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Learning and Skills Council North East Commissioning Statement 2009/10

November 2008

Of interest to Local Authorities, providers
and partner/stakeholders

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Foreword

We are delighted to present our Regional Commissioning Statement for the North East. The Statement sets out our commissioning intentions for 2009/10 in support of our priorities and targets, in the context of our national Statement of Priorities 2009/10, as a signal to partners and providers.

We are in a period of organisational change. The Machinery of Government changes will lead to a fundamental redrawing of the map of structures and accountability for the delivery of post-16 education and training from 2010. The plans will mean the dissolution of the Learning and Skills Council, and will make local authorities responsible for commissioning 16-19 learning provision. The Government will also set up a new agency to fund training and skills for adults to ensure that funding follows the training needs of employers and learners.

In preparation for these new arrangements, we are engaging with local authorities throughout this year's business cycle about the commissioning of provision for young people for 2009/10. We have already shared local strategic analyses with local authorities and involved them in planning workshops about key issues and commissioning priorities which have informed the direction of the 16-19 element of this Statement.

This Statement builds on the significant progress made in recent years by all partners involved in the delivery of education and training in the North East. The proportion of young people not in education, training or employment (NEET) fell by 1.4 percentage points between 2006/07 and 2007/08, reflecting coordinated efforts across a range of organisations, and increasingly targeted provision. Between 2005/06 and 2006/07, the number of young people in Further Education rose by 1 per cent and the number in school sixth forms by 3 per cent.

Train to Gain funded over 16,000 adult learners between August 2007 and June 2008, reflecting a direct response to employer demand. 69 per cent of adults took part in learning in 2006, and between 2006 and 2007, 70 per cent of employers funded or arranged training for their staff – a higher percentage than in any other region.

But the challenges remain. An estimated 448,500 people of working age in the region are not in work, a level that is above the national average. NEET rates among young people remain above the national average. And the drop out rate between ages 16 and 17, at an average of 10 per cent, is higher than that seen nationally. Our future targets are ambitious, and we will need to achieve even more in 2009/10 and beyond.

In addition current economic conditions create a new set of challenges. We will ensure that our use of resources, within the framework of national policy and programmes, is agile in response to the emerging situation and its impact on the region. We will also continue to present a convincing business case for

skills development and training to all employers and individuals, whatever the economic circumstances.

This Statement sets out our key areas of focus in meeting these challenges. For young people the Statement focuses on how we will work with local authorities and the network of regional providers to ensure that young people choose to participate in learning post 16 and are able to take advantage of an increasingly flexible curriculum and continue to achieve higher levels of relevant qualifications.

For adults the Statement focuses on providing an integrated employment and skills system to support progression for those returning to the labour market, and on upskilling people already in work.

For employers, the Statement focuses on how we will continue to champion the provision of an increasingly flexible and responsive training service for employers through Train to Gain. In addition we set out how a continued expansion in opportunities for Apprenticeships both in the private and public sector is central to the drive to improve opportunities for employers to train their workforce.

We cannot do all this on our own. We depend on the engagement and support of all our partners. We look forward to their close collaboration in taking forward our commissioning intentions in 2009/10.



Chris Roberts
Regional Director

1 Key areas of focus for the region

These represent the areas of key focus for the North East identified in the context of our national priorities and informed by our strategic analysis¹ and ongoing dialogue with our partner organisations.

1.1 Young People

In preparation for the Machinery of Government changes we are engaging with local authorities throughout the business cycle for academic year 2009/10. We have already shared local strategic analyses for young people with local authorities and involved them in planning workshops about key issues and commissioning priorities. The conclusions from these planning workshops have informed the key areas of focus and commissioning intentions for young people set out below.

Raising participation rates at age 17 and 18

Participation rates of young people at 16 in the region are above the national average, however participation falls off considerably at age 17 (and again at 18). This may reflect: an inappropriate choice of route at 16; completion of the planned programme and a desire to start paid work; or difficulties in other areas of the young person's life. The September guarantee at 17 is a challenge for the region. Local partnerships have demonstrated their commitment to meeting this challenge and we must build on this success going forward.

The proportion of young people who are not in education, employment or training (NEET) in the region has fallen recently, reflecting concerted efforts by local partnerships, and local examples of good practice in multi-agency working.

But the proportion of young people in the region who are in the NEET group remains unacceptably high – 10 per cent in the period November 2007 – January 2008 compared to 6.7 per cent nationally. There are also significant variations geographically from 7.5 per cent in Darlington to 12.8 per cent in Sunderland.

Young people who are more likely than average to be NEET include teenage parents and expectant mothers, those who are looked after, care leavers, learners with learning difficulties and/or disabilities, substance misusers and those supervised by Youth Offending Teams.

Raising participation towards 100 per cent at age 17 and 18, in the face of a declining cohort will require the engagement of those NEET young people. So we will need to ensure that there are sufficient and appropriate learning opportunities to meet the individual needs of all young people, including those

¹ [North East Regional Strategic Analysis 2008](#)

who have been NEET, supported by impartial Information, Advice and Guidance, and appropriate learner and learning support.

