For information

Leading learning and skills

Report on LSC funded Adult (19+) Learning and Skills Provision in the East Midlands

March 2007

Of interest to everyone involved in improving skills and learning opportunities in the East Midlands

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Footnotes

Contents

1.0 Introduction

There are two key elements to the development of the strategy for adult provision in the East Midlands.

1.1 Firstly, the definition of a core entitlement for adults that should be available in all areas of the region. The entitlement will cover elements such as access provision, level 2 entitlement, Information Advice and Guidance (IAG), and progression routes.

1.2 Secondly, the alignment of all funding streams for adult provision to support integrated planning in pursuit of delivering the entitlement. Such an approach will move away from the historical basis for the allocation of funding for adult provision towards a needs based approach across the East Midlands, which draws on regional estimates of need in key LSC target categories, indices of deprivation and key concepts of quality such as materiality and minimum standards of performance to determine funding available for commissioning and delivering contestability standards.

2.0 Policy Drivers

There are a wide range of policy drivers in the area of adult 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, such as the Personal and Community Development Learning (PCDL) guarantee.

2.1 Skills Strategy drivers

The 2005 Skills White Paper contains the following key initiatives that impact on adult learners:

2.1.1 Role of Sector Skills Agreements (SSAs) and regional sector priorities.

SSAs are plans designed by Sector Skills Councils (SSCs) 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. In the future, SSAs will drive the commissioning of provision for adult skills 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.

2.1.2 In order to implement this policy driver, the region, in conjunction with the Employment Skills and Productivity Partnership (esp) has identified key sectors for development in addition to local area sector priorities. Regionally these are:

- Health and social care
- Engineering
- Construction and the built environment

2.1.3 Level 2 priorities for adults.

The LSC plans to continually increase the delivery of first full level 2 qualifications across Work Based Learning (WBL), PCDL and Train to Gain.

2.1.4 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.

2.1.5 Apprenticeships.

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 group.

2.1.6 Centres of Vocational Excellence (CoVEs)

The region's current network of 34 CoVEs play a key role in enabling both FE colleges and training 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 in the East Midlands (July 2006).

2.2 LSC Policy drivers

2.2.1 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.

2.2.2 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.

2.2.3 To further drive up quality, the LSC plans a full procurement exercise for WBL in 2007/08, to meet the policy driver of contestability within the planning for success document of 2005/6. In addition, during 2006/07 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.

2.2.4 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.

2.2.5 New Measures of Success (NMS)[2] is a significant change programme with the aim of measuring success of learners and performance of education and training providers more accurately and fairly.

2.2.6 Role of Welfare to Workforce Development agenda with Jobcentre Plus.

There are a range of nationally agreed priorities to drive the combined between the LSC and Jobcentre Plus, to ensure that adults, particularly those in key groups such as benefit claimants, have full access to training up to level 3 to increase their opportunities of employment. Local area delivery plans have been in place since 2005/06.

2.3 Funding drivers

From 2006/07 providers are required to collect fees. This is an essential element of the rates for commissioning and if not collected, providers will have insufficient funds to deliver required quality of programme. In addition the LSC is moving towards minimum standards of an employer contribution of at least 50% for learners aged over 18 on Apprenticeships. For those learners aged 19 and over employers are expected to contribute to training and hence rates are reduced to reflect this assumed contribution.

2.3.1 The LSC has ensured that as a policy, increasing proportions of funding will be made available for priority learners (16-18 and learners with Learning Difficulties/or Disabilities (LLDD) aged 16-24) and that it will stop funding certain types of adult National Vocational Qualifications only provision from 2006/7.

2.3.2 From 2007/8 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.

2.3.3 Specific adult learners policy drivers nationally and regionally.

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

- Significantly improve Apprenticeship framework completions and success rates in all key sectors at level 2 and 3
- Increase first full level 2, 3 and Skills for Life participation and achievement particularly in the region's key sectors
- Work with public sector employers to increase the number of apprentices recruited and supported across a range of occupational areas
- Increasing the availability of local vocational and academic provision options for LLDD that secure progression into employment, further levels of learning and increase learners capacity to contribute to their local communities.

[2]Implementing New Measures of Success - Success for All (June 2005).

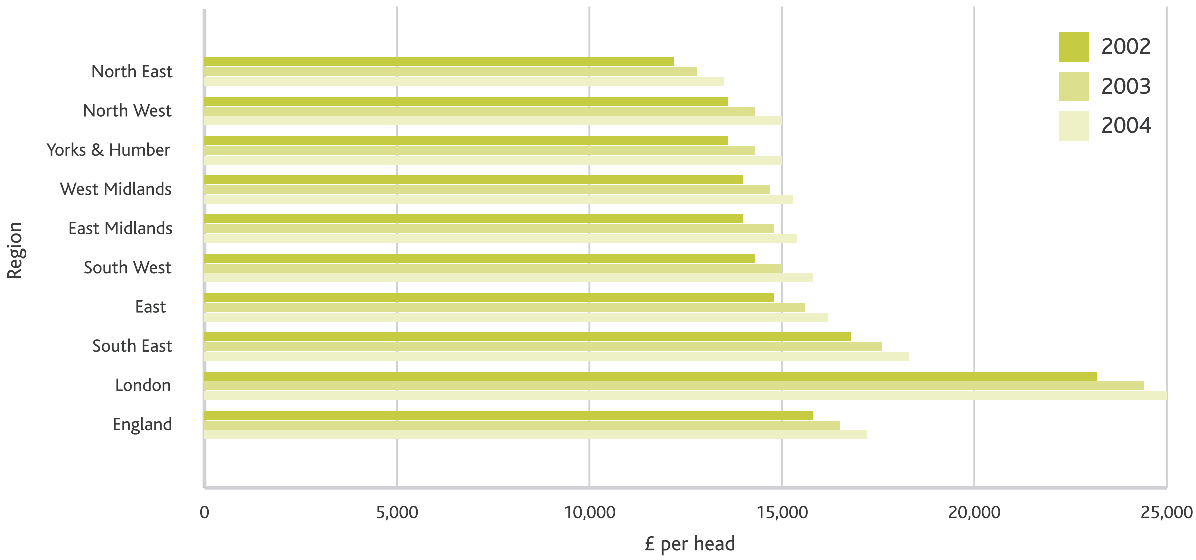
3.0 Key Demand Issues

The regional strategic analysis[3] will provide a comprehensive analysis of demand, the following is a headline summary.

3.1 Economic performance

The East Midlands was ranked fifth out of nine regions in terms of gross value added (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%.

Workplace GVA £ per head[4]



[3]East Midlands Strategic Analysis 2007/8
[4]ONS Economic Trends 627 February 2006

3.2 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 age[5].

In the light of this aging population, it is important to ensure that training, and working with employers through Train to Gain brokers 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.

The working age population of the region totals 2,588,300[6] people. As a region the percentage rate of working households is above the national average (61.4% against 58.2%) as is the employment rate (75.8% against 74.3%). There are 529,500 people in the region who are economically inactive (20% of the working age population), 131,500 (24.8%) are seeking employment and claiming Job Seekers' Allowance (JSA).

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 one to ten staff. Less than 1% of employers employ 200+ staff, however these large employers do make-up the largest share of people employed at 30%[7].

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 competitiveness[8].

The pattern of those claiming JSA follows broadly the pattern of deprivation in the region. There are high levels of unemployment in the urban areas. The highest regional rates are in the cities of Leicester (4.8%) and Nottingham (4.4%), compared to a regional average of 2.4%. The urban areas including Derby (3.5%), as well as Lincoln (3.2%), Corby (3.1%), Chesterfield (3.2%) and Bolsover (3%) districts all have claimant rates at 3% or above. Rates of claiming JSA are higher amongst males than females, with the highest rates of men claiming in Leicester 6.9%, and Nottingham 6.4%.

Data from the health deprivation and disability domain of the Indices of Multiple Deprivation 2004, suggests that the north and east of the region have higher levels of inactivity due to ill health and disability. The likelihood of holding qualifications is lower amongst those limited by long-term illness or disability and so those areas that have higher rates of economic inactivity and higher rates of health deprivation, are more likely to have lower qualifications levels amongst the population and so compounding reasons for residents not easily entering the labour force.

The most employment deprived areas are concentrated in the former coalfield areas Mansfield and Ashfield, Bolsover and Chesterfield; in Nottingham (Strelley, Aspley, St Ann's, Sneinton and the Meadows) and Bassetlaw, and there are also important concentrations of employment deprivation in Derby, Lincoln, Leicester, and the East Lindsey district of Lincolnshire, with above average levels also in North East Derbyshire and Corby[9].

	Derbyshire		Leicestershire		Lincolnshire & Rutland		Northamptonshire		Nottinghamshire		East Midlands	
	2004/05	2005/06	2004/05	2005/06	2004/05	2005/06	2004/05	2005/06	2004/05	2005/06	2004/05	2005/06
Working Age population aged 20 to 64	442,000	444,700	371,200	386,400	389,600	448,900	450,700	2,034,300	2,048,700	373,500	385,800	390,200
% aged 20 to 64 without a Level 2 qualification	34%		32%		31%		33%		30%		31% against a national statistic of 30%	

[5]ONS 2003 based sub-national population projections
[6]NOMIS
[7]ABI 2004 taken from NOMIS 1/9/06
[8]EMDA, The East Midlands 2006: Evidence base for the review of the RES, July 2006 pg182
[9]Green, Mapping Deprivation in the East Midlands, pg16

3.3 Population profiles

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

3.3.1 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[10].

Although there are more women working in the region than nationally, they are not as well paid as women in other areas. Average annual earnings in 2005 were 6.6% lower than the national average, at £17,713 a year. On average, earnings for men were over £11,000 higher than for women, the greatest differential of all the regions (45.8%)[11]. When comparing full time employment earnings males earned an average of £6,400 per annum more than females.

3.3.2 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 and Nottingham City. In Leicester City the majority of people from an ethnic minority background are from Indian heritage (25.73% of the overall population) and in Nottingham City this is the Pakistani (3.64%), Indian (2.28%) and the Black or Black Afro Caribbean (3.44%) communities.

People from ethnic heritages have a lower economic activity rate than those from a white heritage (65.6% compared to 79.9%[12]). However, in interpreting this statistic it is important to take into account cultural assumptions regarding the role of family members in child-rearing, rather than paid employment.

3.3.3 Disability

In the East Midlands, 19.4% of the working age population are disabled. 4.2% are Disability Discrimination Act (DDA) only disabled, and 3.8% are work-limited disabled only[13]. The East Midlands are the fourth 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) and Severe Disability Allowance (SDA) are located in Nottingham City (11.2%) and Leicester City (8.4%)[14].

14% of those claiming IB have undertaken training and learning in the last 12 months (compared to 50% of residents in the East Midlands overall). 41% of those that had undertaken training and learning had done so towards a qualification.

22% of those claiming IB said that they were likely to undertake training or learning in the next 12 months compared to 48% of respondents in the East Midlands overall. Those people claiming IB are less likely than East Midlands residents overall to identify skills needs.

3.4 Offending

3.4.1 The East Midlands has the fourth highest crime rate in England and Wales, with 107 crimes per 1,000 population during 2004/05. Research shows that more than half of all crime is committed by people who have already been through the criminal justice system. What is clear is that criminal justice agencies cannot reduce re-offending alone. Nearly two-thirds of adult offenders report taking drugs before entering prison, half do not have settled accommodation prior to custody (one in five claims to have been sleeping rough), two thirds have no job, and over half do not have any qualifications[15].

3.4.2 Changing Ways, the second Regional Reducing Re-offending Action Plan, forms a holistic strategy for working with all offenders and sets out how agencies across the East Midlands will work together to reduce re-offending by both adult offenders (those aged over 18 years), whether serving sentences in custody the community or both and young offenders (those aged 10 to 17 years) returning from custody.

70% of East Midlands offenders in custody and 55% of offenders in the community were identified as having education, training or employment issues linked to their offending behaviour. Three quarters of prisoners do not have paid employment on release. 50% of male and 66% of female prisoners have no qualifications, with 50% not possessing the basic skills required by 96% of jobs. 50% of all prisoners are at or below level 1 in reading; 66% in numeracy; and 80% in writing.

3.4.3 The Offender Learning and Skills Service (OLASS) has the lead role in the delivery of Pathway 2 of Changing Ways 'Education, Training and Employment'. The Pathway aims to:

- Improve education, skills and training
- Engage employers to breakdown barriers
- Embed employment of ex-offenders in broader regional and local strategies.

3.4.4 OLASS aims to deliver:

- A strong and refreshed set of providers, charged with delivering a richer curriculum offer to offenders, in custody and in the community
- Better integration between custodial and community settings, improved assessment and learning planning within the context of sentence plans.
- Wider access to up-to-date information on learner progression and participation
- Strengthened partnership working between the LSC, Jobcentre Plus, Prisons, Probation areas, Youth Justice Boards and the National Offender Management Service.

[10]Taken from East Midlands Strategic Analysis 2007/08.
[11]emda, The East Midlands in 2006, pg169.
[12]Taken from East Midlands Strategic Analysis 2007/08.
[13]DDA disabled (current disability) include those who have a long-term disability which substantially limits their day-to-day activities'.
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'.
[14]Taken from East Midlands Strategic Analysis 2007/08.
[15]Reducing re-offending by ex-prisoners, social inclusion unit, 2002.

4.0 Education and Skills

4.1 Qualification levels

Of the total working age population (aged 16 to 64) 39% of these are not qualified at level 2. This percentage varies across the sub regions, with Leicestershire having the highest percentage without a level 2 qualification (40.6%) and Northamptonshire the lowest at 37%.

Table 2: Qualifications of working age adults by local LSC area, 2005.[16]

LSC area	% with no qualifications	% with NVQ level 1 only	% NVQ level 2+	% NVQ level 3+	% NVQ level 4+
Derbyshire	17.4	16.4	59.8	40.9	22.8
Leicestershire	16.2	14.8	59.4	42.0	23.0
Lincolnshire & Rutland	13.2	17.7	59.5	39.6	20.6
Northamptonshire	13.5	16.8	62.7	43.0	25.5
Nottinghamshire	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

Those without level 2 qualifications, match the following profile.

- more likely to be employed locally within low level occupations such as Manufacturing and Retail (account for 20% of the employment in this cohort).
- less likely to become employed within companies who have workforce development programmes.
- less likely to relate qualification attainment to improving job prospects (27%).

In addition, 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[17].

The proportion of individuals without a recognised qualification increases with age in the region[18]. 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.

The region's employers are more likely[19] to employ 17 and 18 year olds direct from college with level 2 or level 3 qualifications and migrant workers than adults without a level 2 qualification. Nationally 27% of employers intend to recruit from abroad to meet their professional vacancies and skills requirements. Around a fifth of employers reported that they found migrant workers had a greater level of commitment and willingness to work than UK-based job seekers. Migrant workers tend to be employed in lower level occupations when they possess intermediate or higher level skills and experience due to issues related to language and communication. However, employers recruiting from outside the UK were looking to fill vacancies at all levels of the skills spectrum.

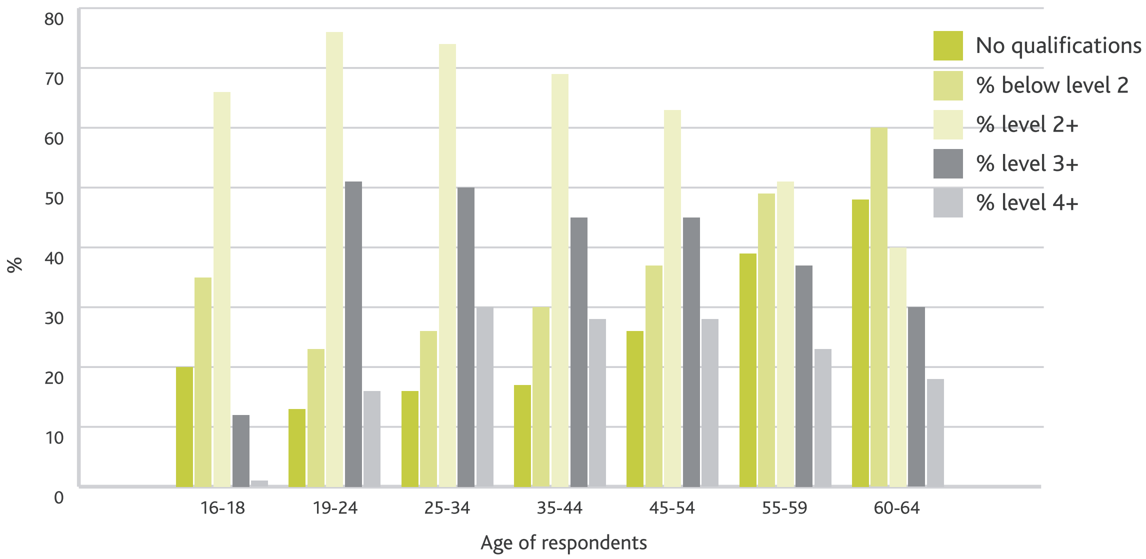
[16]Annual Population Survey Jan-Dec 2005.

[17]emda, The East Midlands 2006 pg140 & pg123 & pg139.

[18]LSC East Midlands Household Survey 2006.

[19]Chartered Institute of Personnel and Development (CIPD) August 2005.

Figure 2: Qualifications by age, East Midlands 2006[20]



Of the region's three 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[21]. 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.

Table 3: Sector Skill Council areas in the region with numbers of employees without level 2 greater than national averages.

• COGENT (chemical, nuclear, oil etc)	• LANTRA (environmental and land based)
• Creative and industrial industries	• Proskills (process and manufacturing)
• Facilities	• Skillfast - UK (apparel footwear, textiles)
• GoSkills (passenger transport)	• Skills Active (active leisure and learning)
• Skillsmart (retail)	

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 its reliance on a low-skill, low pay economy.

4.2 Basic skills

Broadly in the East Midlands few adults rate their skills[22] for life as being below average, although this percentage trebled amongst the unemployed. Only computer use figured strongly as a skill where residents felt their skills were at a low level. It was in this area too where they most wished to improve their skills. There is little difference across the sub regions in terms of residents' perceptions of their need to improve skills.

Table 4: Proportion of respondents rating their ability in specific skills areas as below average by employment status.

Respondents:	% All	% All in work	% not in work	% ILO* unemployed	% not in work but would consider working	% not in work, do not intend to work
Reading English	2.3	1.8	4.0	6.5	4.1	4.1
Writing and spelling English	3.2	2.3	5.6	8.7	5.6	5.4
Maths	4.4	3.3	7.8	9.9	8.2	7.1
Speaking and understanding English	1.4	0.9	2.7	3.8	3.1	3.3
Using a computer	17.9	15.4	25.3	23.2	29.9	35.5

* International Labour Organisation

[20]LSC East Midlands Household Survey 2006.
[21]APS 2005 (DfES analysis August 2005).
[22]2005Household Survey.

Table 5: Proportion of all respondents/number of all working age residents wishing to improve their abilities.

	East Midlands	Derbyshire	Leicestershire	Lincolnshire & Rutland	Northamptonshire	Nottinghamshire
Reading English	1.4%	1.4%	1.6%	1.0%	1.3%	1.5%
	35,815	8,150	9,094	4,169	5,117	9,284
Writing and spelling English	2.2%	2.1%	2.6%	1.8%	2.3%	2.3%
	57,417	12,320	14,209	7,390	8,907	14,589
Maths	2.5%	3.0%	2.3%	2.0%	2.2%	2.6%
	62,912	17,248	12,504	7,959	8,717	16,484
Speaking and under-standing English	1.0%	0.9%	1.4%	0.3%	1.1%	1.1%
	25,582	5,118	7,768	1,137	4,359	7,200
Using a computer	11.1%	11.8%	11.5%	8.1%	10.2%	12.8%
	285,001	68,804	63,467	32,594	39,986	80,146
Unweighted sample bases	13,510	2,732	2,692	2,662	2,716	2,708
Working age population base	2,560,082	582,277	553,398	403,253	392,663	628,474

Source: East Midland Household Survey 2006

93% of respondents in the household survey stated that English was their first language, which reflects the ethnicity of the area. However, in some of the sub-regions, this proportion drops considerably, with only 66.5% of Leicester City respondents stating this.

5.0 Employment

5.1 Occupation demand forecasts.

Across the region, the net requirement of employers is for intermediate and high level occupations. Not all of the occupation sectors are experiencing an expansion demand, but are experiencing a net requirement based upon the need to replace workers with intermediate/higher level skills who are retiring or leaving the sectors. This demand is increasing.

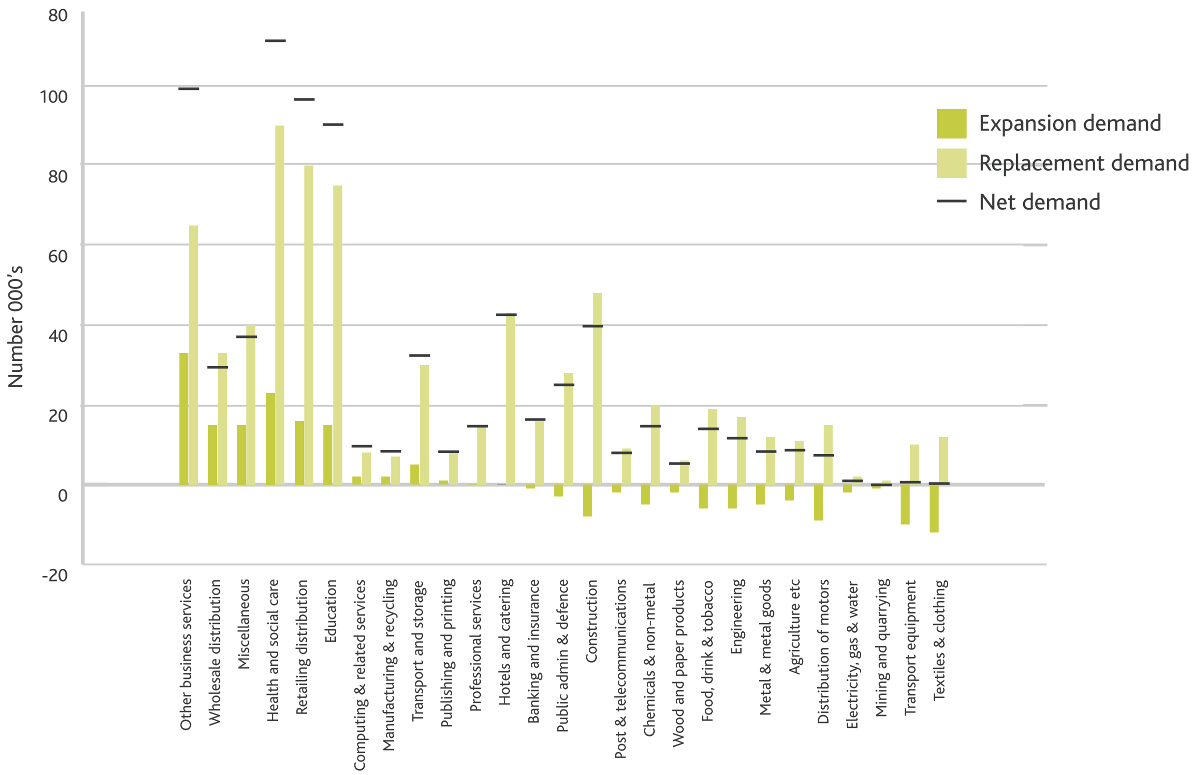
A level 2 qualification equips people to be employed in the low level occupations, and to cross over into intermediate levels of employment. Level 3 qualifications can secure employment in intermediate levels of employment.

