

Education and Lifelong Learning Committee

National Council – ELWa

Progress Report : November 2002

INTRODUCTION AND PURPOSE

- 1 The National Council met for the first time in February 2001. It went 'live' on 1st April 2001, when it took responsibility for much of the work of the former TECs, the Further Education Funding Council and adult continuing education. In April 2002 the Council became responsible for 6th form funding.
- 2 This paper informs the Committee on:
 - **performance** and developments in the first eighteen months of the National Council;
 - the forthcoming **Corporate Plan 2003-2006**; and
 - progress on the new **National Planning Framework and Funding System**.
- 3 The Chairman and Chief Executive will supplement this paper with a short presentation.

PERFORMANCE

- 4 In the 2001-2002 operational year achievements included:
 - fulfilling inherited ambitious targets for Further Education, Individual Learning Accounts, Modern Apprenticeships, the Modern Skills Diploma for Adults (MSDA) and Work-Based Learning for Adults;
 - over 25,000 young people started work-based learning – up slightly on the target of 24,662;
 - 5,380 adults on work-based learning against a target of 5,841;
 - over 900 started the new Modern Skills Diploma for Adults (MSDA) against a target of 700;
 - Training Needs Analysis for business was 70% above target with 1329 businesses taking up the service although, 464 firms - fewer than the target of 615 - made use of the Small Firms Training Initiative;
 - delivered 305 Innovation and Development Fund projects: introduced innovative work on, for example, Company Learning Accounts, Networks of Excellence, e-learning;

- launched a major strategic marketing campaign to raise demand for learning from individuals and employers and to develop a culture of lifelong learning;
- developed a 10-year Corporate Strategy and our first Corporate Plan, following one of the most comprehensive consultation processes ever undertaken by a public body in Wales,
- contributed to the Assembly Government's major policy statements including, 'A Winning Wales' and 'Skills and Employment Action Plan';
- established four Regional Committees; developed first regional statements of needs and priorities;
- developed Memoranda of Understanding / action plans with our key partners, including HEFCW, WDA, Careers Wales, ACCAC, Estyn and Job Centre Plus;
- integrated the staff of six predecessor organisations and developed a new vision, ethos and supporting policies for the National Council. Adapted inherited, and introduced new, business systems, processes and procedures. Experienced difficulties with some contracts; and
- reduced staff from inherited 623 posts to 500, but maintained decentralised network of offices with no traditional HQ. Introduced coherent pay and conditions, including equal pay.

5 This progress has been maintained in 2002-2003:

- on-track, or better, with most targets in our Operational Plan, 2002-2003, (Annex 1), for example:
 - trainees in work-based learning are over target by 26% with 41,320 currently in training;
 - 130 organisations have gained liP recognition – an increase of one third;
 - at the half-year we are down 9% on Modern Apprenticeship recruits with 2,300 signing up, but we expect to meet the target by the year-end.
 - number of companies (1,500) supported in workforce development is very marginally below target.
- extra investment in work-based learning to secure additional learning outcomes;
- new all-age flexibilities in work-based learning announced by the Minister in October;
- introduced pilot for free NVQIII training in 'Llanelli-Learning Town';

- extending the pilot of the Company Learning Account;
- progressed our work on Future Skills Wales in readiness for the second major survey in early 2003;
- strengthened our skills unit to work with the new Sector Skills Development Agency and Sector Skills Councils. Invested in sector skills projects and undertaking joint work with WDA and Assembly Government on sector working and prioritisation;
- reviewing our approach to developing 'Learning Communities' in support of Communities First;
- carrying out major reviews of learners with learning difficulties, education business links, support for business, CCETs and land-based learning;
- launched the Learning Challenge Fund to extend learning opportunities through innovative new approaches and partnerships;
- created Bilingual Learning Unit to progress strategy and actions;
- invested much time and effort in our 'drivers of change' – the keys to future success (see para 13 below);
- obtained approval of the Information Commissioner to our Freedom of Information Publication Scheme; development of Race Equality Scheme and Welsh Language Scheme.
- sought continuous improvements in our operation and service delivery through investment in a new, integrated finance system and other business processes, caused some delays in payments to providers.
- commenced further review of structure and size of the organisation in the light of emerging Corporate Plan priorities and the implementation of the new planning and funding system.