In 2009/10 we will, working, where appropriate, through 14-19 partnerships and delivery partners:

- Accelerate progress in meeting NEET targets and raising participation as a platform for full participation. This will require increased multi-agency activity, including improved data sharing. We will continue to complement mainstream activity with ESF funded activity around progression, prevention, transition and re-engagement. We will continue our differentiated approach, targeting our interventions at the most vulnerable individuals. In support of this, we will continue to develop with local authorities the means of meeting the September Guarantee both for 16 and 17 year olds.
- Use the Key Stage 4 School Engagement Programme in all local areas to offer a personalised programme to young people most likely to drop out of learning, with an emphasis on the development of personal, social and functional skills.
- Develop a rich and diverse local offer for all young people, across all qualification types. We will continue our focus on full Level 2 and full Level 3, whilst ensuring that the foundation learning tier offer is sufficient and there are clear progression routes between levels and on to higher levels. This offer must be flexible and responsive to the changing circumstances and choices of young people, in particular at points of transition.
- Continue to develop the capacity within the region to deliver high quality local provision and supported employment opportunities for learners with learning difficulties and/or disabilities.
- Through improved multi-agency working and data sharing ensure a smooth transition for learners with learning difficulties and/or disabilities between schools, FE and WBL.
- Support improvements to the quality of Information Advice and Guidance to ensure that young people have up-to-date impartial information and advice about the full breadth of opportunities available to help them make the choices that are right for them and reduce the chance of them dropping out of learning. Integral to IAG will be further development of the on line 14-19 Prospectuses in all 12 local areas, and the continued development of a common application process and on-line individual learning plans, ahead of the 2010 deadline for their introduction.
- Continue to provide learner support which helps young people participate and attain, particularly through the Education Maintenance Allowance and by supporting the costs of childcare through Care to Learn.

Implementing the 14-19 reforms through strengthened partnership working

The 14-19 reform agenda is far reaching in scope. Its success will rest on the growing effectiveness of the local 14-19 partnerships in the region with local authorities at the centre of such development. Local authorities will also be key to ensuring sub-regional arrangements currently being developed are robust and facilitate the development of a strong and effective local curriculum offer, able to meet the needs of all young people.

Developing the full entitlement - as detailed in *Delivering 14-19 Reform Next Steps* - will require an appropriate delivery infrastructure able to assist and foster collaboration, both within and across local authority boundaries. In addition, local intelligence informed by the views of young people and facilitated by use of a common application process (CAP) and individual learning plans (ILPs), must be utilised to ensure appropriate routes are available to meet the needs and aspirations of all young people. Such intelligence will assist effective collaborative curriculum planning and development of local consortia.

The delivery of the curriculum entitlement presents transport challenges for local delivery, most significantly in the rural areas of the region, though the nature and scale of the challenge differs from area to area.

In 2009/10 we will:

- Promote further collaboration between providers in all sectors to ensure progress towards delivering the wide ranging entitlement for all young people, as well as the implementation of raising of the participation age.
- Work with partners to ensure the most appropriate local delivery infrastructure is in place. This will include planning for future capital investment to ensure the right buildings in the right place, and planning of local transport arrangements to ensure proper access to opportunities.
- In preparation for the transition of responsibilities taking place through Machinery of Government, align our resources to ensure we contribute to the understanding and capacity building of local authorities, including their full engagement with the commissioning process. In addition we will work closely with the emerging sub-regional groupings as their role develops.

Increasing Apprenticeship opportunities for young people

Apprenticeships have historically engaged a high proportion of the cohort of young people in the region: in 2006/7 we carried 6.5% of the total national volume of 16-18 Apprenticeships. This is well above our share of the age cohort.

But participation at 16-18 is not yet growing as we would like it to. We think this reflects a number of things, including: variable perceptions of the Apprenticeship route; higher achievements at 16 and encouragement to stay

in learning and to progress to Higher Education; schools becoming the default option at 16 (particularly in rural areas). The key factor, however, continues to be limited opportunities reflecting insufficient employer take up, particularly in rural areas where there are few large (and many small) employers.

Employer engagement is a particular challenge in the current economic climate. There is already evidence of a slow down in Apprenticeship recruitment in the construction sector (particularly in housing) though not as yet in manufacturing.

Meeting the Apprenticeship entitlement for 2013 and the ambition for 1 in 5 young people to be undertaking an Apprenticeship by 2019/20 is a significant challenge for the region. Expanding and improving the Apprenticeship offer and, in particular, increasing employer engagement will be crucial. The public sector as a major employer in the region can play a big part in this.

In 2009/10 we will:

- Expand and improve the Apprenticeship offer, within the overall improved offer to young people, reflecting the needs of the regional economy, as a step towards the Apprenticeship entitlement. We will also enhance the range of vocational progression routes into Apprenticeships through the Programme-Led and Pre-Apprenticeships, and routes from Apprenticeships into higher level skills.
- Work with local authorities to target available Young Apprenticeship resources to ensure we are able to build on the success of the programme to date and create an offer with identifiable progression pathways.
- Raise the profile and perception of Apprenticeships as a valued route for young people and ensure that young people have access to information about the full range of Apprenticeship opportunities available.
- The **Apprenticeship Vacancy Matching Service (AVMS)**, in operation from early 2009, will make it much easier for all young people interested in Apprenticeships to find out what opportunities are available in their area or chosen occupation. AVMS will be an important source of information on Apprenticeships for potential apprentices, their parents or guardians and all those who provide careers advice. Each local area's on-line 14-19 prospectus of learning opportunities will also provide links to Apprenticeships and to AVMS.
- Drive up demand for Apprenticeships from employers in the region, focussing in particular on the public sector. The **National Apprenticeship Service** will be in place by April 2009 and its new field force will focus on encouraging many more employers to offer Apprenticeships, thereby giving young people greater choice.
- Continue to drive up the quality of Apprenticeships in the region and cease funding provision below minimum levels of performance.

