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Leading learning and skills

Learning and
Skills Council
South West
Commissioning
Statement
2009/10

December 2008

Of interest to Local Authorities, providers
and partners/stakeholders

Foreword

The economy of the South West of England has grown faster than almost all other English regions during the past five years. As the national economy enters a most difficult period, skills will remain of vital importance to future prosperity. Through the continuing development of the Train to Gain Service, we aim to make sure that LSC supported provision is increasingly responsive to employers' skills needs.

Young people in the region are better qualified than ever before, with above average achievement by age 19. In recent years we have also seen a rapid increase in the number of adults achieving numeracy and literacy qualifications, although the most recent Public Service Agreement Targets are more challenging than ever.

One of our greatest challenges in the South West is to increase the learning participation rate by young people, which has not risen in recent years, despite a rising trend nationally. We must also improve success rates in further education and increase the number of learners achieving full Level 2 and full Level 3 qualifications for the first time.

Our local LSC partnership teams have been working with local authorities to produce Local Authority Statements of Need for 14-19 activity. These are not formal plans but light-touch and brief summaries that set out the high-level results of local strategic analysis and a view of the commissioning priorities that need to be taken forward at a regional level. The Local Authority Area Statements of Need have informed the young people's section of this document.

The Statement of Priorities describes national policy developments and Government priorities for investment, which we have not sought to duplicate. In this Regional Commissioning Statement, we set out our strategic direction and key areas of focus and, in the second half of the document, we outline our regional commissioning intentions for the 2009/10 academic year.

From September 2010, new arrangements will be in place to commission and plan to meet learning and skills needs in England. The Young People's Learning Agency will inherit some functions of the LSC but local authorities will have the main role in planning, commissioning and funding 16-19 learning. The Skills Funding Agency and National Apprenticeships Service (beginning in April 2009) will be responsible for adult skills and Apprenticeships.

We are already working in partnership with local authorities, the South West Regional Development Agency and Government Office for the South West in support of economic regeneration through Multi and Local Area Agreements. We will continue to work with these partners through the Regional Planning Group to ensure an effective transition to the new arrangements for post-16 learning and skills.

With a worsening economic outlook over the next couple of years, we are committed to supporting individuals and employers to develop skills that will help maintain their competitiveness. We need to help those who are unemployed to get back into work and those who are in employment to gain further skills. The *Government Investment Strategy and LSC Statement of Priorities* introduces new flexibilities in pre-Level 2 provision in the adult learner-responsive model, alongside the private sector SME flexibilities in the employer-responsive model. Application of these flexibilities by learning providers and our ongoing work with Jobcentre Plus to integrate employment and skills will be key to achieving this commitment.



Malcolm Gillespie
LSC SW Regional Director



John Savage
Chairman LSC SW Regional Council

Strategic direction/key areas of focus for the region

1. The South West is England's largest region by area and has over 5 million residents and a working age population of just over 3 million. The region has the highest percentage of population living in rural districts of any English region. Home to some of the country's leading edge companies such as Orange, Honda, Cobham, GKN and HP Laboratories, the South West has performed well relative to most English regions in terms of productivity, economic activity, employment, business formation and workforce skills.
2. The overall positive regional picture disguises considerable intra-regional diversity. Thus, the northern parts of the region have been the main drivers of growth, with urban areas – such as Cheltenham and Swindon falling within the top 100 most competitive local economies in the UK¹ contrasting with the more peripheral parts of the rural south and west, such as Torbay and Kerrier, which feature amongst the 25 least competitive authority areas out of 434 in the country. Such intra-regional imbalances, and the stark differences between local areas, translate to the requirement for a differentiated response to learning and skills challenges across the region.
3. With our economy moving into recession, we may expect employment to fall and unemployment to rise over the next 12-24 months. Increased competition will make it more difficult for people with low skills to find or maintain employment leading to increased demand for some forms of work-related learning provision. We could also see increased staying-on in education, as opportunities for young people's entry to the labour market are reduced.

Young People

4. Over next five years, the number of 15 to 19 year olds living in the region is expected to fall by around three thousand (or 1%) per year. While 16-18 learner numbers with the region's further education providers and school sixth forms have increased in recent years, the participation increases of other regions have been greater. In 2007, 76% of 17 year olds were participating in learning in the SW region compared with 77% nationally. Nationally, we have a PSA Target to increase the rate of participation of 17 year olds in learning to 86% by 2011. Despite the falling cohort, we will work with local authorities and providers to increase both the volume and range of learning opportunities in the region.
5. The Education and Skills Bill received Royal Assent in November and includes provisions requiring young people to participate in learning to age eighteen. While awaiting implementation of this legislation, we need to ensure that raising participation is supported by continued

¹ Huggins R. Day J. (2006) *The UK Competitiveness Index 2006*, London , The Work Foundation

development of the September Guarantee, now extended to 17 year olds. In 2008, the September Guarantee in the South West was met for 96% of young people leaving Year 11, compared to an England average of 94%. The corresponding proportions for 17 year olds were 90% and 80% respectively.

