



Leading learning and skills



Leading learning and skills

Provider and Partner Strategic Briefing Yorkshire and the Humber

Date: 26th November 2008

Presented by

- **Margaret Coleman**, Regional Director for Y & H
- **Geoff Daniels**, National Director of Funding Policy

Welcome

Time of Major Change



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September 2010

- Local Authority commissioning 16-19
- Young People's Learning Agency
- Skills Funding Agency
- National Apprenticeship Service

Transition so far...



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- LSC and local authorities working together
- Interim Regional Strategic Planning Forum
- National Apprenticeship Service Project
- Apprenticeship Vacancy Matching Service

Still Focused on Performance

- Young people's participation up by 3,500 in 2007/08
- Train to Gain from zero to 31,500 starts in less than 3 years
- Apprenticeship success rates up from 36.4% in 2004/5 to 62.8% in 2007/8

Objectives for the Day

- Key policy changes
- Priorities for Investment
- Commissioning Approach
- Business Cycle key dates



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SESSION 1

Key Policy Changes

Presented by

Margaret Coleman
Regional Director of Y & H



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Young People

National Targets

- Increase participation in education and training among 17-year-olds to 84% by 2009/10
- Increase young people achieving L2 at 19 from 74% in 2006/07 to 82% by 2010/11
- Increase achievement at L3 at 19 from 48% in 2006/07 to 54% by 2010/11

National Priorities

- Raise levels of participation / increase attainment at 19 with focus on narrowing gap between high / low income households
- Address needs of young people with complex / deep rooted barriers to learning (inc NEET/LLDD)
- Expand Apprenticeships in pursuit of the 1 in 5 target
- Support access and achievement through Learner Support, Activity/Learner Agreements and Financial Support systems



Regional Achievements : Young People

16-18 yr old participation increased by 3,500 (+2.5%)

Reduction in NEET of 0.9pp and 'not knowns' of 2.3pps

Improved 16-18 yr old success rates

- FE +1.8pps to 75%
- Apprenticeships +5.2pps to 63%

Improved achievement at age 19

- Level 2 +2.2pps to 70%
- Level 3 +1pp to 43%



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Regional Challenges: Young People

Participation 3% below national average for 16-17 yr olds

Only 11,000 apprenticeship starts

13,000 in NEET + 13,100 not known

2.3pps below national average for 5+ GCSEs

4pps below national average for Level 2 at 19

4pps below national average for Level 2 at 19 with
English and maths



Regional Actions: Young People



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Direct funding to successful providers

Commission more Apprenticeship provision and develop Apprenticeship Vacancy Matching Service

Direct funding to widen curriculum offer e.g. FLT and Diplomas

Tender Entry to Employment as it evolves into the FLT

Direct mainstream funding + £34m ESF to tackle NEET

Facilitate local authority 16-19 commissioning

Reconfigure LLDD provision and implement Single Equality Scheme

Apply Minimum Levels of Performance and Notices to Improve



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Adults and Employers



National Targets:



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Adults & Employers

- 95% of adults with basic functional literacy and numeracy skills
- 90%+ of adults qualified to at least L2 - commitment to achieve 95% as soon as possible
- 68% qualified to L3
- 40% qualified to L4 or above

National Priorities: Adult (1)

- Increase significantly the uptake of numeracy courses
- Develop access to offenders of a learning and skills offer which equals that in the community
- Use Progression Pathways where practical in 2009/10 (in 30% of FLT Learners)
- Informal Adult learning consultation and review of EIs and SDIs
- Funding safeguard maintained for 2009/10 - final year

National Priorities: Adult (2)



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- Adult Advancement Careers Service launched in 2010
- Skills Accounts launched in 2010
- Greater focus on ensuring Colleges / other providers secure contribution towards the costs of learning – 47.5% assumption 2009/10
- Refreshed Skills for Life Delivery Document
- ESOL funding maintained but more focussed on supporting community cohesion



Regional Achievements : Adults



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Integrated Employment and Skills

1,100 Skills for Jobs participants

1,500 Employability Skills Programme learners

31,500 Train to Gain new starts

53% increase in Apprenticeship starts

5% increase in FE full level 2 participation

10% increase in FE full level 3 participation

67,000 adults improved their literacy and numeracy

47,000 participants in safeguarded learning

3 p.p. improvement in FE full level 2 success rate



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Regional Challenges: Adults

- High levels of worklessness
- Unemployment rising and above the national rate
- Unfilled job vacancies declining, redundancies increasing
- High number of adults with literacy/numeracy needs
- Large number of adults without any qualifications
- Attainment at level 2 and level 3 well below national averages



Regional Challenges: Adults



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	In employment	Claimant unemployed	Inactive	Population
The Humber	74%	18,736 (3.4%)	21%	553,200
Hull	66%	8,747 (5.3%)	27%	165,300
N Yorks	77%	7,257 (1.5%)	20%	473,500
York	78%	2,034 (1.6%)	19%	125,100
S Yorks	71%	24,144 (3.0%)	24%	805,000
Sheffield	71%	9,459 (2.8%)	25%	336,700
W Yorks	73%	39,883 (2.9%)	23%	1,367,800
Leeds	74%	14,169 (2.9%)	22%	493,200
Y & H	73%	90,020 (2.8%)	21%	3,199,400



Regional Challenges : Adults

	Level 4+	Level 3+	Level 2+	Level 1+	No Quals
Humber	23.6	46.1	69.5	90.9	9.1
N Yorks	35.2	55.2	75.2	92.4	7.6
S Yorks	27.1	46.4	68.3	89.8	10.2
W Yorks	28.1	48.6	70.7	90.3	9.7
Y&H	28.2	48.6	70.6	90.6	9.4
England	32.9	52.2	72.9	91.3	8.7



Regional Actions: Adults



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- Integrated service with Job Centre Plus
- More flexible provision that responds to needs of the workless
- Extend the information, advice and guidance services
- Implement region's Rapid Response to redundancies
- Collaborative work in localities and with Third Sector
- Continue to prioritise Skills for Life, full level 2 and 3 provision
- Protect Adult Safeguarded Learning funding
- Commission additional Apprenticeships provision

National Priorities: Employers (1)



- Economic position driving changes
- Flexible sector to respond to needs
- Apprenticeships
 - Resources focused to move towards key challenges: Leitch, 1 in 5, Entitlement
 - NAS fully functional by April 2009 including Field Force and AVMS: increased Apprenticeships from 250,000 to 400,000/annum
 - Work with SSCs to increase breadth of frameworks
 - Growth for all ages and particular focus on Public Sector and improving success rates
 - Apprenticeships preferred vocational option for 16-24
 - Apprenticeship for Adults (25+)
 - Pilots and Trials including Equality & Diversity

National Priorities: Employers (2)

- Train to Gain

- Increase in participation / attainment from Skills for Life to L3/4
- Sector Compacts/increasing prioritisation reflecting business needs
- Skills Brokerage transferred to RDAs April 2009
- Funding for FLT provision
- Flexibilities to give providers more freedom to respond to employer demand
- Funding becomes prioritised reflecting industry and business needs

National Priorities: Employers (3)