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 sector[23]. Across the region there will be a net requirement for some 12,193 jobs from 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 services, such as distribution and education also show key volumes.

There are highly significant volumes of **replacement demand** in health and social care in the region, in addition to those sectors already mentioned above. The priority sector of construction also has significant replacement demand as does hospitality, which reports no expansion demand. The priority sector of engineering shows moderate levels of replacement demand. The top five sectors for net demand are health and social care; retailing distribution; other business services; miscellaneous and wholesale distribution. Only mining and quarrying has a zero net demand.

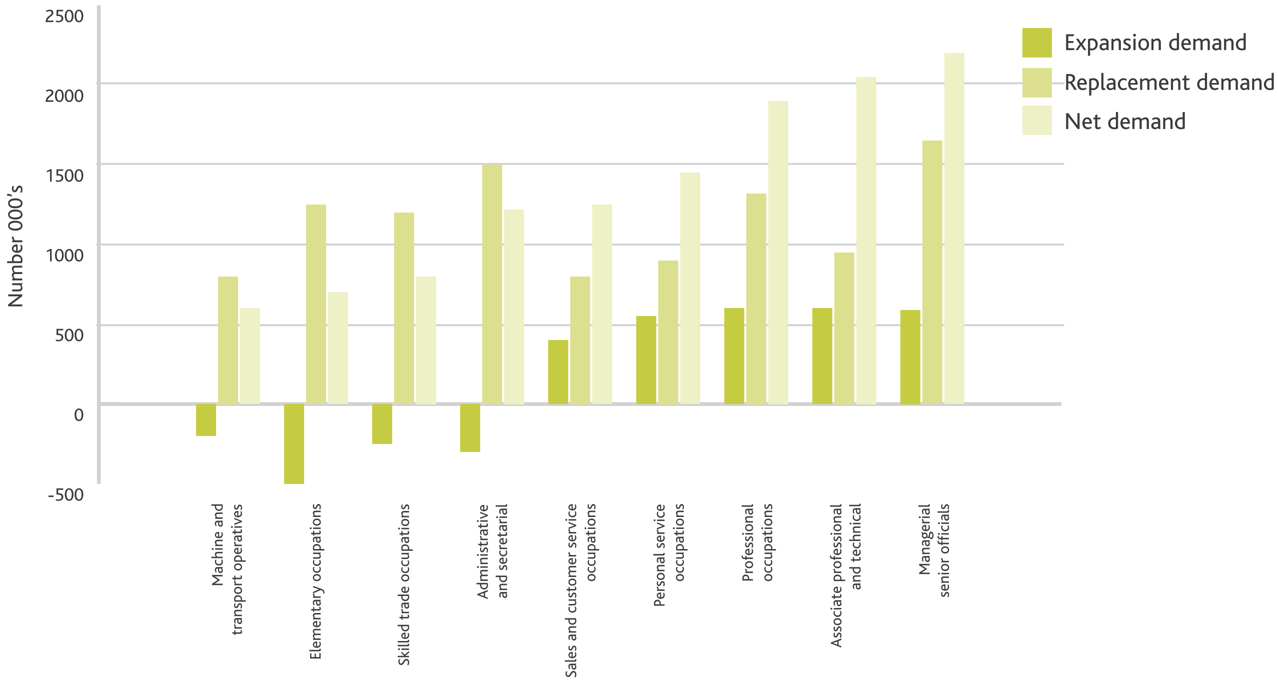
Figure 3 Sector Forecast for the East Midlands 2004-2014



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

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 3: Sector Forecast for the East Midlands 2004-2014.



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 (Not in Education, Employment or Training) group and for the Entry to Employment (e2e) programme for the future.

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

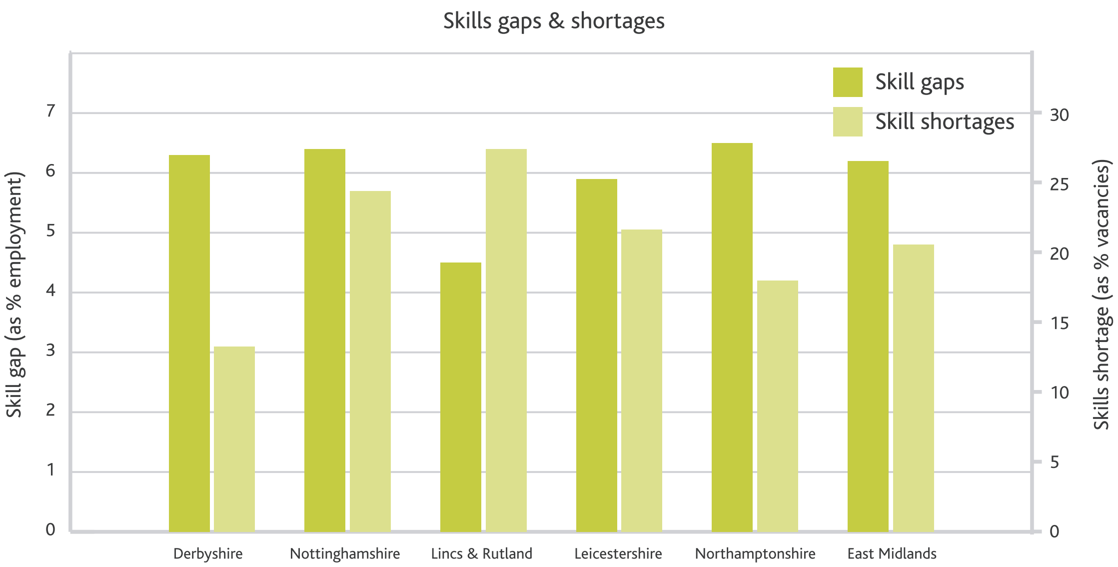
- Those people leaving declining sectors to either gain level 2 and level 3 skills for employability in sectors and occupations with demand
- Sector opportunities for apprenticeships for young people, and developing those opportunities with employers now.

5.2 Skills shortages

In 2005[24] there were 39,700 vacancies in the region - a reduction on 2003.

21% 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 average[25], and in Lincolnshire and Rutland (23%).

Figure 5: Skills gaps and shortages 2005.[26]



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 skills-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[27].

By occupation type, skilled trades represent the highest proportion of skills-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[28].

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 4 and above qualifications in the region and the unfulfilled state of the region's economy.

[24]The National Employer Skills Survey (NESS) 2005
[25]IER (Institute of Employment Research) skills needs in the East Midlands: An analysis of the NESS 2005,2006 (Leicestershire) P15
[26]NESS 2005
[27]LSC skills in England 2005 volume 1, pg20
[28]IER, Skills Needs in the East Midlands P14 IFF & NESS 2005 main report June 2006 pg31

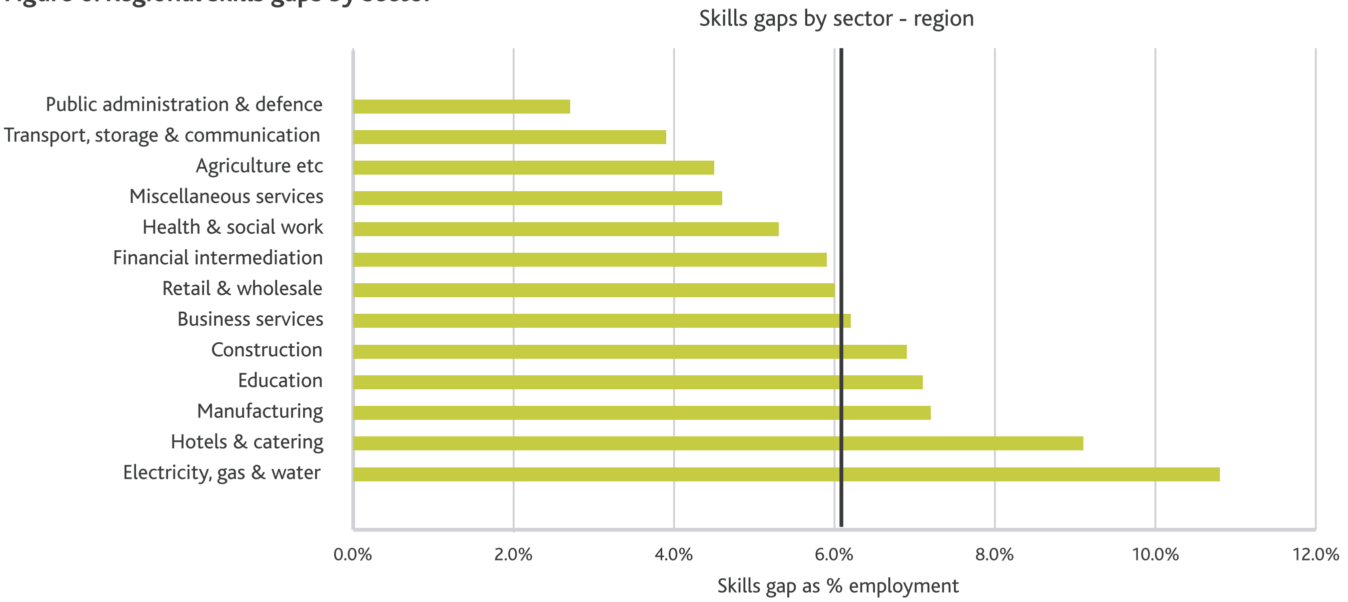
5.3 Skills gaps[29]

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 & Rutland, which has 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. 68% 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[30].

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

Figure 6: Regional skills gaps by sector[31]



Sector skills gaps by local area[32] 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 care.

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 level - Northamptonshire[33].

[29]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.
[30]NESS 2005 & BMG East Midlands Household Survey 2006: Main report pg93
[31]NESS 2005 (engineering sits within manufacturing but is 4.7% retail on its own 7.4%
[32]Where sample sizes allow.
[33]NESS 2005

5.4 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:

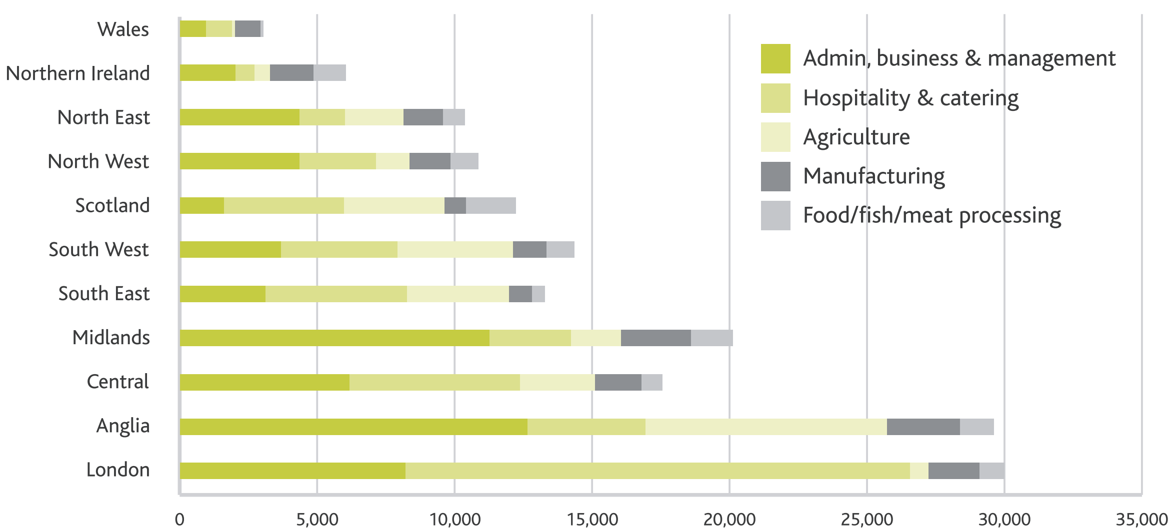
- Retailing 19%
- Wholesale distribution 23%
- Agriculture 22%
- Transport 26%
- Hotels and catering 29%

Only 20% of employers provided training for their staff that led to a National Vocational Qualification (NVQ) or equivalent. By regional priority sector, health and social care 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 hospitality reported lower than average accredited training.

5.5 Employment by group.

A key group of workers in the East Midlands are new arrivals to the country. Recent Home Office data indicates that the East Midlands region is the third most popular destination for migrant workers after London and the East of England. Data from the Workers Registration Scheme shows that in the East Midlands, 48% of applicants worked in administration, business and management, followed by hospitality and catering (13%) and manufacturing (11%)[34].

Figure 7: Migrant workers by region of residence and sector of employment.



[34]Home Office, 2006.

6.0 Specific employment sector demand issues across the three regional priority sectors matched to subject sector areas

6.1 Construction and the built environment.

Construction is a more significant sector for the regional economy than nationally, and has better productivity and higher earnings than the regional averages. Alongside immediate skills shortages, it is forecast to be one of the fastest growing sectors because of significant levels of development especially around Milton Keynes South Midlands (MKSM) and opportunities due to the 2012 Olympics.

6.1.1 Construction skills key messages

The construction sector is of strategic significance to areas such as urban renewal, housing, health, education and transport.

Average annual growth is expected to continue to be strong at 3% per annum from 2004-2010. Strongest growth is expected to be in commercial sub-sector, public and private housing and regeneration. Estimates suggest the region is likely to benefit from over £6 billion worth of work over the next 10 years. Real construction output is expected to be 23.9% higher in 2010 than 2004.

The refurbishment and maintenance sub-sector is the largest sub-sector accounting for 43% of the construction output; growth is expected to be around 7.9% per annum to 2010. Local authority housing maintenance work is predicted to account for over £1 billion over the next five years.

Workforce:

- 176,000 people are employed in the sector across the East Midlands
- The workforce is predominantly white, male and 39% of the workforce aged 40 and over
- A net requirement of 6,760 workers per annum is expected between 2004-2014 to replace those leaving or retiring from the sector. This is an addition to new entrants
- Employment is expected to be nearly 195,000 in 2010
- Employment in managers is forecast to rise by 1,800 over the forecast period. Wood trades are the second largest with 1,080
- 37% of the workforce is self employed which is likely to increase over the period 2004-2010.

Skills requirements:

- ConstructionSkills is looking for growth in apprenticeship programmes to increase the number of new recruits in the industry
- The industry has set a minimum requirement of level 2 or equivalent. Over 93,000 (53%) of the workforce do not have a level 2 qualification
- More provision is required for Maintenance Operations NVQ level 2 qualifications to meet demand across the region
- The sector has targeted a fully qualified workforce at all stages of the construction process and throughout the supply chain by 2010.

6.1.2 Building Services and engineering sector key messages

The sector provides the electrotechnical, heating, ventilating, air conditioning, refrigeration and plumbing services to buildings and property.

Workforce:

- Around 31,800 people are employed in the sector across the East Midlands
- The workforce is predominantly white, male and aged 40 and over
- A net requirement of 800 workers per annum is expected between 2004-2014 to replace those leaving or retiring from the sector
- Self employment is expected to increase along with growth across all occupations with the exception of elementary, machine and transport operative
- Administrative and secretarial occupations are expected to decline
- As a proportion of all SummitSkills employers within the region, Nottinghamshire represents 24%, Leicestershire 21% and Derbyshire 20%, Lincolnshire & Rutland and Northamptonshire 17%
- Nottinghamshire represents 36% of the total employment in the region and Leicestershire 24%.

Skills requirements:

- In addition to the training of new recruits, the sector is also facing the challenge of new technology in the business and engineering processes
- Employers in this sector are most likely to have acute skills-related recruitment difficulties (NESS 2005)
- Managers and professionals lack management qualifications
- More employers are needed that support apprenticeship training
- Employers need their craft workforce to be trained to NVQ level 3 through employer led apprenticeships
- Technical skills and practical skills are the most critical skills lacking in the workforce (NESS 2005)
- Plant and machine operatives and administrative staff lack problem solving, literacy and numeracy skills
- 7% of workforce reported to have skills gaps (NESS 2005)
- There is also a need for increased multiskilling in the sector with NVQ 3 qualified plumbers or electro-mechanical trained craft technicians to take additional training in other areas including new environmental and technical areas.

Forecast occupational demand.

Occupational area	2006	2010	Average annual requirement
Electrotechnical	13,150	14,510	570
Plumbers	4,855	5,378	173
Heating & ventilation	2,697	2,988	96
Air conditioning & refrigeration	1,392	1,351	33

Source: East Midlands Household Survey 2006

6.1.3 Property services sector key messages

The sector provides a range of support services to manage and maintain the places in which we live and work. The sector faces a constant challenge in recruitment and turnover problems, in particular low pay, conditions and image of the sector.

Workforce:

- The East Midlands workforce represents 5% of UK sector employment
- The workforce is predominantly white, (93%), with an ageing population
- 45% of the workforce is aged 45 and over, with very few young people entering the sector
- Females make up 59% of the workforce
- Employment projections indicate a decline of 10,000 to 26,000 employees from 2004 - 2014
- Replacement demand could double the employment projections
- The projections also point to growth in the percentage share of housing and welfare officers and an overall increase in the number of mobile machine drivers, road sweeping operators and elementary cleaners
- Early research from the SSC indicates an acute shortage of town planners in the property industry.

Skills requirements:

- 21% of the workforce, around 7,000 employees, has no qualifications
- The highest proportion of employees overall (39%) work within the cleaning industry with 82% (13,000) of its workforce without a qualification
- There is a need to widen access by establish delivery of NVQ level 3 in Town Planning to those not taking the traditional route at undergraduate level. An NVQ in Town Planning at level 3 and 4 awarded by ABBE (Award Body for the Built Environment) is on the NQF (National Qualifications Framework).

6.1.4 Energy and utilities sector key messages

The sector provides the installation, servicing and maintenance of electricity, gas, waste management and water industries to the UK economy.

Workforce:

- 32,000 People are employed in the sector across the East Midlands
- The workforce is predominantly white, male and aged 40 and over
- Workers in the sector are more likely to have higher level qualifications due to the skilled or technical nature of the work
- A net requirement of 800 workers per annum is expected from 2004-2014 to meet replacement demand
- Growth is expected across all occupations with the exception of administrative, secretarial, elementary and some professions
- 30% of the employers in the sector are concentrated in Nottinghamshire
- The highest proportion of employers is located in Nottinghamshire (34%), with Leicestershire at 28%
- Analysis indicates that electricity accounts for an estimated 25% of all employment in energy & utility skills activities in the East Midlands Region, gas 11%, refuse and sanitation 24% and wholesale activities 25%.

Skills requirements:

- Estimates suggest that around 33% of the workforce have qualifications below NVQ level 2
- 19% of the energy & utility skills workforce within the East Midlands region have no qualifications
- Management skills for managers
- Management and leadership provision to NVQ Level 3 for first line operational supervisors
- A range of gas operations and installation qualifications at NVQ levels 2 and 3 for new and existing employees.

6.2 Engineering and manufacturing technologies.

Engineering and manufacturing remains a major employer in the region, and is particularly vulnerable because of high levels of exports and exposure to international competition. This sector has large numbers of low qualified employees and significant replacement demand as the ageing (and more poorly qualified) workforce retires.

6.2.1 Engineering/manufacturing sector key messages

Workforce:

- Over the period 2004-2014 the total volume of the employed workforce is predicted to reduce by 19,600
- 50% of the workforce is aged between 25 and 44 years, 40% of the workforce is aged over 45 years
- Replacement demand is the key issue (predicted to be 39,000) resulting in an overall net requirement for employees.

Skills requirements:

The Sector Skills Agreement prioritised the following generic skills needs:

- Development of front line managers
- Productivity and competitiveness (business improvement techniques, lean manufacturing)
- Upskilling from level 2 to 3 (technical workforce development).

An increase in the volume and funding of level 3 qualifications is required in the following priority occupations:

- First line managers, craft/technicians at levels 2/3
- Priority qualifications
- Business improvement techniques (B-IT levels 2/3)
- Provision through CoVEs and other specialist development needs to take account of sub regional sub sector 'hot spots' e.g:
  - Aerospace (Derbyshire)
  - Motor vehicles (Derbyshire & Northamptonshire)
  - Ship and marine (Northamptonshire).

Table 6: Engineering skills forecast in the East Midlands by occupational area.

	Average annual requirement		
Occupational areas	2006/7	2007/8	2008/9
Managers	656	651	646
Professionals	362	358	354
Associate professionals	363	359	355
Administrative	668	675	682
Skilled trade	1,576	1,537	1,498
Sales	228	237	246
Machine operatives	2,590	2,536	2,145
Elementary	775	743	712

Source: NESS skills gaps by occupation and sector: assumes 10.5% regional share of overall sector skills gaps in line with share of total national workforce and predicted occupational increase/decrease (Working Futures 2).

Table 7: Forecast for levels 2 & 3 Business Improvement Techniques (B-IT) qualifications.

Engineering/manufacturing	Average annual requirement			
	2006/2007	2007/2008	2008/2009	2009/2010
Training forecast - B-IT level 2	530	1,050	2,640	3,690
For B-IT level 3	70	130	330	460

Source SSA/LSC Skills Balance Sheet; Sept 2006

6.2.2 Food and Drink Manufacturing - key messages

Workforce:

- SSC forecasts 11% decline in employment by 2014
- Significant replacement demand - an additional 13,000 workers required by 2014
- Higher skill level occupations - managers, senior officials, professionals particularly important, (50% more managers required in next 8 to 10 years)
- Average age in sector is 40, majority (90%) of workers are over 25 - issues regarding adult funding.

Skills requirements:

- Five core skill issues;

1 Management/supervision

2 Basic skills

3 Technical - food technologists, food scientists, engineers (maintenance and refrigeration)

4 Craft - butchers, poultry dressers, bakers, cheese-makers, fishmongers and machine operators

5 Language and communication skills for migrant and immigrant workers who are a significant and essential component of workforce.

