



Leading learning and skills

LSC South East
Young People Strategic
Analysis Report

August 2009

Consultation Document

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1.0 Introduction

- 1.1 This report draws information from a range of sources and provides a strategic assessment of the labour market and learning and skills position affecting young people in the region.
- 1.2 The South East has the highest economic activity and employment rates of all English regions. However, the current economic climate presents the South East, as well as the rest of the country, with significant challenges.
- 1.3 The LSC is currently responsible for planning and funding all education and training for people over 16 in England, other than those in universities. It has a single goal: to improve the skills of England's young people and adults to ensure the UK has a workforce of world-class standard.¹
- 1.4 The LSC's vision is that by 2010, young people and adults will have knowledge and skills matching the best in the world and are part of a truly competitive workforce.

ENABLING THE SYSTEM TO DELIVER

- 1.5 The Secretaries of State of the Department for Innovation, Universities and Skills (DIUS)² and Department for Children, Schools and Families (DCSF), announced the Machinery of Government (MoG) changes in their publication *Enabling the System to Deliver* in March 2008. The starting point for these reforms is the ambition to

¹ The recent Central Government restructure will have an impact on the role of the LSC, with responsibility for funding 14-19 provision moving to Local Authorities by 2010/11. It is not yet clear what the extent of the impact will be on adult funding.

² Now referred to as the Department for Business, Innovation and Skills (DBIS).

raise the education participation age and deliver better outcomes for all young people, an ambition which has been at the heart of the Every Child Matters agenda and which was emphasised again in the Children's Plan issued in December 2007.

- 1.6 The reforms provide an opportunity to bring together in one place responsibility for the outcomes and achievement of all young people aged 0-19. The reforms build on the existing role and expertise of Local Authorities as commissioners of a wide range of services which will help support pre-19 education and training.
- 1.7 From April 2010, Local Authorities will have a statutory duty to provide learning places for pre-19 year olds. Local Authorities will be supported in this by the Young People's Learning Agency (YPLA). During this period of transition, the LSC will continue to have a statutory role in post-19 education, ensuring that a wide range of engagement/progression routes are available to support economic and social inclusion.
- 1.8 The commissioning process for 2010/11 requires Local Authorities to work together to develop and agree plans. Regional Planning Groups of Local Authorities and key partners will agree the plans of the sub-regional groupings; ensuring coherence regionally.
- 1.9 The National Apprenticeship Service was officially launched in April 2009 and its NAS Prospectus³ was published in May 2009. NAS will operate at a national, regional and sub-regional level, and will work closely with local authorities, especially on the commissioning of apprenticeships for 16-18 year olds.

³ Available from www.apprenticeships.org.uk

The priority of raising performance

1.10 The LSC's priority is not only to achieve the Public Service Agreement (PSA) targets set by Government, but also to drive up performance in the sector to world-class standards. The LSC aims to raise the performance of the entire further education sector to be responsive, to provide choice and to be valued and recognised for excellence.

The South East contribution to LSC progress against Public Service Agreement (PSA) targets

Level 2 qualifications for 19 year olds

1.11 The PSA targets which commit the LSC to increasing the number of young people who gain qualifications at Level 2 and Level 3 or above by age 19 have both been achieved nationally and exceeded in the South East. In 2007/08, 79.6 per cent of people aged 19 were qualified to Level 2 or above, 3 percentage points higher than the proportion for England (76.7 per cent) and 6.2 percentage points above the national target (73.4 per cent). This is the highest rate among all the English regions.

Table 1.1 19 year olds achieving Level 2 for the South East and England 2005/06 to 2007/08

Year	South East			England		
	Cohort	Number	Percentage	Cohort	Number	Percentage
2005/06	100,900	76,100	75.3%	631,900	451,200	71.4%
2006/07	104,400	81,000	77.6%	652,200	481,963	73.9%
2007/08	104,100	82,860	79.6%	645,400	495,000	76.7%

Source: LSC Matched Administrative Dataset⁴

The South East contributed the largest share of 19 year olds achieving Level 2 to the national target (16 per cent in 2007/08).

Level 3 qualifications for 19 year olds

Table 1.2 19 year olds achieving Level 3, South East and England (05/06 -2007/08)

Year	South East			England		
	Cohort	Number	Percentage	Cohort	Number	Percentage
2005/06	100,900	54,600	54.1%	631,900	295,700	46.8%
2006/07	104,400	57,800	55.3%	652,200	312,900	48.0%
2007/08	104,100	59,200	56.9%	645,400	321,409	49.8%

Source: LSC Matched Administrative Dataset

1.12 The PSA target commits the LSC to increasing the number of young people who gain qualifications at Level 3 or above by the age of 19. As with Level 2, nationally the target has been met and in the South East. The South East region also had the highest proportion of young people qualified to Level 3 and above by age 19; 56.9 per cent compared with 49.8 per cent for England. The South East exceeded the national target by 7.1 percentage points.

Young people not in education, employment or training (NEET)

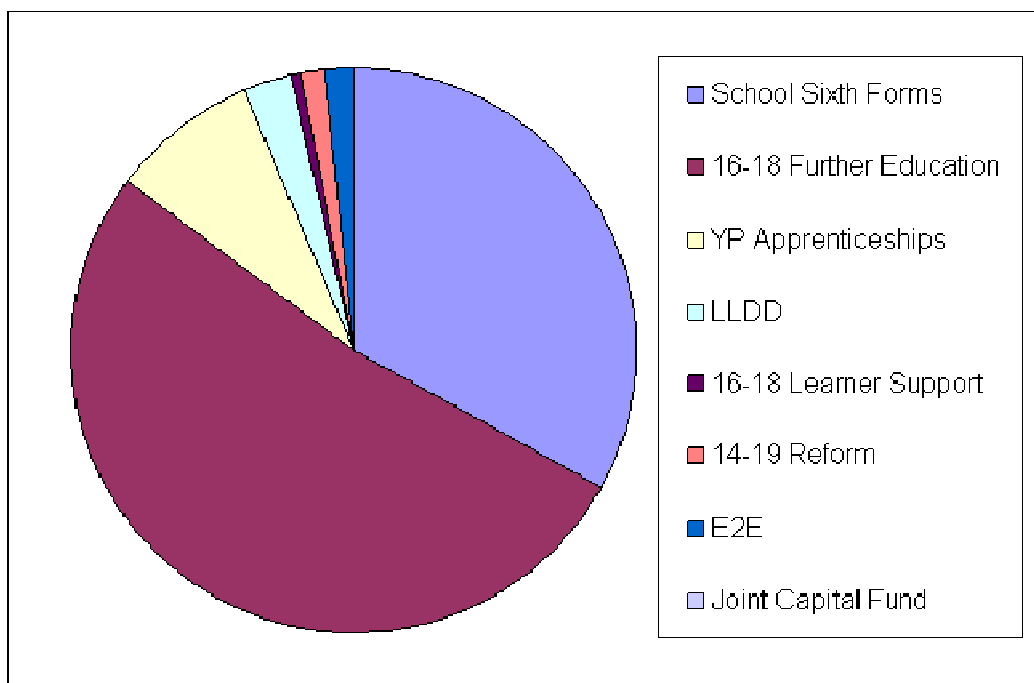
1.13 At June 2009 there were 12,800 people between the ages of 16 and 18 in the South East classified as NEET. This gives a NEET rate of 6.2 per cent, the lowest of all the regions and below the national figure (7.5 per cent).

⁴ Learners counted as 'achieving' for 2005/06 and 2006/07 and 2007/08 are those aged 19 in 2006 and 19 in 2007 and 19 in 2008 respectively who achieved a Level 2 and 3 qualification by age 19.

LSC FUNDING STREAMS

- 1.14 Total LSC spending in the region in 2008/09 was £1.43bn. Of this, £1.03bn was spent on Young People's programmes.
- 1.15 Just over half of spending in 2008/09 was allocated to FE, followed in value by school sixth forms, Apprenticeships and LLDD (see Figure 1.1).

Figure 1.1 Profile of LSC spend, by type of provision, 2008/09



Source: LSC funding allocation records.⁵

QUALITY IMPROVEMENT

- 1.16 The LSC is committed to continue to work with and support the sector to improve performance and achieve its ambition of eliminating inadequate and unsatisfactory provision. The LSC will work with the sector to prepare providers to meet the challenges of the Self Regulation agenda.

⁵ Joint Capital Fund figure represented by the line pointing due North

- 1.17 The LSC will support the regional implementation of the Framework for Excellence and published Minimum Levels of Performance to provide reliable performance measures that allow providers to plan quality improvement and self assessment. An active network of Peer Review and Development groups in the South East are very effective, sharing best practice within the sector.

Minimum Levels of Performance (MLP)

- 1.18 The proportion of guided learning hours (GLH) that fall below MLP in the South East is less than the national figure for both long and all courses combined in 2007/08. The percentage of South East provision underperforming continues to decline in-line with the national trend.
- 1.19 In 2007/08 only two areas of long courses are underperforming compared to national figures (Construction and Business Administration), an improvement on the year before.
- 1.20 For short courses the highest volume of underperformance can be found in Preparation for Life and Work, Construction, Business Administration and Law, ICT and Arts Media and Publishing.
- 1.21 The proportion of GLH below MLP found in external institutions has dropped significantly, from 20 per cent in 2006/07 to 9 per cent in 2007/08 and is now closer to the national rate of 8 per cent.

Notices to Improve

- 1.22 There are 6 providers in the South East region with a Notice to Improve. Improvement Adviser Service support from the Learning and Skills Improvement Service (LSIS) is in place for those 6 providers currently under a Notice to Improve.

Inspection Grades

- 1.23 Analysis of Ofsted cycle 2 inspection grades (2005/06 onwards) for General Further Education Colleges showed that 95 per cent of the providers inspected were graded at least Satisfactory for Overall Effectiveness.
- 1.24 All of the Sixth Form Colleges inspected in the South East were graded at least Satisfactory for both Overall Effectiveness and Leadership and Management. 88 per cent were judged to be either Outstanding or Good for Overall Effectiveness.
- 1.25 For Cycle 2 Inspections carried out on Apprenticeship Providers in the South East, the analysis showed that 96 per cent were graded as at least Satisfactory for Overall Effectiveness
- 1.26 100 per cent of Specialist Providers (Agricultural / Horticultural) inspected in the South East were graded Good for Overall Effectiveness, Leadership and Management and Capacity to Improve.

2.0 CONTEXT – LABOUR

MARKET AND DEMOGRAPHY

- 2.1 The UK economy went into recession in the last quarter of 2008. This was triggered in late summer 2007 by the credit crunch which was largely caused by the US sub-prime mortgage crisis spilling over to the UK.
- 2.2 Initial signs suggest that the economy in the South East is one of the most resistant to recession given its relatively strong performance in high value added sectors, though the recession is having a serious negative effect on business performance and employment. For instance, in late 2008 manufacturing and construction were most affected by the economic recession, but since then almost every sector of the economy has experienced business failures and job losses. Youth unemployment has increased across the region but some areas have suffered more than others and in absolute terms, unemployment levels in the South East appear likely to remain lower than in other regions.
- 2.3 Youth unemployment is particularly significant because many people acquire their qualifications and skills while young. If young people miss the opportunity to acquire qualifications and skills by the time they are in the early 20s, then they are more likely to fail to acquire them altogether.⁶
- 2.4 Young people are affected by the recession in two ways. Firstly, they may struggle to find work upon leaving the education and training system, and second, they may be more likely, as a consequence of their youth not to have built up a number of years of

⁶ LSC/ SEEDA, 'Impact of recession on the labour market in the South East', 2009

service with their employers, to be victim of a 'last-in, first-out' redundancy policy by companies.

- 2.5 Data gathered for recent research⁷ is consistent with this explanation in that it shows employers place significant weight on experience and ability to do the job when recruiting, even when recruiting from the youth labour market.
- 2.6 Research also suggests that young men were disproportionately likely to be affected because they leave school with lower levels of qualifications. This is further compounded by the fact that the recession has mostly affected industries with male-dominated low-skilled occupations such as those in the manufacturing and construction sectors.

Youth Unemployment

- 2.7 Unemployment amongst young people has been on the increase since before the recession, partly because young people are more likely to be employed in more vulnerable low-paid, low skilled jobs. During a recession these jobs tend to be at greatest risk. So far in the South East young people aged 18-24 do not appear to have seen a faster rise in unemployment than other age groups, although it is likely that there will be a sharp increase in the number of young people joining the JSA register this summer following the end of the school and college year.⁸
- 2.8 The extent to which the recession has had a disproportionate impact on young people is a subject of considerable interest and concern. The most significant influence on this has been the reduction in demand for young people's labour due to industrial restructuring and changes in the nature of employment. The long-term decline of the

⁷ LSC/ SEEDA, 'Impact of recession on the labour market in the South East', 2009

⁸ South East Economy Review – June 2009; SEEDA

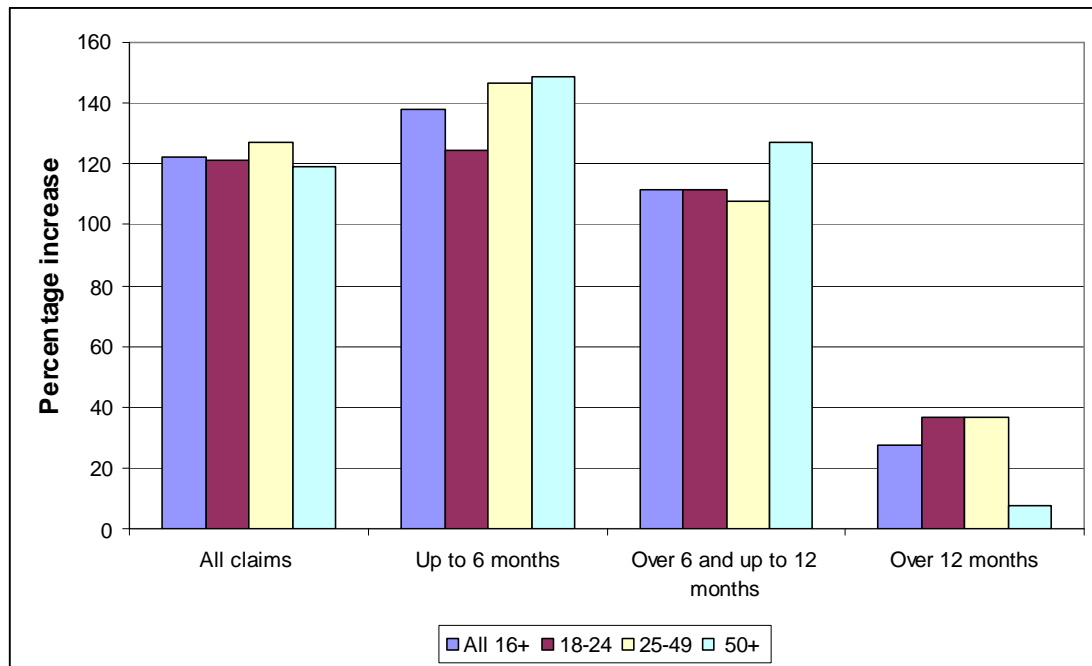
manufacturing sector, for example, has meant that there are fewer apprenticeship opportunities for young people in this sector (particularly young men). In the mid-1990s, 19% of 18-24 year olds were employed in manufacturing in the UK, but by 2008 the figure was just 9%.⁹

2.9 Younger workers now tend to be concentrated in low-wage, low skill and less secure employment in a narrow range of service industries. In 2008, 12% of 18-24 year olds in the UK were employed in temporary jobs, and of those not in education, 40% could not find permanent work. More than a third (36%) of 18-24 year olds worked in the distribution, hotels and restaurants sector, while around half of young people in this age group were employed in personal services, sales and customer service and elementary occupations.¹⁰ Job cuts in the service sector have not yet been as severe as in the manufacturing or construction sectors, but the drop in output in the service sector in the last two quarters of 2008 was unprecedented in recent UK economic history, though there has been some recovery in 2009. Moreover, within the service sector it is the industries employing most young people (such as hotels and restaurants) that have seen the severest impacts.

⁹ TUC, Recession Report Number 7 (May 2009).

¹⁰ ONS, 'Young people and the labour market' in Economic and Labour Market Review, Vol. 3 No. 4 (April 2009). Quoted in SEEDA South East Economy Review.

Figure 2.1 Annual percentage increase in Job Seekers Allowance claimants, by age and duration, April 2008 & April 2009



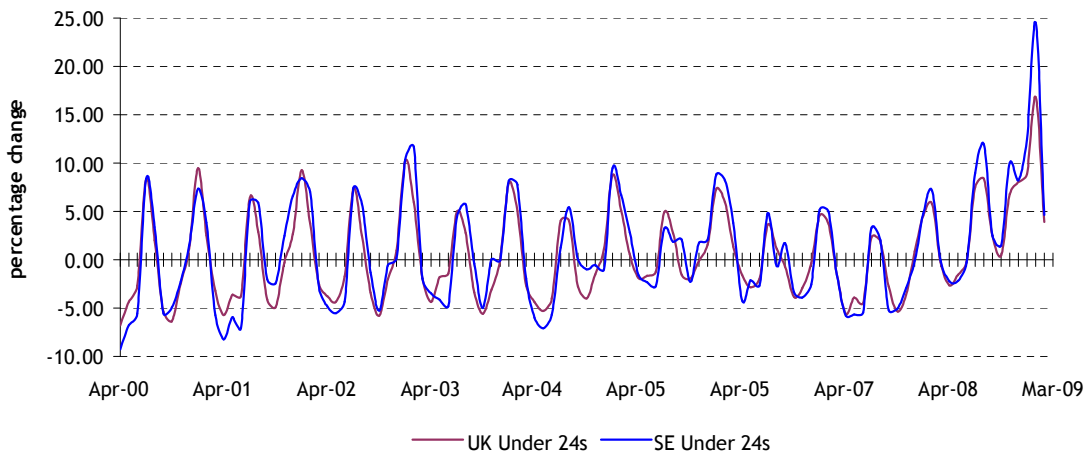
Source: Department for Work and Pensions, Claimant Count, April 2009

2.10 Figure 2.1 shows that in the South East, the age group that has seen the largest percentage increase in claimant count unemployment in the past year has been those aged 25-49, while the increase for young people aged 18-24 has been broadly in line with the average for all age groups. The number of 18-24 year olds who have been claiming JSA for a relatively short time (up to 6 months) has increased at a slower rate than for other age groups, which suggests that young people have not been joining the JSA register at a faster rate than any other age group. It is however, very likely that there will be a sharp increase in the number of young people registering for JSA during the summer months once term finishes for schools, colleges and universities. What is of concern is that the rate of increase in the number of 18-24 year olds who have been claiming JSA for more than a year has been steeper than the average for all ages. This is consistent with the picture at UK level, where long-term unemployment amongst young people had started to increase faster than the overall working age long-term

unemployment rate shortly before the recession, and this trend has accelerated since the recession began.¹¹

2.11 Figure 2.2 and Figure 2.3 show the percentage change in the number of people aged under 24 years claiming job related benefits in the South East compared to the situation in the UK, and for older people in the South East. The percentage change in the number of under-24s entering unemployment in the South East compared to the UK reveals little difference in the trend over time. A similar trend is revealed by a comparison between the under-24s in the South East compared to all age groups. However, the under-24s show a sharper percentage increase in March 2009 compared to the situation overall in the region.

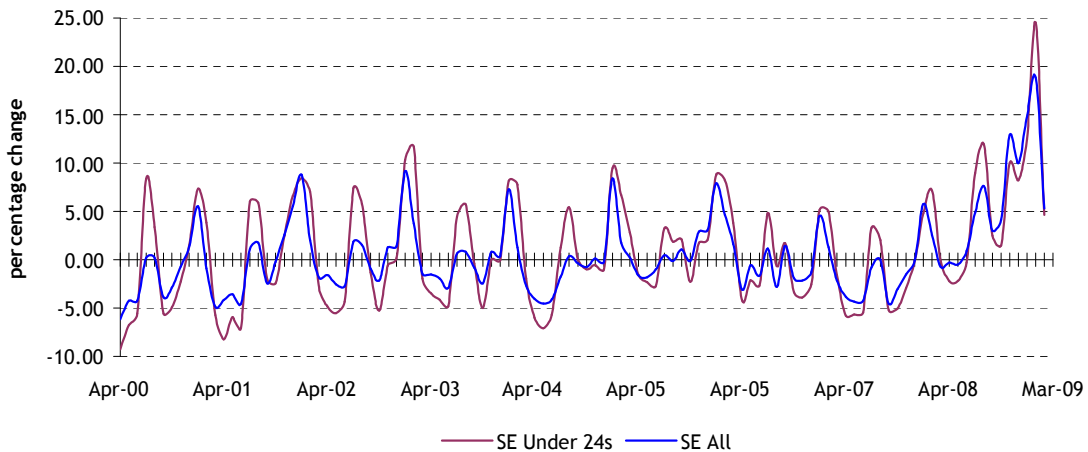
Figure 2.2 Percentage Change in the Number of People Under 24 Years of Age Entering Unemployment by Age in the South East and UK



Source: Department for Work and Pensions, Claimant Count

¹¹ TUC, Recession Report Number 7 (May 2009). Quoted in SEEDA South East Economy Review, June 2009.

