

East Midlands Learning and Skills Council Work Based Learning Strategy

December 2006

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

This report can be downloaded at:
www.lsc.gov.uk/eastmidlands

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EXECUTIVE SUMMARY

1.0 Introduction

This report draws together the policy, demand and supply issues facing Work Based Learning in the East Midlands and its sub-regions. The purpose of the report is to inform the work based learning strategy and the future commissioning processes for work based learning provision in the East Midlands over the next three to five years.

2.0 Policy Drivers

Key planning issues

In drawing up its commissioning plan, the region needs to ensure the implementation of the following:

- Available provision in identified qualifications meets Sector skills agreements, particularly for the identified regional and local key sectors
- Commissioning provision which will significantly continue to improve apprenticeship framework completions
- Increasing the proportion of adults' participation and achievement in first full level 2, (apprenticeships) 3 (advanced apprenticeships) and Skills for Life qualifications, in line with Sector Skills agreements, particularly in the identified regional and local key sectors.
- Ensuring that all learners on E2E programmes progress to a positive destination
- Working with public sector employers to increase the number of apprentices recruited and supported across a range of occupational areas
- Addressing gender stereotyping.
- Trialling Foundation Tier Learning and linking this with E2E provision.
- Developing provision through CoVEs and ensuring that CoVEs deliver the highest quality in the region.
- Identifying those providers below the minimum levels of performance and ceasing to contract with them, using this funding to commission more appropriate and high quality provision to meet the requirements for contestability and ensure delivery of full framework completions.
- Ensuring providers collect an employer contribution of at least 50% for learners aged over 18 on Apprenticeships.
- In its commissioning plan ensuring priority funding for 16-18 year olds and LLDD learning within WBL
- Ensuring all eligible learners between 19 and 25 have access to support for their first full level 3.

3.0 Demand

Key planning issues:

In drawing up its commissioning plan, the region needs to ensure the following issues are addressed:

- Quality of E2E provision improves, particularly in the key areas of continuing in learning (50% of learners) and basic skills teaching.
- Progression to levels 3 and 4 is part of the strategic offer for young people and adults in each local area to ensure an improved economic base for the region.
- Improve the accessibility and availability of Foundation degrees and other level 4 qualifications in key sectors to improve the development of the region's economy.

- There is sufficient provision available in Skills for Life and at level 2 to cater for the 523,000 people in the region qualified to below level 2 .
- Train to Gain brokers focus on improving the qualifications level of those over 30, since this group traditionally improve the least and, given the aging population are likely to be in higher demand.
- Train to Gain brokers focus on working with sectors in decline in the East Midlands, such as textiles and clothing, to enable the re-training of older workers to meet replacement demand for 10,893 jobs particularly in Health and Social Care, Construction and Hotel and Catering.
- Ensure availability of level 2 qualifications to enable the 120,000 employed individuals in the region's key sectors without a level 2 to achieve this passport to employability. In particular focus resources on Health and Social care where the proportion of those without a level 2 is highest.
- Map the availability of level 2 in the other nine SSC sectors to enable the achievement of a first level 2 for the 171,000 employees in these sectors
- Ensure a match between the supply of relevant qualifications in key sectors to meet the needs of the region's forecast 12,193 jobs over the next eight years
- Work with Job Centre Plus to ensure relevant provision in support of SSCs qualifications and to address hard to fill vacancies, particularly in Nottinghamshire, Lincolnshire and Rutland and within the Skilled Trades and Associate Professional occupations.
- Ensure sufficient availability of high quality provision across each local area to meet the hard to full vacancies in Construction, particularly in Northamptonshire and Leicestershire.
- Improve employability training, particularly in Northamptonshire, to address the skills gaps of lack of proficiency identified by employers.
- Ensure sufficient availability of high quality qualifications to address the skills gaps of Construction, Hotels and Catering and Business Services in Nottinghamshire; Business services and Manufacturing in Leicestershire and Health and Social Care in Northamptonshire.
- Through train to Gain brokers and the CBI, work with the three quarters of Construction, and two thirds of engineering employers in the region who do not invest in staff training that leads to a recognised qualification.
- Improve data sharing between partners including SSC, Providers and Connexions to allow the strategic use of wider information regarding demand and aspirations to inform purchasing.
- Work with SSCs to understand and take action regarding employers feedback regarding current WBL provision, and act upon key demand led intelligence to drive up skills levels at level 2 and increasingly level 3, in priority qualifications.
- As part of the wider 14-19 agenda work with the partnership, SSCs and employers, to develop employer engagement to enable widened access to WBL. Within this, utilise Programme Led Apprenticeships.
- Continue to work with Connexions, JC+ and other stakeholders, both within the 5 local areas and the Region in relation to those Not in Education, Employment or Training (NEET) and Employment no Training (ENT). There is a need to increase the targeted focus and understanding of these client groups.

4.0 Regional Supply of Learning and Skills

Key planning issues:

In drawing up its commissioning plan, the region needs to ensure the following issues relating to provision are addressed:

- Under spends in 2005/6 are used to tackle key demand issues, particularly in Construction in Northamptonshire, Leicestershire, Nottinghamshire and Lincolnshire and Rutland, and in Health and Social Care in Northamptonshire to ensure sufficient high quality provision.
- The stagnation in participation, particularly in advanced apprenticeships for 16-18 year olds in the region should be tackled as a focus in commissioning with new providers.
- The low percentage of post 19 participants in Engineering and Construction (excluding NES 11% and 10% 2005/06) needs to be addressed, particularly in the light of the increasing age of the population and the need for replacement demand.
- The impact of NES delivery and quality needs to be taken into account when considering future commissioning.
- Static participation of 16-18 year olds in construction and the male gender bias needs addressing in future commissioning plans. In addition, more post 19 apprentices and advanced apprentices need to be attracted to the construction industry, since the current participation proportion is only 15%. The NES providers in the region delivering substantial provision in Construction may suggest potential reasons. However this needs to be further looked at to identify how the region may be able to benefit in possible innovative partnerships to address current capacity.
- Since demand for Health and Social care employees is greater than the national trends, the 8% reduction 16-18 and 12% reduction 19+ (04/05-05/06) in participation must be addressed in future commissioning, especially as NES providers in the region also deliver very low proportions. In 2005/6 2,592 apprentices participated across the region.
- Participation in Engineering is increasing, but replacement demand is higher than national averages, implying greater need for new apprentices, particularly in the post 19 category.
- In Construction skill shortage vacancies are above national trends by 3%. Greater investment in training by employers will need to be addressed in this sector through Train to Gain.
- Increasing NEET figures in the region and the issues surrounding the decrease in availability of employment for 16 year olds needs to be addressed in the commissioning document, of which activities to increase employer engagement and re-focussing of E2E, must be a key driver.

5.0 Regional Achievement

Key planning issues:

In drawing up its commissioning plan, the region needs to ensure the following issues relating to provision are addressed, in addition to 2006/07 information:

- The region, working with Area Teams will identify providers with inadequate provision, who should have their contracts withdrawn with effect from 2007/8 and this funding should be used for an Open and Competitive tendering process.
- WBL as a destination for those leaving E2E provision should be promoted more actively.
- E2E providers will need to demonstrate improved positive destinations to the required level of 50%, or risk losing their contracts for 2007/8.
- Providers not meeting minimum levels of performance as measured by subject sector success rates should have their contracts withdrawn with effect from 2007/8 and this funding should be used for an Open and Competitive

tendering process. Particular attention should be paid to the Engineering, Retail, Agriculture Construction and Health and Social Care sectors where performance regionally is significantly below national averages.

- FE providers not meeting minimum levels of performance as measured by success rates should be put on notice to improve with effect from 2007/8.
- Providers should be encouraged to bring their success rates in post 19 provision up to those of 16-18 and or national averages, whichever is the higher. In addition, the lack of improvement in success rates in the Agriculture and Health and Social Care sectors over the last three years should be addressed as a matter of urgency.

1.0 Introduction

This report draws together the policy, demand and supply issues facing Work Based Learning in the East Midlands and its sub-regions. The purpose of the report is to inform the work based learning strategy and the future commissioning processes for work based learning provision in the East Midlands over the next three to five years.

2.0 Programme Scope of Work Based Learning

Work Based Learning (WBL) as a funding stream covers the following activities.

Entry to Employment (E2E)

Apprenticeships and Advanced Apprenticeships

Non framework NVQ only learning programmes

Apprenticeships are the preferred WBL route for those aged 16-24 who are capable of achieving at levels 2 and 3. Within this priority is given to:

- 16-18 year olds in the Guarantee group
- 19-24 in an extended guarantee group
- 16-18 outside guarantee and those 19-24 with disabilities.

3.0 Policy Drivers

3.1 There are a wide range of policy drivers in the area of work based learning programmes. Several of the drivers are associated with the Skills Strategy, some with LSC general policy affecting funding, such as contestability, and others are specifically targeted at WBL.

3.2 Skills strategy drivers

The 2005 Skills White Paper, contains the following key initiatives that impact on WBL.

3.2.1 Role of Sector Skills Agreements (SSA) and Regional sector priorities

Sector Skills Agreements are plans designed by Sector Skills Councils to ensure investment in skills provision focuses on those skills that close the productivity gap between the UK and its competitors, together with offering individuals employability. Both employer and public funding needs to be aligned with these priorities and in particular those qualifications and modes of delivery that best meet employer aims for the sector. In the future, SSAs will drive the commissioning of provision for adult skills, including WBL, in each region to enable the purchase of those specific skills and qualifications.

The LSC remit is to translate the priorities between SSA and partners into provider plans.

3.2.2 In order to implement this policy driver, the region has been working. Since 2003/4 with the Employment Skills and Productivity Partnership (ESP) to identify and address regional skills needs, in addition to local area sector priorities. Regionally these are:

- Health and Social Care
- Engineering
- Construction

3.2.3 The LSC regards WBL modes of learning to be a key way of meeting priority sector skills needs because of its emphasis on vocational skills linked with employment, together with flexibility of delivery. WBL apprenticeship frameworks are designed by Sector Skills Councils, Sector Bodies and employers.

3.2.4 **Level 2 priorities for young people and adults**

WBL is an important contributor towards achievement for both young people and adults of their first full level 2, particularly where it responds to our sector priorities. For adults the LSC plans to continually increase the delivery of first full level 2 qualifications across WBL, Further Education, National Employer Service and Train to Gain.

3.2.5 **Train to Gain**

Train to Gain helps businesses get the training they need for their staff to be as productive as possible, together with offering advice on business needs, and matching training needs with training providers. Employers who give their employees paid time to train will receive, free, high quality training in basic skills and/or a first full level 2 qualifications, together with financial support for those individuals without a level 2, who are capable to progress straight to a level 3.

3.2.6 The preferred route to level 2 and 3 for individuals aged 19-25 remains Apprenticeships and Advanced Apprenticeships and Brokers and Train to Gain providers are required to offer Apprenticeships to all employers for this age group. In addition this is an important route to recruit employers to offer Apprenticeships particularly for the 16-18 age groups.

3.2.7 Potential policy and funding conflicts exist regarding the impact of free first level 3, for those employed, aged 19 to 25 an apprenticeship is the identified route. However an employer can access NVQ only training through Train to Gain.

3.2.7 **CoVEs**

The region's current network of 34 CoVEs play a key role in enabling both FE colleges and WBL providers to focus more sharply on meeting skill needs of employers; enhance the employability of new entrants; develop the skills of those already in work and improve the employment prospects of job seekers. Of these CoVEs over 80% target those industries identified as a regional priority.¹

¹ Paper item 5a Development and implementation of CoVEs and NSA in East Midlands Region 14/7/06

3.2.8 Going forward National Skills Academies (NSAs) will build on the work of CoVEs and provide an opportunity for employers to put forward proposals to develop a national response to industrial skills needs, of which the WBL network needs to be more fully involved.

3.3 LSC Policy drivers

3.3.1 Rewarding Apprenticeship Achievement

The 2006/07 academic year is the second year of the LSCs new performance indicator for apprenticeships. Supporting both full level 2 and 3, the focus is on achievement of **full** apprenticeship frameworks, to ensure learners possess all the necessary skills for employment. To enable this policy drive and a focus on full framework achievement, NVQ learning for young people is being phased out. It is anticipated that existing learners will complete current NVQ only qualifications by end 2007/08.

3.3.2 There is regional evidence however that providers are more selective regarding those young people they recruit in terms of entry qualifications and those already in employment. Combined with significant employer engagement issues, whose responsibility is it to ensure young people have employed status? There are obvious impacts on the NEET group.

3.4 Quality – eliminating failure and commissioning of new providers

The LSC will continue to review providers' capacity for improvement by monitoring development plans, self-assessment reports and inspection results. From 2007/8 providers not meeting minimum performance levels will be required to agree specific improvement actions as part of development plans. Failure to implement this development or meet any performance indicators agreed will have detrimental effects on future contracts.

3.4.1 To further drive up quality, the LSC plans a full procurement exercise in 2007/08, to meet the policy driver of contestability within the planning for success document of 2005/6. In addition, during 2007/08 the LSC is moving to regional contracting and allocation arrangements for those organisations delivering learning in multiple LSC areas. The over-riding aim of regional contracting is to improve the quality and framework achievement rates of large training providers. However this will require careful planning to achieve together with understanding the impact on targets.

3.4.2 The LSC is also developing a structured strategic commissioning process for 2007/08 which places framework achievement at the centre of all procurement decisions. The LSC is working with the four sectors with lowest achievement rates to improve their overall achievement rate. Growth is restricted in occupational areas that require re-inspection and to providers overall where leadership and management require re-inspection.

3.4.3 New Measures of Success (NMS)² are a significant change programme with the aim of measuring success of learners and performance of education and training providers more accurately and fairly and contributes to the Government's Skills Strategy. Whilst a number of measures will impact on WBL a key change is to align methods to calculate success rates between FE and WBL to provide a more accurate picture of the post-16 sector.

² Implementing New Measures of Success – Success for all (June 2005)

3.4.4 Role of Apprenticeships in the Welfare to Workforce Development agenda with JC+

Apprenticeships are one of four nationally agreed priorities that are used to deliver the combined work between the LSC and JC+ to bring closer together skills and employment agendas, as individuals move from welfare to work. Local area delivery plans have been in place since 2005/06.

3.5 Funding drivers

From 2006/07 providers are required to collect fees. This is an essential element of the rates for Apprenticeships and if not collected, providers will have insufficient funds to deliver quality of programme required by both the LSC and inspectorates. In addition the LSC is moving towards minimum standards of an employer contribution of at least 50% for learners aged over 18 on Apprenticeships.

3.5.1 Employers are not expected to contribute to direct training costs for mandatory elements of a framework for those aged 16-18. For those aged 19+ employers are expected to contribute to training and hence rates are reduced to reflect this assumed contribution.

3.5.2 The LSC has ensured that as a policy, increasing proportions of funding will be made available for priority learners (16-18 and LLDD) and that it will stop funding certain types of adult NVQ only provision from 2006/07.

3.5.3 From 2007/08 there will be free tuition to first level 3 for 19-25 year olds and an Adult Learning Grant is available for those on low incomes studying for a first level 2 or 3. This latter policy drive will be trialled in some areas of FE in the East Midlands during 2006/07 at level 3.

3.5.4 The Leitch interim review reports that whilst there has already been substantial investment of £23.5 million by employers in training activity, in addition to individual and government contributions, it will be essential to build on this joint responsibility to achieve the key ambitions outlined for 2020³.

3.5.5 Education Maintenance Allowance (EMA)

EMA is a weekly payment to young people who stay on in learning after they reach statutory leaving age. From April 2006, as well as FE, this now includes LSC funded E2E, Programme Led pathway providers and non-employed apprenticeships.

3.6 Specific WBL policy drivers Nationally and Regionally

The key policy objectives for WBL both nationally and regionally for 2006/07 is to:

- significantly improve apprenticeship framework completions.
- Increase first full level 2, 3 and Skills for Life participation and achievement particularly in the region's key sectors.
- ensure that all learners on E2E programmes progress to a positive destination.
- maintain the volume of apprenticeships and E2E learners.
- work with public sector employers to increase the number of apprentices recruited and supported across a range of occupational areas.
- address gender stereotyping.

³ Leitch interim review (executive summary). There is no date beyond 2006 when final review will be published.

- Trialling Foundation Tier Learning and linking this with E2E provision.

4.0 National Work Based Learning Targets

4.1 Apprenticeships

To increase the number of apprenticeship framework completions by 75% by 2007/08. This means 75,000 apprentices complete their framework by 2007/08.

In 2006/07 it is expected that framework completions are 70,000.⁴

For 2004/05 final figures show 67,000 framework completions were achieved.⁵

4.2 E2E

- 50 per cent of E2E leavers to progress into Apprenticeships, FE or work by 2007/08.
- For E2E in 2007/08 is improvement in quality of basic skills delivery above the minimum levels of performance threshold.

Key planning issues

In drawing up its commissioning plan, the region needs to ensure the implementation of the following:

- *Available provision in identified qualifications meets Sector skills agreements, particularly for the identified regional and local key sectors*
- *Commissioning provision which will significantly continue to improve apprenticeship framework completions*
- *Increasing the proportion of adults' participation and achievement in first full level 2, (apprenticeships) 3 (advanced apprenticeships) and Skills for Life qualifications, in line with Sector Skills agreements, particularly in the identified regional and local key sectors.*
- *Ensuring that all learners on E2E programmes progress to a positive destination*
- *Working with public sector employers to increase the number of apprentices recruited and supported across a range of occupational areas*
- *Addressing gender stereotyping.*
- *Trialling Foundation Tier Learning and linking this with E2E provision.*
- *Developing provision through CoVEs and ensuring that CoVEs deliver the highest quality in the region.*
- *Identifying those providers below the minimum levels of performance and ceasing to contract with them, using this funding to commission more appropriate and high quality provision to meet the requirements for contestability and ensure delivery of full framework completions.*
- *Ensuring providers collect an employer contribution of at least 50% for learners aged over 18 on Apprenticeships.*
- *In its commissioning plan ensuring priority funding for 16-18 year olds and LLDD learning within WBL*
- *Ensuring all eligible learners between 19 and 25 have access to support for their first full level 3.*

⁴ Transforming learning and skills: Our annual statement of priorities 2006/07 (Nov 2005)

⁵ Quoted in the EM regional performance report version 11

5.0 Demand

5.1 Although WBL in terms of Apprenticeships might be regarded as demand led in that individuals are in employment and that frameworks are related to either the sector or role. Whilst this is a key proxy for demand, looking only at this may pose issues:

- Time lags regarding demand now and in the future.
- Sustainability or 'quick fix' – looking at what will offer an employer, sector and individual long-term value.
- Learner choice – individual demand may not reflect employer demand in that individuals may have aspirations elsewhere particularly.

The regional strategic analysis⁶ will provide a comprehensive analysis of demand, the following is a headline summary, together with appropriate evidence from regional Sector Skills Assessments that may align with priority sectors.⁷ For the purposes of this strategy the following skills assessments have been analysed:

| SSC | Priority sector |
|--|------------------------|
| <ul style="list-style-type: none"> • Skills for Health • Skills for Care and Development • Skills Active | Health and Social Care |
| <ul style="list-style-type: none"> • CITB-Construction Skills • SumitSkills • Asset Skills • Energy and Utility Skills | Construction |
| <ul style="list-style-type: none"> • SEMTA (Engineering/Manufacturing) | Engineering |
| <ul style="list-style-type: none"> • Government Skills • Lifelong Learning UK | Public Sector |
| <ul style="list-style-type: none"> • SkillSmart | Retail |

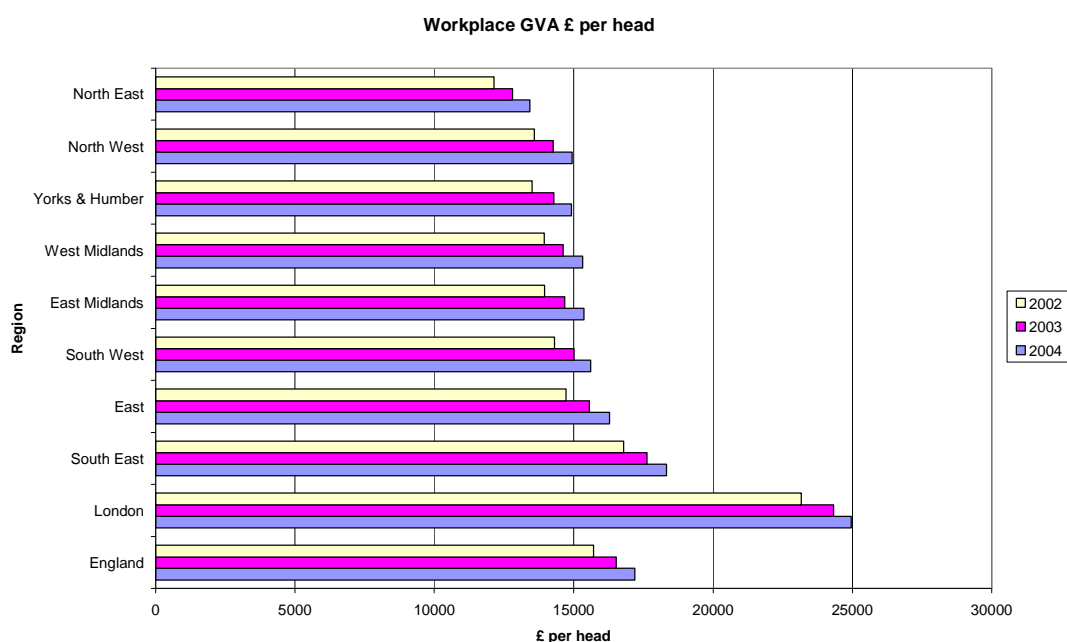
5.2. Economic Performance

The East Midlands was ranked 5th out of 9 regions in terms of GVA per head. This figure is below the England average. Between 2003 and 2004 GVA per head increased at a higher rate in the East Midlands than England as a whole at 4.7% compared to 4.0%.

⁶ East Midlands Strategic Analysis 2007/8

⁷ East Midlands Sector Skills Agreements September 2006 from Regional Skills Team

Figure 1 -⁸



5.3 Population demographics

Regional population projections show clear evidence of the national trend towards an ageing population. There is expected to be significant increases in those aged 64-74 by 2028, with this group exceeding the population of those up to the age of 30 and be similar in size to the 30-59 age groups. There will be a decrease in the working age population and a significant increase in those of pensionable age⁹.

This has implications both for ensuring that increasing proportions of young people now and in future years engage in learning and skills for employability. In addition it is important to ensure that WBL can remove the barriers that face older people gaining and maintaining key generic and job-specific skills, in order that they gain and remaining in employment; adjust to economic instability and benefit from increases in future demand.

Approximately 1,789,364 people are employed in the region, with 154,600 employers. There is a dominance of small employers with 83% employing between 1-10 staff. Less than 1% of employers employ 200+ staff, however these large employers do make-up the largest share of people employed at 30%.¹⁰

As at August 2006, the region had around 20,565 people aged 24 and under claiming unemployment benefit. Of these 21% were long-term unemployed compared to 22% for England.

