

# UPDATE

LAUNCH ISSUE JUNE 2004

## College allocations: £130 million extra

## A message from Mark Haysom

Welcome to the first issue of LSC Update in a revamped format.

We are re-launching our monthly newsletter to bring our partners up to date with the restructuring underway at the LSC and report on the progress made on college allocations and other developments, such as the new family of Apprenticeships.

Under our restructuring programme, the LSC is changing into a very different organisation: one which is respected for its expertise and admired for its ambition, not only for itself but also for the sector. A leaner, fitter, more responsive organisation, with a sense of urgency about making decisions and taking action. At the core of this change is a belief in the vital importance of working with our partners as closely as possible in a spirit of openness and trust. Direct communication – in forms such as LSC Update – is central to building this trust.

We have created a smaller, simplified National Office organised around two groups that reflect our core purposes – Learning and Skills. Caroline Neville, previously Principal of Norwich City College, leads the new Learning Group, focusing on young people and adults, including the development of learning and funding strategies. David Way, former Executive Director of LSC Black Country, is our new National Director of Skills, with a remit to deliver the Government's vital Skills Strategy.

**continued on page 4**

Significant progress has been made on college allocations for 2004/05. DfES ministers have recognised the additional budget pressures in the FE sector resulting from collective success in recruitment, retention and attainment.

The LSC and the DfES have worked closely to resolve these pressures, resulting in ministers agreeing to increase, within the overall DfES budget, the total three-year funding allocation for the LSC by £130 million.

This additional funding will enable the LSC to take action to deal with the concerns of the FE sector. The LSC's approach is to drive out under-performance, while rewarding success.

**'The additional investment made by the Department shows the confidence that ministers have in the LSC and in the FE sector, as a result of their performance to date, and their promise for the future.'**

Executive Directors of local LSCs are writing to colleges to set out the details of the principles that will apply and will arrange to discuss and agree allocations swiftly.

LSC Chief Executive Mark Haysom says: 'The additional investment made by the Department shows the confidence that ministers have in the LSC and in the FE sector, as a result of their performance to date, and their promise for the future.'

The LSC plans to change its monthly payment profile across the academic year 2004/05 to bring it more into line with the pattern of college expenditure. It is working with the DfES on the pattern of this 'reprofile' and will hold discussions with the AoC.

The LSC will then issue details of the arrangements to the sector.

The LSC is currently holding nine regional roadshows with college principals to discuss the challenges ahead and to work together to develop future strategy and the implications for colleges.

Following the roadshows, the LSC will work closely with all colleges later in the year on how they can shape their activities from 2005/06 onwards through the new three-year development plan in order to fulfil their key role in delivering 14-19 reforms and the demand-led agenda of the Skills Strategy.

The LSC will be able to:

- Confirm allocations for 2004/05 in line with three-year development plans, where colleges are expected to deliver at or above target in 2003/04;
- Review allocations downward where colleges are expected to underperform in 2004/05; and
- Review allocations upward where colleges are expected significantly to overperform in priority areas in 2004/05, with any increases to be paid in the summer term of the academic year.

## Forthcoming events

### Date

21-22 June  
24 June  
August

### Event

AoC Summer Conference  
Apprenticeships Awards  
NIACE Sign Up Now Campaign

### Contact

[www.aoc.org.uk](http://www.aoc.org.uk)  
LSC: 024 7682 3501  
[www.naice.org.uk](http://www.naice.org.uk)



# New 'family' of Apprenticeships



On 10 May Gordon Brown, the Chancellor of the Exchequer, launched the new 'family' of Apprenticeships, designed to provide a coherent and easily understood route from school to skilled employment and access to university.

The new Apprenticeships build on Modern Apprenticeships, which were launched ten years ago. The number of apprentices has risen from 75,800 in 1997 to a record 255,500 today.

Apprenticeships include new 'Young Apprenticeships' offering a Key Stage 4 route for pupils aged 14-16 with good ability to spend up to two days a week in the workplace or at a college or other training provider, pursuing industry-specific vocational qualifications in

addition to following National Curriculum subjects.

This will enable them to progress to Apprenticeships, offering Level 2 qualifications covering an NVQ, Key Skills and Technical Certificates.

Young Apprenticeships will be available from September 2004 for pupils. The first year will be small-scale, for about 1,000 students in sectors such as engineering, logistics, business administration and the arts and creative industries.

Other elements of Apprenticeships include:

- Entry to Employment, the pre-Apprenticeship route for young people who have potential but are not yet ready to enter an Apprenticeship;
- Apprenticeships at Level 2 replace the Foundation Modern Apprenticeship;

- Advanced Apprenticeships equal to two good A Levels or a Level 3 qualification replace Advanced Modern Apprenticeships.

