

**To:** Communities Policy Overview & Scrutiny Committee – 12  
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**Subject:** Adult Education and KEY Training Update

**Classification:** Unrestricted

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## Summary

This report provides an overview of the performance of the Adult Education and KEY Training services which are now managed together as a single business unit. Some of the major challenges and opportunities which have been met in the last 3 years are also identified and those ahead are anticipated.

## Recommendations

Members are asked to NOTE this report

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## 1. INTRODUCTION

1.1 Adult Education and KEY Training services work with a range of client groups including:- young people who are entering the world of work (this is the main focus of KEY Training); adults seeking employability skills; organisations requiring work force skills; families; and adults seeking learning for pleasure or continuing education (the 'traditional' Adult Education learner). They are funded through a mix of government funding streams and fee income.

1.2 2009 has been a year of mixed fortune both for adult education and work-based learning across the South East and within Kent. Whilst adult education numbers stabilised in 2008-9 and income earned from learner fees showed a small increase over 2007-8, work-based learning is experiencing reducing numbers. This is against a backdrop of economic recession; funding restrictions and reduction over the past 3 years; and confusion that has arisen as result of overspending by the Learning and Skills Council (LSC) - one of the primary sources of funding for the service.

1.3 It is timely therefore to bring members up to date with the current position in relation to both these services, which are now managed as one business unit. This report starts by summarising trends in national policy and

funding over the past 3 years and the significant changes that have been made in response to these. It then highlights recent performance and enrolment figures and finally, it examines the outlook for national policy and funding which will provide the context for service development and planning in future.

## **2. NATIONAL TRENDS 2006-2009**

2.1 Improving adult employability skills, specifically in literacy and numeracy, has been a consistently high government priority during 2006-09 and funding for these through the LSC has been maintained. Since November 2005 the national priority areas have been 16-18 year olds, full qualifications, work-based learning and long courses and indeed for some of these categories funding has increased in real terms.

2.2 In contrast, Adult Learning, short courses, community engagement and 'traditional Adult Education' courses which are generally offered by services hosted within local authorities have experienced considerable reductions in LSC funding over the past 3 years. There has been a national decline in the number of Adults participating in learning of approximately 1.5 million learners<sup>1</sup>.

2.3 Provision aimed at widening participation, engagement with disadvantaged groups and community development work has also been subject to funding reductions and short-term commitments and the majority of FE Colleges and Local Authority adult learning services have consequently reduced their community programmes. This change has been partly driven by reduced funding and also by the introduction of a new performance regime which makes working with disadvantaged people a higher risk for many providers.

2.4 The result of these funding patterns over the last three years has been relative prosperity for the majority of FE Colleges and recession for most Local Authority Adult Education services. Kent has lost £2 million in cash, and overall numbers in learning have declined by 27%, since 2004-5. Adult learners in Kent have continued to benefit from a wide range of subjects offered in all Districts but have experienced a reduction in choice of locations and time of day for courses. User fees for Lifelong Learning courses have risen by an average 45% in Kent since 2006.<sup>2</sup> (although many were offered at 2007 prices this year.)

2.5 At the same time a strong independent work-based learning sector has emerged in response to the growth of funding in this area, including apprenticeships. This is core business for KEY Training which enjoyed more secure funding levels for activity and business growth right up until 2008. Even these work-based organisations including KEY have however been under-invested in Capital improvement programmes.

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<sup>1</sup> NIACE 2009

<sup>2</sup> Average fee increases for all Local Authorities in England 2006-9 is 32%. (NIACE)

### **3. ACTION TAKEN IN RESPONSE**

3.1 Adult Education and KEY Training have been brought together into a single business unit in order to create a more resilient organisation which is better able to manage fluctuations in demand. This is being achieved by reducing overheads, widening the service offer (thus lessening the risk), changing the balance between fixed and variable costs, and developing the ethos of the organisation as a public sector enterprise able to cope with constant change and anticipate new demand for its services.

3.2 The transformation programme to achieve this change is known as TALENT = Toward a Learning Enterprise for Tomorrow and its impact is apparent in the Strategic Plan *Tomorrow's Learning Enterprise*, available on the CD- ROM accompanying this report. In summary the three main changes are:-

(1) There has been a departure from the traditional mixed-economy model of funding and planning in order to re-focus on five identified market segments:-

- Young people entering the world of work
- Adults seeking employability skills
- Organisations requiring workforce skills
- Families and neighbourhoods
- Adults seeking continuing education, learning for pleasure

(see Appendix 1 for a fuller description)

(2) Support functions have been reviewed and streamlined and new technology has been adopted to support marketing, finance, quality improvement & assurance. With a re-balancing from fixed to variable costs a 16% saving in fixed costs in two years has been achieved and income from sales has risen by 11% (see Appendix 2)

(3) New flexible working practices have been introduced, a flatter & leaner management structure has been created. Productivity and performance have already shown improvement as a result.

