

 For information

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Leading learning and skills

# Delivering Learning and Skills

London Strategic Analysis 2007.

## November 2007

For people and organisations interested in  
learning and skills.

This publication was produced in consultation with our key partners, drawing on intelligence gathered for the London Skills and Employment Board.

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# Foreword

It is with great pleasure that I welcome you to Delivering Learning and Skills - the 2007 London Strategic Analysis. It highlights the key challenges for delivering learning and skills, presents a stock take of what we have achieved in London and highlights where we need to do more. It has been developed in consultation with our key partners; drawing on intelligence gathered for the London Skills & Employment Board (LSEB) and is complementary to The London Story, which has been published by the Board.

The report is designed to focus attention on those trends and challenges faced by the learning and skills sector in London across the 14-19 and adult environments. It will, of course, inform the London Learning and Skills Plan, which will be published in the New Year.

The report focuses on progress to date in delivering learning and skills to young people and adults, raising the quality and choice of provision and demonstrates the Learning and Skills Council's (LSC) contribution to economic gain for the capital through working in partnership.

We are proud of our progress, including London's highest 16 and 17 year old participation rate ever, a 23 percentage point increase in Adult FE success rates since 2003/04, year on year improvement in Work Based Learning success rates and the reduction of Young People Not in Education, Employment or Training to below the national average for the first time.

We recognise there are still many other challenges ahead. Levels of worklessness remain unacceptable and too many young people and adults do not have the basic skills and qualifications to compete effectively in the labour market. Consequently, they are not able to share in the wealth of the most productive region in the UK.

The LSC along with other public agencies has an important role in enabling London to maintain its competitive position, by ensuring Londoners can compete effectively in the labour market and to progress once in employment. We are working closely with the LSEB to support its ambitions for London. The Board has a crucial role in ensuring the employment and skills system is more integrated and ultimately is more demand led, with a greater emphasis on responding to both employer's and individual's requirements.

We will continue to ensure that our investment meets London's economic and social needs and maintains its position as one of the most productive and competitive cities in the world.



**David Hughes**, LSC London Regional Director

# 1 The strategic policy context

The LSC is responsible for planning and funding all education and training for people over 16 in England other than those in universities. We have a single goal: to improve the skills of England's young people and adults to ensure we have a workforce of world-class standard.<sup>1</sup>

Our vision is that by 2010, young people and adults have knowledge and skills matching the best in the world and are part of a truly competitive workforce.

Our priorities in the London Learning and Skills Plan 2007-08 are to:

- Improve educational opportunities for all young people
- Tackle London's skills and employment gap
- Raise the effectiveness and performance of the learning and skills sector
- Integrate skills within economic development and local and regional regeneration
- Equip Londoners with skills to benefit from investment in the London 2012 Olympic Games and Paralympic Games<sup>2</sup>

## Investing in skills

The focus on continuing London's strong economic performance through increasing skill levels of young people and adults is represented within the government's PSA targets set for the LSC; Level 2 at 19, Level 3 at 19, Skills for Life and Adult Level 2.<sup>3</sup> This is further highlighted through government policies, such as the September Guarantee for Young People and the Skills Pledge to encourage employers to develop their staff to Level 2. Maintaining London's competitiveness by raising the skills of Londoners is anticipated to feature significantly in the emerging strategy of the London Skills and Employment Board's (LSEB) Adult Skills and Employment Strategy.

In order to achieve the government's objectives there is now a clear focus on employability and progression into further levels of study or employment for all learning and skills provision. The Through Inclusion to Excellence strategy, for example, includes the need to increase identifiable progression routes, to move learners into employment. The multi-agency Skills for Life strategy also states provision needs to become more responsive and focused on employability. The LSC's approach to an Olympics skills legacy, which we are developing alongside a range of regional organisations, has a particular focus on building the employability of those furthest away from the labour market.<sup>4</sup>

This has led to some significant financial shifts; between 2005/06 and 2007/08 young people's Further Education (FE) funding increased from 47 per cent to 53 per cent of overall funding and Adult Full Level 2 spending rose from 4 per cent to 10 per cent in the same period. A similar trend can be seen in Adult Full Level 3. The shift has led to a reduction in non-target bearing provision, the majority of which is ESOL. LSEB have however brokered an ESOL support package to limit the impact of this change whilst supporting providers to change the focus to employability and progression into higher levels of learning and employment.

## Adult Skills and Employment Strategy

The London Skills and Employment Board has been established to provide leadership in improving adult skills and employment in London. Chaired by the Mayor of London, it is employer-led to ensure that its work is driven by the needs of employers and that skills provision meets the existing and future needs of the London workforce. The LSEB will set the framework for the spending of over £560 million per year through the London LSC's adult skills budget. In addition, it will have the ability to influence and direct the spending and priorities of other key agencies such as Jobcentre Plus and the London Development Agency.

The LSC is engaged in the process of contributing to the development of the LSEB strategy for adult training and ensuring its implementation. The evidence base has been concluded and the timeline for development of the strategy is:

- Early October 2007 - the underpinning evidence (The London Story) published
- October 2007 - consultation document issued
- October 2007 to January 2008 - consultation period
- Spring 2008 - full strategy is published.

## Developing a demand led system<sup>5</sup>

Responding to the needs of the labour market is a key strategic challenge facing London. At present:

**Many employers are not engaged and are not driving skills provision** – employer demand needs to be raised to articulate effectively the real demand for skills in the capital. Currently employers can recruit from the national and international labour market; and so are not always motivated to recruit or train resident workers.

<sup>1</sup> The recent Central Government restructure will have an impact on the role of the LSC, with responsibility for funding 14-19 provision moving to local authorities by 2010/11. It is not yet clear what the extent of the impact will be on adult funding.

<sup>2</sup> While we recognise the significant economic impact and skills challenges of the London 2012 Olympic and Paralympic Games, these issues will be covered in a more detailed paper. Similarly, the Young People and Adult sections highlight the progress made in equipping Londoners with the skills necessary to take advantage of the Games.

<sup>3</sup> See Chapter 6 for the London contribution to the National targets.

<sup>4</sup> Other key objectives include extending the range of excellent WBL provision across four key sectors: construction, media, sport and customer service / hospitality; and building capacity where high quality WBL is in short supply.

**Support for individuals is not integrated or flexible enough** – individuals, whether in work or not, require integrated support to help them to overcome barriers to learning and work.

**The supply-side needs to develop to meet the needs of employers and individuals** – the provider base performs well against existing quality criteria, but a significant cultural shift is needed to deliver the right employability skills, to move the workless into sustainable employment and those in work to higher level jobs.

There is a clear need not just for providers to change in order to deliver the demand-led agenda, but also for public funding agencies to have an integrated approach to economic development and skills investment, that reflect the particular needs of London. City Strategy Pathfinders, Local Area Agreements and Multi Area Agreements are important approaches to multi-agency working.

The forthcoming Adult Skills and Employment Strategy, in particular, will focus on developing a more progressive and integrated skills and employment system led by the demands and needs of employers and Londoners. The Leitch Review also specifically cited Train to Gain (TtG) as one of the mechanisms through which a more demand-led system could be delivered whilst also raising the skills base of the workforce.

The LSC is already making progress to deliver a world class workforce in London by supporting the development of:

- A reformed national vocational qualifications framework to provide more flexibility to meet employer and learner need.
- The new Adult Careers Service proposed in 'World Class Skills: Implementing the Leitch Review of Skills in England' to ensure that support for individuals is more effective and consistent across London.
- The National Skills Campaign launched in July to raise awareness of the importance of skills among both employers and individuals.
- The New Standard for Employer Responsiveness and Vocational Excellence and National Skills Academies (NSAs) to support the specialisation agenda.
- New approaches to training provision to provide a more integrated and demand-led skills and employment offer through the Employability Demonstration Pilots with 11 large FE colleges within the London region.
- A major programme of capacity building for London providers to support them to become more responsive in order to be successful in a demand led system.
- Exploiting the opportunities created by the Olympics to leave a legacy of excellent work-based learning provision across London.



<sup>5</sup> See Section 7 for information on partnership working in some of the areas highlighted in this section.

# 2 The employment context for delivering learning and skills

London is ranked the world's number one centre for commerce and the best European City in which to locate a business.<sup>6</sup> The 2005 European Cities' Monitor highlights access to markets, availability of qualified staff, international and internal transport links, telecommunications, languages spoken and availability of office space as the key strengths of the capital's economy.

Economic growth has been positive since 2002 and stronger than the UK as a whole since the fourth quarter of 2004. The service sector continues to drive the economy, rising by 3.6 per cent over 2007.<sup>7</sup> London firms have higher productivity than those in the rest of the UK, which makes them highly competitive in global markets. This is the case across all industrial sectors, but especially so for financial and business services.<sup>8</sup>

London however faces a number of key challenges. Many residents encounter multiple barriers to entering the labour market. Approximately 900,000 residents (19 per cent) have literacy levels below Level 1, 2.3 million (48 per cent) numeracy below Level 1 and 600,000 have ESOL needs.<sup>9</sup> The GLA's July 2007 Summary of Performance highlights poor progress in tackling barriers to employment, reducing disparities in labour market outcomes between different groups and addressing the impacts of concentrations of disadvantage.<sup>10</sup>

Good progress is however highlighted in addressing barriers to enterprise start up, growth and competitiveness, maintaining London's position as a key enterprise and trading location and maximising the productivity and innovation potential of London's enterprises.<sup>11</sup>

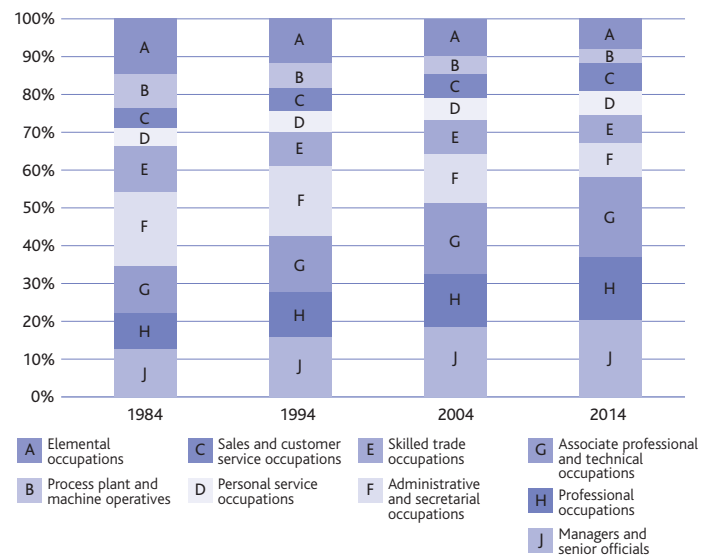
## Employment Change

Over the past 20 years London's employment structure has shifted away from manufacturing and primary industries to services and knowledge intensive sectors in particular. Over 40 per cent of total employment is now in financial and business services and 'other' services.<sup>12</sup>

## Occupations

The emergence of financial and business services in particular, has resulted in greater demand for highly skilled 'knowledge workers', such as managers and senior officials, professional and associate professional and technical roles. This trend is expected to continue, with the sector projected to generate an additional 330,000 jobs (mostly highly skilled) between 2006 and 2016. Over 50% of employees in finance and business services, public administration, health and education and 40% of employees in 'other' services are qualified to Level 4 or above. GLA Economics estimates that by 2020, 50 per cent of employees in London will require a Level 4 or higher qualification.<sup>13</sup>

Figure 1: Occupation change in London 1984 - 2014



Source: Cambridge Econometrics

The number of lower skilled jobs has been projected to decline, largely due to an anticipated reduction in elementary; process, plant and machine operatives and skilled trades jobs. GLA Economics, however, expects that absolute numbers of low-skilled jobs are unlikely to fall, due to potential demand for basic service jobs, such as cleaning and security, as the demand for high skilled office-based jobs increases.<sup>14</sup>

<sup>6</sup> European Cities Monitor 2005.

