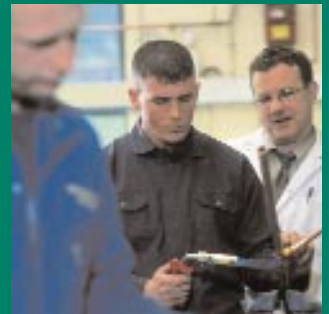
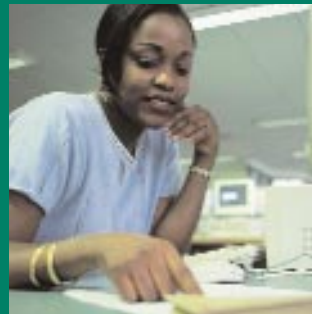




Learning and Skills Council Business Plan 2002/03



National



Learning+Skills Council

'As a non-departmental public body accountable for £7.4 billion, we have to show that the money is well spent. We will look at all sectors of post-16 learning to deliver in accord with funds deployed.'



Section One

Foreword by John Harwood

The Learning and Skills Council Business Plan 2002/03 sets out our key corporate objectives and how we intend to deploy resources in the coming year. It represents the first year of our Corporate Plan and our second full year of business. Since the Learning and Skills Council (LSC) was established in April 2001, we have made an encouraging start in the delivery of our mission to raise the standards of skills, knowledge and understanding for all adults and young people, to world-class standards. We have made rapid progress towards setting the agenda for change in post-16 education and training. This includes raising participation and attainment, engaging employers in workforce development and improving the quality of the provider base. We have also listened to those who deliver and have taken action to reduce bureaucracy and harmonise our approach to planning and budgeting.

During 2002/03 we will begin to show some real results arising from that agenda. This plan sets out the objectives given to us by the secretary of state, our key tasks to respond to those objectives, the resources we have at our disposal and the outcomes by which we will be measured. It contains reference to the national contribution to the outcomes but it does not detail the activity of local Learning and Skills Councils. That is contained in their own business plans, which will be published by each local Learning and Skills Council.

As a non-departmental public body accountable for £7.4 billion, we have to show that the money is well spent. We will look at all sectors of post-16 learning to deliver in accord with funds deployed. We seek to develop greater coherence within and between the sectors, deploying resources, where appropriate, to help deliver our corporate objectives.

A handwritten signature in black ink, appearing to read 'John Harwood', written over a horizontal line.

John Harwood

Funding Block	£million	Purpose
Youth	3,949	To increase the achievement and participation in learning of 16-19 year olds.
Adult	2,633	To increase demand for learning by adults and employers.
Standards Initiatives and Capital	602	To raise standards in teaching and learning, and investing in infrastructure.

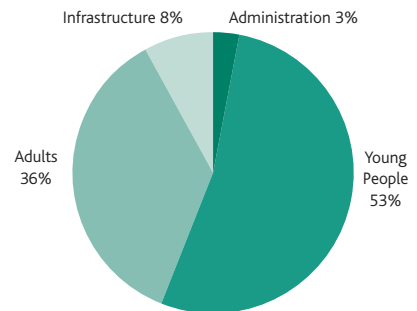


Table 1
Financial year April 02 – March 03

Figure 1
LSC Funding 2002/03

Section Two

Setting our strategy

The Learning and Skills Council mission and vision

Our mission and vision are set out in our Corporate Plan.

- 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.

LSC corporate objectives

Our corporate objectives have been set to guide our work. We are currently in the process of establishing targets that will help determine how successful we are in meeting our objectives. Table 2 indicates where we have already set targets and where we are still consulting. We have also included our estimate of the progress we hope to make against established targets during 2002/03.

In addition to these high level objectives and targets, the 2002/03 Grant Letter from the secretary of state sets out some key priorities for 2002/03. They are:

- Make significant progress on raising standards across post-16 learning provision.
- Work towards a coherent 14-19 phase of education and learning.
- Take responsibility for tackling the legacy of poor basic skills.
- Develop and implement an innovative and responsive workforce development strategy.
- 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.

