

Of interest to: Principals, chief executives, chief education officers, heads of institution, finance directors and management information officers of further education and adult education establishments.

Responses to Investing in Skills

Taking Forward the Skills Strategy: A Learning and Skills Council (LSC) Consultation Paper on Reforming the Funding and Planning Arrangements for First Steps and Personal and Community Development Learning for Adults

Introduction

1 This report provides an analysis of the responses to the LSC adult learning consultation that was published on 28 September 2004 . The consultation period ran for 12 weeks and closed on 17 December 2004. Formal responses were gathered through a dedicated e-mail address and via fax/post. You can find the consultation document on our website www.lsc.gov.uk

Respondents

2 In total 297 responses to consultation were received from a broad range of respondents.

3 Organisations chose their category on the response forms, these have been used in the analysis. The breakdown of respondents were:

Further Education College	75	Further Education Institution	4
Local Education Authority	87	Higher Education Institution	3
Trade Union	1	Work Based Learning Provider	1
Employer	0	Representative Body	7
Sector Body	4	National Organisation	21
Regional Body	7	Voluntary Organisation	27
School	1	Individual	6
Other*	52	Not Known	1

* The breakdown of organisations that declared themselves as other is as follows:

Library Service	3	UK Online	1
Former External Institution	5	Delegated LEA College	1
Consultant	3	Local Learning and Skills Council	9
Specialist College	1	Awarding Body	1
Community College	3	Charity	2
Learning Partnerships	13	Training Manager	1
Consultation Event	1	Community Organisation	4
Community College	3	Health Service	1

Overview

4 Respondents broadly accepted the principles and proposals detailed in the document. There were a number of concerns including: potential narrowing of curriculum, reduction in learner numbers, the feasibility of the timescale for implementation and possible destabilisation for providers.

5 Respondents agreed the need for change and for the targeting of resources and supported the proposals outlined within the document.

6 A large number of respondents indicated that a national marketing campaign to ensure that the changes and the reasons for them was publicised to learners and potential learners would be helpful.

Responses/Summary of Key Comments Raised

7 The analysis given here combines a straightforward statistical approach with a selection of some of the key recurring points made by the respondents.

8 The percentage calculations have excluded those respondents who chose not to respond to individual questions, respondents who were unsure have been included.

Q1 Are these the right principles to apply?

Yes	No	Not Sure	No Response
247	30	4	16
87.9%	10.7%	1.4%	

9 There was strong support for the principles detailed within the document which were seen by the majority as comprehensive, realistic and fit for purpose.

10 The main concern was regarding the payment of higher fees for those learners who may need to re-skill for a variety of reasons, for example, health reasons, redundancy, currency of qualifications.

Q2 Are there other principles you would like to propose?

Yes	No	Not Sure	No Response
188	89	1	19
67.6%	32%	0.4%	

11 Respondents suggested that the underpinning principles should have included a commitment to:

- Quality
- Equality and Diversity
- Lifelong Learning
- Widening Participation.

Q3 Are the definitions of learning for personal and community development and first steps clear and comprehensive?

Yes	No	Not Sure	No Response
178	92	10	17
63.6%	32.9%	3.5%	

12 Many respondents indicated that in practice it would be difficult to distinguish between types of learning due to the overlap between them. The classifications set out in the document were felt to be artificial.

Q4 Are there additional activities that should be included?

Yes	No	Not Sure	No Response
172	95	8	22
62.5%	34.5%	2.9%	

13 The additional activities highlighted were: community based activities, ICT, skills for employability and skills for independent living and family learning.

Q5 Would these definitions assist in planning and funding discussions?

Yes	No	Not Sure	No Response
209	29	17	42
82%	11.3%	6.7%	

14 Some respondents considered the definitions to be too prescriptive, others felt that further clarity of the definitions was required.

Q6 What issues will arise when distinguishing between learning for personal and community development and first steps learning on the basis of provider intention in setting up the course?

15 Many respondents commented on the degree of overlap between learning for personal and community development and first steps learning. Courses could often be very similar and in some areas it would not be practical to run similar courses with different intentions. Concern was expressed about a potential for mixed classes with different fee requirements for the same provision.

16 A number of respondents indicated that a simple and effective process for establishing that a learner does not have a full Level 2 qualification could be difficult to find.

17 Concern was raised that a two tier system was being established which could lead to the devaluing of certain areas of learning, with a potential impact on social inclusion and widening participation strategies.

Q7 What is the best way of handling those programmes which are offered by providers on the basis that they are primarily studied for recreational reasons, but which do lead to external accreditation?

18 A large number of respondents indicated that the existing route of mainstream FE funding remains the most suitable way of funding accredited provision that is mainly studied for recreational reasons; any alternatives would be too bureaucratic and complex.

Q8 Is the proposal for the transfer of Out of Scope Activity to LID the best approach, if not, what alternative approach might be adopted?

