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# London Adult Community Learning Review Report

# London Adult Community Learning Review Contents

# London Adult Community Learning Review - Executive Summary

1. London has a set of good quality, vibrant and responsive adult education community learning services and providers who deliver programmes of learning that lead to work, enhanced life chances, improved wellbeing and greater social cohesion.

2. To ensure these services and providers are ready to play their part in delivering any future devolved skills plan, London Government has conducted a review of Adult Community Learning (ACL) provision that is delivered by Local Authority Services, Institutes for Adult Learning (IAL) previously known as Specialist Designated Institutions and other providers who receive Skills Funding Agency Community Learning funding in the capital. The review provides recommendations on the future strategic direction, commissioning and delivery of ACL provision in London in the context of devolved skills funding. Together with the college-focussed post-16 education and training area reviews, the review aimed to provide a comprehensive analysis of adult education in the capital.

3. This report sets out the key recommendations of the ACL Review and details the options considered. The ACL Review followed a similar format to the Area Review process for colleges and was based on detailed analysis of the current ACL offer to residents and the approach to delivering this offer.. The recommendations were discussed at London-wide and sub-regional Area Review steering group meetings and with providers and stakeholders.

4. Adult education and learning in the community is proactive and dynamic. It is delivered through 40 ACL providers, which include 31 Local Authorities (LA) and nine other providers including five Institutes for Adult Learning. They are presently funded by the Skills Funding Agency, European Social Fund and fee income, and receive approximately £100m through these routes. In the 2016 Autumn Statement, government committed to devolve the Adult Education Budget (AEB) to the Mayor from 2019/20 (subject to readiness conditions), with the Mayor becoming the commissioner of adult education in London.

5. London's ACL services and providers vary in size from £400,000 to £11,000,000 per annum. Although funding is tight there are no financially failing services. The services and providers boost their funding by collecting fees and use their income to create other funding streams.

6. They are of high quality: 95 per cent are rated by Ofsted as "good" or "outstanding" and most have outstanding features. There are no failing services and they include much exemplar practice, for example, in English for Speakers of Other Languages (ESOL), literacy and numeracy and community work.

7. They deliver 200,000 learning aims annually. Services and providers are learner and community led with high student satisfaction, and demand for ESOL and Basic Skills

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outstrips supply. There is a mixed business model; most LA services are directly delivered by the council, while some work is subcontracted to colleges (14%) or specialist charities for the disabled or vulnerable groups. Preparation for life and basic skills are the largest delivery areas in the local authority services with local multi-site community provision - each service working from 10 venues on average. The Institutes for Adult Learning complement this offer and provide a focus for specialisms such as creative arts that contribute to supporting student progression to advanced and higher learning.

8. The review assessed the impact of future demographics, employers', residents' and commuters' needs, and how national issues relate to London. It also evaluated the performance of the provider base through data and provider qualitative statements.

9. This report sets out the benefits of adult learning to the economy and to the individual and, going forward, how best to make use of the new flexibility offered by devolution. The recommendations answer the following questions set for the review :

- "Under a devolved system, what should be the role and strategic focus of ACL services, providers and Institutes for Adult Learning in meeting local adult and community learning needs and ensuring appropriate progression routes?"

- "What are the most effective and efficient delivery models for these services and institutions?"

10. Although the review's recommendations are mainly for the effective use of the community delivered element (£100m) of the Adult Education Budget (AEB), some options such as strategic vision, governance structure, beneficiaries, contracting methods and infrastructure options could also be relevant to colleges and other providers who have access to the AEB.

11. Whilst there is no "burning platform" of poor performance, the changing context of funding, skills devolution and the Area Reviews present a case for change. Where services have previously been funded with a protected grant not dependent on delivery, the move to a single Adult Education Budget from 2016/17 removes that security for borough services. It also means that FE colleges are now able to deliver more unaccredited qualifications, increasing their ability to compete with (and duplicate) borough led ACL services. Devolution of the Adult Education Budget to the Mayor from 2019/20 also means that London will be able to redefine how Adult Community Learning in the capital is commissioned.

12. To aid delivery, an implementation plan has been developed.. Given London's skills devolution deal, primary responsibility for setting the strategy and the commissioning arrangements will sit with the Mayor, while implementation of recommendations relating to individual providers and services rests with those institutions. However, it will be important to understand how things are developing and progress will be formally monitored at the London and local level.

# Summary of recommendations

**Strategy**

1. The Mayor as skills commissioner should draw up a Post-16 Education and Skills Strategy informed by needs and priorities identified by sub regional skills and employment boards.

2. As part of the strategy there should be an adult education strand that includes community-delivered adult education and skills.

**Policies**

3. To underpin the strategy, a set of key pan-London policies should be developed.

4. These policies should be adopted and where necessary adapted by individual services and providers, including where relevant at sub-regional level.

**Governance**

5. To give direction and focus, the Mayor should set up an overarching post-16 education and skills board, which should liaise with sub-regional skills and employment boards.

**Data Store**

6. To improve understanding of Londoners' needs, the GLA should collect relevant data and Labour Market Intelligence centrally via a strengthened data store.

**Underpinning Provider Plans**

7. Providers should develop their skills and education plans to ensure identified need is met.

**Commissioning - Beneficiaries**

8. The post-16 education and skills strategy should clearly state who should be the beneficiaries of public funding, which should include those: furthest away from work; in low paid employment; without basic skills and/or up to level 2; and/or with a health or wellbeing issue.

9. Set up a task and finish group to determine LLDD need and how best to meet it.

**Commissioning - Curriculum Offer**

10. The curriculum offer should concentrate on Basic English including ESOL, maths and digital skills programmes, health and wellbeing, family learning, retraining and enrichment programmes.

**Commissioning - Funding Systems**

11. To provide coherence for London and, at the same time give providers the facility to be responsive, fund through an agreed plan underpinned by a block grant.

12. To ensure there is room for innovation and creativity, create an innovation fund for new developments.

**Delivery Infrastructure**

13. In the short term, keep the existing provider base but work with LA services and providers to consider sharing backroom and/or curriculum led services.

14. London Government to support the development of sub-regional community education hubs either through a single LA, College or Institute for Adult Learning, and help facilitate the use of the transition grant where this meets the agreed criteria set out in the transition grant guidance

**Outcome Measurements**

15. To ensure the system is providing an effective service for learners and employers, outcome data should be collected covering student success measures. These outcomes should be supplemented through the match data programme on employment, unemployment, employment promotion and earnings.

16. A technical benchmarking framework should be developed and adopted by each provider.

17. The existing Individual Learner Record requirement should be retained and the new London system should use and enhance the existing database.

# London Adult Community Learning Review

## Introduction and background

1. The Government is conducting a programme of Area Reviews of post-16 education and training institutions focusing primarily on General Further Education and Sixth Form Colleges designed "*to establish the appropriate set of institutions (colleges and providers) to offer high quality provision based on the current and future needs of learners and employers within the local area*". The London Area Review ran from February to November 2016 and was an opportunity for London to take a strategic view across post-16 provision and begin establishing the infrastructure needed in London to commission skills under a future devolved system.

2. In parallel with the London Area Review, London Government conducted a review of Adult Community Learning (ACL). The review was supported by the Department for Education (DfE) and the underpinning work was contracted out to AATEO (Holex). The findings of the ACL Review fed into the London Area Review Steering Group, and sub-regional steering groups, and were shared with London borough Leaders and Chief Executives via London Councils.

3. The ACL Review aimed to establish the long term strategic direction for post-19 ACL provision in the capital to meet Londoners' needs and to develop a set of recommendations for the future commissioning and delivery of this provision in London post-devolution. The findings of the ACL Review, along with those of the college-focused Area Review, provide a comprehensive picture of adult education to inform an integrated approach to the future commissioning and delivery of adult education in London.

4. In 2016/17, the Community Learning budget, the Discretionary Learning Support budget and the non-apprenticeship funding lines came together with the former Adult Skills Budget to produce a single budget called the Adult Education Budget (AEB). Full integration will take place in 2018. This will provide considerably more flexibility than the previous methods of funding. Because of this change, the Skills Funding Agency (SFA) believe "*all learning providers will be able to offer non-accredited learning if providers and Local Commissioners (where they are in place) consider such activity to be relevant and effective*". The Government's expectation is that the AEB should be allocated consistent with the principles of effectiveness, simplicity and localisation, and that investment decisions should be informed by detailed data on individuals' learning outcomes.

## Review purpose and questions

5. In line with the guidance on Area Reviews of colleges, the ACL Review was set up with the following purpose and to answer the following questions:

**Purpose**

- To conduct a London-wide review to establish the long term strategic direction of post-19 adult community learning provision in the capital to meet Londoners' needs.
- To develop a set of recommendations for the future commissioning and delivery of adult community learning provision in London post devolution.
- The findings of this review, along with those of the college-focused Area Review, will together provide a comprehensive picture of adult education to inform an integrated approach to the future commissioning and delivery of adult education in London. The London Area Review Steering Group will be the forum which brings these two together.

