

'A real opportunity'

Chris Banks has been appointed as the new Chairman of the LSC. He takes up the role at an extremely exciting time, both for the LSC and for the sector as a whole.

Chris is no stranger to the world of further education and skills. He was a member of the LSC's National Council and Chair of its Young People's Learning Committee. He is also Deputy Chair of the National Employment Panel and Chair of its Skills Advisory Board and London Employer Coalition.

He is dedicated to ensuring that employers understand the need for, and buy, quality accredited training and that the training meets the needs of learners too.

He says: 'I know that colleges and providers are the key to ensuring the success of the Skills Strategy. There's a lot of great work that's being done with

employers, ensuring that they develop the skills set of their workforce. But, less than 30 per cent of businesses use the services of the further education sector which means that there's a real opportunity for us.'

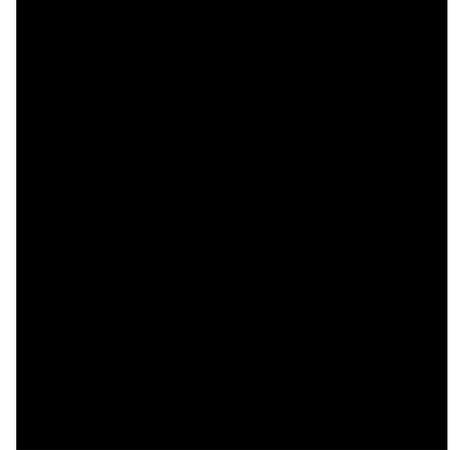
He was made a CBE for services to young people and the unemployed in the 2003 Queen's Birthday Honours. As Chair, Chris is committed to continuing his work in this area. He is passionate about the need to encourage the unemployed into employment through skills development.

Chris is also Chief Executive of Big Thoughts Ltd., a food and drink company created in 2001 following a management buy-out from Coca-Cola Great Britain, where he had been Managing Director since 1997.

He adds: 'The fact that I am a businessman that happens to believe fundamentally that training and continuous learning makes a real

difference to a company's performance and to individual's lives will bring additional strength to the LSC. I'm really looking forward to working with all our key partners, including colleges and work based learning providers to help deliver economic prosperity.'

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Together we must transform the sector

LSC Chief Executive Mark Haysom has set out the major issues he believes will shape the next phase of development for the learning and skills sector.

Speaking at the summer conference of the Learning and Skills Development Agency (LSDA), Mark stressed the LSC's important leadership role and the need for strong partnerships to deliver the change urgently required to meet the challenges ahead.

He said change was required to encourage more young people to stay on in education and raise their level of achievement, and to help adults acquire new and relevant skills for work.

It was also essential to develop a greater understanding of skills needs now and in the future – with an education and training sector responsive to those needs.

Mark referred to the series of LSC

regional roadshows across England to discuss with college principals the major issues that will confront the sector over the next few years.

He said: 'We are talking about some difficult issues at these events. And we are talking about them because I firmly believe that only by working together will we make the progress that is demanded of us.'

'We are talking about how working together we can deliver the Government's Skills Strategy. About priorities of Level 2 and Basic Skills. About what this means for other provision.'

'We are talking about how we continue to drive up participation and achievement. About how we work together to understand employer demand. About how we engage with employers. And how we deliver the training and the skills that employers want.'

The dialogue included the vital issue of quality and how the LSC would get increasingly tough with training providers that failed to deliver the required quality.

The Chief Executive said organisations in the sector needed to constantly challenge themselves. The roadshows examined the need for all colleges to become even more efficient and how new collaborative models could benefit the sector.

continued on page 2



Together we must transform the sector continued from page 1

Mark said: 'We are talking about the core challenges of *Success for All*, the Skills Strategy, about 14-19, about Tomlinson, about how we provide opportunities for everyone.

'We are talking about the need to

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invest for a different kind of future – investment in people, investment in buildings – about what the college of the future might look like.

'We are talking about how our funding system works and how it doesn't and how it might be radically overhauled. We are talking about the fact that as we become more successful, the strain on the public purse will push us ever further towards a focus on delivering on priorities.'

