



Leading learning and skills

Derbyshire Learning and Skills Council Annual Plan 2006-07

May 2006

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

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Our Vision

The challenge of meeting Derbyshire's learning and skills needs is what drives our Local Annual Plan for 2006-2007.

Over the last year we have invested over £130m in upskilling and developing people across Derbyshire, with more than 23,000 young people and nearly 96,000 adults benefiting from our education and training.

With investment in new, leading edge buildings in Ilkeston, Buxton, Clowne and Derby, our college partners have been awarded Centres of Vocational Excellence and Beacon Status. Many of our training providers have been independently assessed as being amongst the highest quality, most effective deliverers. Put simply, we have developed a quality delivery network, which has continuously improved success rates, helping more people than ever before to achieve new skills and qualifications.

Over 2,300 young people became engaged in Apprenticeships last year, an increase of 16% on the previous year. Over 4,000 people achieved a recognised basic skills qualification, equipping them with the core skills for life. More than 1,600 employers saw the skills of their employees increase through the Employer Training Pilot, *valuable skills*. The number of young people who are not engaged in employment, education or training (NEET) fell once again, continuing the trend of improvement established over the past three years.

The LSC also has a key role to play in helping to stimulate the understanding of, and demand for, new learning opportunities in order to influence and inspire those who would not otherwise have benefited. This is why we have funded vocational programmes within schools, such as Young Apprenticeships, providing access to new, relevant pathways for more young people than ever before. And why we have spent more than £7.5m ESF during the past year in supporting a wide range of projects, many of them involving the voluntary sector, that help us to engage particular hard-to-reach communities and cohorts.

Results such as these have been achieved only through close collaboration with our partners and providers. Our intention is to build on these existing relationships, through partnerships such as the emerging Children's Trusts and Local Area Agreements, in order to better coordinate efforts to help more people, employers and communities across the county.

We are proud of what we have achieved to date, but know that there is more to do. We want to align our efforts more effectively with those of our partners to deliver a *step-change* in the improvement trends already established.

There are still too many young people who leave the education system prematurely, ill-equipped and with restricted life and career chances as a result. Despite the trend outlined above, there are still too many young people who find themselves in the NEET group. A significant number of adults across the county do not possess basic literacy and numeracy skills. Many more are also not qualified to Level 2, equivalent to 5 'good' GCSEs and regarded by many employers as the basis for employability.

Whilst developing this Annual Plan, we have also taken into account the significant developments taking place across Derbyshire and Derby city. This is an exciting time, with a number of major investment projects either planned or already underway, such as the Cityscape developments, Riverlights, the Eagle Centre, the new hospital, the Junction 29a developments, along with the transformation of the schools infrastructure in the North East as part of the first wave of 'Building Schools for the Future'. These developments

represent part of the challenge, but also provide real opportunities for local people and employers – our goal must be to help them develop the appropriate skills to seize them.

Our targets and objectives for 2006-07 are stretching and reflect the ambition we have for Derbyshire: to help more people to achieve the skills they need to improve their lives, realise their potential and achieve greater social and economic inclusion. This Annual Plan sets out the key priorities and actions which will help us to realise this ambition.

A handwritten signature in black ink, appearing to read 'John Kirkland', with a long horizontal stroke extending to the right.

John Kirkland OBE
Chair

A handwritten signature in black ink, appearing to read 'Peter Brammall', with a large initial 'P' and a long horizontal stroke extending to the right.

Peter Brammall
Acting Executive Director

Our Priorities

We have published our second Annual Statement of Priorities which will take us further forward in our aim of transformation. Our six priorities for 2006/07 are to:

1. Ensure that all 14-19 year olds have access to high quality, relevant learning opportunities
2. Make learning truly demand-led so that it better meets the needs of employers, young people and adults
3. Transform the learning and skills sector through agenda for change
4. Strengthen the role of the LSC in economic development so that we provide the skills needed to help all individuals into jobs and lifelong employability
5. Improve the skills of workers who are delivering public services
6. Strengthen the capacity of the LSC to lead change nationally, regionally and locally.

Our Regional Priorities for the East Midlands

The LSC's regional priorities for 2006-07 reflect a commitment to transform the leadership and direction of the learning and skills agenda within the East Midlands. It strengthens the capacity to work regionally and locally, providing a responsive, demand led environment for delivering skills, which places the learner at the centre of our planning and delivery.

To maximise the impact of this transformational change, the LSC will continue to be a key strategic partner within the region to deliver enhanced products and services to employers, individuals and communities. This will be co-ordinated through the employment, skills and productivity partnership (esp), within which the LSC is involved at all levels.

As lead partner for 3 priorities for action within the esp we will work with partners in the region to:

- increase participation rates of 14-19 year olds
- develop adult skills at all levels, providing pathways for progression for those employed and developing employability skills for those seeking entry to employment, and
- improve the infrastructure and responsiveness of skills supply and the coordination of provision

The LSC's regional imperatives demonstrate how we aim to maximise the benefits of working regionally to provide consistency and greater impact within the region, whilst ensuring local flexibility to respond to local need. This includes developing a regional capital strategy to ensure we purchase provision that is responsive to demand and meets our needs and priorities; working with partners to develop an adult universal offer for employers; implementing the regional skills brokerage service and developing regional vocational pathways framework for 14-19 entitlement.

National Priority	All 14-19 year olds have access to high quality, relevant learning opportunities (links to priority 4 in the esp)
Associated target for the region	Regional Imperatives
78% of 16-18 year olds participating in education and training 67% of all 16-18 year olds gaining a level 2 qualification	<ul style="list-style-type: none"> • Substantially reduce the number of young people Not in Employment Education or Training (and in Employment with No Training) • Develop vocational pathways against an East Midlands framework for 14-19 entitlement • Define and deliver a learner entitlement for all young people by working in collaboration with schools, training providers, further education colleges and our strategic partners.
National Priority	Make learning truly demand-led so that it better meets the needs of employers, young people and adults (links to priority 2 in the esp)
Associated target for the region	Regional Imperatives
20,000 Adults achieving a full level 2 <ul style="list-style-type: none"> • Priority sectors for the region are: construction, health and social care, engineering and manufacturing • We will target 30% of our achievement of full Level 2s towards these 3 regional priority 	<ul style="list-style-type: none"> • Implement the Train to Gain programme supported by Local LSC capacity building from April 2006 • Implement the regional brokerage service (skills brokerage) available across the region from 1/4/06 with focus on priority sectors and clients • Stimulate demand from employers for workforce skills and implement improved employer engagement strategies • Enhance specialist vocational provision in support of

sectors together with those additional local priority sectors identified within the Local LSC More Level 3 achievements in the priority sectors set out in the esp 5,500 learners complete a framework from the WBL programme	key regional and local sectors including a review of Centres of Vocational Excellence and the development of skills academies and specialist schools
National Priority	Transforming the learning and skills sector through agenda for change (links to priority 6 in the esp)
Associated target for the region	Regional Imperatives
No contracting within poor areas of provision	<ul style="list-style-type: none"> • Purchase provision that meets our needs and priorities through a robust development plan • Develop provision that is more responsive to demand • Enhance business excellence for all Providers of education and training • A Regional Capital Strategy that is priority led
National Priority	Strengthen the role of the LSC in economic development so that we provide the skills needed to help all individuals into jobs and lifelong employability (links to priority 5 in the esp)
Associated target for the region	Regional Imperatives
21,500 Skills for Life qualifications	<ul style="list-style-type: none"> • Work with jobcentre plus to align our strategic approach and introduce an adult universal offer for employers • Strengthen the quality of the Skills for life provision that leads to progression into level 1 and level 2 and ensure it contributes to the skills for life target • Review and award contracts for Offender Learning and Skills Service (OLASS)
National Priority	Improve the skills of workers who are delivering public services
Associated target for the region	Regional Imperatives
Increase Apprenticeships to 330 in local government Deliver 2,010 first full level 2 qualifications Deliver 490 skills for life qualifications	<ul style="list-style-type: none"> • Create a workforce development plan for key components of the public service sector with priority given to <ul style="list-style-type: none"> ○ NHS plan for skills ○ Care sector ○ Childcare sector All plans agreed by June 2006 <ul style="list-style-type: none"> • Create a structure and pathway for employers, employees , stakeholders and supply <ul style="list-style-type: none"> ○ Create a regional network of specialist skills brokers for the public services sector ○ Pilot a public service sector compact in Leicestershire LSC in 2006 for full roll out in 2007
National Priority	Strengthen the capacity of the LSC to lead change nationally, regionally and locally
Associated target for the region	Regional Imperatives
LSC restructuring implemented in the region successfully New structure in place by June 2006 Effectiveness of partnerships	<ul style="list-style-type: none"> • Provide first class leadership to the sector through agenda for change • Enhance the skills of LSC staff through learning and development • Review business processes to improve efficiency and impact • Develop a Regional Board to champion and drive learning and skills in the East Midlands

Further Regional Areas of Focus

Regional Priorities	Associated target for the region (what)	Regional Imperatives (How)	Actions – Key Partnerships
<p>Address areas of local learning and skills deprivation</p> <p>links to priority 3 in the esp</p>	<p>Focus on the top 2 super output areas of local education and learning deprivation in each local LSC</p> <ul style="list-style-type: none"> • Increase access to learning • Increase level 2 achievement 	<ul style="list-style-type: none"> • Deliver through a strong strategic partnership with the voluntary and community sector • Establish a baseline and an action plan 	<p>Further Education (FE), Work Based Learning (WBL), Adult Community Learning (ACL), Voluntary and Community Sector, University for Industry (Ufi), Local Authorities</p>
<p>Equality and Diversity Impact Measures (EDIMs)</p>	<ul style="list-style-type: none"> • Raise the participation of learners with a learning difficulty and / or disability (LLDD) in FE • Raise the participation of ethnic minority learners on WBL • Narrow the gender imbalance on WBL • Narrow the ethnic minority imbalance on achievements for level 2 	<ul style="list-style-type: none"> • Set EDIMs targets within the provider development plans • Develop community strategic partnerships to share choice with potential learners 	<p>FE, WBL, ACL Voluntary and Community Sector Local Authorities</p>

Our Targets

Under priority 1, for young people:

- Increase the proportion of 19 year-olds who achieve at least Level 2 by 3 percentage points between 2004 and 2006, and a further two percentage points between 2006 and 2008, and improve attainment at Level 3.

Nationally we need an additional 31,000 young people to gain a Level 2 in 2005/2006 compared to 2003/2004 and a further 22,000 in 2007/2008 compared to 2005/2006.

Locally, we need an additional 248 young people to gain a Level 2 through LSC funded FE and Work-based provision for 16-18 year olds in 2007/08 compared to 2005/06, of which 124 will be delivered in 2006/07.

Under priority 2, for adults:

- Reduce by at least 40 per cent the number of adults in the workforce who lack an NVQ Level 2 or equivalent qualifications by 2010.