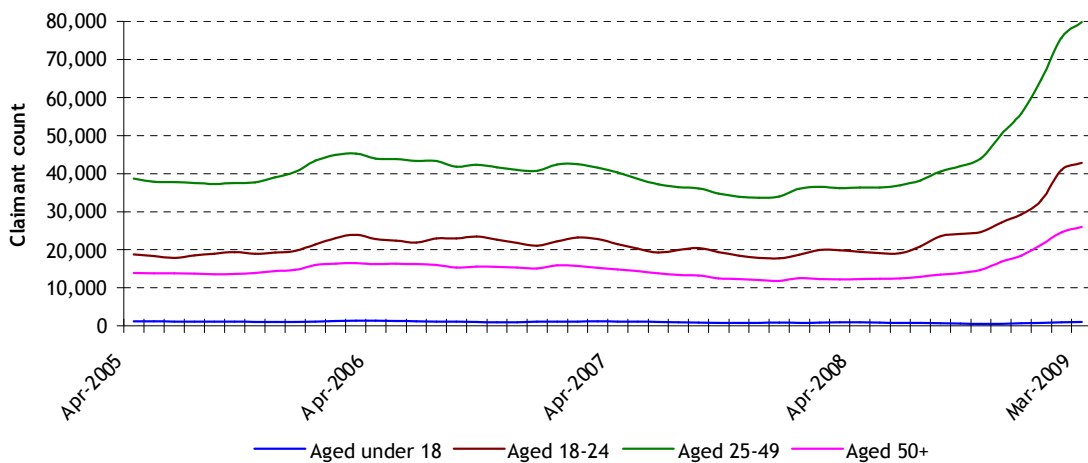
Figure 2.3 Percentage Change in the Number of People Entering Unemployment by Age in the South East



Source: Department for Work and Pensions, Claimant Count

2.12 Figure 2.4 shows the change in the number of unemployed people by age in the South East between April 2005 and April 2009. Overall, the data reveals that the level of unemployment amongst the youngest age group has fallen over the period April 2005 to April 2009 period, but amongst all other age groups it has risen substantially, especially so over the early part of 2009. This is a pattern which has been observed across the UK.¹² In the South East, the number of young people claiming JSA has more than doubled between April 2008 and April 2009 (from 19,870 to 42,860).

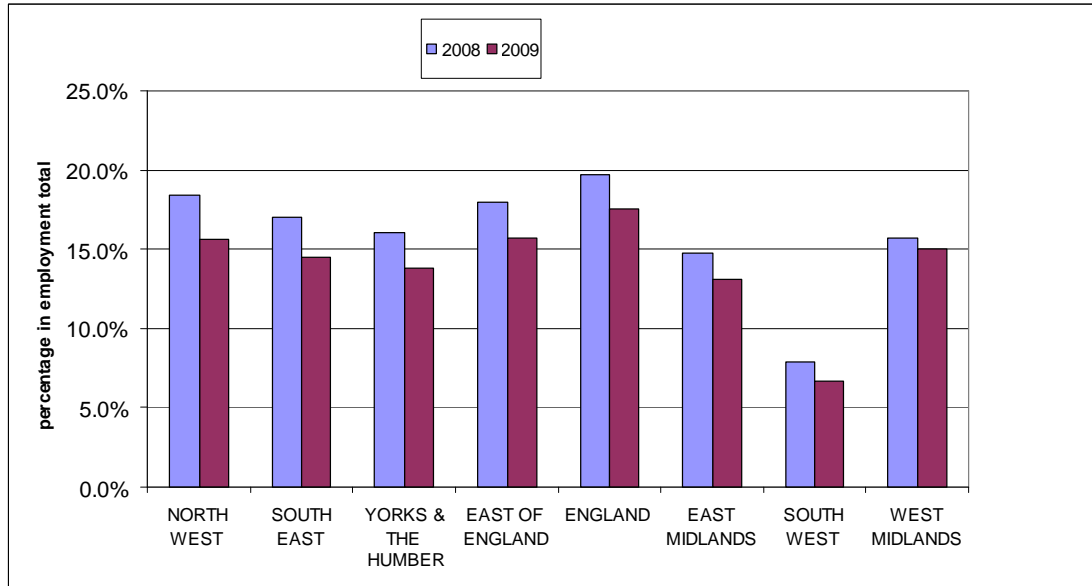
Figure 2.4 Number of Unemployment Claimants in South East, April 2005 to April 2009



¹² ONS (2009), The Impact of the Recession on the Labour Market, Office of National Statistics.

Young People in Employment

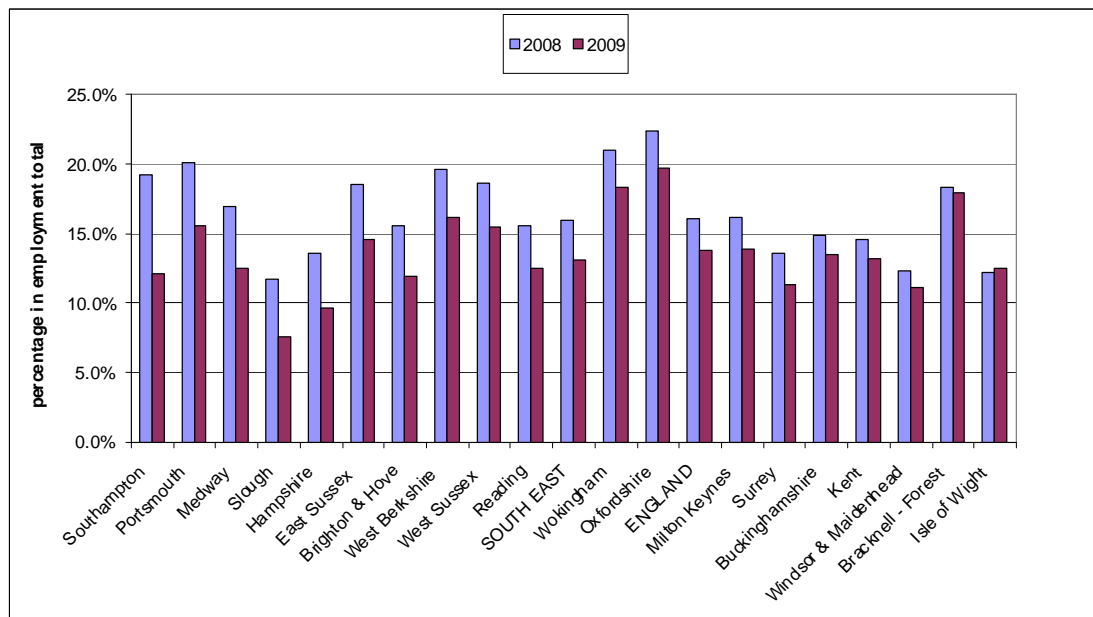
Figure 2.5 Percentage of Young People in Employment by Region - March 2009



Source: NCCIS data, DCSF (via GOSE)

2.13 In the South East, 14.5 per cent of young people were in employment in March 2009, lower than their national counterparts (17.6 per cent). According to data collected by Connexions, the South East region has experienced the second largest percentage point decrease (2.8 per cent) of all Young People in Employment between March 2008 and March 2009. This decrease is in keeping with the national trend and is largely accounted by the fall in the number of young people in employment without training.

Figure 2.6 Percentage of Young People in Employment by Local Authority, March 2008 & March 2009



Source: NCCIS data, DCSF (via GOSE)

2.14 In the South East the Isle of Wight is the only area that has seen a rise in the number of young people in employment between March 2008 and March 2009, although this is a marginal increase of 0.3 per cent. Southampton has recorded the most significant percentage point drop (7 points), with the decrease primarily being among those young people in employment without training. Both the national and regional figures would suggest that young people are staying on in education rather than seeking employment in a difficult labour market.

Effect of recession on sectors in the South East ¹³

2.15 The manufacturing sector has been one of the worst affected sectors in the South East during the current recession so far and continues to face difficult trading conditions. Employment and investment plans continue to be cut back. Almost half of EEF members, (the manufacturers' organisation) reported contraction of employment in the quarter ending in June.

¹³ SEEDA Regional Intelligence Snapshot, Mar - July 2009

- 2.16 The reliance on an aging workforce in manufacturing, in particular, means that it is likely that there will be a continued need for a supply of new recruits to replace retiring workers once the upturn comes. Some employers within the sector report that finding recruits who are 'job ready' is more important than their level of technical knowledge and are willing to provide training to supply this. However, the sector is reported to be relatively slow to take up government funding for training. Accessing new markets and maintaining growth in a global marketplace is also a significant concern currently. On the positive side, however, some companies have benefited from the lower exchange rate – particularly in Milton Keynes, Oxfordshire and Buckinghamshire.
- 2.17 The **motor industry** has also been adversely affected in the South East with high profile redundancies announced at BMW in Oxford and at Ford in Southampton in recent months. In general, trading in the first few months of 2009 is down on the same period a year ago, but an improvement on the last quarter of 2008. Car sales are on the increase, although the greater demand is for small, relatively cheap cars. The scrappage scheme is reportedly having an effect (at the very least generating increased footfall in car dealerships).
- 2.18 **Construction** has been one of the worst affected sectors in the current recession to date with output and employment levels falling substantially over the past year with predictions that the sector will contract by 3-4 per cent in 2009 with largest losses in commercial property and the private health sector. A moribund housing market and weak private sector investment continue to weigh heavily upon the construction industry.
- 2.19 Revised April data shows that new project starts in the South East fell by a third compared to a year ago. This was mainly due to a halving in the number of housing schemes (both private and social

housing schemes) and a sharp fall in non-residential projects. In contrast, the flow of civil engineering project start ups has picked up sharply since the start of the year, partially offsetting the decline in new building projects.

- 2.20 Despite signs that mortgage availability and uptake have begun to improve, market activity is still extremely weak, prompting developers to focus their efforts on building out and selling existing projects rather than opening up new sites. Developers are unable to make a profit as customers expect high discounts.
- 2.21 Apprenticeship starts have dropped significantly within the sector over the past year and there are concerns that this may leave the sector ill equipped to meet the skills needs required for the upturn. Indeed, construction is likely to be at the forefront of the upturn and careful planning will be required to ensure that there is a sufficient skilled labour pool to meet employers' needs.¹⁴
- 2.22 The **financial services** sector experience the initial impact of job loss sharply as the financial crisis affected the sector before recession began with the most severe effects being felt in investment banking. Skills shortages have decreased and unemployment among professional groups has increased dramatically. The South East has been particularly affected due to the high concentration of financial services firms within the region and the number of commuters, who are employed in the Greater London area and live in the region.
- 2.23 Apprenticeships are a relatively new qualification for the financial sector, but employer take up of these is starting to increase. Despite the current picture, the financial services industry is

¹⁴ LSC/SEEDA, 'Impact of recession on the labour market in the South East', 2009

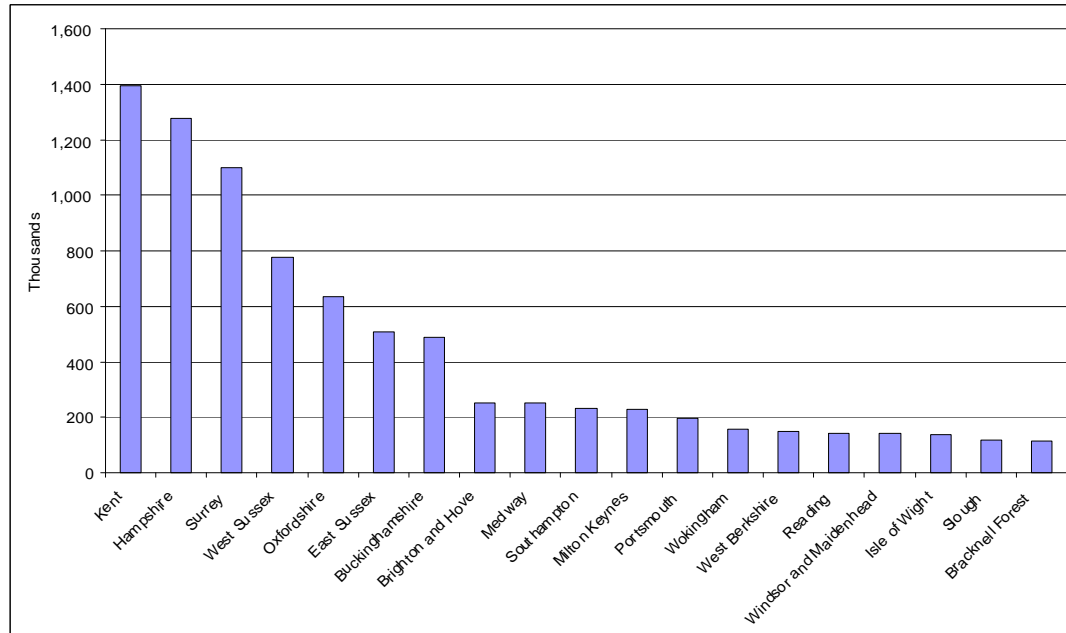
predicted to be a growth industry for employment in the South East when the economy emerges from recession.

- 2.24 In the South East **retail sector** footfall is relatively subdued, with Brighton and Berkshire town centres reporting larger falls in footfall than the national average. Small independent shops are most under threat, and there have been some shop closures.
- 2.25 However, in some areas rental discounts are helping trading conditions. Home improvement stores are reportedly faring better as people choose to make improvements to their existing homes rather than move house. The use of online trading has significantly increased, causing some high street shops to suffer
- 2.26 Across the **business services sector**, shrinking corporate budgets and a lack of consumer confidence are causing difficulties for firms in securing contracts, retaining staff and maintaining cashflow. In the IT sector, companies are struggling to win orders which will generate profit, as they are being forced into offering lower prices which are unsustainable.¹⁵
- 2.27 There is evidence of increased recruitment and retention in the **care sector**, as people made redundant from other industries are seeking alternative employment. Many more UK workers are now expressing an interest in working in the care sector, which marks a change from the recent past when the sector relied extensively on migrant labour. However, there is a shortage of trained nurses as many of them choose to not work in the NHS in search of better terms of employment, while enquiries from overseas nurses have dried up due to new work permit rules.

¹⁵ SEEDA South East Economy Review, June 2009

Population

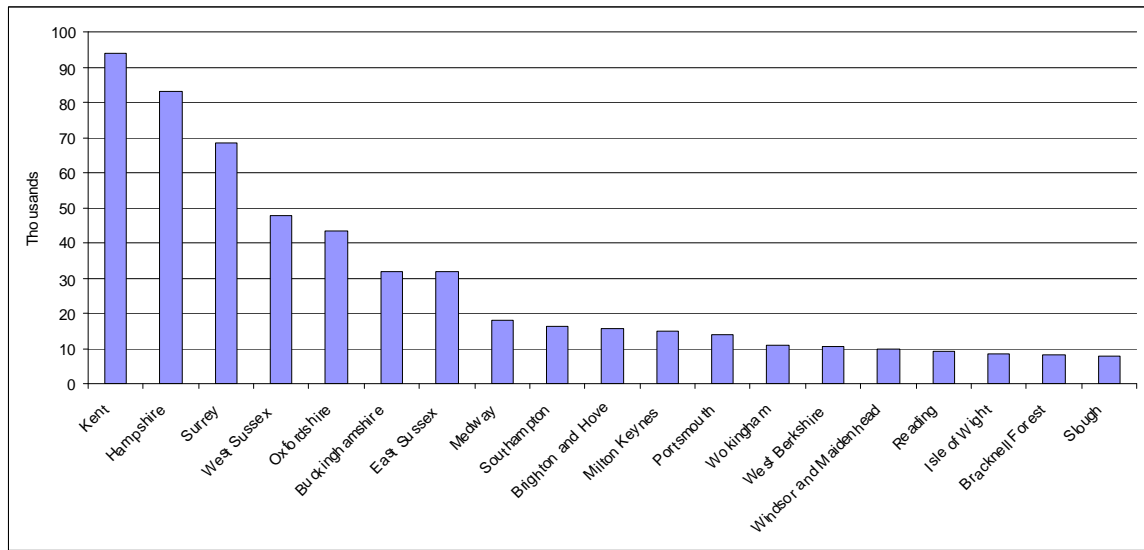
Figure 2.7 Population of the South East, by Local Authority, 2007



Source: Office for National Statistics, Mid-year population estimates, 2007

2.28 According to ONS 2007 mid year population estimates, there were 8.3 million people living in the South East, making up 16.3 per cent of the population of England. Figure 2.7 shows their distribution across the region. Kent is the most populated LA, with 1,395,000 residents, followed by Hampshire (1,277,000) and Surrey (1,098,000). In contrast, 5 Local Authorities had populations of less than 150,000.

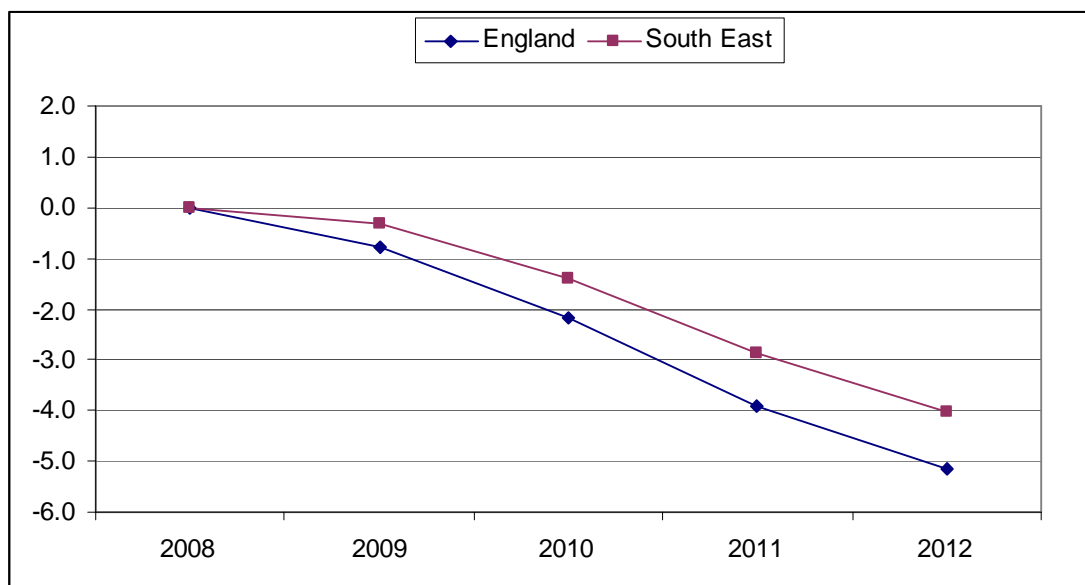
Figure 2.8 15-19 year old population of the South East, by Local Authority, 2007



Source: Office for National Statistics, Mid-year population estimates, 2007

2.29 There were 545,000 young people (aged 15-19) living in the South East in 2007. In line with the distribution of the general population, the number of 15-19 year olds differed across the South East. Kent had the largest number (94,000) compared with Bracknell Forest and Slough, who had 8,100 15-19 year olds or less (See Figure 2.8).

Figure 2.9 Population projection percentage change 15-19 year olds, South East and England, 2008-2012



Source: Office for National Statistics, 2006 based sub-national population projections

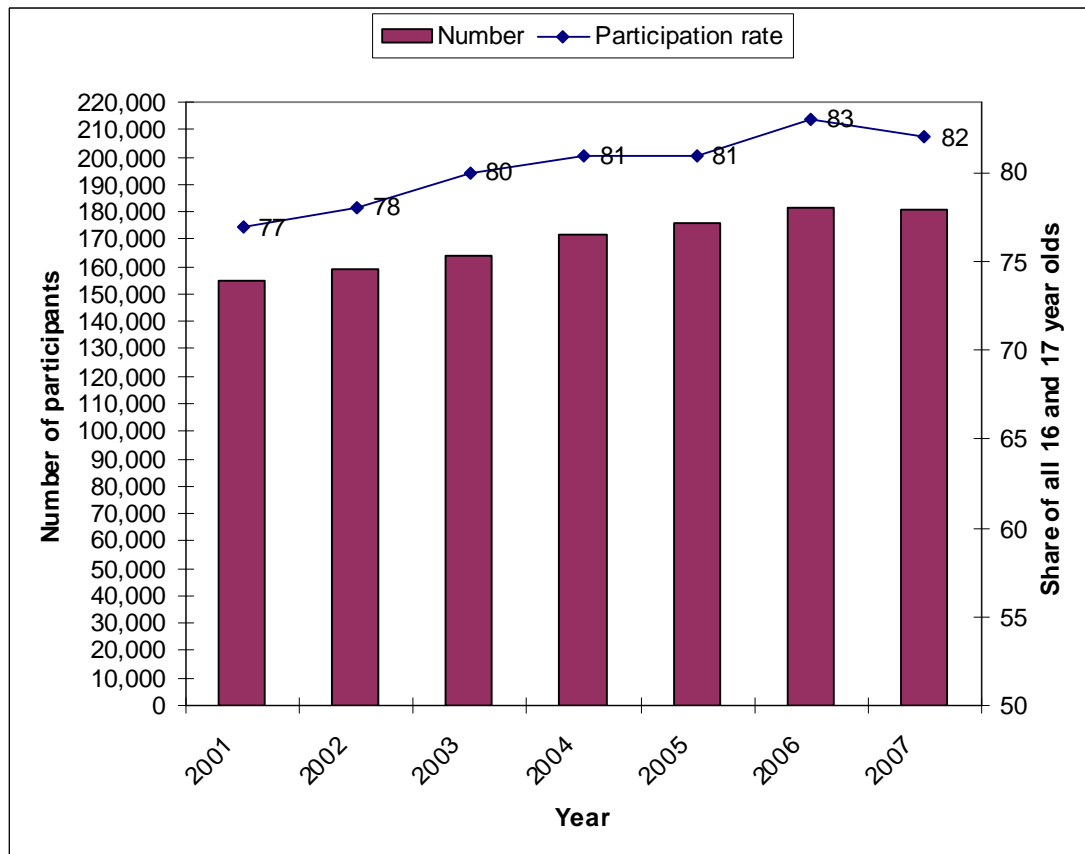
2.30 Between 2008 and 2013 the population of 15-19 year olds in the South East is predicted to decline by 4.0 per cent, lower than the decline for England (5.1 per cent). In the South East, this represents a reduction of 22,000 15-19 year olds over this time frame. The rate of decline differs across the across the South East, from no change in the 15-19 population in Wokingham, to a decline of around 9.5 per cent in West Berkshire and 9.0 per cent in Bracknell Forest and Windsor and Maidenhead. Measures to increase the number of young people participating in learning (such as raising of the participation age) are expected to result in an increase in the number in education, despite the overall fall in the population.¹⁶

¹⁶ For more information, see section 'Impact of the raising of the compulsory participation age (RPA) in the South East among 16 to 18 year olds' on page 27.

