

South West Regional Skills Action Plan

2008-2011

January 2008



Leading learning and skills

Foreword

I am delighted to present our second Regional Skills Action Plan which scopes skills activity across the South West region to 2011. The challenge of addressing the UK's long standing skills deficit is currently receiving much attention. This Action Plan will help us to focus on our own South West regional skills priorities.

Since we produced the first plan in 2007, the Leitch Report and its world class skills ambitions have taken centre stage. I am pleased that it builds on our achievements and the direction that we have mapped out for the skills agenda. We are already moving towards a demand-led system and it has been confirmed that this is how all adult funds will be allocated from 2010. It is important that individuals and employers have a choice of provision to meet their needs, and that we enable the best Providers to engage more learners and employers.

In addition to Leitch, 2007 has seen the publication of a number of influential reports that bring significant changes to our work. There is no doubt that between 2008 and 2011 there is much to do.

We have some detailed plans for 2008/11, which support the new world class skills target to 2020. Our work currently falls into two main areas: workforce development through Train to Gain, in which our priorities are the delivery of full level 2 and 3 qualifications, Skills for Life qualifications and Apprenticeships; and supporting workless individuals into jobs through flexible skills provision. As we move forward, our skills and employment work will be fully integrated so that in partnership, we can help more people to find work, stay in work and progress to higher skill levels.

I look forward to working closely with partners and stakeholders across the region to accelerate improvements to our skills base and to make a difference to the opportunities available to our people and to the productivity of our businesses.

Malcolm Gillespie
Regional Director South West

1. Introduction

'Our Statement of Priorities' for 2008/09 to 2010/11 presents a substantial skills transformation programme and reflects the priority given to skills following the publication of the Leitch Review of Skills.

"These changes represent a significant opportunity to put skills at the top of the political agenda and to demonstrate how they will contribute to wider government goals to reduce child poverty, promote social mobility, inspire innovation and business productivity, and support higher levels of sustainable employment".

Christopher N Banks and Mark Haysom, 'Our Statement of Priorities Better Skills, Better Jobs, Better Lives'.

The South West Regional Skills Action Plan was first produced in 2007. It focused on skills needs and the need to start to shape the mix and balance of demand-led provision across the region.

This new version for 2008/09 to 2010/11 reflects the significant changes that are taking place and, in particular, raises the profile of skills for social inclusion and cohesion, providing workless individuals with the skills they need to secure employment. It also reflects the need to develop a new skills and employment partnership based on integrated delivery. Our skills activity will be underpinned throughout by equality and diversity principles, to ensure that disadvantaged groups benefit from our work.

We continue to refine our understanding of skills demand. This Plan draws heavily on the LSC South West Strategic Analysis 2006, which was based on published labour market information; LSC management information and survey work; and subsequently, by the Supply and Demand Analysis produced internally in October 2007.

We will use this Action Plan to inform the LSC Regional Commissioning Plan for 2008/09, which in turn influences the LSC allocations process. As we move forward, the content of the Action Plan will be used to review South West performance. The Plan is available to Partners and Providers to help them plan their skills activity. External partners will be able to access the Action Plan via our website.

With the skills agenda being so dynamic, we will review and update the content at six monthly intervals.

Currently, we face a number of uncertainties; we are waiting for clarity on how the creation of two new government departments (DIUS – Department of Innovation, Universities and Skills and DCFS – Department of Children, Schools and Families) will affect the skills agenda. The Employment and Skills Commission is still to have an impact; an enhanced Apprenticeship programme will be effective from April 2009; and, the integration of employment and skills will result in a newly configured Adult Advancement and Careers Service.

In the following sections of the document, we have provided an overview of the context, progress to date, regional targets, key challenges and our intended response. This is followed by key points to inform the Regional Commissioning Plan and our Action Plan.

2. Context

2.1 National drivers

Our skills work is driven by a number of key policy documents:

- In July 2003, the Government launched the national Skills Strategy, ‘*21st Century Skills: realising our potential*’ which set the challenge for 2010:

“To ensure that employers have the right skills to support the success of their businesses, and individuals the skills they need to be both employable and personally fulfilled”.
- This was followed in 2005 by the White Paper: ‘*Getting on in business, getting on at work*’, which focused on reforming the supply of publicly funded training to raise performance, build capacity and better articulate the needs of employers and individuals
- The White Paper *Further Education: ‘Raising Skills, Improving Life Chances*’ 2006, established a new economic mission for Further Education; its central purpose is to equip young people and adults with the skills needed for productive and rewarding employment in a modern economy. Over time Providers will be expected to develop distinctive excellent specialist provision
- The final *Report of the Leitch Review of Skills* (December 2006) recommended that the UK should commit to becoming a world leader in skills by 2020. Achievement of this ambition, through a new set of challenging targets to 2020, would mean that we need to almost double attainment at every level:
 - 95% of adults to achieve the basic skills of functional literacy and numeracy
 - exceeding 90% of adults qualified to at least level 2, with a commitment to achieve 95% as soon as possible
 - 68% of the adult population qualified to level 3
 - increasing Apprenticeships to 500,000 a year; and
 - over 40% of the adult population qualified to level 4 and above

Leitch recommended that government investment should focus on market failure and provide a basic platform of skills. In other cases, employers and individuals should themselves invest in learning. Skills investment should focus on economically valuable skills, be demand-led and sufficiently flexible to respond to emerging market needs.

The main recommendations arising from Leitch were for:

- increased investment at all levels and, in particular, from employers at level 3 and higher
 - public funding to be demand-led and routed through Train to Gain and Learner Accounts by 2010
 - a strengthened employer voice through the Commission for Employment and Skills
 - re-licensed Sector Skills Councils responsible for identifying economically valuable qualifications that are suitable to attract public funding
 - a new Skills Pledge for employers to commit to workplace training to level 2 and increased Apprenticeship volumes
 - greater employer engagement in Higher Education
 - the development of a culture that values skills and is underpinned by a new universal Adult Careers Service
- In July 2007 the government responded to the Leitch report with '*World Class Skills: Implementing the Leitch Review of Skills in England*' and committed to the Leitch world class ambitions for 2020. However, that commitment far exceeds the government's contribution and requires employers and individuals to take responsibility for improving skill levels. It introduced:
 - new milestone targets to 2011 to support a new Skills Public Service Agreement (PSA) target and milestones for the first time at levels 3 and 4
 - a joined-up employment and skills system focused on supporting individuals to improve their skills and progress at work; this will be underpinned by a new Adult Advancement and Careers Service and Skills Accounts
 - arrangements through the Commission for Employment and Skills and Sector Skills Councils, whereby employers can lead the way on skills in return for their increased investment at all levels
 - a new partnership in the workplace including the Skills Pledge, a broader Train to Gain Service, which would also include Apprenticeships, to assist all employers with workforce development
 - a proposal for a single brokerage service where skills brokerage is integrated into the Regional Development Agency business brokerage service
 - a new Department for Children, Schools and Families responsible for 14-19 reform which supports the skills agenda through Diplomas, Functional Skills and increased volumes of Apprenticeships
 - The Welfare Reform Green Paper '*In work better off: next steps to full employment*' was published alongside the Leitch Implementation Plan. This proposed that as a country we should be aiming for an 80 per cent

employment rate, by reducing the numbers of working age people who are dependent on benefit and closing the employment gaps between different groups. To achieve this, a step change in the support that we offer low skilled, disadvantaged adults is needed

- *The 'Review of sub-national economic development and regeneration' (July 2007)* supported the government's objectives to encourage economic growth and tackle deprivation at every level. The review proposed devolved decision making and a much larger role for Local Authorities to promote economic development and neighbourhood renewal. This is to be achieved through greater local flexibility, stronger partnership working, particularly with the Regional Development Agency, and co-operation from other agencies. The LSC is positioned as having key skills priorities supporting economic growth, tackling worklessness and improving basic skill levels to assist with progression into further learning or employment
- *Our Statement of Priorities 'Better skills, Better jobs, Better lives' (November 2007)* responds to the Leitch Implementation Plan and firmly places skills at the heart of social and economic prosperity. It includes significant growth in the Train to Gain Service and continues to prioritise government funds for unskilled and low skilled individuals and those most excluded from the labour market.

