

 For information

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Leading learning and skills

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

March 2007

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

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- Annex A LSC Staffordshire Annual Plan 2007/08
- Annex B LSC Herefordshire and Worcestershire Annual Plan 2007/08
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- Annex D LSC The Black Country Annual Plan 2007/08
- Annex E LSC Birmingham and Solihull Annual Plan 2007/08
- Annex F LSC Coventry and Warwickshire Annual Plan 2007/08

Foreword

The introduction of commissioning marks a new and different approach in determining our future strategic direction and priorities. It makes clear the linkage between our budgets and priorities and in doing so, takes forward the ambitious vision set out in the Leitch Review of Skills.

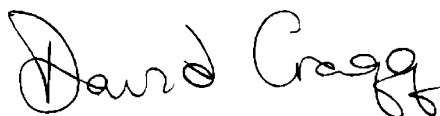
Commissioning is intrinsically 'light touch' and provides a simple framework which rewards high performing organisations, but intervenes where there is failure at system or individual provider level. This approach will be supported by the introduction of Minimum Levels of Performance (MLP), which will identify and tackle weak areas of provision. The combination of commissioning and MLP will enable us collectively, to deliver the aspiration of 'no inadequate and unsatisfactory provision' by 2008.

The Commissioning Plan reflects the high level skills priorities of the Regional Skills Partnership (RSP). It is also an important milestone in the evolution of the strategic relationship between the LSC, colleges and providers. The focus of our relationship will continue to shift away from bureaucratic process and micro management towards quality, improved learner success rates and responsiveness to employer needs.

In this plan we have set out our priorities and key actions for 2007/08 concentrating on the issues that must be addressed to shape the supply of and stimulate the demand for learning and skills. If we are to transform the character of skills in the West Midlands we must 'close the skills gap' at all levels by:

- Preparing young people to progress into further and higher education and employment and tackling the barriers that prevent young people participating and succeeding
- Creating an integrated employment and skill system that gets unemployed people into work and gives them the skills and qualifications necessary to sustain that work
- Ensuring that the provision delivered is responsive to employer needs and is at the level and standard necessary for the requirements of that industry
- Prioritising public investment in the delivery of provision for Basic Skills and Adult Level 2

The West Midlands LSC is committed to using this new and exciting approach to ensure that the maximum possible opportunities are provided to respond effectively to the changing learning and skills needs of individuals, employers and the wider economy of the West Midlands.



David Cragg
Regional Director
LSC West Midlands



Mike Beasley
Regional Chair
LSC West Midlands

1. 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 our 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 out 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 an 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 which 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 and together 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, and 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 West Midlands, 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.

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 groups of providers eligible to apply for LSC capital funds, the criteria for qualifying projects and how to apply, can be found in the LSC's Capital Handbook which is available on the LSC's website. http://readingroom.lsc.gov.uk/lsc/National/LSC_Capital_Handbook.pdf

Ensuring quality

We want to buy the best quality provision to meet the region's 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.

2. Commissioning Principles

By 'commissioning' we mean all of 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?

Our commissioning plan identifies the provision we expect to go out to tender for across the West Midlands region. This is based on the four 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 Offender 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 levels of performance and / or are deemed inadequate by Ofsted

How this applies in the West Midlands region is detailed throughout this plan.

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.

3. West Midlands Regional Priorities and Commissioning Strategy

Our regional priorities and key actions are based on a robust 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/West_Midlands/West_Midlands_Learning_and_Skills_Council_Strategic_Analysis_2006_-_November_2006.pdf

Using the commissioning principles we have set out and to take forward our regional priorities we have also developed a commissioning strategy for the West Midlands which will help to drive up the quality and performance of the sector in the region.

In the West Midlands we are committed to ensuring that our allocated resources are 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.

3.1 Young People

Introduction

Young people in the West Midlands should be well prepared to progress into further and higher education and employment. They need to leave learning with the knowledge, skills and attitude that employers want and that are needed for the success of the economy and importantly the future success of young people themselves. We have identified the following regional priorities to help achieve this aim.

Regional Priority 1

Supporting National Priority 1

Closing the gap on the national benchmark for Level 2 at 19 in the West Midlands

The West Midlands 14-19 partnerships, which include the LSC, colleges, schools and providers, must develop innovative and attractive routes for young people in order to deliver an increase in Level 2 achievements including English and Maths as a core requirement. The focus will be on progressing young people from a Level 1 to a Level 2 qualification in an environment of learning where all learners are encouraged to reach Level 2 as a minimum; enabling young people to reach their full potential and gain the skills needed to enter the employment market and higher education.

The West Midlands has one of the highest percentage increases in achievements for Level 2 at age 19 in the country. However, the region is still below the national average percentage highlighting a number of sub regional areas in the West Midlands where the percentage achievement needs to increase even more.