80% of the training in this sector is delivered in-house (only 7% is delivered by FE colleges), consequently much of the training is not linked to qualifications. There exists considerable scope for delivering first level 2 qualifications in this sector by the FE system.

There are some 15,000 people with no qualification or a qualification below level 2 working in the food and drink sector in the East Midlands - 37% of the workforce (Source: Improve 2005). In order to achieve the LSC's target of reducing the number of people without a level 2 qualification by 40% by 2010, 6,000 of the employees require a level 2 qualification.

Table 8: Food and drink manufacturing recruitment forecast by occupational area.

	Average annual requirement		
Occupational areas	2005/6	2006/7	2007/8
Managers	230	230	230
Professionals	92	92	92
Associate professionals	186	186	186
Administrative	152	152	152
Skilled trades	200	200	200
Personal service	8	8	8
Sales	82	82	82
Machine operatives	361	361	361
Elementary	314	314	314
Total	**1,625**	**1,625**	**1,625**

Table 9: Workforce NVQ level 2 training forecast.

Food and drink manufacture	Average annual requirement			
	2006/2007	2007/2008	2008/2009	2009/2010
Training forecast - existing workforce requiring NVQ level 2	1,000	1,500	1,750	1,750

Source: LSC targets

6.2.3 Process and manufacturing key messages

Workforce:

There are 3,345 sector employers in the region accounting for 17% of the total in England.

57% of employers have less than five staff.

Priority occupations are operatives (41%), skilled trades (14%) and managers (11%).

Skills requirements:

- 15% of employers report skills gaps
- 50% of the sector workforce is not qualified to level 2
- Priority Qualifications - B-IT NVQ levels 2 and 3.

Future developments - the sector is currently considering Apprenticeship frameworks at all ages.

Table 10: Net employment requirement 2004-2014.

	Proskills	UK economy	East Midlands estimate (based on 11% proportion of Proskills Footprint)
Managers and senior officials	26,000	2,287,000	2,860
Professional	7,000	2,006,000	770
Associate professional and technical	25,000	1,901,000	2,750
Skilled trades	13,000	984,000	1,430
Administrative and secretarial	2,000	1,197,000	220
Personal service	2,000	1,325,000	220
Sales and customer service	2,000	1,227,000	220
Process, plant and machine operatives	19,000	709,000	2,090
Elementary	-4000	558,000	-440

6.3 Health, public services and care.

Health and social care is forecast very fast growth due to the demographic changes and the forecast demand for services. Main growth will be in higher and intermediate occupations - however the sector is already a large employer, and currently has nearly 50,000 employees without level 2 or equivalent qualifications.

6.3.1 'Skills for Health' key messages

Workforce:

- The creation of one single Strategic Health Authority in the East Midlands by March 2007 will cause significant job losses for the region
- An ageing workforce leading to increasing levels of replacement demand.

Skills requirements:

The following occupational areas have been identified by Skills for Health to have skill shortages:

- Public and community health
- Integrated service delivery (health and social care)
- Prison and custodial care
- Diagnostics and disease management
- Assistant and advanced practitioners, mental health and learning disabilities, assessors and trainers.

Skills for Health have identified the following qualifications as key:

- Skills for Life level 2 numeracy and literacy
- English for Speakers of Other Languages (ESOL)
- NVQ 2-3 Pharmacy Services
- NVQ 3 BTEC National Certificate in Pharmacy Services
- NVQ 3 in Oral Healthcare and in Dental Nursing
- NVQ for IT User ITQ levels 2-3
- NVQ 2-4 Health and Social Care.
- NVQ2 First Diploma in Caring.
- NVQ2 BTEC First Diploma in Health and Social Care.
- NVQ2-3 Certificate in Working with People who have Learning Disabilities.

Table 11: Workforce NVQ level 2/level 3 training forecast.

	Average annual requirement			
	2006/2007	2007/2008	2008/2009	2009/2010
Level 2	1,565	4,890	4,470	4,470
Level 3	2,630	4,120	3,690	3,690
Level 2 literacy		5,710	5,290	5,290
Level 2 numeracy		6,150	5,700	5,700

Source: SSA/LSC Skills Balance Sheet, Sept 2006

6.3.2 Children's and Young Peoples' Services (Children's Workforce Development Council) - key messages

Workforce:

The workforce is growing in response to the huge demand for childcare to meet the national targets of 180,000 new childcare workers will be needed by the sector by 2006. Two million new places will be needed for children by 2010.

- By 2012 these occupations are expected to account for 9.5% of regional employment
- Sector workforce is predominantly female at 98.6%
- SkillsActive estimate that the number of people employed in the region in play work is 10,000
- The Children's Workforce Development Council call for a focus on mature entrants, men, black and ethnic minority groups and disabled people
- The childcare workforce is 98.6% female and 1.4% male
- Only 0.4% of the workforce is declared disabled. 97% Of the workforce is White British.
- 32% of the workforce is aged over 39 yrs.
- 28% Work at least 35 hours and 29% are working less than 16 hours per week.
- There is a high staff turnover in the sector, between 2004 and 2014 it is estimated that 63,000 vacancies will be created by people leaving their jobs or retiring.
- There is an annual growth requirement for 1,470 play workers.

Skills requirements:

Generic and bespoke leadership and management skills, level 2 and 3 qualifications are important to meet national targets. The Children's Workforce Development Council call for a particular focus on level 3. The following occupational areas have been identified to have skill shortages:

Full day care, playgroups/crèches, out of school clubs, childminders, play workers, day care and residential children's homes, family centres and children's centres.

Priority qualifications for this sector are:

- NVQ 2-4 Children's Care, Learning and Development
- NVQ 3-4 in Learning, Development and Support Services for Children
- Young People and Those who Care for Them and NVQ 2-3 Play work.

A target of 9,858 level 2/3 qualifications split 4,804 level 2 and 5,054 level 3 is set for the East Midlands.

6.3.3 Skills for care key messages

Workforce:

- Working Futures 2002-2012 forecast an increase of 68,000 jobs in caring personal service occupations which represents an annual growth rate of 4.4%
- By 2012 these occupations are expected to account for 9.5% of regional employment
- The sector workforce is predominantly female at 80%.
- The predominant workforce group are 35-49 year olds, 40% of the total
- Skills for Care are keen to recruit from the under-represented groups of young people, men and black and ethnic minority groups.

Skills requirements:

The following occupational areas have been identified to have skill shortages: Social care workers, domiciliary workers, day care workers, care managers, occupational therapists and care assistants/nurses working in independent homes.

Level 2 and 4 qualifications are particularly important to meet the targets set to achieve national minimum standards:

- NVQ 2-4 Health and Social Care
- NVQ 2 First Diploma in Caring
- NVQ 2 BTEC First Diploma in Health and Social Care
- NVQ 2-3 Certificate in Working with People who have Learning Disabilities
- NVQ 4 Registered Manager Award.

Table 12: Training forecast - existing workforce requiring NVQ level 2/level 3.

	Average annual requirement			
	2006/2007	2007/2008	2008/2009	2009/2010
Level 2	1,659	1,719	1,781	1,845
Level 3	1,743	1,806	1,871	1,938

Source: Working Futures 2002-2012

Table 13: Training forecast - existing workforce requiring NVQ level 2/level 3.

	Average annual requirement			
	2006/2007	2007/2008	2008/2009	2009/2010
Level 2	3,916	4,057	4,203	4,354
Level 3	2,387	2,473	2,562	2,654

6.4 Key planning issues

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

- Ensure sufficient availability of level 2 qualifications to enable the 120,000 (predicted to increase) employed individuals in the region's key sectors without a level 2 to achieve this passport to employability
- Ensure a match between the supply of relevant qualifications in key sectors to meet the needs of the region's forecast annual net recruitment requirements as identified by SSAs, over the next eight years
- Increasing the proportion of adult participation and achievement in first full level 2, full level 3 and Skills for Life qualifications, in line with the SSAs, particularly in the identified regional and local key sectors
- Ensure that there exists sufficient level 3 provision available to meet the replacement demand and intermediate skills requirements of the regions priority sectors
    - Management qualifications.
    - Sector specific priority level 3 qualifications identified within the SSAs/SSC reports
- Progression to levels 3 and 4 is part of the strategic offer for adults in each local area to ensure an improved economic base for the region:
    - For the Early Years and Adult Care sectors to meet national minimum standards.
    - To provide a clear progression ladder into Higher Education for the construction sector.
    - Improves the accessibility and availability of foundation degrees and other level 4 qualifications in the key sectors
- Ensure sufficient availability of Skills for Life qualifications to address the needs of the 20% (529,500 people) of the working age population who are economically inactive prioritising the 131,500 (25%) of these who are actively seeking work
- Commissioning provision which will significantly improve all success and achievement rates by:
    - 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 qualifications and framework completions
- Ensuring providers collect an employer contribution of at least 50% for learners aged over 18 on Apprenticeships
- Ensuring priority funding for LLDD learners aged 19 – 24 years of age targeted at increasing the capacity of FE Colleges and WBL providers to deliver learning and skills progression for LLDD with more complex support needs
- Commission provision development for LLDD that:
    - Develops "centres of excellence" in the support and progression of LLDD learners identified as priority areas of demand in the regional LLDD strategy
    - Implements collaborative planning and delivery for specialist LLDD provision between colleges, specialist providers and stakeholders outside the LSC to meet the needs of those who require complex or highly specialised support
    - Supports collaborative provision development between the FE system, Children's and Young Peoples Services and Health/Adult Social Services
- Train to Gain brokers, SSCs, providers and employers 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 to meet replacement demand
    - 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 the health and social care, construction and hotel and catering sectors
- Through Train to Gain brokers, providers, SSCs and the Confederation of British Industry (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
- Work with Jobcentre Plus to ensure sufficient availability of qualifications to address hard to fill vacancies, particularly in Nottinghamshire, Lincolnshire and Rutland, within the skilled trades and associate professional occupations, and in construction, particularly in Northamptonshire and Leicestershire
- Further analys's at a regional and local level the participation and funding of priority learners in partially, or does not contribute to target provision to ensure that priority learners are not disadvantaged in the following areas/ circumstances:
    - 'Speaking' and 'Listening' English for Speakers of Other Languages (ESOL) provision (not full ESOL qualification) that currently 'does not contribute to targets', of particular importance to migrant and immigrant workers wishing to access employment that matches their employment skills
    - High quality vocational and academic and non accredited provision that delivers vital progression routes for vulnerable priority learners e.g. LLDD.

7.0 Learning and Skills Supply

7.1 FE regional adult participation summaries.

Between 2004/05 and 2005/06 there has been a 23% reduction in the number of adults participating in education and training in the East Midlands with a local range that varies between 39% and 3%. This trend is planned to continue in 2006/07. Policy drivers by the LSC to reduce the level of franchising by colleges during the two years in question, has also had an effect on the levels of participation. These reductions are twice those in the national planning assumptions.

There is little shift (2% across the period) between part time and full time learning across the region in the adult sector.

Table 14: Adult FE participation summary.

	2004/05 F05 (Funding Out-turn)	2005/06 F04 (Funding Out-turn)	% Change	2006/07 AMPS (Allocations Management Payments System)	Planned % change 2005/06 to 2006/07
Derbyshire	77,399	70,747	-9.0%	43,144	-39%
Leicestershire	83,562	60,072	-28%	48,729	-17%
Lincolnshire & Rutland	35,312	21,836	-38%	21,156	-3.0%
Northamptonshire	25,792	20,653	-20%	17,340	-16%
Nottinghamshire	93,435	68,590	-27%	59,378	-13%
East Midlands	**315,500**	**242,528**	**-23%**	**189,747**	**-23%**

Table 15: Full Time Equivalents.

	2004/05 F05 (Funding Out-turn)	2005/06 F04 (Funding Out-turn)	% Change	2006/07 AMPS	Planned % change 2005/06 to 2006/07
Derbyshire	10,313	8,996	-13%	8,657	-4.0%
Leicestershire	14,314	12,385	-13%	11,302	-7.0%
Lincolnshire & Rutland	5,002	3,841	-23%	4,076	-6.0%
Northamptonshire	5,727	4,859	-15%	4,695	-3.0%
Nottinghamshire	15,370	12,935	-16%	12,559	-3.0%
East Midlands	**50,726**	**43,016**	**-15%**	**41,289**	**-4.0%**

7.1.1 Participation by type of provision.

There have been significant changes in the areas of participation as colleges changed the balance and mix of their provision to meet the LSC's priorities. The overall proportion of enrolments in high priority provision has increased by 10% between 2004/05 and 2005/06.

High priority provision that contributes to national targets. Enrolments have increased by 4% in 2005/06 as a proportion against the overall totals of enrolments each year.

Between 2004/5 and 2005/6 the percentage participation at level 2 increased by 1% and at level 3 remained static at 2%, in high priority contributory areas. However enrolment volume has increased significantly at level 2 by 32% (nearly 4,000) and by 14% (nearly 1,200) at level 3. With an increase also recorded in Skills for Life provision the total volume of enrolments has also increased in 2005/06 by 25%.

Enrolments overall in 'provision that contributes to national targets' has increased by 18% in volume against the previous year, and by 4% as an overall proportion of learners in year.

Enrolments in 'high priority provision that does not contribute to national targets' increased by 5%.

Enrolment volume in 'provision not contributing to national targets' has fallen by 16% (nearly 60,000) and by 4% as an overall proportion of learners in year.

This is set against an overall decline in enrolments across the mix and balance of provision by 12% (52,000).

Table 16: Matrix 2005/06 FO4 (Funding Out-turn) enrolments.

Provision	Target contribution	High	%	Medium	%	Low	%	Total	%
Contributes to target	Skills for Life	22,433	6.0%	1,129	0.0%	0	0.0%	23,562	6.0%
	Full level 2	16,409	4.0%	2,844	1.0%	3,001	1.0%	22,254	6.0%
	Full level 3	9,323	2.0%	2,871	1.0%	1,787	0.0%	13,981	4.0%
	Total	**48,165**	**13%**	**6,844**	**2.0%**	**4,788**	**1.0%**	**59,797**	**16%**
Partial contribution to target	Partial level 2	2,637	1.0%	1,206	0.0%	1,843	0.0%	5,686	1.0%
	Total	**2,637**	**1.0%**	**1,206**	**0.0%**	**1,843**	**0.0%**	**5,686**	**1.0%**
Does not contribute to target		212,046	55%	64,763	17%	40,424	11%	317,233	83%
	Total	**212,046**	**55%**	**64,763**	**17%**	**40,424**	**11%**	**317,233**	**83%**
	Grand total	**262,848**	**69%**	**72,813**	**19%**	**47,055**	**12%**	**382,716**	**100%**

Table 17: Matrix 2004/05 FO4 (Funding Out-turn) enrolments.

Provision	Target contribution	High	%	Medium	%	Low	%	Total	%
Contributes to target	Basic Skills	17,830	4.0%	0	0.0%	1,337	0.0%	19,167	4.0%
	Full level 2	12,433	3.0%	3,721	1.0%	3,151	1.0%	19,305	4.0%
	Full level 3	8,166	2.0%	2,730	1.0%	1,284	0.0%	12,180	3.0%
	Total	**38,429**	**9.0%**	**6,451**	**1.0%**	**5,772**	**1.0%**	**50,652**	**12%**
Partial contribution to target	Partial level 2	3,257	1.0%	2,086	0.0%	1,811	0.0%	7,154	2.0%
	Total	**3,257**	**1.0%**	**2,086**	**0.0%**	**1,811**	**0.0%**	**7,154**	**2.0%**
Does not contribute to target		216,076	50%	101,853	23%	58,989	14%	376,918	87%
	Total	**216,076**	**50%**	**101,853**	**23%**	**58,989**	**14%**	**376,918**	**87%**
	Grand total	**257,762**	**59%**	**110,390**	**25%**	**66,572**	**15%**	**434,724**	**100%**

7.1.2 FE funding summary

National planning assumptions for the period 2005/6 to 2007/8 were that funding rates would increase by 2.5% per year. For the East Midlands these assumptions have been shown to be incorrect. The funding for adults has fallen by less than the participation change.

Between 2004/5 and 2005/6 this was a 10% reduction against the 23% fall in participation and in 2006/7 this is forecast to be an 14% reduction by comparison with a 23% fall in participation.

7.1.3 FE funding allocations - summary of allocations and claims

There has been an overall reduction in planned FE funding of 5.15% across the region from 2004/05 to 2005/06. This is against an actual funding reduction of 7% by F05 and F04 claims for the same period. Predictions are that both planned and actual claimed funding will reduce at a significantly higher rate in 2006/07.

Table 18: Percentage reduction in planned adult funding (AMPS FE) between academic years.

	2004/5 - 2005/6	2005/06 - 2006/7
Derbyshire	-3.73%	-10.99%
Leicestershire	-2.76%	-8.25%
Lincolnshire & Rutland	-12.01%	-4.90%
Northamptonshire	-4.67%	-11.21%
Nottinghamshire	-6.12%	-8.30%
East Midlands	**-5.15%**	**-8.84%**

Table 19: FE Adult funding comparison of claims and 2006/07 planned allocations.

	2004/05 FO5	2005/06 F04	% Change	2006/07 AMPS	% Change	% Change 2004/07
Derbyshire	35,076,892	35,314,393	0.0%	27,017,951	-23%	-23%
Leicestershire	45,572,285	43,099,501	-5.0%	35,857,967	-17%	-21%
Lincolnshire & Rutland	15,867,089	13,137,142	-17%	12,293,989	-6.0%	-22%
Northamptonshire	17,919,745	15,981,825	-11%	11,934,999	-25%	-33%
Nottinghamshire	52,971,315	47,655,829	-10%	42,145,436	-12%	-20%
East Midlands	**167,407,326**	**155,188,689**	**-7%**	**129,250,342**	**-17%**	**-23%**

Source: Regional Performance Report V12

7.1.4 Costs per learner and Full Time Equivalent (FTE) in FE.

Costs per learner across the region increased from 2004/05 to 2005/06 by 21% and are planned to increase by a further 6% in 2006/07. The increases over the full period (2004/06) are:

Derbyshire:	38%
Leicestershire:	34%
Lincolnshire & Rutland:	25%
Northamptonshire:	5%
Nottinghamshire:	25%
East Midlands:	28%

The funding per FTE also rose between 2004/5 and 2005/6 by 9%. The forecast for 2006/07 indicates that the finding per FTE will have reduced by 13% from 2005/06. The regional pattern of costs per FTE by area is inconsistent.

Table 20: Costs per learner by area.

	2004/05 F05			2005/06 F04			2006/07 AMPS		
	No of learners	Funding £	Cost per learner £	No of learners	Funding £	Cost per learner £	No of learners	Funding £	Cost per learner £
Derbyshire	77,399	35,076,892	453	70,747	35,314,393	499	43,144	27,017,951	626
Leicestershire	83,562	45,572,285	545	60,702	43,099,501	710	48,729	35,868,780	732
Lincolnshire & Rutland	35,312	15,867,089	449	21,836	13,137,142	602	21,156	12,293,989	493
Northamptonshire	25,792	17,919,745	695	20,653	15,981,825	774	17,340	12,682,999	776
Nottinghamshire	93,439	52,971,315	567	68,590	47,655,829	695	59,378	42,145,436	710
East Midlands	**315,500**	**167,407,326**	**531**	**242,528**	**155,188,689**	**640**	**189,747**	**129,250,342**	**681**

Table 21: FTE costs by area.

	2004/05 F05			2005/06 F04			2006/07 AMPS		
	No of FTEs	Funding £	Cost per FTE £	No of FTEs	Funding £	Cost per FTE £	No of FTEs	Funding £	Cost per FTE £
Derbyshire	10,313	35,076,892	3,401	8,996	35,314,393	3,925	8,657	27,017,951	3,121
Leicestershire	14,314	45,572,285	3,184	12,385	43,099,501	3,480	11,302	35,868,780	3,174
Lincolnshire & Rutland	5,002	15,867,089	3,172	3,841	13,137,142	3,420	4,076	12,293,989	3,016
Northamptonshire	5,727	17,919,745	3,129	4,859	15,981,825	3,289	4,695	12,682,999	2,701
Nottinghamshire	15,370	52,971,315	3,446	12,935	47,655,829	3,684	12,559	42,145,436	3,356
East Midlands	**50,726**	**167,407,326**	**3,300**	**43,016**	**155,188,689**	**3,608**	**41,289**	**129,250,342**	**3,130**

Table 22: % change in costs per FTE.

	% Change 2004/05 to 2005/06	Planned % change 2005/06 to 2006/07
Derbyshire	+15%	-21%
Leicestershire	+9.0%	-9%
Lincolnshire & Rutland	+8.0%	-12%
Northamptonshire	+5.0%	-23%
Nottinghamshire	+7.0%	-9.0%
East Midlands	**+9.0%**	**-13%**

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7.1.5 Additional learning support (ALS) funding

There is not a clear consensus in colleges about the aims and purposes of ALS. While individual colleges can justify the provision they make, the absence of such a consensus makes it difficult to judge whether the pattern of provision meets need or whether the allocations are equitable.

In 2004/5 19,395 learners aged 16+ in the East Midlands received support through ALS at a total cost of £30,525,046. As a proportion of total expenditure on FE colleges ALS amounted to 8.96% compared with a national average proportion of 7.3%.

More than 90% of ALS funds allocated to the East Midlands are distributed across the 20 general FE colleges and four sixth form colleges in the region.

Table 23: Total Funding (£) for ALS by local LSC area - East Midlands.

	2002-03	2003-04	2004-05	% Change
Derbyshire	4,099,056	5,918,214	6,884,120	67.9%
Nottinghamshire	9,420,985	9,082,047	10,617,342	12.7%
Lincolnshire & Rutland	2,136,546	3,254,718	2,888,632	35.2%
Leicestershire	6,140,764	6,712,078	7,080,871	15.3%
Northamptonshire	3,049,652	2,300,374	3,709,169	21.6%
East Midlands	**24,847,003**	**27,267,431**	**31,180,134**	**25.5%**

In 2004/05, 19,395 learners in the East Midlands received support through ALS. Since 2002/03, the region has experienced an overall increase in learner numbers for ALS of 4.9% (below the national average of 9.8%), however the trend across the region has been varied. While Derbyshire, Northamptonshire, Lincolnshire & Rutland and Leicestershire all had increases in the level of ALS support, Nottinghamshire on the other hand recorded a large drop of 23.4%.

ALS for learners aged 19 years and over fell across the region between the three years by 4.1%. It is apparent that this fall was mainly as a consequence of the large drop in the ALS 19+ learners in Nottinghamshire (31.9% drop). Interestingly, Derbyshire instead noted a significant rise (78.9%), therefore it is clear that demand patterns are emerging across the region and each local LSC area is experiencing quite distinctive changes.