We have three main areas of activity to support our targets:

- "Creating demand for skills" amongst young people, adults and employers based on an understanding of the social and economic benefits that it brings
- "Transforming FE" so that as demand increases, we have a system that is able to respond effectively
- "Better Skills, Better Jobs, Better Lives" which focuses on achieving progression. Part of this involves targeting provision at those people most excluded from the labour market and working closely with Jobcentre Plus to integrate the support available to those not in work

2.2 South West region

2.2.1 Regional Skills Agenda

This Action Plan is our response to the skills agenda that is articulated in two key regional documents:

- The South West Regional Development Agency's 'Regional Economic Strategy' provides a vision for the South West and the overall framework for improving the economy and for ensuring that more people can participate. Skills development has a key role to play in the development of "Successful and Competitive Businesses" and "Strong and Inclusive Communities" which are at the heart of this Strategy

- The South West Regional Skills Partnership ‘*Statement of Priorities 2007/10*’ supports the implementation of the Regional Economic Strategy through the identification of a clear set of priorities:
 - improving leadership and management skills
 - developing enterprise skills for all ages within the South West
 - developing skills to increase innovation and creativity within the South West economy
 - ensuring that the skills needs of the regional economy, and in key sectors in particular, are addressed at level 3 and above (including Higher Education)
- The Partnership has identified a need to pay particular attention to
 - supporting effective strategies for the integration of migrant workers
 - supporting the development of an integrated all age Information, Advice and Guidance service
 - supporting strategies for the reduction of young people “Not in Education, Employment or Training”
- These priorities are underpinned by the three themes: productivity, progression and sustainability. They are embedded in our Skills Action Plan as follows:
 - Productivity: increased support for level 3 in Train to Gain; close working with Higher Education partners to support higher level vocational learning; continued focus on basic employability at level 2 and Skills for Life, including a new focus on Functional Skills; and actions to re-engage workless individuals
 - Progression: the delivery of level 3 qualifications and Apprenticeships through the Train to Gain Service, and close involvement with Higher Education through the Higher Level Skills Pathfinder Project. A continued focus on quality information, advice and guidance for young people and adults and, as we engage more people in learning, the Foundation Learning Tier to support their progression routes
 - Sustainability: increased financial contributions from individuals and employers to invest in skills development within the workforce, with the potential to support the creation of new goods and services; support for colleges to share best practice; a requirement for environmental sustainability within our capital building programme; and, local partnership working to support sustainable communities

2.2.2 Working with regional partners

The LSC is fully committed to working closely with partner organisations such as the:

- **South West Regional Development Agency**

The Regional Development Agency is a key strategic partner and their economic development agenda is important to us. We will continue to develop our joint working arrangements to ensure that the skills requirements identified in strategic documents are fully considered within our own, and our partners, plans. We will work with the Regional Development Agency to support our capital investment strategy and will work together on a variety of other specific projects such as; developing skills within the Aerospace Industry, National Skills Academies and emerging sectors.

- **Regional Skills Partnership**

We work closely with the Regional Skills Partnership and we continue to be represented at all levels of activity from the Board and Alliance to the Task and Finish groups. We will support the Partnership Priorities, promoting LSC skills activity to achieve agenda alignment across partners and continue to deliver regional strategies, such as Skills for Life.

- **Joint sector review activity**

We will continue to work jointly with the South West Regional Development Agency, Regional Skills Partnership and Sector Skills Councils on sectoral review work. On behalf of partners, the Regional Skills Partnership co-ordinates a regional response to the Sector Skills Councils' consultations on Sector Skills Agreements. This joint approach is valued by all partners and has set a precedent for other activity, such as the joint planning of European Social Fund programmes.

2.2.3 Olympic and Paralympic Games

The Olympic and Paralympic Games in 2012 are high profile events which have the potential to transform the region's skills base.

Work to create a 2012 skills legacy is integral to the South West 2012 Strategy and Action Plan. It is led by the LSC working within Team South West and working alongside the South West Regional Development Agency, Jobcentre Plus and Sports England. We are working collaboratively with a number of government departments and key partners to support emerging national plans. In fact the South West is the lead region for England on 2012 skills and education issues and is the exemplar of good practice in this area.

Education and skills are relevant in all five 'Flames' of that Strategy and Action Plan and are seen as a cross-cutting theme. The 'Flames' are: Business Development; Tourism and Regional Image; Sporting Opportunity; Business Opportunity, and Cultural Celebration and Community Engagement.

As there are no new resources to directly support the Games, we will work to 'Olympify' current and planned activity such as Train to Gain and Skills for Life to gain extra leverage from our resources.

2.3 Progress in the South West Region

We have made good progress and supported many learners:

- The number of young people in learning has been sustained at the high level of 125,000 during 2005/06 and increased to 125,700 during 2006/07
- We supported 373,000 adults in funded learning during 2005/06 and to date have supported 291,000 in 2006/07
- In 2006/07 we anticipate that we will have supported 15,000 adults to achieve a first full level 2 qualification (excludes Apprenticeship achievements)
- In the last three years we have engaged with over 100,000 individuals each year in Skills for Life, over 225,000 learners have achieved a nationally recognised Skills for Life qualification and 37,000 adults have achieved the Skills for Life qualification for the first time

In **2007/08** we expect to support:

- 12,400 learners through European Social Funding
- 1,450 adults aged 25+ in Apprenticeships

We have supported many changes:

- Since 2001, approximately £370 million has been invested in the Further Education estate through capital investment by the LSC and Providers
- Since 2002, learners in the region have benefited from over £100 million European Social Fund monies through Co-financing

2.3.1 Update 2007/08

As we are only at the end of the first term of 2007/08 our review of progress is limited. However, if we look at our key planned activities in the 2007/08 Action Plan, we note the following achievements and challenges:

- a) Increasing our capacity to work with employers by continuing to increase the proportion of adult funding that supports the Train to Gain Service
 - In its first year (2006/07) Train to Gain was successful in reaching 4,866 employers who did not have a track record of training their workforce
 - From 2008 we must build our capacity to deliver the increased volumes that are expected and this will involve not only working with more employers but delivering training to more employees in the workplace.
- b) Engaging new, 'hard-to-reach' small to medium size employers through brokerage, including the self-employed that have been identified as a regional priority
 - In 2006/07 over 6,500 employers were engaged through Train to Gain of whom 77% were 'hard to reach' and 64% employed fewer than 50 people. Overall the employer satisfaction rate for the Service was 91% which exceeded the 80% set nationally

- Our focus now needs to turn to increasing the proportion of the workforce covered by the Skills Pledge
- c) Working more effectively with sectors and prioritising our resources to ensure a fit of our investment with identified need
- We have gained a better understanding across all 25 Sector Skills Councils of employer skills requirements. Our South West Sector Summaries provide a definitive skills demand and supply reference and are up-dated twice a year
 - Our improving capability to analyse data by sector, provides a better view of funded training provision against sector priorities
 - Future activity will involve working closely with our major private sector employers in the region to promote the Skills Pledge and the Train to Gain Service
- d) Implementing the “new standard” to signify responsive and vocationally excellent provision
- South Devon College and Cornwall College are amongst the first 26 Providers nationally to achieve the “new standard”. They have achieved accreditation for Part A against the employer responsiveness criteria and Part B against the vocational excellence criteria. The Part B awards are in Construction (South Devon College) and Information Technology (Cornwall College)
 - National Skills Academies are being established within the region and Specialist Networks are being developed for manufacturing and financial services
 - It is critical that we continue to develop our specialist provision and that providers receive recognition for their work in sectors, where they have particular expertise. We have 57 Centres of Vocational Excellence (CoVEs) in the South West whose status is due to expire between 2007/08 and 2010. CoVE status will be replaced by the “new standard” Part B award which recognises vocational excellence
- e) Engaging new learners whose current attainment is below level 2
- We have developed a number of significant sector based projects within Train to Gain to improve employer engagement and target LSC priority groups e.g. the Health Sector Joint Investment Framework, laundry operatives, taxi and bus/coach drivers, plant operatives, early years, financial services Apprenticeships and train operators (customer service)
 - Further sector initiatives will be agreed during 2008 to increase employer engagement and take up of level 2 and 3 qualifications through Train to Gain
- f) Maintaining the momentum of achievements within Skills for Life and increasing the achievement of employability skills through improved participation and success rates
- We have achieved the 2007 Public Service Agreement target of 80,000 individuals achieving a basic skills qualification and if we maintain current levels of performance, we should be on track to hit the 2010 target

- We now need to increase the focus on the new higher targets for Functional Skills to help individuals upskill and start to maximise their potential
- g) Targeting funding on individuals with the greatest need and supporting achievement
- We have a number of significant developments including: the Basic Employability Skills programme which started in August 2007 and combines basic skills qualifications with job search and work experience; the Skills for Jobs initiative to link adult skills with employment more effectively, and, the newly developed regional European Social Fund Frameworks for 2008/13 which have been agreed with partners, and will support engagement, retention, achievement and progression through co-financed and mainstream provision
- h) Improving progression routes throughout all levels of provision
- We have 3 Further Education Colleges and 2 Specialist Colleges engaged in the Foundation Learning Tier pilots. These were set up to create a coherent framework of provision below level 2 which will allow incremental achievement and progression to level 2
- i) Encouraging Providers to engage in regular dialogue with employers is being achieved in several areas of activity:
- Our funding policies require providers to actively work with employers to increase their contribution to the cost of learning programmes. Fee income in our region equates currently to £17.5m. In 2008/09, we expect colleges and providers to increase this figure by an additional £1m
 - The increase in the Train to Gain budget over the next couple of years will steer Providers to develop even closer relationships with their employers. By the end of December 2007, Skills Brokers have developed a dialogue with 4,896 employers, compared with 4,287 employers during the whole of 2006/07
- j) Providing an improved Information, Advice and Guidance (IAG) Service that is accessible and offers information linked to jobs, qualifications and training
- During 2007/08, plans have been put in place to both improve the current delivery of Information, Advice and Guidance and prepare for the new Adult Advancement and Careers Service. Regional improvement priorities have been identified which included the need to improve embedded Information, Advice and Guidance provision. This is now being assessed within Train to Gain delivery. Three development projects to test aspects of the new service have been commissioned and plans for a new Adult Careers Service Regional Strategic Board have been established to oversee developments
- k) Encouraging investment in high quality premises, especially those linked to National Skills Academies and Specialist Networks that attract new employer business
- We are supporting the development of, the National Nuclear Skills Academy with capital investment to establish a regional hub at Bridgwater College, and the National Construction Skills Academy, which will have a regional hub in

