

Use of the Local Initiatives Fund (LIF) 2001–02



1. Introduction

1. The LIF budget is a highly flexible source of funds intended to help support delivery of the wider Learning and Skills Council objectives through support for local initiatives.
2. The funding is used to support Government and LSC objectives such as those relating to the creation of an inclusive society and communities where everyone is committed to lifelong learning. The fund is available to pump-prime local projects to help the socially disadvantaged, support employment regeneration, and maximise the benefits of additional money levered in from other sources such as European Social Fund (ESF) and the Single Regeneration Budget (SRB).
3. The Research and Good Practice team has carried out a survey of the 47 local Learning and Skills Councils (local LSCs) to find out how they have used the LIF in 2001-02. This report sets out the findings of the survey, **up to the end of November 2001**. Some local LSCs are currently (at the beginning of December 2001) in the process of approving proposals they have received for projects or activities.
4. Since the questionnaire was sent out to local LSCs, the total LIF allocation was revised and increased by £10m from £80.3m to £90.3m. This £10m increase has been divided between the 47 local LSCs and, in turn, it has affected the amount of their individual allocations. In their responses to the questionnaire, four local LSCs quoted their original allocation before the increase. As a result, the analysis shows that there is approximately £600k of unaccounted funding in the analysis (Fig 12).
5. 37 local LSCs returned the completed questionnaire, between the end of October and end of November 2001, and their combined LIF allocation was £69.8m (77% of the total LIF allocation of £90.3m). The average allocation to a local LSC is £1.89m. The total LIF allocation to the 10 local LSCs which did not respond was £20.5m.
6. There was significant variation in the level of detail in response to the questionnaires. Many local LSCs had difficulty answering certain questions relating to the amounts of allocations for specific purposes, such as those for particular types of provider, operations guide priority activities, and for projects to meet corporate plan targets. This explains why such allocations are not accounted for in the report.

2. Key Findings

How is the LIF being allocated?

- 1,523 projects/activities have been funded by the 37 responding local LSCs through LIF, with an average of 41 projects per LSC, and an average project/activity cost of £46,000. A graph (Fig 1) shows the pattern of LIF allocation against the number of projects funded
- 47% of the responding local LSCs made funds available through a combination of a bidding process and direct allocation. 25% of local LSCs made funding available through a bidding process, and 14% made funding available through direct allocation. 14% of local LSCs funded activity initiated by the former local Training and Enterprise Council (TEC) or Chamber of Commerce Training and Enterprise (CCTE) as well as through a bidding and/or direct allocation process (Fig 2)
- most providers or organisations learnt about the LIF when their local LSC contacted them and invited them to bid for an allocation. Some local LSCs produced brochures or a prospectus about the LIF, or engaged in a process of local consultation
- the total number of bids received across the 37 responding local LSCs was 2,973, and they amounted to approximately £135 million.

Who is benefiting from LIF?

- the questionnaire listed 7 types of provider to whom funds were made available (Fig 3). Of the £69.8 million allocated to the 37 responding LLSCs, Community Based Organisations received the highest recorded proportion of LIF (10%), followed by Local Learning Partnerships (6%) and then FE sector colleges (5%). The total of recorded expenditure for the given types of provider was £37.5 million. This includes £16.7 million which was not recorded as expenditure towards specific types of providers.
- there were many other types of providers/organisations that were not listed on the questionnaire, to whom LIF was made available. These included Education Business Links Organisations (EBLOs), National Training Organisations (NTOs), consultants, private sector training providers, careers/connexions, schools, local education authorities (LEAs), and charities/voluntary organisations. The total of recorded expenditure for these types of providers/organisations (Fig 4, Fig 5) was £13.7 million (20%).

What is LIF being spent on?

- the total value of recorded expenditure of LIF towards the priority activities specified in the operations guide (Fig 6) was approximately £49m (70% of the £69.8m allocation between the 37 local LSCs). The largest proportion of this money went towards 'Tackling disaffection and disengagement' (23%) and the smallest proportion (1%) was allocated to 'Childcare activity'
- the total value of recorded expenditure of LIF towards other projects and activities not specified in the operations guide, was approx £11.7m (16%) (Fig 7). There was a wide variety in the use of LIF identified in the survey. Most commonly, LIF was used to fund research, marketing and training events by many local LSCs. Less common, though significant, specific regional uses include support for projects associated with the Commonwealth Games (Greater Manchester), and recovery from the Foot & Mouth epidemic (Cumbria, Gloucester)
- the total value of recorded allocations from the LIF to finance activities contributing towards the LSC's Corporate Plan was £52.1m. The largest proportion of this money (31%) went towards 'extending participation in education, learning and training', followed by 'raising the achievement of adults' (21%) and 'raising the achievement of young people' (20%) (Fig 8)
- the amount of the LIF not committed (as of beginning of December 2001) to projects/activities across the 37 responding local LSCs was £6.1 million, although many local LSCs were in the process of assessing/approving projects. 14 local LSCs had committed all of their LIF allocation. 18 local LSCs had uncommitted funds, 8 in excess of £300k (83% of the uncommitted funds). A graph showing local LSCs and the amounts of committed/uncommitted funds is at Fig 9. A pie chart showing the proportion of uncommitted funds from the LIF allocation of the 37 local LSCs is at Fig 10, and a list of local LSCs with uncommitted funds is at Fig 11.