CORPORATE PLAN 2003-2006

- 6 The draft Corporate Plan 2003-2006 was submitted to the Welsh Assembly Government in July. It builds on the work undertaken during the Council's first year to develop a 10-year Corporate Strategy and its first Corporate Plan. The extensive consultation which was undertaken at that time has been complemented by a more focused consultation on the draft plan, together with specific consultations on the proposed National Planning and Funding System, Quality Assurance Framework, a comprehensive post-16 learner database and the Credit and Qualification Framework.
- 7 The final draft Corporate Plan, to be submitted to the Minister in December, will be based on the Assembly Government's final budget settlement. The Plan will be published once approved by the Minister. A draft Operational Plan for 2003-2004, containing details of activity, outcomes and resource allocation, will be submitted to the Minister in February 2003.

- 8 Our aim is that the Corporate Plan should drive the National Council's business. It will establish the resource allocation for the new national funding system. It will be based on thorough assessments of learner (individuals, businesses, communities) demands and needs. Next year's Corporate Plan, 2004-2007, will be the basis for the full operation of the new National Planning Framework and Funding System.
- 9 The Council has retained for 2003-2006 the fundamental framework set out in its 10-year Corporate Strategy:

A Shared Vision:

*Making Learning Work for You
Mynnwch Elwa ar Ddysg*

The National Council's Mission:

To promote lifelong learning and provide world-class learning opportunities for all in Wales to fulfil their potential.

Five Key Goals:

- *Securing Essential Skills*
- *Creating Lifelong Learners*
- *Developing the Ability to Apply Knowledge*
- *Enhancing Skills for Business*
- *Promoting Learning Communities*

The five goals are complemented by an underpinning aim of developing the learning network and the National Council – ELWa.

Four Cross-Cutting Themes:

- *Achieving Sustainability*
- *Assuring Equal Opportunities*
- *Promoting Social Inclusion*
- *Securing Bilingualism*

- 10 The Council has three mutually supportive priorities:
- learning which prepares the people of Wales to meet the needs of the local, national, UK and global economies;
 - driving up the quality of learning in Wales; and
 - stimulating a learning culture, increasing and widening participation.
- 11 Our future plans and priorities are based on:
- the ambitious agenda of the Welsh Assembly Government, both in terms of the immediate future and the need for long-term major improvements in the learning network;

- an emerging assessment of the needs and challenges for learning in Wales, as reflected in our national market intelligence and the Regional Statements of Needs and Priorities developed by the Council's Regional Committees, in consultation with CCETs;
- the objectives of the European Structural Fund programmes; and
- new legislative requirements such as the Disability Discrimination Act, Race Relations (Amendment) Act and the Freedom of Information Act.

12 The Assembly Government's budget settlement enables a significant expansion of learning over the three years of the Corporate Plan.

National Council – ELWa, Grant in Aid (GIA) and Running Costs

<i>Year</i>	<i>2002-03</i>	<i>Baseline 2003-04</i>	<i>New plans 2003-04</i>	<i>Baseline 2004-05</i>	<i>Indicative 2004-05</i>	<i>Baseline 2005-06</i>	<i>Indicative 2005-06</i>
Expenditure	£462.6m	£465.0m	£479.9m	£465.0	£493.3m	£465.0m	£526.6m
Running Costs	£21.29m	£17.84m	£17.84m	£17.84	£18.8m	£17.84m	£20.8m
KEF*	£10.5m	£10.0m	£6.0m	£10.0m	£14.5m	£10.0m	£20.0m

* Joint expenditure both Councils. The Assembly to notify of apportionment.

13 Particular priorities for this Corporate Plan are:

- **Individual Learning Accounts 2** will go ahead in 2003-2004;
- £9m is hypothecated to provide a significant increases in **pay for FE staff**. The Minister has committed to attain parity between the pay of school staff and FE staff by 2005;
- **schools** are given sufficient funding to meet the rise in pupil numbers and the post-16 proportion of any future increase in teachers pay;
- increasing **bilingual learning**;
- shaping a more efficient and effective **Learning Network of the Future** that will deliver significant improvements in post-16 learning provision in Wales.
- crucially, our drivers of change; the introduction of a new **demand-led National Planning and Funding (Procurement) System** supported by:
 - a rigorous new **Quality Assurance Framework**;
 - **Strategic Marketing** informed by **Customer Research** and **Market Intelligence**;
 - **Strategic Performance Indicators** which measure progress towards our goals and the achievement of learning demand, participation, delivery, progression and achievement;

- a new single, learner-centred, comprehensive **post-16 Learner Database (LLWR)**.