3.0 PARTICIPATION AND LSC FUNDED PROGRAMMES

Participation in education and training¹⁷

Figure 3.1 Participation of 16 and 17 year olds in education and training, South East, 2001 and 2007



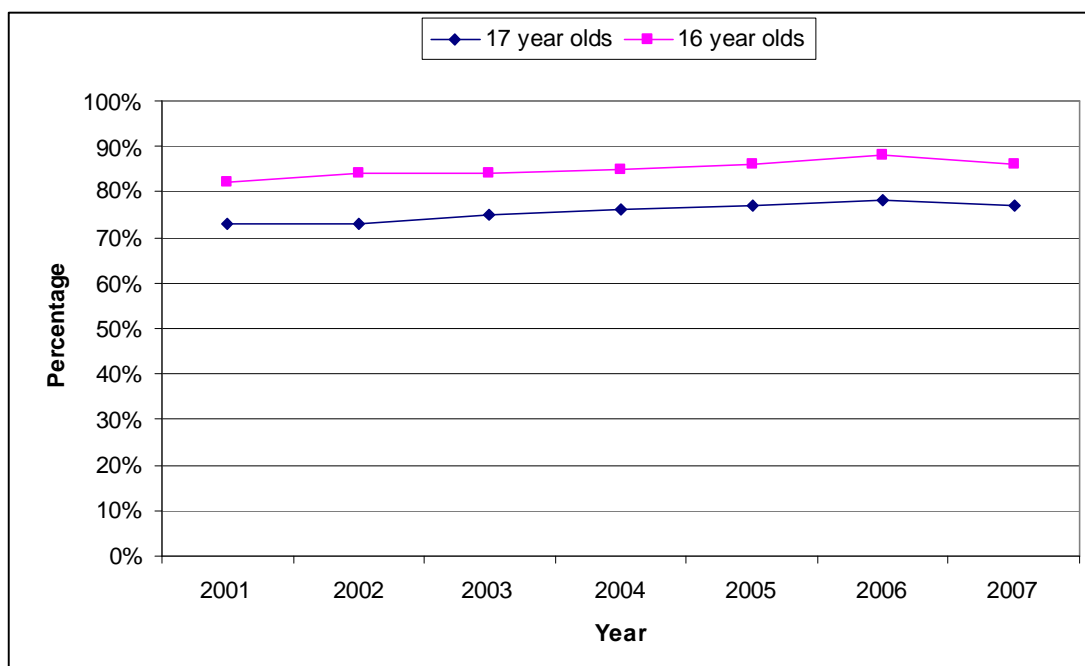
Source: Department for Children, Schools and Families, Statistical First Release 12/2009

3.1 More than eight out of ten (82 per cent) 16 and 17 year olds were in some form of learning in 2007, with young people in the South East more likely than their national counterparts to be in full time education (74 per cent compared with 72 per cent).

¹⁷ Participation rates for Local Authorities not included due to concerns over data quality.

3.2 Young people in the South East are slightly less likely than their national counterparts to be in education overall, 82 per cent compared with 83 per cent. The proportion of 16 and 17 year olds in education in the region has fallen by 1 percentage point between 2006 and 2007, due to a decrease of 1,000 learners aged 16 participating in learning, together with an increase in the population. The number of 17 year olds in learning has increased during this time.

Figure 3.2 Participation in education and training of 16 and 17 year olds, South East, 2001 onward

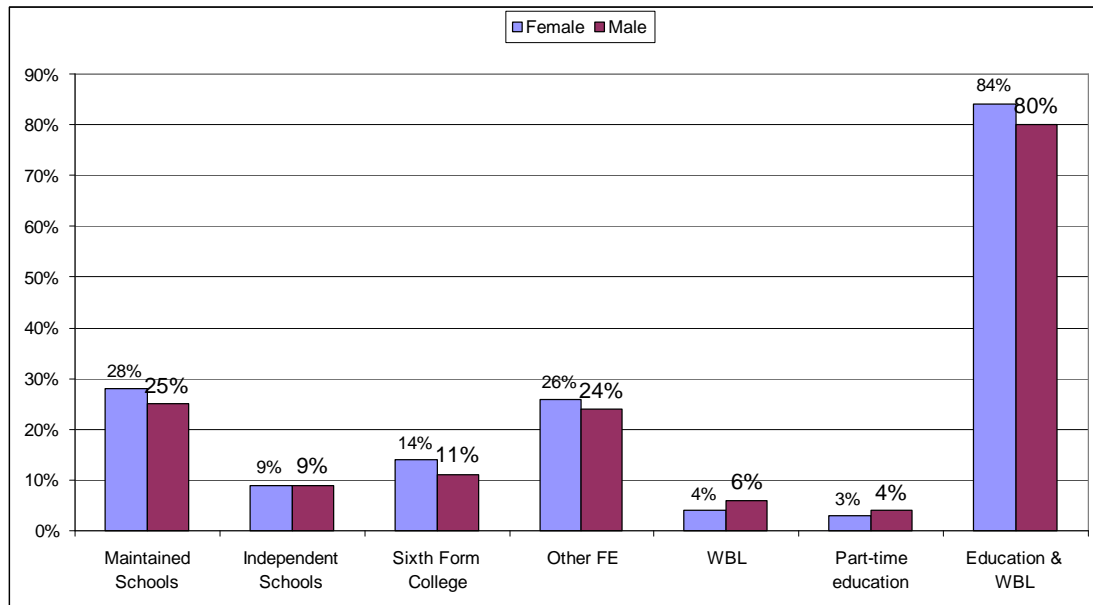


Source: Department for Children, Schools and Families, Statistical First Release 12/2009

3.3 Participation in education and training among young people differs markedly between 16 and 17 year olds in the South East, which reflects the national trend. In 2007, 86 per cent of 16 year olds were still in education or training, compared with 77 per cent of 17 year olds. For 16 year olds participation rates in the South East were 2 percentage points lower than the national rate and for 17 year olds regional participation rates were 1 percentage point lower than national.

Gender

Figure 3.3 Proportion of 16 and 17 year olds in education and training, by gender and institution type, 2007



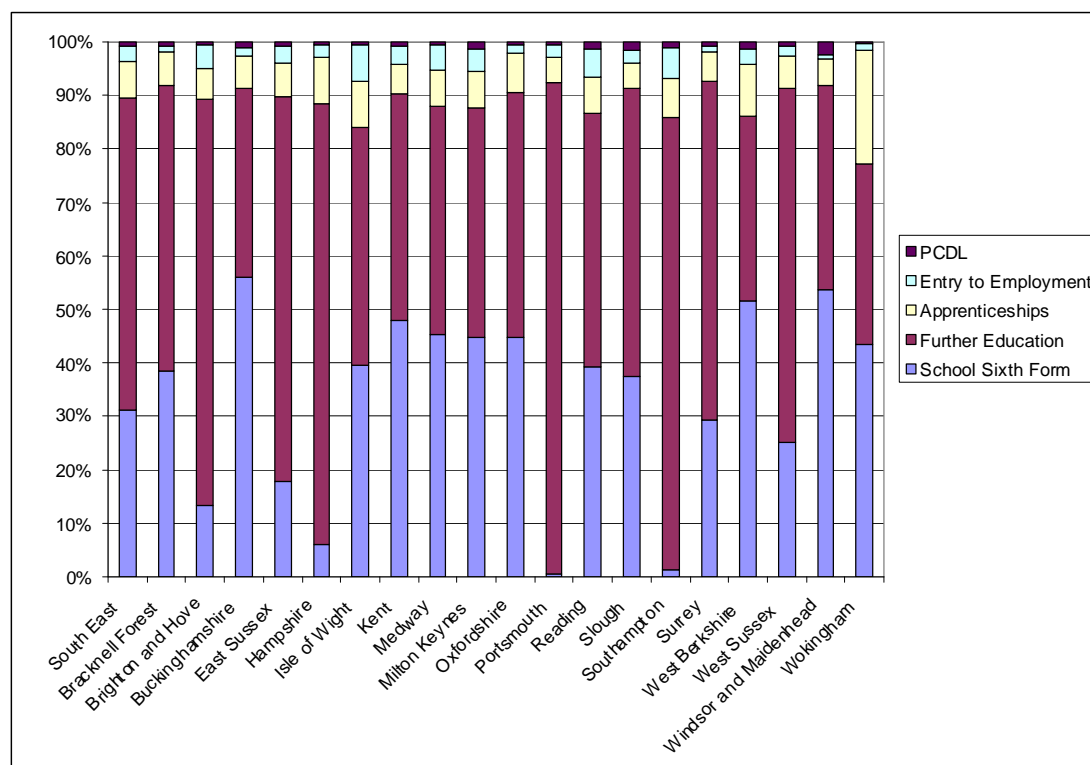
Source: Department for Children, Schools and Families, Statistical First Release 12/2009

- 3.4 A higher proportion of young females participated in some form of education or training than males (84 per cent compared to 80 per cent). This balance between females and males reflects the national trend, and the levels of participation in both cases are slightly lower in the South East than they are nationally.
- 3.5 Nationally and regionally there has been an increase in participation for both genders in the period 1995 to 2007.
- 3.6 In the South East in 2007, young females were more likely than their male counterparts to be in full time education (78 per cent compared with 70 per cent), a similar balance to the national figures. Males are slightly more likely to take part in WBL programmes than females. In the South East 6 per cent of all 16 or 17 year old males learn through WBL programmes compared with 4 per cent of females, again a

similar balance to the national figures (8 per cent compared to 5 per cent).

LSC Funded Provision in the South East

Figure 3.4 Participation of young people by funding streams by home Local Authority, 2007/08

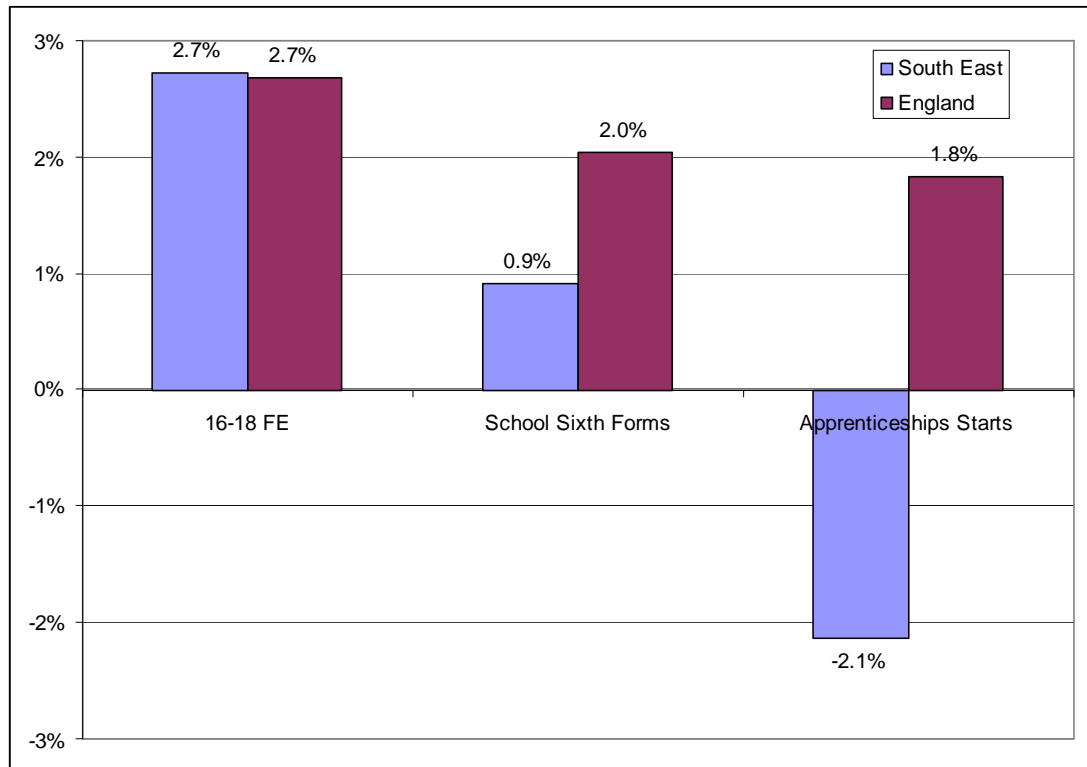


Note: Based on the residency of the learner.

Source: LSC, FE, PCDL and WBL Full Year ILR Returns, School Census

3.7 This mix of provision differed across the region, for instance, 89 per cent of young learners living in Portsmouth, were in FE, as were 82 per cent in Hampshire and 86 per cent in Southampton. This is because these areas have no School Sixth Form provision. In contrast, more than half of young learners living in Buckinghamshire, Windsor and Maidenhead and West Berkshire were learning in School Sixth Forms.

Figure 3.5 Percentage change in participation by type of provision between 2006/07 and 2007/08, South East and England



Source: LSC, FE, PCDL and WBL Full Year ILR Returns, School Census

3.8 The number of young people in FE rose from 118,100 to 121,400 between 2006/07 and 2007/08, an increase of 2.7 per cent, in line with the national increase.

3.9 In the same period, the number of young people in School Sixth Forms rose from 57,000 to 57,500, an increase of 1 per cent, compared with a national increase of 2 per cent.

3.10 In 2007/08, around 29,000 Apprenticeships were being undertaken by 16 to 18 year olds living in the South East, 71 per cent were undertaking Apprenticeships (Level 2), with the remaining 29 per cent in Advanced Apprenticeships (Level 3).

3.11 In 2007/08, more than half (59 per cent) of young learners living in the South East were studying in FE, with around a third (31 per cent) in

School Sixth Form and a further 7 per cent starting Apprenticeships and 3 per cent in Entry to Employment (E2E) programmes.

For more information on Apprenticeships, see Chapter 4.

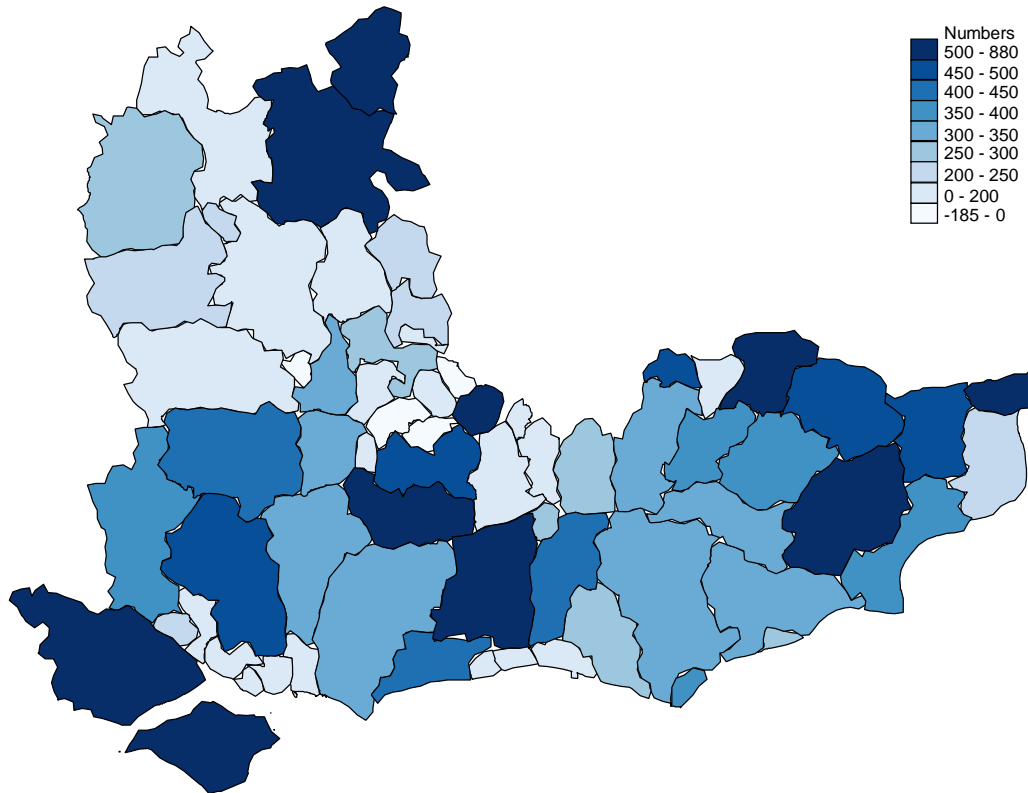
Impact of the raising of the participation age (RPA) in the South East among 16 to 18 year olds

- 3.12 The LSC South East commissioned Sussex University to write the report 'Projections of post-compulsory education learner numbers in the South East of England' to develop a model to project forward participation in post-compulsory education. The report includes projections of population, participation rates and learner numbers to 2020 and provides a framework within which to make judgements about the impact of population projections on schools and colleges in the coming years.
- 3.13 The report is pertinent because of the announcement of the raising of the compulsory participation age to 17 in 2013 and to 18 in 2015. Subject to trends in the age cohort, this will increase the demand on schools and colleges for education post-16. The raising of the school participation age is the main factor driving the forecasts of demand for post-16 education although this is moderated by anticipated changes in the population age cohort. Increases in learners are not likely to be focused in a particular funding stream but across all provider types; schools sixth forms, further education and work based learning.
- 3.14 Map 1 below shows that the projected growth in total number of 16 and 17 year olds in education (including schools, colleges, and independent schools, part-time and work based learning) differs across the region. Milton Keynes has the largest growth in learner numbers between 2006 and 2013 (an increase of 879 learners), Medway have an increase of 744 and Elmbridge numbers increase by 720. In contrast, some districts are projected to see a decline in 16

and 17 year old learners, Reading is projected to see the largest decline (-185), followed by Woking (-67) and Spelthorne (-27).

Map 3.1 Growth of total learner numbers by South East districts, 2006-2013

Growth in total learner numbers



ENCOURAGING PARTICIPATION

Education Maintenance Allowance

3.15 The recent increase in participation among young people has been supported by the introduction of the Education Maintenance Allowance (EMA). EMA was fully rolled out for 16 to 18 year olds in September 2006, and indications are that take-up is high and rising. EMA supports learners from low income households to continue in learning. It is a weekly allowance of up to £30, payable to young people in the 16-19 age group who participate in a valid programme of Further Education or LSC-funded Entry to Employment or Programme Led Apprenticeships.

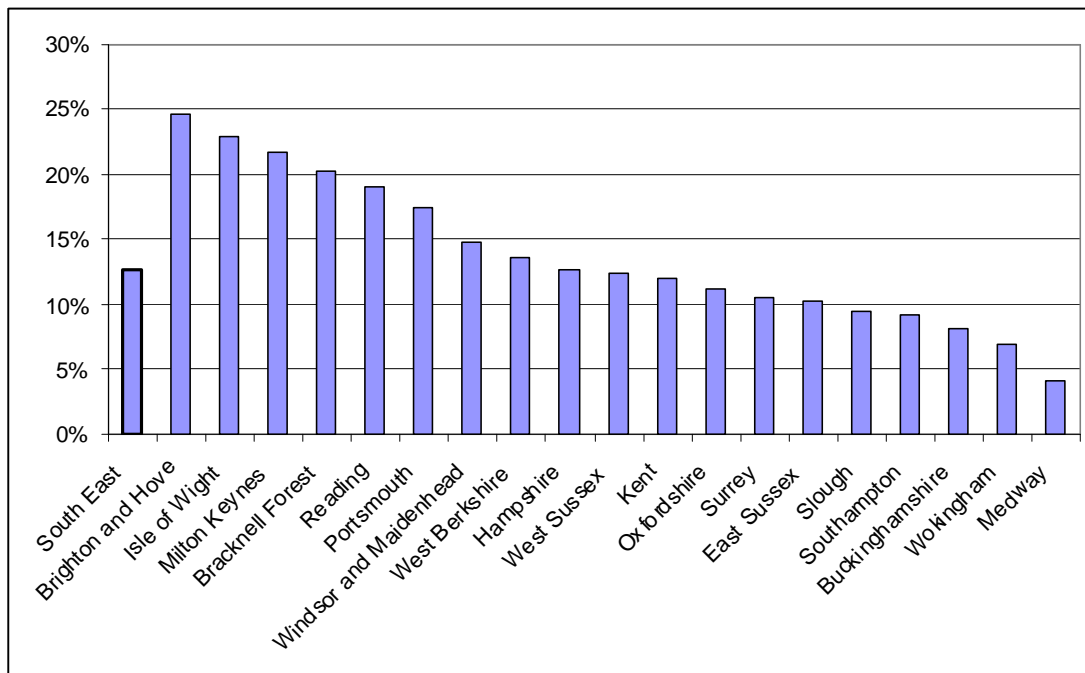
3.16 During the 2007/08 academic year, 65,650 young people in the South East received EMA. The EMA policy teams are working to promote early take-up, as getting learners on to the allowance early in the academic year encourages the positive behaviour associated with receipt of EMA. Nationally, for the academic year 2007/08, 53.8 per cent of young people on EMA had taken it up by the end of September 2007. The early take up rate in the South East was higher (56.0 per cent).