3. Statistics

Fig 1.

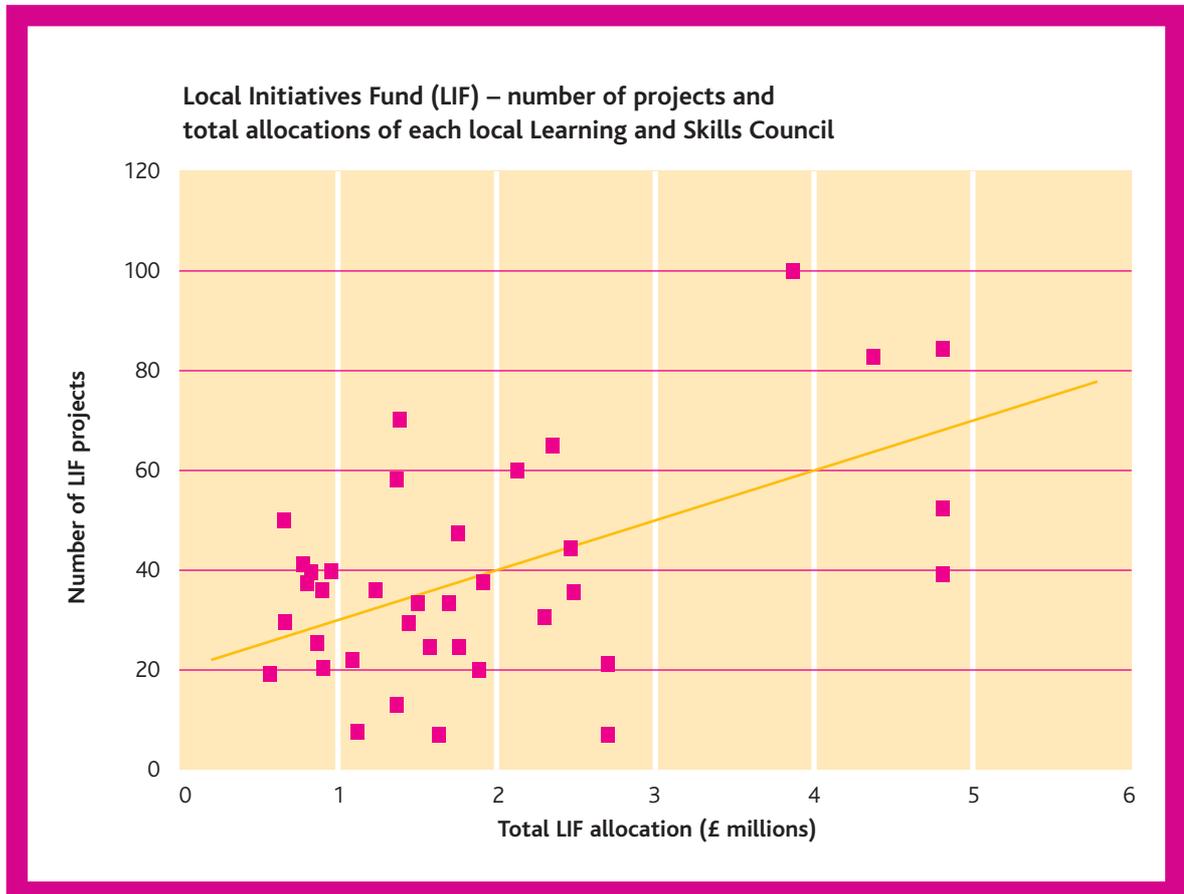


Fig 2.