He told the conference: 'Working with the college principals, we are beginning to describe the issues that will shape the next phase of development for the sector.'

He praised the positive attitude of many college principals and said the LSC wanted a similar dialogue with all LSC-funded training providers and other organisations that were crucial to deliver success.

Mark also described the changes

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Mark Haysom

underway at the LSC (published in the June issue of LSC Update) and added: 'Trust, expertise, ambition and urgency... these are the qualities, the values that I want the LSC to be known for.'

He said that the LSC is changing to provide the leadership required for transformation of the sector.

The full text of Mark Haysom's speech is available on the LSC website under Media/Speeches

New PSA targets for learning and skills

The LSC regards new Public Service Agreement (PSA) targets for learning and skills unveiled in the Government's 2004 Comprehensive Spending Review as 'challenging and achievable.'

The LSC is looking forward to the detail on education funding and says it is pleased the LSC has been listened to by the DfES in setting the PSA targets.

The spending review was announced in the Commons by Gordon Brown, Chancellor of the Exchequer on 12 July.

Spending on education and skills in England is set to rise from £52 billion in 2004-05 to £64 billion in 2007-08. The LSC is looking forward to the detail on education funding and says it is pleased the LSC has been listened to by the DfES in setting the PSA targets.

The Comprehensive Spending Review is available on the Treasury website at www.hm-treasury.gov.uk

The PSA Targets are:

All young people to reach age 19 ready for skilled employment or higher education

- by 2008, 60 per cent of young people aged 16 to achieve the equivalent of five GCSEs (at Grades A* to C); and in all schools at least 20 per cent of pupils to achieve this standard by 2004, rising to 25 per cent by 2006 and 30 per cent by 2008
- increase the proportion of 19 year olds achieving at least Level 2 by three percentage points between 2004 and 2006, and a further two percentage points between 2006 and 2008 and increase the proportion of young people who achieve Level 3
- reduce the proportion of young people not in education, employment or training by two percentage points by 2010.

Tackling the adult skills gap

Increase the number of adults with the skills required for employability and progression to higher level training by:

- improving the basic skill levels of 2.25 million adults between the launch of *Skills for Life* in 2001 and 2010, with a milestone of 1.5 million in 2007

- reducing by at least 40 per cent the number of adults in the workforce lacking NVQ Level 2 or equivalent qualifications by 2010. Working towards this, one million adults in the workforce to achieve Level 2 between 2003 and 2006.

Raise and widen participation in higher education

- by 2010, increase participation in higher education towards 50 per cent of those aged 18 to 30 and make significant progress year-on-year towards fair access, and bear down on rates of non-completion.

Apprenticeships

The PSA targets are underpinned by a performance indicator on Apprenticeships: that by 2008, the numbers completing their Apprenticeship will have risen by three quarters.

Regional Development Agencies

Funding for Regional Development Agencies is rising from £1.8 billion in 2004/05 to £2.25 billion by 2007/08; part will be used to fund skills. The LSC says: 'This increased funding can only be good news for adults and employers.'

New ways to measure learners' successes

New ways to measure and recognise the success of learners across the whole learning and skills sector have moved a significant step closer.

It comes with the development by the LSC, DfES, Ofsted and the ALI of a new set of 'success measures' that are consistent and fit for purpose. They are published in a new document, *New Measures of Success: Priorities for Development*.

The publication sets clear priorities to develop the new measures and follows consultation late last year.

Different parts of the learning and skills sector currently have their own ways to indicate the success of learners, but they are not always compatible. The new proposals aim to rectify that state of affairs.

The goal is to produce an agreed set of measures that will clearly demonstrate learners' achievements, regardless of the type of course they have studied.

successforall

Priorities for Development identifies four streams for concentrated effort:

- developing a new measure of learner success that can be applied to all providers
- value-added and distance-travelled measures to compare the attainment of learners at the beginning of their programme with those at the end
- new measures to support the delivery of the Skills Strategy
- continued development of value-for-money indicators.

