



Leading learning and skills

# **Regional Statement of Priorities**

## **East Midlands 2007-08**

## **LSC East Midlands Annual Statement of Priorities 2007 – 2008**

### **Contents**

<b>Section</b>	<b>Page</b>
1. Introduction	3
2. Regional Strategic Analysis	4
3. LSC Targets	7
4. LSC Annual Statement of Priorities	8
5. Regional Statement of Priorities	10

## 1. Introduction

This document sets out the priorities for the LSC in the East Midlands region for 2007/ 2008. These priorities have been defined through a process that has taken into account:

- The priorities of the government and of national LSC;
- The key targets that the LSC in the region must achieve in pursuit of government and national LSC policy;
- A full and formal strategic analysis of supply and demand side factors for the skills and employment markets. This has included input from surveys of learners and employers, a detailed review of the position on skills levels, and input from the Skills for Business Network and Sector Skills Councils;
- Input and direction from the Local Learning and Skills Councils;
- Detailed reviews of key aspects of the LSC's remit, including the exploration of a new strategy for adult provision and funding; and
- The ongoing dialogue with key partners and stakeholders in the region, and in particular through the Regional Skills Partnership and the newly formed Regional Quality Improvement Partnership.

These priorities will drive both the definition of the provision that we believe is needed for learners and employers and the funding allocations to sectors and to areas.

In concert with our partners across the East Midlands the LSC has already led significant improvements in the range and quality of opportunities and support available to learners and employers:

- There are more young people in learning and achieving more than ever before;
- More apprentices in learning and success rates in the region the highest in the country;
- More adults with basic skills; and
- A significant fall in the number of employers identifying skills gaps; and more adults with the right qualifications at the right levels to get on at work and in life.

Our ambitions for the future are set even higher as we work towards our goal of being a top 20 European region.

## 2.0 Regional Strategic Analysis

*This section summarises the key points and conclusions from the LSC's Regional Strategic Analysis for 2007 – 2008. The full version of the Strategic Analysis is available at [www.lsc.gov.uk/eastmidlands](http://www.lsc.gov.uk/eastmidlands).*

### Demand

The East Midlands has a high employment rate overall, with male and female rates of employment above the national average. While there is clearly not an issue with availability of work, there are potential risks in the quality and sustainability of that employment.

The region has a significant proportion of employment in manufacturing which exposes the region's economy and employers to international competition and technological change. Many sub-sectors within manufacturing are unable to compete with the low-cost imports from around the world. While high proportions of the workforce in the region are employed in lower order occupations, the region is also unable to cope effectively with the rapid development of new methods and processes.<sup>1</sup>

Given this level of lower order occupations, there is clear demand for low skilled people to fill these roles. Employment forecasts show that there will continue to be demand for these occupations, although demand will increase for higher order occupations also. A large part of this demand will be to replace retirees and others who leave the workforce.<sup>2</sup> The issue for the region is that there will be fewer young people entering the workforce, and while young people are better qualified and more highly skilled than those leaving, they will not be enough in number to fill the gaps. The region needs to focus on the existing workforce and potential workers, as well as attracting new groups to stay and work in the region, such as graduates from the universities and migrants.

The issue of replacement demand is a major one, as all sectors in the region have a positive requirement to replace retirees. Even where the overall numbers employed within a sector are forecast to decline, there is a positive number of people required to fulfil this lower figure. This is particularly important in two of the region's key sectors, construction and engineering.