Nationally, in 2006/07 we need to increase the numbers of full Level 2 achievements through further education and work-based learning to 117,000 [NB excludes NES and NETP elements]. In addition the roll out of the National Employer Training Programme will increase the LSC contribution to this target.

Locally we plan to deliver 2,698 first full Level 2 achievements in 2006/07, of which 1,156 will be delivered through further education, 219 through work-based learning and 1,323 through Train to Gain.

Under priority 2, for adults:

- Improve the basic skills of 2.25 million adults between 2001 and 2010, with a milestone of 1.5 million in 2007.

Locally we need 4,986 learners to achieve Skills for Life qualifications in 2006/07.

Underpinning both priorities 1 and 2, for Apprenticeships:

- The LSC has agreed a new Performance Indicator for Apprenticeships. The aim is for 75 per cent more people to complete their apprenticeships in 2007/08, compared to 2002/03.

Nationally we aim to raise the number of completions to 70,000 in 2006/07 supporting the achievement of Level 2 and Level 3 qualification targets.

Locally we aim to raise the number of completions to 1,301 in 2006/07.

We also work with key partners to contribute to the following targets:

- Increase the proportion of young people and adults achieving a Level 3 qualification.
- Reduce the proportion of young people not in education, employment or training by two percentage points by 2010
- Increase participation in Higher Education towards 50 per cent of those aged 18 to 30 by 2010.

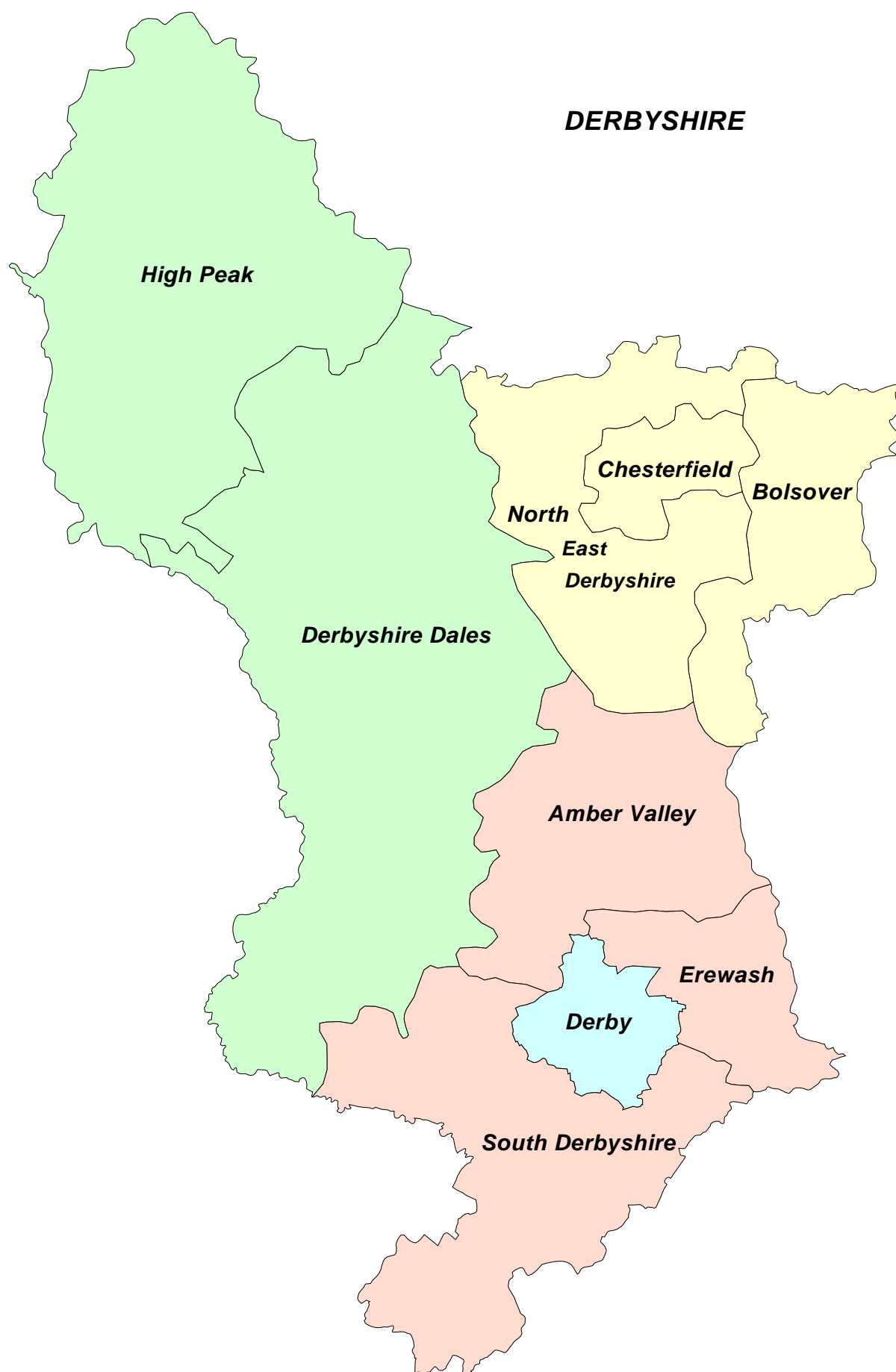
Our Values

Our values set out for us the way we work.

- **Trust:** the LSC has to be world-class at partnership and so we believe trust must be at the heart of the LSC.
- **Expertise:** we demonstrate expertise and true leadership in every aspect of our work. We have complete understanding of the communities we serve and of what is needed by business in terms of current and future skills.
- **Ambition:** we are ambitious for ourselves, in the goals and objectives we set, but more importantly we are ambitious for the communities we serve, for employers and for individuals in education and training.
- **Urgency:** we want to bring drive and urgency to the learning and skills sector, to tackle long-standing issues swiftly and professionally and to be responsive and fast moving.

Together, our four values will ensure the LSC can provide leadership and direction at a time of great change.

Our plan sets out how we will deliver our national and regional priorities in a local context highlighting what actions will be critically important in local delivery and what our contribution to the national targets will be.



A Context for Delivery

Derbyshire is a geographically and economically diverse county located in the centre of the country and is part of the East Midlands region. The county includes the unitary authority area of Derby City and Derbyshire County, which comprises eight local authority districts (LADs).

Our approach to the planning and delivery of learning responds to the county's diversity by recognising four distinct areas that share common characteristics (see map on previous page). These areas are:

- **Derby**
An urban environment with a relatively high level of ethnic minority population, including asylum seekers, significant areas of deprivation and of poor literacy and numeracy. The city has comparatively high levels of employment in the banking, finance and insurance sector. Large-scale urban redevelopment is planned over the next 15 years, resulting in an increased demand for construction, retail and hospitality and leisure skills.
- **High Peak and Derbyshire Dales**
This rural area is characterised by a dispersed population and a limited range of learning provision. The local economy requires diversification to take advantage of opportunities resulting from the growing tourism industry. Employment and services are strongly influenced by bordering areas outside of the county. Employment patterns are typical of the county as a whole, but with a high reliance on public administration, education and health, along with a growth in tourism.
- **North East Derbyshire, Bolsover and Chesterfield**
This area has significant levels of deprivation, relatively high unemployment, low levels of adult learning achievement and significant problems of poor literacy and numeracy. Almost one third of employment is in public administration, health and education and the area has a significantly declining manufacturing sector. This area is also strongly influenced by bordering areas outside of the county.
- **Erewash, Amber Valley and South Derbyshire**
A market town economy, encompassing areas of relatively low levels of training in the workforce. Employment is dominated by manufacturing and engineering with more than a quarter of employees working in these sectors. Also strongly influenced by bordering areas outside of the county.

DEMAND FOR LEARNING

Young People and Adults

Population

The population of Derbyshire is around 976,200 and is expected to grow by 4.14% (+40,400) by 2013, with a significant proportion of this growth occurring in the South Derbyshire district (+11,800)¹. In common with the rest of the region, the population is increasingly aging, with the number of young people, aged 15 – 19, projected to fall by 1.3% between 2003 and 2013, whilst those aged 45 – 59 will increase by 11.3% over the same period.

According to the 2001 Census, the ethnic minority population of Derbyshire was just over

¹ 2001 Census / ONS 2003 sub-national population projections

38,200, mostly living in Derby city, where ethnic minorities represented 12.6% of the population. These were mostly Pakistani or Indian. At present, there are also approximately 880 supported asylum seekers in Derby, mainly Iraqi, Kurdish and Somali.

Derbyshire has a higher proportion of residents with a limiting long-term illness (20.1%) than either the East Midlands (18.4%) or England (17.9%)²; and this is particularly prevalent in Bolsover (25.8%), Chesterfield (23.1%) and North East Derbyshire (21.7%). In addition, according to Jobcentre Plus information, more than 6 out of 10 people of working age are claiming incapacity or severe disablement benefits in a number of wards in the Shirebrook area of Bolsover.

According to the latest Indices of Deprivation (2004), Derbyshire is identified as having 44 Super Output Areas (SOAs) in the top 10% most deprived SOAs in England. Seventeen of these are in the county and mainly concentrated around the former coalfields areas of Chesterfield and Bolsover and 27 are in Derby city, mainly in the Arboretum Ward. LSC Derbyshire will work with providers, especially from the voluntary and community sector, and key partners, such as Jobcentre Plus, to increase access to learning and achievement for disadvantaged groups and communities.

Employment

The total working age population is just over 590,000, of which just over three quarters are in employment³, primarily in manufacturing, wholesale / retail, and health and social work⁴. Employment activity rates vary from 80.1% across Amber Valley, Erewash and South Derbyshire to 70.9% in Derby.

Employment projections indicate that 182,000 additional employees will be required by 2014 compared to 2004, in order to meet the need to replace those retiring (169,000) and an expected 3% growth in jobs (13,000)⁵. The main occupational groups that are forecast to grow during this period are personal service occupations (+28%), professionals (+23%), sales and customer service staff (+19%), managers (+11%) and associate professionals (+9%).

Unemployment in Derbyshire, at 2.1%, is similar to that of the East Midlands and slightly lower than England as a whole, however there are wards that have unemployment levels that are significantly above the county average, such as Arboretum (8.5%) in Derby and Shirebrook North East (5.8%) in the north of the county⁶. The proportion of those who have been out of work for over 1 year, at 15.3%, is higher than either the regional or national rates (both 14%). The worst affected districts are North East Derbyshire (18%) and Bolsover (16.8%). In addition, some 125,700 Derbyshire people of working age are economically inactive, of whom more than 1 in 6 (22,000) have stated that they would like to find work.

