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Leading learning and skills

Learning and Skills Council Surrey Annual Plan 2007-08

March 2007

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

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Note: The percentage improvements / targets given in this plan are at this stage illustrative and will be firmed up later.

Introduction

This is our Surrey plan for learning and skills. It sets out our actions for improving the education, skills and economic well-being of people who live, learn or work in Surrey. It gives a local focus to the South East regional plan and priorities. The priorities and actions in this plan set out to raise educational standards and skill levels to take us on our journey to world-class performance; they are set out under four key themes: young people, skills, quality and communities. Effective partnership is key to our success and so too is the ability to respond to the challenges of the Further Education Bill and the results of the Leitch Report.

Our economic future depends on our productivity as a nation and Surrey's workforce and businesses play a major role in ensuring that we are internationally competitive. Whilst Surrey's labour force is well qualified, it is not yet to world standards (OECD top quartile). Thus, central to achieving our vision for Surrey is the continual development of an infrastructure of high performing organisations able to respond to a demand led system. The future design of the infrastructure will need to be increasingly focussed on citizens and businesses wishing to secure post-16 education and training from a range of high quality providers – further education colleges, sixth form colleges, school sixth forms and private providers. Our aim is that these providers will be known for their quality and specialisms, for example, excellence in training to support priority business sectors. Strengthening skills training and employer engagement is a key priority. Most of our young people up to the age of 19 do well. However, we need to extend the tradition of academic excellence, by improving accessibility to high quality practical and vocational learning opportunities for future 14-19 year olds. We need to build on our growing good vocational provision in colleges and private training providers and reach out to 14-16 year olds in schools in close partnership with school leaders. We need to build on the qualities of the best provision and manage the interface between academic and vocational offers in a marketplace that works for the consumer. Our biggest challenge is to strengthen our focus on adult skills to meet the needs of businesses from foundation level to level 3 and onward to foundation degrees.

Without a strong community focus and an inclusive approach to building social capital through education and skills, we will never reach our vision. A determined focus is needed on adult literacy and numeracy, and adult level 2 programmes to enable those who did not reach level 2 by age 19 to do so later. Enhancing opportunity and delivering success for those young people and adults who live in deprivation, are on benefits, are unemployed or who have learning difficulties or disabilities is key to our mission. So too is ensuring an education system which delivers equality of outcomes irrespective of race, disability, gender, religion or belief, sexual orientation or age.

The years ahead are a time of real opportunity. Between now and 2011 we have an unprecedented opportunity to transform the quality of the FE estate, to make all learning environments conducive to high standards and to re-shape provision with the needs of the learner and the employer at the centre of service design and delivery. Our focus needs to be on excellence for all.

We look forward to working with you to deliver the commitments in this plan.

Local Context Summary¹

Surrey LSC, the County Council, the Police Authority and the Primary Care Trust all cover the same localities, which brings with it strategic advantages.

Surrey LSC spans the area covered by Surrey County Council, the Police Authority, the PCT and eleven Local Authority Districts. A Local Area Agreement operates across these accountable bodies and includes the voluntary and community sector. There is acknowledged potential to exploit this further.

There is an ageing population. In the future we expect to have broadly the same proportion of young people but more older people living in Surrey.

The Surrey population has grown by 4.4 per cent since 1995 to 1,075,500 in 2005 whereas in the South East it has grown by 5.2 per cent. It is projected to grow further by 2.2 per cent from 2005 to 2010, but with 1,800 less people under 14 and many more people aged 65 or over. From 2010-15, it is likely that the number of young people under 14 will increase by 1.3 per cent. Elmbridge, Epsom and Ewell and Guildford are projected to have the highest population increases. Almost a quarter of people are in the 0-19 age range, with 35 per cent over 50 and 63 per cent of working age. More people are likely to retire from the workforce than young people entering the labour market.

Surrey is a highly socio-economically advantaged area but there are significant small pockets of deprivation.

Surrey has no major localities within the 20 per cent most deprived wards in England. However, 16 wards are in the 20 per cent most deprived wards for education, skills and training. In these areas, developing skills for employability is crucial. We also have a transient population in many places. An estimated 10,000 travellers are connected with Surrey and we have the highest figure for international migration in the South East. Surrey has a largely white population (94 per cent) but ethnically diverse areas such as Woking and Epsom and Ewell.

Surrey makes a vital contribution to the success of the South East economy.

Growth is required to ensure a sustainable future by raising innovation, increasing productivity and bringing more of the population into economic activity. Skills are a key driver for success and Surrey is well placed to take advantage of growth in knowledge based and innovative industries. This requires us to place greater focus on delivering higher level skills.

There are many small businesses and the economy is dominated by knowledge and service industries.

Eighty-eight per cent of business units have less than ten staff and half of these use their home as the main business premises². This is the highest in the South East. Businesses need more people with higher level skills. 42 per cent of business units are in banking, insurance and finance and 23 per cent are in distribution, hotels and restaurants. 30 per cent of people work in banking, insurance and finance, 26 per cent in distribution, hotels and restaurants. Furthermore, 23 per cent of people work in public administration (including

¹ Local Area Profile, Autumn 2006

² SE Business Monitor 2006

education and health). Knowledge and service industries are projected to continue to grow including smaller sub-sectors, such as the creative industries.

