

**To:** Customer and Communities Policy Overview and Scrutiny Committee

**From:** Mike Hill, Cabinet Member and Amanda Honey, Corporate Director, Customer and Communities Directorate

**Date:** 8<sup>th</sup> July 2011

**Subject:** Current developments in Community Learning and Skills (CLS) including changes to reduced fees for older learners in adult education.

**Classification:** **Unrestricted**

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**Summary:**

This report provides an overview of the challenges faced by Community Learning & Skills;

The way in which the unit is responding to National developments in post -16 education and changes to concessionary fees for those over 60 in adult education classes.

Members are asked to *note* and *comment* on this information.

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**1. Introduction**

1.1 Community Learning and Skills (CLS) was formed in 2009 comprising the Adult Education and KEY Training Services. The unit delivers learning and training to 28,000 young people and adults throughout the County. CLS receives no revenue funding from Kent County Council and is financed via a range of Skills Funding Agency contracts and income from learner fees. The unit's Strategic Plan *Enterprise and Learning for Tomorrow* (revised March 2011) provides an overview of CLS and is included on the DVD supplied with the meeting papers.

1.2 CLS provides both universal and targeted services<sup>1</sup> under the familiar brand names Kent Adult Education, Skills Plus and KEY Training Services. It achieved a sound Ofsted inspection report in May 2010 which revealed significant improvement across the whole range of provision. Inspection

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<sup>1</sup> Targeted provision includes (per annum) 340 16-18 Apprenticeships, 4600 participants ( over 2000 families) engaged in Family Learning in partnership with 140 schools in deprived communities, 4000 adults helped with employability skills through Skills Plus.

grades achieved place CLS alongside the best of Kent's FE Colleges and in the top 10% of comparable Local Authority community learning services in England.

1.3 The Coalition Government's strategy for learning and skills 'Skills for Sustainable Growth', published in November 2010 (see Appendix 1) sets out a new direction for 16+ education in the context of a 30% budget reduction over the period of the spending review. Changes in policy and funding that impact significantly on CLS include:

- Funding rates reduced for all provision
- Changes in learner entitlements including replacement of funded subsidies for adult learners by FE student loans
- Employer contributions to training costs to rise
- Increased competition among providers
- New flexibilities for providers, fewer central controls and targets
- A review of adult and community learning (traditional Adult Education)
- Public funding only for those most disadvantaged
- Most adult learners to pay the 'real cost' for learning / training

## **2. Our response to change**

2.1 In 2009, in anticipation of a new era of stringency for learning and skills CLS began a programme of service transformation called 'Towards a Learning Enterprise for Tomorrow' (TALENT). The unit has been working toward a re-shaped and sustainable future predicated on streamlining management and overhead costs, a marketing approach to service development, introduction of new technology and business system reviews.

2.2 A new business model is being developed aimed at maximising income from those able to pay market prices for high quality provision and increasing the contribution to overheads achieved by all types of funded provision. By reducing costs and rebalancing its portfolio of activity CLS aims to support its infrastructure and direct funds to priority work providing skills for economic growth and tackling disadvantage.

2.3 CLS engages with users and community groups to inform service development and conducts continuous research to gather information about customers, needs, demand and trends. Through this active research approach the unit ensures business development is always evidence led.

2.4 Work is also in hand to ensure users increasingly have a say in the running of the enterprise. CLS is developing the means by which citizens can exert real influence and control with the potential for the unit to operate as a social enterprise outside KCC in the future.

2.5 Current developments include a refined e-commerce capability to channel transactions online and new ways of delivering services using a mix of attendance and distance learning (a 'blended' approach). By 2015 we expect 70% of our courses will include blended learning. This will reduce time

spent in the classroom, lead to reduced costs, carbon emissions and road congestion.

