more years before a steady state is reached.

Details of the shift in programme are shown in table 3 below.

Our 25+ Employee Initiative is also delivered across the whole country. 30,000 adults are participating in NVQs, with the full support and engagement of their employers, increasing the skills of the workforce in a targeted and measured way. So far this programme has delivered over 16,000 NVQs across occupations that include construction, hospitality, engineering and health care.

This programme has been an unqualified success. With a rolling In Learning figure of approximately 30,000 for over 18 months and an average cost of £850 per qualification, the initiative has continued to deliver a full NVQ completion rate of 80%, with a further 25,000 qualifications expected before March 2006.

### Table 3: Growth In In Learning by Programme

<table>
<thead>
<tr>
<th>Programme</th>
<th>2001/02 Cohort</th>
<th>2003/04 Cohort</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Apprenticeships</td>
<td>10,000</td>
<td></td>
</tr>
<tr>
<td>Apprenticeships</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Training (Apprenticeship Framework not in place)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Ensuring equality of opportunity is integral to our operation. Each account has an agreed suite of Equality and Diversity Measures (EDIMS) against which they will be assessed and measured throughout the year. In addition, global analysis of the cohort will continue with recruitment and achievement patterns across gender and ethnic groups being monitored against the country’s workforce and national achievement rates within training and education.

Tables 4 and 5 show our historical delivery.
These tables show that many of the sectors are conforming to traditional equality and diversity norms, for example a high percentage of female learners and ethnic representation in Health, Social Care and Public Services. The tables also show the wide variance between sectors. Given this, as well as the national make up of our provision, it is important to look at equality and diversity at individual account level. Over the coming year NES Account Managers will, therefore, continue to work with their accounts to ensure effective Equality and Diversity policies and measures are in place and that genuine equality of opportunity exists across NES provision. More on this is developed in section 3.

Across Work Based Learning for Young People, the current makeup of learners is as shown in charts 1 and 2.

Table 4: Recruitment Patterns for the 2003/04 Contract Year

<table>
<thead>
<tr>
<th>Area of Learning</th>
<th>Female</th>
<th>Male</th>
<th>% Female</th>
<th>Ethnic Minority</th>
<th>White</th>
<th>% Ethnic Minority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Administration, Management and Professional</td>
<td>474</td>
<td>257</td>
<td>64.79</td>
<td>43</td>
<td>688</td>
<td>5.84</td>
</tr>
<tr>
<td>Construction</td>
<td>75</td>
<td>10,783</td>
<td>0.69</td>
<td>187</td>
<td>10,671</td>
<td>1.72</td>
</tr>
<tr>
<td>Engineering, Technology and Manufacturing</td>
<td>563</td>
<td>19,884</td>
<td>2.75</td>
<td>528</td>
<td>19,918</td>
<td>2.58</td>
</tr>
<tr>
<td>Hairdressing and Beauty Therapy</td>
<td>964</td>
<td>161</td>
<td>85.67</td>
<td>68</td>
<td>1,058</td>
<td>6.05</td>
</tr>
<tr>
<td>Health, Social Care and Public Services</td>
<td>1,039</td>
<td>117</td>
<td>89.85</td>
<td>76</td>
<td>1,080</td>
<td>6.58</td>
</tr>
<tr>
<td>Hospitality, Sports, Leisure and Travel</td>
<td>2,852</td>
<td>1,468</td>
<td>66.01</td>
<td>157</td>
<td>4,163</td>
<td>3.63</td>
</tr>
<tr>
<td>Information and Communication Technology</td>
<td>41</td>
<td>216</td>
<td>15.88</td>
<td>12</td>
<td>244</td>
<td>4.84</td>
</tr>
<tr>
<td>Land based provision</td>
<td>50</td>
<td>53</td>
<td>48.22</td>
<td>2</td>
<td>101</td>
<td>1.78</td>
</tr>
<tr>
<td>Retailing, Customer Service and Transportation</td>
<td>2,224</td>
<td>3,612</td>
<td>38.11</td>
<td>485</td>
<td>5,350</td>
<td>8.32</td>
</tr>
<tr>
<td>Visual and Performing Arts and Media</td>
<td>12</td>
<td>270</td>
<td>4.26</td>
<td>1</td>
<td>281</td>
<td>0.35</td>
</tr>
</tbody>
</table>