Adult 19+ female and male learners requiring ALS have dropped since 2002/03 by an average of 13.3% and 10.9%. There have been disproportionate falls in adult ALS learners of Asian or Asian British (39.8%), Black or Black British (34.7%) and any other background (46.6%), which raises potential equitable access issues for provision.

Comparing learners from the 20% of wards identified as the most deprived with those from the 20% identified as least deprived, the former are 53% more likely to receive ALS than the latter. Overall the likelihood of receiving ALS increases with social deprivation.

Receipt of ALS is linked with the level of course being undertaken. A learner on a level 1 programme is around 2.2 times as likely to receive ALS as one on a level 3 programme: a learner on a level 2 programme is around 1.5 times as likely to receive ALS as one on level 3.

There is substantial variation in the cost of support proposed by individual institutions. There was more consistency in the type of support offered by colleges; the largest element was teaching staff time followed by learning support assistants (LSAs). The differences in cost result from differences in pay rates. Some colleges appear to use specialist staff at a relatively high cost while others may use less skilled and cheaper support staff.

The current pattern of expenditure on ALS may be able to be substantially predicted from data held on the Individual Learner Record (ILR) in relation to numbers of students, their level and their degree of disadvantage.

At the same time there is a need for joint planning between specialist and mainstream provision to meet the needs of those who require complex or highly specialised support by developing collaborative provision between colleges, specialist providers and stakeholders outside the LSC.

The following planning issues emerge for early action within the 2007/08 business cycle:

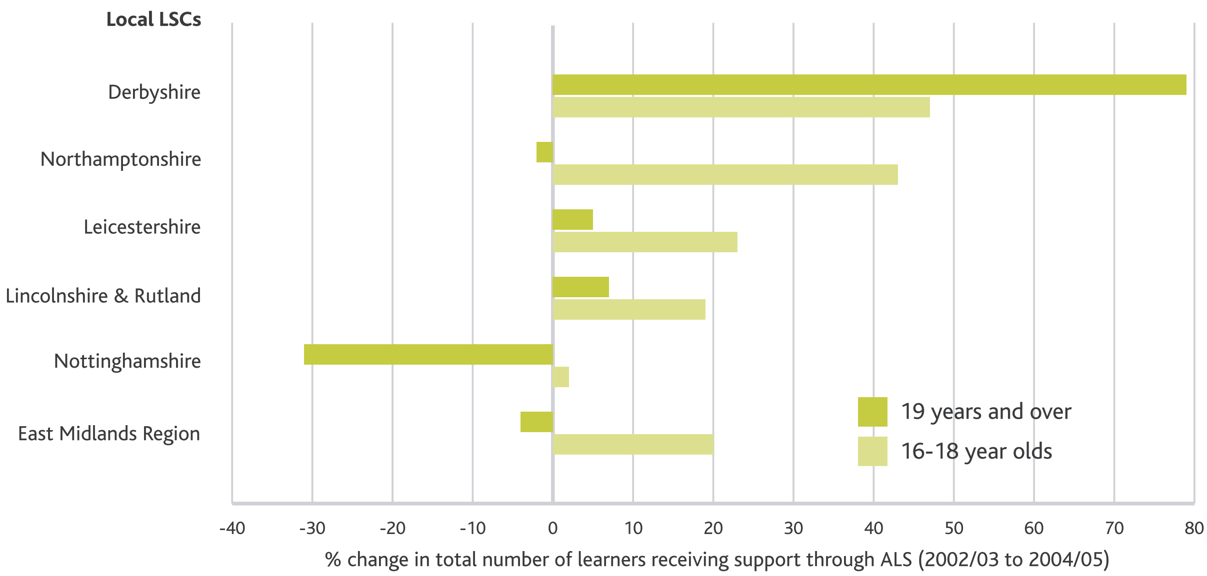
- Investigate the feasibility of implementing a formulaic approach to ALS funding allocations that, for the majority of learners provides consistency and equity. It would also reduce bureaucracy by removing the need for it to be audited
- Investigate the feasibility of providing equity for the smaller volume of LLDD with highly specialised or complex needs who require expensive forms of support being delivered by a mechanism outside the general formula with perhaps funding held regionally to reflect the uneven and sporadic incidence of such need.

Table 25: Total number of learners receiving ALS by local LSC area.

	2002-03	2003-04	2004-05	% Change
Derbyshire	2,490	3,276	4,097	64.5%
Nottinghamshire	7,885	6,525	6,237	-20.9%
Lincolnshire & Rutland	1,489	2,115	1,684	13.1%
Leicestershire	4,347	4,640	4,801	10.4%
Northamptonshire	2,271	2,106	2,576	13.4%
East Midlands	**18,482**	**18,662**	**19,395**	**4.9%**
National	198,025	205,240	217,437	9.8%

Source: Regional Performance Report V12

Figure 8: % change in total number of learners receiving support through ALS by age group (2002/03 to 2004/05).



7.1.6 Funding the balance and mix of provision in FE.

There is evidence from FE colleges that the East Midlands is reaching the limits of its flexibility in the shift of funding from adult to 16-18 and in its capacity to deliver the first level 2 target effectively in the required sectors. The very large falls in participation against the falls in adult funding are also indicators of this trend. In both the small LSC areas, (Lincolnshire & Rutland and Northamptonshire), these pressures are even more evident.

This limiting of flexibility appears to be due to three reasons:

1 Larger than cohort growth in 16-18 participation for 2006/7 in these two areas

2 Colleges directing more of their funds and staff time to increases in level 2 participation compared to, for example, skills for life learning

3 Colleges increasing participation differentially in priority sectors which are expensive to fund - engineering and construction, for example.

Managing the participation and funding of priority learners in 'partial contribution to targets' and 'does not contribute to targets' requires further detailed analysis at a regional and local level to ensure that priority learners are not disadvantaged in the following areas/circumstances:

- 'Speaking' and 'listening' ESOL provision that 'partially contributes to targets', of particular importance to migrant and immigrant workers wishing to access employment that matches their employment skills
- High quality vocational and academic NQF and non accredited provision that delivers vital progression routes for vulnerable priority learners e.g. LLDD.

Curriculum shift away from non priority areas is taking place. 2005/06 has seen an 9% increase in the proportion of the overall budget funding 'high priority provision that contributes to the national targets' and a 1% increase in the funding of 'high priority provision that does not contribute to the national targets'.

There has been an increase of 5% in level 2 and 3% in full level 3 activities between the two years. In 'high priority provision that contributes to the national targets' there has been an increase of 4% at level 2 and 2% at level 3.

£17.6 million of funding was reduced in non-contributory areas (7%). Overall a further £10 million of funding found its way into high priority contributory areas in 2005/6 compared to 2004/5. This clearly indicates that FE providers are working at the Priorities for Success and these priorities are having an impact both in reducing provision the LSC does not want as well as increasing provision that is required.

A minimal -1% change is seen in the proportion of the budget funding 'low priority provision not contributing to national targets'. The most significant changes are seen in 'medium priority provision not contributing to targets' which has reduced by 10% and in the funding of 'high priority' provision overall has increased by 10%.

Table 26: Funding matrix 2005/06 FO4 (excludes additional support costs).

Provision	Target contribution	High	%	Medium	%	Low	%	Total	%
Contributes to target	Skills for Life	£8,163,755	6.0%	£376,554	0.0%	£??	0.0%	£8,540,309	6.0%
	Full level 2	£15,278,072	11%	£2,796,789	2.0%	£4,208,791	3.0%	£22,283,652	17%
	Full level 3	£9,526,336	7.0%	£4,303,639	3.0%	£2,202,474	2.0%	£16,031,850	12%
	Total	**£32,968,164**	**25%**	**£7,476,382**	**6.0%**	**£6,411,265**	**5.0%**	**£46,855,811**	**35%**
Partial contribution to target	Partial level 2	£1,287,842	1.0%	£620,675	0.0%	£695,380	1.0%	£2,603,897	2.0%
	Total	**£1,287,842**	**1.0%**	**£620,675**	**0.0%**	**£695,380**	**1.0%**	**£2,603,897**	**2.0%**
Does not contribute to target		£57,647,100	43%	£17,498,609	13%	£8,491,741	6.0%	£83,637,449	63%
	Total	**£57,647,100**	**43%**	**£17,498,609**	**13%**	**£8,491,741**	**6.0%**	**£83,637,449**	**63%**
	Grand total	**£91,903,105**	**69%**	**£25,595,666**	**19%**	**£15,598,387**	**12%**	**£133,097,158**	**100%**

Table 27: Funding matrix 2004/05 FO4.

Provision	Target Contribution	High	%	Medium	%	Low	%	Total	%
Contributes to target	Basic Skill	£5,874,638	4.0%		0.0%	£409,203	0.0%	£6,283,841	4.0%
	Full level 2	£9,995,960	7.0%	£3,484,703	2.0%	£3,751,659	3.0%	£17,232,322	12%
	Full level 3	£6,754,166	5.0%	£3,825,287	3.0%	£1,571,146	1.0%	£12,150,599	9.0%
	Total	**£22,624,764**	**16%**	**£7,309,990**	**5.0%**	**£5,732,008**	**4.0%**	**£35,666,762**	**25%**
Partial contribution to target	Partial level 2	£1,382,029	1.0%	£818,965	1.0%	£773,290	1.0%	£2,974,284	2.0%
	Total	**£1,382,029**	**1.0%**	**£818,965**	**1.0%**	**£773,290**	**1.0%**	**£2,974,284**	**2.0%**
Does not contribute to target		£59,033,416	42%	£32,483,527	23%	£9,717,298	7.0%	£101,234,242	72%
	Total	**£59,033,416**	**42%**	**£32,483,527**	**23%**	**£9,717,298**	**7.0%**	**£101,234,242**	**72%**
	Grand total	**£83,040,209**	**59%**	**£40,612,482**	**29%**	**£16,222,596**	**12%**	**£139,875,287**	**100%**

7.1.7 Partnership/franchised provision

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

The funding picture is different. Overall partnership/franchised provision funding has reduced from 16% to 11%. As proportions against the overall total funding partnership funding reduced from 6% to 2% with franchised provision marginally changing from 10% to 9%. Partnership/franchised provision in Nottinghamshire at 18% forms a 6% higher proportion of the total funding compared to the regional average. Franchised provision funding in Nottinghamshire increased slightly in 2005/06 and accounts for 40% of the regional total.

Table 28: Partnership/franchised provision.

			Delivered by partner		Franchised provision		Not franchised or delivered by a Partner		% Enrolments partnership/ franchised provision
			Enrolments	Total funding	Enrolments	Total funding	Enrolments	Total Funding	
Derbyshire	2004/05	F05	6,346	£1,844,594	19,180	£4,380,706	93,461	£28,777,329	21%
	2005/06	F04	2,010	£683,176	9,412	£2,961,063	93,125	£31,622,750	11%
Leicestershire	2004/05	F05	12,281	£1,476,801	17,214	£5,832,908	99,079	£38,129,382	23%
	2005/06	F04	831	£299,651	9,9862	£4,484,804	86,273	£36,153,739	11%
Lincolnshire & Rutland	2004/05	F05	2,612	£1,370,734	9,979	£1,531,809	39,226	£12,924,447	24%
	2005/06	F04	0	£0	2,009	£689,481	29,207	£12,412,123	6.0%
Northamptonshire	2004/05	F05	1,115	£570,762	1,053	£572,637	42,850	£16,718,897	5.0%
	2005/06	F04	1,023	£431,982	190	£147,081	31,803	£15,338,266	3.0%
Nottinghamshire	2004/05	F05	21,281	£4,453,348	16,201	£5,199,207	120,089	£43,189,673	24%
	2005/06	F04	7,281	£1,695,654	13,529	£5,510,774	90,218	£40,324,042	18%
East Midlands	**2004/05**	**F05**	**43,635**	**£9,716,239**	**63,627**	**£17,517,266**	**394,705**	**£139,739,727**	**21%**
	2005/06	**F04**	**11,145**	**£3,110,463**	**35,002**	**£13,793,203**	**330,626**	**£137,850,919**	**12%**

Source: Regional Performance Report V13

7.1.8 Fee income.

The planned increases in national fee assumptions (below) present a challenge to FE colleges to embed amongst the adult population an expectation that those people/employers who can afford to pay for learning, or make some form of financial contribution, do so.

2004/05 - 25%

2005/06 - 27.5%

2006/07 - 32.5%

The region is yet to collect fees at a rate in excess of 50% of planned income levels. Nottinghamshire has delivered the largest increase in fee collection (at 9%) in the two year period.

Against the year on year reduction of adult FE budgets it is vital that FE colleges increase their fee income levels to more closely match the planned levels of income. The 5% increase in the national planning assumptions for 2006/07 present a difficult challenge to FE colleges set against a planned budget reduction of 8%.

Table 29: Fee income.

	Return	Return	19 Plus				
			Fee remission	Theoretical fee element	Actual fees collected	% of theoretical fee collected	Enrolments
Derbyshire	2004/05	F05	1,809,622	6,098,569	2,147,002	35%	118,987
	2005/06	F04	2,387,303	6,393,140	2,095,495	33%	104,547
Leicestershire	2004/05	F05	3,064,460	6,567,444	2,687,282	41%	128,574
	2005/06	F04	3,438,930	6,345,656	2,689,245	42%	96,966
Lincolnshire & Rutland	2004/05	F05	797,344	2,982,607	1,132,534	38%	51,817
	2005/06	F04	786,469	2,634,644	1,172,284	44%	31,216
Northamptonshire	2004/05	F05	1,037,032	2,732,072	1,111,668	41%	45,018
	2005/06	F04	1,045,721	2,643,285	1,011,048	38%	33,016
Nottinghamshire	2004/05	F05	2,689,678	8,735,498	3,146,937	36%	157,571
	2005/06	F04	3,608,285	7,313,505	3,407,737	47%	111,028
East Midlands	**2004/05**	**F05**	**9,398,136**	**27,116,190**	**10,225,423**	**38%**	**501,967**
	2005/06	**F04**	**11,266,709**	**25,330,230**	**10,375,809**	**41%**	**376,773**

Source: Regional Performance Report V13

7.2 Adult and community learning (ACL) participation and funding summary.

7.2.1 Participation.

CO (the ACL equivalent of the ILR) data regarding participation, funding and success with regard to ACL provision is sparse in scope across the region and remains an area of development. Currently 2004/05 is the only year where a comparison can be drawn between planned and actual learner volume.

Planned learner volume decreased by 24% across the region between 2004/05 and 2005/06. Local area reductions ranged from 18% in Derbyshire and Northamptonshire to 38% in Leicestershire.

Planned learner volume in 2006/07 is predicted to increase by over 11% across the region. The local area increases ranging from 2.7% in Leicestershire to 27% in Derbyshire. Lincolnshire & Rutland has planned a -2% decrease for the same period.

The comparison of planned and actual learner volume for 2004/05 identifies a varied pattern across the region from Northamptonshire delivering 18% above planned levels to Nottinghamshire being 37% below planned learner volume.

Table 30: ACL Planned and actual learner volume 2004/05.

	2004/05 Full Year		
	Planned	Actual	% Difference
Derbyshire	10,284	11,941	16%
Leicestershire	25,596	22,126	-14%
Lincolnshire & Rutland	11,610	11,104	-4%
Northamptonshire	12,066	14,248	18%
Nottinghamshire	17,405	11,023	-37%
East Midlands	**76,961**	**70,442**	**8%**

Source: Regional Performance Report V12

Table 31: Planned learner volume - source toolbox.

East Midlands region	2004/05	2005/06	2006/07	Nottinghamshire	2004/05	2005/06	2006/07
PCDL	63,365	46,217	49,111	PCDL	8,500	6,000	10,525
First Steps	5,714	3,625	6,840	First Steps	5,714	3,000	0
Wider Family Learning (WFL)/ family literacy, language & numeracy	6,091	6,574	7,138	WFL/family literacy, language & numeracy	1,400	1,850	2,250
Neighbourhood learning in deprived communities	1,791	2,057	2,150	Neighbourhood learning in deprived communities	1,791	1,357	1,400
Total	**76,961**	**58,473**	**65,239**	**Total**	**17,405**	**12,207**	**14,175**
% Change from previous year		**-24%**	**+11.6%**	**% Change from previous year**		**-30%**	**+16%**

Derbyshire	2004/05	2005/06	2006/07	Leicestershire	2004/05	2005/06	2006/07
PCDL	10,284	12,169	13,900	PCDL	20,905	13,350	13,856
First Steps			1,540	First Steps			
WFL/family literacy, language & numeracy				WFL/family literacy, language & numeracy	4,691	2,480	2,410
Neighbourhood learning in deprived communities				Neighbourhood learning in deprived communities			
Total	**10,284**	**12,169**	**15,440**	**Total**	**25,596**	**15,830**	**16,266**
% Change from previous year		**-18%**	**+27%**	**% Change from previous year**		**-38%**	**+2.7%**

Lincolnshire & Rutland	2004/05	2005/06	2006/07	Northamptonshire	2004/05	2005/06	2006/07
PCDL	11,610	6,380	5,230	PCDL	12,066	8,318	5,600
First Steps		625	2,820	First Steps			2,480
WFL/family literacy, language & numeracy		1,344	1,578	WFL/family literacy, language & numeracy		900	900
Neighbourhood learning in deprived communities				Neighbourhood learning in deprived communities		700	750
Total	**11,610**	**8,349**	**9,628**	**Total**	**12,066**	**9,918**	**9,730**
% Change from previous year		**-28%**	**+15%**	**% Change from previous year**		**-18%**	**-2%**

ACL provision makes a small contribution in terms of learners studying towards full level 2/3 and Skills for Life qualifications. Current data sources do not have the capacity to measure progression into further learning from First Steps, Neighbourhood Learning in Deprived Communities or Family Learning which are programmes that do provide learners with progression opportunities including activities that count towards Public Sector Agreement (PSA) targets.

Table 32: ACL actual learner numbers by age band.

	2004/05 full year				
	1 - 15	**16 - 18**	**19 - 24**	**25+**	**Total**
Derbyshire	98	113	399	11,331	11,941
Leicestershire	1,293	410	1,193	19,230	22,126
Lincolnshire & Rutland	319	159	375	10,251	11,104
Northamptonshire	896	182	507	12,663	14,248
Nottinghamshire	285	398	765	9,575	11,023
East Midlands	**2,891**	**1,262**	**3,239**	**63,050**	**70,442**

Source: C03 2004/5 ILR corporate reports data as of April 2006, C01 2005/06 ILR corporate reports data.

7.2.2 Funding.

ACL planned allocations have been reduced by £1.586 million - 7.45% between 2004/5 and 2006/7. This change has occurred almost entirely from 2005/06 to 2006/07 when the 90% safeguard came into operation.

Table 33: ACL funding 2004/5 - 2006/7 (AMPS).

Year	2004/2005	2005/2006	2006/2007
Derbyshire	£6,283,694	£6,244,794	£5,750,745
Leicestershire	£6,464,205	£6,510,393	£5,981,140
Lincolnshire & Rutland	£2,464,911	£2,464,911	£2,307,864
Northamptonshire	£2,285,598	£2,285,598	£2,114,540
Nottinghamshire	£3,794,823	£3,794,823	£3,552,711
East Midlands	**£21,293,231**	**£21,300,519**	**£19,707,000**

Table 34: % Planned reductions in ACL funding between academic years.

Year	2004/2005 to 2005/2006	2005/2006 to 2006/2007
Derbyshire	-0.62%	-7.91%
Leicestershire	0.71%	-8.13%
Lincolnshire & Rutland	0.00%	-6.37%
Northamptonshire	0.00%	-7.48%
Nottinghamshire	0.00%	-6.38%
East Midlands	**0.03%**	**-7.48%**

7.3 Work based learning (WBL) 19+ provision.

WBL funding for adults in the region has shown a planned reduction of -4.70% in 2005/06, with a further consistent reduction of -4% for 2006/07.

Table 35: Planned WBL funding 19+.[35]

	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%	£3,628,183	-6.66%
Leicestershire	£3,328,421	£3,057,357	-8.14%	£2,981,762	-2.47%
Lincolnshire & Rutland	£2,733,882	£2,533,217	-7.34%	£2,491,694	-1.64%
Northamptonshire	£2,906,278	£3,027,760	4.18%	£2,766,112	-8.64%
Nottinghamshire	£5,528,370	£5,298,275	-4.16%	£5,228,781	-1.31%
East Midlands	**£18,681,500**	**£17,803,569**	**-4.70%**	**£17,096,532**	**-3.97%**

Table 36: Actual WBL participation 19+against toolbox targets.[36]

	2003/04 (actual) AiL*	2004/05 (actual) AiL	2005/06 (target) AiL	2005/06 (actual) AiL	% change 2004/05 to 2005/06 target	2006/07 (planned) AiL	% change 2005/06 actual to 2006/07planned
Derbyshire	1,696	1,693	1,580	1,619	-6.67%	1,463	-9.6%
Leicestershire	1,352	1,502	2,120	1,313	41.15%	1,701	29.5%
Lincolnshire & Rutland	1,227	1,115	1,049	1,045	-5.92%	1,085	-3.8
Northamptonshire	1,419	1,282	1,250	1,238	-2.50%	1,598	29%
Nottinghamshire	2,532	2,519	2,577	2,469	2.30%	2,619	6.0%
East Midlands	**8,224**	**8,111**	**8,576**	**7,685**	**5.73%**	**8,466**	**10.16%**

*Average in Learning

Actual participation in 2005/06 fell by 5.25% from 2004/05. For 2006/07 however an increase of 10% is planned against a national increase of 4.5%.

In the financial year 2005/06 the region's WBL budget was actually under-spent in both 16-18 and 19+ funding streams by approximately £3 million[37], 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.

Table 37: 19+ Apprenticeship and NVQ programme participation.

