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Leading learning and skills

Learning and  
Skills Council  
West Midlands  
Commissioning  
Statement  
2009/10

**December 2008**

Of interest to Local Authorities, providers  
and partner/stakeholders

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## Foreword

The LSC in the West Midlands has done an excellent job in driving up participation and attainment in education and training in the region and this Commissioning Statement sets out our key priorities for 2009/10 describing how we will continue to work with our regional providers to ensure that young people keep on participating in learning post 16 and are able to take advantage of an increasingly flexible curriculum whilst continuing to achieve higher levels of the most relevant qualifications. The statement focuses on adults and employers ensuring that we will continue to provide an integrated employment and skills service to support those returning to the labour market and an enhanced Train to Gain service to deliver the skills for those already in work, creating a solid skills base for the region to get through the more difficult economic times ahead.

The economy is rapidly heading towards a recession and this is creating a whole new set of challenges for the region. Three years ago the West Midlands had the lowest proportion of employers investing in training in the country but by 2007, that position had changed to fourth highest. However we will need to increase our efforts to convince employers not to cut back on training in reaction to the harsh economic conditions. Maintaining investment in learning and skills becomes even more important for individuals who want to return to work and for businesses to survive the recession and hit the ground running when the economy recovers. In recent years we have learnt a great deal through our work in meeting the challenges presented by previous shocks to the regional economy. In particular, it has taught us how to create a skills delivery system with the flexibility to respond quickly as the need arises. The current challenging economic situation will put all of this experience we have in the West Midlands to the test, particularly our ability to respond quickly to changing circumstances for a wide range of sectors and in different areas as the recession hits home. More than ever, we will be relying on our successful Train to Gain service as the flagship to deliver the flexibility of provision that is required.

Train to Gain is working and is a success in the West Midlands as the best-achieving region for this service overall, with over 80,000 employees having received training and more than 33,000 achieving a qualification to date. In 2009/10 we will continue to invest more in this successful service for the region and we will be encouraging more employers to access the wide variety of flexibilities now available through Train to Gain, to sign up to the Skills Pledge and to offer more Apprenticeships.

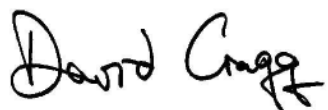
But 2009/10 will be different for the LSC. We are in a period of organisational change following the Machinery of Government announcement in 2007. From September 2010 the LSC will be dissolved (subject to legislation) and new arrangements are scheduled to be in place for commissioning and planning learning and skills in the country. Local Authorities, together with the Regional Planning Group and the Young People's Learning Agency, will have the responsibility for commissioning 16-19 education. The transition year for this to happen will be 2009/10 where the LSC will be contributing to the understanding and capacity building of Local Authorities who are currently tracking LSC processes to gain a better understanding of commissioning 16-18 provision. Adult skills and apprenticeships will become the responsibility of the Skills Funding Agency, incorporating the National Apprenticeship Service and the adult advancement and careers service.

Through all of these changes we will need to respond to the impact of the economic situation as the country moves towards a recession. The Integrated Employment and Skills (IES) trial which is well underway in the West Midlands will help to mitigate the

economic situation. The task of getting people into work and on in work will not change despite the recession, but we must be ready to help anyone facing redundancy or needing to find alternative employment in the current climate, by adopting a broader approach to their training and welfare needs and by creating a pool of people ready to work and with the right skills.

This is a critical challenge and we must continue to drive forward the economic case for skills development and training to all employers and individuals. The delivery of our Skills Action Plan published in March 2008, together with the flexibilities of our provision in 2009/10, will be central to our approach in addressing what needs to be done during these adverse economic conditions.

As an LSC we have a responsibility to remain focused on learners, on employers and on the wider communities. We are committed to continuing to produce excellent services and support the further education sector to respond in new ways to ensure that the West Midlands region has the skills base to guarantee prosperity and social cohesion whilst continuing to play an even greater role in supporting individuals and businesses through these difficult economic times. This Regional Commissioning Statement sets out how we will endeavour to achieve this in 2009/10.



**David Cragg**  
Regional Director



**Ben Reid**  
Regional Chair

## **1. Responding to the Economic downturn in the West Midlands**

This Regional Commissioning Statement has been developed during a unique time in the economy of the country and the West Midlands. The economy is predicted to go into a deep recession which will have an adverse affect on individuals, communities and businesses in the region. We are beginning to see the impact of the downturn where nationally the last three months have seen the biggest increase in unemployment since 1991. In its latest economic forecast the CBI predicts that unemployment will peak close to 2.9 million around the end of 2009.

In the West Midlands the Job Seekers Allowance claimant count rate has increased from 3 per cent in July 2008 to 3.4 per cent in October, an increase of around 10,000 claimants. The region has already experienced some high profile redundancies with large job loss and there have also been many low volume job cuts in a wide range of areas and sectors, which when combined have a significant effect on the regional economy. There is some emerging evidence of apprentices being made redundant and some employers are reducing training and recruitment activities whilst de-prioritising training in their budgets.

In terms of implications, there are likely to be fewer opportunities for Apprenticeships, particularly in some sectors such as construction. As cash flow and credit issues bite, some employers will be less willing to invest in training their current workforce. There will also be an increased pool of those out of work and looking to train in order to find new employment opportunities.

### **1.1 What are we doing to help?**

The Train to Gain skills service is already helping businesses of all sizes and all sectors to get the support they need to increase the skills of their workforce and improve the performance of their business.

All businesses now have access to full funding for:

- Basic skills support at all levels
- First full Level 2 qualifications
- First Level 3 for 19-25 year olds
- Some first Level 4 for 19-25 year olds who do not already have a Level 3
- Some funding for people who already have qualifications at Level 2 and 3 and would like to take another.

There is also shared investment available between the employer and the LSC for:

- English for Speakers of Other Languages qualifications at all levels
- Apprenticeships
- Support towards the costs of leadership and management development (for businesses with between 10 and 250 employees)

In October 2008 John Denham announced a number of measures to help private sector SMEs<sup>1</sup> cope with the financial downturn. He stated that £350 million of Train to Gain growth money will be directed towards small businesses through further

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<sup>1</sup> All publicly funded organisations - i.e. Government Departments, Agencies, NDPBs, the Health Service, and Local Government organisations, State Schools, State owned Prisons will be classed as being in the public sector and will not be eligible for this extended offer through Train to Gain.

enhancements of the Train to Gain service. Depending on uptake, the funding could deliver an estimated boost of up to £50 million for businesses across the West Midlands. The new package of support to help small businesses get through the tougher economic climate will build on the skills and expertise of their workers and includes:

- Relaxing the Train to Gain rules to allow funding<sup>2</sup> for small units<sup>3</sup> or modules of full qualifications in subjects known to be important to SMEs. A total of 138 Level 2, Level 3 units and thin qualifications, within ten business critical areas will be available to learners from the beginning of January 2009. These areas include:
  - business improvement techniques,
  - business systems/processes,
  - teamworking/communications,
  - customer service,
  - sales and marketing,
  - IT User, IT support,
  - new product design,
  - finance and credit,
  - cashflow and profit management, and
  - risk management.
- Extending the successful leadership and management programme so that more SME's can benefit from it, including companies with just 5-10 workers.
- All Level 2 programmes that lead to full qualifications will be fully-funded, for all learners, i.e. all first Level 2s and repeats<sup>4</sup> will be free to the employer and employee.
- First Level 3 and repeat Level 3 for full qualifications will be fully-funded for all employees aged 19-25 and co-funded for all employees over the age of 25.
- Businesses with less than 50 employees can still receive a contribution to wage costs to cover the cost of time off to train
- Help for groups of SMEs located together in business parks so that they can increase their purchasing power and share resources to support the training of local SME staff. There will be five supply chain clusters set up in the West Midlands by March 2009.

There is also support tailored to meet sector specific needs through sector compacts. Ten sector compacts<sup>5</sup> have been agreed so far and we expect more to follow over the next few months. Businesses in these sectors have access to a range of benefits including:

- Tailored, sector-specific advice from skills brokers.
- Marketing about the specific skills offer to employers in specific sectors, with information about qualification routes to meet industry standards.
- For businesses with more than 250 employees, a full subsidy is available at Level 2 and partially subsidised at Level 3 for people who are already skilled at that level for qualifications that Sector Skills Councils say are the most important to the sector. These businesses can continue to access the core Train to Gain offer.

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<sup>2</sup> Funding for the eligible units (including repeats) will follow the same rules as for full qualifications (i.e. full funding at Level 2; full funding for Level 3 for 19-25 year olds; part-funding for Level 3 for the over 25.

<sup>3</sup> The units must have been accredited onto the Qualifications and Credit Framework (QCF). The initial 138 contain units which can be found on the NQF and have QCF status pending.

<sup>4</sup> Additional 'repeat' qualifications are restricted to qualifications identified by Sector Skills Councils (L2) or sector bodies within their Sector Compact (L3).

<sup>5</sup> The 10 Compacts are: Semta; Skills for Justice; Proskills; People 1<sup>st</sup>; Construction Skills; Skillfast UK; Asset Skills; SkillSet; ECITB; Cogent. (see Glossary)

## 1.2 Rapid Response to redundancies

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.

We are already starting to see an escalating number of redundancies across the region. This is being confirmed in the claimant information provided by Jobcentre Plus. In response to this situation we intend to take urgent action in the West Midlands to ensure that our ESF Operational Programme 2007-2013 provides the level of support required by individuals affected by redundancy. We have already had discussions with the West Midlands Local Government Association and JCP and have agreed the following actions that we will implement with immediate effect.

- Increase the value of our existing Manufacturing Redundancy Redeployment Programme by the maximum allowed by the European Commission, approximately £177,000.
- Extend the eligibility criteria of the Integrated Employment and Skills Client Intervention contracts in order that they can be used to support individuals affected by redundancy.
- Increase the new Round 2 ESF Redundancy Redeployment specification from £10 million to £20 million and to make the support available to individuals in all sectors. This will increase if demand requires additional resources.
- Refocus Round 2 ESF Integrated Employment and Skills Employer Engagement specification to enable the employment opportunities that are generated to be used to support individuals on the Redundancy Redeployment Programme.

Underpinning all of this is our Integrating Employment and Skills (IES) trial in the West Midlands which began in September 2008. Through IES we are particularly focusing investment on supporting people who are unemployed to progress into sustainable employment with training using a number of existing programmes, as well as mainstream provision, to deliver the desired outcomes for individuals.

Within the adult learner-responsive provision, there will be greater flexibilities focused on learning in pre-level 2. We will agree the contribution of colleges and providers to key Skills for Life targets in Level 1 literacy and Entry Level 3 numeracy and indicative overall Skills for Life, Foundation Learning Tier and developmental learning numbers. However, colleges and providers will have flexibility across all of these areas to respond to local requirements, provided that they meet the agreed Skills for Life targets.