Raising attainment at Level 2 and in particular at Level 3 with a strong focus on English and maths.

Attainment of Level 2 by age 19 in the region is at 73 per cent compared to 74 per cent nationally. Attainment of Level 2 at 16 is improving, but remains relatively low compared to the national average, but the proportion of the cohort achieving Level 2 between the ages of 16 and 19 is higher than average.

Rising attainment at Key Stage 4 will work its way through to increased attainment at age 19 but those who do not achieve at that stage are likely to be the hardest to reach subsequently.

Attainment at Level 3 by 19 was 42 per cent in 2006/07. This is lower than any other region. This is partly because low levels of attainment at age 16 have required a focus of provision at Level 2 up to age 19. As attainment at age 16 improves this focus can be shifted to Level 3.

While attainment of English and maths at Key Stage 4 is improving, there remain a considerable proportion of young people leaving school without these vital skills.

Level 2 and Level 3 attainment by age 19 varies considerably across local authorities and between those young learners who are from disadvantaged backgrounds and those who are not.

In 2009/10 we will:

- Continue our focus on improvements in attainment at Level 2 by age 19, and progression to Level 3.
- Increase our focus on improvements in attainment at Level 3 by age 19 and progression to higher learning.
- Support our providers to drive up attainment of functional literacy and numeracy among young people in the region to underpin learning at Level 2 and above, and sustainable employment.
- Increase our focus on attainment at Level 2 and Level 3 at 19 by those young people from disadvantaged backgrounds (as measured by eligibility to free school meals).

1.2 Adult Skills

Integrating Employment and Skills

Although increasing, the employment rate remains below national levels. 28 per cent of adults in the North East are either inactive or unemployed (higher

than the national figure of 26 per cent). Many of these workless individuals suffer multiple barriers to employment, and have no or low qualifications.

The Regional Economic Strategy (RES) sets out an ambition for productivity: it is to increase the region's Gross Value Added to 90% of the level for the UK. This requires, amongst other things, a significant increase in labour market participation. The RES sets out the aspiration to get an additional 80,000 people back into work.

The Regional Employability Framework (REF) is the region's approach to integrating skills and employment. It allows key partners, including the LSC and Jobcentre Plus to deliver greater coherence in provision to workless individuals with the skills needed for sustainable employment. The challenge for the region is for partners and agencies to work closely together to put the REF into action, working through City Regions and the rural areas to secure improved local delivery that is aligned with priorities set out in Local Area Agreements and Multi Area Agreements.

Integrating employment and skills becomes even more vital in the current economic downturn. Currently the effects of the downturn vary considerably by sector. Agencies and providers will need to be in a position to respond in a flexible and timely manner to the changes in recruitment demand in sectors.

In October 2008, the Secretary of State announced a package of support to help workers affected by redundancy. Each LSC region will be working with Jobcentre Plus, their RDA and other relevant regional partners on a joint plan to set out how providers and local services will join up to offer a rapid response service to those affected. These plans will be available from January 2009 and will set out the offer (including pre-employment provision) that will need to be secured in each region. The LSC is likely to secure its elements of this offer through an invitation to tender process, beginning in January 2009.

In 2009/10 we will:

- Expect providers to target workless people as a priority group and to focus their offer on delivering the skills needed to provide learners with the best possible chance of sustainable employment and progression. This offer must be flexible and responsive to the differing needs of these client groups, and the changing employment market.
- Require providers to build strong relationships with Jobcentre Plus (and their providers) and with employers to ensure that learning providers are aware of the current and changing needs of the local labour market, and adapt their offer as appropriate.
- Look to providers to ensure connections are made with Train to Gain for learners moving into employment to ensure that they experience a seamless journey. This may be achieved by a single provider but may equally be achieved through partnerships between providers and referrals through the Train to Gain brokerage service.
- Look to providers delivering programmes commissioned specifically for workless adults, including Employability Skills Programme and skills for jobs, to work in partnerships with Jobcentre Plus, their providers and

other mainstream providers to support the ongoing skills and employment progression for learners.