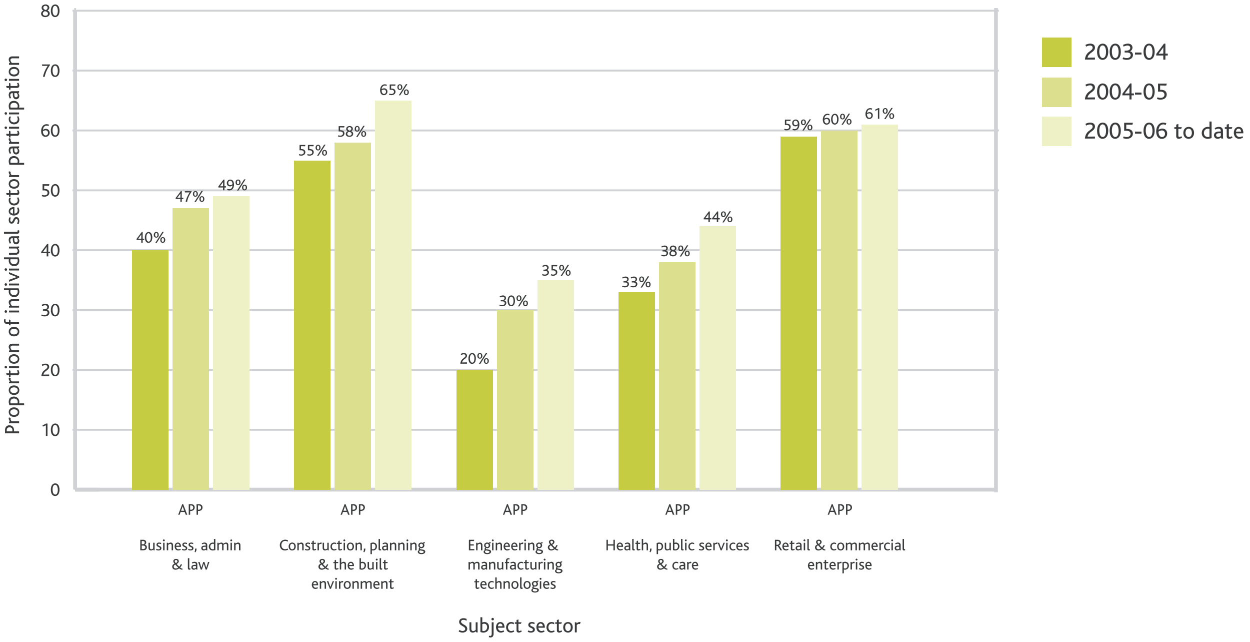
	2003/04	2004/05	2005/06 P12 to date
19+ Apprenticeship	44%	48%	52%
19+ Advanced Apprenticeship	39%	40%	43%
19+ NVQ only	17%	12%	5%

[35] WBL AMPS November 2006.

[36] East Midlands Regional Performance Report 2003/04 & 2004/05 actual, 2005/06 actual. 2005/06 target & 2006/07 planned from summary statement of activity - toolbox 5/10/06.

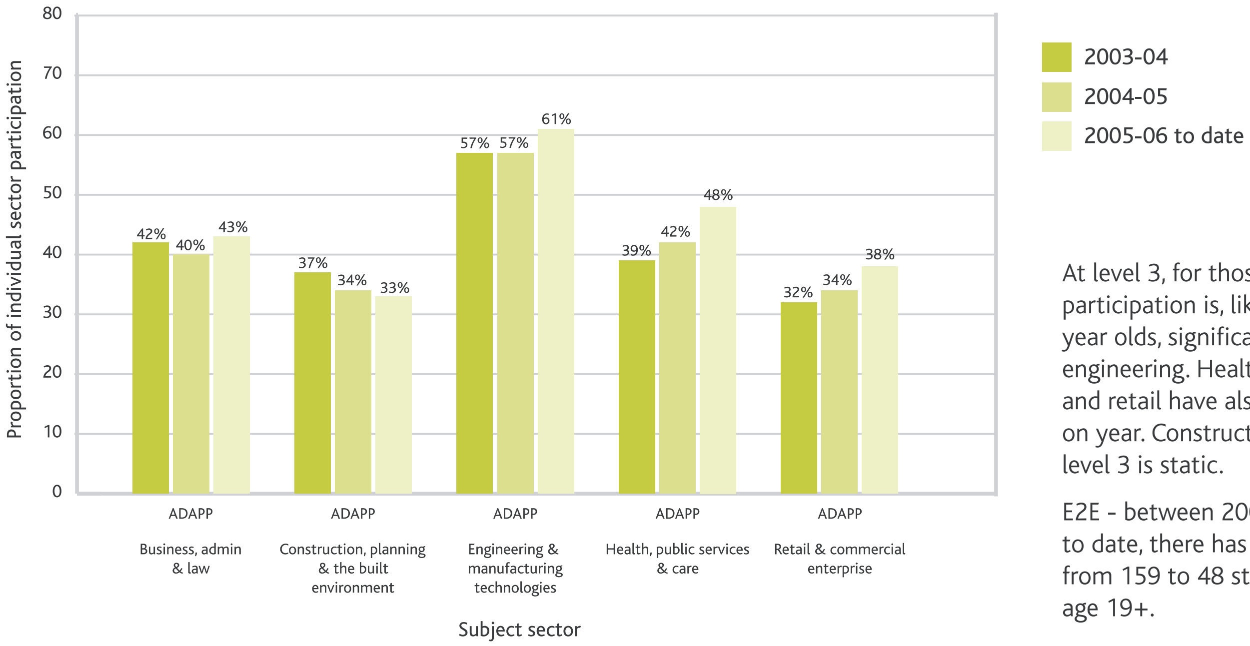
[37] Approximate figures from cashflow reports as final returns are still coming in.

Figure 9: 19+ Participation in Apprenticeships by sector.



Participation at 19+ in Apprenticeship programmes is highest in construction and retail. There have been notable increases in Apprenticeship participation in construction, engineering and health and social care based on the trend data and is further evidence that the region's policy focus on these priority sectors to be working.

Figure 10: 19+ Participation in Advanced Apprenticeships by sector.



At level 3, for those aged 19+, participation is, like that for 16-18 year olds, significantly highest in engineering. Health and social care and retail have also increased year on year. Construction participation at level 3 is static.

E2E - between 2003/04 and 2005/06 to date, there has been a reduction from 159 to 48 starts (-70%) at age 19+.

7.3.1 Key planning issues:

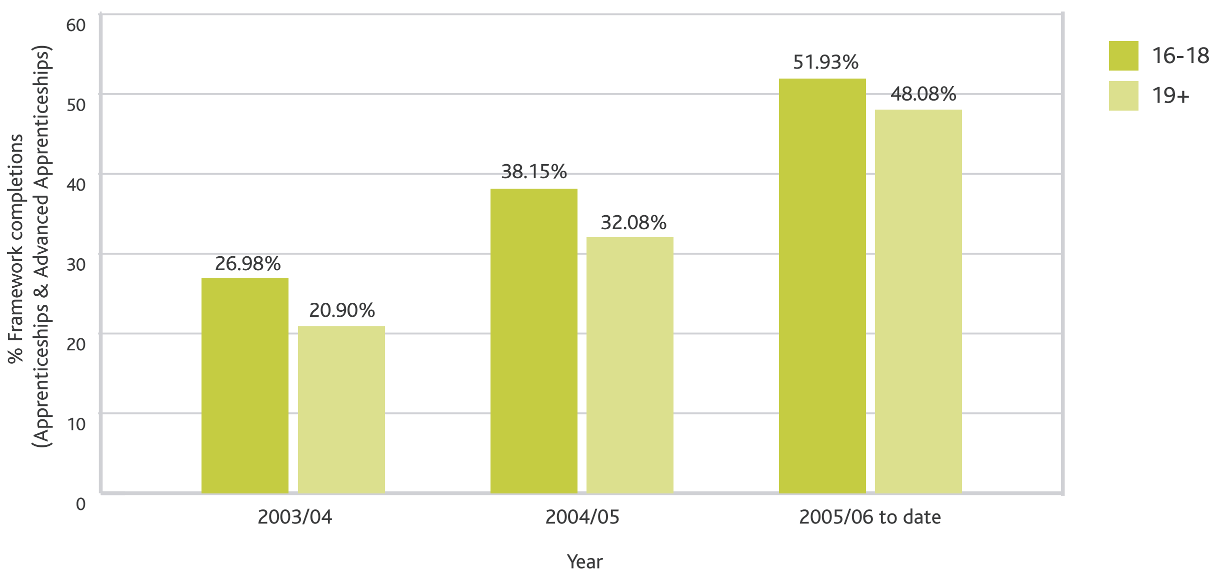
In drawing up its commissioning plan, the region needs to ensure the following issues relating to provision are addressed for learners aged 19+:

- Any re-investment opportunities are used to tackle key demand issues in the priority skills sectors across the region to meet the net requirements of employers. The 19+ cohort participation will need to be increased
- The low percentage of post-19 participants in engineering (25%) needs to be addressed, particularly in the light of the increasing age of the population and the need for replacement demand
- More post-19 apprentices and advanced apprentices need to be attracted to the construction industry, since the current participation proportion is only 30%
- Since demand for health and social care employees is greater than the national trends, the 8% reduction in participation must be addressed in future commissioning
- Participation in engineering is increasing, but replacement demand is higher that 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.

7.3.2 Achievements.

The region has seen significant increases in the 19+ overall framework completion rates between 2003/04 and 2005/06 to date as evidenced below:

Figure 11: Comparisons of regional performance - framework completions.[38]



There have also been notable increases in framework completion rates for all ages at Apprenticeship and Advanced Apprenticeship level, although Advanced Apprenticeships at 19+ remain below 16-18 performance.

Table 38: Framework completion rates by age, level and year.[39]

Age	2003/04	2004/05	2005/06 to date			
	App	Adv App	App	Adv App	App	Adv App
16-18	30.94%	34.02%	42.26%	44.15%	56.11%	55.99%
19 +	26.08%	26.42%	39.73%	33.72%	55.52%	50%

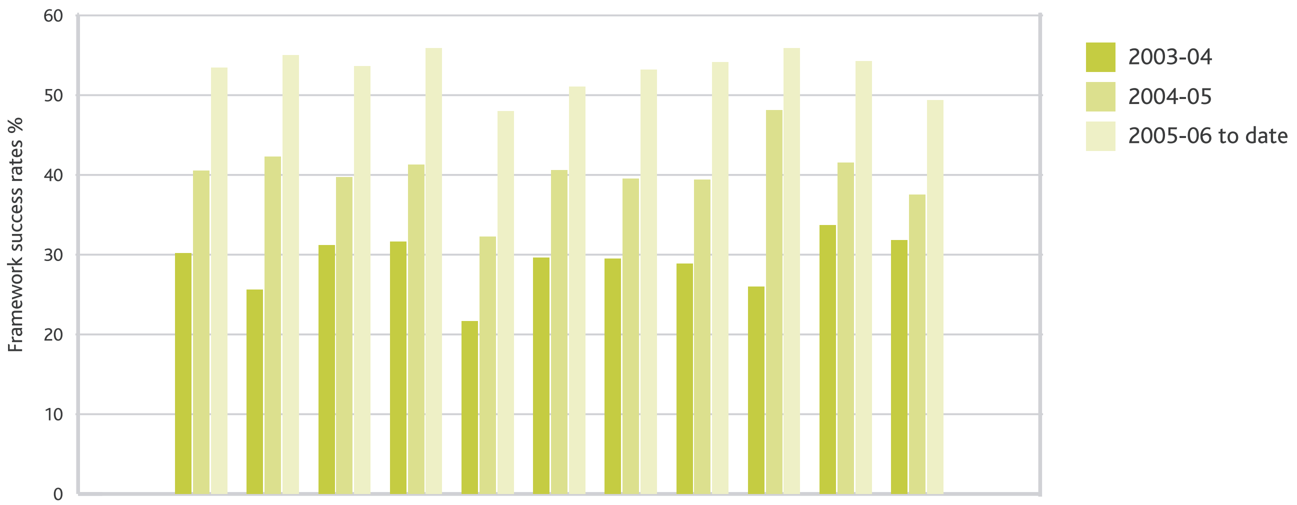
[38] East Midlands Regional Performance Report V 11 (2005/06 P12).

[39] East Midlands Regional Performance Report V 13.

The following shows the region's performance for all age groups, compared to the national picture and each of the nine regional areas, plus National Employer Service (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 12: Overall performance at level 2 - Apprenticeship frameworks.



	National	NES	East of England	East Midlands	Greater London	North East	North West	South East	South West	West Midlands	Yorkshire & Humberside
2003/04	30.20	25.58	31.19	31.61	21.65	29.65	29.49	28.90	26.01	33.71	31.82
2004/05	40.53	42.31	39.69	41.27	32.27	40.60	39.54	39.37	48.10	41.51	37.52
2005/06 to date	53.42	55.02	53.61	55.89	48.02	51.07	53.17	54.13	55.87	54.27	49.35

Area

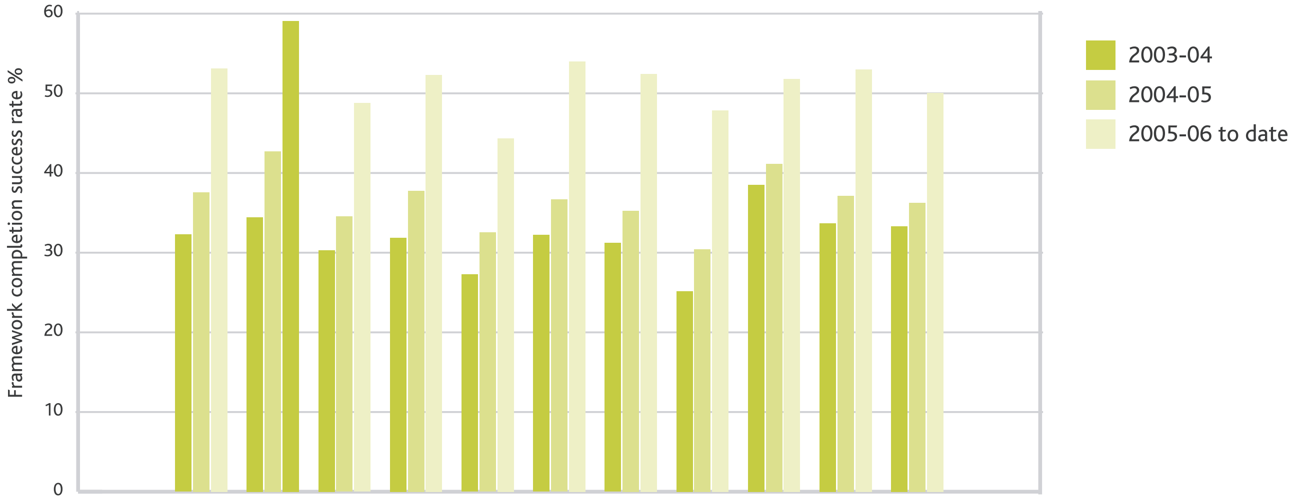
For level 2 Apprenticeships, overall trends also show improvements.

The East Midlands was ranked third 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 increase

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

Figure 13: Overall performance at level 3 – advanced apprenticeship frameworks.[40]



	National	NES	East of England	East Midlands	Greater London	North East	North West	South East	South West	West Midlands	Yorkshire & Humberside
2003/04	32.28	34.45	30.28	31.88	27.27	32.22	31.21	25.17	38.5	33.67	33.33
2004/05	37.58	42.71	34.54	37.76	32.53	36.67	35.27	30.43	41.13	37.15	36.25
2005/06 to date	53.11	59.1	48.77	52.31	44.37	53.99	52.42	47.86	51.81	53.02	50.06

Area

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 fifth in 2003/04 to second in 2004/05. Final figures are not yet available, but to date the region sits fourth 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%

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.

7.3.3 Sector comparisons of regional and national framework completions.

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.

[40]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).

Growth between the two 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 whilst regional averages at 19+ remain below those for 16-18.

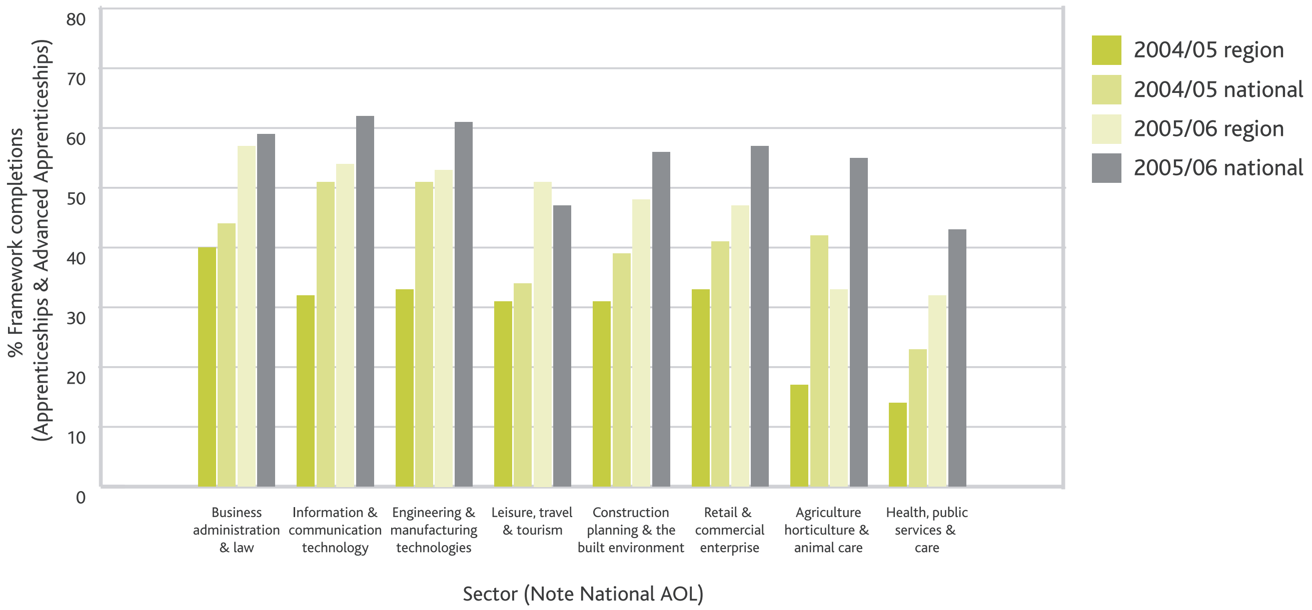
Table 39: Sector performance in completion rates 19+ benchmarked against regional averages.

19+ combined (region)	2004/05 (region)	2005/06 (region)
Business, administration and law	39.68%	56.24%
Information and communication technology	32.10%	54.35%
Engineering and manufacturing technologies	33.05%	53.63%
Leisure, travel and tourism	30.48%	50.62%
Construction, planning and the built environment	30.79%	48.63%
Retail and commercial enterprise	33.10%	47.44%
Agriculture, horticulture and animal care	17.99%	33.56%
Health, public services and care	14.08%	31.95%
Regional framework completion rate	**32.08%**	**48.08%**

Focussing on the region's three priority sectors shows:

- Engineering performance is above average
- 19+ construction just marginally performs above the average, but health and social care remain below.

Figure 14:19+ combined framework completion success rates (region & national).[41]



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.

[41]Region - East Midlands regional performance report version 11. National - Corporate reports as at 20/9/06.

7.4 Skills for Life (SfL)

7.4.1 The move towards achieving 80% of enrolments in provision that counts towards the PSA SfL target is progressing slowly in the context of 19+ learning. Across the region there has been an average of a 3% increase in enrolments in countable provision from 2004/05 to 2005/06. This position contrasts with that for 16 - 18 year old learners.

However the cessation of three guided learning hours (GLH) and six GLH short courses from September 2006 will have a significant impact upon the picture of provision shown in Figure 15.

7.4.2 In 2005/06 a higher proportion of LLDD learners enrolled in provision that counts towards targets (53% against 45% overall) than those who did not declare a disability or learning difficulty. LLDD Learners made up 13% of the enrolments in non-countable provision. 80% Of the enrolments in provision that does not contribute to targets are from learners who do not have a self declared LLDD.

Table 40: Skills for Life summary statement of activity (regional performance report V12).

Area	Year	Return	19 Plus						
			Enrols that count as a SfL target quals	Enrols on first rung provision that leads to target quals	Enrols that don't count towards target (directly or indirectly)	% of enrols that count as a SfL target quals	% of enrols on first rung provision that leads to target quals	% of enrols that count as a SfL target quals + those on first rung provision [target 20%]	% of enrols that don't count towards target (directly or indirectly) [target 20%]
Derbyshire	**2004/05**	**F05**	2,950	3,537	9,500	18%	22%	41%	59%
	2005/06	**F04**	3,547	2,895	8,525	24%	19%	43%	57%
Nottinghamshire	**2004/05**	**F05**	4,570	8,013	14,397	17%	30%	47%	53%
	2005/06	**F04**	5,016	7,123	12,878	20%	28%	49%	51%
Lincolnshire & Rutland	**2004/05**	**F05**	2,906	1,865	4,778	30%	20%	50%	50%
	2005/06	**F04**	2,332	1,566	3,162	33%	22%	55%	45%
Leicestershihre	**2004/05**	**F05**	4,057	7,538	20,960	12%	23%	36%	64%
	2005/06	**F04**	4,974	7,499	19,147	16%	24%	39%	61%
Northamptonshire	**2004/05**	**F05**	2,041	2,785	6,518	18%	25%	43%	57%
	2005/06	**F04**	2,251	2,011	4,957	24%	22%	46%	54%
East Midlands	**2004/05**	**F05**	**16,523**	**23,738**	**56,152**	**17%**	**25%**	**42%**	**58%**
	2005/06	**F04**	18,120	21,094	48,669	21%	24%	45%	55%

(Funding Out-turn)

7.4.3 Success rates.

Over the two year period 2004/05 and 2005/06 Leicestershire accounted for an average of 35% of the FE enrolments in pre entry, entry and level 1 provision. The SfL success rates of Leicester City Council look poor in 2004/05 at 47% when compared to the regional average of 79% and when taken against their increased share of provision in 2005/06. The performance of Derby City Council (52%), Leicestershire County Council (57%), Regent College (57%), New College Stamford (at 51%) are all in excess of 20% below the regional average performance.

7.4.4 Balance and mix of provision in SfL.

The following providers account for significant proportions of local area enrolments with a high proportion of provision in non-contributory areas from 2005/06 F04 data:

Skills for Life enrolments in key providers.

	% of local area enrolments	% of provision counting towards targets
Leicester College	45%	38%
Boston College	32%	39%
Tresham Institute	49%	33%
Derbyshire County Council	37%	39%

ESOL Enrolments in 2006/07 are increasing in full qualification courses which are not necessarily suited to learners needs resulting in a negative impact upon success rates. Previously enrolment could be targeted in one of the three elements of ESOL to respond to specific learner need. There will also remain a requirement for high quality pre-entry level provision for a proportion of the adult LLDD cohort which currently sits outside of the National Qualification Framework (NQF).

Figure 15: 2004/05 - % of enrolments that do not count towards target.

