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Learning and Skills Council

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Business Plan
2003/04

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Learning+Skills Council

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Section One

Foreword by John Harwood

The Learning and Skills Council (LSC) business plan 2003/04 sets out our key corporate objectives and how we intend to deploy resources in the coming year. It represents the second year of our corporate plan and our third full year of business. The LSC is now well established and leading the reform of post 16 education and training. The Prime Minister has set out his principles of public sector reform; expanding choice, promoting devolution and delegation to the front line, providing incentives for success and ensuring high standards of accountability. Added to this we have the policies of *Success for All* – Reforming Further Education and *Training and Trust in FE* and all that they mean for the way we work and what we deliver. Taken together these form an important context to our work and 2003/04 will see them help us transform the sector.

The grant letter, published in December 2002 demonstrated the Government's faith in us to deliver. We had asked for greater investment, greater flexibility and greater trust in the sector. We have been given all of this but from those to whom much is given, much will be expected. We are using our enhanced funding to tackle those areas where our performance isn't good enough, we are simplifying our systems to reduce bureaucracy so that providers can rise to this challenge and we are starting area reviews to ensure demand and supply are well matched. Both the Government and the LSC are committed to excellence in public service and we have set ourselves an ambitious transformational programme for our staff. Only if we act as an organisation capable of bringing about the challenges we have been set in the grant letter will we succeed.

We have many talented people working for us and we will use that talent to harness the wider pool of talent in our partners and providers, for we cannot work alone.

Our high level objectives set out in the remit letter of November 2000 remain the same and our work is guided by them. Section Two sets out how we have performed against those objectives. Our highest priorities for 2003/04 will be pushing on with the expansion in 16-18 participation and making a major contribution to the skills agenda. This document is the National Business Plan and shows the key tasks and associated targets for 2003/04 we have set as an organisation to respond to our objectives and priorities, the resources we have at our disposal and the outcomes by which we will be measured.

The business plan draws upon the work undertaken within the LSC to update its Corporate Plan. This will be published later this year and will set out the LSC's position in the context of a developing policy framework and agenda for education and skills. The business plan is also complemented by a local plan published by each local Learning and Skills Council (local LSC) that will give greater detail on local responses to priorities and targets, plans for implementation and the deployment of budgets locally for 2003/04 in each local area.



John Harwood

Section Two

Review of 2002/03

2002/03 was an encouraging year. We are beginning to make inroads on the national targets, although progress is still slower than we would wish to see. This will influence our priorities and use of resources in 2003/04. Our work in 2002/03 is summarised below.

Objective One

To extend participation in education, learning and training.

16-19 participation:

target

80% by 2004

progress

latest estimate 76.4%: an increase of nearly 1% over last year and the highest level of participation since the mid 1990's.

Objective Two

Increase the engagement of employers in workforce development.

Investors in People

target 1

10,000 organisations with 10-49 employers

target 2

45% of organisations with 50+ employers

progress

Target 1 achieved early and Target 2 achieved on time.

Employer Training Pilots

target

5,000 employers and up to 25,000 employees lacking basic skills or Level 2 qualifications

progress

initial results are very encouraging with 1,300 companies and 6,000 learners recruited in four months, in the six LSC areas.

Priority sectors for Employer Engagement:

- Construction, retail, health and manufacturing.
- Sector pilots have engaged 20,000 learners in over 30 separate pilots, running in 42 out of 47 LSCs.
- Unit cost, at £800 (L2) and £1,100 (L3), is significantly lower than conventional routes.

Centre of Vocational Excellence (CoVE)

manifesto target of 180 CoVEs by the end of 2003

progress

157 CoVEs already established

forecast

exceed manifesto target, with 275 by March 2004 and 400 by 2006.