- Ensure that adult careers information and advice services support the region's priority groups in their journey from pre-employment to sustainable employment and skills progression when in employment. They will do this through the integration and provision of information and advice on jobs, skills and training and through the delivery of effective services.
- Improve our responsiveness to Local Employment Partnerships. We will work closely with Jobcentre Plus and learning providers to ensure that packages of support for Jobcentre Plus customers (consisting both of pre-employment and post-employment training) can be delivered at short notice to meet the needs of the employers, and maximise opportunities for individuals.
- Look to providers to work with each other and with the Probation Service and Jobcentre Plus to improve access to appropriate provision for offenders serving community sentences, and to support the transition from custody to community. In particular we would like to increase the uptake of Apprenticeships and Train to Gain by offenders and ex-offenders.
- Ensure that learning provision in both custodial and community settings meets the needs of offenders, and is relevant to the employment opportunities in the relevant resettlement area.
- Improve our responsiveness to economic development/regeneration opportunities, maximising the employment and skills benefits for local people from regeneration projects.
- Ensure learning and skills provision is configured to reflect the skills and employment priorities articulated through the Regional Economic Strategy, City Regions, Local Area Agreements and Multi Area Agreements to maximise collective benefits from public investment.

Responding to employer demand through Train to Gain

The North East economy continues to perform at a relatively low level in comparison with other regions. Economic growth rates, however, have been above the national average for much of this decade. The challenging targets set out in the 2006 Regional Economic Strategy mean that improvements in the economy's performance will need to continue, posing significant challenges for the learning and skills sector. There are signs that the national economic slowdown is starting to impact on the region, although there is a mixed picture across different sectors and geographies. More than ever, in the toughening economic climate we will need to continue to present a convincing business case for skills development and training to all employers and individuals.

The new flexibilities in Train to Gain will ensure that employers have the widest possible range of support to up-skill and qualify their workforce to

improve the performance of their business. They will also give colleges and training providers more freedom to respond to employer demand. The recently announced additional flexibilities for small and medium sized enterprises (SMEs) give them extra funding support to build the skills and the expertise of their workers in the current challenging economic conditions.

Performance in Train to Gain in the North East has been strong. We continue to deliver high and increasing volumes. We have a high and growing number of Train to Gain providers to ensure maximum responsiveness to employer need. The challenge for the region will be to maintain current growth trajectories, and manage the new flexibilities to build on the performance achieved so far, ensuring continued responsiveness to the changing needs of the regional economy.

In 2009/10 we will:

- Continue to grow our Train to Gain offer, responding to the current and changing needs of the regional economy. We will implement the additional flexibilities in line with Sector Compacts, and ensure we manage these flexibilities in a way that adds value to performance and responsiveness. NES expansion will support growth in the region, with significant increases in learners resulting from a higher number of employers engaged.
- Use new flexibilities within Train to Gain to provide SMEs with the opportunities to access: units of accreditation rather than a full level programme; fully funded Level 2 qualifications and partly subsidised Level 3 for their employees, irrespective of whether qualifications are already held at this level; to assist them with up-skilling their staff during adverse economic conditions.
- Maintain delivery at Level 2, and ramp up delivery at Level 3. Alongside this, increase delivery of Skills for Life in Train to Gain – the relaxation of eligibility criteria around Skills for Life will support this.
- Manage the efficient and effective use of ESF funding to enhance the Train to Gain offer.
- Drive up achievement rates at all levels – Foundation Learning Tier, Skills for Life, Level 2, Level 3 and Level 4.
- Work closely with One North East to ensure that skills brokerage delivers continuing levels of employer engagement and satisfaction and secures the consequent flow of learners from employers using the Train to Gain service. In 2009/10 we expect that 30% of learners in the programme will be employed by businesses engaged through the integrated brokerage service.
- Look to Train to Gain providers to ensure links with their own pre-employment programmes or those of other providers to ensure a seamless journey for learners pre employment to post employment.

Increasing Apprenticeship opportunities for adults

While engagement of young people in Apprenticeships is not growing as we would like it to, participation by adults in Apprenticeships has significantly increased recently as providers have responded to greater flexibilities.

Maintaining this trajectory on track to meet the ambitious Apprenticeship targets will, from April 2009, be the responsibility of the National Apprenticeship Service (NAS). Expanding and improving the Apprenticeship offer in the region and in particular increasing employer engagement will be crucial to NAS success. The public sector as a major employer in the region can play a big part in this.

Employer engagement is a particular challenge in the current economic climate. There is already evidence of a slow down in Apprenticeship recruitment in the construction sector (particularly in housing) though not as yet in manufacturing.

In 2009/10 we will (through the NAS):

- Deliver an improved and more flexible Apprenticeship offer to adults, reflecting the needs of the regional economy.
- Increasingly look to wider engagement in Apprenticeships by Train to Gain providers, supported by increasing flexibilities within the system, allowing providers to add the full framework to the achievement of an NVQ, reflecting that Apprenticeships are the Government's preferred option for vocational learners up to age 25.
- Increase employer take up, especially in the public sector. The National Apprenticeship Service field force will be focused on: helping more employers to offer Apprenticeships; supporting young people and adults who wish to become apprentices; and helping those who advise businesses and individuals about Apprenticeships to do so as effectively as possible. At the heart of the National Apprenticeship Service will be the **Apprenticeship Vacancy Matching Service**. This will enable employers and potential apprentices to come together through a user-friendly web-based system.

1.3 Cross cutting areas

Responding to sector skills needs

Sectoral employment differs across the region. Some sectors are more strongly represented in the south of the region (such as Chemicals), some in the north (such as Automotive), and some in rural areas (such as Tourism and Hospitality).