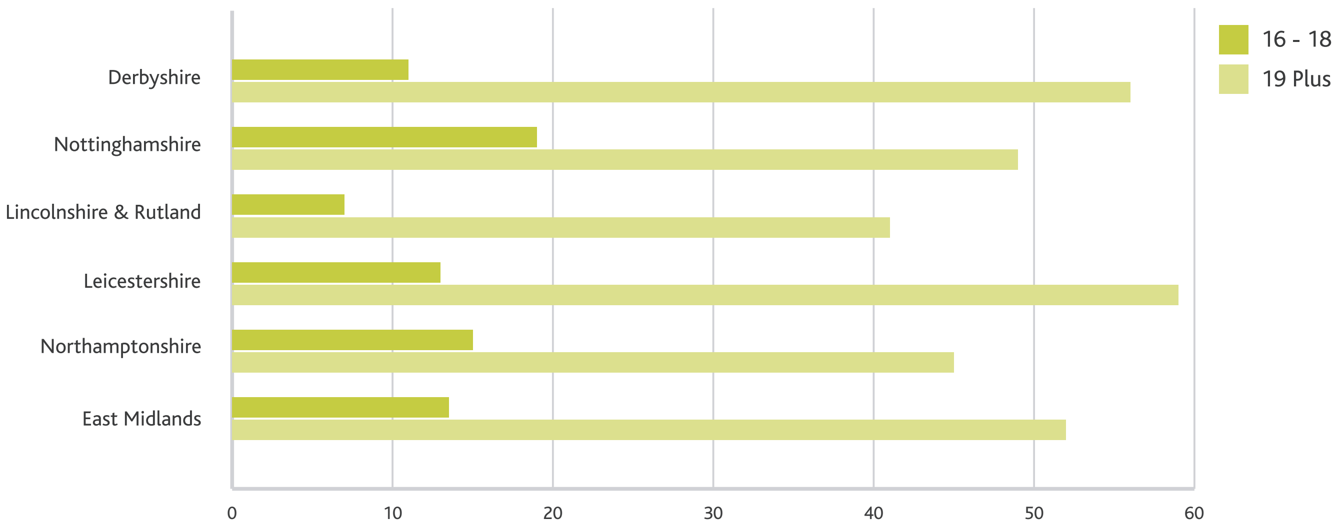


Table 41: LLDD enrolments in SfL provision.

Area	Year	Return	19+		
			LLDD Enrolments in SfL provision	No Information	Enrolments - all learners
East Midlands	2004/05	F05(Funding Out-turn)	15,902 16%	9,404 10%	96,413 100%
	2005/06	F04(Funding Out-turn)	13,420 15%	6,235 7%	87,883 100%

Table 42: 2005/06 LLDD enrolments in SfL provision against 80/20 target.

F04 (Funding Out-turn) 2005/06	Enrolments that count as a SfL target qualification (excludes entry level 1 and 2)	Enrolments on first rung provision that leads to target qualifications (includes entry level 1 and 2)	Enrolments that don't count towards target (directly or indirectly)	% of enrolments that count as a SfL target qualification (excludes entry level 1 and 2)	% of enrolments on first rung provision that leads to target qualifications (inc entry level 1 and 2)	% of enrolments that target or first rung (minimum 80%)	% of enrolments that not target or first rung (maximum 20%)
Self declared LLDD	2,759	4,313	6,348	21%	32%	53%	47%
Learners not declaring LD/D	14,496	14,567	39,165	21%	21%	43%	57%
No information	865	2,214	3,157	14%	36%	49%	51%
Total	**18,120**	**21,094**	**48,669**	**21%**	**24%**	**45%**	**55%**

Table 43: Pre-entry, entry and Level 1 FE provision success rates against SfL enrolments and % per provider of local area enrolments. Table shows providers with over 15% of local area enrolments and providers whose success rates are significantly below the regional average.

		2004/05 F05			2005/06 F04	
LSC	**Provider**	**Enrolments**	**% of local area provision**	**Success rates**	**Enrolments**	**% of local area provision**
Derbyshire	Chesterfield College	1,093	7.0%	96%	1,619	11%
	Derby City Council	2,874	18%	52%	2,417	16%
	Derby College	4,917	31%	74%	4,197	28%
	Derbyshire County Council	4,839	30%	64%	5,535	37%
	Derbyshire	**15,987**	**17%**	**81%**	**14,968**	**17%**
Leicestershire	Gateway Sixth Form College	193	1%	51%	180	1%
	Leicester City Council	3,609	11%	47%	5,557	18%
	Leicester College	15,615	48%	90%	14,200	45%
	Leicestershire County Council	1,753	5%	57%	1,577	5.0%
	Regent College	1,176	4%	57%	1,082	3.0%
	Stephenson College	5,767	18%	84%	4,340	14%
	Leicestershire	**32,555**	**34%**	**76%**	**31,619**	**36%**
Lincolnshire & Rutland	Boston College	2,467	26%	75%	2,281	32%
	Grantham College	1,814	19%	81%	1,454	21%
	Lincoln College	2,107	22%	82%	1,810	26%
	New College Stamford	2,186	23%	51%	863	12%
	Lincolnshire & Rutland	**9,548**	**10%**	**77%**	**7,060**	**8.0%**
Northamptonshire	Northampton College	3,618	32%	64%	3,107	34%
	Northamptonshire County Council	3,245	29%	64%	1,360	15%
	Tresham Institute	4,242	37%	83%	4,560	49%
	Northamptonshire	**11,343**	**12%**	**72%**	**9,219**	**10%**
Nottinghamshire	Broxtowe College, Nottingham	5,520	20%	83%	4,156	17%
	New College, Nottingham	10,601	39%	80%	9,129	36%
	North Nottinghamshire College	2,706	10%	76%	2,294	9.0%
	People's College, Nottingham	2,988	11%	79%	3,360	13%
	South Nottingham College	1,181	4.0%	78%	1,760	7.0%
	West Nottinghamshire College	3,046	11%	89%	2,577	10%
	Nottinghamshire	**26,980**	**28%**	**80%**	**25,017**	**28%**
East Midlands		**96,413**		**79%**	**87,883**	

7.5 Offender Learning and Skills Service (OLASS)

Since this service is very new, only target and funding data is available at this point. The budgets for provision in the East Midlands are:

- Prison education - £11,504,885
- Offender education in the community - £774,800
- ESF funding - £2.4 million, of which £574,000 is allocated to target young offenders.

The £574,000 of ESF funding is out for tender for delivery in 2007 across the region to target unemployed offenders aged 16-17 and 18+, especially those lacking a level 2 qualification and those with basic skills needs.

Table 44: Funding in each Criminal Justice Area (CJA).

CJA Area	Prisons	Community
Derbyshire	£1,402,826	£171,000
Leicestershire & Rutland	£4,444,680	£226,000
Lincolnshire	£1,282,530	£103,000
Nottinghamshire	£2,336,323	£226,000
Northamptonshire	£2,038,351	£103,800

Table 45: Proposed basic skills achievements by establishment (including literacy, numeracy and ESOL).

Establishment	Entry (1, 2, 3) 2005-6	Entry (1,2,3) Aug 2006 - March 2007	level 1 2005-6	level 1 Aug 2006 - March 2007	level 2 2005-6	level 2 Aug 2006 - March 2007
Ashwell	110	73	180	120	90	60
Foston	40	20	99	50	80	40
Gartree	60	40	120	50	120	80
Glen Parva	280	175	300	180	200	120
Leicester	50	33	80	53	70	30
Lincoln	60	40	160	106	80	35
Morton Hall	100	66	145	96	70	46
North Sea Camp	80	53	120	80	80	53
Nottingham	30	20	100	66	50	33
Onley	180	120	230	153	140	93
Ranby	150	100	160	106	80	53
Stocken	150	100	180	120	160	106
Sudbury	90	60	120	80	90	60
Wellingborough	120	80	180	120	120	48
Whatton	80	27	150	100	90	60
East Midlands	**1,580**	**1,007**	**2,324**	**1,480**	**1,520**	**917**

7.6 Ufi learndirect Provision

Broadly Ufi provision meets many of its targets and delivers across the region, although not in similar amounts in all areas. In comparison to national performance the area of significant underperformance in the region is those learners without a level 2 qualification. 69% of this target was achieved in the region against a national figure of 126%.

Table 46: 2005/06 targets and achievements.[42]

	Learners			Enrolments			Funding		
	Actual	Target	% Target achieved	Actual	Target	% Target achieved	Actual £	Target £	% Target achieved
National including sectors	**343,768**	**500,202**	**69%**	**910,534**	**1,070,422**	**85%**	**98,935,461**	**103,258,449**	**96%**
East Midlands	**31,185**	**54,669**	**57%**	**88,790**	**116,994**	**78%**	**9,042,156**	**11,182,364**	**81%**
East Midlands excluding sectors	**29,171**	**51,396**	**57%**	**83,503**	**109,989**	**76%**	**8,543,984**	**10,465,615**	**82%**
East Midlands sectors	**2,014**	**3,273**	**62%**	**5,287**	**7,005**	**75%**	**498,172**	**716,749**	**70%**
Derbyshire hub	4,697	8,261	57%	13,262	17,679	75%	1,419,299	1,596,591	89%
Leicestershire hub	3,862	8,786	44%	14,775	18,802	79%	1,361,756	1,684,112	81%
Lincolnshire & Rutland hub	7,717	11,627	66%	20,361	24,882	82%	1,924,887	2,494,858	77%
Northamptonshire hub	5,295	7,776	68%	12,713	16,642	76%	1,170,558	1,494,439	78%
Nottinghamshire hub	7,756	14,946	52%	22,392	31,984	70%	2,667,462	3,195,615	83%
Hospitality hub	1,628	2,271	72%	4,166	4,860	86%	379,364	539,965	70%
RAF hub	386	1,002	39%	1,121	2,145	51%	118,808	176,784	67%

Within the region:

- 25% of the regions learners are in Lincolnshire & Rutland
- Funding usage is closer to target, learner participation is significantly below target
- SfL performance is massively over target
- Full level 2 and above qualification achievement is below target as a regional total. Significant overachievements in Derbyshire and close to target achievement in Nottinghamshire are the key contributors to the regional total. Other areas are significantly below target.

[42] LSC National Ufi Performance data, October 2006.

7.7 Train to Gain (TtG)

7.7.1 Skills Brokerage

TtG skills brokerage has been operational since April 2006 in Leicestershire and Derbyshire via contracts with Business Links. East Midlands Business Ltd (EMB) has taken this role on since July 2006. All local areas have been operational since August 2006.

EMB have currently 30 active skills brokers.

The volume of employer engagement targets allocated to local areas is as follows:

Table 47: Performance April to August 2006[43].

	Employer engagement target	Engagement actual	% Actual against target	Hard to reach target	Hard to reach actual	% Actual against target
Derbyshire	286	261	91.26%	171	246	143.86%
Leicestershire	282	107	37.94%	171	88	51.46%
Lincolnshire & Rutland	60	5	8.33%	36	5	13.89%
Northamptonshire	68	6	8.82%	36	6	16.67%
Nottinghamshire	106	13	12.26%	64	12	18.75%
East Midlands	**802**	**392**	**48.88%**	**478**	**357**	**74.69%**

Note: Lincolnshire & Rutland, Northamptonshire and Nottinghamshire commenced activity in August 06.

There are stark differences across the region - with Derbyshire delivering above target. Current work with EMB is aimed at ensuring that the deployment of brokers in this interim period covers the full region, not just parts.

7.7.2 TtG provision

Table 48: TtG level 2 learners.

Period: Starts 1/4 to 31/7/06	Leicestershire	Derbyshire	Nottinghamshire	Northamptonshire	Lincolnshire & Rutland	Total
Learner starts (including level 3 jumpers)	671	295	n/a	n/a	n/a	966
Learners still on programme	671	295	n/a	n/a	n/a	971

Table 49: TtG basic skills learners.

Period: Starts 1/4 to 31/7/06	Leicestershire	Derbyshire	Nottinghamshire	Northamptonshire	Lincolnshire & Rutland	Total
Learner starts	85	134	n/a	n/a	n/a	219
Learner successful completions	0	1	n/a	n/a	n/a	1
Learners still on programme	85	133	n/a	n/a	n/a	218

The employer training pilots ceased to recruit new learners from 31 March 2006. In the period 1 August 2005 to 31 March 2006 large increases in success rates have been seen, with the greatest progress in the success rate of providers in Derbyshire at 81%.

Lower than anticipated TtG learner starts were as a result of the providers prioritising the bidding process for the main TtG contracts.

[43]LSC EM Regional Management Team Paper 5 September 2006.

8.0 Overall progress towards targets

Performance in adult full level 2 learners in FE, SfL achievements and adult learner apprenticeship completions is above target.

Progress towards WBL full level 2 learners is 11% below target which brings the overall level of regional performance at full level 2 down to 8% below target. This situation is unlikely to change significantly in future datasets. First full level 2 data will be available in January 2007.

Whilst the drive toward focussing resources upon target countable provision is having a positive impact, it is reasonable to expect that continued funding reductions may reduce capacity to deliver against targets and is already perceived as having a negative impact upon community based learning, the voluntary and community sector and the inclusion of adult LLDD.

The regional summary tables confirm the trends reported across the sectors of provision in section seven of this document.

Table 50: progress towards targets 2005/6.

Target	East Midlands						
	2003/04 actual	**2004/05 actual**	**2005/06 year to date**	**2005/06 target**	**2005/06 difference year to date to target**	**2005/06 % towards target year to date**	**2006/07 Plan**
Adult full level 2 learners - FE	19,005	20,152	21,363	18,815	2,548	114%	18,886
Adult full level 2 learners - WBL	4,201	4,286	4,065	4,593	-528	89%	3,062
Adult full level 2 learners - total (includes European Social Fund (ESF) and Employer Training Pilot (ETP) totals)	23,206	24,438	25,428	27,652	-2,224	92%	25,382
Adult first full level 2 learners achieved - total	4,228	4,741	n/a	6,421			6,828
WBL Apprenticeships completions	3,862	5,045	7,737	5,471	2,226	141%	7,920
SfL Achievements (all funding streams	2004/05 actual	2005/06 target	2006/07 prediction	2004 to 2006/07 cumulative	2004/05 to 2006/07 target	Difference to target	% achievement towards target
	28,594	22,987	25,791	77,372	59,025	18,347	131%

Source: Regional Performance Report V13.

9.0 Sector subject area analysis across the three regional priority areas at full level 2 and full level 3 in FE college provision

Full level 2 and level 3 funding across the region has been increased during a period of consistent overall budget reduction (as has been reported upon earlier).

Although the rates of increase in the local areas vary, only Lincs and Rutland have seen a reduction in funding in 2005/06 (in their level 2 provision).

Table 51 : Total full level 2 and Full level 3 FE college funding across all sector subject areas by local area.[44]

	2003/04		2004/05		2005/06	
	FO5		FO5		FO4	
	Level 2	Level 3	Level 2	Level 3	Level 2	Level 3
Derbyshire	£4,121,445	£3,210,834	£4,872,569	£3,661,385	£6,292,802	£5,000,228
Leicestershire	£3,970,014	£3,631,458	£4,492,472	£3,538,963	£4,916,925	£4,470,456
Lincolnshire & Rutland	£1,343,902	£1,588,209	£1,742,204	£1,694,554	£1,603,923	£2,216,810
Northamptonshire	£2,397,306	£1,833,985	£3,162,482	£2,054,494	£3,469,036	£2,794,935
Nottinghamshire	£5,266,709	£5,305,482	£7,124,635	£6,054,716	£9,044,821	£7,415,710
	£17,099,377	**£15,569,968**	**£21,394,362**	**£17,004,112**	**£25,327,507**	**£21,898,140**

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Although the rate of change is variable across the region providers have delivered an average one third increase in funding each year being invested into level 2 provision across the three regional priority sector subject areas. The construction and engineering sectors accounted for all of the increases in funding between 2004/05 and 2005/06.

Level 3 funding has increased at a lower rate. From 2004/05 to 2005/06 level 3 funding increased by 17% in total with the local area increases ranging from 0% in Lincolnshire to 36% in Northamptonshire. Funding increases were spread across all three sectors

Table 52: Full level 2 and full level 3 FE college funding across the three regional sector subject areas by local area.

	2003/04		2004/05		2005/06	
	FO5		FO5		FO4	
	Level 2	Level 3	Level 2	Level 3	Level 2	Level 3
Derbyshire	£2,175,455	£1,312,975	£2,834,435	£1,593,076	£3,805,538	£2,039,884
Leicestershire	£2,324,305	£1,856,864	£2,561,767	£1,627,660	£2,986,512	£1,965,136
Lincolnshire & Rutland	£465,291	£810,485	£638,585	£862,635	£777,399	£865,232
Northamptonshire	£1,040,015	£700,561	£1,613,426	£869,662	£2,143,193	£1,185,364
Nottinghamshire	£2,318,229	£2,457,959	£3,341,221	£2,521,641	£5,270,730	£2,713,439
East Midlands	**£8,323,295**	**£7,138,845**	**£10,989,434**	**£7,474,673**	**£14,983,372**	**£8,769,055**

[44]Note: Figures quoted are from 2005/06 FO4 data October 2006.

9.1 Construction, planning and the built environment.

9.1.1 Summary.

The construction sector has the highest percentage vacancy rate in the East Midlands at 38.6% (above the national average of 36.4%). Employment growth is forecast to be twice that of the national rate. 29,493 (26% of the sector) employees do not have a level 2 qualification. The net requirement is at the high and intermediate level for this sector in terms of level of occupations for the future workforce.

Providers have responded to the intermediate levels of employer demand by increasing the volume of supply at level 2 and level 3 in 2005/06.

Current 2005/06 data indicates an area of risk in the low levels of success rates (regional averages level 2 at 46% and level 3 at 50%) which reduce the capacity of supply to match employer skills requirements.

9.1.2 Learner volume and funding.

Learner volume has increased in level 2 provision (+55%) and in level 3 provision (+33%) between 2004/05 and 2005/06. Lincolnshire and Rutland in their level 3 provision show the only area of volume decrease (from 88 learners to 63).

Each local area has provider(s) who are either the lead, or a partner in a CoVE.

Table 53: Total learner numbers at level 2 and 3 in the construction sector by local area.

	2003/04		2004/05		2005/06	
	FO5		FO5		FO4	
	Level 2	Level 3	Level 2	Level 3	Level 2	Level 3
Derbyshire*	1,073	83	879	141	1,097	186
Leicestershire*	574	64	410	37	682	62
Lincolnshire & Rutland*	222	51	230	88	345	63
Northamptonshire*	460	55	331	63	667	123
Nottinghamshire*	492	111	560	160	950	215
East Midlands	**2,821**	**364**	**2,410**	**489**	**3,741**	**649**

Note: * indicates local areas with a CoVE (s), which are:

- Moulton College.
- Stephenson College leading with Leicester College as a partner.
- New College Nottingham leading with West Nottinhamshire, Derby and South East Derbyshire Colleges as partners.

In 2005/06 overall levels of funding have increased by over £570,000 and by 60% in level 2 provision and by 28% in level 3 provision.
These increases are broadly matched by increases in learner volume resulting in funding costs per learner stabilising in 2005/06.

All funding has shifted into high priority with the proportion of funding in 'contributes to targets' provision increasing from 50% to 74% with funding in 'non contributory' provision decreasing by nearly £1.6 million.

Costs per learner increased in 2004/05 by 30.5% in level 2 provision. 2005/06 FO4 data identifies that the trend of increase in level 2 costs is stabilising and records a 3% increase from 2004/05.

Funding costs per learner increased in 2004/05 by 3.9% for level 3 provision. 2005/06 data identifies a 3.5% decrease in costs over 2004/05 thus returning to the costs per learner from two years previous.

Table 54: Total funding of the construction supply sector by local area.

	2003/04		2004/05		2005/06	
	FO5		FO5		FO4	
	Level 2	Level 3	Level 2	Level 3	Level 2	Level 3
Derbyshire*	£956,683	£129,941	£1,040,857	£227,579	£1,509,096	£320,676
Leicestershire*	£770,954	£135,705	£752,077	£95,860	£941,413	£94,741
Lincolnshire & Rutland*	£194,675	£93,240	£269,707	£164,128	£430,455	£150,205
Northamptonshire*	£604,888	£87,952	£548,243	£98,557	£1,069,593	£156,967
Nottinghamshire*	£697,450	£198,881	£985,035	£315,110	£1,785,005	£431,502
East Midlands	**£3,224,650**	**£645,719**	**£3,595,918**	**£901,235**	**£5,735,562**	**£1,154,091**
Cost per learner	£1,143	£1,774	£1,492	£1,843	£1,533	£1,778

Note: * indicates local areas with a CoVE (s), which are:

The implementation of CoVEs across the region has had a positive impact upon adult participation in this sector in 2005/06.

2005/06 F04 data identifies the following headline messages:

- That 33% (215 out of 649) of the regions learners at level 3 learn in Nottinghamshire.
- 29% (1,093 out of 3,741) of the regions learners at level 2 learn in Derbyshire
- 25% of the regions learners at level 2 learn in Nottinghamshire (950 out of 3,741)
- Level 2 provision is centred upon Derby, Stephenson, Moulton and New College Nottingham who have 62% of the regions provision
- Level 3 provision at Chesterfield, Moulton and New College Nottingham accounts for 46% of the regions provision.

Table 55: Matrix 2005/06 F04 funding.

Provision	Target contribution	High	%	Medium	%	Low	%	Total	%
Contributes to target			**0.0%**		**0.0%**		**0.0%**		**0.0%**
	Full level 2	£5,079,567.48	61%		0.0%		0.0%	£5,079,567.48	61%
	Full level 3	£1,016,835.78	12%		0.0%		0.0%	£1,016,835.78	12%
	Total	£6,096,403.26	74%		0.0%		0.0%	£6,096,403.26	74%
Partial contribution to target		-	0.0%		0.0%		0.0%	-	0.0%
	Total	-	0.0%		0.0%		0.0%	-	0.0%
No contribution to target	A - 010	£1,341,158.34	16%		0.0%		0.0%	£1,341,158.34	16%
	B - 030	£635,047.16	8.0%		0.0%		0.0%	£635,047.16	8.0%
	B - 100	£142,521.60	2.0%		0.0%		0.0%	£142,521.60	2.0%
	B - 170	£6,198.86	0.0%		0.0%		0.0%	£6,198.86	0.0%
	C - 020	£69,513.28	1.0%		0.0%		0.0%	£69,513.28	1.0%
	D - 200	£3,508.70	0.0%		0.0%		0.0%	£3,508.70	0.0%
	Total	£2,197,947.93	26%		0.0%		0.0%	£2,197,947.93	26%
	Grand Total	**£8,294,351.20**	**100%**		**0.0%**		**0.0%**	**£8,294,351.20**	**100%**

Table 56: Matrix 2004/05 F04 funding.