Objective Three

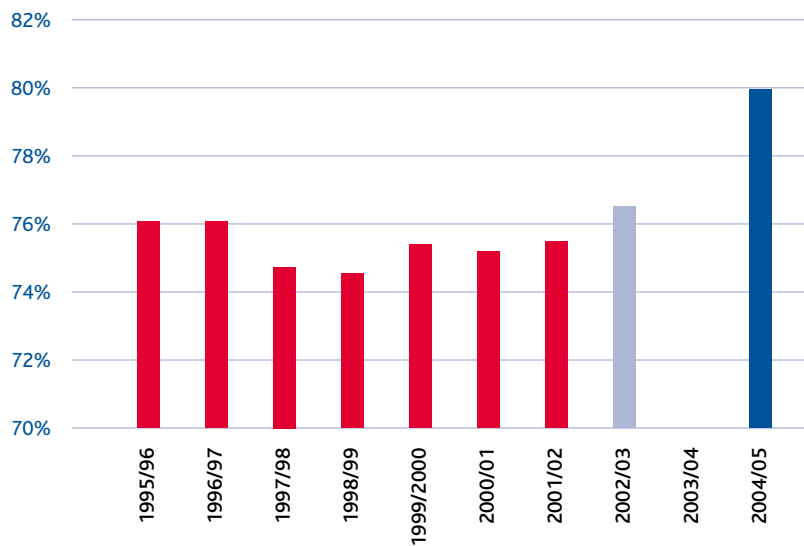
Raise the achievement of young people.

Level 2 attainment at 19

LSC target

85% of young people to achieve Level 2 by age 19, by 2004.

Table One 16-18 participation
% of 16-18 year olds in structured learning



■ Estimate (February)

■ Outturn (end-year)

■ Target

Key achievements:

- highest level of 16-19 participation since the 1990s;
- increase in attainment Levels 2 and 3 at age 19 and adult attainment at Level 3; and
- exceeding targets for CoVEs.

progress

appears static but other evidence indicates that this may not be the case. Evidence that suggests attainment should have improved includes:

- a year on year increase in Level 2 attainment in schools (age 15);
- increased retention and achievement rates in FE institutions;
- steady increase of numbers of learners achieving Level 2 at the three cohorts of 16 that are 19 in the LFS years of 2001 and 2002 have increased by 0.6%;
- 'success rates' from the Youth Cohort Survey (YCS) have shown a steady increase in achieving Level 2 (latest outturn in 2001); and
- an estimated 10 - 14,000 additional Level 2s achieved in 2002 through local LSC action plans delivered through the Level 2 implementation project.

Level 3 attainment at 19

target

55% of young people to achieve Level 3 by age 19, by 2004

progress

an increase from 50.4% to 51.6%, but concerns raised over survey results on the previous target also apply here. We recognise the importance of this target in supporting the drive to reach 50% participation levels in HE and we are moving away from only using Labour Force Survey results to a wider range of more accurate administrative sources. Many of the initiatives and day to day monitoring of progress in this area fall to local LSCs, in the same way as Level 2 local initiatives referred to above.

Modern Apprenticeships

Public Service Agreement (PSA) target

175,000 (28%) of 16-21 year olds entering Modern Apprenticeships for the first time by 2004/05

progress

latest estimate is that we will achieve 99% of our interim target for 2002/03 of 149,000.

Entry to Employment

1,000 young people are currently on the pathfinders, expected to rise to 1,500 total starts following national roll out in August expected to be 47,750.

Increased Flexibility Programme

target

33% of pupils taking one of the new GCSEs in vocational subjects

progress

initial results very encouraging, at 64% of pupils.

Objective Four

Raise the achievement of adults.

Adult basic skills

target

240,000 by October 2002

progress

exceeded by 60,000

forecast

to exceed July 2003 target of 470,000 by more than 5,000.

Adult attainment at Level 3

LSC target

for 52% of adults to have attained qualifications at Level 3 and above by 2004.

progress

an increase from a baseline of 47.8% to 48.8% is encouraging but the LSC has raised concerns about the appropriateness and robustness of the Labour Force Survey as a measurement tool.

Objective Five

Raise Quality and Learner Satisfaction.

Quality of provision:

- 75% of learners are in provision which is acceptable or above (Performance Review November 2002).
- All inspections show quality of WBL provision is improving.
- First national survey of FE, WBL and ACL learners was published. Over 60% of learners were very/extremely satisfied with their learning but just over half of learners in FE/WBL felt some lessons were unproductive.

Section Three

Deploying our resources

Our mission is to raise participation and attainment through high quality education and training, which puts learners first.

Our vision is that by, 2010, young people and adults in England will have knowledge and productive skills matching the best in the world.

