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Leading learning and skills

Learning and
Skills Council
Milton Keynes,
Oxfordshire and
Buckinghamshire
Annual Plan
2007-08

March 2007

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

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Introduction

This plan sets out our local response to the LSC's national Annual Statement of Priorities and to our South East Regional Commissioning Plan. These documents highlight the LSC's key role in raising skill levels to improve productivity, employability and social cohesion through a set of four interlinked priorities, which will focus our actions and resources.

Our vision for Milton Keynes, Oxfordshire and Buckinghamshire (MKOB) is to develop learning and skills provision that provides greater opportunities for young people and adults to enable them to realise their full potential and which supports employers to raise their economic performance. Addressing equality and diversity issues will be integral to this.

Progress in many areas over the last year has been encouraging – there are steadily increasing numbers of young people in learning and success rates are improving; providers have steered more provision towards targets and priority skill areas and are engaging more strongly with employers. There has been improving performance on Skills for Life and a continued focus on those in areas of deprivation or disadvantage.

The key challenge for the South East is building the skilled workforce needed for the region to remain competitive in a global market. In MKOB we need to recognise that there are wide variations in skills levels which impacts upon the prosperity of the area and opportunities for individuals. Therefore we will prioritise LSC resources on skilling individuals to at least level 2 and we will work with providers and partners to help more employers recognise the value of investing in the workforce at level 3 and beyond.

We will also focus in 2007-8 on continuing to target and prioritise our investments alongside the resources and interventions of our partners. We will also re-prioritise resources by not funding poor quality provision and commissioning provision which offers value for money, is high quality and increases choice.

Our key priorities for the year ahead are:

- driving forward, with local authorities, the three local 14-19 strategies, with a focus on improving the vocational offer, raising performance on E2E and reducing the number of young people who are not in education and training;
- developing a stronger Apprenticeship and E2E infrastructure which leads to higher rates of participation and achievement;
- supporting providers to work more closely with and to respond to local employer demand whilst increasing employer investment in relevant skills and training;
- raising level 2 participation and achievement, especially for adults, including through strengthening Train to Gain;

- further improving the quality of provision so that all learners experience provision that is satisfactory or better;
- increasing the range of local provision for learners with learning difficulties and/or disabilities (particularly in Oxfordshire);
- supporting a significant range of capital projects across MKOB involving FE and local authorities and ensuring projects are effectively coordinated locally;
- developing and implementing a skills action plan for the Milton Keynes/South Midlands growth area, working across LSC and regional boundaries; and
- raising employability and skill levels for disadvantaged individuals, including in the most deprived parts of Oxford, High Wycombe and Milton Keynes, enabling more to take advantage of local job opportunities.

Over the past year the LSC has restructured significantly. We now have a well resourced regional office and an established Thames Valley area office. Our partnership and economic development teams have a strong local perspective and focus, working increasingly closely with partners and providers across MKOB.

We look forward to the year ahead – this plan describes the context and the actions we believe are necessary to work towards our vision. It is clear that many challenges exist but we are confident in our ability to meet these challenges and to deliver the skills necessary to strengthen further the MKOB economy and prosperity.



Pat Upson
Chair



David Ansell
Area Director

Local Context Summary

Milton Keynes, Oxfordshire and Buckinghamshire (MKOB) comprise the unitary authority of Milton Keynes and the two counties of Buckinghamshire and Oxfordshire. The county of Buckinghamshire includes four local authorities: Aylesbury Vale, Chiltern, South Buckinghamshire and Wycombe. The county of Oxfordshire includes five local authorities: Cherwell, Oxford, South Oxfordshire, Vale of White Horse and West Oxfordshire.

Productivity across the MKOB area is relatively high. The combined Gross Value Added (GVA) of MKOB was £25,000m, which equates to 18.5% of the South East total¹. There is a wide variation in GVA per head ranging from £18,148 in Buckinghamshire to £22,000 in Milton Keynes - where GVA per head was 32% higher than that of the South East as a whole, and 45% higher than the UK.

Overall the population in MKOB over the last decade grew by 6.5% (80,800 individuals) which was 1.3 percentage points above that for the South East region. The age structure of MKOB is slightly younger with 53% of the population aged under 40, compared to 51% in the South East². The highest rate of change in the area over the past decade was observed in Oxford with a 16% increase in population (21,300 people) accounting for half the increase in population across Oxfordshire. In absolute number terms, however, Milton Keynes grew by 27,000 over the last decade (13.3%).

Population projections for the next five years suggest an increase in the resident population of MKOB of 2.5% (33,000 individuals)³. It is projected that the population of children (aged under 15) will decrease over the next five years by 4,500. In contrast, there is a projected increase in the 15-64 population of 19,700 and for those 65 and over an increase of 17,500.

Both Milton Keynes and Aylesbury Vale will have a changing and growing demand for learning and skills as a result of the Milton Keynes South Midlands sub-regional growth strategy with an estimated 46,000 houses to be constructed by 2016⁴.

Census data indicates a black and minority ethnic (BME) population of 6.7% across the area ranging from 12% in Oxford City to 1.5% for West Oxfordshire. Particular concentrations of some ethnic groups such as Asian and Asian British tend to have lower educational attainment than the average across all groups although adult participation data is above the LSC average⁵.

