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Welsh Government Consultation Document

Adult Learning in Wales

Consultation on the delivery and funding structure of adult learning in
Wales

Date of issue: 12 June 2018

Action required: Responses by 11 September 2018

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.
This document is also available in Welsh.

Overview

The Welsh Government needs to understand the views of adult learning providers (in local authorities, colleges and the Third sector), adult learners, families and the public on our proposals to improve the way that we deliver and fund **community-based adult learning** in Wales.

This will help Welsh Minister to decide how to allocate the funding available to them in the most efficient way to ensure all learners in Wales have equal and fair access to Government funded provision as set out in our *Adult Learning in Wales* policy statement in 2017.

How to respond

The closing date for the consultation is 10 September 2018. You can reply in any of the following ways.

Online: Please complete the online form.

Email: Please download the response form and send it to:
Post16PlanningandFunding@gov.wales

Post:

Please complete the consultation response form and send it to the address below:

Helen Scaife
Further Education and Apprenticeships Division
Welsh Government
Ty'r Afon
Bedwas Road
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Further information and related documents

Large print, Braille and alternative language versions of this document are available on request.

Adult Learning in Wales policy statement published July 2017 –
<http://gov.wales/topics/educationandskills/learningproviders/communitylearning/adult-learning-in-wales/?lang=en>

Contact details

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The Welsh Government will be data controller for any personal data you provide as part of your response to the consultation. Welsh Ministers have statutory powers they will rely on to process this personal data which will enable them to make informed decisions about how they exercise their public functions. Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about or planning future consultations. Where the Welsh Government undertakes further analysis of consultation responses then this work may be commissioned to be carried out by an accredited third party (e.g. a research organisation or a consultancy company). Any such work will only be undertaken under contract. Welsh Government's standard terms and conditions for such contracts set out strict requirements for the processing and safekeeping of personal data.

In order to show that the consultation was carried out properly, the Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response. If you do not want your name or address published, please tell us this in writing when you send your response. We will then redact them before publishing.

You should also be aware of our responsibilities under Freedom of Information legislation

If your details are published as part of the consultation response then these published reports will be retained indefinitely. Any of your data held otherwise by Welsh Government will be kept for no more than three years.

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- to require us to rectify inaccuracies in that data
- to (in certain circumstances) object to or restrict processing
- for (in certain circumstances) your data to be 'erased'
- to (in certain circumstances) data portability
- to lodge a complaint with the Information Commissioner's Office (ICO) who is our independent regulator for data protection.

For further details about the information the Welsh Government holds and its use, or if you want to exercise your rights under the GDPR, please see contact details below:

Data Protection Officer:
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Cathays Park
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CF10 3NQ

e-mail: Data.ProtectionOfficer@gov.wales

The contact details for the Information Commissioner's Office are:
Wycliffe House
Water Lane
Wilmslow
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SK9 5AF
Tel: 01625 545 745 or 0303 123 1113
Website: <https://ico.org.uk/>

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Ministerial Foreword

Delivering prosperity for all is the key objective of this Welsh Government.

Prosperity for All: the National Strategy is a cross government approach to help us and our partners focus the energy and resources of the whole public service, to tackle the most fundamental challenges the nation faces.

It sets out our vision for a society which is ambitious and learning. Our future prosperity and stability depends on the skills and values of the people of Wales, and we believe that everyone deserves the opportunity to achieve their potential. Also, as a society, I want us to value learning.

We published our revised *Adult Learning in Wales* policy statement in July 2017. This defined our priorities for adult learning for the remainder of this Assembly term, and reaffirmed our commitment to supporting lifelong learning in Wales.

Lifelong learning supports a number of other policies; it is not just an education issue. As well as increasing general skills levels – especially in targeting the improvement in essential skills – adult learning helps to support wider social integration policies. It is often the gateway to progression for some of our most vulnerable learners; and a vital second chance for many. As a government, we are committed to ensuring all people, from all walks of life, have the right opportunities to improve their lives. Education is absolutely critical, and it is our responsibility to make sure learners, whatever their age, have the chance to succeed.

We are currently in the process of developing a new system that will transform the way that we deliver all post compulsory education in Wales. The **Tertiary Education and Research Commission for Wales** will provide strategic direction and leadership for the whole sector, including adult learning and work to address complexity and duplication.

This consultation will make an important contribution to that. As we move towards setting up the Commission, we must ensure that the component parts are working effectively. For too long, community-based adult learning has languished as the poor relation to wider post-16 learning. It is time to change that, and for us to recognise the vital contribution this sector makes to the future of our society and economy.

The system we currently have in place for funding and delivering community-based adult learning in Wales is inequitable and unsustainable. It must be changed to ensure we have a system in place that enables learners to access provision wherever they are in Wales.

This consultation document sets out our proposals for change. We need your help to determine the most efficient and appropriate way forward. The document illustrates a range of options for how we can improve the way that we fund and deliver adult learning, while recognising the finite nature of the funding available.

There may be other options that have not been considered yet; and we welcome all suggestions. This is your opportunity to feed in your thoughts and opinions. I encourage everyone with an interest in adult learning to feed in their views.

The case for change

In 2016, the Welsh Government conducted two reviews to help determine any issues facing the adult learning sector in Wales. Both of these reviews can be found on the website in the supporting documents for this consultation.

The first, by Arad Research entitled *A Review of Adult Community Learning in Wales*, concluded with six recommendations and highlighted the inequitable and unsustainable nature of the current funding and structure of adult learning in Wales.