Swindon. We are also working closely with Providers and local employers, such as Flybe, to tailor provision to meet skills needs

- l) Aligning skills within all elements of Local Area Agreements and preparing for multi-area planning and greater local accountability
- At a local level, we are engaged with partners in delivering the skills elements of current Local Area Agreements and working to identify priorities and relevant local indicators that should apply in new Agreements for all areas of our region from 2008
- m) Tackling the worklessness agenda
- This work has received an added impetus with the Leitch plans for the integration of employment and skills. Closer working relationships with Jobcentre Plus at strategic and operational levels are in place and work is starting to effectively link skills provision to the emerging requirements of Local Employment Partnerships and Local Area Agreements
 - We have been developing new labour supply routes with the transport, logistics, health and financial services sectors; these have been based on new and emerging accredited employability skills programmes for non traditional entrants to the sector
 - The new European Social Fund will support Skills for Jobs activity from 2008. We have secured additional funds to support 1,300 individuals during 2007/08. Provision in each area will help individuals to develop the skills they need for sustained employment
- n) Preparing for the Olympic/Paralympic Games
- Working with Team South West a number of projects have been set in train which include: an Advanced Apprenticeship in Sporting Excellence programme; increasing the number of volunteer and employed coaches in a range of sports; Young Apprenticeship places in Sports Management, Leadership and Coaching and an extension of an on-line English assessment for potential Olympic volunteers and employees. A project to enhance the cultural and language awareness of businesses, employees and volunteers in Dorset has been completed

2.4 Regional Targets

2.4.1 We have a number of challenging targets to deliver both directly and by working with partners

From 2008/09, we have a new Skills Public Service Agreement target to 2020. The new target is underpinned by a set of milestones to 2011. The two existing targets for Skills for Life and Adult level 2 achievements to 2010 still apply and the activities in this plan will contribute to these targets.

Additionally, the work of the LSC will support partners with at least 11 of the 30 cross-government national delivery agreements.

Target area	National Measure	Regional Measure
<p>Public Service Agreement Skills target</p> <p>We aim to improve the skills of the population as a step towards ensuring the world-class skills base by 2020</p>	<p>Existing target -</p> <ul style="list-style-type: none"> • Improving the basic skills levels of 2.25 million adults between the launch of Skills for Life in 2001 and 2010, with a milestone of 1.5 million in 2007 <p>New target - 2008/09 to 2010/11-</p> <ul style="list-style-type: none"> • Increase the proportion of people of working age achieving functional literacy and numeracy skills <ul style="list-style-type: none"> - 597,000 people of working age to achieve a first level 1 (or above) in literacy - 390,000 people to achieve a first Entry level (or above) numeracy qualification 	<ul style="list-style-type: none"> • 25,300 Skills for Life adult achievements in 2008/09 <i>Estimate for 2007/08 23,200</i> • c3,000 to achieve Entry level 3 (or above) numeracy skills and 5,500 level 1 (or above) literacy skills for the first time in 2008/09
	<p>Existing target-</p> <ul style="list-style-type: none"> • Reducing by at least 40% the number of adults in the workforce who lack National Vocational Qualifications at level 2 or equivalent qualifications by 2010. Working towards this, one million adults in the workforce to achieve level 2 between 2003 and 2006 (existing target)* <p>New target-</p> <ul style="list-style-type: none"> • Increase the proportion of working age adults qualified to at least full Level 2 and 3 <p>By 2010/11</p> <ul style="list-style-type: none"> • 79% of working age adults should be qualified to level 2 • 56% qualified to level 3 	<ul style="list-style-type: none"> • 18,700 first full Level 2 achievements and 2,070 first full Level 3 achievements in 2008/09 <p><i>Estimates for 2007/08</i></p> <ul style="list-style-type: none"> • level 2 15,000 • level 3 1,900 <p>Latest SW position</p> <ul style="list-style-type: none"> • level 2 73% • level 3 51%

Target area	National Measure	Regional Measure
	<p>New target –</p> <ul style="list-style-type: none"> Increase the proportion of Apprentices who complete the full Apprenticeship framework <p>By 2010/11</p> <ul style="list-style-type: none"> 130,000 learners to complete the full Apprenticeship framework 	<ul style="list-style-type: none"> In 2008/09 deliver 5,370 Framework completions for adult learners and 6,700 for young people <p><i>Estimate for 2007/08</i></p> <ul style="list-style-type: none"> 11,200 in total
Increase the number of people moving into sustainable employment and progressing	<ul style="list-style-type: none"> New joint target with Department for Work and Pensions and Jobcentre Plus (to be developed) 	<ul style="list-style-type: none"> Regional integration of employment and skills (to be agreed)
Raise the educational achievement of all children and young people	<ul style="list-style-type: none"> To increase the proportion of young people achieving level 2 at age 19 from 71.4% in 2006 to 82% by 2011 To increase the proportion of young people achieving level 3 at age 19 from 46.8% in 2006 to 54% by 2011 	<p>Level 2 – Target</p> <ul style="list-style-type: none"> 80% 2008/09 <p><i>Estimate for 2007/08</i></p> <ul style="list-style-type: none"> 78.9% <p>Level 3 – Target</p> <ul style="list-style-type: none"> 54.0% -2008/09 <p><i>Estimate for 2007/08</i></p> <p>51.6%</p>
Increase the number of children and young people on the path to success	<ul style="list-style-type: none"> Reduce the percentage of 16-18 year olds classified as “Not Engaged in Education, Employment or Training” (NEET) by 2% points by 2010, from a baseline of 10% at the end of 2004 	<p>Latest South West position</p> <ul style="list-style-type: none"> 7,000 NEET + 5,000 whose destination is unknown Baseline Nov 2007 5.4% Target 2010 4.7%

* Adult level 2 Public Service Agreement (PSA) target - the 40% is equivalent to 3.6 million more adults qualified at level 2 or above.

2.4.2 The new Skills target for adults focuses on adults of working age

(This definition includes those aged 16-64 including people who are economically inactive such as people who have retired early, long-term claimants on health-related benefits, full-time students and carers rather than as previously defined as those economically active aged 18-59/64 employed and unemployed.)

This new definition brings an additional 568,150 people in scope of the 2011 milestones. It is likely that in the past this group of people experienced the greatest failure of the learning and skills market and could now gain the most from engaging in learning.

The gap between our current position and the 2011 milestone increases at every level as a result of this changed definition. The largest gap is at level 2.

Level	Working age South West	National 2011 milestone	Gap (% age points)	Economically active South West
2	67%	79%	12%	70%
3	47%	56%	9%	49%
4	27%	36%	9%	29%
Population				
	2,973,000			2,404,850

2.4.3 We have made good progress towards our Skills for Life targets for 2007/10

We now need to maintain our Skills for Life success and increase our efforts to deal with the much greater challenge of ensuring **Functional Skills** of literacy and numeracy in 95% of the adult population.

150,000 people will need to achieve at least Functional Skill level in literacy (level 1) or numeracy (Entry level 3) if we are to achieve the 2011 targets. Early consideration of the volumes required suggests that the achievement of functional literacy needs to **triple** and functional numeracy needs to **quadruple**.

3. Responding to Skills Challenges

The LSC has undertaken a Strategic Analysis of the region in both 2006 and 2007 examining economic, demographic and social drivers, assessing current and future skill needs and reviewing existing supply. We have considered the challenges, alongside national drivers and regional priorities and developed responses to address these in 2008/09.

3.1 Creating demand for skills

3.1.1 Individuals

There are 987,150 individuals of working age in the South West with qualifications below level 2. We need to attract new low skilled learners into learning and to support their progression to level 2 attainment and basic employability. Many of these individuals may have Skills for Life needs and, in particular, benefit from the achievement of Functional Skills in literacy and numeracy. There is also a growing number of economic migrants in the region who need to improve the level of their English language skills.

We have particular areas where there are significant numbers of individuals below a level 2 qualification such as Plymouth, Torbay, Bournemouth, South Somerset, Bristol, Swindon, Weymouth and Gloucester.