Unemployment disproportionately affects young people - nearly a third (3,715) of the unemployed are young people aged under 25. Young people in Bolsover and Derby are particularly affected. In addition, more than 1,940 young people aged 16 – 18 are not in education, employment or training (NEET)⁷, equating to 7.0% of those who are registered with Connexions, and including particularly vulnerable young people, such as the homeless

² Census 2001

³ NOMIS annual population survey (Jan 2004 – Dec 2004)

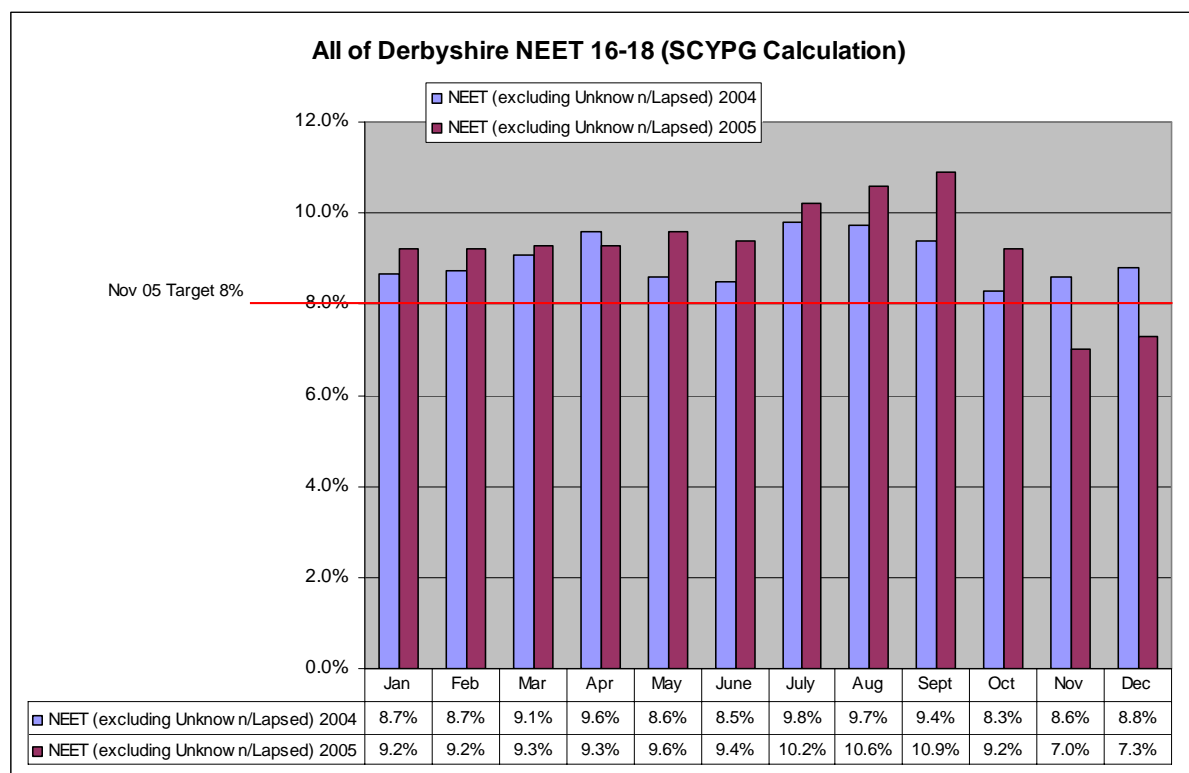
⁴ NOMIS, ABI data, published 2005

⁵ Working Futures 2

⁶ NOMIS September 2005, not seasonally adjusted

⁷ November 2005. This figure includes an estimate for those whose status is not known, but likely to be NEET, based on a national methodology used by the Department for Education and Skills and the Supporting Children and Young People's Group (SCYPG)

and teenage mothers.



There are concentrations of NEET young people in Derby city (664), Chesterfield (226) and North East Derbyshire (185). Trend data over the past two years, shown in the table above, indicates that, although there are monthly variations, the proportion of young people who are NEET is generally rising, although there have been significant falls in the last two months.

Skills Levels

The aim of the national Skills Strategy is to raise the skill levels of adults, particularly in relation to Level 2 and Skills for Life, in order to meet employers' need for a more highly skilled workforce and to improve the employment prospects of individuals.

With significant employment growth expected at senior levels, it is likely that the corresponding requirement for qualifications will be for first degrees (36,000) and higher degrees (30,000)⁸. Fewer people without qualifications will be required, and it is expected that, between 2004 and 2014, 12,000 employees without qualifications will retire and be replaced by people with qualifications. The demand for workers with ONC/BTEC (23,000), A-Levels (20,000) and Level 2 (20,000) will grow significantly, while there will be more modest increases for those with BTEC first diploma and sub-Level 2 (each up by 13,000) and HNC (up by 10,000).

The proportion of people who hold qualifications in Derbyshire is lower than the national average. Some 62.5% of the working age population hold Level 2 qualifications or above, and 41.3% hold a Level 3 qualification, compared to averages of 65.3% and 43.7% respectively for England⁹. Bolsover people are least qualified, with only 54.5% qualified to Level 2 qualification and 32.4% at Level 3. The proportion of people of working age in Derbyshire who either hold no qualifications at all or who are qualified to below Level 2, at

⁸ Working Futures 2 projections

⁹ Department for Education and Skills, Qualification of Working Age 2003/04

37.5% (221,000), is significantly higher than the English average (34.7%)¹⁰. Young people's participation in Higher Education (HE) presents a mixed picture. Nearly 1 in 5 Derbyshire young people reside in wards where take up of HE is amongst the highest in the country. However, more than half of Derbyshire young people live in areas where take up is amongst the lowest in the country, which is significantly higher than the East Midlands region as a whole¹¹.

It is estimated that more than 143,000 (25%) of 16 - 60 year olds in Derbyshire have poor literacy skills and almost 26% have poor numeracy skills¹². This is slightly higher than the national averages of 24% for both measures. The lack of basic skills limits the employability of the individuals affected and the competitiveness of local businesses. Some 18% of construction employers have reported a need to improve the level of basic skills in their workforce.

Economic Trends

Derbyshire has 32,057 employers, with the highest proportion located in Derby city (21%) and the lowest in Bolsover (5%). More than four-fifths (82%) of these organisations are micro-businesses, employing less than 10 people, although this varies across sectors; conversely less than 1% of businesses are large companies employing 200 people or more.

The National Employer Skills Survey (NESS) for 2005 has found that nearly a third (29%) of Derbyshire employers have at least one vacancy that they find hard to fill and that their perception is that a lack of the right skills amongst job applicants is the main reason for vacancies remaining unfilled. Also around one in seven Derbyshire employers believe that they are affected by skills gaps, with nearly three-quarters of these stating that up to 40% of their employees are lacking in skills required for their jobs. This skills deficit has a wide ranging impact on both the existing workforce and the competitiveness of businesses, leading to increased workload for current employees, loss of business to competitors, increased operating costs and delays in developing new products and services.

The NESS also showed that nearly two-thirds of Derbyshire businesses funded training in the last year, although less than half had produced a training plan. The most typical training practices involved the provision of five to nine days training a year per employee at a cost of between £100 and £200. Interestingly, employers' main response to hard to fill vacancies was to intensify recruitment efforts, with only one in six tackling the problem through increased the training for the existing workforce. Our analysis highlights the importance of ensuring that learning provision responds to the diverse needs of employers, providing them with the skilled people required to enhance business competitiveness.

Skills Needs in Priority Industries

The LSC in the East Midlands has come together with the East Midlands Development Agency (emda) and other organisations to establish the Employment Skills and Productivity Partnership (esp) with the aim of raising skills levels, helping businesses to become more successful and sustainable, whilst providing better quality employment opportunities. The esp has produced an action plan that identifies a number of industrial sectors which are of importance to the future development of the regional economy. LSC Derbyshire is focusing on four of these which are of particular relevance to the county – engineering / manufacturing, construction, health and social care, and tourism, leisure and hospitality. In addition to the regional priorities, there are a number of other sectors of importance to the economy of Derbyshire, including the public sector, retail and logistics. A summary of the main skills related challenges facing the regional priority sectors, retail and logistics may be

¹⁰ *ibid*

¹¹ HEFCE 'Polar' Data

¹² Basic Skills Agency 2000

found at Annex 1.

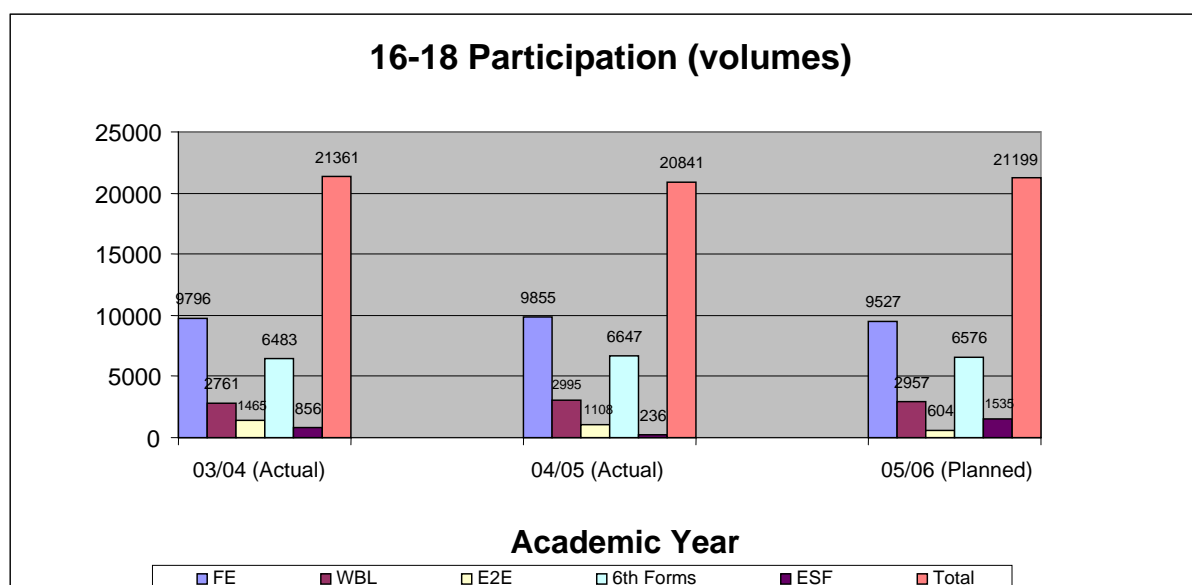
The public sector is the major employer in the county providing more than a quarter of all jobs in Derbyshire. The challenges faced by the sector in training and developing its workforce are wide-ranging, from craft skill shortages to basic skills needs across many areas and functions. Many parts of the sector are also being affected by difficulties related to an aging workforce, particularly at higher skill levels. The diverse nature of the work of the public sector creates many challenges for the LSC in terms of understanding and responding to its needs. During the forthcoming year, we will seek to identify and articulate this demand in more detail.