6. 14% of the region's 16-18 year olds are in employment (excluding government-supported training). Only one English region has a larger proportion in this group than the South West. Four out of five of this group of young people are in jobs without training, with this proportion remaining static over time. At 3.2%, (approximately 2,000 individuals) the South West has a larger proportion of Year 11 leavers going into jobs without training than any other English region. There is great in-region variation in the proportion of young people in jobs without training. Through public sector compacts, promotion of the Skills Pledge and other development opportunities with employers, we will reduce the number of young people in jobs without training and increase numbers in Apprenticeships.
7. The number of young people not in education, employment or training (NEET) is relatively low in the region but the speed with which it is reducing has been greater in other regions. Targets for NEET reduction will not be met in a significant minority of local authority areas in the region unless local progress accelerates. We will continue to use ESF funding to add value to mainstream provision and improve rates of entry and retention in learning, increasingly through our support for progression pathways within the Foundation Learning Tier.
8. At 76%, the proportion of 19 year olds qualified at Level 2 or above is a little higher than the national average. The region makes less progress with this measure between ages 16 and 19 than the national average. This performance is mirrored for achievement of Level 3 by age 19, which stands at 50%.
9. There is considerable in-region variation in overall success rates for young people at Further Education colleges. They are higher and increasing faster than the regional average in Torbay, Bristol and South Gloucestershire. They are lower and increasing more slowly in Bath and North East Somerset, Poole and Swindon, although when only Levels 2 and 3 achievements are considered, there is an upward trend in each of these areas.
10. The South West region has the largest number (over 500) of LSC-funded learners with learning difficulties and/or disabilities (LLDD), largely as a consequence of having the largest number of independent specialist colleges. A greater proportion of the 16-24 cohort falls into the LLDD category in the South West than any other region. The South West also had the fastest rate of growth in the number of LLDD of all regions between 2005/06 and 2007/08 (+39%, compared to +13% nationally).

11. The number of pupils leaving Special Schools with a Statement of Educational Need has increased between 2005 and 2007. Also learners with Autistic Spectrum Disorder and Profound and Multiple Learning Difficulties have increased significantly. A number of partnerships are working to increase the capacity of colleges to offer better support to learners and to extend the curriculum including links to providers of employment services.
12. Four local authority areas (Somerset, Devon, Gloucestershire, Wiltshire) account for half of learners with learning difficulties or disabilities placed at independent specialist colleges. The South West is the LSC region with the highest LLDD cost outside London, and with the fastest growing LLDD cost.
13. The *Learning for Living and Work* strategy of supporting Statemented and school action plus learners in local provision at FE colleges with Additional Learning Support (ALS)/LLDD funding is improving local access to learning and learner choice. There is also an emphasis on employment, working with the Socially Excluded Adults PSA and Local Area Agreements. Development of new provision for Autistic Spectrum learners, Profound and Multiple Learning Difficulty and Mental Health facilities are features of our regional strategy.
14. Partnership working across providers, local authorities and third sector providers is much improved with the help of LLDD development funding: £1.4 million in 2008/09. There is a greater emphasis on partnership with local authorities to better understand anomalies across the region, particularly with transition at 16-19.
15. The proportion of young people taking-up EMAs is below the national average, although it is greater than that for the Eastern and South East regions, which are the best regional comparators in this case. The proportion of young people eligible for EMA in regions varies according to household incomes. The South West recorded the slowest rate of increase in EMA take-up of all regions.
16. The delivery of 21 Diploma lines of learning is due to start in the South West in 2008, with all other currently-identified lines starting in 2009. Diploma delivery commenced in 10 of the region's Local Authority areas in 2008.

Adults

17. Over the next five years the region's working age adult population is expected to grow by 20,000 (or 1%) per year. We will continue to focus our investment increasingly on Level 2, Level 3 and Skills for Life provision that contributes to the national PSA Targets.
18. In 2006/07, with 190,000 qualifications achieved, the South West region exceeded its target of learners achieving Skills for Life

qualifications by 46%. New PSA targets to 2010/11 remain challenging, particularly the entry level 3 numeracy target, which will require a major increase in availability of provision and take-up by learners. It is estimated that over 400,000 adults in the region lack Level 1 literacy skills, and over 600,000 lack entry level 3 numeracy skills.