**Key questions**

- What is the current value and impact (social and economic) of adult community learning services in London?
- How can London get the most from the integration of the Community Learning budget into the Adult Education Budget, to best meet local adult education needs?
- Under a devolved system, what should be the role and strategic focus of ACL services and Institutes for Adult Learning in meeting local adult community learning needs and ensuring appropriate progression routes?
- What are the most effective and efficient delivery models for these services and institutions?
- How can the impact and effectiveness of ACL provision be determined and used to help inform investment decisions?
- What distinct role should ACL services and Institutes for Adult Learning play in delivering London's Skills Strategy, particularly the aspiration to effectively join up employment support and skills services?

## Organisations and funding streams in scope of the review

6. The London ACL Review concentrated on the provider activity funded through the Skills Funding Agency (SFA) Adult Education Budget (AEB) previously known and recorded as the Adult Skills Budget (ASB) and Community Learning (CL) budgets. It included an in-depth analysis of London's Adult Community Learning providers and, because the process was part of the Area Review, any observed overlap issues (for example, client type, age, progression and size of reach) with other providers, including FE colleges, was also considered.

7. Annex 1 sets out the providers in scope. Specifically, the review looked at all London-based organisations in direct receipt of Community Learning budget from the Skills Funding Agency:
   - All ACL services commissioned by the 31 London boroughs and the City of London Corporation.
   - The Institutes for Adult Leaning currently in direct receipt of Community Learning funding and delivering in London.
   - General Further Education Colleges in direct receipt of Community Learning funding in London.
   - Other London-based providers in direct receipt of Community Learning

- The review also looked at the following budget lines (13/14 to 15/16 inclusive):
- Community Learning funding
- Adult Skills Budgets delivered by LA services and Institutes for Adult Learning

## Geography and review logistics
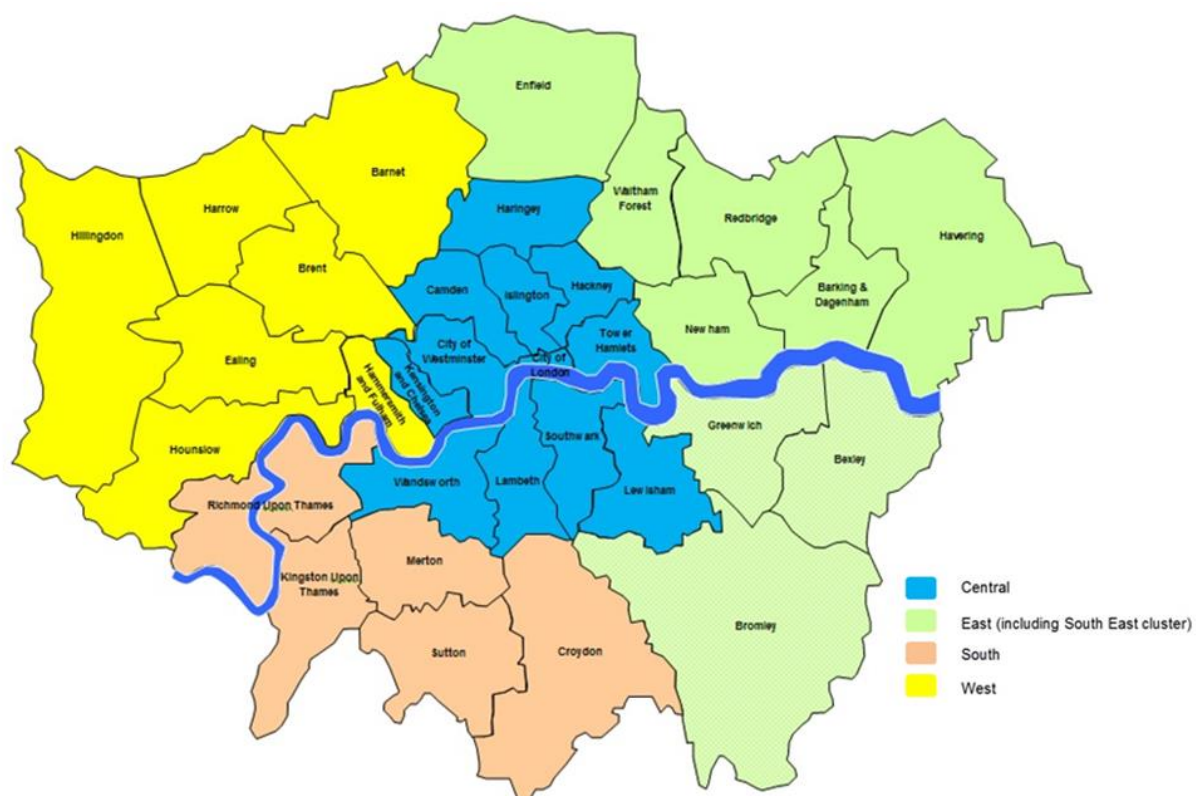


8. For the purpose of the Area Review, London was split into four sub-regions, based on the sub-regional partnerships of boroughs (Central London Forward, Local London, South London Partnership and West London Alliance). This structure was replicated for collecting data and reviewing the offer in the ACL Review. Annex 1 sets out which services and providers were covered in each area.

## Governance structure

9. The ACL Review was overseen by a steering group which included representatives from:
- The Greater London Authority (GLA)
- London Councils
- Local authorities (chief executives, local authority skills directors, and heads of service) drawn from across the sub-regions
- Institutes for Adult Learning
- Colleges and other providers

- BIS/DFE
- Jobcentre Plus

10. The review also (when appropriate) reported into the following groups:
   - The London Area Review Steering Group, Sub-Regional Area Review Steering Groups, Joint Area Review Delivery Unit (JARDU) and FE Commissioner's Office
   - London Councils' Leaders and Chief Executives London Committee (CELC)

## Methodology

11. The review was undertaken in six stages:

**Stage 1**: Student data was sourced from the 31 Local Authority (LA) ACL services in London plus data from: Barnet and Southgate College, The City Literary Institute, London Learning Consortium, Mary Ward Centre, Morley College, Richmond Adult Community College, Working Men's College and the Workers' Educational Alliance (WEA) and analysed and discussed at steering group meetings.

**Stage 2:** The Responsive College Unit (RCU) was commissioned through the Association of Colleges (AoC) to provide a data pack covering all services offered by LAs, Institutes for Adult Learning and others at London and sub-regional partnership level. To support the analysis, the Joint Area Review Delivery Unit (JARDU) provided data from other providers and from FE colleges in London on the numbers and age of learners.

**Stage 3**: Qualitative information was sourced from:
- Each provider who supplied a detailed statement about their service which was validated by an external visitor, who also gave each provider development guidance.
- Stakeholder meetings with LA Officials, Jobcentre Plus (JCP), AoC, Principals, the National Union of Students (NUS), University College Union (UCU), Heads of Service, AoC Principals and Chairs, and Institutes for Adult Learning Principal and Chairs Meetings.
- A review of previous reviews and statements including the 'London Proposition - Skills Devolution for London: A Proposal to Government', the sub-regional partnerships' skills plans, OECD reports on literacy and numeracy and numerous research papers on the skills needs of London and the UK.

**Stage 4**: The data were analysed and the findings, including options and draft recommendations, were taken to the ACL Steering Group and the four sub-regional Area Review steering groups, as well as the London Area Review Steering Group.

**Stage 5:** The sub-regional Area Review steering groups, LA Cabinet Members, Institutes for Adult Learning governors, AoC and other stakeholders, such as UCU and NUS, were consulted on the options and recommendations paper. Their views were taken into consideration as part of the preparation of the final document.
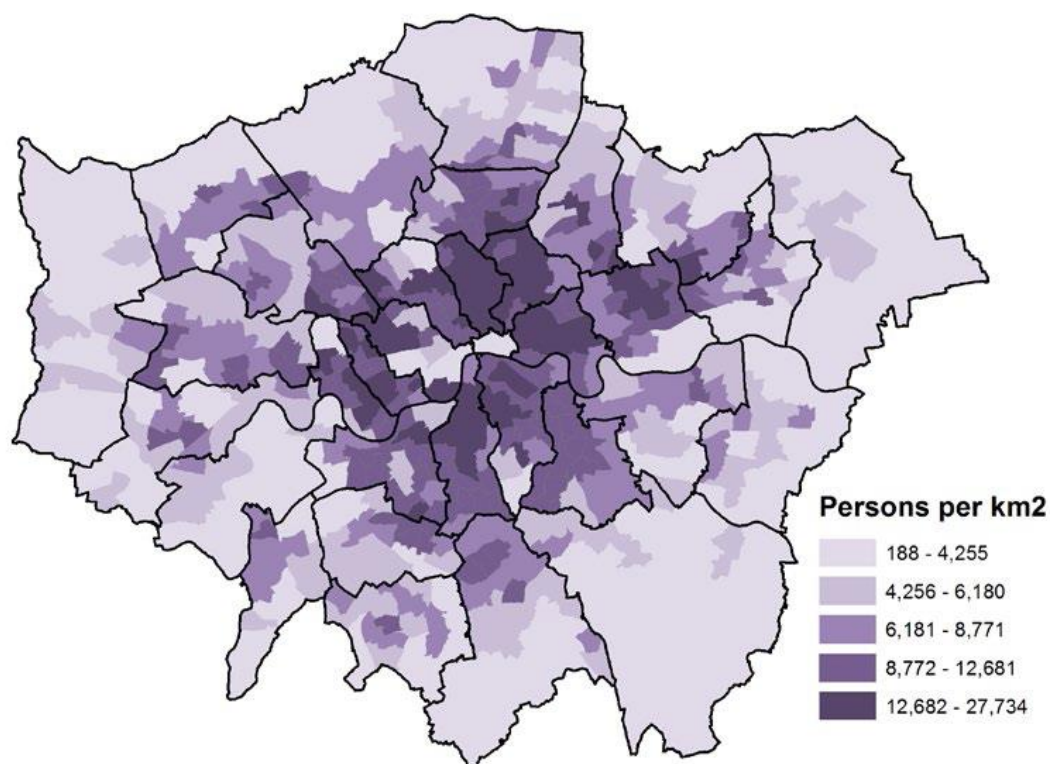
**Stage 6:** A draft of the final report was discussed and welcomed by the London Area Review Steering Group.