This focus on the existing workforce highlights the key role employers have to play, not only in arranging and funding training, but also in identifying the skills needs and development areas of employees. In 2005, employers in the East Midlands spent £2,475million on training and only a small proportion of this went towards NVQs and other national qualifications.<sup>3</sup> While many employers did use Further Education (FE) colleges, it was mainly for statutory requirements training such as First Aid and Health and Safety. For other types of training, employers felt that FE courses were not relevant or they preferred to train in-house. It will be vital to challenge these perceptions if we are to generate the skills the region requires.<sup>4</sup>

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<sup>1</sup> Emda, *The East Midlands in 2006: Evidence Base for the East Midlands Regional Economic Strategy*, p.88

<sup>2</sup> IER, LSC, SSDA, *Working Futures II: 2004-2014*, EM27.xls

<sup>3</sup> IFF, LSC, *National Employer Skills Survey 2005: Main Report*, August 2006, p. 163; IER, *Skills Needs in the East Midlands*, p.54

<sup>4</sup> IER, *Skills Needs in the East Midlands*, p.54

While the proportions of adults with NVQ Level 2 or 3 (or equivalent) qualifications has increased, there are still over a million working age people who do not hold Level 2 or equivalent qualifications.<sup>5</sup> There are also high estimates for the number of people with only entry level literacy and numeracy<sup>6</sup>, yet only a small proportion recognises that they need to improve these skills.<sup>7</sup> Innovative methods of communication will be needed to inform those who struggle to read and write in English how they can go about improving those skills.

There is a clear geographic pattern of low educational attainment and skills, high unemployment and health problems that result from urban deprivation, industrial restructuring and rural isolation. The areas primarily affected are in the cities, especially in Nottingham and Leicester, as well as in the former coalfields areas of Nottinghamshire and Derbyshire, and the coastal region of Lincolnshire.<sup>8</sup> As the roots of this complex deprivation are diverse, it will require committed partnership working to address the needs of these various communities.

## Supply

16-18 funding and participation in the region have risen over the last two years, with significant variations at sub-regional level. All the local areas saw a shift to full time from part time participation between 2004/5 and 2006/7. Across the East Midlands this averaged a 9% rise with a concomitant effect on costs. The impact of the reductions in franchising has also had an effect on 16-18 participation.

Increases in 16-18 participation and costs are driven by a number of factors:

- Increasing cohort;
- More young people participating in learning (3% increase planned for 2006/07);
- Improved rates of retention and learner success;
- A strong move away from part time to full time provision (planned 9% increase to 80% of all provision);
- Curriculum enrichment;
- Reductions in franchising; and
- Increased participation on full Level 2 and level 3 courses (increase of 2%) and in priority areas of provision (non-target contributing provision reduced by 5%; 15% drop in funding).

In line with government and LSC policy, we can expect that these factors will continue to operate and 16-18 participation will continue to rise.

Adult participation in the East Midlands reduced by 24% between 2004/5 and 2005/6, with a local range that varied between 37% and 18%. This was significantly more than the 6% predicted nationally.

Factors contributing to the reductions in adult provision include:

- The need to transfer funds to meet 16-18 priorities;

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<sup>5</sup> Annual Population Survey, December 2005.

<sup>6</sup> DfES, Read Write Plus – Skills for Life Survey 2003 accessed from [http://www.dfes.gov.uk/readwriteplus\\_skillsforlifesurvey/](http://www.dfes.gov.uk/readwriteplus_skillsforlifesurvey/)

<sup>7</sup> BMG, LSC East Midlands Household Survey – East Midlands Report, p.119

<sup>8</sup> Anne E. Green, *Mapping Deprivation in the East Midlands – Implications for Policy*, 2006, (Nottingham: emda), p.4

- Removal of low priority / short course provision;
- Reductions in franchising;
- Reductions in the activities that do not contribute to the LSC's targets;
- Changes in the balance and mix of provision to meet regional sector priorities; and
- Increase in Level 2 provision and Level 3 provision.

The costs per full time learner vary considerably across the areas, with a range in 2005/6 from £2,517 in Lincolnshire to £3,375 in Nottinghamshire. Some of this difference can be attributed to the balance and mix of provision in individual Colleges.

Skills for Life provision for adults has been increasing, accompanied by a shift in provision towards enrolments that count to target. Across the region there has been an average of a 3% increase in enrolments in countable provision from 2004/05 to 2005/06.