<sup>7</sup> City Economy Digest, August 2007, Issue 3.

<sup>8</sup> The London Story, London Skills and Employment Board, October 2007.

<sup>9</sup> London Skills for Life Strategy, November 2006.

<sup>10</sup> London Economic Development Snapshot, Issue 5, July 2007.

<sup>11</sup> London Economic Development Snapshot, Issue 5, July 2007.

<sup>12</sup> The London Story, London Skills and Employment Board, October 2007.

<sup>13</sup> The London Story, London Skills and Employment Board, October 2007.

<sup>14</sup> The continued existence of relatively low-skilled jobs does not however necessarily mean that employees with no qualifications will be able to access them. This is because all occupations to some extent are experiencing educational upgrading overtime. This can be due either to a change in the nature of the occupations requiring increasing higher skills or due to credentialism and over-qualification. See The London Story, London Skills and Employment Board, October 2007 for more information.

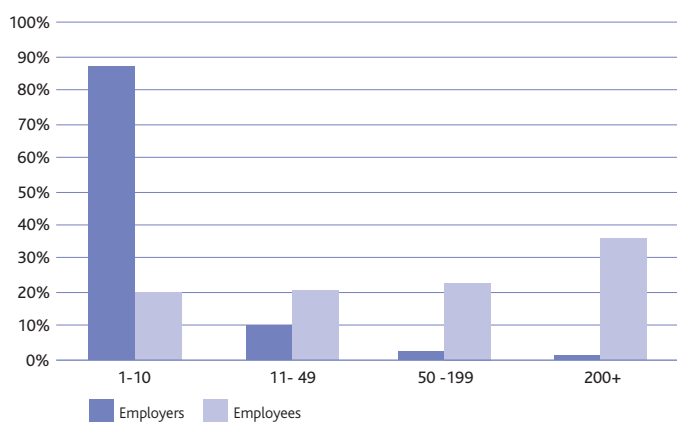
All occupational sectors, including those set to decline in terms of total employment, have a requirement for new workers over the next decade to replace those who are retiring. However, the vast majority of new jobs over the next decade will occur in occupations that are expecting overall growth in employment. Highly skilled Professional and Managerial occupations have a net requirement of 1.3 million jobs between 2004 and 2014, 69 per cent of the total net requirement for London.<sup>15</sup>

### Self-employment and entrepreneurial activity

London has developed a strong enterprise culture and in 2005 had an increased net business start-up rate of 1.3 per cent, above the 2004 figure of 1.1 per cent.<sup>16</sup> 16 per cent of the capital's population is self-employed, compared to the national average of 13.4 per cent.<sup>17</sup> The percentage is particularly high for men at 20 per cent.

Small and medium sized enterprises (SMEs) account for 86 per cent of businesses, the highest proportion of any region. Jobs are however mainly concentrated in medium and large organisations, with the latter accounting for 36 per cent of all employment.<sup>18</sup>

**Figure 2: Profile of businesses in London, 2005**



Note: Graph based on establishment data.  
Source: Annual Business Inquiry, 2005.

### Full-time v part-time working

In absolute numbers, both part-time and full-time employees have risen over the past decade. The proportion of part time workers has risen gradually from 20.4 per cent in 1994 and is predicted to increase to 22.5 per cent in 2014. Male part time employment is estimated to rise from 4.7 per cent to 8.1 per cent in the same period and female part time employment to fall from 15.7 per cent to 14.4 per cent. A shortage of suitable part time opportunities for females will impact on lone parents in particular.

### Workforce Change

Expansion in employment has been underpinned by growth in the working age population. Of a total population of 7.5 million, there are 5.1 million residents of working age. The dynamics of the labour market are changing, with fewer job opportunities for young people without qualifications, people working longer (the employment rate for 50-64 year olds is increasing at a higher rate than the London average), and increasing numbers of highly qualified in-commuters and inward migrants from the UK and abroad.<sup>20</sup>

This has occurred due to the rise in demand for a highly skilled workforce. Approximately 43 per cent of London jobs are filled by people with Level 4+ qualifications. However, only 33 per cent of London's workforce has a Level 4.<sup>21</sup> In-commuters account for nearly a third of the workforce in London's financial sector and nearly a quarter of its public administration workers.<sup>22</sup>

In order for the resident labour market to remain competitive, skill and qualification levels need to rise. Although increasing numbers of older workers are employed, 61 per cent of London residents with no qualifications are aged between 40 and retirement age.<sup>23</sup> 14 per cent of 40-49 year olds and 23 per cent of 50-64 year olds have no qualifications, rising to 27 per cent and 33 per cent respectively who do not have a Level 2. The approximate 90,000 young people entering the labour market each year must have higher level skills to compete in a market skewed towards high skilled jobs.<sup>24</sup>

### Migration

London's population is more highly skilled than the rest of the UK because it attracts well-qualified inward migrants from the UK and abroad to supplement its own young people entering the labour force (as well as its existing resident population). GLA Economics estimates that some 8 per cent of the workforce is renewed annually, with over 75 per cent of new entrants comprising international migrants or domestic migrants from the rest of the UK and just under 25 per cent from London itself.<sup>25</sup>

<sup>15</sup> Working Futures 2004-2014 Spatial Report

<sup>16</sup> London Economic Development Snapshot, Issue 5, July 2007

<sup>17</sup> Annual Population Survey, April 2005-March 2006.

<sup>18</sup> Self employment is a key motivation for learning, with 50 per cent of learners surveyed in the recent Learner Tracker study of 1,400 Level 2 and 3 learners saying that a key reason for going on the course was to help them set up their own business. Seven per cent of those whose goal was setting up a business subsequently moved into self-employment.

<sup>19</sup> Working Futures 2004-2014 Spatial Report.

<sup>20</sup> Employment rate of 50-64 year olds stood at 67.6 per cent in the year to March 2007. For more information, see London Economic Development Snapshot, Issue 5, July 2007.

<sup>21</sup> The London Story, London Skills and Employment Board, October 2007.

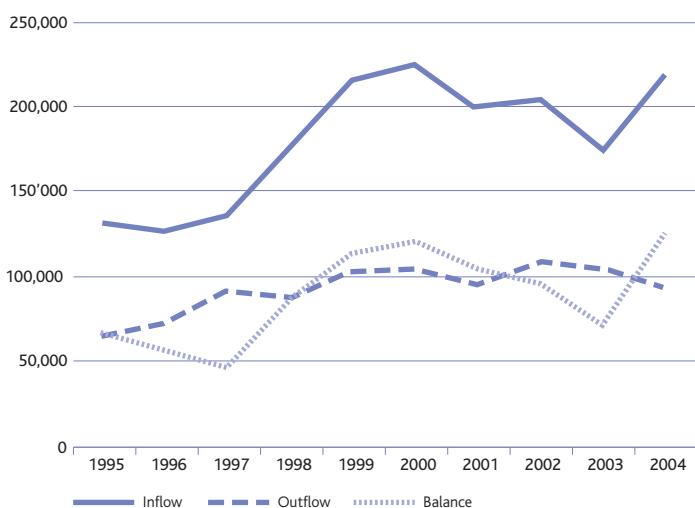
<sup>22</sup> There are approximately 700,000 in-commuters per annum.

<sup>23</sup> The London Story, London Skills and Employment Board, October 2007.

<sup>24</sup> The London Story, London Skills and Employment Board, October 2007.

<sup>25</sup> The London Story, London Skills and Employment Board, October 2007.

**Figure 3: International migration flows, London 1995 - 2004**



Source: ONS International Migration Series 2006.

There has been an average gross inflow of around 180,000 international migrants since 1991, with employment in both high and low skill sectors, including financial and business services (245,000 individuals employed in 2003); wholesale, retail and motor trade (143,000); and health and social work (114,000). There are also a large number of international migrants employed in the hotels and restaurants sector (96,000), with 60 per cent employment in the sector from individuals born outside the UK.<sup>26</sup>

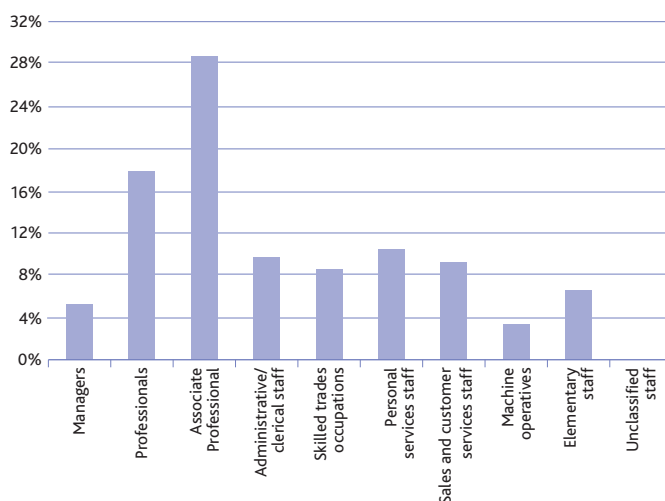
Evidence suggests that many migrants have high levels of skills and qualifications, but these are not always recognised by employers; consequently they can only get employment at the lower end of the labour market.<sup>27</sup> Qualifications that are not officially recognised and language problems are significant factors in the problem of over qualification/underemployment.<sup>28</sup>

**Employer Skills Issues<sup>29</sup>**

In 2005 London had the lowest proportion nationally of employers reporting skills shortage vacancies (13 per cent), although this is an increase from 11 per cent in 2004.<sup>30</sup> According to the London Annual Business Survey (LABS), businesses citing the availability of appropriately skilled employees as a significant or very significant problem fell from 34 per cent in 2005 to 29 per cent in 2006.<sup>31</sup>

The largest proportion of skills shortage vacancies occurs in associate professional and technical occupations and professional occupations, far higher than the national averages of 18 per cent and 10 per cent respectively, although skilled trade occupations are much lower (national average of 17 per cent).