Table 5: Achievement Rates for 2003/04 Contract Year

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Female Completion Rate</th>
<th>Male Completion Rate</th>
<th>Ethnic Minority Completion Rate</th>
<th>White Completion Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Administration, Management and Professional</td>
<td>19.69</td>
<td>14.18</td>
<td>13.64</td>
<td>18.63</td>
</tr>
<tr>
<td>Construction</td>
<td>26.32</td>
<td>23.60</td>
<td>16.82</td>
<td>24.02</td>
</tr>
<tr>
<td>Engineering, Technology and Manufacturing</td>
<td>14.04</td>
<td>31.87</td>
<td>18.24</td>
<td>29.28</td>
</tr>
<tr>
<td>Hairdressing and Beauty Therapy</td>
<td>30.40</td>
<td>16.53</td>
<td>23.33</td>
<td>28.06</td>
</tr>
<tr>
<td>Health, Social Care and Public Services</td>
<td>9.60</td>
<td>5.41</td>
<td>4.65</td>
<td>8.95</td>
</tr>
<tr>
<td>Hospitality, Sports, Leisure and Travel</td>
<td>33.16</td>
<td>17.98</td>
<td>15.79</td>
<td>28.52</td>
</tr>
<tr>
<td>Information and Communication Technology</td>
<td>47.37</td>
<td>51.06</td>
<td>78.57</td>
<td>47.09</td>
</tr>
<tr>
<td>Land based provision</td>
<td>37.21</td>
<td>24.24</td>
<td>0.00</td>
<td>31.88</td>
</tr>
<tr>
<td>Retailing, Customer Service and Transportation</td>
<td>22.97</td>
<td>20.52</td>
<td>16.30</td>
<td>22.47</td>
</tr>
<tr>
<td>Visual and Performing Arts and Media</td>
<td>28.57</td>
<td>38.06</td>
<td>0.00</td>
<td>37.91</td>
</tr>
</tbody>
</table>
2.4 Performance

Global performance against our key targets can be found at Table 6 below. As shown, the targets for recruitment and participation were met, as were targets for ALI inspection outcomes and new employer engagement.

Table 6: Performance Against Key NES Targets

<table>
<thead>
<tr>
<th>Apprenticeships</th>
<th>Target</th>
<th>2003/04 Actual</th>
<th>2004/05 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Learners</td>
<td></td>
<td>35,413</td>
<td>33,000</td>
</tr>
<tr>
<td>Average in Learning</td>
<td>42,000</td>
<td>52,674</td>
<td>60,000</td>
</tr>
<tr>
<td>Advanced Apprenticeship Completion Rate</td>
<td>35%</td>
<td>31.2%</td>
<td>40%</td>
</tr>
<tr>
<td>Apprenticeship Completion Rate</td>
<td>30%</td>
<td>24.3%</td>
<td>30%</td>
</tr>
<tr>
<td>Advanced Apprenticeship Success Rate</td>
<td></td>
<td>43.1%</td>
<td>45%</td>
</tr>
<tr>
<td>Apprenticeship Success Rate</td>
<td>35%</td>
<td>35%</td>
<td></td>
</tr>
<tr>
<td>% of employers/providers who achieve at least satisfactory grades at ALI inspection</td>
<td>55%</td>
<td>71%</td>
<td></td>
</tr>
<tr>
<td>% of learners in provision graded as satisfactory or better at ALI inspection</td>
<td></td>
<td></td>
<td>85%</td>
</tr>
<tr>
<td>Number of new target employers engaged in Work Based Learning</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Other new national employers engaged in Work Based Learning</td>
<td></td>
<td>30</td>
<td>20</td>
</tr>
<tr>
<td>25 Plus Employee Initiative</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average in Learning</td>
<td>21,000</td>
<td>32,162</td>
<td>23,000</td>
</tr>
<tr>
<td>NVQ Achievement Rate</td>
<td>65%</td>
<td>80%</td>
<td>70%</td>
</tr>
</tbody>
</table>

Each of the programmes faces its own unique challenges that will need to be addressed in the coming year.

Apprenticeships

The key challenge on Apprenticeship is achievement. While the Apprenticeship (level 2) completion rate has increased significantly over the last 2 contract years it is still lower than the reaching target we set last year. In addition the achievement rate on Advanced Apprenticeships has remained steady over the last year, failing to show the expected increase as quality improvements are made to provision.

Some of the delays in increasing the global achievement rate are as a result of the significant numbers of new contracts signed by NES over the last 18 months. On these contracts, any learners that leave the programme are non-completers and have a depressing effect on global performance.

Over the coming year, work will continue at a contract level to drive up achievement rates as detailed in section 3.1.

Ufi – Learndirect

This provision has gone through considerable change and faces further challenges. The key focus will be moving the provision delivered by Ufi/Learndirect more into line with the LSC’s Statement of Priorities and targets. As a part of this we are working closely with Ufi shaping their activities through the three year development plan in order to fulfil their key role in delivering the government’s post 16 agenda. This includes pre level 2 achievement, employer engagement and Skills for Life.

25+ Employee Initiative

This programme is still in the pilot phase. Over the coming year the key challenge will be to bring this pilot in line with Skill Strategy developments. We will therefore start to move the eligibility criteria for new learners to those undertaking their first full NVQ level 2 or 3.
3 HEADLINE ACTIVITIES

3.1 Young People – Improving Participation and Attainment

- As outlined in section 2 our priorities here are to:
  - Deliver agreed Apprenticeship participation and achievement targets as set out in Annex 1a.
  - Develop relationships with 50 employers from our target list and engage a further 10 national employers in Work Based Learning

- A number of strategies and activities will support achievement of the above. These are:
  - our quality assurance improvement strategy;
  - working with employers to strengthen their sub contractor relationships;
  - our equality and diversity strategy;
  - our marketing strategy;
  - working with employers to help engage them in Apprenticeships through Approved Employer schemes and temporary Apprenticeship frameworks, where a framework has still to be developed.