Action:

We need to strengthen Level 2 achievement at age 19 in areas where we are above the national target and close the gap in areas below target by:

- Setting minimum thresholds for Level 2 delivery for 16-19 at individual college levels
- Targeting funding at Level 2 priorities in preference to non accredited qualifications
- Increasing Apprenticeship Framework completion rates for 16-18 year olds
- Increasing the number of pre entry programmes and the progression from these programmes to Level 2 achievements
- Working with Consortia to develop arrangements for new specialised diplomas

- Working in partnership with Local Authorities to target 'hotspots' where GCSE (including English and Maths) achievements are poor
- Working with Consortia to build on the activities and priorities identified in the 14-19 progress checks and to ensure the delivery of the 14-19 prospectuses

PSA target analysis for Level 2 at age 19 in the West Midlands shows that for the region to be in line with the National target figure for 2008 we would need to maintain our year on year percentage increase for 2006/07. Assuming this, in order to close the gap on the National average target of 72% for 2008 we will need a total of 52,600 achievers in the West Midlands in 2007/08. This is an extra 3,200 over what we would expect to achieve in 2006/07 from the whole sector.

Key Performance Indicator(s):

1. Increase the number of Level 2 at 19 achievers in 2007/08 by at least 5% on the number of achievers in 2006/07
2. Increase Apprenticeship Framework completion rates for 16-18 year olds in the region from 55% in 2005/06 to at least 67% in 2007/08

Regional Priority 2

Supporting National Priority 1

Reducing NEET in areas of the West Midlands above the national benchmark

Although the region has seen a 3% increase in participation of 16 – 18 year olds between 2004/05 and 2005/06, there has been, over the same period, little impact on the number of young people in the 'Not in Education, Employment or Training' (NEET) group. There has been a slight reduction in the 'Not Known' category with a proportionate increase in the NEET figure and consequently NEET for the region is above the national levels.

Detailed work with two Connexions Services within the region has shown that there is a need for the systematic sharing of data between the LSC and Connexions to ensure that information on the current status of individuals is as accurate as possible. This will enable both organisations to focus effort and resources on those young people who are in most need of help. To this end, the West Midlands region will commission provision for 2007/08 specifically aimed at those hard to reach young people.

Action:

To identify and fill the gaps in our current range of provision aimed at young people in the NEET group or at risk of becoming NEET we will analyse the range and type of additional support needed. We will also:

- Establish Joint Management Boards between Connexions, Providers and the LSC to ensure that all partners have shared ownership of the strategy and the delivery and performance of the provision
- Target provision specifically at those localities where there are high concentrations of disadvantaged young people
- Shape provision to meet the requirements of young people with specific needs such as offenders, teenage parents and children who have been in care
- Involve the Voluntary and Community Sector to help engage young people and facilitate their progression into mainstream education and training

Key Performance Indicator(s):

1. To reduce the level of NEET across the region by at least 3%
2. Consortia established in at least three hotspot areas of, Birmingham, Stoke and the Black Country to target and manage new provision
3. To achieve a 50% positive destinations rate for E2E by 2007/08

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.

The following criteria will help to determine the volume and mix and balance of provision in the West Midlands for Young People in 2007/08 through negotiation and also how much we will tender for in open competition.

FE 16-18

- We will be consolidating growth where providers are above target for 2006/07 or rebasing where below target
- Growth will be subject to exceeding minimum levels of performance by broad blocks of provision (e.g. Level 2) and /or in sector subject areas
- Underperformance will be first identified using long qualification success rate data. The minimum levels of performance for 2007/08 academic year are set at:
 - 50% for FE long course provision, sector subject area (tier 1), success rates
 - 25% for the total offer of long course success rates
- Volume increases will be linked to improving success
- For LLDD we will be protecting the budget at institutional provider level (dependant on the quality of provision)

NEET

- FE/WBL consortia to work in partnership with Connexions and the voluntary and community sector to target neighbourhoods / client groups not in education employment or training
- Mainstream 16-18 co-financed with ESF

Apprenticeships

- Provision underperformance will be identified by sector subject area and by Apprenticeship Level
- We will benchmark performance by sector for Framework achievements
- Growth will be subject to exceeding the regional sector benchmark
- The minimum level of performance for Apprenticeship provision is set at 40%. For the 2007/08 delivery year however, a range will be applied at 33 – 40 per cent. Provision below minimum levels of performance to be re-tendered

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

- To close the gap on the national benchmark for Level 2 attainment at 19 we will want to maintain the increase in the volume of FE Level 2 participation
- An improved success rate on Full Level 2 qualifications for 16-18 year olds in FE in 2007/08
- We would expect to see clear progression routes from Level 1 to Full Level 2
- More localised learning for LLDD

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

- We will tender for new provision for the NEET groups in the neighbourhoods and areas of high concentrations, in particular Birmingham, Stoke, Black Country (*volumes set by partnerships*)
- Through our ESF we will tender for additional Level 2 / Level 1
- We will tender for an estimated 1,350 places in Apprenticeships that are currently below minimum levels to replace poor provision. These will predominantly be in the following sector subject areas:
 - Retail and commercial enterprise (approximately 750 places)
 - Health, Public Services and Care (approximately 500 places)
 - ICT (approximately 100 places)

3.2 Adults

Introduction

Significant improvements have been made in the skills attainment of adults in the West Midlands, however despite this good progress we still have too many adults without the employability skills required in a modern economy.