2.6 The unit's work with young people is increasingly focussed on Apprenticeships and helping those not in education, employment or training (NEETS) to gain a foothold on the employment ladder. For adults, CLS will engage with prime contractors of the new DWP Work programme and local Jobcentres to provide skills based training to the unemployed. Skills Plus will be remodelled to include online support for those wanting to update their basic employability skills. Family Learning will as now be targeted on communities where children and adults have low skills, poor health and low aspirations.

2.7 In Adult Learning (traditional adult education) CLS will focus direct delivery in three core subject areas: Art/Craft; Languages and Health/Fitness. Added value and breadth of offer will increasingly be provided through Associate Providers who benefit from CLS customer reach, marketing expertise and back office functions. This work has already begun and in 2011-12 the Adult Education programme will feature 36 Associate Providers offering 200 courses. Older learners' participation will remain a high priority and the service will be actively encouraging the over 60's to acquire and improve IT skills.

2.8 Change has required and will continue to require radical shifts in organisational culture, performance and behaviours from staff. It was particularly encouraging to hear from Ofsted that staff throughout CLS were overwhelmingly positive about change, understand the need for the drive on efficiency and effectiveness and have responded well to expectations of higher levels of performance.

### **3. Changes to concessionary fees for older learners and new membership scheme.**

From 1 September 2011 Community Learning & Skills is reducing the level of universal concession currently allowed for those aged 60 and over from 40% to 20%.

3.1 The context for this change includes:

- The Government Agenda: "Those who are able to pay should do so".
- Government Funding: Skills Funding Agency Funding which subsidises Informal Adult Learning has reduced by 20% since 2003/2004.
- KCC Medium Term Budget Plan: which includes an increase in contribution from CLS through the adjustment of concessions.

3.2 Aims of the proposal are:

- To reduce the reliance on public funding for those who can afford to pay
- To enable more of the funding provided for informal adult learning to be directed to engage with more learners from disadvantaged groups/communities
- To gradually adjust charges to users to reflect the true cost of delivery

- To bring age related concessions in Kent into line with other parts of the UK

3.3 An extensive consultation exercise was carried out on the proposals and the opportunities which will mitigate the impact of change. This report entitled 'Reduction of Age-related Concessions in Kent Adult Education' is attached as Appendix 2.

3.4 CLS is currently developing a Membership Scheme which will reward loyalty by providing learners with tangible benefits which add value. This scheme will encourage people to keep learning throughout life and will be introduced for older learners in the first instance. CLS Members will be invited and encouraged to get involved in the running of services.

#### **4. Resource Implications**

4.1 The review of the universal concession policy for people over 60: This change is projected to realise increased income of £90k in 2011-12, £215k in year 2, and £340k year 3.

4.2 CLS's financial planning for 2011-2013 takes account of known and assumed changes in contract funding, inflationary pressures, increased recharges/contribution to KCC, impact of capital projects, and required investment for business development. (A summary of the resource challenges and the CLS approach to financial management is included in Appendix 3.)

#### **5. Recommendations**

5.1. Members of the Policy Overview and Scrutiny Committee are asked to NOTE and COMMENT on the response of CLS to National changes to Learning and Skills funding and policy.

5.2 Members are asked to NOTE the change to concessions for older learners, the mitigations and potential benefits of the membership scheme.

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*Background documents*

Appendix 1

Proposal to Mr Des Crilley, Director of Customer Services, seeking approval to change concessions for people aged 60 and over.

Appendix 2

Community Learning & Skills – Financial Overview & Commentary

Link to Summary Version of Department for Business, Innovation and Skills November 2010 document “Investing in Skills for Sustainable Growth”

<http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/s/10-1273-skills-for-sustainable-growth-strategy-summary.pdf>

CLS DVD

Contents :

- Our Learners Speak for Themselves
- CLS Strategic Plan
- Young People Entering the World of Work
- More about Opportunities for Young People
- Review of Informal Adult Learning
- Our Ofsted Report
- Pen Portraits of Kent Learners
- Our website