The launch of Apprenticeships is being backed by a major LSC campaign to encourage more companies in more sectors to offer Apprenticeships as demand for places currently outstrips supply. Colleges and other training providers can help raise the profile of Apprenticeships with employers.

The new family will be promoted using a new logo unveiled by the Chancellor.

The central contact number for Apprenticeship is 08000 150 400. A dedicated Apprenticeships website is at [www.apprenticeships.org.uk](http://www.apprenticeships.org.uk)

## Putting young people first

The LSC's Young People's Learning Committee – which acts as a champion for young people's learning – has set out the priorities it believes are essential to improve the quality and scope of opportunities for young learners.

Published in a new leaflet, *Putting young people first*, the priorities are:

- support young people;
- guarantee a wider choice of subjects and qualifications;

- promote the personal benefits of learning;
- make learning valuable and relevant to life; and
- make learning more relevant to the world of work.

Chris Banks, Chair of the committee and Caroline Neville, the LSC's Director of Learning, introduce the new leaflet with a message to the LSC's partners.

They say: 'We will achieve our mission by changing the way we do things and by expanding and building on some of the excellent work already being provided in our education system. We will continue to develop strong partnerships with all the organisations that have direct contact with young people.'

The Young People's Learning Committee advises the LSC's national Council on the achievement of national targets for young people aged 16-21, including strategies for increasing participation and attainment levels in education and training.

The leaflet is available on the LSC website at [www.lsc.gov.uk](http://www.lsc.gov.uk) under Documents.

If you want to give your views to the committee or require further information, email: [youngpeople1st@lsc.gov.uk](mailto:youngpeople1st@lsc.gov.uk)

## New website data area

A new and improved data area is available on the main LSC website.

It provides more user-friendly access to management information, downloads and news relating to the collection and analysis of learning and provider data. The site links users to key sections that include:

- data collection, containing information about the data collected by the LSC;
- provider software, with downloads of software packages freely available to providers to assist data collection;
- statistics, containing information and statistics on post-16 learning in England; and
- a help section showing how to find information.

Services available on the main LSC website will now encompass content from the new data area, including site search and an email alerting service to notify subscribers when new information is posted; colleges and other providers may wish to encourage their staff to subscribe to this service. The area is accessed through [www.lsc.gov.uk/National/Partners/Data/](http://www.lsc.gov.uk/National/Partners/Data/)

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# 'Step change' on the way

The LSC aims to bring about a 'step change' in its relations with voluntary and community organisations through a new national strategy it intends to adopt with the sector.

Through the strategy, the LSC wants to maximise the sector's contribution to the accessibility, range and quality of education and training and widen participation.

The new strategy is set out in *Working Together*, published last month. It acknowledges that voluntary and community organisations have a vital role as providers, employers and a source of expertise.

A steering group convened by the LSC oversaw production of the new strategy. Its Chair, Shirley Cramer, Chief Executive of the Dyslexia Institute and a member of the LSC national Council, says: 'The strategy

acknowledges the expertise and experience of the voluntary and community sector in not only delivering quality education and skills, but also in developing innovative ways to engage new learners. It will help to remove some of the barriers to learning and improve equality and diversity in post-16 education and training. There is good will and energy on all sides to make this strategy work effectively'

Other aims include opening up more voluntary and community groups to mainstream LSC funding.

An implementation plan envisages all 47 local LSCs setting up regional or local 'compacts' with the sector.

*Working Together, A Strategy for the Voluntary and Community Sector and the Learning and Skills Council*, is available on the LSC website, [www.lsc.gov.uk](http://www.lsc.gov.uk), under Documents.

## LSC Update

LSC Update is scheduled to be published once a month to keep providers and organisations in further education, work based learning and adult and community learning abreast of LSC news and developments affecting the areas in which they work.

The newsletter will be produced in hard copy and will also be available on the LSC website, [www.lsc.gov.uk](http://www.lsc.gov.uk). If you wish to receive an email alert when LSC Update is posted on the website, click on Update Service at the bottom of the website home page and register your details. If you are already registered, there is a facility to add LSC Update to your current subscriptions.

## New LSC Business Cycle

The LSC is introducing a new, simplified Business Cycle to bring together strategic review, planning and funding in further education into a single integrated cycle.

The new Business Cycle will have a wide-ranging effect on the way the LSC works with its providers and bring greater clarity and coherence to the sector, while reducing bureaucracy and improving collaboration among providers.

It represents an increasingly demand-led approach to help providers better match education and training provision to the skills needs of employers and individuals, nationally, regionally and locally.

Up until now there have been separate systems for planning, funding and raising standards for providers. The new cycle integrates these into a more streamlined annual review process. It will be introduced nationally in the autumn and is built around the academic year to fit in with the college and provider year.

Central to the new structure are three-year development plans, which make it easier for FE colleges and training providers to plan ahead. Since late 2003, the LSC has been agreeing three-year development plans, backed by three-year funding.