Enrolments within partnership/franchised provision have reduced significantly between the two years from 21% to 12%. As a proportion of the overall total franchised provision enrolments have reduced from 13% to 9% and partnership provision has reduced from 9% to 3%.

Adult and Community Learning (now PCDL) planned learner volume decreased by 24% across the region between 2004/05 and 2005/06. Local area reductions ranged from 18% in Derbyshire to 38% in Leicestershire. Planned learner volume in 2006/07 is predicted to increase by over 11% across the region. The local area increases ranging from 2.7% in Leicestershire to 27% in Derbyshire.

Additional Learner Support (ALS) can be used as a measure of Learners with Learning Difficulties and / or Disabilities (LLDD) activity in the region. Since 2002/03, the region has experienced an overall increase in learner numbers for ALS of 4.9% (below the national average of 9.8%). Adult 19+ female and male learners requiring ALS have dropped since 2002/03 by an average of 13.3% and 10.9%. There have also been falls in adult ALS learners of Asian or Asian British (39.8%), Black or Black British (34.7%) and Any Other (46.6%) which raises potential equitable access issues for provision.

Progress is being made within the Train to Gain Service, with 22 brokers appointed. It is too early to have definitive data regarding participation against targets and sectors.

### 3.0 LSC Targets

*This section sets out the key targets for the LSC.*

Summary of East Midlands Regional Targets						
	Target					
Target	2003/04	2004/05	2005/06	2006/07	2007/08	2015
Number of Learners Level 2 at 19	<b>19,573</b>	<b>19,960</b>	<b>24,981</b>	<b>26,148</b>	<b>29,049</b>	
Actual Achievement at 19 Level 2	63.7	67.5	*			
Number of Learners Level 3 at 19	17,048	16,676	17,429	<b>18,886</b>	<b>19,264</b>	
Actual Achievement at 19 Level 3	39.0	42.9	*			
% Participation at 17 **	76.0	76.4	<b>77.6</b>	<b>78.8</b>	<b>79.9</b>	90%
% NEET		7	7.5	<b>7.0</b>	<b>6.0</b>	
Adults Attainment at level 2				<b>25,141</b>	<b>40,359</b>	
Skills for Life Achievements	<b>13,815</b>	<b>15,887</b>	<b>18,270</b>	<b>20,918</b>		
Apprenticeship Completions	3,862	5,045	7,737	<b>7,920</b>		

**Figures in Bold are targets**

**Notes** \* Level 2 at 19 will be updated for 2005/06 with Matched data set in February 07

\*\* Assuming a 1.5% increase from 2005/06 to 2007/08

#### Implementing the 14 – 19 Phase of Learning

All areas in the region to have implemented the September Guarantee and the Area Prospectus by June 2007.

(To be validated by the regional 14 – 19 healthcheck).

#### Quality of Provision

Increase of Work Based Learning success rates overall by 5% 2006/2007 to 59%.

Increase FE success rates by 2% each year across all age groups.

All provision awarded a grade 4 to achieve at least a grade 3 in the next 12 months.

#### 4. LSC Annual Statement of Priorities

*This section sets out the key points from the LSC's Annual Statement of Priorities.*

Real progress has been made in improving the skills and qualifications of learners and in providing employers with the skilled employees they need to compete. However, the bar continues to be raised, and the Leitch Report on UK Skills confirmed the challenges that we face in delivering the skills employers want and the need to increase the country's productivity. Our improvements are matched and exceeded by other countries, and we rank only 20<sup>th</sup> for post 16 participation and 18<sup>th</sup> for Level 2 qualifications in the workforce.

At national level the LSC has four priorities that will drive our work and investment in 2007/08.

- More and better opportunities for young people – investing around £7 billion to help over 1.3 million 14-19 year olds;
- Raising the skills of the nation – investing over £3 billion to help over 3.5 million adults;
- Building a world class system – including investing £600 million in new buildings; and
- Investing in economic development – through all of the above and with our many partners.