# London context

12. This section draws upon various sources of information[1] to provide an overview of London's demographics including population size, age and ethnicity.

## Summary of demographics that impact on adult education

13. London's population is bigger than ever before with approximately 8.7 million residents, exceeding the previous peak seen in 1939. The population is not distributed evenly across the region with more densely populated areas in Inner London. London has a younger age structure than the rest of the UK. This is driven by the tendency for young adults to flock into London to study and work.



**Persons per km2**

| | |
|---|---|
| | 188 - 4,255 |
| | 4,256 - 6,180 |
| | 6,181 - 8,771 |
| | 8,772 - 12,681 |
| | 12,682 - 27,734 |

## London's future population

14. London's population is set to continue to grow and evolve. It is projected to increase to approximately 10.5 million inhabitants by 2041. Not only is London's population rising, it is also getting older. By 2041, 16 per cent of London's population is projected to be aged 65 or above, compared with 11.6 per cent in 2015. This will continue to increase the demand and need for programmes for the older learner.

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[1] Economic Evidence Base 2016, Skills for London Economy, the OECD report on skills and the DfE statistical first release.

15. London's school-age population is growing and is projected to reach nearly 1.4 million by 2041, bringing with it its own challenges in terms of school place planning and, unless performance improves, greater flow through at 19 for basic skills.

16. Driving London's population growth has been a considerable rise in the number of births and, most significantly, large inflows of international migrants which in turn puts pressure on language services.

## Migration to London

17. London's high international inflow means it has become something of a hub for foreign-born communities. Approximately 3.1 million people living in London were born abroad (37 per cent of the total population), with just under half having arrived in the UK in the 10 years leading up to the 2011 Census.

## Language and integration

18. In London, 1.7 million residents (or 22 per cent) listed a language other than English as their main language. The most common non-English main language was Polish with 148,000 speakers while Bengali, Gujarati, French and Urdu make up the other top five languages. The 2011 Census counted that one-in-ten (some 300,000) of London's foreign born population self reported that they cannot speak English well or at all. An additional 20,000 UK born Londoners also faced this problem meaning 4 per cent of London's population cannot speak English well or at all.. English language proficiency is a key pre-employment skill and critical to progression in work. It is also central to social integration. Sufficient, quality provision of English for Speakers of Other Languages (ESOL) is therefore very important in the capital.

19. All of the above have made London a city renowned for its diversity. Some 40 per cent of its residents perceived themselves as Black, Asian, Mixed or another non-White ethnicity which in some part adds pressure and increases demand for ESOL provision. Providers report demand for ESOL far exceeds what they can offer.

## London's labour market

20. The percentage of London residents who are in work is at record-levels, with the latest estimate showing 73.7 per cent in employment (in the three months to December 2016). London's ILO unemployment rate in the three months to December 2016 was 5.5 per cent. This is down 0.2 percentage points on the previous quarter and down 0.8 percentage points on the previous year.

21. Despite the improvement in London's labour market, the employment rate remains below, and the unemployment rate remains above that for the UK. This demonstrates the need for a continued focus on retraining and back to work provision.

22. The number of young people aged 16-24 who were not in education, employment or training (NEET) was 89,000 in Q1 2016. London had a lower proportion who were NEET than the England average, which could partially be linked to a higher

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percentage of students achieving at least five A\*-C grade GCSEs (60.9 per cent versus 53.8 per cent in 2014-15). However, this still means 40% do not have the required qualification level for further education and struggle to get into employment. This figure also masks the fact that 25% of young people leave school without the required functional skills level in maths and/or English language.

23. Whilst most older people aged 65 and over were retired and therefore economically inactive, 17 per cent of men and 8.9 per cent of women were still in employment in 2015. Half of these did so as they were not ready to stop work, though one-in-five said it was to pay for essential items such as bills. Moreover, older people also participate in the informal labour market by caring for adults, childcare and volunteering.

## Disabilities

24. The percentage of the working age population in London who were disabled was estimated at 16.2 per cent in 2015. In comparison, approximately 19.5 per cent of people aged 16-64 were disabled across the whole of the UK. In London, the employment rate for those with disabilities was 49.2 per cent in 2015, compared with 79.5 per cent for those without disabilities. Notably, the London employment rate for those who were disabled was lower than that for the UK as a whole (50.0 per cent), but higher for non-disabled individuals (77.5 per cent).
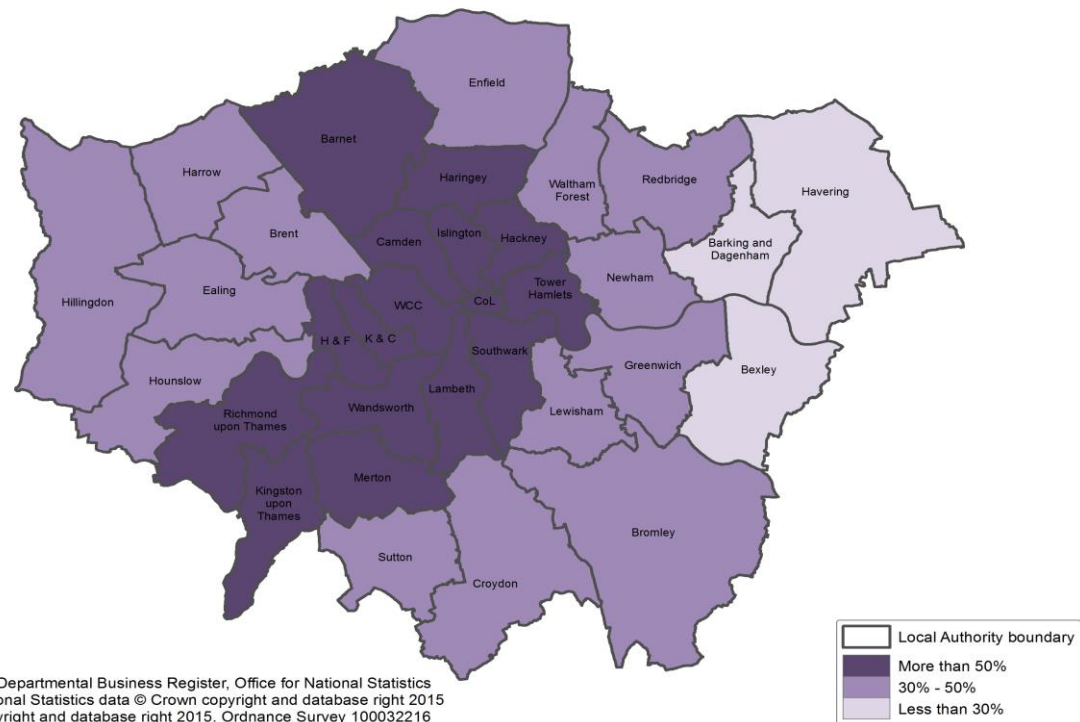
## Current workforce

25. The following maps show the concentration of workers by qualification across London. These maps show that Inner London boroughs had a greater proportion of employees with Level 4 qualifications or above (i.e. higher education) in 2011, whilst Outer London boroughs were more likely to have employees with Level 1-3 qualifications. Indeed, Barking & Dagenham and Havering were the only two boroughs to have more than half of employees in this group. They were also the only boroughs to have more than 10 per cent of employees with no qualifications.

26. Generally, employees have higher qualifications now than in 2001. For example, whilst nine boroughs had less than 30 per cent of employees with Level 4 or 5 qualifications in 2001, there were only three in 2011.