Surrey has a strong economy with a highly economically active population.

Only 2.6 per cent of people who live in Surrey are unemployed, compared with 3.1 per cent in the South East. Relatively few people are job seeker claimants (6,230). The Surrey workforce is highly managerial – 21 per cent of employees are managers and senior officials compared with 17 per cent in the South East. Professional and technical roles are also strongly represented - 18 per cent compared with 15 per cent in SE. Gross weekly full-time pay in the Surrey workplace in 2005 was £500 compared with £450 in the SE. Gross added value per head by the Surrey workforce is £20,700 compared to £16,750 in the SE.

Surrey has a well qualified workforce, but there are still skills gaps and shortages.

Qualifications are above regional averages - 73 per cent of the workforce is qualified to level 2, 57 per cent to level 3 and 37 per cent to level 4 or above. All of these figures need to be improved to get us into the top quartile of OECD performance. The economy is predicted to grow, particularly in managerial and professional occupations. This will create an increased demand for levels 3 and 4. Surrey has an open labour market with around a third of the working population travelling outside of the county for employment and a similar number travelling into Surrey to work. There are also considerable cross border learner flows, particularly with London and Hampshire. Large parts of the county are heavily congested, making travel at peak times difficult.

The LSC area is managed through three Partnership Areas; North (Elmbridge, Runnymede, Spelthorne, Surrey Heath); South West (Guildford, Waverley, Woking); East (Epsom and Ewell, Mole Valley, Reigate and Banstead, Tandridge).

The East partnership area borders on South London, Kent and East Sussex and is a mix of rural areas and towns. It is influenced by London and also includes part of the Gatwick Diamond - an area of emerging economic growth. Reigate/Redhill is one of 21 hubs for economic activity and transport identified in the Regional Economic Strategy. The South West partnership area borders on Hampshire and West Sussex and is a mixture of larger towns and rural areas. To the West is the Blackwater Valley which has a concentration of industry. Guildford and Woking are regional hubs of economic activity and transport. The North partnership area borders on Berkshire and West London and is mainly urbanised. It is influenced by London and the industries of the Thames Valley. Heathrow Airport has a major economic impact both for direct employment and also because it has encouraged a strong economic base of multi-nationals and high-value added smaller firms.

Equality and Diversity Statement

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; and 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 that 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.

Investing in Young People³

More young people are participating in learning. Growth in participation is greater than the national increase but below the regional rate.

The number of 16-19 year olds in education and training grew by 0.2 per cent between 2004/05 and 2005/06. This increase is below the regional increase of 2.3 per cent and we expect the number to decrease by 2.1 per cent between 2005/06 and 2006/07, whereas regionally, a 2.7 per cent increase is expected. In 2005/06 almost 25,000 learners were studying in Surrey colleges, school sixth forms, workbased learning and entry to employment programmes. The staying on rate to education at 16+ is presently 81 per cent.

Surrey has the lowest percentage in the country of young people not in education, employment and training (NEET).

In January 2006 an estimated 981 young people in Surrey were not in education, employment or training, representing 3.5 per cent of 16-18 year olds. This is 2.2 percentage points below the South East average. By November 2006 the percentage of NEETs had dropped to 3 per cent, in line with the target set by the Government Office of the South East (GOSE).

Whilst the demographic trends mean that there will be 1% fewer 14-19 year olds, we need to plan for an increase in participation.

Over the next three years the population of 15-19 year olds in Surrey and the South East is projected to increase by 0.7 per cent. For 15-19 year olds in Elmbridge and Reigate and Banstead an increase of more than 1.5 per cent per annum is expected, whilst in Waverley a decrease by more than 2 per cent per annum is likely. For the present 10-11 year olds who will come into the FE system at 16 in 2010 and beyond, a 1 per cent decrease is expected. However, this will be more than offset by the targeted increases in the post-16 staying on rate.

The progression rate from entry to employment programmes (E2E) has improved to one of the highest in the region.

In 2005/06 the E2E positive progression rate rose by 5.8 percentage points to 54.3 per cent, one of the highest in the region. Over the same period, starts have fallen by 4.3 per cent and are 4 per cent lower than planned.

Overall FE success rates and full level 2 success rates improved in 2004/05 and are comparable to the South East average.

The overall FE success rate in 2004/05 improved by 5 percentage points to 76 per cent. This rate of improvement is one of the best in the country. Full level 2 success rates in Surrey and the South East increased by 6 percentage points to 61 per cent and 62 per cent respectively. The percentage of people achieving a level 2 and the percentage achieving a level 3 (82 per cent and 69 per cent respectively) are both above the regional averages of 75 per cent and 53 per cent. The achievement of level 2 by 16 is high and, as a result, the proportion who gain their level 2 between the ages of 16 and 19 in Surrey (18.6 per cent) is below the national rate, and slightly lower than the rate in the South East. Achievement at

³ All sources: Autumn Performance Review 2006

level 2 including both Mathematics and English GCSEs in Surrey is 8.7 percentage points above the regional average.