The Regional Economic Strategy identifies nine sectors as drivers of increased economic participation and productivity growth in the region, alongside underpinning sectors which are important in terms of employment

(such as Construction, Transport and Retail). The region's priority sectors include:

- Chemicals and Pharmaceuticals
- Automotive
- Defence and Marine
- Food and Drink
- Energy
- Knowledge Intensive Business Services
- Tourism and Hospitality
- Commercial Creative
- Health and Social Care

The public sector also remains a priority for us, both nationally and regionally. We will need to continue our focus on our priority sectors, while recognising that there are learning and skills needs in all sectors of the economy.

Sectors have expressed a number of barriers to engaging with skills provision including: the dynamics of their workforces i.e. prevalence of part-time work and/or seasonal work and high staff turnover; a company size profile (i.e. micro/SME) that renders engagement with skills provision through the employer offer particularly problematic: the current qualifications and frameworks available are not fully reflective of their skills needs; where the entry point to some occupations within their footprint is Level 4+.

In addition, the current economic climate is making it difficult for companies in some sectors to invest time and resource into training new entrants and the existing workforce. The effects of this are particularly strong in sectors such as house building, transport and finance.

There are a number of key national developments underway that are having a fundamental impact on the sector landscape and will put in place the mechanisms and frameworks to ensure provision is better able to respond to meet the skills demands of employers. These include Qualification Reform, Sector Compacts, National Skills Academies, Joint Investment Frameworks and Train to Gain flexibilities. We will need to continue to support these processes and support our providers in their understanding of their impact.

In 2009/10 we will:

- Continue to shape the offer to adults and employers to respond to the current and changing needs of the regional economy. We will use sector intelligence to inform our dialogue with providers, and to inform IAG and brokerage.
- Progressively align funding with vocational qualifications identified as priorities for funding by Sector Skills Councils in their Sector Qualification Strategies and Sector Compacts.

- Look to providers to increase their capacity and capability to deliver the new and updated qualifications. We will support providers by sharing sector intelligence on new developments with the provider network.
- Explore Group Training Association approaches to delivering Apprenticeships where sectors have previously struggled to engage with the employer offer due to their size.
- Continue to implement Joint Investment Frameworks (JIF) approach in appropriate sectors to tackle skills gaps and shortages. A JIF has already been agreed with the health sector and a public sector JIF is currently in development.
- Work with partners to ensure delivery of Sector Compacts to encourage the uptake of skills in this region.
- Develop closer working with the Business Enterprise North East brokers to share sector intelligence, identify gaps in provision against demand from employers, maximising the opportunities for growth.
- Develop stronger strategic relationships with National Employer Service (NES)/other regions where they are funding provision within the North East to ensure that this provision closely matches the demands/needs of employers and learners within the region.
- Continue to support the growth of the National Skills Academies (NSA) which will assist in driving up demand through identifying the needs of the sector and developing specialist training to meet those needs.
- Increase our emphasis on capital investment as a driver of specialisation and innovation, so that employers have access to a wider range of industry specific skills development opportunities in colleges, in Apprenticeship providers or on employers' premises².
- Continue our focus on provision that responds to the needs of employers and encourage the achievement of the Training Quality Standard.

Sector specific intelligence is set out in a separate report linked to this Statement.

Meeting Skills for Life needs

² Details of the new LSC Regional Skills Capital Development Fund are published in the new Capital Skills Prospectus, November 2008.

The latest available data suggests that many adults in the North East lack the Skills for Life needed to progress in learning and work. In 2003, 22 per cent of working age adults in the region had literacy skills below Level 1 and 28 per cent had numeracy skills below Entry Level 3³.

Since 2003, however, significant numbers of learners have achieved Skills for Life qualifications in the region. We must continue to improve attainment of literacy and numeracy among young people and adults in the region to underpin learning at Level 2 and above, and sustainable employment.

We met our Skills for Life target for 2010 three years early. Our focus will now shift to the Leitch targets for functional literacy and numeracy. We recognise that these new targets are challenging. The numeracy target will be a particular challenge, given that historically we have delivered more literacy than numeracy provision, in response to a greater demand from learners for literacy courses, and little demand for Entry Level numeracy. In addition, recruitment of numeracy tutors has not been easy and remains a challenge.

It is important to note that while the focus of the targets is at these functional levels, we must continue to support learners at all levels from pre entry through to Level 2.

In 2009/10 we will:

- Increase our focus on functional literacy and in particular functional numeracy, while ensuring that adequate provision is planned at all levels of Skills for Life to ensure progression is supported up to and beyond the Leitch thresholds.
- Require providers, through their recruitment strategies, to do more to target and engage those adults with significant basic skills needs. These adults are often the hardest to reach and traditionally not inclined to enrol on such courses.
- Ensure that providers offer numeracy assessments to their literacy and ESOL learners and appropriate provision as necessary.
- Promote the use of high quality embedded delivery to support increased retention and success rates. This will be particularly pertinent in meeting the numeracy need.

Raising the quality of provision

The responsiveness and effectiveness of LSC provision in the North East is improving as evidenced by shifts in provision towards priorities, increasing success rates, and improved inspection grades.

³ DfES Skills for Life Survey. The Leitch Review of Skills considered functional literacy skills to be literacy at Level 1 or above, and functional numeracy to be at Entry Level 3 or above.