27. Educational attainment in London is generally high than in England as a whole, or other English regions, as measured by the percentage of pupils achieving 5 or more A\*-C grades including English and Maths at GCSE. However, the educational outcomes of London's pupils vary by borough, ethnicity and disadvantage status.

**Percentage of employees with no qualificaitons by borough, 2011 Census**



Source: Inter-Departmental Business Register, Office for National Statistics
Contains National Statistics data © Crown copyright and database right 2015
© Crown Copyright and database right 2015. Ordnance Survey 100032216

Local Authority boundary
More than 10%
Less than 10%

**Percentage of employees with level 4-5 qualificaitons by borough, 2011 Census**



Source: Inter-Departmental Business Register, Office for National Statistics
Contains National Statistics data © Crown copyright and database right 2015
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Local Authority boundary
More than 50%
30% - 50%
Less than 30%

## The over 65s

28. The employment rate for this age group was only 12.5 per cent in 2015 and, despite having increased from 7.7 per cent in 2004, was the lowest rate among all age groups. In fact, when looking across more detailed age bands using Census data the

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employment rate drops suddenly for the 60-64 and 65-69 age groups. This mostly reflects the fact that the vast majority of older people are economically inactive and in retirement. For example, in London, 78 per cent of men aged 65 and over and 85.9 per cent of women were retired in 2015. The need to ensure wellbeing of the older person is important and education plays a key part in that.

## Landscape summary

- 40% of Londoners leave school without basic English and maths.
- There are 800,000 Londoners paid below the London Living Wage, some one in five workers.
- Research shows that low pay is often persistent: in a national study, of every four people in low pay in 2001, three were still low paid a decade later.
- London creates jobs, but Londoners are not always well placed to get them.
- There is a growing older population.
- Unemployment is above national average and there are pockets of long term unemployed.
- There is a growing migrant population who require ESOL.
- People are spending longer in work, leading to a need for mid-life retraining.
- Almost 100,000 (10%) 16-24 year old Londoners are Not in Employment, Education or Training (NEET), a slightly lower rate than the national average.
- Groups such as young people and care leavers particularly miss out on the training and job opportunities that the capital has to offer.
- Londoners need to be equipped and supported to grasp the opportunities that living in a global city creates.
- The number of people with a disability is increasing, resulting in a growing LLDD need.

# Review findings

## Overview of services and providers

29. This section provides an overview of London's ACL services and providers and describes the distinctive nature of those delivering in the capital. The initial data analysis and provider statements produced for the ACL Review allowed a pan London view of Adult Community Learning provision to be developed and provided information on size, offer and quality.

30. Overall funding is approximately £100m, more than 10% of which comes from fees. Around 200,000 funded learning aims are completed each year. Quality as determined by Ofsted is predominately good (with two outstanding) and most services have outstanding features.

## Summary of key facts

- There are 40 ACL providers in London:  31 Local Authorities and 9 other providers including 5 Institutes for Adult Learning (IAL);
- They spend approximately £100m of Skills Funding Agency and ESF funding;
- Size varies: from £400,000 to £11m pa. Funding is tight but there are no financially failing services;
- On average, these services boost funding by 10% via fees (although some charge more than others);
- They are generally high quality: predominately "good" Ofsted ratings with 2 outstanding, and most have outstanding features. There are no failing services and much exemplar practice (e.g. in ESOL, literacy and numeracy);
- 200,000 learning aims are delivered annually. Services are learner and community led. There is high student satisfaction and demand for ESOL and Basic Skills outstrips supply.
- There is a mixed business model; most boroughs directly deliver the borough service, but some are subcontracted to colleges (14%) or specialist charities for the disabled or vulnerable groups;
- Preparation for life and basic skills are the largest delivery areas in the local authority services;
- There is much local multi-site community provision - each service working from 10 venues on average.

## Service and provider mission

31. The programmes offered are often determined via the community and several services have boards and governance arrangements that involve the community and Jobcentre Plus. The services' and providers' missions are predominately about employment and wellbeing and, in the main, are focused on getting adults into work. Services and providers are responsive to supporting social and integration issues and they work with partners to support those most disengaged and furthest away from

integrating into society. Most LA ACL services are integrated with other council services enabling them to react quickly to local social and employment issues. The Institutes for Adult Learning are independent charities serving the learning needs of communities of location and practice, directly reflecting the pattern of demand by students, many of whom are fee paying.

## Estates and premises

32. LA ACL services are integrated as a component part of their council's range of services enabling them to use the buildings of the LA estate and therefore have low building/site costs. Institutes for Adult Learning have their own premises.

## Quality

33. The services and providers are of high quality: 95% are rated by Ofsted as "good" or "outstanding" and most have outstanding features. There are no failing services. This compares well to other providers and is above the national average.

**Ofsted Inspection Results**
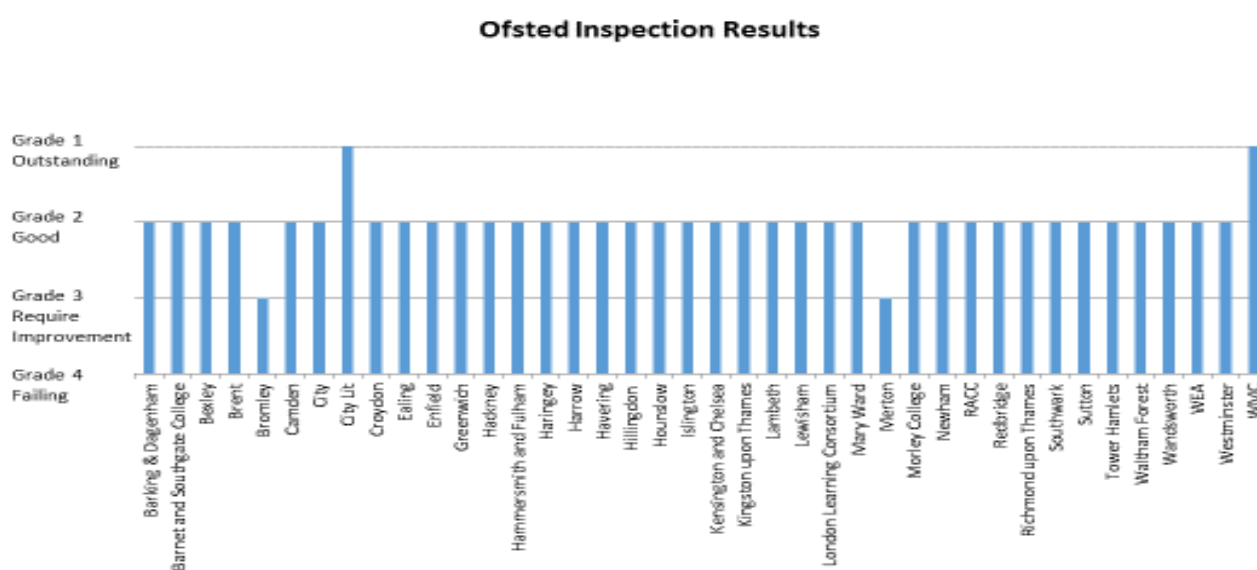
34. There is a high student satisfaction level and the demand for ESOL and Basic Skills outstrips supply.

## Best practice

35. Across the services in London, there are working practices that are recognised as national best practice - for example, work with partners to determine the curriculum offer and the facilitation and organisation of volunteers. Policy development in some services is world class, especially in ESOL and literacy and numeracy teaching. The Institutes for Adult Learning maintain their specialist reputation in being at the leading edge of educational practice to meet specific adult learning needs (e.g. speech

therapy, education for the deaf) and in advanced subject areas of visual arts and music.  Also, several services and providers are part of the DfE national wellbeing and mental health projects that review and evaluate the role of attending education on individuals with mental health issues and are using their expertise to help others.