Care to Learn¹⁸

3.17 Specific funding is available for young parents to help them back into the education system. Care to Learn is offered to parents under 20 years of age to help them with childcare and travel costs while they participate in learning. Up to January 2009, an estimated 11 per cent of those eligible in the South East took up Care to Learn funding, lower than the rate nationally (13 per cent). The take up rate differed within the region, from 21 per cent in Milton Keynes to only 5 per cent in Medway.

¹⁸ Source: August 2008, National LSC Care to Learn report, <https://newintranet.lsc.gov.uk/doccentre/National/Learning/C2L%20Regional%20Data%20August%202008.xls>

Figure 3.6 Percentage of cohort taking up Care to Learn by South East LAs, August 2008



* Mothers aged under 20. 2005 data, based on numbers of live births adjusted for movement in to / out of the region.

** To date, over academic year.

Source: LSC Care to Learn Regional Take Up Report, August 2008

3.18 Information collected by the South East’s Connexions services show that almost 4,000 teenage mothers resident in the region are known to the Connexions services; and that, of these, just 25 per cent are in employment, education, or training (5 percentage points lower than the national figure of 29 per cent). The Department for Children, Schools, and Families estimates that typically just 63 per cent of teenage mothers are known to Connexions services, suggesting that over 6,000 teenage mothers may be resident in the region, of whom more than 4,000 could be disengaged from learning or employment.

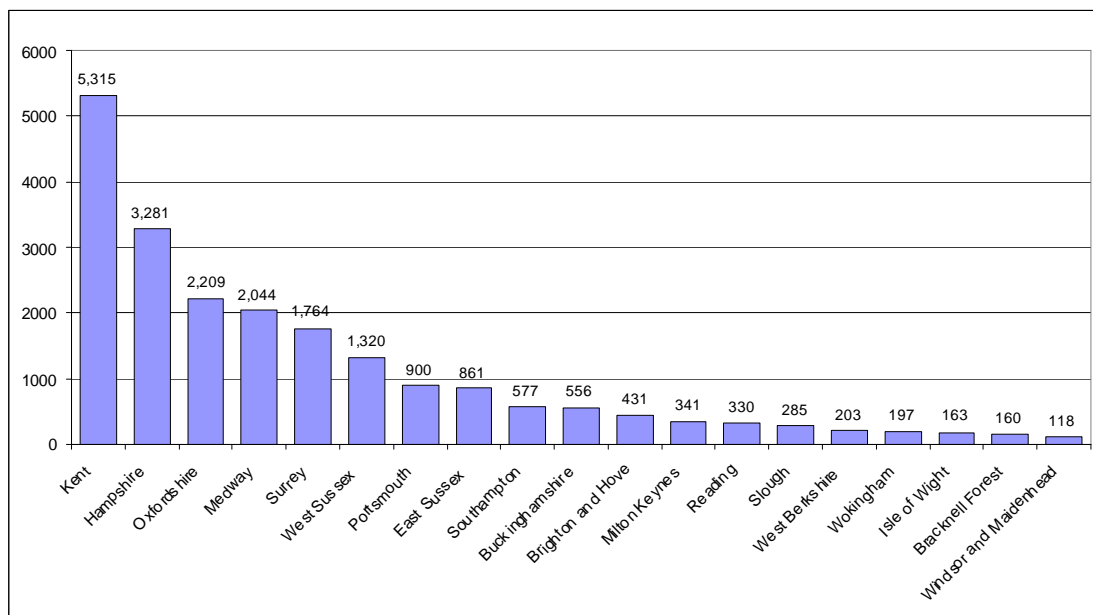
Foundation Learning Tier

3.19 The Foundation Learning Tier (FLT) is an England only programme of work which the Government has asked the Learning and Skills Council and Qualifications and Curriculum Authority to lead

on. The vision of the programme is to develop a more focused and strategic approach at Entry Level and Level 1 for both learners aged 14-19 and adults within the Qualifications and Credit Framework, in order to raise participation, achievement and progression amongst learners at these levels. Within FLT, Progression Pathways are the main organising structures incorporating three curriculum areas: Vocational knowledge skills & understanding; Functional skills and Personal & Social Development learning.

3.20 In 2007/08 there were more than 21,000 young people living in the South East whose highest level of study was classified as FLT, an increase of almost 100 per cent on the previous year. The number varied within the region, from 5,315 in Kent to 118 in Windsor and Maidenhead.

Figure 3.7 Number of young people whose highest level of study was classified as Foundation Learning Tier, by South East Local Authority 2006/07



Source: LSC, F05_AIMS file 2007-08

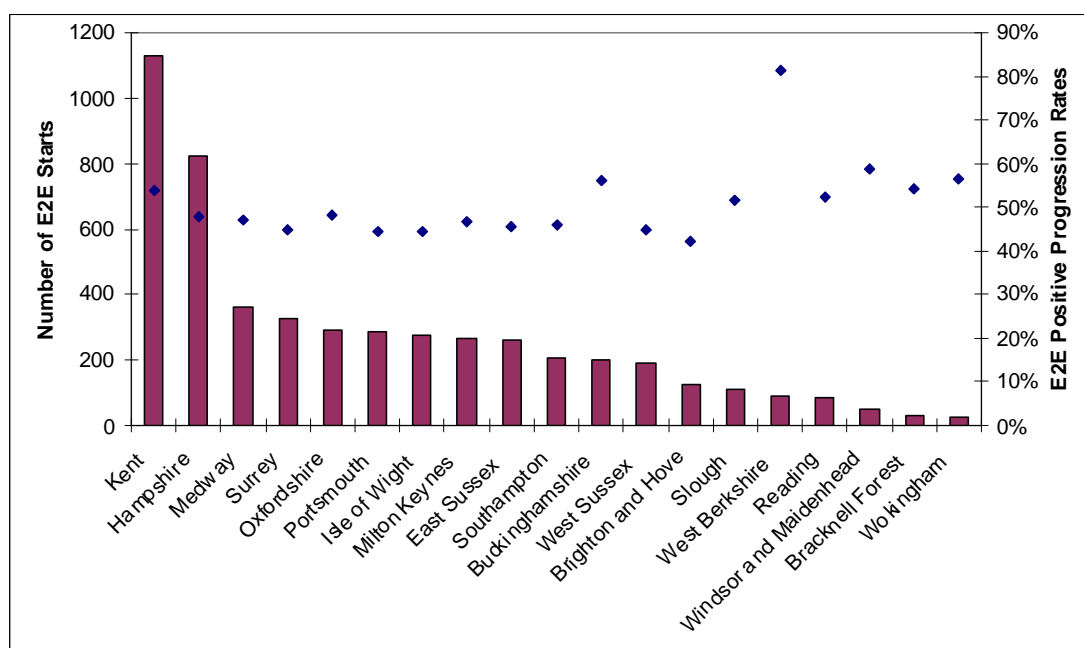
Entry to Employment

3.21 Entry to Employment (E2E) engages young people who need additional support to participate in learning and to equip them for

further learning, employment or both. E2E programmes are roll-on roll-off, therefore recruitment and progression takes place throughout the year. After the 2009/10 academic year, E2E will be merged into the Foundation Learning Tier program.

3.22 E2E progressions are driven by progression outcomes rather than by qualification, and may be varied to meet the needs of the individual. In 2007/08; 5,100 young people started on E2E programmes in the South East; 800 more starts than 2006/07. The positive progression rate for young people on E2E was 49 per cent, slightly lower than the rate in 2006/07 (50 per cent).

Figure 3.8 Number of Entry to Employment starts and positive progression rates, by South East Local Authorities, 2006/07



Source: ILR F05, 2007/08

3.23 Within the South East, Kent and Hampshire had by far the highest number of E2E starts in 2007/08 (1,100 and 800 respectively, shown in the bars in Figure 3.8). Between them, these two LAs accounted for more than a third of all the E2E starts in the region. In contrast, Windsor and Maidenhead, Wokingham and Bracknell Forest had less than 50 starts each. Kent accounted for almost half the increase in

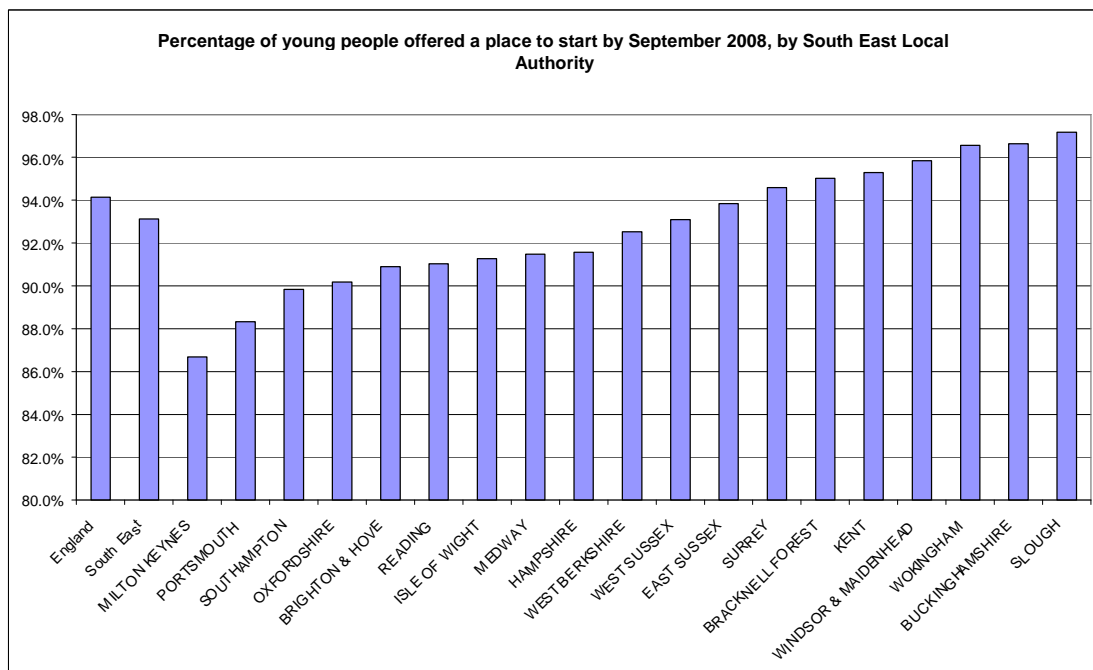
E2E starts between 2006/07 and 2007/08 (400 out of a regional increase of 800).

3.24 The highest positive progression rates (shown as blue diamonds in Figure 3.8) were in West Berkshire (81 per cent), Windsor and Maidenhead (59 per cent) and Buckinghamshire (56 per cent). In contrast, Brighton and Hove had the lowest positive progression rates (42 per cent). Positive progression rates in West Berkshire increased by 22 percentage points between 2006/07 and 2007/08, compared with a regional fall of 1 percentage point.

3.25 The LSC has been successful in improving the performance of the E2E programme in the South East and this, together with the impact of the economy on the prospects for young people, led to over performance compared to budget. However, this issue was mitigated by the additional funding announced in the Budget.

September Guarantee

Figure 3.9 Percentage of young people offered a place to start by September 2008, by South East Local Authority

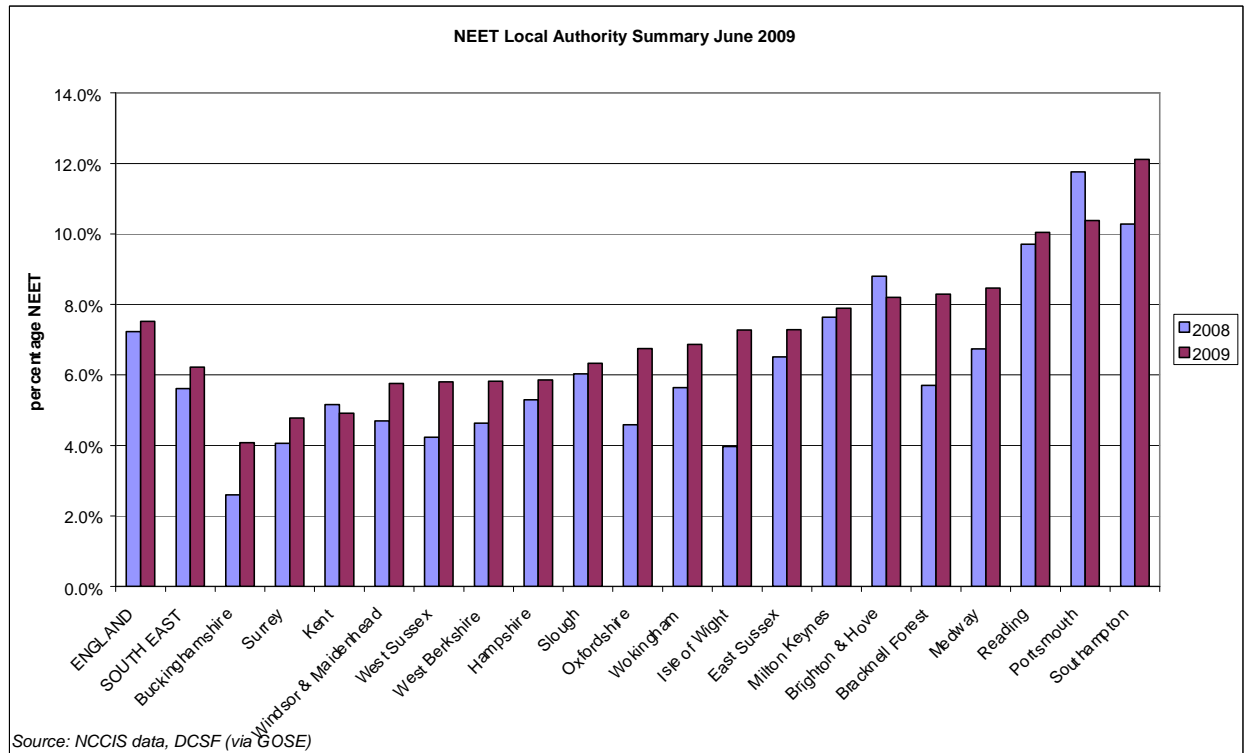


Source: Department for Children, Schools and Families, September Guarantee data

- 3.26 The September Guarantee is that, by the end of September 2007, every 16 year old who wished to stay in learning would have received an offer of a suitable place. The Guarantee has been extended to all 17 year olds in 2009. This means that all young people who reached statutory school leaving age in 2008 or 2009 are entitled to an offer under the Guarantee.
- 3.27 In the South East, 93 per cent of 16 year olds were offered a suitable place to start in learning by September 2008, compared with 94 per cent nationally. The offer rate differed across the South East, from 97.2 per cent in Slough to 86.7 per cent in Milton Keynes. Some doubts, however remain about the quality of the data reported.

NOT IN EDUCATION, EMPLOYMENT OR TRAINING (NEET)¹⁹

Figure 3.10 Proportion of 16-18 year olds who were NEET by local authority, June 2008 & 2009



Source: NCCIS data, DCSF (via GOSE)

3.28 At June 2009 there were 12,800 people between the ages of 16 and 18 in the South East classified as NEET. This gives a NEET rate of 6.2 per cent, the lowest of all the regions and below the national figure (7.5 per cent). The NEET rate in the South East has however increased by 0.6 percentage points compared with June 2008, slightly higher than the national increase (0.3 per cent).

3.29 NEET rates across the region varied from a high of 12.1 per cent in Southampton and 10.4 per cent in Portsmouth to 4.1 per cent in Buckinghamshire and 4.8 per cent in Surrey.

¹⁹ The size of the NEET group fluctuates from month to month and all comparisons used nationally compare any given month with the same month in the previous year.

3.30 16 out of the 19 local authorities saw an increase in the proportion of young people who were NEET compared with June 2008. The largest increase in the proportion of NEET was in the Isle of Wight with 3.2 percentage points and the largest decrease was in Portsmouth with 1.4 per cent. The NEET rate in Brighton and Hove decreased by 0.5 percentage points between June 2008 and 2009.

Table 3.1 16-18 year old NEET by local authority, June 2009

	June 2009			% NEET June 2008
	Adjusted EET	Adjusted NEET	% NEET June 2009	
ENGLAND	1,231,230	100,130	7.5%	7.2%
SOUTH EAST	193,020	12,800	6.2%	5.6%
Buckinghamshire	11,530	490	4.1%	2.6%
Surrey	22,190	1,110	4.8%	4.1%
Kent	37,640	1,950	4.9%	5.2%
Windsor & Maidenhead	2,920	180	5.8%	4.7%
West Sussex	15,860	980	5.8%	4.2%
West Berkshire	3,850	240	5.9%	4.6%
Hampshire	31,920	1,990	5.9%	5.3%
Slough	3,660	250	6.4%	6.0%
Oxfordshire	13,730	990	6.7%	4.6%
Wokingham	2,480	180	6.8%	5.6%
Isle of Wight	3,200	250	7.2%	4.0%
East Sussex	11,350	890	7.3%	6.5%
Milton Keynes	6,280	540	7.9%	7.6%
Brighton & Hove	5,440	490	8.3%	8.8%
Bracknell Forest	2,060	190	8.4%	5.7%
Medway	7,770	720	8.5%	6.7%
Reading	3,570	400	10.1%	9.7%
Portsmouth	3,090	360	10.4%	11.8%
Southampton	4,510	620	12.1%	10.3%

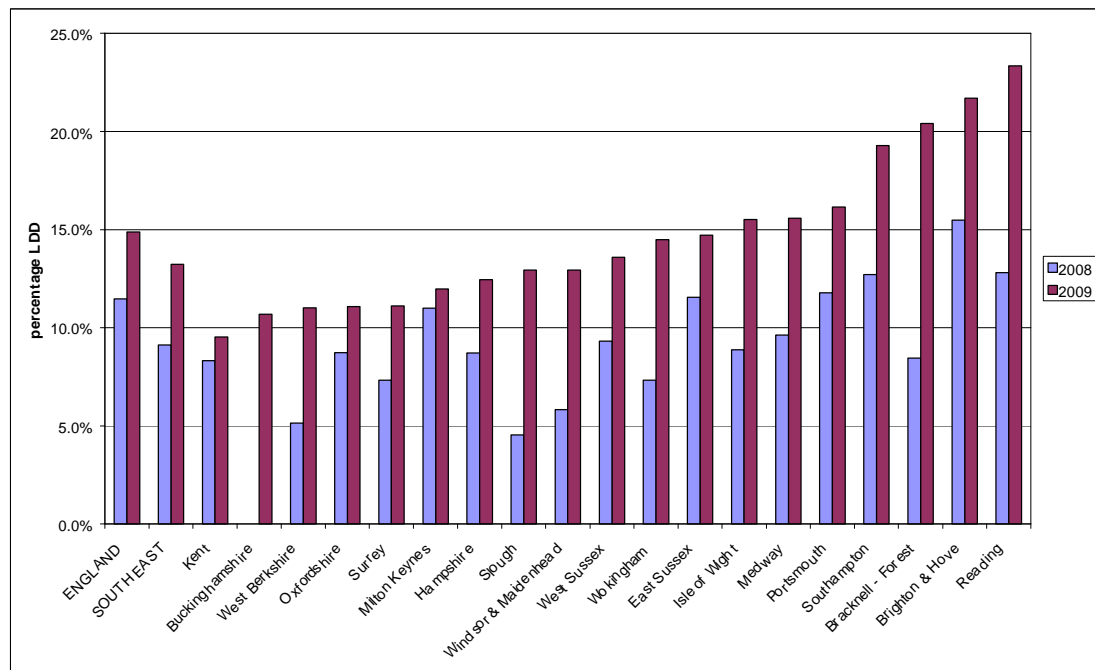
Numbers have been rounded to the nearest ten

NEET figures are adjusted by DCSF to take into account that a proportion of the young people they are unable to contact (not knowns) will be NEET

Source: DCSF (via GOSE), NCCIS data

NEETS with learning difficulties and/or disabilities

Figure 3.11 proportion of young people with learning difficulties and/or disabilities who are NEET, June 2008 & 2009