At national level the LSC will continue to focus upon raising levels of participation and attainment amongst **young people**. We will identify gaps in provision or where learner choice is limited, and we will apply the principles of competition to secure new provision. With partners we will deliver a broader curriculum offer by increasing the range of high quality courses, including the introduction of Foundation Learning Tier. The LSC will ensure that success rates for all young people and all types of learning keep rising through agreeing plans and stretching targets with every provider. We will work with Connexions and other partners to significantly reduce the number of young people who are not in education, employment or training, and who are in jobs without training.

The LSC will support the implementation of the national **Skills** Strategy, addressing the long tail of low skills in the country, and boosting levels of attainment at both Level 2 and Level 3. Employers will be placed centre stage through the Train to Gain programme and through increasing investment in Level 2 and Level 3 through additional funding for skills delivery and the reprioritising of FE funds. We will work with the Higher Education Funding Council and providers of higher education to develop and improve links between further and higher education to increase progression. Working with partners we will develop a new approach to supporting learning opportunities for **adults**, including the piloting of a new Learner Accounts programme.

Working with the sector the LSC will continue to raise the performance of the **education and training system** so that it is recognised as world class. Government priorities will increasingly be delivered through a more competitive market, using skills brokers to stimulate interest and stimulating market behaviour through funding and commissioning policies. We will invest in excellent provision, requiring improvements in success rates in all sectors and in all providers and intervening robustly to tackle underperformance. Buildings will be world class, and we will continue to renew the estate of colleges and school sixth forms, linking our

investment with other public and private investment. To continue the transformation led by *agenda for change* we will work with the FE sector to develop the principles of self regulation and we will introduce the Framework for Excellence to support quality development.

The LSC will play a full part in regional and sub–regional strategies and **partnerships** such as Local Area Agreements and city region strategies, ensuring that learning and skills are at the heart of **economic development** and regeneration. We will work closely with Jobcentre Plus to address the needs of low skilled individuals who are not working, and we will also address the needs of people in the workforce with low skills.

## 5. Regional Statement of Priorities

*This section sets out the proposed priorities for the East Midlands region.*

### Priority 1

#### Young People / 14 – 19

***Raise the quality and improve the choice of learning opportunities for all young people to equip them with the skills for employment, further or higher learning, and for wider social and community engagement.***

#### Strategic Objectives

- To raise levels of participation and attainment amongst young people.
- To reduce the numbers of young people not in education employment or training (NEET) and in employment but not participating in recognised Training (ENT).
- To implement the 14 – 19 phase of learning.

#### Priority Supporting Actions

- Create a strong regional strategic partnership and vision to drive forward the implementation of the regional and area strategies.
- Direct additional LSC funding for 16 - 18 year olds to support increased levels of participation in all areas of the region.
- Drive forward competitions for new provision, such as in the Lincolnshire Wolds, and implement Sixth Form presumptions where needs are identified.
- Ensure implementation of the September Guarantee by May 2007.
- Implement 14 – 19 Prospectuses in every area of the region by May 2007.
- Review Entry to Employment (E2E) and related provision across the region; develop a revised specification of provision required to support young people; commission and tender for required changes in provision; use range of funding to support the new programme; and develop marketing and support material for all stakeholders.
- Support the introduction of the new Foundation Tier of learning opportunities, ensuring clear links with and progression routes to other opportunities.
- Target areas of significant underperformance in attainment at 16 such as the City of Nottingham.
- Revise and implement area and regional plans to address NEET and ENT.
- Build effective partnerships with Children and Young People Strategic Partnerships and with Connexions services, and create joint plans for each area to support increasing levels of participation and attainment.
- Review future requirements for provision for LLDD, devise and implement clear plans to develop additional provision and to create a strong regional partnership in support. Direct ALS funds to support implementation of the regional plans for LLDD.
- Implement an effective programme of support for young offenders.
- Develop effective communications to young people, schools, parents, and other stakeholders on key issues such as the 14 – 19 phase of learning and the importance of continuing participation in learning.