The 3 Cities (Nottinghamshire, Leicestershire and Derbyshire) have 16-24 long-term unemployment higher than the regional average. Several reasons may exist for youth unemployment including qualification attainment, attitudes, employability skills or inappropriate IAG, together with evidence in

⁸ ONS Economic Trends 627 February 2006

⁹ ONS 2003 based sub-national population projections

¹⁰ ABI 2004 taken from NOMIS 1/9/06

some areas of incoming migrant populations. The lack of employer places for apprenticeships is another issue will impact.

Table 1: Unemployment of young people¹¹

| | Aged 24 and under | Aged 24 and under long-term unemployed | All unemployed | All long-term unemployed |
|------------------|-------------------|--|----------------|--------------------------|
| Derbyshire | 4,790 | 1,055 (22%) | 14,650 | 5255 (36%) |
| Nottinghamshire | 6,060 | 1,365 (23%) | 17,440 | 6,020 (35%) |
| Leicestershire | 4,475 | 1,015 (23%) | 14,855 | 5,510 (37%) |
| Lincs & Rutland | 2,590 | 455 (18%) | 8,065 | 2,740 (34%) |
| Northamptonshire | 2,655 | 525 (20%) | 8,500 | 2,720 (32%) |
| Region | 20,565 | 4,415 (21%) | 63,505 | 22,270 (35%) |
| England | 249,420 | 56,050 (22%) | 789,230 | 291,210 (37%) |

These figures only include those who claim. The ILO definition of unemployment which includes those looking for work but not claiming will give much higher actual numbers, although as a proportion 16-24 unemployment is lower much lower.

The region has been characterised by higher proportions of employees in lower level occupations, suggesting significant demand for workers with limited skills, although there is immediate demand for skilled trades. Forecasts show this demand will continue, which will have major implications for economic competitiveness¹². These factors have important implications for WBL in further evidencing the challenges of employer engagement across the region.

5.4 Qualification attainment

Marginally more people in the East Midlands either have no qualifications or are qualified below level 2 (31%) than those in the remainder of the UK (28%). This equates to 523,744 employees. In addition, fewer people in the region are qualified at level 4 and above than is the case in the remainder of the country.

Table 2: Qualifications of working age adults by local LSC area, 2005¹³

| | % with no qualifications | % with NVQ level 1 only | % NVQ level 2+ | % NVQ level 3+ | % NVQ level 4+ |
|-----------------------------------|--------------------------|-------------------------|----------------|----------------|----------------|
| Derbyshire LSC area | 17.4 | 16.4 | 59.8 | 40.9 | 22.8 |
| Leicestershire LSC area | 16.2 | 14.8 | 59.4 | 42.0 | 23.0 |
| Lincolnshire and Rutland LSC area | 13.2 | 17.7 | 59.5 | 39.6 | 20.6 |
| Northamptonshire LSC area | 13.5 | 16.8 | 62.7 | 43.0 | 25.5 |
| Nottinghamshire LSC area | 14.0 | 16.5 | 61.7 | 45.0 | 24.6 |
| East Midlands | 15.0 | 16.4 | 60.6 | 42.2 | 23.4 |
| UK | 14.5 | 14.2 | 62.9 | 44.2 | 26.4 |

¹¹ NOMIS Claimant Count Age and Duration (Aug 06). Long-term unemployed defined as 26 weeks plus. Data rounded to nearest 5

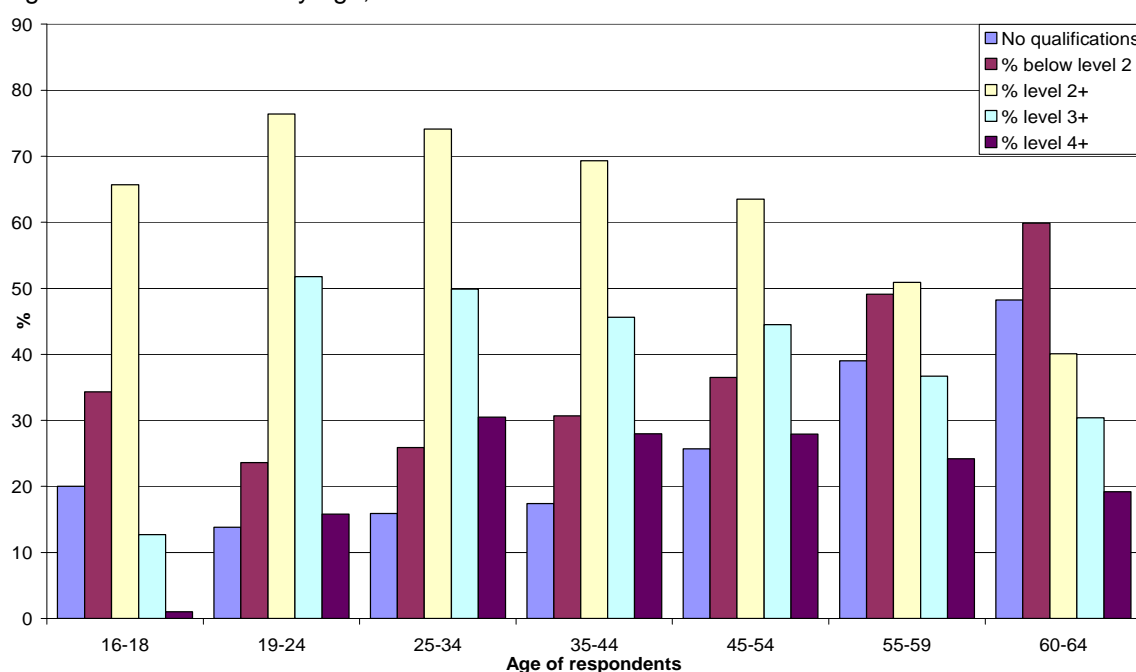
¹² EMDA, The East Midlands 2006: Evidence base for the review of the RES, July 2006 P182

¹³ Annual Population Survey Jan-Dec 2005

The proportion of the region’s workforce holding qualifications is increasing as a result of entry of better qualified young people replacing older, less qualified workers. However there is evidence that fewer people over the age of 30 make significant improvement in their qualification levels. This has implications for the tail of older workers who will remain in the labour market and employment for some considerable time.¹⁴

The proportion of individuals without a recognised qualification increases with age in the region¹⁵. There is also a corresponding decrease with age regarding those qualified to level 3 and above. With a decline in the number of young people entering the workforce beyond 2010, this demographic change will lead to a greater reliance on older workers and institute a need to look beyond the current workforce. Such activity is already evident in the ingress of workers from Eastern European countries. This will add pressure to the policy drive to work with JC+ to move people from benefits to employment, through WBL.

Figure 2: Qualifications by age, East Midlands 2006¹⁶



Of the region’s 3 priority sectors only Skills for Care and Development show a higher proportion of their workforce without a level 2 (29%) compared to the national average of 25%. The other key sectors show a similar proportion without a level 2, which in total accounts for nearly 120,000 employees.¹⁷ There are, however nine other Sector Skill Council (SSC) areas in the region where proportions of employees without a level 2 are lower than the national average. This equates to around 170,823 employees.

¹⁴ EMDA, The East Midlands 2006 P140 & P123 & P139

¹⁵ LSC East Midlands Household Survey 2006

¹⁶ LSC East Midlands Household Survey 2006

¹⁷ APS 2005 (DfES analysis August 2005)

Sectors with numbers of employees without level 2 greater than national averages

- COGENT (Chemical, nuclear, oil etc)
- Creative and Industrial industries
- Facilities
- GoSkills (Passenger transport)
- Skillsmart (Retail)
- LANTRA (Environmental & Land Based)
- Proskills (Process and Manufacturing)
- Skillfast – UK (Apparel footwear, textiles)
- Skills Active (Active leisure & learning)

Some SSC areas have up to 50% of their workforce are without a level 2 qualification and include Proskills (Process manufacturing), Skillsfast-UK and Skills for Logistics (freight industry).

These messages further amplify the poor qualification base of the region's workforce and it's reliance on a low-skill, low pay economy. It enables targeting of apprenticeships depending upon further identification of occupation level and age profiles, together with the wider role of Train to Gain.

5.5 Employment

Figure 3 below shows employment projections for the region, over the next 10 years. Whilst there is a mixture of positive and negative expansion demand, nevertheless, overall there is positive replacement demand in all sectors as a result of people leaving the sector¹⁸. Across the region there will be a net requirement for some 12,193 jobs between 2004-2014. This is made up of expansion demand of 1,300 jobs and replacement demand of 10,893 jobs.

In terms of **expansion demand** – there are notable volumes in a range of sectors including priority sector Health and Social Care. Other Business Services¹⁹, Retailing distribution, Wholesale distribution and Education also show key volumes.

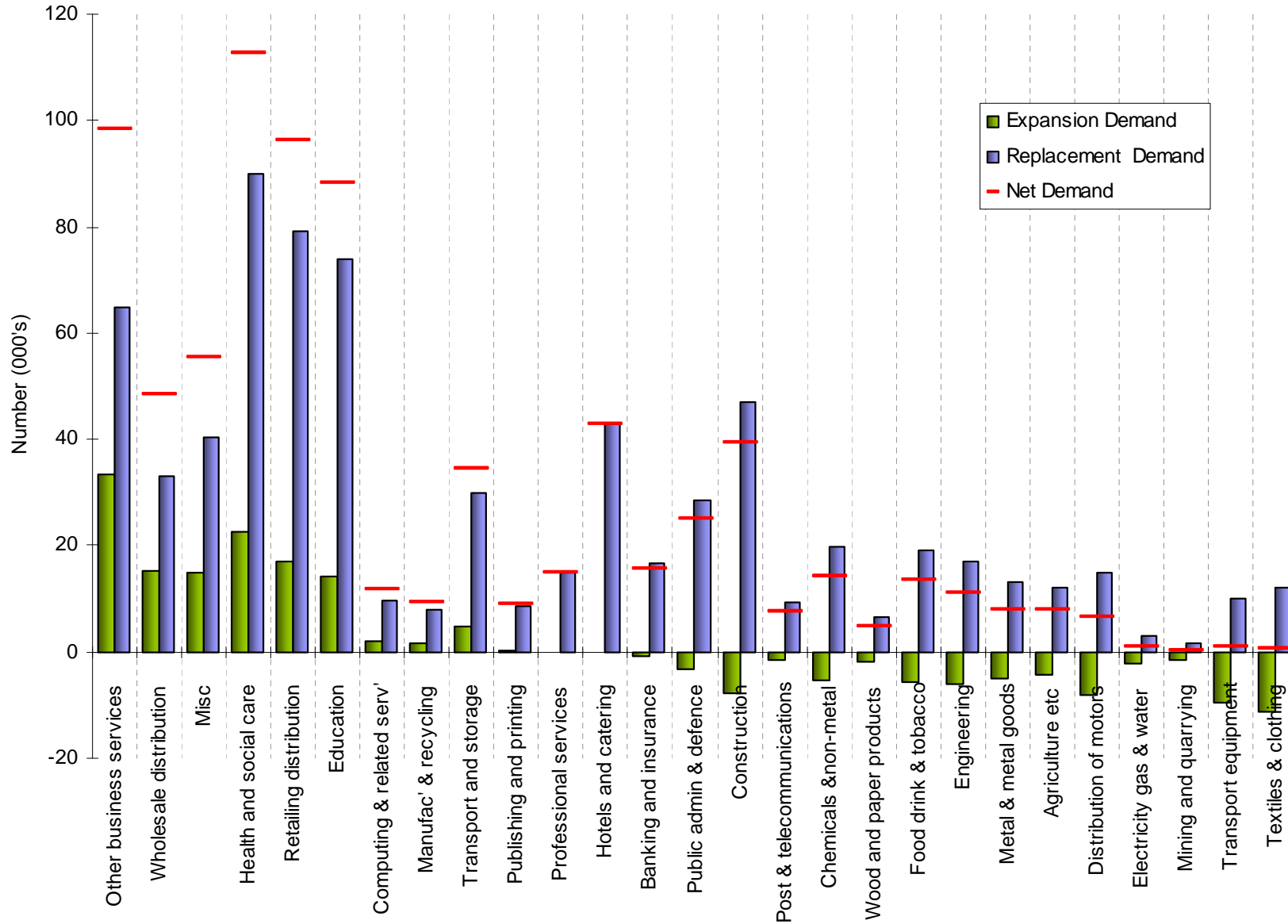
There are highly significant volumes of **replacement demand** in Health and Social care in the region; however this has to be considered in the context of the Health service re-organisation and major job-losses forecast.²⁰ In addition to those sectors already mentioned above. The priority sector of Construction also has significant replacement demand as does Hotel and Catering which reports no expansion demand. The priority sector of Engineering shows moderate levels of replacement demand.

¹⁸ Demand for employees to replace those that are leaving employment due to retirement, career moves and migration.

¹⁹ Need to say what this is

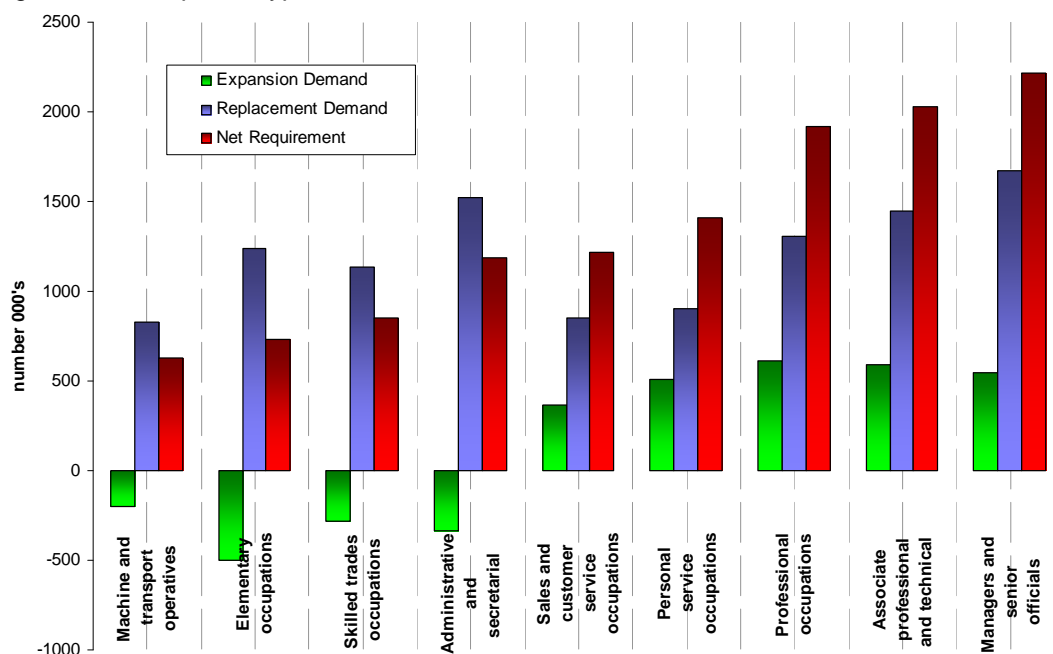
²⁰ Skills for Health regional skills sector assessment – Oct 06

Figure 3 – 2004 – 2014 sector forecasts - Region



Employment change by occupation type demonstrates the changes that need to be made to address the region’s lack of high level economic performance outlined in section 5.2.1 above. Across all sectors in the region replacement demand is nearly twice that of expansion demand. There is forecast to be no expansion demand for ‘lower’ level occupations.

Figure 4 – Occupation type forecasts 2004-2014²¹



Significantly Health and social care and to a lesser extent Construction have positive expansion and replacement demand at High and Intermediate level occupations. At Lower level occupations Construction has the highest replacement demand. There is no expansion demand for any of the region’s three key priority sectors at lower levels of occupation. This has important implications for the NEET group and for the Entry to Employment programme for the future.

Understanding demand for new and replacement roles by sector and occupation enables WBL provision to be targeted to enable:

- Those people leaving declining sectors to either gain level 2 and level 3 skills for employability in sectors and occupations with demand.
- sector opportunities for apprenticeships for young people, and developing those opportunities with employers now.

5.6 Skills shortages

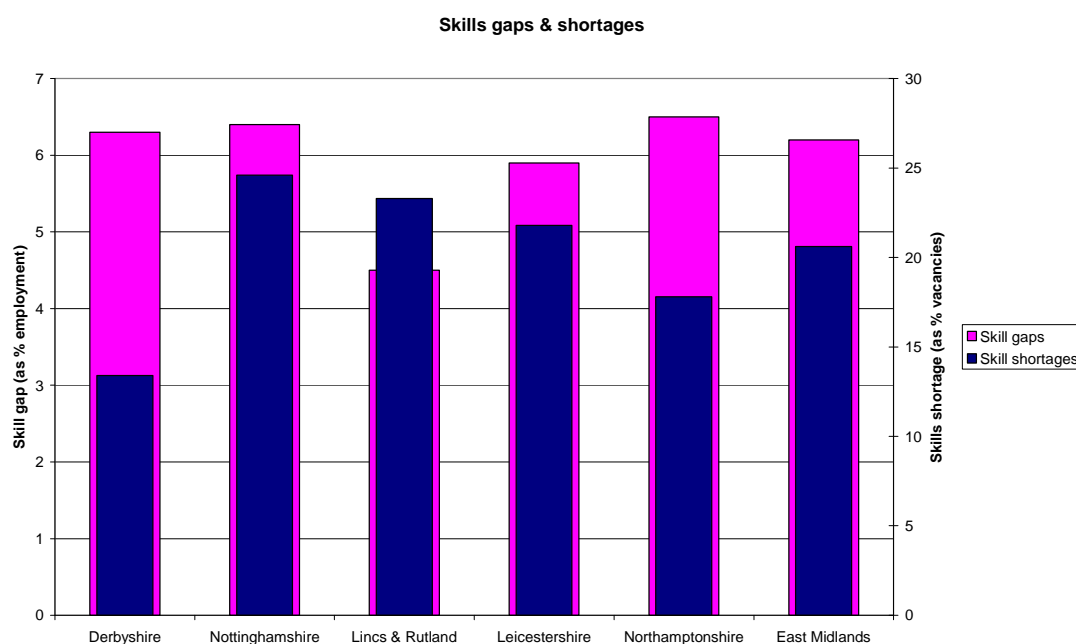
In 2005²² there were 39,700 vacancies in the region - a reduction on 2003. Twenty one percent of these (8,200) were hard-to-fill due to skills related reasons. This is lower than the national average of 25%. Skills shortage vacancies are above the regional average in Nottinghamshire (25%), although vacancies still formed a lower proportion of employment than the national average²³, and in Lincolnshire and Rutland (23%).

²¹ Working Futures II

²² The National Employer Skills Survey 2005

²³ IER skills needs in the East Midlands: An analysis of the NESS 2005,2006 (Leicestershire)

Figure 5: Skills gaps and shortages 2005²⁴



The impact of hard-to-fill and skill-shortage vacancies is much greater in medium and small organisations. Only in Construction (39%) is the proportion of skills-shortage vacancies higher than the national average (36%). The volume of these vacancies is relatively small (400 in total) with the highest proportions in Northamptonshire and Leicestershire. Derbyshire (25%) is the only sub-regional area where proportion of construction skill-shortage vacancies is significantly below regional and national averages.

Other sectors with high proportions of skill shortage vacancies include manufacturing sub-sectors (wood and paper, metals and metal goods), impacting mainly on skilled trades.

The current unmet demand for skills in these sectors reflects the national pattern of the combination of an ageing workforce and large outflows and replacement needs, coupled with a lack of entry of young people into many of these technical and vocational areas.²⁵

By occupation type, Skilled Trades represent the highest proportion of skill shortage vacancies (37%) compared to all occupations (21%). Associate Professional occupations are also significant with 29% skill-shortage vacancies. Both of these occupational areas also represent a significant proportion of all vacancies. This suggests there are specific skills issues to address for Skilled Trades as these are mainly based in declining sectors.²⁶

Managerial occupations (36%) also represent a significant proportion of skills-shortage vacancies although as a proportion of all vacancies in the region, this is much lower. This does reflect the low levels of individuals with level four and above qualifications in the region and the unfulfilled state of the region's economy.

²⁴ NESS 2005

²⁵ LSC skills in England 2005 volume 1, P20

²⁶ IER, Skills Needs in the East Midlands P14 IFF & NESS 2005 main report June 2006 P31

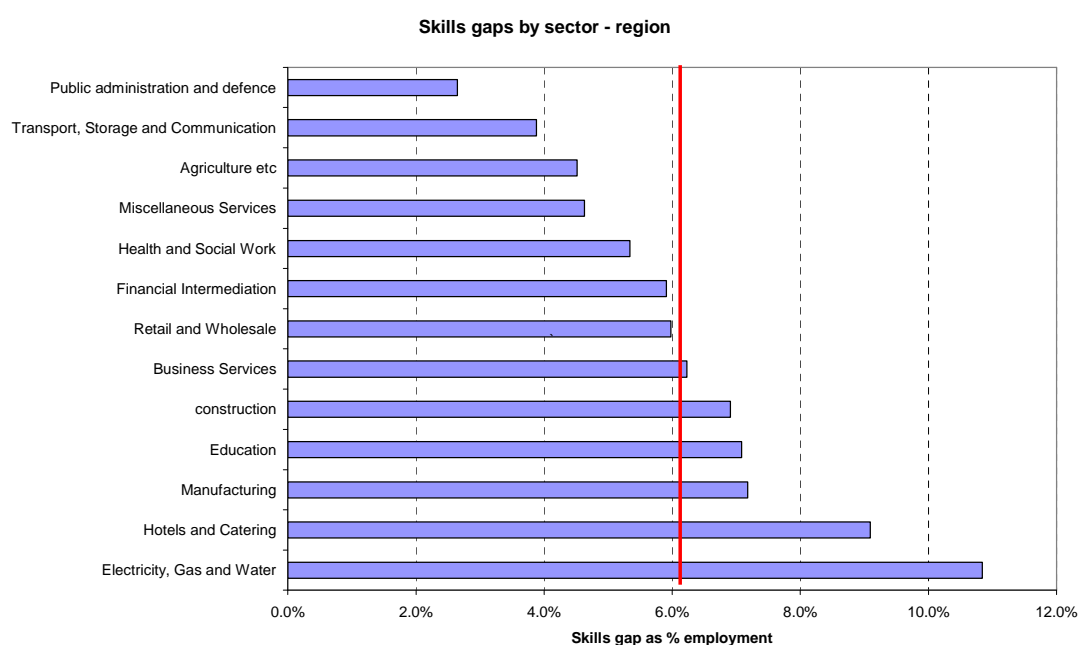
5.7 Skills gaps²⁷

There has been a reduction in employers reporting skills gaps in the region between 2003 (11%) and 2005 (6%). Northamptonshire has the highest proportions of reported skills gaps 6.5%, but other areas largely are on a par with the national average, except Lincolnshire and Rutland who have a lower proportion of skills gaps at 4.5%.

Employers in the region identified the same set of skills to be lacking in their current workforce as in the external labour market. Sixty eight percent of employers stated lack of proficiency as a result of lack of experience. There is evidence that employers expect lower level occupations to do more to develop their own skill gaps, with employer funding support for skill development targeted at managerial occupations.²⁸

The following graph shows skills gaps by sector with those sectors above the regional average of 6%.