Through our commissioning arrangements we will continue to encourage continuous improvement across the system to ensure that we buy the best provision available for learners and employers and encourage providers to identify underperformance through self assessment.

In 2009/10 we will:

- Reduce the proportion of provision that is satisfactory but not improving, and will remove funding from inadequate provision, in line with the Minimum Levels of Performance policy. Minimum Levels of Performance for 2009/10 are set out in the LSC Statement of Priorities 2009/10.
- Promote the sharing of best practice through peer review and development.
- Support colleges and independent providers to develop their capacity for self improvement and self assessment.
- Continue to work with local authorities in the Challenge & Support of school sixth forms, supported by School Improvement Partners.
- Continue our focus on provision that responds to the needs of employers and encourage the achievement of the Training Quality Standard.
- Promote and support the roll out of the Framework for Excellence which assesses the quality performance of FE colleges, WBL providers and Train to Gain providers.

2 Our Targets

2.1 PSA targets for Young People

- **Raise the educational achievement of all children and young people.**
- **Narrow the gap in educational achievement between children from low income and disadvantaged backgrounds and their peers.**

While our focus must be on all young people, our delivery targets will be measured specifically by the proportion of young people achieving Level 2 and Level 3 by the age of 19. In raising overall achievement, we will have a specific focus on increasing the achievement levels of the most disadvantaged. The target levels are:

- to increase the proportion of young people achieving Level 2 at age 19 from 71.4 per cent in 2006 to 82 per cent by 2011; and
- to increase the proportion of young people achieving Level 3 at age 19 from 46.8 per cent in 2006 to 54 per cent by 2011.

In the North East, in 2007, 73 per cent of young people had achieved a Level 2 by age 19 and 42 per cent had achieved a Level 3 by age 19. We have set a target for 2009/10 of 80 per cent in the region for young people achieving

Level 2 by age 19, and a target for 2009/10 of 51 per cent for young people achieving Level 3 on a trajectory to match the national target for 2011. The target for Level 3 is particularly stretching taking into account our current rate of improvement.

Through increasing the number of young people participating in learning, on a trajectory to increasing the participation age to age 18 by 2015, we will support the delivery agreement to **increase the number of children and young people on the path to success**. The specific national delivery target is to reduce the percentage of 16-18 year olds not in education, employment or training (NEET), by 2 percentage points by 2010, from a current level of 10 per cent.

2.2 Adult Skills

- **Improve the skills of the population, on the way to ensuring a world-class skills base by 2020.**

The delivery targets for 2020 are:

- 95 per cent of adults achieving the basic skills of functional literacy and numeracy;
- more than 90 per cent of adults being qualified to at least Level 2, with a commitment to achieve 95 per cent as soon as possible;
- 68 per cent of the adult population being qualified to Level 3; and
- over 40 per cent of the adult population qualified to Level 4 and above.

Working towards these targets, Government has set interim targets for **2011** as follows:

Increase the proportion of people of working age achieving functional literacy and numeracy skills

The target is **597,000 people of working age to achieve a first Level 1 or above literacy qualification, and 390,000 to achieve a first Entry Level 3 or above numeracy qualification.**

We recognise that these targets are challenging, and in particular will require an increased focus on delivery of functional numeracy, while ensuring that adequate provision is planned at all levels of Skills for Life to ensure progression is supported up to and beyond these thresholds.

Proportion of working age adults (19 – retirement) qualified to at least a full Level 2 and 3

By 2011, **79 per cent of working age adults should be qualified to Level 2 and 56 per cent qualified to Level 3.** These targets ensure we also remain on track to reduce by 40 per cent the number of adults in the workforce who lack an NVQ Level 2 or equivalent qualifications by 2010.

Current performance in the North East in 2007 is 69.3 per cent of adults have achieved a Level 2 and 47.1 per cent have achieved a Level 3.

One of the key actions for delivering against this target is to increase the proportion of adults undertaking a qualification for the first time. We will, therefore, continue our focus on those without a Level 2/3 qualification already.

Proportion of apprentices who complete the full Apprenticeship framework

The target is to have **130,000 learners completing the full Apprenticeship framework in 2010/11.**

Increase the number of people moving into sustainable employment and progressing.

Work Skills, the Government Command Paper published in June 2008 set out a new ambition for supporting 100,000 people nationally into sustainable employment and the achievement of a recognised qualification in 2010.

3 Commissioning intentions for 2009/10

Commissioning is the term we use for all of our planning and purchasing activity across the learning and skills sector, including purchases that are negotiated or competitively tendered for. All of our commissioning decisions are rooted in a firm commitment to: allocating our budget wisely; targeting provision of the highest quality; contributing to government targets and priorities; giving value for money; promoting equality and diversity; and ensuring learner health, safety and welfare.

We have already made improvements to our commissioning and contracting processes. In 2009/10 we will make further improvements, including the introduction of a Qualified Provider Framework. The detail of our commissioning approach is laid out in the LSC Statement of Priorities 2009/10.