- Integrated Employment and Skills
 - Piloted in three regions in 2008: national roll-out 2009
 - Link pre-employment training seamlessly to in-work provision (TTG)
 - Monitoring of IES/TTG trials
 - Achieving the 100,000 ambition in 2010
 - ESP further expanded in 2010



Regional Achievements: Employers



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Nearly 10,000 employers have benefited from Train to Gain

25,000 employees started and 12,500 gained a Level 2 qualification

1,650 employees gained Skills for Life qualification

Skills Pledge signed by 350 employers

6 National Skills Academies operational



Regional Challenges: Employers



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Many businesses still to fully recognise the opportunities to up-skill their workforce

Skills for Life and progression into Apprenticeships from Train to Gain

Low volume of adult apprenticeship opportunities, particularly in the public sector

Leadership and management skills for SMEs



Regional Actions: Employers



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Integrate skills brokerage within business brokerage

Increase flexibility of Train to Gain core offer

Foster increased responsiveness to employer needs from FE

Promote Train to Gain / Adult Apprenticeships joint take-up

£50m ESF programme to enhance Train to Gain offer

Leadership and management skills

Public Services Joint Investment Frameworks

Strengthen follow up on Skills Pledge



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Regional Focus



Regional Achievements: Connecting a Diverse Community with a Changing Job Market



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Long term increase in levels of employment and transformation of economy

Approval of over £688m of new capital investment in FE

Much high quality and Grade 1 provision

Strong network of provision for LLDD

High participation rates for ethnic minorities and increasing success rates



Regional Challenges: Connecting a Diverse Community with a Changing Job Market



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Respond to changing economy and Regional Skills Priorities

Recent decline in Financial Services and Construction

Skills for new industries and replacement demand

Configuration/quality of supply network not consistently fit for future

Attainment varies between communities/groups of learners

Local LLDD provision does not fully reflect the pattern of need



Regional Actions: Connecting a Diverse Community with a Changing Job Market



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Respond to Regional Skills Priorities

Foster specialist provision and employer-led skills academies

Approval for £433m of FE capital investment as part of
£1,833m programme

Establish £4m regional skills capital development fund

Foster practical higher level skills in further education

Implement equality and diversity impact measures

Improve the match of supply and demand for LLDD



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Commissioning

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

Where are we now...



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- Introduced 3 year contracts extendable to 5
- Prioritising funding for qualifications identified by SSCs
- Employer provision:
 - Train to Gain Flexibilities
 - Management between adult Apprenticeships and Train to Gain
 - National contract for Skills for Life
- Removal of artificial cap on growth
- No geographic restrictions to delivery
- Streamlined contracting documentation – removal of programme delivery schedules

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

Qualified provider framework



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- Only providers wishing to receive invitations to tender need take action
- If providers wish to be eligible to receive invitations to tender they will need to be pre-qualified on the QPF
- The QPF is frozen at fixed points in the year to allow the tendering process to begin – the freeze dates will be published

Qualified provider framework



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If providers wish to receive invitations to tender in January 2009 they need to have applied to pre-qualify by 10th December – this has been widely advertised

Further information

See the Qualified Provider Framework pages of the website:

<http://www.lsc.gov.uk/providers/commissioning/>

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



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Questions and Answers

Session 2



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Investment

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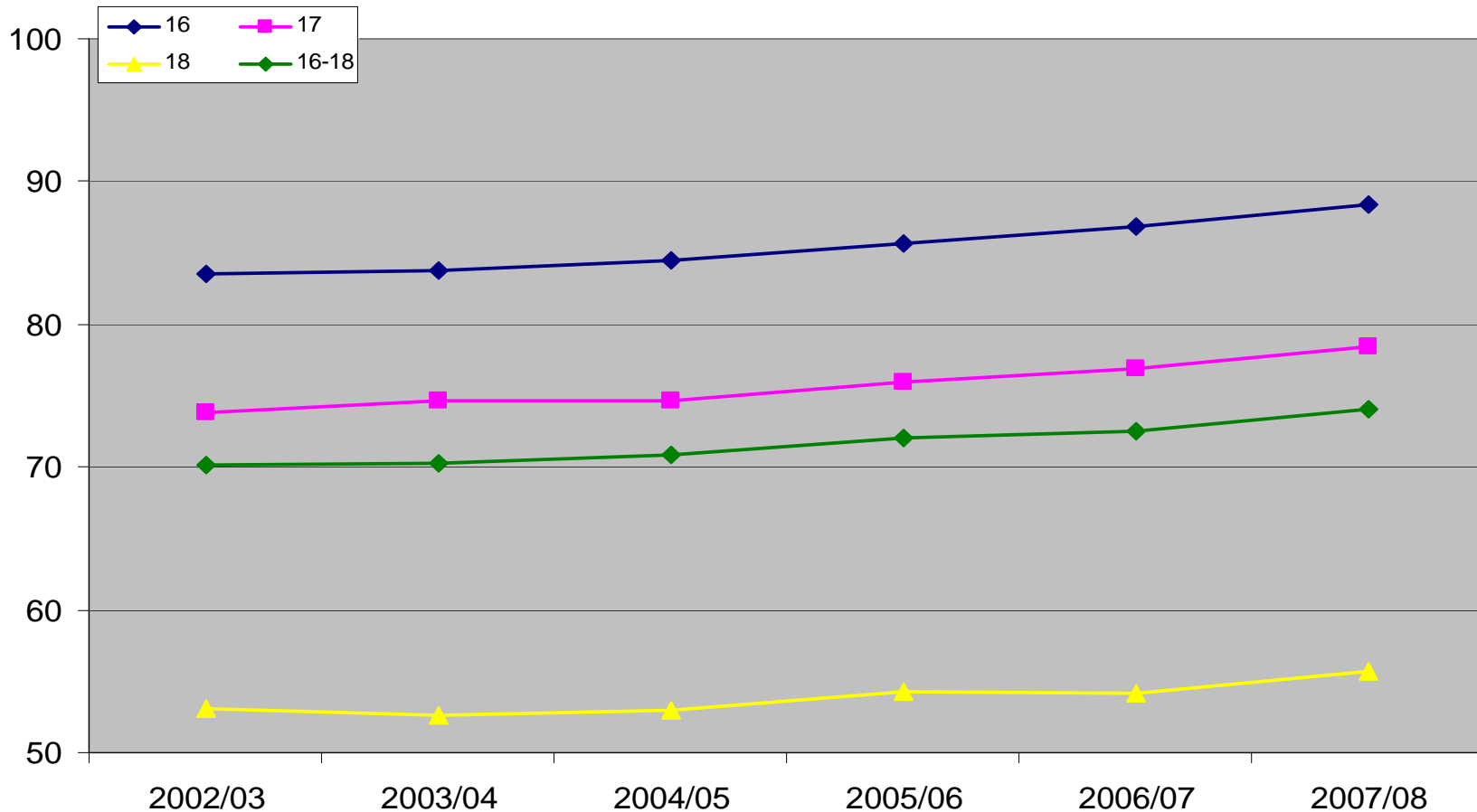
Geoff Daniels
National Director of Funding Policy

