



Leading learning and skills

Investment and Commissioning

Presented by

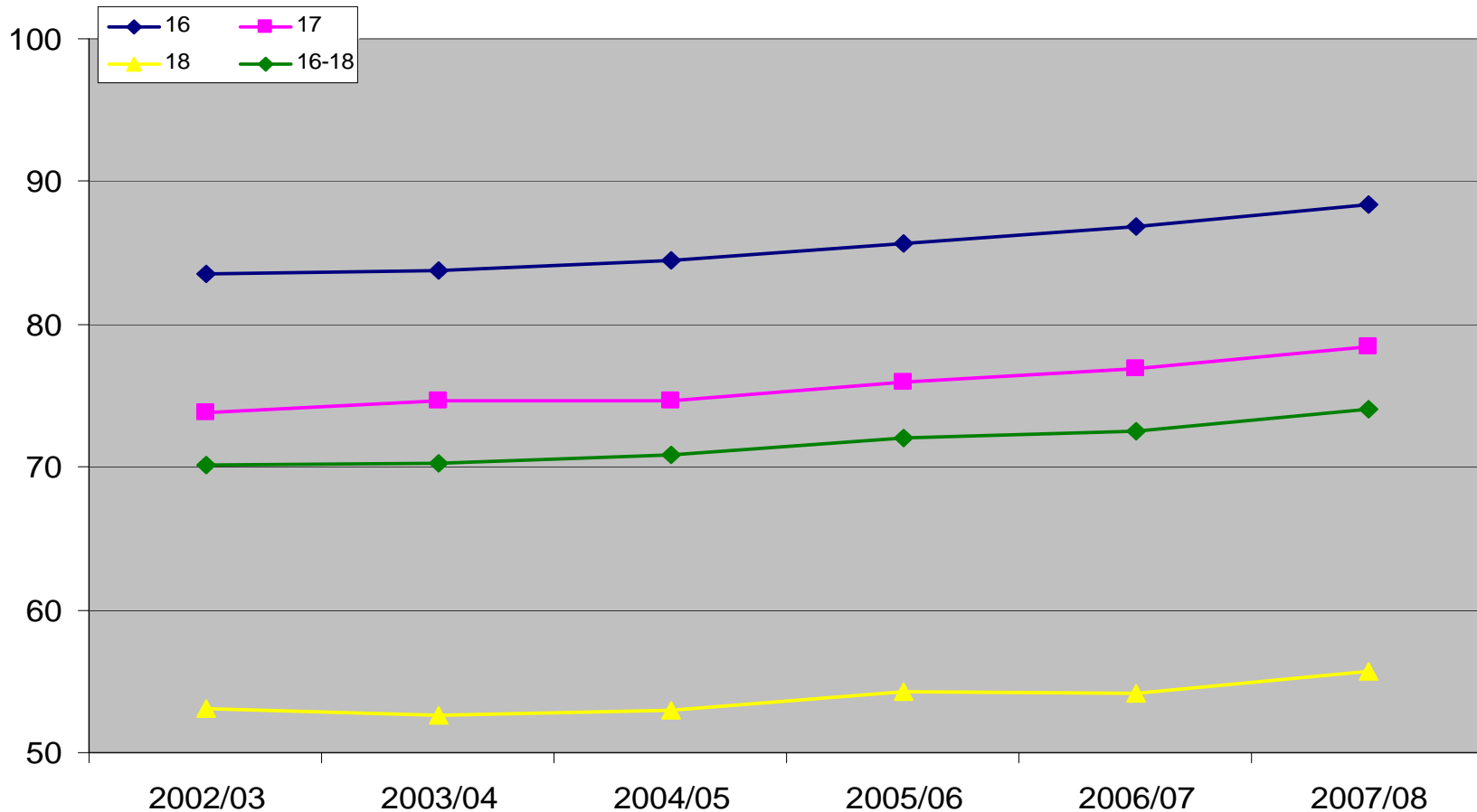
Anthony Knowles
Partnership Director for York

16-18 participation is increasing rapidly



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Participation in education and training 2001-2008 (source: DCSF SFR June 2008)