Figure 6: Regional skills gaps by sector²⁹



Sector skills gaps by local area³⁰, show a significant difference. Sector skills gaps are higher than both the area overall and for a particular sector by region in:

- Nottinghamshire – Construction, Hotels and Catering and Business Services
- Leicestershire – Manufacturing and Business services
- Northamptonshire – Health and Social work.

²⁷ Skills gaps are where an employer identifies employees are not fully proficient at their job. Note whilst all employers were asked only 56% actually formally assessed skills gaps.

²⁸ NESS 2005 & BMG East Midlands Household Survey 2006: Main report P93

²⁹ NESS 2005 (Engineering sits within Manufacturing but is 4.7% Retail on its own 7.4%

³⁰ where sample sizes allow

By occupation type, there are no significant differences at regional level. By local area, skills gaps are higher than regional averages for:

- Elementary level – Derbyshire
- Operative level - Leicestershire
- Skill trade level – Nottinghamshire
- Professional and Associate Professional - Northamptonshire³¹

5.8 Employer Investment in Training

Across all sectors, just-under 32% of employers had funded or arranged training in the last 12-months. By regional priority sector, Health and Social Care reported the highest engagement in training (52%). Construction reported the lowest incidence of training (25%) whilst 34% of Engineering employers reported investing in training. Those sectors that fall within the public sector had significantly high proportions of training (Public administration and defence 79% and Education 70%) than privately owned businesses.

All local sub-regional priority sectors also reported lower than average training engagement

- Retailing 19%
- Wholesale distribution 23%
- Agriculture 22%
- Transport 26%
- Hotels and Catering 29%

Only a fifth of employers provided training for their staff that led to a National Vocational Qualification (NVQ) or equivalent. By regional priority sector, Health and Social work reported the highest qualification based training engagement with 43% which is significantly above the regional average of 21% and may reflect the high percentage of public sector employees within this sector. Construction was on par with the regional average and Engineering reported lower qualification based training at 16%. All except Hotels and Catering reported lower than average accredited training.

5.9 Equality and diversity

In addition to the impacts of an ageing population there are other key equality and diversity factors:

Gender

In the East Midlands there are a similar numbers of females and males (49% compared to 51% respectively); however they do not contribute equally to the economy. The economic activity rate of working age males is much higher than that for working age females at 83.9% and 74.9% respectively.³²

Ethnicity

The East Midlands mainly consists of people from a white heritage (93.5%). The majority of the remaining ethnic minority population are Asian or Asian British. However, there are geographical pockets where there are high proportions of people from an ethnic heritage and this includes Leicester City

³¹ NESS 2005

³² Taken from East Midlands Strategic Analysis 2007/08

and Nottingham City. In Leicester City the majority of people are from an Indian heritage (25.73%) and in Nottingham City the majority are from both Pakistani (3.64%) and Indian (2.28%) heritages.

Generally those from ethnic heritages have a lower economic activity rate than those from a white heritage (65.6% compared to 79.9%). However there are differences at Super Output Area level (SOA) where for e.g. xxxx³³

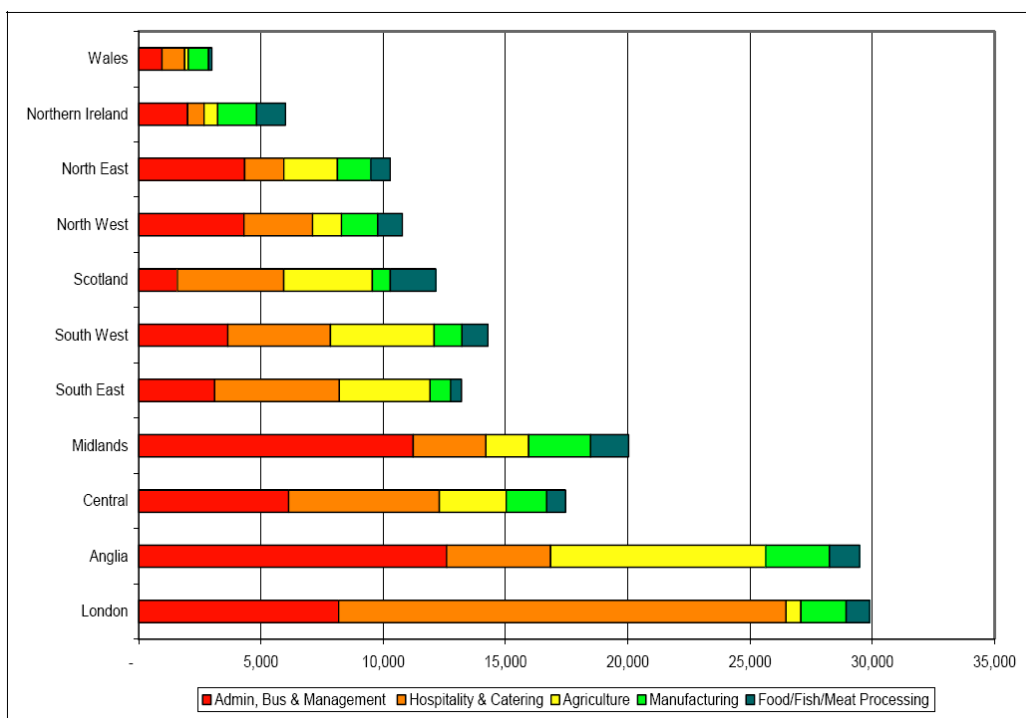
Disability

Although there is a limited amount research and data regarding learners with a learning difficulty and/or disability, the Annual Population Survey identifies that 19.4% of the working age population are disabled, 4.2% are DDA only disabled and 3.8% are work-limited disabled only³⁴. The East Midlands are the 4th highest region in terms of incapacity benefit claimants (at 5.9% of the working age population). The highest proportion of the working age population who claim Incapacity Benefits (IB)³⁵ and Sever Disability Allowance (SDA) are located in Nottingham City (11.2%) and Leicester City (8.4%).³⁶

Migrant workers

The East Midlands is the third region after London and East Anglia with the highest proportion of migrants according to worker registration scheme figures.

Figure 7: Sectors in which registered workers are employed (Source: WRS May 2004-June 2005)



³³ Taken from East Midlands Strategic Analysis 2007/08

³⁴ DDA disabled (current disability) include those who have a long-term disability which substantially limits their day-to-day activities³⁴. Work limited disabled are defined as those people 'who have a long-term disability which affects the kind or amount of work they might do'.

³⁶ Taken from East Midlands Strategic Analysis 2007/08

In terms of the sectors that migrants are working in the region, the WRS shows that 48% of applicants worked in 'Administration, Business and Management', followed by 'Hospitality and Catering' (13%) and 'Manufacturing' (11%)³⁷

5.10 Recruitment of young people

Employers in the region were more likely than nationally to recruit young people (16-18 year olds), although more likely to recruit 17-18 year olds from college than 16 year olds direct from school.³⁸

The table below shows industries recruiting anyone aged 24 or under direct from school, college or university in the last 12-months.³⁹

In contrast to this, there is evidence to suggest that across the region there are concerns about the numbers of young people unable to access apprenticeships due to the lack of employer places. Linked to this, the drive towards framework completions has resulted in employer selectivity when actually recruiting young people. This serves to hold-back individual demand, together with negative implications for unemployment and NEET.

³⁷ (Home Office et al, 2006).

³⁸ IER, Skills needs in the East Midlands P29

³⁹ NESS 2005

Table 3; Recruitment of under 24 year olds by sector in 2005

| Industry of establishment | Percent recruiting 16 year olds direct from school | Percent recruiting 17/18 year olds direct from school/college | Percent recruiting direct from Higher Education Institution | Percent of establishments recruiting a person aged under 24 directly from education | |
|--|--|---|---|---|---------|
| | | | | East Midlands | England |
| Public Administration and Defence | 15.5 | 28.9 | 33.7 | 46.6 | 32.2 |
| Education | 5.3 | 9.9 | 19.3 | 31.6 | 35.7 |
| Hotels and Catering | 10.6 | 19.3 | 15.3 | 30.7 | 32.1 |
| Sale and Maintenance of Motor Vehicles | 15.2 | 13.9 | 5.1 | 28.7 | 26.0 |
| Financial Intermediation | 7.5 | 15.9 | 7.6 | 27.4 | 24.9 |
| Health and Social Work | 4.8 | 11.9 | 10.9 | 26.8 | 22.6 |
| Miscellaneous Services | 14.0 | 14.0 | 9.2 | 26.6 | 28.6 |
| Food, Drink and Tobacco | 8.3 | 14.1 | 12.7 | 26.5 | 27.6 |
| Chemicals, and Non-metallic Mineral Products | 8.5 | 12.5 | 6.8 | 26.5 | 23.0 |
| Construction | 12.4 | 9.5 | 4.0 | 25.6 | 22.7 |
| Retailing | 11.0 | 13.6 | 7.9 | 25.0 | 26.7 |
| Other Business Services | 2.9 | 6.2 | 12.7 | 21.8 | 20.3 |
| Printing and Publishing | 6.5 | 9.5 | 10.5 | 21.0 | 18.2 |
| Engineering | 7.9 | 8.7 | 6.0 | 20.1 | 21.0 |
| Agriculture, etc | 9.3 | 8.0 | 3.6 | 19.2 | 14.1 |
| Computing and Related Services | 0.5 | 6.7 | 12.4 | 17.6 | 17.5 |
| Professional Services | 0.9 | 6.9 | 8.0 | 17.5 | 16.9 |
| Transport | 4.5 | 8.0 | 7.1 | 17.2 | 19.6 |
| Wholesale Distribution | 4.8 | 9.0 | 5.3 | 17.1 | 17.2 |
| Textiles and Clothing | 5.9 | 4.1 | 4.9 | 13.0 | 16.3 |
| Manufacturing (n.e.s.) | 5.8 | 7.6 | 1.7 | 12.9 | 21.1 |
| Communications | 4.3 | 5.2 | 2.4 | 10.0 | 17.3 |
| Mining and Quarrying | - | - | - | - | 12.9 |
| Transport Equipment | - | - | - | - | 26.5 |
| Electricity, Gas and Water | - | - | - | - | 27.7 |
| East Midlands | 8.2 | 11.3 | 9.3 | 24.3 | n/a |
| England | 7.3 | 11.1 | 9.4 | n/a | 23.8 |

5.11 Specific WBL messages from regional sector assessments

The following are taken directly from the Sector Skills Assessments⁴⁰:

5.11.1 Health and Social Care

Skills for Health

- There is a need to review current apprenticeships to make them more accessible and attractive to the sector – building more emphasis on APEL options. At National level, the LSC are piloting a Health Informatics Apprenticeship with the NHS Connecting for Health initiative.

⁴⁰ Produced during 2006 by Regional Skills Team

- There is a need to take a much wider view of provision, away from a qualifications driven ethos to one better customised for employers, which places emphasis on the capacity of providers to offer a modular, portfolio learning leading to qualifications.

Skills for Care and Development

- Social care is being considered by the Castle Group set-up by the LSC
- Particular attention should be paid to the under 18 barrier to employment in the sector.
- Adult Care apprenticeships should be extended.
- Young apprenticeship pilots are being run in Derbyshire and Nottinghamshire.

Skills Active (early years)

- The early year's sector is also being considered by the Castle Group.
- Skills Active report that Apprenticeships in Play work are only offered by one provider in the region. Other Play work training is disjointed and offered in widely varying levels across the region. Assessors and trainers are in particular short supply.
- Mature entrants and existing staff are supported to gain qualifications in the sector together with extending Apprenticeships to the over 25's.

5.11.2 Construction

CITB-Construction Skills

- The current apprenticeship framework is not perceived to meet need of the industry, the individual or the SSC.
- The current NVQ structure is seen as too inflexible with support for unitised approach in which Construction Skills can act as catalyst.
- Construction Skills is looking for growth in apprenticeship programmes to increase the number of new recruits in the industry, including PLA, and have projected numbers in the region to 2011⁴¹. Target traditional apprenticeships numbers are:

| Year | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|--------------------|------|------|------|------|------|------|
| Midlands East/West | 852 | 1063 | 1074 | 1074 | 1074 | 1074 |

- Programme Led Apprenticeships have been introduced to support young learners obtained construction awards whilst at full time college to gain key on-site training and assessment with an employer and gain an NVQ, and will be key to supporting the self-employed and sub-contractors who have not traditionally been able to support apprenticeships. PLA are in their second pilot year and by 2007 it is planned to recruit 1,000 learners, with numbers expecting to double in 2008 and 2009, levelling off at 6,000 by 2010.
- Provide the means to increase the number of 19+ entering apprenticeships as some roles are more suited to this age group.
- Additional places should be made available via Train to Gain to support existing Construction staff to increase their skills and obtain NVQ 2 through OSAT.
- The role of CoVEs will be crucial to the sector and drive up achievement rates for Apprenticeships in the Sector, together with progression to Foundation Degrees.

⁴¹ For Midlands East and West are combined.

5.11.3 Engineering

SEMTA

- There is a need to develop a fit for purpose apprenticeship framework to help up-skill the adult workforce whilst maintain a focus on young people.
- There has been several developments to build capacity for Business Improvement Techniques (BIT). These include ESF funded projects, part of Train to Gain providers prospectus. Additionally the region is to be part of the National Manufacturing Skills Academy hub and spoke model, delivering BIT and other priority qualifications.

5.11.4 Retail

Skillsmart

- There is to be a new apprenticeship framework launched from September 2006.
- New occupational qualifications have been developed by Skillsmart, who are keen to pilot Vocational Qualification reform in the region as part of demand led change. The framework provides a new way to recognise learner achievement through credit for units and qualifications.

5.11.5 Public Sector

Lifelong Learning UK

- Apprenticeships in Youth Work and Libraries have been indicated as priority qualifications. There is a need to put in place take-up and delivery mechanism to support this provision in the region.

Key planning issues:

In drawing up its commissioning plan, the region needs to ensure the following issues are addressed:

- *Quality of E2E provision improves, particularly in the key areas of continuing in learning (50% of learners) and basic skills teaching*
- *Progression to levels 3 and 4 is part of the strategic offer for young people and adults in each local area to ensure an improved economic base for the region*
- *Improve the accessibility and availability of Foundation degrees and other level 4 qualifications in key sectors to improve the development of the region's economy.*
- *There is sufficient provision available in Skills for Life and at level 2 to cater for the 523,000 people in the region qualified to below level 2*
- *Train to Gain brokers focus on improving the qualifications level of those over 30, since this group traditionally improve the least and, given the aging population are likely to be in higher demand*
- *Train to Gain brokers focus on working with sectors in decline in the East Midlands, such as textiles and clothing, to enable the re-training of older workers to meet replacement demand for 10,893 jobs particularly in Health and Social Care, Construction and Hotel and Catering*
- *Ensure availability of level 2 qualifications to enable the 120,000 employed individuals in the region's key sectors without a level 2 to achieve this passport to employability. In particular focus resources on Health and Social care where the proportion of those without a level 2 is highest.*
- *Map the availability of level 2 in the other nine SSC sectors to enable the achievement of a first level 2 for the 171,000 employees in these sectors*
- *Ensure a match between the supply of relevant qualifications in key sectors to meet the needs of the region's forecast 12,193 jobs over the next eight years*
- *Work with Job Centre Plus to ensure relevant provision in support of SSCs*

qualifications and to address hard to fill vacancies, particularly in Nottinghamshire, Lincolnshire and Rutland and within the Skilled Trades and Associate Professional occupations

- *Ensure sufficient availability of high quality provision across each local area to meet the hard to fill vacancies in Construction, particularly in Northamptonshire and Leicestershire.*
- *Improve employability training, particularly in Northamptonshire, to address the skills gaps of lack of proficiency identified by employers*
- *Ensure sufficient availability of high quality qualifications to address the skills gaps of Construction, Hotels and Catering and Business Services in Nottinghamshire; Business services and Manufacturing in Leicestershire and Health and Social Care in Northamptonshire.*
- *Through train to Gain brokers and the CBI, work with the three quarters of Construction, and two thirds of engineering employers in the region who do not invest in staff training that leads to a recognised qualification.*
- *Improve data sharing between partners including SSC, Providers and Connexions to allow the strategic use of wider information regarding demand and aspirations to inform purchasing.*
- *Work with SSCs to understand and take action regarding employers feedback regarding current WBL provision, and act upon key demand led intelligence to drive up skills levels at level 2 and increasingly level 3, in priority qualifications.*
- *As part of the wider 14-19 agenda work with the partnership, SSCs and employers, to develop employer engagement to enable widened access to WBL. Within this, utilise Programme Led Apprenticeships.*
- *Continue to work with Connexions, JC+ and other stakeholders, both within the 5 local areas and the Region in relation to those Not in Education, Employment or Training (NEET) and Employment no Training (ENT). There is a need to increase the targeted focus and understanding of these client groups.*

Section 6: Regional Supply of Learning and Skills

6.1 Young People

16-18 funding in WBL for the region shows a 6.47% increase in 2005/06, with a much reduced growth of 1.89% in 2006/07.

Table 4: WBL funding 16-18⁴²

| | 2004/05 allocation | 2005/06 allocation | % change 2004/05 to 2005/06 | 2006/07 allocation | % change 2005/06 to 2006/07 |
|---------------------|--------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| Derbyshire | £10,488,437 | £10,923,926 | 4.15% | £11,249,462 | 2.98% |
| Leicestershire | £6,968,760 | £7,443,258 | 6.81% | £7,978,825 | 7.20% |
| Lincs & Rutland | £5,738,395 | £6,200,381 | 8.05% | £6,527,509 | 5.28% |
| Northamptonshire | £7,165,026 | £7,222,515 | 0.80% | £7,074,372 | -2.05% |
| Nottinghamshire | £10,543,702 | £11,761,167 | 11.55% | £11,545,287 | -1.84% |
| Region total | £40,904,320 | £43,551,247 | 6.47% | £44,375,455 | 1.89% |

Table 5: WBL participation 16-18

| | 2003/04 (actual) AIL | 2004/05 (actual) AIL | 2005/06 (actual final) AIL ⁴³ | 2005/06 (target) AIL ⁴⁴ | % change 2004/05 to 2005/06 target | 2006/07 (planned) AIL | % change 2005/06 to 2006/07 | % Trend 2003/04 to 2006/07 planned |
|---------------------|----------------------|----------------------|--|------------------------------------|------------------------------------|-----------------------|-----------------------------|------------------------------------|
| Derbyshire | 2765 | 2980 | 2869 | 2876 | -3.49% | 3,220 | 11.96% | 16.46% |
| Leicestershire | 2047 | 2206 | 1972 | 1850 | -16.14% | 1,898 | 2.59% | -7.28% |
| Lincs & Rutland | 1690 | 1679 | 1554 | 1874 | 11.61% | 1,816 | -3.09% | 7.46% |
| Northamptonshire | 1870 | 1924 | 1899 | 2161 | 12.32% | 2,220 | 2.73% | 18.72% |
| Nottinghamshire | 3121 | 3081 | 2875 | 3555 | 15.38% | 4,182 | 17.64% | 34.00% |
| Region total | 11493 | 11869 | 11,168 | 12316 | 3.77% | 13,336 | 8.28% | 16.04% |

In line with increased allocations, WBL participation shows a 3.77% increase in 2005/06 target. For 2006/07 an increase of 8.28% is planned, this is against a national increase of around 34%⁴⁵

The region's final year participation for 2005/06 was -9% below levels planned.

6.2 Adults

WBL funding for adults in the region has shown a reduction of -4.70% in 2005/06, with a further consistent reduction of -4.12% for 2006/07.

⁴² WBL Amps at 7 September 2006

⁴³ EM Regional report version 14 2005/06 actual full year

⁴⁴ WBL AMPS 2005/06 (3/10/06) AIL figures used as 05/06 toolbox not identified by area teams to be correct.

⁴⁵ EM Regional report version 11 (Summary statement of activity sourced toolbox 18/7/06)

Table 6: WBL funding 19+⁴⁶

| | 2004/05 allocation | 2005/06 allocation | % change 2004/05 to 2005/06 | 2006/07 allocation | % change 2005/06 to 2006/07 |
|---------------------|--------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| Derbyshire | £4,184,549 | £3,886,960 | -7.11% | £3,615,983 | -6.97% |
| Leicestershire | £3,328,421 | £3,057,357 | -8.14% | £2,977,562 | -2.61% |
| Lincs & Rutland | £2,733,882 | £2,533,217 | -7.34% | £2,487,467 | -1.81% |
| Northamptonshire | £2,906,278 | £3,027,760 | 4.18% | £2,759,632 | -8.86% |
| Nottinghamshire | £5,528,370 | £5,298,275 | -4.16% | £5,228,781 | -1.31% |
| Region total | £18,681,500 | £17,803,569 | -4.70% | £17,069,425 | -4.12% |

Table 7: WBL participation 19+

| | 2003/04 (actual) AIL | 2004/05 (actual) AIL | 2005/06 (actual final) AIL ⁴⁷ | 2005/06 (target) AIL ⁴⁸ | % change 2004/05 to 2005/06 target | 2006/07 (planned) AIL | % change 2005/06 to 2006/07 | % Trend 2003/04 to 2006/07 planned |
|---------------------|----------------------|----------------------|--|------------------------------------|------------------------------------|-----------------------|-----------------------------|------------------------------------|
| Derbyshire | 1696 | 1693 | 1598 | 1504 | -11.16% | 1,463 | -2.73% | -13.74% |
| Leicestershire | 1352 | 1502 | 1307 | 1126 | -25.03% | 1,701 | 51.07% | 25.81% |
| Lincs & Rutland | 1227 | 1115 | 1044 | 1067 | -4.30% | 1,085 | 1.69% | -11.57% |
| Northamptonshire | 1419 | 1282 | 1246 | 1265 | -1.33% | 1,598 | 26.32% | 12.61% |
| Nottinghamshire | 2532 | 2519 | 2469 | 2541 | 0.87% | 2,619 | 3.07% | 3.44% |
| Region total | 8224 | 8111 | 7,664 | 6809 | -16.05% | 8,466 | 24.34% | 2.94% |

In line with reductions in funding, adult participation in 2005/06 shows a decrease of -16.05% against a national increase of 26%. For 2006/07 however an increase of 24.34% is planned against a National increase of 45%

Unlike young people, full year performance against target for 2005/06 shows the region to be 13% above planned volumes.

In the financial year 2005/06 the region's WBL budget was actually underspent in both 16-18 and 19+ funding streams by approximately £1,550,751⁴⁹, across all areas except Nottinghamshire which had an overspend. This clearly signals that additional volumes could have been purchased from our priority policy areas, together with better planning and programme management.

The funding tables for young people and E2E do not show the financial impact in 2005/06 and 2006/07 of the introduction of EMA which amounted to approximately several million as a result of EMA payments that have replaced WBL training allowances. A comparison of starts between April to July 2005 and the same period for 2006, shows reductions in April-June 2006⁵⁰. However AIL and starts have increased in 2005/06 and 2006/07, signifying positive policy moves in maintaining participation levels.