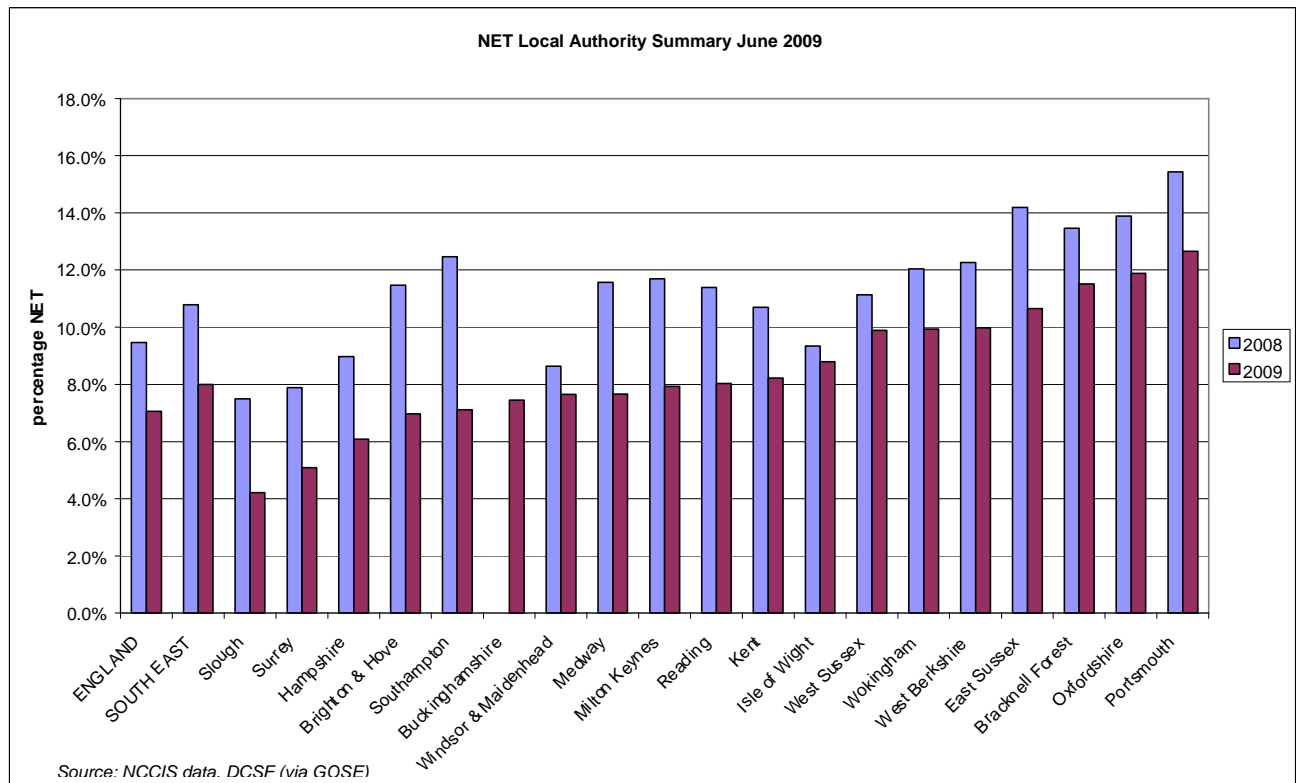
Source: DCSF (via GOSE), NCCIS data

- 3.31 In June 2009, 13.2 per cent of 16-19 year olds who have been recorded by Connexions as having a learning difficulty or disability were not in education, employment or training. This is 1.7 percentage points lower than the national rate (14.9 per cent) and the second lowest rate among the English regions. Between June 2008 and June 2009 the NEET rate among young people with learning difficulties and/or disabilities (LDD) in the South East increased by 4.1 percentage points, higher than the increase nationally (3.4 percentage points).
- 3.32 Within the South East, Reading has the highest proportion of 16-19 year olds with LDD who are NEET (23.4 per cent), followed by Brighton and Hove (21.7 per cent) and Bracknell Forest (20.4 per cent). In contrast, Kent had the lowest proportion of NEETs with LDD

(9.5 per cent) followed by Buckinghamshire (10.7 per cent) and West Berkshire (11 per cent).²⁰

Not in Education or Training (NETs)²¹

Figure 3.12 Proportion of young people not in education or training (NET), June 2008 & 2009



Source: NCCIS Data, DCSF (via GOSE)

3.33 The South East has the joint second highest proportion of young people who are in employment but Not in Education or Training (NET) out of all the regions (8.0 per cent), compared with a national NET rate of 7.1 per cent. This group are of particular importance given the

²⁰ Data for Buckinghamshire June 2008 is not available as no return was submitted that month.

²¹ The official DCSF definition for young people who are in employment but not in education or training (NETs) has been used in this report. The official definition of NETs is those who are in employment without training to NVQ Level 2 or above. Some young people who are counted as NET in this context will be in good quality locally recognised training.

raising of the participation age and may prove a target group for increasing apprenticeship provision (depending on the job requirements and the aptitude of the young person). The East of England had the highest with 8.1 per cent and the South East, South West and the East Midlands were joint second highest all with 8.0 per cent.

- 3.34 Nationally, all regions have seen a decrease in the proportion of NETs compared with the previous year. The South East NET rate has decreased by 2.8 percentage points between June 2008 to June 2009. Equally, all local authorities in the South East have seen a decrease in the proportion of NETs over the same period. Potentially reflecting the effects of the economic climate.
- 3.35 The highest NET rates in the South East are in Portsmouth and Oxfordshire with 12.7 per cent and 11.9 per cent. The NET figure continues to be lowest in Slough with 4.2 per cent.

Unknown figures

- 3.36 An issue in the South East along with other regions is the relatively high proportion of those young people within the 'Unknown' category. Hampshire local authority has the highest proportion of unknowns with 9.0 per cent. The unknown figures in Hampshire account for 37.4 per cent of all South East unknown figures.

NEET/NET Mosaic research²²

- 3.37 Mosaic is a piece of mapping software used to analyse the demographic characteristics of local areas and helps to understand the performance of different locations and target communications more effectively. The South East LSC, working with Connexions

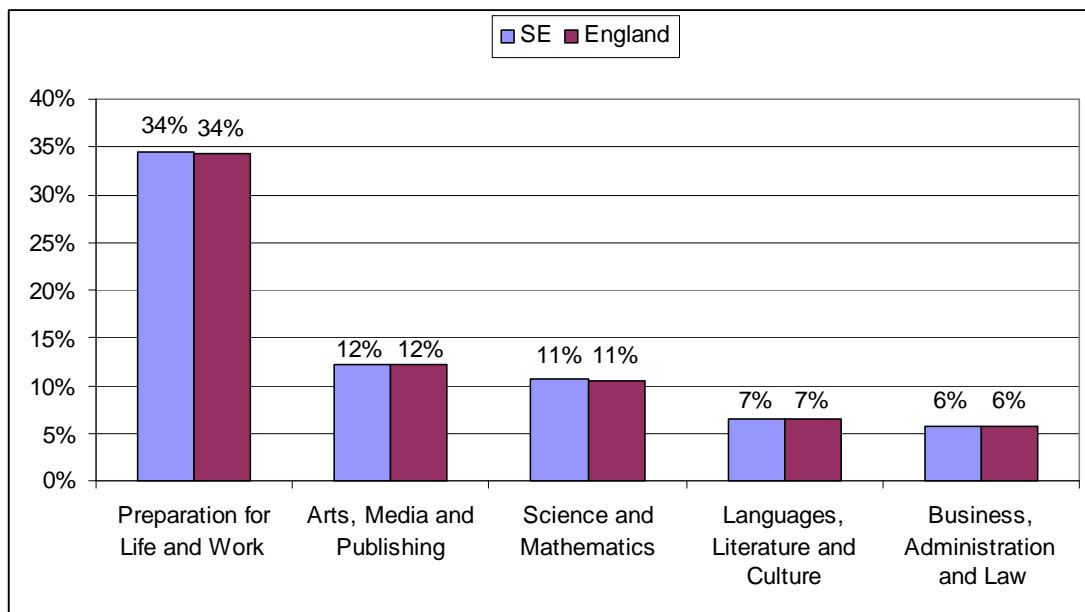
²² http://readingroom.lsc.gov.uk/lsc/SouthEast/ser-neet_and_net_final_report-re-june2009-v1-2.pdf

colleagues commissioned a series of local authority reports to provide a better understanding of young people who are NEET and NET.

- 3.38 Although the South East has relatively low proportions of NEETs, there are hotspots with high levels of NEET and NET (including areas within Reading, Medway, Brighton & Hove, East Sussex and Southampton).
- 3.39 Two groups were identified through MOSAIC as being more likely to be NEET; Upwardly mobile families living in homes brought from social landlords and Close-knit, inner city and manufacturing town communities. These groups are particularly prevalent in Milton Keynes, Slough, Thanet, Dover and East Sussex.
- 3.40 The main Mosaic groups of NET in the South East are very similar to those of NEET: Upwardly mobile families living in homes brought from social landlords; Younger families living in newer homes; and Older families living in suburbia.
- 3.41 Identifying the districts with a large share of the population in the Mosaic types likely to be NET, can help predict where targeting resources will have the most impact and effect. Key target areas in the South East include Milton Keynes, Slough, Reading, Medway, Gravesham, Swale, Thanet, Dover, Folkestone, Ashford, Hastings, Portsmouth, Southampton, Andover, Basingstoke and clusters along the Sussex coast.

LSC FUNDED LEARNING

Figure 3.13 Top sector subject areas in FE, England and South East, 2006/07



Source: Further Education Individual Learner Record, 2007/08

3.42 There were more than 410,000 learning aims²³ undertaken by young people in FE across the South East in 2007/08. Around a third of these (34 per cent) were in the Preparation for Life and Work area, the same as the proportion nationally. The proportion of aims undertaken in the top 5 sector subject areas in the South East are the same as those undertaken nationally.

3.43 The mix of FE provision differed within the South East²⁴, for instance:

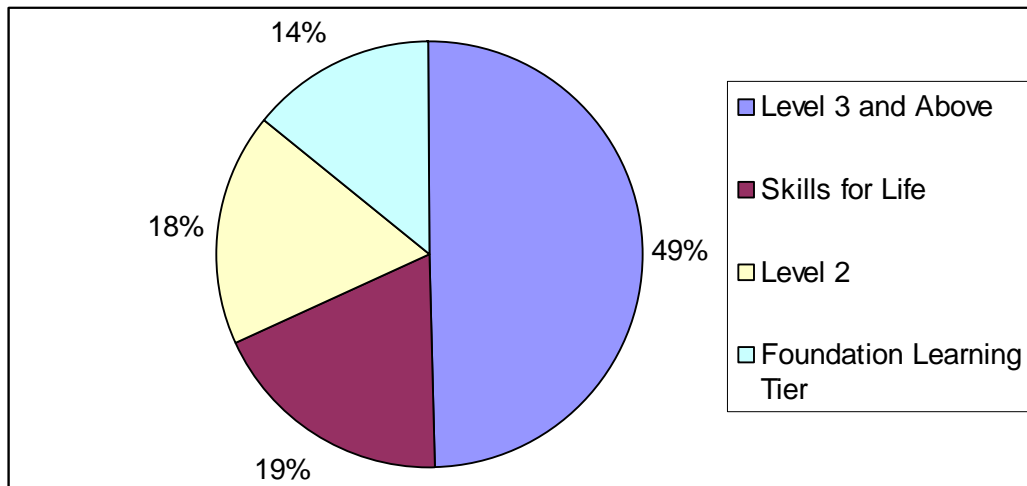
- More than three-quarters of learning aims undertaken in FE providers based in Reading were in Preparation for Life and Work (77 per cent), compared with 21 per cent in East Sussex and 34 per cent regionally.

²³ A learning aim is an individual qualification/study path, a learner may study one learning aim or numerous learning aims as part of their course. For example an A Level in Maths would be one learning aim, a learner could be studying 3 A levels as their complete course.

²⁴ The data is based on the main address of the provider and not by learner residence.

- 32 per cent of aims in Windsor and Maidenhead were in Agriculture, Horticulture and Animal Care (compared with 2 per cent across the South East). This is because this area is home to a specialist agriculture college.
- 16 per cent of aims in Windsor and Maidenhead and 15 per cent in Portsmouth were in the Health, Public Services and Care sector, three times the rate for the region (5 per cent).

Figure 3.14 Learning aims/Enrolments undertaken in FE by qualification level, South East, 2007/08



Source: Further Education Individual Learner Record, 2007/087

3.44 Provision at Level 3 and above accounted for just under half (49 per cent) of provision in the South East, exactly matching the proportion nationally. Skills for Life provision accounted for just under a fifth of provision (19 per cent), as did Level 2 (18 per cent). These also matched the proportions nationally.

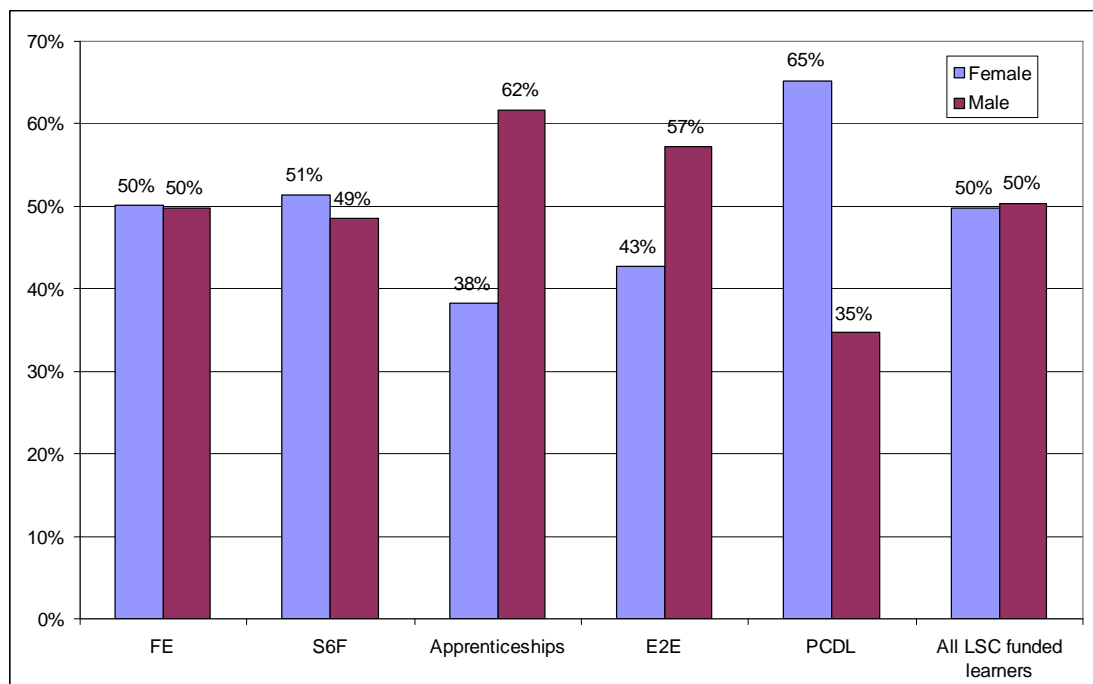
Learner Demographics

Gender

3.45 Overall, there were slightly more men than women on LSC funded programmes in 2007/08; however there were relatively large gender differences by programme types:

- 62 per cent of apprentices were male
- 65 per cent of young people on Personal and Community Development Learning (PCDL) courses were female
- 57 per cent of young people on Entry to Employment courses were male.

Figure 3.15 Young people on LSC funded programmes by gender, South East, 2007/08



Source: LSC, FE, PCDL and WBL Full Year ILR Returns, School Census

Ethnicity

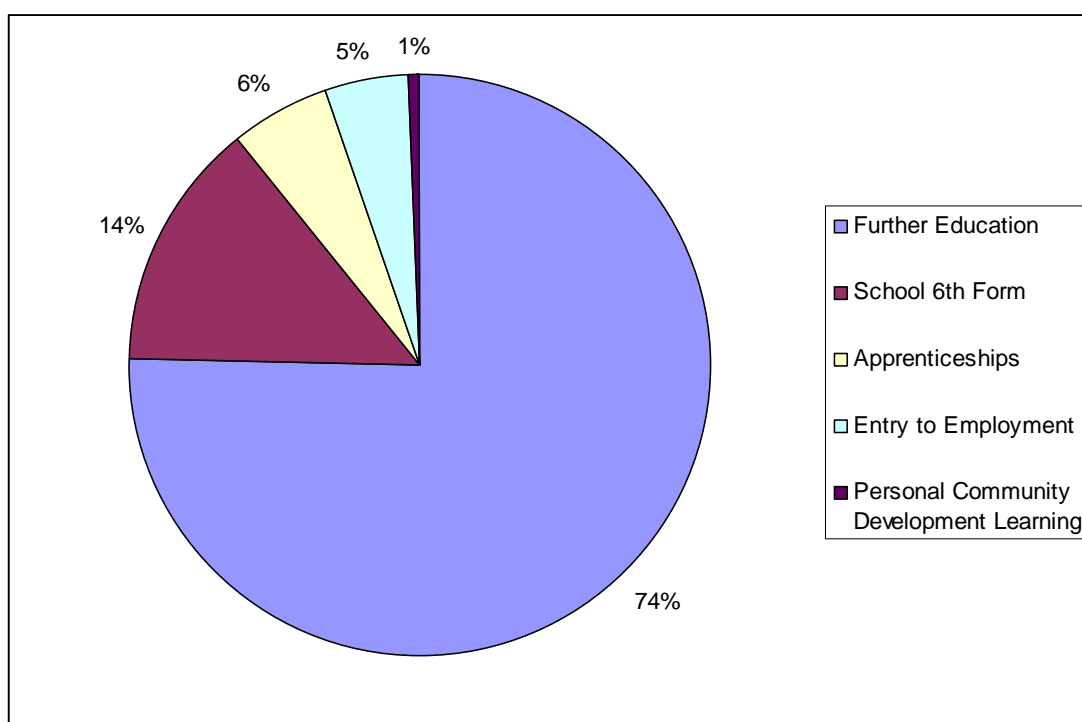
3.46 Just under 9 out of 10 LSC funded learners in the South East were White British (87 per cent). The next largest group of young learners

were from the Mixed group (2.4 per cent), followed by Other White group (2.1 per cent).

3.47 The proportion of young people from different ethnic groups undertaking certain types of provision differs. For instance, 91 per cent of young White British people on LSC funded provision are in either FE or School Sixth Form, compared with 99 per cent of young Chinese people and 97 per cent of young Black and Asian people. Learners from the White British group are more than twice as likely to be on Apprenticeships as young learners from most other ethnic groups.

Learners with learning difficulties and/or disabilities

Figure 3.16 LLDD by provision type, 2007/08



Source: LSC, FE, PCDL and WBL Full Year ILR Returns, School Census

3.48 In 2007/08, just over 29,500 LSC funded learners aged 16-18 were self declared as having learning difficulties and/or disabilities (LLDD), 15 per cent of learners in this age group. Around three-quarters of

learners with LLDD were in FE (74 per cent), a further 14 per cent were in School Sixth Form and 6 per cent in Apprenticeships. For the academic year 2008/09, there were 473 LLDD resident in the South East attending independent specialist providers (ISP). Spending on LLDD in ISPs in 2008/09 was £26,749,000 an increase of 5.6 per cent compared with 2007/08 (£25,328,000).

LLDD Providers in the South East

- 3.49 There are nine Independent Specialist Providers (ISP) in the LSC SE Region; all are national as well as regional providers. ISPs are funded by the LSC to provide for young people with learning difficulties and/or disabilities who require high levels of support which can not be accessed locally.
- 3.50 Although there is a broad spectrum, most learners are at the severe end of need and frequently require specialist resources to access their learning. Most learners progress from a variety of pre-16 providers including both special schools and local mainstream schools, and consequently have had a vast range of prior experience. Some learners do not progress to ISPs funded by LSC until 18 or 19 years of age following the cessation of their SEN Statement.
- 3.51 There are 578 places available in ISPs across the South East region, of these; 86 per cent are funded by the LSC. For the LSC funded places; 82 per cent are residential placements and 18 per cent are day placements. They are mostly fulltime placements and normally 2 to 3 years in duration. Learners come from home areas across the South East and London as well as further a field.
- 3.52 Of these ISPs placements in the SE Region 46% of learners come from home areas with the region. A further 33% of learners are from Greater London. And 20% are from other LSC regions.

3.53 A research report was undertaken in 2007 by the South East to investigate the numbers and the needs of LLDD.²⁵ The greatest growth is predicted to be in pupils with autistic spectrum disorders. Although the numbers predicted are relatively small, the LSC will need to ensure that capacity is increased to meet future demand for these highly vulnerable learners.

Offender Learning

3.54 During 2007/08, there were 1,600 learners in 3 young offender institutions in the South East. Almost all the learners (95 per cent) were men, and 29 per cent considered themselves to have a learning difficulty, disability or health problem. More than half (55 per cent) of the young offenders on LSC funded training were White British and a just under a third (30 per cent) were Black.