In summary, the skills deficit in Derbyshire is limiting the employability of individuals and inhibiting the capacity of businesses to capitalize on the opportunities presented by technological developments. Productivity levels are also adversely affected: Gross Domestic Product (GDP) per head in Derbyshire is £10,900, compared to £11,800 in the East Midlands and £12,500 in the UK. This is consistent with the low skill / low wage equilibrium that is generally typical of the East Midlands economy. The imperative need to raise the level of skills in Derbyshire for the benefit of both businesses and individuals is the key driver behind our decision to establish challenging targets for raising the proportion of young people and adults who are qualified to Level 2 and for improving the number of people who achieve Skills for Life (basic skills) qualifications.

LEARNING SUPPLY

Engaging Young People in Learning

At the end of the 2004/05 academic year, LSC Derbyshire had funded a total of 20,841 young people aged 16 - 18 across a range of programmes, including Further Education (FE), Work Based Learning (WBL), Entry to Employment (E2E), school 6th forms and the European Social Fund (ESF). This represented a slight decrease (-2.4%) on the previous year.



Source: Annex A (March 2006)¹³

¹³ FE data for 2004/05 is not yet complete

We expect that participation by young people will rise in 2005/06, with a planned out-turn at the end of the year of an additional 358 young people supported compared to the 2004/05 year. Participation data for WBL and E2E for the first quarter of the 2005/06 year indicates that we are currently on track to achieve planned participation for these programmes.

During 2004/05 LSC Derbyshire contributed to the achievement of the national Public Sector Agreement (PSA) target relating to the number of young people starting on Apprenticeships, including FE Programme Led Pathways (i.e. an element of an Apprenticeship achieved through FE). The Derbyshire target of 3,216 was exceeded by more than 3%.

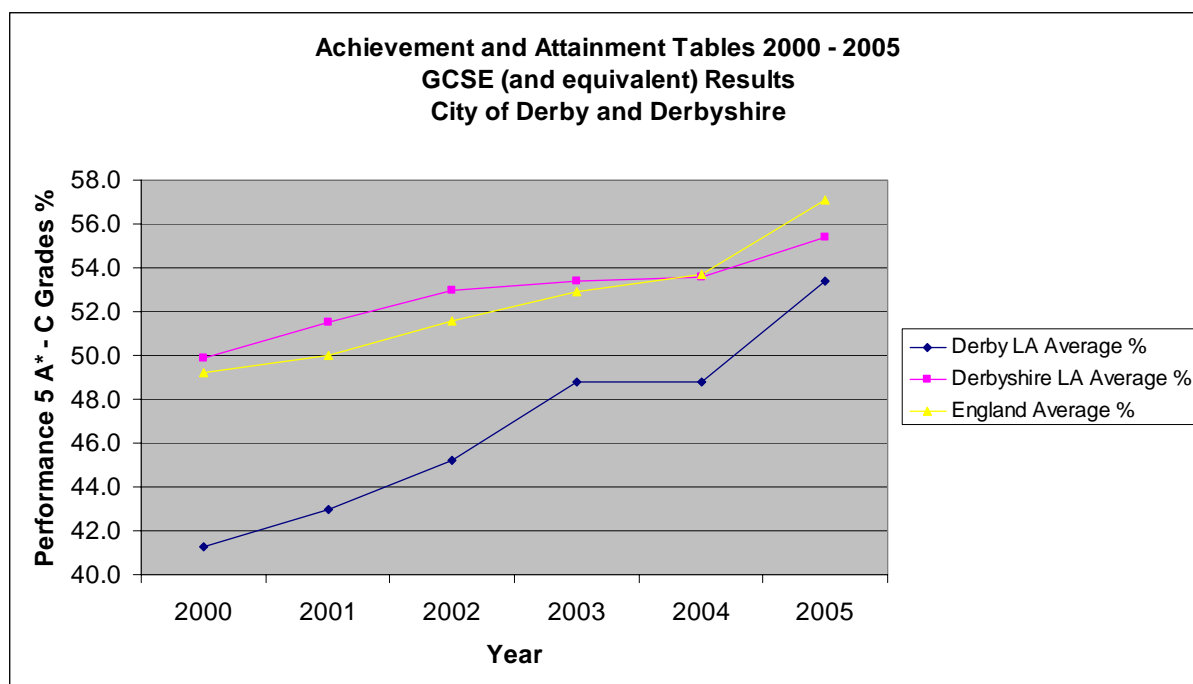
An issue of on-going concern is the rising number of young people who are NEET and we are deploying significant amounts of ESF resources on developing 'pre-E2E' programmes specifically to engage the most hard-to-reach youngsters who are not yet able to enter our mainstream provision. The success of this strategy will depend on the effective co-ordination of 'pre-E2E', E2E and other mainstream provision in order to ensure that young people are engaged and make positive progression in learning and employment.

Achievement by Young People

FE 'success rates' take account of both the retention of learners and their success in achieving qualifications. At the end of the 2004/05 academic year the success rate for young people on FE courses stood at 61% compared to 57% in the previous year. The success rate for short courses is higher than that for long courses (65% compared to 60%), however, both are well above the national minimum (or 'floor') targets of 55% and 45% respectively.

One of our key targets is to improve the proportion of young people who achieve a first Level 2 qualification by three percentage points between 2004 and 2006, and a further two percentage points between 2006 and 2008. As at 2004, some 61.5% of young people achieved Level 2. In order to achieve the planned increases, LSC Derbyshire will need to ensure that 1,776 young people on LSC funded programmes achieve a Level 2 by the end of the 2006 academic year and that a further 2,024 achieve this level by the end of 2008. This will require us to work with providers to increase the amount of Level 2 provision available in order to meet these targets.

A major influence on Level 2 attainment by young people is the contribution made by schools in terms of the number of school students who achieve at least 5 A* - C grade GCSEs (which equate to a Level 2 qualification). As shown in the following table, the proportion of young people achieving these grades in both the Derby and Derbyshire Local Authority areas has increased year-on-year, with schools in the city making significant strides in improving performance. However, the national average performance increased significantly between 2004 and 2005, resulting in both the Derby and Derbyshire performance being below that of the English average.



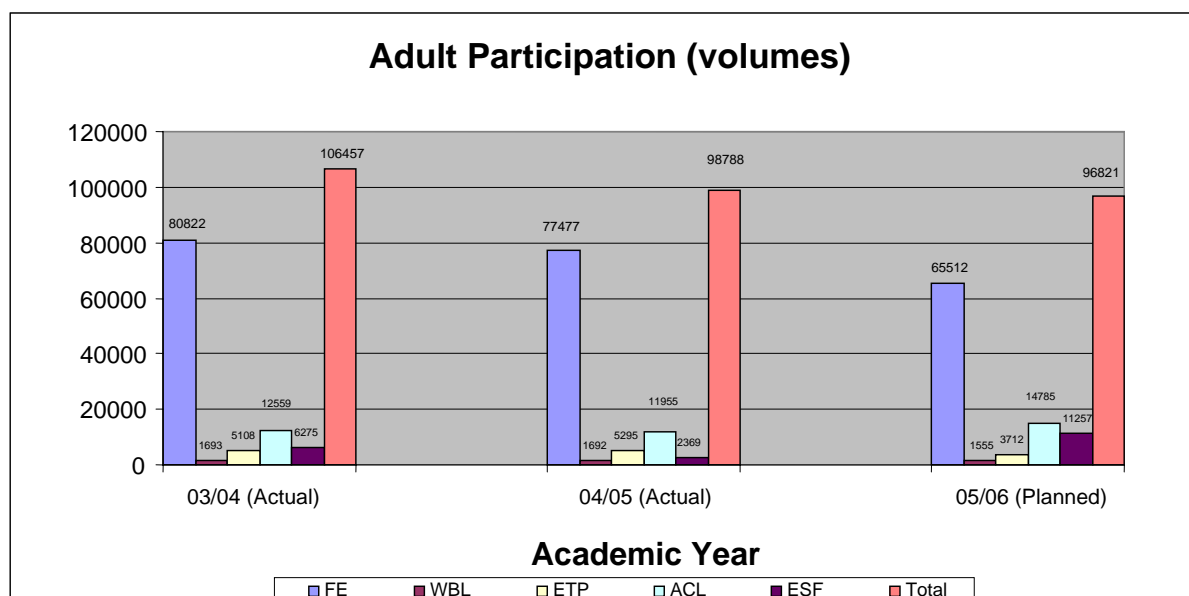
Sixth form performance has also steadily improved in recent years in schools maintained by both the city and county local authorities. Performance is measured in terms of 'A level point score' which is calculated on the basis of the number and grades of 'A' levels achieved. In 2005, the overall 'A' level point score for the LSC area stood at 265.6, lower than the national average (277.6)¹⁴. Whilst the county's performance is close to the national average, that of the city is significantly lower. Through the development of joint LSC/LA 14-19 strategies and actions arising out of the city area inspection, we are working on improving sixth form performance.

WBL success rates (relating to the achievement of either frameworks or NVQs) have steadily improved year on year and have been above the national minimum (or 'floor') target of 40% since 2003. As at 2005 the overall success rate stood at 55.4%. A further key target for the LSC relates to improving the percentage of learners on WBL who complete a full framework, from 44% in 2006 to 47% in 2007 and 51.5% in 2008. Progress as at December 2005 indicates that we are on track to meet the target of 1,301 full frameworks achieved by the end of the 2005/06 year. We are aware, however, that there are significant variances in framework achievement rates according to area of learning, ranging from 68.7% for Advanced Apprentices in engineering, technical and manufacturing to 21.4% for Apprentices in construction. In contracting for new provision this year, we have specifically targeted provision across areas of learning to make best use of provider specialisms and areas of strength in order to raise the number of frameworks achieved in low performing sectors.

Engaging Adults in Learning

During the 2004/05 academic year a total of 98,788 adults aged 19 and over participated in LSC funded learning provision (see table below). This represented a decline of 7.2% compared to the previous year. Based on planned provision, we expect that we will support 15.4% fewer adult learners in 2005/06 than we did in the previous year.

¹⁴ Department for Education and Skills attainment tables



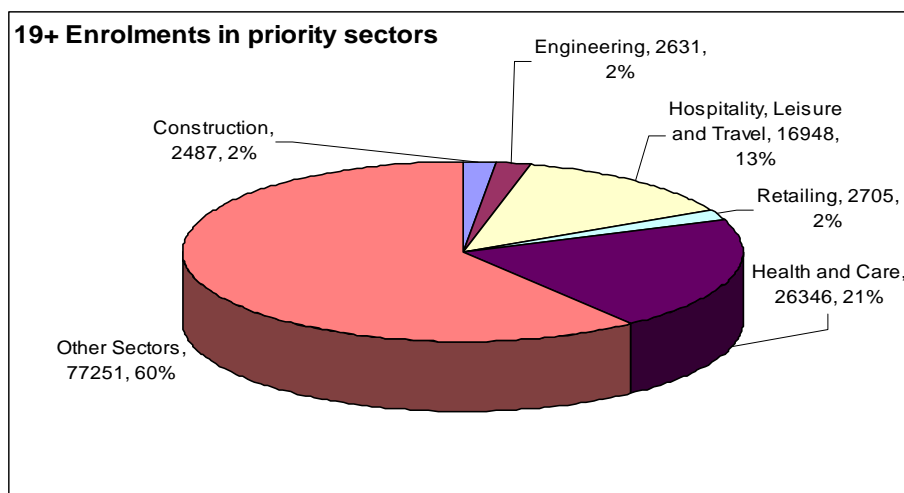
Source: Annex A (March 2006)¹⁵

We expect that participation in ACL will increase by nearly 14% between 2004/05 and 2005/06 and, in addition, we now have a large volume of ESF provision, which is making a significant contribution to 'first steps' learning in the community.