Appropriate provision must be in place to meet the needs of these individuals, some of whom may be disadvantaged and at a distance from the labour market, whilst others may be employed.

This provision has to take into account the needs of the older workers as the working age population is predicted to grow to 2015, with the most significant average age annual growth in the 50 to retirement age group.

There is also a pressing need to encourage young people into learning, such as Apprenticeships, rather than see them enter jobs without training or not engage at all.

We have identified a number of responses to address these challenges:

3.1.1.1 Provide effective Information, Advice and Guidance

During 2008/09 we will be working with partners to develop **information, advice and guidance** services. This will contribute to the Government's vision of a truly integrated employment and skills system which delivers a seamless journey for those moving from benefit to training and on into sustainable employment.

We will also work to embed impartial information, advice and guidance into all of our provision including Train to Gain to ensure learners access the most appropriate learning, remain engaged during their learning programme and ultimately achieve a qualification.

The new Adult Advancement and Careers Service, when it is introduced in 2010, will support the introduction of Skills Accounts and Skills Health Checks. Skills Accounts and Skills Health Checks will be piloted in several locations throughout England during 2008/10.

3.1.1.2 Enable more low skilled learners to achieve basic employability at level 2

Level 2 qualifications represent the critical threshold of employability and we need to enable more individuals to achieve their first qualification at this level. Support may be available through the Adult Learning Grant and the **Level 2 Entitlement**, which provides fee remission for a first full level 2 qualification in Further Education Colleges. Other types of support includes European Social Fund projects; funded learning through Learndirect centres, and in the public sector, through Local Area Agreements; offender learning; and learning under the auspices of the Olympics.

Employers supporting the Skills Pledge will enable more employees to achieve a level 2 qualification. New flexible entry arrangements in Train to Gain will provide opportunities for volunteers, offenders and the self employed to achieve employability.

Low skilled workers will be able to undertake Skills for Life training, as appropriate, through Train to Gain, as will those in receipt of income based benefits and offenders. It is important that these learners all have opportunities to progress to level 2 and beyond.

We will continue to stimulate demand for learning from 'hard-to-reach' individuals through partnership and outreach activity with the Third Sector, Unionlearn and Jobcentre Plus. This will involve targeting areas where we can have the greatest impact amongst those in the working age population without a level 2 qualification; most of these individuals will be aged 35-54.

3.1.1.3 Help workless people find employment through Skills for Jobs

We will further develop our work to engage low skilled individuals who are not working and support them into employment through **Skills for Jobs**. This complements the work of Jobcentre Plus in securing Local Employment Partnerships with employers.

We are fully committed to integrating skills with employment more effectively and we are engaged with partners on a range of pilots and activities that aim to link skills development to sustained employment, including New Deal for Skills.

Skills for Jobs is an umbrella term referring to activity that helps low-skilled individuals to get a job. It includes a range of products and services such as the Basic Employability Skills programme, skills coaching and offender learning. It is supported by Skills for Life, Information, Advice and Guidance and Neighbourhood Learning and also by Skills Accounts when they are introduced.

Our Skills for Jobs project for 2007/08 will help over 1,300 workless people, 434 of whom, it is anticipated, will secure sustainable employment of at least 13 weeks. This will end in December 2008. In the longer term (2008/13) we will use European Social Funding (£6.5 million) to develop a range of projects to meet the needs of workless people.

3.1.1.4 Attract more new learners through improved personal and community learning

Personal and Community Development Learning is one of a small group of programmes in a safeguarded adult budget which falls outside the priorities of the Leitch Implementation Plan, but which nevertheless has value for the physical, intellectual and emotional well being of our society and for community cohesion.

We will offer a wide range of high quality, challenging programmes to attract new learners. Learners who can afford to pay a reasonable fee for their learning are expected to do so. Public funds should support those who have benefited least from the education system and those most in financial need.

We will use **First Steps** provision to attract more individuals below the level 2 employability threshold into learning, particularly those who have not been in engaged in learning for some time.

Another route into learning is through **Neighbourhood Learning in Deprived Communities**; this aims to help local people in deprived communities tackle their literacy and numeracy needs and to encourage them to progress into further learning and improve their employability prospects.

3.1.1.5 Use the Third Sector to support outreach to excluded people

We recognise that the **Third Sector** has strong links to many of the deprived communities we need to reach if we are to include more people in learning, and ultimately, help those who are excluded achieve the skills they need to succeed at work.

The Third Sector in our region already has a greater penetration of the disadvantaged learner market than the Further Education College sector. We need to be creative in establishing links between that learning provision and the work of the Third Sector in these communities.

Volunteers will be eligible for Train to Gain services and this new flexibility will provide the opportunity to support people using volunteering as a route from worklessness into employment. It will help them access the skills development they need to succeed, in particular, to achieve qualifications at levels 2 and 3 and Skills for Life, where appropriate.

3.1.1.6 Support learners to access and participate in learning

We will continue to support **e-learning** to provide improved access to more individuals.

The network of University for Industry/Learndirect centres and outreach services will be strengthened to cover gaps in provision (Plymouth and Torbay) and also to build capacity (Plymouth, Somerset and Gloucester). This network provides flexible access to provision which is aimed at equipping unemployed people with skills for employment and for developing the skills of those already in work.

European Social Fund projects will support the delivery of flexible and accessible learning provision to move individuals into work and to improve the skills of those already in work.

3.1.1.7 Address the needs of migrant workers in priority groups

The number of **migrants** in the South West is still increasing. For many, English language skills are a problem and this presents a challenge in terms of capacity and funding of English for Speakers of Other Languages (ESOL). Migrants may also create potential issues with displacement of low skilled indigenous workers.

We need to work with partners to assess the impact of migration on general skills supply in the region and ensure that we are networked into appropriate forums to explore the issues.

Funding for Skills for Life ESOL programmes will be maintained to support those communities where this is a priority. The unemployed and other priority groups will continue to have tuition fees remitted. We will distribute additional hardship funds through Providers for those who have particular difficulties in paying, such as those on very low wages.

3.1.1.8 Address the skill needs of older age workers to fill skill shortages and meet skills gaps

The South West has the lowest proportion of working age residents within the population and older people outnumber children. 38% of the population are aged 50+ compared to 34% in most other regions and this is projected to rise to 45% in the South West by 2025.

Research shows that older workers are six times less likely than their younger counterparts to receive training. Given that the technology, for which these older workers were trained, is likely to be out of date, they often have a greater need for training than younger workers.

3.1.2 Employers

In the South West, 2 out of 3 working age adults are in employment and it is developing these people that will have the greatest impact on our economy.

We have opportunities to stimulate employer demand for skills training through effective working with Sector Skills Councils, Specialist Networks and Local Employment Partnerships and through National Skills Academies and their employer advisory boards. In the region, 8 out of 10 jobs are in five sectors: construction; retail, hotel and catering; financial services and the public sector. In addition, there are other sectors reporting large volumes of skills shortages such as engineering, logistics, lifelong learning, health and active leisure and learning.

Our plans for employer engagement and workforce development will need to fit with the emerging demands of integrated employment and skills provision.

A differentiated approach is required to stimulate demand for learning amongst employees in small and medium size enterprises and the self-employed. In addition, we need to support the development of a diverse workforce and regional priorities require a focus on higher level skills.

In order to offer responsive demand-led provision to employers we will work with them to help them understand the needs of their workforce. With this understanding, Providers will engage in regular dialogue with employers and ensure that their provision meets the identified need.

We have identified a number of initiatives to create demand from employers:

3.1.2.1 Increase employer engagement through Train to Gain

The **Train to Gain Service**, through which we will increase employer engagement in training, is expected to more than double in size between 2007 and 2010. Nationally, level 2 starts are planned to grow from 344,000 in 2007/08 to 432,000 in 2010/11. The national 'Plan for Growth' November 2007 to July 2011' published in November 2007, sets out the LSC plans for increasing the reach of Train to Gain to ensure we meet the challenging targets set out in the Leitch Implementation Plan. In response we will develop a South West Plan for this growth.

The LSC plans to re-position Train to Gain as the service to meet all levels of skills needs. Funding will not only focus on supporting employees to gain their first full level 2 qualifications but will also, increasingly, support a flexible offer of training for employers and the self employed. This will include both fully funded and subsidised training ranging from Skills for Life to higher level qualifications.