Our key objectives are:

- To extend participation in education, learning and training.
- To increase engagement of employers in workforce development.
- To raise the achievement of young people.
- To raise the achievement of adults.
- To raise the quality of education and training and user satisfaction.

The five interim targets set in our 2001/04 Corporate Plan continue to guide our work. They serve as benchmarks for progress to 2004 and are:

- 80% of 16-18 year olds to be in structured learning (2000: 75%);
- 85% at Level 2 by age 19 (2000: 75%);
- 55% at Level 3 by age 19 (2000: 51%);
- Raise the literacy and numeracy skills of 750,000 adults; and
- 52% of adults at Level 3 (2000: 47%).

Further targets are being proposed in four areas:

- adult participation in learning;
- employer engagement in workforce development;
- adult achievement at Level 2; and
- Quality and Learner Satisfaction.

Further information on how the LSC will develop these targets will be published in the new Corporate Plan.

The context of our use of resources

The Secretary of State allocates resources to the LSC in an annual grant letter. The Secretary of State's grant letter for 2003/04 allocated £8.095 billion for the LSC. This represents a real terms increase of 5% over 2002/03.

The LSC's budget is organised in five blocks. There are four blocks shown in Table 2 and Figure 1 that represent programme activity. They have been simplified and greater flexibility is now possible to enable the LSC to meet its key objectives.

The fifth block of money, termed Administration, is to support the development of an effective and high performing organisation. £218 million has been allocated for this purpose. This is the same amount as in 2002/03 and, taking into account additional costs allocated to the budget, represents a cut on last year. This adds impetus to our need to reduce bureaucracy. As a proportion of funds being utilised the percentage used for leadership and management through the administration budget fell again to 2.69% of the total resources available. Further information on how the LSC is transforming itself will be published in the Corporate Plan as this initiative develops.

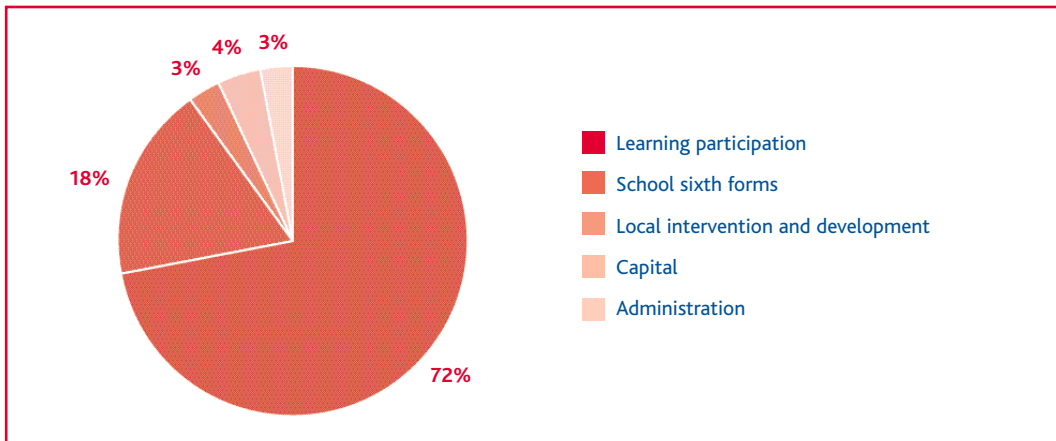
Funds are used to deliver learning via LEAs, colleges or providers of workbased learning activities. They are paid over for most programmes on a monthly basis using estimated profiles with regular reviews made to ensure performance matches payment. By paying this way funds are made available to providers earlier and with a minimum of bureaucracy, thus enhancing their ability to improve performance and delivery to students.

The LSC is changing the way it uses its resources. *Success for All* will give greater flexibility and security of funding.

Table Two Resources for Financial year April 03 - March 04

Funding Block	£	Purpose
Learning Participation	5,836,087,000	Core funding for mainstream participation and achievement.
School Sixth Forms	1,468,400,000	Ring fenced for sixth forms in 2003/04 but will be merged into Learning Participation in 2004/05.
Local Intervention and Development	245,387,000	Flexible fund to enable the LSC to respond to specific local need.
Capital	327,500,000	Improvement or redevelopment of colleges.