The Derbyshire Strategic Area Review (StAR) identified that there are communities across Derbyshire, including Derby city, where levels of adult participation are low. Also that we need to develop our understanding of the needs of these communities in order to ensure that our provision meets community needs and complements existing provision. One of the key outcomes of the StAR is the decision to develop a targeted adult learning strategy that identifies the needs of these communities and establishes priorities for action and future development.

The following table shows the proportion of adults enrolled onto FE courses by priority sector during 2004/05. We are currently reviewing the balance and mix of learning provision with our FE providers in order to increase the emphasis on supporting priority sectors and raising skills levels. We have introduced the 'skills matrix' - an analysis and modelling tool – for this purpose (see page 24).

¹⁵ FE data for 2004/05 is not yet complete



Since its introduction in 2002, the Employer Training Pilot (ETP), branded 'valuable skills' in Derbyshire, has recruited a total of 11,779 employees on Level 2 or Skills for Life programmes against a target of 11,701 set for March 2006. In addition, some 1,609 employers have been engaged in the pilot against a target of 2,200.

The national ETP, 'Train to Gain' will succeed 'valuable skills' from April 2006, but will be significantly different. Train to Gain is aimed at improving business performance, raising skills levels, and improving the delivery and quality of learning provision. The main elements of the initiative will consist of support from impartial brokers who will assist in diagnosing training needs and identifying appropriate sources of training, which may be funded by the LSC – such as Skills for Life, Level 2 qualifications, and apprenticeships – or paid for by the employer. Training will increasingly be delivered in the workplace.

A three-year plan for the development of an infrastructure to support Train to Gain in the East Midlands is being developed. It is expected that Train to Gain in Derbyshire will engage a total of 7,100 learners in Level 2 or Skills for Life activity during its first full year and that a total of 1,057 businesses from the private, public and voluntary sectors will be engaged, with an emphasis on our identified priority sectors.

Achievement by Adults

The average success rate for adults on FE courses stands at 84% (2004/05), compared to 73% in the previous year, although the success rate for short courses is significantly higher than that for long courses. The adult completion rate for ACL currently stands at 72%; a similar level to the previous (2003/04). The WBL achievement rate for adults, like that for young people, has exceeded the national minimum (or 'floor') target of 40% for a number of years, standing at 56.9% at the end of the 2004/05 year.

One of the LSC's key targets is to reduce by at least 40% the number of adults who lack a Level 2 or equivalent qualification by 2010. The LSC in the East Midlands has agreed regional and local annual targets so that we can measure progress towards meeting this challenging objective, which will demand a significant step-change in the delivery of local provision. The contribution required from LSC Derbyshire in order to meet the regional target is 2,877 individuals achieving a first full Level 2 qualification in 2004/05, an additional 4,145 in 2005/06 and 5,144 in 2006/07. The level of increase required by the end of the 2005/06 academic year will present us with a major challenge and we are now working with providers to focus effort and resources on achieving these targets, particularly through the use of the skills matrix with our FE providers. In addition, Train to Gain and the ESF are expected to make a significant contribution to the Level 2 targets.

A further key target for the LSC relates to the number of people achieving Skills for Life (basic skills) qualifications. As at January 2006, LSC Derbyshire had delivered 5,964 qualifications against the Skills for Life target of 11,986 for the three year period ending July 2007¹⁶. We have planned sufficient provision to achieve the 2007 target, as we expect that FE will deliver around 8,700 qualifications, with a further 1,000 each from Learndirect and ESF and 2,500 from WBL and ETP (13,200 in total). Some of our current Skills for Life provision, however, does not lead to countable qualifications, either because it is 'first steps' type provision or because it leads to non-eligible qualifications. We are continuing to work with delivery partners to increase the level of provision that counts towards the national target. We are also deploying ESF to develop the infrastructure through training tutors and establishing centres for continuing professional development.

INFRASTRUCTURE

Capital Strategy

Fundamental to our objectives of raising participation and achievement has been the capital investment made over the last few years in the FE infrastructure. Investments have included the merger of three colleges in Derby, the development of the Chesterfield College Clowne Campus in North East Derbyshire, the Devonshire Campus in Buxton and the Joseph Wright Centre in Derby.

In order to further enhance accessibility we need to facilitate the on-going development of the training infrastructure. The Derbyshire Capital Plan has been developed in the context of the Regional and National Capital Strategies and is in the process of regional moderation. The Capital Plan outlines local priorities for capital investment in the context of our Strategic Area Review (StAR), Area Wide Inspection and other review outcomes.

The plan initially covers the period 2006/07 to 2009/10 to be updated annually. The first two to three years comprise capital projects that are based in local FE capital strategies including the consolidation of FE provision in the City. The remaining years are projects which may have the potential to be submitted and which are still in the very early stages of planning including proposals for new post 16 provision across the county particularly in the High Peak/Derbyshire Dales area.

Quality

The quality profile for learning provision in Derbyshire ranges from adequate to outstanding across all major funding streams with the exception of two specialist colleges. Chesterfield College is the only general FE College in the East Midlands to achieve Beacon status and Stubbings Court was judged to be outstanding in all areas at a recent inspection by the Adult Learning Inspectorate (ALI)

Maintaining and improving the quality profile of provision in Derbyshire

The main challenge for LSC Derbyshire is to maintain and improve upon the existing quality profile and we are working with providers to ensure they can discharge the new quality agenda in the following ways:

- By enhancing providers' self-assessment processes. By 2007/08 providers' self-assessment will contain an evaluation of the relevance, effectiveness and efficiency

¹⁶ National LSC

of delivery in meeting LSC priorities;

- By supporting providers in implementing new measures of success - a core set of performance indicators to be used by the LSC, Department for Education and Skills (DfES), the Inspectorates, colleges and training providers, as a basis for day-to-day management and self-assessment. We expect that most measures will be in place for the 2007/08 planning cycle.
- Minimum levels of performance will be agreed with providers for the 2006/07 planning year, based on participation and success rate targets, inspection grades, and the qualifications of the teaching workforce in FE.

Managing risks to the quality profile in Derbyshire

LSC Derbyshire will use a differentiated approach to developing quality and use a risk-proportionate approach to working with providers. We will prioritise activity to address the following risks.

- Although generally adequate, quality in college WBL provision continues to be inspected at a lower grade than general FE provision. We are committed to work with the FE sector to address this issue, through interventions such as Learning and Skills Development Agency (LSDA) consultancy support and, if appropriate, withdrawal of provision;
- We will continue to concentrate support on E2E and ESF providers that have recently come within scope for inspection. The LSC will put in place a package of quality support and intervention managed by Adult Learning Inspectorate (ALI) associate inspectors to ensure such providers can manage the requirements of self assessment, development planning and inspection;
- We will also continue to work with the two specialist colleges, one of which is graded as generally unsatisfactory and the other with one element of unsatisfactory performance, by supporting them in implementing their Post Inspection Action Plans.

The Voluntary and Community Sector

LSC Derbyshire will work with providers, particularly from the voluntary and community sector, to increase access to learning and achievement for people living in the most deprived Super Output Areas. We will further build the capacity of the Learning and Development Consortium (LDC) to prepare the voluntary and community sector for tendering for LSC contracts ('contestability').

Financial Assessments

Only three of the four college providers have graded judgements made about their financial position, since the fourth is part of a Higher Education Institution and it is impossible to make such a judgement. In 2005/06 one college has been graded financial category A, one has a B category and the third is borderline B/C, i.e. financially weak, and engaged in on-going discussion with the LSC's Regional Finance Director. This college has agreed a recovery plan with LSC Derbyshire which is monitored regularly. In addition the college Corporation has agreed that LSC Derbyshire have representation at their meetings. This representation

is normally taken up by the Regional Financial Director, who also attends Finance and General Purpose Sub Committee meetings of the Governing Body.

Sheffield City Region

North East Derbyshire is part of the Sheffield City Region. The vision for Sheffield City Region in 2025 is that it will be a pivotal international business location and one of the most successful city regions in the North of England, highly regarded for its innovative and creative economy, strong connections to key markets, unrivalled quality of life and vibrant and cosmopolitan population.

There are four areas where energy is being focused:

- Developing and exploiting knowledge and research on an internationally competitive scale;
- Developing a comprehensive transport strategy;
- Providing the skills required by an internationally competitive economy;
- Providing an environment that encourages investment and offers a higher quality of life.

Skills Matrix

The 'Skills Matrix' is a management tool that is being introduced by all local LSCs for use with Further Education providers as part of the development planning process for 2006/07. The matrix facilitates the analysis of provision in terms of the contribution made towards national LSC targets and priority industrial sectors at individual provider, local LSC and regional levels. It is underpinned by data on learner enrolments and funding at aim level, which provide a basis for discussion between our staff and providers about how the current mix and balance of provision can be shifted towards a greater emphasis on national targets and priority sectors. The objective of the negotiation process is to arrive at an optimum balance between activity that directly contributes to the achievement of these priorities and activity that engages people and communities not currently taking up learning opportunities and which offers them 'first steps' learning and opportunities to make further progression.

The two versions of the matrix below show the position in terms of learner enrolments, for both young people and adults for all Derbyshire FE providers for the 2004/05 year (based on FO4 data return). The vertical axis analyses provision in terms of the contribution made to national targets and the horizontal axis is an analysis of the contribution made to priority sectors. Provision that falls within the top left-hand box makes the greatest direct contribution to targets and priorities, whilst that within the bottom right-hand box makes the least. The matrix can be used to conduct various levels of analysis, e.g. age category of learner, sector specific courses etc., through analysing selected data sets.