19. Skills for Life achievements account for 18% of all qualifications achieved by adult offenders in LSC-funded provision in the region, with approximately 62% at Levels 1 and 2. Achievement rates in the region for adult offenders on Skills for Life courses are at the national average. Achievement rates in the region for non-Skills for Life programmes are slightly higher than the national average.
20. At 73%, the region's proportion of adults qualified to Level 2 or higher is above the national average and has been growing faster in recent years. At 52%, the region's proportion of adults qualified to Level 3 or higher is above the national average and has been growing faster in recent years. Again, there are significant intra-regional differences to be found.
21. Total adult further education participation fell by 45% between 2004/05 and 2006/07. This trend was the same as the national one, although the rate of reduction was somewhat faster. The greatest volume of reduction was sub-Level 2 (-61%), in line with policy aimed at reducing state support for statutory, short and non-accredited courses, transferring the responsibility to pay for such courses to individuals and employers. There was marked in-region variation in this change.
22. Adult further education success rates are below the national average overall and vary across the region. South Gloucestershire, Torbay and Swindon have rates that are above, and growing faster than the regional average. Adult success rates in Plymouth, North Somerset and Poole are below the regional average and are rising at a slower rate. If provision other than that at Levels 2 and 3 is excluded, Plymouth shows an increasing adult success rate. A decrease in success rates has only been observed for the adults on provision below Level 2.
23. There were 91,000 LSC-funded enrolments on Adult Safeguarded Learning courses in SW in 2006/07. Whilst LSC-funded Adult Safeguarded Learning provision is not intended to contribute towards the LSC's targets, a small proportion actually did so.
24. In the South West, total planned investment in the further education estate will increase from £426 million for the period 2006-2011 to £653 million for the period 2007-2011 with a peak in investment in the years 2009-10 and 2010-11. These figures exclude funding through the 16-19 Capital Fund, CoVEs and FE Skills Academies.

Employers

25. A larger proportion of employers in the region train staff than is the case nationally, although a smaller proportion uses Further Education colleges to do so. Amongst those employers that do use colleges, satisfaction is increasing. There has been a broadening of the LSC provider base in the region over recent years with the introduction of Train to Gain and public supported training is now delivered by many more independent private providers.
26. The proportion of employers reporting skills shortage vacancies is static. The region's skills shortage vacancies are most commonly attributed to lack of skills, qualifications and work experience, and are concentrated in intermediately-skilled occupations. A quarter of employers think 17 and 18 year olds are ill-prepared for work. The proportion of employers reporting that their existing staff are not fully competent remains static. These skills gaps are most commonly attributed to staff being inexperienced or recently recruited.
27. Train to Gain continues to be the principal means by which the LSC addresses the skills and training needs of employers and their employees. It is a flexible offer for employers and provides the gateway to a range of provision and support for all employers – public and private/large and small. The recent economic changes means that the service will have an increased focus on private sector small and medium sized employers (SMEs) to support their business needs through flexible training that supports those areas of business most in need during economic downturn.
28. The Train to Gain service continues to develop in the region, with the number of providers delivering this activity nearly tripling. This has allowed very large growth in the number of employers and businesses benefiting from the programme. The number of learner starts and the number of Level 2 achievements increased by 42% and 75%, respectively between 2006/07 and 2007/08, both faster rates than the national average. The regional total of people achieving qualifications through Train to Gain grew by 57%, compared to 39% nationally.
29. The brokerage service will continue to work closely with training providers to identify employers that can be supported with training and will also signpost to other key LSC initiatives such as the Skills Pledge, Leadership and Management, Apprenticeships and European Social Fund (ESF) training. Employer satisfaction with Train to Gain brokers in the South West is higher than the national average, with eight out of ten employers satisfied. We will continue to increase provision at Level 3 through Train to Gain and make full use of flexibilities to ensure the service is responsive to employer needs.

30. Growth in Apprenticeship starts has been driven by growth in the 19-24 age group, and latterly, in the 25+ group. Four sector subject areas account for three-quarters of starts. These are:
- Retail and Commercial Enterprise 24%
 - Engineering and Manufacturing Technology 21%
 - Business Administration and Law 16%
 - Health, Public Services and Care 13%.
31. Half of Apprenticeship provision for learners in the South West is managed from outside the region and one in ten starts in engineering and construction was with a provider managed by the National Employer Service in 2007/08 and CITB constructions skills Apprenticeship training was transferred to the National Employer Service in 2008/09. A significant proportion of the Army's apprentices are trained in the South West region
32. Attempts to promote and develop the Apprenticeship offer have allowed the number of learners starting the programme to grow by almost 18% in the last two years. The region's Apprenticeship success rates have increased by 22% in the last three years and need to increase only by a further one percentage point over the next year to meet the national target of 65%.
33. For Leitch targets to be achieved, a significant rate of increase in the number of Apprenticeship starts will be required. Our National Apprenticeships Vacancy Matching System (NAVMS) project team is working to make the process of advertising and applying for Apprenticeship vacancies easier for all parties.
34. We will be increasing demand for Apprenticeships through national and local marketing campaigns aimed at individuals and employers. This will be supported by the National Apprenticeship Service and increased use of NAVMS by Employers, potential apprentices and providers. There will be an increase in the minimum wage for Apprentices from £80 per week to £95 per week from August 2009.
35. We will support non-FE capital projects in line with the new guidelines to support the significant growth of the Apprenticeship programme.
36. As part of our approach to meet the stretching targets associated with both Apprenticeships and Train to Gain, we will aim for as many young people as possible to use the Train to Gain service as a means to start Apprenticeships.
37. Over 400 employers across the region have made a commitment to the Skills Pledge by signing a Statement of Intent and a further 500 employers in the region continue to express interest in the Pledge. Around 180,000 employees in the region are covered by the Skills Pledge.