### **4. PERFORMANCE**

4.1 These changes have been delivered whilst services to learners have been secured and improved and the performance headlines for different areas of work are given below.

#### Apprenticeships and workplace learning

4.2 Many young people with low attainment are welcomed by KEY on to its programmes but it has returned improved performance year on year and now performs only just below against the national 'success rate' average<sup>3</sup>.

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<sup>3</sup> Success Rate is an LSC measure expressing the percentage of those who join a programme who subsequently achieve the defined learning aim ( usually a qualification).

|              |         |         |         |         |                  |
|--------------|---------|---------|---------|---------|------------------|
|              | 2005/06 | 2006/07 | 2007/08 | 2008/09 | National Average |
| Success Rate | 51%     | 57.8%   | 67.6%   | 68%     | 70.9%            |

4.3 In terms of work-based learning (Train to Gain) the Service has performed consistently above the national benchmark.

|              |         |         |         |         |                  |
|--------------|---------|---------|---------|---------|------------------|
|              | 2005/06 | 2006/07 | 2007/08 | 2008/09 | National Average |
| Success Rate | N/A     | 69.8 %  | 80%     | 78.3%   | 73.1%            |

4.4 Kent Success and other programmes run by KEY Training have also been praised in the recent Area Assessment of Kent published by the Audit Commission in December 2009 and contributed to one of two 'green flags' awarded to partners in the county.

*'The County Council has been increasing the numbers of apprentices it employs directly and through its contracts. It has done this through its own apprenticeship service, Kent Success. That supports young people before, during and after their apprenticeship to help them get the most out of their work and succeed in it. By June 2009 there were 210 apprentices at the Council. It is on track to achieve 750 starts in the rest of the public sector and private sector in 2009/10 (438 have started to September 2009). Three quarters of the Kent Success apprentices have completed their apprenticeship. Of these, two thirds got jobs with the Council, and a fifth found work elsewhere.'* CAA assessment 2009

#### Adult education

4.5 Success rates for adult learners on accredited programmes have shown consistent improvement. (see Appendix 3) In Skills Plus Centres, together with other foundation learning, improvement has been outstanding with learner success rising by 32% over 3 years. The Unit's 84% success rates for adult employability and basic skills achieved in 2008-9 is among the best for all College and local authority provision in England.

4.6 The adult education service measures the quality of all its teaching and learning through systematic observation and grading of tutor performance in the classroom or workplace. The scheme is benchmarked against OfSTED standards and is highly regarded by the Inspectorate and other providers in the South east. The improvement shown is represented by an increase in good and outstanding teaching from 56% (May 05) to 62% (July 09) and the reduction of unsatisfactory lessons from 9% (May 05) to 3% (July 09).

4.7 The findings at the recent OfSTED monitoring visit on 22 January 2009 were also very positive with all areas of work found to be achieving good or significant progress. In 2010, KCC is due for a full OfSTED Inspection of its

community learning and skills work which will cover all KEY Training and Adult Education services.

4.8 Adult Education's Family Learning and Skills Plus work were also commended in the CAA

*'...the County's Adult Education service supports around 6,000 families<sup>4</sup> to improve their attainment and that of their children, including basic English and maths skills through to self-development, formal qualifications and work-based learning. It is easy for local people to access courses and facilities across the county.' Adult literacy and numeracy is also being improved through the development of the Skills Plus network of flexible learning centres. Around 5,000 adults annually use these centres to improve their English and maths using information technology. One-to-one support is provided all year round and each individual's training programme is personalised. There is a broad range of initiatives ranging, including support for families in basic literacy, language and maths skills, through to self development and business development skills.'*

4.9 Practical examples of the innovative work that is being undertaken are included in Appendix 4 and also in the CD- ROM circulated with these papers.

## **5. ENROLMENTS**

### Adult Learning – December 2009

5.1 Total enrolments at December 2009 are similar to those at December 2008 (see Appendix 5). There are however significantly more learners choosing accredited and vocational courses (up 42% on 2008).