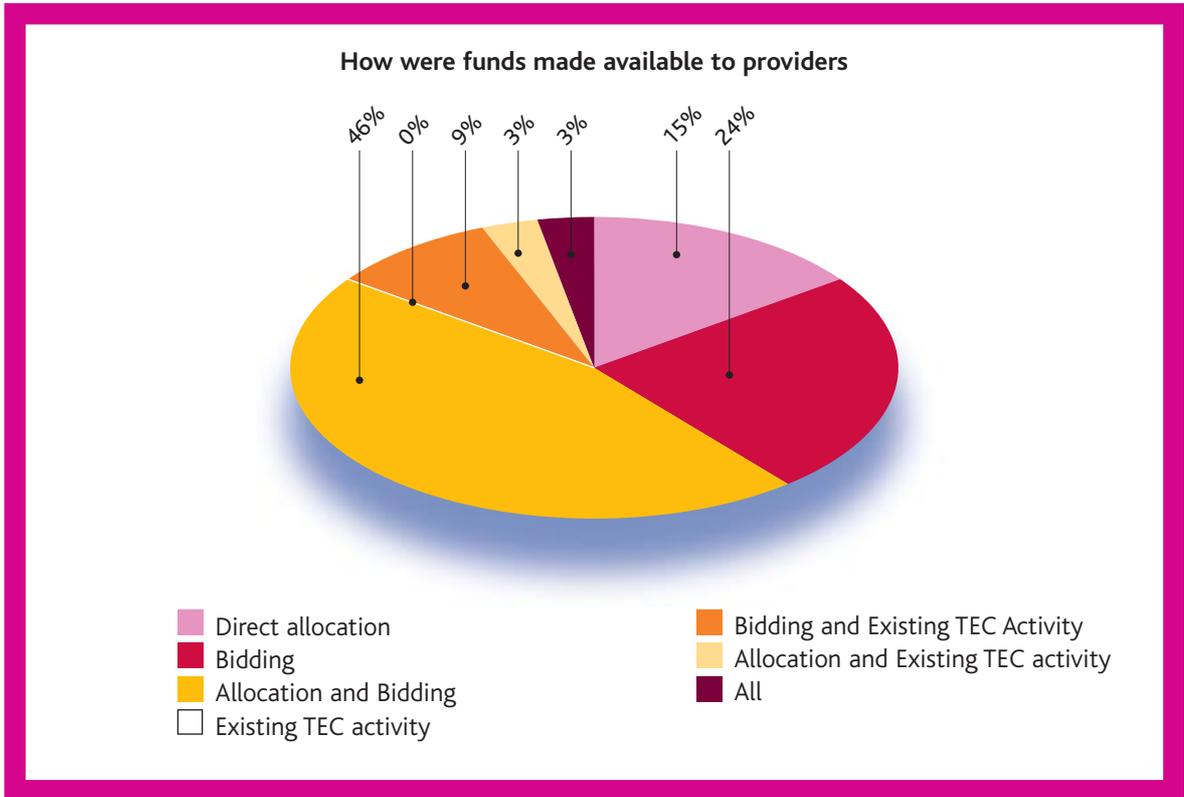


Fig 3.