3.1.1 Quality Improvement Strategy

- The NES quality strategy remains focused on:
  - Improving learner success rates by supporting improvements in the quality of the delivery and management of learning for existing employers and providers, as well as ensuring that new contractors have this as a priority.
  - Developing understanding of policies and structures within employers/providers to give confidence that the learners are in a safe, healthy and supportive environment, and that they are being developed as "safe learners".

- 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.

- Where an employer or provider fails to meet the quality thresholds set, serious consideration will continue to be given to terminating the contract. In addition, where an employer or provider achieves Adult Learning Inspectorate inspection grades 4 or 5, we will look to put a hold on the recruitment of new learners, as part of the post inspection action plan agreed, until the quality of the provision has improved.

- Our key activities are designed to build on progress made against previous business plan objectives and are focused in five key areas:-

Embedding the LSC Business Cycle

- To ensure the development of effective three year development plans for the 2005/06 – 2007/08 period.
- To develop effective review mechanisms which allow both our Account Managers and employers and providers to be clear on the level of progress being made against key measures, and how effectively the process is being managed.

Preparation for inspection changes

- To work closely with both employers and the Adult Learning Inspectorate to ensure full preparation for the new cycle of inspections and the effective planning of the inspection programme
- To develop support and a further honing of our processes to support the assessment of the effectiveness of the Self Assessment Review process and development action plans.
- To maintain the close links with the Adult Learning Inspectorate Inspection and Excalibur teams to ensure that there is common understanding of developments within each organisation.

Health and Safety

- To ensure that all learners are carrying out their training in safe, healthy and supportive environments.
- To continue to support the development of employer and provider health and safety management systems. In particular, to continue to support employers and providers in their implementation of the safe learner framework.
- To continue to work with employers and providers to ensure that within the Learner Incident Management System (LIM) there is continuous improvement in the quality of incident reporting and assessment.

New and at risk employers/providers

- To identify those recently contracted employers and providers who require further focused support and to develop packages of tailored support for them.
- To develop a clear pre and post contracting route-way and resources to support new organisations.

Evaluation of the impact of support

- To undertake analysis of the effectiveness of the various strands of support, to inform their continuous improvement and to ensure that the impact can be measured.

3.1.2 Strengthening the employer/sub-contract relationship

- We have carried out a significant amount of research activity with the aim of identifying the roles of, and activities delivered by, organisations supporting employers. The research found that a number of different subcontracting models exist across NES provision.
Due to the national makeup of our provision, we will continue to place a focus on the analysis of data, activity planning and performance improvements at employer and provider level. As the content of our provision is highly construction and engineering dominated, we are unlikely to move significantly from the current percentage split which is:

<table>
<thead>
<tr>
<th>Gender</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>73%</td>
</tr>
<tr>
<td>Female</td>
<td>27%</td>
</tr>
</tbody>
</table>

Section 2 of this plan shows the relative size of the sectors in which we have provision and their respective recruitment and achievement rates.

Set in the context of the LSC Equality and Diversity Strategy 2004-07 and the work of the Equal Opportunities Commission, we will act as champions; by discussing recruitment and retention strategies with employers and providers. This will be supported by practical activities which focus on under-represented groups.

As a specific focus we will also seek to ensure, through a renewed emphasis on the Initial Assessment process, that the needs of learners with special learning difficulties and/or disabilities are identified and properly addressed.

Activities

Our key activities for 2005-06 build on progress made against our previous business plan and are:

- To develop and pilot with a minimum of 10 accounts a Heathcheck best practice model for Initial Assessment, which aims to lead to all round improvement in diversity indicators and overall retention and success rates.
- To seek to understand and address the issue that ethnic learners appear 10 percentage points less likely to achieve than white learners and reduce this gap.
- To support employers’ and providers’ initiatives to benchmark their performance by circulating data based on recruitment, retention and achievement, by sector and by level of programme; and assist targeted employers and providers to focus on specific occupational areas or geographies where top-level data indicates possible inequality.
- To run 2-3 expert workshops as part of a package focused on organisations preparing for Inspection.
- To put EDIMs in place with all accounts after six months of initial recruitment of learners and update annually.
- To complete Equality and Diversity health checks with 35% of accounts who have held contracts for more than one year.
- To share good practice by circulating details of principal activities and success measures being undertaken by employers and providers to drive increased understanding and improvements in recruitment and delivery.
- To investigate the significant level of ethnicity declarations which state ‘not known’ or ‘prefer not to say’, which makes data analysis difficult. Consider action to reduce this, where appropriate
- To reduce the rolling ALI average for Equality of Opportunity grade from its current position of 2.9.