The Arad report called for a renewed commitment to adult learning from the government, and for the identification of a more equitable and sustainable funding methodology to support delivery.

The evidence presented in the review made a clear case for change in the way that community-based adult learning in Wales is both funded and delivered.

The second review was undertaken by Estyn and entitled *Adult Community Learning in Wales 2015-2016*. This report also made a clear case for change within the sector.

In response to these reports, the Welsh government published a revised policy statement on adult learning – *Adult Learning in Wales* – in July 2017, and set out its priorities for adult learning provision for the remainder of the Assembly term. The main purpose of this consultation is to facilitate the effective delivery of this provision.

In order for the policy to have the impact we want, we must ensure that we have delivery and funding systems in place that are robust, challenging and flexible.

The fundamentals that we must strive to achieve in restructuring our funding and delivery systems are:

- Provision must be consistent in terms of offer and quality for learners across Wales;
- Provision that delivers the Welsh Government's priorities must be available to all learners across Wales, regardless of location or circumstance;
- The funding methodology must enable funding to be focused on those in greatest need of our help, and support providers to deliver a curriculum that helps people back into learning and targets the eradication of poverty;
- The system must facilitate more strategic and sustainable planning of provision to ensure we can achieve long term positive impacts from our investment.

The Wellbeing of Future Generations (Wales) Act 2015 is about improving the social, economic, environmental and cultural well-being of Wales. This consultation aims to ensure that our adult learning provision reflects these priorities.

This consultation document is divided into two chapters:

1. Delivering adult learning in Wales.
2. Funding community-based adult learning in Wales

Chapter 1 - Delivering adult learning in Wales

Whilst it is inevitable that the amount of funding allocated to adult learning affects what can be delivered, the way that the provision is delivered, and who it is delivered by has a fundamental impact on its effectiveness and accessibility.

The reviews undertaken by ARAD and Estyn suggested that improvements could be made to the structure of delivery of adult learning and the methods of data collection currently in place.

In order to take this work forward, and to inform the contents of this consultation document, Welsh Government officials held a number of workshops with representatives from the adult learning sector. The workshops focused primarily on the different models of delivery that are being considered, but also raised other issues – the planning and reporting methodology currently in place, and the role of partnerships in delivering adult learning.

As a result of the work undertaken with the sector, the following sections of the consultation document have been set out to help us to capture more widely, your opinions and views on what improvements could be made to support the delivery of adult learning.

Planning and Reporting

The current planning methodology for adult learning involves Local Authorities submitting annual Service Delivery Plans (SDPs) setting out what they intend to deliver across the key priority areas.

Because the amount of funding each local authority receives is static, and not based on learner numbers or need, the planning documents are not very effective mechanisms for benchmarking or monitoring. They don't include specific targets and it is not always easy to see exactly what courses are being delivered.

By contrast, FE Colleges have to describe their planned provision in far more detail within their planning documents, which makes accountability easier and ensures that providers know the specific targets they are aiming for. It also provides the Welsh Government with a rationale and a process that allows us to challenge provision effectively. We collect data, from which we garner information on learner numbers and the effectiveness of our delivery through the Lifelong Learning Wales Record (LLWR). This enables us to cross-check delivery against the aforementioned plans and understand exactly what provision is available and how effective it is in helping learners to achieve their goals.

In restructuring delivery of community-based adult learning, we would also aim to improve the consistency and accuracy of the planning and data recording processes we use.

Conclusion

Ensuring that we have a robust and accountable method of planning and reporting for adult learning is a vital component of changing the structure and funding.

In taking this forward we propose the following:

- All providers, whether they are within local authorities or further education institutions, should be required to plan their provision according to the Post-16 Planning and Funding Guidance for Part-Time provision, and to reflect the priorities set out within the *Adult Learning for Wales* policy statement;
- Providers will be expected to record data about their learners and courses on the LLWR to ensure we can monitor provision accurately and effectively.

A copy of the Planning and Funding Framework is accessible via the internet within the supporting documents for this consultation.

Having an accountable and reliable planning and reporting methodology is a vital component of restructuring the sector.

Q1 - Do you think the adult learning sector should plan and report provision according to the post-16 planning framework for part-time FE?

Q2 - What advantages or disadvantages do you see in taking forward this approach?

Q3 - If you do not agree with this proposal, what method would you suggest?

Delivery of adult learning provision

Adult learning provision in Wales is currently delivered and funded in a number of different ways:

- Directly by Local Authorities using the Community Learning Grant;
- Directly by Further Education Institutions using their FE Allocated funding;
- Directly by Local Authorities through a combination of Community Learning Grant and franchise agreements with colleges;
- Directly by Further Education Institutions through a combination of their own FE Allocation and Service Level Agreements or Delivery Agreements with local authorities who transfer their CLG to the college for delivery.

Within the sector there is a great deal of variation between the providers and the amount of funding invested in delivery.

Partnerships

The importance of strategic partnership was a consistent message that came out of all of the workshops held with the sector, and was a clear message from both the ARAD and Estyn Reviews.

Regardless of how we choose to fund and deliver adult learning, it is clear that provision has been most successful when delivered with the support of a good strategic partnership. We do not believe that it is the role of the Welsh Government to dictate to providers what strategic partnerships they should form. It is for the providers themselves to determine what partners they will need to work with in order for their provision to be effective and accessible.

However, in considering all of the options we are putting forward below, we recognise that strategic partnership working will be critical to the success of all of them. We will support providers to identify effective partnerships in order to take forward whatever changes this consultation prompts.