16-18 participation is increasing rapidly



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

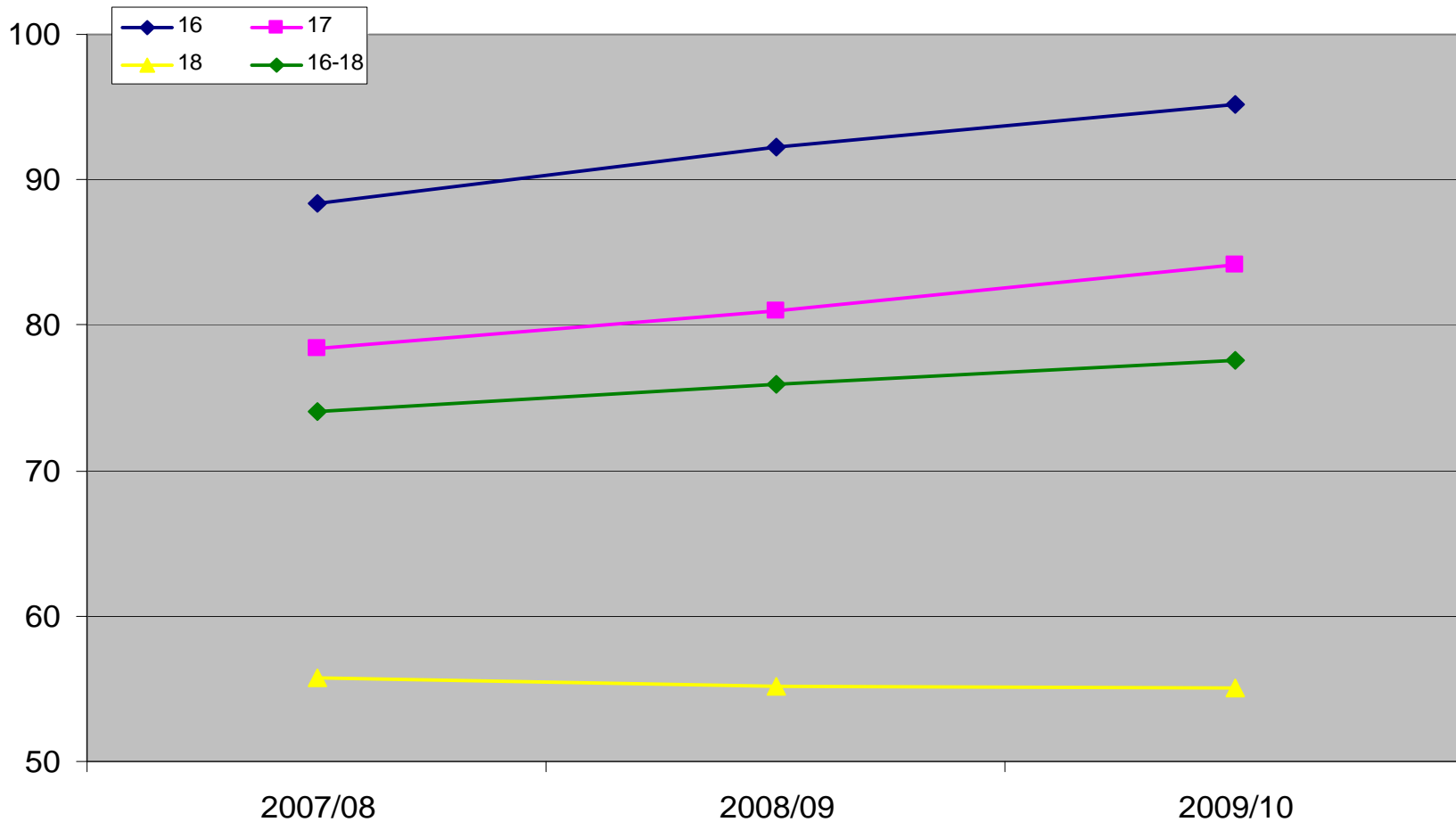


16-18 participation is increasing rapidly



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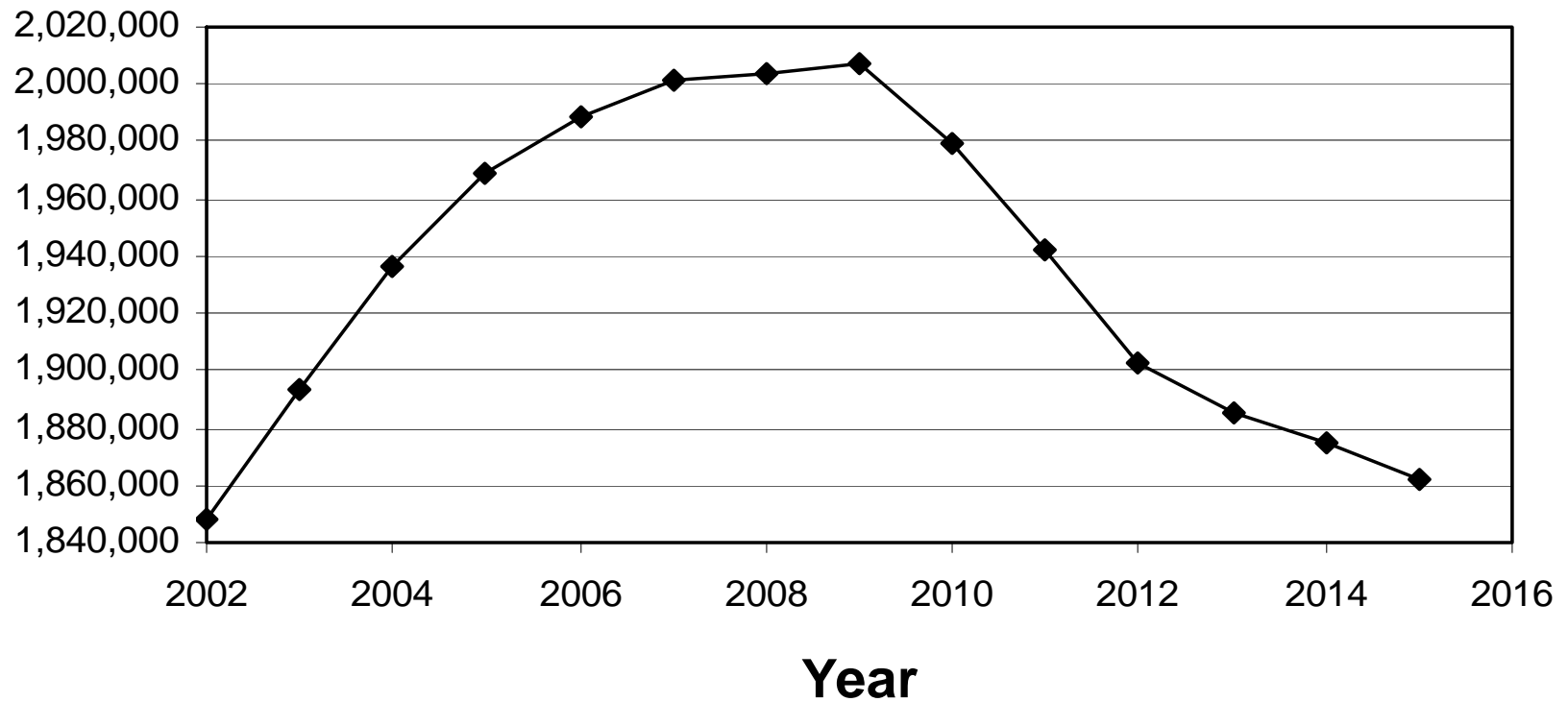
Participation in education and training 2007-2010 (source: LSC youth model)