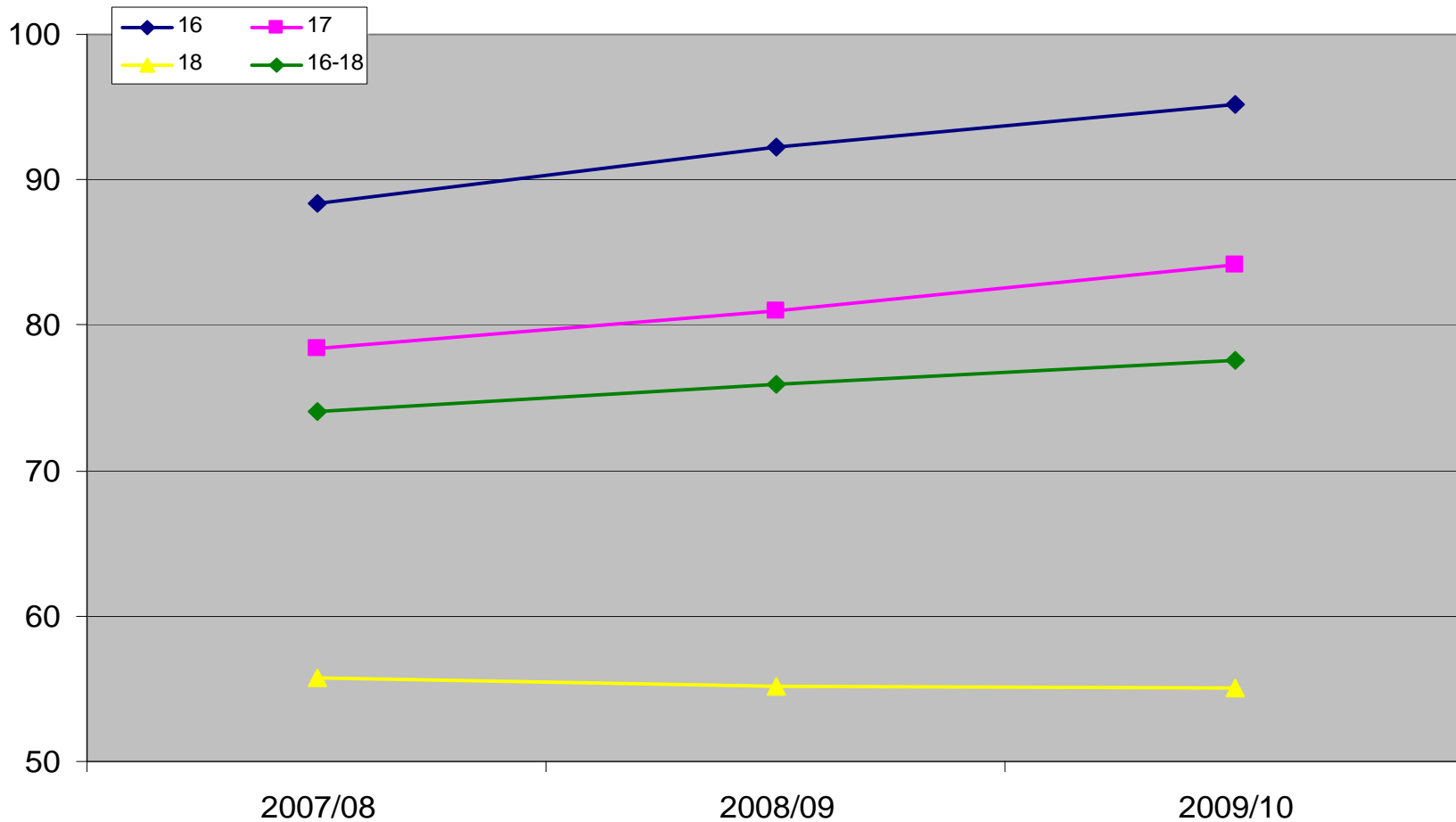


16-18 participation is increasing rapidly



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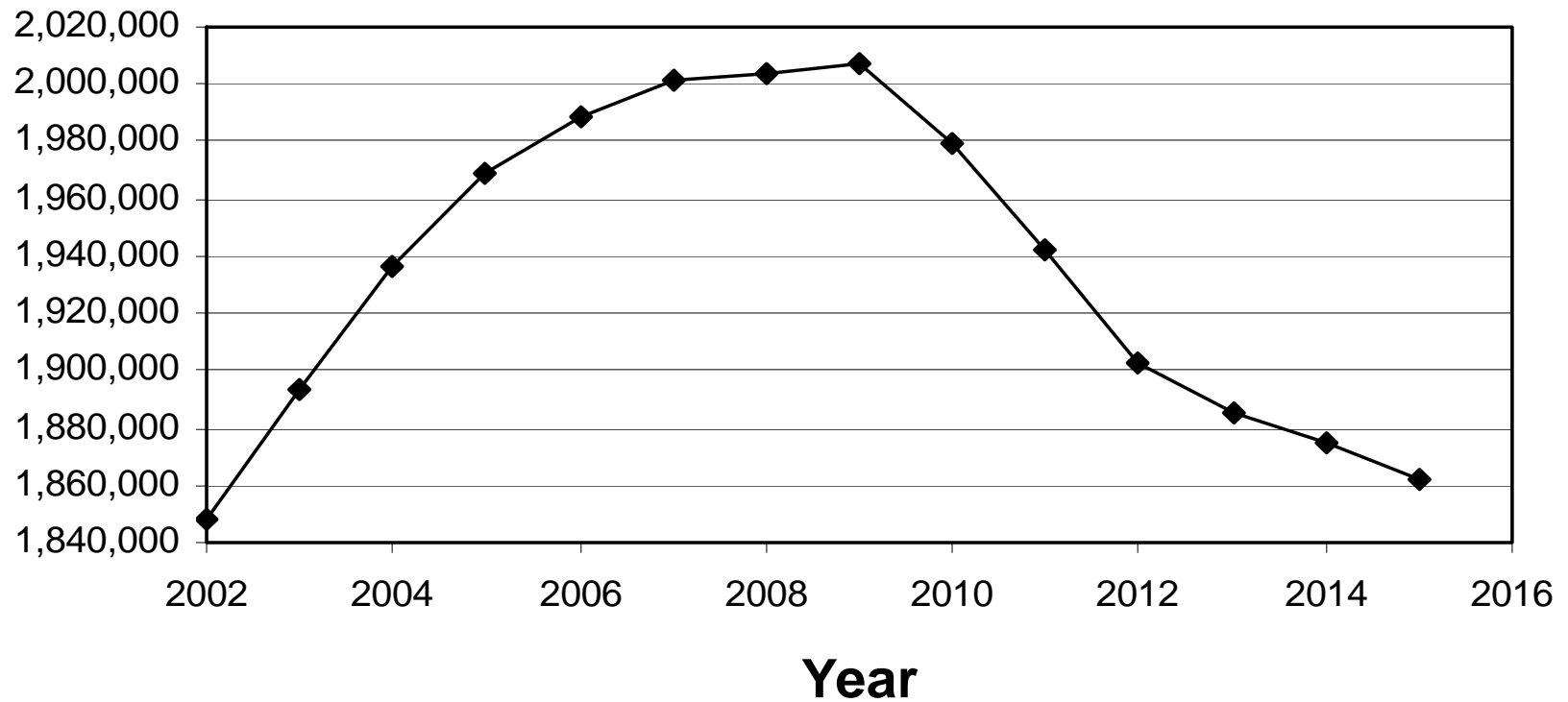
Participation in education and training 2007-2010 (source: LSC youth model)