38. The total number of people participating on Skills for Life courses rose by 7,900 (or 29%) between 2004/05 and 2006/07. The fastest rate of rise was in English for Speakers of Other Languages (+47%) and the largest increase in volume was in Literacy (3,900).

Sector Compacts

39. During October 2008, a further five Sector Compacts were introduced with Sector Skills Councils covering the following sectors: chemicals, nuclear, oil, gas, petroleum, polymers (Cogent); audiovisual (Skillset); property, housing, facilities management (Asset Skills); apparel, textiles and footwear (Skillfast); and engineering in construction (ECITB). These herald a three-year agreement between the Government and each industry sector to help beat skills shortages and build a world-class workforce.
40. This brings the total number of Compacts to ten, adding to those already announced for science, engineering and manufacturing (Semta); process and manufacturing (Proskills); hospitality, leisure, travel and tourism (People 1st), construction (Construction Skills) and custodial care, community justice, police (Skills for Justice). There will be further Compact announcements over the coming months.
41. The Compact arrangements are designed to ensure brokerage is much more closely attuned to sector needs and that any specific barriers to adoption are addressed to make things simpler for the employer. A compact includes a commitment to agreed anticipated numbers of additional employers engaged, Skills Pledges, management and leadership engagements and additional learners on full Level 2, full Level 3, Skills for Life and Apprenticeship qualification routes.
42. We will ensure that that the region's contribution to delivering these compacts is commissioned and monitored during 2008/09.

National Skills Academies

43. The National Skills Academy (NSA) network is developing a structure of employer-led centres of excellence for skills training, providing a means for direct involvement by employers in the design and delivery of learning, so that training is tailored to the specific needs of their sector. The network will increase employer investment in skills and address skills shortages in specific sectors.
44. It is important that NSAs are closely aligned to the way the LSC will commission provision through the Employer Responsive budget, to ensure that the overall offer to learners and employers adds value at a regional and local level. The LSC also needs to ensure that public funding is targeted at providing an appropriate breadth and depth of provision to meet employers' needs and to respond to gaps and trends in the labour market.

45. The following sectors have or will have active NSA arrangements in the South West with proposed volumes of learners likely to be trained by NSA approved providers in 2009/10: Construction and Built Environment, Creative & Cultural, Financial Services, Retail, Food & Drink Manufacturing, Hospitality, Nuclear and Sport & Active Leisure. In addition, Fashion, Textiles & Jewellery; Materials and Production & Supply and Process Industries are in the development stage and are also expected to profile NSA learners in 2009/10.
46. A further round of NSAs has recently been announced: Enterprise, Information Technology, Power Sector and Social Care. These NSAs are currently in the business planning stage and expected to go live in 2009.

Equality and Diversity

47. For 2009/10 the South West SW LSC will focus on ensuring that all providers contracted with us continue to drive up the participation and success of underrepresented groups. This will include people from ethnic minorities (EM), those with disabilities, and women and men who wish to work in non traditional sectors. We also ask providers to consider how they support older people, people of different sexual orientation and those of different religious beliefs.
48. All providers should consider a whole organisation approach to Equality and Diversity, and as such are required to monitor participation and success by reviewing their 2008/09 Equality and Diversity Impact Measures and setting new/ continuing measures for 2009/10.
49. During 2007/08 we are pleased that early indications show growth in participation for ethnic minority Apprenticeships from 3.7%, in 2006/07 to 4.6% with success rising from 59.8% to 61.4%. However, we need to focus on engaging with people with disabilities, especially at Advanced Apprenticeships, and continue to support people to take up and achieve in non-traditional occupations. In April 2009, the SW Equality and Diversity Action Plan will be reviewed updating the full picture across the region.