**Figure 4: Distribution of skill-shortage vacancies**



Source: National Employer Skills Survey 2005.

By 2020, GLA Economics forecasts that 50 per cent of all London jobs will require a Level 4 or higher qualification. Employers will therefore increasingly need access to a highly skilled labour force to ensure high levels of productivity, competitiveness and economic growth.

The growth of the 'Knowledge Economy' has led to a large increase in the demand for ICT skills.<sup>32</sup> Because of the intensive use of ICT in business processes, these technologies will become central to London's economic development, particularly in financial and business services. According to the National Employer Skills Survey (NESS) 2005, 25 per cent of employers who said they had a skills gap identified general IT user skills as needing to improve and 17 per cent highlighted IT professional skills. A recent survey, however, found that 92 per cent of employers are happy with the IT skills of GCSE students.<sup>33</sup>

<sup>26</sup> The London Story, London Skills and Employment Board, October 2007.

<sup>27</sup> The Impact of Recent Immigration on the London Economy, City of London July 2007.

<sup>28</sup> The Impact of Recent Immigration on the London Economy, City of London July 2007.

<sup>29</sup> An overview of sector specific issues is available in a separate document. See also The London Story, London Skills and Employment Board, October 2007 and respective SSC websites for more information on sector needs.

<sup>30</sup> National Employer Skills Survey (NESS) 2005.

<sup>31</sup> London Economic Development Snapshot, Issue 5, July 2007.

<sup>32</sup> The knowledge economy is characterised by the rise of professional, managerial and scientific and technical occupations (or 'knowledge workers') in all sectors, including public services. See 'The London Knowledge Economy', Knowledge Economy Network, June 2006 for more information on the Knowledge Economy and demand for ICT..

<sup>33</sup> <http://management.silicon.com/careers/0,39024671,39168197,00.htm> .

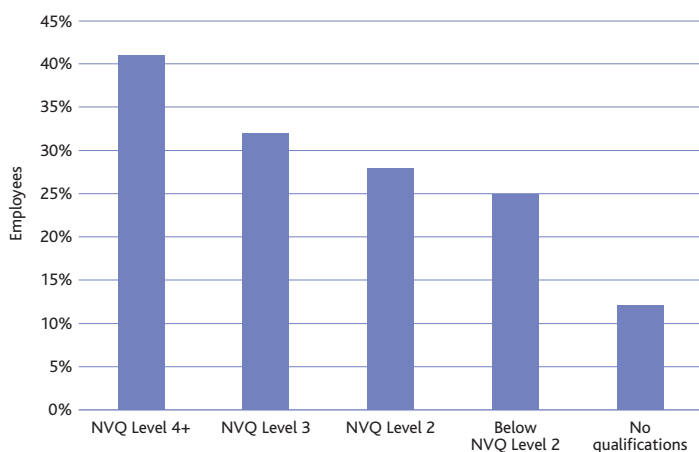
### Skills gaps and training

According to NESS 2005, 6 per cent of employers have skills gaps in their current workforces, in line with the national average. Reported skills gaps are more likely to be customer handling, team working and oral communication. Generic issues facing employers, identified by the Skills for Business Network, include leadership and management skills, cited by a large majority of Sector Skills Councils (SSCs), literacy, numeracy and English fluency, followed by general employability and customer service skills.<sup>34</sup>

A recent national survey suggests just over half of employers are dissatisfied with the literacy and numeracy levels of school leavers. The survey also shows that 71% of employers feel school leavers lack business awareness, and 50% are dissatisfied with their generic employability skills.<sup>35</sup> This has impacted on employability, with young people entering the workforce forming less than 25 per cent of new entrants into London's labour force each year.<sup>36</sup>

62 per cent of establishments in London provided training in 2005 (accounting for 58 per cent of the current workforce) spending £5.783 million. 13 per cent of employers use an FE College, below the national average of 18 per cent and the lowest of any region.<sup>37</sup> Evidence suggests that employees with higher level qualifications (Level 3 & 4) are more likely to receive training.<sup>38</sup>

**Figure 5: Percentage of employees receiving job-related training in last 13 weeks by highest qualification held**



Source: Labour Force Survey 2004.

There is overwhelming evidence that those with few or no qualifications are more likely to be excluded from the labour market and suffer social and economic disadvantages; in London, 87 per cent of people qualified to degree level are in employment, compared to 44 per cent of those with no qualifications.

At 69 per cent, the capital's employment rate is the lowest in the country and 5 percentage points behind the national rate. This gap is wider than 1997 when London was only 3 per cent behind. The employment rate is particularly low for certain groups, including disabled people (44 per cent) and BAME residents (60 per cent).<sup>39</sup>

### Worklessness and Economic Inactivity

In an increasingly highly skilled job market, there are an estimated 1.2 million economically inactive working age residents in London. Those with care responsibilities account for 34 per cent of inactive Londoners, 27 per cent are students and 20 per cent long term sick. In total, almost a third of working age residents are workless. Approximately 750,000 residents are claiming benefits, 42 per cent of which are on incapacity benefit and 21 per cent Job Seekers Allowance.<sup>40</sup>

There are multiple barriers to employment, including a mismatch between the skills levels of residents, with 40 per cent not having a level 2 and 14 per cent having no qualifications, and jobs available in the labour market.<sup>41</sup> Some migrant groups also have poor labour market outcomes. Around two thirds of those with ESOL needs are economically inactive or unemployed.<sup>42</sup>

### Key Messages

- Greater focus is needed on supporting those out of work to develop their skills in order to compete for sustainable jobs in the labour market
- More upskilling and retraining opportunities may be needed to meet employer demand and employment growth
- Increased achievement of Level 2 by age 19, targeted basic skills provision and adult training in the workplace (e.g. Train to Gain) is needed to improve the functional literacy and numeracy skills of both young people and adults
- Progression routes from LSC provision into employment and higher education need to be improved
- ESOL residents need improved language and employability skills to enable them to better address barriers to gaining employment
- Providers need to improve their responsiveness to meeting employer training needs

<sup>34</sup> The London Story, London Skills and Employment Board, October 2007.

<sup>35</sup> CBI Press Release for the CBI / Pertemps Employment Trends Survey.

<sup>36</sup> The London Story, London Skills and Employment Board, October 2007.

<sup>37</sup> National Employer Skills Survey 2005

<sup>38</sup> The London Story, London Skills and Employment Board, October 2007.

<sup>39</sup> London Economic Development Snapshot, Issue 5, July 2007. Employment Rate figures are for 2006 and from the LFS. BAME figures are correct as of Oct-Dec 2006 and Disabled figures as of March 2007.

<sup>40</sup> The London Story, London Skills and Employment Board, October 2007.

<sup>41</sup> This includes residents with no qualifications (14%), 'other' qualifications (16%) and NVQ Level 1 (10%). LFS 2005 figures from, The London Story, London Skills and Employment Board, October 2007.

<sup>42</sup> For more detail on the workless population see 'What works with tackling worklessness?', GLA Economics.

# 3 Learning and skills provision in profile

## LSC Funding Provision of Post-16 Learning

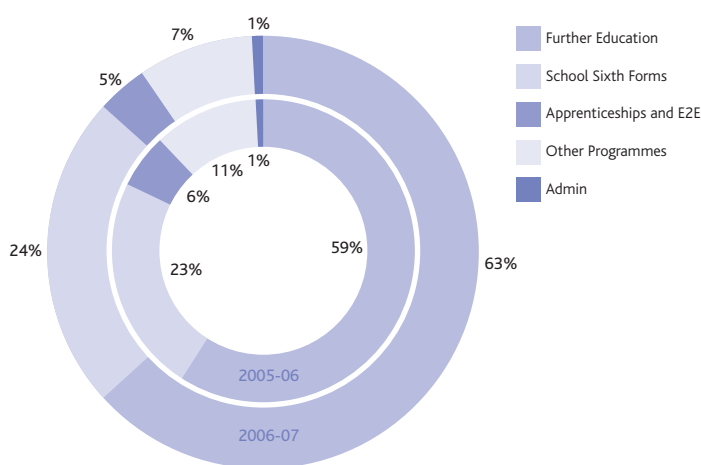
There were 756,215 learners in LSC-funded post-16 education and training in 2005/06:

- 545,187 FE learners, 5.7 per cent less than 2004/05.
- 13,334 WBL learners, a fall of 5.1 per cent.
- 133,308 on ACL programmes, a drop of 10.2 per cent.
- 61,992 School Sixth Form learners, a rise of 4.8 per cent.

## LSC Funding Streams

Of a total spend of £1.4bn on young people and adult provision in the year to March 2007, FE funding increased by 4.7 per cent to £887.11 million. School Sixth Form funding increased by £18.15 million to £337.85 million, an increase of 5.7 per cent. Apprenticeships and Entry to Employment (E2E) reduced by £11.83 million to £68.08 million.

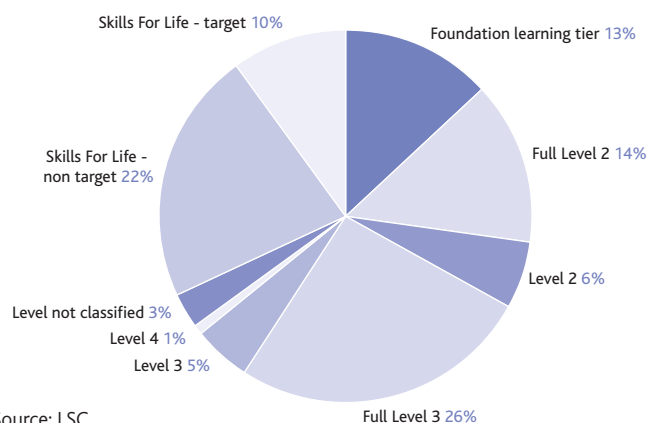
Figure 6: Profile of LSC spend, by type of provision<sup>43</sup>



Source: LSC.

