

# **Children and Education Scrutiny**

## **14/03/2011**

### **1. The Scrutiny Committee has advised that it wishes to do the following in relation to the Adult Learning Service:**

- Establish what the service is providing at the moment including the subject of charges and eligibility for concessions
- Establish the current financial position and future of the Skills Funding Agency and seek to find out what direction this agency is going in
- Advise what direction for the future this service might take - especially in the light of the contexts above e.g. regeneration, economic well being healthy living programmes etc
- General issues relating to limited access to ESOL.

These issues are addressed below.

### **2. The committee wishes to establish what the service is providing at the moment, including the subject of charges and eligibility for concessions.**

2.1. All courses are delivered through funding provided by Skills Funding Agency – different streams for 2010/11 these are:

- Further Education (FE) – courses leading to nationally recognised qualifications
- First Steps – feeder courses for further education and learning
- Personal and Community Development (PCDL) – courses for personal and community development
- Neighbourhood Learning in Deprived Communities (NLDC) – courses to help the voluntary sector build capacity
- Family learning – courses to help families learn together

2.2. Roughly 50% of courses are delivered directly by the Adult learning service and the other 50% are delivered by voluntary sector partners. Courses are delivered face-to-face.

2.3. Courses are currently delivered in the following curriculum areas:

- Art and ceramics
- Childcare
- Creative writing
- Fashion and textiles
- Family learning
- Health and fitness
- New technologies
- Skills for life (literacy, numeracy, employability and ESOL)
- Woodwork and upholstery
- Local voluntary sector partners deliver a range of programmes in a wide variety of curriculum areas including: social enterprise skills, family learning, IT, ESOL, sewing, business admin, employability, horticulture and animal husbandry (beekeeping), art, security training, health and safety, first aid, food hygiene, jewellery making, programmes for adults with special needs, media.

- 2.4. Details of courses can be found on the Council's website at: [http://www.southwark.gov.uk/info/100009/leisure\\_and\\_culture/1001/adult\\_learning\\_courses](http://www.southwark.gov.uk/info/100009/leisure_and_culture/1001/adult_learning_courses)
- 2.5. A revised fee structure was introduced in Adult Learning Service in line with the academic year, from September 2010, approved through the IDM process. These fees were advertised in the autumn term brochure as follows:
- Course fees**
- Fees for each course are shown in the course listings. There are four fee categories: Standard (S), Concession (C), Nil (N) and Part-Cost Recovery (R)
- Standard fee: £3.60 per hour (this is fee contribution from the learner, the rest is subsidised by the Skills Funding Agency)
  - Concessionary fee: £1.55 per hour\*
  - Part-cost recovery fee: £5.50 per hour (for learners wishing to enrol on second and subsequent courses)
  - Nil fee: no cost to the learner.
- \* those who are in receipt of a means tested benefit (including pension credit) are eligible for concessionary fees on their first course. We also give a concessionary fee for the first course to those whose sole source of income is the government state pension.
- Means tested benefits that are eligible for a concessionary fee [as identified by the Skills Funding Agency] are:
- Jobseekers allowance
  - Income support
  - Housing benefit
  - Council tax benefit
  - Working tax credit
  - Unwaged dependent on one of the above
  - Pension credit
- Learners need to bring proof of benefit or entitlement when they enrol. We can not accept a freedom travel pass as proof of concessionary eligibility.
- 2.6. The subsidised fee of £5.50 do not cover the full cost of the course. Full cost recovery would be at least £9.50 per hour for most courses.
- 2.7. The hourly fees includes the hourly payment to the tutor, course materials (e.g. in basic skills courses this includes dictionaries, books, worksheets; in ceramics this includes tools, glazes, firing the kilns, repairs to equipment such as pottery wheels, extractors), initial assessment cost, contribution to building overheads (including gas, electricity, water, rates, premises officer, repairs and maintenance), and management fees (includes building insurance and management, council recharges for services such as legal, payroll, HR, finance). It also includes membership for awarding bodies, registration fees for examination boards/awarding bodies, external verifiers and internal verification of assessment.
- 2.8. Eligible learners who took a course in the autumn term paid only the subsidised fees, for subsequent courses they paid part-cost recovery fees. There are a number of learners taking more than one course in one term who have paid for one subsidised course and the part-cost recovery fee for their subsequent courses.
- 2.9. Learners were made aware through the course guide. Team leaders were briefed extensively a number of times. Tutors were briefed by team leaders.