Minimum Levels of Performance (MLP)² Further Education Provision

50. Minimum Levels of Performance relate to success rates on LSC funded provision. A total of 12 FE providers were served with a Notice to Improve (Ntl) in May 2008. The three Sector Subject Areas (SSA) most affected were ICT, Arts Media & Publishing and Preparation for Life & Work. Support for provision affected by Ntl's is in place from the

² LSC Guidance on Identifying and Managing Underperformance and the Operation of Notices to Improve Applying to the 2009/10 Academic Year was published on the LSC website on 5 December 2008.

Learning and Skills Improvement Service (formerly the Quality Improvement Agency). There were also a number of providers with provision that was exempt from a Notice to Improve, but with areas of underperforming provision that affected a significant number of learners. In these cases the LSC Partnership Teams have agreed improvement indicators as part of contracts/funding agreements with those providers.

51. The table below summarises the MLP levels for 2009/10. FE long qualifications at levels 1, 2 and 3 have increased by 5% to 60%, with FE long qualification Level 4 or higher increasing to 58%. A-Levels and short course provision are unchanged. Train to Gain will be kept at the same level and undergo a second pilot year.

Programme/qualification type	Minimum level for 2009/10
FE long qualification Level 1	60 per cent
FE long qualification Level 2	60 per cent
FE long qualification Level 3	60 per cent
A-levels	75 per cent
FE long qualification Level 4 or higher	58 per cent
FE short qualification (all levels)	62 per cent
Apprenticeships (full framework)	50 per cent
Advanced Apprenticeships (full framework)	50 per cent
Train to Gain	65 per cent

Apprenticeships Provision

52. In 2008/09, 20 Apprenticeship frameworks affecting over 1,100 learners were put out for tender as a result of performance below the MLP. Four frameworks (Hospitality and Catering, Plumbing, Automotive Industry and Hairdressing) accounted for over half of the learners affected.

53. In 2009/10, the MLP for Apprenticeships and Advanced Apprenticeships increase from 45% to 50%, but with a move to assessing performance by Sector Subject Area (SSA). If an SSA is below 45%, poor frameworks within that SSA would be removed. If an SSA is between 45% and 49.9%, the provider will retain that provision and improvement indicators will be set for poor frameworks. If improvement indicators are not met, then provision will be removed. SSAs above 50% will continue without action, including any underperforming frameworks within that SSA.

Commissioning intentions for 2009/10

Strategic Commissioning Approach

54. In our commissioning approach for 2009/10, we will streamline the way in which we commission and contract for provision. Our approach will remove barriers for new providers who wish to be funded by the LSC, remove unnecessary processes for existing providers and it will support specialist services offered by Third Sector providers. The arrangements we put in place for 2009/10 are designed to prepare FE colleges and providers for the way in which the learning and skills market will operate beyond the life of the LSC.

Commissioning Strategy

55. Our commissioning strategy prioritises negotiation as the preferred route for securing provision from colleges and providers. This will ensure that successful and high-performing colleges and providers can seek to grow and can develop new models that deliver learner entitlements through collaboration. We will not seek to limit the growth of providers where the capacity to expand exists; this will act as a stimulant to investment and increase the range of provision available to learners and employers. We will remove restrictions on growth funding where we can agree providers have the quality, performance and capacity to deliver. We will however, still go out to tender for European Social Fund (ESF) and some mainstream provision to satisfy our obligations as a co-financing organisation and to generate matched funding for ESF funded programmes.

Qualified Provider Framework

56. When we are required to tender, we will do it in a more open and accessible way. From November 2008, we have introduced a Qualified Provider Framework that will reduce the need for duplication within the procurement process. All existing and new providers are able to be qualified, subject to published standards. The framework will allow new providers to be pre-qualified at any point in the year, at a time that suits them. Once on the framework, providers will remain pre-qualified for up to 4 years, providing their qualifying standards are maintained. There is no restriction on the form of this qualification in terms of contract size, geography or location and the framework has two key categories - learner and employer responsive provision.

57. The framework is the means by which we will streamline in-year responsive arrangements for both Train to Gain and Apprenticeships. We will introduce a national service standard that providers applying for business through this route will have a contract in place within 4 weeks of their initial application.

58. For 2009/10 we will use the framework to determine which providers we will invite to tender. The process for pre-qualification has been published on the LSC website, drawing upon performance and financial criteria within our Framework for Excellence. In subsequent years the LSC will continue to develop the system to further streamline our commissioning processes.

Tendering

59. There will be circumstances where we will continue to use tendering; for example to fill gaps, replace poor provision, to cater for new or niche provision and to meet ESF commitments. We will continue to use an online tendering approach which will be linked to the Qualified Provider Framework. Where innovation in delivery is required for specialist or local services, we will be less prescriptive, using a less structured tender process to stimulate flexible approaches to delivery that should encourage new providers and those in the Third Sector to enter the market.