We need to create a continuum or 'skills escalator' whereby adults not in employment are encouraged into learning at whatever level so that once they are engaged in learning they develop the employability skills ready for employment. With the support of a joined-up delivery system and through a demand-led approach, adults in employment can develop the right level of skills and increase the opportunity to progress and move up the 'skills escalator' onto the next level. This pull-push effect will help to raise the skill level of adults in the West Midlands, secure sustainable employment for those not in work and improve the productivity, employability and future prospects of those in work. The following regional priorities for adults will help to develop this approach.

Regional Priority 3

Supporting National Priority 2

Closing the Gap on the national benchmark for Adults qualified to Level 2

There are within the West Midlands region, major regeneration and economic development projects underway or planned which will create many employment opportunities for adults. Some of these opportunities will be suitable for people currently outside of the workforce. We need to link local people to these opportunities in the region. The provision to up-skill adults to meet these job opportunities needs to be available now in advance of major regeneration and economic development projects completion.

Full Level 2 participation in the region is increasing at a higher rate than the national average and this combined with the increase in success rates will have a positive impact on this key area. However analysis shows that the West Midlands still has a low proportion of people qualified to Level 2 and above compared to other regions and nationally.

Action:

To enable the West Midlands to continue to 'close the gap' on other regions and the national benchmark for adults with Level 2 we need to put in place a number of key actions:

- Set minimum thresholds for adult skills priorities at individual college level
- Increase the tendered funding for Level 2 provision
- Maximising Level 2 entitlement for individuals
- Train to Gain focus on the hard to reach and First Full Level 2
- Encourage the National Employer Service to target more large companies in the region and to increase the focus on adult skills priorities
- Maximise the UFI / Learndirect contribution fully in the region
- Integrate the employment and skills agenda to achieve more Level 2
- Unionlearn and Union Learning representation network
- Encourage specific initiatives and programmes to support First Level 2 attainment e.g. Adult Learning Option, Skills Coaches
- Increase the pre-entry programmes and work with providers to develop the Foundation Learning Tiers to develop the progression routes to Level 2 provision.

Key Performance Indicator(s):

1. By 2010 we need to reduce the number of adults not at Level 2 in the West Midlands to 533,500. This means a target volume of 355,600 over four years to 2010

Regional Priority 4

Supporting National Priority 2

Closing the gap on the national benchmark for adults with no or low qualifications through Skills for Life and pre-employability

The national strategy for Skills for Life focuses on improving engagement, responsiveness, quality, outcomes and achievement for priority groups of adults. These groups include unemployed adults and other benefit claimants, prisoners and those supervised in the community, low-wage public sector employees, low-skilled people in employment, and other groups at risk of exclusion.

The overall figures for the region indicate that the West Midlands is close to the national averages in terms of adult basic skills levels, however, figures on level of need for the West Midlands identify a clear difference in skill levels for literacy and skill levels for numeracy.

Skills for Life target achievement for adults in the West Midlands is very positive with 115% of the 2007 target already achieved. However, we have the highest rates in the country of adults with no qualifications and those below Level 2. Despite the good progress with the Basic Skills target we need to continue to address this crucial area so that we create a 'pull through' effect and encourage progression onto the next level of achievement, particularly for those people not in work.

Action:

To 'close the gap' on other regions and on the national benchmark for those with no or low qualifications we need to continue to address the problem of the lack of Basic Skills throughout the region for those client groups who are 'hard to reach' by:

- Increasing the achievement of Skills for Life qualifications by unemployed people through alignment of LSC and Jobcentre Plus provision
- Ensuring the smooth transition and delivery of Basic Skills for Jobcentre Plus clients
- Implementing a West Midlands regional strategy for numeracy
- Improving the Skills for Life levels for prisoners and offenders supervised in the community
- Ensuring the delivery of the Skills for Life targets through the Train to Gain offer to employers
- Targeting engagement and delivery activity to improve Skills for Life for groups in community settings particularly through the Voluntary and Community Sector
- Focus regional English for Speakers of Other Languages (ESOL) investment on national priorities and implement any required changes

Key Performance Indicator(s):

1. To meet the West Midlands 2010 "Skills for Life" PSA target by 2008

Regional Priority 5

Supporting National Priority 4

Developing and delivering an Integrated Employment and Skills System

A lack of qualifications and basic employability skills mean that a significant proportion of adults of working age population in the West Midlands are either not in employment or working in lower skilled, lower paid jobs. Access to employment and qualification levels are strongly correlated and attainment of a qualification at any level will improve the likelihood of employment. However, there are disadvantaged groups that experience barriers to training that perpetuate the cycle of exclusion from long term employment.

By far the largest pool of potential new recruits to replace older workers is to be found in the workless families and communities in our most disadvantaged neighbourhoods and closest to the demand for new jobs in our cities and major towns. These groups are the least skilled

and unqualified and are becoming increasingly cut off from the labour market. Rates of worklessness within the West Midlands are highest among groups such as lone parents, incapacity benefit claimants, young unemployed (18 – 24), older people (over 50) and BME communities. Targeting these disadvantaged client groups will be a key focus in our approach to closing the unemployment and incapacity gaps.