Advanced Apprenticeship framework completions and all apprenticeship success rates have shown a considerable improvement.

Advanced Apprenticeship framework completions have risen by 184 per cent between 2002/03 and 2005/06, which is almost double the percentage increase regionally and nationally. All apprenticeship success rates in Surrey increased by 14 percentage points in 2005/06 to 47.8 per cent. However, this is still 4.9 per cent below the regional rate. The apprenticeship rate (level 2) is 6.5 percentage points below the regional average.

Achieving 14-19 developments through strong local partnerships.

There is a strong partnership with Surrey County Council and we have a Joint Advisory Board which brings together LSC Council Members with County Council Elected Members to steer the 14-19 agenda. The Increasing Flexibility programme has created a growing partnership between colleges and schools.

Issue and Challenges

The key issues and challenges we need to address are:

- Increasing the quantum of level 2 and level 3 qualifications by age 19 with a stronger vocational orientation against a background of strong academic provision.
- Planning future provision within a demand-led system to deliver more young people age 18 at level 2 and at level 3 with greater focus skills and progression to level 4.
- Improving the number of young people participating in further education, workbased learning or other structured training by responding to their needs and aspirations.
- Developing the volume and range of vocational education to increase participation and reduce the number of NEETs. The districts and boroughs we need to give priority focus to are Waverley, Woking, Surrey Heath, Spelthorne, Runnymede, Mole Valley and Tandridge.
- Raising quality and extending excellence in priority areas for young people, including improving apprenticeship success in engineering and manufacturing technologies and increasing provision for young people with low skills particularly in disadvantaged communities.
- Strengthening relationships with the eleven Boroughs and Districts to increase our local focus on education and skills to support social and economic well-being.
- Ensuring effective linkage with the Local Area Agreement, Children and Young People's Plan and Every Child Matters.

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.

We will contribute to regional and national priorities by:

- Increasing participation by 2% 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.
- Increasing participation in Entry to Employment programmes by 2.5% 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).

To achieve the Action for Young People priority we will:

1. Continue to develop a cohesive 14-19 partnership with Surrey County Council and schools and support the continued development of the twelve 14-19 learning networks to enhance vocational education by:

- a) Increasing participation, achievement and progression to higher education for 16-19 year olds, improving performance at both levels 2 and 3 through enhanced vocational provision.
- b) Working with Surrey County Council and the DfES to further the development of 14-19 learning including employer engagement, vocational and alternative provision and school/college federations to increase 14-19 flexibility.
- c) Creating a more inclusive offer for young people with learning difficulties and/or disabilities and piloting programmes to support the development of strategies for young people with complex needs.
- d) Improving outcomes for vulnerable young people, particularly those leaving the care of the local authority, young mothers and young offenders.

2. Commission additional provision to help 16-18 year olds not involved in any form of education into learning by:

- a) Working with Connexions to develop an engagement strategy for Entry to Employment (E2E) that targets personal advisers, schools, the voluntary

and faith sectors and young people to increase understanding of the E2E programme.

- b) Working with partner organisations to ensure clear progression routes from both LSC commissioned provision and provision delivered by partners with a greater percentage going into level 1 or E2E provision.
- c) Commissioning provision to broaden the curriculum in those areas that are not currently served sufficiently by the E2E programme.

3. Ensure the development of a broad and engaging curriculum by:

- a) Supporting the development of the diploma entitlement with a particular emphasis on the contribution of colleges to the 14-19 age range and to the breadth of post-16 delivery.
- b) Supporting networks to deliver diplomas from 2008 onward, working with them to develop and refine proposals for 2009 to ensure that there are sufficient local facilities of the required quality to deliver the diploma entitlement progressively across Surrey.
- c) Developing provision for LLDD through Action for Inclusion Networks.
- d) Commissioning research to identify the issues and levers for change surrounding a lack of provision below level 2 and producing a local gap analysis to drive the 2008/09 commissioning cycle with a specific emphasis on vulnerable groups.

4. Working with the County Council, Connexions and the twelve 14-19 networks to improve the breadth of information, advice and guidance (IAG) available to young people about the provision available to them by:

- a) Developing the area prospectus with full 16-19 coverage in 2007 and 14-19 in 2008. (The Mole Valley network will pilot 14-16 from 2007).
- b) Developing a practical "September guarantee" framework, including a common admissions process from September 2008 so every young person is offered a suitable place by the end of September.
- c) Supporting a skills festival for Surrey in 2008, through partnership with the County Council, Connexions, private industry and other local and regional partners.