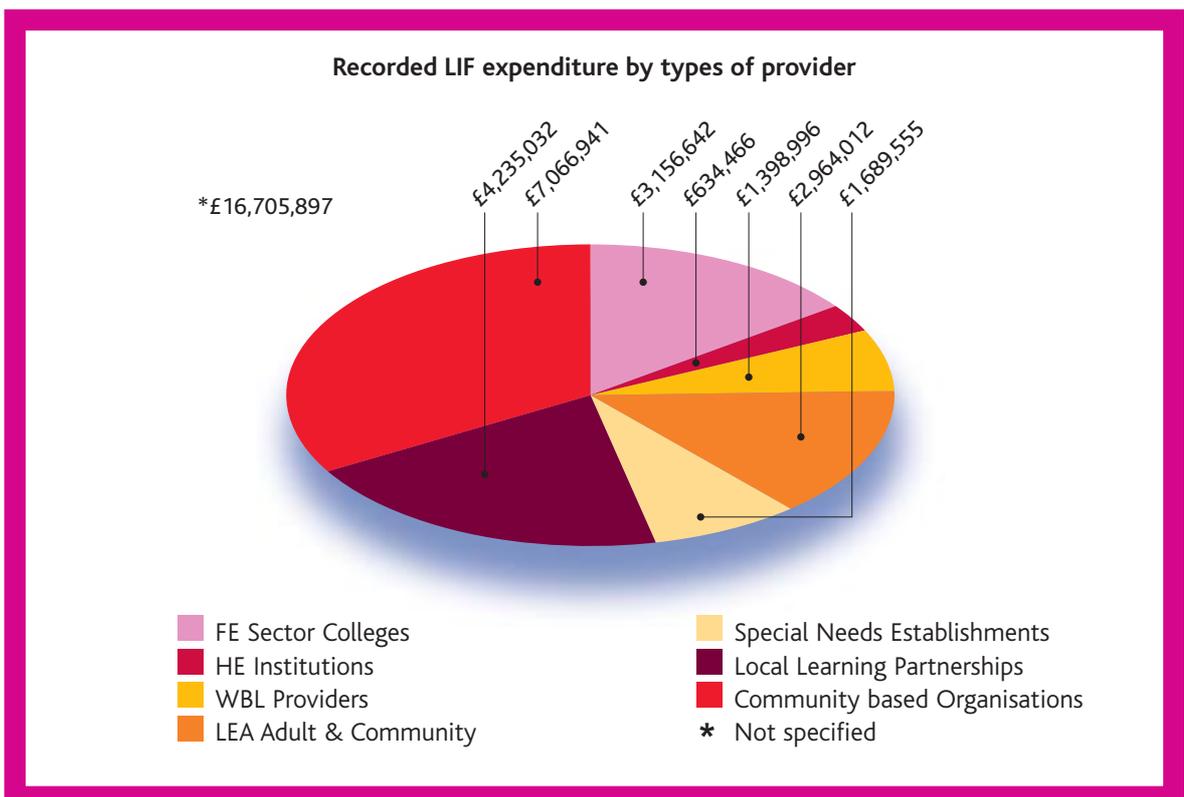


Fig 4.