It will also be important as we develop adult learning provision further that providers work closely with their Regional Skills Partnerships (RSPs) in order to ensure that provision of adult learning fits with the priorities identified by the RSPs. Whilst the current focus of adult learning is on ensuring all learners have access to provision to support the development of their basic skills, it will be important for learners to have recognisable progressions routes either directly into employment or into further learning opportunities. These must be aligned with the wider priorities for the post-16 sector.

Options for the future

Officials have worked with the sector to consider what options might be available for improving the way that adult learning is delivered.

Our primary focus in drafting the proposals within this this document is to develop a structure that best supports learners to reach their potential. Learners are at the centre of all of these options and our aim is to have a system that makes access to our provision fair and equitable for all, regardless of where in Wales that they live.

Model 1 – Local Authorities and/or Further Education Colleges to deliver adult learning.

This model would retain much of the current structure of adult learning delivery, but we would formalise some of the ad hoc structures that are currently in operation.

Funding

Funding this model would involve a combination of the Community Learning Grant and mainstream FE allocations.

Where a local authority is the lead provider, the Community Learning Grant would continue to be paid; but would be allocated according to a revised funding methodology (as detailed in Chapter 2).

Where a FE College is the lead provider, they would receive the equivalent funding to the Community Learning Grant for the local authority areas within their jurisdiction (as allocated through the revised funding model); the relevant local authorities would no longer receive the CLG directly from the Welsh Government.

In each case, the lead provider would be expected to ensure the delivery of the priorities outlined within the *Adult Learning in Wales* policy, and the priorities identified by the Regional Skills Partnerships (RSPs).

The lead provider, be it local authority or FE College, would lead on the planning and reporting of delivery of provision; but they would be expected to work closely with other providers in their area to ensure delivery is effective and accessible across the region.

Impact

In many cases, this model of delivery would simply formalise the current systems that are in operation; and would retain much of the good practice currently in place.

The onus would be on the lead provider to work in partnership with other providers, including Addysg Oedolion Cymru/ Adult Learning Wales to ensure they do not duplicate provision or create unnecessary competition for learners.

Introducing a more robust planning system would improve accountability and benchmarking across the sector, and would enable each local authority and college to focus funding and provision in those areas where there is the greatest need. In some areas where FE Colleges already deliver the majority of the provision, this system would aim to increase the existing investment in adult learning in the area.

However there are some inherent risks with this model of delivery.

Current funding allocated to FEIs is not ring-fenced for any particular purpose. In order to ensure that this additional funding focused on the provision of adult learning, there may be a need to introduce specific ring-fencing to protect adult learning in those areas where the college is the lead provider.

Ceasing to directly fund some local authorities might inadvertently lead to those teams being dissolved. Not having a local authority team with which to work, could significantly impact on the FE's ability to deliver effectively.

Whilst moving the funding to FE might increase their investment in adult learning, ceasing to fund the Community Learning Grant could lead to the local authority itself withdrawing its wider support for adult learning. In many cases, local authorities invest additional funding (from the RSG) into the delivery of adult learning; and invariably offer support through staffing and infrastructure (buildings etc.) which might all be lost if the Community Learning Grant ceased.

Q4 - Do you think that supporting Local Authorities and/or FE Colleges to plan and deliver adult learning is the best way to ensure that provision is delivered fairly and equitably across Wales?

Q5 - If we allocate additional funding to FE colleges, do you think we should hypothecate (ring-fence) this funding to ensure that it remains focused on adult learning?

Model 2 – Adult Learning Partnerships to lead on the delivery of adult learning

Model 2 is very similar to Model 1, but instead of funding a lead provider independently, this model would involve directly funding strategic partnerships as specific entities. The partnership would thus be responsible, collectively, to not only strategically plan the delivery of adult learning across their area, but to also manage the funding allocated to it.

In order for this to be effective, funding for each partnership would be determined through a revised model for distribution and allocation of the CLG – as discussed in Chapter 2 of this document.

Whilst the allocation would be derived according to local authority area (as discussed in Chapter 2) and provided to the strategic partnership as a whole; in order for it to be manageable a lead organisation would be identified within each partnership which would receive the funding directly, and be responsible for managing and distributing the funding according to the partnership's strategic plan. This lead could be either a local authority or a Further Education Institution.

The Welsh Government would not dictate the membership of the strategic partnerships – it would be the responsibility of the providers to determine the partnerships that would be most effective for them – and could, quite conceivably, cover more than one local authority area.

Impact

Funding partnerships would focus the funding regionally in the areas where it was most needed, and significantly reduce bureaucracy. Partnerships would be required to produce one strategic plan to cover delivery across the region; and funding would be allocated to significantly fewer individual organisations.

Providers would be expected to work closely together within the partnership to ensure funding was distributed fairly and equitably, to reduce duplication and bureaucracy, and to enable more funding to directly support provision.

Where existing partnerships are already functioning well, this model would simply formalise the existing processes and arrangements. However, in some regions, where existing partnerships may not yet be robust enough, we will work with providers to strengthen the partnership and ensure structures, planning and delivery was supported across every area.

There are, however, risks to this approach. Determining a lead partner who would be responsible for administering the grant funding could be problematic and create discord within the partnership. In addition, the impact of not receiving a direct grant from the Welsh Government could mean that local authorities would no longer be able to support the delivery of adult learning in their area.

Q6 - Do you think that supporting partnerships directly to deliver adult learning would be the best way to ensure that provision is delivered fairly and equitably across Wales?

Q7 - Do you think that the current partnerships are sufficiently robust and well structured to take on this responsibility?