5. Boosting participation in apprenticeships by:

- a) Using both negotiated and tendered commissioning to ensure that Surrey has sufficient, high quality places available for young people on an enhanced range of apprenticeship frameworks.
- b) Increasing the numbers of learners on Programme Led Pathways by agreeing stretching targets with providers to ensure that learners are able to convert their learning into apprenticeships.
- c) Connecting with employers through a placement service in order to continue an increase in employers actively engaged with the apprenticeship programme.

Investing in Skills

Surrey has a highly skilled workforce when compared nationally.

The Surrey workforce has higher skill levels than nationally and in some cases regionally; 57 per cent of working age residents are qualified to NVQ level 3 and above, with less than 10 per cent of the working age population (53,000) having no qualifications. 27 per cent (130,200) do not have a NVQ level 2 qualification. Economic activity rates are high at 82 per cent and unemployment is low with only 1 per cent of the working age population claiming Jobseeker's allowance.

Over 600,000 people work in Surrey and this is predicted to increase by almost 5,000 each year between now and 2014.

Business services are predicted to grow by 21 per cent and the distribution and transport and business service sectors are also likely to grow by 10 per cent. In contrast, employment in both the primary and manufacturing sectors is predicted to continue to contract over the next decade, although the pace of change will not be as fast as that experienced over the last ten years. By 2014 the manufacturing sector is likely to account for just under 6 per cent of total local employment, down from 15.2 per cent in 1984. The construction workforce is likely to remain at around 44,000 between now and 2014. The ageing workforce will create significant demand for additional skilled labour. Computing and related activities and other business services sectors are predicted to see the strongest growth, with employment increasing by over 7,000 in each year between 2004 and 2014. Employment in education and health is forecast to continue to increase but by less than 200 per annum. The predicted employment growth is in professional and management jobs with increased demand for level 3 and higher qualifications.

The Surrey labour market remains buoyant with approximately 19 per cent of organisations surveyed reporting vacancies.⁴

Just over half of Surrey companies have difficulty in recruiting and 95 per cent report that the hard to fill vacancies have an adverse impact on business performance. Hard to fill vacancies are the highest amongst personal services staff, skilled trade occupations and associate professionals. Just over 6 per cent of companies suffer from skills shortage vacancies (3,800 vacancies). Skills shortages are highest among skilled trades staff, associate professionals, personal services staff, and sales/customer services staff. Many companies have skill gaps in their workforce particularly among sales and customer service staff, managers and administration and clerical staff. Around 33,000 employees are not fully proficient in their roles.

Train to Gain take-up has been slow to take off.

Train to Gain was launched in August 2006 initially to offer free NVQ and skills for life qualifications to employees not already qualified to full level 2. Three consortia are engaging with employers to deliver demand led training in a range of sectors including *care, engineering, ICT, retail, hospitality and for school support staff*. Planned first year delivery is for at least 1746 NVQs and 379 skills for life enrolments by July 2007. After a slow start, performance is improving.

⁴ South East Business Monitor, August 2006

Adult apprenticeship participation has fallen slightly.

Participation in apprenticeships for people over 19 was 1.4 per cent lower than planned in 2005/06. Involvement in apprenticeships is too low.

Adult participation on courses run at Further Education has fallen but more are taking full qualifications.

Funding for adult learning in Surrey has fallen by over £4.4m over the last two years. At the same time the amount spent per learner has increased from £501 in 2003/04 to a planned £656 per learner in 2006/07. This is because short courses have been increasingly replaced by longer qualification bearing courses which are more expensive to deliver. There have been significant reductions in provision as colleges have stopped delivering courses which are not a priority for LSC funding. Where courses are marketed at full cost to the learner, enrolments suggest that Surrey learners are prepared to pay for courses that meet their needs.

The key issues and challenges are as follows:

- Increasing the number of courses in FE colleges which lead to a full level 2 qualification for adults. Only 54 per cent of adults enrolling on a level 2 course achieved the qualification. This is below the regional average of 57 per cent and the national average of 62 per cent.
- Improving the performance of Train to Gain and apprenticeships. The challenges are to increase the level of starts, ensure that learners achieve their qualifications in line with employer demand and to reduce the 27 per cent of the workforce who do not have a level 2 qualification.
- Increasing the take-up of the Train to Gain brokerage service, particularly by employers who have not previously received support.
- Improving information for employers, adults and brokers about the skills training available. Information is currently fragmented, employers report it is difficult to access and that we are not sufficiently pro-active.
- Improving provider responsiveness to business training needs through continued focus on the Action for Business Standard and its successor.
- Increasing Skills for Life provision, which is presently 6 per cent below the regional average. By July 2006 Surrey had achieved 55 per cent of the target of 13,678 people achieving a Skills for Life qualification by 2010.
- Increasing the number of vocational pathways which lead to higher level qualifications. The economy is growing and the skills required of the workforce are increasing. Provision needs to match this demand.
- Improving employment opportunities for young people and adults with LLDD.

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 workbased learning provider network.

We will contribute to regional and national priorities by:

- Ensuring that 80% of Skills for Life provision is accredited through nationally recognised qualifications.
- Achieving a 4.5% increase in target bearing Skills for Life provision.
- Delivering at least 20% of colleges total adult provision to support full Level 2 qualifications.
- Ensuring a greater focus on delivering first full Level 2s with particular increases in participation of those people 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).