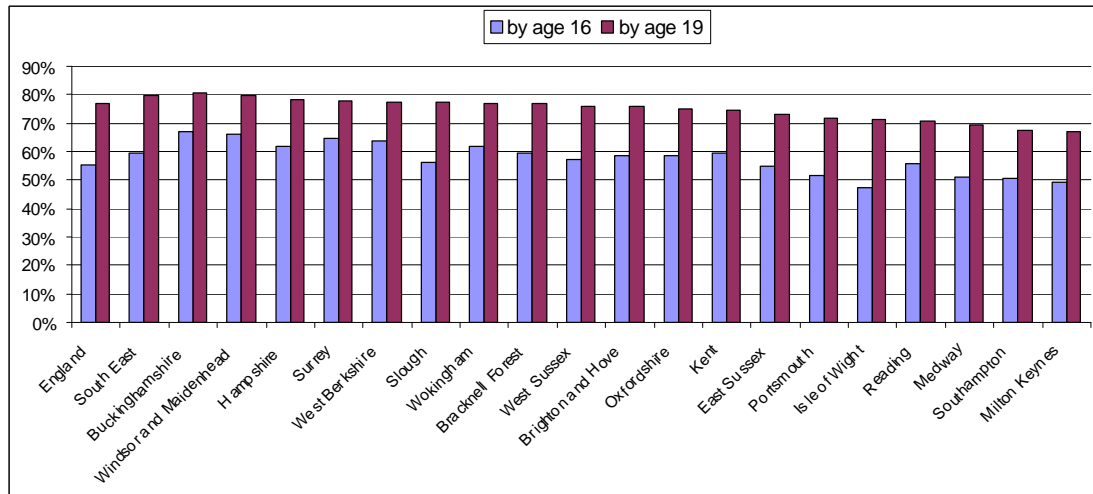
3.55 Just over a third of the learning aims undertaken in the young offender institutions (37 per cent) were on entry level courses, with a further 43 per cent on Level 1 and 18 per cent on Level 2 courses.

²⁵ Munoz, S. Owusu, S. Faraday S. Hewiston, C. 2007 *Scoping the future: Series of five reports on SEN and learners with LDD* LSC

16-18 ACHIEVEMENT AND SUCCESS

Level 2 achievement

Figure 3.17 Proportion achieving Level 2 at aged 16 and 19, by South East Local Authority and England, 2007/08



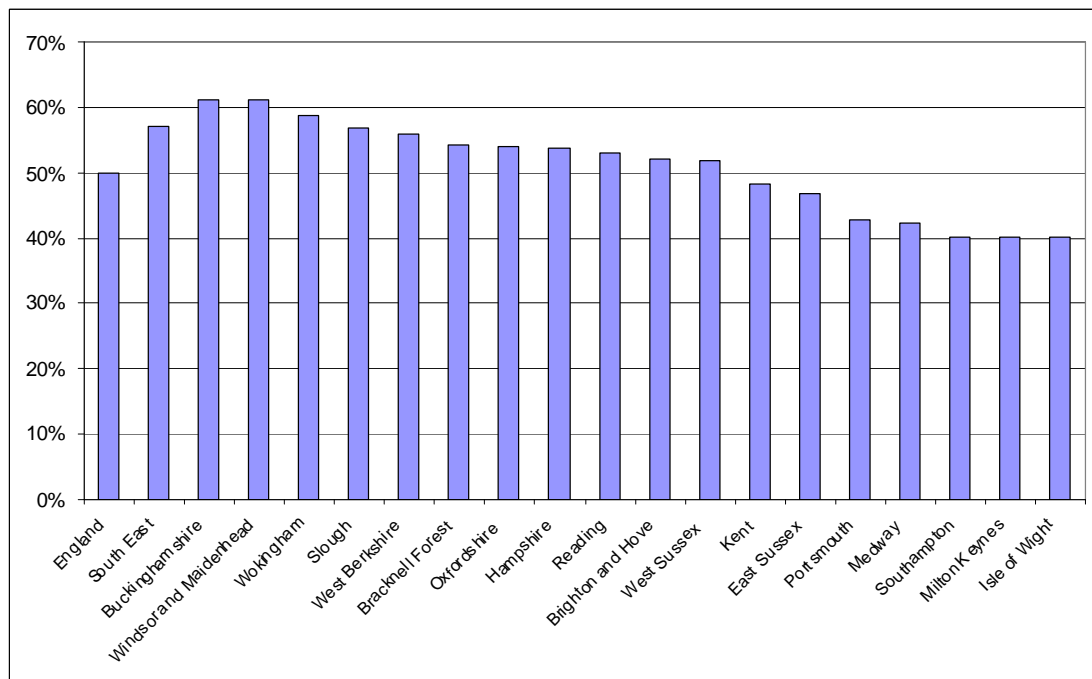
Source: FFT matched administrative dataset 2007/08

3.56 The proportion of 16 year olds reaching the Level 2 threshold in the South East is 59 per cent in 2007/08, higher than the national rate (55 per cent). The proportion of this group achieving this level varied across the South East, from 66 per cent in Windsor and Maidenhead to 47 per cent on the Isle of Wight.

3.57 PSA targets commit the LSC to increasing the number of young people who gain qualifications at Level 2 and Level 3 or above by age 19. In 2007/08, 80 per cent of people aged 19 were qualified to Level 2 or above, 3 percentage points higher than the proportion for England (77 per cent). This is the highest rate among all the English regions. Across the region, attainment rates varied, from 81 per cent in Buckinghamshire and 80 per cent in Windsor and Maidenhead, to 67 per cent in Southampton and Milton Keynes. There were 11 Local Authorities across the South East where the Level 2 at aged 19 achievement rate was below the national rate.

Level 3 achievement

Figure 3.18 Full Level 3 achievement by age 19, by South East Local Authorities, 06/07

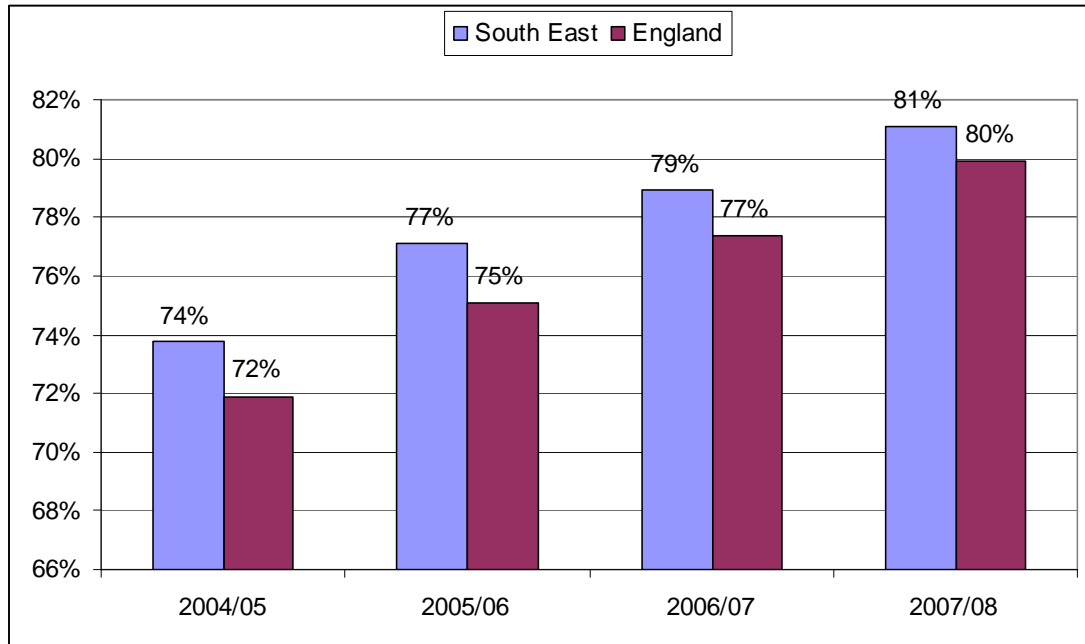


Source: Fisher Family Trust, matched administrative dataset, 2007/08

3.58 The South East region also had the highest proportion of young people qualified to Level 3 and above by age 19; 57 per cent compared with 50 per cent for England. As with Level 2 attainment, there were sub regional differences in attainment rates, from 61 per cent of 19 year olds in both Buckinghamshire and Windsor and Maidenhead to 40 per cent in Milton Keynes, Southampton and Isle of Wight. There were 7 Local Authorities across the South East where the Level 3 at aged 19 achievement rate was below the national rate.

Further Education success rates

Figure 3.19 Success rates of young people in Further Education, South East and England, 2004/05 to 2007/08

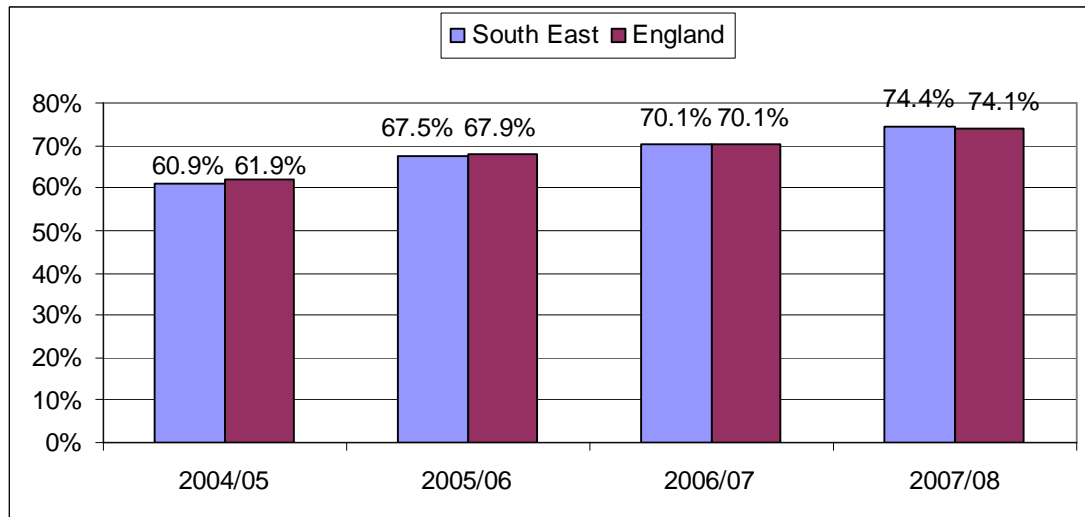


Source: FE ILR F05 2004/05 to 2007/08

- 3.59 Provider based FE success rates in the South East have continued to rise, from 74 per cent in 2004/05 to 81 per cent in 2007/08. The South East rate was 1 percentage point higher than the national rate.
- 3.60 Success rates for FE in 2007/08 differed by the length of course, 86 per cent for short courses (24 weeks or less) compared to 81 per cent for long courses. In both cases, the success rates in the South East were 2 percentage points higher than the national rates.

Level 2 and Level 3 success rates in FE

Figure 3.20 Young people in FE: Full Level 2 success rates, South East and England, 2004/05 to 2007/08

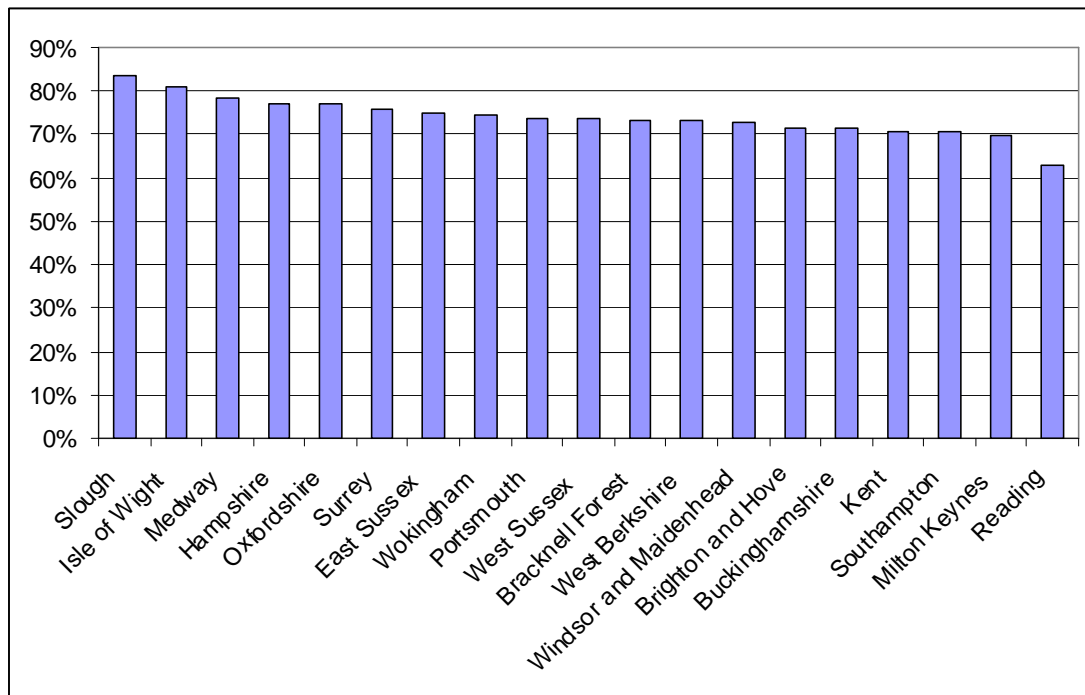


Based on South East providers.

Source :LSC, ILR, FE F05 04/05 to 2007/08

3.61 In 2007/08 full Level 2 success rates in FE for young people for providers in the South East were 74.4 per cent, slightly higher than the national rate (74.1 per cent). Success rates have increased by 13.5 percentage points in the South East since 2004/05, slightly higher than the national increase (12.1 percentage points).

Figure 3.21 Young people in FE: Full Level 2 success rates by Local Authority, 2007/08

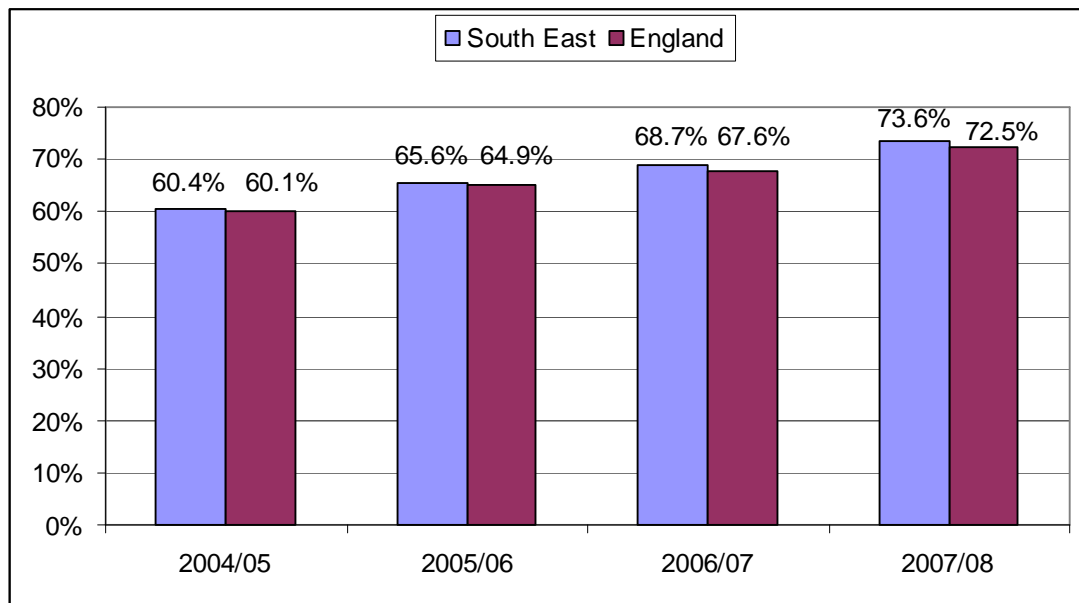


Based on learner residence

Source: LSC, Individual Learner Record, 2007/08

3.62 Full FE Level 2 success rates differed across the region, the highest rate was among young FE students living in Slough and the Isle of Wight (84 per cent and 81 per cent respectively), compared with 63 per cent in Reading. Level 2 success rates increased by 14 percentage points in Medway between 2006/07 and 2007/08, the highest increase in the South East. In contrast, equivalent success rates declined by - 4 percentage points in Portsmouth and - 2 percentage points in Bracknell Forest.

Figure 3.22 Young people in FE: Full Level 3 success rates, South East and England, 2004/05 to 2007/08

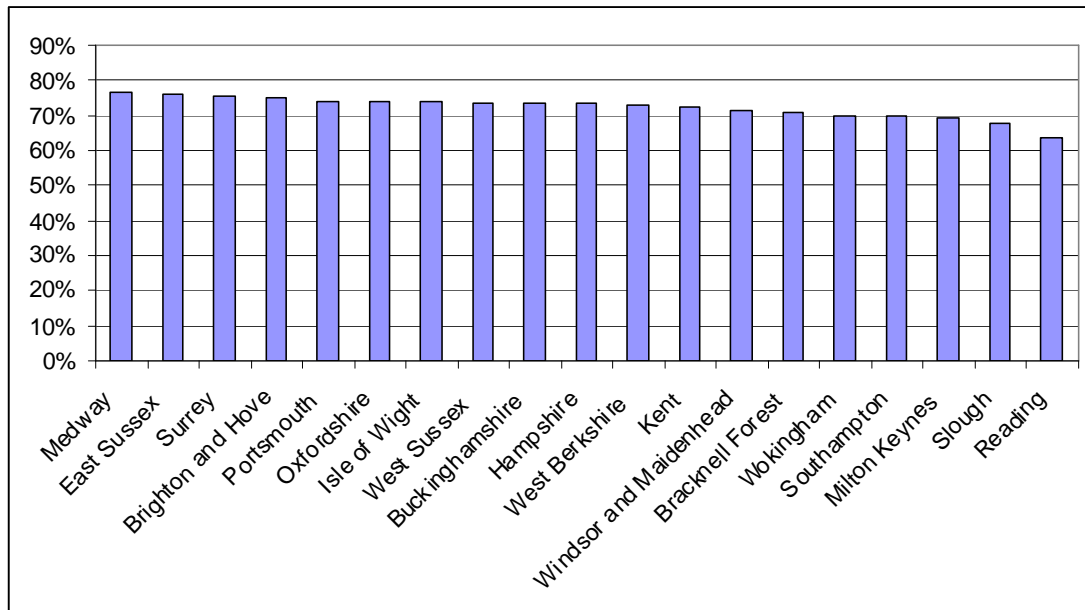


Based on South East providers.

Source :LSC, ILR, FE F05 04/05 to 2007/08

3.63 Success rates for full Level 3 aims taken by young people in FE providers in the South East in 2007/08 were slightly higher than the national rate (73.6 per cent per cent compared to 72.5 per cent). Success rates are increasing both nationally and regionally, by 13.2 percentage points for the South East and 12.4 percentage points for England.

Figure 3.23 Young people in FE: Full Level 2 success rates by Local Authority, 2007/08



Based on learner residence

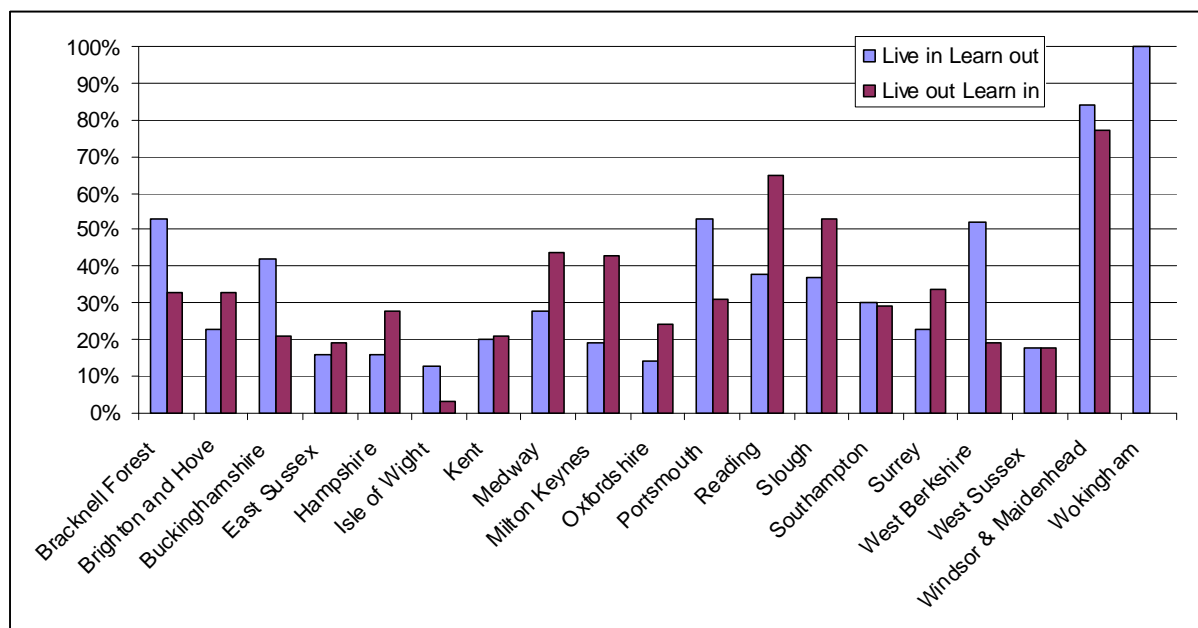
Source: LSC, Individual Learner Record, 2007/08

3.64 As with Full Level 2, the rates differed across the region. The highest Full Level 3 success rates were among young FE students living in Medway and East Sussex (76 per cent). In contrast, the lowest were in Reading (63 per cent). FE Level 3 success rates continue to increase across almost all local authorities compared with the previous year. Residents in Berkshire saw the largest increase compared with the previous year (11 percentage points). In contrast, Level 3 success rates for 2007/08 declined for residents of the Isle of Wight and Slough (-3 percentage points and -2 percentage points respectively) compared with 2006/07.

Travel to learn

3.65 Figure 3.24 provides information on the travel to learn patterns of 16-18 year old learners in Further Education. It has been used to help inform the development of Local Authority sub-regional groupings, as outlined as part of the Machinery of Government changes.