Yes	No	Not Sure	No Response
106	126	24	41
41.4%	49.2%	9.4%	

19 The main concerns regarding transferring out of scope activity to local intervention development funds (LID) were regarding sustainable funding. Many respondents indicated that this type of activity required long term funding and planning which could not be achieved through LID as it is currently subject to annual processes.

Q9 Do you agree with the proposed approach to funding non-accredited first steps provision?

Yes	No	Not Sure	No Response
184	62	26	25
67.6%	22.8%	9.6%	

20 There was broad support for the proposed approach to funding non-accredited first steps provision, as it was felt to establish parity across the range of providers. Queries raised were regarding tracking progression and length of time allowed for first steps, as these would have a potential impact on funding.

Q10 What might be the difficulties in extending the Further Education (FE) approach to first steps provision currently funded through the Adult and Community Learning (ACL) funding stream?

21 The main difficulties highlighted in extending the FE approach to first steps provision currently funded through the ACL funding stream were:

- data collection requirements
- increased bureaucracy
- adequate funding to support all first steps provision
- funding more suited to large providers could disadvantage small providers
- concerns re tracking and non-linear progression routes
- potential loss of flexibility
- destabilisation.

22 A large number of respondents chose not to comment or respond to this question.

Q11 Are there ways in which the approach could be simplified?

Yes	No	Not Sure	No Response
129	75	14	79
59.2%	34.4%	6.4%	

23 Of the respondents that indicated that the approach could be simplified, a number of respondents indicated that ‘agenda for change’ would meet this requirement.

Q12 What factors should the LSC consider when developing a more equitable allocation approach for first steps learning?

24 Respondents suggested that the following factors should be considered by the LSC when developing a more equitable allocation for first steps learning:

- flexibility and responsiveness to local circumstances
- existing levels and types of provision
- existing learner skills/ qualifications
- social factors – unemployment, levels of deprivation
- rurality
- StAR evidence.

Q13 Is the proposed funding regime for first steps learning appropriate?

Yes	No	Not Sure	No Response
169	59	22	47
67.6%	23.6%	8.8%	

25 Respondents both in favour of the approach and against it, expressed concerns regarding sufficiency of funding and the need to meet delivery costs which may be higher for this type of provision.

Q14 What issues might arise through funding all first steps provision through the FE approach?

26 Concerns were raised regarding the infrastructure, systems and resource requirements for this funding approach as a number of providers would not be in a position to conform to FE funding requirements.

27 A number of respondents expressed concern that colleges might dominate the sector, resulting in reduced diversity of ACL provision and learners.

Q15 What factors should the LSC use when allocating funding for first steps provision?

28 The following factors were suggested by respondents for use by the LSC when allocating funding for first steps provision:

- need to ensure that a variety of provision is retained
- appropriateness
- fairness and transparency
- local/regional need
- impact
- demographics
- deprivation
- quality/inspection data.

Q16 What are the issues that would arise under the proposed funding approach to learning for personal and community development?

29 Respondents felt that the following issues would arise under the proposed funding approach to learning for personal development:

- loss of learners and provision
- increased costs to learners
- lack of consistency re fee remission
- often entry route into learning – this could be lost
- number of private providers could increase and therefore competition.

30 Concerns were raised regarding the establishment of a two-tier system and the impact on widening participation and social inclusion strategies by maximising volumes.

Q17 How might the approach be refined or simplified?

31 A large number of respondents chose not to comment or respond to this question.

32 Of the respondents commenting on this question, the need for consistency was stressed. A number suggested the FE approach with higher fees, using a shortened version of the individualised learner record (ILR) with simplified quality assurance. This was felt to be a more transparent method.

33 A number of respondents suggested that fees should not be left to providers and that they should be set at local level, whilst others suggested the use of cost weighting factors to differentiate between different types of learners.

Q18 What option do you favour for additional learning (ALS) support arrangements?

Option 1	Option 2	Option 3
Identify a fixed percentage of allocation as ALS	Establish a percentage band from each allocation	Agree the level of ALS through planning discussions with each provider
15	61	158
6.4%	26.1%	67.5%

34 More than half of the respondents favoured option 3 as they felt that it provided the greatest simplicity, flexibility and least bureaucracy. It was also felt to be the best option for self-managing providers.

35 One quarter of respondents favoured option 2 as it has a safeguard contained within it. It was also seen to be more useful in assisting with budget forecasting and planning by a percentage band for ALS.

36 Those respondents favouring option 1 expressed concern that ALS could become a postcode lottery but no other comments were offered.

37 A number of respondents suggested that better options could be found to fund ALS and that none of the options suggested were appropriate.

Q19 What additional factors might the LSC consider in respect of weighting the distribution of funds for ALS?

38 The following additional factors were suggested for the LSC to consider in respect of weighting the distribution of funds for ALS:

- income levels
- percentage of adults over 60
- rural sparcity
- deprivation levels
- health indicators
- area demographics
- current levels of support.