## Good practice

Across the services there are working practices that are recognised as best practice, for example:
- Curriculum organisation
- Student voice
- Offer for ESOL and Literacy and Numeracy
- Social integration and PREVENT
- Work on mental health and wellbeing
- Partnership working on topics such as troubled families
- Employability provision
- The arts and creative subjects
- Work with LLDD groups such as the deaf
- Use of volunteers
- Fee collection
- Value for money, e.g. dual use of premises
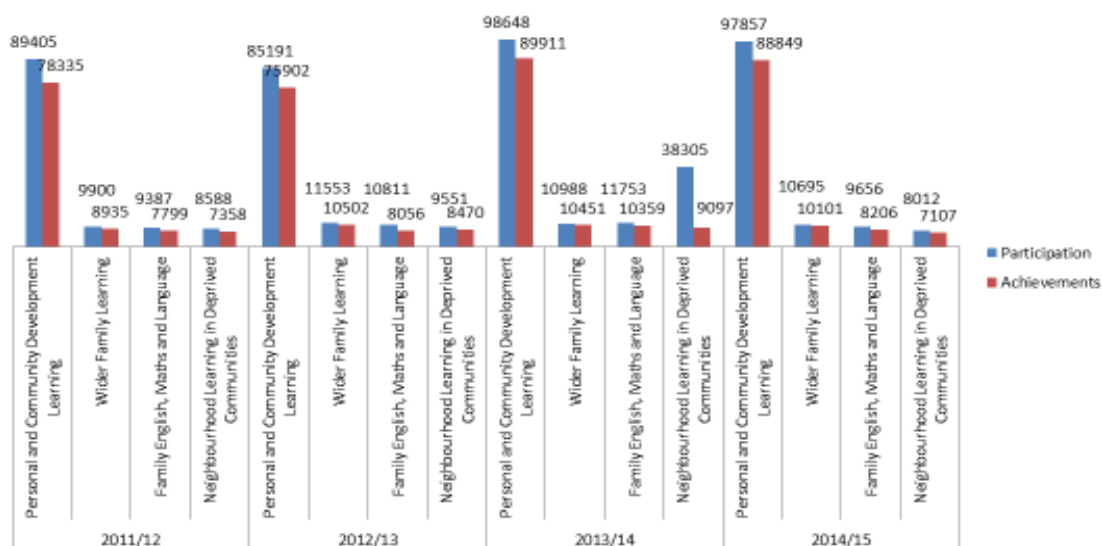
### Present offer

36. The present offer delivers 200,000 learning aims annually covering a wide range of programmes with the largest being personal development, English, maths and ESOL. Quality and student satisfaction are high.



ASB: Volume of learning aims by Sector Subject Area (all levels)
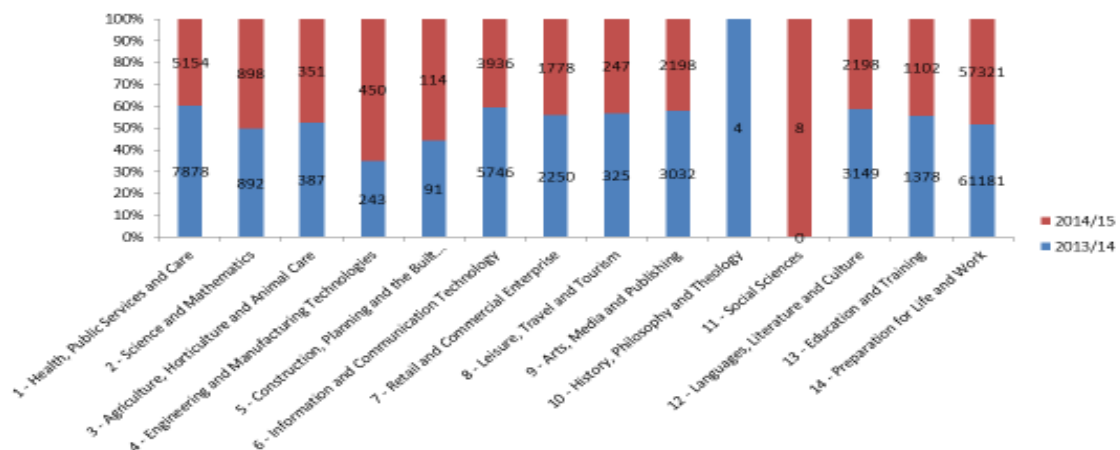
Includes all Local Authority ACL services in London

## Community Learning



Includes Community Learning data provided by all services / providers in the ACL Review

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37. However, the participant maps drawn from providers' data submissions to the SFA highlight that there are areas of London that are not served well compared to other parts of London. The maps also show the offer is patchy with some areas having no formal community learning infrastructure and the overall offer is limited. This could change this year with the introduction of a simplified funding system which should allow providers to be more responsive but, as it stands, the offer is not as responsive to learner and employer needs as maybe it should be. The offer in some areas seems to duplicate in part what other providers are doing, although this could be because there is large demand in areas such as ESOL. There is a danger within separate service providers that serve a specific locality that there is no clear skills ladder or common progression policy and there is poor signposting for learners who often start again when they change providers. The skills ladder / progression pathways available within the Institutes for Adult Learning may be a useful reference in considering how to ensure coherence in the design and delivery of learning pathways.

## Funding and financial management

38. Most services have at least five streams of funding – Community Learning (CL), Adult Skills Budget (ASB), student fees, Advanced Learner Loans and other funding such as Lottery funding. Funding is tight and, although the majority of services and providers are breaking even each year, there is little left for innovation and to plough back into the service to use for new developments. Several services and providers have robust fee policies and are able to collect income that helps to supplement their funds and/or help students who are unable to pay. This can work well but some LA

services choose not to charge fees and, although in the short term this may help some students, in the long term it puts the service at risk as they have less money to invest.

39. Financial management is also strong and use of partners' premises allows services to concentrate on teaching and learning without having to worry about the upkeep of premises. This allows many LA services to be very cost effective compared with other providers who have large estates to manage. Financial management is also strong in Institutes for Adult Learning where they generate student fees between 11 per cent and 54 per cent of annual income.

40. There are issues to be resolved, some of which are common across provider types, while others are specific to the type of provider and/or the size of provider. An overarching issue is the management time required for developing provider policies covering the same statutory responsibilities. There is much 'reinventing the wheel', with each service developing its own policies for PREVENT, fees and quality improvement.

41. For smaller providers, there is little funding left for innovation and to plough back into the service to use for new development. I It should be noted, however, that a number of the Institutes for Adult Learning are currently making significant investment in staff and resources to support curriculum development and diversification, as well as to streamline processes and improve efficiency.

## Total Funding Envelope

| Funding Stream | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
|---|---|---|---|---|
| Community Learning | £39,358,665 | £143,083,913 | £39,491,505 | £39,534,074 |
| Community Learning Type (funded within ASB)** | £10,394,829 | £154,123,056 | £11,166,839 | £8,587,691 |
| Discretionary Learner Support | £2,142,393 | £154,371,474 | £1,768,050 | £1,345,630 |
| Adult Skills Budget | £38,096,247 | £191,668,257 | £36,500,472 | £26,865,353 |
| Of which: 19+ Apprenticeships | £1,214,579 | £192,726,824 | £1,759,417 | £2,337,352 |
| Apprenticeships 16-18 | £1,402,619 | £194,081,451 | £1,556,281 | £1,529,462 |
| 16-19 (EFA Funding) | £1,795,668 | £193,148,764 | £2,212,935 | £1,675,515 |
| 16-19 Bursary | £101,388 | £184,076,852 | £98,038 | £64,745 |
| 24+ Advanced Learning Loans | £0 | £186,249,896 | £3,266,790 | £4,252,677 |
| 24+ Advanced Loans Bursary | £0 | £185,135,045 | £567,383 | £422,713 |
| Fee income* (to support ASB provision) | £3,034,099 | £101,610,036 | £3,750,656 | £4,099,573 |
| Fee income* Community Learning / Pound Plus | £9,159,318 | £72,708,856 | £11,215,818 | £10,063,630 |
| ESIF | £0 | £60,281,139 | £136,654 | £19,952 |
| Other | £1,507,585 | £59,334,619 | £1,905,995 | £1,481,365 |
| Total | £106,992,811 | £1,879,873,359 | £113,637,416 | £99,942,380 |

## Business models

42. Each LA service has a different approach to delivery business models. Many have direct delivery where they determine the offer, appoint staff and monitor quality. Others have set up a framework with a list of assured providers with whom they contract (which is seen by the SFA as subcontracting) and several have a mixed delivery model. Some LAs have subcontracted to FE colleges, which totals about 12% of the overall available LA funding. To complicate this situation further, some

colleges have subcontracted their own adult work to an LA service or Institute for Adult Learning.

43. Where the service is directly delivered, the service may be asked to contribute towards or be top-sliced to cover LA core services. Where the service is outsourced, an amount is kept back to undertake the account manager's role etc. There is no common policy for top-slicing and, for many services, the top-slice is so large that it makes delivery more difficult than it should be.

44. Each LA service needs a similar level of support activity such as marketing, enrolment systems and monitoring, plus a management information system to support the recording of learner data. For smaller services, this cost can be disproportionate to the size of the service and becomes an added burden that takes funding away from the learner.

45. The Institutes for Adult Learning use their specialist designated status to operate a co-funded, cross-subsidy model that uses the margin generated from student fees to help subsidise those who can't pay.  The Institutes for Adult Learning have good or outstanding financial health (in SFA terms) and generate between 11% and 54% of their revenue from student fees.  The Institutes for Adult Learning in London operate pan London (and the WEA across England and Scotland), drawing on average 15% of their students from the borough within which each is located and 85% from across London.  In addition to the portfolio of courses available, the Institutes invest in an extensive range of exhibitions, concerts, events and learning opportunities designed to provide accessible, informal routes to learning that contribute to the cultural offer of the capital.

## Teaching resource

46. The teaching base is well qualified and often the staff have both a teacher qualification as well as a degree or post graduate qualification. Out of all the sectors, the ACL staff are the most experienced and qualified, which in turn results in good teaching grades at inspections.  The staff often work for more than one service but have very little job security as the contracts are part time and seasonal. Also, there is no common policy on recruitment, training and development or salary level across London and this leads to a movement of teachers into other types of provider who can offer more security.