Learner Expenditure 2004/05 (F04):

Under 19	High		Medium		Low		Total	
	£	%	£	%	£	%	£	%
Provision contributes to National Target	£5,335,494	23%	£5,092,956	22%	£1,557,373	7%	£11,985,823	51%
Provision could contribute to National Target	£1,085,687	5%	£541,864	2%	£804,372	3%	£2,431,923	10%
Provision does not contribute to National Target	£5,123,983	22%	£2,803,937	12%	£954,098	4%	£8,882,018	38%
Totals	£ 11,545,164	50%	£ 8,438,757	36%	£3,315,843	14%	£23,299,764	100%

Over 19	High		Medium		Low		Total	
	£	%	£	%	£	%	£	%
Provision contributes to National Target	£5,409,043	20%	£1,057,458	4%	£745,642	3%	£7,212,143	27%
Provision could contribute to National Target	£171,681	1%	£120,259	0%	£100,706	0%	£392,646	1%
Provision does not contribute to National Target	£9,818,885	37%	£7,154,973	27%	£2,148,998	8%	£19,122,856	72%
Totals	£15,399,609	58%	£8,332,690	31%	£2,995,346	11%	£26,727,645	100%

Balance and Mix of Provision

Under 19

Over 50% of expenditure contributes directly to LSC targets and a further 10% could count towards national targets, e.g. students taking level 2 courses such as GCSE re-takes which do not constitute a full level 2. In addition 50% of provision is in high priority areas and only 14% in low priority sectors. The 38% of provision which does not count towards LSC targets includes provision for Learners with Learning Difficulties and/or Disabilities (LLDD) as well as level 1 work. The latter is important, for example to bridge the gap between E2E provision and level 2 courses such as apprenticeships.

Over 19

Slightly over a quarter of adult provision counts directly towards our targets, the majority of which is in our priority sectors. Detailed discussions have taken place with all FE providers regarding the 72% of provision which does not count towards our targets. In fact some FE providers have now broken down every learning aim in terms of the skills matrix, others have broken it down to individual departmental level. We are now updating the skills matrix for 2004/05 in the light of the latest data (FO5), as well as working on modelling 2005/06 provision to see what shifts there have been. Again the provision not counting towards our targets includes LLDD and level 1 provision. It also includes some provision such as very short courses which will not be eligible for funding in 2006/07. We therefore expect to see the 72% to reduce significantly in both this current year and in 2006/07.

Franchising

For all age groups for 2004/05 (based on latest FO4 data), shows franchising to be at approximately 6% in 2005/06 compared to 10% in 2004/05. This figure includes franchise and partnerships.

The key changes needed

1. Reduce the proportion of young people who are not in employment, education or training (NEET) from 8.2% in the City and 6.5% in the county (as at November 2005) to 7.4% and 6.1% respectively by November 2010.
2. Increase the number of WBL apprentices who complete a full framework from 1,128 in 2005/06 to 1,205 in 2006/07, in line with targets agreed at national and regional levels.
3. Ensure that a further 5,100 people achieve a Skills for Life qualification by July 2007 through focusing provision on the achievement of recognised qualifications.
4. Increase the number of learners of all ages, who achieve full Level 2 qualifications, in order to achieve regionally agreed targets, by increasing the amount of LSC funded provision targeted at this cohort of learners and raising achievement rates.
5. Agree and implement an Adult Learning Strategy with key stakeholders, including local authorities, Jobcentre Plus, the voluntary sector and others.
6. Develop plans for a Derby College site in the city centre from which to deliver both adult and vocational provision, including CoVE activity, aimed at ensuring that the needs of both employers and learners are met.
7. Improve the quality of provision, learning, assessment and the alignment of qualifications offered by our providers in order meet the needs of employers in key priority sectors.
8. Participate in improving quality of life and learning for children and young people by contributing to the development and delivery of Local Area Agreements and associated plans.

What we have delivered so far and our planned changes for 2006/07 (sheet 1 of 2)

SUMMARY OF YOUNG PEOPLE (16-18)	2004/05			
	Learners		Learning Aims Success Rates	Funding £
	Volumes of learners	In-year achievements (volume)		
FE Total Learners	9,713			30,591,435
<i>of which...</i>				
<i>Learners on Skills for Life target qualifications</i>	3,942	2,185	55.4%	
<i>Learners on a full Level 2 qualification</i>	1,890	939	49.7%	
<i>Learners on a full Level 3 qualification</i>	2,990	1,227	41.0%	
<i>Learners on 2 or more A2 qualis</i>				
Discrete* activity, e.g. ESF or LIDF (ESF ONLY)	755	390	51.7%	
School sixth form	6,887			29,039,850
Work Based Learning	12 month average in learning (volume)	Framework achievements (volumes)	Framework success rate	Funding £
WBL Total Learners	2,140			8,783,772
<i>of which...</i>				
<i>Learners on Skills for Life target qualifications</i>				
<i>Learners on an Apprenticeship</i>	1,212	361	29.8%	
<i>Learners on an Advanced Apprenticeship</i>	612	136	22.2%	
Entry to Employment	Learners			Funding £
	Volumes (starts)	Numbers in learning	Av. length of stay (weeks)	
All E2E	612	883	12.5	3,643,750

2005/06			
Learners		Learning Aims Success Rates	Funding £
Volumes of learners	In-year achievements (volume)		
10,092			36,487,707
4,595	2,524	54.9%	
2,286	1,189	52.0%	
3,168	1,391	43.9%	
607	287	47.3%	
6,836			31,038,223
12 month average in learning (volume)	Framework achievements (volumes)	Framework achievement / 12 month AiL	Funding £
2,852			9,919,282
1,951	709	36.3%	
697	194	27.8%	
Learners			Funding £
Volumes (starts)	Numbers in learning	Av. length of stay (weeks)	
1,316	1,208	17.1	2,775,590

2006/07			
Learners		Learning Aims Success Rates	Funding £
Volumes of learners	In-year achievements (volume)		
10,102			38,001,929
4,659	2,781	59.7%	
2,636	1,595	60.5%	
3,229	1,442	44.7%	
1,001	495	49.5%	
6,887			32,226,608
12 month average in learning (volume)	Framework achievements (volumes)	Framework achievement / 12 month AiL	Funding £
3,220			10,291,354
2,257	873	38.7%	
870	189	21.7%	
Learners			Funding £
Volumes (starts)	Numbers in learning	Av. length of stay (weeks)	
1,486	1,337	15.3	3,850,830

Green header indicates underpinning data is complete

Red header indicates underpinning data is incomplete

What we have delivered so far and our planned changes for 2006/07 (sheet 2 of 2)

SUMMARY OF ADULTS (19+)	2004/05			
	Learners		Learning Aims Success Rates	Funding £
Volumes of learners	In-year achievements (volume)			
FE Total Learners	78,092			31,307,913
of which...				
Learners on Skills for Life target qualifications	2,593	1,648	63.6%	
Learners on a full Level 2 qualification	5,133	2,265	44.1%	
Learners on a full Level 3 qualification	3,131	1,419	45.3%	
Learners on 2 or more A2 qual.				
Discrete* activity, eg ESF or LIDF (ESF ONLY)	7,404	4,575	61.8%	
Personal & Community Dev't Learning	10,348			4,218,721
Work Based Learning	12 month average in learning (volume)	Framework achievements (volumes)	Framework success rate	Funding £
WBL Total Learners	1,143			3,497,548
of which...				
Learners on Skills for Life target qualifications (ALL AGES)	1,788	744	41.6%	
Learners on an Apprenticeship	444	182	41.0%	
Learners on an Advanced Apprenticeship	400	96	24.0%	
ETP / NETP	Volumes of learners	In-year achievements (volume)		Funding £
Of which...				
Level 2	4,071		2,273	2,898,863
Skills for Life	1,762		1,010	191,690

2005/06			
Learners		Learning Aims Success Rates	Funding £
Volumes of learners	In-year achievements (volume)		
68,760			29,669,164
2,841	1,880	66.2%	
4,991	2,295	46.0%	
3,324	1,658	49.9%	
4,199	2,758	65.7%	
12,254			6,020,498
12 month average in learning (volume)	Framework achievements (volumes)	Framework achievement / 12 month AiL	Funding £
1,580			3,591,878
2,500	1,371	54.8%	
830	352	42.4%	
604	233	38.6%	
Volumes of learners	In-year achievements (volume)		Funding £
3,811			5,423,551
1,111			742,464

2006/07			
Learners		Learning Aims Success Rates	Funding £
Volumes of learners	In-year achievements (volume)		
43,144			27,017,951
3,598	2,444	67.9%	
6,738	3,773	56.0%	
3,710	1,883	50.8%	
8,529	5,437	63.7%	
15,570			5,468,984
12 month average in learning (volume)	Framework achievements (volumes)	Framework achievement / 12 month AiL	Funding £
1,463			3,314,698
2,788	1,512	54.2%	
863	402	46.6%	
551	252	45.7%	
Volumes of learners	In-year achievements (volume)		Funding £
6,907		1,758	5,389,432
1,137		428	737,708

Budgets	FE	WBL	E2E	SSF	ACL	ETP/NETP	Development Funding	Capital	Administration	Other Programme Budgets
2004/05	72,005,000	14,495,289	4,020,447	29,557,603	6,283,694	5,458,635	4,018,554	1,550,468	2,117,786	6,987,563
2005/06	71,863,000	14,848,000	4,316,000	31,728,000	6,245,000	7,770,000	3,490,000	1,004,000	1,992,000	6,133,000
2006/07	65,218,000	14,852,000	3,800,000		5,743,000		1,361,000			6,460,000

Key actions

Priority	Action	Measure of Success
1) Ensure that all 14-19 year olds have access to high quality, relevant learning opportunities		
1A	<p>Agree a 2006 to 2010 NEET Reduction Strategy with Connexions Derbyshire to address the issue of young people who are not in education, employment or training (NEET). Priorities for action will focus on:</p> <ul style="list-style-type: none"> Working in partnership to focus on preventative interventions, such as supporting schools in a range of measures including the development of Key Stage 4 alternative curriculum, information, advice and guidance (IAG) delivery, referrals to targeted support etc; Ensuring that all young people have access to good quality IAG, targeted support etc; Enhancing vocational learning provision for young people through 'mainstreaming' the 14-16 offer, supporting schools in delivering vocational provision linked to the needs of the local economy, and working with Connexions and providers to inform local planning and support the development of a 14-19 Prospectus Trialling new provision through participation in the Foundation Learning Tier trials that will provide a coherent framework of provision at sub-Level 2 Establishing an information Clearing House – a comprehensive, regularly up-dated summary of opportunities for 14-19 year olds - and working with partners to increase the effectiveness of client tracking, use of management information and data sharing; Establishing a targeted intervention project, using pooled intelligence to focus and tailor agency responses to NEET in a trial area, linked to the Youth Support Pilot <p>Review success of ESF funded provision for young people not yet ready to take up Entry to Employment (E2E), specifically in terms of tackling NEET and progression onto E2E/apprenticeships etc. and extend/amend accordingly.</p>	<p>In conjunction with local authorities and the Connexions Service, agree NEET reduction targets for all secondary schools.</p> <p>NEET reduced from 6.5% Nov 05 to 6.1% Nov 2010 in the county.</p> <p>NEET reduced from 8.2% Nov 05 to 7.4% Nov 2010 in the city.</p>
1B	<p>Agree action plans with local authorities in the city and county, colleges and Work Based Learning (WBL) providers for achieving the target relating to the number of 19 year olds who achieve Level 2 qualifications.</p>	<p>Proportion of 19 year olds qualified at Level 2 raised from 61% to 64% by July 2006 and to 67% by July 2007</p>