To achieve the Action for Skills priority we will:

6. Increase the number of individuals with a first full level 2 by:

- a) Increasing the take-up and achievements of Train to Gain and achieving the Surrey targets for July 2007 and March 2008 in line with the Regional Commissioning Plan.
- b) Increasing the awareness of the Train to Gain programme amongst business support organisations and improving the effectiveness of local brokerage arrangements.

7. Improve provision and success rates in priority sectors by:

- a) Developing centres of excellence in each of the key sectors, building upon the existing COVE network to provide a high quality specialist focus.

- b) Improving the responsiveness of colleges to business needs through promoting the new Standard for Employer Responsiveness and by supporting self assessment by March 2008.⁵
- c) Developing partnerships between providers to increase the number of vocational pathways which lead to higher level qualifications.
- d) Supporting public sector workforce development to ensure a fit for purpose, qualified and modernised workforce

8. Increase the number of people over 19 participating in apprenticeships by 5 per cent by:

- a) Commissioning additional apprenticeship and advanced apprenticeship provision in: business and administration; information and communications technology; health, public services and care; construction; and leisure, travel and tourism.
- b) Promoting apprenticeships to individuals through Nextstep and JobcentrePlus and to employers through business support organisations and the Association of Learning Providers in Surrey (ALPS) and the Apprenticeship Placement project.

9. Increase the Skills for Life achievements by:

- a) Encouraging colleges to deliver Skills for Life provision which leads to a qualification in order to increase the percentage of provision which counts towards the Skills for Life target.
- b) Supporting colleges to embed Skills for Life provision into vocational courses.
- c) Encouraging all providers to screen for Skills for Life as part of the initial assessment.

⁵ This will cover responsiveness to business needs; excellence in delivering training; commitment to continuous improvement; and competence in meeting sector specific needs.

Investing in Quality

Inspections show a trend of continuing improvement. Where provision is inadequate it is either being improved or secured from different sources.

Of the sixth form colleges, Esher and Godalming Colleges both have Beacon status for their *outstanding* performance overall. Reigate College's provision ranges from *good to outstanding*. Woking and Farnham colleges are classified as *good* and have no inadequate provision. Strode's and Spelthorne colleges are classified as *satisfactory* with some weaknesses. For Strode's College provision is graded as *inadequate* in Mathematics, Science and ICT. Spelthorne College has inadequate provision in Skills for Life. Of the FE colleges, Guildford is a satisfactory college overall with good provision in health and social care and early years. Only Construction is graded as inadequate. Provision on the Merrist Wood campus, where specialist land-based courses are offered, has improved since merger and is now good. Brooklands is *satisfactory* overall with good provision in Art and Design, Information and Communication Technology and Sport, Recreation and Travel. All other provision was satisfactory, although there was a contributory grade of *unsatisfactory* for workbased learning. East Surrey College has satisfactory provision with Art and Design and Media Studies being *good* and Engineering being *unsatisfactory*. NESCOL is the most recently inspected college with *satisfactory* provision overall and *good* provision in Construction, Health, Social Care and Child Care, ICT, Beauty Therapy and Independent Living/Skills for Life. Inspection grades for work-based learning by private providers have improved and we now have no inadequate grades. On the areas of learning inspected, seventeen grades are *good* and thirteen are *satisfactory*. One provider has outstanding leadership, eight *good* and four *satisfactory*.

There are four independent Specialist Colleges (ISCs) in Surrey for young people with learning difficulties and/or disabilities. The Trustees of RNIB Redhill College have decided to withdraw FE and adult workbased learning provision from July 2007. The two of the other ISCs, which have funding restrictions following unsatisfactory inspections will be inspected during the coming months and the restrictions will be reviewed once the outcomes of the inspections are known.

Adult and community learning was inspected in November 2005 and found to be *inadequate*. It was re-inspected in January 2007 and the results will be published in April 2007.

Six colleges have category A financial health, two category B and three category C. In the latter colleges, their financial standing is a limiting factor in delivering improvements and they are not in plan-led funding.

For young people aged 16-18 there has been continuous improvement in overall FE results and average A-level points scores.

Surrey's overall 16-18 FE success rate is above the national average and one of the best in the country. In 2004/05 it rose by 5 percentage points to 76 per cent. The average A-level points score per student improved from 267 in 2003/04 to 278 in 2004/05. The average points scored per examination entry also improved from 78 to 79.5. A-level delivery is strong, particularly in Surrey sixth form colleges

where it is sometimes outstanding. In addition, over 18 percent of A-level delivery is through independent schools.

Apprenticeship success rates in Surrey have improved considerably but are still in need of improvement⁶

Apprenticeship success rates for 16-18 year olds improved last year by over 14 percentage points, to 48 per cent, but remain almost 5 per cent below the regional average. Level 2 apprenticeships have made a significant improvement to 47 per cent, but again this is still below the regional average of 54 per cent. Advanced Apprenticeships have improved considerably, by 21.3 percentage points. Whilst this is above the regional average, it remains below the national average.