The Business Cycle will renew these plans every year to ensure providers can respond to the changing needs of business while still working towards their three-year time horizon.

College funding has traditionally been based on performance in the previous year. The new planning cycle will reflect actual, current year performance, offering real incentives for responsiveness by providers.

Successful providers will find that the LSC oversees their activities with a 'lighter touch', so that they can focus on education and training and the LSC can concentrate on supporting the minority of providers most in need of support.

The new cycle provides a framework for strategic planning in the sector with coordinated input from sector skills councils, regional development agencies, colleges and other training organisations.

The new system should make it easier to introduce new providers where existing provision falls short of target. It also aims to encourage greater partnership working across the sector, with more collaboration between schools, colleges, training providers and higher education institutions.

The full cycle will be implemented in 2005/06, with 2004/05 a transitional year. The cycle is currently being tested in the East and West Midlands.

### Key phases of the full Business Cycle

Phase 1	November-January	Confirm strategic priorities.
Phase 2	January-February (rolling process)	Annual review of the three-year development plan conducted between the college and the LSC.
Phase 3	March	Local LSCs produce draft annual plans and budgets based on phases 1 and 2, which are then consolidated at a regional level.
Phases 4 and 5	April-May	Regional Directors adjust local LSC budgets and targets in line with identified priorities.
Phase 6	May-June	Provider budgets and targets are confirmed, and funding contracts and variations agreed.

# New funding guidance

**The LSC has issued new guidance setting out its approach to the funding of further education in 2004/05.**

All colleges, providers and organisations that receive funding from the LSC for the provision of FE are required to comply with the new guidance.

It incorporates the changes that arise from the introduction of plan-led funding, a radical change reflecting the principles of the new 'trust relationship' between the LSC and FE providers.

In setting out the approach for 2004/05, the LSC seeks to establish strategic, long-term and mature relationships with colleges and other providers, with an emphasis on mutual trust and openness.

In response to requests from providers and local LSCs, the structure of the guidance has changed from previous years. Separate sections now draw together

funding considerations that have in the past been dispersed throughout the document. Annexes have been used for technical detail and statistical information.

Geoff Daniels, the LSC's Director of Funding Policy and Development, says: 'Many colleges have told us that they value having a comprehensive reference handbook on FE funding each year. We have tried to make the document easier to use and would welcome further feedback.'

*Funding Guidance for Further Education in 2004/05* is available on the LSC website ([www.lsc.gov.uk](http://www.lsc.gov.uk)) through a link on the home page. Hard copies will be available by the end of June and can be ordered through the publications' enquiry line, 0870 900 6800, quoting reference LSC/AA000/1036/04.

Circular 04/02, *Plan-led Funding for Further Education*, is available in the documents section of the website.

## A message from Mark Haysom

continued from page 1

We have also appointed nine Regional Directors, strengthening our working relationships with key regional partners on skills and other priorities. This move also pushes decision-making closer to the front line, regionally and locally.

Another important step forward is the new, simplified Business Cycle we're introducing nationally this autumn. This year-round cycle of stock-take, planning and action streamlines our processes and will bring greater clarity and collaboration across the learning and skills sector.

It also supports our aim to ensure that education and training become increasingly demand-led and responsive to the skills needs of individuals and employers.

These changes will help us all build on

our collective success in driving up recruitment, retention and attainment and focus on our core priorities: 16-18 year olds in education and structured vocational training; basic skills; Apprenticeships and developing the Level 2 entitlement.

There are huge challenges ahead, but all of us can be proud of the successes we have already achieved. The 'New LSC' we are building will be able to move the process forward more quickly and more effectively. It will demonstrate true leadership and encourage the sector to move forward with greater confidence.

Mark Haysom  
Chief Executive, Learning and Skills Council

### Publications list

Publications in June:

- *National Learner Satisfaction Survey – full reports and analysis plus technical methodology*
- *Good Practice in HR strategies for colleges*
- *Impact of Adult Information Advice and Guidance Services*

# £1.6bn capital projects

**The Learning and Skills Council has invested in over 300 new capital building and redevelopment projects worth over £1.6 billion in colleges and other educational institutions over the last two years.**

The LSC has contributed over £600 million in grants towards the capital projects in 2002-03 and 2003-04, according to new figures.

**As part of the development of plan-led funding and the new Business Cycle, the LSC has reviewed the timing and content of learner data requested from FE institutions.**

Key elements include:

- Streamlining what is requested, by the development of a smaller 'core' of learner data in-year;
- Considering the best way to get earlier data on learners' achievements; and
- Ensuring transparency in the use of data for reporting so that colleges have access to the same reports on their data being used by the LSC.

The LSC is taking advice from groups of colleges at each stage of the review. Further details of the review and its outcomes will be published before the summer break.

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