16-18 Cohort is Reducing



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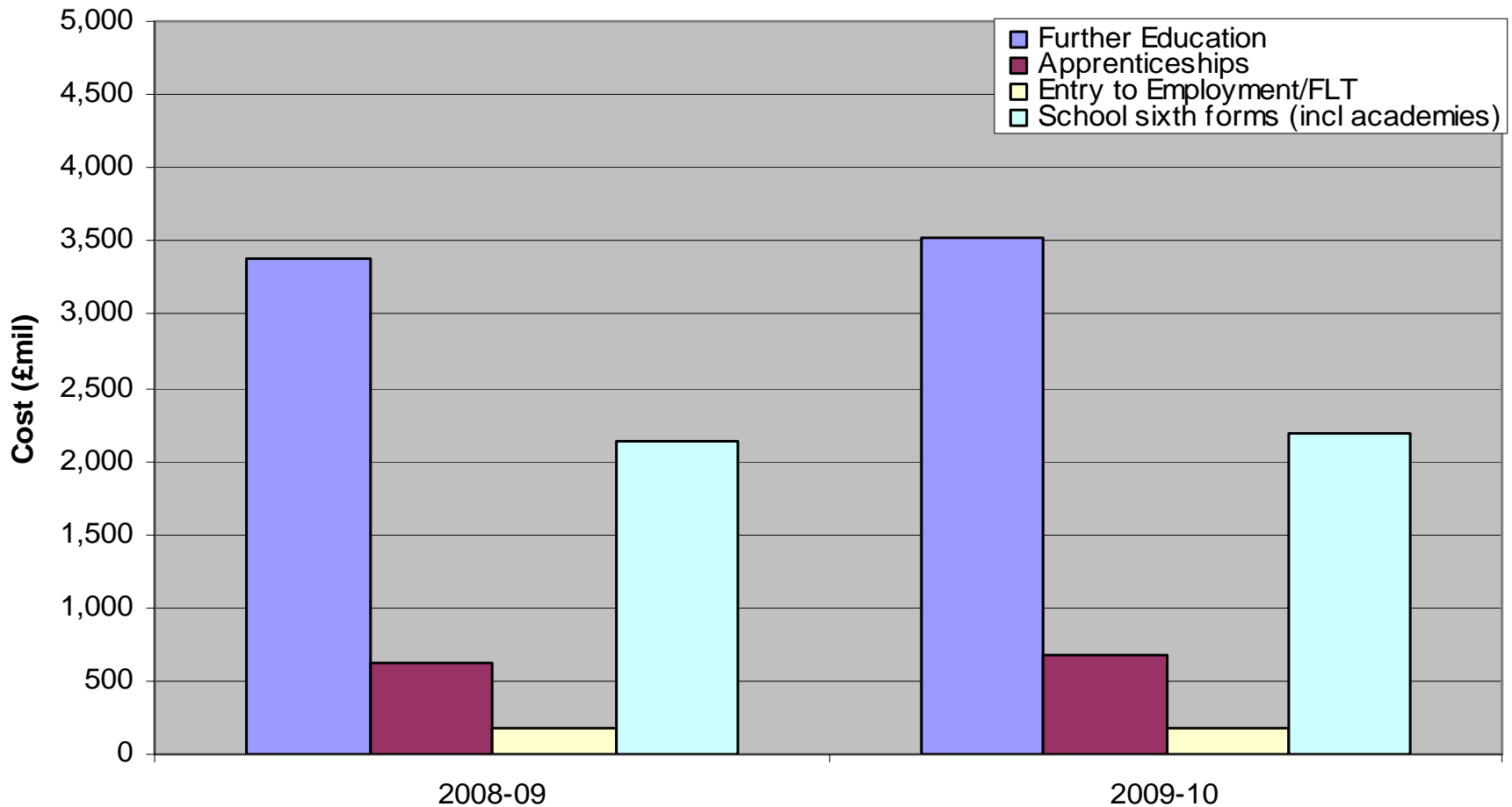


16-18 budget is rising to match participation



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16-18 costs 2008-09 - 2009-10