In the short term this flexible and adaptable approach we are taking to funding provision will make it more difficult to deliver the priorities that we have identified in this Regional Commissioning Statement. However, even as we respond to the current challenges created by the adverse economic conditions, our long-term commitment remains the achievement of our skills targets as outlined in our Skills Action Plan for the region. That is why we will continue to invest a significant proportion of our adult skills budget into our priority areas of basic literacy and numeracy, full Level 2 and full Level 3 qualifications.

## **2. Strategic Direction and Priorities for 2009/10**

### **2.1 Young People**

In the West Midlands the LSC has increasingly stepped up its efforts to encourage more young people to stay on in education and training after completing compulsory education. A number of measures have been introduced, including financial support through the Education Maintenance Allowance (EMA) and the guarantee of a place in an educational institution after the age of 16 through the September Guarantee, launched in 2007. The guarantee has been extended to cover 17-year olds in 2008. We have also worked very closely with Local Authorities and their Connexions service in the region to effectively engage with those who are not in education, employment or training (NEET).

All of this has meant that more young people than ever in the region are participating in education and training and gaining the knowledge and skills that they need to succeed. The number of young people achieving Level 2 and Level 3 in Further Education (FE) qualifications has increased in the West Midlands by nearly 15 per cent and 7 per cent respectively (2007 figures). The NEET figure has also fallen to just over 7 per cent, our lowest figure to date and close to the national benchmark. Despite this progress, significant challenges remain. There are still too many young people who are NEET and too many leaving education with few or no qualifications. We will continue to use all of our resources to raise levels of participation, increase attainment at 19, with a focus on narrowing the gap between children from low income and disadvantaged backgrounds and the rest of the cohort.

Whilst the LSC will continue to have the statutory responsibility for 16-18 planning, commissioning, funding and performance management until September 2010, we have in the West Midlands been working together with the 14 Local Authority Directors of Children's Services, alongside Government Office for the West Midlands and Advantage West Midlands through a Regional Strategic Planning Forum, addressing immediate transition issues to safeguard operations through Machinery of Government implementation. The Forum will also be discussing longer-term transition issues to inform, influence and shape developments and joint working during the transition year of 2009/10.

In 2009/10 we intend to focus our investment and commissioning activities on the following key priorities for Young People.

#### **2.1.1 Key Priorities - Young People**

##### **Increasing Participation**

The regional demographic profile from our strategic analysis shows that between 2008 and 2013 the 16-18 cohort will decline by over 8 per cent in the West Midlands, equating to nearly 20,000 young people. The rate of decline will vary per local authority area ranging from 4 per cent in Solihull to over 16 per cent in Sandwell. The challenge in the region will be to maintain or increase our participation volumes in relation to this decline, which will in effect increase our overall participation rate for this age group due to the falling cohort size. However the closer we get to maximum participation, in line with the new legislation raising the education and training age to 17 by 2013 and to 18 by 2015, the more we will be required to influence the "hard to reach" group of the cohort to participate in learning.

There are some Local Authority areas in the region where participation of 16 and 17 year olds is well below the national average and we will be concentrating on these areas as a priority in 2009/10. For example, in Stoke-on-Trent participation at age 16 is increasing but there is significant dropout at 17 with participation at this age at 69 per cent, well below the national average of 77 per cent. We will address this challenge here and in the region by getting a better understanding of the barriers to participation and addressing these barriers, for example young parents, young offenders in custody and in the community and learners with learning difficulties and / or disabilities. In 2009/10 we must continue to focus our efforts on the “hard to reach” group of young people and in particular those who are disadvantaged.

**Key Commissioning Actions**

- Increased promotion and effective delivery of the Education Maintenance Allowance (EMA) and Care to Learn providing support for young people. This is particularly relevant for Wolverhampton Local Authority area where EMA take up is the lowest in the region.
- Ensure that every young person has access to at least the minimum entitlement through joint planning with Local Authorities with a particular focus on the most disadvantaged
- Improve Information Advice and Guidance (IAG) across the region

**Increasing Level 2 attainment at age 19**

By 2010/11 the national PSA target is for 82 per cent of young people to have achieved a level 2 by age 19. By the end of 2004 the Level 2 achievement rate at age 19 was 64 per cent in the West Midlands compared to over 66.4 per cent at national level. By the end of 2007 the West Midlands figure had increased to 72 per cent compared to 73.9 per cent nationally, which shows that we are reducing the gap with the national average. However the picture is mixed when we compare sub-regional levels of attainment in the region for this important government PSA target.

All of the “Shire counties” in the region are close to or above the regional average and in some cases above the national average for this key target. Most urban areas are below the regional average and in some areas more than 10 percentage points below, for example Stoke-on-Trent at 62 per cent and Sandwell at 59 per cent attainment.

There has been an increase in the region in the number of young people leaving school with 5 A\*-C GCSEs (including English and Maths) which will impact on the number of young people at Level 2 at age 19. This will also improve the chance of achieving their full Level 3 by 19, where figures show that up to 85 per cent of young people with English and Maths go on to achieve Level 3 compared to only 52 per cent where their 5 A\*-C GCSEs exclude attainment in English and Maths. The picture is mixed in the sub region for English and Maths with for example Sandwell, Wolverhampton and Stoke-on-Trent well below the national rate of attainment.

Level 2 attainment at age 19 is a high priority for 2009/10 in the West Midlands and a key element in the delivery of the regional Skills Action Plan.

**Key Commissioning Actions**

- Working with Local Authorities to focus on improving achievement at age 16 and age 19 for Level 2 particularly in those urban areas where this is an issue by targeting “hotspots” where GCSE (including English and Maths) achievements are poor
- The quality assurance of additional qualifications to underscore value for money will be critical. Emphasis on English and Maths at Level 2 as first priorities for additional activity/qualifications
- Targeting Level 2 priorities in preference to non-accredited qualifications

### **Increasing Level 3 attainment at age 19**

By 2010/11 the national PSA target is for 54% of young people to have achieved Level 3 by age 19. The proportion of 19 year olds achieving Level 3 continues to increase in the West Midlands and the rate of improvement has seen the gap close on the national average. By the end of 2007 the regional figure had increased to 46% compared to 48% national average. Again, the sub-regional figures show that all of the "shire counties" are close to or above the regional average but the majority of urban areas (with the exception of Solihull) are below the regional average. Stoke-on-Trent at 32% and Sandwell at 31% attainment are areas of particular concern.

We need to ensure that rates of achievement and participation at 19 continue to rise in all areas of the West Midlands so that more young people are provided with the skills they need to succeed in further learning or work.

Level 3 attainment at age 19 is also a high priority for 2009/10 and a key element in the delivery of the regional Skills Action Plan.

#### **Key Commissioning Actions**

- Working with Local Authorities to focus on improving achievement at age 16 and age 19 for Level 3
- Ensuring that we commission provision that provide opportunities for progression from Level 2 to Level 3 for young people

### **Expanding and Improving Apprenticeships**

Success rates for Apprenticeship and Advanced Apprenticeship programmes have been increasing year-on-year in the West Midlands and the region is now one of the best performing regions in the country. Success rates increased by 11 percentage points in 2006/07 and figures for 2007/08 show a further increase to 63 per cent.

However there is a downward trend in the number of young people participating in Apprenticeships at Level 2 in the region and this situation is likely to be exacerbated by the current economic downturn. Strategic Analysis 2008 shows that this drop in Apprenticeship starts is significant in Solihull, Herefordshire, Birmingham and Coventry. Mindful of the potential adverse effect that the economic situation could have on apprenticeships, our new National Apprenticeship Service (fully operational by April 2009) delivering the West Midlands Apprenticeship Plan for Growth, will be focusing more strongly on increasing the number of 16-18 Apprenticeships in 2009/10 working towards the entitlement to an Apprenticeship place for each suitably qualified young person from 2013.

The Apprenticeship Expansion Programme trials, recently launched, will provide extra funding to employers who are currently running high quality Apprenticeships. The trials will help the apprentices secure employment with employers in the supply chain or elsewhere in the wider sector.

#### **Key Commissioning Actions**

- Ensure that providers and employers offer apprenticeships as a vocational option for 16-24 year olds
- Improve progression rates from E2E to Apprenticeships
- Apprenticeship 'entitlement' in the 14-19 offer to all young people on a consistent basis across the region

### **Delivering the September Guarantee**

The September Guarantee was introduced nationally for 16 year olds in 2007 and extended to 17 year olds in 2008. It ensures that all young people have opportunities to engage in learning for at least two further years when they leave compulsory education. The Guarantee applies to all 16-year olds completing compulsory education and 17-year olds who are enrolled on 1-year or short courses or who leave the activity they chose on leaving school.

The majority of young people make a successful transition, with the vast majority of 16 year olds continuing in education and training. But the remainder is at greater risk of becoming NEET. That is why implementation of the Guarantee is a high priority for the West Midlands and together with our Local Authorities and their Connexions service, we will ensure that each young person has access to at least the minimum entitlement to maintain our focus on raising participation and reducing NEET. This will be crucial in our efforts to continue to raise Level 2 and 3 at age 19 attainment levels as well as raising overall participation rates in Local Authority areas.

#### **Key Commissioning Actions**

- Commission high quality provision for the delivery of the September Guarantee particularly for 17 year olds in the region
- Offers must take account of the level of provision required by the young person, its location, occupational sector and learning method

### **Reducing NEET**

Reducing the proportion of young people Not in Education, Employment or Training (NEET) remains a significant challenge in the West Midlands and it is one of the Government's key Public Service Agreement (PSA) targets which is "to reduce the proportion of NEET by 2 percentage points by 2010 from a baseline of 10 per cent". The NEET group is not static but rather a rapidly changing group. Most young people do not spend long periods NEET. The vast majority of young people who are NEET are engaging in education, employment or training, but moving in and out of the system as they drop out of or complete their previous activity.

Currently, 12,300 young people are not in employment, education or training in the West Midlands, equivalent to 7 per cent of the 16-18 year old cohort. This proportion is on a par with the national average. A further 7,800 young people are in destinations 'not known', equivalent to 4.5 per cent. As highlighted in our strategic analysis 2008 NEET rates are particularly high in urban areas with nearly 8 per cent in Birmingham, over 9 per cent in Walsall and Wolverhampton, nearly 10 per cent in Telford, over 12 per cent in Sandwell and 13 per cent in Stoke-on-Trent.

We are pleased that the reduction of NEET has been included as a key indicator for 12 of the 14 Local Area Agreements (LAAs) in the region. In 2009/10 we will continue to work with Local Authorities to focus on and support the achievement of the local targets set against this and other relevant indicators such as achievement of Level 2 and Level 3 at 19 where they too have been selected for inclusion in some LAAs.