⁴⁶ WBL Amps at 7 September 2006

⁴⁷ Regional report version 14 2005/06 full year data

⁴⁸ WBL AMPS 2005/06 (3/10/06) AIL figures used as 05/06 toolbox not identified by area teams to be correct.

⁴⁹ Approximate figures from cashflow reports as final returns are still coming in.

⁵⁰ Taken from analysis supplied for the region from Derbyshire's WBL local template

6.3 Participation by age and level⁵¹

For Apprenticeships, participation trends by level and age show an overall upward trend at full level 2. At full level 3 there is evidence of potential stagnation, especially at 16-18, and maybe an issue regarding progression to level 4.⁵²

Table 8: Participation trends by age and level of qualification

| | 2003/04 | 2004/05 | 2005/06 actual |
|-------------------------------|---------|---------|----------------|
| 16-18 Apprenticeship | 64% | 71% | 74% |
| 16-18 advanced Apprenticeship | 26% | 23% | 24% |
| 16-18 NVQ only | 10% | 6% | 2% |
| | | | |
| 19+ Apprenticeship | 44% | 48% | 52% |
| 19+ advanced Apprenticeship | 39% | 40% | 43% |
| 19+ NVQ only | 17% | 12% | 5% |

6.4 Participation by sector

The policy focus on priority sectors shows evidence of working overall, with participation in these sectors showing small increases as a proportion of total WBL participation.

- For 16-18 year olds priority sectors participation has risen from 48% in 2004/05 to 51% for 2005/06.
- For adults priority sector participation has rising from 33% in 2004/05 to 36% in 2005/06.

However, the pattern varies between the sectors. The Engineering sector is the largest 16-18 sector and accounts for the largest of these increases across both age groups.

Construction has seen only marginal increases, with actual volume reductions in 2006/07 as at P3. The Health and Social Care sector is the largest 19+ priority sector and across both ages, saw reductions in 2005/06 and 2006/07 to date, although early. This will be related to the modernisation of the Health sector. This signals that there is still more to do with regard to managing the balance and mix of provision in WBL with regard to the policy of growing priority sectors.

⁵¹ East Midlands Regional Performance Report 2003/04 & 2004/05 actual, 2005/06 actual from East Midlands report version 14 (drill downs)

⁵² Need to consider policy change in 2004/05 and beyond to focus more on full apprenticeship framework completions, away from NVQ only WBL provision.

Figure 8⁵³:

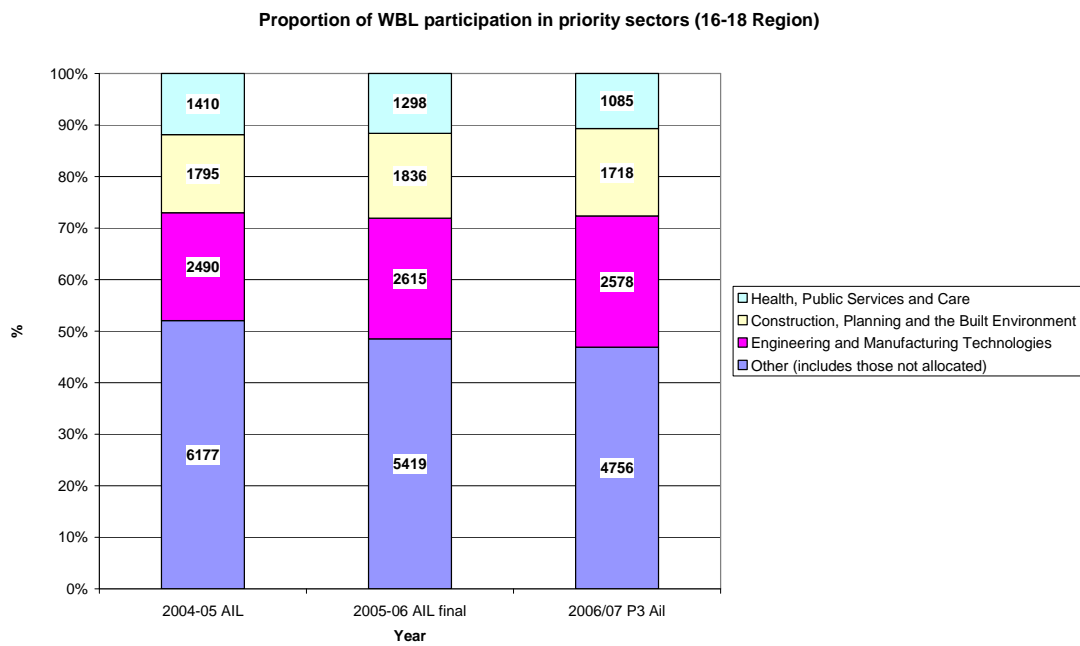
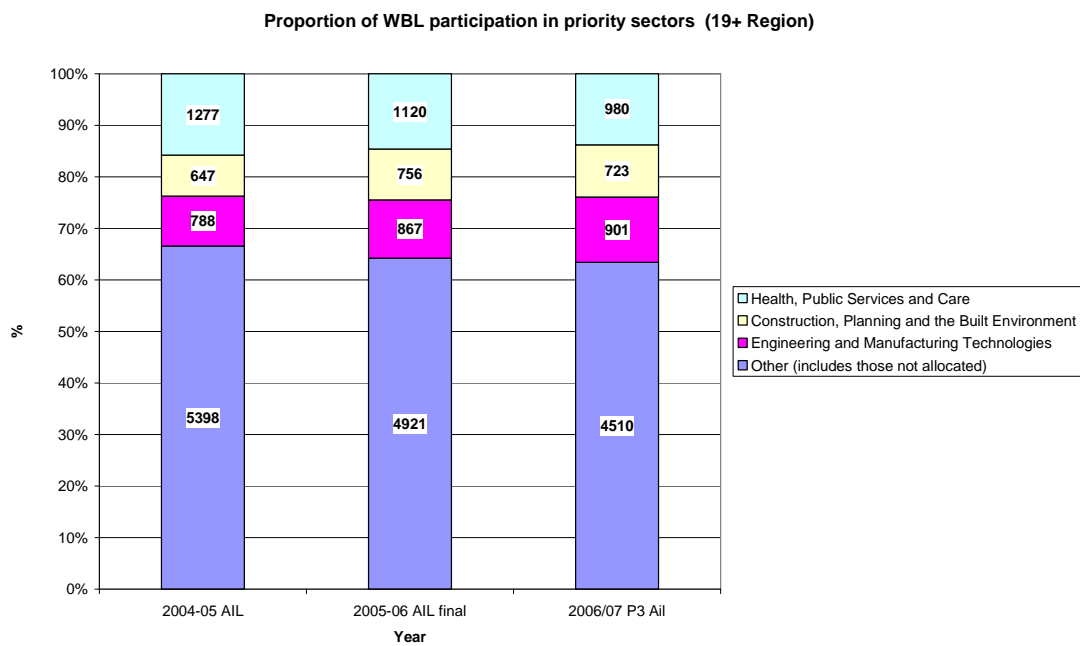


Figure 9



Trends in priority sector participation by age shows three quarters of the apprentices in the Engineering sector are from the 16-18 year old age group, whereas in Construction, there are reductions year on year in the number of 16-18 year old apprentices, despite participation increases during the same period. However, the Construction sector still has 70% of its apprentices within the 16-18 age group. In Health and Social Care only just over half (54%) of the apprentices are 16-18 years old.

⁵³ EM Regional Performance Report V14 and Provider Drilldowns

Analysis of each priority sector shows further detail of growth or decline against demand⁵⁴:

(Health, Public Services and Care) –

Overall volumes across all ages have decreased between 2004/05 and 2005/06 of just over 10% (269 learners⁵⁵).

This pattern is mirrored across both 16-18 and 19+ age groups, with 16-18 showing an 8% reduction (112 learners) and 19+ a 12% reduction (157 learners) between 2004/05 and 2005/06.

Current demand in the region is above national trends. Regional demand in Health and Social care shows strong expansion to date and in the future to 2014. Replacement demand levels are the highest in Health and Social Care for all sectors, together with higher than average proportions of the Care sector without level 2 qualifications.

(Engineering and Manufacturing Technologies) –

Overall volumes across all ages have increased between the 2 periods 2004/05 to 2005/06 to date by 6% (204 learners).

This pattern is mirrored across both age groups. 19+ have the highest proportionate increase in volumes 10% (79 learners) between 2004/05 and 2005/06 to date, however 16-18 have largest actual volume increase with 5% (125 learners).

Although only just over 2% as proportion of total employment, current demand is above national trends. All the demand is however replacement demand, with no demand for new roles to date or projected to 2014. Demand in Engineering is the lowest of the 3 priority sectors. Whilst engagement in training is marginally above regional averages at 34% there is still a need to drive this up further. Whilst the sector straddles SSCs, evidence shows level 2 needs.

(Construction, Planning and the Built Environment) –

Overall volumes across all ages have also increased between the 2 periods 2004/05 and 2005/06 actual by 6% (150 learners). The 19+ age group have seen the largest increases 17% (109 learners) compared to 2% (41 learners)

Current demand is above national trends. To date there is evidence of demand for new roles, although in the future, this is more likely to be for replacement. The proportion of skill-shortage vacancies in Construction is higher than the national average at 39% compared to 36% although actual volumes are relatively small, together with slightly marginally higher than average workforce gaps.⁵⁶ There is a continued need to work with employers on investment in training⁵⁷, as this is reported to be below regional averages at 25%. There is also regional evidence of difficulties in securing employers for apprenticeships⁵⁸

⁵⁴ Working Futures 2

⁵⁵ Note where learners are referred to this means ALL learners throughout the report

⁵⁶ NESS 2005 (skills gaps for construction 7.5% against 6.2% regional average)

⁵⁷ NESS 2005

⁵⁸ NESS 2005

Despite the priority focus on three key sectors in 2005/06, (49%) of 16-18 and (64%) of adult participation in the region are outside of these. A breakdown of what makes up significant proportions of this for both 16-18 and 19+ are Retail and Business Administration.

Both of these sectors have seen volume decreases between 2004/05 and 2005/06:

16-18

- Business Administration (-345 learners)
- Retail (-264 learners)

19+

- Business Administration (-311 learners)
- Retail (-168 learners)

There are of course other subject sectors that are of importance, particularly within sub-regional areas. These have been commented on where appropriate in section 10 on sub-regional analysis.

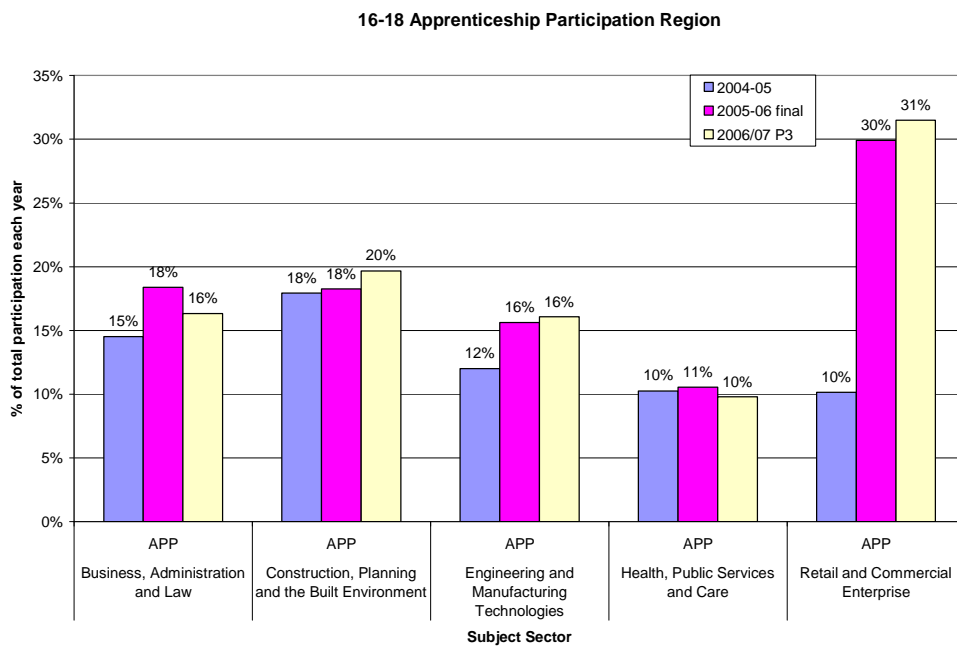
Despite other significant sector reductions, the region's priority sectors overall have maintained participation levels. This can be taken as clear evidence of the policy drive in this area working.

6.5 Priority sector analysis by level and age group

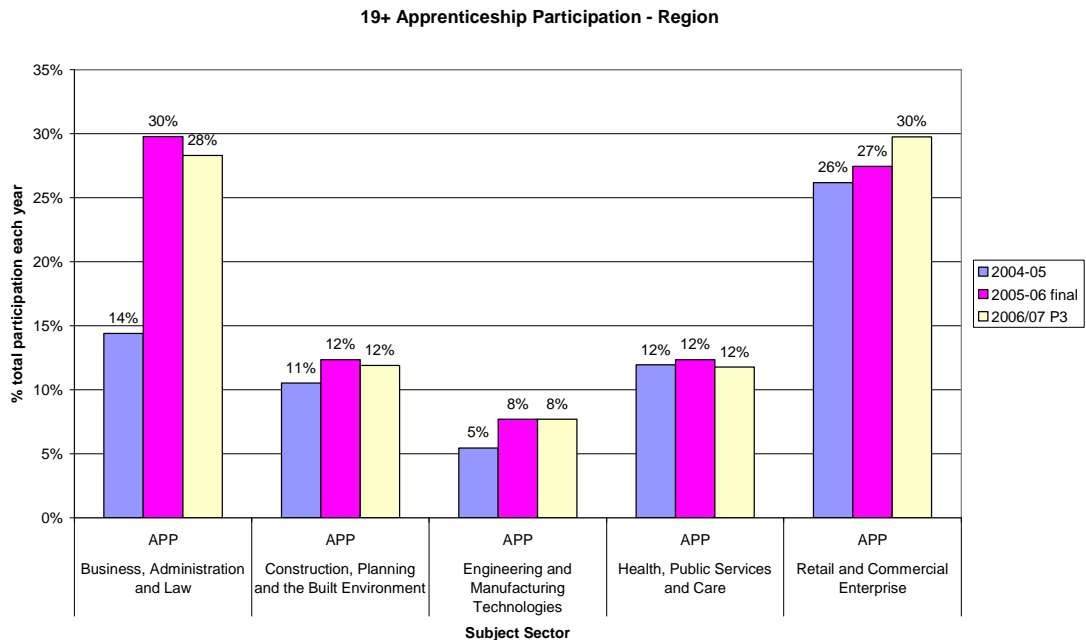
The following charts identify the 3 regional priority sectors by level and age split, together with Business Administration and Retail as these are also large delivery areas, with evidence of demand.

As would be expected Apprenticeship (level 2) participation is higher for the 16-18 age group than 19+, where the opposite is true.

Figures 10 & 11 Participation in apprenticeships by sector and age

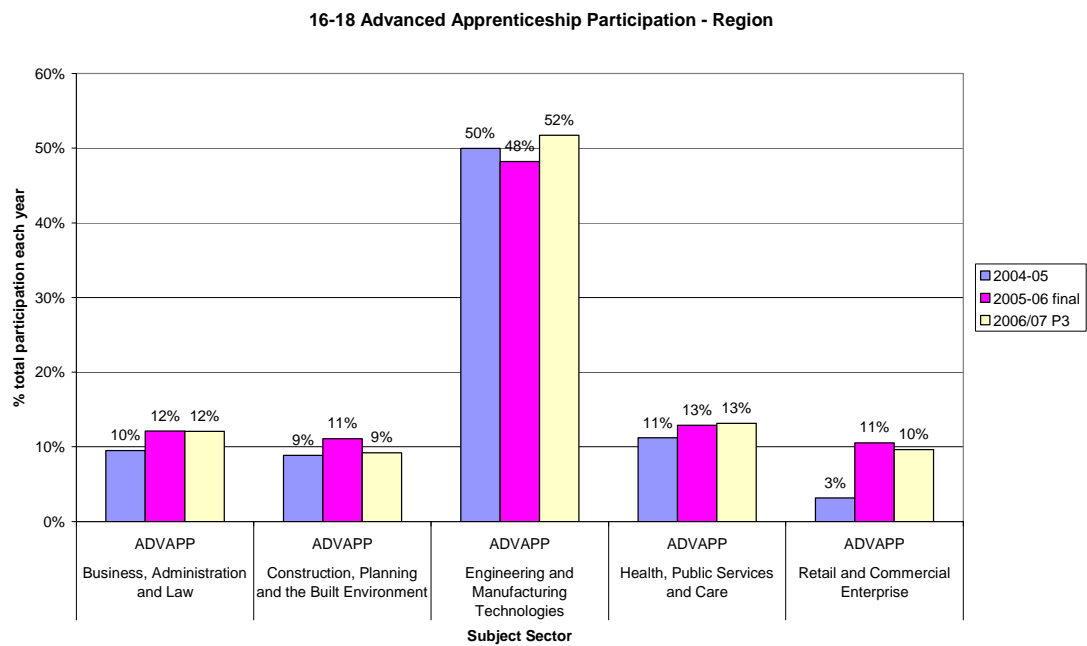


16-18 participation in Apprenticeship programmes is highest in Retail, followed by Construction and Business Administration. However there have been increases year on year in the proportion taking an apprenticeship in Engineering. Health and Social Care has remained static, as has Construction.

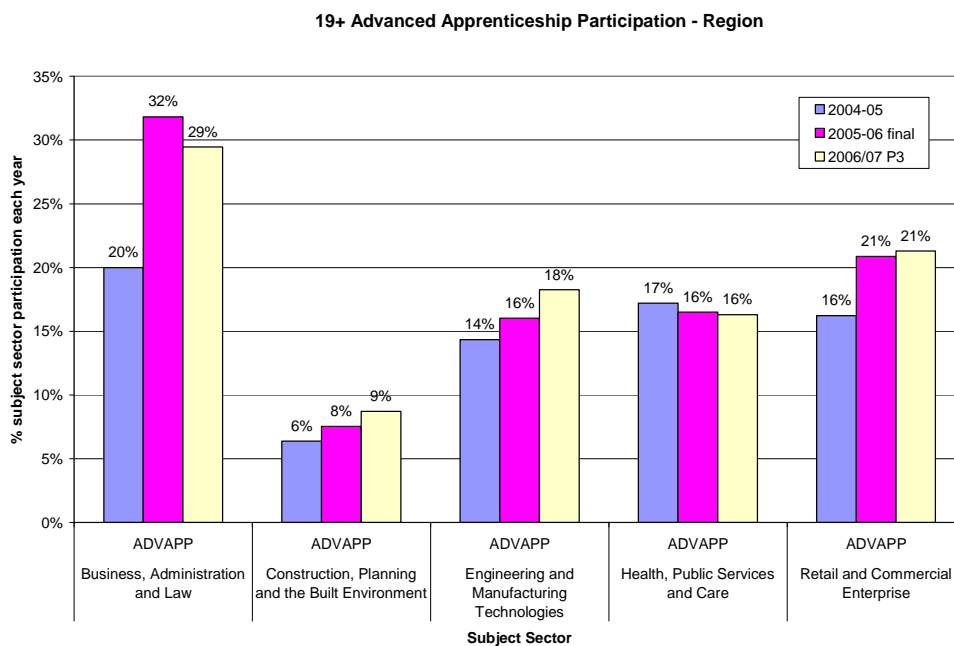


Participation at 19+ in Apprenticeship programmes is also highest in Retail followed by Business Administration. There have been increases in Apprenticeship participation in Engineering, but Health and Social Care and Construction have remained static as proportions, although actual volumes have increased based on the trend data and is further evidence that the region's policy focus on these priority sectors is having some impact.

Figure 12 & 13 Participation in advanced apprenticeships by sector and age



Participation in Advanced apprenticeships programmes (level 3) at 16-18 is significantly higher in Engineering than for other sectors shown. This is against the trend of reductions in related subject areas such as Maths and Physics. Between 2004/05 and 2005/06 there have been increases in Advanced Apprenticeships in Construction and Health and Social Care. Reductions have been seen to a lesser extent in Engineering.



At level 3 for those aged 19+ participation is highest in Business Administration, followed by retail, both of which have seen notable increases to 2005/06. Construction and Engineering have seen marginal increases between 2004/05 and 2005/06. Health and Social Care has remained static.

Based on the earlier analysis of employment change at occupational level, there is clear demand in the 3 priority sectors for level 2 and 3 Apprenticeships in Health and Social care as there is evidence of projected significant replacement and to a lesser extent expansion demand at High and Intermediate occupational levels. This is also true for Construction, but to a lesser extent. Based on the evidence of reducing participation in Health and Social care, the issue may be one of where it is being funded, as the Skills for Health Skills assessment identifies that the Health sector is the second largest purchaser of Higher Education in the UK, together with NHS funding, and may signal a commissioning focus for the region. Whilst the current modernisation of the Health Sector continues planning and spending are on hold which has had negative implications for education and training.⁵⁹

Engineering in the region shows the smallest (replacement) demand of all priority sectors at low, intermediate and high occupational levels and as such the provision, particularly at level 3 may need to be further analysed to ensure appropriateness to actual need. As with Health and Care, Engineering can be seen as specialist and at graduate level plus entry, so any provision delivered at level 3 should link to access to Higher Education.

In addition it is important to identify with key partners such as Connexions, and Train to Gain brokers, E2E, apprenticeship and adult NVQ opportunities at level 2 and 3, together with Skills for life qualifications. This would enable the progression of workers employed in lower order occupations to progress, where there is evidence of replacement demand needs at intermediate levels, particularly in Health and Social Care and Construction or to enhance skills of those in low skilled roles, where there is higher incidence of job-losses.

6.6 **Equality and diversity**

There have been marginal increases in the proportion of females in WBL between 2004/05 and 2005/06 to date to establish a more equal gender split. In terms of disability, this has remained fairly static and currently is 6.2% of those participating stating they had a disability for both years. Those learners declaring themselves as an ethnic minority has also remained static at 3.5%⁶⁰

6.7 **E2E Participation**

Tables 9 and 10 show E2E funding and participation trends for all ages. Although E2E is a programme aimed at 16-18 year olds, there are small proportions of those aged 19+ (2%). Between 2003/04 and 2005/06 full year, there has been a reduction from 159 to 48 starts at age 19+

⁵⁹ Skills for Health regional sector skills assessment – Oct 06

⁶⁰ EM regional performance report V11 (WBL drill downs 0405 and 0506 to P12)

Table 9: E2E funding⁶¹

| | 2004/05 allocation | 2005/06 allocation | % change 2004/05 to 2005/06 | 2006/07 allocation | % change 2005/06 to 2006/07 |
|---------------------|--------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| Derbyshire | £3,643,750 | £4,212,222 | 15.60% | £3,850,792 | -8.58% |
| Leicestershire | £23,53,471 | £2,337,850 | -0.66% | £2,044,988 | -12.53% |
| Lincs & Rutland | £2,090,006 | £2,115,880 | 1.24% | £1,881,934 | -11.06% |
| Northamptonshire | £2,778,565 | £2,925,777 | 5.30% | £2,409,634 | -17.64% |
| Nottinghamshire | £4,896,510 | £5,040,378 | 2.94% | £4,247,280 | -15.73% |
| Region total | £15,762,302 | £16,632,107 | 5.52% | £14,434,628 | -13.21% |

E2E funding overall increased by 5.52% in 2005/06 with a significant fall in funding of -13.21% for in 2006/07⁶². Part of this will be as a result of EMA already discussed.