During 2008/09 Train to Gain will focus on a range of training activities and support:

- The Leadership and Management Programme will be extended to businesses with 10-250 employees. This will provide eligible owner/managers with specialist support to diagnose their individual skills needs and draw up a Personal Development Plan. A grant of up to £500 is available to support learning and development identified in their plan, however, this could be increased to £1,000 through matched funding, where broader organisational development is agreed with a Broker
- Skills Brokers will be expected to work with 'hard to reach' employers and this should account for 51% of their activity but they will also focus their activity on medium to large enterprises with between 1,000 and 4,999 employees. This focus is designed to increase the proportions of the workforce in Train to Gain
- The skills brokerage will support employers who have made a public commitment, through a Skills Pledge, to developing their workforce to a minimum of level 2. We will develop a regional approach to delivering the Skills Pledge by working closely with key employer organisations, such as the Confederation of British Industry and the Institute of Directors
- Through the brokerage service, we will be encouraging employers to identify and address all the training needs within their businesses, whatever the level of training. This will be funded through a combination of LSC funds for the first full level 2 and Skills for Life improvements needed to study at level 2, as well as subsidies for level 3 and grants towards leadership and management development. Brokers will help to identify other funding routes, with employers investing in learning as appropriate
- We will work with sectors regionally to consider the new flexibilities contained within nationally agreed Sector Compacts, in order to drive up employer interest and to increase the engagement of employers and their employees. These compacts will tailor Train to Gain to the specific needs and circumstances in the sector in return for employer commitment to the compact
- We will continue to work closely with the public sector through Public Sector Compacts and develop new links with the Third Sector, so that the workforce of these organisations benefit from Train to Gain

- We will develop an integrated offer to employers which links Local Employment Partnerships to in-work training through the Train to Gain Service and the Skills Pledge. There will be new arrangements for these learners to receive financial support for a second level 2 qualification where appropriate
- We will continue to support the South West Higher Level Skills Pathfinder Project. This has been designed to pilot innovative employer interventions from the Higher Education sector to stimulate progression into Higher Education for employees in three main 'sectors' – creative media, engineering and business improvement. It will be linked to Train to Gain through an integrated strategy which includes mechanisms for Skills Brokers and Higher Education intermediaries to deliver a single 'seamless' service on the employers' customer journey. This project will run until 2009
- We will support the national Train to Gain advertising campaign using our own SW Region Public Relations Plan which includes targeted press releases, a bus back campaign, radio advertising and a regional sectors based DVD aimed at employers.

The overall success of Train to Gain will be measured through a number of indicators, including: employer satisfaction with the brokerage service; increasing the overall engagement of employers in training and employer financial contribution; engagement of 'hard-to-reach' employers; the improvement of success rates and increased numbers of employees qualified to levels 2 and 3; a network of responsive Providers able to meet the needs of employers, and referrals of employers to a wide range of support services such as Investor in People and through Jobcentre Plus. All of this will contribute to developing the right conditions to achieve improvements in business productivity and business bottom line.

3.1.2.2 Offer an accredited skills brokerage service for business

We will continue to develop a **skills brokerage service** that can diagnose skills needs across the whole workforce as well as find suitable training solutions to meet these and any specialist needs. This involves raising the Brokers knowledge of individual sectors and linking employers to sector specialists where available. It also involves them in referring employers and employees to Information, Advice and Guidance services where this is appropriate.

We will develop lead brokerage arrangements to support major sector initiatives, such as the Health Sector Joint Investment Framework and put in place ongoing arrangements for development and communication.

The service will be available to all employers, and Brokers will be able to signpost to a wider set of solutions including leadership and management, Investors in People and business brokerage funded through the South West Regional Development Agency. Skills Brokers will work towards the national broker standards in their first year of operation and the service will have customer satisfaction measures in place, based on employer satisfaction of the impartiality and independence of the service.

By 2009, the skills brokerage service will be fully integrated within the business brokerage service funded by the South West Regional Development Agency and will offer a complete business service across the South West region.

3.1.2.3 Identify workforce upskilling opportunities through partners

We will continue to develop and implement joint protocols with a number of **partner organisations** to promote the upskilling of employees, especially through the Train to Gain Service. Skills Brokers will be strongly encouraged to work with Unions to co-ordinate employer engagement activity.

We will explore with partners, the potential of the shared agenda around Information Advice and Guidance, Skills for Life and specific sectoral needs.

Employers will be encouraged to support any “English for Speakers of Other Languages” (ESOL) needs in their workforce by making available cost-effective schemes that can be delivered in the workplace. During 2008, we will launch a learning package providing 30 hours of survival English skills in the workplace. Although we are not able to support such activities through mainstream funds, we will provide development support and encourage the use of alternative funding routes.

3.1.2.4 Purchase provision which meets sector need

We will manage relationships with Sector Skills Councils, sector bodies and key regional partners in order to develop and share sector intelligence and inform the mix and balance of provision, so that it meets employer needs. This activity will involve the regional implementation of **Sector Qualification Strategies**, to drive the commissioning of priority qualifications.

We will work closely with the emerging National Skills Academies which directly involve employers in the funding, design and delivery of training tailored to the specific needs of the sector. Providers who have achieved the “new standard” will be involved in these Academies and the developing Specialist Networks. National Skills Academies in development in the region are in manufacturing, construction and the built environment, nuclear and financial services. This network will continue to grow during 2008/09 as we work towards coverage across all major employment sectors.

We will focus on priorities within sectors, in order to implement Sector Skills Agreements and to stimulate growth in Train to Gain.

Specific sector initiatives include:

- Growing the number of level 2 starts in the construction, passenger transport and laundry sectors and developing Train to Gain capacity to respond to this demand
- Increasing the up-take of Business Improvement Techniques at levels 2 and 3 across the manufacturing sectors and to champion these qualifications through the National Skills Academies
- Making effective use of funding from Skills for Care, Local Authorities and Train to Gain to deliver increased level 2 and 3 volumes in adult care
- Implementing a Joint Investment Framework with the National Health Service in the region to deliver Skills for Life, National Vocational Qualifications and

Apprenticeships including a new employer-led regional consortium arrangement to ensure relevant and responsive delivery

- Working with the Local Government Association's Improvement and Development Agency to develop a Joint Investment Framework to identify mutual priorities and support workforce development needs through co-investment and the development of responsive training provision
- Supporting the development of a regional employer-led centre for the logistics sector to deliver appropriate workforce development
- Establishing baselines in the sectors with compacts so that we can identify the growth that has resulted from the sector based flexibilities

3.1.2.5 Support full level 3 provision in line with economic and regional needs

Increasing **level 3** attainment has been agreed as a regional priority. Latest figures for the South West show that there are 1,584,000 individuals of working age without level 3 qualifications.

The LSC has introduced support for level 3 attainment across a range of provision:

- Train to Gain will contribute to support a part funded Leadership and Management Programme and a first full level 3 or a relevant second level 3 qualification as appropriate
- A level 3 Entitlement for 19-25 year olds in Further Education
- Apprenticeships for Adults aged 25+
- Information, Advice and Guidance for learners aiming for their first full level 3 qualification

Steps are being taken to ensure that level 3 delivery is focused on economic and regional need. We will ensure that due recognition is given to the built environment, engineering and hospitality sectors where data suggests there may be significant skills shortages at craft level. We encourage the uptake of level 3 in the financial services, e-skills, creative and cultural, manufacturing and health sectors.

3.1.2.6 Expand the Apprenticeship offer to employers through the Train to Gain Service

We are awaiting the outcome of the national review of **Apprenticeships**; a report is due at the end of January 2008. In the meantime we will continue to promote the benefits of Apprenticeships to employers through the Train to Gain Service and increase the number of adults aged 19+ in Apprenticeships.

We will explore how we can expand on the volumes achieved in Apprenticeships for Adults (aged 25+) during 2007/08 and this will involve creating more opportunities with employers for workless people.

Through our refined understanding of sectoral demand for Apprenticeships across the region, we will continue to influence and adjust Apprenticeship provision through the regional commissioning process.

In cases where an employee is undertaking a National Vocational Qualification through Train to Gain provision and it is recognised that there would be a benefit from the additional elements of an Apprenticeship, we will encourage the employer to progress that employee into an Apprenticeship as appropriate.

3.1.2.7 Identify responsive and vocationally excellent provision for employers

The Skills White Paper set out a direction for the development of provision that meets employer need. It has prompted the development of the “**new standard**” that provides recognition for employer responsiveness and vocational excellence. During 2008/09, we expect to build a network of accredited Providers, particularly amongst our Train to Gain providers, in order to improve the quality of the provision that we offer employers. A new name and brand will be identified to coincide with the launch of the standard to employers in spring 2008.

We are keen that Providers delivering good sector based provision that meets our priorities should also achieve relevant Part B accreditations. This will open up membership of the developing National Skills Academy and Specialist Networks, which will lead the way on delivering specialist training solutions to employers.

A national working group considering employer responsiveness has defined it as ‘the capability of a provider to build and manage customer relationships with employers, to whom they successfully deliver training solutions’. Employer feedback is a key element of the “new standard”; Providers will gather the views of employers, who have used their service, to assess its flexibility, course content and the responsiveness of the delivery.

3.1.3 Young People (aged 14-19)

Our Strategic Analysis has identified significant issues with the participation of young people. These include the non-engagement of young people in education, employment and training particularly amongst 17 year olds, young people in jobs without training and a group about whom we have no information. In addition, there are barriers to participation amongst some young people from ethnic groups that need to be addressed.