16-18 Cohort is Reducing



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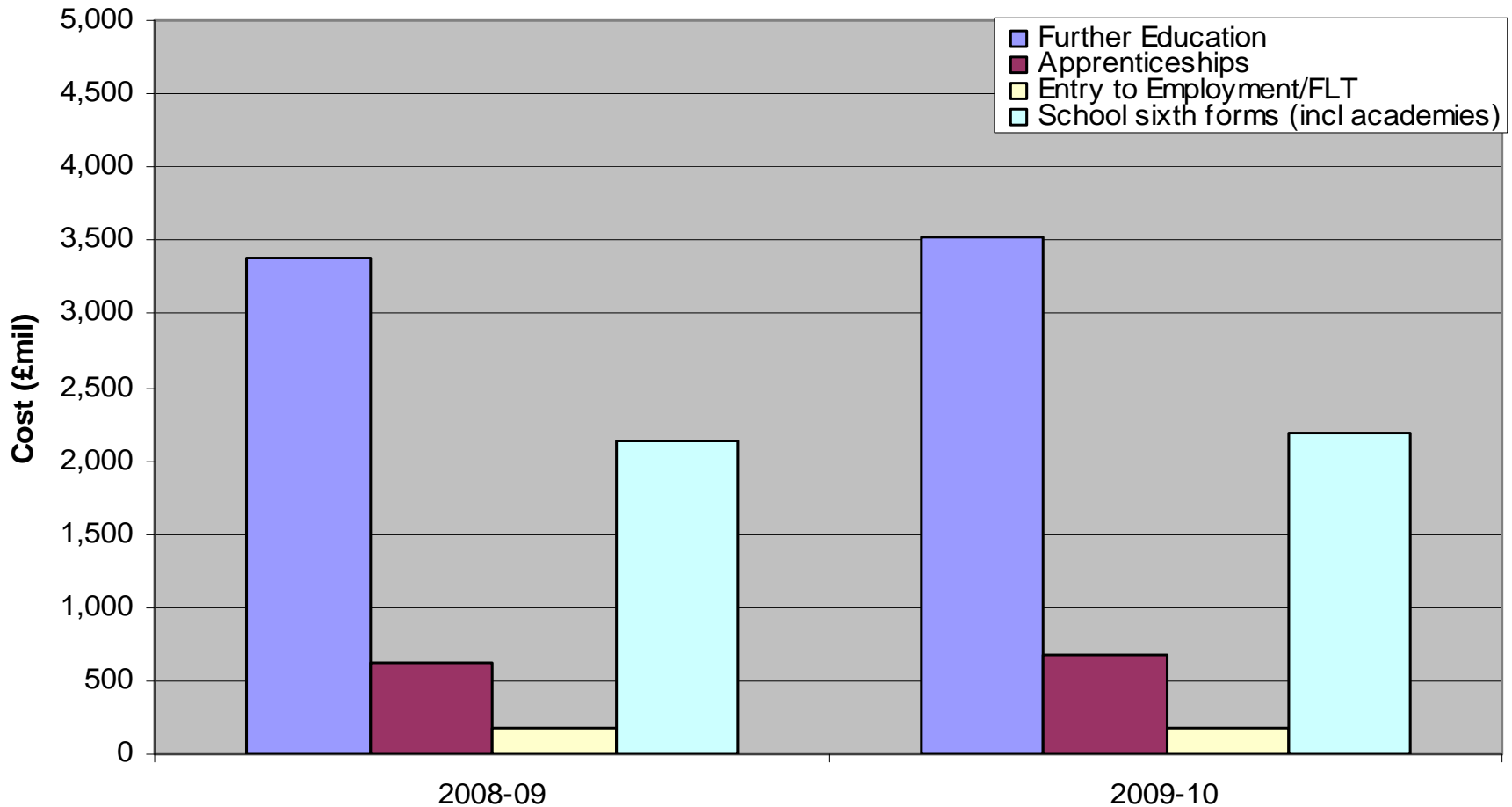


16-18 budget is rising to match participation



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16-18 costs 2008-09 - 2009-10

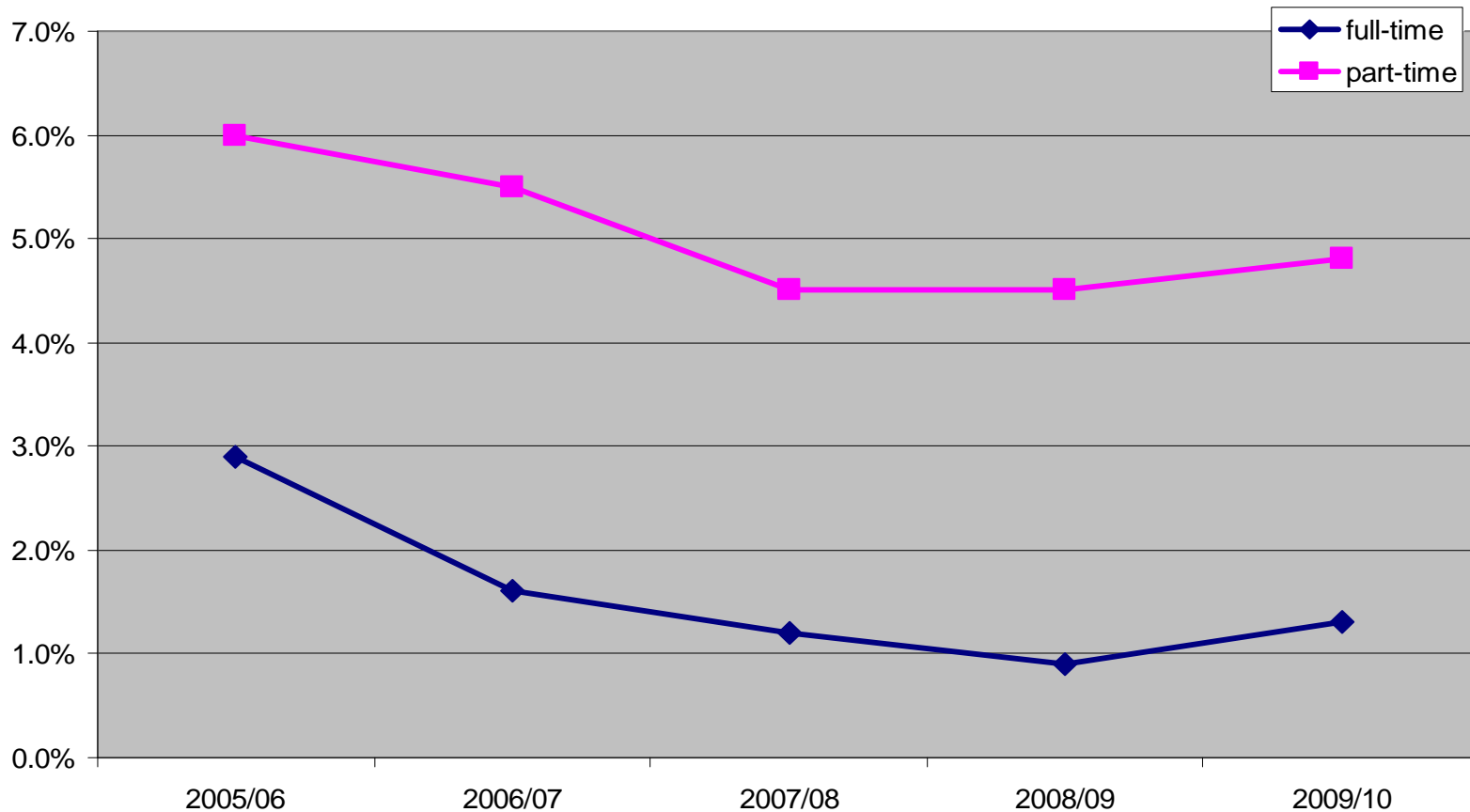


Unit costs are increasing and must be controlled



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Unit costs increases on full- and part-time 16-18 education
(excluding rates increases. Projected for 2008/09 onwards)