#### **Key Commissioning Actions**

- Shaping provision to meet the needs of young people with specific needs such as offenders, teenage parents and children who have been in care
- Supporting the attainment of employability skills and through greater 'business engagement' with schools and colleges
- Encouraging the take up of Care to Learn support
- Develop specifications for ESF Round 2b tendering continuing to address the NEET issues

## Diplomas

The Diploma is a qualification for students aged 14-19 and is set to become one of the three main education choices alongside GCSEs/A levels and Apprenticeships. It is a new qualification that combines theoretical study with practical experience and will cover 17 disciplines, including Engineering, IT, Hospitality, Creative and Media.

Nationally there will be a very significant increase in investment for Diplomas in 2009/10 compared to 2008/09. In the West Midlands we had over 200 consortia bids in Gateway<sup>6</sup> 1 for starts in 2008. Not all of those bids were successful for a 2008 start and some were deferred for a 2009 or 2010 start. We currently have 17 consortia in 10 Local Authority areas identified to teach 30 Diploma programmes from 2008. However, there are four Local Authority areas in the region with no Diploma Programmes for 2008.

Most of the provision being delivered from 2008 in the West Midlands will be at Levels 1 and 2 and there was a significant drop off from the original bids for Level 3 and the actual projected starts. The West Midlands LSC regional team and Local Area LSC partnership teams will be working closely with Local Authority and Government Office colleagues to ensure the 14-19 Partnership Plans reflect the current gaps in Diploma delivery and will seek to encourage consortia bids to cover geographic, sectoral and qualification level gaps.

### Key Commissioning Actions

- Alignment of Capital Investment Plans to achieve effective planning supporting curriculum change including Diploma developments
- Align post-16 transport policy to Diplomas, facilitating cross borough collaboration on transport if appropriate.

As part of the process to inform this Regional Commissioning Statement in relation to the commissioning of young people's learning, a Local Area Statement of Need (LASN) for each Local Authority area in the region has been produced by each of the LSC sub regional teams in the West Midlands.

See **Annex A** for a summary of the Local Area Statement of Needs (LASN) and links to the complete document.

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<sup>6</sup> There is a four phased gateway process to introduce the Diplomas with the first 3 gateways available in England by 2013

## 2.2 Adult Skills

The proportion of adults attaining qualifications is improving in the West Midlands and over the past five years we have significantly closed our skills gap with the rest of the country. However, due mainly to an historical legacy of low skills and education, a large proportion of the adult population in the region have a low level of skills compared with the rest of the country. Nearly 15 per cent of working age adults do not have a qualification in the region.

A highly skilled workforce is both directly and indirectly linked to productivity. People with high-level skills can increase productivity by implementing new investment and innovation. They are also likely to be flexible and able to adapt to changes in the labour market, ensuring a high level of employment. As described in the Regional Economic Strategy "Connecting to Success", the contribution of the region's population and their skills is essential to ensure the sustainable growth and increased productivity of the West Midlands economy.

Making the best use of adult skills is crucial in meeting the challenges of the current economic climate and ensuring success in the future. The Skills Action Plan for the West Midlands sets out ambitious skills goals for the region up to 2011 and delivery of this plan will help us to bring about a step change in our ambitions for the knowledge and skills of everyone in the region, helping to mitigate the effects of the recession. It is clear that we need to continue to raise the skill levels of all to increase employment opportunities and to meet the demand for higher-level skills in the workplace for the future economy of the region.

In 2009/10 we intend to focus our investment and commissioning activities on the following key priorities for Adults.

### 2.2.1 Key Priorities Adults

#### Skills for Life

Overall figures put the West Midlands close to national averages for adult basic skills levels, but this masks substantial variations in the region. The biggest need is concentrated in the urban areas of Birmingham, Coventry and The Black Country which align with City Strategies. There are also a number of rural 'hotspots' which need to be addressed. Numeracy is a key priority for the region which is a challenging target area due to the greater identified need and less qualifications that can contribute towards the need. Delivering the West Midlands Regional Numeracy Strategy will be crucial to ensure that people have the right skills to get into work and stay in work.

The national Skills for Life strategy, which supports widening participation and funding allocations, has ensured that there is sufficient funding available to support all levels of Skills for Life, from Entry level 1 to Level 2. The LSC is expected to improve the skills of the population by 2011, consistent with the 2020 objectives of the Leitch Review of Skills by helping to ensure that nationally:

- 597,000 people of working age to achieve a first Level 1 or above literacy qualification, and 390,000 to achieve a first Entry Level 3 or above numeracy qualification. (PSA 2 Indicator 1).

In the West Midlands the LSC will ensure adequate provision is available in 2009/10 at these levels in order that progression is supported up to and beyond the Leitch thresholds. This is also a key element in the delivery of the regional Skills Action Plan.

We will achieve this through:

- Implementing the West Midlands regional strategy for numeracy
- Increasing the achievement of Skills for Life qualifications by unemployed people through alignment of LSC and JCP provision
- Improving the Skills for Life levels of prisoners and offenders supervised in the community
- Ensuring the delivery of the Skills for Life through the Train to Gain offer to employers
- Targeting engagement and delivery activity to improve Skills for Life for groups in community settings
- Improving social cohesion and closing gaps across neighbourhoods through developing the English language skills of residents for whom English is a second or additional language

**Key Commissioning Actions**

- Increase retention and success rates by embedding Skills for Life qualifications in vocational qualifications
- Target engagement and delivery activity to improve Skills for Life for groups in community settings, particularly through the Voluntary and Community Sector
- Increase our focus on functional literacy and in particular functional numeracy, while ensuring that adequate provision is planned at all levels of Skills for Life to ensure progression is supported up to and beyond the Leitch thresholds.
- Utilise the new Skills for Life progression opportunities within Train to Gain.

**Reducing the proportion of Adults with low or no Qualifications**

The proportion of working age adults (people aged 19-59/64) in the region with low or no qualifications is falling. However the West Midlands continues to compare relatively poorly with other regions. The Labour Force Survey 2007 quarter 4 (revised), shows the region still has the highest proportion of those with no qualifications in the country (at nearly 15 per cent).

Low levels of skills attainment are concentrated in the region's urban areas where there is often an ageing population with low skills being augmented over time by significant numbers of NEET young people. Wolverhampton has nearly 30 per cent of working age adults with no qualifications, in Sandwell and Walsall over a quarter have no qualifications and the figure is 23 per cent in Stoke-on-Trent. In contrast Warwickshire has a rate well below the regional and national averages, at fewer than 10 per cent with low or no qualifications.

In 2009/10 we will continue to address these challenges through our Integrating Employment and Skills service and the delivery of the region's Skills Action Plan.

**Key Commissioning Actions**

- Address the barriers to participation faced by specific groups in the region such as older people, people with a disability, minority ethnic groups and the disadvantaged
- Tackle worklessness and low skills in 55 of the most deprived wards in the City Region through our City Strategy Pathfinder
- Maximising Train to Gain flexibilities to ensure that individuals receive both pre-employment and in-employment support
- Continue the drive on quality to ensure success and achievement at all levels of provision

### **Increasing Level 2 attainment**

Increasing the number of Adults qualified to Level 2 and above remains a key priority in the West Midlands, with evidence continuing to show that low qualification levels can act as a barrier to economic activity and employment. Attainment of a Level 2 qualification is increasingly viewed as a required level for basic employability and is a key element in the delivery of the region's Skills Action Plan.

Latest Labour Force Survey (LFS) data (2007 Quarter 4 revised) shows that over 68 per cent working age adults (people aged 19-59/64) in the region has a qualification at Level 2 or above. This is an increase of over 6 per cent since 2001 however there is still a gap of over 3 per cent on the national average and a key area to address during 2009/10. Qualification levels vary by sector, with other manufacturing, wholesale and retail and transport having the highest proportions without a Level 2 within their workforce.

#### **Key Commissioning Actions**

- Delivery of an Integrated Employment and Skills system particularly for disadvantaged adults
- Up skill the West Midlands public service workforce to a minimum of Level 2 as part of the Public Service Skills Challenge
- Making optimum use of the Train to Gain flexibilities for private sector Small and Medium Enterprises (SMEs)
- Continue to increase the number of businesses in the region signed up to the Skills Pledge

### **Increasing Level 3 Attainment**

The percentage of adults qualified to Level 3 and above has increased steadily in the region in recent years. In the West Midlands over 47 per cent of all working age adults have a qualification at Level 3 or above, equating to 1.41 million people from a working age population of 2.98 million. This is an increase of nearly 7 percentage points since 2001.

However, the percentage of working age adults qualified to Level 3 or above ranges from nearly 30 per cent in Sandwell which is well below the regional average, to over 50 per cent in Shropshire, Solihull and Warwickshire.

Qualifications at Level 3, including those at Advanced Apprenticeship, provide the key to a well-trained, productive workforce and to improving individuals' future career prospects. This priority is also a key element in the delivery of the region's Skills Action Plan and a high priority for the region.

#### **Key Commissioning Actions**

- Support more adult learners to take up learning and progress to achieving their first full Level 3 qualification, particularly those disadvantaged learners
- Making optimum use of the Train to Gain flexibilities for private sector Small and Medium Enterprises (SMEs)

### **Integrated employment and skills (IES)**

At the end of September 2008 the LSC West Midlands and Jobcentre Plus launched the first Integrated Employment and Skills Service Pathfinder Trials across the whole of the West Midlands region for new Jobseekers Allowance Claimants. The Integrated Employment and Skills Agenda is gathering momentum and is supported by a number of Government departments committed to rolling out the service offer to all Jobcentre Plus districts in England by 2010. In 2010-11 the Government ambition is to help 100,000 people to gain sustainable employment and a recognised qualification through the new service.

The rolled out offer will not just be available to Jobseekers Allowance (JSA) claimants, it will also be available to those on Employment Support Allowance, to Lone Parents on Income Support and to 'offenders' surviving custodial sentences. As the country and the region enters into an economic downturn and more and more people are affected by this, integrating employment and skills services will not just be about helping individuals into Entry Level jobs, it will aim also to engage people in the development of their skills to improve their ongoing career prospects and help them back into sustainable employment.

In December 2008 the Department for Work and Pensions will begin the procurement process for the Flexible New Deal (for those reaching 6 months unemployed) including support contracts. The LSC will be working with DWP to better align the desired outputs from the provision, whilst ensuring that DWP provision does not duplicate the LSC's offer. The Government has committed to trialling new approaches to joint commissioning in several areas of England as set out in document "Work Skills". These approaches include the joint commissioning of Train to Gain in the West Midlands.

In preparation for the launch of the adult advancement and careers service in 2010, and to support the IES agenda, **nextstep** prime contractors will be trialling aspects of the new service, particularly in relation to skills accounts and our work with Jobcentre Plus. There will be two 'prototypes' in the West Midlands, one in the Black Country and the other in Stoke-on-Trent and North Staffordshire. The prototypes will test a range of approaches to establishing local partnerships, with Stoke-on-Trent and North Staffordshire targeting networks in primary care and social housing settings. The Black Country prototype will target a network of "advancement advisers" ensuring that individuals can quickly access a range of advisory services, no matter which organisation they use as an initial point of contact.