Table 10: E2E starts^{63,64}

| All ages | 2003/04 (actual) starts | 2004/05 (actual) starts | 2005/06 (actual full yr) | 2005/06 (target) starts | % change 2004/05 to 2005/06 target | 2006/07 (planned) starts | % change 2005/06 target to 2006/07 | % Trend 2003/04 to 2005/06 target |
|---------------------|-------------------------|-------------------------|--------------------------|-------------------------|------------------------------------|--------------------------|------------------------------------|-----------------------------------|
| Derbyshire | 1,509 | 1108 | 1630 | 1282 | 15.70% | 1,465 | 14.27% | -15.04% |
| Leicestershire | 738 | 523 | 812 | 538 | 2.87% | 788 | 46.47% | -27.10% |
| Lincs & Rutland | 688 | 528 | 469 | 351 | -33.52% | 351 | 0.00% | -48.98% |
| Northamptonshire | 878 | 619 | 685 | 688 | 11.15% | 783 | 13.81% | -21.64% |
| Nottinghamshire | 1,590 | 836 | 922 | 823 | -1.56% | 916 | 11.30% | -48.24% |
| Region total | 5,403 | 3,614 | 4,518 | 3682 | 1.88% | 4,303 | 16.87% | -31.85% |

By comparison E2E participation overall showed a marginal increase of 1.9% between 2004/05 and 2005/06 target, with all increases in starts being the 16-18 age group. Based on 2005/06 full year data, the region is 23% over its planned starts for 2005/06.

The region is expected to see an increase of 16.87% between 2005/06 and 2006/07, which is in spite of funding reductions. This is in excess of the national average (13.6%)⁶⁵

Evidence later in the report acknowledges that for the regional generally E2E provision is no longer fit for purpose. Whilst it is potentially too early to identify the impact of EMA, there is evidence that this is having a negative effect on E2E take-up as a result of a higher minimum hour attendance requirement to receive an EMA, compared to FE, even if this is not the best option for that learner. This drop-out will then impact negatively on NEET.

6.8 NEET⁶⁶

NEET figures for the region as at March 2006 are 7.5% with a not known figure of 5.5%. National comparisons show NEET to be 7.9% with similar levels of unknowns. Compared to March 2005. NEET figures have increased

⁶¹ WBL Amps at 7 September 2006

⁶² ESF funded E2E is an additional element to consider, which is a risk going forward in terms of sustainability.

⁶³ 2006/07 planned from toolbox 18 July 06. Other figures from corporate reports

⁶⁴ Actual starts figures for 2004/05 and 2005/06 are the same as for the Autumn Review data

⁶⁵ National E2E figures are 2005/06 are P12. 13.6% is taken from East Midlands Summary Statement of Activity.

⁶⁶ Performance Scorecard

by 0.5% compared to a 9.8% increase in cohort size. This increase was higher than the national average (0.3%). However the increase in cohort size of 9.8% was almost double that of the national average (4.6%) Early figures for November 2006⁶⁷ show that NEET proportions have increased compared to 2005 in each sub-regional area with the exception of Leicestershire.

Section 7: Providers of the region's E2E and WBL⁶⁸

7.1 Contracts for E2E and WBL⁶⁹

The region has a mixture of WBL providers ranging from small specialist providers, to large private providers and also Further Education (FE) colleges delivering WBL.

There are currently 130 contracts in the region for E2E and WBL. Of these there are only 9 contracts for E2E delivery only, around 74 contracts for WBL only provision and 47 contract for both E2E and WBL. Across the region, the range of contract values is significant.

Table 11 – Provider Contract breakdown

| | Total Provider Contracts | E2E only | E2E and WBL | Largest funded contract provider |
|----------------------------|--------------------------|-----------|-------------|--|
| Derbyshire | | | | |
| 2006/07 | 30 | 0 | 19 | Derbyshire Chamber of Commerce and Industry |
| 2005/06 | 33 | 8 | 14 | Derbyshire Chamber of Commerce and Industry |
| 2004/05 | 25 | 0 | 1 | Connexions Derbyshire limited |
| Leicestershire | | | | |
| 2006/07 | 24 | 2 | 0 | Leicester College |
| 2005/06 | 27 | 1 | 2 | Leicester College |
| 2004/05 | 30 | 1 | 1 | Stephenson College |
| Lincs & Rutland | | | | |
| 2006/07 | 23 | 5 | 4 | Lincoln College |
| 2005/06 | 22 | 0 | 8 | Lincoln College |
| 2004/05 | 23 | 0 | 4 | Lincoln College |
| Northamptonshire | | | | |
| 2006/07 | 20 | 2 | 7 | Moulton College |
| 2005/06 | 22 | 3 | 7 | Moulton College |
| 2004/05 | 23 | 3 | 8 | Moulton College |
| Nottinghamshire | | | | |
| 2006/07 | 33 | 0 | 17 | North Nottinghamshire college |
| 2005/06 | 34 | 0 | 16 | North Nottinghamshire college |
| 2004/05 | 33 | 0 | 15 | Nottinghamshire Chamber of Commerce and Industry |
| Region | | | | |
| 2006/07 | 130 | 9 | 47 | |
| 2005/06 | 138 | 12 | 47 | |
| 2004/05 | 134 | 4 | 29 | |

⁶⁷ Based on initial telephone conversations with each area Connexions service.

⁶⁸ Appendix 1 shows current contracts split by area for E2E and WBL

⁶⁹ WBL AMPS – 1 October 2006

The table above also shows the largest funded contracts have tended to be held by FE Colleges, with the exception of Derbyshire. In terms of provider performance, this does not mean to say that this also equates to the greatest numbers of learners or completion rates, which will be considered later.

7.2 CoVES

The 34 COVEs covering over 80% of those industries identified as a regional priority only include 4 that are WBL led, with Northamptonshire and Leicestershire areas having no COVE status providers.

Table 12 - WBL Lead CoVE's in the region by sector

| Area | Lead Provider | Title | SSC | Area of learning |
|--------------------------|--|------------------------------|-------------------------|--|
| Derbyshire | Babington Business College | Accounting | Accounting | Business/Admin/Management/Professional |
| Derbyshire | RR Plc – Derby College | Lean Engineering Manufacture | SEMTA | Engineering/Technology/Manufacturing |
| Lincolnshire and Rutland | First College (East Lindsey Information Technology Centre Ltd) | Fine Dining | People 1st | Hospitality/Sports/Leisure/Travel |
| Nottinghamshire | Empower | Electrical Energy | Energy & Utility Skills | Engineering/Technology/Manufacturing |

7.3 Delivery of WBL in the region managed by NES

A comparison of priority sector provision by NES (based on NES providers delivering in the region and that managed by the 5 local LSC areas) shows⁷⁰:

- NES funds a significant proportion of Engineering and Construction within the region at 40% and 37% of contracts respectively.
- Conversely, Health and Social Care provision is mainly contracted by the 5 local areas, with only 3% contracted by NES.
- Significant proportions of Construction are delivered by NES in all local areas except Northamptonshire where this is only 12%. This maybe as a result of the Construction CoVE held at Moulton College.
- NES also has significant delivery in non-priority sectors such as Arts, Media and Publishing, Leisure, Travel and Tourism and ICT.

Split by Apprenticeship and Advanced Apprenticeship shows the potential target contributions that are lost to the region, together with the ability to increase participation levels in these key sectors:

At level 2 (31%) of all the region's Construction is provided by NES. For Engineering this is 23%

- By area for level 2, for Construction and Engineering this impacts on all but Northamptonshire.

At level 3 (53%) of Construction in the region is delivered through NES and for Engineering 50%

By area for level 3, Construction, this impact particularly on Lincolnshire and Rutland, Nottinghamshire and Leicestershire. For Engineering like at this impacts across all areas.

⁷⁰ Non NES is 2005/06 P12. NES is based on 2005/06 P12 and is of providers delivering into the region regardless of where learner is resident to enable like-by-like comparison with our WBL data. Construction – 6 providers/employers, Engineering – 18 providers/employers, Health – 11 providers/employers. Retail – 23 providers/employers.

Construction is delivered through NES in significant proportions for both age groups across all local areas, with the exception of Northamptonshire. Engineering is delivered through NES in significant proportions across all age groups and areas.

Table 13: National Employer Service breakdown

| | All NES | % | All other | % | All total |
|------------------------|---------|--------|-----------|--------|-----------|
| Retail | 525 | 10.26% | 4,597 | 89.74% | 5,122 |
| Business Admin | 271 | 5.90% | 4,327 | 94.10% | 4,598 |
| Health and Social Care | 79 | 3.16% | 2,422 | 96.84% | 2,501 |
| Engineering | 2,277 | 39.58% | 3,476 | 60.42% | 5,753 |
| Construction | 1,525 | 36.77% | 2,623 | 63.23% | 4,148 |

| | 16-18 NES | % | 16-18 other | % | 16-18 total |
|------------------------|-----------|--------|-------------|--------|-------------|
| Retail | 226 | 7.50% | 2789 | 92.50% | 3015 |
| Business Admin | 61 | 3.14% | 1,884 | 96.86% | 1,945 |
| Health and Social Care | 14 | 1.07% | 1298 | 98.93% | 1312 |
| Engineering | 1877 | 41.80% | 2613 | 58.20% | 4490 |
| Construction | 1092 | 37.03% | 1857 | 62.97% | 2949 |

| | 19+ NES | % | 19+ other | % | 19+ total |
|------------------------|---------|--------|-----------|--------|-----------|
| Retail | 299 | 14.19% | 1808 | 85.81% | 2107 |
| Business Admin | 210 | 7.92% | 2443 | 92.08% | 2653 |
| Health and Social Care | 64 | 5.39% | 1124 | 94.61% | 1188 |
| Engineering | 400 | 31.67% | 863 | 68.33% | 1263 |
| Construction | 434 | 36.20% | 765 | 63.80% | 1199 |

| | App/ship NES | % | App/ship other | % | App/ship total |
|------------------------|--------------|--------|----------------|--------|----------------|
| Retail | 432 | 10.77% | 3579 | 89.23% | 4011 |
| Business Admin | 203 | 6.95% | 2718 | 93.05% | 2921 |
| Health and Social Care | 47 | 3.33% | 1366 | 96.67% | 1413 |
| Engineering | 478 | 23.08% | 1593 | 76.92% | 2071 |
| Construction | 904 | 30.96% | 2016 | 69.04% | 2920 |

| | Advapp/ship NES | % | Advapp/ship other | % | Advapp/ship total |
|------------------------|-----------------|--------|-------------------|--------|-------------------|
| Retail | 94 | 8.81% | 973 | 91.19% | 1067 |
| Business Admin | 65 | 4.52% | 1374 | 95.48% | 1439 |
| Health and Social Care | 28 | 3.06% | 887 | 96.94% | 915 |
| engineering | 1790 | 49.65% | 1815 | 50.35% | 3605 |
| construction | 618 | 52.69% | 555 | 47.31% | 1173 |

This is further discussed in section 10 sub-regional analysis section.

Key planning issues:

In drawing up its commissioning plan, the region needs to ensure the following issues relating to provision are addressed:

- *Underspends in 2005/6 are used to tackle key demand issues, particularly in Construction in Northamptonshire, Leicestershire, Nottinghamshire and Lincolnshire and Rutland, and in Health and Social Care in Northamptonshire to ensure sufficient high quality provision.*
- *The stagnation in participation, particularly in advanced apprenticeships for 16-18 year olds in the region should be tackled as a focus in commissioning with new providers*
- *The low percentage of post 19 participants in Engineering and Construction (excluding NES 11% and 10% 2005/06) needs to be addressed, particularly in the light of the increasing age of the population and the need for replacement demand.*
- *The impact of NES delivery and quality needs to be taken into account when considering future commissioning.*
- *Static participation of 16-18 year olds in construction and the male gender bias needs addressing in future commissioning plans. In addition, more post 19 apprentices and advanced apprentices need to be attracted to the construction industry, since the current participation proportion is only 15%. The NES providers in the region delivering substantial provision in Construction may suggest potential reasons. However this needs to be further looked at to identify how the region may be able to benefit in possible innovative partnerships to address current capacity.*
- *Since demand for Health and Social care employees is greater than the national trends, the 8% reduction 16-18 and 12% reduction 19+ (04/05-05/06) in participation must be addressed in future commissioning, especially as NES providers in the region also deliver very low proportions. In 2005/6 2,592 apprentices participated across the region.*
- *Participation in Engineering is increasing, but replacement demand is higher than national averages, implying greater need for new apprentices, particularly in the post 19 category.*
- *In Construction skill shortage vacancies are above national trends by 3%. Greater investment in training by employers will need to be addressed in this sector through Train to Gain*
- *Increasing NEET figures in the region and the issues surrounding the decrease in availability of employment for 16 year olds needs to be addressed in the commissioning document, of which activities to increase employer engagement and re-focussing of E2E, must be a key driver.*

Section 8: Regional Achievement

8.1 Comparisons of regional performance – framework completions⁷¹

The region has seen significant increases in both 16-18 and 19+ overall framework completion rates between 2003/04 and 2005/06 as evidenced below:

Tables 4 and 15

16-18

| Actual Number and Achievement rate | 2003/04 | 2004/05 | 2005/06 final | 2006/07 P3 |
|---|----------------|----------------|----------------------|-------------------|
| Derbyshire | 31.3% | 39.4% | 61.0% | 66.1% |
| Nottinghamshire | 23.0% | 34.3% | 52.1% | 59.5% |
| Lincs & Rutland | 25.0% | 49.1% | 60.0% | 67.6% |
| Leicestershire | 24.8% | 31.6% | 55.7% | 49.8% |
| Northamptonshire | 32.1% | 39.4% | 53.9% | 51.9% |
| Region | 27.0% | 38.2% | 56.4% | 60.3% |

19+

| Actual Number and Achievement rate | 2003/04 | 2004/05 | 2005/06 final | 2006/07 P3 |
|---|----------------|----------------|----------------------|-------------------|
| Derbyshire | 26.4% | 34.8% | 57.0% | 68.5% |
| Nottinghamshire | 17.4% | 29.0% | 50.9% | 65.9% |
| Lincs & Rutland | 18.1% | 36.4% | 53.2% | 72.9% |
| Leicestershire | 17.9% | 26.4% | 54.5% | 61.0% |
| Northamptonshire | 26.4% | 36.7% | 51.6% | 50.3% |
| Region | 20.9% | 32.1% | 53.2% | 64.4% |

There have also been notable increases in Framework completion rates for all ages at apprenticeship and advanced apprenticeship level to 2005/06. Although 19+ performance remains below 16-18, the gap is closing.

⁷¹ whilst 2003/04 has been used for trend purposes in the above section on participation, it must be remembered that there has been a change of policy focus for WBL from 2003/04, where the priority measure was starts and not framework completion rates, which has been the focus in 2004/05 and exclusively 2005/06.

Table 16 Framework completion rates by age, level and year ⁷²

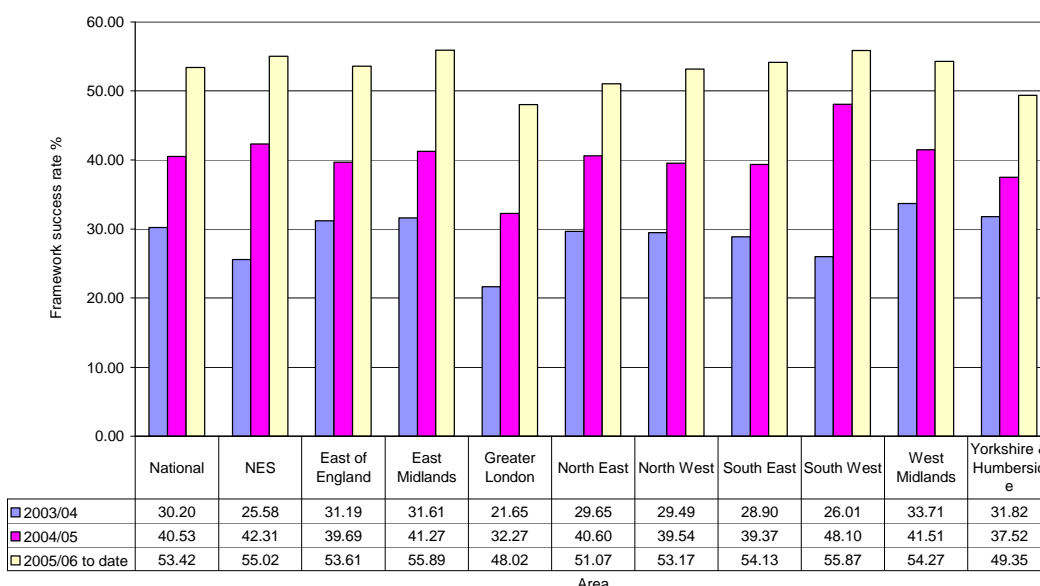
| Age | 2003/04 | | 2004/05 | | 2005/06 final | |
|------------------|--------------|--------------|--------------|--------------|---------------|--------------|
| | App | Adv App | App | Adv App | App | Adv App |
| 16-18 | | | | | | |
| Derbyshire | 37.9% | 42.9% | 45.1% | 54.4% | 60.5% | 63.2% |
| Nottinghamshire | 26.0% | 27.0% | 37.9% | 36.5% | 53.8% | 42.2% |
| Lincs & Rutland | 28.4% | 35.2% | 51.7% | 52.1% | 59.8% | 60.8% |
| Leicestershire | 29.1% | 27.3% | 38.2% | 29.5% | 55.5% | 56.4% |
| Northamptonshire | 34.4% | 45.1% | 41.1% | 52.6% | 53.9% | 54.4% |
| Region | 30.9% | 34.0% | 42.3% | 44.2% | 56.6% | 55.4% |
| 19+ | | | | | | |
| Derbyshire | 32.9% | 33.6% | 45.5% | 39.2% | 57.4% | 56.8% |
| Nottinghamshire | 21.6% | 19.8% | 36.5% | 28.4% | 53.4% | 46.5% |
| Lincs & Rutland | 27.1% | 27.1% | 45.8% | 37.1% | 57.7% | 46.2% |
| Leicestershire | 23.4% | 19.3% | 30.5% | 30.0% | 57.3% | 49.4% |
| Northamptonshire | 28.2% | 37.5% | 42.9% | 38.8% | 50.4% | 54.0% |
| Region | 26.1% | 26.4% | 39.7% | 33.7% | 54.8% | 50.4% |

The following shows the region’s performance for all age groups, compared to the national picture and each of the 9 regional areas, plus NES. In summary both apprenticeships and advanced apprenticeships have seen an upward trend in performance, in line with national figures between 2003/04 and 2005/06 to date, further showing clear evidence of policy success regarding the move to reward achievement and the continued drive for quality provision.

Apprenticeships have had the highest framework completion rate regionally. Focussing on actual percentage point changes between 2004/05 and 2005/06 to date shows the range to be similar for both apprenticeship levels.

Figure 14 - Overall performance at level 2 – Apprenticeship frameworks ⁷³

Comparisons of apprenticeship framework success rates - all ages



⁷² East Midlands Regional Performance Report V14

⁷³ Note 2005/06 is P12 not full year data

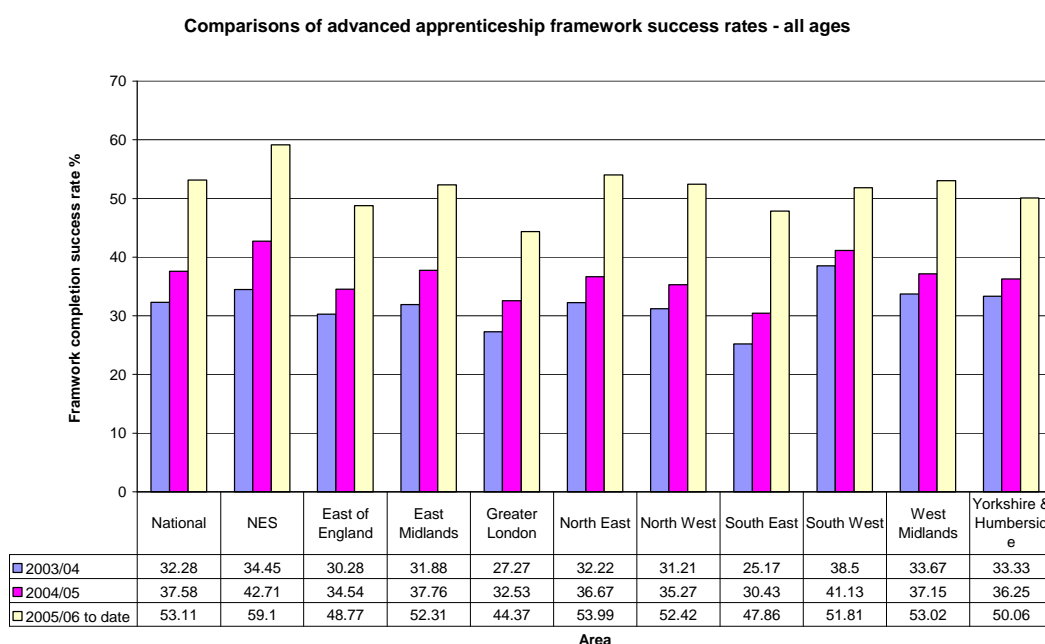
For level 2 apprenticeships, overall trends also show improvements.

The region was ranked 3rd highest in both 2003/04 and 2004/05. Currently the region sits first in terms of apprenticeship completion rates. Performance changes both nationally and within the East Midlands region have been similar between 2004/05 and 2005/06 to date, with:

- Nationally a 12.89 percentage point increase
- East Midlands a 14.62 percentage point

Actual performance to date for 2005/06 for the region is marginally above national performance at 55.89% compared to 53.42%

Figure 15 ⁷⁴ Overall performance at level 3 – Advanced apprenticeship frameworks



Regional trends in advanced apprenticeships completion rates (level 3), demonstrate quality improvements in excess of apprenticeship performance year-on-year.

In terms of ranking, the region has moved from 5th in 2003/04 to 2nd in 2004/05. Final figures are not yet available, but to date the region sits 4th in 2005/6. Performance changes both nationally and within the East Midlands region have been similar between 2004/05 and 2005/06 to date, with:

- Nationally a 15.53 percentage point increase
- East Midlands a 14.55 percentage points

Actual performance to date for 2005/06 is similar for the region and national at 52.31% compared to 53.11%

⁷⁴ Corporate reports as at 21 Aug 06 (As a result East Midlands Success Rates may differ to those used in other parts of the report) 2005/06 P12 not full year data

Based on evidence of the need for higher level skills at level 3 and above, against issues of 19+ funding reductions, there is a need to consider progression issues as a result of the increased emphasis on full level 2 as a target. This is an issue for the commissioning plan.