The Leitch Review of Skills clearly articulates the need for an integrated employment and skills approach. Through our City Strategies and strong links to Local Area Agreements (LAA) we will meet this challenge and address the issues of worklessness in the West Midlands. As a priority we will increasingly refocus our investment in adult learning for people not in work, helping them to gain sustainable employment by commissioning high-quality bespoke training linked to specific jobs.

Action:

We need an integrated, progressive system that provides systematic upskilling at every level. To help us achieve this goal we will:

- Develop a “Skills for Jobs” programme to provide recruitment and training services for individuals and employers, meeting the needs of City Strategies and Local Area Agreement specific priorities
- Use LSC funding to commission high quality, tailored provision that will equip those not in work with the skills needed to enter suitable employment
- Work closely with JobCentre Plus and other key partners on an integrated and coordinated approach to employment and skills
- Develop and implement a City Strategy business plan to tackle the worklessness issues in 55 wards for the Birmingham, Coventry and the Black Country City Region with a key goal to reduce the gap between targeted wards and the City Region employment rate
- Establish Employment and Skills Boards in the sub regions to oversee the employment and workforce skills issues in their area. In particular to champion the employer role in engagement and review the Train to Gain contribution in the area
- Expand the Public Service Compact from Birmingham and Solihull to the City Region to focus on recruitment and retention in Public Service organisations and to encourage the role of public service employers in supporting disadvantaged communities in key wards

Commissioning Strategy (Adults)

Full Level 2 participation in the region is increasing at a higher rate than the national average and there is good progress with the Basic Skills target. However, to address our regional priorities for adults in the West Midlands we need to develop our commissioning strategy to increase the number of adults achieving basic employability skills, in particular a first full Level 2 and meet the Leitch objective of delivering an integrated service to help individuals get into the labour market and progress.

The following criteria will help us determine the volume and mix and balance of Adult provision in 2007/08 through negotiation and also how much we will tender for in open competition.

Skills for Life

- Skills for Life provision to be a minimum of 80% accredited
- Allocations will be subject to meeting the minimum levels of performance and meeting regional priorities

FE mainstream (Adult)

- A minimum of 12½ % adult funding allocation (or a 2½ % point increase for those colleges between 12½ % - 17½ % current utilisation) directed at supporting Level 2 provision

- Allocation subject to meeting minimum levels of performance and no reduction in overall volumes
- Underperformance will be first identified using long qualification success rate data. The minimum levels of performance for 2007/08 academic year are set at :
 - 50% for FE long course provision, sector subject area (tier 1), success rates
 - 25% for the total offer of long course success rates
- For LLDD we will be protecting the budget at institutional provider level (dependant on the quality of provision)

Level 3

- Expanding higher level skills provision in key specialisms / CoVEs
- Growth allocation subject to adult Level 3 success rates in the top 33%
- 19-25 year old Level 3 - Additional provision in high-performing specialist areas (i.e. in the top 33%)

Integrated Employment and Skills

- Commissioning bespoke provision linked to specific job opportunities for people claiming Incapacity Benefit and other forms of income support, especially within the City Region
- Consortium arrangements within designated areas
- Mainstream funds matched with ESF
- Single action plans for the whole of the City Region

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

- To close the gap on the national benchmark for Adult Level 2 we will want to maintain the increase in volume of adult FE Full Level 2 participation and achievement
- We expect an improved success rate on Full Level 2 qualifications for adults in FE in 2007/08
- We would expect to see clear progression routes from Level 1 to Full Level 2
- More localised learning for LLDD

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

- Skills for Jobs funding for provision linked to specific job opportunities for people claiming Incapacity Benefit and other forms of income support within the Birmingham, Coventry and Black Country City Region

Personal and Community Development Learning (PCDL)

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 put out to tender.

3.3 Employer Skills Provision

Introduction

We need to do more for employers and develop the system so that it is the first choice for employers, delivering more appropriate skills to enhance productivity and competitiveness. The following regional priorities will help to achieve this in the West Midlands.

Regional Priority 6

Supporting National Priority 2

Developing high level skills within the workforce to meet the regional productivity challenge

Due to increasing global competition and the continued restructuring of the West Midlands economy there is a demand for increased levels of workforce skills. The regional levels of Gross Value Added (GVA) and productivity are improving at a slower rate than most other regions in the country.

As a priority the LSC in the West Midlands will impact on regional productivity through improved skill levels and enhanced access to workforce development opportunities for employers.

Actions:

In order to develop access to quality, responsive provision in the West Midlands that meets the needs of employers we will:

- Introduce, with Advantage West Midlands, a new regional integrated skills brokerage and business support service to provide seamless access to all support for employers
- Increase investment in Level 3 skills for employers in key occupational areas and sectors including the Level 3 Trial and the Level 3 Entitlement for 19 – 25 year old
- Ensure that the Train to Gain service is driven by employer needs and provides a comprehensive package of support through access to employer-focused training across the region
- Support activity to improve the level of management and leadership skills across the region
- Develop through the Lifelong Learning Networks, HEFCE and Higher Education Institutions appropriate progression pathways and Foundation Degree opportunities that address key areas of critical skill shortage at associate professional and technician level
- Utilise partner channels and contacts to drive up demand for skills and encourage more employers and individuals to participate and invest in skills and training

Key Performance Indicator(s):

1. Increase in the number of Level 3 achievers in 2007/08 and close the gap on the national benchmark - from 46% (2005 baseline) to 52% by 2008

Regional Priority 7

Supporting National Priority 3

Shifting the mix and balance of provision to better meet the needs of employers

In the West Midlands we are seeking to create a dynamic economy where regional productivity is enhanced through a highly skilled workforce. Reforming training supply is an essential element of creating a new and responsive system that meets the needs of the economy. Further Education and private providers have a vital role in responding to this challenge by delivering the priority skills and qualifications identified by employers and their Sector Skills Councils.