The City Region Board is exploring proposals for taking a Multi Area Agreement (MAA) for the City Region. The proposals are predicated and conditional on devolved powers being given to the City Region partners including delegated responsibilities for commissioning national programmes together with substantial flexibility in the use of programmes and budgets. Delivery of the existing Local Area Agreement (LAA) targets will be the key objective of the MAA as these will now be difficult to achieve as a result of the economic downturn.

The approval of an MAA will be conditional on strengthening employer involvement and leadership. Therefore the role Employment and Skills Boards will be central to the success the MAA.

#### **Key Commissioning Actions**

- Specification developed for IES tendering under ESF Round 2A and 2B for over £4m
- Enable providers to play an active role in linking pre and post employment programmes and ensuring that learners experience a seamless journey
- Develop employer-led provision for those that are out of work, such as through Local Employment Partnerships (LEPs)

#### **City Strategy Pathfinder**

The Birmingham, Coventry and Black Country City Strategy pathfinder aims to tackle worklessness in the 55 most deprived wards in the West Midlands. The City Strategy Pathfinder started in June 2007, to focus on the 55 wards where unemployment accounts for 42% of the regions unemployment. The Pathfinder has been extended for a further two years and new targets will be agreed by the end of March 2009.

Central to the achievement of City Strategies will be ensuring the 'local enhancements' of Integrated Employment and Skills focus on these particular wards.

The impact of the economic downturn has begun to take effect within the City Region with unemployment figures rising every month and notifications of redundancies increasing significantly. It is critical that in 2009/10 we continue to increase the skill levels of individuals within target wards linked to employer and labour market needs in order that they can sustain and progress in employment.

**Key Commissioning Actions**

- Ensuring the 'local enhancements' of Integrated Employment and Skills focuses on the 55 wards of the City Strategy Pathfinder
- Ensure that provision better meets the needs of local employers offering a clearer route from worklessness into work and development.

## **2.3 Employers**

The National Employers Skills Survey shows that increasing numbers of employers in the West Midlands are investing in the training and up-skilling of their staff and increasing numbers of individuals are acquiring new skills and qualifications. However skills levels in the region are below the national average and our biggest challenge is adult workforce skills where we have the largest proportion of unqualified adults of any region.

In 2008/09 we are investing heavily to meet the skill demands of employers in the region. In 2009/10 we will see a continued shift of funding resources towards employer focussed provision supporting for example, growth in Apprenticeships through the new National Apprenticeship Service and more flexibility with our Train to Gain service to meet the needs of employers as they become clearer about their demands during the challenges set by the economic downturn. A key message for employers is not to cut spending on staff training when times get hard. Businesses in the West Midlands are urged to invest in skills and training to ensure they are well placed to take advantage of the opportunities when economic conditions improve.

This is particularly important for our key sectors in the region where our strategic analysis shows, for example, that the Business and Professional Services sector has been one of the key drivers in employment and Gross Value Added (GVA) growth in the region in recent years. However, the consequences of the economic downturn are just beginning to emerge for this sector with far-reaching and permanent changes to the infrastructure requiring innovative skills packages, such as the adaptation of Business Improvement Techniques and greater links between the new Financial Skills Academies, employers and Specialist Provider Networks to provide a platform to help facilitate the emerging skills needs. Other key sectors will be affected by the economic situation in different ways depending on the individual sector circumstances and we will be working with other regional and local partners to maximise all of the support offered through the 'flexibilities' and help businesses in these key sectors prepare for the challenges ahead.

The Government has taken decisive action to widen the package of support available to small and medium sized businesses to help use training to meet the short term challenges, and to emerge stronger from this period of economic downturn. We have relaxed the Train to Gain funding rules to allow more flexibility for private sector SMEs to get the training they need to increase productivity which includes flexibilities related to Level 2 and Level 3. For the first time funding will be allowed for stand-alone accredited training units or "thin" qualifications, in business-critical areas to raise productivity.

In 2009/10 we intend to focus our investment and commissioning activities on the following key priorities for Employers.

### **2.3.1 Key Priorities - Employers**

#### **Meeting the skills needs of the economy through Train to Gain**

Our Train to Gain programme providing in-work retraining to recognised qualifications for employers and their employees is the best in the country. Over the past two years we have helped over 16,000 employers upskill nearly 80,000 employees in the region and in 2009/10 we will continue to respond to the business skill needs of employers

while continuing to support people to gain qualifications to Level 2 and to Level 3 and higher level skills.

Train to Gain is a real success story in the West Midlands, but with the economic downturn we don't want to lose this momentum. So we are building on this success by offering more flexible, bite-size retraining programmes to help businesses tackle critical skills and productivity issues and with an additional £50 million investment in the region exclusively for small firms.

Designed to help small businesses get through the tougher economic climate by building the skills and expertise of their workers, the new package of support will be delivered through the Train to Gain service. It will include extending the successful leadership and management programme so that more Small and Medium Enterprises (SMEs) can benefit from it, including companies with just 5-10 workers; relaxing the rules to allow workers to get training up to level 2 even if they already have a previous qualification at this level; and more funding for level 3 training.

Flexibilities announced in the Train to Gain Plan for Growth included creating sector specific compacts. Compacts already developed including Public Sector, SEMTA (led by the West Midlands), Skills for Justice, Proskills and Construction Skills will use their unique sector understanding to encourage employers to take advantage of Train to Gain, make the Skills Pledge, offer more Apprenticeships and ensure their staff are given the opportunity to gain relevant qualifications and training.

We will continue to work with Sector Skills Councils to develop more Sector Compacts, which focus support for employers on the most relevant qualifications for that sector.

#### **Key Commissioning Actions**

- Delivery of the private sector Small and Medium Enterprise (SME) flexibilities in the region
- Sector focus particularly for the Public Sector and the Sector Compacts

#### **Expanding and Improving Apprenticeships**

The performance of our region's Apprenticeship programme in delivering vocational skills and qualifications is showing the fastest rate of improvement in England with a 68 per cent increase in starts for 19+ Apprenticeships between 2006/07 and 2007/08. The introduction of Apprenticeships for learners aged 25 and over has had a considerable impact on the number of starts. Success rates have risen steadily in recent years so that two thirds of apprentices now complete successfully in the region compared to 50 per cent in 2005.

Increasing the number of employers employing apprentices forms a key part of our Skills Action Plan strategy. The West Midlands regional Skills Action Plan which was published jointly by the LSC and Advantage West Midlands in March 2008 set a target of 50 per cent employers employing apprentices (up from 12,000 to 18,000) by 2011. This is a challenging target and will be difficult to achieve in the current economic climate which may have implications for apprenticeships in some sectors. Employers may scale back recruitment plans and the availability of apprenticeship places will reduce. The National Apprenticeship Vacancy Matching Service will play a critical role in ensuring that those employers who continue to recruit apprentices have the ability to secure those vacancies via this service.

The Apprenticeship Expansion Programme trials, recently launched, will provide extra funding to employers who are currently running high quality Apprenticeships.

#### **Key Commissioning Actions**

- Exploring innovative ways to increase the reach of the Apprenticeship programme to all areas in the region including geographical, business sectors, gender and race
- In line with the regional Skills Action Plan continue to promote an increase in the number of apprenticeships in the public sector.
- Apprenticeships as the preferred vocational option for 16-24 year olds

#### **The Skills Pledge**

The Skills Pledge is a voluntary, public commitment by the leadership of a company or organisation to support all its employees to develop their basic skills, including literacy and numeracy, and work towards relevant, valuable qualifications to at least Level 2. It provides an opportunity for the leaders of an organisation to show publicly the importance they place on investing in the skills of their people. The Skills Pledge is open to all employers of all sizes in the private, public and voluntary sectors.

The West Midlands is currently leading the country on the number of employers who have made a commitment to the Skills Pledge. To date, over half of all the businesses nationally who have made the Skills Pledge come from the West Midlands. Over 870 employers in the region have made their commitment to the Pledge, amounting to a total of workforce of 80,315 employees who will benefit from increased training provision.

The Train to Gain service plays a key role in the Skills Pledge, providing employers with a free and impartial brokerage system to identify their skills needs and identify routes for them to access work based training.

#### **Higher Level Skills**

In delivering the platform of skills and employability at Levels 2 and 3 in the region, we must also invest in building the ladder of progression to higher level skills we will need for the future. In the West Midlands 28 per cent of all people aged 19-59/64 have a qualification at Level 4 or higher. This is an increase of over 6 percentage points since 2001 which is above the national average increase. As a consequence the West Midlands have moved up one rank in the regional rankings to 6<sup>th</sup> and the gap with the national average has decreased from 3.5 per cent in 2006 to 2.5 per cent in 2007.

Higher level skills form an integral part of the Skills Brokerage Service. The utilisation of Skills Brokers to identify higher level skill needs aims to improve higher level skills within businesses. In the West Midlands we are working closely with the four Lifelong Learning Networks (LLNs) and Business Link to ensure that the "HE offer" is known and made available to SMEs in the region through the brokerage service. Each LLN has appointed a HE Train to Gain Coordinator whose role is to liaise with the brokerage service and sponsoring HEIs to make a clear offer to the SME market.

Higher level skills remain vital to competitiveness of the region, and we must continue to engage with the HEFCE where sector compact proposals have a higher level skills element, and to implement the proposals in Higher Education at Work.

### 3. Other Key Areas

There are a number of key areas that we need to highlight in this Regional Commissioning Statement which are cross cutting and affect all areas that we fund.

#### 3.1 Quality in everything we do

##### **Identifying and Managing Underperformance**

The Further Education Reform White Paper, *Further Education: Raising Skills, Improving Life Chances* (2006), signalled an ambition to develop a new relationship with the FE system. It also committed us to eliminating inadequate and unsatisfactory provision across the FE system by 2008, and to having a major impact on those organisations where performance was just satisfactory or not showing any improvement. In Our Annual Statement of Priorities we set out how these principles will be carried into our commissioning and funding dialogue with providers including Minimum Levels of Performance and Notices to Improve.

Minimum Levels of Performance represent the absolute minimum success rate performance, and the LSC expects providers to exceed them. Notices to Improve are a vehicle for driving up performance. They outline the conditions that a college must adhere to in order to secure continued funding in its current configuration, and with its existing provision. The LSC issues Notices to Improve to colleges identified as underperforming where:

- a college receives an Ofsted inspection judgement of inadequate for 'Effectiveness of provision';
- a college is in financial failure; or
- 15 per cent or more of short and/or long qualification provision falls below the minimum levels.

For the first time in 09/10 academic year the LSC will be issuing Notice's to Improve to WBL providers.

The LSC ask the Learning and Skills Improvement Service (LSIS) to source support for providers and this is negotiated and reviewed regularly, as there is no standard allocation. The full programme of support will reflect need and availability of resources. We currently have 15 providers in the West Midlands in receipt of LSIS support with 6 of those under a Notice to Improve and 5 in the Satisfactory but not improving Ofsted category and 4 at risk of receiving a Notice to Improve due to minimum levels of performance being close to the 15% benchmark.