66,100 businesses are based in the area and total employment stands at 749,000⁶. There are 363 businesses employing more than 200 people - accounting for 24% of the workforce in Buckinghamshire, 31% in Oxfordshire and 33% in Milton Keynes. Compared to other areas in the South East, MKOB has a

¹ Regional Economic Strategy, 2006

² Mid year population estimates, 2005

³ Sub-national population projections, 2004

⁴ Department for communities and Local Government

⁵ RCU participation data for SE LSCs, 2006

⁶ Annual Business Inquiry

higher proportion of employment in banking, finance insurance, real estate, renting and business activities (25% compared to 23% in the South East) and 'other' services (5.6% compared to 5.0%). Manufacturing is also relatively more important (11% compared to 9.5%). In contrast, distribution, hotels and catering represents 26% of the business population (compared to 27%) and public administration, education and health at 23% of employment compared to 25%.

Employment forecasts predict an overall increase of 3.4% (25,000 jobs) by 2009⁷. Particularly high increases are expected in distribution and transport (13,500) and business and 'other' services (10,100). Employment in the 'non-marketed services' of public administration and defence, education and health and social work is forecast to continue to increase by 5,000 jobs. At a more detailed sectoral level 'other' business services (7,800) (e.g. brokers, valuers, agents), wholesaling (4,700) and retailing (4,500) are predicted to see the highest growth. Manufacturing and primary industries are expected to continue to decline. Construction is expected to remain static at around 39,000 jobs.

At the occupational level, employment is polarised between senior management roles and elementary occupations⁸. More than half of employees in Buckinghamshire are in management and professional occupations, and one in five (21%) of these are managers and senior officials. In contrast 13% of employees in Milton Keynes and in Oxfordshire are in elementary⁹ occupations. The predicted shift in the employment makeup of the MKOB workforce towards the higher end of the occupational spectrum is likely to have a significant impact on the overall future demand for qualifications.

As found across the country generally, the occupational mix of the MKOB workforce is predicted to shift over the course of the next five years towards professional and managerial occupations. Thus managers and senior officials are predicted to grow by 11,700 jobs (11%) and professional occupations by 6,500 (7%) jobs; in contrast, elementary occupations will decline by 4,400 jobs (6%) and clerical and administrative occupations by 6,100 (5%).

Partnership working remains central to the LSC's business. Regionally, the Regional Economic Strategy launched by SEEDA during 2006 outlines the challenges necessary for the region to be world class and achieve sustainable prosperity - of which skills plays a key part. It also defines a number of 'diamonds for investment and growth' including both Oxford/central Oxfordshire and Milton Keynes/Aylesbury. SEERA's South East Plan focuses around land-use planning and presents the 20 year vision for the region. It is due to for formal launch in spring 2008.

The move to partnership and economic team working in the LSC during 2006-7 saw enhanced working with Jobcentre plus, Business Link, economic and learning partnerships and Connexions amongst others as well as providers to better align priorities and resources. This will be developed further in 2007-8.

⁷ Working Futures 2, 2005

⁸ Annual Business Inquiry, 2004

⁹ Standard Occupational Classification (SOC) – includes labourers, porters, cleaners etc.

Investing in Young People

Young people's participation in education and learning across MKOB has not risen as fast as the regional rate; work-based learning (WBL) participation has fallen sharply. 29,850¹⁰ learners were learning in MKOB in further education (FE), work based learning (WBL), school sixth forms and Entry to Employment (E2E) in 2005/06 compared to a planned figure of 30,400. This is a growth of 1.5% from 2004/05 and 2005/06, though this is below the regional increase of 2.4%. The MKOB figure is expected to grow by a further 2.2% between 2005/06 and 2006/07 compared to a 2.7% increase planned regionally. Overall FE grew in 05/06 by 1.7% and school sixth forms by 3.9%; WBL participation declined by 13%. Despite a decreasing population of young people in Oxfordshire and Buckinghamshire, increases in participation should be expected as performance in programmes such as E2E are addressed. Progression opportunities will improve as the 14-19 diplomas and the Foundation Learning Tier are implemented¹¹.

Education Maintenance Allowances (EMAs) are now embedded in all three areas of MKOB. Networks in each area continue to support the process and to raise awareness, especially in schools providing for the 11-16 age range. Providers report that the transition from training allowances has worked well. In early 2007, actual take-up of EMAs against projected take-up was 98% for 16 year-olds and 94% for 17 year-olds.

The percentage of MKOB young people classified as 'not in education, employment and training' (NEET) is below the regional average although this masks significant variations across the area. The NEET percentage fluctuates month-on-month. For November 2006, the percentage of young people who were NEET in MKOB stood at 4.4% (representing 1,600 individuals) - well below national (7.0%) and regional (5.2%) levels. The November 2006 target was 4.6%¹². There are, however large variations within the LSC area ranging from 6.6% in Milton Keynes (where particular LSC focus is required) to 3.0% in Buckinghamshire. Analysis of the characteristics of the NEET group has been carried out as part of 14-19 partnership working in each of the three areas.

Achievement at level 2 by 16 is above the regional average; however the rate of improvement between 16 and 19 is below the region's and by age 19 achievement at level 2 is below the regional level. Young people's achievements at key stage 4 remain variable across the three areas; in Buckinghamshire 59% achieved 5 or more GCSEs at A*-C including English and Maths; for Oxfordshire the figure is 48% and for Milton Keynes 39%. The national level stands at 46%¹³. The percentage of people achieving a level 2¹⁴ by 16 is 57% (1.7 percentage points above the regional figure) by 19 this has risen to 74% (0.7 percentage points below the regional figure). Raising achievement at level 2

¹⁰ LSC scorecard

¹¹ Information about FE and WBL success rates is in the Quality section

¹² Connexions, 2006

¹³ DfES performance tables, 2006

¹⁴ Learning and labour market area profile – supplementary local data report – MKOB, LSC 2007

between 16 and 19 is therefore a particular challenge to ensure that young people have the right skills to compete in an already relatively highly qualified workforce.