Provision	Target contribution	High	%	Medium	%	Low	%	Total	%
Contributes to target	**Basic skills**		**0.0%**		**0.0%**		**0.0%**		**0.0%**
	Full level 2	£3,117,519.00	41%		0.0%		0.0%	£3,117,519.00	41%
	Full level 3	£724,408.00	10%		0.0%		0.0%	£724,408.00	10%
	Total	£3,841,927.00	50%		0.0%		0.0%	£3,841,927.00	50%
Partial contribution to target	Partial level 2	-	0.0%		0.0%		0.0%		0.0%
	Total	-	0.0%		0.0%		0.0%		0.0%
Does not contribute to target	A - 010	£2,602,411.00	34%		0.0%	£102,474.00	1.0%	£2,704,885.00	35%
	B - 030	£591,032.00	8.0%		0.0%		0.0%	£591,032.00	8.0%
	B - 100	£358,295.00	5.0%		0.0%		0.0%	£358,295.00	5.0%
	B - 150	£49,728.00	1.0%		0.0%		0.0%	£49,728.00	1.0%
	B - 170	£4,182.00	0.0%		0.0%		0.0%	£4,182.00	0.0%
	B - 180	£64,671.00	1.0%		0.0%		0.0%	£64,671.00	1.0%
	C - 020	-	0.0%		0.0%		0.0%		0.0%
	D - 200	£108,121.00	1.0%		0.0%		0.0%	£108,121.00	1.0%
	Total	£3,778,440.00	50%		0.0%	£102,474.00	1.0%	£3,880,914.00	50%
	Grand Total	**£7,620,367.00**	**100%**		**0.0%**	**£102,474.00**	**1.0%**	**£7,722,841.00**	**100%**

Table 57: Key provider analysis - learner numbers.

Colleges who deliver above 20% of local provision. Colleges delivering 50% and above are annotated with an * in bold.

Local area	Provider	2003/04		2004/05		2005/06	
		FO5		FO5		FO4	
		Level 2	Level 3	Level 2	Level 3	Level 2	Level 3
Derbyshire	Chesterfield College	205 19%	**50* 60%**	111 13%	**103* 73%**	173 16%	**118* 63%**
	Derby College (CoVE)	**836* 78%**	30 36%	**727* 83%**	35 25%	**679* 62%**	53 28%
	South East Derbyshire College (CoVE)	32 3%	3 4%	41 5%	3 2%	245 22%	15 8%
Leicestershire	Leicester College (CoVE)	267 47%	**59* 92%**	140 34%	**32* 86%**	249 37%	**45* 73%**
	Stephenson College (CoVE)	**300* 52%**		**262* 64%**		**432* 63%**	17 27%
Lincolnshire & Rutland	Boston College	30 14%	10 20%	49 21%		93 27%	
	Grantham College	**113* 51%**		**131* 57%**		**187* 54%**	
	Lincoln College (CoVE)	79 36%	**38* 75%**	50 22%	**77* 88%**	65 19%	**52* 83%**
Northamptonshire	Moulton College (CoVE)	**294* 645**	**46* 84%**	**200* 60%**	31 49%	**568* 85%**	**70* 57%**
	Northampton College				21 33%		23 19%
	Tresham Institute	103 22%		111 34%		99 15%	30 24%
Nottinghamshire	New College Nottingham (CoVE)	**335* 68%**	**80* 72%**	**321* 57%**	**102* 64%**	**629* 66%**	**108* 50%**
	North Nottinghamshire College	5.0%		117 21%		169 18%	
	West Nottinghamshire College (CoVE)	79 16%	19 17%	104 19%	39 24%	89 9%	60 28%

9.1.3 Success rates

A two year analysis of success rates only provides an indication of potential trend. Currently then indicated trends are:

- In 2004/05 £3.5 million investment achieved average success rates of 50% and below across the region
- Only West Nottinghamshire and Boston Colleges have success rates of above 50% in level 2 and level 3 provision in 2004/05. West Nottinghamshire College has achieved over 70%
- Moulton, Tresham, Leicester and New College Nottingham all have a significant volume of learners for the local area with very low success rates
- With the exception of West Nottinghamshire College CoVE status is not synonymous with consistency in success rates at level 2 and level 3
- New College Nottingham has 17% of the regions learners in this sector at level 3 and 17% at level 2 in 2005/06. 629 level 2 learners are participating in provision in 2005/06 that secured a 21% success rate in 2004/05 and cost £557,000
- The poor level 3 success rates in Leicestershire are almost entirely due to poor performance at Leicester College who had 86% of the local provision at a success rate of 29% in 2004/05.

Table 58: Success Rates in the construction sector (2004/5) by local area.

	2003/04		2004/05	
	FO5		FO5	
	Level 2%	Level 3%	Level 2%	Level 3%
Derbyshire	39	48	48	54
Leicestershire	51	47	56	29
Lincolnshire & Rutland	66	57	53	68
Northamptonshire	32	46	39	47
Nottinghamshire	28	43	35	49
East Midlands	**40**	**47**	**46**	**50**

Table 58a: Key provider analysis - success rates.

Colleges who deliver above 20% of local provision. Colleges delivering 50% and above are annotated with an * in bold.

Local area	Provider	2003/04		2004/05	
		FO5		FO5	
		Level 2%	Level 3%	Level 2%	Level 3%
Derbyshire	Chesterfield College	34	73*	32	62*
	Derby College (CoVE)	41*	18	54*	21
	South East Derbyshire College (CoVE)	33		38	60
Leicestershire	Leicester College (CoVE)	48	49*	46	29*
	Stephenson College (CoVE)	63*		72*	33
Lincolnshire & Rutland	Boston College	33	78	56	55
	Grantham College	84*		57*	
	Lincoln College (CoVE)	59	33*	41	76*
Northamptonshire	Moulton College (CoVE)	38*	48*	33*	18
	Northampton College				100
	Tresham Institute	24		34	
Nottinghamshire	New College Nottingham (CoVE)	19*	49*	21*	45*
	North Nottinghamshire College	46		75	
	West Nottinghamshire College (CoVE)	42	43	78	72
East Midlands Average		**40**	**47**	**46**	**50**

9.2 Engineering and manufacturing technologies.

9.2.1 Summary

The manufacturing sector has the second highest % vacancy rate in the East Midlands at 22.8% (below the national average of 28.9%). Employment growth predicts a net requirement at the high and intermediate level for this sector. SEMTA has identified 41,753 (28%) of employees do not have a level 2 qualification. Employer demand indicates a requirement for more level 3 provision.

In 2004/05 overall success rates were improving across the region, more so at level 2 with a smaller increase at level 3. There is inconsistency with the performance of the CoVE network with performance at level 2 usually above the level 3 success rates.

9.2.2 Learner volume and funding

Learner volume at level 2 increased by 62% between 2004/05 and 2005/06 and by 16% in level 3 provision which is moving closer to the levels of participation recorded in 2003/04, Nottinghamshire being the only area recording a reduction at level 3.

Table 59: Total learner numbers in engineering by local area.

	2003/04		2004/05		2005/06	
	FO5		FO5		FO4	
	Level 2	Level 3	Level 2	Level 3	Level 2	Level 3
Derbyshire	448	159	635	112	958	131
Leicestershire	183	210	237	123	396	146
Lincolnshire & Rutland	42	76	97	72	159	114
Northamptonshire	173	89	402	68	519	89
Nottinghamshire	590	228	817	147	1,510	126
East Midlands	**1,436**	**762**	**2,188**	**522**	**3,542**	**606**

Note: All local areas have CoVEs in this broad sector subject area as follows.

- Brooksby Melton College in partnership with John Deere Ltd
- Grantham, Stephenson and West Nottinghamshire Colleges with three separate CoVEs
- North Nottinghamshire College with two CoVEs
- North Nottinghamshire College as lead with Doncaster and Craven Colleges as partners
- Tresham leading Milton Keynes College as an HE/FE partnership
- Stephenson College
- Derby College as a partner of Rolls Royce in WBL CoVE.

2005/06 F04 data shows an increase in overall levels of funding of £660,000. Funding in provision that is 'high priority and contributes to targets' has risen as a proportion of the total from 28% in 2004/05 to 49% in 2005/06 and by £2.181 million in total. The funding of low priority provision has ceased.

The overall funding of provision that 'does not contribute to targets' has reduced by £1.527 million and falls from 68% of the total funding to 48%.

2004/05 Data shows an 11% increase in the costs per learner in level 2 provision with level 3 costs per learner increasing by 17% from 2003/04.

In 2005/06 overall levels of funding increased by 69% in level 2 provision and by 16% in level 3 provision. F04 data shows that learner costs are stabilising with costs per learner in level 2 provision increasing by 5% and static in level 3 provision.

Table 60: Total funding of the engineering sector by local area.

	2003/04		2004/05		2005/06	
	FO5		FO5		FO4	
	Level 2	Level 3	Level 2	Level 3	Level 2	Level 3
Derbyshire	£500,587	£245,140	£712,278	£195,211	£1,117,089	£235,225
Leicestershire	£126,933	£370,156	£169,829	£244,903	£411,733	£328,957
Lincolnshire & Rutland	£48,320	£154,204	£92,409	£139,572	£175,888	£215,695
Northamptonshire	£198,638	£171,398	£684,963	£143,417	£712,636	£200,871
Nottinghamshire	£710,559	£364,388	£1,011,953	£323,052	£2,116,708	£230,617
East Midlands	**£1,585,037**	**£1,305,286**	**£2,675,432**	**£1,046,155**	**£4,534,054**	**£1,211,365**
Cost per learner	£1,104	£1,713	£1,223	£2,004	£1,280	£1,999

2005/06 F04 data identifies the following headline messages:

- Brooksby Melton College have a CoVE in land based service engineering in partnership with John Deere Ltd. 70 level 2 Learners are recorded on FO5 for 2004/05. FO4 records 36 learners in 2005/06. Nil activity is recorded at level 3. This provision does not form 20% of local area volume and is not recorded in this report
- Level 2 provision is centred upon three institutions Derby, Tresham and West Nottinghamshire Colleges who account for 61% of the regions provision
- Level 3 provision is more wide spread with Derby, Leicester, and Lincoln Colleges providing 43% of the regions provision.

Table 61: Matrix 2005/06 F04 funding.

Provision	Target contribution	High	%	Medium	%	Low	%	Total	%
Contributes to target			0.0%		0.0%		0.0%		0.0%
	Full level 2	£3,871,077.05	40%	£183,673.01	2.0%		0.0%	£4,054,750.05	42%
	Full level 3	£883,916.80	9.0%	£112,039.99	1.0%		0.0%	£995,956.78	10%
	Total	**£4,754,993.84**	**49%**	**£295,712.99**	**3.0%**		**0.0%**	**£5,050,706.84**	**52%**
Partial contribution to target	Partial level 2	£3,299.34	0.0%		0.0%		0.0%	£3,299.34	0.0%
	Total	**£3,299.34**	**0.0%**		**0.0%**		**0.0%**	**£3,299.34**	**0.0%**
No contribution to target	A – 010	£2,517,644.02	26%	£206,710.36	2.0%		0.0%	£2,724,354.38	28%
	A – 190	£3,443.93	0.0%		0.0%		0.0%	£3,443.93	0.0%
	A – 230		0.0%	£157.98	0.0%		0.0%	£157.98	0.0%
	B – 030	£1,118,602.86	12%	£144,007.81	1.0%		0.0%	£1,262,610.67	13%
	B – 100	£507,792.50	5.0%	£11,736.35	0.0%		0.0%	£519,528.85	5.0%
	B – 170	£44,300.61	0.0%		0.0%		0.0%	£44,300.61	0.0%
	C – 020	£106,500.99	1.0%		0.0%		0.0%	£106,500.99	1.0%
	Total	**£4,298,284.90**	**44%**	**£362,612.50**	**4.0%**		**0.0%**	**£4,660,897.40**	**48%**
	Grand Total	**£9,056,578.09**	**93%**	**£658,325.50**	**7.0%**		**0.0%**	**£9,714,903.59**	**100%**

Table 62: Matrix 2004/05 F04 funding.

Provision	Target Contribution	High	%	Medium	%	Low	%	Total	%
Contributes to target	Basic Skills		0.0%		0.0%		0.0%		0.0%
	Full level 2	£1,855,909.00	20%		0.0%	£156,384.00	2.0%	£2,012,293.00	22%
	Full level 3	£717,557.00	8.0%		0.0%	£132,962.00	1.0%	£850,519.00	9.0%
	Total	**£2,573,466.00**	**28%**		**0.0%**	**£289,346.00**	**3.0%**	**£2,862,812.00**	**32%**
Partial contribution to target	Partial level 2	£3,388.00	0.0%		0.0%		0.0%	£3,388.00	0.0%
	Total	**£3,388.00**	**0.0%**		**0.0%**		**0.0%**	**£3,388.00**	**0.0%**
Does not contribute to target	A – 010	£3,158,742.00	35%		0.0%	£157,868.00	2.0%	£3,316,610.00	37%
	A – 190	£856.00	0.0%		0.0%		0.0%	£856.00	0.0%
	B – 030	£1,455,159.00	16%		0.0%	£201,374.00	2.0%	£1,656,533.00	18%
	B – 100	£779,216.00	9.0%		0.0%	£ 14,438.00	0.0%	£793,654.00	9.0%
	B – 150	£258,178.00	3.0%		0.0%		0.0%	£258,178.00	3.0%
	B – 170	£16,237.00	0.0%		0.0%		0.0%	£16,237.00	0.0%
	B – 180	£38,795.00	0.0%		0.0%		0.0%	£38,795.00	0.0%
	C – 020		0.0%		0.0%		0.0%		0.0%
	D – 200	£107,531.00	1.0%		0.0%		0.0%	£107,531.00	1.0%
	Total	**£5,814,714.00**	**64%**		**0.0%**	**£373,680.00**	**4.0%**	**£6,188,394.00**	**68%**
	Grand Total	**£8,391,568.00**	**93%**		**0.0%**	**£663,026.00**	**7.0%**	**£9,054,594.00**	**100%**

Table 63: Key provider analysis - learner numbers. Colleges who deliver above 20% of local provision. Colleges delivering 50% and above are annotated with an * in bold.

Local area	Provider	2003/04		2004/05		2005/06	
		FO5		FO5		FO4	
		Level 2	Level 3	Level 2	Level 3	Level 2	Level 3
Derbyshire	Chesterfield College		47 30%		30 27%		45 34%
	Derby College (CoVE)	**406* 91%**	**89* 56%**	**604* 95%**	**59* 53%**	**756* 79%**	**77* 59%**
Leicestershire	Leicester College	**141* 77%**	86 41%	104 44%	**80* 65%**	175 44%	**94* 64%**
	Loughborough College		47 22%			142 36%	
	South Leicestershire College			53 22%		37 9%	
	Stephenson College (CoVE)		77 37%		26 21%		33 23%
Lincolnshire & Rutland	Boston College	14 33%		47 48%		**81* 51%**	
	Grantham College (CoVE)		16 21%		16 22%		22 19%
	Lincoln College	**27* 64%**	**56* 74%**	46 47%	**54* 75%**	74 47%	**87* 76%**
Northamptonshire	Northampton College		**51* 57%**		33 49%	124 24%	**48* 54%**
	Tresham College (CoVE)	**145* 84%**	33 37%	**363* 90%**	32 47%	**359 69%**	41 46%
Nottinghamshire	Broxtowe/Castle College						25 20%
	New College Nottingham		49 21%			102 7%	
	North Nottinghamshire College (three CoVE's)	161 27%		108 13%		91 6%	38 30%
	Peoples/Castle College	219 37%	84 37%	34 4%	**74* 50%**	219 15%	31 25%
	West Nottinghamshire College (CoVE)	156 26%	42 18%	**645* 79%**	31 21%	**1,045* 69%**	26 21%

Note: North Nottinghamshire College is the lead provider in two CoVEs - fluid power and food technology, and is a partner in an airport operations & aircraft engineering CoVE.

9.2.3 Success rates

Current data shows that the increase in level 2 success rates in 2004/05 (from 54% in 2003/04 to 76% in 2004/05) makes a positive contribution to matching employer demand. However, the level 3 success rates have not increased at the same rate and are variable across the region with a range of 42% in Northamptonshire to 68% in Nottinghamshire.

From 2004/05 F05 data:

- Level 2 success rates are good overall at 76%. In particular West Nottinghamshire (at 94%) and Tresham (at 88%) stand out. It is to be expected that Peoples/Castle College will have improved the level 2 success rates in 2005/06 as a result of post inspection improvement
- Level 2 provision is centred upon three institutions Derby, Tresham and West Nottinghamshire Colleges who all have good success rates
- Significant variance in level 3 success rates across the region from 23% at South East Derbyshire College to 79% at Castle College with the regional average at 54%
- Level 3 provision is centred at Derby, Leicester and Lincoln Colleges. Leicester College dominates local area performance with poor success rates (39%) at a cost of £192,436
- There is no consistency in level 2 and level 3 success rates in the CoVE Institutions, with level 2 success rates usually being much higher that at level 3

\- West Nottinghamshire College level 2 success rates - 94%. Level 3 - 43%.

\- Tresham College level 2 success rates - 88%. Level 3 - 32%.

In 2004/05 £1.046 million investment achieved success rates below 54% in level 3 provision across the region.

Table 64: Success rates in the Engineering sector (2004/05) by local area.

	2003/04		2004/05	
	FO5		FO5	
	Level 2 %	Level 3 %	Level 2 %	Level 3 %
Derbyshire	54	61	69	57
Leicestershire	66	43	62	38
Lincolnshire & Rutland	29	41	58	57
Northamptonshire	60	47	84	42
Nottinghamshire	51	45	85	68
East Midlands	54	47	76	54

Table 65: Key provider analysis - success rates. Colleges who deliver above 20% of local provision. Colleges delivering 50% and above are annotated with an * in bold.

Local area	Provider	2003/04		2004/05	
		FO5		FO5	
		Level 2 %	Level 3 %	Level 2 %	Level 3 %
Derbyshire	Chesterfield College		50		80
	Derby College (CoVE)	**55***	**61***	**74***	**59***
Leicestershire	Leicester College	**63***	44	73	**39***
	Loughborough College		33		
	South Leicestershire College			70	
	Stephenson College (CoVE)		41		38
Lincolnshire & Rutland	Boston College	67		57	
	Grantham College (CoVE)		29		36
	Lincoln College	**30***	**48***	59	**67***
Northamptonshire	Northampton College		**52***		62
	Tresham College (CoVE)	**62***	45	**88***	32
Nottinghamshire	Broxtowe/Castle College		60		33
	New College Nottingham		18		63
	North Nottinghamshire College (3 CoVE's)	53		82	
	Peoples/Castle College	67	62	14	**79***
	West Nottinghamshire College (CoVE)	47	48	**94***	
East Midlands Average in subject sector area		54	47	76	54

9.3 Health, Public Services and Care.

9.3.1 Summary

The health sector is forecast to be one of the fastest growing sectors with regional growth outstripping the national average with a percentage vacancy rate in the East Midlands at 18.4%. Two SSC have identified nearly 50,000 (24% of the sector) employees do not have a level 2 qualification. The net requirement is for high and intermediate level occupations. There is a nil forecast for low level occupations.

Current data indicates that the reductions in level 2 and level 3 provision go against the net employment requirements of the sector. The pattern of change is variable across the region between 2004/05 and 2005/06 and requires analysis against the sector skills reports to identify any risk of supply not keeping pace with employer demand.

Matrix funding data shows 58% of provision funding remains in 'high priority does not contribute to targets' in 2005/06. This provision requires further analysis to determine whether these courses are regarded as important by employers as identified in section 6.3 of this report.

In 2005/06 F04 data indicates overall funding in level 2 provision remained static at 2004/05 levels whilst level 3 funding increased against a small overall reduction in level 3 participation. Costs per learner rose by 35.5% in level 2 provision and by 20% in level 3 provision from 2003 to 2005, and continue to rise.

Overall success rates in this sector have improved slightly in level 2 and level 3 provision and now exceed 50% in both areas although success rates between local areas and providers (including the three CoVEs) vary significantly. The "pockets" of good and poor provision require consideration within the regional commissioning plan and analysing against the F05 data due release in early 2007.

9.3.2 Learner volume and funding

A 12% reduction in participation in level 2 provision and a 2% reduction in level 3 are recorded in 2005/06. With the exception of the increases in level 3 provision in Derbyshire and Northamptonshire provision has been reduced across the region within a range of -2% to -38%.

Table 66: % change in participation 2004/05 to 2005/06 in the health, public services and care sector.

	Level 2	Level 3
Derbyshire	-5.0%	+14%
Leicestershire	-9%	-13%
Lincolnshire & Rutland*	-38%	-20%
Northamptonshire*	-27%	+18%
Nottinghamshire*	-10%	-7.0%
East Midlands	-12%	-2.0%

Table 67: Total learner numbers in health, public services and care by local area.

	2003/04		2004/05		2005/06	
	FO5		FO5		FO4	
	Level 2	Level 3	Level 2	Level 3	Level 2	Level 3
Derbyshire	1,340	1,123	1,504	1,293	1,432	1,477
Leicestershire	2,371	1,492	2,511	1,354	2,274	1,181
Lincolnshire & Rutland*	536	652	469	586	291	470
Northamptonshire*	455	515	596	705	437	834
Nottinghamshire*	1,569	2,061	1,982	2,190	1,776	2,031
East Midlands	**6,271**	**5,843**	**7,062**	**6,128**	**6,210**	**5,993**

Note: Local areas who have CoVE(s) are annotated with an *. There are four CoVEs in total:

- Boston College
- New College Nottingham
- Northampton College
- The only CoVE targeting adult care/skills for health is at West Nottinghamshire College.

When comparing the matrix statistics in 2005/06 overall funding reduced by £718,000 from 2004/05. The proportion of funding allocated to provision that 'contributes to targets' has increased from 34% to 42% with the proportion of 'non contributory' provision funding decreasing from 66% to 58%.

By comparing F05 with F04 data level 2 funding remained static whilst level 3 funding increased by 16%. In 2004/05 costs per learner increased by 19% in level 2 provision and by just 1.6% in level 3 provision. In 2005/06 costs per learner continued to increase further with a 14% increase in level 2 provision and a sharp rise of 18% in level 3 provision.

Table 68: Total funding in health, public services and care by local area.