##### **Framework for Excellence**

The Framework for Excellence (the Framework) is the Government's new performance-assessment framework for colleges and providers. It is formed from a small, core set of verifiable indicators that give an overall picture of performance for all providers. These indicators are combined in a clear, transparent way to provide an overall performance rating for each provider. The Framework will therefore provide an independent, quantitative assessment of the performance of individual providers and of the whole sector, which will enable it to demonstrate that it is rigorously and effectively self-regulating.

On the 1<sup>st</sup> November 2008, the LSC introduced a Qualified Provider Framework (QPF) on which existing LSC providers and new providers can be qualified against certain standards. In order for any provider to secure business from the LSC, they will need to be on the QPF. The QPF will be open for business 365 days a year, allowing new providers to pre-qualify at any time.

There will be three categories of provider on the QPF:

1. Existing providers who have not registered an interest in receiving invitations to tender for provision and with whom the LSC will secure provision through a negotiated route only.
2. Existing providers who are pre-qualified to receive invitations to tender and with whom the LSC can negotiate and/or tender.
3. Providers who do not hold a contract with the LSC but are pre-qualified to receive invitations to tender. These providers will only secure business from the LSC through a tendered route.

### **School Sixth Form Challenge and Support**

The LSC have been tasked with supporting a more coherent approach to the quality assurance of school sixth forms. We will build on the work undertaken to date as part of the School Sixth Form Challenge and Support programme, including reviewing targets and actions set in 2007/08 and agreeing further, more challenging targets.

As part of this work, we have developed comparable data on achievement and retention for all post-16 provision. This data will be used to inform the joint LSC/local authority dialogue, and will assist local authorities in briefing their School Improvement Partners (SIPs) to help school self-assessment ensure the improvement of outcomes in school sixth forms. For the second year of Challenge and Support, a significantly enhanced process, will be in three stages:

1. **Understanding the data:** A comprehensive data set ranking the performance of each school sixth form in comparison with national, regional and local benchmarks.
2. **Applying local intelligence:** A long list of schools will then be reviewed against a set of nationally agreed contextual factors, resulting in a short list.
3. **Priority setting and support for improvement:** The outcomes of the data analysis and local intelligence should enhance the capacity of the LSC, LA and SIPs to set appropriate and effective targets to raise performance and provide the DCSF with the first termly report listing underperforming sixth forms in Spring 2009.

The LSC is also working with DCSF regarding schools with sixth forms under National Challenge arrangements to ensure that actions are informed by regional and local knowledge.

## **3.2 Learners with Learning Difficulties and/or Disabilities (LLDD)**

In the West Midlands we are committed to ensuring that people with learning difficulties and or disabilities (LDD) have equal access to education and training opportunities to equip themselves with the skills and knowledge to lead fulfilling adult lives and enter into economic participation and independent living.

As a minimum, we are committed to maintaining the numbers of learners with LDD in Further Education and training and increasing the availability of local provision where appropriate.

Our key priorities for LLDD in 2009/10 are:

- To continue to work with partners and stakeholders to improve transition planning for learners with LDD. This includes working with Local Authority Children and Adults Services and their Integrated Youth Support and Connexions services, as part of the wider Machinery of Government changes. We will also extend the work with partners in health services and other stakeholders involved in planning provision and services for learners with LDD.
- To ensure that education and training provision for learners with LDD is of high quality and responsive to both the needs of learners and employers at a sub-regional level. It is our intention that providers will be delivering more provision on the QCF to include Progression Pathways to supported employment and independent living in 2009/10
- To use LLDD development funding to improve the assessment of learners needs to ensure a more consistent approach is taken across the region. Learners with LDD need fair access to the education and training system and a consistent offer to meet their individual learning needs. Work with local authorities around their duty to provide S140 assessments and explore how this can be used for commissioning provision and services.
- To ensure that transition to employment features strongly within education and training opportunities for learners with LDD and that the curriculum supports learners in this transition. Hereford is one of eight regional pilot sites for the Valuing People, Getting a Life Project. Findings from this pilot will be shared in the region and sub-regions and also fed back nationally to the Department of Health. We will continue to develop links with our regional LSC teams responsible for the Integrated Employment and Skills agenda and ensure that learners with LDD are integrated into the mainstream welfare reform agenda.

### **3.3 OLASS**

It is our intention that the content and quality of learning programmes for all offenders are comparable to any other LSC funded provision in the West Midlands. Programmes should meet both vocational and skills for life needs with an aspiration to achieve at least a level two qualification.

Our key regional objectives are as follows:

- To continue to develop the offender Train to Gain offer, especially in prison industries and workshops
- To roll out the Virtual Campus and to continue to develop learning content
- To work with Jobcentre Plus in order to improve employability and employer engagement
- To ensure an effective process and smooth transition in relation to the procurement of offender learning for 2009/14
- To pilot the new Integrated Employment and Skills arrangements within the Prison environment including offenders as a priority group

- To work with Prisons to encourage development of their FE 'Core' provision focusing on vocational training and employability skills
- To work with partner organisations including IAG providers, Prison Service, Probation Service, JCP and the FE sector to provide more coherent 'through the gate' support for offenders leaving custody

### 3.4 Capital

The Capital Plan for the West Midlands addresses the continuing development of the further education sector estate with total capital expenditure for the region estimated at over £1,250m for the period up to 2016

All capital developments will demonstrate how they contribute to the cross-cutting drivers of quality, environment and strengthening the range of LLDD provision. There are a number of "key drivers" for the West Midlands in the development of the Capital Plan, these key drivers are:

- *The skills challenge* – reflecting regional skills priorities and the need to respond to employer demand
- *The 14-19 agenda* – from 2015, all young adults are expected to be undertaking some form of education and training until the age of 19.
- *Rationalisation of provision* – the identification of key opportunities to enhance the mix and balance of provision by collaborative work
- *Regeneration* – at the heart of community and economic regeneration is the ability to offer the right choice of learning provision in the right environment
- *Provision for learners with learning difficulties and/ or disabilities* – specialist facilities for LLDD provision to enable more learners to access provision
- *Quality* – the aim is to provide world class accommodation within which world class teaching can take place.
- *Environment* – the ambition is not just to comply with minimum standards of environmental efficiency but, wherever possible, to be at the forefront of creating sustainable environmentally friendly facilities.

Given the significant demands on our capital budget the LSC may also be required to prioritise its funding to those projects which are able to demonstrate the greatest impact against the needs of the West Midlands.

The existing Further Education Capital Fund is only for colleges that receive mainstream funding, and requires them to target and invest in specialisation. The new Skills Capital Projects Fund and the new Regional Skills Capital Development Fund are for non-college providers, and will support and encourage providers to specialise and innovate to meet the LSC's priorities.

**The Skills Capital Project Fund (SCPF)** is aimed at providers that do not currently qualify for capital funding from the LSC, DCSF or the Higher Education Funding Council of England (HEFCE), such as non-college work-based learning (WBL) providers and other public, private and voluntary organisations. The SCPF will provide funding to support those providers looking to implement single major capital projects likely to cost £500,000 or more. For the 2009-10 and 2010-11 financial years, the LSC intends to make £20 million available each year initially on a pilot basis by offering matched funding, on a pound for pound basis, towards the costs of qualifying projects. The LSC will manage the SCPF at a national level,

**The Regional Skills Capital Development Fund (RSCDF)** is for smaller projects with a total project cost of between £100,000 and £1 million, and will be managed within each region. Projects could include minor works, improved equipment, or adapting premises in order, for example, to reach more small employers and thus increase the take-up of Apprenticeships.

One important new requirement with which all recipients of LSC capital support will need to comply is that all contractors working on college and provider projects will be required to have in place a formal training plan that maximises access to Apprenticeships, work-based learning and other training opportunities. And contractors are encouraged to take advantage of the opportunity to take the Skills Pledge and gain recognition of their commitment to their workforce.

### **3.5 Fees and commercial income**

The LSC's Annual Statement of Priorities for 2008/09; Better Skills, Better Jobs, Better Lives, made it clear that delivering the vision of Lord Leitch's review of skills depends upon a shared responsibility for investment between employers, individuals and the Government. The document confirmed that the fee assumption for providers will increase to 42.5 per cent in 2008/09, **to 47.5 per cent in 2009/10** and 50 per cent in 2010/11 and increase the percentage of theoretical fee income collected to be at 67 per cent by 2010/11.

Income from fees for learning subsidised by the LSC and learning that is fully funded by employers and individual learners is an important part of the sector's income. For this reason, target setting for both categories will be fully integrated into the allocations process. Targets will be agreed based on the number of co-funded SLNs agreed through the adult learner responsive allocation and taking into account local socio-economic factors and performance relative to national averages.

We expect colleges and providers to continue to increase their income through fees and full-cost activity in efficient and innovative ways to enable them to increase income while improving support for those who need it most. We also continue to expect colleges to play an important social role by opening up their facilities and resources to the community, where there may be no direct grant but in response to local needs. In 2009/10 fee income will be piloted as a measure within Framework for Excellence to illustrate its importance. For 2009/10, we will concentrate our efforts on supporting those colleges and other providers whose relative performance on income generation is below the national average.

## 4. Commissioning intentions for 2009/10

Commissioning is the term we use for all of our planning and purchasing activity across the learning and skills sector, including purchases that are negotiated or competitively tendered for.

Our commissioning strategy for 2009/10 will use negotiation as the preferred route for securing provision from colleges and providers. This will ensure that successful and high-performing colleges and providers can grow and develop new models that deliver learner entitlements. We will not limit the growth of providers where the capacity to expand exists, removing restrictions on growth funding where we can agree providers have the quality, performance and capacity to deliver.

Tendered commissioning is a competitive process that is open to any new providers wanting to enter the market. There will be circumstances where we will still use tendering, for example to fill gaps in provision, to replace poor provision and to meet ESF commitments and to satisfy our obligations as a co-financing organisation ensuring sufficient matched funding.

We are streamlining the allocations and contracting processes moving 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. National providers or those operating in different regions will no longer have to agree multiple funding contracts. Contracts for three years (extendable to five) will be the standard approach for all colleges and providers.

The development and implementation of the new Qualifications and Credit Framework (QCF) is the centrepiece of vocational qualification reform and the LSC has now formally been given responsibility, working with QCA, OfQual, Sector Skills Councils (SSC) and Awarding Bodies, for the delivery of the QCF service.

The QCF will be based on Sector Qualifications Strategies (SQS). All twenty five of the SSCs have started the work of writing their own SQS, setting out the strategic requirements for qualifications within their sector. The SQS also includes an action plan which advises us which qualifications are priorities for public funding. From August 2009, we will start to actively focus funding on qualifications that are within SQS action plans, accredited into the QCF and which meet our criteria for funding. A list of all QCF qualifications (where available), identified as priorities for public funding, will be published, alongside those National Qualification Framework (NQF) qualifications which will no longer be supported.