3.1.4 Marketing Strategy

The criteria for contracting with NES was changed last year requiring employers to have a minimum of 1000 employees and the potential for at least 100 Apprentices. We have reviewed these numbers in light of current experience and the change to NES and will over the coming year focus on those large employers with 5000 plus employees and the potential for at least 200 learners, including 100 Apprentices.

The number of new organisations engaged by NES in 2003/04 was 40.

Our marketing objectives for 2005-06 are:

- To engage a further 10 major national employers in Work Based Learning programmes.
- To increase the number of learners within contracted major national employers (new and existing) by 10%.
- To continue to raise the profile of the LSC amongst potential large national employers by regular and effective use of PR opportunities.

In support of the above objectives we will engage in the following activity:

- continue with a proactive marketing approach by focussing on specific employers within the target group;
- maintain an LSC wide database and conduct regular analysis of the NES target list against the top 500 companies employing the most workforce in the UK, as well as FTSE top 250 list;
• carry out background research on target organisations to establish the most appropriate means of contacting them;
• work closely with the LSC Chair on the initiative to engage more closely with the top 100 major employers;
• co-ordinate with, and make full use of LSC contacts a local, regional and national level, and those from government departments in order to maximise effectiveness and minimise duplication of effort;
• continue to work with the Apprenticeship Task Force to investigate ways in which they can use their influence to promote and increase participation in Apprenticeships amongst our target group;
• systematically encourage contracted organisations to sign and display the Apprenticeship Commitment Certificate and utilise the presentations of the certificates as a media opportunity;
• use sector account managers to identify young learners or organisations who can be used as exemplars in the media to help raise the profile of the LSC and Apprenticeships;
• using the network of contracted organisations, produce a set of case studies featuring individuals who have progressed from vocational training to success within their organisations or elsewhere;
• identify and contribute to events attended by large national employers with appropriate display and promotional material;
• identify and undertake development of the NES website in order to maximise its use in terms of promotion, communication and information given to potential new employers;
• continue to pay particular attention to the time it takes from initial contact to entering into a contract with a view to fine tuning the process and reducing any unnecessary delays.

### 3.1.5 Approved Employer Schemes and Temporary Frameworks

Three approved schemes have been piloted with Dollond and Aitchison, the Armed Forces (Telecomms) and Coca Cola Enterprises. In 2005/06 we will continue, where appropriate to work with other national employers to move their in house training programmes into Apprenticeship Frameworks.

In addition, we will work with employers with the aim of implementing temporary Apprenticeship frameworks where there is not a framework in place. These temporary frameworks will be occupational programmes with components and design parameters similar to that of Apprenticeships. They will be a first stage in the development of formal framework provision following liaison with appropriate Sector Skills Councils through the Apprenticeship Approvals Group and resolution of any issues.

### 3.2 Adults – Raising the level of skills

Our priorities here are:

• To deliver agreed NVQ, Skills for Life and Ufi participation and achievement levels as set out in Annex 1a and 1b.
• To engage national employers in all aspects of the Skills Strategy
• To build on the successful transition of Ufi Contract Management to the LSC, ensuring greater synergy between Ufi provision and the LSC’s priorities and targets.

Our key activity will be through:

• our 25+ Employee Initiative which provides targeted support for Level 2 and 3 qualifications to meet employer and/or sectoral needs;
• targeting a higher number of employed adults with national employers with basic skills needs linked to the “Skills for Life” strategy;
• increasing the focus of Learndirect provision on the priorities set out within the LSC’s Statement of Priorities and other identified regional and local priorities;
• ensuring that the Information and Advice Service provided through Ufi is integrated with the “Next Steps” initiative for Information and Advice services, and that the quality of information and advice provided by Learndirect centres meets the needs of learners;
• working with Ufi to ensure that the National Resource Service develops its capacity to provide high quality support materials for all providers of information, advice and guidance and that the Learning Opportunities Database is complete, accurate and widely used;
• supporting national employers involved in the Apprenticeship for Adults pilots.

Our measures of success are set out in Annex 1a and 1b.

### 3.2.1 25+ Initiative

The Skills Strategy outlines the requirement for targeted support for Level 2 qualifications to meet sectoral/regional needs. The 25+ Employee Initiative piloted by the NES addresses this requirement directly.

In 2005/06 we will continue to build upon the significant progress that has been made with approximately 30,000 on programme learners with high achievement rates of ~80%. We will work with national employers and LSC colleagues to ensure complementarity between this initiative, the National Employer Training Programme and emerging issues from ‘roll-out’ of the Level 2 Entitlement in 2005/06, including increasing the number of adults participating on first full level 2 and 3 programmes.
3.2.2 Skills for Life

- Having successfully engaged in 10 contracts, against a target of 6 in 2004/05, we will at least double both the number of contracts and their deliverables during 2005/06 as part of a package of integrated support with large employers where the employer sees basic skills as part of a wider Workforce Development agenda, including Apprenticeships.

