

Dudley Metropolitan Borough Council

The Cabinet – 20 April 2005

Report of the Director of Finance (as Lead Officer for the Select Committee on Lifelong Learning)

Proposed Changes to the Funding Arrangements for Adult and Community Learning

Purpose

1. To inform the Cabinet of the serious concerns of the Select Committee on Lifelong Learning about changes to the funding and delivery of Adult and Community Learning being proposed by the Learning and Skills Council, and to seek endorsement for the basis of a response.

Background

2. The full report attached at Appendix One was presented to the Select Committee for Lifelong Learning on 15 March 2005. Sufficient concerns have been raised regarding the proposed changes to formula funding for Adult and Community Learning within the borough that the Select Committee requested that the report be brought before the Cabinet for consideration of a full Council response.
3. Discussions have also been held within the Jobs Theme Partnership resulting in a sub group being formed to analyse the potential effects on 'local people into local jobs' and to formulate a wider response from the Partnership.
4. Three areas of delivery within the Council will be affected. These are the delivery of:
 - Adult and Community learning generally, which is provided through various Service Level Agreements with schools, further education colleges and the voluntary sector;
 - Family Learning, where support is given within schools, learning centres and community centres to engage adults and children in learning together; and

- The delivery of the employability programme through the Neighbourhood Learning Centres in partnership with the further education colleges across the borough.
5. The Learning and Skills Council consultation relates to the future funding and planning arrangements of non-accredited learning provision for adults. The document distinguishes between non-accredited provision designed to be 'first steps' and that designed as learning for 'personal and community development'. It proposes a framework for funding adult learning based on the provider motivation for offering courses, rather than on learner motivation for taking part.
 6. This is in complete opposition to developments in Dudley where adult and community learning has been organised around the needs of the learner, engaging them initially through interest and developing aspiration for progressive learning. This approach has supported the development of employability programmes, the engagement of non-learners into a learning environment where prior overall educational attainment is low and the engagement of older adults, which in turn has had significant impact on quality of life for this group and reduced engagement for them with other services such as Health and Social Services.
 7. If the current proposals are implemented several of our areas of work currently funded will become 'out of scope' for funding from the academic year 2006/07.

These include:

- support to voluntary groups;
 - activities previously funded through the DfES Standards Fund 28;
 - community capacity building; and
 - cross area partnership dedicated staff.
8. There is some recognition for 'out of scope' activity and a proposal of more Learner Intervention Development Funding from the Learning and Skills Council, there is no indication of the amounts to be made available. This area of funding has historically been small, and inadequate to meet the needs above. There is also no indication as to whether the fund will be a permanent fund and how it will be allocated.
 9. The Select Committee's main concern is of an expected reduction in funding overall as a result of the refocusing of the learning areas into the 'first steps' and 'personal development' streams. There is a serious concern that Dudley will be 'hit twice' through the reduction in overall funding together with the inability to

fund all 'personal development' learning, which is used as a first point of engagement within programmes such as the employability work and to engage older learners. This is an area of work which, if reduced would be likely to increase the demand for other types of services for this age group.

Finance

10. The proposed changes will severely reduce funding for learning in the community with regards to older people and deprived neighbourhoods. If this takes place, then either the activity will cease, the service will be reduced or there will be a further cost burden on the Council.

Law

11. The Learning and Skills Act 2002 made provision for the funding of Adult and Community Learning through Local Authorities.

Equal Opportunities

12. Changes to the current funding formula and any refocusing of learning onto the two areas suggested has the potential of a significant impact on access to learning for some of our most vulnerable groups – those in deprived neighbourhoods and older learners.

Recommendation

13. That the Cabinet considers this report and authorises the Leader, in consultation with the Director of Finance and the Directorate of Education and Lifelong Learning, to make appropriate responses and to register the Cabinets' concerns at the highest level.



on behalf of Mike S Williams
 Director of Finance
 Lead Officer, Select Committee on Lifelong Learning

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Background Papers

Appendix 1

Dudley Metropolitan Borough Council

Select Committee on Lifelong Learning – 15 March 2005

Report of the Director of Education and Lifelong Learning

National Learning and Skills Council Consultation Paper on Reforming the Funding and Planning Arrangements for First Step, Personal and Community Development Learning for Adults.