1C	Implement the Derby City 14-19 Area Wide Post Inspection Action Plan to raise participation and achievement in Derby city and work with the Derbyshire Local Authority to increase participation and achievement across the county.	Derby City and County GCSE A-Cs at national average by July 2007 Agree stretching 'A' level points score targets with both local authorities
1D	Continue school/college/WBL collaborative partnerships to expand 14-19 vocational provision, in line with Strategic Area Review (StAR) proposals on formalising learning community (cluster) arrangements.	Establish 14 learning communities (clusters), including schools, colleges and WBL providers, by July 2006 Young Apprenticeships/Fast Track Apprenticeships extended to High Peak/Derbyshire Dales in 2006/07
1E	Agree learner offer/entitlement with both local authorities to ensure curriculum progression routes are in place across the city and county. Work with both Local Authorities in the development of a web-based Prospectus of 14-19 learning opportunities.	Learner offer/entitlement agreed with both local authorities and all providers by Jan 2007. Provision gaps identified and actions agreed to address these. A 14-19 Prospectus in place linked to national web-site by Autumn 2007.
1F	Work with the Derbyshire Local Authority to ensure that Building Schools for the Future developments in the north east of the county enhance vocational and traditional provision and involves all sectors.	Work with the Local Authority to agree targets for GCSE improvement across Bolsover schools. Work with Connexions to agree targets for NEET reduction in the Bolsover area.
1G	In relation to our key priority sectors, raise the proportion of apprentices who achieve a full framework and the proportion of Further Education (FE) learners who achieve qualifications by agreeing actions in provider three year development plans and by using the Derbyshire Network good practice events.	Increase framework achievement rates in engineering, construction and health and social care by 3% each by the end of the 2006/07 year

2) Make learning truly demand-led so that it better meets the needs of employers, young people and adults

2A	Shift balance of provision in FE to address sector priorities and LSC targets, using the priority matrix and sector profiles as part of three year development plan discussions.	<p>Increase the proportion of 19+ FE funding on provision in high priority sectors from 58% in 04/05 to 65% in 06/07</p> <p>Reduce the proportion of 16-19 provision which does not count towards LSC targets from 38% in 04/05 to 33% in 06/07</p> <p>Reduce the proportion of 19+ provision which does not count towards LSC targets from 72% in 04/05 to 60% in 06/07</p>
2B	Ensure a closer alignment between the learning and qualifications offered by providers and those demanded by employers, particularly in the priority sectors.	<p>Engineering:</p> <ul style="list-style-type: none"> - ensure that progression opportunities for learners are in place at all levels, in response to employer demand - stimulate more Business Improvement Techniques (BIT) provision for adults and reduce the volume of Performing Manufacturing Operations provision by 20% in 2006/07 (regional target to reduce by 70% by 2008) <p>Construction:</p> <ul style="list-style-type: none"> - ensure that progression opportunities for learners are in place at all levels, in response to employer demand - reduce the value of funding spent on adult provision that does not

		<p>contribute to LSC targets (currently £1.7m) by £500,000.</p> <p>Hospitality:</p> <ul style="list-style-type: none"> - raise the levels of retention and achievement amongst learners in this sector, both young people and adults, to at least the county average. <p>Health and Social Care:</p> <ul style="list-style-type: none"> - increase the number of young people entering provision by 5%.
2C	Successfully launch Train to Gain in April 2006 to improve business performance, raise skill levels and improve the standard, quality and delivery of training.	Achieve 7,100 successful outcomes, of which 5,635 will be first full Level 2 qualifications and 1,465 will be accredited Skills for Life qualifications
2D	Agree an Adult Learning Strategy, in line with StAR outcomes, with all key partners – local authorities, Jobcentre Plus, the Learning Partnership, emda etc. The strategy will address the positioning of the two Adult Learning Services and the voluntary and community sector.	<p>Strategy in place by July 2006</p> <p>Achievement of targets relating to Skills for Life and adult Level 2 achievement</p>
3) Transform the learning and skills sector through agenda for change		
3A	Work with providers to address capacity issues in specific geographical areas, and especially in relation to key sectors. Where necessary bring in new provision to fill gaps.	New targeted vocational provision established that meets needs in the High Peak, Derbyshire Dales and Derby city. Shift in key sector qualifications agreed with providers
3B	Continue to ensure that all FE, WBL and Adult Learning Service (ALS) provision is at least satisfactory in ALI/Ofsted inspections. Raise quality of satisfactory provision to good and from good to outstanding through rigorous assessment of provider Self Assessment Reports (SARs), provider reviews, sharing best practice events, and the targeting of Local Initiative and Development Funds (LIDF).	All subject sector areas to be graded at least 'satisfactory' for all providers, with an increased number of providers whose provision is graded 'good' following both self assessment and inspection

3C	<p>Work with local authority School Improvement Partners and 14-19 Managers to support quality development in schools.</p> <p>Work with providers new to the Common Inspection Framework (CIF) in order to ensure that they are adequately prepared for inspection.</p>	<p>No secondary schools receiving a notice to improve or in special measures and an improvement in schools' inspection grades</p> <p>New providers achieve a minimum of 'satisfactory' inspection grades</p>
3D	Successfully pilot the new measures of success across all sectors, ensuring schools and LAs fully on board.	All providers able to access the gateway and use the measures of success to monitor performance.
4) Strengthen the role of the LSC in economic development so that we provide the skills needed to help all individuals into jobs and lifelong employability		
4A	Form an Economic Development Team to address skills requirements of significant inward investment initiatives across the county. Work with partners to maximise the opportunities for both residents and investors.	Plans in place for key development projects
4B	Work with Jobcentre Plus to target those on Incapacity Benefit or classed as long term unemployed in order to help them back into training and work.	Establish agreed targets for entry interviews, diagnostic activities, individual plans and learning activities, in line with national guidance
4C	<p>Undertake post tender negotiations with providers for training provision for offenders in custody in two Derbyshire prisons and agree contracts to commence 31 July 2006.</p> <p>Negotiate the commissioning of provision for offenders in the community and put in place contracts to commence 31 July 2006.</p> <p>Ensure a satisfactory transition period with minimal disruption once current providers are served notice to end existing contracts on 1 April 2006.</p>	Transition in place by 1 April 2006 and provider contracts in place by 23 July 2006, incorporating agreed targets
4D	Work with providers and the Aim Higher area partnership to establish benchmarking data from which targets for progression into HE can be measured	Establish baseline by 31 March 2007 as a basis for agreeing future targets and activities

5) Improve the skills of workers who are delivering public services		
5A	Work with key employers in the public services to ensure that they have training plans in place.	Training plans in place by November 2006 in time to inform the planning of future provision
5B	Establish brokerage arrangements to support employers and individuals.	Brokerage arrangements are in place by 1 April 2006 and public sector organisations are actively engaged in the 'Train to Gain' programme
6) Strengthen the capacity of the LSC to lead change nationally, regionally and locally		
6	Undertake a risk assessment on potential staffing difficulties during the next six months and agree contingency plans to ensure business delivery during the changes resulting from Theme 7 of 'Agenda for Change'.	Continuity of support for external stakeholders and providers maintained. Annual Plan delivered
7) Actions related to Further Regional Areas of Focus		
7A	Through the use of ESF and LIDF, further build the capacity of the Learning and Development Consortium (LDC) to prepare the voluntary and community sector for tendering for LSC contracts (contestability). To continue to work with the Consortium to develop quality learning provision at all levels up to Level 2 (including Skills for Life), especially for those learners who are currently disengaged and living in the super output areas.	By March 2007, voluntary and community groups will have developed the capacity, through the LDC, to meet the criteria for contestability of for mainstream funds for the delivery of qualifications up to Level 2, including Skills for Life
7B	Agree challenging Equality and Diversity Impact Measures (EDIM) targets with all providers that will contribute to regionally agreed targets and which will:- <ul style="list-style-type: none"> raise the participation of learners with a learning difficulty and / or disability (LLDD) in FE raise the participation of ethnic minority learners on WBL narrow the gender imbalance on WBL narrow the ethnic minority imbalance on achievements for level 2 	Challenging EDIM targets are incorporated into all provider development plans

Our Delivery Resources

Partnership Working

Critical to the success of this plan is the ability to work effectively with our providers, partners and stakeholders. We will only achieve our plan if we can collaborate with others, add value to partnerships through demonstrating our core values and negotiate outcomes that contribute to our mission. Relationship Management is a key skill for all of our staff.

Local Council

Our draft annual plan has been reviewed and discussed by the local Council on two occasions during its development. Council sub-groups that focus on specific aspects of our work, such as employer engagement and equality and diversity, will review, support and drive forward our work in these areas. In addition, we will provide the Council with regular performance monitoring reports that will enable the Council to review progress against our annual plan. We will also be working with our college partners, including their governing bodies, to ensure that the benefits outlined in Agenda for Change are delivered across Derbyshire.

Equality and Diversity

We will continue to confirm our commitment to equality by ensuring that our programmes will promote the inclusion of under represented groups to improve achievement and progression through learning. We have identified at local level areas of under representation and under achievement by different groups of learners.

The EDIMs set out on the table below are a key mechanism for supporting, monitoring and assessing the impact of our equality and diversity activities. This framework will enable us work with providers to monitor and review progress regularly in order to improve participation and achievement of under represented groups particularly relating to gender, disability and/or learning difficulties and ethnicity. East Midlands LSCs have agreed regional headline EDIMs which contribute to the regional priorities and improve local level participation and achievement.