- Our activity will be underpinned by;
  - A rolling review of existing contractors delivery models and funding rates
  - A thorough review of initial assessment practices on our existing programmes for young people and adults
  - Working with ABSSU, ALP, Local LSCs and others to build the delivery capacity and capability of the provider infrastructure to deliver across all of England
  - Support for employers who wish to set up sustainable in-house delivery models
  - Increasing the expert resource available, through NES, to set up specialised programmes.

- Through these activities NES will support a reduction of employees without the most basic skills by around 1500 and drive an increase in the achievement rate of Apprentices at Level 2 from 25 to 30%.

3.2.3 Learndirect

- Ufi learndirect hold the single largest funding agreement with the Learning and Skills Council. They are an important partner in the delivery of several key government priorities: learning in the workplace, information and advice service and the development of a network of on-line centres.

- The agreed learner targets for 2005/06 are stated in Ufi’s Three-Year Development Plan and set out at Annex 1b. These targets set out agreed priority areas of learning for Skills for Life, Pre-level 2 learners, SME engagements and Sectors.

- Like all providers Ufi will be developing a new three-year development plan for introduction in 2005/06. The past 12 months have been a very turbulent time for Ufi, with the move to a single contract and the re-tendering of the hub network. The new development plan will provide the opportunity to ensure that the targets set with Ufi have a much sharper focus on the priorities set out by the LSC.

- We will work closely with Ufi and LSC local and regional colleagues to develop priorities and targets that drive:
  - The qualifications agenda
    Increase Ufi’s capacity for the delivery of qualifications, both in course materials delivered through the learndirect network and through the provision of accredited test facilities. Where the delivery of full qualifications is not possible we will encourage Ufi to provide a ‘stepping stone’ leading to further learning.
  - Learner tracking and progression
    Where Ufi is unable to deliver full qualifications we will encourage them to develop and implement a learner tracking system to provide progression data, building on the successful progression-tracking pilots during 2004/05. This is increasingly significant given the potential impact of the funding changes to adult and community learning for ‘first steps’ learning.

- As part of their UK on-line provision, Ufi will ensure that evidence demonstrates that at least 20% of users will progress into learning:
  - Skills for Life: reaching people with literacy, numeracy and language needs.
  - Increase Ufi’s capacity to deliver national tests: (Certificate in Adult Literacy or Numeracy or ESOL).
  - Employer Engagement: SMEs, Sectors and Single Organisations.
    To develop a model setting out agreed criteria for employer engagement. The purpose of this is to be clear about the nature of the engagement with the employer as well as with the employee.
  - To develop the capacity to engage employers in the delivery of learning in the work place.

3.2.4 Information and Advice Service

- Our key activity here is to ensure that the Information and Advice Service targets are met and that the service is integrated with the ‘next steps’ initiative, and the quality of information and advice provided by learndirect centres meets the needs of learners

3.2.5 The National Resource Service

- We will work with DfES and LSC colleagues to ensure that the National Resource Service develops its capacity to provide high quality support materials for all providers of information, advice and guidance, and that the Learning Opportunities Database is complete, accurate and widely used.

3.2.6 Adult Apprenticeship Developments

We will support national employers involved in the Apprenticeships for Adults pilots taking place across the Engineering, Construction and Health sectors.

3.3 Improving the Infrastructure and taking forward the agenda for change

- A number of other strategies will support the achievement of our headline activities and key targets in addition to those outlined at 3.1 and 3.2. These are:
  - our internal resources set out in section 4;
  - our sector approach; and
  - our communications plan.
In addition, we will develop our service to enable us to operate as the National Employer Training Programme broker for large multi-sited employers.

3.3.1 Sector Approach

In 2004 we moved to a sector approach to account management. This was in order to maximise the effectiveness of our account management process and in order to benefit from the further development of the Sector Skills Councils. Alongside this we will, where appropriate, engage in sectoral developmental and marketing initiatives in partnership both with the Sector Skills Councils and the Apprenticeships Task Force. This will be further strengthened by the integration of NES into the LSCs Skills Group.

3.3.2 Communications Plan

We will continue the focus on establishing and developing effective communication with all key stakeholders including:

- NES Accounts (employers and providers);
- targeted new employers;
- local LSC, regional and National Office colleagues;
- through Connexions Services and the Web – Young People;
- Apprenticeship Task Force.

Additionally in 2005/06 we will focus on:

- developing an appropriate relationship with the LSCs Regional structure;
- developing our website to specifically target employers, young people, existing accounts and general enquiries

In support of the above objectives we will engage in the following activities:

- work alongside Skills colleagues and the LSC Communications team to produce regular press releases and photo opportunities linked to NES activity;
- continue to distribute the NES Update to existing accounts on a monthly basis;
- further develop the NES Newsletter for local LSCs and send out at least three times a year;
- continue to review the LSC contacts within NES to ensure each local LSC and LSC region has regular liaison with an NES link person;
- offer Business Plan presentations to all local LSCs, both individually and on a regional basis, as well as to National Office teams;
- establish relationships with Sector Skills Councils and IiP UK.