Figure 1 LSC Funding 2003/04



The LSC is changing the way it uses its resources. *Success for All* enhances the planning role of the LSC through the introduction of Strategic Area Review. We will be using Strategic Area Review to inform the provision we will be looking to secure. *Success for All* also gives colleges and other providers the opportunity to have three year funding plans linked to agreed

volumes and targets for employer engagement, quality of teaching and learning and developing the capability of their workforce. This will give greater flexibility and security of funding. We will also follow through the recommendations of the Bureaucracy Task Force (Trust in the Future) to reduce the administrative burden on colleges and other providers.

Section Four

Delivery

Learning Participation

What our tasks are

The priorities for 2003/04 remain much as they were last year; to raise participation and achievement for young people and adults. To achieve our 2004 targets, our funding will need to purchase significantly greater levels of learning opportunities leading to improved levels of attainment of recognised qualifications at Level 2 and 3.

What we will secure

The primary activity is to secure high quality learning leading to relevant and marketable qualifications for young people and adults. This will be provided by colleges of further education, adult colleges, work based learning providers and sixth form colleges. Last year saw more young people involved in work based learning than at any time in the last decade. We aim to continue this expansion and make the Advanced Modern Apprenticeship a real alternative for young people aiming at a Level 3 qualification. The work on developing 14-19 pathways will be an important part of making learning more relevant and interesting for young people. Although our funding of 14-16 activity is limited we are looking to local LSCs to engage with LEAs and schools to develop alternatives including the introduction of new vocational GCSEs at Key Stage 4.

We will also work with Connexions and specialist providers to reduce the levels of young people not in education or training. Over 20% of young people aged 16-19 are not in any form of learning programme. This will need to decrease if we are to achieve our targets and give young people the foundation they need for working life. The roll out of Entry to Employment will help widen access to flexible and relevant provision. We will look for new and innovative projects to re-engage young people but each 1% increase in participation is likely to be more difficult and costly to deliver as the more disadvantaged and disenchanted are remotivated.

Our securing of adult learning will prioritise those in the workforce who lack basic skills or Level 2 qualifications. We recognise the importance of learning not leading to formal qualifications to individuals or employers. We will work with the DfES and the QCA to encourage unit accreditation and accumulation to meet employer and individual need.

Engaging employers in all aspects of learning and training for adults in the workforce is an important part of our remit and one we are keen to develop through a range of approaches. An index which draws together different types of employer engagement is being developed but in the coming year we will continue to support a range of activity to meet employer need.

To help achieve the government's aspiration of 50% of young people aged up to 30 access Higher Education, we will work with HEFCE to increase progression rates, particularly from vocational and work based qualifications. Whilst we will continue to support schools and colleges facilitate individual progression into HE at 18, we recognise that it is our work with colleges and HE to improve progression and quality in workforce development that will increase access for young adults.

Underpinning much of the learning the LSC purchases is access to information, advice and guidance. The Connexions service is responsible for delivering high quality impartial advice and guidance, free from institutional bias, to young people aged 13-19. The LSC will work closely with Connexions to achieve this. The LSC has responsibility to secure free of charge information, advice and guidance for adults and funds information and advice for all adults aged 20 and over. We will continue our work with partners to ensure IAG services support priorities for adults, especially those with basic literacy, numeracy or ESOL needs, those looking to improve their skill levels in line with the national test/qualifications framework, those entering or leaving HE and those seeking to gain employment.

Our priorities for 2003/04 are
to raise participation and
achievement for young people
and adults.

School Sixth Forms

What our tasks are

School sixth forms contribute a significant proportion of Level 3 achievement for 16-19 year olds and make a contribution to Level 2 achievement. This needs to be sustained and improved during 2003/04.

What we will secure

During 2003/04 the approach to schools will remain the same as last year. A ring-fenced budget capable of meeting existing volumes and responsive growth will be available.

Funding for school sixth forms will be part of the Learning Participation budget from 2004. This is part of our commitment to have an integrated and coherent post 16 education and training system with a level playing field in terms of funding across the post 16 sector.

Local Intervention and Development

What our tasks are

The Local Intervention and Development Fund (LID) has been established at the request of government to reduce bureaucracy and enable local LSCs to be more responsive to local priorities. Some of the old Standards Fund has been consolidated into providers' budgets. What remains is a fund for local LSCs to fund activity including:

- Strategic Area Reviews and area-wide inspections;
- provider inspections and capacity building;
- local interventions and developments in support of local strategic plans; and,
- support for 3 year development plans required under Success for All.