Adult apprenticeship success rates rose by 21.2 percentage points in 2005/06. This was better than the regional improvement rate, but it is still 2 per cent below par when compared nationally. Level 2 adult apprenticeship success rates rose by 15.8 percentage points in 2005/06, and are now the same as the regional rate, just below the national average.

FE adult success rates are improving but need to be improved still further especially at Level 2.

Overall, FE adult success rates have risen to 74 per cent and are equal to regional rates. FE full level 2 success rate rose by 4 percentage points, to 54 per cent but are 3 percentage points below the national benchmark.

The planned programme of capital investment has the potential to transform the landscape of post 16 education and skills provision.

The condition of the FE estate is poor overall and advances in the amount of excellent stock has lagged behind improvements elsewhere. Fifty to eighty per cent of floor space needs to be rebuilt. Greater efficiency can be achieved by reducing the floor space available overall by up to a quarter. There has been inadequate investment in much of the infrastructure for many years. The fitness for purpose of some college buildings is of concern. The vocational infrastructure is under-developed.

We are working towards all young people being in some form of education or training until the age of 18, the introduction of individual learner accounts for adults and the development of a demand-led system. We want to build a stronger vocational offer onto the design of the curriculum and to include provision for the 14-19 age range in its design and configuration.

Our capital strategy sets out to deliver a modernised estate with increased focus on learner and business needs, retention and success. It focuses on achieving higher participation, reduced operating costs, increased environmental sustainability, greater inclusion of those with disabilities/learning difficulties and better meeting the needs of employers. Major investment is projected within each of the four GFE colleges and the merging of two sixth form colleges with GFE colleges is being considered. Of particular importance is to find a local solutions for Woking, where there are considerable opportunities, Surrey Heath, where there is no natural GFE links within the Surrey area and Leatherhead, Waverley, Spelthorne and Caterham, where vocational education requires expansion.

⁶ Autumn Performance Review 2006

Issues and Challenges

The key issues we need to address are as follows:

- Using capital investment to drive the implementation of a further education system configured to equip people with the world class education and skills needed for employment and increased productivity. We need to transform the FE estate.
- Addressing educational provision where it is inadequate in quality to ensure that all provision is satisfactory or better and moving toward consistently good or excellent provision. Currently, almost all college provision graded as inadequate is self-assessed as satisfactory or better. This now needs external assurance.
- Moving three colleges out of financial health category C and into plan-led funding, to ensure that resources are used well to deliver priorities.
- Maintaining the improvement in apprenticeship success rates as part of our strategy to drive up the quality of vocational delivery.
- Improving the 16 per cent of work-based learning provision that falls below the minimum level of performance through tendered commissioning.
- Supporting colleges and providers to share best practice as they move towards self-regulating organisations, with strong ambitions and high quality performance measurement and management.
- Delivering a 5 percentage point improvement in adult full level 2 success rates among all FE and WBL providers.
- Supporting providers to achieve high standards against a comprehensive set of indicators of financial stability, high quality provision and employer responsiveness.
- Reducing the number of young people with LLDD placed in residential establishments away from their local community.

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 contribute to regional and national priorities by:

- Investing in and growing excellent provision and encouraging increased specialisation.
- Ensuring that all providers deliver 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 by 3 per cent and full Level 3 qualifications by 2 per cent.
- Delivering a 3 percentage point increase in framework completion rates for all apprenticeship programmes, particularly for advanced apprenticeships.
- Ensuring that all FE and WBL providers are 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).

To achieve the Action for Excellence priority we will:

10. Deliver a capital programme for Surrey as a whole beginning in 2007 to be completed by 2011 to transform the FE estate by:

- a) Improving the condition and fitness for purpose of buildings with the level of poor quality accommodation substantially reducing year on year and ensuring that business and learner needs are better met.
- b) Reducing the number of out-county residential placements for young people with learning difficulties and disabilities by 10 per cent through investing in an infrastructure which supports community inclusion by 2011.
- c) Building the design and development of capital programmes on curriculum, community, learner and business needs. Linking the FE capital programme to the *building schools for the future* programme.
- d) Managing planned mergers affecting two GFEs and two sixth form colleges.

11. Strengthen our assurance systems to challenge poor quality and under-performance and to incentivise improvement by:

- a) Undertaking an annual performance review and value added analysis to regularly inform commissioning and to challenge under-performance.
- b) Supporting the development of self regulating organisations with high quality performance measurement and management.

12. Increasing the impact of partnerships on the quality and performance of FE provision by aligning resources and exploiting the regulatory assurance role of Ofsted and the improvement role of the Quality Improvement Agency by:

- a) Aligning resources with those of partners to deliver shared priorities and enhanced performance in the 16+ priority areas of the Children and Young People's Plan.
- b) Ensuring that regulation and quality improvement are effectively used to secure improvement - using Ofsted information and performance data to identify under-performance and working with QIA to support improvement.
- c) Eliminating inadequate provision; increasing the FE success rate by a further 3 per cent for young people and 5 per cent for adults; and improving success rates in apprenticeship programmes by 5 per cent for young people and 3 per cent for adults.