Achievement at level 3 by 19 is above the regional average

Average points score per pupil at A level or equivalent stands at 733 for the LSC area (Milton Keynes and Oxfordshire score 683 compared with Buckinghamshire at 802)¹⁵. The average A-level points score per exam entry in 2006 stands at 209 for the LSC area (Milton Keynes 196, Oxfordshire 205 and Buckinghamshire 218). The percentage achieving a level 3 at age 19 is 54% marginally above the regional average of 53%.

The progression rate in Entry to Employment (E2E) programmes has declined across almost all providers. In 2005/06 E2E positive progression rates declined by 11 percentage points from 44% to 35% (which is 15 percentage points below the regional average¹⁶). Over the same period starts have risen by 2.5%, against the overall decrease observed in the South East. Further work will take place across the Thames Valley including the development of the Foundation Learning Tier and exploring pre and post E2E provision and encouraging flexibility of recruitment and delivery will help address areas of weaker E2E performance.

Positive progress is being made with 14-19 strategies across all three local authority areas. 14-19 partnerships have been set up in each of the three local authority areas. Activity across all three areas is focused around 14-19 diploma development, area wide prospectuses and developing a broader vocational curriculum. The implementation of 14-19 strategies and their integration into the Children and Young People's plans will be a vital component in raising participation and achievement levels – the LSC is a key partner in developing these plans. Each strategy group has now submitted applications to the Diploma Gateway – there were a total of 18 separate partnership applications covering all first five diploma lines. The outcomes should be known by March 2007. The vocational offer at level 1 across MKOB remains relatively weak, particularly in Milton Keynes. The challenge remains, as funding streams change, in being able to retain and strengthen a broad range of flexible provision for 14-16 year olds.

LLDD provision has benefited from improved partnership arrangements and transition planning. Progress is still necessary to address local capacity and ensure more young people can learn in their locality particularly for those with profound and complex needs, those on the autistic spectrum and those with mental health difficulties. About 25% of the NEET group have learning difficulties and/or disabilities.

Outstanding Issues and Challenges

- Work to implement the 14-19 strategies remains a priority across the area and particularly in Buckinghamshire. It is vital to ensure continued LSC and local authority commitment is achieved at the highest level. The LSC recognises that integrating WBL providers in 14-19 developments needs to be addressed

¹⁵ DfES performance tables 2006, new points system introduced

¹⁶ LSC corporate reports, spring 07

in the Milton Keynes and Buckinghamshire areas. Enhanced vocational offers, particularly below level 2 are a priority in all three local authority areas.

- Increases in participation rates across MKOB need to accelerate to match regional levels; recent declines in WBL participation need to be addressed with key gaps in provision filled and progression pathways promoted.
- Whilst NEET numbers have consistently fallen across the MKOB area over the last year, levels in Milton Keynes remain a particular concern. The impact of the numbers of recent young migrants will need to be closely monitored and more individualised and flexible provision relevant to these groups needs to be provided.
- E2E progression needs to be further strengthened to significantly improve progression to employment and further learning. Developments such as the Foundation Learning Tier and exploration of pre and post E2E provision will be important.
- Retention and attainment at level 2 by 16 needs to be improved in Oxfordshire and Milton Keynes; the progress made between the ages of 16 to 19 also needs to be increased to at least match the regional rates of progression.
- LLDD activity in Oxfordshire doesn't yet provide full access and opportunity required by learners. There is a particular need to build capacity for young people and adults with profound and complex needs and to improve transition arrangements.

Action for Young People

Regional Priority: To improve substantially the range and accessibility of practical and vocational learning opportunities for all young people which inspire and engage them and lead to progression.

Locally, we will boost performance against national targets by:

- a 2% increase in participation with a focus on priority learners to reduce the numbers of young people who are not in education, employment and training (NEET).
- increasing volumes of learning below level 2 in every local area with particular attention to those areas with high numbers who are NEET
- a 2.5% increase in participation in Entry to Employment programmes whilst seeking to at least maintain current progression in rates (47%)
- increasing the numbers of young people participating in apprenticeships by 4.5%
- further improving success rates for further education and Apprenticeships.

[The percentages quoted are regional; local figures will not be available until local volumes in the Summary Statement of Activity have been confirmed]

Our Local Actions

1. Work in partnership with the three MKOB local authorities to pave the way for joint commissioning from 2008/09 developing a range of progression routes which improve access and lead to higher achievement rates, with a particular focus on disadvantaged or vulnerable young people. This is to be developed through work with Children's Trusts and Local Area Agreements (LAAs).
2. Work with the MKOB local authorities, Connexions, providers and others through the three 14-19 strategic groups to implement the September guarantee and develop a full range of academic and vocational opportunities including 14-19 diplomas.
3. Increase participation in learning across MKOB by 2% with a particular focus on reducing the number of NEET young people, including through supporting the development of pre and post E2E provision and increasing positive outcomes on E2E programmes. Work with FE providers to improve participation by 3% on 05/06 data at pre-entry/L1 and success rate improvement of 3% on 05/06.
4. Develop and implement a Thames Valley wide WBL strategy by September 2007 to increase participation and achievement. This will include developing new provision to ensure all WBL success rates are above minimum performance levels.
5. Further develop Action for Inclusion networks in the three areas, working with local authorities, special schools, colleges, parents and the Connexions service, to build capacity and meet local needs. Implement the curriculum framework and entitlement to provide a greater degree of flexibility for young people at 16 in Oxfordshire by September 2007.