Model 3 - a National Community College to coordinate and plan the delivery of adult learning across Wales

Model 3 would support a single organisation to act as a national coordinator for adult learning across Wales; and would involve the cessation of the Community Learning Grant.

The funding currently allocated to local authorities through the CLG would instead be pooled and provided as a block grant to one organisation whose responsibility it would be to strategically plan and coordinate delivery of adult learning – subcontracting to other providers as necessary.

Having one central organisation planning strategically could offer a more standardised approach; and ensure a consistent curriculum was delivered across Wales. The challenge would be to maintain flexibility for cultural and local variation with the ability to commission and contract provision to others.

The organisation would be required to ensure that the needs identified by all three Regional Skills Partnerships were addressed as well as responding effectively to local needs.

The organisation would not be expected to deliver all provision itself. Delivery would be dependent on a strategic partnership model being developed to engage with other providers (including local authorities, FE and the third sector) to deliver provision.

Creating such an entity would require one of the following two options being chosen:

(i) To procure the service through a full tender exercise or competitive grant process.

Due to the level of funding available for this option, a full EU level tendering process would be required. This would be a lengthy and bureaucratic process and take a minimum of six months to undertake.

Whilst this would ensure fairness and transparency, it would be an extremely lengthy process, and involve open tendering across the EU.

What's more, any contract would need to be much longer than a year if it was to attract any reasonable response – this would not be possible with an annual budget allocation.

(ii) Use an existing Further Education Institution (FEI) to provide this function

For example, the Welsh Government has the powers to increase the current funding to Adult Learning Wales, or an alternative institution, to extend their role to take on these additional responsibilities.

In this example, the current allocation to the FEI would be increased by the amount of funding currently allocated within the Community Learning Grant.

Impact

A National College would be funded using the money currently allocated to the Community Learning Grant (either as a stand alone sum, or, in the case of an existing institution as an addition to their existing allocation). In order to preserve the independence of a national college, it would be left to the organisation to determine and ensure funding could be targeted where it was most needed; but there would be the expectation that the college would develop a methodology that ensured provision was targeted at addressing deprivation and need across all of Wales.

The success of a single organisation would be dependent on it being able to work in partnership with other providers, but, by no longer being in receipt of the Community Learning Grant, local authorities might no longer be able to support the delivery of adult learning in their areas. The risk would be that we would lose many years of expertise, and an existing infrastructure.

Having one organisation with responsibility for the strategic planning of delivery could easily be the answer to the problems facing adult learning. It would ensure a strategic overview, provide a one-stop shop for learners, and ensure a level of consistency of offer that is lacking at the present time.

However, there is a danger that in order to be effective it would need to have a multitude of layers that would make it overly bureaucratic. Decisions made for the national good could seriously undermine the local flavour of provision and prevent it from having the flexibility that it needs to service an increasingly changing client base.

Q8 - Do you think that supporting a single national strategic body to oversee the strategic planning and delivery of adult learning would ensure that provision is delivered fairly and equitably across Wales?

Q9 - Do you believe that the body should be procured?

Q10 - Do you believe an existing FEI should be tasked with fulfilling this role?

Discussion

Our priorities for adult learning in Wales are clear. We want to support all learners to develop their essential skills to enable them to actively engage in our society and to seek appropriate work where they can.

The three options we have outlined are all feasible options for the future delivery of Adult Learning in Wales. Each of these options could secure fairer access to provision for all of our learners, but none of these options comes without inherent risks. This is unavoidable. There will be consequences to any option that is chosen, but we want to make sure we choose an option that provides us with more scope and security for this vital provision for the years to come. We will work with providers across the adult learning sector to mitigate any negative impacts and to ensure that learners retain access to provision. We will consider these challenges in taking forward the changes needed and will work with local providers to ensure whatever option is chosen supports effective and equitable delivery for their learners.

In considering your responses to this consultation, please have at the forefront of your mind the learners we are here to support. The option chosen cannot be for the benefit of individual providers or the Welsh Government. We have a duty to provide reasonable provision for adults, and it is vitally important that we do so as effectively as possible.

Q11 - Which of the three options outlined would be the most effective in ensuring provision is equitable and accessible to learners across all of Wales?

- Model 1 – Local authorities and/or Further Education Colleges to lead on the delivery of adult learning
- Model 2 - Adult Learning Partnerships to lead on the delivery of adult learning;
- Model 3 - A single National Community College for Adult Learning

Q12 - Which of the three options outlined would be the most effective in ensuring provision is equitable and accessible to learners across your unitary authority?

- Model 1 - Local authorities and/or Further Education Colleges to lead on the delivery of adult learning
- Model 2 – Adult Learning Partnerships to lead on the delivery of adult learning;
- Model 3 - A single National Community College for Adult Learning

Chapter 2 - Funding adult learning in Wales

In considering how to restructure the delivery of adult learning, it is important that we also consider how we should fund the sector.

Adult learning in Wales is currently funded as part of the Post-16 budget - either as a dedicated Community Learning Grant through Local Authorities (LAs); or as part of mainstream Part-Time provision through Further Education Institutions (FEIs).

Community Learning Grant

All 22 local authorities currently receive an annual grant from the Welsh Government, entitled the Community Learning Grant. This funding is hypothecated (ring-fenced) for the delivery of adult learning and cannot be used for any other purpose according to the Learning and Skills Act 2000. The CLG has been in operation since 2000, and is based on a historical exercise that removed a proportion of the Revenue Support Grant (RSG) from LAs and redistributed it as a specific adult learning grant.