Q20 Is the geographical model for learning for personal development appropriate?

Yes	No	Not Sure	No Response
160	75	16	46
63.7%	30%	6.3%	

39 A number of respondents both in favour of the approach and against it, expressed concern that small pockets of deprivation may not be recognised by this approach.

40 A number of respondents made comments regarding rurality and the issues associated with it.

41 It was also suggested that deprivation factors should be taken into account within this model.

Q21 If not what other principles should be adopted?

42 Two thirds of respondents chose not to comment or respond to this question.

43 Of those responding, comments included concerns re rurality and disadvantage factors. Concern was raised regarding potential destabilisation.

Q22 To what extent are the timescales for phasing the reforms realistic and practical?

Practical	Impractical
141	86

62%

38%

44 Respondents who felt that the timescales were unrealistic felt that modelling and trialling would be beneficial and that by increasing the phasing time the risk of destabilisation was minimised.

Q23 In particular does the 2006/07 start date for phasing in the changes on learning for personal and community development give sufficient time for providers and learners to prepare for the changes?

Yes	No	Not Sure	No Response
150	73	27	47
60%	29%	11%	

45 The respondents in favour of the 2006/07 start date for phasing in changes to learning for personal and community development felt that any delay could reduce impetus. They stated the need for all other elements within the timetable to be delivered on time – shadow allocations, guidance.

46 Those expressing the need for a longer lead in time expressed concerns that provision may be destabilised and time would be needed to inform learners/potential learners.

47 The proposals are seen as far reaching and therefore more time should be allowed for their implementation.

Q24 Over how many years should the reforms be phased to avoid disruption to providers and learners?

48 This question generated quite diverse answers ranging from 2–10 years. The majority of respondents expressing a preference opted 3-5 years. Question 25 has 63 per cent of respondents supporting the proposed three years.

Q25 Is the three years proposed sufficient?

Yes	No	Not Sure	No Response
147	75	12	63
63%	32%	5%	

49 Respondents were broadly supportive of the proposed three years to implement the reforms, however some thought that three years was too long, others thought it too short

50 The need to support some providers during the transition period was highlighted.

Other Issues

Inspection Arrangements

51 Some respondents felt that the proposals for accountability and quality assurance procedures were unclear and that a confusing 'two tier' inspection regime could arise as a result. The LSC will continue to work with the Adult Learning Inspectorate to develop a clear and proportionate process, appropriate for the type of learning being inspected.

Provision for Learners with Learning Difficulties and Disabilities

52 Concerns were raised about provision for adults with learning difficulties. The LSC's Strategic Review of Provision for Learners with Learning Difficulties and/or Disabilities (LLDD) interim report has identified that: *The LSC's different funding streams currently operate as planning and funding 'silos' where there is little or no scope for flexibility to facilitate a learner centred approach to provision. The funding rules and regimes inhibit the opportunity to put together learning 'packages' for individuals with components offered by different providers and sectors.*

53 The rationalisation of the funding approach currently being considered as part of the agenda for change programme (see paragraphs 57 to 60 below) will take account of the work and findings of the LLDD review in developing appropriate arrangements for LLDD learners.

Next Steps and Timetable for change

54 In order to establish the current volumes and planned future trends in respect of learning for personal and community development and first steps learning, the LSC commissioned the National Institute for Adult Continuing Education (NIACE) to undertake a 'segmentation exercise' which looked at provision currently delivered through both the FE and ACL funding streams. This work was completed in March 2005.

55 The findings from this work will be used to inform the total funding that should be made available for the safeguard. Once agreed, the LSC will model the effects of redistribution based on the size of adult population weighted for disadvantage and area costs.

56 The effects of redistribution will be modelled at both regional and local level by the LSC, and an appropriate timescale for phasing the effects of the changes as they affect individual providers will be established, to ensure that providers are not destabilised as a result.

Links to Agenda for Change

57 The previous Secretary of State, in his 2005-06 grant letter to the LSC, made specific reference to the funding strand of the agenda for change,

requesting that we give “*full consideration of how we can best secure effective management of both participation volumes and funding rates within available resources while developing a better balance of contributions from adult learners, employers and the public purse to reflect the benefits received and also managing the pressures from demand-led budgets.*”

58 We will now be taking forward the reforms of First Steps and personal and Community Development Learning as part of the agenda for change programme. This will not affect the principles set out in the consultation document, namely:

- a safeguard for learning for personal and community development
- a national redistribution of the funding associated with the safeguard
- a funding approach that is consistent across FE and ACL Local Education Authority (LEA) providers for both first steps learning and safeguarded provision.

59. The LSC intends to consult with the sector on its agenda for change funding proposals, including further proposals on the reforms of First Steps and Learning for Personal and Community Development in the summer of 2005. The intention is to develop an overarching funding methodology that can be applied across the whole sector.

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