

NEW CHALLENGES, NEW CHANCES: NEXT STEPS IN IMPLEMENTING THE FURTHER EDUCATION REFORM PROGRAMME

a response from the National Institute of Adult Continuing Education to the Department for Business Innovation and Skills, October 2011.

Overview

As always, NIACE's primary interest is in promoting a more equitable system that provides accessible and affordable opportunities for all adults to learn throughout their lives.

There are eight key issues where NIACE urges the Government to review, strengthen and clarify its proposals. These are elaborated in responses to the consultation's individual questions but summarised below. They are to set out:

- the purposes of further education in building social cohesion and responsibility as well as raising economic productivity;
- a commitment to making the sector no less attractive to people throughout their lives than it is to young people completing their initial education and preparing to enter the labour market;
- a fees policy which allows public funds to be used more effectively to lever-in private contributions, thus increasing participation numbers overall;
- how the Government expects to resolve tensions between a system based on competition between providers and one which encourages collaboration to make best use of resources;
- how (and to whom) the reformed system is to be accountable as Government and the Skills Funding Agency strip 'red tape' out of the system;
- how information, advice and guidance can empower learners of all ages to make informed choices;
- map out, systematically, the degree to which its proposals align with the policies of other Departments of State (particularly the policies of Communities and Local Government, the Department for Work and Pensions, Department for Education and the Cabinet Office) and where there are inconsistencies;
- how the system will be incentivised and motivated to reach out to those furthest from the labour market who often need high levels of state investment.

The National Institute of Adult Continuing Education (NIACE) welcomes the Government's commitment to consultation about proposals for the reform of further education in England. This response endorses much of the broad direction of travel and several of the specific proposals. It is the case however that *New Chances, New Challenges* appears uncharacteristically timid in setting out a compelling vision for the sector which addresses the fundamental question of how to re-balance public funding with the private contributions of employers and individual learners.

Section 1: Vision for the FE landscape and shape of the sector

NIACE is concerned that the questions accompanying this section focus more on the structural 'shape' of the sector than they do on articulating the breadth of vision and cultural change that will be needed. Structures are important, but what gets delivered is more so.

Question 1: To what extent should the Government influence the range of structural models for FE and skills delivery?

NIACE urges the Government to focus its policies on the purposes and outcomes of further education and to encourage 'permissive flexibility' rather than seeking to direct or prescribe the structural detail beyond requiring a common curriculum entitlement (to ensure that no part of the country can simply opt-out provision for basic skills, for foundation learning or for opportunities for students with learning difficulties for example). In shaping its approach, NIACE calls on the government to better acknowledge the contribution that further education makes to a range of public policies (such as community cohesion, public health, democratic engagement and neighbourhood renewal) in addition to improving the nation's skills. There is always a risk that policies develop in their own silos so NIACE urges the Department to ensure that the reform of further education goes hand in hand with the Government's wider Localism agenda and notions of a bigger society. In addition, NIACE argues that post-school education and training is best viewed as a 'single ecology'; developing entirely separate policies for further and higher education risks losing potential synergies. Similarly, provision funded by BIS needs to be considered alongside that of DWP-funded programmes and DfE-funded provision. In particular, NIACE urges the Government to remember that the majority of learners in FE are aged 25 and above and studying part-time. There is a danger that over-focussing on implementing the Wolf report (for those of 19 and under in full-time provision) risks the tail ending up wagging the dog!

Q2. What barriers currently constrain flexibility and responsiveness, in terms of structural development, and how might the Government address these to help the sector to reorganise for the benefit of learners?

One of the features of the further education sector is its remarkable responsiveness in adapting to a wide and shifting range of central initiatives. Too often in the past, institutions and services have been treated as mere delivery sub-contractors rather than as local partners. It is possible to argue that the price paid for the FE sector's flexibility is an occasional inconsistency of purpose (a view that FE simply 'follows the money' because of its dependence on a small number of large funders). Rather than digging ever-deeper to identify barriers, NIACE argues that what providers in the sector need is the stability over time, in policy and funding, to define and clarify their purposes and then seek out how these are best resourced.

Rather than focussing on flexibility and responsiveness, NIACE urges the Government to acknowledge that the sector's effectiveness is constrained by excessive policy churn. Evidence to the *Colleges and their Communities* inquiry, chaired by Baroness Sharp and supported by NIACE, AoC and the 157 Group, suggests that stable systems are more likely to secure long-term employer and learner engagement than continual changes, several of which have not been given sufficient time to bed-down.

Q3. How helpful is our proposed approach to the new policy framework to replace 'Models for Success': are there other areas which should be included?

