

Regional Employment and Skills Partnership Board Paper – 20 October 2009 Performance Monitoring Group Report

1. Introduction

There is no performance report in relation to the RESP's priorities on this occasion as the data (for now) has been reported upon. The only full partner report due at this meeting is the ESF Competitiveness Framework report (key issues from which are set out below and the full report will be circulated at the meeting). This is the first detailed report from the ESF and allows us to see whether the Framework is meeting its targets.

At the meeting of the PMG on 1st October partners provided verbal updates and this report is based on those comments.

2. Key Issues

2.1 ESF – Competitiveness

Progress towards Priority 1 (Extending Employment Opportunities) outputs is very encouraging. With 18 months to go until the end of the first half of the Programme (December 2010), the programme has already achieved 30,463 (120%) of planned participant starts and 2,320 (42%) of the job outcomes. Good progress has been made on the movement of the NEET group into employment, education or training. The reported figure is 2,978 (128%) of the 2010 target. There is a high demand for provision although achievement of outcomes is more challenging, which is to be expected in the current economic circumstances.

One area for concern, however, is the significantly slower progress in relation to Priority 2 (Developing a Skilled and Adaptable Workforce) and relates to LSC co-financed provision. Here total participants stand at 4,012, just 17% of the 2010 target. Participants with basic skills needs is causing particular concern with only 202 (5%) of the target achieved to date. Generally projects were late starting hence the starts and achievements being below profile. Recent feedback during the monitoring of contracts has shown that this is now improving and it is expected that these figures will show a marked improvement next quarter. Nevertheless, results are below profile across the board. It is the achievement of basic skills which gives the greatest concern with no individuals being reported as at May 09.

The importance of resolving issues on Priority 2 of the ESF Competitiveness Frameworks is all the more critical in the light of what is happening with Train to Gain funding (see LSC below).

In response to this:

- GOSW has set up some working groups with the LSC to better understand what may lie behind this underperformance.
- One of the issues that has impacted on performance is the complex changes within TTG (which has introduced greater flexibilities), and which has resulted in a higher demand for this funding.
- There are some LSC data retrieval issues that are being looked at (LSC has 40 contracts to deliver ESF). It is felt that there is insufficient flexibility in contracting arrangements to enable problems of underperformance to be addressed as speedily as is necessary. There are possibly too many, small locally-based contracts. Other regions have a smaller number of regional contracts with sub contracting at the local level.

- Whilst performance may improve in the coming months, GOSW believes it is important not to be complacent and assume the programme will somehow catch up without further intervention. Core provision should have been capable of supporting needs, but in practice it has been unable to be sufficiently flexible to demand (partly due to contract constraints).

Balancing the priorities for delivery of the second half of the programme will be key.

GOSW is:

- Picking up on gaps that need to be addressed.
- Looking at contracting issues in order to maximise flexibility in the next phase and overcome the problems that have been experienced with Priority 2.
- Programmes nationally are facing exactly same issues around basic skills delivery as in SW. How the data itself is captured and reported, particularly in relation to Skills for Life, raises questions.
- Performance reports are coming out at the right time to allow changes to be made.
- Looking to also support provision for offenders in Priority 1.

2.2 LSC

2008/09 academic year

- Train to Gain and Adult Apprenticeships grew very successfully in the year bringing budgetary control issues to the fore.
- Rising NEET and over-performance on E2E contrasted with 16-18 Apprenticeships under-performance as a consequence of the economic climate.

2009/10 academic year

- Tight budgetary control on a financial year basis and single national provider contracts have been introduced for Employer Responsive (TTG/Adult Apps).
- LSC secured and allocated additional funds for 54k 16-18 learners above what was set out in Grant Letter/Statement of Priorities.
- Stock-take currently underway in October to assess levels of recruitment to schools and colleges with a view to providing further additional funding for significant recruitment above planned numbers.

2010/11 academic year

- Grant Letter/Statement of Priorities expected in November.
- Challenges to reduce NEETs, raise participation rate in learning and work towards national target for participation by one-in-five in Apprenticeships.
- Local Area Statements of Need being developed by end Oct to support development of Regional Commissioning Statement for 16-18.
- Arrangements for allocating funds to TTG/Adult Apprenticeships being developed.
- Work ongoing to support transfer of 16-18 commissioning lead to local authorities in April 2010 for the 2011/12 academic year.

2.3 Jobcentre Plus

- Volumes of people claiming overall is beginning to fall.
- There has been an increase in the number of employers reporting redundancies to Jobcentre Plus, whilst at the same time the numbers of employees being made redundant is falling, indicating that the impact at present is shifting to SMEs. More redundancy activity in relation to employers with below 20 employees is expected in the coming months.

- A relationship has been established with R3 (insolvency network SW & Wales) and from November Jobcentre Plus are going to be working closely with them to improve early notification of redundancies.
- Unemployment rates plateaued in March. Nationally they are beginning to creep up again, although the SW is maintaining a flat level.
- Both Devon and Cornwall are lower in unemployment registers and seem to be maintaining the number of vacancies notified. The rest of region is showing signs of recovery.
- Cornwall appears to be weathering the storm better than Devon because it has been better supported in recent times - Cornwall Works programmes, the LSC programmes, Convergence funding and the legacy of Objective 1.
- End of year position in terms of the performance of Jobcentre Plus against job outcome targets:
 - Overall Performance - ranked 5th nationally.
 - Priority group one customers - dropped down to 10th nationally (probably because we felt the recession first in SW).
 - Priority group two and three customer performance - slipped to 5th nationally.
- From December 2009, Jobcentre Plus will be moving over to a different approach for getting people back into work from the first day of claim - a modular approach.

2.4 HEFCE

- HEFCE is currently wrapping up the implications of 08/09 and planning for next year.
- Institutions were asked for the first time to recruit at same level as last year. Capping is in place - giving providers 5% either way.
- It is rumoured (but not known for certain) that HEFCE grant and student funding will be clawed back where cap has been breached. Up to £10k per student can potentially be requested. HEFCE will not know until December if that is going to be a problem.
- HE demand has surged this year. More people are wishing to re-train as a consequence of the recession.
- There is an assumption that institutions have recruited really well and HEFCE will be undertaking an informal measure of that in the coming weeks.
- Census data will be available in December on the number of students in the system and their needs. Government made an additional 10,000 student places available nationally (in STEM subjects and Business Studies) *without* funding. The Russell Group has refused to take these students and there is likely to be a political debate for the year ahead.
- Announcements will be made soon on additional student number targets. It is the only way that universities can grow their funding. Combined Universities in Cornwall (CUC) will get student numbers to underpin investment made already. The reality is only 2,000 additional places are available nationally (with a cap of 100 per institution).
- Economic Challenge Investment Fund is about half way through. Its aim is to support universities in addressing local need.
- Budgets - Grant letter is expected in January. Further cuts are anticipated.

Chris Evans, SLIM
9 October 2009