Investing in Skills

The MKOB workforce is relatively well qualified though significant variations across the area exist and Milton Keynes is relatively underskilled. MKOB's workforce has a higher skills profile than the region¹⁷. 53% of working age residents are qualified to NVQ level 3 and above (above the South East proportion of 51%). 32% are qualified to level 4. Less than 10% of the working age population have no qualifications but this still accounts for 77,100 people (compared with 15% for the South East). The most qualified workforce is in Buckinghamshire where 56% of the working age population are qualified to NVQ level 3 and above and only 8% have no qualifications. Milton Keynes is the least qualified where 37% do not have a level 2 qualification (MKOB 30%).

¹⁷ Learning and labour market area profile – supplementary local data report – MKOB, LSC 2007

Large numbers of adults require Skills for Life provision, particularly in numeracy. In MKOB there were an estimated 50,800 adults with entry level 3 or below literacy skills and 339,500 adults with entry level 3 or below numeracy skills¹⁸. Across the MKOB area around 6% of adults have low (defined as below a low level GCSE) literacy skills. The highest concentration was estimated to be Oxford accounting for 13% of the population. For numeracy the MKOB average is estimated to be 41% ranging from 34% in Wycombe to Milton Keynes with 51%. MKOB providers have made improving progress on the Skills for Life target with an increase of 14 percentage points of the volume of learners contributing to the PSA target (regional improvement 5.5%).

Adult participation fell by 17% between 2004/5 and 2005/6 but level 2 and 3 participation showed strong increases, above the regional average.

Participation in LSC funded learning fell in 05/06 as a result of budget pressures. FE fell by 15%; WBL fell by 7.0% and PCDL by 20%. However level 2 participation in FE overall grew by 29% (above the regional rate of 15%) and level 3 participation in FE grew by 45% (regionally 28%)¹⁹. 15% of adult learners in FE are now on full level 2 or 3 programmes.

Significant improvement has been made in the last year to ensure FE provision is target bearing and in high priority sectors - further progress is required to reach the regional average. There has been a shift in the LSC's mix and balance of provision from low priority low target bearing towards higher target and priority provision. The proportion of enrolments in provision that are in priority skills areas and contribute towards targets increased by 5 percentage points between 2004/05 and 2005/06²⁰. It now stands at 15% of enrolments, though this slightly lags the regional level (17%). Enrolments in provision that is in low skills priority sectors which don't contribute to the targets have reduced from 37% to 29%. Proportions remain slightly higher than the regional average which reduced between the two years from 33% to 24%.

Vacancy and skill shortage and skill gap data for MKOB provides intelligence as to where skills needs are most urgent. Approximately 20% of companies in MKOB had vacancies at the time of the 2005 National Employer Skills Survey (NESS)²¹. This is slightly higher than the figure for the South East (18%). Around half of those companies in MKOB which were recruiting had difficulty doing so. Both skills shortages (where insufficient skills are available within the local economy to help businesses) and skills gaps (where there are gaps in the current workforce) provide information about where skills needs should be focused. Overall, 7% of companies surveyed were suffering from skill shortage vacancies, which was higher than the 5.5% of firms affected across the South East region. Skills shortages were most acute among associate professionals and skilled trade occupations and most prevalent in construction and distribution, hotels and restaurants. Skills gaps were highest among sales and customer service staff (5.7%), elementary occupations (5.1%) and managers (5%) and for sectors manufacturing (9%) and transport/communication (8%). There were

¹⁸ Skills for Life Survey 2003

¹⁹ LSC scorecard

²⁰ LSC scorecard

²¹ National Employer Skills Survey 2005

approximately 49,000 current employees working in the MKOB area who were considered not fully proficient in their roles. Employers believed that by far the greatest cause of skills gaps was a lack of experience because an individual had been recently recruited into a role. Other significant causes for skills gaps were cited as staff lacking motivation (25%), the inability of staff to keep up with change (21%) and the organisation's own failure to train or develop staff (19%).

Providers have made good progress in improving their responsiveness to employer demand and improving opportunities to meet future skills needs.

Eight CoVEs are being led by MKOB providers and two FE providers have achieved the Action for Business standard in recognition of their responsiveness and employer focused approach and activities. Particular recognition is given to the relative importance of delivering level 3 skills in the workplace. April 2007 will see the launch of the New Standard which will build on A4B and CoVE activity.

Train to Gain was launched in the MKOB area in 2006. The Train to Gain service provides impartial, free skills advice to employers to up-skill their workforce. In addition to brokering training solutions for employers, the service can include free training for employees without a first full NVQ level 2. Within the MKOB area there are two locally contracted providers (a FE provider consortium and a further lead provider) engaging with employers and delivering demand led training in the areas of care, engineering, ICT, retail, hospitality and school support staff. Planned first year delivery is over 1,000 NVQs plus 250 Skills for Life enrolments by July 2007.

Involvement in local partnerships continues to be important to ensure the achievement of the LSC's adult targets. The Local Skills for Productivity Alliance is being re-established, with a stronger employer focus and closer links to the Regional Skills Alliance and is being developed through the Economic and Learning Partnerships and other partners across the MKOB area. It will implement a delivery framework based on local need from April 2007 which will determine the collaborative action between employers and partners necessary in order to better meet employer skills needs and to drive up demand for skills.

Outstanding Issues and Challenges

- Further progress is required to shift FE provision towards high skill priority, target bearing provision. The LSC has identified those providers where the most progress is needed. In addition the proportion of FE learners undertaking a first full level 2, which has increased recently, needs to increase further whilst meeting local learner and employer needs.
- The skills profile of Milton Keynes' residents, is relative to the average in the South East, lower skilled with high numbers not qualified to level 2 or equivalent. This may negatively impact upon its growth aspirations.
- Providers across MKOB have made progress in moving Skills for Life provision towards qualification bearing provision and this shift needs to continue. In addition attention is needed to focus on ongoing Skills for Life needs,

particularly numeracy skills, which remains a priority and is often concentrated in areas of deprivation.