The majority of our provision for 2009/10 will be negotiated. Negotiated commissioning involves us agreeing plans with the colleges and providers that currently deliver LSC-funded provision. In addition, Open and Competitive Tendering will be undertaken as appropriate for example: where there are ESF match requirements; to fill gaps in provision that cannot be met by current providers; where a different or innovative approach is required. We will only routinely tender competitively every three to five years, but will introduce Invitations to Tender when regional circumstances dictate a need.

We have introduced a number of policy changes in response to the immediate economic challenges facing the country, and there may be the need for further changes. However even as we respond to the current challenges, our long term commitment remains the achievement of our 2020 skills targets.

This is why we will continue to focus public investment on our priority areas of Skills for Life, Level 2 and Level 3 that will deliver most benefit to individuals and the economy.

We also want to increase the focus of our investment on young people and adults from our **priority client groups** which include:

- young people who are not in education, employment or training;
- those with no or low skills;
- those who are on benefits;
- those who live in deprived neighbourhoods; and
- those who face issues of social exclusion e.g. offenders
- those groups who are under-represented in terms of participation and achievement⁴.

As we increasingly focus public investment on our priorities, we will continue our drive towards ensuring that individuals and employers, where appropriate, contribute towards the cost of their learning, working towards our ambition of 50% contribution from employers or individuals in 2010/11. We expect FE providers to continue to increase their levels of fee income and full cost provision by broadening their offer to adults and encouraging more employers to see FE as the solution to their skills needs. We expect to see institutions broadening their income base, and therefore becoming more autonomous and less reliant on public funding.

3.1 Commissioning intentions for young people:

Total learners

- In 2008/09 we funded 60,000 places overall for young people. In 2009/10 we expect to fund a modest increase in overall volumes, reflecting cohort decline but also the aspiration for increased participation rates and reduction of NEET. This growth will be secured through Apprenticeships. No growth is expected in FE or School Sixth Forms.
- We expect to secure increased local opportunities for participation and success of young people with learning difficulties and/or disabilities.

Full Level 2

- In 2009/10 we expect to secure an increase in full Level 2 places, the greater proportion of this increase being within Apprenticeships.

⁴ Our regional Equality and Diversity Impact Measures are set out in the regional Equality and Diversity Plan, linked to this Statement.

Full Level 3

- In 2009/10 we expect to secure an increase in full Level 3 places, the greater proportion of this increase being within Apprenticeships.

Diplomas

- As the lines of learning and geographical spread of Diplomas expand we anticipate an increase in places offered at all levels including Levels 2 and 3.

Apprenticeships and Advanced Apprenticeships

- In 2008/09 we secured participation of 16,000 young people in Apprenticeships. We expect to fund an increase in participation of young people in Apprenticeships in 2009/10.

Entry 2 Employment/ Foundation Learning Tier (FLT)

- We expect to maintain an appropriate level of provision below Level 2 in 2009/10 to meet the needs of young people in the region, in particular those currently NEET.
- We expect Progression Pathways to be used where practical in 2009/10 (at least 30% of starts in FLT), working towards a position where all learners at entry level and Level 1 are on Progression Pathways by 2010/11.

NEET

- We expect to see increased engagement in the above programmes by those young people previously NEET.
- Mainstream- funded activity will be complemented by Priority 1 **ESF** funded 'Youth Participation Project' to the value of £12 million (March 2008-December 2010, already tendered).

Skills for Life

- We will continue to fund sufficient opportunities for those young people who leave school without a grade C or above in GCSE English and maths to improve their literacy and numeracy and underpin learning at higher levels.

3.2 Commissioning intentions for adults:

Total learners

- We will continue to direct adult learner responsive funding to priority learning (Full Level 2, Full Level 3, Skills for Life, Foundation Learning Tier). But we will introduce greater flexibility for provision below Level

2. Colleges and providers will be expected to deliver Skills for Life priorities but will have flexibility across all pre-Level 2 budgets in delivering these priorities and responding to local circumstances.
- We expect to see an increased uptake by priority client groups.
 - We expect to secure increased local opportunities for participation and success of learners with learning difficulties and/or disabilities.

Full Level 2

- In 2008/09 we purchased 5,700 full Level 2 places. We expect to secure an increase in full Level 2 places in 2009/10.
- We expect that a greater proportion of full Level 2 places are taken up by adults who are undertaking a Level 2 for the first time.

Full Level 3

- In 2008/09 we purchased 7,800 full Level 3 places. We expect to secure an increase in full Level 3 places in 2009/10.
- We expect that a greater proportion of full Level 3 places are taken up by adults who are undertaking a Level 3 for the first time.

Foundation Learning Tier

- In 2008/09 we purchased 20,800 FLT places for adults. In 2009/10 we expect to secure an increase in FLT places.
- We expect Progression Pathways to be used where practical in 2009/10 (at least 30% of starts in FLT), working towards a position where all learners at entry level and Level 1 are on Progression Pathways by 2010/11.

Skills for Life

- In 2009/10 we expect to maintain current numbers of literacy places, but increase the number of numeracy places that we purchase.
- We will continue our focus on the functional levels as defined by our PSA targets, while ensuring that there is adequate provision at all levels of Skills for Life to ensure progression is supported up to and beyond these thresholds.
- We will maintain funding for ESOL at 2008/09 levels but expect that provider delivery is more focussed upon supporting community cohesion.
- Mainstream funded activity will be enhanced by **ESF** funded 'Test the Region' activity to the value of approximately £1million (March 2008 – December 2010, already tendered).