The West Midlands has seen a significant reduction in the proportion of the regional workforce with skill deficiencies. The proportion is now the third lowest in the country and below the national average. However skills gaps continue to exist in priority sectors and occupational areas inhibiting the potential for future growth and development.

Action:

To ensure that employers and the workforce in our key sectors have the knowledge and skills to compete successfully in a global economy we will:

- Work in partnership with the Skills for Business Network
- Deliver the priority qualifications identified in the Sector Skills Agreements through a responsive provider network
- Develop Specialist Provider Networks that will have the capacity and capability to respond to the needs of employers in our priority sectors
- Ensure that our provider network works closely with the new sector based Skills Academies
- Help our provider network to meet the new quality standard and demonstrate their responsiveness to employers
- Increase our engagement with employers through the Train to Gain programme
- Produce Regional Skills Balance Sheet reports, in partnership with Sector Skills Councils which will set out the needs of key sectors and result in sector action plans that are agreed with employers, partners and stakeholders

Regional Priority 8

Supporting National Priority 3

Developing a Commissioning and Intervention strategy fully aligned to Minimum Levels of Performance

The Annual Statement of Priorities sets out our intention to invest in the best learning and skills provision in the further education system by expanding the good and excellent provision that already exists. It has also committed the LSC to deal robustly with any remaining poor quality or underperforming provision and to remove funding from the small minority of provision that persistently lets learners and employers down.

Against this background, we have published Minimum Levels of Performance (MLPs) for colleges and providers which will underpin the strategy to address unsatisfactory provision and identify action to stimulate improvement where it is needed in the sector by 2008.

Performance within the region was above national averages for Framework achievement on Apprenticeships at 54% compared to 53% nationally in July 2006. However there is specific under performance within certain sector subject areas and with individual providers including some General Further Education (GFE) Colleges.

There has been a 4% improvement in overall success rates for Young People in FE between 2003/04 and 2004/05 and the region is in line with the national norm. There has been a 9% increase in Level 2 success which is the highest increase of all regions across the two academic years and means the West Midlands has closed the gap and is now at the national average of 64% (previously 3% behind).

For Adults in FE there has been strong growth in Level 2 success in the region with a 10% increase between 2003/04 and 2004/05 against a national rate of 6%, this is the third highest performing region at this level. However, there are areas of learning not improving in line with the national rate.

Action:

To ensure that we continue to build on the improvements in success rates and address those areas of concern the key actions for 2007/08 will be to:

- Focus on the sector subject areas of provision within Apprenticeships that are below the national framework achievement rates; ICT, Agriculture and Horticulture, Health, Public Services and Care, Retail. We will work with QIA to develop relevant packages of support and development
- Use the minimum levels of performance data to identify areas of weak provision and work with the local partnership teams to improve the levels of performance or commission new provision
- Work with the General Further Education Colleges to raise their performance on Apprenticeship framework achievement
- Through the Regional Quality Improvement Partnership work with the new inspectorate regime to ensure we continue to improve the overall effectiveness, leadership and management of our providers and challenge 'coasting' provision
- Work with the Specialist College network (LLDD) through NATSPEC to identify those providers where the quality of provision, leadership and management and overall effectiveness is strong and share this across the specialist and GFE network
- Work with providers to implement Framework for Excellence within their self assessment and development planning processes

Key Performance Indicator(s):

1. To increase framework achievement rates to reach the national benchmarks by 2007/08 for three key sector subject areas: Retail; Health, Public Services and Care and; ICT

Commissioning Strategy (Employer Skills Provision)

We have a good base of existing employer skills provision through our current contracts for Train to Gain and Apprenticeships. However we must continue to build and develop the new economic mission of the FE system and free up and create new learning and skills markets.

We will use the following criteria to enhance the choice for individuals and employers, to determine the volume of provision through negotiation and how much we will tender for in open competition.