60. The LSC will only invite providers who have been accepted onto the Qualified Provider Framework to tender and this will normally take place in January, May and September. However, the LSC reserves the right to invite tenders at other points in the year to meet local needs.

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

Contracting

62. The allocations and contracting processes are being streamlined to incorporate continuous improvement and feedback from the sector on this year's process. We will move towards having only one contract with each provider, beginning with those delivering Train to Gain provision. These providers will be managed through a single point of contact. No longer will national providers or those operating in different regions have to agree multiple funding contracts or be restricted to where services to employers are provided.

63. Contracts for three years (extendable to five) will become the norm for all colleges and providers. In the employer model, there will no longer be any restrictions in terms of where the delivery takes place; providers will no longer be constrained by geographical boundaries within England.

Timetable

Qualified Provider Framework	November 2008
Regions publish commissioning statements	December 2008
Detailed process and guidance for tendering process available to providers	December 2008
Providers first Invited to Tender*	January 2009

* Providers will only be Invited to Tender (ITT) if they submit a successful application via the e-tendering portal of the Framework by 10th December 2008. The first ITTs will be issued in January 2008 and will only be made available to these Providers.

YOUNG PEOPLE

64. Set against a declining 16-18 cohort, any growth in commissioned learner numbers in schools and colleges will be very small, although sustainable growth from 2008/09 will be consolidated in allocations for 2009/10. Nationally, within a static position for 16-18 learners, there is an assumption of a 3% reduction in maintained school sixth form learners, with a corresponding increase at academies. This will be modelled for the South West region.
65. We plan to maintain full Level 2 and full Level 3 learner numbers in schools and colleges at the same levels as in 2008/09.
66. We wish to improve the foundations for achievement of a Level 3 by borderline 16 year old Level 2 achievers by improved diagnosis of literacy and numeracy needs and a Level 3 induction programme to include advanced study skills. This will be introduced through Open and Competitive Tendering or through provider grants.
67. Within Apprenticeships, we are planning continued overall growth towards the Leitch trajectories. Apprenticeships and Advanced Apprenticeships for young people should grow by up to 5% in line with our intention that 20% of young people should be in Apprenticeships by 2020.
68. We will use Open and Competitive Tender to further improve the breadth and scope of the Apprenticeship provider network and we will have a particular focus on growing Apprenticeships in the public sector and in underrepresented occupations. These points also apply to provision for Adult Apprenticeships.
69. Foundation Learning Tier (FLT), including Progression Pathways, will remain at broadly the same volumes. We wish to secure greater volumes of Entry 2 Employment (E2E) and pre-E2E provision, particularly that which is capable of transferring to Progression Pathways from 2010/11. We aim for 30% of FLT provision to be in

Progression Pathways in 2009/10. This will be supported further through linkage to the Key Stage 4 engagement programme and use of the 14-19 Fighting Fund.

70. Using ESF as well as mainstream provision, we plan to support a national reduction in NEET of 2 percentage points between 2004 and 2010. We will use the Fighting Fund to procure enhanced Key Stage 4 vocational learning provision through OCT, particularly in rural schools. We also expect to use OCT or grants to providers to establish short courses to enable progression to Apprenticeships for 18 year old NEET.
71. Through continued implementation of our *Learning for Living and Work Strategy*, we are determined to pursue value for money when allocating LLDD funds and to manage spend within the available budget.
72. For 16-18 Learner Responsive funding, the potential to grow Skills for Life is limited by current high levels of participation. The changes being introduced into the GCSE curriculum and by the advent of the new diplomas may allow some growth, but in percentage terms this is unlikely to exceed single figures.

ADULTS

Learning Contributing to Targets

73. Overall learner numbers funded through the Adult Learner Responsive Model are expected to fall by 10%, as funding policy continues to be targeted at growth in priority learners: Skills for Life (3%); full Level 2 (6%); and full Level 3 (2%).
74. We expect to see very limited growth (1%) in the Foundation Learning Tier (FLT) for adults. Based on a national assumption of all Foundation Learning to be in progression pathways by 2010/11, we expect that 30% of FLT learners will be using Progression Pathways in 2009/10.
75. We expect to see growth of 22%, albeit from a small base, in the Employability Skills Programme.

Pre-Level 2

76. For pre-level 2 learning in the Adult Learner Responsive model, the Summary Statement of Activity (SSoA) will set out each provider's expected contribution to key targets (Skills for Life, literacy and numeracy) and indicative learner numbers in Skills for Life, FLT and developmental learning. Providers will be expected to deliver their contribution to Skills for Life Public Service Agreement (PSA) targets, but beyond that will have flexibility to use funds for Skills for Life, FLT and developmental learning to respond to local need. Within this flexibility, colleges will be expected to maintain provision in key priority areas such as LLDD and TU learning, though not necessarily to meet specific targets.