8.2 Sector comparisons of Regional and National framework completions⁷⁵

Regionally and nationally, the quality of 16-18 provision by sector shows overall increases between 2004/05 and 2005/06 to date across each of the sectors. Retail has shown similar performance in both years to national trends. There are differences in the regional performances of different sectors. In both years Agriculture has performed the poorest whilst Business Administration and ICT provision have the highest quality. Nationally Health and Social care and Agriculture have performed best. Growth between the 2 years shows that the region has made the greatest improvements in all but Retail and Construction.

Quality provision for 19+ shows the same upward trends regionally and nationally as for 16-18. In 2005/06 to date the region Leisure, Travel and Tourism provision is performing above national trends. Health and Social care followed by Agriculture provision has been of the lowest quality in both years in the region, with Business Administration having highest performance in both years. Nationally this has been Health and Social care and Travel, Leisure and Tourism. Growth between the 2 years shows the East Midlands to have made the greatest improvements in all but Retail and Health and Social care. 19+ performance 2005/06 to date is overall lower in all sectors except Leisure Travel and Tourism. However Construction and Engineering are on par or only slightly below 16-18 quality.

Benchmarking each sector against regional averages for framework completion rates shows marked improvements in some sectors, but performance is still below regional averages in many sectors.

Table 17: Sector performance in completion rates 16-18 benchmarked against regional averages

| 16-18 combined (region) | 2004/05 Region | 2005/06 Region final |
|--|----------------|----------------------|
| Information and Communication Technology | 28.81% | 57.1% |
| Business, Administration and Law | 48.02% | 62.6% |
| Engineering and Manufacturing Technologies | 39.13% | 61.5% |
| Retail and Commercial Enterprise | 37.91% | 52.3% |
| Construction, Planning and the Built Environment | 37.71% | 56.9% |
| Health, Public Services and Care | 28.90% | 52.7% |
| Leisure, Travel and Tourism | 26.72% | 45.8% |
| Agriculture, Horticulture and Animal Care | 20.38% | 54.6% |
| Regional framework completion rate | 38.15% | 56.4% |

⁷⁵ Note – Not all sectors have been shown, only those that have been considered in section 6 to have significant levels of participation. Additionally national framework completions are still presented by areas of learning and not sectors and so there will not be a total match. Note national and regional comparison in first 2 paragraphs above are based on 2005/06 P12 data not full year.

Table 18: Sector performance in completion rates 19+ benchmarked against regional averages

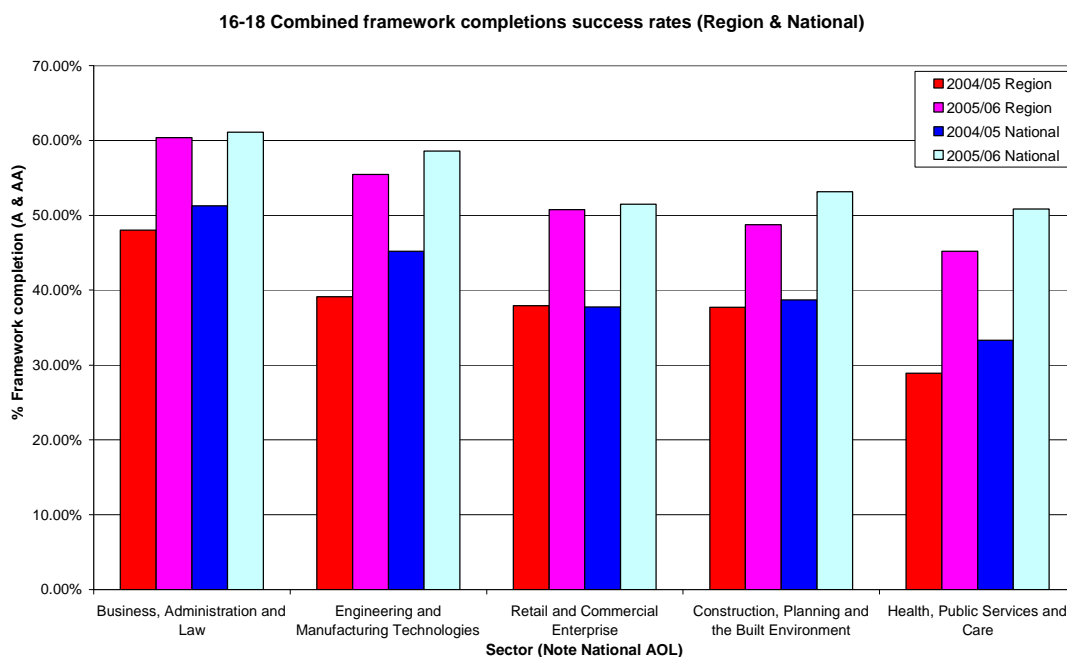
| 19+ combined (region) | 2004/05 Region | 2005/06 Region final |
|--|----------------|----------------------|
| Business, Administration and Law | 39.68% | 60.6% |
| Information and Communication Technology | 32.10% | 51.3% |
| Engineering and Manufacturing Technologies | 33.05% | 64.0% |
| Leisure, Travel and Tourism | 30.48% | 49.4% |
| Construction, Planning and the Built Environment | 30.79% | 56.7% |
| Retail and Commercial Enterprise | 33.10% | 48.3% |
| Agriculture, Horticulture and Animal Care | 17.99% | 56.1% |
| Health, Public Services and Care | 14.08% | 42.9% |
| Regional framework completion rate | 32.08% | 53.2% |

Focussing on the region's 3 priority sectors shows:

- Engineering performance for both age groups is above average 05/06.
- Health and Social Care remain below average performance despite year on year increases for both ages.
- Construction for 16-18 is on par with regional averages. For 19+ is above.

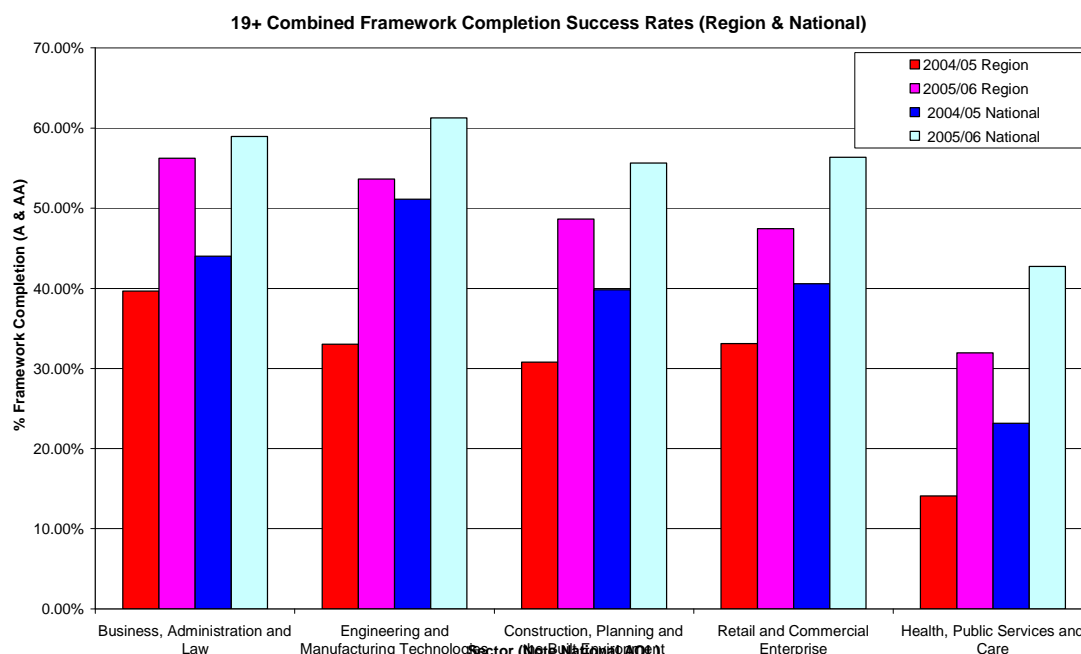
Figures 15 and 16 need to be updated

Figure 16:⁷⁶



⁷⁶ Region – East Midlands regional performance report version 11. National – Corporate reports as at 20/9/06 2005/06 based on P12 not full year data

Figure 17:⁷⁷



This is further evidence of the impact of the policy on improving framework achievements within the region. More progress is still required in several sectors however.

8.3 Minimum levels of performance by Provider

As part of new policy frameworks, all provision falling below minimum standards or where floor targets have not been met will be subject to withdrawal of funding. For WBL providers there is no issuing of a notice to improve. 2005/06 success rates by framework are currently being analysed to inform area team discussions with providers in January 2007⁷⁸

Internal analysis has been undertaken to date by broad age group and level (Apprenticeship or Advanced Apprenticeship) clustered by quartiles around the median success rate.

This shows the spread of success rates that have been ordered from smallest to highest, to then show those 25% of providers that fall above, below the inter-quartile range. These have been done at **regional** level where each provider is only counted once regardless of number of area contracts held and then at **area** level to take the local contract into account.

In general success rates for WBL have improved for both age groups. Focussing on provider levels, at inter-quartile ranges shows those providers that fall into the bottom 25%. As part of the commissioning plan work is underway to analyse providers success rates by subject area.

⁷⁷ Region – East Midlands regional performance report version 11. National – Corporate reports as at 20/9/06 2005/06 based on P12 not full year data

⁷⁸ Minimum levels of performance paper (issued 30/8/06 by National office)

8.4 Equality and diversity

Between 2003/04 to 2005/06 to date there have been significant year-on-year increases in the proportion of males and females completing full frameworks from 23% for males and 25% females 2003/04 to 49% males and 51% females 2005/06 to date. Achievement amongst those self-declaring they had a disability has also increased marginal each year from 3.0% to 6% for 2005/06. Ethnicity has seen only marginal increases from 2% in 2003/04 and has remained static at around 4% 2004/05 to 2005/06.⁷⁹

8.5 E2E Performance – Positive Destinations and Occupancy

The main policy driver for E2E performance is positive destinations.

Local area profiles have reported that occupancy levels have increased in E2E, and this may be as a result of EMA discussed, fitness for purpose of the programme as a whole for the client group.

The region's positive destination rate shows an overall upward trend from 40% (2003/04) to 45% (2004/05). However 2005/06 final performance shows a reduction to 42%⁸⁰. National comparisons show similar patterns to the region 35% (2003/04) and 44% (2004/05), with further distance travelled, but with a significantly higher positive destination rate of 48% 2005/06 final⁸¹. To achieve the national target of 50% positive destinations in 2007/08 will require continued improvements across a range of measures. This is an issue for consideration in the Commissioning plan. Currently they are sitting at 52%.

There is some evidence in the region that positive progressions are being impact by the inflow of migrant workers, impacted on young people securing employment without training. Positive progressions into WBL will also be impacted on by employer engagement and selectivity of providers.

In 2003/04 and 2004/05 regionally there have been reductions in total leavers, which are against the national trend, with further reductions in 2005/06. Starts have also reduced over 2003/04 and 2004/05. This has however increased for 2005/06 final. Whilst the reduction in funding for 2006/07 has not yet resulted in reduced starts, performance will need to be carefully monitored.

Figure 19:⁸²

| | 2003/04 | | 2004/05 | | 2005/06 final | | 2006/07 P3 | |
|------------------|---------|--------|---------|--------|---------------|--------|------------|--------|
| | Leavers | + Dest | Leavers | + Dest | Leavers | + Dest | Leavers | + Dest |
| Derbyshire | 1127 | 40.1% | 1663 | 38.9% | 1394 | 43.5% | 306 | 55.2% |
| Nottinghamshire | 1525 | 42.4% | 1175 | 48.3% | 1026 | 36.0% | 165 | 43.6% |
| Lincs & Rutland | 587 | 43.4% | 572 | 47.9% | 519 | 52.2% | 129 | 62.0% |
| Leicestershire | 646 | 33.1% | 611 | 45.5% | 801 | 39.2% | 167 | 44.3% |
| Northamptonshire | 965 | 37.3% | 648 | 48.3% | 719 | 41.6% | 168 | 55.4% |
| Region | 4850 | 39.7% | 4669 | 44.5% | 4459 | 41.7% | 935 | 52.2% |

Destination comparisons in the region show for 2005/06 Employment (without training) to be the greatest. However 2006/07 to date shows FE to be the most significant destination.

⁷⁹ EM regional performance report v11 2005/06 based on P12 not full year data

⁸⁰ Issue of coding errors by some providers may worsen this. These figures match with autumn review data.

⁸¹ Corporate reports as at 19 Dec 06

⁸² East Midlands Regional Performance Report 14

Between 2003/04 to 2006/07, FE as a destination has increased at a greater rate than WBL. WBL proportions for 2006/07 (7.3%) and has remained relatively static. This is a similar picture nationally. FE has increased by nearly 21% to currently be at 28.3%.

Section 9: Quality of WBL provision

9.1 There have been 16 Inspections of WBL providers based on the new inspection framework in the region, as detailed below, by area.

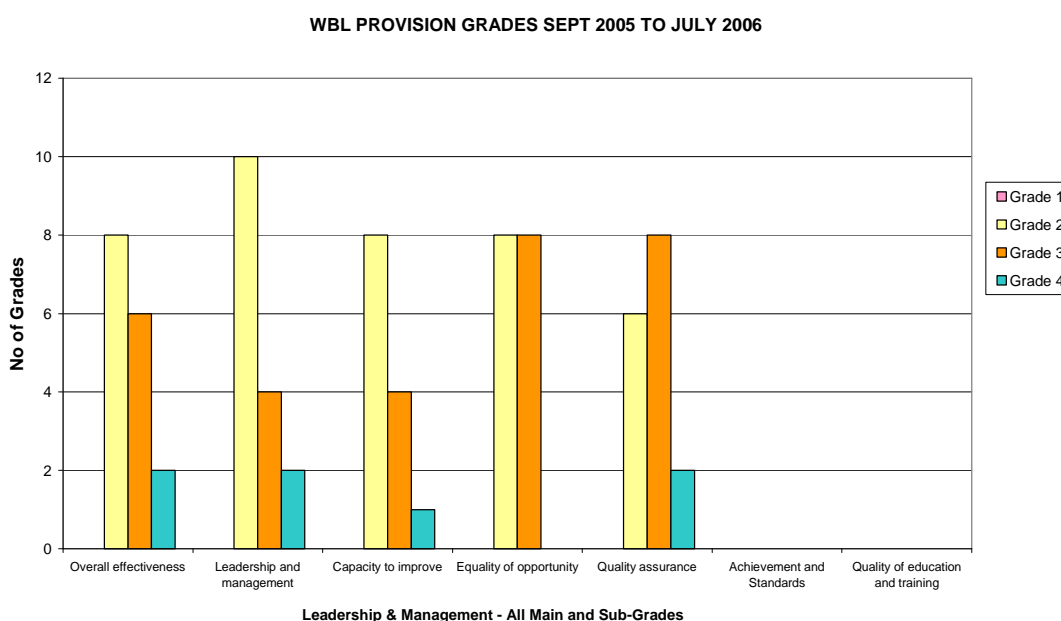
Table 20: – WBL Providers Inspected between (September 2005 and July 2006)⁸³

| Provider | Lead Area |
|--|--------------------|
| Babington Business College Limited | Derby's |
| Rolls Royce | Derby's |
| NSTS (Barbon) | Leics |
| Siemens Industries Turbo machinery | Lincs |
| Skegness College of Vocational Training | Lincs |
| Boston and South Holland Info Tech Centre | Lincs |
| East Lindsey IT Centre (First College) | Lincs |
| CANTO Ltd | Northants |
| Kettering Borough Training | Northants |
| Northamptonshire Industrial Training Association Ltd | Northants |
| Starting Off | Northants |
| Nottinghamshire Chamber of Commerce (NCCI) | Notts |
| NHTA | Notts |
| Sheffield Trainers Ltd | South Yorkshire |
| JHP | Birm & Solihull |
| FTC Kaplan Ltd (Financial Training Company) | Greater Manchester |

As a result of changes to inspection processes and frameworks comparisons year on year of inspection data to determine trends is not possible. As a result the narrative below relates to only 16 providers. However, Leadership and Management is one consistent measurement that will be used. Across the region, the majority of WBL provision has been graded as Good (grade 2) or Satisfactory (grade 3) as depicted below. There are currently two providers that have Inadequate (grade 4) provision.

⁸³ Updated Regional Providers Version 2 spreadsheet 4/9/06

Figure 18 – ⁸⁴



Overall effectiveness of WBL providers inspected shows 11 of the 16 providers were graded as good (grade 2) or satisfactory (grade 3)⁸⁵. Two providers however have been judged overall as being inadequate. Looking at Leadership and Management as a key common characteristic, 14 providers were graded as good or satisfactory. As would be expected the same 2 providers received an unsatisfactory grade. These were Northamptonshire Industrial Training Association Ltd and NSTS (Barbon).

9.2 Quality of provision by area of learning

Of the 16 providers inspected, there were 24 grades awarded across areas of learning graded. Of these 12 (50%) were graded as of 'good' quality and one Retail, as 'excellent'.

The table below shows a summary of inspection by priority and substantial delivery subject sector/area of learning.

Table 21 WBL Provider inspection grades by area of learning ⁸⁶

| Area of learning | 1 –Outstanding 2- Good, 3 – satisfactory | 4 - Inadequate |
|--|--|-----------------|
| Engineering & manufacturing technologies | • (3) Boston and South Holland Info Tech Centre | • |
| Construction, planning and the built environment | • (3) Nottinghamshire Chamber of Commerce (NCCI), Northamptonshire Industrial Training Association Ltd | |
| Health and Social Care | • (3) Boston and South Holland Info Tech Centre | |
| Retail and commercial enterprise | • (1) East Lindsey IT Centre (First College) | • NSTS (Barbon) |

⁸⁴ Updated Regional Providers Version 2 spreadsheet 4/9/06

⁸⁵ Overall effectiveness is made up of grades for areas of learning and leadership and management

⁸⁶ Updated Regional Providers Version 3 spreadsheet 4/9/06

| | | |
|---------------------------------|---|--|
| | <ul style="list-style-type: none"> • (2) JHP, NHTA, Sheffield Trainers Ltd. • (3) Skegness College of Vocational Training | |
| Business administration and law | <ul style="list-style-type: none"> • (2) Babington Business College Limited, East Lindsey IT Centre (First College), FTC Kaplan Ltd (Financial Training Company), Starting Off, Sheffield Trainers Ltd • (3) Northamptonshire Industrial Training Association Ltd | Nottinghamshire Chamber of Commerce (NCCI) |

Whilst this only provides a partial picture of sector quality, those providers scoring 'inadequate' quality in priority sector provision should be priority focuses for Area Partnership teams, and for quality initiatives. They clearly represent a risk to the organisation and are within scope for the commissioning plan.

Key planning issues:

In drawing up its commissioning plan, the region needs to ensure the following issues relating to provision are addressed, in addition to 2006/07 information:

- *The region, working with Area Teams will identify providers with inadequate provision, who should have their contracts withdrawn with effect from 2007/8 and this funding should be used for an Open and Competitive tendering process*
- *WBL as a destination for those leaving E2E provision should be promoted more actively*
- *E2E providers will need to demonstrate improved positive destinations to the required level of 50%, or risk losing their contracts for 2007/8*
- *Providers not meeting minimum levels of performance as measured by subject sector success rates should have their contracts withdrawn with effect from 2007/8 and this funding should be used for an Open and Competitive tendering process. Particular attention should be paid to the Engineering, Retail, Agriculture Construction and Health and Social Care sectors where performance regionally is significantly below national averages*
- *FE providers not meeting minimum levels of performance as measured by success rates should be put on notice to improve with effect from 2007/8.*
- *Providers should be encouraged to bring their success rates in post 19 provision up to those of 16-18 and or national averages, which ever is the higher. In addition, the lack of improvement in success rates in the Agriculture and Health and Social Care sectors over the last three years should be addressed as a matter of urgency*

Section 10: Sub-regional Analyses

The following section summarises, by exception⁸⁷, those key differences in what is purchased locally, against regional and local priorities, examining how this may satisfy current and future demand where this is different to the region. It will then summary of local quality of supply, to guide commissioning locally.

10.1 Summary of sub-regional demand

There is regionally evidence regarding high numbers of young people not able to access apprenticeships due to lack of employer places. There is also evidence of provider 'selectivity' when recruiting for WBL in response to focuses on quality.

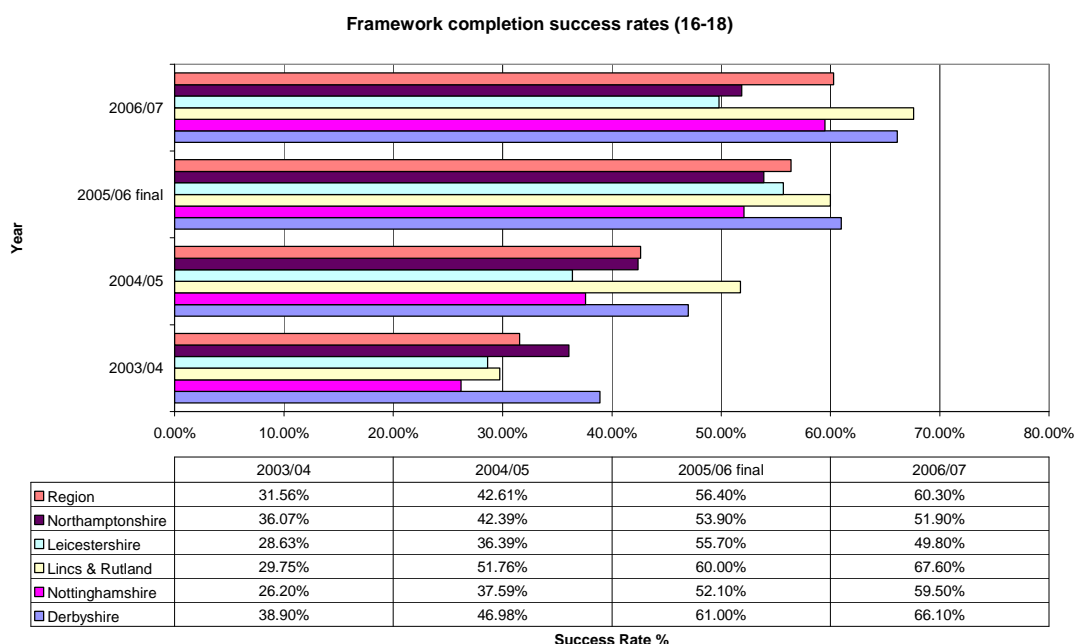
E2E as a programme overall is seen as no longer meeting the needs of the hardest to reach groups.⁸⁸

10.2 Summary of sub-regional success rates and positive destinations

All sub-regional areas have seen year on year increases in framework completion quality as shown in the 2 figures below.

Quality of overall provision at 16-18 and 19+ shows all sub-regional areas are on par or near with regional performance except Nottinghamshire. Northamptonshire are marginally below for 2005/06 final. Based on performance change between 2004/05 and 2005/06 to date shows the 19+ age group to have the greatest variance across areas. 2006/07 performance shows Northamptonshire to be significantly below regional performance. Leicestershire are also below regional averages. For 16-18 both Leicestershire and Northamptonshire are significantly below.