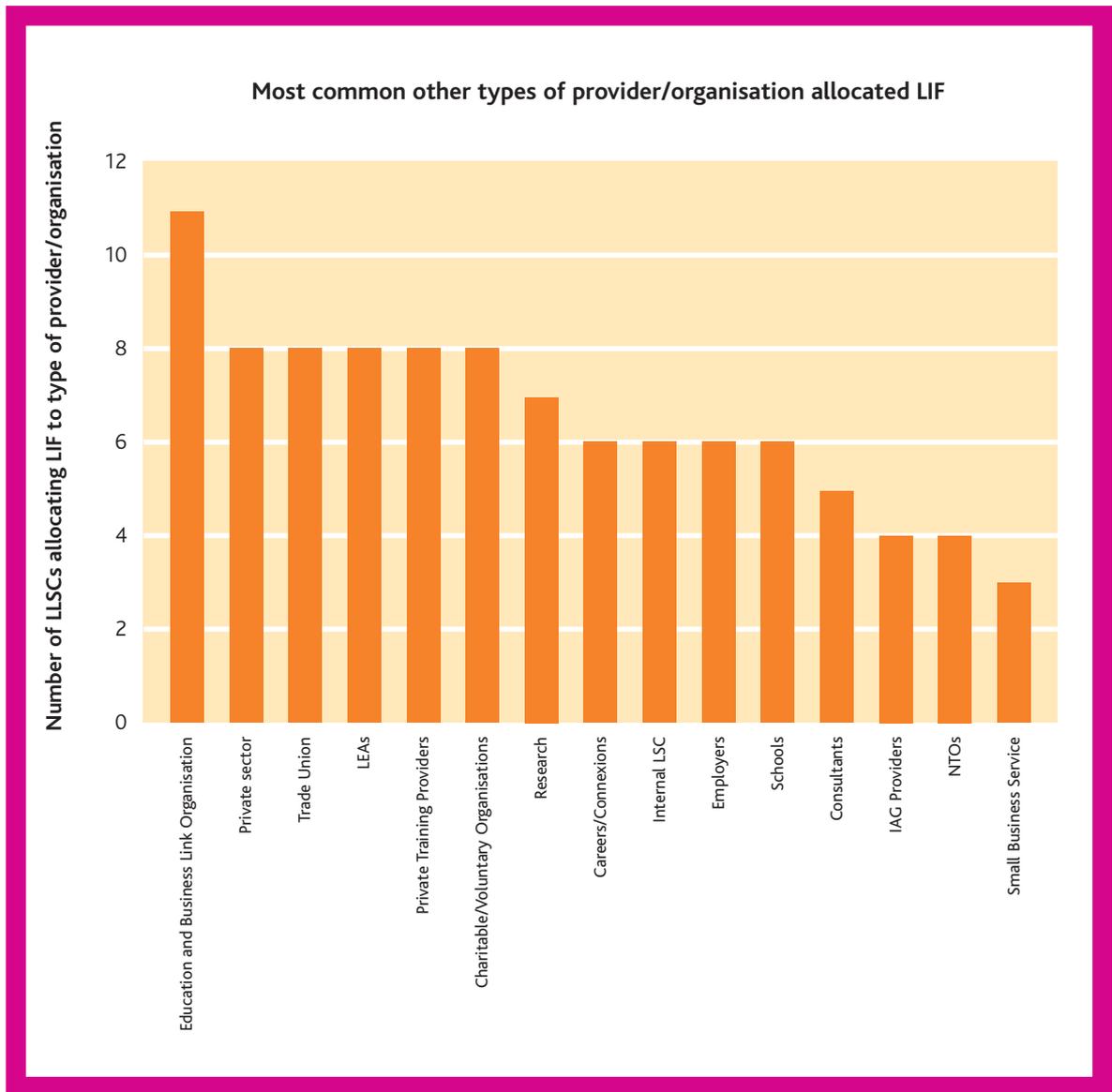


Fig 5. Less common other types of beneficiary allocated LIF

Employment Service (ES)
Single Regeneration Budget Partnerships (SRB)
Regional Development Agencies (RDA)
Bitesize
Prisons
Small Medium Enterprises (SME)
Foot and Mouth Support
NW Skills Festival
Emergency Services
Childcare/Early Years

Fig 6.

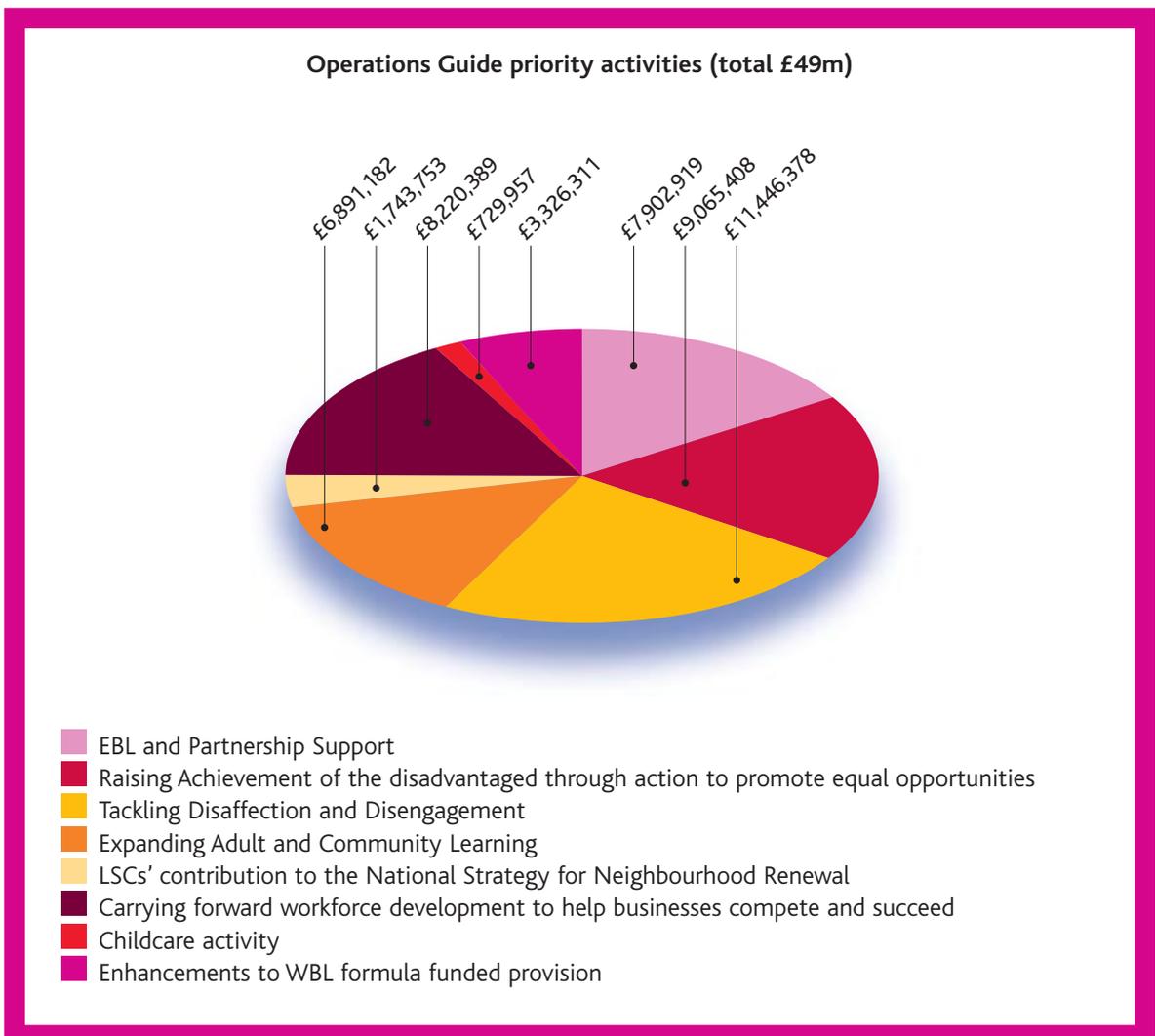


Fig 7.