What we will secure

The majority of the budget will be delegated to local LSCs. £36 million cannot be allocated straight away because 2003/04 area inspections, CoVEs, Beacon providers, and colleges with extremely significant weaknesses have yet to be identified. £4.5 million will be retained centrally for:

- good practice dissemination and a number of sectoral initiatives;
- audit of learning provision for people with learning difficulties and action research projects in the disability area; and
- the National Learner Satisfaction Survey.

Capital

What our tasks are

The LSC will continue to give priority to its programme of supporting capital investment by providers in support of its main targets.

What we will purchase

Capital investment will be targeted to:

- drive up the quality of vocational training facilities for adults and younger learners to help achieve the Level 2 targets;
- help to develop and improve 14-19 provision;
- focus on labour market needs;
- support learners' progression from FE to HE;
- support the CoVE programme to help improve the flow of skilled workers to the workplace at Level 3; and
- support follow up to inspections by ALI and OFSTED, OFSTED area inspections and the LSC's area review programme.

Section Five

Summary of Activity

Funding Block	Purpose	Current programmes contributing to this purpose	Activity	Addressing	
				In-year priorities	Contribution to LSC and DfES targets
Learning Participation £5,836,087,000	Increasing participation and achievement by young people	Work Based Learning	Securing Entry to Employment, Modern Apprenticeships and NVQ qualifications.	a,b,d,e	1,2,3,6,7
		Education Business Links	Supporting Education Business Link Consortia to deliver work related teaching and learning in schools.	a,b	1,2,3,6,7
		FE 16-18 participation	Securing further education, 16-18 full and part time student growth.	a,b,c,e	1,2,3,4,6,8
		Support for Students	Grants for students, college access funds.		
		Workforce Development	Securing employer investment in workforce development. Promoting Investors in People.	d,e	4,5,8,9
		Adult Learning	Securing 19+ Modern Apprenticeships. Securing 19+ FE participation. Securing LEA adult and community learning.	a,c,d,e a,c,d,e a,c,e	5,7 4,5,6,8,9 4,8,9
		Support for students	Grants for students, college access funds. Supporting partnerships to deliver Information, Advice and Guidance.	c,e a,d,e	4,5,6,8,9 1,2,3
School Sixth Forms £1,468,400,000	Participation and achievement by young people		Funding for students in sixth forms.	a,b,e	1,2,3
Local Intervention and Development £245,387,000	Improving quality, reshaping local provision		Strategic Area Reviews and area-wide inspections; provider inspections and capacity building; local interventions and developments in support of local strategic plans; support for non-FE staff development and qualifications for teachers and trainers. Centrally supported activity (see Section Four).	a,b	10
Capital £327,500,000	Improving quality	Centres of Vocational Excellence	Funding for providers meeting the criteria for vocational excellence.	a,d	5,10
		Capital programmes	Managing the renewal of IT and the rationalisation and new build process in colleges.	a,b	10
Funding Block	Purpose	Current programmes contributing to this purpose	Activity		
Administration £218,000,000	Increasing participation and achievement by young people	National office	The national office provides the leadership, systems and infrastructure which will underpin the whole organisation: to help develop national policies and procedures; to monitor their implementation; to ensure consistency and quality; and to provide corporate services which are most economically delivered centrally.		
		Local office	Local offices have a strategic planning role, both locally and regionally. They develop relationships with employers, providers and local communities. They deploy the budgets in the programme areas and manage the contracts with employers and providers, ensuring the key tasks set out by the Secretary of State are delivered.		

Key in-year priorities derived from the Secretary of State's 2003/04 Grant Letter

- a. Make significant progress on raising standards across post 16 learning provision.
- b. Work towards a coherent 14-19 phase of education and learning.
- c. Take responsibility for tackling the legacy of poor basic skills.
- d. Develop and implement an innovative and responsive workforce development strategy.
- e. Develop appropriate progression routes into Higher Education, contributing to the government's delivery target of 50% of young people aged 18-30 entering Higher Education by 2010.