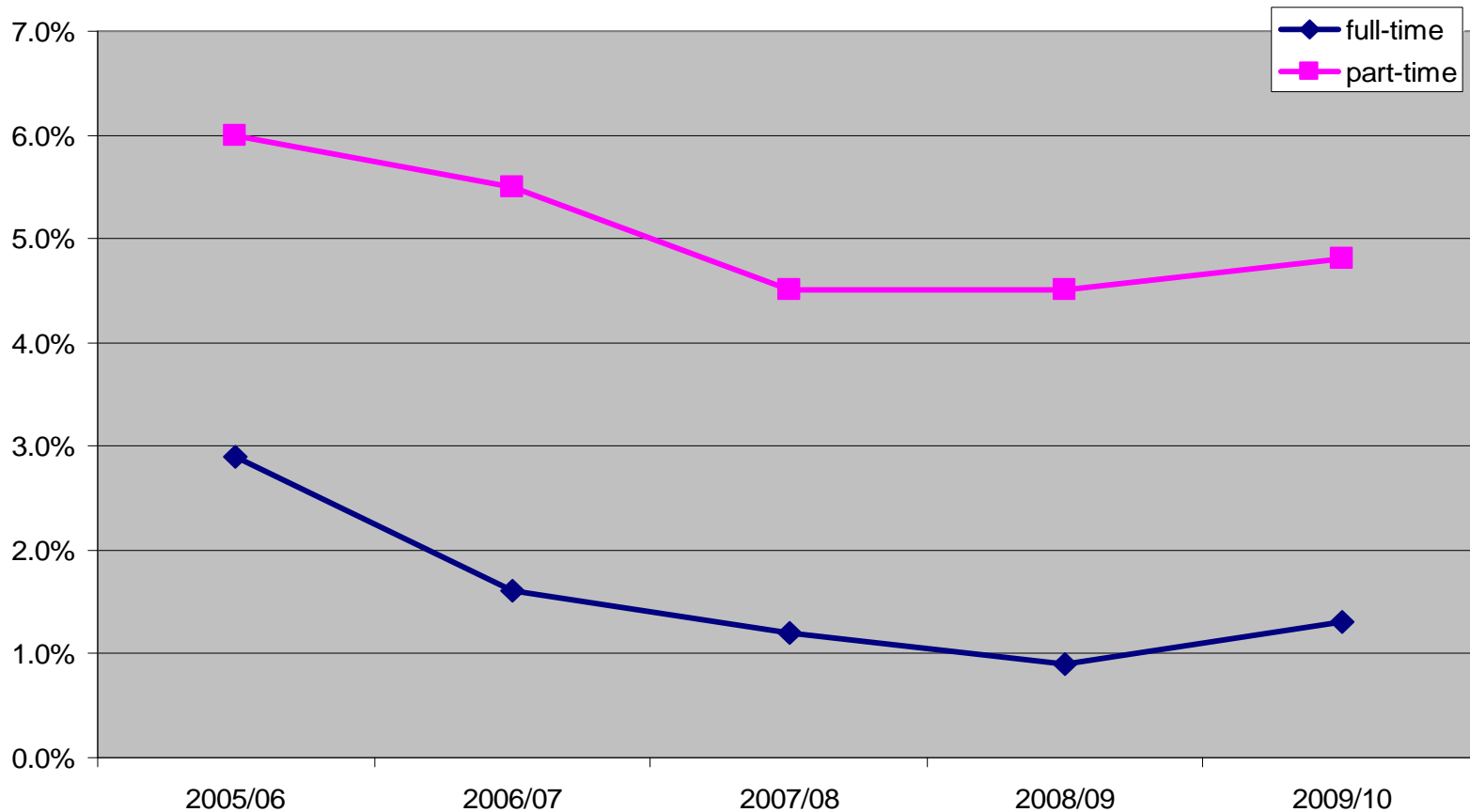


Unit costs are increasing and must be controlled



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



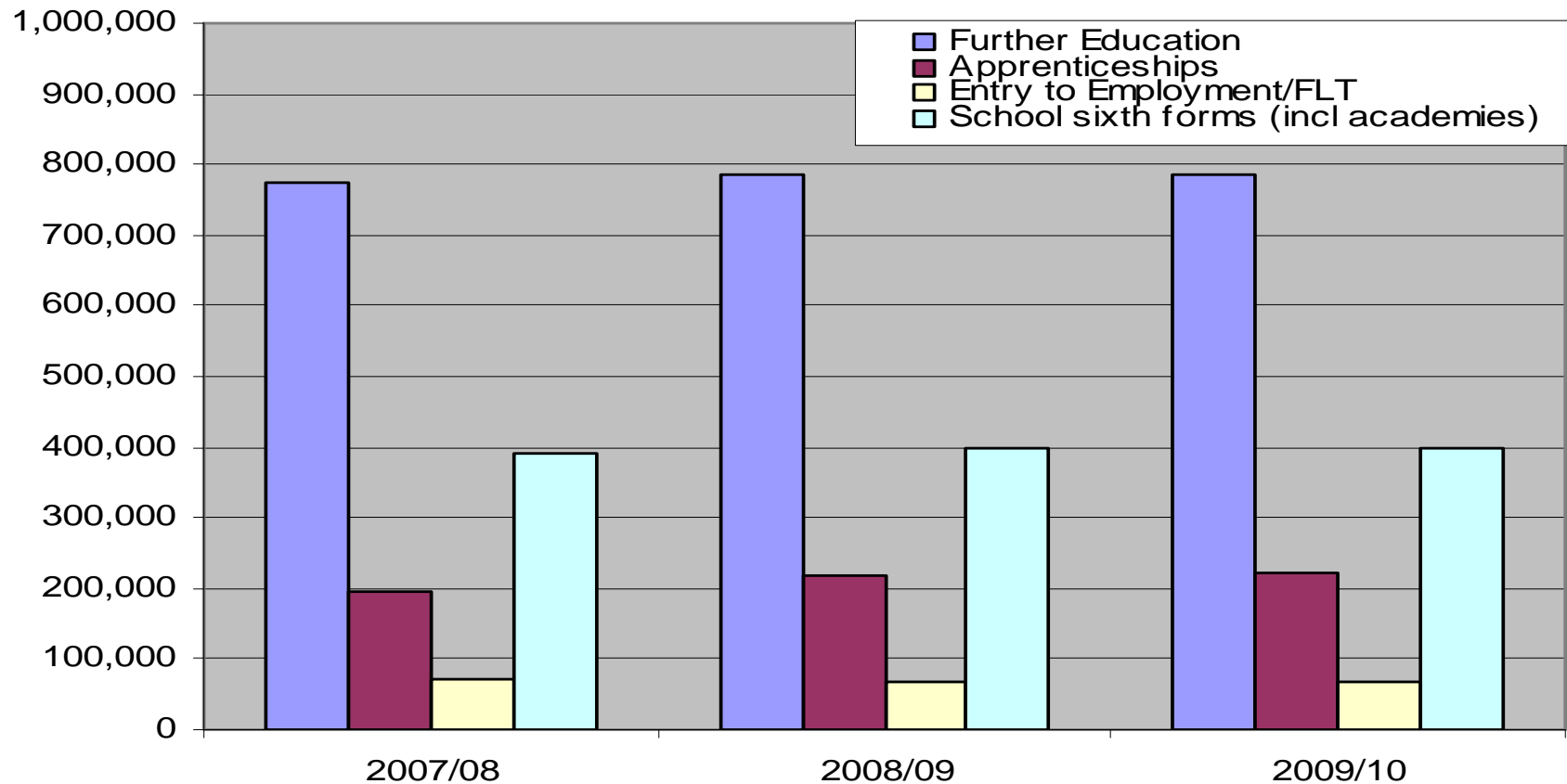
Learner participation

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%)