Figure 19⁸⁹

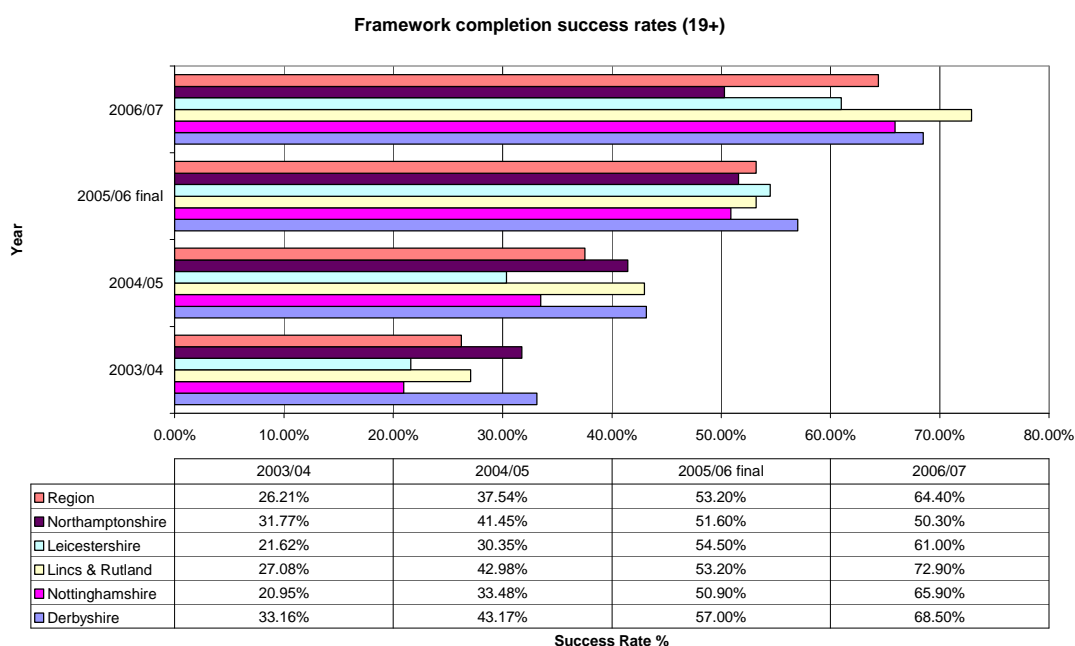


⁸⁷ Only where there is a significant difference to the region will it be detailed

⁸⁸ Area WBL templates

⁸⁹ 2006/07 is P3

Figure 20⁹⁰:



For E2E positive destinations, Lincolnshire and Rutland have seen the strongest performance between 2003/04 and 2005/06, standing at 52.2% compared to 41.7% for the region, and is continuing into 2006/07. All local areas except Nottinghamshire have seen increases between 2003/04 and 2005/06, of which the greatest percentage point changes were Lincolnshire and Rutland 8.8 percentage points and Leicestershire 6.1 percentage points. Comparisons to the regional average for 2005/06 show Nottinghamshire and Leicestershire to be below with 36.0% and 39.2% respectively compared to 41.7% for the region. 2006/07 performance to date shows performance growth across all areas in the region with overall positive destinations to date at 52.5% and shows extremely positive moves towards the national target of 50% for 2007/08.

10.3 Nottinghamshire

Demand

Nottinghamshire is not showing much evidence of un-met demand from employers or young people. However there are emerging issues training progression for young people who go into low skilled employment. In addition aspirations of young people may not be linked to demand. This is an issue that Connexions are working on to improve regarding IAG.

Anecdotally there is evidence to support the fact that many young people who have stated that apprenticeships, as their preferred option have unrealistic expectations particularly regarding entry requirements.⁹¹

⁹⁰ 2006/07 is P3

⁹¹ Nottinghamshire WBL template

Nottinghamshire in partnership with Stephenson Training is developing a new construction training centre in Nottingham which will see significant increases in capacity for apprenticeship training, pre 16 progression pathways and E2E construction and will be operational post October 2006.⁹²

Priority sector participation E2E and WBL

E2E is currently under occupied and starts significantly affected by the roll out of EMA.⁹³

Figure 21

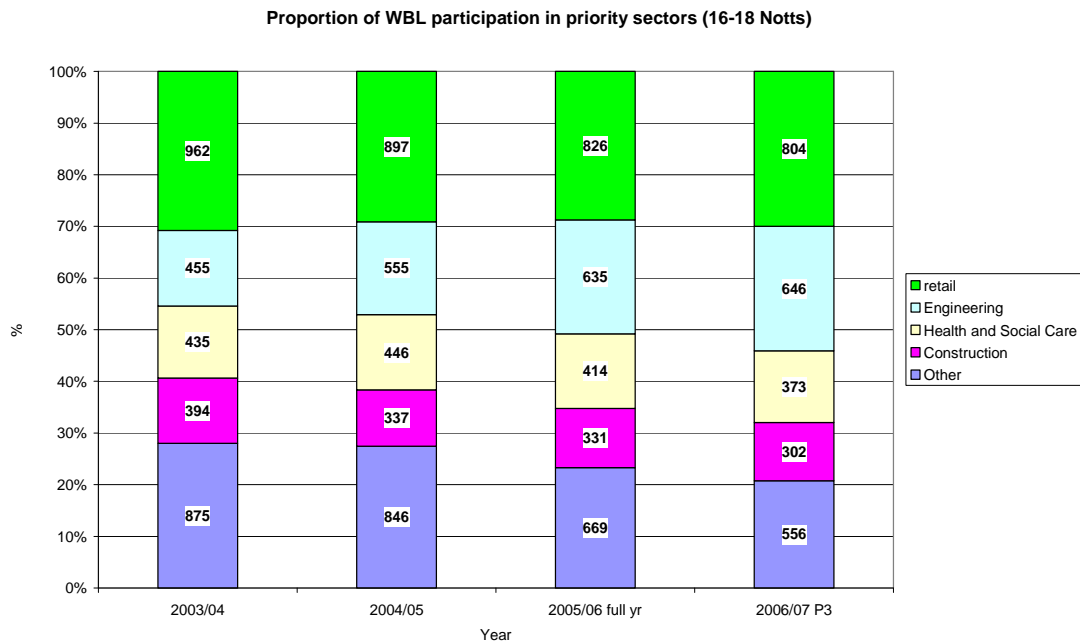
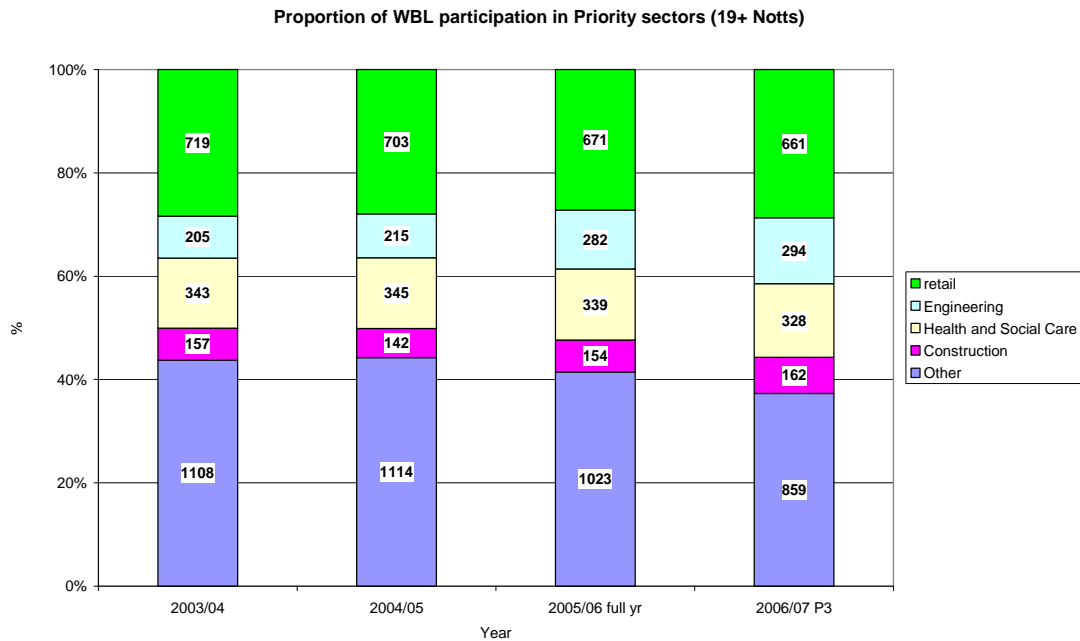


Figure 22



⁹² Nottinghamshire WBL template

⁹³ Nottinghamshire WBL template

16-18

Including Retail, 16-18 participation trends show priority sector provision to have increased from 72% to 77% between 2003/04 and 2005/06. Excluding retail this has increased from 41% to 48%. This is below the regional average of 51%

Comparisons between 2004/05 and 2005/06 show that:

- Engineering is the only sector where volumes have increased (80 learners) 14%
- Health and Social care saw the largest reductions of 3 regional priorities (32 learners) 7%
- Construction saw small reduction (6 learners) 2%
- Retail had reductions of (71 learners) 8%

Adults

Including Retail participation trends show priority sector delivery to have increased over the same period from 56% to 59%. Excluding retail this has increased from 28% to 32% This is also below the region 36% 2005/06.

Comparisons between 2004/05 and 2005/06 show that:

- Of the joint regional priorities, Engineering had the largest increases (67 learners) 31% followed by Construction with marginal increases (12 learners) 8%
- Health and Social Care had only small reductions (6 learners) 2%
- Retail had volume reductions of (32 learners) 5%

Comparisons of area priority sector contributions to regional contributions show:

- Engineering participation is on par with the regional average for both ages.
- Construction contribution is below regional averages for both ages.
- Health and Social Care contribution is marginally above the regional average for 16-18 and on par for 19+.

Even though Retail is a local priority sector in Leicestershire and Nottinghamshire, all areas have similarly low levels of retail provision as a proportion of all sector provision.

Retail provision in Nottinghamshire as a proportion of the total regions Retail provision is significantly higher in Nottinghamshire in each of the three trend years and will be linked to the new Retail CoVE. Derbyshire is the next highest followed by Leicestershire

Quality

Overall quality of provision is at least satisfactory with a number of providers deemed good. Nottinghamshire have the country's first grade one E2E provider.

The main issue is financing of significantly improving success rates, which will have a negative impact on current programmes and occupancy levels.⁹⁴

⁹⁴ Nottinghamshire local WBL template

NES delivery

NES deliver significant volumes of Engineering and Construction provision for the 16-18 age group. For the 19+ age group, there are also sizable volumes delivered.

| 16-18 | Excluding NES 2005/06 | NES 2005/06 | Change |
|--------------|-----------------------|-------------|------------|
| Construction | 331 (12%) | 410 | 741 (18%) |
| Engineering | 635 (22%) | 635 | 1270 (31%) |
| Health | 414 (14%) | 1 | 415 (10%) |
| Retail | 826 (29%) | 57 | 883 (22%) |

| 19+ | Excluding NES 2005/06 | NES 2005/06 | Change |
|--------------|-----------------------|-------------|-----------|
| Construction | 154 (6%) | 150 | 304 (10%) |
| Engineering | 282 (11%) | 150 | 432 (14%) |
| Health | 339 (14%) | 17 | 356 (12%) |
| Retail | 671 (27%) | 80 | 751 (25%) |

Key planning issues for Nottinghamshire:

- Nottinghamshire's 16-18 framework success rates 2005/06 full year were the lowest in the region at 52.10% compared to 56.4%
- Nottinghamshire's 19+ framework success rates 2005/06 full year were the lowest in the region at 50.9% compared to 53.2%
- Construction provision – whilst the new Construction training centre in Nottingham will help to address the issue of capacity, Colleges in the North of the City are full to capacity.
- Overall Nottinghamshire's proportion of the region's retail provision has grown and is the highest in the region although volumes are reducing. Against this however there are issues of young people's limited aspirations to undertake apprenticeships in this sector. Engaging those 19+ in this sector, together with those already employed in the sector may help to address this, together with improved IAG of Retail opportunities.

10.4 Northamptonshire

Demand

Since the achievement in the NEET target in 2004, there has been a steady rise in NEET, with external factors contributing to this increase. However there are a number of initiatives to tackle NEET.

The job market for young people has becoming increasingly difficult with migrants taking lower skilled jobs that young people would previously have gone into. Additionally certain sectors such as retail operate recruitment nationally.

With MKSF proposed housing development, the Trades Academy set-up a partnership between Moulton and Tresham colleges, to work with construction companies and go some way to satisfying skills shortages and increasing construction opportunities in East Northants, a fairly rural part of the County.⁹⁵

⁹⁵ Northamptonshire local WBL template

Priority sector participation E2E and WBL

Figure 23

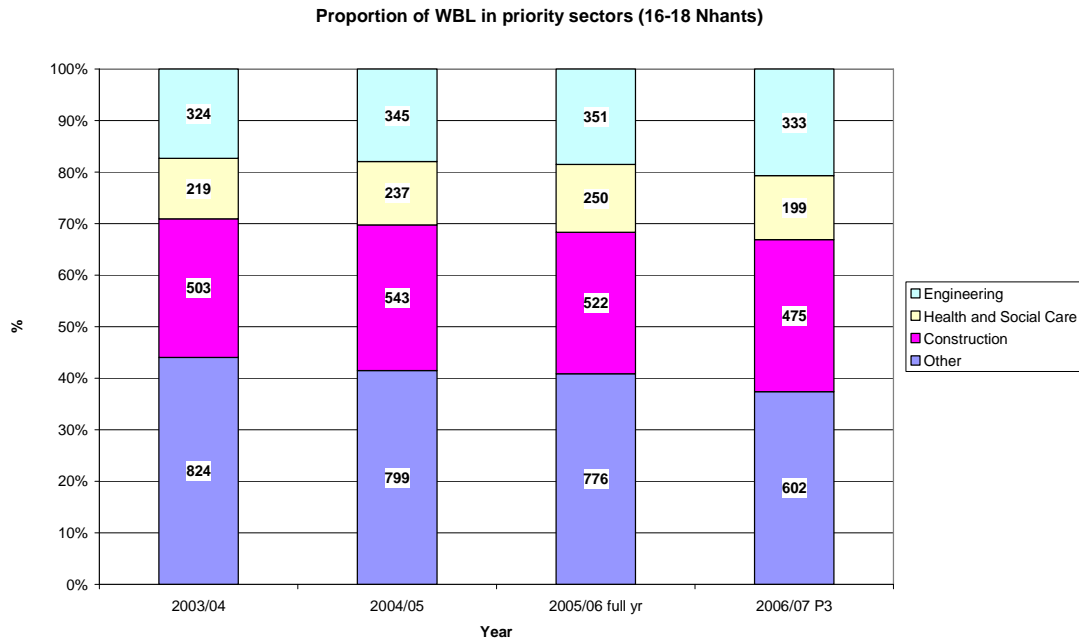
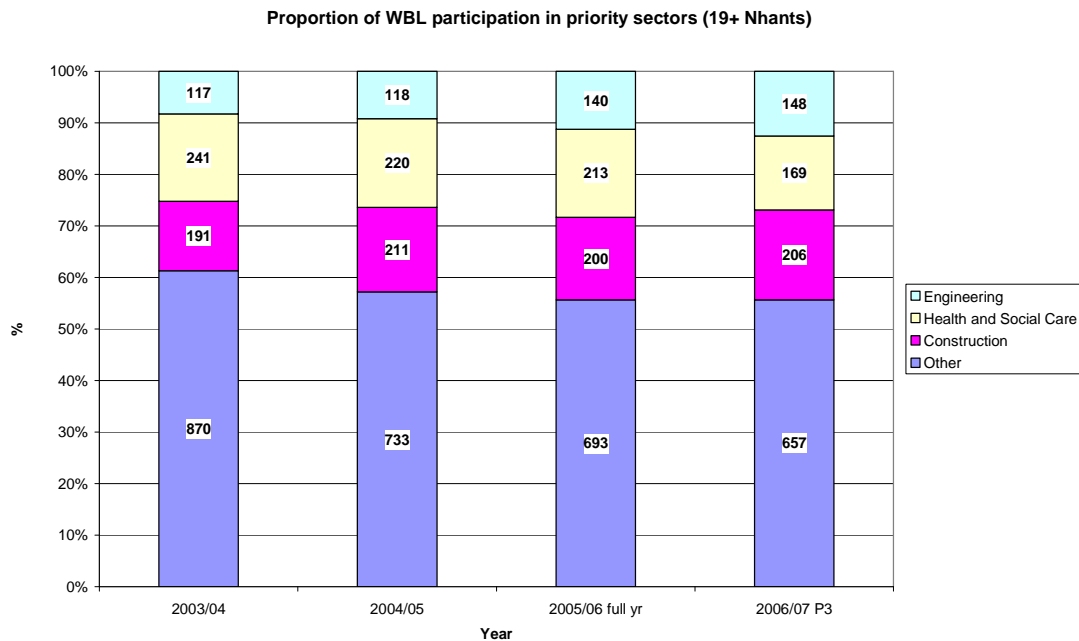


Figure 24



16-18

Participation trends show priority sector provision to have increased from 56% in 2003/04 to 59% in 2005/06. This is above the regional average of 51% 2005/06

Comparisons between 2004/05 and 2005/06 full year show that:

- Both Engineering and Health and Social Care saw small increases in absolute volumes of 6 and 13 learners respectively
- Construction participation reduced by (21 learners) 4%

Adults

Participation trends show Adult priority sector provision to have increased from 39% to 44% from 2003/04 to 2005/06. This is also above the regional average of 36% 2005/06.

Comparisons between 2004/05 and 2005/06 full year shows that:

Engineering is the only sector where volumes have increased by (22 learners) 19%

Reductions in Health and Social Care and Construction were small 7 and 11 learners respectively 3% and 5%

Comparisons of area priority sector contributions to regional contributions show:

- 16-18 Engineering participation is significantly below regional average 18% compared to 23% For 19+ it is on par at 11%
- Construction contribution is significantly above regional averages for both age groups
- Health and Social Care contribution is on par with the region at 16-18 and marginally above for 19+

Local evidence suggests it is unlikely that any further significant short-term growth will be achieved, with a potential fall off in Engineering in the new contract year.⁹⁶

Whilst Logistics is a priority sector for Northamptonshire, there needs to be clarification as to the exact sub-sectors that this covers to enable an analysis of participation trends. However area evidence suggests this has reduced, with decisions were taken to reduce this provision as a result of minimum age issues relating to driving, together with the high costs of funding.

NES delivery

Engineering 16-18 is the only element that provides any significant volumes of NES delivery

| 16-18 | Excluding NES 2005/06 | NES 2005/06 | Change |
|--------------|-----------------------|-------------|-----------|
| Construction | 522 (27%) | 35 | 557 (25%) |
| Engineering | 351 (18%) | 178 | 529 (24%) |
| Health | 250 (13%) | 6 | 256 (12%) |

| 19+ | Excluding NES 2005/06 | NES 2005/06 | Change |
|--------------|-----------------------|-------------|-----------|
| Construction | 200 (16%) | 17 | 217 (16%) |
| Engineering | 140 (11%) | 40 | 180 (13%) |
| Health | 213 (17%) | 14 | 227 (16%) |

Key planning issues for Northamptonshire:

- 16-18 and Adult framework success rates are below regional averages for 2005/06.
- Growing NEET numbers in Northamptonshire.
- The need to increase both Land Based and Construction provision, building on the Construction CoVE.

⁹⁶ Northamptonshire local WBL template

- E2E provision in Northamptonshire is of quality and has good progression rates. However as with other sub-regional areas there are high numbers of vacancies, evidencing current E2E not meeting need.

10.5 Derbyshire

Demand

In Derbyshire there does not appear to be evidence of significant waiting lists of young people or adults with providers for E2E or Apprenticeship provision.

Some of the lack of demand for WBL can be attributed to the make-up of the NEET group being the very hard to reach, with current qualifications below level 2. This will have key implications re E2E and provision to enable those wanting to enter WBL. Additionally there are increasing numbers remaining in full-time education.

There is evidence of strong demand in sectors where impending legislation on the use of qualified staff will be required e.g. Care.

As with other areas, there is anecdotal evidence of EMA impacting on WBL (E2E),

Data provided from Connexions of 16-18 NEET available and seeking aspirational demand shows learner demand for WBL in a range of sectors of which Construction is by far the highest.⁹⁷

As highlighted in the Policy Driver section, it is important sub-regionally and regionally to monitor 19+ apprenticeships take up with employers, regarding the impact of Train to Gain and the availability of first full level 2 through this route.

Evidence from the Derbyshire ETP and current ESF funded projects that there still appears to be a general reluctance from employers to value or demand whole NVQ's for adults and a preference for modules or non accredited training, impacting negatively on apprenticeship demand and is the case in most sectors.

Connexions indicate a demand for more low level construction training particularly for the NEET group. However evidence from employers shows level one and below not to be valued or recognised unless accompanied by substantial work experience, in an industry where experience is valued more than qualifications.

Within Derbyshire there are specific projects that have progression to apprenticeships as a key outcome. These include vocational level one provision and support and IAG to young people and those at risk of leaving employment and training.

There are 2 major regeneration projects which will create demand from employers in retail and transport. These are:

- Eagle retail centre (circa 4/5,000 job opportunities)
- Markham vale development (circa 5,000 job opportunities)⁹⁸

⁹⁷ This data includes people making more than one choice. Of this group however ¾ stated no interest in any form of formal training.