Purpose

1. To inform the Select Committee of the proposed changes to the funding and delivery of Adult and Community Learning by the Learning and Skills Council, and to seek endorsement for the basis of a response.

Background

2. This National Learning Skills Council consultation looks at the future funding and planning arrangements for non-accredited learning provision for adults. This includes learning described as 'first steps' learning, to encourage individuals into further more formal learning; and learning for 'personal and community development'. Its contents are relevant to all providers making provision which would fall into these two categories.
3. The paper should be seen in the context of the Skills Strategy and also the recent Learning Skills Council consultation paper on '[Fees, Funding and Learner Support in Further Education](#)' published in July 2004.
4. The document recognises both the important contribution of 'first steps' learning, and the social and personal benefits of learning. It takes forward the Skills Strategy guarantee of a safeguard for learning opportunities for 'personal and community development', including opportunities for pensioners.
5. The paper points out that, currently, provision is variable across the country, is not planned to meet local needs or national priorities, and is funded in different ways. Fee levels charged bear no relationship to criteria such as the characteristics of the local population. This assumption is presumably based on research but is certainly not an accurate picture of the way in which we

have changed the service in Dudley during the past three years as is evidenced in our Adult Learning Inspection reports.

6. The paper aims to distinguish between non-accredited provision designed to be 'first steps', and that designed as learning for 'personal and community development'. It proposes the following framework for describing adult learning, based on the provider motivation for offering courses, rather than on learner motivation for taking part.

First Steps and Skills Strategy	Personal and Community Development Learning
<ul style="list-style-type: none"> • Skills for Life (basic skills) • Skills for work • First Steps (initial entry point to learning) • Skills for independent living (skills for adults with learning difficulties or disabilities) 	<ul style="list-style-type: none"> • Learning for personal development and well being • Learning for active citizenship and/or community development (building skills for community involvement)

7. **First Steps learning**

- 'First Steps' learning will target learners who do not have a 'full level 2' qualification, and will aim to move these learners towards achieving this. Providers will be expected to demonstrate a progression strategy for learners, including a mechanism for tracking and evidencing progression.
- The Further Education funding methodology, outlined in the consultation document 'Fees, funding and learner support in further education' will, in future, apply to 'first steps' learning, regardless of the nature of the provider. Such learning will therefore attract a significant public funding subsidy.
- Providers of 'first steps' learning will be expected to implement the full framework of quality measures, including the Recognising and Recording Progress and Achievement (RARPA) in non-accredited learning process for recording learner progress.

8. **Learning for personal and community development**

- The safeguard for ‘personal and community development’ learning will be achieved by identifying an aggregate national budget, following exercises to establish relative volumes of the two types of provision, currently delivered through both Further Education and Adult Community Learning funding streams.
- Funds from the safeguard will be allocated to local Learning and Skills Councils on the basis of the size of the adult population in the locality, with weightings for disadvantage, area costs and additional adjustments to take into account the size of the 60+ age group.
- Accountability and quality assurance processes are expected to be proportionate and appropriate. Providers will have discretion to judge what is appropriate, based on a principle of unobtrusive demands on teachers and learners.
- There is an expectation that those learning for personal or community development should make a greater contribution to the costs of learning. However, it is recognised within the funding methodology that in areas of high disadvantage, providers may wish to remit fees for learners for whom fees are a barrier to learning. It will be to the discretion of the individual providers to decide how they apply fee remission for this type of provision.

9. **Out-of-scope activity**

- Some activities currently supported through the Adult and Community Learning grant will not be accommodated under either of the two new funding approaches. These include grants for voluntary organisations; activities previously funded through the DfES Standards Fund 28; Community Capacity Building; and cross area partnership dedicated staff. Local Learning Skills Councils will review these on an individual basis, in the light of local funding priorities, with the intention of incorporating them into Local Intervention and Development (LID) funding where appropriate. Where activity is transferred, funding to support it will also be transferred.

