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Learning and Skills Council South West Regional Commissioning Plan 2007-08

January 2007

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

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Foreword

We are delighted to present our Regional Commissioning Plan for 2007-08 for the South West. This is a particularly challenging, but exciting, time for our sector. We are striving to make provision increasingly responsive to the needs of employers, individuals and communities, with added impetus resulting from the recent Leitch review. At the same time the sector is responding to 14-19 reforms and other changes arising from FE and local government white papers. There can be little doubt that tackling the UK's long-standing skills deficit is the key priority for us all.

This plan seeks to balance the requirement to continue to meet national targets with the particular needs of the South West. The key drivers for our regional commissioning strategy will be:

- Accelerating progress towards PSA targets
- Spending more on our national and regional priorities
- Increasing responsiveness
- Encouraging collaboration

We will invest further significant capital funds to continue the transformation of the teaching and learning environment across the region.

This Regional Commissioning Plan is the headline document setting out the summary of our analysis and of our priorities for the coming year. The next stages are to prepare local annual plans, setting out how the Regional Commissioning Plan will be expressed in action locally. This is a one year plan. But it is developed in the context of a longer term strategy and vision for the South West, which we share with other members of the South West's Regional Skills Partnership.

In the course of the last 12 months we have made some major changes to the structure of the LSC. The outcome is that we now have 12 partnership teams in the region organised into four areas. The Partnership Teams will focus on managing strategic relationships, commissioning delivery and on the broader economic development in a local authority area. They are supported by regional teams covering skills, learning, planning and performance, finance and resources and communications.

A transformation in the relationship between the LSC, colleges, providers, employers and individuals is already delivering results and our strategy builds on that success. For example, over the past year we have seen:

- increases in participation by young people, and attainment by learners at 16 and 19 has increased year on year
- more learners each year are achieving accredited skills for life qualifications
- more qualifications at NVQ levels 2 and 3 by adults as our providers have risen to the challenge of delivering more programmes at those levels.

We do none of this by ourselves. We rely on our strategic and delivery partners, and on the region's strong and growing partnership structures. We look forward to working with them in the coming year.

John Savage
South West Regional Chair

Malcolm Gillespie
South West Regional Director

A Strategic Context

We published *Raising Our Game, our Annual Statement of Priorities for 2007/08* which sets out our key national priorities and targets and outlines how we will be investing out funding to meet these priorities and targets.

We have four national priorities:

Priority 1: Raise the quality and improve the choice of learning opportunities for all young people to equip them with the skills for employment, further or higher learning, and for wider social and community engagement.

Priority 2: Raise the skills of the nation, giving employers and individuals the skills they need to improve productivity, employability and social cohesion.

Priority 3: Raise the performance of a world-class system that is responsive, provides choice and is valued and recognised for excellence.

Priority 4: Raise our contribution to economic development locally and regionally through partnership working.

A copy of our Annual Statement of priorities can be found at:

<http://www.lsc.gov.uk/Publications/Recommended/Raising-our-game-our-annual-statement-of-priorities.htm>.

A new approach to commissioning

A new ambition for world-class skills has been set in the Leitch Report and we are moving to a more demand led approach to support this vision. Our proposal is simple – give individuals and employers the power to choose, and empower the best of providers to engage more learners and employers.

For choice to be exercised there must be a balance and range of supply available. We will continue to take an active interest in the overall volume, pattern and range of supply from which individuals and employers can choose in each area. There must also be adequate and appropriate supply for all types of employers and all groups of individuals. We will ensure through our analysis of delivery that no groups are being disadvantaged and that equality of opportunity exists.

Our commissioning plan is the vehicle through which we will share intelligence on current supply and future demand. It will identify, at a broad level, the range of provision needed to create the right market environment for supply to meet demand. It is based on a thorough strategic analysis across the region and this has informed the anticipated changes in provision that are needed to meet demand. We expect our providers to respond to these changes in the context of their own markets and customers.

This new approach will be underpinned by a new relationship with colleges and providers; one characterised by strategic dialogue, which is light touch, appropriate and minimises bureaucracy. This will change the way we plan, commission and contract with colleges and providers.

Overall, we expect a greater proportion of public funding to be spent on our targets and priorities as set out in our Annual Statement of Priorities. Specifically this means:

For Young People (14–19)

Colleges and Providers will set out how they will contribute to the delivery of the entitlement as set out in the local 14–19 prospectus. We will work with local authorities to secure the provision to deliver this entitlement.

Gaps in provision or significant new growth in capacity will be commissioned. This will include sixth form and FE presumptions, 16–19 competitions and tendering for specialist provision – for example, targeted at young people not in education, employment or training.