All of this adds up to some serious challenges for the Learning and Skills Council and its delivery partners. Sections three and four of this plan outline the resources we have to invest and the activity we will undertake. Further detail of how local Learning and Skills Councils (local LSCs) will take forward these challenges are set out in their own local business plans, available from each of the local Learning and Skills Councils.

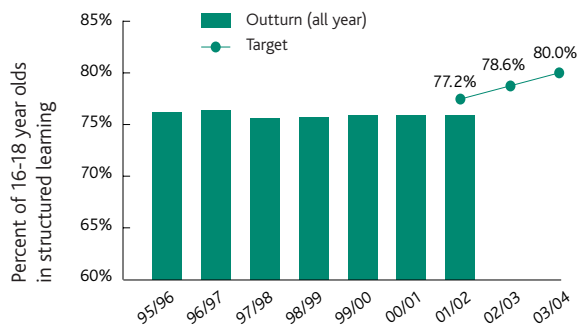


Figure 2
Participation in education, learning and training of 16-18 year olds.

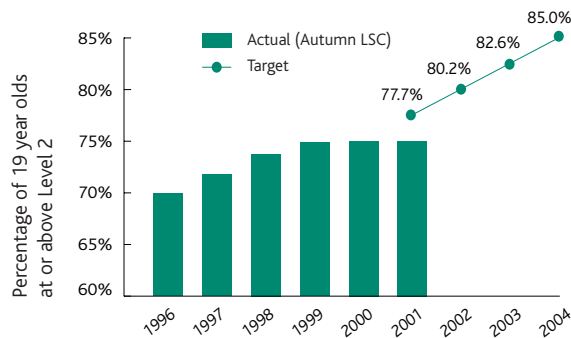


Figure 3
Raising the achievement of 19 year olds at Level 2

Table 2 LSC Corporate Objectives

Objective	Targets for 2004	Forecast Progress in 2002/03	Evidence of Achievement
1 To extend participation in education, learning and training	<ul style="list-style-type: none"> 80% of 16-18 year olds in structured learning. <i>Baseline and target will be produced in 2002 to 2005 Corporate Plan.</i>	Increase by 2% on 2000 levels of 16-18 year old in structured learning. Reduce significantly 16-18 year olds not in education, training or work.	Proportion of 16-18 year olds engaged in full-time education and training.
2 To increase engagement of employers in workforce development	<i>The measure of employer engagement is being produced in 2002 to 2005 Corporate Plan.</i>	Ensure that 45% of medium and large employers and 10,000 small firms are liP accredited by December 2002.	liP recognition data.
3 To raise the achievement of young people	<ul style="list-style-type: none"> 85% of 19 year olds with a Level 2 qualification. 55% of 19 year olds with a Level 3 qualification. 	Increase the number of 19 year olds with a Level 2 qualification by 5% compared to 2000 achievement. Increase by 1.5% number of 19 year olds with a Level 3 qualification compared to 2000 achievement.	Proportion of 19 year olds attaining a Level 2 qualification, and the proportion lacking the basic skills of literacy and numeracy. Proportion of 19 year olds attaining a Level 3 qualification, and the proportion lacking the basic skills of literacy and numeracy.
4 To raise the achievement of adults	<i>Adult participation including high level targets for achieving level 2 will be published in strategic plan 2002 to 2005.</i> <ul style="list-style-type: none"> 52% of adults with Level 3 qualification. Raise numeracy and literacy levels of 750,000 Adults. 	<i>To be published following issue of 2002 to 2005 Corporate Plan.</i> To increase the number of adults with Level 3 qualification by 2% compared to 2000 achievement. Ensure that 240,000 adults will have improved basic skills by end of 2002.	Proportion of adults of working age attaining a Level 3 qualification, and the proportion lacking the basic skills of literacy and numeracy.
5 To raise the quality of education and training and user satisfaction	<i>Measures will be produced in 2002 to 2005 Corporate Plan.</i>	<i>To be published following production of 2002 to 2005 Corporate Plan.</i>	External inspection grades and by structured feedback from learners, employers and training providers.