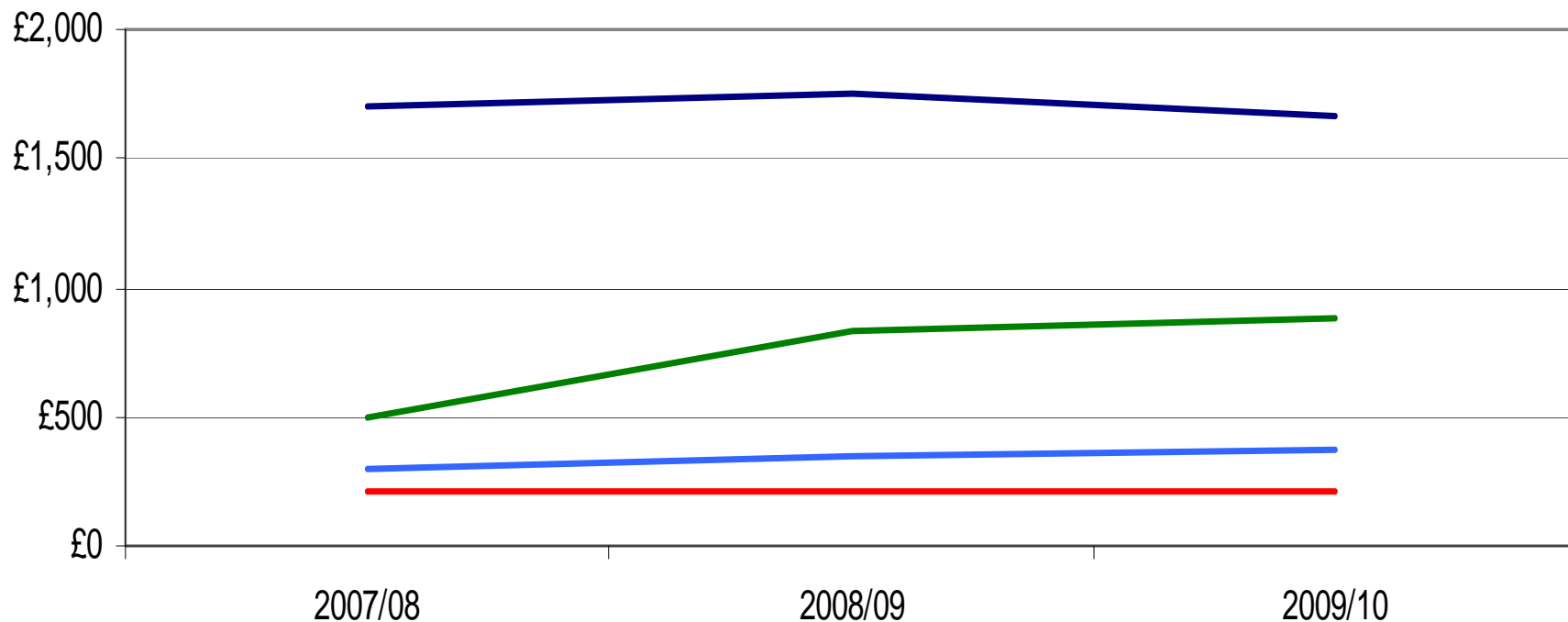
Adult Investment



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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

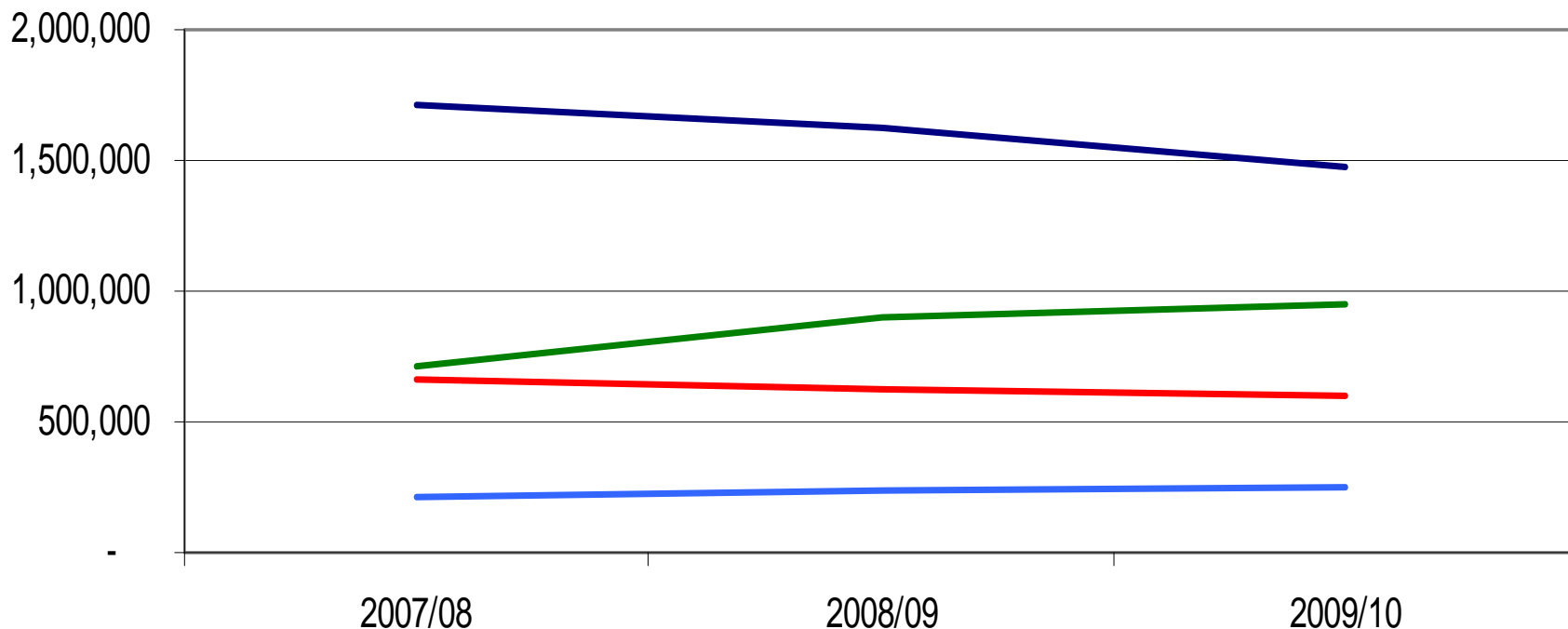
Adult Investment



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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