- Skills shortage and skill gap intelligence points to the need for more provision in specific local sector and occupational skills in particular around skilled trades and associate occupations and manufacturing and distribution sectors. Employers are increasingly demanding higher skill levels, especially in knowledge intensive sectors and occupations where improvements in provider responsiveness to these areas are essential.
- Performance on Train to Gain requires continued attention and focus given the importance of raising level 2 skills for both the local and regional economy. The challenge will be to raise the volume of starts and to ensure learners achieve their qualifications in line with employer demand.

Action for Skills

Regional Priority: To improve skills training and employer engagement through implementing the South East Action for Business Strategy and further developing the responsiveness of the FE and work based learning provider network.

Locally, we will boost performance against national targets by:

- 80% of Skills for Life provision to be accredited through nationally recognised qualifications
- a 4.5% increase in target bearing Skills for Life provision
- colleges delivering adult provision will move towards a minimum of 20% of their adult allocation to supporting full level 2 provision
- delivery of level 2 for adults having a greater focus on delivering first full level 2s with particular increases in participation of those claiming benefits
- increasing employers' engagement in supporting learning and skills through Train to Gain with a particular focus on those employers who have not previously been engaged
- continuing to increase the proportion of adult funding being spent on priority provision
- increasing the numbers of people over 19 participating in Apprenticeships by 5% (Apprenticeships by 3%; Advanced Apprenticeships by 8%)
- improving provision and success rates in priority sectors with a particular focus on construction and the built environment.

[The percentages quoted are regional; local figures will not be available until local volumes in the Summary Statement of Activity have been confirmed]

Our Local Actions

6. Identify and work with identified MKOB providers which still need to make significant movement in rebalancing their provision in line with the regional

provision mix so that there is a three percentage point increase in provision which is in target bearing and in priority skill areas, especially full level 2s.

7. Continue to address basic skills needs, increasing the volume of target related qualifications and further embedding Skills for Life delivery including agreeing provider development plans to reflect the progress needed to ensure that 80% of Skills for Life enrolments are on approved qualification courses and working with Jobcentre Plus clients.
8. Increase the collaboration and responsiveness of providers to meet employer needs and address skill gaps and shortages in MKOB, building on the network of two A4B colleges and eight CoVEs across the area. Support all providers engaging with the New Standard to improve their business-to-business capabilities with a particular focus on small and medium sized enterprises.
9. Increase the number of adults with a first full level 2 by improving the number of starts and achievements in line with the regional commissioning plan. This will be achieved through Train to Gain, Adult Learning Grant and information, advice and guidance activity with a focus on strengthening consortia working and improving the effectiveness of local brokerage arrangements.
10. Pilot Adult Learner Accounts in selected parts of Oxford/Oxfordshire and Milton Keynes/Aylesbury Vale “diamonds for growth and investment” areas in order to respond to demand for adults for first full level 3 qualifications.
11. Maximise partnership working with employers and employer representative bodies to establish a range of coordinated initiatives which support employee upskilling, employer engagement and sector priorities, including through Local Area Agreements and the MKOB Local Skills for Productivity Alliance.

Investing in Quality

Inspection data shows that all currently contracted FE, WBL and PCDL providers in MKOB are judged to be at least satisfactory overall. One college is currently dealing with one ‘unsatisfactory’ learning area and analysis of the latest inspection round conducted by OFSTED and ALI reveals some instances of lower quality in relation to WBL delivered in an FE setting. Success rate data confirms this underperformance and also highlights construction as an area in need of particular quality improvement attention. The quality of WBL in an FE context is also a concern because a significant proportion of this provision has not been subject to any inspection in the past four years. As much of the provision across MKOB is rated ‘satisfactory’ there is an area wide need to pursue a drive for excellence. This will be achieved by establishing a coherent and effective working relationship between the local LSC, QIA and the inspectorate.

Overall 16-18 FE success rates improved in 2005/6 but remain below the regional figure²²; 16-18 Apprenticeship framework completion rates are up by 20 percentage points, to 53%. 16-18 FE success rates stand at 70%, an increase of three percentage points on 2004/05. The rate of increase was the same as the region, where the success rate is now 77%. Level 2 success rates at both MKOB and regional level are 67%. Advanced Apprenticeships have improved by 15 percentage points and are one percentage point above the regional level.

Adult FE success rates remain below regional rates, however there has been good progress in Apprenticeship framework completion rates, particularly at level 3. FE success rates in 2005/06 were 71%, three percentage points below the regional position²³. Both were unchanged from 2004/05. First full level 2 FE rates were also static in MKOB between 2004/05 and 2005/06 – at 60%, though there was a regional improvement from 58% to 63%. Level 2 Apprenticeships have made a significant improvement to 48% from 34% and Advanced Apprenticeships have also improved considerably from 22% to 48%. Both are now moving closer to the regional average²⁴.

Improvement of success rates will be a priority for providers across all the sectors and will be led by the Framework for Excellence. The Framework for Excellence is due to be implemented in 2008 which will provide broad challenges to providers in developing effective and high quality provision which ensures that the LSC funds only effective provision which gives learners the opportunities they need to succeed. Success rates are currently highly variable across the LSC area and priority will be given to sectors such as 16-18 construction and adult ICT which are relatively weak.