5.2 All Districts report increases for vocational learning whilst the picture for 'traditional adult learning' (non accredited) is mixed. Increases in Shepway, Gravesend, Maidstone and Canterbury are showing up with lower numbers than last year elsewhere.

5.3 Skills for Life training including that delivered through Skills Plus Centres is well attended across the County and 2009 is proving a record year for enrolments for employability skills training (literacy, numeracy with ICT). Skills Plus is on target to exceed 5000 learners in the current year and now delivers 58% of all the National Qualifications in English and Maths achieved by adults in Kent. (see Appendix 6 for 2006-2009 enrolment data by subject area)

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<sup>4</sup> As evidence elsewhere in the report this estimate provided to the Commission has been exceeded by 1000.

## Work-based learning for Young People and adults – December 2009

5.4 102 young people have commenced apprenticeships with KEY Training since August 2009. This is an increase of 27 (35%) over the same period in 2008 and reflects the local and national priority for apprenticeship growth for 16-18 year olds. For those over 19 however funding has reduced and very few adult apprenticeships (over 25s) will be funded in future.

5.5 Enrolments for work in schools and Entry to Employment (pre-employment programmes) has declined this year, from 141 enrolments recorded at December 2008 to 108 in 2009 (-23%) and 286 to 276 (-3.5%) respectively. Training arranged with employers, (Train to Gain) has also declined by 12.5% (609 enrolments in Dec 08 to 533 in 09). For a detailed breakdown see Appendix 7.

## Family Learning - 2008-9

5.6 Kent's Adult Education Service is now the largest provider of Government funded family learning programmes in England with 7355 enrolments across a range of provision. This figure represents a 47% increase on 2007 and 95% growth in 3 years. The top priority, the Family Literacy, Language and Numeracy programme, more than doubled in size over the previous year attracting 4432 learners. Parenting courses were delivered to 1019 adults - 39% increase. The Wider Family Learning offer was reduced by 34% to support priority work (4.1,4.2) planned and delivered in partnership with CFE Extended Schools Team in priority areas of Kent.

## **6. PREPARING FOR THE FUTURE**

6.1 The current government position on spending priorities is clearly identified in a recent White paper and Skills Investment strategies. Of planned savings for 2010-11 totalling £340million for the Department for Business, Innovation and Skills (BIS) £240 million is to be identified from the successor to LSC - the Skills Funding Agency. The lion's share of the cutback is to come from 19+ provision and money is to be targeted on 'economic recovery-focussed' investment in skills for young people.

6.2 Our expectations are that funds for 16-18 apprenticeships and pre-employment programmes will be prioritised and high-quality providers of employer-led work (Further Education Colleges and work-based learning organisations) will be supported to maintain or increase numbers. Unit costs will be subject to downward pressure however and the climate will be a challenging one.

6.3 Train to Gain is not planned to continue in its present form and in future employers will be expected to contribute more to costs. Funds are likely to be targeted in occupational sectors where the contribution to economic revival is most apparent. Whilst there is a clear commitment to fund Skills for Life programmes for adults 'more for less' will be expected and providers will face

reductions in funding per learner. Some reduction in service for the individual learner may be inevitable .

6.4 For Lifelong Learning (traditional Adult Education) the current 'Safeguard' funding stream expires in 2011 and it has been made clear that public funding will be targeted at disadvantaged learners at the expense of universal services. Learners in Kent and elsewhere can expect to pay significantly more for their adult education classes.

6.5 The new unit is preparing for these anticipated changes to funding and for a period of inevitable stringency. There will be further moves to reduce fixed costs and to increase flexibility of response by focussing on the relationship with customers and streamlining systems and administration. New technology will feature strongly in efforts to reduce costs

6.6. Reviewing premises costs is also a major part of preparation for the future, in the context of "Total Place" aspirations to maximise benefit and occupancy, and minimise the costs, of the public sector asset base. Increasing the scope for sharing accommodation and integrating with other community learning and skills services is therefore very much on the agenda, building on a direction of travel that is already established.

## **7. CONCLUSION**

7.1 Performance in the majority of provision within the Unit has been sustained during a challenging few years, and the quality of service is improving. Recent trends in learner choice demonstrate the importance of a broad curriculum offer and the need for flexible responses to demand which the service is nurturing

7.2 The newly combined unit has established a responsive and highly adaptable public service enterprise in which customer needs drive innovation. Having demonstrated capacity to manage change and deliver improvement there is confidence that the challenges of an uncertain funding and policy landscape will be confronted positively.

## **8. RECOMMENDATIONS**

8.1 Members are asked to NOTE this report

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