10. **Additional Learner Support (ALS)**

- For ‘first steps’ learning, it is proposed to extend the arrangements for Adult Learner Support as they operate in the Further Education funding approach to ‘first steps’ learning.

- For 'personal and community development' learning, 3 options are mooted for ensuring that Adult Learner Support requirements are addressed by providers:
 - a fixed budget allocation to be applied across the board;
 - a percentage band to be allocated (eg 2-7%);
 - providers to have discretion on how Adult Learner Support needs are met from within available funding;

The latter is the Learning and Skills Council's preferred option.

11. **Timing**

2005/06 Local Learning Skills Councils will work with providers to ensure alignment with skills strategy priorities. Local Learning Skills Councils will continue to have some discretion to move the Adult Community Learning grant between providers to ensure a fairer distribution of funds.

2006/07 The main reforms will be phased in, including funding all 'first steps' learning through the Further Education funding methodology.

12. **Adult Learning in Dudley Metropolitan Borough**

- First rung provision in local settings.
- Learning which is largely non-vocational and non- accredited.
- Accredited first rung provision.
- School workforce development.
- Learning which provides steps to training for employability.
- Skills for Life.
- Family learning.
- Learning for active citizenship and community development.
- Learning for personal development.
- Learning which supports regeneration of local communities.

13. **The purpose of adult learning**

- Widening participation and engaging new learners.
- To help people to enjoy learning.
- Helping people to recognise they are learning.
- To provide a range of affordable learning opportunities which enable the learner to progress and fulfil their potential.

- Learning which offers personal, social and skill development.

Learning should be:

- accessible
- affordable
- diverse
- relevant
- interesting
- challenging
- enjoyable

14. **Key Issues for Dudley LEA in response to the proposed changes to funding arrangements**

General points:

- It is our understanding (through discussions on the document with the National Institute of Adult Continuing Education (NIACE) during the consultation exercise) that there will really be no safeguarded funding as previously thought for LEAs. All funding streams will be available for all providers, this has the potential of dividing partnerships and increasing competition locally.
- The Dudley Strategic Area Review (StAR) will be used as the basis to negotiate provision/providers and funding when the arrangements come into effect. The speed of implementation may mean we will make changes too quickly. The data from 2002/03 used to complete the Dudley Strategic Area Review was incomplete from all providers and thus caution should be exercised when using this for planning. More robust analysis will be completed on 2003/04 data in order to ensure effective planning. We could limit opportunities and cause dissatisfaction among learners unnecessarily.
- We understand it is proposed there will be no changes to our adult learning allocation for 2005/06 from the Learning and Skills Council. We anticipate a shadow budget will be run during 2005/06 in order to determine what our funding would have been under the consultation proposals.
- Following the Strategic Area Review, officers, under the auspices of the Learning Partnership are continuing to work together to identify provision

and gaps in order to agree a co-ordinated plan for the Learning and Skills Council to negotiate Adult and Community Learning funding. This may mean that when the areas of work are identified for each provider that the delivery agreed results in no contracted-out provision to the Further Education colleges or the Workers Education Association via the Directorate. The document and discussions in various national forums during the past 2 months suggests that all providers will access their funding directly from the Learning and Skills Council in future years.

- Whilst there is recognition of 'out of scope' activity and a proposal of Learner Intervention Development funding there is no indication of the amounts available, if this is a permanent fund or whether it will remain at the same level. A long term dependable source of funding is needed here to ensure that community outreach supports engagement.
- The application of the multiple deprivation index to the personal development category is too crude a measure to determine the needs in Dudley. We will be significantly worse off if this is applied to all the Black Country Authorities. We have had some details from the information team with which we can present a counter argument to the Learning and Skills Council locally when we know exactly which level of the index will apply.
- There appears to be no clear category of learning into which to fit Wider Family Learning. This work has developed very successfully with schools and community organisations during the past two years. It may be possible to fit this into First Steps however the Level 2 qualification rule could make this very difficult for our providers.
- Family Literacy and numeracy seem to fit into the Skills for Life category although this is not specifically mentioned. However there appears to have been no consideration given to how teacher's time with pupils will be funded or for provision of crèches. This is currently specified within the current funding stream. We have recommended in our response that all Family Learning is funded as a separate category.