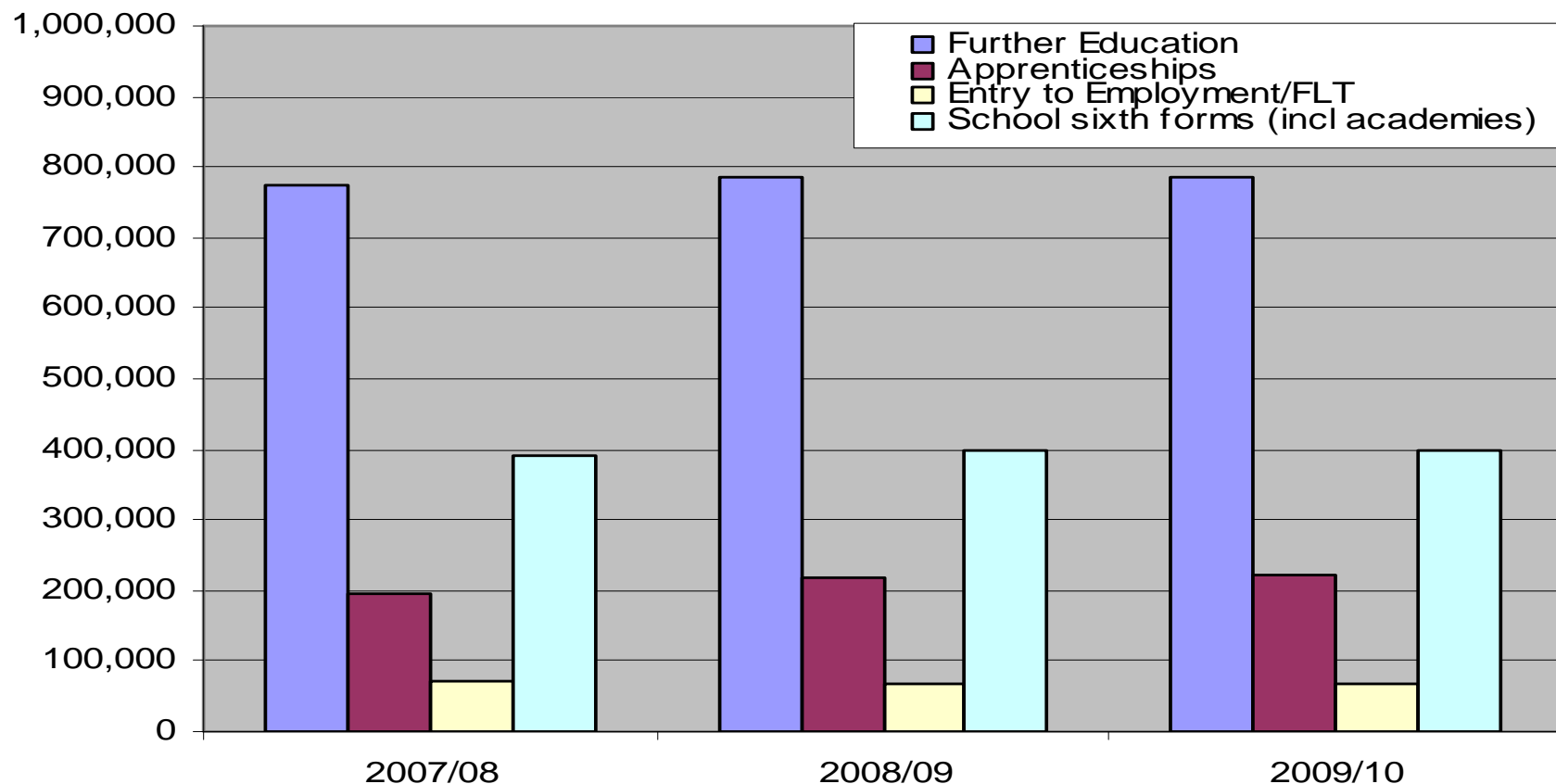
Learner participation

Projected numbers of young people in learning in England between 2007/08 and 2009/10



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16-18 participation 2007/08 - 2009/10



Funding rates



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- Increase in MFG of 2.1%
- Funding rate per SLN therefore:
 - 16-18 £2,920
 - SSFs £3,007
- Transitional protection as in 2008/09 ie + or – 2.1%
- No movement on funding gap (5.6%)