The replacement of the *Models for Success* approach is welcomed but NIACE urges the Government not to replace it with a prescriptive, structurally-focussed framework (see also response to question 1). NIACE welcomes the Government's wish to give the sector greater responsibility. Three things however that do merit fuller consideration at a central level are:

- a need to better acknowledge the legitimate role of local government in shaping the further education sector co-equally with central government;
- the wider roles that many FE providers play in promoting social and community cohesion, inclusion and regeneration;
- the need for a 'level playing field' between the FE and school sectors in the provision of education to people aged 16-19.

Confining the role of the sector to a narrowly-interpreted 'skills' agenda is a waste of its potential.

Q4. Are there particular structural delivery models or case studies that you think it would be helpful to share, via the framework?

Once again, NIACE urges the Government to strike a balance which is more permissive about structures and more prescriptive about what the system delivers in terms of outcomes. This does not mean the reintroduction of a target culture, but about Government having clear and explicit expectations about the sector's diverse responsibilities and about creating a culture in which FE providers are keen to demonstrate their accountability for their choices to the different communities of which they are part.

Although competition can encourage innovation it can also result in wasteful competition for the most lucrative parts of the market. More challenging activities such as programme for learners with mental health difficulties or ex-offenders may end up neglected. In addition, risk-taking and innovation will not be encouraged by the rigid application of Minimum Performance Levels across all provision which encourages providers to 'play safe'.

Q5. We propose that the existing college merger criteria should be broadened to cover the need for effective leadership and management and the promotion of competition and diversity in the local area. Do you agree that these changes are sufficient to support the Government's ambitions? Are there any others you would propose?

The criteria proposed are important but insufficient. The most concerning omission is proper consideration of how providers are held publicly accountable for their stewardship of resources. Some of this of course will be 'upward' to their funders, to Government and Parliament, but NIACE argues strongly that accountability should also be 'outward' – to local government, local employers and local people.

Competition and diversity should be means towards an end and not ends in themselves. Outside urban areas the choices valued by learners are far less about 'who provides?' and far more about 'what is provided?' Having a single provider meeting the needs of the community is a valid and helpful situation in many rural areas. To insist on competition in these circumstances is not logical. Ensuring a broad curriculum range which meets the learning needs of the different communities providers serve is, however, essential and competition can play a role in stimulating innovation.

Section 2: Introducing Level 3/4 loans and sharing responsibility for investing in skills

NIACE will issue a separate and more detailed response to this section of the consultation but in this response sets out an emerging position.

The principled decision to offer loan support to adult further education students on broadly the same basis as those for higher education is a symbolically welcome demonstration of the Government's commitment to the FE sector. However, NIACE is deeply concerned that, for various reasons, the supply and demand for further and higher education may be too different to ensure that the reform proposals can be delivered within the timescale proposed. NIACE shares the concerns expressed by the Association of Colleges in its letter of April 2011 to the Director General for Business and Skills and wishes to highlight the following risks:

- There appears to be little public evidence that potential learners will have any appetite for taking out loans of more than £1,000 pa for level 3 studies. This may result in a fall in enrolments which will destabilise staffing levels with a knock-on effect on the viability of programmes (for younger full-time learners) whether in colleges or other providers;
- If different demographic groups have a different propensity to take up loans there may be significant labour market consequences. The impact of any decline in enrolments among low-paid women may be felt more quickly in public sector jobs in healthcare and education which traditionally recruit from this pool (for classroom assistants for example). This could unbalance particular labour markets in unpredictable and destabilizing ways.
- Equality impact assessments will be critical. NIACE urges the Government to establish benchmarking studies immediately so that it is possible to measure accurately the effect of change on demand from particular groups of learners for particular subjects, qualifications and modes of study so that mitigating action can be taken swiftly if required. This benchmarking should analyse participation and achievement at level 3 for a period of years, setting out who participates, what they study and what they achieve. This would allow for better assessment of impact once the policy is implemented;
- Because *New Challenges, New Chances* does not consider information, advice and guidance, it is not at all clear how Government intends to prepare potential students to act as empowered consumers in a radically reformed market. This is particularly worrying given that there will be a need to persuade many learners that a loan is a good investment;
- If the minimum level of fee loan is to be set at £1,200, providers will be faced with significant issues about how to set fees and whether Government and learners will accept cross-subsidisation between cheaper classroom-based subjects and those requiring significantly higher capital investment. Whether

STEM subjects in FE need special protection requires urgent consideration. In HE, STEM subjects usually require a similar level of fee to other subjects, but in FE it seems likely that learners will be asked to pay a fee closer to the costs of delivery, thus making STEM subjects more expensive. This will undoubtedly affect demand, despite the needs of the economy.