Train to Gain

- Benchmarking performance by sector
- Growth and/or provision below minimum levels of performance to be tendered
- Success rates below 50% for Sector Subject Areas will be subject to re-tendering

Apprenticeships

- For Apprenticeship provision delivered by training provider and colleges underperformance will be identified by sector subject area and by Apprenticeship Level (Apprenticeships and Advanced Apprenticeships)
- The minimum level of performance for Apprenticeship provision is set at 40%. For the 2007/08 delivery year however, a range will be applied at 33 – 40 per cent. Provision below minimum levels of performance will be subject to re-tendering

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

Apprenticeships

- An estimated 920 places in Apprenticeships that are currently below minimum levels to replace poor provision. These will predominantly be in the following sector subject areas:
 - Retail and commercial enterprise (approximately 470 places)
 - Health, Public Services and Care (approximately 400 places)
 - ICT (approximately 50 places)

Train to Gain

- 2,000 Skills for Life places; 10,000 Level 2 places and; 8,000 Level 3 places. Within this provision there are sector specific commissioning needs that will predominantly be focused on the following sector subject areas:
 - Retail and Commercial Enterprise
 - Engineering and Manufacturing Technologies
 - Construction, Planning and the Built Environment
 - Leisure Travel and Tourism
 - Business Administration and Law
 - Health, Public Service and Care
 - Transport

In addition, these sector priorities will be supplemented by the following cross-cutting priorities: Leadership and Management Skills; Information Technology Skills

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.

Within this provision there will be sectoral specific commissioning needs. We will commission qualifications that are listed by Sector Skills Councils as those which are a priority for employers.

Sector Priorities

An in-depth sector strategic analysis and skills balance sheet analysis was undertaken by our Research and Data team in collaboration with the West Midlands Skills team. This analysis was carried out in partnership with relevant Sector Skills Councils and has highlighted a number of areas to address in the provision for our key sectors in the region.

For all of our sectors in the region we will use performance benchmarks and Minimum Levels of Performance to ensure that we secure specific, high quality provision. We will achieve this by reviewing at institution and provider level the quality and mix of provision where we have critical sectoral investment. Where there is critical investment in a specialist field we will ensure that the levels of quality and success are appropriate.

As a priority, this commissioning plan for 2007/08 will have a particular focus on three sectors in the West Midlands;

Manufacturing and Engineering
Construction
Tourism and Leisure.

(Note: Sub regional figures will be reflected in Local Annual Plans which are included as an annex to this Plan).

Manufacturing and Engineering

Analysis has highlighted the following key points for this sector:

- There is a need to reduce Level 1 provision across the region in particular in Birmingham and Solihull
- There is a need to encourage recruitment of learners for Business Improvement Techniques (BIT) through engagement of employers in the Productivity and Competitiveness Framework and the Skills Brokerage service operating in the region
- It is important to work with providers to develop adequate capability and capacity for the delivery of BIT at Levels 2 and 3, particularly through Train to Gain and the West

Midlands Level 3 trials. Particular areas of concern are Staffordshire and Hereford and Worcester where there is currently reduced capacity

- There is a need to increase Level 2 skills for the existing workforce particularly in the areas of technical workforce skills and Business Improvement Techniques (BIT) / Lean Manufacturing. Totals for the West Midlands (with sub regional figures) are as follows:

Area	Increase in Level 2	BIT (volumes)	Technical workforce skills (volumes)
Birmingham & Solihull	20%	800	2,000
Black Country	10%	1100	2,700
Coventry & Warwickshire	5%	600	1,400
Hereford & Worcester	20%	400	900
Shropshire	15%	550	1,200
Staffordshire	10%	700	1,700
West Midlands	14%	4,150	9,900

Source: WM Regional Skills Team (November 2006)

- Changes in Level 2 provision must reflect specific demand for qualifications by sectors within Manufacturing and Engineering as listed below by Sector Skills Council:
 - **Improve** (food and drink manufacturing): Food & Drink manufacturing operations, bakery and meat & poultry in Hereford & Worcester
 - **Skillfast** (apparel): Technical textiles, manufacturing sewn products, footwear manufacturing & repair and industrial & product design in Coventry & Warwickshire and the Black Country
 - **SEMTA** (science, engineering and manufacturing): Fabrication & welding, combined working practices, laboratory technician, upskilling for electrical & mechanical technicians in Birmingham & Solihull, Coventry & Warwickshire and the Black Country and Boat building & Marine Technology in Worcestershire
 - **Cogent** (chemical, nuclear, oil and gas): Polymer technicians, VRQs e.g. in blow moulding in Shropshire
 - **Proskills** (process and manufacturing): Digital printing in Birmingham & Solihull
- There is a need to increase provision for higher level skills in response to the increasing skills needs of the adult workforce in the region. Particularly in the area of skills for technicians, technical staff and supervisory staff as well as for Leadership and Management Development. This will lead to an increase in the volume of Level 3 provision across the West Midlands (with sub regional figures) as detailed below:

Area	Increase in Level 3	Technical Workforce skills (volumes)	Leadership & Management (volumes)
Birmingham & Solihull	40%	1,700	150
Black Country	20%	2,000	250
Coventry & Warwickshire	25%	1,300	100
Hereford & Worcester	10%	900	100
Shropshire	40%	800	75
Staffordshire	10%	1,400	150
West Midlands	25%	8,100	825

Source: WM Regional Skills Team (November 2006)

- Delivery of both Level 2 and Level 3 should encourage and enable progression from Level 2 to Level 3 and from Level 3 to Level 4 in all sectors
- We need to maintain provision for apprenticeships in this sector

Construction

Employer demand for skills analysis shows an increased demand for Level 2 and Level 3 competencies in the workforce. There is a need to:

- Reduce Level 1 provision by 25% in the following occupational areas:
 - Brickwork; Carpentry and Joinery; Construction Awards; Electrical; Painting and Decorating; Plastering (Note: The data shows significant Level 1 provision in Coventry and Warwickshire, Shropshire and The Black Country)
- Reduce Level 2 provision by 10% in the following occupational areas:
 - Electrical; Gas Operations; Plumbing
- Increase Level 2 provision by 10 % in the following occupational areas:
 - Carpentry and joinery; Construction general; Floor and wall tiling; Heating Ventilation; Painting and decorating; Plastering; Refrigeration and Air Con;
- Increase Level 3 provision by 15% in the following occupational areas:
 - Electrical; Gas operations; Heating & Ventilation; Plumbing; Refrigeration /Air Conditioning

Analysis of the 2004/05 data shows geographical gaps in certain occupational areas:

- Heating and ventilation - no coverage in Hereford & Worcester and Coventry & Warwickshire
- Refrigeration /Air con – no coverage in the North or North West of region i.e. Staffordshire, Black Country or Shropshire
- Painting & decorating - no coverage in Hereford & Worcester and Shropshire
- Plastering – no coverage in Hereford & Worcester, Shropshire and Black Country
- Floor and wall tiling – coverage concentrated on 2 providers

Train to Gain Employer engagement targets for this sector to be targeted at 1 - 50 size organisations.

Over the next 4 years, as part of CITB-Construction Skills – Sector Skills Agreement, the LSC have committed to delivering the following volumes of On-site Assessment and Training (OSAT) activity within the region:

Year	OSAT (volumes)
2006/07	3,214
2007/08	4,046
2008/09	3,503
2009/10	3,503

Tourism and Leisure

This sector currently employs over 190,000 individuals throughout the region. Forecast growth and replacement demand and inward investment activity will create 84,000 employment opportunities up to 2014.

The Sector Skills Council has highlighted that the sector will require individuals qualified at Level 2 and above and have reported that skills shortages exist for trained chefs, cooks, customer service personnel and managers. Skills gaps are reported for technical and managerial occupations and the qualification profile of the workforce indicates that 40% are not qualified at Level 2.

FE Enrolments in sector by year and sub-region

Sub Region	2003/04 F05	2004/05 F05	2005/06 F04
Birmingham and Solihull	10,588	11,270	10,972
The Black Country	11,903	13,029	11,349
Coventry and Warwickshire	8,697	8,822	9,196
Hereford and Worcestershire	5,986	7,548	6,856
Shropshire	5,429	5,734	6,356
Staffordshire	7,321	8,073	6,524
West Midlands Total	49,924	54,476	51,253

Source Leisure and Tourism Balance Sheet (Working Draft December 2006)

Detailed analysis of the current FE provision indicates that there is a need to:

- Reduce elementary and Level 1 provision across the region, particularly in the Birmingham & Solihull, Black Country and Hereford & Worcester sub regions.
- Increase provision at Level 2 and Level 3 in all sub regional areas.

Proposed Changes to FE Mix and Balance

Area	Increase in Level 2	Enrolment Volumes	Increase in Level 3	Enrolment Volumes
Birmingham & Solihull	5%	2,312	10%	1,351
Black Country	5%	3,251	10%	1,321
Coventry & Warwickshire	5%	4,478	10%	1,332
Hereford & Worcestershire	5%	2,102	10%	1,431
Shropshire	5%	3,122	12%	987
Staffordshire	5%	2,174	10%	1,366
West Midlands	5%	17,439	10%	7,788

Source Leisure and Tourism Balance Sheet (Working Draft December 2006)

- The largest proposed increase is within Shropshire where volumes at Level 3 are currently low compared to future demand.

Occupational Profile of Delivery 2005/6

Occupational Area	E Level	Level 1	Level 2	Level 3	Level 4
General Hospitality Management				229	16
Chefs & Cooks	152	16,609	6,160	489	
Housekeeping		25	54		
Front of House / Reception		446	63		
Sports Coaches / Instructors	495	3,113	1,923	224	

Source Leisure and Tourism Balance Sheet (Working Draft December 2006)

The analysis of the occupational profile of enrolments indicates there is a need to:

- Reduce the volume of chefs and cooks trained at Level 1 and increase the volume at Level 2 and 3
- Increase the volume of customer facing, front of house and reception enrolments at Level 2 and above
- Increase the volume of management enrolments at Level 3 and above
- Reduce the volume of sports coaches enrolments at level 1 and increase the volume at level 2 and above

- Focus the CoVEs and the emerging specialist network on the promotion and delivery of Level 3, management and technical related provision
- Ensure that the qualifications that are delivered are relevant to the sector and align to the priority qualifications identified by People 1st and SkillsActive
- There is a need for provision to be delivered in a work based learning style using alternative methods of delivery and increasing the integration of ICT skills.

Work Based learning Volumes 2005/6

Sub Regional Area	2003/04	2004/05	2005/06
Birmingham & Solihull	915	982	935
Coventry & Warwickshire	802	730	560
Hereford & Worcestershire	579	577	606
Shropshire	400	308	437
Staffordshire	864	855	735
Black Country	728	795	765
West Midlands	4,288	4,247	4,038

Source Leisure and Tourism Balance Sheet (Working Draft December 200)

The analysis of the Work Based Learning volumes indicates there is a need to:

- Increase the volume of Work Based Learning provision by at least 2% in all sub regional areas to meet the demands of the sector.