The sums awarded to each local authority since that time have mirrored the amount each authority sacrificed as part of that disaggregation. There were no changes to the CLG until 2014-15, when as a result of widespread reductions to the post-16 budget; the CLG was reduced by 37.5%. Since that time, the CLG has remained relatively stable and in 2017-18 received a 13% increase.

The total value of the CLG for 2018-19 is **£4,306,832**.

Local Authority	Total 2018-19 Allocation - £
Isle of Anglesey County Council	11,723
Gwynedd Council	7,033
Conwy County Borough Council	7,033
Denbighshire County Council	100,814
Flintshire County Council	2,344
Wrexham County Council	93,780
Powys County Council	128,166
Ceredigion County Council	71,344
Pembrokeshire County Council	450,720
Carmarthenshire County Council	180,220
The City and County of Swansea	173,153
Neath Port Talbot County Borough Council	254,770
Bridgend County Borough Council	151,611
The Vale of Glamorgan County Council	267,879
Rhondda Cynon Taff County Borough Council	200,846
Merthyr Tydfil County Borough Council	45,327
Caerphilly County Borough Council	304,785
Blaenau Gwent County Borough Council	327,449
Torfaen County Borough Council	89,091
Monmouthshire County Council	2,344
Newport City Council	371,995
Cardiff County Council	1,064,405
TOTAL	4,306,832

The CLG has been in operation for a number of years, and local authorities and other providers have developed systems for delivering adult learning that take into account the different funding levels for each local authority.

We believe that a new funding system needs to be developed in order to ensure the funding is distributed in a more equitable way that addresses the Welsh Government's priorities.

Mainstream Part-Time provision in FEIs

Many FE Colleges contribute a great deal to the delivery of adult learning, and indeed in some areas are the main or only provider. None of the funding allocated to FE is specifically targeted at the delivery of adult learning, although there are requirements on the colleges to deliver Essential Skills and ESOL – which are adult learning priorities.

With the exception of Adult Learning Wales whose entire provision can be classed as adult learning, FE Colleges allocate their funding to support full-time and part-time provision according to the priorities of the Regional Skills Partnerships, and their own labour market intelligence and demand from learners.

They are expected to support adult learning and do so through their part-time funding allocations – but they have no strict targets which they are expected to meet. They determine what adult provision they intend to deliver – focused on the priorities for delivering Essential Skills and ESOL – and the provision is then delivered either directly by the FE College itself, or through franchise agreements with local authorities. The investment in adult learning by FE fluctuates annually, but averages approximately £1.5m (franchise) and £3.5m (direct delivery). There is little consistency in the amounts of funding invested in adult learning by FEIs across Wales meaning that there is great variation in access and opportunity depending on where in Wales you live.

Due to significant budgetary reductions over the course of the last few years, part-time funding in FE has decreased by almost 70% in real terms. Whilst funding for essential skills has been protected, these cuts invariably had an impact on the amount of funding invested in adult learning, and the infrastructure within the colleges that supported delivery. As a result, a number of FE Colleges withdrew their outreach programme – which meant they stopped delivering provision in the community, and instead focused their provision on delivery within their campuses.

Two of the three models in Chapter 1 rely on a revised system of allocating the Community Learning Grant. This chapter outlines the different ways we think we can achieve this in a fairer and more equitable manner.

Options for changing the way we distribute the Community Learning Grant (CLG)

In order to ensure a more equitable and fairer access to adult learning provision across Wales, we believe that a new methodology is required to allocate funding for adult learning in a more constructive and even handed way.

As the following table shows, due to the current funding methodology, if we calculated and displayed the allocations on the basis of population, the amount of funding being provided for each individual learner across Wales is grossly inconsistent. For example, in Flintshire we fund the local authority the equivalent of 2p per learner; whilst in Blaenau Gwent, the value of the grant equates to £5.95 per learner.

Local Authority	Population age 19+	Current Allocation	Current funding per capita
Isle of Anglesey	55,539	£11,723	£0.21
Gwynedd	98,575	£7,033	£0.07
Conwy	93,789	£7,033	£0.07
Denbighshire	74,268	£100,814	£1.36
Flintshire	120,646	£2,344	£0.02
Wrexham	105,783	£93,780	£0.89
Powys	106,126	£128,166	£1.21
Ceredigion	60,790	£71,344	£1.17
Pembrokeshire	98,278	£450,720	£4.59
Carmarthenshire	146,400	£180,220	£1.23
Swansea	194,177	£173,153	£0.89
Neath Port Talbot	111,977	£254,770	£2.28
Bridgend	112,367	£151,611	£1.35
Vale of Glamorgan	99,867	£267,879	£2.68
Rhondda Cynon Taf	185,582	£200,846	£1.08
Merthyr Tydfil	46,477	£45,327	£0.98
Caerphilly	139,964	£304,785	£2.18
Blaenau Gwent	55,060	£327,449	£5.95
Torfaen	71,855	£89,091	£1.24
Monmouthshire	74,136	£2,344	£0.03
Newport	113,384	£371,995	£3.28
Cardiff	282,928	£1,064,405	£3.76
Total	2,447,968	£4,306,832	£1.76

In order to ensure a more equitable distribution of the funding, our first step is to ensure that each learner in Wales is funded at a consistent level per head.

A number of options for allocating the funding have been considered, and are outlined in more detail below. For the purposes of this consultation, we have outlined four options for allocating the CLG:

- A) allocate the grant according to population (aged 19+).
- B) allocate the grant to include funding to reflect Income Deprivation
- C) allocate the grant to include funding to reflect Educational Deprivation (adults age 25+¹ with no qualifications)
- D) Transfer the funding for the Community Learning Grant into the Revenue Support Grant (RSG)

The *Adult Learning in Wales* Policy makes it clear that the priority for the Welsh Government is to focus the available funding on those in greatest need.