In the following sections under top line headings from the Summary of Statement of Activity (SSoA) we have set out our commissioning intentions for 2009/10. It should be noted that the figures used are based on regional assumptions and trajectories linked to the national Comprehensive Spending Review (CSR) assumptions. Where percentage figures are used these are set at an overall regional level and should not be interpreted as percentage figures to be used at sub regional level or below.

## 4.1 Young People

The majority of provision for young people will be secured through the planning dialogue with our colleges and providers that currently deliver our 16-18 LSC-funded provision. Where we want to go to open and competitive tender (OCT) for specific provision we will state this under the relevant headings below.

	<b>Commissioning Statement</b>
<b>Total Learners</b>	<p>In 2008/09 we made provision to fund a total of nearly 164,000 learners aged 16-18.</p> <p>In 2009/10 we will want to at least maintain this position taking into account the demographic factors of a reducing 16-18 cohort. To see a sustained increase in participation rates we would want to see a growth rate of 1%. Recognising that the cohort will not reduce uniformly and across the region there will be sub-regional variations which will be taken into account.</p> <p>It should be noted that the economic downturn in the country and in the West Midlands could have an impact on the take-up of 16-18 apprenticeships.</p>
<b>Full Level 2</b>	<p>The 16-18 cohort is set to reduce by nearly 2 per cent in 2009 and to meet the Level 2 at age 19 achievement increase of 1 per cent compared to 2008/09 as set out set out in the Skills Action Plan, we will want to see a 2 percentage point rise in Level 2 participation coupled with a corresponding rise in achievement rates.</p> <p>As shown in the Local Area Statement of Needs (LASON) Level 2 at age 19 attainment is a key priority for the majority of Local Authority areas in the region.</p>
<b>Apprenticeships (16-18)</b>	<p>In 2007/08 we had a reduction of 4% in the volumes of Level 2 Apprenticeships (16-18) compared to 2006/07. This downward trend has continued for 2008/09 with latest figures showing a reduction compared to the same period last year.</p> <p>In 2009/10 we want to reverse this trend and increase the participation volumes for Level 2 Apprenticeships in line with our Skills Action Plan ambitions.</p> <p>Development of Apprenticeship provision and IAG around the new National Apprenticeship Service (NAS) for employers, learners and their advocates is a key priority for Herefordshire, Worcestershire, Shropshire and Telford &amp; Wrekin. (See Annex A links to LASONS)</p>
<b>Advanced Apprenticeships (16-18)</b>	<p>Starts in Advanced Apprenticeships for 16-18 have shown a growth of nearly 6% from 2006/07 to 2007/08 which we hope to maintain in 2008/09.</p> <p>We want to build on this growth by maintaining this upward trend in the West Midlands for this key programme in 2009/10.</p> <p>The breadth and range of Apprenticeships is a key priority for the Local Authorities in the region (see LASONS)</p>

	<b>Commissioning Statement</b>
<b>Diplomas (Level 2 and Level 3)</b>	<p>We currently have 17 consortia in 10 Local Authority areas identified to teach 30 Diploma programmes from 2008.</p> <p>In 2009/10 we will be working closely with Local Authority and Government Office colleagues to ensure the 14-19 Partnership Plans reflect the current gaps in Diploma delivery and will seek to encourage consortia bids to cover geographic, sectoral and qualification level gaps. As a result of this we anticipate an increase in places offered at all levels including Levels 2 and 3.</p>
<b>Full Level 3</b>	<p>The region is continuing to close the gap on the national average for Level 3 at age 19 and we are now at 46% (2007 data) for this key PSA target</p> <p>In 2009/10 we want to continue this positive trend and see a 7 per cent increase in the number of young people taking and achieving a Level 3 qualification to keep in line with the Skills Action Plan ambitions.</p> <p>As shown in the Local Area Statement of Needs (LASON) Level 3 at age 19 attainment and improving progression from Level 2 to Level 3, is a key priority for the majority of Local Authority areas in the region.</p>
<b>Foundation Learning Tier (FLT)</b>	<p>Investment to support raising the participation age includes investment in the Foundation Learning Tier so it becomes firmly established as one of the four routes for 14–19 learners, and the critical route for those working at Entry Level and Level 1 who are not yet ready for GCSE/A-levels, Diplomas or Apprenticeships.</p> <p>Progression Pathways, developed as part of the Foundation Learning Tier (FLT), will progressively replace E2E and Foundation Learning in FE during 2009/10 and 2010/11 and our investment will follow this trend.</p> <p>For 2009/10, we expect all providers of foundation learning to start developing Progression Pathways and to convert as much foundation provision to Progression Pathways as is practical. We expect at least 30% of starts in Foundation Learning (learning below Level 2, excluding Skills for Life) to be on Progression Pathways.</p>
<b>Entry to Employment (E2E)</b>	<p>Entry to Employment (E2E) is provision below Level 2 on the 16–18 learner-responsive funding route. It is aimed at young people who are not yet ready or able to access a Level 2 learning programme, Apprenticeship or employment.</p> <p>The E2E funding methodology will continue to be available for the 2009/10 academic year but will cease to be available at the end of that year. Progression Pathways will replace current arrangements in terms of Entry to Employment.</p> <p>Increasing progression rates from E2E to Apprenticeships and other positive destinations is a key priority for Herefordshire, Worcestershire, Shropshire and Telford &amp; Wrekin (See LASONS).</p>

## 4.2 Adult

As with provision for young people, the majority of provision for adults will be secured through the planning dialogue with our colleges and providers that currently deliver our LSC-funded adult provision. There are a number of areas where we will be going out to open and competitive tender (OCT) for specific provision and we will state this under the relevant headings below.

	<b>Commissioning Statement</b>
<b>Total Learners</b>	<p>In 2008/09 we made provision to fund nearly 205,000 adult learners in the West Midlands in line with a trend which shows a reduction in volumes year on year.</p> <p>In 2009/10 because of the continuing shift of resources to employer responsive provision, we anticipate a continuation of this downward trend with a further fall in volumes here for Adult Learner Responsive. We also want to see a general reduction in non NQF provision and growth in our target priority areas for this areas of the budget</p>
<b>Foundation Learning Tier (FLT)</b>	<p>In 2009/10, Progression Pathways within the Foundation Learning Tier (FLT) will become part of mainstream provision. This will have an impact on adult provision. Progression Pathways support the FLT strategy to increase engagement of adults, raise learner achievement and improve progression into further learning and/or employment, such as a first full Level 2, skilled work including an Apprenticeship.</p>
<b>Full Level 2 Full Level 3</b>	<p>With funding for Level 2 and Level 3 increasingly being channelled through Train to Gain employer delivery the provision for Level 2 and Level 3 participation through Adult responsive will not increase significantly in 2009/10.</p> <p>However as described in the regional Skills Action Plan we will want to an increase for Adult Level 2 and Level 3 Achievements in line with the entitlement with a significant proportion of the total achievements to be first Level 2 and first Level 3.</p>
<b>Skills For Life</b>	<p>Defined as learners achieving their first Entry Level 3 or above numeracy qualification and learners achieving their first full Level 1 or above literacy qualification.</p> <p>In 2009/10 to boost numeracy achievement, we are encouraging providers to offer numeracy assessments to their literacy and language learners. We are also encouraging more embedding of literacy and numeracy as part of supporting the refreshed Skills for Life strategy.</p> <p>We will maintain funding for ESOL at 2008/09 levels but expect that provider delivery is more focussed on supporting community cohesion.</p>
<b>Employability Skills Programme</b>	<p>In 2008/09 we plan to delivery the ESP programme, including Skills for Life, ESOL and Employability skills, with a budget of £4m (possibly over £5m) for a total of nearly 3,000 learners</p> <p>In 2009/10, in line with the continued strong performance of this programme in the West Midlands we will aim to increase delivery by over 15%. We will target specific geographical gaps in delivery across the region and also will consider targeting any sector gaps in provision in order to support access to employment.</p>

	<p>The majority of provision will be secured through negotiation however there may be some tendering of this programme depending on current quality and levels of performance.</p>
<p><b>Offender Learning and Skills Service</b></p>	<p>Offenders remain an important investment priority for us. Work in 2009/10 will continue with the National Offender Management Service to ensure that offenders have access to a core learning and skills offer that reflects the offer in the wider mainstream learning environment</p> <p>The ITT for offender learning and IAG in custody 2008-12 (with a possible extension to 2014 for Adults) has been issued under three key activities:</p> <ul style="list-style-type: none"> <li>• OLLASS: for Adults in custody – approximately £11.5m</li> <li>• OLASS: for Young People in custody – approximately £3m</li> <li>• OLASS: IAG provision for Adults – approximately £1.5m</li> </ul> <p>This is mainstream budget and there is also a possibility of £3.5m of ESF under round 2a going out to tender for Integrated Employment and Skills (Skills for Jobs OLASS)</p>
<p><b>Adult Safeguarded Learning</b></p>	<p>This learning covers three distinct programme areas: Leisure learning, Family learning and Neighbourhood learning. It is important that providers meet the following aims of targeting disadvantaged learners, ensuring a broad, high quality curriculum and collecting more in fees from those who can pay and maintaining learner numbers.</p> <p>In 2008/09 we made provision to fund a total of 74,000 learners through the ASL budget.</p> <p>The funding for adult safeguarded provision will be maintained for 2009/10 and we would expect the total volume of learners to be the same. Value for money will be a key element of the dialogue.</p>
<p>PCDL</p>	<p>The PCDL partnerships formed in 2007, the co-ordinating bodies for PCDL activity in their local area, should be working to create an offer of needs-led, high-quality and cost-effective programmes.</p>

### 4.3 Employers

The introduction of demand-led funding has put real purchasing power into the hands of employers and individuals. We will continue to strengthen the employer voice in the skills system to ensure a focus on economically valuable skills and a flexible system which is demand-led by employers' business needs for skills in the context of the current economic climate.