Local Derbyshire EDIMs							
Regional Headline EDIM 1: Improve the quality and collection of Data		Actual 2002/ 2003	Actual 03/ 04	Actual 04/ 05	Target 05/ 06	Target 06/ 07	Target 07/ 08
WBL	Reduce EM data 'not supplied/not known' to achieve less than 1% by 2008	1.80%	0.50%	0.40%	0.50%	0.50%	0.50%
WBL	Reduce Disability data 'not supplied/not known' to achieve less than 1% by 2008	1.40%	1.10%	0%	0.50%	0.50%	0.50%
FE	Reduce the overall proportion of 'not known/not provided' for ethnic origin from 12% to 5% by 2008	12%	2.60%	5%	5%	5%	5%
FE	Reduce the overall proportion of not known/not provided' for disability from 35% to 5%	35%	17%	5%	5%	5%	5%
ACL	City ACL :Ensure that % 'not known/not provided' for ethnic origin does not exceed 5%	N/A	1%	2%	5%	5%	5%
ACL	City ACL: Ensure that % 'not known/not provided' for disability does not exceed 5%	N/A	2%	3.00%	5%	5%	5%
ACL	County ACL: Ensure that % 'not known/not provided' for ethnic origin does not exceed 5%	N/A	N/A	1%	5%	5%	5%
ACL	County ACL: Ensure that % 'not known/not provided' for disability does not exceed 5%	N/A	N/A	27%	5%	5%	5%
Regional Headline EDIM 2: Remove barriers to learning and widen participation for disadvantaged groups							
WBL	Derby City Increase EM participation to achieve 13% by 2007/08	4%*	3.6%*	3.7%**	9.50%	11%	13%
WBL	Increase participation by learners with learning difficulty and/or disability overall to reach 7% by August 2008	5.40%	5.30%	14%	6.50%	7%	7%
FE	Increase participation by EM to total 10% by 07/08	7.50%	9%	8.10%	9%	9.50%	10%
FE	Increase participation by Learners with learning difficulty and/or disability overall to total	5.60%	7%	8.60%	8.50%	9%	9.50%
ACL	City ACL:Maintain or increase Ethnic minority Participation for 2004/05	N/A	35%	38.00%	35%	35%	35%
ACL	City ACL: Maintain between 10-16% participation of Learners with learning difficulties and or disability	N/A	16%	14.40%	10-15%	10-15%	10-15%
Regional Headline EDIM 3: Improve Skills for employability for disadvantaged groups							
WBL	Success rates: Work towards parity of esteem particularly at level 2 for EM aiming for gap of no more than 10% points by 2008	15.20%	10.60%	12.10%	12%	11%	10%
FE	Achievement: Work towards parity of esteem particularly at level 2 for EM aiming for gap of no more than 10% points by 2008	5%	4%	20%**	15%	12%	10%
Regional Headline EDIM 4: Address gender imbalance on programmes and areas of learning including non traditional occupations							
WBL	Increase participation by females in engineering to total 5% by 2008	0	0%	1%	2%	3%	5%
WBL	Increase participation by females in construction to total 5% by 2008	0	0%	1%	2%	3%	5%
WBL	Increase participation by males in Health and community care to total 10% by 2008	0	0%	4.70%	6.00%	8%	10%
FE	Increase participation by females in engineering and construction to total 10% by 2008	8.40%	8%	8.00%	9%	9%	10%
FE	Increase participation by males in Health and community care to total 35% by 2008	33.00%	32%	33.00%	33.50%	34%	35%

* Data taken on whole of Derbyshire including Derby City EDIM reviewed 06/07 city only

**NES (previously known as NCS) data not included

*** University of Derby Figures now added

Regional Headline 1:

Improve Quality and collection of data

- At local level we will continue to encourage providers to reduce or maintain the amount of not provided/not known data in order to provide accurate reporting. Considerable progress has been made on this over the last 3 years.

Regional Headline 2:

Remove Barriers to learning and widen participation for disadvantaged groups.

- As there is a larger representation of ethnic minority learners in the city of Derby we have agreed EDIMS with WBL providers that will increase participation of learners from the city to more reflect the ethnic population of this area
- City ACL continues to have a high proportion of ethnic minority learners though FE does not give great cause for concern it needs to steadily improve over the next year

Regional Headline 3:

Improve skills for employability for disadvantaged groups

- Progress towards parity of esteem for ethnic minorities has at times improved though the EDIM to improve quality of collection of data may have had an adverse effect on this in the earlier years. Again a steady improvement is needed over the next year.

Regional Headline 4:

Address gender imbalance on programmes and areas of learning including non traditional occupations.

- This area continues to be an area of concern particularly in WBL however, some progress has been made in WBL over the last year and FE continues to improve steadily.

The Learning and Skills Council recognises its statutory duties under Race Equality legislation and emerging duties around Disability and Gender Equality. The local office will work in partnership with colleagues at Regional and National level to support the process of Equality Impact Assessments across all functional areas.

We will ensure that planned activities take account of its duty to promote equality of opportunity in relation to race, gender and disability and our responsibilities under other equality legislation including the Race Relations Amendment Act (RR(A)A) the Disability Discrimination Act and European regulations relating to sexual orientation, religion or faith and age. Our actions and activities which are covered in this plan will be underpinned by and reflect the Council's Race Equality Scheme and regional action plan. We will support the impact assessment of local functions and actions as required under the RR(A)A and continue to encourage providers to embed equality and diversity.

Learners with Learning Difficulties and / or Disabilities

Under the Learning and Skills Act 2000, the Council has a specific responsibility to consider the needs of young people and adults with learning difficulties and/or disabilities. There are robust arrangements in place to ensure that this group of learners have access to suitable provision that meets their needs and where appropriate the additional support required.

Offenders' Learning and Skills Service (OLASS)

The LSC is preparing for the implementation of the Offenders' Learning and Skills Service (OLASS) from August 2006. A tendering exercise has taken place to identify a lead provider. In Derbyshire the following are in scope for OLASS:

HMP Foston Hall

The OLASS vision sees offenders having access to learning and skills which enable them to gain the skills and qualifications they need to hold down a job and have a positive role in society.

Probation Service figures (2004) for prisoners released on licence to an address in the area are as follows: Derbyshire 1044

A strong working relationship with the National Offender Management Service (NOMS), H M Prison Service, National Probation Service and the Youth Justice Board have been formed through the Regional OLASS Board. The LSC leads on the Education, Training and Employment Pathway of the Regional Reducing Re-offending Action Plan.

Sustainable Development

The LSC believes that the learning and skills sector should contribute to sustainable development through the learning opportunities it delivers, the way it uses resource and the way it works with communities

In September 2005, The LSC published a strategy on sustainable development. 'From Here to Sustainability'. Our vision is that the learning and skills sector will proactively contribute to sustainable development through the management of resources, the learning opportunities it delivers and its engagement with communities. In particular, during the lifespan of this plan, the LSC, colleges and other learning providers will:

- Decide how best they can contribute to sustainable development through a structured programme of capacity building;
- Have done a baseline audit of current sustainable development activity and identified examples of good practice
- Agree on the guiding principles and approaches they will adopt
- Include criteria for strategic development in all guidance and reporting requirements
- Use their experience of implementing sustainable development to identify risks and opportunities
- Understand what improvement looks like for the sector and develop a reporting framework
- Agree longer term milestones for 2020 and beyond
- Launch pilot projects to develop good practice and contribute towards sustainable development in the sector

Sustainable development will continue to be a key element of the provider development process

Health and Safety

The health and safety of learners is of fundamental importance to the Learning and Skills Council. We believe that learners are entitled to learning that takes place in a safe, healthy and supportive environment. Our policy is to adopt a "best practice" role with regard to the promotion of learner health and safety, by applying the following four core principles:

- to expect that colleges and other providers funded by the Council will fully meet their legal obligations and "duty of care" to learners;

- to seek assurance that colleges and other providers have suitable and sufficient arrangements for learner health and safety;
- to take appropriate action where expected standards are not met or maintained;
- to promote the raising of standards for learner health and safety through support, and challenge, as appropriate.

Annex 1

Summary of the Main Skills Related Challenges Facing the Priority Sectors in Derbyshire

Engineering / manufacturing is a major sector in the Derbyshire economy, which employs more than one in five of people in employment. One of the key challenges faced by the industry is its dependence on an aging workforce. This is coupled with a need to address skill shortages at craft and technician level, enhance the flexibility of the workforce, and improve management and team leadership. Through work with the Sector Skills Council (SEMTA), it has been identified that there is a need for more training in support of lean manufacturing processes, particularly leading to the Level 2 VRQ / NVQ in Business Improvement Techniques (BIT), rather than more traditional qualifications. However, there is currently a lack of capacity amongst training providers to deliver these qualifications.

Construction is a sector that is heavily dominated by micro-businesses. The industry faces a number of challenges including dependency on an aging workforce, incidence of basic skills needs, a high proportion of unqualified employees, and skill shortages at craft level. In addition, there is a need to develop skills related to the introduction of new building materials and techniques. The construction industry, like engineering, employs very few women. The Sector Skills Council for the industry, CITB Construction Skills, has found that the industry needs significantly more workers skilled at Level 2. In response, it has established the aim of ensuring that the industry has a fully qualified workforce by 2010. Some specialist training needs at Level 2 and 3, such as steel erectors, floorers and glaziers, remain unmet due to a lack of training provision.

Health and social care industry employers range from the NHS to small employers in the independent sector providing care and support for people in need. Some four fifths of employees in the East Midlands are female and half are part-time workers. The Government has introduced mandatory National Minimum Standards for the social care industry, which include deadlines for the dates by which a minimum of half of care workers and their managers must be qualified to NVQ standards. The childcare sector is diverse, ranging from playgroups, schools, nurseries and childminders; and the workforce is almost entirely female. This sector is expanding, and regulatory standards aimed at ensuring children's welfare and enhancing quality of provision is raising the demand for training.

The tourism, hospitality and leisure industry largely employs people working in hotels and restaurants. The sector is widely expected to grow over the next ten years. Skill levels vary across the sector, with arts and entertainment employing a high proportion of well educated staff, but with around a quarter of employees in the tourism and hospitality sector qualified at Level 2 and below. Analysis by the Sector Skills Council, People First, has identified that around a third of managers working in the hospitality sector are qualified to this level. Priorities for training at Level 2 include people employed in managerial, administrative, skilled trades and customer service occupations. The challenge of up-skilling the workforce is exacerbated by the instability of the employment base, characterized by seasonal and part time working and high levels of staff turnover.

Retail and wholesale is Derbyshire's second largest employment sector, employing just over 65,000 people. Regeneration of the Eagle Centre and Riverlights in Derby city will increase retail business and create new jobs into the area over the next few years. Working Futures 2 predictions show that whilst the sector will grow, there will also be a significant number of employees who will retire in the period up to 2014, giving a replacement demand

of around 22,000, more than 6,000 of which are likely to be in sales occupations.

Logistics is concerned with the movement and handling of freight and is a key aspect of retail and other industries. Logistics occupations include transport managers, drivers, warehouse workers and administrative and financial specialists. Although relatively few people are currently employed in logistics, this industry is predicted to grow as a result of developments such as that associated with the new M1 junction 29A and the expansion of the Markham Vale Business Park. Such developments are expected to result in a greater demand for transport drivers and operatives and elementary goods storage workers. The sector is affected by skills shortages, particularly for LGV drivers and warehouse staff, and employs a high proportion of low skilled employees compared to Derbyshire as a whole.

Annex 2

Glossary of Acronyms

ACL	Adult and Community Learning
ALI	Adult Learning Inspectorate
CoVE	Centre of Vocational Excellence
E2E	Entry to Employment
EDIMs	Equality and Diversity Impact Measures
emda	East Midlands Development Agency
ESF	European Social Fund
esp	Employment Skills and Productivity Partnership
ETP	Employer Training Pilot
FE	Further Education
HE	Higher Education
LA	Local Authority
LAD	Local Authority District
LLDD	Learners with a Learning Difficulty or Disability
NEET	Not in Employment, Education or Training
NESS	National Employer Skills Survey
NETP	National Employer Training Programme
NVQ	National Vocational Qualification
SOA	Super Output Areas (an indicator of deprivation)
Ufi	University for Industry
WBL	Work Based Learning

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