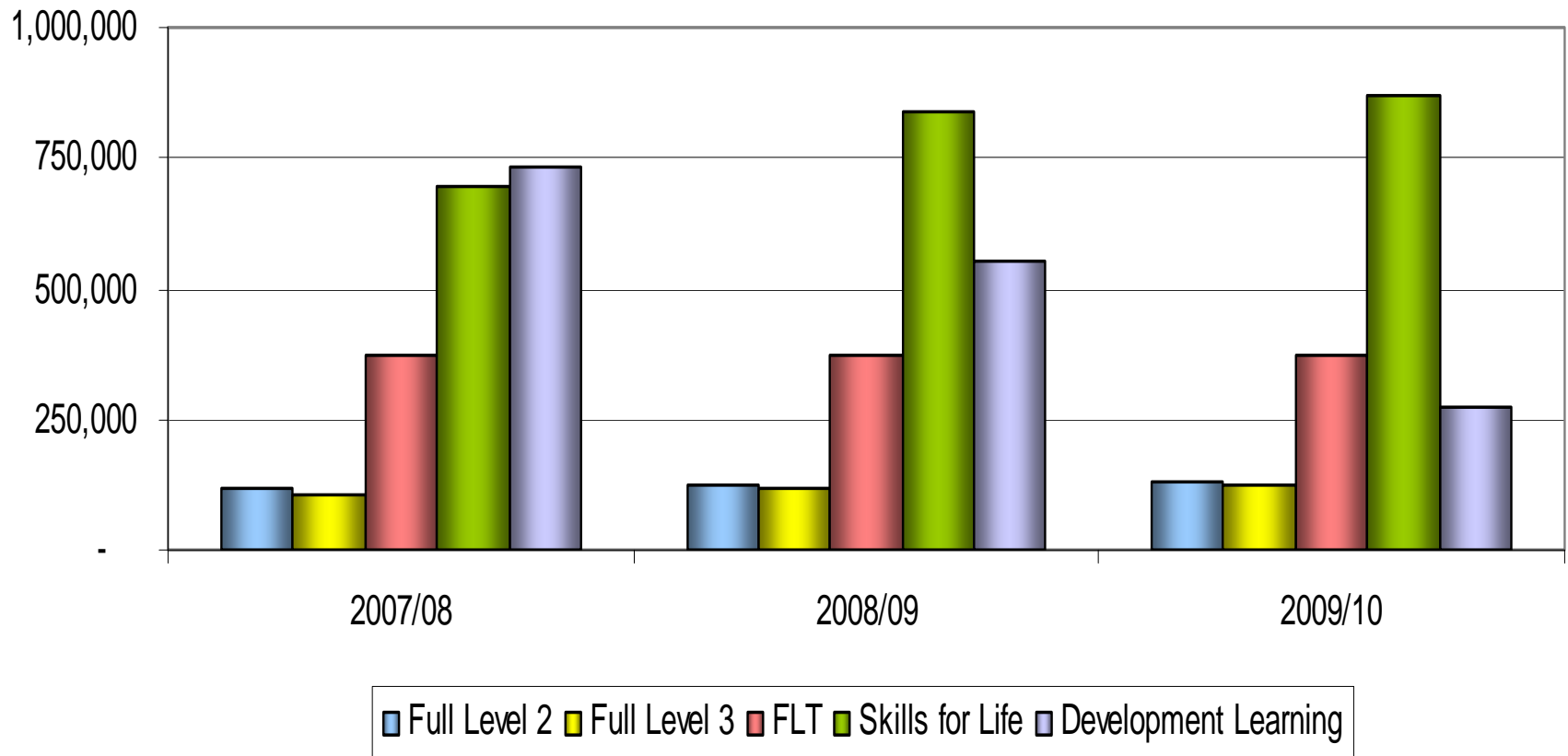
Adult Learner Responsive



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Key areas – adult learner responsive (learner numbers)

Learner Responsive by key areas



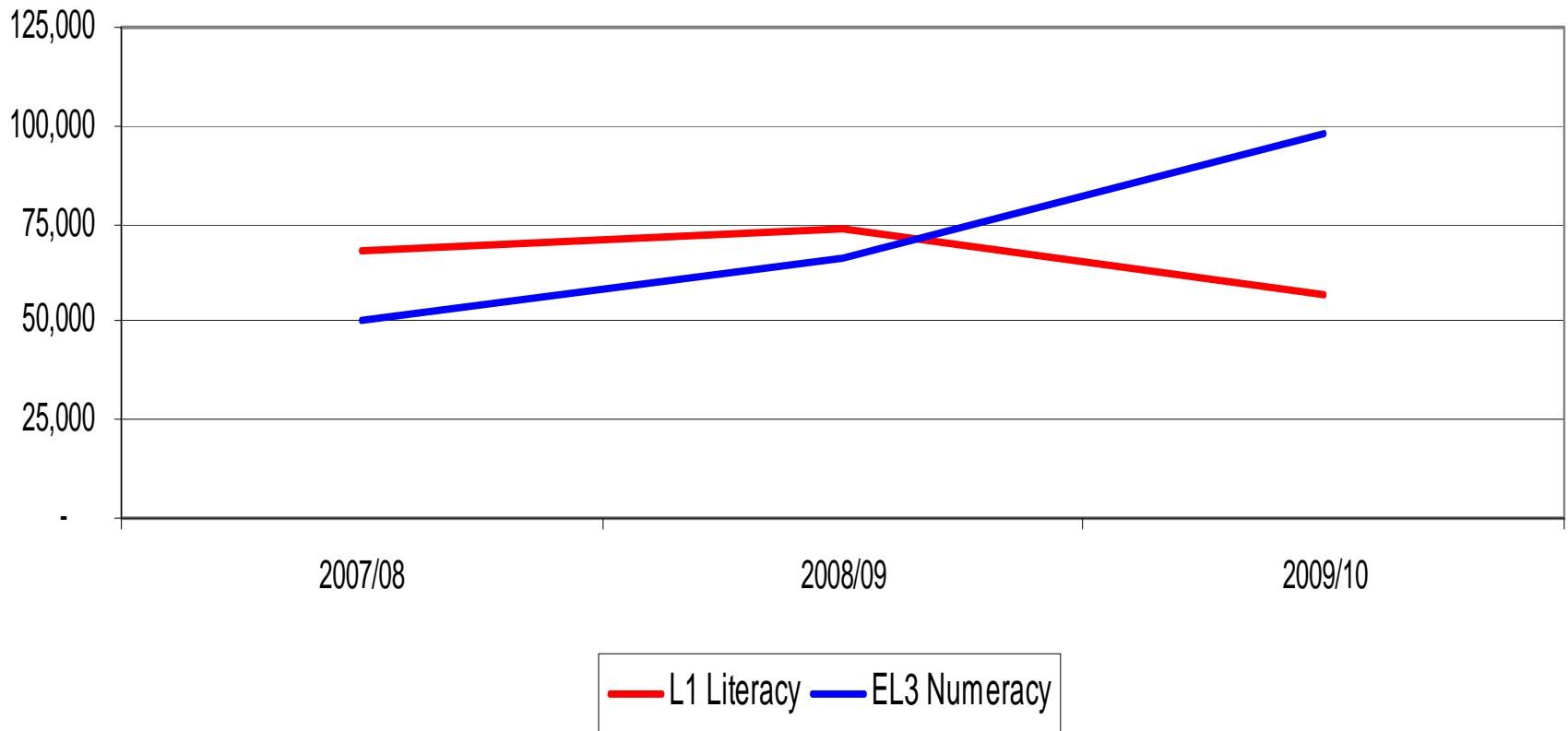
Adult Learner Responsive

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
- Move to 65% formula and 35% 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]