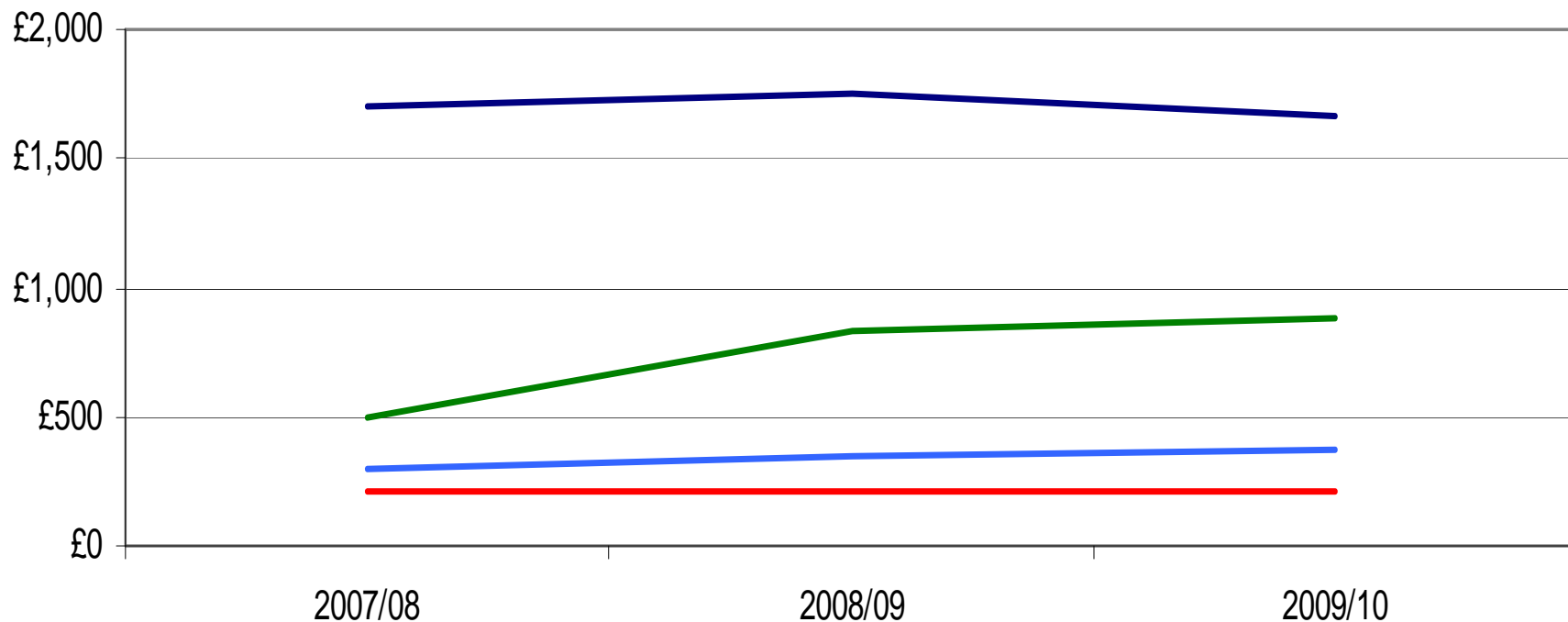
Adult Investment



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Budgets – adult learner and employer, 2007/08 to 2009/10

Adult Budget (£ Millions)



— Learner Responsive — Train to Gain — Apprenticeships — Adult Safeguarded Learning

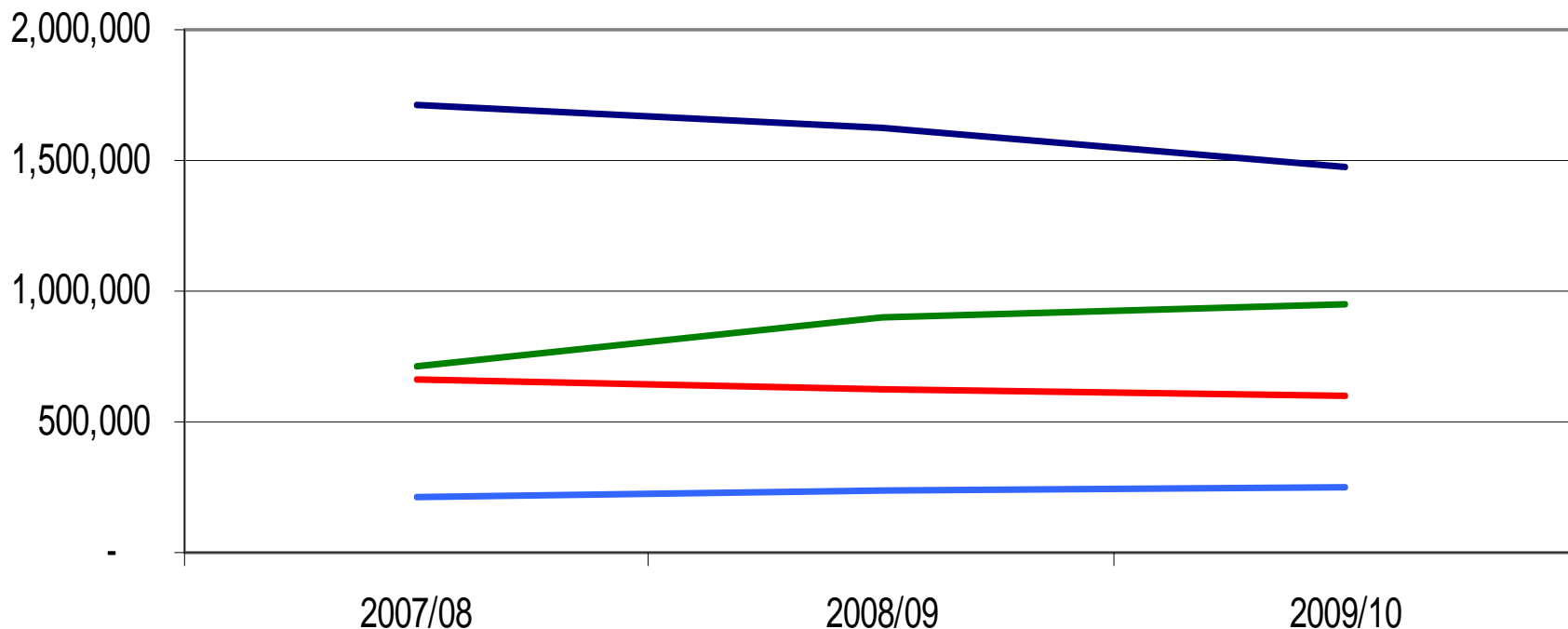
Adult Investment



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Learner Numbers – adult learner and employer, 2007/08 to 2009/10

Adult Learner Numbers



— Learner Responsive — Train to Gain — Apprenticeships — Adult Safeguarded Learning

Adult Investment



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Key Messages [adult learner AND employer]

- Continue shift to priority provision
- Apprenticeships grow to meet demand and priorities
- T2G includes flexibilities
- ALR and Apprenticeships additional 1.5% rate increase

Adult Investment



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National Rates

	£/SLN	Increase
Adult learner responsive	£2817	+1.5%
Apprenticeships - 16-18	£2920	+2.1%
- 19 plus	£2817	+1.5%
Train to Gain (inc FE NVQs)	£2987	+4.5%