Our sectoral approach and links into other areas of the Skills Group will also allow us to focus our communication activity on specific sectoral groupings, in particular:

- Construction
- Engineering
- MoD/Public Sector
- Retail
- Care
- Hospitality

3.3.3 National Employer Training Programme

In readiness for the roll out of the National Employer Training Programme from 2006-07, we will over the next year:

- seek to broaden the account management role to act as a “Broker”;
- develop a single unified offer to large employers. This is likely to include:
  - Basic Skills
  - Apprenticeships
  - Adult first level 2s
  - Higher level skills,
- as well as signposting to the support available from IiP UK, the Sector Skills Council and other organisations;
- work closely with colleagues within the LSC, the Sector Skills Council, IiP UK, and the Department of Education and Skills in respect of the delivery of the Sector Skills Agreements, to integrate advice and support for IiP with training provision and to explore the use of LSC funded provision to help large employers support training through their supply chains;
- establish a large employer skills consultative forum.
4 Internal Resources

4.1 Internal structures

- Sector Account Managers, acting as the key interface with employers and providers on all issues, remain fundamental to the success of NES. 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 workforce development.

- As outlined in section 3.3, we will continue to build on the sectoral focus of our account managers and engage in sectoral marketing initiatives in liaison with other partners. We will also broaden the Account Management role to act as the broker for the National Employer Training Programme with large multi-sited employers.

- The Planning and Contracts team will continue to be responsible for all aspects of running the NES, including planning, production of performance information, co-ordinating communications, servicing the NES Board, liaison with other National Office teams and management of our outsourced service contracts, including quality and health and safety call off contracts.

- Particular priorities for this team over the coming year will be the further development of our planning processes including alignment of our sector specific provision with planning at local LSC and regional level, the provision of robust performance and budgeting information, and the development of an effective employer website.

4.2 Financial Resources

- The NES has three main blocks of money which fund:
  - Work Based Learning for Young People
  - our 25+ Employee Initiative
  - Learndirect and other provision through Ufi.

- In addition, the NES has a block of money to support quality improvement (Provider Support Fund), as well as an administration budget for the functions we deliver "in house" and the services contracted out.

Work Based Learning for Young People

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>16/18</td>
<td>£127,692</td>
</tr>
<tr>
<td>19+</td>
<td>£76,662</td>
</tr>
<tr>
<td>Total</td>
<td>£204,354,000</td>
</tr>
</tbody>
</table>

25+ Employee Initiative

£16,700,000.

Ufi

<table>
<thead>
<tr>
<th>Service</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learndirect</td>
<td>£131,000,000</td>
</tr>
<tr>
<td>Information and Advice Service</td>
<td>£14,000,000</td>
</tr>
<tr>
<td>UK online</td>
<td>£6,100,000</td>
</tr>
<tr>
<td>National Resource Service</td>
<td>£5,000,000</td>
</tr>
<tr>
<td>Administration</td>
<td>£35,194,000</td>
</tr>
</tbody>
</table>

Provider Support Fund

£900,000

- We will continue to use these resources to purchase high quality learning, to engage targeted large national employers in work based learning, and to improve retention and achievement.

4.3 Financial and Performance Management

- 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 annual financial health assessments of employers and providers;
- robust provider financial assurance arrangements of employers and providers;
- agreement of contract values at appropriate levels based on the size and financial health and risk of organisations, together with historical performance;
- growth management at steady rate to ensure funds are not released in advance of need and capacity;
- monthly assessment of contract performance;
- NES Director performance review meetings with Sector and Senior Sector Account Managers;
- agreement and review of action plans with employers and providers to address areas of key concerns;
- a twice yearly formal review of all contracts and three year plan progress by the senior management team.

Ufi

- In addition, in respect of Ufi, we will work with Ufi and LSC colleagues at local, regional and national level to:
  - explore the scope for further efficiency savings in respect of Ufi’s budget; and
  - ensure that local Councils’ priorities are an integral part of Ufi’s planning process.

Between 2004/05 and 2006/07 Ufi had already agreed to make efficiency savings of £20 million in their general administration expenditure. £4 million of those savings were factored into the 2004/05 allocations, £10 million in 2005/06 with the remaining £6 million to come out of the 2006/07 budget.

The LSC has also required that an efficiency review be carried out in order to identify further savings – particularly in respect of administration expenditure.

- During 2005/06 we will take forward the outcomes of this efficiency review. The LSC would want to use
any reduction on administration to increase the amount available for other purposes within the LSC's participation budget, which would be in accordance with the principles of the Gershon Review.