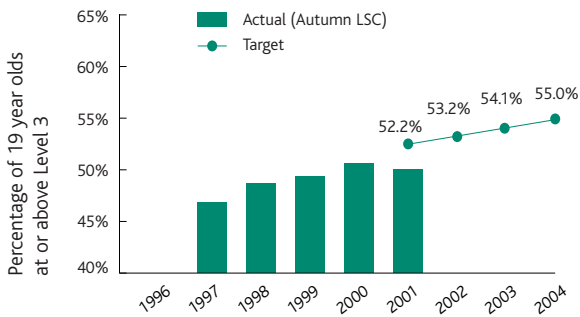


Figure 4
Raising the achievement of young people at Level 2

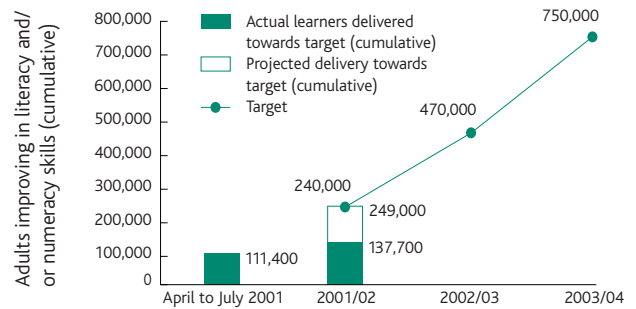


Figure 5
Improving adult literacy and/or numeracy rates

Section Three

Our resources

The secretary of state allocates resources to the Learning and Skills Council in an annual Grant Letter. The secretary of state's Grant Letter for 2002/03 allocated £7.4 billion for the Council. This represents a real terms increase of 5.9% over 2001/02

The Learning and Skills Council budget is organised in four blocks. There are three blocks shown in Table 1 that represent programme activity: the main methods by which funds are passed on to learners are via LEAs, colleges or providers of work based learning activities. They are paid on a monthly basis using estimated profiles, with regular reviews to ensure performance matches payment. By paying this way funds are made available to providers in advance, thus enhancing their ability to improve performance and delivery to students.

There are four cross cutting achievement areas that the LSC will address within the resources devoted to programmes:

- 1 HE progression for 18-30 year olds.
- 2 Promotion of equality of opportunity throughout its programmes and policies.
- 3 Developing and implementing a learner based funding system for all post-16 provision.
- 4 Developing and implementing a strategy for securing improved value for money from all programme areas.

The fourth block of money – Administration – is to support the development of an effective and high performing organisation. £218 million has been allocated for this purpose. This represents an increase of only 2.3% on the previous year's allocation despite the higher workload being undertaken by the LSC particularly with regard to school sixth forms. It also represents at just under 3%, a significantly lower proportion of funds being utilised for administration compared with last year.

Outcomes

We expect to see 82.6% of 19 year olds holding a Level 2 qualification by 2003 and 54.1% holding a Level 3 qualification by 2003. This represents increases of 10% and 5% respectively over 2000 levels.

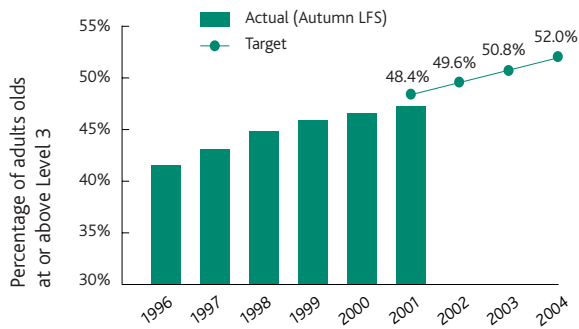


Figure 6
Raising adult achievement at or above Level 3

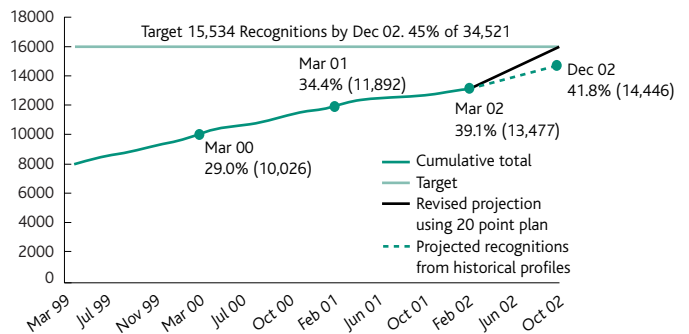


Figure 7
Investors in People recognitions for organisations with 50+ employees

Section Four

Delivering our strategy

Youth

Our tasks are

The LSC has given top priority to these tasks. Performance has been varied and needs sustained effort if we are to achieve our targets:

- To extend participation in education, learning and training (Figure 2).
- To raise the achievement of young people (Figures 3 and 4).