For adults

We expect colleges and providers to continue to respond to the demands of their local communities, delivering the provision they want.

However, where the needs of particular groups are not being met we will undertake customer-centred tendering to address any gaps.

We expect a greater proportion of government funding for adult learning to focus on employability outcomes, using qualifications to help people enter and progress in sustainable employment to meet the changing needs of the economy.

Investment in Personal and Community Development Learning (PCDL) will increasingly be determined by local partnerships as part of the ongoing reform of PCDL.

For employers

We will continue with the Train to Gain approach where colleges and providers will tender to become approved providers. Maximum contractual volumes will be awarded and varied in-year, in response to employer choice.

Opening up and diversifying the market

To achieve what we want in the region, we will open up the market to extend the range of existing, successful colleges and providers. We also aim to bring in new providers, for example, those with particular strengths in engaging wider groups of learners and employers

Competition will be supported. Providers demonstrating quality of provision will be able to expand. New entrants to the market will be encouraged and unwarranted barriers to entry removed. Suppliers of unwanted or lower-quality provision will not be protected from the resulting loss of income.

Our commissioning plan identifies the provision we expect to go out to tender for across the region. This is based on the 4 triggers for competition outlined in our Annual Statement of Priorities:

- new investment – for example Train to Gain, or to meet growth in demand for service
- restructuring of provision or delivery model restructuring – for example Offenders’ Learning and Skills Service
- significant gaps in provision, including 16-19 competitions or where provision is not available to meet the demands of learners and employers
- poor quality – where colleges or providers or elements of provision fail to meet minimum performance levels and / or are deemed inadequate by Ofsted

How this applies in our region is detailed throughout this plan.

Investing in capital

We want world class facilities across our region. Capital investment will support the building of high-quality facilities to extend and improve the choice and quality of learning. Our regional capital strategy will be aligned to support this commissioning plan. Details of which groups of providers are eligible to apply for LSC capital funds, the criteria for qualifying projects and how to apply can be found the LSC’s Capital Handbook which is available on the LSC’s website www.lsc.gov.uk

Ensuring quality

We want to buy the best quality provision to meet the regions needs. We have a key duty to protect the interests of learners and employers and will take robust and urgent measures to withdraw funding from poor-quality provision and move funding to those colleges and providers that can deliver.

Regional Priorities and Key Actions

Our regional priorities and key actions are based on a robust and strategic analysis of supply, demand and need and dialogue with key partner organisations. The aim of this analysis and the following priorities and actions is to set out a summary of intelligence for delivery organisations to take into account when formulating their offer or preparing tenders. A full copy of our regional strategic analysis can be found at:

http://readingroom.lsc.gov.uk/lsc/South_West/LSC_South_West_Strategic_Analysis_-_November_2006.pdf

Regional goals

- We want to grow all strands of 16-18 provision, but focussing particularly on FE.
- We want to reverse the shrinking trend in adult provision but focus growth entirely on full L2 and L3.
- We particularly want to stabilise adult Apprenticeship (19-24) delivery and increase our Advanced Apprenticeships offer for adults (25+).
- We consider Skills for Life provision to be sufficient to meet demand and seek to maintain it at current levels.

| | 2007/08 goals | Increase on 2006/07 goals |
|---|---------------|---------------------------|
| 16-18 learners in FE | 73,500 | 4.3% |
| 16-18 Ail in WBL | 15,500 | 1.3% |
| E2E starters | 4,450 | 0.0% |
| Learners in school | 39,500 | 1.8% |
| | | |
| Adults attempting full L2 in FE | 26,000 | 13.0% |
| Adults attempting full L3 in FE | 17,600 | 12.1% |
| Adults achieving a SfL qual in FE | 22,000 | 0.9% |
| Adults undertaking an Apprenticeship (Average in Learning) | 4,600 | 0.0% |
| Adults undertaking an Advanced Apprenticeship (Average in Learning) | 3,300 | 6.5% |

We are addressing South West RDA and Regional Skills Partnership priorities through our Regional Skills Action Plan, which forms an integral part of our RCP.

More and better opportunities for young people

(with particular emphasis on increasing participation and achievement in Level 2 and 3 provision, especially that which is responsive to employer needs, and on working with Children's Trusts to introduce Specialised Diplomas & Local 14-19 Entitlements.)