### 4.4 Working with Others

- In order to deliver our objectives and support wider achievement of the LSC Annual Statement of Priorities, we will work closely with other LSC colleagues at the national, regional and local level, as well as with Sector Skills Councils, the Modern Apprenticeship Taskforce, IIP UK and DfES.

### 4.5 NES Board and LSC Ufi Programme Board

- The roles of the NES and Ufi Programme Boards are set out in Annex 2. Both boards have a key role to play in overseeing and advising on the strategic operation of NES. The NES Board has endorsed this plan and the Ufi Programme Board signs off the 3 year development plan with Ufi.
The key targets we will be working with our employers and providers to achieve during the 2004/05 year and the 2005/06 and 2006/07 years as appropriate are:

<table>
<thead>
<tr>
<th>Programme</th>
<th>2004/05 Target</th>
<th>2005/06 Target</th>
<th>2006/07 Target</th>
<th>2007/08 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>WBLYP – New Learners</td>
<td>33,000</td>
<td>30,000</td>
<td>30,000</td>
<td>30,000</td>
</tr>
<tr>
<td>WBLYP – In Learning</td>
<td>60,000</td>
<td>60,000</td>
<td>62,000</td>
<td>64,000</td>
</tr>
<tr>
<td>25+ Employee Initiative</td>
<td>23,000</td>
<td>9,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In addition to our key targets we have also agreed some Skills Strategy Equality and Diversity process benchmarks:

**Skills Strategy**
- Establish a large employer consultative forum
- Develop a large employer brokerage model for the National Employer Training Programme
- Develop a single unified National Employer Training Programme offer to large employers

**Equality and Diversity**
- 35% of accounts who have held a contract for more than one year to have completed an Equality and Diversity Healthcheck
- EDIMs to be agreed with all accounts who have held a contract for more than 6 months
  - Reduce the 10% gap between framework achievements of ethnic and white learners
  - Improve the rolling ALI average for Equality of opportunity grade from its current 2.9 position

We will also pilot **basic skills** as part of a package of integrated support with 20 large national employers, involving at least 1500 learners.
Headline Targets: *learndirect* and Information and Advice Service

<table>
<thead>
<tr>
<th>Area of activity</th>
<th>2004/05</th>
<th>2005/06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learner numbers (individual learners)</td>
<td>460,000</td>
<td>480,000</td>
</tr>
<tr>
<td>Learner enrolments (course uptakes)</td>
<td>920,000</td>
<td>960,000</td>
</tr>
<tr>
<td>Skills for Life National Certificates in Adult Literacy/Numeracy/ESOL.</td>
<td>8,370</td>
<td>19,000</td>
</tr>
<tr>
<td>Learner success - target completion Rate</td>
<td>60%</td>
<td>60% (tbc)</td>
</tr>
<tr>
<td>Dissatisfied/neutral learners</td>
<td>13%</td>
<td>11%</td>
</tr>
<tr>
<td>% of support staff holding qualifications at L3 or above</td>
<td>50%</td>
<td>to be set following baseline.</td>
</tr>
<tr>
<td>% of support staff working towards qualifications at L3 or above</td>
<td>50%</td>
<td>to be set following benchmarking</td>
</tr>
<tr>
<td>Target for Information and Advice Service (IAS)</td>
<td>5.0m eligible advice sessions</td>
<td>5.3m eligible advice sessions</td>
</tr>
</tbody>
</table>

Sub Targets: *learndirect* and UK online

<table>
<thead>
<tr>
<th>Area of activity</th>
<th>2004/05</th>
<th>2005/06</th>
<th>%</th>
<th>% TBC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skills for Life</td>
<td>192,330</td>
<td>115,398</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>Pre level 2 learners</td>
<td>167,400</td>
<td>100,440</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>SMEs</td>
<td>210,600</td>
<td>126,360</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>Sectors</td>
<td>85,500</td>
<td>51,300</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>Other</td>
<td>264,435</td>
<td>158,661</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>Grand total</td>
<td>920,000</td>
<td>552,000</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>Rounding adjustment</td>
<td>(285)</td>
<td>(159)</td>
<td>(800)</td>
<td>60%</td>
</tr>
</tbody>
</table>

**UK online**

- Maintain and support a network of 5000 online centres
- Allocate 7m revenue; 4m capital and 2m BLF funding to 500 targeted UK online venues.
- Undertake staff development; 3000 Unit 1 Level 2 1500 working towards level 2 by July 06 (05 milestone to be agreed)
- Progress centre users into learning:
  - 500,000 users per year
  - 20% progress into learning
- Develop membership model for ONE network of online centres.