Geoff Daniels, the LSC's Director of Funding and Strategy said: 'We are proposing a way, for the first time, to recognise the real successes in gaining qualifications in post-16 education of all young people, including young people with poor or modest qualifications from school.'

'We are also working on how we might develop a similar measure for adult based learning. The sector has been crying out for measures of value added, building on those available now for A-levels. By working with the Inspectorates, the DfES and many from colleges and providers in the sector we have made genuine progress. I am very grateful to all those who have worked with us.'

The New Measures of Success: Priorities for Development and the outcomes of the consultation are available on the *Success For All* website at: www.successforall.gov.uk/linkAttachments/ACFDC17.pdf

Employer engagement

Under Theme Four of *Success for All*, all education and training providers covered by the three-year development planning arrangements are required to agree a target for employer engagement with their local LSCs.

Employer engagement targets play an important role in meeting one of the main themes of *Success for All* – and the Government's Skills Strategy – to make the learning and skills sector more responsive and relevant to the skills needs of learners and employers.

Employer engagement targets were introduced in the three-year development planning arrangements for 2003/04 to 2005/06.

To ensure that employer engagement targets for the 2005/06 to 2007/08

development plans are fit for purpose, the LSC's *Success for All* Theme Four team has worked closely with the LSC Skills Development Agency (LSDA) to develop a framework to help local LSCs, providers and employers to understand and agree what skills are needed and how these needs can be addressed.

The framework, embedded in the LSC's new Business Cycle, aims to achieve national consistency in the process for agreeing employer engagement targets without compromising the need for these partnerships to address their own specific local and regional priorities.

The LSDA has conducted a research project to examine the nature and range of employer engagement targets agreed in provider three-year development plans

and the early impact of the targets on provision. Its findings and conclusions are published in *Reviewing the impact of employer engagement targets*, available on the LSDA website at www.lsd.org.uk under publications.

Forthcoming events

19 August
GCE A-level results

24 August
National Curriculum (SATs) results

26 August
GCSE results

4-10 September
NIACE sign up now campaign

Premium funding for 73 'excellent' colleges

Seventy-three further education colleges and other FE institutions will receive extra funding in the academic year 2004/05 in recognition of their excellent performance.

Each of the colleges will receive a premium rate of 3.5 per cent above inflation.

The list – announced by the LSC following reviews of FE providers by local LSCs – represents nearly 14 per cent of LSC-funded FE institutions.

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Caroline Neville, LSC Director of Learning, said: 'I want to congratulate all the providers who have worked so hard to reach this level. They have achieved extraordinary things, and we are keen to recognise that, and to encourage all colleges and providers to aspire to excellence.'

'The LSC's approach is to reward success and drive out poor quality and we are concentrating hard on both extremes. As such, we are determined to make sure that all the provision we fund is at as high a standard as possible.

'But this is a two-way process and now we are at a point where we can ask for informed feedback to guide the policy forward. We will be obtaining the in-depth views of those affected across the spectrum of performance-related funding to make sure we are moving in the right direction.'

FE performance-related funding forms part of the *Success for All* programme of

reform, which establishes a strong accountability framework that can identify and reward excellent performance and drive up standards.

The system relates funding to categories of performance and takes into account the differences in role and mission of individual FE colleges and providers. It recognises that overall success rates are influenced by the nature of the curriculum on offer, and reviews progress against milestones and targets in the provider's individually agreed three-year development plan, rather than a simplistic fixed 'gold standard'.

The full list is available on the LSC website under Documents/Subject Listing/Funding Learning/Further Education. The list also includes colleges and institutions assessed as excellent, but that have not yet met the criteria for premium funding. Most have not yet been inspected under the Common Inspection Framework. They are likely to be inspected during 2004/05.

Rise in learner success rates

Success rates have risen sharply for all types of LSC-funded learners, according to figures released by National Statistics.

Combined with the rise in total numbers of learners, the sector has seen an increase of more than three-quarters of a million successfully completed courses in FE.