We would like your help to determine which of these options you feel would enable us to do that.

All of the funding methodologies outlined in these options would be subject to regular review to ensure they remain reflective of the needs of the population.

We are aware that any changes to the distribution of the CLG will mean that some local authorities will receive significantly less funding than they currently do. This will inevitably have an impact on delivery of provision in those areas.

It will be important as we take any of these options forward that we work with providers across the region to find ways of mitigating any negative impacts. This is where the importance of partnerships becomes even more relevant.

But, we strongly believe that it is vital that we make these changes to ensure that what funding we have available to us can be distributed in a fairer and more equitable way. In looking to the future we must have a system for funding adult learning that supports the goals of the Wellbeing of Future Generations Act, and to do that we must be certain that all learners have equal access to the provision we offer.

Option A – allocate the grant according to population (aged 19+).

This option allocates the funding according to the adult population (aged 19+) in each local authority area².

In order to determine the allocations, the current total budget for the Community Learning Grant (£4,306,832 for 2018/19) was divided by the total adult population of Wales (2,447,968¹). This determined a funding value of £1.76 per head. ($4,306,832 / 2,447,968 = 1.76$). This figure was then multiplied by the population of each local authority to derive a final allocation.

Some minor inconsistencies may occur due to the rounding of decimal places.

¹ Data is only available for this category for adults aged 25+

² Population figures from Stats Wales <https://statswales.gov.wales/Catalogue/Population-and-Migration/Population/Estimates/Local-Authority/populationestimates-by-localauthority-age>

Table 1 - Option A – allocate the CLG according to population (19+)

Local Authority	Population age 19+	CLG determined by equal per capita funding @1.76*
Isle of Anglesey	55,539	£97,713
Gwynedd	98,575	£173,428
Conwy	93,789	£165,008
Denbighshire	74,268	£130,663
Flintshire	120,646	£212,259
Wrexham	105,783	£186,109
Powys	106,126	£186,713
Ceredigion	60,790	£106,951
Pembrokeshire	98,278	£172,905
Cardiganshire	146,400	£257,569
Swansea	194,177	£341,625
Neath Port Talbot	111,977	£197,007
Bridgend	112,367	£197,693
Vale of Glamorgan	99,867	£175,701
Rhondda Cynon Taf	185,582	£326,504
Merthyr Tydfil	46,477	£81,769
Caerphilly	139,964	£246,246
Blaenau Gwent	55,060	£96,870
Torfaen	71,855	£126,418
Monmouthshire	74,136	£130,431
Newport	113,384	£199,482
Cardiff	282,928	£497,769
Total	2,447,968	£4,306,832

Some minor inconsistencies may occur due to the rounding of decimal places.

Whilst allocating the grant solely via population figures would be a relatively simple way to apportion the funding, population data alone may not necessarily provide a true reflection of need.

Option B – allocate the grant to include funding to reflect Income Deprivation

This option would allocate the funding through a combination of population and Income Deprivation. This would enable us to target funding at those individuals who are living in poverty – whether they are in work or not. For the purposes of this example, 50% of the total budget has been allocated according to population and 50% allocated to reflect Income deprivation.

In order to determine the allocations, 50% of the current total budget for the Community Learning Grant (£2,153,416 for 2018/19) was divided by the total adult population of Wales (2,447,968). This determined a funding value of £0.88 per head ($2,153,416 / 2,447,968 = 0.88$). This figure was then multiplied by the population of each local authority to derive 50% of the final allocation.

The remainder of the allocations was derived dividing the remaining 50% the current total budget for the Community Learning Grant (£2,153,416 for 2018/19) by the total adult population of Wales deemed to be living with Income Deprivation³ (334,070). This determined a funding value of £6.25 per head ($2,153,416/334,070 = 6.45$). This figure was then multiplied by the population of each local authority deemed to be living with Income Deprivation to derive the final 50% of the allocation.

These two figures were then added together to determine the final allocation for Option B.

Table 2 - Option B – allocate the CLG to include funding to reflect Income Deprivation

Local Authority	Population 19+	50% of CLG funding per capita @ £0.88	Pop. with Income Deprivation	Income deprivation (50% of CLG) per capita funding @ £6.45	Total derived Allocation
Anglesey	55,539	£48,856	7,410	£47,765	£96,621
Gwynedd	98,575	£86,714	11,435	£73,710	£160,424
Conwy	93,789	£82,504	12,650	£81,542	£164,046
Denbighshire	74,268	£65,332	11,365	£73,259	£138,591
Flintshire	120,646	£106,129	12,985	£83,701	£189,831
Wrexham	105,783	£93,055	13,600	£87,666	£180,720
Powys	106,126	£93,356	10,415	£67,135	£160,491
Ceredigion	60,790	£53,475	6,160	£39,707	£93,183
Pembrokeshire	98,278	£86,453	12,505	£80,607	£167,060
Carmarthenshire	146,400	£128,784	19,165	£123,538	£252,322
Swansea	194,177	£170,813	27,835	£179,424	£350,237
Neath Port Talbot	111,977	£98,503	18,815	£121,282	£219,785
Bridgend	112,367	£98,846	15,650	£100,880	£199,726
Vale of Glamorgan	99,867	£87,850	11,145	£71,841	£159,691
Rhondda Cynon Taf	185,582	£163,252	29,995	£193,348	£356,600
Merthyr Tydfil	46,477	£40,885	7,805	£50,311	£91,196
Caerphilly	139,964	£123,123	21,940	£141,425	£264,548
Blaenau Gwent	55,060	£48,435	10,230	£65,943	£114,378
Torfaen	71,855	£63,209	10,670	£68,779	£131,988
Monmouthshire	74,136	£65,216	6,570	£42,350	£107,566
Newport	113,384	£99,741	17,895	£115,351	£215,092
Cardiff	282,928	£248,885	37,830	£243,852	£492,737
TOTAL Wales	2,447,968	£2,153,416	334,070	£2,153,416	£4,306,832

Minor inconsistencies may occur as a result of rounding of decimal places

This method would allow for the funding to be targeted at those areas of Wales where Income Deprivation figures suggest there may be the greatest need of our support.