An investment of £3.95 billion is being made available, an increase of £1.56 billion on 2001/02. This includes sixth form funding for the first time. All schools will receive at least the same level of funding as last year providing that their student numbers remain the same. Many will receive a higher level of funding through the new formula. Growth has been made available to FE and work based learning (WBL) providers to address participation, retention and achievement. Local LSCs will challenge under-delivery of FE participation and redistribute to institutions, which can deliver growth. Growth funds for FE and WBL are interchangeable and a big investment is being made to improve quality in both FE and to respond to the Cassels vision of WBL.

Priority will be given to 16-18 growth and colleges have been guaranteed 100% retrospective funding of 'responsive' growth. The Young People's budgets will be supplemented by European Social Funds through co-financing projects.

The Level 2 Attainment Programme (previously known as Level 2 Fighting Fund) has been retained for an extra year to build on the many good projects that helped young people achieve Level 2 qualifications. This is a stretching target and action is being taken to restore previous trends.

The funding has been expanded to encompass Level 3 in view of the reversal of trends in 2001.

We will purchase

The primary activity is to purchase high quality learning leading to relevant and marketable qualifications. This will be provided by colleges of further education, schools, work based learning providers and sixth form colleges. Over 1.5 million learners will be funded.

We will also work with specialist providers to reduce the levels of young people not in learning. Although precise figures are not yet known, we know over 20% of young people aged 16-19 are not in any form of

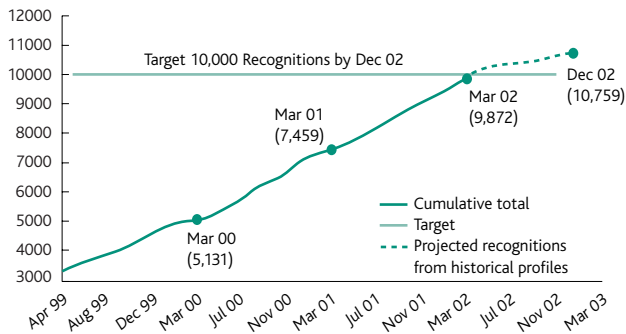


Figure 8
Investors in People recognitions for organisations with 10-49 employees

learning programme. This must decrease if we are to achieve our targets and give young people the foundation they need for working life. We are talking to the DfES about initiatives in this area although we recognise that each 1% increase is likely to be more difficult and costly to deliver as the more disadvantaged and disenfranchised are demotivated.

To help achieve the government's aspiration of 50% of young adults experiencing higher education, we will also work with providers to help more 18 and 19 year olds progress into higher education.

Adult

Our tasks are

We aim to:

- Reduce the proportion of adults lacking basic skills in literacy and numeracy (Figure 5).
- Raise the achievement of adults (Figure 6).
- Increase engagement of employers in workforce development (Figure 7 and 8).

We have yet to set targets at Level 2 for adults due to the need to be clear about the baseline. By 2004 we aim to help 750,000 learners with literacy and numeracy needs achieve basic skills qualifications. In 2002/03 we will need to significantly improve the volumes already achieved to make progress with this target. An investment of £2.63 billion is being made available to fund our work with adults. This will be

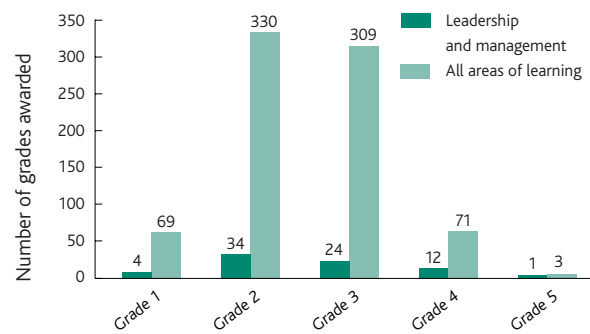


Figure 9
Inspection results for colleges – Grades¹ awarded in all 75 college inspections conducted between 1 April 2001 and 31 March 2002

further supplemented by European Social Funds through co-financing projects.