FE and WBL academic year spend increased by £42.34 million to £779.6 million in 2005/06, a rise of 5.7 per cent. Funding for Full Level 2 has increased to 14 per cent compared to 12 per cent in 2004/05 and Full Level 3 from 25 per cent to 26 per cent.

Figure 7: Profile of FE and WBL spend<sup>44</sup>



Source: LSC.

In addition, £53 million was spent on ESF projects in 2006/07.<sup>45</sup>

## Colleges and Providers

In 2007/08, there is a total of 97 FE funded institutions in London, including 37 General FE and Tertiary Colleges (GFEC/TC), 18 External Institutions (EI) and 12 Sixth Form Colleges.

There are a further 151 Work-based Learning providers, of which 82 (54 per cent) are private and 31 (21 per cent) are General FE and Tertiary Colleges.<sup>46</sup>

There are also 288 School Sixth Forms who receive funding via Local Authorities.

## Characteristics of Learners<sup>47</sup>

### Gender

- 66 per cent of LSC funded learners (covering FE, WBL and ACL) in 2005/06 were female.

### Age

- There are 95,399 16-18 year olds and 442,250 19+ learners in FE, an increase of 1 per cent and decrease of 7 per cent respectively on 2004/05.
- WBL includes 7,682 16-18 year old learners and 5,652 19+ learners, a decrease of 6 per cent and 4 per cent respectively from 2004/05.

### Ethnicity

- The proportion of BAME FE learners increased by 1.7 per cent to 61.2 per cent in 2005/06. The increase was highest amongst White Other and Black or Black British – African, which account for 13.6 per cent and 11.3 per cent of learners respectively.

<sup>43</sup> This chart shows financial year spend.

<sup>44</sup> This chart shows a breakdown of provision by academic year and includes WBL and FE spend, excluding entitlement funding and ALS.

<sup>45</sup> Year to Date July 2007.

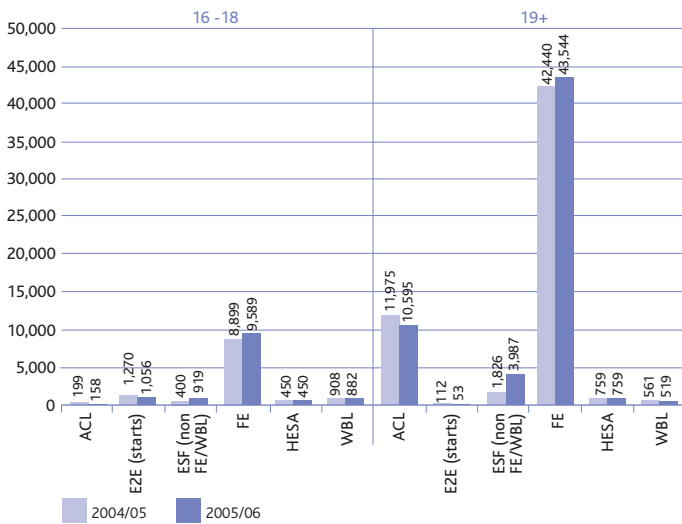
<sup>46</sup> A full list of providers is available in Annex 1.

<sup>47</sup> The data in this section is taken from the Individual Learner Record (ILR).

### Learners with Learning Difficulties and/or Disabilities

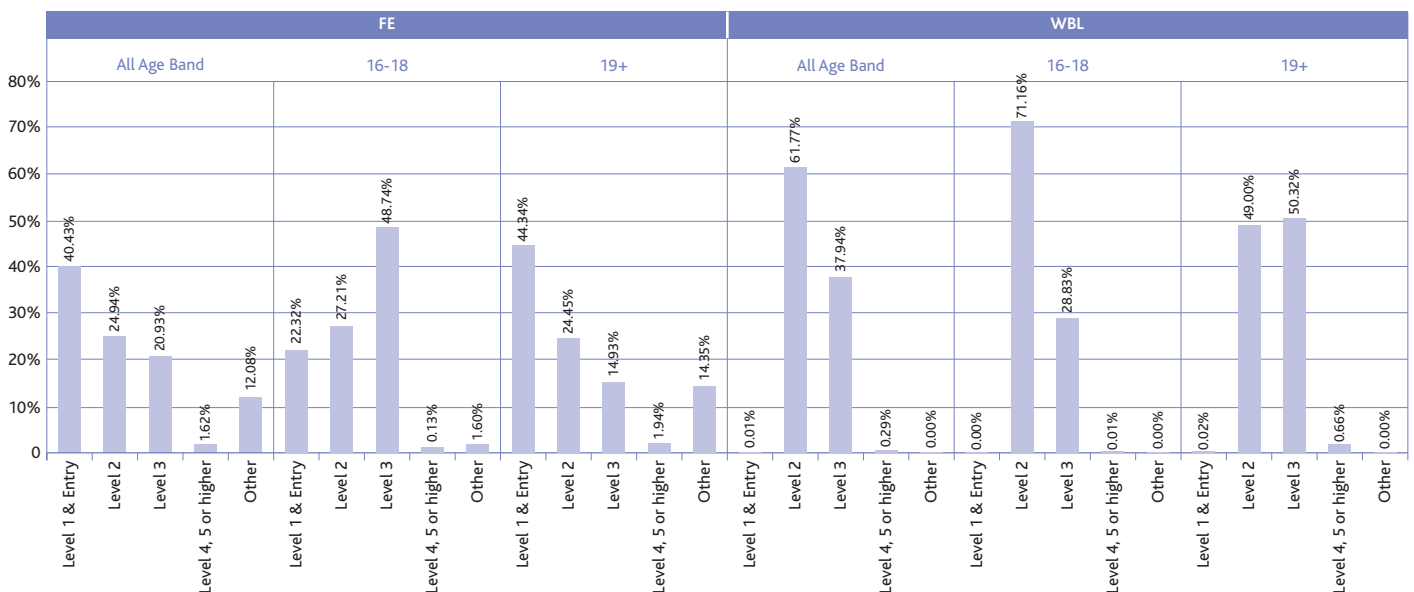
- In 2005/06 across all funding streams, 72,610 learners self-declared as having learning difficulties and/or disabilities, an increase of 3.8 per cent from 2004/05.
- In both FE and WBL, circa 10 per cent of learners have learning difficulties and/or disabilities. FE had an increase of 3.5 per cent.
- In 2005/06, 41 per cent of LLDD learners studied for level one or entry equivalent qualifications, compared to 49 per cent in 2004/5. Participation at Level 3 increased from 12 per cent to 14 per cent.

Figure 8: LLDD learners by funding stream and age



Source: LSC.

Figure 9: Proportion of learners on LSC-funded FE and WBL provision in 2005/06



<sup>48</sup> This is Skills for Life provision that counts toward the PSA target.

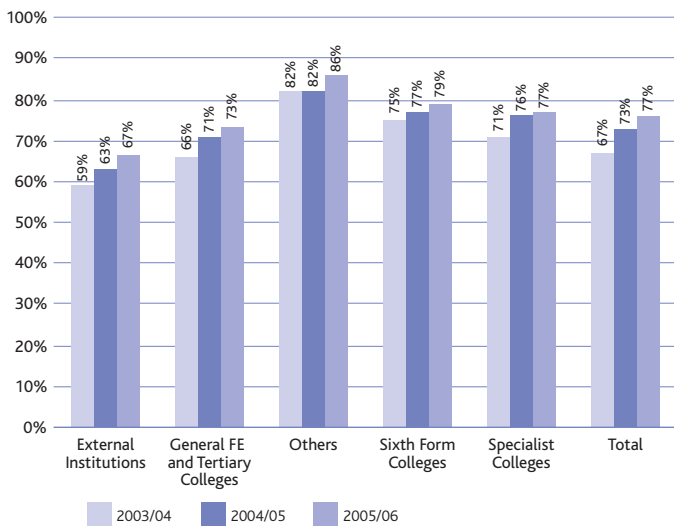


### Profile by Qualification

#### Qualification level

- In all funding streams, the proportion of learners in provision below Level 2 has fallen from 40.6 per cent to 28.8 per cent
- The proportion of learners on a full framework in 2005/06 has increased to 99.7 per cent. The average number of WBL learners in 2005/06 was 13,334, down from 14,051 the previous year.
- 26 per cent of the 69,921 London learners on 2006/07 ESF co-financed provision were at Full Level 2 and above and 10 per cent Skills for Life.<sup>48</sup>

**Figure 10: Success Rates in Further Education 2003/04 to 2005/06**



Source: LSC.

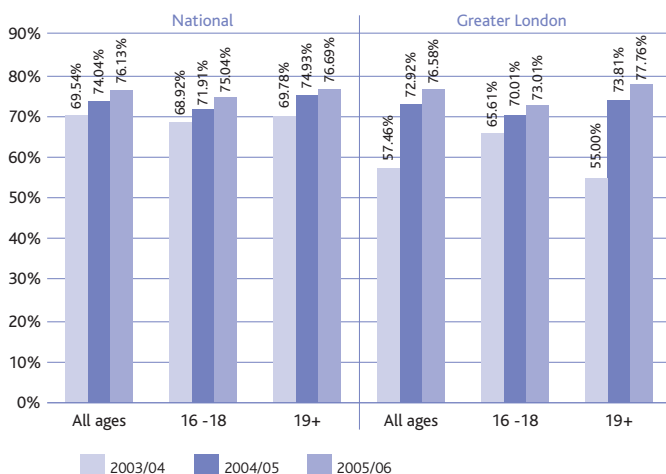
**Post-16 Success Rates Further Education<sup>49</sup>**

- The quality of FE provision in London is improving faster than in the country as a whole. London is now 1 per cent ahead of the national FE success rate, having been 13 percentage points behind in 2003/04.<sup>50</sup>

**Success Rates by Age**

- Although the 16-18 year old success rate is slightly below the national average, there has been a year on year improvement. The 19+ success rate has improved by 23 percentage points since 2003/04 and is the key reason for London's better performance than the national average.

**Figure 11: Success Rates in Further Education 2003/04 to 2005/06 by age**



Source: LSC.