³ Sources: DWP 100% WPLS, HMRC Tax Credit Data, Home Office asylum seeker data, DWP UC caseload data.

The percentage of funding allocated either by population or Income deprivation can be adjusted to suit a preferred ratio split. In other words, we could allocate more or less of the overall budget to reflect income deprivation figures should we wish to.

Option C - allocate the grant to include funding to reflect Educational Deprivation (adults age 25+⁴ with no qualifications)

This option is much the same as Option B, but instead of Income Deprivation, the figures are determined according to the numbers of the adult population (age 25+) who have no qualifications. N.B. Figures are not available for adults 19+, but we believe that the figures used below are reflective of the overall adult population, and therefore appropriate for the distribution of the funding.

For the purposes of this example, 50% of the total budget has been allocated according to population and 50% allocated to reflect Educational Deprivation.

In order to determine the allocations, 50% of the current total budget for the Community Learning Grant (£2,153,416 for 2018/19) was divided by the total adult population of Wales (2,447,968). This determined a funding value of £0.88 per head. ($2,153,416 / 2,447,968 = 0.88$). This figure was then multiplied by the population of each local authority to derive 50% of the final allocation.

The remainder of the allocation was derived by dividing the remaining 50% of the current total budget for the Community Learning Grant (£2,153,416 for 2018/19) by the total adult population of Wales (25+) who have no qualifications⁵ (304,117). This determined a funding value of £7.08 per head. ($2,153,416 / 304,117 = 7.08$). This figure was then multiplied by the population of each local authority deemed to be living with Educational Deprivation to derive the final 50% of the allocation.

These two figures were then added together to determine the final allocation for Option C.

This method would allow for the funding to be targeted at those areas of Wales where they have the greatest population without qualifications, and arguably therefore in greatest need of our support.

As with the previous example, the percentage of funding allocated either by population or educational deprivation can be adjusted to suit a preferred ratio split. In other words, we could allocate more or less of the overall budget to reflect educational deprivation figures should we wish to.

⁴ Data is only available for this category for adults aged 25+

⁵ Source: ONS Crown Copyright Reserved [from Nomis on 21 December 2017]

Table 3 - Option C – allocate the CLG to include funding to reflect Educational Deprivation

Local Authority	Population 19+	50% of CLG funding per capita @ £0.88	Pop. 25+ with no qualifications	Educational deprivation (50% of CLG) per capita funding @ £7.08	Total derived Allocation
Anglesey	55,539	£48,856	5,969	£42,266	£91,122
Gwynedd	98,575	£86,714	9,779	£69,244	£155,958
Conwy	93,789	£82,504	9,441	£66,851	£149,354
Denbighshire	74,268	£65,332	8,330	£58,984	£124,315
Flintshire	120,646	£106,129	12,910	£91,414	£197,543
Wrexham	105,783	£93,055	14,221	£100,697	£193,752
Powys	106,126	£93,356	10,828	£76,672	£170,028
Ceredigion	60,790	£53,475	5,040	£35,688	£89,163
Pembrokeshire	98,278	£86,453	10,178	£72,069	£158,522
Carmarthenshire	146,400	£128,784	17,266	£122,258	£251,043
Swansea	194,177	£170,813	22,499	£159,313	£330,125
Neath Port Talbot	111,977	£98,503	17,492	£123,859	£222,362
Bridgend	112,367	£98,846	16,306	£115,461	£214,307
Vale of Glamorgan	99,867	£87,850	9,302	£65,866	£153,717
Rhondda Cynon Taf	185,582	£163,252	30,583	£216,555	£379,806
Merthyr Tydfil	46,477	£40,885	8,740	£61,887	£102,772
Caerphilly	139,964	£123,123	23,044	£163,172	£286,295
Blaenau Gwent	55,060	£48,435	10,612	£75,142	£123,577
Torfaen	71,855	£63,209	10,042	£71,106	£134,315
Monmouthshire	74,136	£65,216	6,204	£43,930	£109,145
Newport	113,384	£99,741	15,279	£108,189	£207,930
Cardiff	282,928	£248,885	30,052	£212,795	£461,679
TOTAL Wales	2,447,968	£2,153,416	304,117	£2,153,416	£4,306,832

Minor inconsistencies may occur as a result of rounding of decimal places

Option D –Transfer the funding for the Community Learning Grant into the Revenue Support Grant (RSG)

Local Government is keen to remove hypothecation from the grants it receives from the Welsh Government and be given the flexibility to target its funding where it feels there is the greatest need. This would significantly reduce the bureaucracy and costs involved in administering the grant and provide authorities with greater freedom and responsibility around decision-making at a local level.