It is important to ensure that young people have the opportunity to develop their skills, so that that they can make a positive contribution when they enter the workforce. Curriculum reform and the introduction of vocational Diplomas will help to attract and engage more young people. The attainment level of these young people at aged 19, at levels 2 and 3, will have an impact on skills levels as older workers, some of whom are low skilled, retire from the workforce.

3.1.3.1 Introduce vocationally relevant Diplomas

The phased introduction of 14 sector based **Diplomas** into 14-19 learning between 2008 and 2010 presents fresh challenges in linking learning with the vocational demands of the workplace. Some of these challenges include achieving full coverage in rural areas, delivering an integrated academic/vocational offer and securing effective collaboration across Providers, employers and Sector Skills Councils to shape new provision. Delivery needs to be integrated within the broader skills agenda and be sensitive to the likely improvements needed to the levels of English and Maths in this cohort.

In the South West, through Gateway 1, we will have 11 consortia delivering Diplomas from 2008; and a further 10 in 2009, and 26 from 2010. The Diplomas that will be launched in 2008 include ICT, health and social care, engineering, creative media and the built environment. Applications to Gateway 2 are being processed in early 2008; this will introduce new Diploma lines in Environmental and Land-Based Studies; Hair and Beauty Studies; Business Administration and Finance; Manufacturing and Product Design, and Hospitality and Catering.

These Diplomas will be delivered at levels 1, 2 and 3. At levels 1 and 2 the Diplomas need to be sufficiently practical to engage learners and prepare them for work. Diplomas at level 3 will support progression to Higher Education; we will work with Sector Skills Councils and Higher Education to achieve appropriate progression from diplomas and learning in the workplace into degree courses, some of which could be at Foundation Degree level.

3.1.3.2 Expand the Apprenticeship offer to young people

We are planning for more young people to start an **Apprenticeship** from 2008/09 as we move towards the entitlement in 2013. At the same time we expect to see an extra 500 Framework completions compared with 2007/08.

Much of this provision for young people will be absorbed into the emerging Diplomas from 2008:

- Young Apprenticeships will continue in 2008/09 for 14-16 year olds and will feed into Specialist Diplomas
- A Pre-Apprenticeship route will be introduced in 2008/09 as part of the Foundation Learning Tier which focuses on learning below level 2. The current piloted activity involves tailor made programmes with sub level 2 qualifications, accredited personal and social development and basic functional skills
- Programme Led Apprenticeships will also be available to young people in 2008 so that they can work towards the Technical Certificate and Key Skills before entering employment. This will be particularly helpful in getting young people started in learning towards their apprenticeship, while the process of identifying an employer is taking place. In addition, it will widen the vocational opportunities to 16-18 year olds who want to change the direction of their learning
- An Apprenticeship Clearing House will be developed and in the South West we will build on previous regional developments in registering and matching against employer vacancies. This will link to the Area Prospectus for young people and is an integral part of the 14-19 offer
- Collaborative activity with Sector Skills Councils and National Skills Academies will help to promote new and existing Apprenticeship frameworks to sectors where traditionally take-up has been low e.g. public and financial services sectors

3.1.3.3. Encourage young people to engage in learning

Given our challenging skills targets, we cannot afford to lose the potential contribution of the 6,860 young people aged 16-18, who in 2007, were "Not engaged

in Education, Employment or Training” and the 5,000 whose destination is unknown. Although in our region, c82% of **young people aged 16 and 17** are engaged in education and training we need to work with partners to engage these additional young people.

In addition, we have 2,000 young people entering jobs without training each year; this is consistently higher than the national average and we need to ensure that they have the opportunity to gain nationally recognised qualifications.

The ‘September Guarantee’ of a suitable learning offer applies to 16 and 17 year olds and this provides us with the opportunity to focus 17 year old recruitment in sectors linked to job availability. To achieve this we need to ensure that each Area Prospectus adequately reflects the local skills scene.

We will work with partners to identify innovative engagement solutions using European Social Funds and agree appropriate activity in Local Area Agreements. We will also support a common application process in each Local Authority area.

3.2 Transforming the FE system to meet demand

The Strategic Analysis confirms that to develop truly demand-led provision we must respond effectively to sector based needs; we also need to improve employer perceptions of Further Education.

It is critical that success rates continue to improve across all funded provision and particularly for underrepresented groups.

Rapid growth in first full level 2 achievements and support for higher level skills are priorities. We need to remove barriers to learning for first time learners, the low skilled, underrepresented groups and non-engaged young people. More learners with learning difficulties and/or disabilities should be progressed into jobs.

To develop an infrastructure that is responsive, provides choice and excellent quality we have identified a number of responses:

3.2.1. Focus the commissioning process on skills needs and priorities

Increasingly our **adult funds** are being re-aligned towards our priority activities and to adults most in need of help. Other types and levels of provision should be paid for by employers and individuals.

Target groups for funding are the low skilled with below level 2 attainments and these include those who need most help and workless individuals. Our priorities for funding are Skills for Life including Functional Skills, first full level 2, first full level 3 for individuals aged 19-25 and learning below level 2 through the Foundation Learning Tier.

It is proposed that legislation will be introduced to provide an entitlement to basic and employability training to level 2 and the LSC will be required to ensure that there is appropriate provision in all geographical areas.

As Sector Skills Councils identify economically valuable qualifications that are suitable to attract funding, we will examine the impact on local provision and agree with the Sector Skills Councils a timetable for implementation from August 2008.

We are gradually increasing the employer contribution for adult learning in Further Education, aiming to reach 50% by 2010/11. Asking employers to pay is a relatively new message and one that partner agencies need to promote.

Free tuition for ESOL will only be available to priority groups, primarily people who are unemployed or receiving income based benefits or to promote community cohesion.

Asylum seekers aged 19+ will not automatically be eligible for publicly funded Further Education provision. Only those who are granted refugee status, humanitarian protection or discretionary leave by the Government will be eligible.

3.2.2 Increase the Third Sector contribution to support skills provision

Existing **Third Sector** Providers are already performing well in reaching potentially excluded learners. We would like to capitalise on this by enabling more of them to compete successfully for LSC business, through our open and competitive tendering process. This tendering could be undertaken by Third Sector organisations on an individual basis or jointly with other Providers.

3.2.3 Support worklessness and workforce development using new European Social Fund programme funds

In January 2008 new **European Social Fund Programmes** will begin in the South West. Cornwall and the Isles of Scilly will be supported under the Convergence Programme and the rest of the region will be supported under the Competitiveness and Employment Programme. In the period 2008/13, £118 million is available across the region. The LSC will continue to be fully involved as a Co-financer and activity will fall into two main areas:

- Worklessness – supporting the Welfare to Work agenda
- Workforce Development – supporting the skills needs of employees

Activities providing ‘additionality’ around Entry to Employment and Train to Gain will be supported and embedded Skills for Life work has been built into specifications. We will support qualifications from pre-entry level to level 3 and above with identified progression routes both into and out of LSC mainstream activity and to facilitate onward progression into Higher Education.

The new Programme has been approved by the European Commission and our Co-financing Plan has been subject to open and competitive tendering with a view to contracting with Providers in January 2008. We have worked with the Regional Skills Partnership to focus the priorities for spend in the South West. Comprehensive joint planning will be required between the proposed Co-financers (presently LSC and Jobcentre Plus) and other interested parties (South West Regional Development Agency, Regional Higher Education Association for the South West, Regional Skills Partnership etc.) in the drawing up of a joint co-financing plan that will define our European Social Fund funded activity for the Programme period to 2013.

3.2.4 Integrate Skills for Life across learning at all levels

If we are to maintain current **Skills for Life** achievement and meet the challenging Functional Skills target there are a number of approaches that we will pursue:

- Prioritise the embedding of these qualifications within vocational and workplace provision - this benefits the learner and achievements can improve by up to 30%
- Plan for the development of vocational staff to enable effective embedding of literacy and numeracy across specialist and non specialist teams
- Convert Skills for Life non recognised qualifications into target qualifications (80% of Skills for Life entry enrolments must be for approved qualifications)

We will also work with:

- Offender learning partners to achieve a coherent allocation of funded places within community provision
- Sector Skills Councils to ensure that literacy and numeracy is properly recognised within the Sector Skills Agreements
- Invite 150 Vocational Assessors in 5 sectors to train as trainers in the 'Lightbulb' approach, which is an accredited training programme, designed specifically to meet the needs of non-expert staff who want to "brush up" on their own skills, and be introduced to lively ways to embed Skills for Life in vocational learning
- Partners on the Graduate Support Programme which provides Skills for Life to the 30% of graduates who have literacy skills below level 2

3.2.5 Improve success rates across all types of provision and in particular in provision for young people in Further Education and underrepresented groups

If we are to raise skills levels, we need to not only increase participation, but improve the success rates of learners in the system.

Data for 2006/07 on success rates in **Further Education** is incomplete but current results place the South West one percentage point below the national average. However, in the three years prior to this, success rates had improved steadily and in 2005/06, just exceeded the national average figure of 76%. Our target for 2008/09 is 78%, whilst the overall Leitch ambition is 80% by 2010/11.