## Student recording and data collection

47. All services provide the SFA with key data via the Individualised Learning Record (ILR). This allows the SFA to monitor spend and outcomes and it also enables national benchmarking and monitoring of age, diversity and deprivation. The main information streams are enrolment, retention, completions and qualifications gained, and progression into employment and/or further learning. Two other national exercises are undertaken which look at levels of satisfaction for students and employers. Those in receipt of CL funding have been required to supplement their

data returns with information on other factors such as personal wellbeing and enrichment.

48. Government has also been working on a new matched data system which allows the ILR to be cross-matched with DWP and HMRC data. The first reports from this database were published by BIS as experimental data. The data provide a longer longitudinal profile of learners and allow the benefits of learning to be worked out. Although this material is available, community providers have made little use of it to plan activity and, although many of the London services are part of the national wellbeing pilots, the type of data they are collecting has yet to be widely used to measure outcomes.

## Summary of issues

- There is no overall clear narrative on what is on offer, or what should be on offer.
- In some areas the offer is limited - mainly caused by funding rules.
- There are elements of curriculum duplication or commonality, but this could just be mirroring demand.
- There is good practice, but no common policy on ESOL, Basic Skills, English and maths, digital, older learners etc.
- Career education is patchy with poor signposting of progression routes.
- There is no organised system to share good practice.
- There is no common fees policy.
- Funding is tight - resulting in limited resources to fund innovation.
- Backroom services are costly and often disproportionate to the size of service.
- There is no common practice on top-slicing and shared service costs.
- Teaching staff are well qualified, and often work for more than one service but there is no common policy on recruitment, training and development or salary level.
- There are different approaches to commissioning, subcontracting and partnership.
- Impact and outcome measures are underdeveloped. (This is a national issue).

# Recommendations

49. The options considered and recommendations arising from the ACL Review and from the issues related to the London context are summarised against four themes – (i) strategy and policy, (ii) commissioning, (iii) delivery infrastructure, and (iv) outcomes and impact. Several of the recommendations are based on the assumption that London will need to put in place a new governance system, commissioning arrangements and strategic and implementation plans for the devolved AEB.

50. The recommendations have been derived through an analysis of the data, a review of existing documentation including sub-regional plans, evidence gained from the provider statements and RCU data maps, and through discussion at steering groups and workshops. They have been developed to maintain and enhance the good and exemplar activity in London and to address the issues outlined above. The pros and cons of each element have been considered, including whether they support and underpin London's vision of:

- Developing community, social coherence and integration, increased productivity and personal wellbeing.
- Providing learners with programmes of learning that lead to work, enhanced life chances and improved wellbeing.
- Providing cost effective non-bureaucratic management solutions.

51. The recommendations have also been considered with a view to assessing whether the activity is best done at national level, and/or led at London, sub-regional partnership, local authority or local service level.

52. Options and draft recommendations were consulted upon and the results of the consultation can be found in Annex 2. Respondents' comments have been taken on board and are reflected in the final recommendations and implementation plan. The recommendations have been informed by a frame of reference set out in Appendix 3. The frame of reference was developed to provide criteria against which to evaluate the emerging options from the review ahead of their development into recommendations. The criteria included in the frame of reference reflect the key priorities for the review as identified through the scoping process and consultation with key stakeholders.

## 1. Strategy and policies

### Strategy

**Issue**

53. The present system is directed by the Government through a series of legal entitlements, a legacy policy statement on adult skills, guidance and funding rules to which providers must react. Currently there is no coordinated strategy or focus for London. Implementation strategies and policies are determined by the 40 plus providers. When London takes over the commissioning role under skills devolution, this could be an opportune moment to bring about change and ensure a more coordinated and more effective and responsive use of the funding available.

54. An evaluation of the data and London demographics highlights that London has several productivity and wellbeing issues which adult education can help resolve**:**

- There are pockets of poor productivity and an underutilised workforce. One of the reasons for this is that London has a legacy workforce with poor basic skills. One in five adult employees in London do not have the basic English and maths skills required in the workplace and so productivity is lower than it should be.

- Given the uncertainty facing businesses in the light of the EU Referendum result, London needs to do more to upskill its existing workforce and those trying to find work and ensure they have the language skills, abilities and attitude to work that employers require.

- There are well publicised integration and social inclusion issues in London. It is vital that all people working and living in the capital are given the chance to learn English, not just for themselves and to improve productivity, but also for their children's welfare and future educational attainment and social cohesion.

- London's working population is expected to continue in employment until they are in their late sixties. The rapidly changing nature of jobs means that many will not be able to continue doing the tasks for which they originally trained. If London is going to ensure those employees remain productive, there is a need to create the circumstances where mid-life career change training is accepted and supported.

- There are mental health and ageing population issues and research is now demonstrating that involving people in education and skills provides the community engagement they need to help keep them fit and well.

55. Adult education and learning new skills can help solve these issues. Strategic long-term investment in London's adult education and skills is needed to meet existing policy commitments and improve basic skills. The introduction of the Apprenticeship Levy will help to secure new investment in adult skills. Additionally there needs to be a renewed focus on those who are not yet ready for an apprenticeship and need a basic education programme first. Any strategy for London needs to address these issues.

**Recommendation 1: Draw up a London Post-16 Education and Skills Strategy**

56. The strategy should:

- prepare Londoners for life and work in a global city, equipping them with the attributes they need to progress - boosting productivity, quality of life and wellbeing.
- support social integration and cohesion by ensuring those who work or study in London have local access to broad and engaging learning offers.

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- reach those furthest away from the workforce and ensure they have support to progress into work, education and/or a better quality of life.
- improve wellbeing and social integration by providing a programme of stimulating and interesting courses where the fees supplement or take the place of state funding.

57. The London strategy should be informed by education and skills needs and priorities identified at the sub-regional level and articulated in skills strategies by the Sub-Regional Skills and Employment Boards being established by the sub-regional partnerships.

**Recommendation 2: As part of the strategy there should be an adult education strand**

58. The adult education strand should:
   1. Provide a clear narrative on the importance of lifetime adult learning and how it is going to address the issues highlighted above.

   2. Ensure the need to improve productivity and wellbeing is met through:
      - establishing progression through a clear skills ladder that leads to a job or continuing education – this could be branded as the London Career Programme/ Entitlement
      - ensuring those with poor basic skills have access to quality provision
      - aiding integration and social cohesion by providing ESOL classes and facilitating participation by those least able to access education
      - improving personal wellbeing through ensuring there is an infrastructure capable of providing enrichment and personal development activity
      - facilitating the take up of government entitlements for free education in basic skills, ESOL and up to Level 2 for 19-24 year olds
      - ensuring those learners with Learning Difficulties or Disabilities (LLDD) (19-24) have provision that supports their education progress

59. The strategy should also:
   - describe the governance and commissioning arrangements for AEB
   - describe how funding will be maximised, including who is entitled to free provision and who will pay for provision, including by accessing Advanced Learner Loans
   - state how success will be measured and the long-term impact required

**Policies**

**Issue**

60. Although generally the services are good and well managed, there is a set of issues that need to be resolved. Each service has a different mission and vision which inhibits a coherent offer to students and residents. There is no overall clear narrative on what is on offer, or what should be on offer. The same issue exists for policies as it does for strategies. There are many duplicate policies and much 're-inventing the wheel'. There is no common policy for the main spend areas such as ESOL and

Basic Skills, which leaves learners unclear about why there are differences in the offer.

61. To ensure and support implementation, a set of London-wide core policies should be developed**.** The main ones that should be developed pan London are those relating to progression routes and student entitlements, quality, curriculum standards and safety, including PREVENT. There should be an expectation that these policies will be adopted and implemented by all providers, whilst expecting providers to develop their own policies relating to staff, curriculum design and financial management. Where relevant some of these policies might best be developed at the sub-regional level.

**Recommendation 3: To underpin the implementation of the strategy, a set of key pan-London policies should be developed**

- In partnership with providers, pan-London policies should be developed for progression routes and student entitlements, quality, curriculum standards and safety, including PREVENT.

**Recommendation 4: These policies should be adopted and where necessary adapted by individual services and providers**

### Governance

**Issue**

62. Although in the past there have been boards that have looked at the needs of London, devolution gives the Mayor the opportunity set up a formal structure to provide direction to post-16 skills and measure progress. To give consistency of approach, as well as any sub group structure on young people (16-18) there should also be a forum where the needs of adult learners are considered.

**Recommendation 5: To set up an overarching post-16 education and skills board**

The board should:
- Focus on the needs of future learners and employers which have been identified by the GLA, sub-regional partnerships (via sub-regional skills and employment boards) and local partners, including providers.
- Be made of up of employers, those with knowledge and experience of skills and education, and London government representatives.
- Establish systems to ensure the student voice is heard.
- Be underpinned by two groups, one for young people and another for adults.
- Be underpinned by a stakeholder group including providers.