An analysis of Train to Gain provision indicates that there is a need to:

- Target Type A provision at this sector.
- Increase the Type B allocation from current levels of 1,907 at Level 2 and 189 Level 3 to address skills gaps and the low level of qualification attainment within the workforce.

4. West Midlands Commissioning Volumes

The following table outlines the volumes of provision required to be commissioning by the Learning and Skills in the West Midlands to address the priorities and actions identified in this plan for 2007/08. The volumes have been planned as a result of extensive strategic analysis and form the basis for the negotiation and tendering commissioning process at the local area and regional level to deliver this plan.

Local Area teams have produced Local Annual Plans which are presented as an annex to this Commissioning Plan; this now forms the composite overall LSC West Midlands Regional Plan for 2007-08.

West Midlands Commissioning Volumes – 2007/08

16-18 Participation	FE	ACL	WBL	School Sixth Forms	ESF	Other discretionary / pilots
Number of learners (total)	97,000	0	16,500	37,500	0	0
Number of learners undertaking Level 3	50,200		4,455		0	0
<i>of which: Full Level 3 Learners</i>	38,400					0
Number of learners undertaking Level 2	28,900		12,045		259	0
<i>of which: Full Level 2 Learners</i>	21,700					0
Number of learners undertaking Skills for Life qualifications that directly contribute to PSA target	31,100		10,828		0	0
Number of learners undertaking Level 1 and Entry	13,500				262	0
Number of learners undertaking Entry to Employment (starts)			6,140			0

16-18 Outcomes	FE	ACL	WBL	School Sixth Forms	ESF	Other discretionary / pilots
Number of Learners achieving a Full Level 3 qualification	20,800		1,515		0	0
Number of Learners achieving a First Full Level 3 qualification	20,800					0
Number of Learners achieving a Full Level 2 qualification	14,000		6,143		1,041	0
Number of learners achieving a Skills for Life qualifications that directly contribute to PSA target	21,800	0	6,713		0	0
Number of learners progressing to a positive destination from Entry to Employment			4,405			

Adult Participation	FE	ACL	WBL	Train to Gain	ESF	Other discretionary / pilots
Number of learners (total)	300,000	80,000	8,800	55,340	4,467	0
Number of learners undertaking Level 4 and above	10,000				45	0
Number of learners undertaking Level 3	53,800		4,000	7,200	567	0
<i>of which:</i> Full Level 3 Learners	21,500					0
<i>of which:</i> First Full Level 3 Learners	11,200					0
Number of learners undertaking Level 2	98,500		4,800	42,000	1,182	0
<i>of which:</i> Full Level 2 Learners	34,500					0
<i>of which:</i> First Full Level 2 Learners	17,900					0
Number of learners undertaking Skills for Life qualifications that directly contribute to PSA target	26,000	250	4,622	6,150	385	0
Number of learners undertaking Level 1 and Entry	144,000			0	1,194	0
Number of learners undertaking Safeguarded Adult Learning (total)		0				
Number of learners undertaking Family learning, literacy and numeracy		14,166				
Number of learners undertaking Neighbourhood learning in deprived communities		4,020				
Number of learners undertaking Wider Family Learning		0				
Number of learners undertaking Personal / Leisure Learning		51,000				
Adult Outcomes	FE	ACL	WBL	Train to Gain	ESF	Other discretionary / pilots
Number of Learners achieving a Full Level 3 qualification	13,985		2,000	4,320	2,121	0
Number of Learners achieving a First Full Level 3 qualification	7,608					0
Number of Learners achieving a Full Level 2 qualification	23,450		3,120	33,600	0	0
Number of Learners achieving a First Full Level 2 qualification	12,194					0
Number of learners achieving a Skills for Life qualifications that directly contribute to PSA target	19,750	100	4,530	4,920	4,740	0

5. Related strategies and publications

Strategy / Publication	Summary of Content	Web Link
West Midlands Regional Capital Strategy 2006-2011	Sets out the key drivers at the heart of the capital strategy	Learning and Skills Council - West Midlands - Publications - Latest documents - Latest documents
West Midlands LLDD Vision and Implementation Plan	Due for publication at the end of March 07	
West Midlands Single Equality Scheme Implementation Plan	Due for publication at the end of March 07	
West Midlands Quality Improvement Strategy	Due for publication at the end of March 07	
West Midlands Health and Safety Development Plan		
West Midlands Regional Joint plan with Job Centre Plus		
City Strategy Business Plan	The City Strategy ambition is to increase skill levels, improve participation and progression across the City Region and tackle worklessness.	
ESF	The European Social Fund (ESF) is one of four structural funds to strengthen economic and social cohesion in Europe	Learning and Skills Council - West Midlands - Publications - Latest documents - Latest documents
Train to Gain West Midlands Region Provider Guide	Sets out the West Midlands requirements for Train to Gain	Learning and Skills Council - West Midlands - Publications - Latest documents - Latest documents