Priority sector participation E2E and WBL

Figure 25:

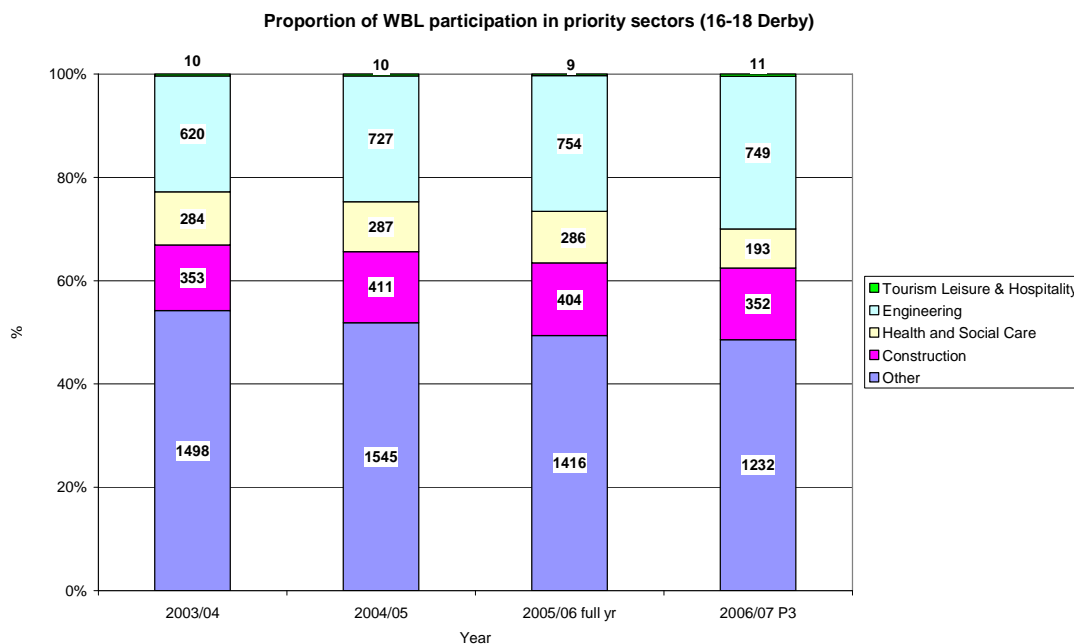
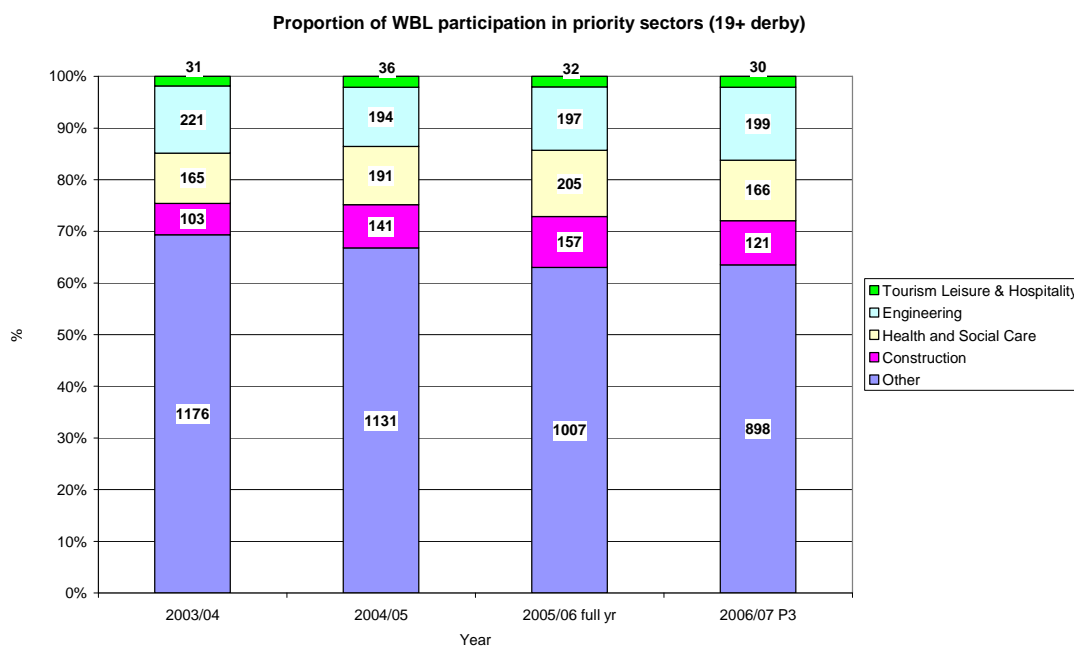


Figure 26



16-18

Including Tourism, Leisure and Hospitality, trends show priority sector provision to have increased between 2003/04 to 2005/06 from 46% to 51%. Excluding the local priority sector this remains the same due to the low volumes delivered of less than 10 AIL learners. This is on par with the regional average of 51% 2005/06.

⁹⁸ Derbyshire local WBL template

Comparisons between 2004/05 and 2005/06 show that:

- Engineering is the only sector to have increased volumes (27 learners) 4%
- Only small reductions have been seen in the other sectors:
 - Construction (7 learners) 2%
 - Health and Social Care and TLH (one learner)

Adults

Including the local priority sector, trends show increases from 31% to 37% between 2003/04 and 2005/06. Excluding TLH this is 29% to 35%. This is compared to the regional average of 36% 2005/06.

Comparisons between 2004/05 and 2005/06 show:

- Volumes have increased in all 3 of the priority sectors, although this is only (3 learners) in Engineering 2%
- Construction and Health and have increased by 16 and 14 learners respectively, representing 11% and 7% increases.
- THL has reduced but only by 4 learners 11%

Comparisons of area priority sector contributions to regional contributions show:

- Engineering participation is above the regional average for 16-18 at 26% compared to 23%. 19+ is on par and will be linked to the Rolls-Royce CoVE.
- 16-18 Construction is marginally below regional averages, and 19+ is on par at 10%
- Health and Social care contributions are marginally below the regional average for both ages.

Whilst overall completion rates are good, there are concerns regarding current framework completion rates in the Care sector at both level 2 (46%) and 3 (40%), together with Retail at level 3 (45%).⁹⁹

Whilst Tourism, Leisure and Hospitality (TLH)¹⁰⁰ is a priority sector for Derbyshire, it has not accounted in any of the three years for the area with the highest proportion of TLH provision as a proportion of all sector provision. This is greatest in Nottinghamshire and Lincolnshire and Rutland.

Quality

WBL inspection trends continue to rise, with one provider Stubbing Court being awarded a grade one across the board in their inspection last year.¹⁰¹

As such there is no inadequate provision measured by inspections in Derbyshire. The challenge is to continuously move provider quality upwards.

NES delivery

Significant volumes of Engineering and also Construction provision are delivered by NES at 16-18.

⁹⁹ Derbyshire WBL template. As at period 12? (to confirm)

¹⁰⁰ Note subject sector definitions have changed in 2004/05 and so direct comparisons are not possible.

¹⁰¹ This was awarded for leadership and management, quality assurance, equality of opportunity and area of learning.

| 16-18 | Excluding NES 2005/06 | NES 2005/06 | Change |
|--------------|------------------------------|--------------------|---------------|
| Construction | 404 (14%) | 221 | 625 (17%) |
| Engineering | 754 (26%) | 426 | 1180 (32%) |
| Health | 286 (10%) | 2 | 288 (8%) |
| TLH | 9 (0%) | 63 | 72 (2%) |

| 19+ | Excluding NES 2005/06 | NES 2005/06 | Change |
|--------------|------------------------------|--------------------|---------------|
| Construction | 157 (10%) | 61 | 218 (12%) |
| Engineering | 197 (12%) | 90 | 287 (15%) |
| Health | 205 (13%) | 10 | 215 (11%) |
| TLH | 32 (2%) | 21 | 53 (3%) |

Key planning issues for Derbyshire:

- The ability to meet the area NEET target, together with the profile of the NEET group is that of the very hard to reach.
- Working with Connexions to ascertain a more accurate picture of NEET demand for planning, linked to aspirational versus actual demand and current level qualifications.
- Ensuring appropriate levels of Retail provision together with actual learner demand in response to the areas identified Retail developments.
- The issues of employer engagement in Engineering means learners are potentially being 'pushed' into other sectors.
- The impact of legislation on WBL planning regarding age in sectors such as Health and Social Care.

10.6 Leicestershire

Demand

Leicestershire and Connexions are reviewing the current and incoming NEET group, which are causing concern. NEET figures August 2006 14.27% against November 2006 target of 7.2%, with a higher than normal number of WBL applications from school leavers yet to register with Connexions.

Leicester City retail development suggests opportunities to develop new apprenticeships particularly in Construction, retail and hospitality and catering.

There is evidence of a lack of apprenticeship employer opportunities, at technician level in:

Construction (evidenced also by static participation trends below)

- Business Administration
- Retail
- Creative industries
- ICT

Further work is required to investigate potential to growth such sectors.¹⁰²

¹⁰² Leicestershire local WBL template

Priority sector participation E2E and WBL

Figure 27:

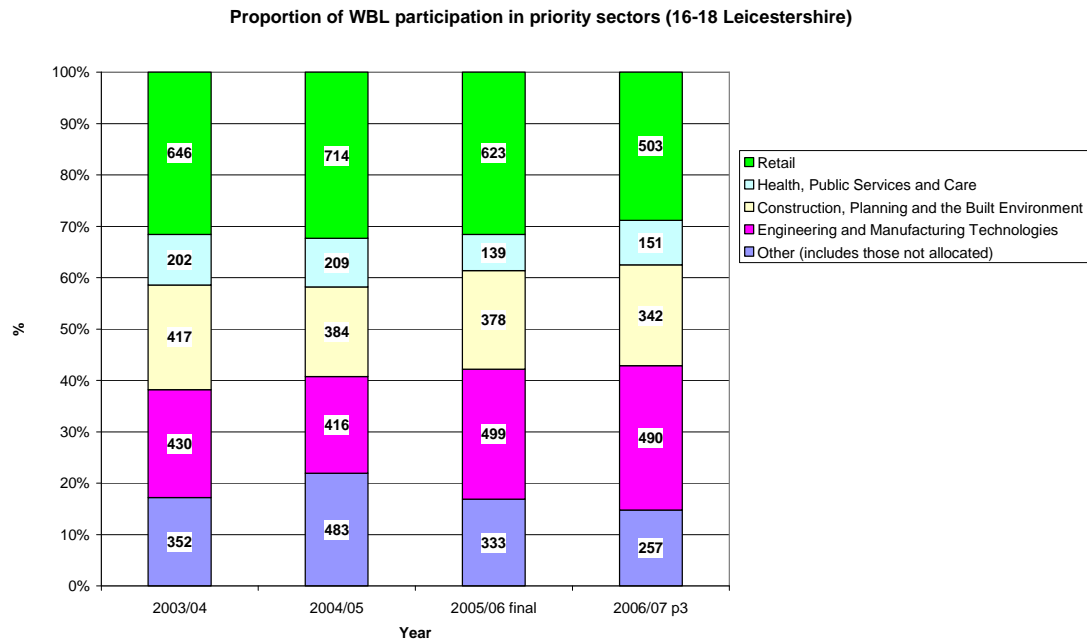
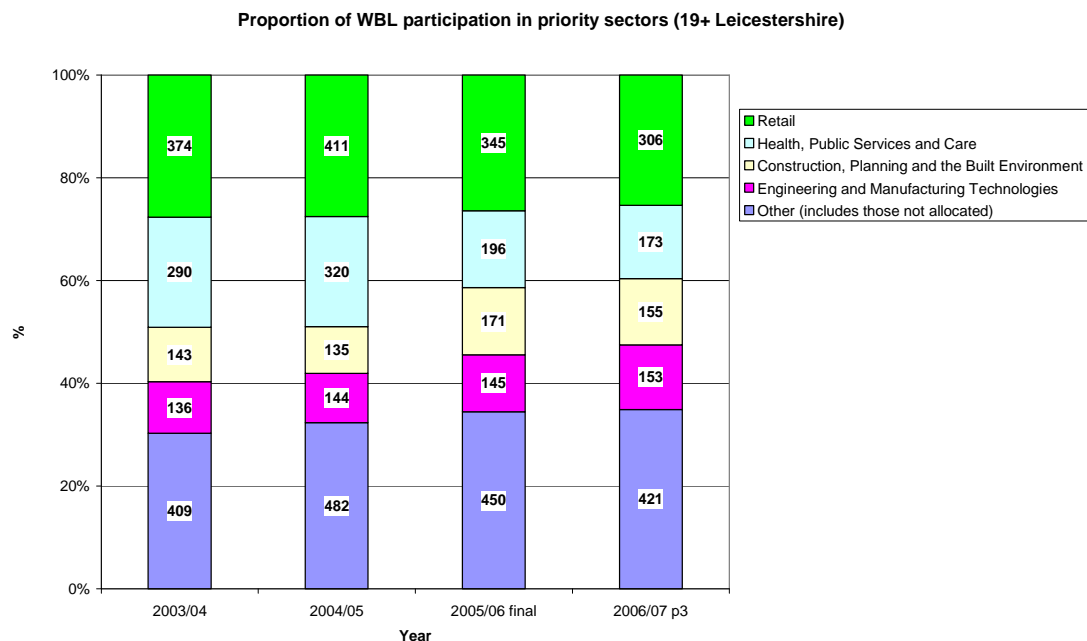


Figure 28



16-18 – Including retail, 16-18 participation trends show priority sector provision to be maintained at 83% between 2003/04 and 2005/06. For 2006/07 this further increased to 86% Excluding retail shows the three priority sectors have held at 51% from 2003/04 to 2005/06. This is on par with the regional average for 2005/06.

Comparisons between 2004/05 and 2005/06 full year show that:

- Engineering is the only sector where volumes have increased (83 learners) 20%
- Health and Social Care and Retail saw the largest declines. For Health this was (70 learners) 33% and retail (91 learners) 13%

Adults - Including retail as a local priority adult priority sector participation trends show overall reductions from 70% in 2003/04 to 66% in 2005/06. For 206/07 p3 this has further reduced only marginally to 65%. Excluding retail to enable comparisons against the region shows a significant reduction from 58% in 2003/04 to 39% in 2005/06. However this is above regional averages of 36% for 2005/06.

Comparisons between 2004/05 and 2005/06 full year show that:

- Construction is the only sector where volumes have really increased (36 learners) 27%
- Engineering volumes were static.
- As with Young people, Health and Social Care and Retail saw the largest declines. Health (124 learners) 39% and retail (66 learners) 16%

2005/06 comparisons of area priority sector contributions to regional contributions shows:

- Engineering participation is marginally above the regional average for 16-18 and on par for 19+.
- 16-18 and 19+ Construction contribution is above the regional average and will be linked to CoVE in this sector area. However there are capacity issues in Construction and although measures have been taken to increase this, it will not be sufficient to meet demand.¹⁰³
- 16-18 Health and Social Care contribution is below the regional average. 19+ is on par as a result of a significant reduction. A new provider commenced in late 2005/06 to address this issue.¹⁰⁴

NES delivery

NES delivery significant volumes of Engineering and also to a lesser extent Construction provision at 16-18

| 16-18 | Excluding NES 2005/06 | NES 2005/06 | Change |
|--------------|-----------------------|-------------|-----------|
| Construction | 378 (23%) | 216 | 594 (25%) |
| Engineering | 499 (30%) | 419 | 918 (39%) |
| Health | 139 (8%) | 2 | 141 (6%) |
| Retail | 623 (38%) | 58 | 681 (29%) |

| 19+ | Excluding NES 2005/06 | NES 2005/06 | Change |
|--------------|-----------------------|-------------|-----------|
| Construction | 171 (20%) | 93 | 264 (24%) |
| Engineering | 145 (17%) | 74 | 219 (20%) |
| Health | 196 (23%) | 8 | 204 (18%) |

¹⁰³ Leicestershire local WBL template

¹⁰⁴ Leicestershire local WBL template

Key planning issues for Leicestershire:

- The need to consider 'OCT' for 07/08 for new e2e provision and development of a new delivery model
- How to engage more employers in WBL to meet the demand for places from young people
- The need to increase further the capacity for construction provision
- The need to increase the capacity in Health and Social care, but not in childcare and early years

10.7 Lincolnshire and Rutland

Demand

Connexions data shows demand from young people, particularly those with LLDD, for a work based route at entry/level one and potentially level 2 (non-framework).

Data also shows 5,183 ENT young people and 1,100 NEET young people which represent potential WBL demand.

However East Lincolnshire statement of needs states insufficient young people to meet apprenticeship contracts due to increasing full time in post 16 education.

Generally providers are struggling to fill apprenticeship contracts, with trade apprenticeships being the exception. Lack of recruitment may be a reflection of providers not delivering into sectors where there is employer demand for apprenticeships e.g. Construction. Slow recruitment in providers whose main offer is:

- Retail
 - Administration
 - Hospitality;
- might reflect an over-supply in these areas.¹⁰⁵

Priority sector participation E2E and WBL

Gaps in E2E provision are currently being met through various LIDF and ESF funded projects.¹⁰⁶

Current and new provider developments may have negative impacts on WBL in terms of FE and School led partnerships.¹⁰⁷

¹⁰⁵ Lincolnshire & Rutland WBL template

¹⁰⁶ Lincolnshire & Rutland WBL template

¹⁰⁷ Lincolnshire & Rutland WBL template

Figure 29

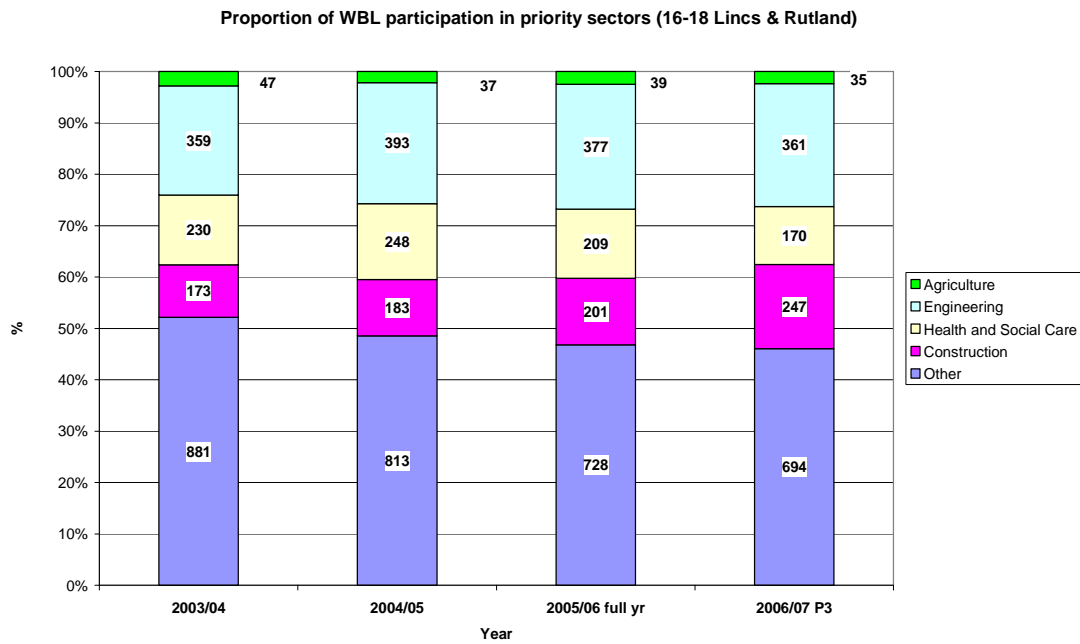
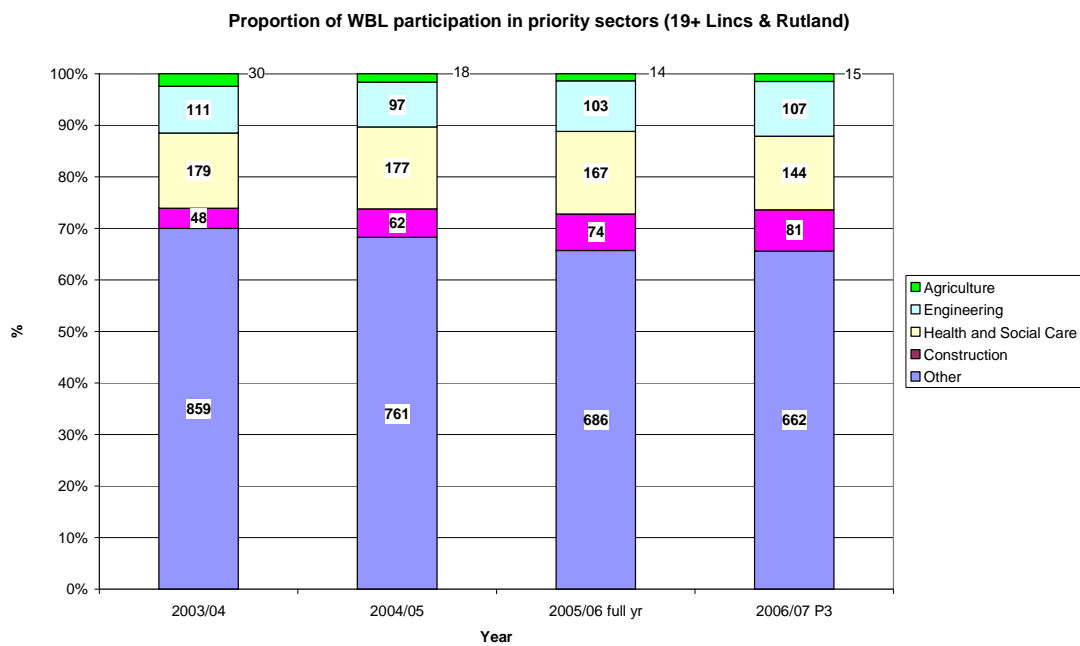


Figure 3



16-18

Including Agriculture, participation trends show significant increases in priority sector delivery from 48% 2003/04 to 53% 2005/06. Excluding Agriculture this is from 45% to 50%. This is on par with the regional average of 51% for 2005/06.

Comparisons between 2004/05 and 2005/06 show that:

- Construction is the only sector where volumes have increased (18 learners) 10%.
- Health and Social Care volumes have decreased the most (39 learners) 16%
- For Engineering this is (16 learners) 4%

- Agriculture is only delivered in small numbers and has maintained volumes and proportions at 3%

Adults

Including Agriculture, trends have also shown significant increases over the same period from 30% to 34%. Excluding Agriculture this is 28% to 33%

Comparisons between 2004/05 and 2005/06 show that:

- Engineering and Construction have both increased in volumes, although these are small at 12 and 6 learners respectively 19% and 6%
- Health and Social care, as with Young People have seen a small decrease (10 learners) 6%
- Agriculture is delivered in even smaller volumes for adults than young people. These have reduced marginally to 14 Ail learns 1% 2005/06

Comparisons of area priority sector contributions to regional contributions show:

- Engineering participation is on par with the regional average for both ages.
- For both ages, Construction contribution is below regional averages
- Health and Social Care contribution is on par with regional averages for both ages

Construction has also been stated locally as a priority for increased provision.¹⁰⁸

In terms sub-regional area shares of total Agriculture provision, although small numbers, Derbyshire have contributed greater proportions of the regions Agriculture provision than Lincolnshire and Rutland.

Quality

All providers were judged satisfactory or good overall at inspection. However 2 providers received grade 4's in early year child care and ICT. However there is adequate alternative provision.¹⁰⁹

NES delivery

NES delivery is significant at 16-18 in Engineering and Construction

| 16-18 | Excluding NES 2005/06 | NES 2005/06 | Change |
|--------------|-----------------------|-------------|-----------|
| Construction | 201 (13%) | 169 | 370 (18%) |
| Engineering | 377 (24%) | 198 | 575 (28%) |
| Health | 209 (13%) | 3 | 212 (10%) |
| Agriculture | 39 (3%) | 0 | 39 (2%) |

| 19+ | Excluding NES 2005/06 | NES 2005/06 | Change |
|--------------|-----------------------|-------------|-----------|
| Construction | 74 (7%) | 69 | 143 (11%) |
| Engineering | 103 (10%) | 42 | 145 (11%) |
| Health | 167 (16%) | 10 | 177 (14%) |
| Agriculture | 14 (1%) | 0 | 14 (1%) |

¹⁰⁸ Lincolnshire & Rutland WBL template

¹⁰⁹ Lincolnshire & Rutland WBL template

Key planning issues for Lincolnshire and Rutland:

- E2E - Lincolnshire and Rutland now have spare capacity in E2E as a potential result of EMA, together with the current programme being too narrow and not meeting the identified needs of young people.
- Increase the use of Programme Led Apprenticeships to address the issues of employer engagement, filling apprenticeship contracts as a result of increasing trends in full-time education.