Figure 3.24 Young people in FE travelling out of their home LA to study and those coming into an LA, by local authority, 2007/08



Source: Individual Learner Record, 2007/08 F05

3.66 There is a wide variation in the proportion of young FE students who study outside of their home LA. More than half of FE students living in Bracknell Forest, West Berkshire and Portsmouth were travelling outside the area to study. In Bracknell forest, just over a quarter (28%) of young FE students were studying in Hampshire; in West Berkshire the largest cohort were travelling to Reading (23%) and in Portsmouth almost all those travelling outside the area were attending providers in Hampshire (51% of all FE students).

3.67 In Wokingham 100% of FE learners study outside their area as there are no FE providers. Similarly, Windsor and Maidenhead have a high proportion of students learning outside their area (and conversely, a

high proportion coming into the area to study), this is because the specialist college, Berkshire College of Agriculture, is the only FE provider in the area.

- 3.68 The Isle of Wight has the fewest young FE students travelling out of and into the area. 13 per cent of FE students living on the Isle of Wight study elsewhere, mostly in Hampshire. Only 2 per cent of FE students studying on the island are from elsewhere.

Sector Subject Area

- 3.69 In all local authorities, the largest proportion of students who are travelling out of their home area are undertaking Preparation for Life and Work study aims²⁶. Across the region this varied from over half the students travelling outside of Kent (52 per cent) to 14 per cent travelling outside Reading. Other sector subject areas that show a relatively high proportion of students studying outside their home LA are Arts, Media and Publishing (in 11 areas, more than 1 in 10 learners travelling outside of their home LA were undertaking a learning aim in this subject) and Science and Mathematics (in 7 areas, 1 in 10 learners or more travelling outside of their home LA were undertaking a learning aim in this subject).
- 3.70 Analysis shows that, with the exception of preparation for life and work courses and, to a lesser extent, Arts Media and Publishing, there is little consistency across the local authorities in terms of what learners travelling outside of their local authority are studying.

²⁶ **For example:** Literacy/Numeracy, Key Skills (Application of Number; Communication; Improving own learning and Performance; Information Technology; Problem Solving; Working with Others); Learning Skills; Life Skills; Personal Development; Assertiveness; Citizenship; Critical Thinking; Negotiation Skills; Team Working

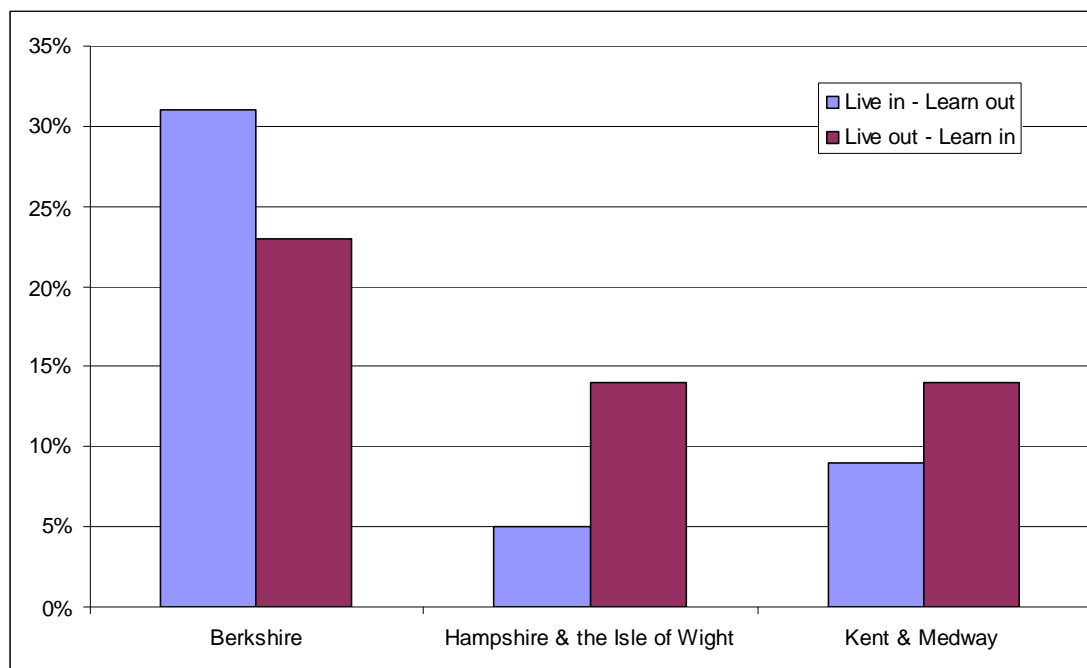
NVQ Level

3.71 In most local authorities, the largest proportion of learning aims being studied outside the learners home LA were at Level 3 (this ranged from 51 per cent in West Sussex to 31 per cent in Hampshire). However, in Kent and Medway the largest proportion of learning aims were studied at Level 1 (42 per cent and 47 per cent respectively) and in Milton Keynes and Oxfordshire the largest proportion were at Level 2 (34 per cent and 33 per cent respectively).

Sub Regional Grouping (Multi-LA)²⁷

3.72 On the whole there is less movement across the multi LA sub regional groupings than across LAs, this is to be expected given the size of the multi LA - SRGs.

Figure 3.25 Young people in FE travelling out of their home SRG to study and those coming into a multi LA Sub-Regional Group, by South East SRG, 2007/08



Source: LSC, Individual Learner Record, F05, 2007/08

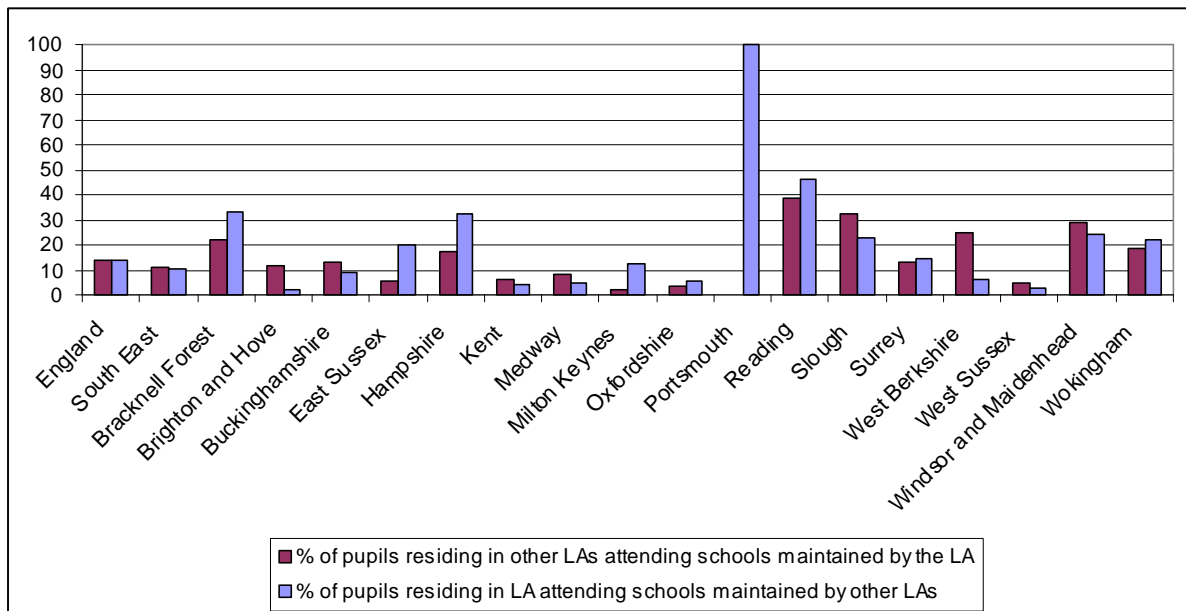
²⁷ The analysis looks at those SRGs containing multiple LAs.

3.73 The Berkshire sub-regional group has the largest movement of young people in FE across multi LA-SRG areas. Just under a third (31%) of young people in FE living in Berkshire are learning outside of the area, the largest group are travelling to Hampshire and Oxfordshire providers (11% and 8% respectively). For Berkshire residents travelling to Hampshire based providers, 40% were living in the Bracknell Forest area. In contrast, only 5% of young people in FE living in the Hampshire and IOW sub regional group are learning outside the area.

3.74 As well as having relatively large proportions of their resident learners travelling outside the area, Berkshire also has the largest proportion of learners coming into their area to study. In Berkshire, the largest number of students are coming from Buckinghamshire (7%) and Hillingdon (6%).

School Sixth Form

Figure 3.26 Travel to learn summary for School Sixth Form pupils, January 2008



Note: No data is available for Southampton and the Isle of Wight. Portsmouth has no School Sixth Form (SSF) provision therefore all resident SSF pupils are attending SSFs outside the area.

Source: Department of Children, Schools and Families, Statistical First Release, 09/2008

- 3.75 Just over 1 in 10 (10.7 per cent) of School Sixth Form (SSF) students studying in the South East lived outside the region. Around the same proportion (10.3 per cent) of SSF students living in the South East were studying outside the region.
- 3.76 The proportion of SSF students coming into an LA to study differed across the South East, for instance, just under 4 in 10 pupils (39 per cent) attending SSFs in Reading were living outside the area, the highest proportion across the South East Local Authorities, followed by 32 per cent in Slough and 29 per cent Windsor and Maidenhead.
- 3.77 In terms of pupil numbers, Kent has the largest number of resident pupils attending SSFs maintained by other Local Authorities (1,100), followed by Buckinghamshire (1000) and Surrey (800). As well as having a large number of SSF pupils studying outside the area, Surrey also has the largest number of pupils coming into the area to study in its SSFs (900).

Diplomas

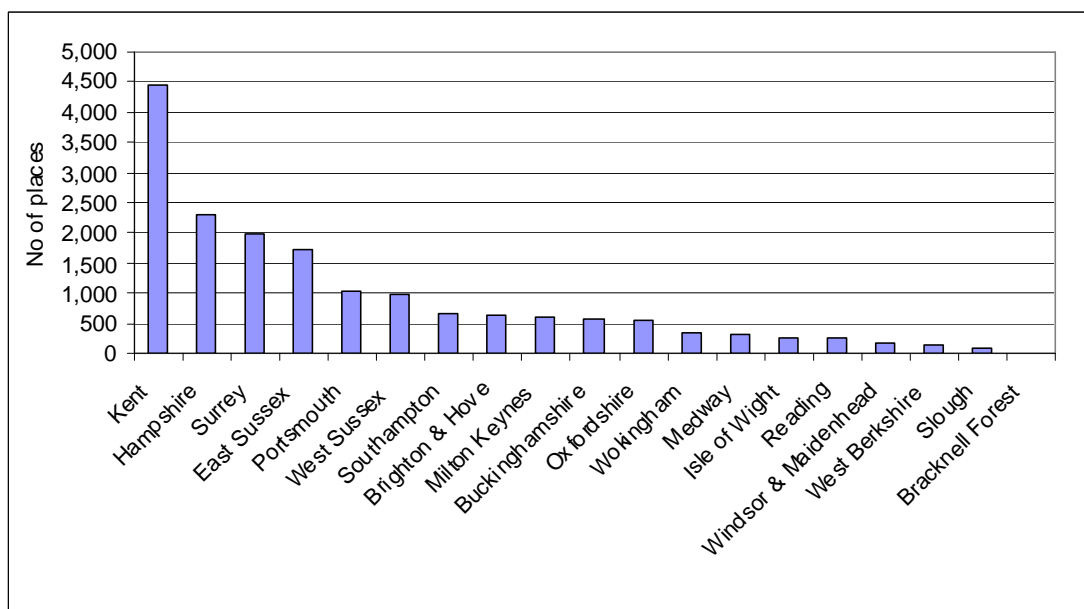
- 3.78 Diplomas will be available for 14 to 19 year olds in schools and colleges by 2013. They will combine theoretical learning with practical experience in order to develop skills highly valued by employers and universities. The aim is to encourage young people to continue in learning for longer. The courses contain teaching about the functional skills of English, Maths and ICT, as well as the specialist knowledge of each diploma line and at least 10 days of work experience.

Diplomas to start September 2009

- 3.79 The number of places to be offered in September 2009 in the South East will increase to 17,077 and will also include diplomas in: Business, Administration and Finance; Hair & Beauty; Hospitality;

Environmental and Land-Based Studies; Manufacturing; and Society, Health and Development.

Figure 3.27 14-19 Diploma places with a September 2009 start, by Local Authority of consortia

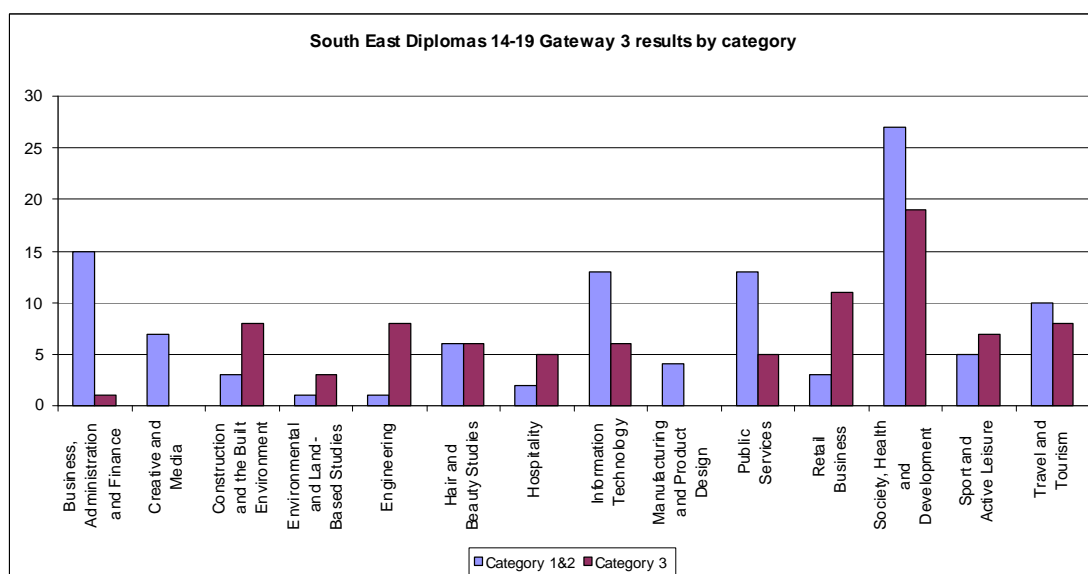


Source: Department of Children, Schools and Families: http://www.dcsf.gov.uk/14-19/documents/g2_se_grid.doc

3.80 Figure 3.27 shows that Kent Local Authority has by far the highest number of 14-19 diploma places (almost 4,500) in the South East that have been approved to start in September 2009, followed by Hampshire (2,300 places) and Surrey (nearly 2,000 places). Conversely Bracknell Forest has no places as it has no diplomas starting in September 2009 and Slough Local Authority only has 80 places.

Diplomas to start September 2010

Figure 3.28 Diplomas in Gateway 3 by subject and category²⁸ for the South East

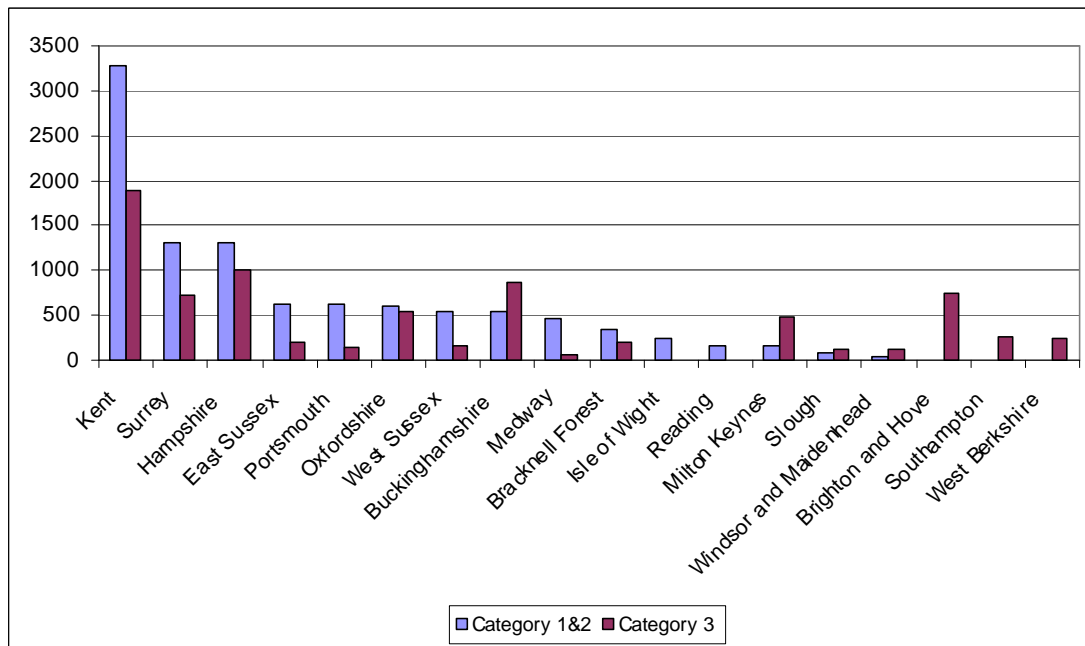


Source: Department of Children, Schools and Families : <http://www.dcsf.gov.uk/14-19/documents/gateway3%5Fsouth%5Ffeast.pdf>

3.81 In addition to diplomas approved under previously agreed Gateways 1 and 2 (to start in September 2008, 2009 and 2010) the South East region has the highest number of diplomas approved for Gateway 3 (110 diplomas approved which equates to nearly 10,500 places for learners). A further 87 diplomas have been approved subject to conditions being met within the defined timeline, which would equate to a further 7,800 places. The highest number of diplomas and places that have been approved under Gateway 3 are in the Sport and Active Leisure, Business, Administration and Finance and IT diploma lines. Environmental and Land-Based Studies and IT have the lowest number of diplomas and places.

²⁸ This includes diplomas that have been approved to start in September 2010 with no conditions (Gateway 3 category 1) or recommended for delivery with conditions that will need to be met within three months (Gateway 3 category 2). It also includes diplomas that were recommended for delivery with conditions that will need to be met within specified timeline (Gateway 3 category 3).

Figure 3.29 Diplomas by categories and number of places by LA



Source: Department of Children, Schools and Families : <http://www.dcsf.gov.uk/14-19/documents/gateway3%5Fsouth%5Ffeast.pdf>

3.82 Under Gateway 3, Kent local authority has by far the highest number of 14-19 diploma places (nearly 3,270 in categories 1 and 2 with just over 1,890 to follow, if conditions are met in the stated timeline) in the South East. This is followed by Hampshire (about 1,300 places with 1,000 to follow) and Surrey (nearly 1,310 places with 730 to follow). Conversely Wokingham has no places and Windsor and Maidenhead local authority has less than 160 places across all three categories.

3.83 These diplomas and places are in addition to the Gateway 1 and Gateway 2 diplomas that are due to start in September 2008, 2009 and 2010.

4.0 APPRENTICESHIPS

4.1 Apprenticeships provide work-based training to young people and adults who want to learn new skills and gain qualifications while working and have been an integral part of the UK educational system, in various forms, for a significant period of time. The contemporary apprenticeship system is aimed at addressing the shortage of intermediate vocational skills that exists in the UK compared to a number of European countries.

Recent apprenticeship policy and legislation

4.2 The commitment by government to significantly expand the Apprenticeship programme was expressed in its Apprenticeship strategy, *World-class Apprenticeships: Unlocking Talent, Building Skills for All*, published by the Department for Innovation, Universities and Skills (DIUS) in January 2008.

4.3 The strategy recognises that Apprenticeships will be crucial in supporting the raising of the compulsory participation age in education and training to 18 by 2015, and sets out an entitlement for all suitably qualified young people to an Apprenticeship place by 2013. To be able to deliver on this entitlement, the number of apprenticeship places will have to increase significantly. The strategy sets out the ambition to make Apprenticeships a mainstream option for post-16 learners and the aim is that by the end of the academic year 2019/2020, one in five young people will take up an apprenticeship.

4.4 In February 2009, the Apprenticeships, Skills, Children and Learning Bill was published. The bill is a major stepping stone in achieving the targets laid out in the Apprenticeship strategy, putting apprenticeships – as well as the majority of proposals in the strategy – on a statutory basis. In addition, the bill requires schools to include information on apprenticeships in all impartial careers advice.

4.5 The bill also sets out the transfer of the responsibility for commissioning and funding all education for 16-19 year olds, including apprenticeships, from the LSC to local authorities. Local authorities will pass on to the new Skills Funding Agency (SFA). NAS will have the responsibility to secure the appropriate number of places.

National Apprenticeship Service (NAS)

4.6 The government Apprenticeship strategy, *World-Class Apprenticeships: Unlocking talent, building skills for all*, set out the creation of a National Apprenticeship Service (NAS).

4.7 NAS was officially launched in April 2009 and its NAS Prospectus²⁹ was published in May 2009. NAS will operate at a national, regional and sub-regional level, and will work closely with local authorities, especially on the commissioning of apprenticeships for 16-18 year olds.

4.8 NAS will have end-to-end responsibility for the delivery of Apprenticeships, including targets, funding and the national vacancy matching service for employers (on-line Apprenticeship vacancies) and potential apprentices. NAS will also have ownership of the Apprenticeships blueprint.