Whilst the rate of growth in 16-18 success rates was slower than the national average in both 2004/05 and 2005/06, latest data for 2006/07, indicates an improvement, although the rate is still below the national average.

At the end of 2005/06, success rates for the 19+ age group, remained above the national average, but the gap was narrowing. In 2006/07, latest results are 2 percentage points below the national average. Improving success rates for courses longer than 24 weeks is particularly important if we are to hit our skills targets.

Apprenticeship Framework completion rates overall have improved 8 percentage points between 2005/06 and 2006/07, and at 59% matches the national average. We expect to see an improvement in Framework completions to at least 64% in 2008/09 and 68% (or in line with the national figure) by 2010.

We have ambitious plans to increase success rates in **Train to Gain** from 76% in 2006/07 to 85% in 2008/09. To achieve this we are investing in a significant regional capacity building programme during 2007/08 which supplements the national programme available from the Quality Improvement Agency.

We will use Equality and Diversity Impact Measures to improve the success of underrepresented learners. There will be a focus on:

- A-typical careers in Work Based Learning and Further Education in specific sectors such as women into construction, and men into retail, health and social care
- low participation and success rates in Further Education of male and Black and Minority Ethnic learners and progression from level 2 to level 3 for learners with disabilities
- participation and success related to age in Train to Gain
- the support given to learners with mental health difficulties to achieve qualifications

3.2.6 Establish the “new standard” as a key capacity building activity for employer responsive Providers and the route to specialist status

All employer facing Providers, should work towards the “**new standard**” to develop the effectiveness of their employer work and their continuous improvement practice, and support the growth of Train to Gain. Although the standard is a voluntary quality mark, achievement of the standard may be used as a criterion in the award of contracts in the future and certainly employers will be encouraged to work with accredited Providers. We expect Train to Gain providers to register for the standard as early as possible.

3.2.7 Develop provider capacity to deliver growth in demand-led provision

We will produce a **Train to Gain Improvement Plan** to build on the capacity building that took place in 2007/08. Employer Engagement staff will be expected to gain accredited standards, simplified funding and commissioning arrangements will be introduced and more robust performance management will involve a minimum performance level success rate of 65%.

The **Regional Quality Framework** 2007/2010 supports the move to a self-regulating Further Education system and addresses the recommendation from Leitch that the system should transform itself to become responsive to demand from learners and employers. Ten Improvement Measures have been identified for the period 2007/2010; performance against these measures will be included in the annual review of the Framework.

In addition, the **Framework for Excellence**, a holistic performance assessment framework, is being piloted by the LSC in 2007/08 with 100 Providers nationally, including 10 Providers in the South West. Colleges and Providers will use the Framework for their self assessment in autumn 2008. It will give greater significance to provider responsiveness to learner and employer needs. From 2010, only Providers rated as 'good' or 'outstanding' in the Employer Responsiveness key performance area will be able to apply for or hold accreditation under the "new standard".

All Providers working with employers need to ensure that a demand-led approach is integrated into their core business activity. Support and intervention will vary according to need and we will promote the sharing of best practice and encourage peer referencing. From 2008, the Quality Improvement Agency is proposing to offer a transformational support programme to assist Providers to deliver demand-led changes within their own organisation. Whilst the level of public resources for the programme is not yet clear, it will be important to ensure that all Providers take responsibility for developing their own internal change programmes.

3.2.8 Provide improved access to Information, Advice and Guidance

A wide-ranging cross government review of **Information, Advice and Guidance** for adults was announced in the Skills White Paper in 2005 and plans for the new universal Adult Careers Service featured in the Leitch review. The goal is to have a universally available service offering information linked to jobs, qualifications, training and related services such as childcare. In the Department for Work and Pensions paper '*Opportunity, Employment and Progression: making skills work*', the Government's requirements for a truly integrated employment and skills system were set out, and at its centre is the new Adult Advancement and Careers Service.

The Service will be fully operational in 2010/11, with a selected roll out in summer 2008, to work in partnership with Jobcentre Plus. Providers who offer information, advice and guidance will need to align themselves to this new Service. It will, in particular, support the low skilled, welfare to work clients and individuals at transition points. Key mechanisms for engaging customers will be free Skills Health Checks and Skills Accounts. Effective links with the Train to Gain Service will be vital. Development work towards the new adult service will drive our activity until 2010.

3.2.9 Address inequalities across the region so that everyone can benefit from skills provision

The LSC Single Equality Scheme (April 2007) places **equality and diversity** at the centre of every aspect of our work. It is intended to meet the requirements for a race, disability and gender equality scheme and to implement these in an inclusive way that takes into account religion and/or belief, sexual orientation and age. The scheme will be effective until April 2010.

We have developed a South West Region Equality and Diversity Action Plan. This aims to mainstream equality and diversity so that learners from under-represented groups have the same opportunities as the majority, raise the performance of the Further Education system so that underrepresented groups have the same quality and access to learning as the majority, and implement the impact assessment process.

3.2.10 Apply sustainability principles across our work

Our commitment to **sustainable development** means we will support social inclusion, protect the environment, look after natural resources and maintain economic growth.

We will work to meet the commitment in the Regional Economic Strategy Delivery Framework (2006/09), that the LSC will “Develop and deliver appropriate sustainable development modules within vocational and academic courses”. This currently involves supporting best practice through the Association of Colleges network.

We will be fully involved in working with partners to develop **sustainable communities**. Given the increased emphasis on ‘localness’ and the greater investment in local accountability, we will continue to play a leading role in economic development and promoting employment and skills. We are working with partners to identify priorities and indicators based on evidence from Local Community Strategies in preparation for new **Local/Multi Area Agreements** which will be operational from April 2008. With the removal of blocks of activity, our involvement will be wider, but our contribution will focus on learning and skills issues and will help to align partner agendas accordingly. Such joint working will help us to achieve our LSC targets and will support our work with Jobcentre Plus aimed at moving the workless into employment through flexible skills provision.

3.2.11 Increase the opportunities for work related learning to support effective 14-19 Diploma delivery

It is clear from the first round of **Diplomas**, that effective delivery will require a significant contribution from employers not only to provide work experience but to influence the curriculum. It is going to be challenging to deliver the additional level of work related input that is required. We need to consider how we can further develop the employer engagement that we already have in 14-19 learning to support Diploma delivery from 2008. Regionally, we need to explore how the evolving Specialist Networks can make a contribution.

3.2.12 Encourage Providers to trial credit based qualifications

Many employers have expressed an interest in purchasing units of a qualification rather than a full qualification. The **Qualification and Credit Framework** enables credits for these units to be accumulated and transferred. Qualification trials are continuing into 2008/09 and we will encourage Providers to take part. One sector actively involved is Lifelong Learning UK which is trialling an Initial Award for Teachers in Further Education; 3 Providers are currently involved in this region.

3.2.13 Invest in the capital infrastructure to meet the skills challenge

Our Regional **Capital Strategy for the South West Plan 2007/11** states that we will develop proposals to ensure that:

- Maximum flexibility is taken into account for the location, type and delivery method of provision
- Collaborative and innovative partnerships are developed that benefit the learner and remove wasteful institutional competition
- Raise the quality of the estate to the highest 'value for money' standards
- Establish flexible space that responds to developing learning technologies and the demands of the consumer
- Demonstrate linkages with relevant aspects of the 14-19 agenda and responsiveness to employer and individual need

The LSC is committed to building well-designed new campuses and re-developing existing sites in a sustainable way that balances environmental, social and economic needs.

Local capital planning priorities have taken account of the following points arising from an analysis of the Further Education estate:

- In all LSC areas there remains work to be done to complete the modernisation and rationalisation process. The estate in all but one of the areas is within 'acceptable' space standards. However, all are close to the theoretical maximum, indicating that there is potential for further efficiencies
- Wiltshire and Swindon is over provided in terms of space. To address this within a reasonable timescale will involve giving significant support to particular colleges
- Proposed developments in colleges in Bournemouth, Dorset and Poole and Devon and Cornwall will have a major impact on both space utilisation and, more importantly, quality of facilities

The development of National Skills Academies and the provision for learners with learning difficulties and/or disabilities will also be a high priority.

Between 2006/11 it is estimated that £635 million will be needed, including the LSC contribution, and that we will need to provide further funds for National Skills Academies and Specialist Networks. Investment will peak between 2009/12.

We are committed to working with the South West Regional Development Agency, so that our capital investment programmes are complementary.

3.3 Better skills, better jobs, better lives

Our Strategic Analysis has shown that there are particular pockets of learners throughout the region whose level of attainment needs to be improved. We know that we still have work to do in terms of improving the level of basic employability across the region and re-skilling workers in low level jobs, as these jobs disappear. In addition, we need to further develop improved progression pathways at age 16, from Entry to Employment and into higher level skills and education and into work.

We cannot do this work on our own; it requires close partnership working at a local level and needs to be integrated into the delivery of Local Area Agreements.