13. Supporting colleges in sharing and transferring best practice to improve quality and performance by:

- a) Ensuring that centres of excellence in specialist areas positively impact on the quality of provision more widely.
- b) Supporting college networks to identify and spread best practice to the wider good of all, and to raise quality through peer referencing, resulting in a shift in inspection grades towards good and outstanding performance (Grade 1s and 2s).

Investing in Communities⁷

Surrey is the least deprived area in the South East, but with pockets of disadvantage.

Whilst Surrey is an advantaged area in which to live, 16 wards are classified as being in the 20 per cent most deprived wards in the country for education, skills and training.

Each partnership area has pockets of disadvantage and low educational achievement. In the **East** of Surrey two wards have areas ranked amongst the most deprived for education and training and five wards have areas ranked amongst the most deprived generally in Surrey. The Gatwick Diamond, one of the areas identified in the Regional Economic Strategy as a focus for economic growth is in this area. In the **South West** of Surrey seven wards have areas ranked amongst the most deprived for education and training and seven wards have areas that rank amongst the most deprived in Surrey. Woking has a significant minority ethnic population. In the **North**, seven wards have areas ranked amongst the most deprived for education and training and five wards have areas that rank amongst the most deprived generally in Surrey. Some wards are densely populated. Heathrow is situated just to the North of the area and is a major influence on the Borough of Spelthorne.

One in five people of working age are economically inactive.

Despite low unemployment, high earnings and low deprivation, economic activity rates in Surrey fell from 82.6 per cent in 2001/02 to 79.8 per cent in 2003/04. Those who are economically inactive include the early retired, students and sick or disabled people.

In some areas adult literacy and numeracy need to be targeted.

We estimate there are almost 41,000 adults with poor literacy skills - about 6 per cent of the working population. There are also over 250,000 adults with poor numeracy skills⁸. The areas with the greatest need for improving basic skills are Spelthorne where 7 per cent of the population have low literacy skills, and Runnymede where numeracy skills are low for 42 per cent of the population.

We have joint programmes with JobcentrePlus and NextStep for skills coaching.

A pilot programme is testing out skills coaching for individuals on incapacity benefits. The aim is to provide ongoing advice and to signpost them to training for re-entry into the labour market.

Re-focussing the Local Area Agreement (LAA).

The Surrey LAA includes community projects relating to public sector skills, young people not in education or training and improving qualifications in health and care. The future approach to the LAA is under review in the light of the recent Local Government White Paper.

⁷ Sources on this page: Local Area Profiles, Autumn 2006

Educational underachievement and multiple deprivation based on Index of Deprivation super output areas worst 20

⁸ Skills for Life Survey 2003

Increasing capacity through the voluntary and community sector (VCS).

The VCS is an important source of intelligence, a provider of services and an employer. It often provides a route back into the labour market. The VCS has an important role in helping harder to reach learners into training and skills.

Personal and Community development Learning (PCDL) to support communities.

Participation in Adult and Community Learning reduced by 13,000 in 2005/06 from a baseline of 32,000 in 2001/2. This provision was put out to tender in 2006 with a focus on priority learners and communities. The remaining volumes of PCDL have been delivered through Family Learning and Neighbourhood Learning targeted toward deprived communities.

Offender Learning and Skills Service.

Offender Learning in the Community has been delivering about 100 Skills for Life qualifications funded by a dedicated funding stream. Future activity will be planned in partnership with the probation service and Youth Justice Service.

Learners with learning difficulties and disabilities (LLDD).

Surrey currently places a proportionately high number of these learners in Independent Specialist colleges. In addition there are significantly more people on incapacity benefit than are in receipt of Jobseeker's allowance.

The key issues and challenges are as follows:

- Consulting with local communities and other providers to ensure that adult and community learning funding is focussed on individuals and communities with the greatest need. This requires a re-distribution of funding and will result in adults in non priority groups paying more for courses.
- Developing new provision for LLDD learners which will help them to develop the skills and knowledge needed to access employment.
- Increasing the proportion of Skills for Life provision that leads to a qualification by working with PCDL providers.
- Planning adult learning under the LAA umbrella to develop multi-agency partnerships to tackle local needs in a holistic way, with funding and other support focussed on community needs.
- Breaking the cycle of short- term employment. Surrey has low unemployment and for many the period out of work is quite short. Those without qualifications often find that they are regularly in and out of employment.
- Improving the quality and accessibility of information about learning and support and ensuring the Nextstep service is well known. In 2006/07 there will be new programmes of support available to target groups of adults. Clarity of information to adults seeking subsidised training is of key importance.

Action for Communities

Regional priority: To increase economic activity and productivity and support the regeneration and growth of communities and the provision for individuals most in need by developing the South East Action for Communities model and aligning the LSC's funding with other investment strategies.