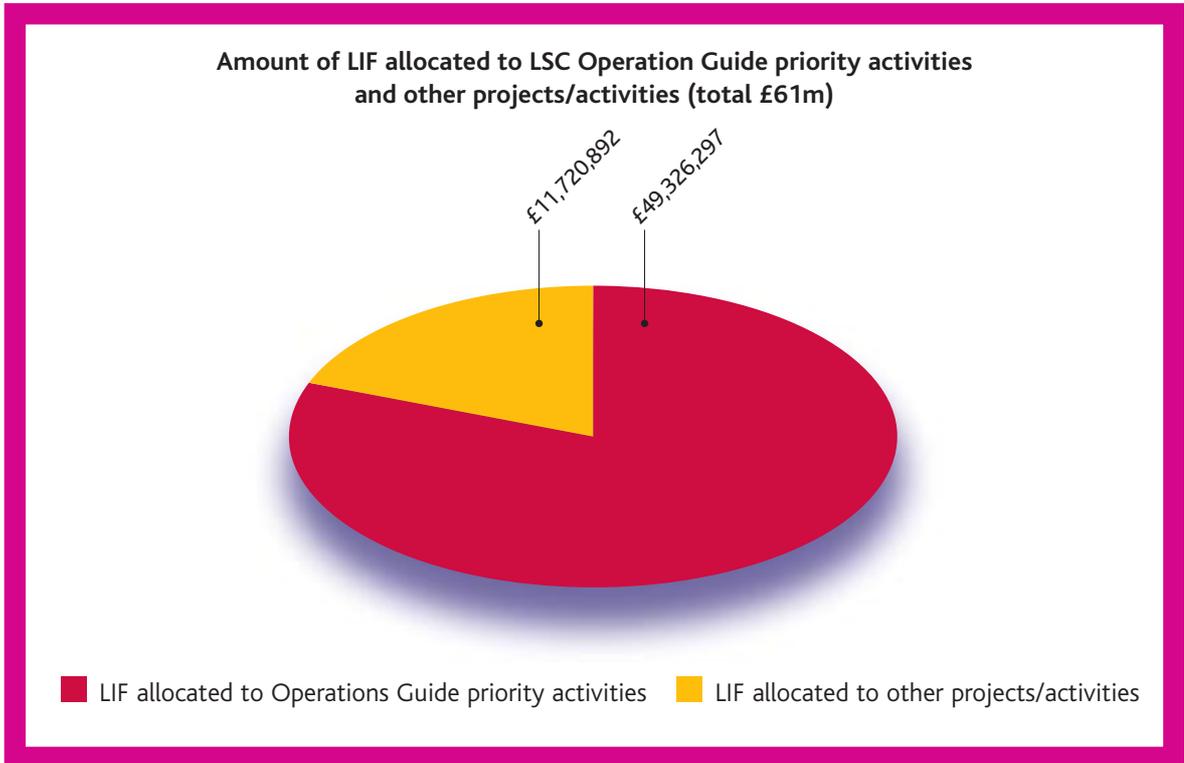


Fig 8.