### Data Store

**Issue**

63. For the last eight years, the UK Commission has provided the Government and providers with information on future skills needs, but that service will no longer be available. Therefore, to support London Government, employers and providers in understanding future skills needs and what needs to be commissioned, the London data store should be strengthened and its remit broadened to encompass skills forecasting. It should work with and draw information from sub-regional partnerships and local authorities.

**Recommendation 6: Data and Labour Market Intelligence should be developed centrally via a strengthened data store**

The data store should:

- Bring together national and locally sourced skills gaps data and compare to performance.
- Develop a system where the sub-regional partnerships can inform the strategy development process by providing good quality local intelligence on skills needs in their area.
- Develop a system where individual LAs and providers can inform the strategy and provide information on local need and performance.

## Provider and Service Plans

**Issue**

64. Any future strategy and plans for London should be developed in a way that facilitates adoption and implementation by the provider base. To do this, providers will need to feel confident that their ideas and assessment of their local need have been taken into account and vice versa. To ensure implementation, services and providers and (where relevant) their local authorities should start to develop their plans and strategies now.

**Recommendation 7: LAs and providers should develop skills and education plans to ensure the identified need is met**

## 2. Commissioning

65. There are various commissioning models that could be adopted under skills devolution. This section looks at what should be commissioned, who the beneficiaries of the service should be and what the methods of commissioning should be.

### *Which client groups should be prioritised?*

**Issue**

66. Government skills funding has been targeted at the most disadvantaged and, over recent years, the ACL services in London have changed their offer to ensure those most in need have access to adult education which leads to a job and/or further education, or enhances wellbeing. Building on the data collected for the review and the analysis done in workshops, the recommended priority groups and beneficiaries are listed below. The review has also highlighted the need to understand more fully the future requirements of those who have a learning difficulty and /or disability (LLDD) and it is proposed that a project on LLDD is commissioned, which builds on school and local data to predict and determine future need.

**Recommendation 8: The strategy should clearly state who the beneficiaries of public funding should be and should include those who:**

- are furthest away from work

- are in low paid employment and/or are low qualified
- have a government entitlement to basic skills and/or up to level 2
- are socially isolated (or at risk of social isolation)
- live in an area of poor social cohesion
- have a health or wellbeing issue
- require LLDD support
- are older learners requiring some form of interaction with society
- are underachieving or under-represented
- who need to retrain

67. Where appropriate, students should be directed towards Advanced Learner Loans.

**Recommendation 9: Commission a task and finish group to determine LLDD need and how best to meet it**

*What curriculum offer or programmes should be provided?*

**Issue**

68. Building on the data and the exemplar teaching and learning practice in London ACL services and reviewing what Jobcentre Plus say is needed, together with evaluating the offer of colleges and other providers, it is recommended that London ACL funding and services should concentrate on those furthest away from the workplace and those most in need of integration into society while still providing an infrastructure that allows for personal development and enrichment. The offer should show clear progression routes, either in the form of a pan-London offer such as a career programme, or service-led progression plans that have been agreed with partners. Where possible, the offer should play to ACL strengths and should be concentrated on those who have below level 2 basic skills. Any vocational work should have clear progression routes to further study. Within the Institutes for Adult Learning this offer would feature a core of coherent learning pathways through to advanced and higher learning.

**Recommendation 10: The ACL curriculum offer should concentrate on**:

- Basic English and maths skills
- ESOL: target and sub-set for leaners' needs
- First rung - supporting students into work or further study
- IT and digital
- Health and wellbeing
- Family Learning
- Enrichment programmes that will improve wellbeing or lead to a job change (provide infrastructure and income generation)
- Enterprise
- Provide clear progression routes

*What should the commissioner buy - numbers or a curriculum offer/plan?*

**Issue**

69. Under a devolved skills system, the Mayor will be responsible for commissioning adult skills with delegated authority to use London's share of the Adult Education Budget to meet the needs of Londoners. The Mayor would therefore need to determine what commissioning method to use. The review considered the three most commonly used systems, which are:

    **1. Numbers-based contract:**

    Contract with providers who have already been assured, using a numbers based system against pre-agreed vocational or skills areas. This system can be prescriptive. Although the system is easy to explain and to contract, it often leads to unintended consequences with providers chasing numbers rather than focusing on what is needed for the area. This can be overcome by putting flexibility in the contract and ensuring that outcomes as well as learner numbers are part of the contract.

    **2. Fund through a block grant:**

    The benefits of this system are that the provider determines the client group and programmes, which places the provider in the driving seat. This system gives less initial security to the commissioner that the overall plan will be met. This concern normally disappears after the first year when the commissioner can assess the success of the method.

    **3. Fund through an agreed plan underpinned by a block grant:**

    The benefits of this system are that the priorities are agreed at a very local level, which ensures that programmes are responsive to local requirements whilst still reflecting pan-London need. This system of agreeing a plan gives more security to the commissioner whilst giving funding certainty to the provider as they receive a block grant and a regular funding stream.

70. All three systems would need access to an analysis of the needs of employers and individuals to ensure London's skills needs are prioritised and to cover future requirements. Systems 2 and 3 are more likely to allow for individual choice. However, all three systems can cover government entitlements to the right level. Systems 2 and 3 allow for partnership working as the programmes can be developed jointly with local partners such as Health, Probation and Troubled Family units. Partnership requirements can be added to a number-based contract but it makes it harder for joint working and pooling of funds when performance is measured against a numbers target. All three systems would need to ensure provision for certain client groups is made, such as LLDD, and all three systems can be monitored against agreed outcomes. To create room for innovation, there should be a development fund which is open to all funded providers in London.

71. A fourth system (which has been used in Scotland) would be to give Londoners individual learning accounts or vouchers which they can use with a set of approved providers. The size of the voucher would depend on the type of programme or level of need - for example, if a student has basic skills needs they get free provision as they

are covered by an entitlement, but others would get a set amount. Such a system could flex for priority subjects such as digital.

### *How should the provider base be created and what commissioning techniques should be used?*

72. The present system allows LA services, Institutes for Adult Learning and FE colleges to receive a block grant which can be used to support learners who are entitled to free provision or provide courses that lead to a vocational aim listed on the SFA database. For 2017/18, that system will flex to allow providers to offer provision that is outside the existing system but is responsive to help learners get into work. Providers in the rest of the country are expected to work with their LEP to ensure plans are in line with need. Devolved areas will be able to continue to give LA providers, Institutes for Adult Learning and FE colleges a block grant.

73. However, there have been discussions about opening up the market and creating a more diverse provider base. This could be achieved through tendering or creating a provider framework and asking providers to apply and only contracting or giving a block grant to those providers on the list. Although there may be some benefits in this, the existing provider base is already large, of good quality and the partnership work is extremely well developed. Therefore, there would be risks to future delivery if a tendering route is chosen and there would be an extra administrative cost in creating and then monitoring such a system.

**Recommendation 11: Fund through an agreed plan underpinned by a block grant**

### Flexibility and funding concepts

**Issue**

74. Over the past 6 years, funding reductions and % and the focus on government priorities, has left very little money available for targeting new programmes or new curriculum innovation.

**Recommendation 12: Create an innovation fund for new developments**

## 3. Delivery infrastructure

### *How should the delivery infrastructure be organised?*

**Issue**

75. The present infrastructure has each provider taking on every role that is needed to run an education establishment - governance, strategic planning including assessing skills needs, marketing/advertising, financial management, enrolment, curriculum design and planning, recruitment and retention of teachers, classroom/workshop management, student support, stakeholder management, monitoring and quality management, Management Information Systems (MIS), student and financial reporting. These operations are repeated by all 40 providers who offer adult

education, as well as 30+ colleges. Although the majority of ACL providers do these tasks well, this is a burden that could be shared if the provider base was organised differently.

76. Through the Area Reviews, there is likely to be a reduction in the number of colleges. It is assumed that by creating larger colleges they will become more financially resilient institutions which have financial room to innovate and will, through economies of scale, be able to reduce costs through combining backroom services. This same argument could be used for the 31 LA services in London. City Lit, Morley College Ltd and Working Men's College opted into the Area Review, and in combination, the five London-based Institutes for Adult Learning are a member of the national Institutes for Adult Learning Group, working in partnership to co-ordinate areas of curriculum planning and staff development, as well as joint marketing. The Institutes for Adult Learning are already looking towards sharing of services to support their future needs and there have been some discussions in the sub-regional partnerships as to whether there is any scope to merge services and/or backroom activity.

77. The following five options were considered going forward that could result in more efficient services and a better geographical cover. Although for consistency and a coordinated offer for Londoners it would be best that one system covered all of London, it would be possible to have a mixed model with different solutions across the capital. The options considered were:

1. **Keep the existing provider base** but ask them all to share backroom services. This option builds on existing good practice while addressing some of the issues. This would still keep the very local partnership activity that is a strong point of the present system but could reduce costs and ensure a coordinated approach to quality etc.