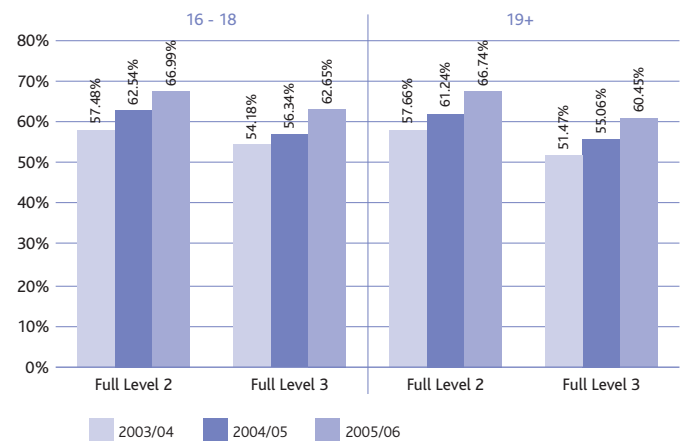
<sup>49</sup> Success rates in FE are calculated as the number of qualifications achieved divided by the numbers of starters who do not transfer out.

<sup>50</sup> More information on raising quality levels can be found in Section 6.

**Success Rates by Level**

Full Level 2 & 3 success rates have shown year on year improvement, reflecting the drive towards the PSA target and the priority of raising skill levels.

**Figure 12: Success Rates in Further Education 2003/04 to 2005/06 by level**



Source: LSC.

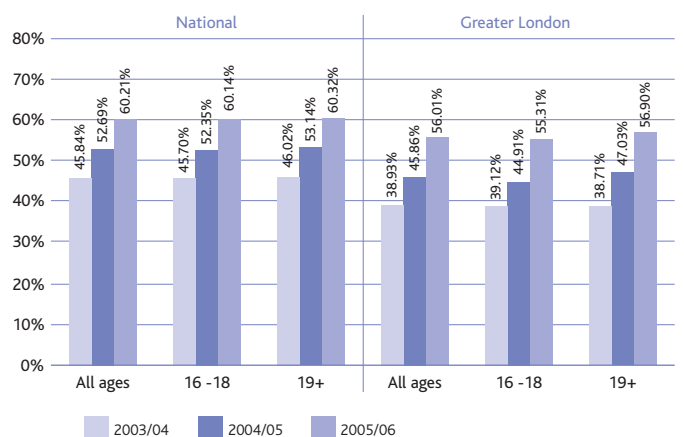
**Success Rates by Ethnicity**

- All ethnic groups have year on year improved success rates since 2003/04. The largest improvement has been amongst White British (49 per cent to 82 per cent), White Irish (61 per cent to 76 per cent) and Asian or Asian British – Pakistani (58 per cent to 72 per cent).
- Mixed – White and Black Caribbean and Black or Black British (any other background) have the lowest success rates at 67 per cent and 69 per cent respectively.

**Work-based Learning**

- The gap between London's success rate and the national average is 4 percentage points, a significant reduction from 9 percentage points the previous year.

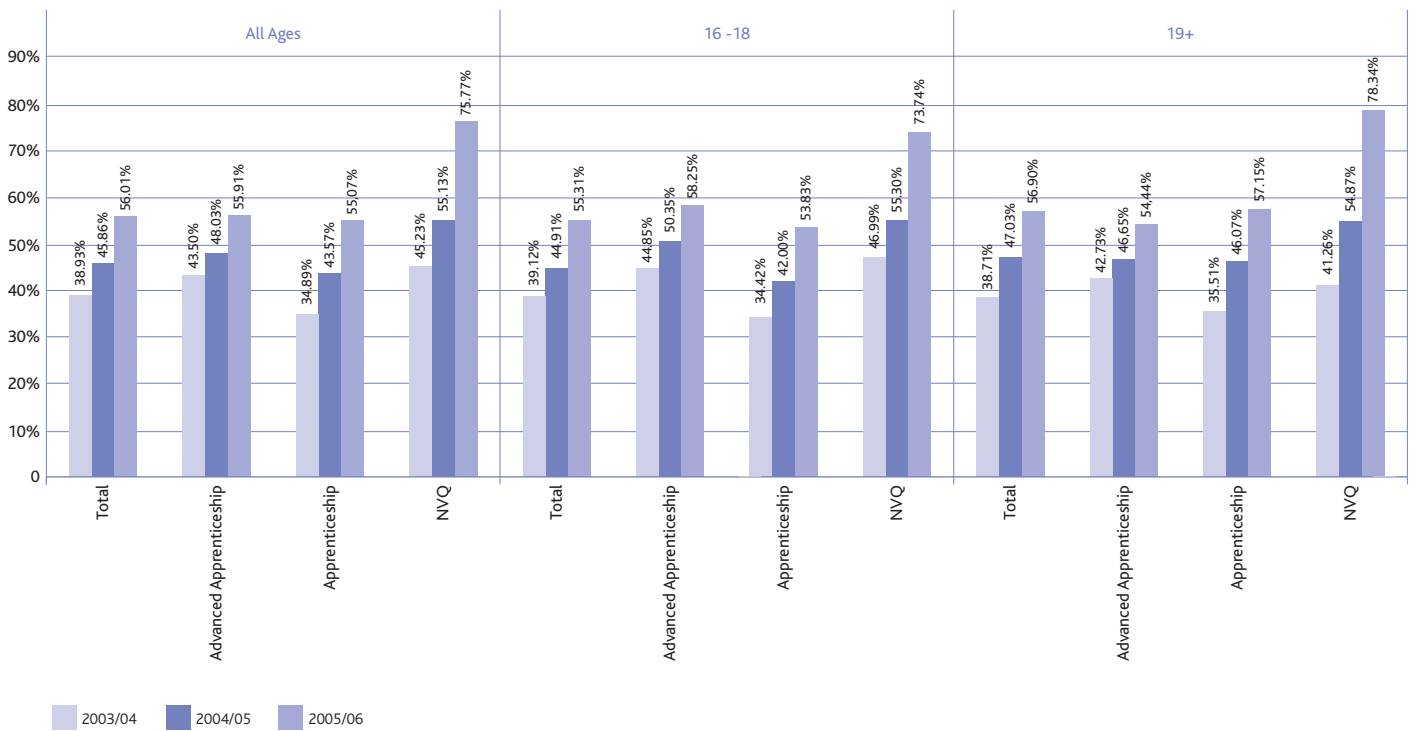
**Figure 13: Overall Success Rates in WBL 2003/04 to 2005/06**



Source: LSC.

- Overall success rates have increased significantly since 2003/04, particularly for Apprenticeships and NVQ provision. Success rates for Advanced Apprenticeships and Apprenticeships are however below the national average of 62 per cent and 59 per cent respectively.

**Figure 14: Success Rates in WBL 2003/04 to 2005/06 by Programme Type**



Source: LSC.



# 4 Choice and quality provision for young people

## The Priority for Young People

We are continuing to work to meet the September Guarantee of an offer of a place in education or training for all young people. Learning plays a crucial role in providing young people with the necessary skills for a successful and rewarding life. We want all of them to get the right learning and we are continuing to increase the range of high quality courses, particularly for those that do not yet have a Level 2.

## Participation in Education and Training

In 2005, 84 per cent of 16 and 17 year olds were in Full Time education and Work Based Learning. This is London's highest ever participation level and the highest of any region in England. 87 per cent of females are in some form of education or training compared to 78 per cent of males.

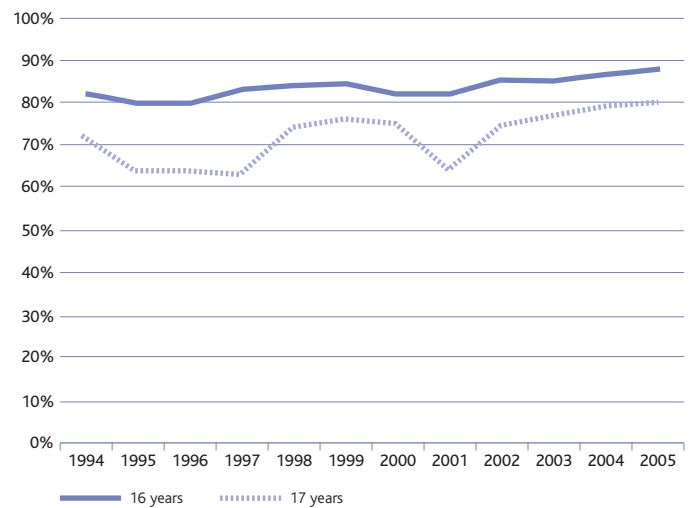
**Table 1: Percentage of 16 and 17 year olds in Education**

Activity	2005
Maintained Schools	32%
Independent Schools	9%
Sixth Form College	12%
FE Colleges	27%
<b>Total Full time education</b>	<b>76%</b>
WBL	4%
Part-time education	4%
<b>Total Education and WBL</b>	<b>84%</b>
Population ('000s)	181,200

Source: DfES SFR 22/2007

London has the highest participation rate in education and training of 16 year olds (88 per cent) and 17 year olds (80 per cent) nationally. The proportion of learners leaving provision early has however remained constant since 2003, suggesting that 4,200 16 year olds dropped out of education in 2005.

**Figure 15: Participation in Education and Training of 16 and 17 year olds in the London Region from 1994 onwards**



Source: DfES SFR 22/2007

## LSC funded provision

**Table 2: Young People (16-18) participating on LSC funded programmes**

	2004/05 Actual	2005/06 Actual	2006/07 Planned
Further Education	94,385	95,399	100,947
School Sixth Form	59,179	61,992	61,168
Work-based Learning	8,175	7,682	8,302
Entry to Employment	5,748	5,884	5,815
<b>Total</b>	<b>167,487</b>	<b>170,957</b>	<b>176,232</b>

Source: LSC Corporate Reports

- Overall 16-19 numbers in Further Education continue to rise and the volume of learners is the highest ever.
- School Sixth Form numbers have increased by almost 2,000 since 2004/05. This is due to a number of factors including an improvement in Key stage 4 results, resulting in more young people staying in learning; additional LSC funding increasing the number of school sixth forms; and places and institutions delivering a wider variety of provision.
- Entry to Employment progression rates at 51 per cent are above the national average (47 per cent) and the length of stay just below (18.4 weeks, compared to 19.3 nationally).
- In addition there are 18,003 London learners aged 16-18 on 2006/07 ESF co-financed provision in London. Six per cent of learners were studying at Full Level 2 or above.