The data covers the period 2000-2003 and shows an overall rise in success rates of 2.8 percentage points in FE, including:

- a three percentage point rise among general FE colleges and external institutions
- a two percentage point rise among sixth form colleges
- a four percentage point rise in success rates for adults studying for NVQ Level 2

qualifications, and a three percentage point rise for adults studying NVQ Level 3 – both Skills Strategy priorities.

- a five per cent rise in successes in work based learning, including Advanced Apprenticeships and adult learners.

This translates in real terms to 7,500 more learners succeeding in work based learning. There are also significant improvements in success rates for ethnic minorities in FE. Disabled learners in FE have also seen rises.

Mark Haysom, Chief Executive of the Learning and Skills Council, said: 'This is an excellent result, and I congratulate all concerned. We have set ambitious targets, both for ourselves and for the sector as a whole.

'All the pieces are falling into place to really make a difference. Now we have to

retain, and increase, this momentum.'

The full statistical first release is available on the LSC website under Documents/Sector listing/Sector data.

Publications list

Publications in July/August:

- *National Employers' Skills Survey – main report volume 2*
- *LSC Health and Safety Standards – Information for funded organisations*
- *Be Safe CD-ROM tool kit*
- *LSC Guide to Evaluation (Good Practice)*
- *Requirements for funding work based learning for young people 2004/05*

Government unveils five-year strategy

Secretary of State Charles Clarke has unveiled the Government's five-year plans for 14-19 education and training and for adult skills.

They form a major part of the *Five Year Strategy for Children and Learners*, published this month, which sets out the Government's reform strategy for every stage of education and children's services ranging from early years to lifelong learning and adult skills. The Government's priorities include:

14-19 Education and Training

Student guarantee:

- a vision for a reformed and personalised system, with world-class academic and vocational courses and financial incentives like Education Maintenance Allowances
- better links between employers and schools
- a new, integrated Youth Offer, with a Green Paper on youth this autumn to pull

together all the various support on offer to young people – with better support for young people leaving care.

Schools and colleges guarantee:

- specialist schools, colleges and training providers will work together to deliver a broad and flexible choice of courses, increasing the choice of where to study.

Adult Skills

Individual guarantee:

- targeted support for those learners who need the most help, with new cash incentives and better advice and guidance for all those who need it
- flexible and transferable qualifications, with a simpler, credit based qualifications framework so every adult can build up a portfolio of skills.

Employer guarantee:

- more chances for employers to determine what training is on offer



- Apprenticeships for adults being developed, in line with employer needs.

Provider guarantee:

- more FE colleges with a real expertise becoming Centres of Vocational Excellence
- a lighter burden on colleges and training providers, and lighter touch inspections – and real strides towards a fully-qualified FE teaching workforce.

The *Five Year Strategy for Children and Learners* is available on the DfES website (www.dfes.gov.uk).

PM's praise for sector

Prime Minister Tony Blair paid warm tribute to the achievements of the learning and skills sector when he hosted a reception at 10 Downing Street.

The event, organised jointly with the DfES, recognised the achievements of people from the sector, particularly those working with young people.

Mr Blair welcomed 200 guests, including young people and heads and staff from school sixth forms, sixth form colleges, FE colleges and work based learning providers.

He said: 'I am hugely impressed by the dedication and commitment of the people I've met today. They make a real difference to the life chances of young people – some of them from very disadvantaged backgrounds.

'The work they have been doing is the

sort of thing we need to replicate across the country.'

Mr Blair said the sector's achievements spoke volumes:

- participation rates in FE and training among 16-18 year olds the highest for 20 years
- success rates up from 55 per cent in 1999/00 to 67 per cent 2002/03
- success rates in work based learning up from 36 per cent in 2001/02 to 41 per cent in 2002/03
- Apprenticeships participation up from 75,000 in 1997 to 255,000 in 2004
- completion rates up from 35 per cent in 2001/02 to 42 per cent in 2003/04
- 38 Learning and Skills Beacon colleges rated outstanding
- the LSC's annual National Learner Satisfaction Survey showed 90 per cent of learners were satisfied with the learning they received.

The PM said: 'We want all young people to have access, within reasonable travelling distance, to high quality opportunities across school, college and work based training routes to a mix of academic and vocational education that will meet their interests, aspirations and will promote participation and attainment in learning.