15. **Issues for First Steps Learning proposals**

- Work will need to take place within the organisation to ensure all of Dudley's First Step learning meets the criteria. Currently in common with many services nationally we meet some but not all of the criteria. This will be a priority for curriculum development in 2005.

- Some adults have Level 2 qualifications often gained several years previously however this does not necessarily mean they have the key and social skills to enable them to re-enter the labour market. (3.3). It is unclear whether these learners will be able to access learning programmes such as family learning and whether individual learner funding can be drawn down for these learners.
- Class sizes: Under the current Further Education formula a minimum of 12 learners is often needed to ensure financial viability (10 for basic skills). Even if we are targeting a “hard to reach” client group successfully these numbers are hard to achieve and maintain. Furthermore the client group often need more individual attention where smaller numbers are preferable.
- There could be an implication for us of having to turn away some learners in targeted deprived wards on the basis of level 2 qualifications or intention of personal development irrespective of individual needs.

16. **Issues from Skills for Life learning proposals**

- Routes to engagement in basic skills may begin in personal development, community development and / or active citizenship. No additional learning support in this category will be an issue for these learners and this provision as potentially we will not be able to provide them with the support they need to engage fully.
- Curriculum development priorities for 2005 in basic skills will be the embedding in pure skills for Life courses to ensure all criteria in this category are achieved and the contextualising of basic skills in all First Steps courses.
- The issue for us will be to ensure our provision in this area is complementary and does not compete with that of other providers. We have detected the gap is still in the area of initial engagement with hard to reach groups at pre-entry and entry level. This is where we would wish to focus our activity and then to progress our learners onto Further Education courses when they have gained some confidence.

17. **Issues from Learning for Personal Development and Well Being, Active Citizenship and/or Community Development proposals**

- Learning for personal development is key to developing the learner's emotional literacy and education research indicates that unless these needs are satisfied effective learning does not take place. We are concerned at the possible devaluing of learning for personal and community development through a different funding model for this area.
- The funding will follow the intention of the course however some learners progress from personal development courses into First Steps. It is unclear whether these learners can be categorised as fundable learning journeys.
- Opportunities for older learners could be severely curtailed due to costs of provision. 25% of Dudley's population will be over 60 years by 2006. Over 30% of adult learners in LEA provision are over 60. We currently offer 50% concession for those in receipt of retirement pension and 100% for those in receipt of pension credit. There are no concessions in this category which will mean approximately 30% of our learners could be affected. This is bound to result in a large number of complaints when charges have to be brought in. It could also mean a real cost barrier to learning will be created for many of these learners.
- Learning for personal and community development: the paper also suggests no fee remission for income related benefits. This will have a great impact on affordability of learning in Dudley and the

danger of a deficit model of learning only being offered in deprived wards/neighbourhoods or to target groups. It will affect our ability to engage learners in a non-threatening environment to gain confidence before moving them onto First Steps or Skills for Life learning programmes.

- There is no funding for additional learning support and if required this will come out of the existing global sum. We are concerned to ensure we can meet the requirements of Disability Discrimination Act and other individual needs. This has the potential to discourage provision.
- The removal of Individual Learning Plans from learning for Personal and Community Development undermines and undervalues this work. We

have been developing this area with all tutors during the past 2 years based on Adult Learning Inspection advice.

Finance

18. The proposed changes have the potential to reduce the funding currently utilised for learning in the community with regards to older people and deprived neighbourhoods. If this happens, then either the activity will cease or the service revised.

Law

19. The Learning and Skills Act 2002 made provision for the funding of Adult and Community Learning through Local Authorities.

Equal Opportunities

20. Changes to the current funding formula and refocusing of learning onto the two areas may have a significant impact on access to learning for our most vulnerable groups – those in deprived neighbourhoods and older learners.

Recommendation

21. It is recommended that the Select Committee considers the report and endorses the concerns raised.



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