Note: 16-18 Apps is here because funded through employer responsive model

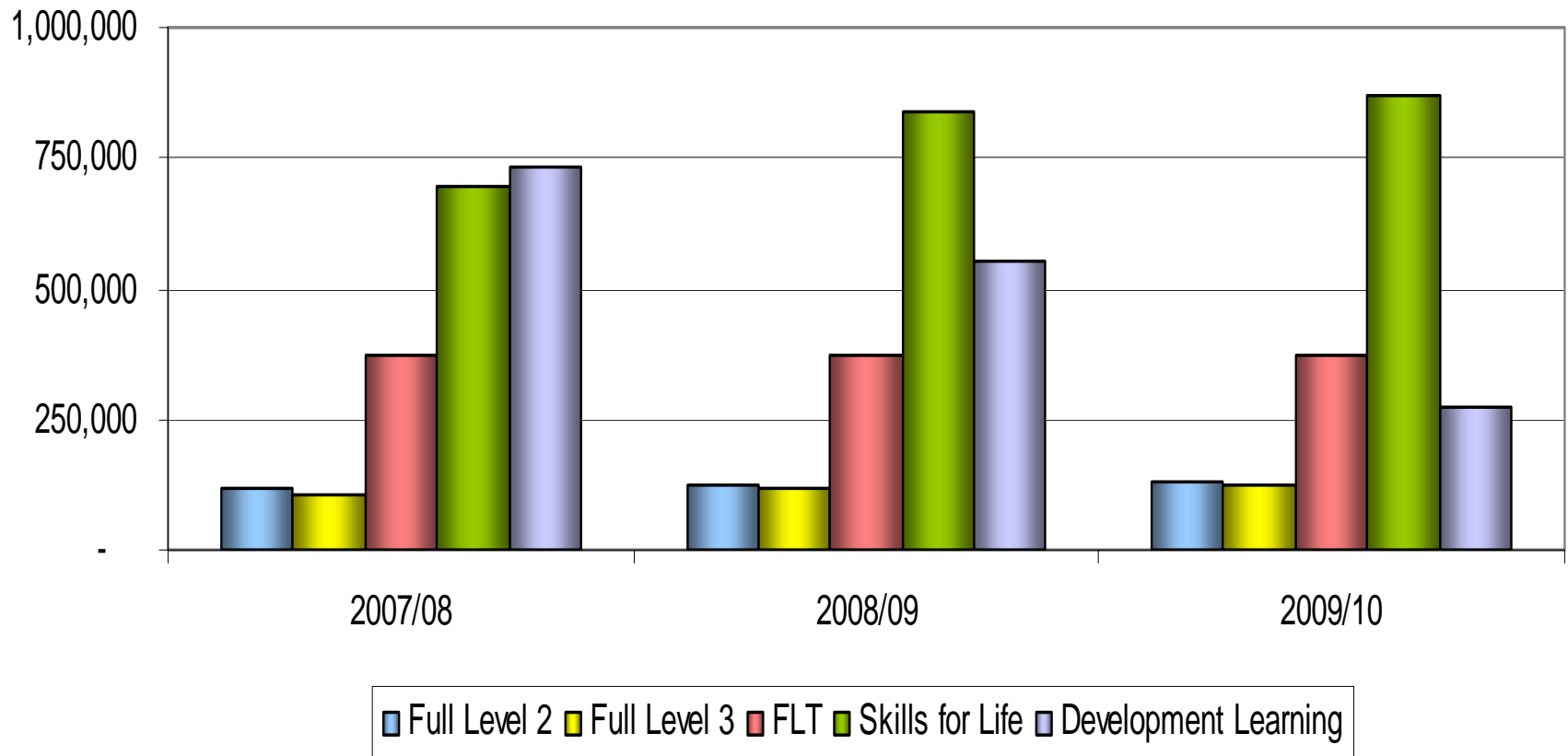
Adult Learner Responsive



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Key areas – adult learner responsive (learner numbers)

Learner Responsive by key areas



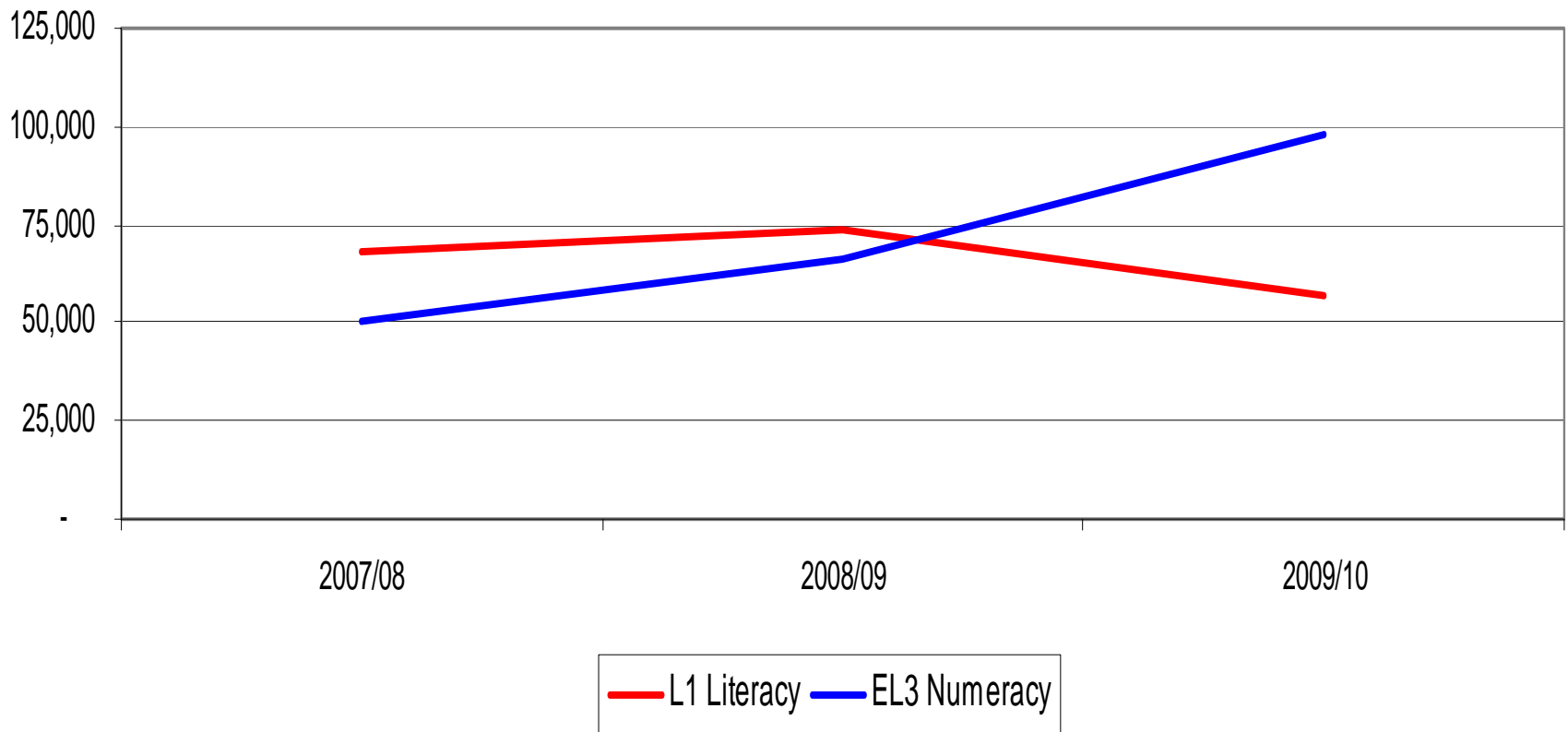
Adult Learner Responsive

Skills for Life achievements



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Learner Responsive - SfL Leitch Achievements