**Level of participation**

- Full Level 2 learner numbers rose 17 per cent between 2004/05 and 2005/06, with another increase planned for 2006/07 of around 6 per cent in FE. This is a key part of addressing L2 at 19 under achievement in London's schools.
- The proportion of 16-18 year olds on Level 3 programmes rose in 2005/06, up 7.8 per cent compared to the previous year. The proportion on Level 1 and entry level programmes fell by 32.2 per cent whilst Level 4 and higher qualifications rose by 15.7 per cent.<sup>51</sup> Sub-regional performance varies due to new academies and school sixth forms. The impact of these competing offers can make it difficult to plan at area level.

**Encouraging Participation**

**Education Maintenance Allowance**

The recent increase in participation of young people has been supported by the introduction of the Education Maintenance Allowance (EMA). EMA was fully rolled out for 16 to 18 year olds in September 2006, and indications are that take-up is high and rising.

- In 2006/07 there was a total of 80,904 16 to 18 year olds receiving EMA, 15.8 per cent of the national total. This is an increase of 11,221 on the previous year.

**Care to Learn**

More specific funding is available for young parents to help them back into the education system. Care to Learn is offered to parents aged under 20 to help them with childcare and travel costs whilst they participate in further education.

- In 2006/07, take-up of Care to Learn funding was 17 per cent, above the national average of 12 per cent.

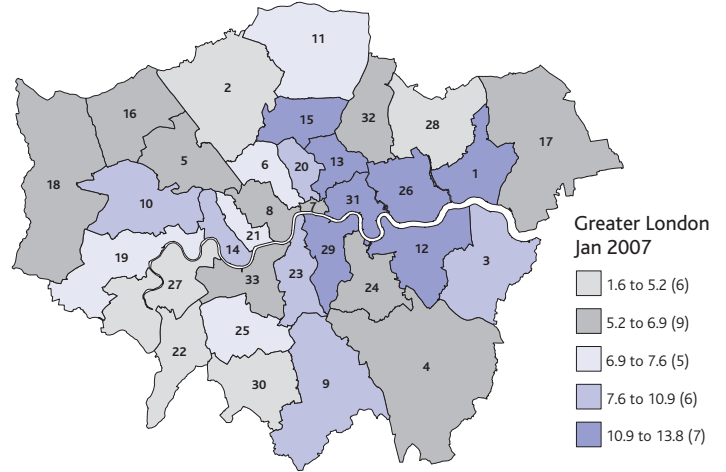
**Not in Education, Employment or Training (NEET)**

- In January 2007, 7.6 per cent (15,353) Young People were NEET, a reduction from 8.7 per cent on the previous year. This is a significant achievement and below the national average (8 per cent) for the first time. London's NEET is also reducing at a faster rate than the national average.
- The three boroughs with the highest level of NEET are Hackney, Haringey and Greenwich. Map 2 shows that Hackney has one of the largest reductions in NEET over the past year.

**Key to London Boroughs on the maps**

1 Barking & Dagenham	18 Hillingdon
2 Barnet	19 Hounslow
3 Bexley	20 Islington
4 Bromley	21 Kensington & Chelsea
5 Brent	22 Kingston upon Thames
6 Camden	23 Lambeth
7 City of London	24 Lewisham
8 City of Westminster	25 Merton
9 Croydon	26 Newham
10 Ealing	27 Richmond upon Thames
11 Enfield	28 Redbridge
12 Greenwich	29 Southwark
13 Hackney	30 Sutton
14 Hammersmith & Fulham	31 Tower Hamlets
15 Haringey	32 Waltham Forest
16 Harrow	33 Wandsworth
17 Havering	

**Map 1: Percentage of NEET 16 - 17 year olds by borough**



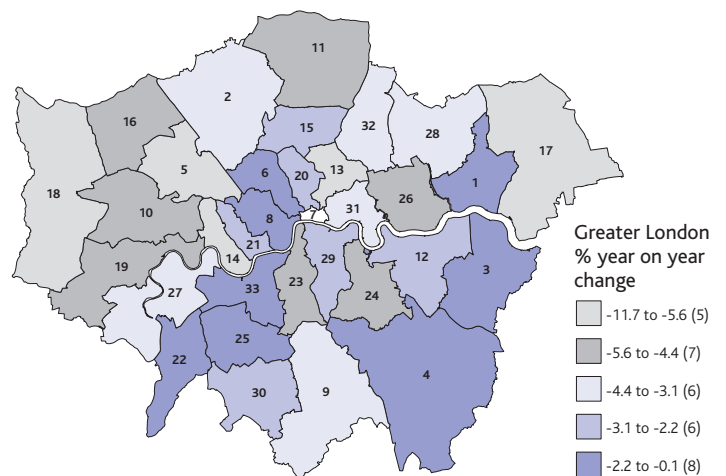
Source: Connexions NEET data

**Why has NEET improved over the past year?**

The LSC is committed to working with partners to reduce those young people who are NEET in London. Last year we:

- Increased the number of post-16 places and broadened the curriculum offer
- Strengthened Information, Advice and Guidance and launched the Choice e-prospectus, which has approximately 30,000 users
- Implemented the September Guarantee
- Provided additional funding for learning opportunities for young people with complex learning needs
- Targeted NEET 'hotspots'

**Map 2: Percentage NEET change by borough**



Source: Connexions NEET data

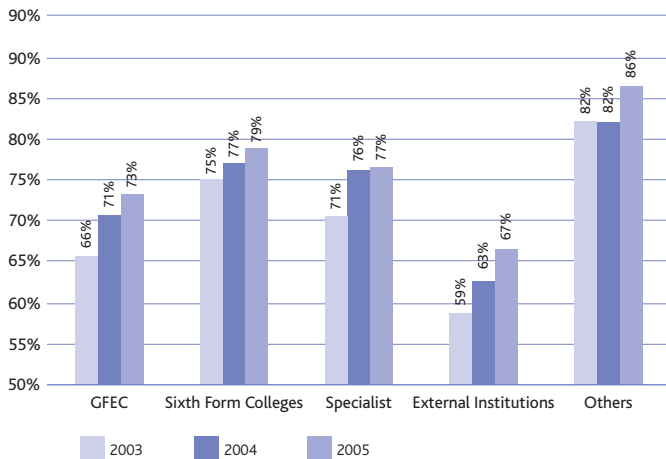
Map 2 highlights that nearly all boroughs have seen a reduction in NEET and this is particularly impressive within inner London, which has traditionally seen higher overall NEET levels. The three boroughs with the greatest reduction in NEET between 2005 and 2006 were Hammersmith and Fulham; Hackney; and Hillingdon.

<sup>51</sup> See Section 3 for more information.

### Success Rates

FE success rates for young people have risen steadily over the past three years, to 73 per cent in 2005/06. This varies by type of provision:

**Figure 16: Young People FE Success Rates 2005/06**



Source: ILR

General FE Colleges and Sixth Form Colleges, which deliver the majority of learning to young people, both experienced a 2 percentage point increase respectively in success rates between 2004/05 and 2005/06.<sup>52</sup>

See Section 3.6 for further information on 16-18 FE and WBL success rates.

### Key Messages

- Additional Full Level 2 places, increased Work-based Learning opportunities and higher Level 2 achievement by age 19 are needed to meet our targets
- A continuing focus on reducing the NEET group and the number of leavers at 16 and 17 without qualifications is needed
- The LSC should continue to work with partners to tackle isolated local underperformance and NEET to further increase 16-18 participation
- Providers need support to improve the quality of FE and WBL provision to further increase success rates



<sup>52</sup> See Annex 1 for more information on 'Other' providers.

# 5 Upskilling adults to support productivity, employability and social cohesion

## The Priority for Adult Learning

This chapter focuses on our progress in delivering and meeting the skills needs of adults, particularly those with low levels of prior educational achievement. Nationally we have made some excellent progress in meeting and exceeding our PSA targets (specific progress on these targets is set out in the following chapter).

London is by far the most productive region in England; however it has the lowest employment rate. The priority for our investment in adult learning is therefore to support learning and align provision to support an increase in the employment rate and ensure that the region remains globally competitive.

## Trends in Participation in Adult Learning

In 2005/06, there were 453,314 learners in FE and WBL, a 7 per cent fall on the previous year. The drop in FE learners is due to additional investment in 16-18 provision, the focus on delivering economically valuable skills (Full Level 2), better quality provision and delivering nationally recognised qualifications.

**Table 3: Number of adult learners (19+) participating on LSC-funded programmes**

	2004/05 Actual	2005/06 Actual	2006/07 Planned
Further Education	481,564	447,662	427,088
Work-based Learning	5,876	5,652	5,223
Adult & Community Learning	148,408	133,308	176,366

Source: LSC Performance Review

- In FE there was a 16.3 per cent increase in the proportion of adults on Full Level 2 (FL2) programmes in 2005/06, with fewer participating on short non-accredited courses. Planned FL2 learners for 2006/07 of 31,500 represent a stretching increase on 2005/06 (21,010).
- WBL participation fell by 4 per cent in 2005/06. This trend is expected to continue in 2006/07 due to the removal of poor quality provision, leaving gaps between negotiated commissioned provision and targets. We have secured additional numbers through a subsequent tendering process and will continue to allocate additional resources to good performing providers through performance management.

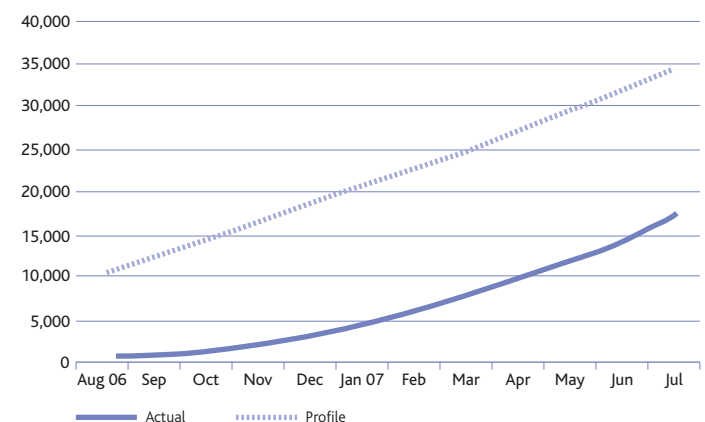
- Over the first 16 months of Train to Gain there were 20,260 learners starting a Level 2.<sup>53</sup> In addition there were 740 learners on the Level 3 women’s pilot.
- In addition there are 51,218 London learners aged 19+ on 2006/07 ESF co-financed provision in London, 36 per cent of learners were studying at Full Level 2 and above.
- There were 323,000 Skills for Life adult enrolments in 2005/06, half of which were on ESOL courses. Despite high levels of numeracy and literacy need amongst London residents, numeracy accounted for less than 10 per cent of current Skills for Life spend and around 15 per cent of enrolments. Many learners with ESOL needs also have literacy and numeracy needs.<sup>54</sup>

## Employer Facing Activities

Train to Gain (TtG) commenced in April 2006 and is designed to support businesses to improve their productivity through the development of their employee’s skills. The service has been focused on employers who are less likely to have provided staff training (so-called hard-to-reach employers).