Literacy and Numeracy

77. The main focus for growth will be in those levels of literacy and numeracy that meet the challenges set out in 'World Class Skills'. The aspiration here is to ensure that 95% of the working age population are proficient to at least functional level in literacy (Level 1) and numeracy (Entry Level 3) by 2020. In order to be on track for this, our first milestone target for 2011 is to support the acquisition of functional literacy in 64,900 individuals and functional numeracy in 44,600 individuals. Although the overall number in numeracy is smaller, the current low levels of delivery make this area of growth the first priority – we wish to fund almost 4 times as many learners in this area by 2010/2011.
78. An estimated 50% of people who gain functional levels of literacy and numeracy do so by gaining their first qualification at a higher level than the target; for example if they gain a GCSE pass. Such learners are consequently important to achievement of the PSA targets.
79. The majority of growth in Skills for Life delivery will be through the learner responsive models – particularly for adults. In these areas we need to see growth of at least 10% year on year in qualifications achieved in literacy and 85% year on year in numeracy to contribute to the targets.
80. Much of the growth can be found in existing delivery that currently does not lead to nationally recognised qualifications. We will continue to move to the benchmark of a maximum of 20% of such provision across all areas of Skills for Life. This conversion of outcomes does not require additional funding, capacity or recruitment of learners. In some providers, up to 25% of the growth needed will be found through such curriculum changes.

ESOL and Family Literacy and Numeracy

81. The demand for ESOL provision has slowed and even reduced in some parts of the region, although there is still unmet demand in a few areas. We will maintain current levels of funding, and in addition provide support to encourage and enable employers to provide greater levels of learning in the workplace. Providing better access to men through workplace delivery is key to addressing the current gender imbalance in participation in ESOL.
82. We will prioritise the engagement and progression of those people identified at local level as being the most vulnerable and at risk of exclusion and for whom better English skills will improve employability, access to services and integration. Provision will be shaped to respond to these locally identified priorities and contribute to improved community cohesion.
83. There is increased recognition of the importance of family, literacy and numeracy in breaking the cycle of poor Skills for Life in families. We will

direct funding for provision in this area towards encouraging a higher level of qualification outcome to enable progression.

Integrated Employment and Skills

84. Integrated Employment and Skills (IES) supports low skilled and unemployed adults to improve their skills, find work and progress in their careers. Adult provision needs to focus on the employment and career prospects of learners and the immediate and future skills needs of employers. Providers will be required to link pre-employment delivery with in-work provision through Train to Gain, so that there is a seamless journey for both learners and employers.
85. IES trials, which started in autumn 2008, are testing a number of integrated arrangements and this includes joint commissioning with Jobcentre Plus. Both the LSC and JCP will use ESF funds to support integration.
86. It is anticipated that integrated employment and skills will be introduced in each region from 2009. This early introduction is prompted by the economic downturn and the need to respond flexibly to redundancy situations. Current ideas on how to deliver integration will be adapted to meet these new conditions.
87. Skills Accounts are expected to be piloted in at least one area of the SW region in 2009/10. They will support adults to find courses, determine their eligibility for public funding through a virtual skills voucher, and provide access to careers advice. Skills Accounts will be accessed through a number of different routes and may be triggered by enrolling on a course, seeking careers advice, starting an apprenticeship/Train to Gain or visiting Jobcentre Plus.
88. Information and Advice Services, available through nextstep, are a key component of integrated employment and skills. This is contracted to Connexions Cornwall and Devon from 2008 to 2010, prior to the introduction of the Adult Advancement and Careers Service.

Offender Learning and Skills Service (OLASS)

89. We will work collaboratively with OLASS partners to improve opportunities for offenders both in custody and in the community through IAG and learning and skills provision. This will contribute to a reduction in re-offending rates by increasing the skills and qualifications of offenders, improving their employability and helping them move into work.
90. We are currently procuring provision for offenders in custody to be delivered through new contracts from 1 August 2009. For offenders in custody, we plan to secure similar levels of delivery as for 2008/09. In 2009/10, we plan that our providers will deliver over 240,000 teaching hours at adult prisons, just over 33,300 IAG activities and more than 3,000 teaching hours in the region's female juvenile unit.

Working in partnership with probation areas and providers we will secure provision for delivery of more than 850 Skills for Life qualifications to be gained by adult offenders in the community during 2009/10. In addition, we will look to providers to continue to extend the learning and skills offer to offenders in the community beyond skills for life into employability and vocational programmes.