	2003/04		2004/05		2005/06	
	FO5		FO5		FO4	
	Level 2	Level 3	Level 2	Level 3	Level 2	Level 3
Derbyshire	£718,185	£937,894	£1,081,301	£1,170286	£1,179,353	£1,483,983
Leicestershire	£1,426,418	£1,351,003	£1,639,861	£1,286,897	£1,633,366	£1,541,438
Lincolnshire & Rutland	£222,297	£563,041	£272,469	£558,935	£171,056	£499,332
Northamptonshire	£236,489	£441,211	£380,220	£627,688	£360,964	£827,526
Nottinghamshire	£910,220	£1,894,690	£1,344,233	£1,883,479	£1,369,017	£2,051,320
East Midlands	**£3,513,609**	**£5,187,840**	**£4,718,084**	**£5,527,283**	**£4,713,756**	**£6,403,599**
Cost per learner	£560	£888	£668	£902	£759	£1,068

2005/06 FO4 Data provides the following participation headline messages:

- The following colleges/organisations have 59% of the region's provision at level 2:

  Chesterfield, Derby, Stephenson, Newark and Sherwood, Castle, West Nottinghamshire Colleges and the Pre School Learning Alliance
- The following colleges have 54% of the region's provision at level 3:

  Derby, Stephenson, Moulton, Northampton, Peoples/Castle, West Nottinghamshire and New College Nottingham
- Colleges/organisations who have significant proportion of the region's level 2 and level 3 provision are:
  - Derby College - 12%
  - Stephenson College - 6%
  - Pre School Learning Alliance - 8% (note all at level 2. Level 2 total is 16% of the regions provision)
  - Castle College - 8%
  - West Nottinghamshire College - 6.5%
- Nottinghamshire has 34% of the region's learner participation in this sector at level 3 and 31% of the region's overall provision at level 2 and level 3
- Leicestershire has 37% of the region's learner participation in this sector at level 2 and 28% of the region's overall provision at level 2 and level 3.

Table 69: Matrix 2005/06 F04 funding.

Provision	Target contribution	High	%	Medium	%	Low	%	Total	%
Contributes to target			0.0%		0.0%		0.0%		0.0%
	Full level 2	£4,158,689.94	19%		0.0%		0.0%	£4,158,689.94	19%
	Full level 3	£4,919,989.58	23%		0.0%		0.0%	£4,919,989.58	23%
	Total	**£9,078,679.52**	**42%**		**0.0%**		**0.0%**	**£9,078,679.52**	**42%**
Partial contribution to target	Partial level 2	£30,936.02	0.0%		0.0%		0.0%	£30,936.02	0.0%
	Total	**£30,936.02**	**0.0%**		**0.0%**		**0.0%**	**£30,936.02**	**0.0%**
No contribution to target	A - 010	£7,057,353.94	33%		0.0%		0.0%	£7,057,353.94	33%
	A - 190	£916.31	0.0%		0.0%		0.0%	£916.31	0.0%
	B - 030	£4,188,395.96	19%		0.0%		0.0%	£4,188,395.96	19%
	B - 041	£10,832.55	0.0%		0.0%		0.0%	£10,832.55	0.0%
	B - 100	£1,023,857.98	5.0%		0.0%		0.0%	£1,023,857.98	5.0%
	B - 170	£15,168.03	0.0%		0.0%		0.0%	£15,168.03	0.0%
	B - 180	£212.91	0.0%		0.0%		0.0%	£212.91	0.0%
	C - 020	£244,838.12	1.0%		0.0%		0.0%	£244,838.12	1.0%
	Total	**£12,541,575.81**	**58%**		**0.0%**		**0.0%**	**£12,541,575.81**	**58%**
	Grand Total	**£21,651,191.34**	**100%**		**0.0%**		**0.0%**	**£21,651,191.34**	**100%**

Table 70: Matrix 2004/05 F04 funding.

Provision	Target contribution	High	%	Medium	%	Low	%	Total	%
Contributes to target	Basic Skills		0.0%		0.0%		0.0%		0.0%
	Full level 2	£3,303,767.00	15%		0.0%		0.0%	£3,303,767.00	15%
	Full level 3	£4,295,179.00	19%		0.0%		0.0%	£4,295,179.00	19%
	Total	**£7,598,946.00**	**34%**		**0.0%**		**0.0%**	**£7,598,946.00**	**34%**
Partial contribution to target	Partial level 2	£13,360.00	0.0%		0.0%		0.0%	£13,360.00	0.0%
	Total	**£13,360.00**	**0.0%**		**0.0%**		**0.0%**	**£13,360.00**	**0.0%**
Does not contribute to target	A - 010	£5,346,376.00	24%		0.0%		0.0%	£5,346,376.00	24%
	A - 040	£1,177,574.00	5.0%		0.0%		0.0%	£1,177,574.00	5.0%
	A - 190	£1,061.00	0.0%		0.0%		0.0%	£1,061.00	0.0%
	A - 230	£129.00	0.0%		0.0%		0.0%	£129.00	0.0%
	B - 030	£5,208,483.00	23%		0.0%		0.0%	£5,208,483.00	23%
	B - 041	£21,725.00	0.0%		0.0%		0.0%	£21,725.00	0.0%
	B - 100	£2,343,888.00	10%		0.0%		0.0%	£2,343,888.00	10%
	B - 150	£18,894.00	0.0%		0.0%		0.0%	£18,894.00	0.0%
	B - 170	£21,224.00	0.0%		0.0%		0.0%	£21,224.00	0.0%
	B - 180	£140,549.00	1.0%		0.0%		0.0%	£140,549.00	1.0%
	C - 020		0.0%		0.0%		0.0%		0.0%
	D - 200	£477,884.00	2.0%		0.0%		0.0%	£477,884.00	2.0%
	Total	**£14,757,787.00**	**66%**		**0.0%**		**0.0%**	**£14,757,787.00**	**66%**
	Grand Total	**£22,370,093.00**	**100%**		**0.0%**		**0.0%**	**£22,370,093.00**	**100%**

Table 71: Key provider analysis - learner numbers. Colleges who deliver above 20% of local provision. Colleges delivering 50% and above are annotated with an * in bold.

Local area	Provider	2003/04		2004/05		2005/06	
		FO5		FO5		FO4	
		Level 2	Level 3	Level 2	Level 3	Level 2	Level 3
Derbyshire	Chesterfield College	397 30%	254 23%	371 25%	282 22%	400 28%	264 18%
	Derby College	578 43%	**594* 53%**	**801* 53%**	**693* 54%**	**648 45%**	**862* 58%**
Leicestershire	Leicester College		203 14%		174 13%		306 26%
	Pre-School Learning Alliance	**1216 51%***		**1284* 51%**		1011 44%	
	Loughborough College		373 25%		271 20%		160 14%
	South Leicestershire College				189 1 4%		200 17%
	Stephenson College	500 (21%)	686 46%	471 (19%)	598 44%	415 18%	300 32%
Lincolnshire & Rutland	Boston College (CoVE)	46 9%	124 (19%)	89 19%	122 (21%)	87 30%	135 29%
	Grantham College	**421* 79%**	209 32%	**297* 63%**	193 33%	109 37%	82 17%
	Lincoln College		224 34%		204 35%		185 39%
Northamptonshire	Moulton College	190 42%	239 46%	272 46%	**381* 54%**	196 45%	**447* 54%**
	Northampton College (CoVE)	164 36%	222 43%	229 3 8%	263 37%	155 35%	323 39%
	Tresham Institute		63 14%		79 13%	86 20%	
Nottinghamshire	New College Nottingham (CoVE)	489 31%	647 31%	452 23%	495 23%	267 15%	375 18%
	Newark & Sherwood College	424 27%		425 21%		350 2 0.0%	211 10%
	Castle People's College	2%	11%	422 21%	600 27%	477 27%	552 27%
	West Nottinghamshire College (CoVE)	300 (19%)	427 21%)	380 (19%)	385 (18%)	372 21%	415 20%

9.3.3 Success Rates

Current 2004/05 F05 data indicates that:

- Overall success rates have increased at level 2 and level 3 over the two years (level 2 by 3% and level 3 by 5%).
- Success rates in the three colleges with CoVEs are mixed with Boston College recording very low success rates. 2005/06 F05 data in January 2007 will provide up-to-date trend indicators
- Moulton, New College Nottingham (CoVE) and Peoples/Castle College delivered high volumes of learners with low success rates
- Castle College delivered full level 2s to over 400 learners in 2004/05 with a 29% success rate at a cost of £104,000. For 2005/06 £285,000 has been invested in level 2 provision and £435,000 in level 3 provision which should show improved rates of success in the F05 2005/06 data
- Derby (in level 3 provision) and West Nottinghamshire Colleges are demonstrating significant year on year improvement.

Table 72: Success rates in health public services and care (2004/05) by local area.

	2003/04		2004/05	
	FO5		FO5	
	Level 2 %	Level 3 %	Level 2 %	Level 3 %
Derbyshire	48	44	66	59
Leicestershire	72	59	69	59
Lincolnshire & Rutland	15	39	15	33
Northamptonshire	52	47	50	56
Nottinghamshire	41	46	53	51
East Midlands	**54**	**48**	**57**	**53**

Table 73: Key provider analysis - success rates. Colleges who deliver above 20% of local provision. Colleges delivering 50% and above are annotated with an * in bold.

Local area	Provider	2003/04		2004/05	
		FO5		FO5	
		Level 2 %	Level 3 %	Level 2 %	Level 3 %
Derbyshire	Chesterfield College	27	43	68	51
	Derby College	74	47*	70*	67*
Leicestershire	Leicester College		57		71
	Pre School Learning Alliance	85*		82*	
	Loughborough College		54		33
	South Leicestershire College		72		64
	Stephenson College	63	62	66	67
Lincolnshire & Rutland	Boston College (CoVE)	45	28	31	43
	Grantham College	7.0*	39	7.0*	17
	Lincoln College		41		39
Northamptonshire	Moulton College	41	40	49	46*
	Northampton College (CoVE)	73	58	62	63
	Tresham Institute		48		58
Nottinghamshire	New College Nottingham (CoVE)	40	45	48	50
	Newark & Sherwood College	43		61	
	Peoples/Castle College	39	51	29	41
	West Nottinghamshire College (CoVE)	55	50	72	61
East Midlands average in subject sector area		**54**	**48**	**57**	**53**

10.0 Quality

10.1 Inspection

Inspection is now more risk based and depending upon the outcome of the annual assessment visit (Ofsted only) providers may only receive a "light" touch inspection on a small number of areas of learning and leadership and management. In some instances of Excellent or Very Good provision the inspection cycle may be in excess of every four years, although this remains an area under discussion.

Self-assessment has become very important. The provider's self assessment report, and its associated grades, will be used by the LSC to identify areas of concern, or providers who appear not to be improving very quickly (coasting at satisfactory), as well as identifying good practice.

The provider's self assessment report/quality improvement plan should now include an update on progress of implementing the three year development plan and provide information/plans on implementing improvement in the future. They provide important contributions to the local area strategic discussions with providers.

Peer benchmarking and the formation of provider/partner forums at a regional and local level (e.g. LLDD, equality/diversity and sector focussed groups) are providing a framework and more opportunities to promote the effective sharing of good practice and to support providers to improve in high priority sector specific areas.

10.2 Minimum levels of performance

Inspection alone does not validate quality; success rates are important too and through the new framework for excellence new minimum standards of performance are being determined.

These will form one aspect of performance measurement on the journey towards introducing the framework for excellence within a set of interventions that will be taken in the different circumstances where quality is poor or at serious risk. Importantly, this confirms that the introduction of new minimum levels of performance will be a critical consideration in our strategic commissioning process from 2007/08 and beyond.

The proposals adopt methodologies for short and long courses with provision being assessed against each sector subject area. It is envisaged that for 2007/08 formal performance assessments will be conducted against long qualifications in the first year.

Table 84: Current proposals. Areas for which minimum levels of performance are to be set.

	Long Course	Short Course (<5wks)	Short Course (5 - 24 wks)
Level 1	50%	85%	60%
Full level 2	50%	85%	60%
Apprenticeships (full framework)	40%	40%	40%
GCSE	50%		
Level 2 (not full nor GCSE)	50%	85%	60%
Full level 3	50%		60%
Advanced Apprenticeships (full framework)	40%	40%	40%
A/AS/A2	50%		60%
Level 3 - not full nor A levels	50%	85%	60%
Level 4 or higher	50%		60%
Level not classified	50%	85%	60%
Basic Skills	50%	85%	60%

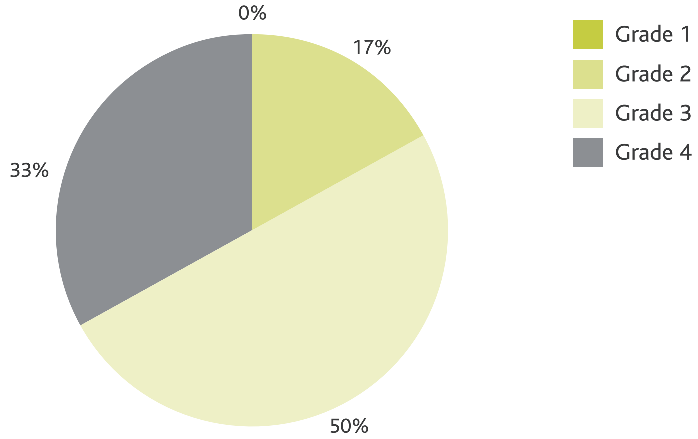
10.3 Personal, Community and Developmental Learning (PCDL).

All 12 PCDL (formerly ACL) providers have been inspected since 2004 (under the old and new common inspection framework). One third (33%) of the Leadership and Management grades and 13% of the Area of Learning grades are unsatisfactory.

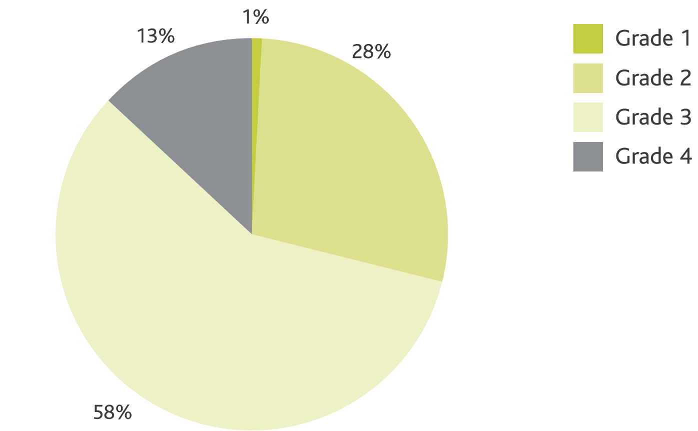
Inspections since the introduction of the new framework have remained judging high proportions of provision at grade 4, and has increased Inadequate judgements in the Areas of Learning to 31% and 54% in Management. This trend is indicating that the quality of PCDL provision, and the capacity of the sector to improve, are behind the FE and WBL sectors.

Figure 16: PCDL Inspection outcomes.

PCDL providers - all inspections
leadership and management grades only



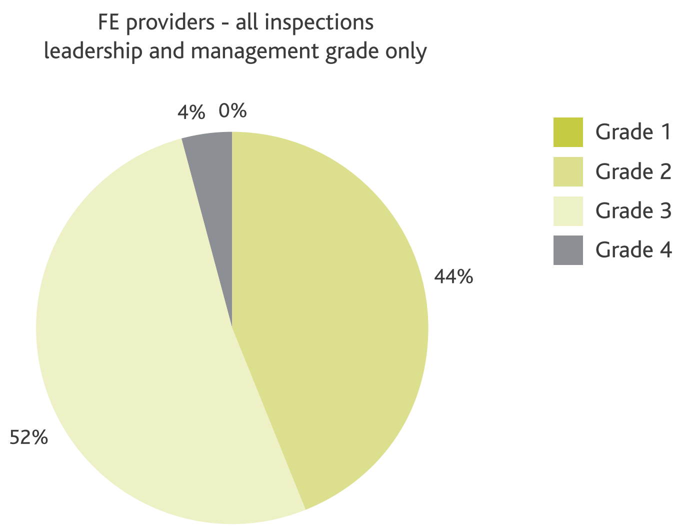
PCDL - all inspections
areas of learning

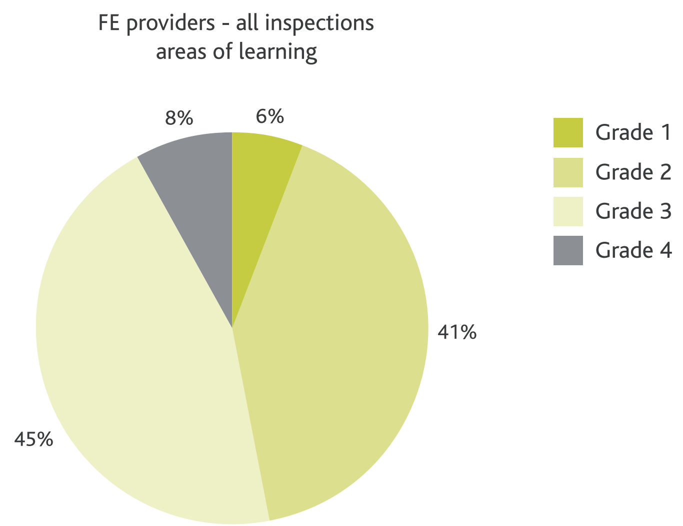


10.4 FE Colleges

A total of 26 FE providers have been inspected under the old and new common inspection framework (CIF). A significant proportion of learners are in grade 3 provision (45%), with 8% being in unsatisfactory. Leadership and management performance is better where 4% of providers are unsatisfactory. Inspections under the new CIF indicate that all providers inspected between September 2005 and July 2006 are satisfactory or above in both leadership & management and areas of learning. One provider (Leicester College) has been awarded Grade 1 in continuous improvement (one of the new management measures). It is worth noting that although it would appear that 10% of the inspections are Grade 1, only three colleges have been inspected during this period.

Figure 17: FE College inspection outcomes.





10.5 WBL.

As a proportion of the whole network over 50% of WBL provision on inspections to date has been judged to be good in management and leadership, with 9% of provision being judged as inadequate (seven providers out of 83 providers). One provider (Stubbing Court, Derbyshire) received outstanding judgements in leadership and management. 50% of the provision in the areas of learning was judged to be good.

Whilst the overall percentages of provision that have been graded good and above are higher across the WBL network when compared to the FE colleges, and thus the overall percentage of satisfactory provision is less, over a third of provision in leadership and management/areas of learning remains satisfactory.

Figure 18: WBL Inspection outcomes under the new CIF.

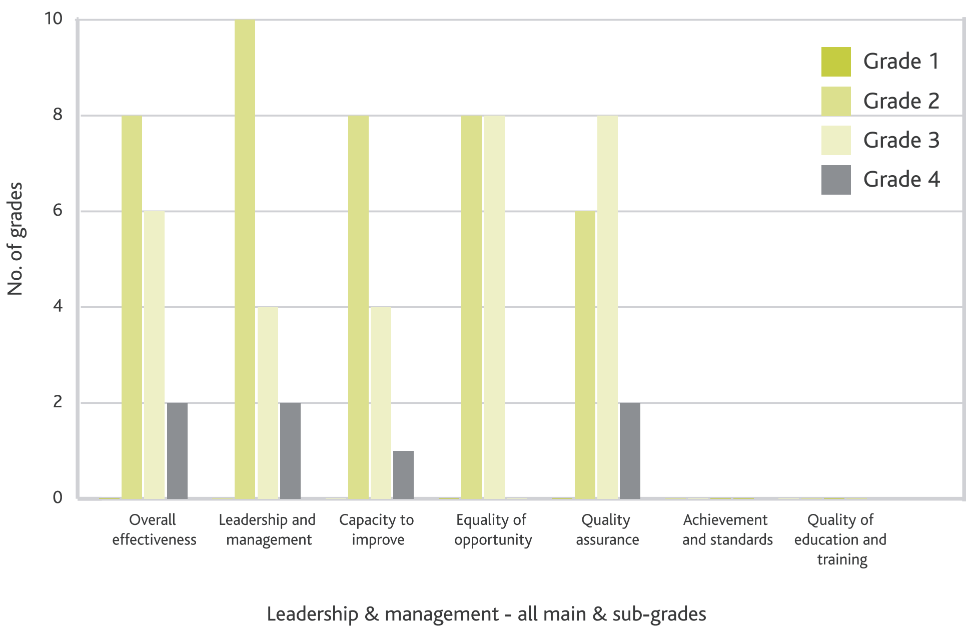
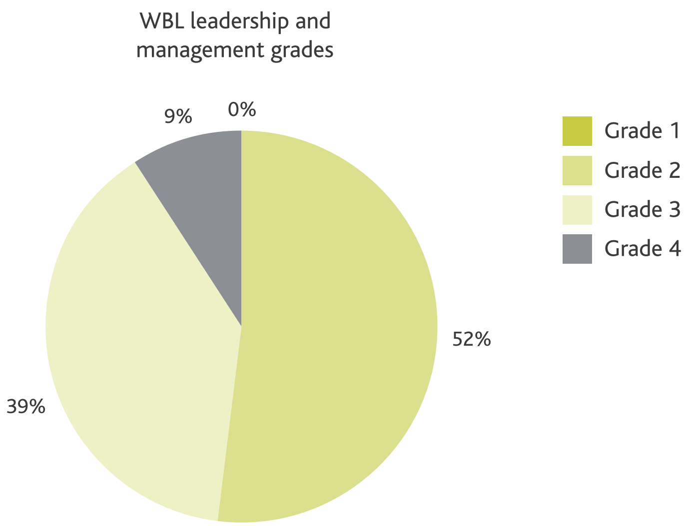
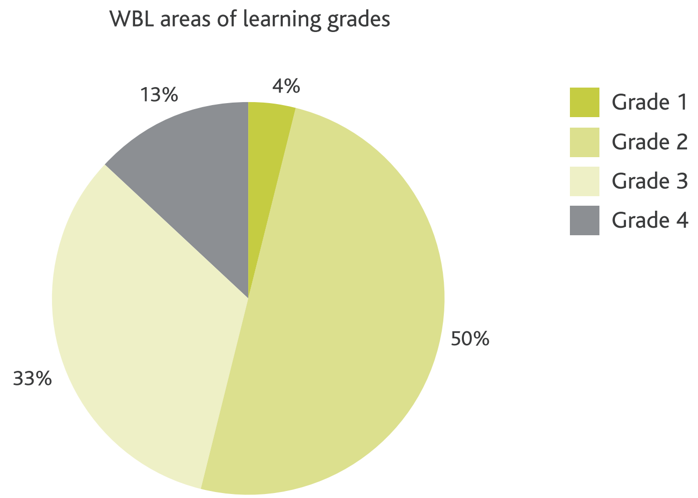


Figure 19: WBL Inspection grades.





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