Key actions include:

- implement the September Guarantee and other strategies such as ensuring full EMA take-up, particularly at age 17
- engage better with Connexions to reduce the number of young people not in education, employment or training (NEETs) including better use of 'intended destinations' data and a differentiated approach for the diverse group of NEETs
- improve engagement with Connexions to ensure take-up of training opportunities
- stimulate demand and promote Apprenticeships through skills brokers for better promotion of Apprenticeships
- promote further the Learning Agreement approach
- closer work with local authorities to explore how attainment can be better progressed for large group of young people lacking Level 2 maths and English
- embed Skills for Life in 14-19 provision where practicable
- apply consistency in how individuals are assigned to the LLDD group; especially so that there is consistency in the funding that follows
- review the LLDD strategy to develop new initiatives which meet the needs of the LLDD group. Revisit the use of Additional Learning Support and learner transition and ensuring progression, particularly into employment.

Raising the skills of the nation (i.e. adults & employers)

(With particular emphasis on increasing participation and achievement in Level 2 and 3 provision, especially that which is responsive to employer needs, to be achieved by completing the actions detailed in the LSC SW Regional Skills Action Plan.)

Key actions include:

- work with skills brokers to tackle skills needs of employers including employability skills
- develop the Education Business Partnerships so that they better address the employability skills of young people
- targeting of Level 2 qualifications through Train to Gain, working through Union Learning Representatives, Offender Learning, employer-led organisations as well as public sector bodies
- ensure the supply side responds to the growing need for Level 3 qualifications and, where it doesn't, commissioning specific provision to meet this
- emphasise qualifications prioritised in Sector Skills Agreements
- stimulate demand amongst the self-employed group to promote skills development to raise productivity

- ensure Train to Gain targets smaller hard-to-reach businesses, including the self-employed that have been identified as a regional priority, through funding support and flexible delivery
- stimulate demand and increase achievement of provision in areas with skills shortages and skills gaps both amongst young people and to employers by addressing flexibility and seasonality issues.

Create a world-class system

Key actions include:

- work with partners and providers to ensure a better, smoother progression that benefits individuals and employers, including **nextstep**
- improve data collection to demonstrate progression
- work with WBL and FE providers, using self assessments, development plans and improvement indicators to grow success in the sector. Issue notices to improve where provision is inadequate or underperforming
- develop a partnership approach with local authorities, associations of secondary schools' heads and School Improvement partners so that there can be improvement in the attainment of particular schools
- readjust the mix of provision and further refocus our funding on priorities in FE, in line with sector / qualification priorities
- introduce providers to the "New Standard" to ensure responsiveness to business needs and excellence in delivering training.

Investing in economic development through partnership working

Key actions include:

- work with key partners (RDA, GOSW, Jobcentre Plus, local strategic partnerships and others) to develop a shared understanding of needs and an integrated and co-ordinated approach to employment and skills
- adopt further innovative ways of distributing learning to remote areas; particularly to ensure the delivery of 14-19 specialised diplomas
- work with Ufi to align plans to maximise priority delivery in key areas
- align the skills and learning provision that LSC funds to local area agreements and other city strategies
- support the regeneration agenda and focus discretionary funding to support local activity
- contribute to sustainable development through management of resources, learning opportunities delivered and engagement with communities
- tackle the low skills groups' learning needs working with Jobcentre Plus and the Voluntary and Community sector to enable them to move into the labour market
- work with the RDA and RSP to contribute to the re-structuring of the economy by stimulating demand for higher level skills (Level 3, foundation degrees)
- use co-financing of European Social Funds for skills development in areas not funded through the mainstream
- fund sports coaches at Levels 2 and 3 and new sporting apprenticeships.

Commissioning Principles

By 'commissioning' we mean all our planning and purchasing activity across the sector, including purchasing through both negotiation and competitive tendering. It applies equally to grant in aid agreements and contracts as we move toward a 'provider neutral' approach to tendering for provision.

We are committed to ensuring that our allocated resource is targeted towards provision of the highest quality, contributes to government targets and priorities and is delivered at an appropriate unit cost.

We will work with our existing college and provider base and also open up provision to competition where there is poor quality, significant gaps or new funds available. We will apply a light touch approach where providers are excellent.

We want to introduce more competition to drive up quality and responsiveness. So we will commission provision in two main ways:

- negotiated commissioning – agreeing plans with colleges and providers that currently deliver LSC funded provision
- tendered commissioning – competitive tendering for adult and skills provision and 16-19 competitions. This will be open to any new providers wanting to enter the market and to existing colleges or providers wanting to extend their provision or enter new markets or geographical areas

When will we use competition?