All MKOB FE providers have identified infrastructure needs to improve their estate for future learner and employer needs. Needs range from complete rebuilds of whole colleges to specific improvements to one site. Most colleges are incorporating additional or specific facilities/resources for learners with difficulties and disabilities in their latest accommodation strategies. A small proportion of the estate is not fit for purpose; for example, Abingdon and Witney College are working towards an application to the LSC to redevelop the Witney campus. Aylesbury College is undertaking further redevelopment and both Oxfordshire County Council and Buckinghamshire County Councils are redeveloping community centres. Four FE providers are due to submit applications in 2007-08.

The LSC continues to promote the use of Equality and Diversity Impact Measures (EDIMS) as set by the LSC at regional and local levels. Analysis of local data shows that success rates for ethnic minorities are lower than for the white population, for instance on long courses the success rate figure for 04/05 is 54% for the BME population compared with 62% of the white population²⁵. LLDD data also shows that success rates for short course at 74% are five percentage points below the overall average.

²² LSC scorecard

²³ Ibid

²⁴ Ibid

²⁵ Ibid

Outstanding Issues and Challenges

- Within MKOB adult success rates have been impacted by several poorly performing providers and external institutions - improving success rates for these providers will be a particular priority. WBL success rates though significantly improved still warrant further improvement.
- Several weaker providers are known to be impacting on young people's and adults' FE success rates – for young people the focus will need to be on improving success rates for short courses and long level 1, for adults in addition to these, a significant improvement in level 2 is required.
- There are a significant number of major capital projects in the pipeline across the area. These need to be effectively coordinated and supported as part of the local LSC's local capital strategy.

Action for Excellence

Regional Priority: To raise performance and improve the quality of provision, using the Framework for Excellence, to further develop a self-critical provider network with a focus on quality improvement.

We will assure quality in MKOB and the South East with a particular focus on:

- investing in and growing excellent provision and encouraging increased specialisation
- all providers delivering at least minimum levels of performance over the next two years
- increasing the proportion of good and excellent provision
- eradicating unsatisfactory provision by 2008
- increasing young people's FE success rate for full level 2 and full level 3 qualifications by xx percentage points.
- a 3 percentage point increase in framework completion rates for all Apprenticeship programmes, particularly for Advanced Apprenticeships
- all FE and WBL providers working towards a 5 percentage point improvement in adult full level 2 success rates
- identifying high quality alternative providers through applying the principles of competition to secure new provision
- investing in a significant improvement in the quality of the FE infrastructure.

[The percentages quoted are regional; local figures will not be available until local volumes in the Summary Statement of Activity have been confirmed]

Our Local Actions

12. Work in partnership with QIA to develop a Thames Valley strategy by March 2008 to increase the proportion of providers who are 'good' or 'excellent'.

13. Work with FE providers and schools and the developing Framework for Excellence process to identify and address areas of weakness in level 2 and 3 success rates and attainment, especially adult success rates in FE.
14. Apply national minimum levels of performance by implementing notices to improve for FE and re-contracting arrangements for WBL providers to address under performance across the MKOB area from April 2007.
15. In partnership with the regional office, pilot the Framework for Excellence with a pre-selected sample of MKOB providers in order to produce a step change in self-regulation by providers prior to its full launch in 2008/9.
16. Encourage and develop new vocational providers into the market place by means of contestability, responding to local gaps and addressing local and regional priorities where provision is below minimum performance levels or is not meeting the needs of local learners.
17. Invest in the infrastructure of five MKOB FE providers as part of the LSC's local capital strategy to ensure the FE estate is fit for purpose and work with local authorities to support the development of at least three 14-19 vocational centres.

Investing in Communities

Whilst overall deprivation is low across MKOB, significant pockets exist particularly in urban areas using the education, skills and training measure.

MKOB is less deprived than the South East. There are 26 (out of 859) Super Output Areas (SOAs) in MKOB that are in the 20% most deprived SOAs in England: 13 within Milton Keynes, 10 in Oxford City and three in Cherwell²⁶. Using only the education, skills and training as a deprivation criterion, there are 66 SOAs in the 20% most deprived SOAs in England. In overall deprivation terms, Oxford is ranked 135th (where 1 is the most deprived) out of the 354 local authorities in England; West Oxfordshire by contrast is ranked 350th²⁷.

A number of economic indicators point to a need to work in specific local areas to address inequality²⁸. Only 16% of working age people is economically inactive in MKOB which is the lowest of all areas in the South East. The economically inactive consist of a diverse group comprising the early retired, students and sick or disabled who vary in their closeness to the labour market. Of this group, 26% want a job – similar to the South East average. Oxfordshire has the highest economic inactivity rate at 17% whilst Milton Keynes and Buckinghamshire have a lower inactivity rate of 15%. Unemployment levels range from 2.3% in Milton Keynes (3,000 individuals) to 1.1% in Oxfordshire (4,200 individuals). By duration of claim MKOB has a slightly higher proportion of short term claims, up to six months, compared to the South East (67% compared to 65%). The claim rate is comparable for durations of six to twelve months and

²⁶ Indices of multiple deprivation

²⁷ Internal LSC analysis

²⁸ Learning and labour market area profile – supplementary local data report – MKOB, LSC 2007 and internal analysis

lower for claims lasting longer than twelve months (15% of all claimants) compared to the South East (16% of all claimants). This suggests that the area has a short-term unemployment group that may relate to temporary employment. The Skills for Life Survey²⁹ estimated that Oxford and Wycombe had the highest concentration of population with English as a second language (13% and 10% respectively). There are an estimated total 5,800 people on disability living allowance or incapacity benefits across the MKOB area³⁰.