- 2000 centres delivering FTOL:
  - 40,000 e-skills passport users
  - 40,000 users complete all initial assessment
  - 1400 users progress to complete skills for life test
  - Membership structure introduced for ongoing management of one network of online centres
- Allocate Funding for 05-6 (sum tbc)
- Progress centre users into learning:
  - 500,000 users per year
  - 20% progress into learning.
The role of the NES Board is to advise on the strategic operation and development of the NES in order to improve participation, retention and attainment in work based learning. The key priority areas for the Board are:

- to advise national, regional and local directors on any policy and significant operational issues arising from the engagement of large employers;
- to advise on new business opportunities to maximise the involvement of major national companies in work based learning and wider workforce development, with a focus on Work Based Learning for Young People;
- to help identify and promote good practice;
- to consider the collective results of Annual Review and its overall impact on provision, and advise on action to improve attainment and retention;
- to consider and inform the NES Business Plan, including key performance benchmarks, and review progress on NES defined targets;
- to represent and promote the NES internally and externally;
- to receive presentations/papers from NES executives and provide advice on policy/strategy, including the NES marketing and communication strategies and plans;
- to consider and advise on the following:
  - the results of Provider Financial Assurance and action to improve effectiveness;
  - the annual assurance statement from the Director of NES to the LSC’s Chief Executive;
  - reports on NES operations received from the Council’s Internal Audit Services, NAO, the Council’s national Provider Financial Assurance team or other bodies;
  - NES internal controls.

Membership and role of the Board is regularly reviewed.

Ufi Programme Board

The role of the Ufi Programme Board is to oversee the policy and strategic development and contract management of the Financial Memorandum and relationship between the LSC and Ufi. Malcolm Gillespie (Regional Director South West and chair of the NES Board) sits on the Ufi Programme Board and Marinos Paphitis, Director of NES, is a member of both Boards.

Members of National Employer Service Board

<table>
<thead>
<tr>
<th>Name</th>
<th>Position/Role</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malcolm Gillespie</td>
<td>Chair</td>
<td>Regional Director South West LSC</td>
</tr>
<tr>
<td>Martin Archer</td>
<td>HR Director</td>
<td>Sodexho UK and Ireland</td>
</tr>
<tr>
<td>Paul Binks</td>
<td>Technical Training Manager</td>
<td>Kwikfit</td>
</tr>
<tr>
<td>Valerie Dale</td>
<td>HR Manager</td>
<td>Rentokil Initial Cleaning</td>
</tr>
<tr>
<td>Keith Donnelly</td>
<td>General Manager</td>
<td>Carillion</td>
</tr>
<tr>
<td>Ruth Exelby</td>
<td>Head of Commercial Training</td>
<td>British Printers Industry Federation</td>
</tr>
<tr>
<td>Richard Healey</td>
<td>Director – Financial Accounts</td>
<td>LSC</td>
</tr>
<tr>
<td>John Landeryou</td>
<td>Assistant Director Inspection</td>
<td>ALI</td>
</tr>
<tr>
<td>Willie Nicoll</td>
<td>National Training Manager</td>
<td>British Gas</td>
</tr>
<tr>
<td>Steve Palmer</td>
<td>Executive Director</td>
<td>Lancashire LSC</td>
</tr>
<tr>
<td>Marinos Paphitis</td>
<td>Director of the LSC’s National Employer Service</td>
<td></td>
</tr>
<tr>
<td>Mary Rogers</td>
<td>Director of Operations</td>
<td>Leicestershire LSC</td>
</tr>
<tr>
<td>Terry Tucker</td>
<td>Learning and Development Director</td>
<td>Barchester Health Care</td>
</tr>
</tbody>
</table>

Membership of the Board will be kept under regular review to ensure appropriate representation.
NATIONAL EMPLOYER SERVICE: Structure

Executive Support Officer
Michelle McIlholy

Executive Assistant
Ann Markie

Director - NES Martin Pagdics

Snr Sector Acc Mgr
Nick Wilson

Snr Sector Acc Mgr
Travis James

Snr Sector Acc Mgr
Bryan Home

CONSTRUCTION COMMERCIAL
& Sector Account Managers
Mark Howard
Mark Content
Liz Daish
Billy Timmins
Tom Spencer
Jenny Hardiman

ENGINEERING/ MOTOR VEHICLE CARE
& Sector Account Managers
Tina Mambry
Isaak Fletcher
Richard Pearce
Sue Tarry
Karl Harker

M.D./PUBLIC SECTOR
HOSPITALITY & LEISURE
& Sector Account Managers
Mary Evans
Mo Ahmed
Penny Martin
Gill Tippet
Bhavna Patel
Vacancy

Quality Manager
Martin Ward

Quality & Risk Manager
John Atkinson

Events & Admin Mgr
Jane Morris

Snr Sector Co-ordinator
Vacancy

Vacancy

Snr Sector Co-ordinator
Vacancy

Snr Sector Co-ordinator
Vacancy

Snr Sector Co-ordinator
Vacancy

Snr Sector Co-ordinator
Vacancy

Snr Sector Co-ordinator
Vacancy

Planning & Performance Executive
Lisel Konge

Planning Support Officers
I, 2
Kim Beria
Rebecca Morris

Planning & Contracts
Paula Chapman

Sector Contracts & Planning Mgr
Vacancy

Planning & Mgr
Shona Hollow

Annex 3