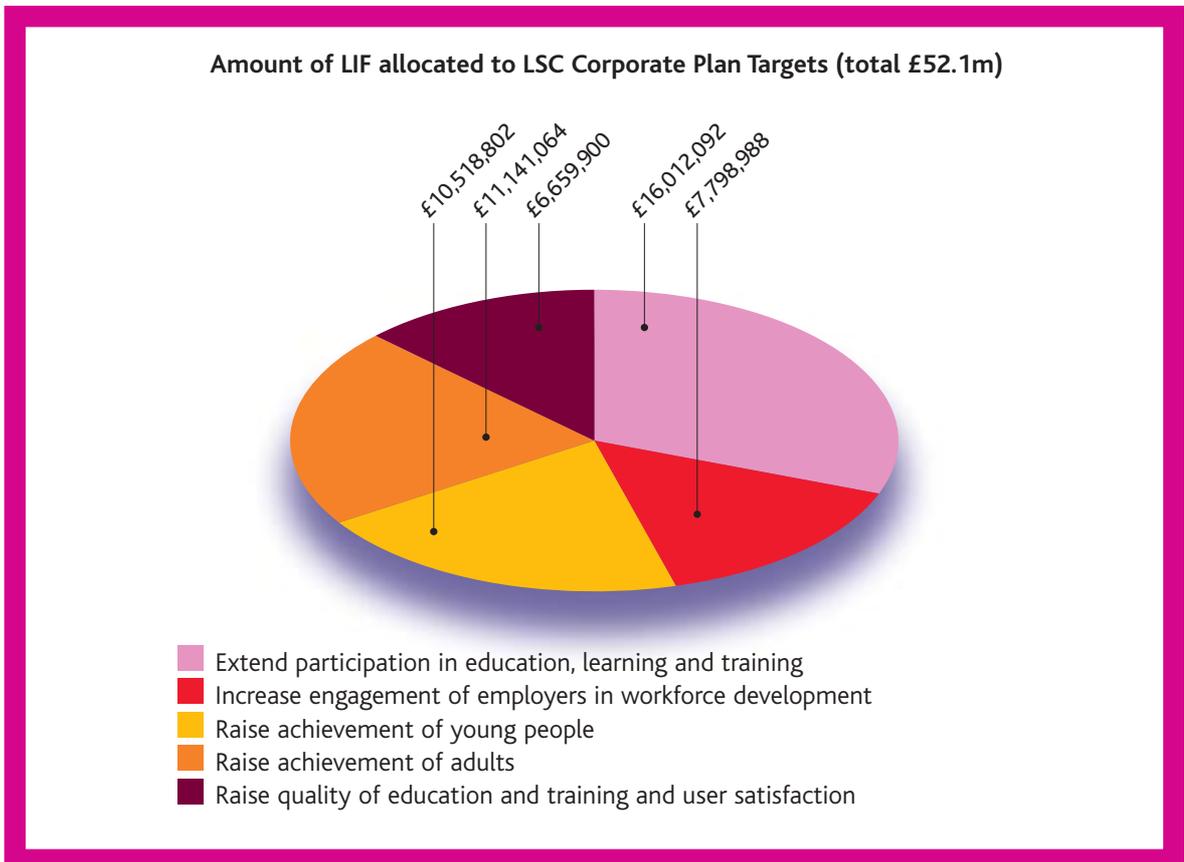


Fig 9.