Whilst a transfer into the RSG would remove the hypothecation from the grant, the expectation would remain that the funding be used to support adult learning. The overall grant value (currently £4.3m) would transfer into the overall RSG pot. Without the hypothecation of a specific grant, consideration would need to be given on how best to work with local authorities to ensure the desired outcomes are still delivered.

The distributional considerations of this grant on transfer into the RSG would be a matter for the Distribution Sub Group – a technical working group whose members include Welsh Government officials, senior local government officers from across Wales, the Welsh Local Government Association (WLGA) and independent experts, to ensure fair treatment of the different factors. There is the potential to separately identify this funding in the RSG for the first two years of the transfer before it becomes subsumed into the wider formula. One of the more apparent options for the distribution of this funding on transfer into the settlement would be to distribute on the existing *Adult and Continuing Education* formula, which is based 80% on population and 20% on benefit claimants.

The following table sets out how this might look based on the current CLG budget:

Table 4 – transfer CLG into RSG and allocate according to the existing RSG formula.

CLG distributed on Adult and Continuing Education IBA shares			
	2018-19 Adult and Continuing Education IBA*	Composite Share	Allocation from transferred CLG
Isle of Anglesey	£149,866	2.30%	£98,617
Gwynedd	£256,866	3.90%	£169,027
Conwy	£252,118	3.90%	£165,902
Denbighshire	£206,334	3.20%	£135,775
Flintshire	£310,321	4.70%	£204,202
Wrexham	£287,849	4.40%	£189,415
Powys	£267,754	4.10%	£176,191
Ceredigion	£156,538	2.40%	£103,008
Pembrokeshire	£259,976	4.00%	£171,073
Carmarthenshire	£387,697	5.90%	£255,118
Swansea	£517,976	7.90%	£340,846
Neath Port Talbot	£308,431	4.70%	£202,958
Bridgend	£298,980	4.60%	£196,739
The Vale of Glamorgan	£257,792	3.90%	£169,636
Rhondda Cynon Taff	£511,649	7.80%	£336,682
Merthyr Tydfil	£128,967	2.00%	£84,865
Caerphilly	£387,787	5.90%	£255,177
Blaenau Gwent	£158,547	2.40%	£104,330
Torfaen	£194,291	3.00%	£127,850
Monmouthshire	£184,124	2.80%	£121,160
Newport	£312,500	4.80%	£205,636
Cardiff	£748,630	11.40%	£492,625
Wales	£6,544,994	100.00%	£4,306,832

*IBA - Indicator Based Assessment

There are clear advantages to this approach, not least that it would significantly reduce the bureaucracy involved in administering the grant. It would also give local authorities the freedom and flexibility to target their funding where they wish.

But here too lies the risk. By no longer having a dedicated grant for adult learning, we may inevitably see a reduction in the amount of adult learning being delivered in the community.

Local authority budgets are under a great deal of strain; and without the hypothecation of a specialist grant, there is a high risk that the funding would not be spent on adult learning but would be absorbed into the general funding within Local Authorities.

Transferring the Community Learning Grant into the RSG would affect **all** local authorities. As such, it would negate the options for delivery that we have set out in Chapter 1. If the CLG is transferred into the RSG, then we would no longer control that specific budget and as such would be reliant on local authorities and FEIs working together to provide adult learning opportunities.

‘Creative Solutions’

In determining these options, there is also an opportunity to create a ‘Creative Solutions’ fund. This fund would ring-fence an amount of the available CLG budget that Adult Learning Partnerships could ‘bid’ for. Partnerships would be tasked with coming up with either new projects or initiatives; or new and innovative ways of delivering current provision.

Creative Solutions projects have been run in other areas of Welsh Government and are seen as a positive way of encouraging more innovative approaches to existing problems.

Initial thoughts are that any new agreed initiatives would be funded over two academic years to allow for proper evaluation; and bids for projects accepted every two financial years.

Whilst there is no budget in mind for this Creative Solutions fund, it should be very clear that there would be no additional funding available, and all LAs would see their own allocation reduced to fund these initiatives. For example, if it were decided that the Creative Solutions fund would total 10% of the overall CLG, then each LA allocation would be reduced by 10% to create the fund.

Conclusion

The four options discussed in this section would each have different impacts on the local authorities. It will be important in determining which option is most favourable to consider the potential impact on the learners that this funding is intended to support.

Consider the options set out above and answer the following questions:

Q13 - which of the funding options set out in Chapter 1 do you support, and why?

- A – allocation derived by population alone
- B – allocation derived by population and Income Deprivation
- C – allocation derived by population and Education Deprivation
- D – dissolve the CLG and transfer the funding to the RSG

Q14 - Why do you believe this option would serve learners best?

Q15 - What has influenced your opinion?

Q16 - Would you support the idea of a percentage of the funding being set aside each year to fund *Creative Solutions* projects within the sector?

Q17 - How might this work within your unitary authority area?

Conclusion

Changing the way we deliver and fund adult learning will be no easy task – the existing systems are complicated and have been in operation for a significant length of time. But, if we are to respond to the recommendations of the Arad and Estyn reviews, and ensure we have an adult learning sector fit for the future, then we must make the changes necessary.

The options outlined in both chapters of this document have been developed in partnership with the adult learning sector, and each of them is aimed at ensuring the adult learning provision that we fund is accessible to all learners in Wales.

Our vision is clear – we want a Wales where learning is at the core of all we do; where participation in learning is encouraged and rewarded; and where people have equal opportunities to gain the skills for life and work that they need to prosper.

Thank you for taking the time to read this consultation document. Please respond to the questions on the response form which is available on the Internet. A summary of responses will be published in due course.