<b>Commissioning Statement</b>	
<b>Total Learners</b>	<p>In 2008/09 we made provision to fund over 154,000 learners (employees)</p> <p>In 2009/10 we will want to increase this provision by 5% but bearing in mind that the effects of the flexibilities introduced for pre-level 2 and Train to Gain as a result of the economic climate will have an impact on all key priority target areas.</p>
<b>Apprenticeships</b>	<p>From 2005/06 to 2007/08 we had an increase in the volumes of Level 2 Apprenticeships (19+). This upward trend supported by the 25+ starts, has continued for 2008/09 with latest figures showing an increase of over 35% compared to the same period last year.</p> <p>In 2009/10 we want to maintain this trend increasing the participation volumes for Level 2 Apprenticeships in line with our Skills Action Plan ambitions.</p>
<b>Advanced Apprenticeships</b>	<p>Similar to Apprenticeships from 2005/06 to 2007/08 we had an increase in the volumes of Level 3 Advanced Apprenticeships (19+). This upward trend supported by the 25+ starts, has continued for 2008/09 with latest figures showing an increase of over 35% compared to the same period last year.</p> <p>In 2009/10 we want to maintain this trend increasing the participation volumes for Level 3 Advanced Apprenticeships in line with our Skills Action Plan ambitions.</p>
<b>Total Skills For Life</b>	<p>In 2008/09 we made provision to fund a total of nearly 9,000 learners through Train to Gain.</p> <p>In 2009/10 we will increase delivery of Skills for Life in Train to Gain and the relaxation of eligibility criteria around Skills for Life will support this.</p>
<b>Total Train to Gain Starts</b>	<p>In 2008/09 we made provision to fund a total of over 90,000 learners with a budget of £98m for the region. This includes budget allocated to the Further Education NVQ learners in the 2008/09 transition year.</p> <p>In 2009/10 we want to, at a minimum, maintain this growth trajectory and also factor in the range of flexibilities announced for support to SMEs designed to address the emerging needs due to the adverse economic conditions.</p> <p>We are relaxing the rules to allow funding for small units or modules of full qualifications in subjects known to be important to SMEs<sup>7</sup>. For the first time within Train to Gain funding will be allowed for stand-alone accredited units and "thin" qualifications, in business-critical areas to raise productivity</p>

<sup>7</sup> Only private sector SMEs (i.e. with up to 250 employees) will be able to access the flexibilities

	In 2009/10 we also propose to tender under ESF priority 2, for a total of £20m under the specification Train to Gain Redundancy and Redeployment Programme (all sectors)
Train to Gain FLT	In 2008/09 we made provision to fund a total of 1,500 FLT learners through Train to Gain.  ESF Priority 2 projects will deliver Level 1 for learners in 2009/10
Train to Gain Full Level 2	In 2008/09 we made provision to fund over 70,000 adult learners for full Level 2 through Train to Gain.  In 2009/10 we will want see an increase of 10 per cent with a corresponding increase in achievements. This is in line with the regional Skills Action Plan targets and the flexibilities including private sector SME staff entitled to free training for a full Level 2, whether they have reached this level or not.  As part of the additional training support for private sector SMEs to increase their productivity in challenging economic circumstances all Level 2 programmes that lead to full qualifications will be fully-funded (this includes all first Level 2s and repeats <sup>8</sup> ) – This starts in January 2009
Train to Gain Full Level 3	In 2008/09 we made provision to fund nearly 14,000 adult learners for full Level 3 through Train to Gain  In 2009/10 we will want see an increase of 20 per cent with a corresponding increase in achievements.  As part of the additional training support for private sector SMEs to increase their productivity in challenging economic circumstances all Level 3 programmes that lead to full qualifications will be fully-funded for employees aged 19-25 (this includes all first Level 3s and repeats). First Level 3 and repeat Level 3 will be co-funded for all employees over the age of 25. – This starts in January 2009
Train to Gain Level 4+	In 2008/09 we made provision to fund nearly 1,300 adult learners for full Level 4 through Train to Gain  In 2009/10 we will support adult learners who have no prior Level 3 as Level 4 “jumpers” and aged 19-25 as part of the age related entitlement. Overall it is not expected that there will be any growth in Level 4 provision through Train to Gain

<sup>8</sup> Additional 'repeat' qualifications is restricted to qualifications identified by Sector Skills Councils (L2) or sector bodies within their Sector Compact (L3).

## 4.4 European Social Funding (ESF)

A West Midlands Co-financing Plan 2007-2010 has been produced by the LSC in conjunction with the West Midlands Local Government Association (WMLGA), and Sub-Regional Group (SRG) representatives. This plan sets out the LSC's intentions for Co-financing ESF activity in the region for which the LSC will be the 'accountable body' and will administer the agreed budget and provide match funding.

Commissioning Statement	
<b>Priority 1 - Extending Employment Opportunities</b>	<p>The objective for Priority 1 is to increase employment, and reduce unemployment and inactivity. It will help to tackle barriers to work faced by disadvantaged groups such as people with disabilities and health conditions, lone parents and other disadvantaged parents, older workers, ethnic minorities, and people with no or low qualifications. It also aims to reduce the numbers of young people Not in Education, Employment or Training (NEET).</p> <p>As a result of ESF tendering in 2008 we have allocated / contracted for almost £18m of ESF in support of our aim to reduce NEET in the region and allocated / contracted for nearly £22m in support of the worklessness agenda in the region.</p> <p>For 2009-10 specifications have been developed under the banner of Integrated Employment and Skills for specific spatial areas including client engagement (£676k), client intervention (£1.7m) and Sport/Health 2012 (£2m). Further tendering will also take place for NEET and possibly OLASS and specifications are being developed.</p> <p>Total ESF available under Priority 1 for Round 2b is £3.5m</p>
<b>Priority 2: Developing a Skilled and Adaptable Workforce</b>	<p>The objective of Priority 2 is to develop a skilled and adaptable workforce by: reducing the number of people without basic skills; increasing the number of people qualified to level 2 and, where justified, to level 3; reducing gender segregation in the workforce; and developing managers and workers in small enterprises. There will be a particular focus on the low skilled.</p> <p>As a result of ESF tendering in 2008 we have allocated / contracted for over £13m of ESF under priority 2 supporting Basic Skills, Level 2, Technical Workforce Skills (Level 4) and Sector Redundancy Redeployment.</p> <p>For 2009-10 the focus of Priority 2 is now increasingly moving away from the workforce skills training funded through mainstream Train to Gain towards activity to support individuals affected by the economic downturn. The Manufacturing Redundancy and Redeployment programme under Round 1 will have the maximum contract uplift permissible (£177k). Specifications for the following activities are being developed:</p> <ul style="list-style-type: none"> <li>• Redundancy and Redeployment Programme (all sectors) - £20m</li> <li>• Employer Engagement - £8m</li> </ul> <p>Total ESF available under Priority 2 for Round 2b = £1.6m. In addition to this a joint plan is under development with JCP to determine the most effective use of the ESF Revaluation money. This plan will go to ministers in December and will be published early in the new year.</p>
<b>Match Funding</b>	<p>In 2008-09 we commissioned a number of our mainstream activities to a total of approximately £30m via open and competitive tendering to be used as match funding. These mainstream budgets included Entry to Employment (E2E), Train to Gain, Apprenticeships and OLASS.</p> <p>In 2009-10 we may be commissioning some corresponding mainstream budgets via open and competitive tendering if this is necessary to provide the required ESF match funding for the region.</p>

## Annexes

### Annex A: Local Area Statement of Needs

The LSC sub regional offices in the West Midlands have produced a Local Area Statement of Need (LASN) for the Local Authority areas in their sub region. The LASN highlights issues of a local nature, supported by appropriate information, and include areas of resident participation, resident learner support, the local offer, provider participation, resident achievement, provider quality and commissioning priorities. These have been shared with the appropriate Local Authority and are available through the links below on the LSC regional website.

The following is a summary of key issues and priorities, for each of the fourteen Local Authorities in the West Midlands, identified in the Local Area Statement of Need.

#### Staffordshire

- Participation and retention of 17 and 18 year olds must increase. Further work is needed on the September Guarantee and the offer of provision for 17 year olds.
- Practical provision through E2E and Foundation Learning Tier (FLT) needs to focus on meeting the needs of the largest group of young people who are NEET, those with a statement of Special Educational Needs
- Improved understanding of planning transition for Learners with Learning Difficulties and/or Disabilities post-16.
- Progression pathways into full L2 need to be strengthened and volumes increased.
- A step change in attainment at L3 is required in order to position Staffordshire on a trajectory to achieve national targets
- Growth in take up of Apprenticeships and improve employer engagement to support the national target.

#### Appendix 1: [Staffordshire Local Area Statement of Need](#)

#### Stoke-on-Trent

- Participation at 16 is increasing but significant dropout at 17.
- Further reduce number in the NEET cohort with targeted action for young offenders and teenage mothers
- To promote and maximise take up of Care to Learn
- Increase Apprenticeship and Advanced Apprenticeship starts.
- To increase achievement of Level 2 and Level 3 at 19
- To manage the key capital and infrastructure changes that are planned to drive transformation of 14-19

#### Appendix 2: [Stoke-on-Trent Local Area Statement of Need](#)

#### Shropshire

- Improve the variety of provision for young people and increase staying on rates.
- Ensure NEET and pre NEET provision targets key client groups effectively.
- Flexible and personalised provision for vulnerable young people (including LLDD, NEET, Teenage Parents, LAC)
- Increase progression rate from ETE to Apprenticeships and other positive destinations.
- Ensure effective IAG is in place so that young people are progressed on to appropriate provision
- Need to ensure the transport co-ordinator is making effective links across the provision base to enable equality of access.

Appendix 3: [Shropshire Local Area Statement of Need](#)

**Telford and Wrekin**

- Improve the variety of provision for young people and increase staying on rates at 16 and 17.
- Ensure NEET and pre NEET provision targets key client groups effectively.
- Understanding the issues and barriers for teenage parents in taking up provision and Care to Learn.
- Improve progression for young people on one year post 16 courses, understanding support and intervention mechanisms at providers/connexions.
- Achievement of Level 2 and Level 3 at 19 although improving is below the regional and national averages.
- Increase progression rates from ETE to Apprenticeships and other positive destinations.

Appendix 4: [Telford & Wrekin Local Area Statement of Need](#)

**Herefordshire**

- Improve IAG and support arrangements for young people at transition and at risk of drop out.
- Take up of Care to Learn is low compared to regional and national averages.
- Improve understanding for lower EMA take up in cohorts aged 16 and 18 and develop strategy for improvement.
- Development of Apprenticeship provision and IAG around the new National Apprenticeship Service (NAS) for employers, learners and their advocates.
- Flexible and personalised provision for vulnerable young people (including LLDD, NEET, Teenage Parents, LAC)
- Increase the flexibility of Entry to Employment/Level 1 provision to increase the opportunities for positive progression.