Developmental Learning and Safeguarded Adult Learning

91. In line with commitments in the Statement of Priorities, we will expect a key priority for Developmental learning in 2009/10 will be provision for LLDD whose needs may not be met by Progression Pathways, Skills for Life or provision at or above Level 2.
92. Developmental learning will also support trade union provision and broadly maintain the current level of Level 4 learning. Princes Trust delivery will now be contained within the priority Foundation Learning Tier.
93. Adult Safeguarded Learner numbers in are expected to fall by 4% nationally although funding levels are again protected in 2009/10.

EMPLOYERS

94. Overall, in the Employer Responsive Funding Model, we expect to see 5% growth in learners in 2009/10, comprising 6% growth in Train to Gain and 5% growth in Adult Apprenticeships.

Train to Gain

95. The intention during 2009/10 is to consolidate the growth in Train to Gain we have established during 2008/09. The overall trajectories for new starts we expect to remain similar in volumes, but there will be an expectation of increased volumes of achievements, repeat level 2 qualifications, and full level 3.
96. Recent announcements on new flexibilities to support private sector Small and Medium Enterprises and their staff to manage the current economic difficulties include a commitment to fund some part qualifications in ten business critical areas such as team working, funding and cash flow, marketing and sales.
97. Skills development in employment (training in the workplace) and skills development for employment (pre-employment training) are priorities – and are a priority for the development of Skills for Life, particularly with regard to embedding literacy and numeracy development within vocational training. It is estimated that up to 25% of the region's functional skills improvement will be gained through these routes. We will fund a rapid expansion of Skills for Life in these areas.
98. Skills for Life within Train to Gain has seen an increase in delivery during 2008/09 and we will expect to see that continue during 2009/10

with all providers offering support for literacy, numeracy and English for Speakers of other Languages (ESOL) for those employees without the functional skills necessary for work.

99. The employer offer will include grants for SMEs to support leadership and management.

100. Skills brokerage will continue to offer independent and impartial advice to employers and contribute 30% of all starts in the region. The service will be managed by the South West Regional Development Agency (SWRDA) from April 2009 and will offer an integrated brokerage service for employers across the region.

Adult Apprenticeships

101. Planned growth of 5% in adult apprenticeships is positioning Apprenticeships as the Government's preferred programme, post 19, and we place a particular emphasis on building on the good start made in 25 plus Apprentices in the South West.

102. Further information on our approach to growing Apprenticeships in the region is contained in the Young People section above.

ESF

103. The LSC will need to secure significant match funding through mainstream OCT for 09/10 and 10/11 in order to fulfil LSC responsibility for ESF match funding. We expect to secure £2.5 million of Entry to Employment delivery and £3 million of Train to Gain delivery through OCT during 2009 to meet such requirements.

104. The main focus of future investment in the SW Region will be linked to the prevailing economic conditions. Supporting this area of work the LSC will aim to increase investment in provision supporting regional priorities contextualised to reflect the economic downturn. These commissioning priority areas will include:

- Apprenticeships – incentivising employers
- Brokerage services – strengthening the capacity of the skills brokerage, including into higher level skills
- Integrated employment and skills – enhancing the current provision available in partnership with DWP and Jobcentre Plus
- Leadership and management – enhancing the opportunities available within the SW Region
- Level 4 workbased learning opportunities – increase availability of funding support
- Enhanced funding for Union led interventions and initiatives to support employees
- Respond to key gaps in provision and support for the NEET group
- Further strengthen community based learning support
- Provide funding to build the capacity of organisations supporting Equality and Diversity in the SW region

Annexes

Glossary

NAVMS	National Apprenticeships Vacancies Matching System
EMA	Education Maintenance Allowance
E2E	Entry to Employment
ESF	European Social Fund
FE	Further Education
FLT	Foundation Learning Tier
IES	Integrated Employment and Skills
Level 2	Equivalent to 5+ GCSEs at A*-C grades
Level 3	Equivalent to 2 A level passes
Level 4/5	Equivalent to HND/degree
LLDD	Learners with learning difficulties and/or disabilities
LSIS	Learning and Skills Improvement Service (formerly Quality Improvement Agency)
MLP	Minimum Levels of Performance
NSA	National Skills Academy
Ntl	Notice to Improve
OCT	Open Competitive Tender
OLASS	Offender Learning and Skills Service
PSA Target	Public Service Agreement Target linked to budgets of government departments
Skills for Life	Literacy and numeracy provision
SSA	Sector Subject Area
SSoA	Summary Statement of Activity
TTG	Train to Gain

Links to regional plans and strategies

[Strategic analysis](#)

[Government Investment Strategy 2009-10, LSC Grant Letter and LSC Statement of Priorities](#)

[Regional Economic Strategy for South West England](#)

[Learning for Living and Work SW Strategy for 2007-2010](#)

[Regional Skills Action Plan 2008-2011](#)

[SW Capital Plan 2007-2011](#)

[SW Equality and Diversity Action Plan](#)

[Single Equality Scheme](#)

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