We will purchase

A significant investment in building the infrastructure of basic skills provision is our priority. This will go hand in hand with the need to increase the number of adults with Level 3 qualifications. The primary activity is to purchase high quality learning leading to relevant and marketable qualifications. Approximately 3 million learners will be funded by the Learning and Skills Council. We will also work with providers to help more young adults progress into higher education.

As well as funding individual learners we will work with employers to increase levels of training and development in the workforce. We will continue to promote Investors in People (IIP) as the standard to which well run organisations should aspire and help employers devise learning programmes that help them improve the skills of their workforce (see Figures 7 and 8). As our national workforce development strategy is developed we will gain a clearer mandate for this work. We will continue to fund the Adult Learning Plans produced by the Local Education Authorities. Projection of performance in March 2002 suggested that the 45% target would be missed by 3.2%. A twenty-point action plan was instituted which it is expected will enable the target to be delivered. The projection of current performance indicates that the 10,000 target will be exceeded.

¹ Includes the outcomes from 30 published inspectors and 45 unpublished inspections conducted between 1 April 2001 and 31 March 2002. The latter are the subject to moderation and may change.

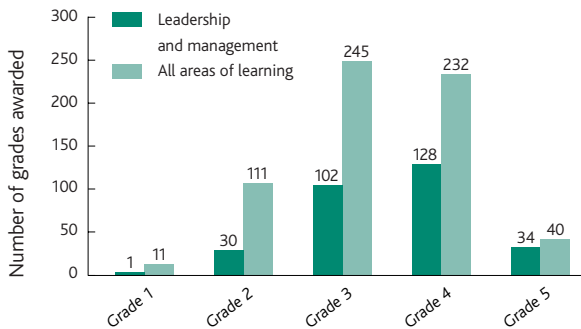


Figure 10
Work based learning inspection results – grades awarded by the Adult Learning Inspectorate (ALI) in the 302 inspections of providers of work based learning for young people conducted between 1 April 2001 and 31 March 2002²

Outcomes

We are still working on our longer term measures but we expect to see the percentage of economically active adults holding a Level 3 qualification rise to 49.6% in 2003, an increase of 5% over 2000 levels. We expect 240,000 learners to improve their numeracy and literacy by October 2002. We also expect to see 15,534 medium and large employers and 10,000 small firms recognised as meeting the IIP standard by December 2002.

Standards, initiative and capital

Our task is

- To raise the quality of education and training and user satisfaction.

The key activities will be our work to help providers improve the quality of their teaching and learning. We will also look to improve the physical infrastructure through the CoVE initiative and the capital programme.

We will support

Underpinning the funding of participants in learning is the investment we will be making in improving the quality of teaching and learning, equalising opportunities through better access to learning and improving the effectiveness and efficiency of the whole system. Backed by the professional expertise of

the Quality and Standards teams across the country, there are Standards Fund budgets to help institutions improve the quality of their offer.

The Learning and Skills Council will support eligible colleges to improve the quality of their Information Technology and building infrastructure through a capital programme. The improvement of the quality of the physical infrastructure in which learning is provided remains a major priority. High quality, fit-for-purpose accommodation and equipment helps to attract and retain learners, helps to improve and maintain the quality of teaching and learning and through increased running costs efficiencies, can release resources for reinvestment in teaching and learning. Capital funds are available to help FE and other post-16 providers to implement major capital projects and achieve these aims. The Learning and Skills Council will also promote learning as part of its mission, encouraging greater participation amongst adults.

Outcomes

We are still working on our measures but we will be looking for improvements in external inspection grades for those providers inspected during the year. We will establish baselines for structured feedback from learners, employers and training providers to help measure improvements in future years. We will continue to measure space utilisation of FE infrastructure.

² Includes the outcomes from 235 published inspections and 67 unpublished inspections conducted between 1 April 2001 and 31 March 2002.

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