We will use competitions in the following circumstances:

- new investment
- restructuring of provision or a new deliver model such as Offenders' Learning and Skills Service
- significant gaps in provision including 16-19 competitions or where the market is not making provision available to meet the demands of learners and employers
- poor quality – where colleges, providers or elements of provision are not meeting the minimum levels of performance and / or are deemed inadequate by Inspection

Qualification Reform – Qualification and Credit Framework

Nationally, the LSC aims to fund 25,000 learners on trials of provision in the new Qualifications and Credit Framework (QCF) by July 2008. From 2008 the QCF will be the preferred regulatory framework for provision, approved by Sector Skills Councils, which the LSC will fund. The trials will help prepare for the implementation of the new framework.

As part of this transition we will agree *in principle* to fund learners in England on QCF trials that are led by the appropriate SSC or have the SSC as an active partner in the project. Funding for learners on provision approved *in principle* will only be available where there is a clear demand for that provision from learners or employers. If demand exists, funding for learners will be agreed through the commissioning process, either negotiated or tendered, as part of the annual business cycle.

South West Commissioning Strategy

Young People

The majority of our provision for young people will be secured through dialogue with colleges, providers and schools (through local authorities) resulting in agreed plans.

We need these changes to provision to be delivered through these plans:

- grow all strands of 16-18 provision but focussing particularly on FE
- more localised learning for learners with learning difficulties and or disabilities
- specific localised provision to reduce the numbers of NEET

In addition, the following gaps / changes in provision will be tendered for:

- around 2,000 places in Apprenticeships (16-18) that are currently below minimum levels to replace poor provision. These will predominantly be in the following sectors construction, health and social care and retail.

Adult Learners

We need the following changes to provision to be delivered by providers:

- Skills for Life provision to continue to increase towards a target of 80% of learners on programmes leading to qualifications counting towards the PSA target
- all colleges delivering adult provision to increase the proportion of their allocation to supporting Level 2 provision – this will represent at least 28% of total FE adult expenditure in the region
- delivery of Level 2 for adults to have a greater focus on delivering first full Level 2s with particular increases in participation of those claiming benefits
- accelerate the shift of spend towards priority provision – at least a further 5% of spend will be on our highest priorities compared to 06/07

In addition, the following gaps / changes in provision and new provision as identified through regional strategic analysis will be tendered for:

- bespoke provision linked to specific job opportunities for people claiming Incapacity Benefit and other forms of income support in line with our joint plan with Jobcentre Plus
- provision to meet the actions in our Regional Skills Action Plan – including Offender Learning and Skills, level 3 entitlement and craft level skills shortages

Personal and Community Development Learning

We will move to a position where the provision offered will be determined locally through local partnership arrangements. Any significant gaps in the offer or quality will be tendered for.

Employer Skills Provision

We have a good base of existing employer skills provision through our current contracts for Apprenticeships and Train to Gain.

In addition to the continuation of existing contracts we will be tendering for:

- around 1,000 places in Apprenticeships (19-24) that are currently below minimum levels to replace poor provision. These will predominantly be in the construction, health and social care and retail sectors.

There will be 20% of the Train to Gain budget for the region available as a responsiveness fund. This will be commissioned throughout the year in light of emerging demand in response to employers needs. We plan to engage 2,679 hard to reach employers in 2007/08, compared with 1,700 in 2006/07.

Within this provision there will be sectoral specific commissioning needs articulated in local annual plans.

We will commission qualifications that are listed by Sector Skills Councils as those which are a priority for employers – substantially informed by our Regional Skills Action Plan.

South West Commissioning Volumes

| 16-18 Participation | FE | PCDL | WBL | School Sixth Forms |
|--|-----------------|-----------------|-----------------|--------------------|
| | Planned 2007/08 | Planned 2007/08 | Planned 2007/08 | Planned 2007/08 |
| Number of learners (total) | 73,500 | | 15,500 | 39,500 |
| Number of learners undertaking Level 3 | | | 4,800 | |
| <i>of which:</i> Full Level 3 Learners | 31,000 | | 4,800 | |
| Number of learners undertaking Level 2 | | | 10,700 | |
| <i>of which:</i> Full Level 2 Learners | 14,200 | | 10,700 | |
| Number of learners undertaking Skills for Life qualifications that directly contribute to PSA target | 31,900 | | 10,500 | |
| Number of learners undertaking Level 1 and Entry | 14,200 | | | |
| Number of learners undertaking Entry to Employment (starts) | | | 4,500 | |

| 16-18 Outcomes | FE | PCDL | WBL | School Sixth Forms |
|--|-----------------|-----------------|-----------------|--------------------|
| | Planned 2007/08 | Planned 2007/08 | Planned 2007/08 | Planned 2007/08 |
| Number of Learners achieving a Full Level 3 qualification | 13,300 | | 1,100 | |
| Number of Learners achieving a Full Level 2 qualification | 7,700 | | 4,500 | |
| Number of learners achieving a Skills for Life qualifications that directly contribute to PSA target | 13,100 | | 4,100 | |
| Number of learners progressing to a positive destination from Entry to Employment | | | 2,700 | |