MKOB LSC continues to work closely with Bedfordshire and Luton and Northamptonshire LSC to address skill requirements associated with Milton Keynes and South Midlands (MKSM). The three LSCs involved in the MKSM growth are producing a joint action plan focusing on key sector skills activity to take forward key recommendations from a joint research and policy project undertaken during spring 2006. This work is being led by the LSC for the Thames Valley on behalf of the three sub-regions working closely with the skills, planning and relevant partnership teams from the three LSCs.

A range of LSC programmes support community learning including PCDL and adult information, advice and guidance. In 2005/06 below level 2 one-to-one advice sessions for adults increased by 27% to 8,700 compared with 2004/05. Information interactions reduced by 13,400 in line with a refocusing of funds and activities towards one-to-one advice. Performance for 2006/07 for below level 2 interactions is currently 75% achievement of target, with information sessions at 82% of target. March 07 will see the outcomes of national Information, Advice and Guidance (IAG) review being made public and this will steer future activity.

The LSC has worked with the three Local Area Agreements (LAAs) to ensure the inclusion of targets to support LSC's aims and targets. There are three local authorities producing LAAs. Oxfordshire and Buckinghamshire are in the 2005 second round and Milton Keynes is in the third round. Buckinghamshire has targets for reducing percentage of 16-18 NEETs, Oxfordshire and Buckinghamshire have targets to increase numbers of adults gaining accredited qualifications as part of the Skills for Life strategies. Milton Keynes targets will be agreed in Spring 2007 and are likely to include both Skills for Life and level 2 targets.

The voluntary and community sector (VCS) within MKOB continues to make a significant contribution to the needs of the most marginalised and hard to reach learners – both those living in areas of high deprivation and learners living within wealthier communities, but facing individual problems of access and exclusion. The development of VCS consortia remains important so that the sector can engage with LSC programmes such as Action for Communities and wider non-LSC initiatives, including Change Up and local government tendering. Consortia are proven to provide more and better learning opportunities for both the public and its own staff; improve social inclusion; better influence local, regional and national government and to be able to compete more effectively for public funding. As a first step towards full consortia working, the LSC wishes to further develop Voluntary Sector based Learning Networks in each of its Partnership

²⁹ Skills for Life Survey 2003

³⁰ NOMIS, 2007

areas. Networking activity will be particularly encouraged in the areas of greatest social need, Aylesbury, Milton Keynes and East Oxford.

Outstanding Issues and Challenges

- Deprivation analysis, especially considering education, skills and training indicators highlights particular, usually urban areas in need of basic and level 1 skills provision. In such areas particular groups have specific needs e.g. Skills for Life (including ESOL) in Oxford and Wycombe.
- Greater partnership working is needed to support those who are workless and who may face significant barriers to take advantage of the learning and employment opportunities in the area. Mainstream providers should be integrated into arrangements.
- A responsive learning infrastructure, including the VCS, needs to be further developed to respond to the needs of those in the most deprived communities, especially in Oxford, Banbury and Milton Keynes.
- Those participating on personal and community based learning need clear progression pathways into qualifications based learning and employment supported with effective IAG services. IAG provision will need to be re-shaped across MKOB in line with recommendations from the National IAG review.
- It is important that the LSC responds to the long-term learning and skills implications of the MKSM growth area, developing a cross boundary approach that draws together partners and providers.
- Stronger local partnerships, developed especially through Local Area Agreements, are needed to better align priorities and resources. Responding to the 'Strong and Prosperous Communities' White Paper will provide new challenges for partnerships.

Action for Communities

Regional Priority: To increase economic activity and productivity, and support the regeneration and growth of communities by developing the South East Action for Communities model and align the LSC's investment with that of others

We will work towards the regional priorities with a particular focus on:

- Increasing the proportion of learners from vulnerable groups engaged in Personal and Community Development Learning (PCDL)
- Engaging economically underactive people who wish to develop their careers through Adult Learning Accounts and the adult level 2 entitlement

- Increasing quality of opportunities for offenders in custody and in the community
- Improving learning outcomes and progression for learners with learning difficulties and/or disabilities
- Increasing the resource allocated to priority skills in specified growth areas
- Increasing opportunities and support for those without basic skills and first level 2

Our Local Actions

18. Develop and implement Skills for Jobs to enable workless individuals, especially those socially disadvantaged and those needing updated skills, to benefit from tailored support and learning and gain employment. Continue to proactively support the Oxfordshire and Milton Keynes Area Programmes.
19. Work with the three local authorities to ensure targets linked to LSC priorities are aligned and incorporated in the refresh elements of the three Local Authority Agreements.
20. Support the development of a MKOB approach to implementing the A4C strategy through the Laying the Foundations and discretionary projects, ensuring that arrangements recognise diverse local needs, fully involve the VCS and establish a strong learning brokerage.
21. Develop PCDL partnerships in the three local authority areas ensuring that, whilst maintaining current levels of funding, additional fee income is increased and priority is given to economically inactive and disadvantaged learners.
22. Establish a Thames Valley OLASS strategic partnership by April 2007 in order to provide strategic direction for the provision of learning for offenders in the community taking account of local learning and support networks, including advice and guidance.
23. Produce a cross-regional skills action plan focusing on key sector areas to support the MKSM growth agenda by June 2007.