- 2.10. The revised fee structure was necessary to ensure that the courses cover their costs and those learners who return, for whom there is no additional funding from the SFA, contribute a greater amount towards their second and subsequent courses.
- 2.11. In 2011/12 academic year the concessions eligibility criteria have changed. Only the following will qualify for concessionary fees:
- Job Seekers Allowance (JSA) – including the partner where the claim is joint
  - Employment Support Allowance (ESA) in the Work Related Activity Group
- 2.12. The following benefits will no longer be able to be used to claim fee remission:
- Council tax benefit
  - Housing benefit
  - Income support
  - Working tax credit
  - Pension credit
  - Contribution based ESA (unless in the Work Related Activity Group)
  - Unwaged dependents of those listed above
- 2.13. Learners have to produce evidence of their relevant UK residence status.

### **3. Establish the current financial position at the SFA and seek to find out what direction the agency is going in.**

#### **3.1. Direction of SFA**

Coalition Government's plan for reform of the FE system is founded on principles of fairness, shared responsibility and greater freedom:

##### **SFA Guidance note 6, 16/12/2010 states:**

- Fairness means supporting those in need, including prioritising young adults, the unemployed on active benefits and those without basic literacy and numeracy skills
- Shared responsibility acknowledges that citizens must join the Government in taking responsibility for ensuring their own skills needs are met.
- There is an expectation of a greater contribution towards the costs of education and training from individuals

#### **3.2. In addition to this, we are advised that:**

- In 2011/12 a single Adult Safeguarded Learning budget will be allocated but organisations will be responsible for continuing to deliver a balanced offer that meets the policy imperatives of the four elements, and is responsive to the local community. Colleges and organisations are expected to ensure that learner numbers are increased through efficiencies in the use of the budget and by collecting more revenue in fees.
- The SFA expects the sector to increase the level of income secured from individuals during 2011/12. If it appears that levels of fee income are not increasing, then the Agency may need to intervene. This could entail reducing future years' allocations where there is non collection of fees.

#### **3.3. The position of the SFA will be clarified as Business Innovation and Skills department (BIS) undergoes restructuring.**

**4. Advise what the direction for the future might take, especially in the light of regeneration, economic well being, healthy living etc**

4.1. We are working to secure the future of the service through meeting the expectations of the sole funder, the Skills Funding Agency, and OFSTED, the key regulator. The service makes a good contribution to the regeneration, economic wellbeing, and healthy living priorities of Southwark people through local learning opportunities.

**Progress**

	2007	2010	Percentage Increase	Proportional increase
Total number of learners	1600	4000	150%	More than doubled
Number of voluntary sector partner	7	14	100%	Doubled
Partnerships with Southwark Schools	6	12	100%	Doubled
Southwark wards delivered from	5	15	200%	trebled
Number of Council departments partnered with	0	4	400%	quadrupled

4.2. Full details of the most recent OFSTED inspection, its findings, the Council's response and progress are set out in the accompanying report, paragraphs 12-29.

**5. Concerns have been raised about the application of SFA guidelines on access for people on benefits and new learners. We have been asked to address this in our responses to question 1 above including;**

- a) What the guidelines are,
- b) How they have been applied,
- c) What the issues are,
- d) Could the rules be interpreted differently to allow increased access?

**a) SFA Guidance for Adult Safeguarded Learning for 2010/11 states:** "Skills Funding Agency policy, particularly for Personal and Community Development Learning (PCDL) courses, is to ask providers to develop and implement a policy on fee income / charging. They should seek more in fees from those who can afford to pay in order to ensure that the maximum amount of public funding can be focussed on supporting and maximising the number of disadvantaged learners. For example, where appropriate, providers could consider **full cost recovery for repeat learners** who register for similar courses over a period of several years"

Also from guidance note 6: "There is an expectation of a greater contribution towards the costs of education and training from individuals "

Having looked at the number of repeat learners attending courses (in PCDL funded courses particularly) for whom we are not given any additional funding from the SFA, we have identified that we need to increase the income from these learners to cover the cost of them attending. This has led to two things - the introduction of a part-cost recovery fee (for repeat learners, those on benefits and those who would pay our standard fee) of £5.50 per hour, and to set a minimum number of 8 new learners who need to be in a class to make that class viable (through SFA funding). **Number of learners attending 2 or more courses as of 11 June 2010**