## **Priority 2 Adult Skills**

***Raise the skills of the nation, giving employers and individuals the skills they need to improve productivity, employability and social cohesion.***

### Strategic Objectives

- To raise levels of attainment amongst adults at first full Level 2.
- To reduce the numbers of people with poor literacy and numeracy skills.
- To improve higher level skills (Level 3 and above) in the workforce, in key sectors of the economy in particular.

### Priority Supporting Actions

- Develop and implement a strategy for adult provision and funding in the region, defining a core learner offer to be available in all areas and using all funding streams for adult provision to ensure equity of access. Identify gaps in provision and failures in supply and develop and implement plans to address these.
- Develop and implement a clear offer of support for learning for employers.
- Deliver the regional Train to Gain programme, targeting key sectors.
- Develop and deliver plans for key sectors in the region. Identify any key gaps in provision of higher level skills.
- Develop with key partners a shared strategy for the development of higher level skills, addressing key issues such as raising the level of employer demand and planning the development of progression routes from Level 3 through to Level 4 and 5 provision.
- Implement a regional plan for supporting the development of specialist provision, including Centres of Vocational Excellence and Skills Academies, and in particular supporting key sectors for the region.
- Support the development of skills in the public sector, in particular through expanding the Train to Gain brokerage approach.
- Review future requirements for provision for LLDD, and devise and implement clear plans to develop additional provision.
- Implement an effective programme of support for offenders.
- Support the introduction of the new Foundation Tier of learning opportunities, ensuring clear links with and progression routes to other opportunities.
- Develop clear plans with partners to address the worklessness and Welfare to Workforce agenda. Develop with Jobcentre Plus and other stakeholders joint programmes of support for people without work, and ensure that such programmes effectively support area strategic partnerships and plans, such as Local Area Agreements and the Nottingham Skills Board.
- Target resources on key areas of need or hotspots, including the ex Coalfields areas in north Derbyshire and North Nottinghamshire, Corby, and the Lincolnshire coastal area. Develop clear plans to address the skills and employment implications from the Milton Keynes and South Midlands Growth Strategy.
- Develop effective communications to employers, to people with and without work, and to stakeholders on the importance of investment in skills.

The LSC has worked to determine seven key sectors for priority intervention. These sectors represent high volume employment, forecast significant changes in employment over the next 10 years as well as having relatively high volumes of staff qualified below Level 2. The key sectors in the region for 2007/08 are construction;

engineering manufacturing; health and social care; tourism, leisure and hospitality; logistics; the manufacture of food and drink and retail. To give some real focus to this work it has been agreed that the first three sectors on the list will feature as priorities for all Local LSCs but each area will have the ability to focus on a further sector that is of significant priority. Priority sectors for specific LSC areas will be identified.

### **Priority 3**

#### **World Class System and Infrastructure**

***Raise the performance of a world class system that is responsive, provides choice and is valued and recognised for excellence.***

#### Strategic Objectives

- Ensure that all LSC funded provision is rated as at least satisfactory by 2008.
- To raise levels of attainment and success in all LSC funded learning to at least the national benchmark.
- To ensure that all young people and all adults are able to access their learner entitlements and core learning offer in every area of the region.

#### Priority Supporting Actions

- Based upon detailed review of current provision, forecast demands from employers, and an assessment of the future shape of the regional economy create a clear vision and clear policies and plans for the FE system and infrastructure in the region.
- Implement the LSC policy on strategic commissioning and contestability.
- Continue to develop and implement the regional Capital Strategy, investing in world class infrastructure and buildings. Align the regional Capital Strategy with the plans in each area for Building Schools for the Future.
- Implement a regional plan for supporting the development of specialist provision, including Centres of Vocational Excellence and Skills Academies, and in particular supporting key sectors for the region.
- Review future requirements for provision for LLDD, devise and implement clear plans to develop additional provision and to create a strong regional partnership in support.
- Ensure that we develop and implement with providers clear plans to address all aspects of the Equality and Diversity agenda, and in particular ensure that we build a system that is responsive to the needs of disadvantaged groups.
- Develop and implement a strategy for adult provision and funding in the region, defining a core learner offer to be available in all areas and using all funding streams for adult provision in concert to ensure equity of access. Identify current gaps in provision and failures in supply and develop and implement plans to address these.
- Run a pilot for Learner Accounts in the City of Nottingham and areas of Lincolnshire and Rutland.
- Support providers of LSC funded provision to develop the quality of provision and their responsiveness to employers and learners via the Framework for Excellence and the new standard for employer responsiveness.