We have identified a number of responses to address these challenges:

3.3.1 Support progression routes to Higher Education

More than 2.1million people of working age in the South West do not have level 4 qualifications and we need to contribute to a new level 4 target milestone of 36% by 2014. We will:

- Work with the South West region's two **Lifelong Learning Networks** to enhance access to information, advice and guidance on progression into Higher Education; develop flexible, bite-sized learning relevant to employers and employees, and strengthen credit and progression frameworks
- Support the **Aimhigher Partnerships** across the region, in particular the South West Peninsula Aimhigher Programme to develop initiatives that aim to widen participation in Higher Education for young people from economically disadvantaged communities across the region
- Extend opportunities for sector-based participation and progression to Higher Education from our learning programmes and promote employer take-up of Higher Education (whether through colleges or universities) through the Train to Gain Service and Higher Education intermediaries
- Work with the South West Regional Development Agency, Higher Education and Further Education sectors on Local Area Agreements, to ensure a 'match' between the higher level skills needs of employers and Higher Education provision

3.3.2 Integrate our employment and skills provision to help workless individuals into jobs

The Leitch Implementation Plan poses a major challenge for the LSC and Jobcentre Plus to provide an **integrated employment and skills service** by the end of 2010. Partnership working is crucial to achieving this.

Employment and Skills Boards will be key players in this work and the Employment and Skills Commission will take a view on the effectiveness of the integration in 2010.

The Joint Delivery Plan between the LSC and Jobcentre Plus assumes a new and wider importance and with it greater accountability. Local plans need to build on the existing collaboration between these organisations and support the incremental integration of employment and skills. It will focus on needs identified in the LSC Strategic Analysis which is underpinned by the shared objective to provide progression routes and move people into sustained employment.

3.3.3 Deliver a single customer journey from worklessness or poor skills to sustainable employment and opportunity for progression

Our developing information, advice and guidance services, together with generic **Skills for Jobs** provision, will contribute to the customer journey in a co-ordinated way, so that there are no barriers to the individual and appropriate support is available. We need to ensure that frontline staff at Jobcentre Plus are kept informed of both existing and new local products and services so that they can effectively access the services that support the single journey for all individuals.

We need to support the integrated service with aligned commissioning and greater convergence of LSC funded activity with future Jobcentre Plus developments, which will focus on people with disabilities and low skills through Pathways to Work and Local Employment Partnerships.

Local Employment Partnerships will secure a commitment from employers, to support individuals on benefits back into work, by providing tailored work experience and training and further training once in work. The LSC's Skills for Jobs provision will have to be sufficiently flexible and responsive to meet the pre-employment training aspect of the Local Employment Partnership Agreement. We also need to align Train to Gain with Local Employment Partnerships to provide individuals with in-work training.

We are at the early stages of this development and we need to map current activity to identify gaps in provision across the region. The single customer journey is likely to be supported by a flexible New Deal from 2009 which will provide specialist 'return to work' provision, Skills for Jobs, the Skills Pledge and when in work, Train to Gain provision to level 2 and beyond.

3.3.4 Embed good practice from skills coaching pilots within Skills for Jobs

We need to build on the lessons learned from our work with Jobcentre Plus in relation to **skills coaching pilots**, which ran in Devon, Gloucestershire and Wiltshire and will end in March 2008. This joint initiative provided one-to-one support to clients to help them understand their skills needs, access learning and find jobs. The principles of such support are now being reflected in integrated employment and skills projects, funded through specific Skills for Jobs activities and through European Social Funded projects.

Our work with Jobcentre Plus on **Adult Learning Options**, a three year pilot which started in September 2006, continues in the Gloucestershire, Wiltshire and Swindon areas. In this scheme participants are exempt from normal benefit restrictions on studying for more than 16 hours to work at gaining a level 2 qualification.

3.3.5 Ensure that sub level 2 provision meets local need, supports progression and contributes to Local Area Agreements

We will work in local partnerships to plan and review delivery of **Personal and Community Development Learning**. These partnerships have mapped all the provision in their areas and this information will be used to determine the best focus for LSC funding. Where gaps in provision are identified, partners will seek to align, or pool their funding as well as lever in other sources of funding or resources in order to optimise the sum of learning opportunities available. The aim will be to ensure a co-ordinated approach.

Providers should increasingly be signposting learners from First Step provision onto further accredited or vocational learning. For example, Further Education colleges should be working with Local Authorities and Third Sector groups to encourage such progression.

3.3.6 Support the progression of learners with learning difficulties and/or disabilities both in learning and into the workplace

As the learning we fund focuses ever more clearly on economic need and job opportunities, it is vital that learners with **learning difficulties and/or disabilities** are able to benefit. More appropriate local provision is needed to meet a wide range of learning disabilities and we will focus on delivering this.

We are clear that people with learning difficulties want to be enabled to progress either up the “qualification ladder” towards level 2 and/or progress from learning into employment, where they are able.

In October 2006, the LSC published ‘*Learning for Living and Work*’, a national strategy for developing its delivery for people with learning difficulties, which has a strong emphasis on opening employment opportunities. In May 2007 the South West regional LSC published and launched a South West regional strategy to take forward this agenda.

The LSC will not be able to achieve the objective of helping more people with disabilities to gain employment on its own. Working strategically with Department for Work and Pensions and other agencies, we will encourage and support new partnerships involving education providers, Local Authorities, care, housing and health providers to develop integrated support for those with disabilities who are seeking, or have gained employment.

Activity to progress individuals into sustained employment will prioritise young people who are “Not Engaged in Education, Employment or Training”, people with mental health problems, and those claiming incapacity benefits.

The South West Strategy should also be embedded into Local Area Agreements and should be used to select appropriate indicators that relate to this group of learners.

The publication in 2007 of ‘Progression through Partnership’ a joint ministerial statement from Department of Education and Skills, Department of Health and Department for Work and Pensions, set out a framework and timetable for the joint planning and funding of education and training for people with disabilities.

Specific activities for 2008/10 include aligning provision for learners with disabilities with the Foundation Learning Tier. This tier of learning will encompass a range of programmes including progression pathways to level 2 for adults supported by new provision (qualifications) drawn from Entry level and level 1 of the Qualifications and Credit Framework.

From late 2007, there will be a full national rollout of the Jobcentre Plus Pathways to Work programme. This programme supports people with disabilities back into work. We will work with our Jobcentre Plus partners to ensure that this programme includes an appropriate level of activity for learners with learning difficulties and/or disabilities.

3.3.7 Further develop offender learning towards sustainable employment

The **Offender Learning and Skills Service** is managed by the LSC and offers learning and skills provision for offenders in custody, those who have been released, and those serving their sentences in the community. In the South West, it covers 13

prisons/Youth Offender Institutions, 1 female Juvenile Unit, five Probation Areas and 14 Youth Offending teams.

The service delivers the three elements of the Offender Learning Journey:

- Information, Advice and Guidance, Skills for Life Initial and Diagnostic Assessments and other vocational assessments
- Learning provision for Skills for Life, IT and vocational training
- Learning provision for the arts and personal development

The vision for this service is that all offenders should have access to learning and skills which will enable them to gain the skills and qualifications they need to hold down a job and play a positive role in society.

The attainment of work related skills has been proven to contribute to a reduction in re-offending rates, and in recognition of this; we will continue our membership of the South West Reducing Re-offending Partnership.

As the prison population is expected to increase there will be a need to respond to this by increasing access to learning and skills including employability skills. Greater focus will also be given, in the next 12 months, to ensure that offenders are able to access effective information, advice and guidance services, enabling them to make choices that will improve their employability.

As part of the longer term strategy, continued support will be given to the development of an Individual Learner Plan to record the offender journey. This will allow access to individual learning histories as offenders move between prisons, into the community or from community into custody. Reducing, and eventually eliminating the practice of repeating assessments and learning will motivate offenders to complete a learning journey that should lead them into sustained employment or self-employment.

3.3.8 Tailor our resources to maximise Olympic opportunities

We are working with partners such as the South West Regional Development Agency, Jobcentre Plus and key colleges to produce a South West **Olympic** Strategy.

We will continue to develop new initiatives and programmes with partners, work with Sector Skills Councils and the South West Tourism Skills Network to develop a tourism legacy and implement a programme of support for potential athletes. This will also involve helping UK Skills to promote the 2011 World Skills and broaden the scope of skills competitions in the region. Where possible we will use European Social Funds to support this work.

4. Evaluating the plan

The Progress Report in Section 2.3 gives an early indication of some of the successes and ongoing challenges arising from the 2007/08 plan. At the time of compiling this latest Plan, we have only just completed one term of the 2007/08 academic year. Therefore, the review of 2007/08 will continue during 2008.

The development of comprehensive Management Information will assist with performance reviews. Ongoing national work to assess sectoral and qualification shifts in provision, against priority qualifications, will also help to quantify the impact of the plan.

A more complete review of the 2007/08 Plan will inform the Regional Commissioning Process for 2009/10 planning.

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- “Learning for Living and Work” (2006)

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