'Ultimately, we want a curriculum that will allow our young learners to make progress through a variety of routes into skilled employment, HE, or both.

'At the heart of our strategies is the need to open up better opportunities for those who are excluded from the system and to provide the skills for a modern economy.

'I know you are up for these challenges and together I believe we're in good shape to meet them head on.'

LSC consultation on adult learning

The LSC has embarked on a wide-ranging consultation with the learning and skills sector about proposals to raise the overall level of investment in adult learning.

The proposals set out ways in which FE colleges and providers could raise additional fee income from the adult education and training they provide to individuals and employers.

They are set out in a new LSC consultation paper, *Investing in Skills: Putting the Skills Strategy into Practice*, published this month. The paper covers

the issues of fees, funding and support for learners.

Colleges, providers and other organisations are being asked to give their views and comments about the proposals and contribute fully to the debate about how they could be implemented.

The LSC makes clear in the consultation paper that the proposals would not change the overall level of public funding in adult learning and would be implemented to ensure that unnecessary bureaucracy and complexity were avoided.

The aim would be to diversify and

increase the overall level of income available to allow colleges and providers to offer the highest quality skills training for adults and employers.

The intention is to set new priorities for public funding in the sector, as envisaged in the Government's Skills Strategy white paper last year, focusing on helping low skilled adults to gain basic and other skills for employability.

Investing in Skills: Putting the Skills Strategy into Practice is available on the LSC website under Documents/Subject Listing/Consultations and Responses/Current Consultations

Major review of *other provision*

The LSC and the Adult Basic Skills Strategy Unit of the DfES have commissioned a major review of all LSC-funded learning outside the National Qualifications Framework.

The project is reviewing and analysing the balance of LSC-funded learning in further education categorised as *other provision* – learning that does not lead to external qualifications approved under the Learning and Skills Act 2000.

The review, which started in December 2003, aims to help get a clearer quantitative and qualitative understanding of the extent and value of *other provision* and its relationship to the LSC's mission, priorities and targets.

The outcomes of the review will, in future, support local LSCs by:

- feeding into the review of LSC priorities as part of the LSC's new core Business Cycle
- raising awareness and providing a fuller understanding of *other provision* so that judgements about valuable and valued provision can be made more objectively, locally and regionally.

The outcomes will also help local LSCs identify areas for discussions with providers to gain a better understanding

of the balance and rationale for their actual or proposed profile of *other provision*.

However, the LSC stresses that the review is not intended to be a simple method for reducing *other provision* or a substitute for proper dialogue with providers.

The review, which started in December 2003, aims to help get a clearer quantitative and qualitative understanding of the extent and value of *other provision*

The review is being undertaken by KPMG. The outcomes of phase one (December 2003-May 2004) were discussed at three events for local LSCs and various issues were clarified.

One of the issues clarified concerned provision for learners with learning difficulties and/or disabilities. It was confirmed that the review aimed to identify valuable provision for this category of learner and not to reduce provision. In fact, local LSCs will continue to ensure that the planning and

purchasing of provision conforms to section 13 of the Learning and Skills Act 2000.

Under phase two, from June 2004 to June 2005, KPMG will help local LSC staff interpret data.

Local LSCs will also be invited to nominate at least one of their providers for a KPMG visit this autumn. Providers will be asked to identify examples of *other provision* that is valued by learners and/or their employers. The LSC and the QCA are keen to identify where *other provision* is being delivered because providers consider provision within the National Qualification Framework to be unavailable or inappropriate to meet learners' needs.

Focus groups will be set up with key stakeholders, including LEAs, awarding bodies and Sector Skills Councils.

An interim report on the early findings from phase two will feed into a review of the Annual Statement of Priorities in the autumn. A final report will be available in April 2005 and the outcomes will be distributed to local LSCs in June/July 2005.

For further information about the *other provision* review, contact Kully Jones, LSC project manager leading on the review, at kully.jones@lsc.gov.uk or Tel: 024 7682 3374.

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