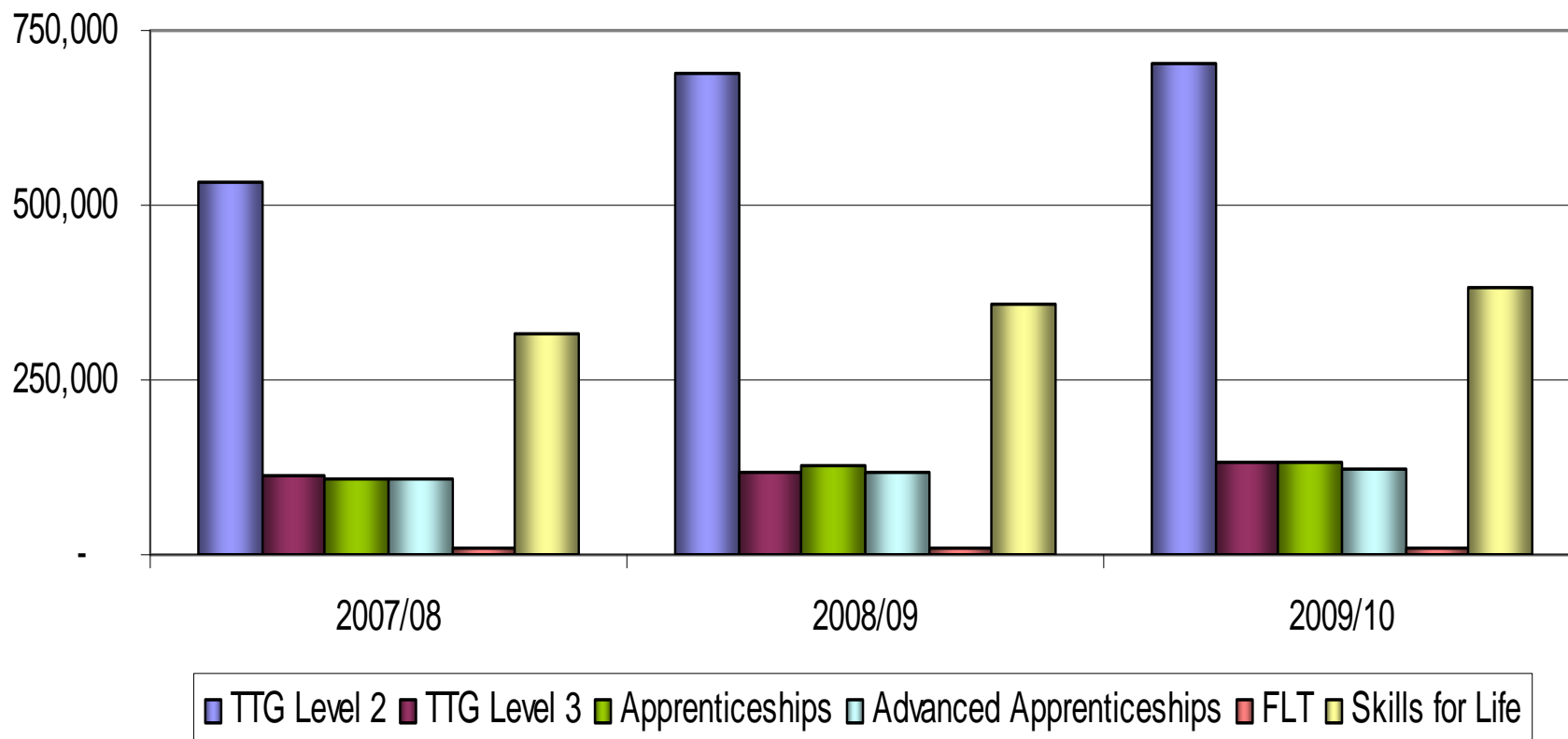
Employer Responsive



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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)



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Questions and Answers

Session 3



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Key Dates

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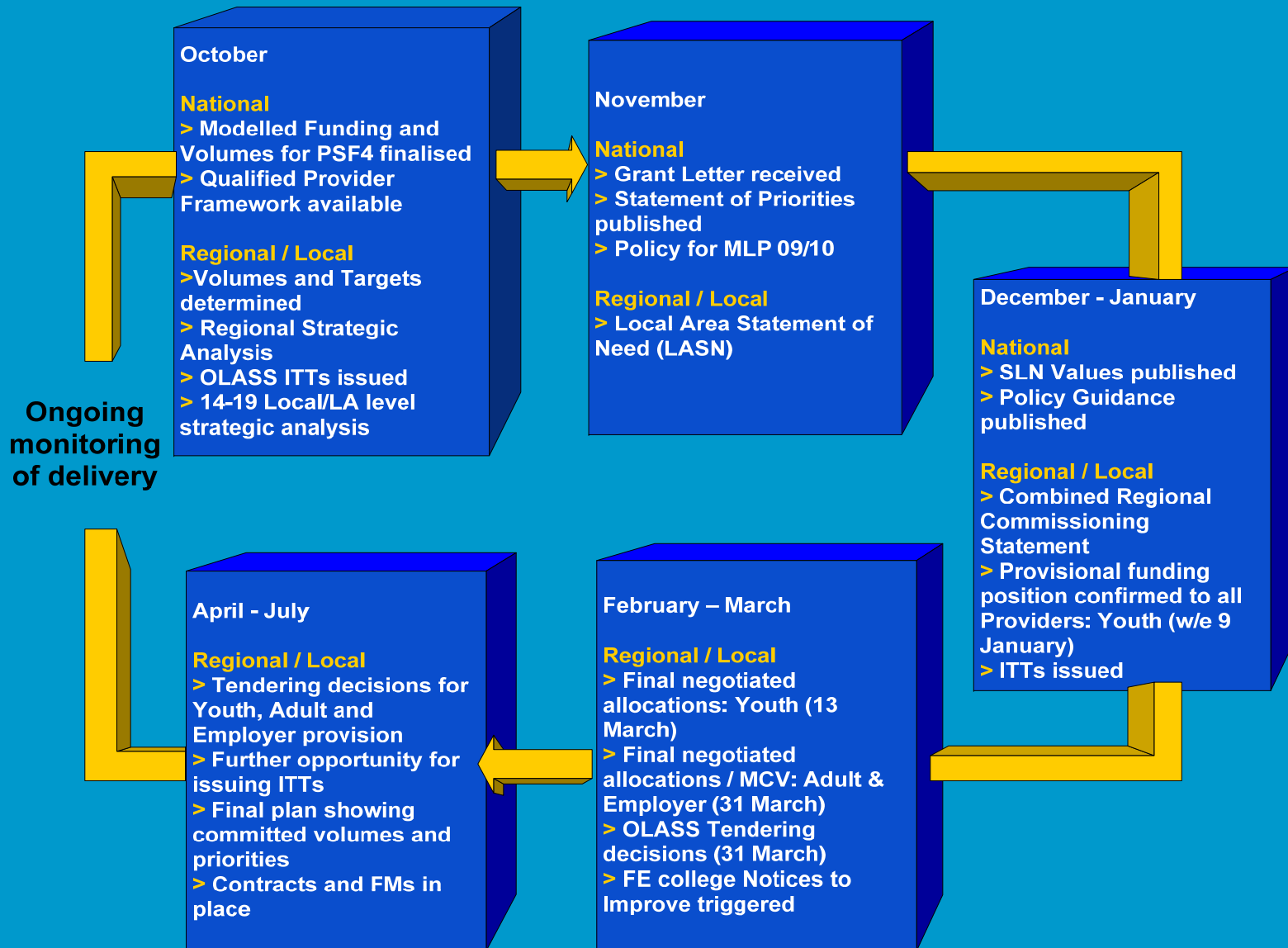
Margaret Coleman
Regional Director for Y & H



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

LSC Regional Council



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Rachel Mann - Chair of LSC Regional Council Partner/Director,
FisherMann Ltd and former Chief Exec of Craven Council

Margaret Coleman – Regional Director

Jawad Ahmed - Chair, Y & H Learner Panel

Robert Arntsen - Chief Executive, MyKnowledgeMap Ltd

Cllr. Peter Box- Leader, Wakefield MDC and Chair, Regional Assembly

Brian Brock- Senior Regional Organiser TASSA, Chair, Leeds College of
Technology

Richard Brough - MD of UK Port Services Ltd and Director, Brough
Marine Ltd

Mark Chamberlain - Director, BT PLC and LSC Regional Champion for
E & D

LSC Regional Council cont'd



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Paul Jagger MBE - Pro-Chancellor & Chair of Council, Bradford Univ.

Vice Chair, Regional Assembly

Kathryn Lavery - Chair, Hull Teaching Primary Care (NHS) Trust

Bev Marshall - Regional Officer, NUT

Dr Elaine McMahon, Principal, Hull College

Laura Moynahan – Chief Executive, Zest (RDA nominee)

Mollie Temple CBE – Chair, Local Care Direct

Jens Termansen – Director, Arla Foods UK PLC

Maureen Vevers – Consultant (previously Group IT Director for Powergen PLC)

Observers

Helen McMullen - Government Office Y & H

Gill Farnsworth OBE - JobCentre Plus



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Questions and Answers



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End