Vacancy Matching Service

4.9 Interest in apprenticeships continues to grow rapidly; 6,700 16-18 year olds have registered on the online vacancy service. The total number of candidates in the South East is over 15,600. The increasing number of candidates who have not been successful in their application will have their details passed to their local Connexions service to see if they need any further help and support.

²⁹ Available from www.apprenticeships.org.uk

In the South East the total number of candidates who have gained apprenticeship starts through the system has risen to 142, which includes candidates who have been through an external recruitment process. This figure is expected to rise over the summer months.

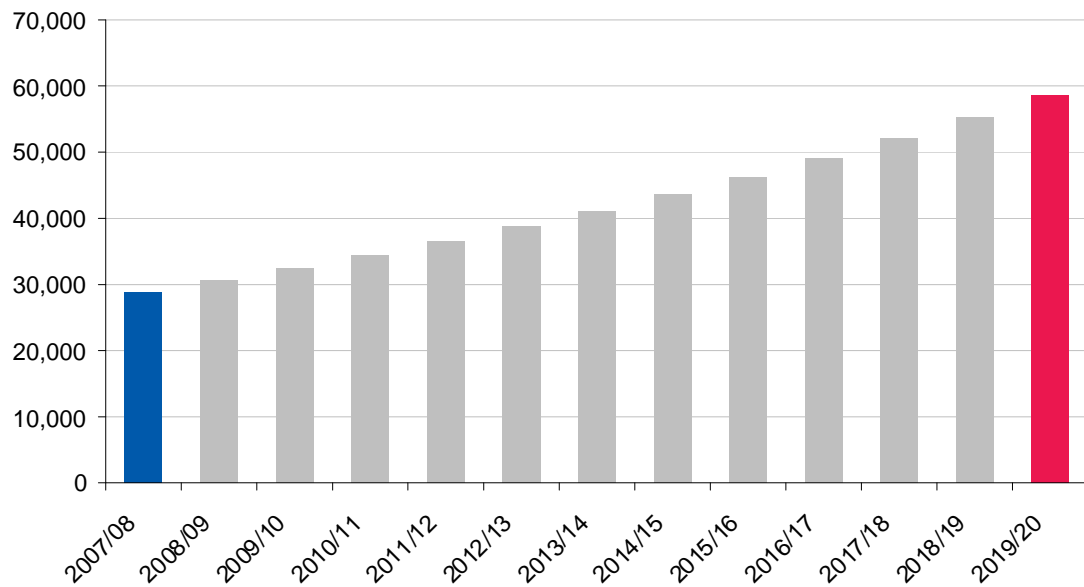
Apprenticeships in the South East

4.10 In 2007/08 there were 138 separate Apprenticeship contracts managed in the SE region, in 2008/09 there are 148. Although the increase from 138 to 148 separate contracts may not appear significant, there were in fact 28 new providers for 2008/09. This was due to a number of providers failing to renew existing contracts.

Reasons for this include:

- implementation of the LSC's MLP policy for 2007/08 contract year
- provider insolvency
- provider decision to withdraw from Apprenticeship delivery
- contract management transferred to another region
- use of open and competitive tendering to expand the provider base
- negotiated commissioning with providers who already held an LSC contract.

Figure 4.1 Trajectory to meet Government targets, South East



Source: ILR2007/08 W12, Experian.

4.11 In 2007/08, there were around 29,000 young people undertaking apprenticeships in the South East. This number needs to rise to 58,584 by 2019/20 to meet the government target of one in five of all 16-18 year olds to be enrolled on an apprenticeship before the end of the academic year in 2019/20.

4.12 This trajectory indicates that, in total, a 103 per cent increase is needed from 2007/08 figures to the 2019/20 target, which translates to a year-on-year increase of 6.1 per cent (on previous year's figures) in participation.

4.13 In absolute numbers, this translates to increases escalating from an increase of 1,754 additional apprentices in 2008/09 to 3,367 additional apprentices in 2019/20.

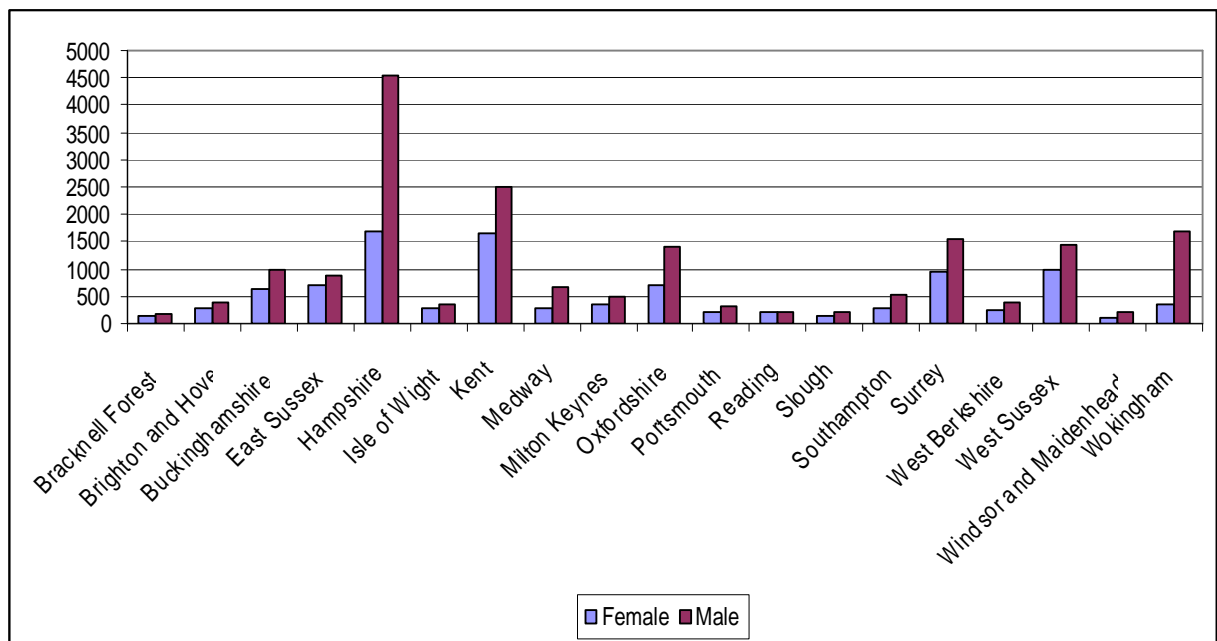
Apprenticeship Starts

4.14 In 2007/08 more than 13,700 young people living in the South East started an Apprenticeship, with more than three-quarters (78 per cent)

at Level 2 Apprenticeship and the remaining at Level 3 Advanced Apprenticeship. This is a small decline on the number starting in 2006/07 (2.2 per cent), compared with a small increase (1.8 per cent) on Apprenticeship starts nationally. However, up to Period 10 in 2008/09, there have been just over 7,300 Apprenticeship starts; 105% of the target.

4.15 In 2007/08, just over 29,000 Apprenticeships were being undertaken by 16 to 18 year olds living in the South East, 71 per cent were undertaking Apprenticeships (Level 2), with the remaining 29 per cent in Advanced Apprenticeships (Level 3).

Figure 4.2 Apprentices in the South East, by gender and home Local Authority, 2007/08



Note: Based on the residency of the learner.

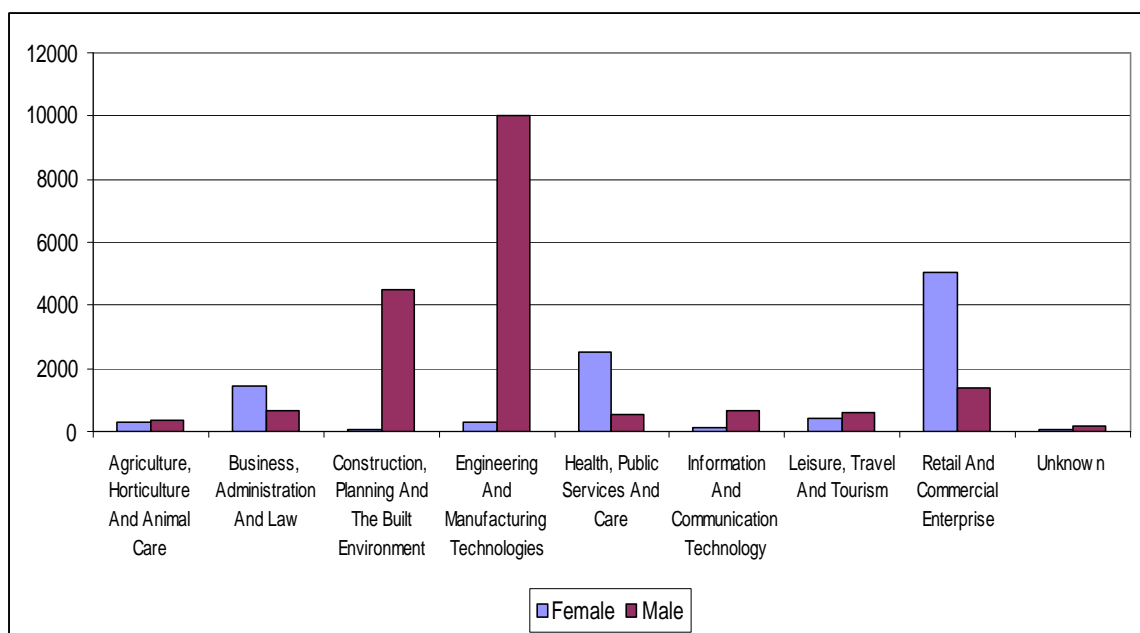
Source: ILR WBL, 2007/08 reference date 19 November 2008

Apprenticeships by gender

4.16 Hampshire had the largest number of both male and female resident apprentices (6,250 apprentices) followed by 4,144 in Kent and 2,512 in Surrey.

4.17 Most apprentices living in the South East were male (65 per cent), although the proportion differed across the region. More than 8 out of 10 apprentices living in Wokingham were male, as were just over 8 out of 10 apprentices living in Hampshire. The volume of male apprentices in Wokingham in particular, is partly affected by the amount of engineering apprentices living on army bases in the area. In contrast, more than half living Reading (53 per cent) were female.

Figure 4.3 Number of 16-18 year olds in Apprenticeships resident in the South East by sector and gender, 2007/08

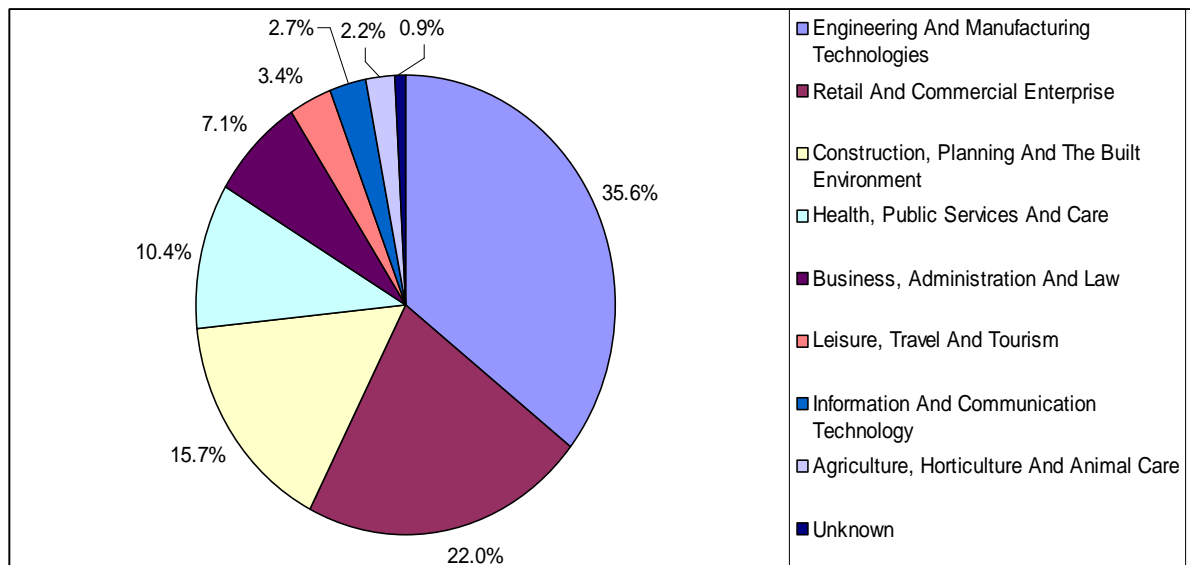


Note: Based on the residency of the learner.

Source: ILR WBL, 2007/08 reference date 19 November 2008

4.18 The sectors in which apprentices living in the South East were working differed for males and females. Apprentices in Engineering and Manufacturing Technologies and Construction, Planning and the Built Environment were almost exclusively male (fewer than 1 in 40 apprentices in these sectors were female). Whereas, in Retail and Commercial Enterprise and Health, Public Services and Care, around 8 out of 10 apprentices were female.

Figure 4.4 Young people undertaking Apprenticeships by sector, South East, 2007/08



Note: Based on the residency of the learner.

Source: ILR WBL, 2007/08 reference date 19 November 2008

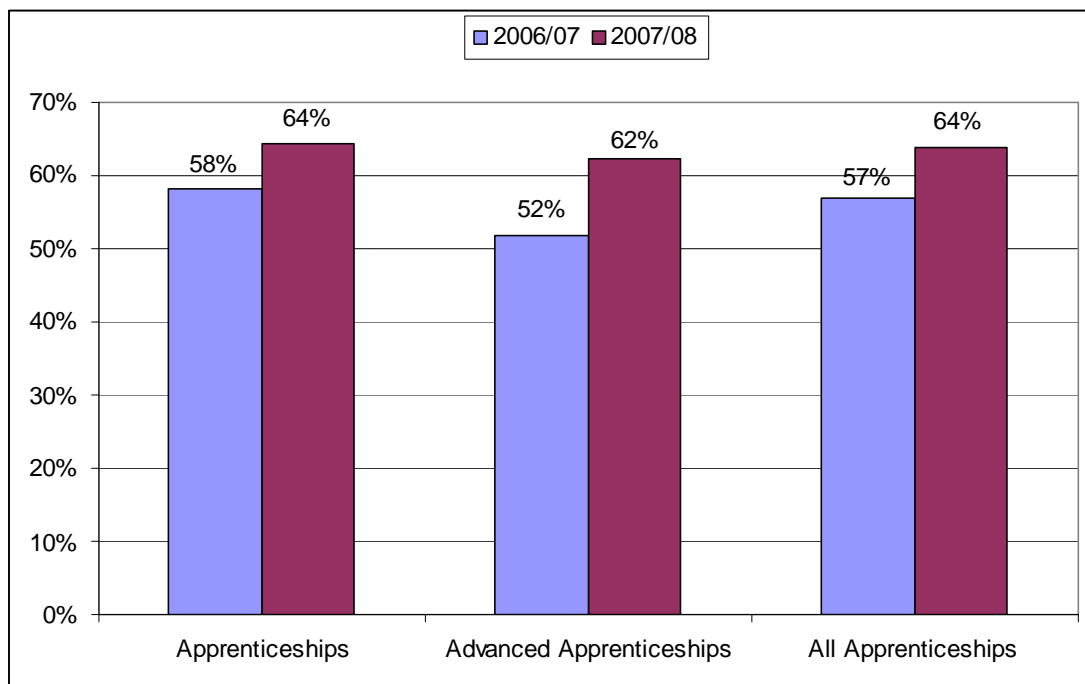
4.19 Just over a third of young apprentices living in the South East in 2007/08 were in the Engineering and Manufacturing Technologies (EMT) sector (about a quarter of South East resident EMT Apprenticeships are undertaken by young people living on Armed Forces bases in the South East). A further 22 per cent were in Retail and Commercial Enterprise (RCE) and 15.7 per cent in Construction, Planning and the Built Environment.

4.20 The distribution of 16 -18 year old apprentices differs by subject across the region:

- Nearly 80 per cent living in Wokingham are undertaking EMT Apprenticeships, compared with 36 per cent regionally. This is due to a large number of apprentices in the armed forces based in this area.
- 33 per cent resident on the Isle of Wight and 32 per cent in Windsor and Maidenhead undertake Retail and Commercial Enterprise Apprenticeships, compared with 22 per cent regionally.

- Nearly 30 per cent of 16-18 year old apprentices living in Reading undertake their Apprenticeship in Health, Public Services and Care, compared with 10 per cent regionally.
- More than 20 per cent of Isle of Wight and Slough resident apprentices are in Business, Administration and Law, almost 3 times the regional rate (7 per cent).
- 25 per cent of apprentices living in Southampton are on Construction Apprenticeships, compared with 15 per cent regionally.
- Around 8 per cent of 16-18 year old apprentices resident in Milton Keynes are undertaking IT Apprenticeships, around 3 times the regional rate (2.7 per cent).
- 7.2 per cent of apprentices living in Brighton and Hove are on Leisure, Travel and Tourism Apprenticeships, more than twice the regional rate (3.4 per cent).

Figure 4.5 Apprenticeship success rates for 16-18 year olds, South East, 2006/07 and 2007/08



Source: *Apprenticeship success master file, p15, 2007/08*

- 4.21 The success rate for All Apprenticeships managed in the South East in 2007/08 was 64 per cent, an increase of 7 percentage points compared with the previous year. This rate of increase is twice the national rate (3.4 percent). The success rate for Level 2 Apprenticeships in 2007/08 was 64 per cent in the South East, the same as the national rate.
- 4.22 The largest increase in success rates in the South East was in Advanced Apprenticeships, 10 percentage points between 2006/07 and 07/08 (from 52 per cent to 62 per cent). The success rate for Advanced Apprenticeships in the South East in 2006/07 was 1 percentage point below the national rate of 63 per cent. The increase in the success rate in the South East between 2006/07 and 2007/08 was 3 times the national increase.
- 4.23 Success rates for all Apprenticeships differed across the region; the highest success rates were for apprentices living in Medway (74 per cent), West Berkshire (67 per cent) and Wokingham (66 per cent). In contrast, Brighton and Hove resident apprentices had the lowest success rates (56 per cent).³⁰
- 4.24 These increases in success rates help to give young people a solid foundation and promote their successful progression into the world of work, higher education and community life.

³⁰ Apprenticeship success rates for Local Authorities are based on the learner's residence, regional data is provider based.

Glossary

BME: Black and Minority Ethnic
CSR: Comprehensive Spending Review
CYPP: Children and Young People's Plan
DCSF: Department of Children, Schools and Families
DIUS: Department of Innovation, Universities and Skills
DWP: Department for Work and Pensions
E2E: Entry to Employment
EDIMS: Equality and diversity impact measures
EMA: Education Maintenance Allowance
EMT: Engineering and Manufacturing Technologies
ESF: European Social Fund
FE: further education
FLT: Foundation Learning Tier
Full Level 2: equates to five GCSEs at grades A* to C
Full Level 3: equates to two GCE A-level passes or equivalent
GLH: guided learning hours
GOSE: Government Office for the South East
HE: higher education
ICT: information and communications technology
ISP: independent specialist providers
ITQ: information technology qualification
JCP: Jobcentre Plus
JSA: Job Seeker's Allowance
LA: Local Authority
LAA: local area agreement
Level 5: foundation degree-level learning
Level 6: degree-level learning
LLDD: Learners with learning difficulties and/or disabilities
LLUK: Lifelong Learning UK
LSIS: Learning and Skills Improvement Service
NEET: not in education, employment or training
NET: not in education or training
MLP: Minimum Level of Performance
MOG: Machinery of Government
NAS: National Apprenticeship Service
NVQ: National Vocational Qualification
Ofsted: Office for Standards in Education
OLASS: Offender Learning and Skills Service
ONS: Office for National Statistics
PCDL: personal and community development learning
Progression pathways: high-quality, coherent curriculum offer for entry and Level 1
PSA: Public Service Agreement
QCF: Qualifications and Credit Framework
QIA: Quality Improvement Agency
RCE: Retail and Commercial Enterprise
RES: Regional Economic Strategy
RPA: Raising of Compulsory Participation Age
SEEDA: South East England Development Agency
SEN: special educational needs
SFA: Skills Funding Agency
SME: Small and Medium-sized Enterprise
SRG: Sub-Regional Group

SSA: sector subject area
SSC: Sector Skills Council
SSF: School Sixth Forms
WBL: Work Based Learning
YPLA: Young People's Learning Agency

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Feedback Form

Thank you for your interest in this year's *LSC South East Strategic Analysis*. We would be grateful if you would take a few minutes to answer the questions below:

Name: _____

1) Please rate the overall content and format of the Strategic Analysis:

Excellent Very Good Satisfactory Poor Very Poor

2) Please rate each chapter:

1.0 LSC Funding Streams

Excellent Very Good Satisfactory Poor Very Poor

2.0 Context – Labour Market and Demography

Excellent Very Good Satisfactory Poor Very Poor

3.0 Participation and LSC Funded Programmes

Excellent Very Good Satisfactory Poor Very Poor

4.0 Apprenticeships

Excellent Very Good Satisfactory Poor Very Poor

3) Please use the following space to make any other comments or suggestions for future Strategic Analysis documents:

Thank you for taking the time to complete this form.

Please return by email to seresearch@lsc.gov.uk or by post to;

Matthew Croker/ David Gardener-Haig

Learning and Skills Council

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