Adult Learner Responsive



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Transition

- No formulaic transitional protection of funding rate (mix and balance have changed significantly since 06/07 making this inappropriate)
- Continued protection for EIs and SDIs as in 2008/09
- Protection for other providers in exceptional circumstances as agreed at regional level

Adult Learner Responsive



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ALS Changes

- Review of formula and adjust weightings
- Remove first £5,500 of ALS for high cost learners and transfer to high cost ALS
- Maintain 60% formula and 40% negotiable ALS
- Considering allocating ALS against 'planned SLNs mix' not historic SLN mix

Fee/Commercial Income Targets are key



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- Four strand strategy
 - Targets for fees and Commercial Income
 - Dissemination of information and case studies
 - Skills Campaign ongoing
 - Support package with LSIS/KPMG/AoC and others
- Target setting framework being updated (FO4)
- Assumed fee income 47.5% for 09/10 and 50% for 10/11
- Targets plus 20% for 09/10
- Further work on ERM, private and PCDL providers

Adult Safeguarded Learning



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Budget of £219 million:

- Personal Community and Development Learning - £153m
- Family Literacy, Language and Numeracy – £25m
- Wider Family Learning - £12m
- Neighbourhood Learning in Deprived Communities - £20m
- In addition, Family Learning Impact Funding - £9m [new in 08/09]

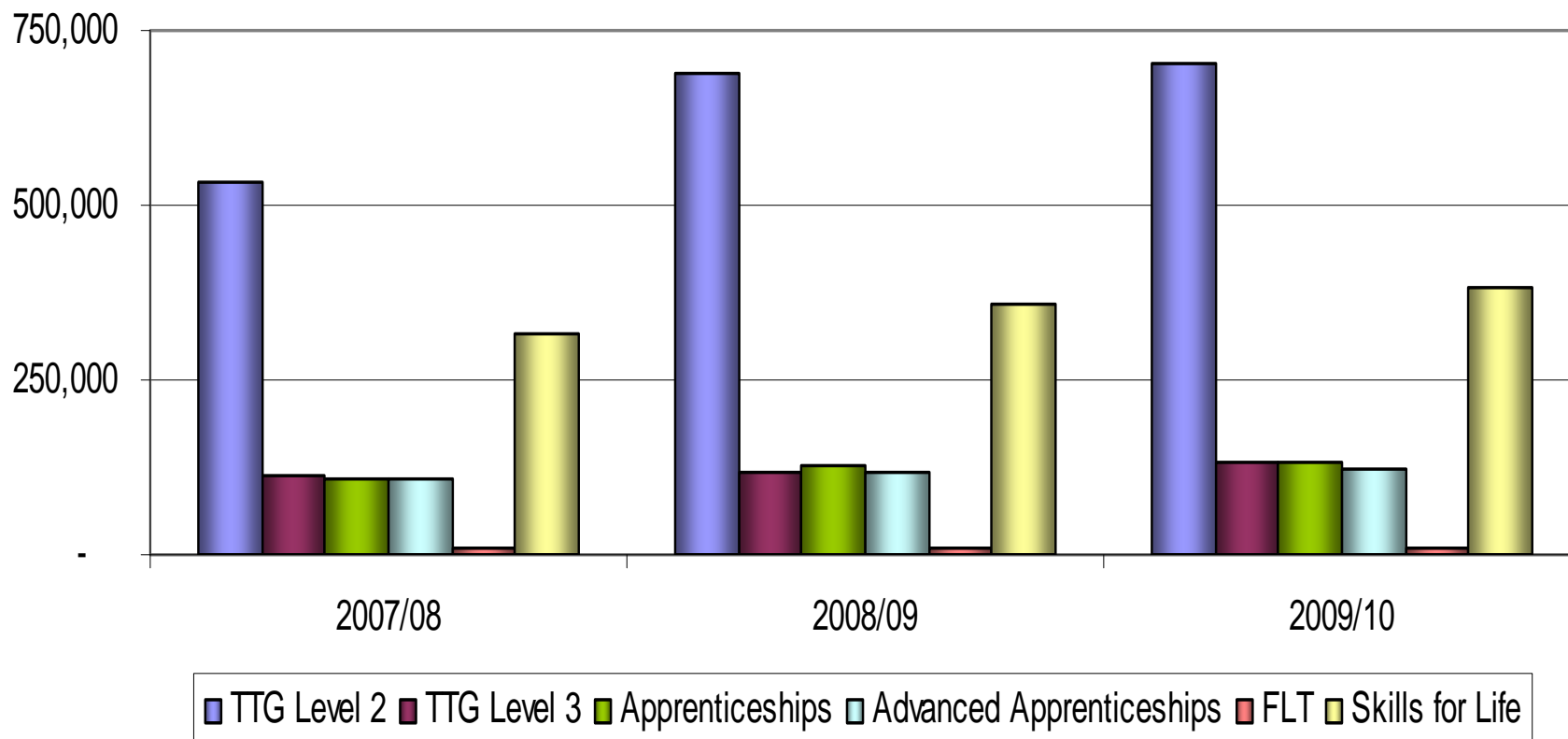
Employer Responsive



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Key areas - employer responsive (learner numbers)

Employer Responsive by key areas



Employer Responsive



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Private sector SMEs

- Free training for additional full level 2s for SME staff
- Funding for QCF units and smaller qualifications in specified subjects
- Rapid support for people recently made redundant (or at risk)
 - £100m support for retraining (£50m ESF matched by TtG)
 - Further £29m ESF for additional advice/guidance
- Level 2
 - Flexibility across SfL, FLT and developmental learning provided SfL targets are made
 - Maintain LLDD, TU learning and Level 4 provision but no specific targets

Employer Responsive



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Employer Contributions

- Train to Gain – where employers expected to contribute, 47.5% of Train to Gain base rate
- 19+ Apprenticeships – If expected contribution already greater than 47.5% of 16-18 base rate, then no increase in 2009/10

Employer Responsive



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Transition

- Transitional protection will no longer apply to employer responsive provision (following integration of FE employer-based NVQs into mainstream Train to Gain in 2008/09)
- Transitional arrangements continue for Apprenticeships and Train to Gain learners who started prior to 1 August 2008 and who are still in learning and achieve past 1 August 2009

European Social Fund



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ESF available in all regions to support & enhance mainstream 2008-2010 (approximate national figures):

- YP £187m - up to 58,000 learners
- Adult £215m – up to 82,000 learners
- Employer £426m – up to 268,000 learners
- Added value - fill gaps, supports and enhances mainstream provision; ensures better success for learners – eg NEET, IES, Train to Gain, targeting specific funding shortages to smooth trajectories etc, and focused on those with multiple barriers to learning
- Also £79m extra revaluation funding to support redundancy package, (not yet tendered)