2. **Merge all the services to form four/five new services**, one for each sub-regional partnership area. These services could then become social enterprises and independent charities, or be financially based in one LA. There are several sub-options to this approach - for example, this system should be robust enough to take on all non-vocational community based basic skills activity up to level 2 that presently exists in the London colleges. This would give colleges a clear vocational mission and allow them to specialise at level 3 and above in the way that many American Community Colleges do.

3. **Four or five of the larger FE colleges or Institutes for Adult Learning** become the education hub and the LA services are merged into the colleges. This system has some merit and it would allow for clear progression routes. However, there is a risk that the community work would be lost when the priority of the colleges is vocational work. Presently General FE Colleges only do 15% of the ACL provision funded by LAs and it would be a big jump to take on the running of the total community based adult education.

4. **Establish adult learning account vouchers** and let the market decide which providers should exist. This system can also be built around a London offer

that gives a guarantee to entitlements, support and progression. Although this system puts the learner in the driving seat it can be flexed to ensure priorities are met. There is a risk that it undermines and destabilises the existing provider base which could lead to closures and weaken the system. It would also rely on much more sophisticated information on the options available to learners than is currently available.

5. **All the activity wrapped into one tender and** a competition run to find just one contractor for London. Although (at approx. £100m) this would be a large programme and contract, there are now several colleges and universities of that size. The advantages of a single contract include delivering a universal service, clear progression routes, economic and efficient core services, a single marketing and recruitment strategy, space to create innovation, the sharing of good practice and enough teaching hours to ensure the development of a core professional base. The disadvantages are reduced choice for learners and no competition which could lead to poor quality and more difficulty in maintaining the partnership activity that is presently facilitated by LA services. Unless it is built into the governance arrangements, there could also be an issue with local accountability.

78. Given this period of change in the adult skill landscape it was thought prudent to keep to the existing provider base (Option 1) but start to draw up plans for providers and LA services to come together sub-regionally (Option 2 or 3) either through one LA, an Institute for Adult Learning or a college. Preliminary discussion suggests there is no single solution. However, any new structure should build on the strengths of the community based structures while providing longer term efficiencies and financial security.

**Recommendation 13: In the short term keep the existing provider base but ask services to consider sharing backroom and or curriculum led services**

**Recommendation 14: London Government to support the development, of sub-regional community education hubs either through a single LA, College or Institute for Adult Learning and help facilitate the use of the transition grant, where this meets the agreed criteria set out in the transition grant guidance.**

## 4. Outcomes and Impact

**Issue**

79. Describing the required outcomes and measuring the level of impact will be vital to ensure the success of the strategy. Outcomes should support economic growth through global competitiveness, social inclusion and cohesion, a culture of life-long learning and efficient use of public funds. Outcomes need to be easy to measure and the cost of the related data collection should be proportionate. They should allow Ofsted to do the necessary benchmarking for inspections, give London the ability to determine whether the strategy is being effectively implemented and support the

contract/grant process by ensuring funding only goes to good or outstanding providers.

**Recommendation 15: The following outcome data should be collected:**

1. Expected outcomes should include the existing student related success measures such as successfully completing a programme, qualifications gained, progression into work and/or further study and student satisfaction.

2. These outcomes should be supplemented through the match data programme with longitudinal data on time in employment, unemployment, employment promotion and earnings. The latter can be the basis for net employment and earnings impact assessments and lifetime earnings assessments

3. Through regular surveys, review learners' attitudes to their own wellbeing, health and happiness.

4. The present system allows for benchmarking against age, gender, disability and ethnicity by postcode and deprivation and this should continue in the future.

## Technical benchmarking

**Issue**

80. Adult community learning providers have a different business model to that of colleges. They don't always own buildings or manage the underpinning financial or HR services. They also employ their teaching staff differently and therefore the standard college benchmarks and levels used within Areas Reviews are not necessarily applicable to this sector and need to be framed differently. New measures were looked at by a technical group set up for the ACL Review and it was determined the existing measures could be used but the benchmark levels might need to be different.

81. The Technical Group put forward six measures for assessing the efficiency of Adult Community Learning providers in London.

- Funding per planned learner hours (Adult Skills)
- Funding per planned learner hours (Community Learning)
- Total number of learners
- Total number of enrolments
- Non-grant income as a percentage of total income
- Percentage of learners who are successful (success rates).

82. In addition to these six measures a further piece of critical information should be gathered alongside the above data, namely the percentage of a provider's provision which is subcontracted. This critical information will help the interpretation of the six efficiency measures.

**Recommendation 16: A technical benchmarking framework using the six above should be developed and adopted by each service and provider**

### Collection of data

**Issue**

83. The existing system monitors activity through the completion of an Individualised Learner Record (ILR), managed centrally but compiled locally. This record allows providers to be in control of the data and able to use the information gathered to run their institutions while at the same time giving government enough data to benchmark performance. Recently this process has been supplemented by experimental match data with HMRC and DWP, which can be used to measure earnings and employment. This is an efficient way to collect data and the majority of data asks are only what a good provider needs to run and monitor their own activities.

84. This system is efficient but relies on ageing technology and the standard reports need to be adapted to provide devolved areas with benchmarking and performance reports. The data is open as part of the government access policy and London could develop a data unit and build its own capacity to produce London reports.

85. The existing outcomes measures are: starts, retention, success (measured by learning plan completed and qualification success), and student and employer satisfaction. The new experimental data looks at salaries and financial impact, and compares the records of those who have attended learning with their work and unemployment records.

**Recommendation 17: The existing ILR requirement should be retained and the new London system should use and enhance the existing database to provide the outcomes data needed to measure performance. A unit should be established that brings together information on existing offer and future need**.

# Next steps

86.  To aid delivery, an implementation plan has been developed. The plan sets out who needs to do what. Assuming London finalises a skills devolution deal with central government, primary responsibility for setting the strategy and the commissioning arrangement will sit with the Mayor, while implementation of recommendations relating to individual providers and services will rest with those institutions. However, it will be important to understand how things are going and progress will be formally monitored at London and local level.

# London Adult Community Learning Review – services and providers in scope

**Central London ACL Review**
1. City Lit – Institute for Adult Learning (IAL)
2. Mary Ward – IAL
3. Morley College - IAL
4. Workers' Educational Association (WEA) - IAL
5. Working Men's College (WMC) – IAL
6. Camden Adult Community Learning
7. City of London Corporation - Adult Skills and Education Service
8. Hackney Learning Trust
9. Haringey Adult Learning Service
10. Islington Adult and Community Learning
11. The Royal Borough of Kensington & Chelsea (RBKC)
12. Lambeth Adult Learning
13. Adult Learning Lewisham
14. Southwark Council Adult Learning Service
15. Tower Hamlets Council
16. Wandsworth Council
17. Westminster Adult Education Service

**West London ACL Review**
1. Barnet and Southgate College
2. Brent Start Adult Learning Service
3. Ealing Adult Learning
4. Hammersmith and Fulham Adult Learning and Skills Service
5. Harrow Adult and Community Learning Service
6. Hillingdon Adult Community Learning
7. Hounslow Adult and Community Education

**East London ACL Review**
1. The Adult College of Barking and Dagenham
2. Bromley Adult Education
3. Enfield Skills for Work Service
4. Royal Borough of Greenwich
5. London Borough of Havering
6. Newham Adult Learning Service
7. Redbridge Institute of Adult Education
8. Waltham Forest Adult Learning Service

**South London ACL Review July 2016**
1. London Learning Consortium (LLC) – Third Sector skills consortium
2. The Learning Centre Bexley
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| Annex 3 | | | | |
|---|---|---|---|---|
| **ACL Review Frame of Reference** | **Themes for emerging recommendations** | | | |
| **Draft criteria for evaluating emerging recommendations** | **1. Strategy and policy** | **2. Commissioning curriculum offer** | **3. Infrastructure** | **4. Outcomes and impacts** |
| **Increases local responsiveness**:<br>• Meets London priorities<br>• Meets local priorities<br>• Ensures responsiveness to learner need<br>• Ensures responsiveness to employer need<br>• Aligns with other local services | | | | |
| **Extends reach**:<br>• Maintains and extends geographical reach<br>• Maintains and extends access for different client groups | | | | |
| **Improves educational effectiveness:**<br>• Improves quality of delivery<br>• Supports progression pathways<br>• Improves employability outcomes<br>• Increases social cohesion and integration<br>• Improves personal wellbeing | | | | |
| **Increases cost effectiveness:**<br>• Reduces overhead costs<br>• Minimises duplication of provision<br>• Facilitates fee collection<br>• Minimises bureaucracy | | | | |
| **Ensures appropriate accountability:**<br>• Provides local accountable governance<br>• Provides assurance to London government | | | | |
| **Maximises deliverability:**<br>• Likely to achieve political buy-in<br>• Straightforward to implement | | | | |