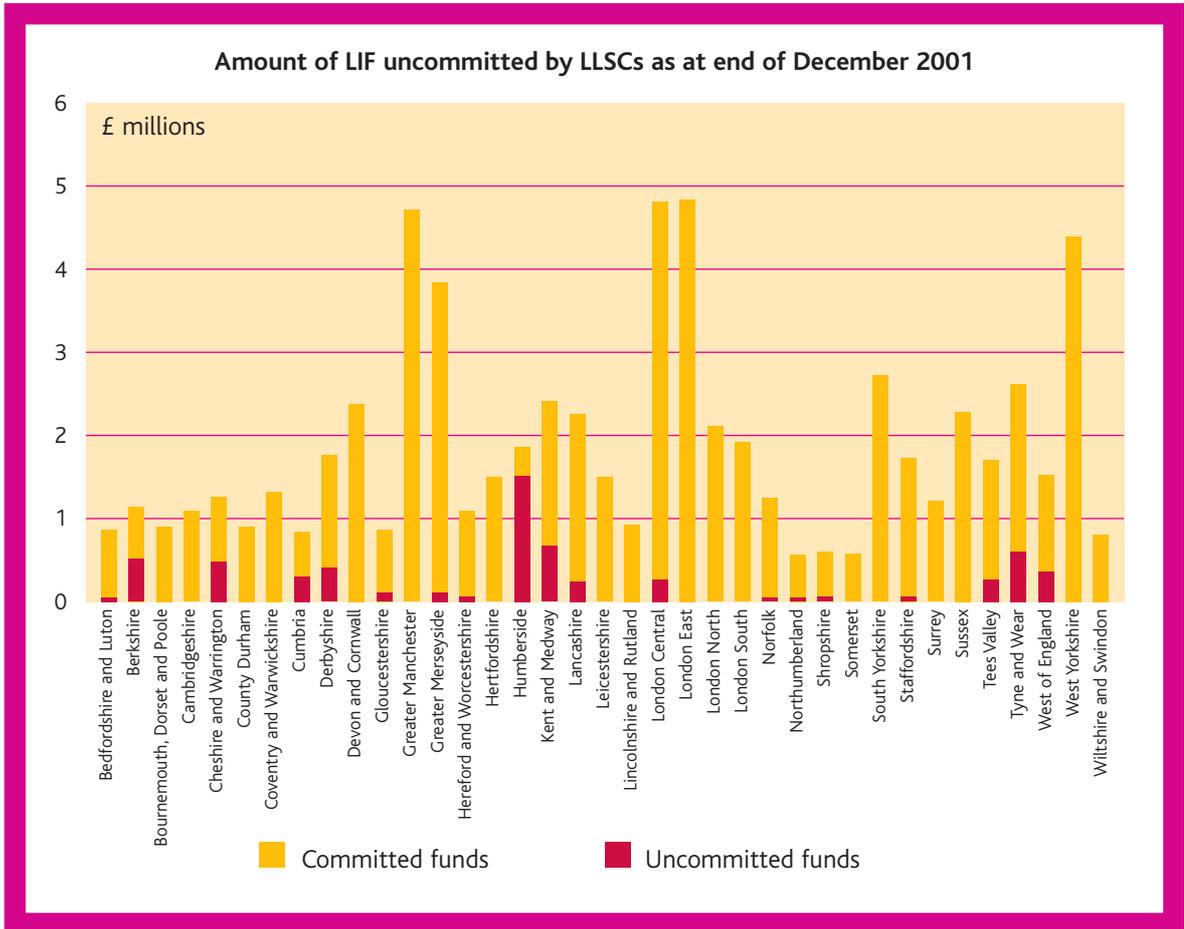


Fig 10.

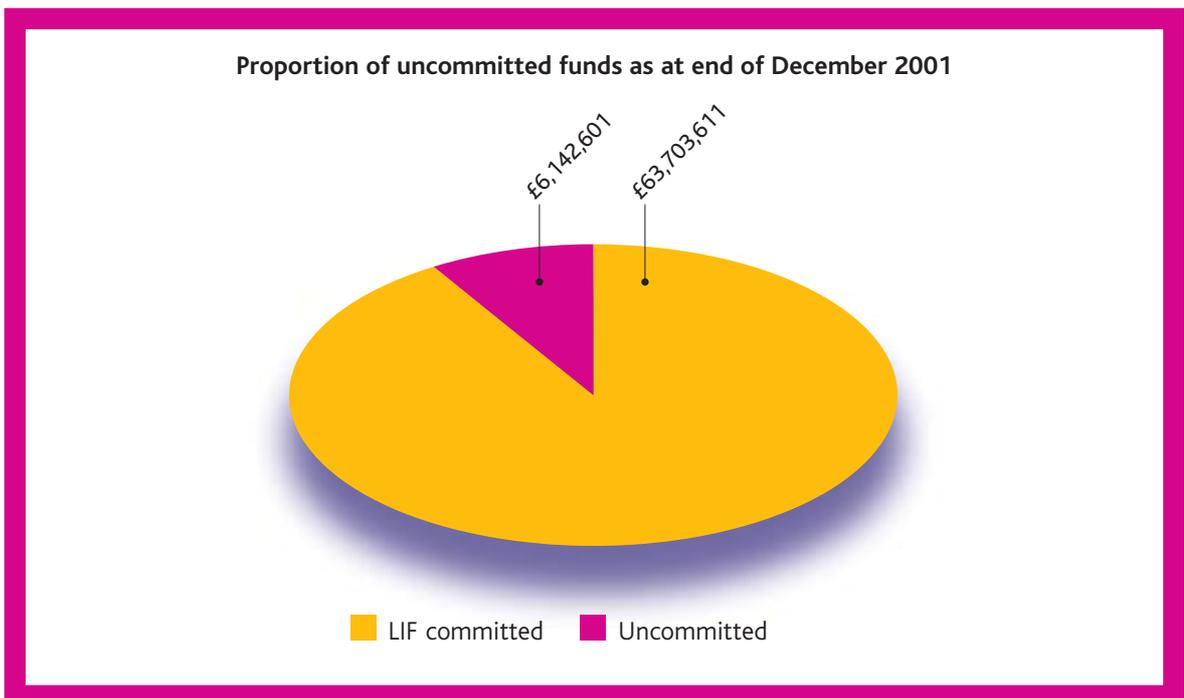


Fig 11. LLSCs with uncommitted funds

Humberside	1,500,000
Kent and Medway	633,000
Tyne and Wear	600,000
Cheshire and Warrington	500,000
Derbyshire	442,000
West of England	400,000
Cumbria	308,000
Tees Valley	301,000
London Central	293,548
Lancashire	199,430
Greater Merseyside	100,000
Gloucestershire	84,142
Herefordshire and Worcestershire	68,035
Staffordshire	54,000
Northumberland	45,000
Bedfordshire	40,000
Norfolk	40,000
Shropshire	33,331
Total	£ 5,641,486

Fig 12. Unaccounted funds

The LLSCs in the table below completed their forms with the pre-revised LIF allocations recorded, and this difference makes up £587,779 of the unaccounted amount

LLSC	pre-revised allocation	revised allocation	difference (+)
Norfolk	1,157,665	1,301,832	144,167
Cambridgeshire	949,765	1,068,042	118,277
West of England	1,365,864	1,535,959	170,095
Coventry and Warwickshire	1,246,575	1,401,815	155,240
		Total	£587,779

Many LLSCs had difficulty recording expenditure within the framework of some questions, notably expenditure towards Corporate Plan targets, activities specified in the Operations Guide and provider types.

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