Developmental learning

- We expect developmental learning to be directed to the following priorities:

- Provision for learners with learning difficulties and/or disabilities whose needs may not be met by Progression Pathways, Skills for Life or provision at or above Level 2.
- Union Learning provision
- Maintaining current volume of Level 4 provision

Adult Safeguarded Learning

We continue to recognise and support the wider value and importance of learning for its own intrinsic value and therefore will maintain in 2009/10 the annual budget available to support Adult Safeguarded Learning.

In 2009/10 this learning covers:

- Personal and Community Development Learning (PCDL)
- Family Literacy, Language and Numeracy (FLLN)
- Wider Family Learning (WFL)
- Neighbourhood Learning in Deprived Communities (NLDC)

In addition to the safeguard, additional funding - Family Learning Impact Funding (FLIF) is available to support family learning.

We expect the PCDL budget to secure a wide ranging, high quality offer that is responsive to the needs of local communities. The offer should be accessible to all, but learners should contribute to some or all of the cost of their learning where they can afford to. We will target public funding at the most disadvantaged learners. It is expected that fee income collected is used to widen the offer, and also to create further opportunities for subsidised places for disadvantaged learners.

Integrated employment and skills

- Employability Skills Programme continues to be the main delivery mechanism of basic and employability skills for Jobcentre Plus customers. We expect to further expand the programme in 2009/10.
- Mainstream funded activity is enhanced by Priority 1 **ESF** funded projects to 2010 (already tendered):
 - 'Enhanced Information, Advice and Guidance' approximately £2million
 - 'First steps to Employability' approximately £3.4million
 - 'Community Grants Co-ordinating Body' approximately £1.3million
 - 'Event Volunteering Programme' £1million
 - 'Sector Routeways' £4million
- As announced by the Secretary of State in September 2008, a package of support will be made available for those affected by redundancy. Plans available from January 2009 will set out the offer (including pre-employment provision) that will need to be secured in each region. We

are likely to secure the elements of this offer through an invitation to tender process, beginning in January 2009.

OLASS

Offenders in Custody

OLASS Phase 3 for 2009 to 2014 has recently been tendered. **ESF** Priority 1 funded 'Additional custodial vocational provision' to the value of £750,000 will complement this (already tendered).

Offenders in the Community

Mainstream funded activity will be enhanced by **ESF** Priority 1 funded activity 'Enhanced information, advice and guidance for offenders serving community sentences' to the value of £800,000 (already tendered).

3.3 Commissioning intentions for Employers:

Total learners

- We expect to secure an increase in the overall number of adult learners through the employer responsive model.

Train to Gain

- In 2008/09 our target for learner starts is 48,657. In 2009/10 we expect to maintain this volume of delivery.
- In 2008/09 our target for learner starts at **full Level 2** is 36,413. We expect to maintain the volume of full Level 2 starts in 2009/10.
- In 2008/09 our target for learner starts at **full Level 3** is 8,032. In 2009/10 we expect to secure an increase in the number of full Level 3 starts.
- In 2008/09 our target for learner starts at **Level 4** is 485. We expect to maintain volumes at Level 4 in 2009/10.
- In 2008/09 our target for learner starts in **Skills for Life** is 3,781. In 2009/10 we expect to secure an increase in the number of learner starts in Skills for Life.
- In 2008/09 our target for learner starts in **Foundation Learning Tier** is 431, In 2009/10 we expect to secure an increase in the number of FLT starts.
- In 2009/10 we will increasingly channel funds to support priority qualifications identified by Sector Skills Councils through Sector Qualification Strategies and Sector Compacts.

Apprenticeships and Advanced Apprenticeships for 19-24 and 25+

- Apprenticeships are the preferred option for vocational learners aged 19-24.

- In 2008/09 we secured participation of 14,000 adults in Apprenticeships. We expect to secure an increase in participation by adults in Apprenticeships in 2009/10.

Mainstream funded activity for employers is enhanced by Priority 2 **ESF** funded projects to 2010 (already tendered):

- 'Enhanced Train to Gain' approximately £12 million.
- 'Learning for All Fund' approximately £3 million.
- 'Enhanced Brokerage Service' £3 million.
- 'Skills Solution Fund' £8 million.
- 'Leadership and Management Programme' approximately £1.6 million.

4 Related documents

Strategy/Plan
Sector Intelligence Report 2008 http://www.lsc.gov.uk/regions/NorthEast/Aboutus/Annualplans/
LSC North East Regional Equality and Diversity Plan http://www.lsc.gov.uk/regions/NorthEast/Aboutus/Annualplans/
LSC and ONE Regional Capital Strategy To be added early 2009
North East Strategy for LSC-funded provision for Learners with Learning Difficulties and/or Disabilities 2007-10 http://www.lsc.gov.uk/regions/NorthEast/Aboutus/Annualplans/
ESF LSC Co-financing Plan 2008-2010 http://www.lsc.gov.uk/regions/NorthEast/Aboutus/Annualplans/
Regional Economic Strategy http://www.onenortheast.co.uk/page/res.cfm

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