| Adult Participation | FE | PCDL | WBL | Train to Gain |
|--|-----------------|-----------------|-----------------|-----------------|
| | Planned 2007/08 | Planned 2007/08 | Planned 2007/08 | Planned 2007/08 |
| Number of learners (total) | 274,000 | 73,000 | 8,000 | 31,100 |
| Number of learners undertaking Level 4 and above | 7,300 | | 200 | |
| Number of learners undertaking Level 3 | 40,400 | | 3,500 | |
| <i>of which:</i> Full Level 3 Learners | 17,600 | | 3,500 | |
| <i>of which:</i> First Full Level 3 Learners | 9,700 | | 3,500 | |
| Number of learners undertaking Level 2 | 77,000 | | 4,300 | 26,700 |
| <i>of which:</i> Full Level 2 Learners | 26,000 | | 4,300 | 26,700 |
| <i>of which:</i> First Full Level 2 Learners | 14,300 | | 4,300 | 26,700 |
| Number of learners undertaking Skills for Life qualifications that directly contribute to PSA target | 31,000 | 100 | 5,100 | |
| Number of learners undertaking Level 1 and Entry | 140,000 | | | |
| Number of learners undertaking Safeguarded Adult Learning (total) | | 68,800 | | |
| Number of learners undertaking Family learning, literacy and numeracy | | 4,100 | | |
| Number of learners undertaking Neighbourhood learning in deprived communities | | 2,700 | | |
| Number of learners undertaking Wider Family Learning | | 5,000 | | |
| Number of learners undertaking Personal / Leisure Learning | | 57,100 | | |

| Adult Outcomes | FE | PCDL | WBL | Train to Gain |
|--|-----------------|-----------------|-----------------|-----------------|
| | Planned 2007/08 | Planned 2007/08 | Planned 2007/08 | Planned 2007/08 |
| Number of Learners achieving a Full Level 3 qualification | 7,200 | | 1,100 | |
| Number of Learners achieving a First Full Level 3 qualification | 3,900 | | 1,100 | |
| Number of Learners achieving a Full Level 2 qualification | 11,900 | | 2,300 | 14,600 |
| Number of Learners achieving a First Full Level 2 qualification | 6,500 | | 2,300 | 14,600 |
| Number of learners achieving a Skills for Life qualifications that directly contribute to PSA target | 21,700 | 100 | | |

List of Related Strategies

The following documents are available on the South West regional pages of the LSC website.

Regional Skills Action Plan

Aims to influence the mix and balance of skills provision across the region from 2007. It informs the LSC's Regional Commissioning Plan, which will define our funding allocation in 2007/08. A printed version of the Regional Skills Action Plan will be available by February.

South West Regional Capital Strategy

Draws on existing and anticipated plans for capital investment in further education to support the long-term strategic aims of the post-16 learning sector.

Strategy for people with learning difficulties and / or disabilities

The review of provision in the South West has highlighted specific areas for improvement, including:

- strategic analysis:
- quality improvement
- centres of excellence
- investing in buildings and the learning environment
- collaborative planning and communicating with stakeholders

Quality Improvement Strategy

Sets out key areas for improvement and identifies the approaches that will be taken to support their achievement. The strategy complements and supports the *Framework for Excellence* as well as the national strategy, *Pursuing Excellence*, developed by the QIA in partnership with organisations in the sector. It sets out the aims and priorities of the region and builds upon the self regulation reforms outlined in *agenda for change*.

Joint Plan with Jobcentre Plus

LSC and Jobcentre Plus are committed to joint working in areas of common interest in the South West. They have agreed a joint action plan in which specific tasks, responsibilities and time-scales are identified. The plan will be renewed in Spring 2007.

Strategy for Sustainability

The purpose of the strategy is to help to ensure the learning and skills sector, and the LSC itself, promote and embed Sustainable Development skills, and manage their resources in ways that encourage sustainability.

South West Equality and Diversity Priorities and Equality and Diversity Impact Measures (EDIMs)

The SW regional priorities for E&D for 2007/08 focus on the need to “reduce the gap in attainment amongst people from a low income or disadvantaged background” (grant letter 07/08) and our Annual Statement of Priorities which explicitly states that to “support the achievement of our PSA targets we need to promote the benefits of a diverse workforce to providers and employers”. Both our E&D Priorities and our EDIMS are available on the South West regional pages of the LSC website.