- The London Region is close to achieving its target of 7,400 employer engagements (74 per cent of which are hard to reach). Performance in terms of publicly funded full level 2 provision accessible through the service has had a slow start. However, performance has shown an increase in learner numbers.

**Figure 17: Full Level 2 starts, Actual vs Profile**



Source: LSC

<sup>53</sup> This includes Level 3 jumpers and interim Train to Gain figures from pilot activity.

<sup>54</sup> Note that the Offender Learning and Skills Service has completed its first year. This provision is now being reshaped to an assessment service, with an increase in progression to mainstream providers. The 2007/08 target for 4,000 places in mainstream provision for offender learners is being worked towards.

- 2,730 of the 17,820 learners who started a Full Level 2 achieved their qualification, the lowest number of achievements nationally.<sup>55</sup> Four hundred and seventy of the 2,440 Skills for Life learners achieved.

London faces significant challenges in delivering the Train to Gain Programme, including:

- Improving providers' responsiveness to local employers.
- The focus on first full L2 qualifications as the only 'funded' provision available narrows the offer for employers.
- The inability to offer entry level ESOL in London restricts the number of learners that would be attracted to the programme.
- Ensuring as many learners who start a Train to Gain programme achieve.

The region is monitoring performance closely in a number of ways, including:

- A National Review of both brokerage and the supply side of Train to Gain.
- An Action Plan has also been drafted to address performance and deliver targets in 2007/08.
- Responsibility for managing the contracts and performance of providers now operates at a sub-regional level, supported by quarterly monitoring undertaken at a regional level.
- A capacity building programme for providers has been agreed and is being implemented in 2007/08

#### Adult Learner Achievement and Success

- Adult learner success rates have shown increases year on year across all types of provision and particularly in Further Education.

See Section 3.6 for further information on 19+ FE and WBL success rates.



#### Key Messages

- A suitable balance needs to be achieved between Skills for Life provision, with a focus on increasing the employability of adult learners and progression onto Full Level 2 and Full Level 3 provision.
- The overall performance of Train to Gain needs to be improved, in particular increasing the numbers of starts and achievements.
- FE Colleges need to improve their responsiveness to employer needs and compete effectively for Train to Gain.

<sup>55</sup> This includes Level 3 jumpers and interim Train to Gain figures from pilot activity.

# 6 Raising the performance of LSC provision

## The Priority of Raising Performance

Our priority is not only to achieve the PSA targets set for us by Government, but to drive the performance and excellence of the system so it is more responsive, provides greater choice and is valued and recognised for high quality.

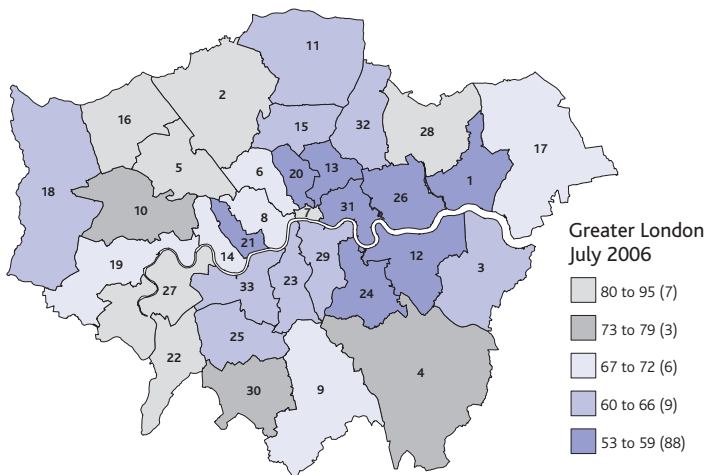
## LSC Progress Against PSA Targets

Working with the sector we have met or exceeded all our National PSA targets, building upon the success celebrated last year. This section highlights London's contribution to this achievement.

## Level 2 qualifications for 19 year olds

The proportion of young people achieving Level 2 by 19 has continued to improve, rising 3.6 percentage points to 71.3 per cent (national = 71.4 per cent) in 2005/06.

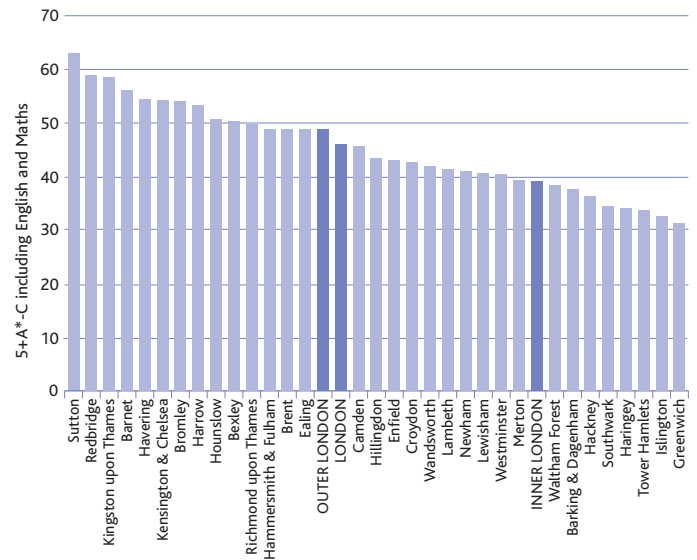
## Map 3: Young People achieving Level 2 by age 19



Source: Matched Administrative Dataset

Achievement including English and Maths GCSE (45.9 per cent) is higher than the national figure (45.1 per cent). However, this means that over half of young people do not have the basic standard of Maths and English. Figure 18 highlights the wide range of achievement across London.

Figure 18: GCSE (5+A\*-C) attainment including English and Maths by borough, 2005/06



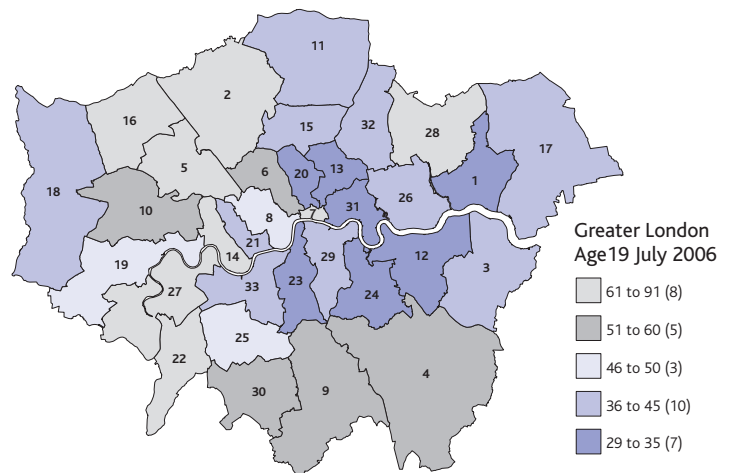
Source: DfES, 2006

## Level 3 qualifications for 19 year olds

There has been a year on year increase, with 48.6 per cent of young people achieving Level 3 by 19 in 2005/06 compared to 45.9 per cent the previous year. Performance has improved at a faster rate than nationally (46.8 per cent in 2005/06 and 45.6 per cent in 2004/05).

Level 2 achievement between age 16 and 19 at 20.3 per cent is higher than the national average of 19.2 per cent, indicating greater added value from LSC funded learning.

## Map 4: Young People achieving Level 3



Source: Matched Administrative Dataset

### Key to London Boroughs on the maps

- |                         |                         |
|-------------------------|-------------------------|
| 1 Barking & Dagenham    | 18 Hillingdon           |
| 2 Barnet                | 19 Hounslow             |
| 3 Bexley                | 20 Islington            |
| 4 Bromley               | 21 Kensington & Chelsea |
| 5 Brent                 | 22 Kingston upon Thames |
| 6 Camden                | 23 Lambeth              |
| 7 City of London        | 24 Lewisham             |
| 8 City of Westminster   | 25 Merton               |
| 9 Croydon               | 26 Newham               |
| 10 Ealing               | 27 Richmond upon Thames |
| 11 Enfield              | 28 Redbridge            |
| 12 Greenwich            | 29 Southwark            |
| 13 Hackney              | 30 Sutton               |
| 14 Hammersmith & Fulham | 31 Tower Hamlets        |
| 15 Haringey             | 32 Waltham Forest       |
| 16 Harrow               | 33 Wandsworth           |
| 17 Havering             |                         |

### Improving the skills of adults in the workforce

In 2006, 76 per cent of London adults have a Level 2 qualification, above the national average of 74 per cent.

### Skills for Life

In 2005/06 London provided 16 per cent of the national achievement, the largest contribution of any region. The 59,402 achievements is an increase of 2.7 per cent on the previous year.

### Young people not in education training or employment

In January 2007, 7.6 per cent (15,353) Young People were NEET, a reduction from 8.7 per cent on the previous year.

### Fees Performance

The LSC introduced a fee income measure in 2005/06, which compares the fees collected against the theoretical fees that we expect to be collected. London FE providers have the highest collection rate nationally, although this has dropped over the past academic year. However, Specially Designated Institutions (SDIs) collect a significant proportion of London's fee income.

**Table 4: FE Fee Income Collected**

Academic Year	London	National
2003/04	85%	60%
2004/05	87%	59%
2005/06	74%	58%

Source: LSC

To address this we are making fee income measures a key part of provider dialogue, publishing fee income league tables and sharing good practice on methods for collecting fee remission.

### Capital Investment

Since 2001, £466 million has been spent on capital projects in London. Approximately 25 per cent of the total floor space has benefited from LSC capital investment and requires no further significant improvement. Almost one third (£151 million) was approved this year and it is anticipated a further £1.3 billion is required by 2013 to meet the region's strategic requirements.

Local capital plans are currently being updated, specifically to consider demand-led funding implications, better links between capital and revenue and a more strategic view of the infrastructure needed for the future. A key issue in London is the possibility of several mergers and federations. These are being brought about by financial as well as strategic considerations.