LSC National Targets for 2004

- 1. 80% Of 16-18 year olds in structured learning.
- 2. 85% of young people at Level 2 by age 19.
- 3. 55% of young people at Level 3 by age 19.
- 4. Raise the literacy and numeracy skills of 750,000 adults.
- 5. 52% of adults at Level 3.

DfES Public Sector Agreement (PSA) Targets

- 6. Raise standards in schools and colleges so that the proportion of 19 year olds who achieve a Level 2 qualification rises by three percentage points between 2002 and 2004, with a further increase of three percentage points by 2006.
- 7. By 2004, at least 28% of young people to start a Modern Apprenticeship by age 22.
- 8. Improve the basic skills levels of 1.5 million adults between 2001 and 2007 with a milestone of 750,000 by 2004.
- 9. Reduce by at least 40% the number of economically active adults in the workforce who lack a Level 2 or equivalent qualification by 2010.
- 10. Challenging targets for minimum performance and value for money in FE colleges and other colleges to be set by the government and the LSC in the context of *Success for All*.

Learning and Skills Council Structure and Responsibilities

Chair: Bryan Sanderson
Council Secretariat

Chief Executive: John Harwood

- Overall management of organisation
- Target setting and performance monitoring
- Strategic planning and co-ordination

Philip Lloyd	David Russell	Michael Kesztenbaum	Dr. Jan Davison	Ken Pascoe	Caroline Neville	Avril Willis
<p>Financial Policy</p> <p>Financial Control</p> <p>Financial and Management</p> <p>Accounting</p> <p>Internal Audit and Special Investigations</p> <p>Provider Payments</p> <p>Provider Financial Assurance</p> <p>Procurement</p>	<p>Human Resources</p> <p>HR Operations</p> <p>HR policies and resourcing development and advice</p> <p>Managing change, including severance terms</p> <p>Organisation Development</p> <p>Support change</p> <p>Learning, leadership and employee development</p> <p>Employee communications, relations and diversity</p> <p>Performance Management and Reward</p> <p>Performance and reward</p> <p>Pay and pensions HR information systems</p> <p>Corporate Property and Facilities Management</p> <p>Property management</p> <p>Facilities and assets management</p> <p>Health and safety</p> <p>Information Systems</p> <p>IS strategy development and policies</p> <p>Data Protection</p> <p>Records Management and Freedom of Information</p> <p>Knowledge Centre</p> <p>Programme and project management</p> <p>Infrastructure and telecommunications management</p> <p>Legal Team</p> <p>Legal advice and representation</p> <p>Complaints</p>	<p>Strategies to encourage non-learners into learning</p> <p>Research</p>	<p>External and Internal Communications</p> <p>Marketing and Campaigns</p> <p>Youth campaigns</p> <p>Adult campaigns</p> <p>Employer campaigns</p> <p>Press and Public Relations</p> <p>Library and Information Services</p> <p>E-Communication</p>	<p>Funding Policy and Development</p> <p>Rates and Eligibility</p> <p>Funding design</p> <p>Operational support</p> <p>National Contracts Service</p> <p>Provision and Infrastructure</p> <p>Capital Projects</p> <p>College property advice</p> <p>College mergers</p> <p>CoVES</p> <p>Planning and Budgeting</p> <p>FE provision</p> <p>Sixth forms</p> <p>Work Based Learning</p> <p>Adult and Community Learning</p> <p>Structural and Learner Support</p> <p>Learners with learning difficulties and/or disabilities</p> <p>Learner support</p> <p>Adult Information, Advice and Guidance</p> <p>ESF</p> <p>Education Business Links</p> <p>LID</p> <p>Performance and Support</p> <p>Local office liaison</p> <p>Performance Monitoring</p> <p>Data Collection and Analysis</p> <p>Data collection</p> <p>Statistical analysis</p>	<p>Adult and Community Learning</p> <p>Adult Learning Progression</p> <p>Skills/Workforce Development</p> <p>Sector skills development</p> <p>LMI</p> <p>iip</p> <p>Young People's Programmes</p> <p>FE provision</p> <p>Sixth forms</p> <p>Work based learning</p> <p>Equality and Diversity</p>	<p>Health and Safety</p> <p>Performance Analysis</p> <p>Provider review</p> <p>Performance</p> <p>Evaluation</p> <p>Quality Improvement</p> <p>Provider and Area inspections</p> <p>Research</p>

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