**Priority 4**  
**Choice and Economic Development through Partnership**  
***Raise our contribution to economic development locally and regionally through partnership working.***

Strategic Objectives

- To ensure that we develop across the region higher levels of skills for young people and adults (Levels 1, 2, and 3) in support of partnership plans for economic regeneration.

Priority Supporting Actions

- Ensure that the LSC continues to play a leadership role in making education and skills a key element of the regional strategies for economic development and social inclusion.
- Through the East Midlands Regional Skills for Productivity Partnership ensure that we have a clear shared strategy and plans for raising levels of skills and productivity in support of the ambition of being a Top 20 region.
- Align the LSC's Capital Strategy, plans for and investment in the region with those of key partners in order to ensure common direction and effective usage of funds.
- Ensure that the forthcoming Objective 2 Programme reflects regional and local needs and that funds are directed towards meeting these needs.
- Ensure that the LSC and other stakeholders embed plans for purposeful skills development in regional and local plans for economic development and social regeneration. Ensure that the education and skills agenda is embedded in all Local Area Agreements.
- Support the work of the Pathfinder city strategies in Nottingham and Leicester.
- Develop clear plans with partners to address the worklessness and Welfare to Workforce agenda. Develop with Jobcentre Plus and other stakeholders joint programmes of support for people without work, and ensure that such programmes effectively support area strategic partnerships and plans, such as Local Area Agreements and the Nottingham Skills Board.
- We will address the particular challenges of rurality in areas such as Lincolnshire and the Derbyshire Peaks through supporting the energising of market towns, aligning our investment through Local Area Agreements.
- Build capacity within the LSC to engage effectively with issues of regional scale and impact e.g., the development of Nottingham East Midlands' Airport.
- With stakeholders and partners such as Sector Skills Councils develop and implement a regional plan for supporting the development of specialist provision, including Centres of Vocational Excellence and Skills Academies, and in particular supporting key sectors for the region.
- Develop and implement a strategy for adult provision and funding in the region, defining a core learner offer to be available in all areas and using all funding streams for adult provision in concert to ensure equity of access. Identify current gaps in provision and failures in supply and develop and implement plans to address these.
- Effective engagement with employers in the region, focussing upon key sectors, stimulating demand, and communicating the benefits of increased levels of investment in skills.
- Support the Third Sector to engage with and deliver the LSC's strategy.

## **Priority 5**

### **Improving the Performance and Effectiveness of the LSC in the Region**

#### Strategic Objectives

- To be the most improved LSC region in terms of performance.

#### Priority Supporting Actions

- Establish the revised governance arrangements in the region by May 2007. In particular, ensure the appointment of new Regional Board members.
- Build capacity within the LSC to engage effectively with issues of regional scale and impact.
- Use funding flexibly to support the achievement of key objectives.
- Develop and implement effective communications with employers, learners and stakeholders.
- Ensure that the LSC in the region meets the criteria to support recognition against the Investors in People standard by May 2007.
- Ensure that we develop the key skills and knowledge required in all teams.
- Ensure effective working relationships between LSC teams.
- Ensure that the LSC works consistently across the region.
- Establish clear and ambitious targets for performance in LSC programmes.
- Build effective internal systems for planning and performance management, making more effective use of targeted intelligence to inform decisions on provision.
- All teams to move to new premises by May 2007, and all individuals to have access to the most appropriate information and communications technology by April 2007.