Appendix 5: [Herefordshire Local Area Statement of Need](#)

**Worcestershire**

- Plan effective strategies and programmes pre and post 16 to tackle NEET and "at risk" young people.
- Develop provision, transition and progression to meet all learners needs e.g. Foundation Learning Tier.
- More effective IAG for young people pre-16, valuing all post -16 learning routes equally.
- School Sixth Form Challenge and Support process to identify where improvements are needed.
- Effective capital investment strategy as part of the 14-19 Plan (through MOG Sub Group).
- Coherent IAG plan incorporating Area Prospectus, Common Application Process and delivery priorities to be developed,

Appendix 6: [Worcestershire Local Area Statement of Need](#)

**Wolverhampton**

- NEET is reducing but significant levels still remain with LLDD and Teenage parents being the most significant vulnerable group.
- Improve knowledge and take up of EMA to support reduction in NEET and retention in learning.
- Reflect travel to learn and learner choice in commissioning arrangements.
- Improve KS4 with Eng and Maths attainment in schools to support and increase in the attainment of young people at L2 and L3 by 19
- E2E Progression for Wolverhampton residents has dropped in the last year and is below regional benchmark
- Increasing Apprenticeship participation to support the National Target

Appendix 7: [Wolverhampton Local Area Statement of Need](#)

**Sandwell**

- Levels of NEET remain high, including those for vulnerable groups e.g. LLDD, teenage parents
- Increase and improve relevance of the whole post-16 offer, including FLT, particularly in schools
- Improve breadth, quality and relevance of whole post-16 offer, particularly for vulnerable groups
- Increase range and number of local apprenticeship offer
- Slow trends in Level 2 and Level 3 at 19, still well below national rates
- Improve progression to Level 2 and Level 3 and subsequent attainment of full Level 2 and Level 3

Appendix 8: [Sandwell Local Area Statement of Need](#)

**Dudley**

- Reducing NEET particularly at 17 and ensuring appropriate provision is available for all vulnerable groups including, LLDD, NEET, teenage parents, looked after children and young offenders
- Limited level 3 provision in the north of the borough
- Review the range and breath of the Apprenticeship 'offer' to ensure it meets the needs of potential recruits
- Improvement in Level 3 attainment in particular, improve A/AS point scores in FE colleges
- Support the strategic development of estates in the FE sector

Appendix 9: [Dudley Local Area Statement of Need](#)

**Walsall**

- High levels of 'recurring' NEET in North & West of borough
- Increase range and number of apprenticeships on offer (especially in the Public Sector) providing vocational pathways through the levels
- Continue to build general awareness of EMA and particularly target 2009/10 Academic Year learners
- Continue to close the gap for full Level 2 and 3 attainment by 19
- Increase participation and reduce NEET particularly at 17 and ensuring appropriate provision is available for all vulnerable groups including, LLDD, NEET, teenage parents, looked after children and young offenders

Appendix 10: [Walsall Local Area Statement of Need](#)

**Birmingham**

- There has been a significant decrease in apprenticeships participation (-12%)
- Further improvements to reduce NEET volumes (approximately 2,700 young people) - increase multi-agency working, September Guarantee.
- Increase promotion and take up of EMA to further improve retention / achievement and decrease the NEET group
- Tackle gaps in participation and success rates for identified BME, and socially disadvantaged groups
- Increase attainment of Maths and English at GCSE
- Improve breadth and quality of offer in relation to 14-19 Reform: Next Steps agenda

Appendix 11: [Birmingham Local Area Statement of Need](#)

### **Solihull**

- Continue partner agency work to reduce the NEET volumes with focus on the deprived North of Solihull
- Maintain targeted interventions with LLDD, socially disadvantaged and hard to reach groups and NEET strategies.
- Continue to increase achievement of full Level 2 and full Level 3 qualification by the age of 19.
- Increase inter-agency work on LA Plan and to monitor improvement targets for Maths and English achievement
- FE success rates have increased slightly but remain below the national benchmark.
- Support Framework for Excellence implementation.

Appendix 12: [Solihull Local Area Statement of Need](#)

### **Coventry**

- Apprenticeship participation for 16-18 year olds has dropped in every one of the last 4 years with an overall drop of 18%
- Achievement of Level 2 at 19 is below both the regional and national averages
- Level 3 at 19 achievement gap between socially disadvantaged and socially advantaged (based on the uptake of free school meals) is not closing.
- Achieve and maintain parity of success rates for LLDD with non-disabled learners
- Need to ensure we meet the 6.9% target given higher numbers this year than last year of young people wanting employment.

Appendix 13: [Coventry Local Area Statement of Need](#)

### **Warwickshire**

- Take up of Care to Learn by teenage mothers in Warwickshire is only 12%, below both the Regional and National take up figures
- Apprenticeship participation has dropped in every one of the last 4 years with an overall drop of 15%
- 5 GCSE A\*-C with English and Maths 2007 achievement is slightly above the National Average and growing at a similar rate but there is a large variance between the north and the south of the county.
- Ensure sufficient A-Level provision in the Rugby area.
- Achieve and maintain parity of success rates for LLDD with non-disabled learners and to reduce out of area placements through collaborative working

Appendix 14: [Warwickshire Local Area Statement of Need](#)

### **Annex B: [Strategic Analysis including Sector Intelligence Sheets](#)**

The report forms a key part of the Learning and Skills Council's annual business cycle. Its purpose is to underpin the Regional Commissioning Statement for 2009/10 by providing the evidence to inform decisions about our strategic priorities and the learning provision we need to commission from our providers in the West Midlands. The Strategic Analysis provides a comprehensive picture of the needs of learners, employers and communities in the West Midlands, and to assess the extent to which the mix and quality of the region's LSC funded learning provision meets these needs.

**Annex C: [Skills Action Plan](#)**

In drawing up this plan Advantage West Midlands and the Learning and Skills Council have worked with key stakeholders in the region and have set our ambitions within the wider national policy context, in particular the Sub-National Economic Development and Regeneration Review, the planned transfer of 16 -19 funding responsibilities from the Learning and Skills Council to Local Authorities (Machinery of Government Changes), the National Apprenticeship Service and the joint paper from DWP and DIUS on employment and skills partnerships (Ready for Work, Skilled for Work: Unlocking Britain's Talent)

## Glossary

<b>Term:</b>	<b>Definition:</b>
Asset Skills	Asset Skills are the Sector Skills Council for the property, housing facilities management, cleaning and car parking industries.
AWM	Advantage West Midlands is The Regional Development Agency for the West Midlands supporting new and existing businesses to make the economy of the West Midlands stronger and more productive.
Cogent	Cogent is the Sector Skills Council for the Chemicals and Pharmaceuticals, Oil and Gas, Nuclear, Petroleum and Polymer Industries.
Construction Skills	Represent every part of the construction industry, from architects to bricklayers,
CSR	Comprehensive Spending Review - Sets out the government's spending plans for the next three years: 2008/9, 2009/10, 2010/11.
ECITB	Engineering Construction Industry Training Board
EMA	Education Maintenance Allowance – encourages improved participation and achievement among young people from low-income families helping them with costs associated with being in learning
FfE	Framework for Excellence - is a new all-inclusive and radical approach to managing performance across the learning and skills sector.
ESF	European Social Fund – set up to improve employment opportunities by helping people improve their skills and job prospects
FE	Further Education - education or training after the age of 16 that leads to a range of qualifications
FLT	Foundation Learning Tier – the generic term used to describe all learning below level 2
Full Level 2	Equates to five GCSEs at grades A* to C
Full Level 3	equates to two GCE A-level passes or equivalent
HEFCE	Higher Education Funding Council for England (HEFCE) promotes and funds high-quality, cost-effective teaching and research in universities and colleges.
JCP	Jobcentre Plus is a part of the Department for Work and Pensions and provides help and advice on jobs and training for people who can work and financial help for those who cannot.
LA	Local Authorities
LAA	Local Area Agreement - LAAs are three-year agreements with priorities agreed between all the main public sector agencies working in the area and with central Government.
LEPs	Local Employment Partnerships are a partnership deal between Jobcentre Plus and employers to get disadvantaged people ready for work and into a job
LLDD	Learners with learning difficulties and/or disabilities
MAA	Multi Area Agreement - MAAs cover the economic footprint of an area and are an important mechanism for driving growth and managing economic shocks.
NEET	Not in Education, Employment or Training
NDPB	Non Departmental Public Bodies
NTI	Notice to Improve - issued to the providers where a substantial proportion of provision is identified as inadequate through inspection, as underperforming against the minimum levels of performance or if there is poor financial health and/or control.
NVQs	National Vocational Qualifications-are work-related, competence based qualifications which reflect the skills and knowledge needed to do a job.
OLASS	Offender Learning and Skills Service
PCDL	Personal and Community Development Learning: part of the Adult Safeguard which was formally ACL (adult and community learning).

Term:	Definition:
People 1 <sup>st</sup>	The Sector Skills Council for the Hospitality, Leisure, Travel and Tourism industries. People 1 <sup>st</sup> cover: contract food service providers, events, gambling, holiday parks, hospitality services, hostels, hotels, membership clubs, pubs, bars and nightclubs, restaurants, self catering, tourist services, travel services and visitor attractions.
Proskills	Proskills is the Sector Skills Council for the building products, coatings, extractives, glass and print industries, which make up the process and manufacturing sector.
Public Service	This is defined as Health; Adult Care; Children's Workforce; Education; Criminal Justice; Community and Voluntary; Civil Service; Local Authorities; Service Providers.
Progression Pathways	Made up of a menu of Entry Level and Level 1 qualifications from the Qualifications and Credit Framework (QCF) Progression Pathways will offer learners clear progression opportunities toward Level 2 or to other positive destinations such as employment
QCF	The Qualifications and Credit Framework is a new framework for recognising and accrediting qualifications in England, Wales and Northern Ireland. The framework is at the heart of a major reform of the vocational qualifications system designed to make the whole system simpler to understand and use and more inclusive.
QIA	The Quality Improvement Agency - the agency role is to work across the learning and skills sector to improve performance.
RES	Regional Economic Strategy which sets out the framework for the long term economic growth of the region
SEMTA	The Sector Skills Council for Science, Engineering & Manufacturing Technologies The sectors SEMTA represent are: aerospace, automotive, bioscience, electrical, electronics, maintenance, marine, mathematics, mechanical, metals and engineered metal products.
September Guarantee	The September Guarantee, which was introduced nationally in 2007, promised that every 16-year old due to complete compulsory education would receive an offer of a suitable place in learning before the end of September. This has been extended to 17-year olds who are enrolled on 1-year or short courses or who leave the activity they chose on leaving school
SIP	School Improvement Partner - provides professional challenge and support to the school, helping its leadership to evaluate its performance, identify priorities for improvement and plan effective change.
Skillfast UK	Skillfast-UK is the Sector Skills Council for fashion and textiles. The sector covers the whole of the supply chain - from design, through to manufacturing, and then servicing of fashion and textiles products.
Skills for Justice	<b>Policing &amp; Law Enforcement</b> , Youth Justice, <b>Custodial Care</b> , <b>Community Justice</b> , Courts Service, Prosecution Services & Forensic Science (Compact in bold)
SkillSet	Skillset is the Sector Skills Council for creative media covering; TV, film, radio, publishing, interactive media, computer games, animation, photo imaging and facilities.
SMEs	Small to Medium Enterprise- employing less than 250 people with an annual turnover less than £50m.
WBL	Work Based Learning is the approach to learning, firmly rooted in the workplace
Worklessness	Worklessness is detachment from the formal labour market. Workless individuals include individuals who are unemployed and claiming unemployment benefits, individuals who are economically inactive and eligible for inactive benefits, and individuals who are working exclusively in the informal economy

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© LSC November 2008

Published by the Learning and Skills Council

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Publication reference: LSC-P-NAT-XXXXXX