Aggregate Volumes

[All volumes are indicative]

Summary Statement of Activity

	Year 1	
	16-18 (Learner Volumes)	Adult (Learner Volumes)
LSC Funded Participation		
Number of FE learners (total)	[12,460]	[38,660]
Number of FE learners undertaking Level 4 and above		[1,620]
Number of FE learners undertaking Level 3	[7,610]	[8,060]
<i>of which:</i> Full Level 3 Learners	[5,650]	[4,030]
<i>of which:</i> First Full Level 3 Learners		
Number of Train to Gain learners undertaking Level 3		
Number of learners undertaking an Advanced Apprenticeship (Average in Learning)	[690]	[1,250]
Number of FE learners undertaking Level 2	[3,100]	[12,480]
<i>of which:</i> Full Level 2 Learners	[2,450]	[4,180]
<i>of which:</i> First Full Level 2 Learners		[1,670]
Number of Train to Gain learners undertaking Level 2		
Number of learners undertaking an Apprenticeship at Level 2 (Average in Learning)	[1,780]	[1,230]
Number of FE learners undertaking Skills for Life qualifications that directly contribute to PSA target	[4,460]	[5,320]
Number of Advanced Apprenticeships and Apprenticeship learners undertaking Skills for Life qualifications that directly contribute to PSA target	[1,350]	[1,280]
Number of Train to Gain learners undertaking Skills for Life qualifications that directly contribute to PSA target		
Number of FE learners undertaking Level 1 and Entry	[1,730]	[13,750]
Number of learners undertaking Entry to Employment (starts)	[830]	
Number of learners undertaking Safeguarded Adult Learning (Total)		[32,850]
<i>of which:</i> Number of learners undertaking Family learning, literacy and numeracy		[2,120]
<i>of which:</i> Number of learners undertaking Neighbourhood learning in deprived communities		[590]
<i>of which:</i> Number of learners undertaking Wider Family Learning		[2,330]
<i>of which:</i> Number of learners undertaking Personal / Leisure Learning		[27,810]
ESF Funded Participation	16-18 (Learner Volumes)	Adult (Learner Volumes)
Number of ESF Learners undertaking any ESF Activity		
Number of ESF Learners not included in LSC Funded Participation table above		
<i>Of which:</i>		
Level 4 and above		
Full Level 3		
Full Level 2		
Skills for life that directly contributes towards the PSA target		
Level 1 and Entry		
Other ESF activity		

LSC Funded Outcomes	16-18 (Learner achievements)	Adult (Learner achievements)	16-18 Success Rate (%)	Adult Success Rate (%)
Number of FE Learners achieving a Full Level 3 qualification	[3,770]	[1,960]		
Number of FE Learners achieving a First Full Level 3 qualification				
Number of Train to Gain learners achieving a Full Level 3				
Number of Learners achieving an Advanced Apprenticeship Framework	[140]	[310]		
Number of FE Learners achieving a Full Level 2 qualification	[1,490]	[2,380]		
Number of FE Learners achieving a First Full Level 2 qualification		[950]		
Number of Train to Gain Learners achieving a Full Level 2 qualification				
Number of Learners achieving an Apprenticeship Framework (at Level 2)	[710]	[570]		
Number of FE learners achieving a Skills for Life qualification (s) that directly contribute to PSA target	[2,670]	[2,950]		
Number of Advanced Apprenticeship and Apprenticeship learners achieving a Skills for Life qualification(s) that directly contribute to PSA target	[870]	[1,280]		
Number of Train to Gain learners achieving a Skills for Life qualification(s) that directly contribute to PSA target				
Number of learners progressing to a positive destination from Entry to Employment				
ESF Funded Outcomes				
Number of ESF Learners not included in LSC Funded Outcomes table above achieving a qualification at:				
Full Level 3				
Full Level 2				
Skills for life qualification that directly contributes to the PSA target				

Funding summary	Funding (£)
FE 16 - 18	
FE Adult	
FE Additional Learning Support	
Train to Gain	
Advanced Apprenticeships and Apprenticeships 16-18	
Advanced Apprenticeships and Apprenticeships (Adult)	
Entry to Employment	
WBL additional learner / learning support	
Safeguarded Adult Learning	
ESF	
Total	

Fee Income and Other Activity Summary	Fee Income (£)	% of LSC funded activity Fee Income	Number of Learners
LSC Funded provision			
Not publicly subsidised / full cost			

Other Information

Equality and Diversity

In all provision that we fund we aim to:

- promote equality of opportunity across six equality strands: race, disability, gender, religion or belief, sexual orientation and age.
- reduce gaps in participation and attainment by individuals from disadvantaged groups and for those in the most deprived localities within the region.
- utilise the capacity and expertise of the voluntary sector wherever possible.

The overarching aim as stated in the LSC's Equality and Diversity Strategy is to ensure the provision responds to all customers of education and training, driven by need. The LSC continues to promote the use of Equality and Diversity Impact Measures (EDIMS) as set by the LSC at regional and local levels.

Information Sources

Local indicators relating to population and society can also be examined using the Audit Commission area profiles website at www.area-profiles.audit-commission.gov.uk

The latest Office for National Statistics Region in Figures for the South East was published for 2004/05 at the end of 2005. It can be accessed at <http://www.statistics.gov.uk>

The Government Office for the South East regional plan sets out a vision for the region from 2006-2026, focusing on housing, transport, economy and the environment. The plan provides a framework in which strategies can be developed for the region and can be accessed at <http://www.go-se.gov.uk/gose/planning/regionalPlanning/>, where information on the latest response to the plan can also be found.

The Government Office also has a role, on behalf of central government, in leading the discussions on Local Area Agreements. Further information on these can be found at <http://www.go-se.gov.uk/gose/localGovt/>. In addition to the Government Office, the South East England intelligence network also provides additional research and data that provide further context to this report and can be accessed at www.see-in.co.uk.

Statistical First Release:

[Education and Training Statistics for the United Kingdom 2006 \(Internet only\)](#)

Regional Economic Strategy:

<http://www.seeda.co.uk/res/>