Commissioning Approach 2009/10



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- Our strategy for 2009/10 provides a basis for the further changes and transformation needed in 2010/11 to support MoG transition
- Key features:
 - Qualified Provider Framework
 - Redesigned tendering process
 - National contracts register
 - Move towards one contract per provider, starting with employer responsive provision
 - Commissioning 14-19 through transition
 - Developing new models through joint commissioning with DWP

Intelligent Commissioning 2009/10



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- Negotiated commissioning is our preferred route for securing provision – including provision displaced by MLP
- Mindful of ESF and match requirements
- Tendering used strategically where needed and value can be added – no longer ‘one size fits all’
- Clearer communications to providers – new internet page making process and access for providers more open and transparent

Minimum Levels of Performance for 2009/10



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	2008/09	2009/10
FE long qualification Entry and Level 1	55%	60%
FE Long Qualification Level 2	55%	60%
FE Long Qualification Level 3	55%	60%
A-Level Qualifications	75%	75%
FE Long Qualification Level 4 or higher	55%	58%
FE Short Qualifications (all levels)	62%	62%
Apprenticeships (full framework)	45%	50%
Advanced Apprenticeships (full framework)	45%	50%
Train to Gain (transition / development year)	65%	65%

Qualified provider framework



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- QPF opened for business on 31st October 2008 – advertised widely to sector
- A maintained list of all providers with whom the LSC may do business – for provision (not goods and services)
- QPF includes an e-tendering portal holding providers who are pre-qualified to receive invitations to tender
- All existing providers with contracts have been transferred onto the list
- All providers who wish to be invited to tender MUST pre-qualify via the e-tendering portal and annually refresh relevant data

Single contracts



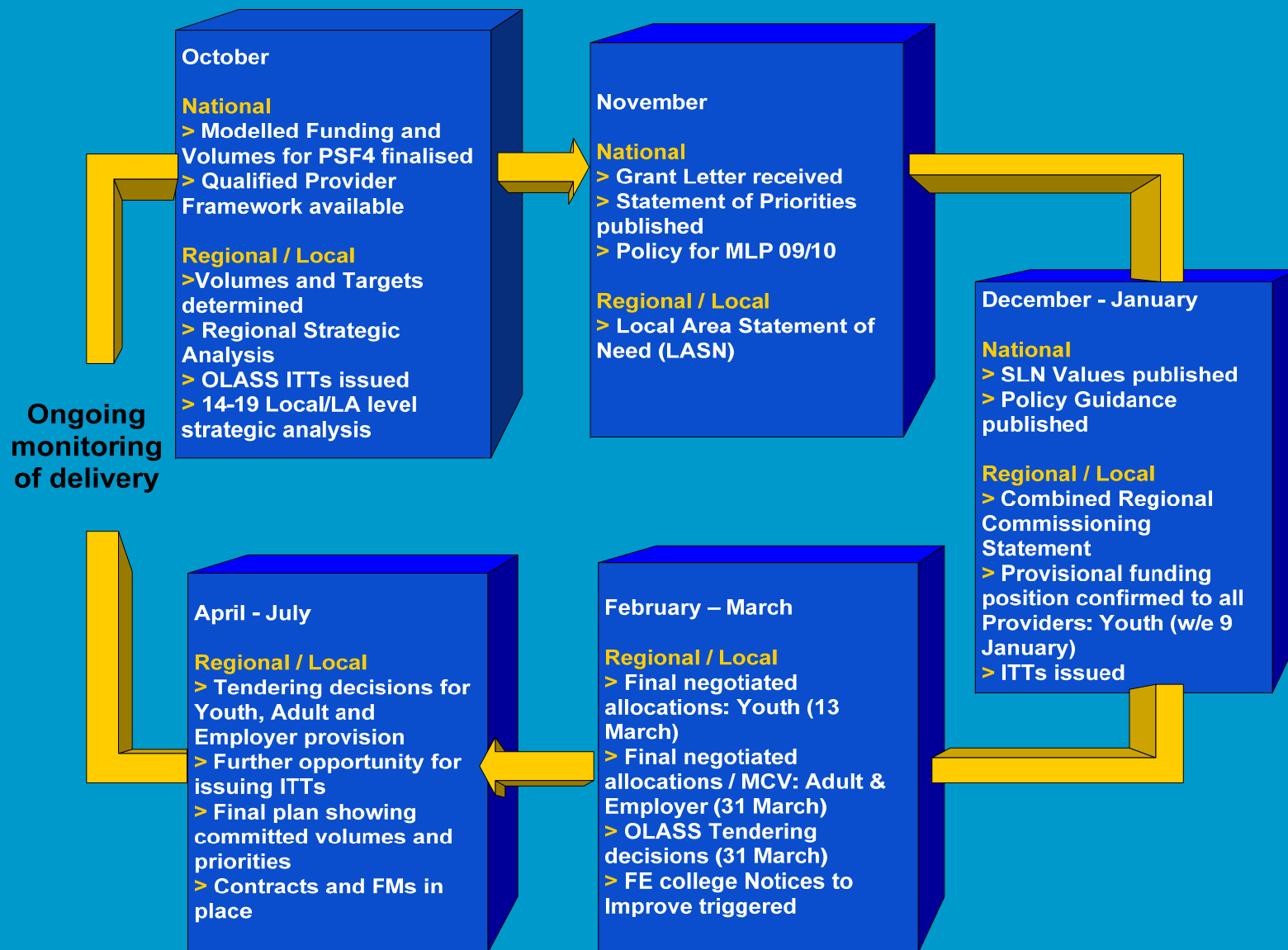
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- All providers delivering Train to Gain in 2009/10 will receive a single contract with the LSC
- This will include a single point of contact for negotiation, clarification and management
- This approach is being trialled within 2008/9 with nine of our largest providers

LSC Business Cycle 2009/10



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Timeline for 2009/10 Allocations (1)



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- For youth learner responsive
 - 9 January 2009 (first)
 - 13 March 2009 (final)

- For adult learner responsive
 - 31 March 2009 (final)

- For employer responsive
 - Maximum contract values on an ongoing basis
 - Need to take a cut of data at 31 March 2009 to look at combined adult allocations

Timeline for 2009/10 Allocations (2)



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For Adult Safeguarded Learning

- Same as adult learner responsive (31 March 2009)

- For LLDD

- Referrals agreed from December 2008 onwards

- For OLASS tendering

- 31 March 2009

For tendered provision

- Ongoing depending on OCT timetables