### Quality Improvement

We are committed to continuing to support the sector to improve performance and achieve our ambition of eliminating inadequate and unsatisfactory provision by 2008.

Overall quality levels are high, demonstrated by improving success rates across the learner offer for Young People and Adults. Overall, there are no inadequate General FE colleges in London, and the 3 colleges that have curriculum areas judged as unsatisfactory by Ofsted are being supported by the Quality Improvement Agency (QIA).

To increase quality levels further we implemented the national minimum levels of performance in 2007/08, setting the success rate at 50 per cent for all long courses in FE and 40 per cent for Apprenticeship frameworks.<sup>56</sup>

This has resulted in the issuing of thirteen Notices to Improve to FE providers (15 per cent of providers receiving FE funding) and fifteen WBL providers (9 per cent of providers) being placed on run-down contracts. QIA support is currently being commissioned for the FE providers and a clear process for monitoring impact of this support has been agreed.

### Key Messages

- Local 16-18 underperformance needs to be tackled to improve Level 2 at 19 achievement
- The FE sector needs to increase fee income collection to reduce reliance on the LSC budget and the subsequent added pressure this causes
- A continued focus on improving quality across WBL and FE provision is required to further increase success rates
- A comprehensive Pan-London strategy is needed to improve the learning estate

<sup>56</sup> A Notice to Improve is issued where 15 per cent or more of FE funded long course provision at levels 1,2,3 or Level 4+ has a success rate below 50 per cent.

# 7 Economic gain through partnership working

## The Priority of Partnership Working

The LSC Annual Statement of Priorities published in 2006, 'Raising Our Game', states its fourth priority as: Raise our contribution to economic development locally and regionally through partnership working.

In order to improve skill levels among the population and strengthen the economy, the LSC needs to work with partner organisations to make best use of publicly funded education and training and work together to address key regional and local skills and employment needs. Key partners in achieving this are GLA, LSEB, Local Authorities and Jobcentre Plus, as well as the private and voluntary sectors.

## Driving Learning and Skills Provision

### Capacity Building Skills Provision

Capacity building is a key issue in the demand led agenda and the LSC has gained agreement from both Skills for Logistics and Go Skills SSCs to support the development of specialist London networks of New Standard accredited providers. In 2007/08 a larger programme of capacity building is planned which will include supporting the development of a new business model, stimulating the private sector market and supporting the Third Sector and new providers. In 2006/07, the LSC provided £500,000 to help individual providers assess their effectiveness to responding to the demand-led agenda.

### National Skills Academies

The National Skills Academy (NSA) network is a unique structure of employer-led centres of excellence for skills training. Responding to the demand led agenda they provide a means for hands-on involvement by employers in the design and delivery of learning, so that training is tailored to the specific needs of their sector. Progress to date includes:

- Financial Services NSA at Tower Hamlets College has delivered the required learner number volumes in year one and has built strong links with employers.
- Manufacturing NSA has established a London spoke at CEME, Rainham; supported by both the LSC and LDA. Thames Gateway College has been chosen as the lead provider for the spoke network of specialist providers.
- The first Construction NSA (NSAfc), offering a unique model of training delivered on major development sites in direct response to the needs of the employer, is at the 201 Bishopsgate development, with a further four major sites planned over 2007/08.
- Business Plans for the establishment of NSAs in Creative and Cultural Skills (CCS), Hospitality, Nuclear and Process Industries are currently undergoing assessments. Subject to approval CCS and Hospitality would have a presence in London region in their first year 2008/09.

- Approval to enter the business plan development phase has been given for NSAs in Sport & Active Leisure; Retail; Glass Manufacture, Coatings; Print & Building Products and Fashion; and Textiles & Jewellery.

### Employability Demonstration Pilots (EDP)

The Demonstration Pilots are intended to show how colleges can develop their response to supporting people to gain skills and move into work. They will inform the development of the new Skills for Jobs programme and will also feed in to the City Strategy Pathfinders. The Pilots focus on changes in the approach to mainstream delivery and 'culture' and focus on excluded groups from the labour market, to learn what provision, delivery and support mechanisms will enable the most excluded groups to access the right skills. The pilots will support engagement with other key partners (e.g. Jobcentre Plus, LDAs, Local Authorities and Voluntary Community Sector).

### Targeting Provision at a Local Level

#### Local Area Agreements (LAAs)

LAAs are a key vehicle for targeting activity to raise skill levels and tackle worklessness and deprivation at a local level. Effective joined up partnership working between central and local government is integral to the process and the possibility of aligning funding streams to better deliver services is a potential outcome. Targets in the 2007/08 agreements include increasing the number of young people and adults with Level 2, Level 3 and basic skills qualifications and reducing NEET.

### City Strategy Pathfinders (CSPs)

The aim of CSPs is to develop a multi agency approach to tackling the specific local problems that have stopped people from getting into work and moving them into employment. London has two pathfinder areas; East and West London. The LSC has had a strong leadership role in developing the business plan and work packages in partnership with key partners in both local areas. In London East, for example, significant progress has been made in identifying the work packages that will be jointly undertaken first; New Deal for Families, Single Point of Access (to employability services), Extend Childcare and Joint Investment Plan.

### London Employment and Skills Taskforce (LEST) 2012 Action Plan<sup>57</sup>

The LSC is a key partner in the delivery of the LEST plan, which seeks to ensure that the Olympics delivers an employment and skills legacy to Londoners. The Action Plan provides a multi-agency approach to reducing worklessness in London by 70,000 by 2012 (including 20,000 in the five East London Host Boroughs). Projects include the Pre-Volunteer Program (PVP), which will use volunteering as a means of engaging with those furthest from the labour market and most disadvantaged. The LSC, LDA and Construction Skills SSC are working together to ensure the right kind of training is available enabling local people to access Games-related jobs.

<sup>57</sup> See above for more information on the aims of the Taskforce.

### The Further Education Sector's Economic Impact

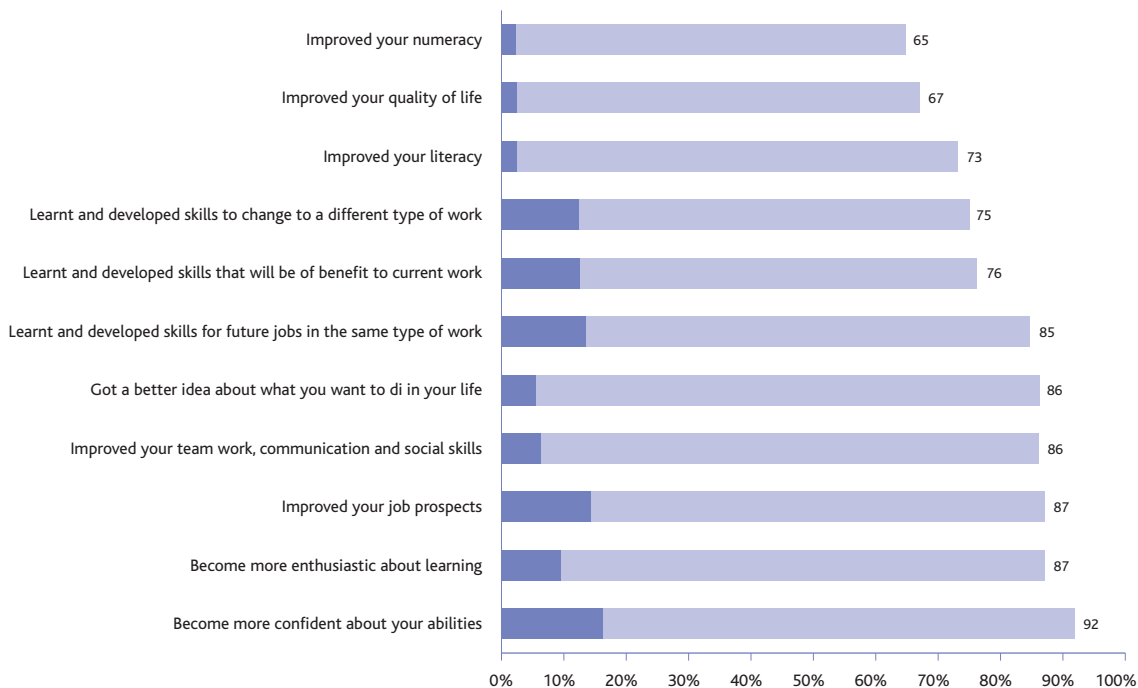
The London Learner Tracker 2007 study, involving 1,400 telephone interviews with learners aged 19-50 who completed a Level 2 or 3 course at one of six London FE colleges in the academic year 2005/2006, found that FE study has a significant economic impact, leading to better job prospects, higher productivity in the workplace and progression to even higher skills.<sup>58</sup>

Key messages include:

- More than two in five learners continued onto a further course of study, with this nearly always a higher level course.
- Over four in five of those who continued in employment experienced some benefit in their work situation, including a half having increased pay and a third working in a higher level job.
- Almost a third of those unemployed before the course are now working.

The study found that the benefits of completing an FE course are wide ranging, with the most common benefit being improved team work, communication and social skills – a key skills need of London employers. Overall, the most common benefits are increased confidence, improved job prospects, and becoming more enthusiastic about learning.

**Figure 19: Benefits of completing an FE course (all learners)**



Source: London Learner Tracker 2007

<sup>58</sup> London Learner Tracker 2005-06.

# Annex 1

There is a total of 97 FE funded institutions in London, including:

- 37 General FE and Tertiary Colleges (GFEC/TC), amounting to 38 per cent of the total;
- 18 External Institutions (EI)
- 14 Local Authorities
- 12 Sixth Form Colleges
- 8 Specialist Colleges:
  - 1 Specialist Agriculture and Horticulture Institution
  - 7 Specialist Designated Colleges
- 6 Higher Education organisations
- 1 Charitable Organisation
- 1 Other Public Organisation

There are a further 151 Work-based Learning providers, of which

- 82 (54 per cent) are businesses in their own right
- 31 (21 per cent) are General FE and Tertiary Colleges
- 16 (11 per cent) are voluntary/charitable organisations
- 11 Other Private Organisations
- 6 Local Authorities
- 5 Other Providers (including External Institution, Other Public Organisation, School Sixth Form, Sixth Form College and 1 Specialist College)

There are also 288 School Sixth Forms who receive funding via Local Authorities.

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Publication reference LSC-P-LOR-070011  
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