NATIONAL PLANNING FRAMEWORK AND FUNDING SYSTEM

- 14 The Minister's Remit Letter of January 2001 requested the National Council to undertake a comprehensive review of the funding arrangements for post-16 learning, except higher education, and to make recommendations for the development of a new funding system.
- 15 The National Council inherited four main (and widely differing) funding systems, each designed to fund learning through different types of providers: FE institutions; private training providers of work-based learning; school sixth forms and local authority adult continuing education. These legacy systems pose a particular challenge to the National Council.
- 16 The Minister requested draft proposals for the new system to be available for public consideration in September 2002. The consultation closed on 31 October.
- 17 In light of the consultation responses, the National Council will make formal recommendations to the Minister in early December. In summary these are:
- a single, coherent approach to the planning and funding of all post-16 learning provision;
 - a three-year planning and funding cycle;
 - a unified, demand-led planning approach;
 - a common funding year - August to July;
 - a common approach to pricing. This will account for the majority of the National Council's purchasing of learning provision;
 - learner-commissioned purchasing designed to give learners (individuals, businesses, communities) purchasing power over learning provision and learning providers, thereby increasing their influence over the learning that is being delivered. Independent advice and strategic marketing are vital to help create informed consumers of learning;
 - an integrated approach to provide financial support to learners in need (where their needs are not met fully by the Assembly Learning Grant);
 - an investment programme for infrastructure and capacity building; and
 - funding linked to the Credit and Qualifications Framework for Wales to ensure maximum flexibility in learning opportunities.
- 18 The External Stakeholders Group established to advise the Council has welcomed the outcomes of the consultation. Concerns about the funding levels under the new pricing arrangements will be fully addressed when modelling is undertaken with robust data in the New Year. It is planned that this element of the new system is considered by the Minister and Committee in June/July 2003.

- 19 The next stages, subject to the Minister's approval of the recommendations, are:
- introduce the new planning framework early in 2003 to determine purchasing of provision from August 2004;
 - transitional arrangements for work-based learning providers for 2003-2004;
 - progressive introduction of the new approaches to learner-commissioned purchasing, learning network investment and learner financial support from August 2003;
 - introduce new data collection system, Lifelong Learning Wales Record (LLWR), from August 2003; and
 - introduce, simultaneously for all sectors from August 2004, the new pricing system, moderated having regard to the resources which would have been provided under existing systems, rather than staged introduction from August 2003. This will allow for full testing of the model; the development of devices to 'dampen' the effect of price rises and for 'cushioning' the effects of price falls and the satisfactory introduction of new management information systems.

**NATIONAL COUNCIL – ELWa
Operational Plan 2002-2003 – Key Targets**

Our Work in the Year Ahead

We are committed to maximising the participation in learning of all the 1.7 million people of working age in Wales. Working with 26 Further Education Institutions, more than 200 providers of work-based learning, 170 secondary school sixth forms, Community Consortia for Education and Training (CCETs), and many partners in the voluntary and other sectors, we will invest over £487m in learning.

For individuals and their communities this investment will support:

- 17% of the Welsh population of working age to pursue learning opportunities in further education, work-based learning or school sixth forms;
- the achievement of some 220,000 qualifications in Further Education and work-based learning provision;
- some 25,000 learners in Sixth Forms;
- some 275,000 learners in Further Education Institutions and work-based learning, a 4% increase on 2000-01;
- 8,000 learners following courses through the medium of Welsh, a 9% increase on 2000-01;
- 17,500 learners on Welsh for Adults courses;
- 31,000 people to start work-based learning courses with 62.5% of all young people and 35.5% of adults achieving full national vocational qualifications, an increase of approximately 20% on 2001-02;
- 8,230 young people, a 5% increase on 2001-02, and 2,200 adults, a 16% increase on 2001-02, joining programmes designed to prepare learners to move into full vocational learning;
- an increase in learners, in Further Education Institutions and work-based learning, who live in the poorest wards of Wales to 60,500 (+5% on 2000-01); and
- some 5,000 speakers of other languages learning English.

For businesses this investment will support:

- approximately 54,000 enrolments in Further Education Institutions on business related courses;
- a 30% increase in achievements of higher level skills with over 1,000 learners in Further Education Institutions or work-based learning likely to achieve an NVQ level 4 or equivalent in 2002-03;
- more than 5,000 projects with employers to improve skills in businesses, a 22% increase on 2001-02;
- 5,900 entrants to Modern Apprenticeship programmes, a 14% increase on 2001-02;
- 3,220 teachers involved in placements in industry or commerce an increase of 13% on 2001-02;
- 990 business supporting science and technology curriculum development initiatives in schools, an increase of 30% on 2001-02; and

- 278 organisations being recognised as Investors in People.