Number of courses taken	Number of students taking x courses	amount of funding generated by the learner (one attendance) - assumptions made: PCDL course (would be more if FS or LR courses)	amount of funding lost (i.e. if new learners took up the places taken by repeat learners amount of revenue they would have generated) - assumptions again: PCDL courses (would be more if FS or LR courses)
2	390	£138,925.80	£138,925.80
3	141	£50,227.02	£100,454.04
4	55	£19,592.10	£58,776.30
5	24	£8,549.28	£34,197.12
6	18	£6,411.96	£32,059.80
7	8	£2,849.76	£17,098.56
8	6	£2,137.32	£14,961.24
9	5	£1,781.10	£14,248.80
10	1	£356.22	£3,205.98
		<b>£230,830.56</b>	<b>£413,927.64</b>

**b) The issues include:**

- The same learners benefiting from numerous courses repeatedly. This takes away the chance for other people to take advantage of the learning opportunity.
- The cost of the same learners doing several courses over 2009/10 is in excess of £400K for which we are not receiving any funding.
- This has resulted in the service losing approximately £400K. The overspend has currently been absorbed by the Council. This is not sustainable. The service cannot fund what it cannot recoup.
- This also puts the service contract with the Skills Funding Agency at risk of being reduced or even taken away (reference to question 2 response).

**c) Costings have been calculated to see how many hours can be delivered from each funding pot. The costings have to cover tutor costs, building costs and overheads as described in response to question 1. The amount of funding per learner is fixed (more hours do not equal more money). It is necessary to increase the number of learners in the class and deliver courses within the hours we are funded for (30 hours is the maximum possible from the PCDL funding stream) and to get a greater contribution from the learner (through increased fees).**

## **6. Access to ESOL**

### **6.1. How has ESOL been increased in the last 3 years?**

ESOL has been increased by:

- Increasing the range of evening and twilight courses including entry level provision and Levels 1 and 2
- Working in partnership with Southwark Parent Liaison to offer ESOL and ESOL with Computing in primary schools to parents
- Outreach classes at community centres
- Providing ESOL for Work courses
- Providing classes at Sure Start Centres
- Ensuring all interested learners have an initial assessment/ Skills Check by appointment - offered on a weekly basis
- Commissioning local voluntary sector partners to deliver ESOL classes that are delivered across the borough at local venues and children's centres.

## 6.2. Employability

Local people, including those who are current learners, benefit from information and guidance about courses, paid and voluntary work and related matters. The Service has built an effective working relationship with Next Steps/Prospects. People make good use of the service for:

- Writing effective curriculum vitae.
- Improving interview skills and application form skills
- Improving reading, writing, maths and IT skills
- Finding courses that are right for you
- Job search advice
- Careers advice and information

Information advice and guidance are offered through bookable one to one sessions and group workshops.

## 6.3. What is the Basic Skills curriculum area doing to increase employability?

- Learners benefit from being able to achieve nationally recognised qualifications in literacy and numeracy.
- All learners have access to taught UK Online sessions which offers a course called *Online Jobs*. It supports job hunting, how to sign up for job alerts, form filling support, searching for jobs on-line, understanding job requirements and developing interview skills
- A good working relationship with Next Step Employment Adviser who refers learners to us from Job Centre Plus
- Employment Adviser visits classes, gives out leaflets and information, learners are invited to make an appointment to see him
- Offering NCFE Awards in Exploring Employability Skills, Employability Skills and Developing Skills for the Workplace (QCF qualifications)
- Offering Short Summer courses in ICT and ESOL, Writing Skills for the Workplace and Business English

## 6.4. Changes to eligibility rules surrounding ESOL from 2011/12

From **SFA Guidance note 6, 16/12/2010:**

Learners from 2011/12 who are entitled to fee remission include:

- Those taking learning aims that are funded as Adult Skills for Life and Functional Skills in literacy and numeracy, excluding skills for life ESOL.
- ESOL will continue to be co-funded for eligible learners (set out in the eligibility guidance – including refugees, and a variety of others, most of whom must have resided for 3 years, with some exceptions) and will be:
  - Fully-funded for those how are on JSA or ESA in the Work Related Activity Group

From **BIS strategy document – Further Education – New Horizons, Nov 2010**

It more clearly says:

We will fully-fund ESOL for individuals on JSA and ESA (work related activity group).  
Co-funding for those who are settled here.