We will contribute to regional and national priorities by:

- 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 Learner Accounts and the adult Level 2 entitlement.
- Increasing quality and opportunities for offenders in custody and in the community.
- Increasing 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.

(the percentages quoted are regional; local figures will not be available until local volumes in the Summary Statement of Activity have been confirmed).

To achieve the Action for Community priority we will:

14. Make a key contribution to a strengthened Local Area Agreement (LAA) to deliver joined-up services to transform key communities, linking training providers, voluntary and community groups and the public sector by:

- a) Agreeing a revised approach to working with partners through the LAA to respond to economic development and the role of learning and skills in creating strong and sustainable communities.
- b) Establishing an 'offenders in the community' partnership by April 2008. This will focus on the findings of an ESF project, which will identify gaps in provision and support and deliver an improved service as a result.
- c) Supporting the set-up of a PCDL Partnership by May 2007.
- d) Requiring Surrey County Council to deliver PCDL in North and South West Surrey and if required East Surrey in 2007/08.

15. Improve access to employment by supporting priority groups in priority localities to develop their skills and progress into employment by:

- a) Ensuring that targeted LSC funding, including that for PCDL is focused on those communities with the greatest need and agreeing targets for vulnerable groups.
- b) Working with colleges and PCDL providers to ensure that there are opportunities for progression onto courses which will provide Skills for Life training and develop employability skills.
- c) Commissioning courses by September 2007 to meet the needs of people seeking to re-enter the labour market. The contracts will include targets for sustainable employment. This programme will be developed in consultation with JobcentrePlus as part of Skills for Jobs initiative.
- d) Ensuring economic and skills development in the Gatwick Diamond and introducing into this area the Adult Learner Account pilot by September 2007.

16. Improve the availability of provision for learners with learning difficulties and disabilities by:

- a) Supporting FE providers to develop Centres of Excellence focused on specific needs, especially where gaps in existing local provision have been identified. These will be put in place from 2007-2011.
- b) Working with partner agencies to improve the transition for young adults leaving care or with learning difficulties and/or disabilities into independent living and employment by providing more local training places where appropriate.
- c) Providing PCDL provision for 700 learners with learning difficulties and/or disabilities in 2007/08.

17. Improve information and advice about training available in Surrey by:

- a) Ensuring that a learning directory of information is developed and maintained (including information for young people with learning difficulties and/or disabilities) to provide information about the range of support available to adults in need of education and training and to promote this effectively to target groups and partner agencies.
- b) Improving awareness of the Next Step and Learndirect helpline service for adults by promoting this service to key communities and priority groups with plans agreed with the Information, Advice and Guidance Strategic Board 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)	[16,340]	[28,350]
Number of FE learners undertaking level 4 and above		[1,190]
Number of FE learners undertaking level 3	[9,990]	[5,910]
<i>of which:</i> Full level 3 Learners	[7,410]	[2,960]
<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)	[330]	[420]
Number of FE learners undertaking level 2	[4,070]	[9,150]
<i>of which:</i> Full level 2 Learners	[3,220]	[3,070]
<i>of which:</i> First Full level 2 Learners		[1,230]
Number of Train to Gain learners undertaking level 2		
Number of learners undertaking an apprenticeship at level 2 (Average in Learning)	[850]	[420]
Number of FE learners undertaking Skills for Life qualifications that directly contribute to PSA target	[5,850]	[3,900]
Number of Advanced Apprenticeships and apprenticeship learners undertaking Skills for Life qualifications that directly contribute to PSA target	[640]	[430]
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	[2,260]	[10,080]
Number of learners undertaking Entry to Employment (starts)	[390]	
Number of learners undertaking Safeguarded Adult Learning (Total)		[17,300]
<i>of which:</i> Number of learners undertaking Family learning, literacy and numeracy		[1,120]
<i>of which:</i> Number of learners undertaking Neighbourhood learning in deprived communities		[310]
<i>of which:</i> Number of learners undertaking Wider Family Learning		[1,230]
<i>of which:</i> Number of learners undertaking Personal / Leisure Learning		[14,640]
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 (per cent)	Adult Success Rate (per cent)
Number of FE Learners achieving a Full level 3 qualification	[4,950]	[1,440]		
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	[70]	[100]		
Number of FE Learners achieving a Full level 2 qualification	[1,950]	[1,740]		
Number of FE Learners achieving a First Full level 2 qualification		[700]		
Number of Train to Gain Learners achieving a Full level 2 qualification				
Number of Learners achieving an Apprenticeship Framework (at level 2)	[340]	[190]		
Number of FE learners achieving a Skills for Life qualification (s) that directly contribute to PSA target	[3,510]	[2,160]		
Number of Advanced Apprenticeship and Apprenticeship learners achieving a Skills for Life qualification(s) that directly contribute to PSA target	[420]	[430]		
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 (£)	per cent of LSC funded activity Fee Income	Number of Learners
LSC Funded provision			
Not publicly subsidised / full cost			

Other Information

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/>