- The issues around the levels of debts that may mount up for students who move from loan-funded FE into HE (via an Access course for example) are acknowledged by Government. NIACE urges the Government to wipe-out the FE debt if learners successfully complete their HE course;
- The processes of application and selection differ substantially, as does the pattern of starts and the patterns of participation (more part-time for instance) between FE and HE. This is also true of the funding models used by the Skills Funding Agency and the Higher Education Funding Council for England. It is unclear at present when the loan entitlement would be triggered and how the loan pot will be managed in the more complex world of FE;
- There appears to have been little public information about the assumptions that Government is using about the rate of default upon loans and payback periods. Without these, it is difficult to see whether the proposals may end up creating unintended multiplier effects;
- There appears to have been little consideration of the impact on families where one generation's readiness to take on student debts may be affected by the actions and experience of a family member of a different generation. Many parents supporting their children through higher education for example, would be unlikely to want to take on higher levels of personal debt;
- If Government wishes to introduce loans for adult apprenticeship training the complexities multiply because of the nature of the contract between the apprenticed worker and the employer. NIACE believes that few adults would be willing to pay to be trained by an employer unless successful completion led to a licence to practice conferring a clear and immediate labour market advantage. In addition, it is clear that the employer shares the benefits of the apprenticeship by using their labour power. For this reason NIACE believe there is a case for establishing whether in this case the loan should be made to the employer rather than the apprentice. Fairness might however be ensured by requiring an individual contribution if the apprentice leaves before or immediately after the completion of a programme.

While appreciating the costs of administering loans of low value, NIACE observes that most adults study part-time and is unaware of any modelling how any reform of

fees for full-time courses might impact on the costs and viability of part-time provision. Currently 80 per cent of those studying at Level 3 do so part-time.

Overall NIACE is concerned that too many of the proposals for income contingent loans in FE are based on unevidenced assumptions and calls on Government to delay system-wide change. If this is not possible, NIACE urges the Government to guarantee that the overall FE budget will not be reduced if demand falls (for the very least over a transition period of, say, three years) because the public has not been prepared adequately for the advent of loans.

Section 3. FE college and training provider freedoms and flexibilities

Q6. How have you used the freedoms already made available to make a difference in your communities – what lessons can you share?

NIACE is a membership organisation and registered charity. It is not a provider. Along with the Association of Colleges and the 157 Group it sponsors the Independent Inquiry, chaired by Baroness Sharp, into Colleges and their Communities. The interim report of this Inquiry has been published within the sector and shared with ministers and a final report will be published in November.

NIACE has also recently completed commissions of inquiry into adult literacy and adult numeracy. All of these initiatives seek to share good practice and innovative thinking throughout the sector. NIACE believes that best practice emanates from clear values, good leadership and governance and an explicit commitment to communities (whether through a Charter, Compact or other vehicle) as well as sound user-led performance information.

Q7. What else can be done to streamline the assurance system, whilst still safeguarding public funding and ensuring quality?

NIACE has grave concerns about the decision by the Office for National Statistics (ONS) to reclassify further education colleges as central government entities (and sixth form colleges as local government entities) for the purposes of national accounts. Prior to October 2010, ONS had regarded colleges as being part of the private not-for-profit sector and it is difficult to see how the change is anything other than disadvantageous to the sector and to ministers' aspirations in *New Challenges, New Chances*.

In the main NIACE believes that the auditing requirements of the Skills Funding Agency are proportionate and appropriate, although more

streamlining should always be sought. Central guidance about eligibility for public funding is possibly the single biggest issue and here, in recent months, providers have had to work in the face of late decision-making, temporary and partial U-turns and inconsistent advice. The negative impact this has had on the sector should not be underestimated.

Q8. Can you identify additional systems and/or processes ripe for removal/streamlining? Please be specific about what could be removed and why.

NIACE has argued for several years that trusted providers which can demonstrate effective financial management to the Skills Funding Agency and effective teaching and learning to Ofsted should be given rolling three-year indicative budgets which will not vary more than 10% pa and afforded the freedom to be held accountable for their budgets retrospectively on condition that at least 75% of funding will be towards the national priorities of the central government funder with the remainder to be deployed flexibly on local priorities.

Q9. Are there steps that the Skills Funding Agency should be taking to reduce the data and information it requires for operational purposes? If so, what are they?

NIACE supports the existence of the Information Authority as the most appropriate forum for dialogue between providers and Government about the costs and benefits of collecting and using data for the sector. It acknowledges the steps which the Skills Funding Agency has taken since the publication of *Skills for Sustainable Growth*, however the data and information requirements are driven largely by the complex eligibility criteria in the system.

Q10. Do you agree with the categories and descriptions for a 'trigger point' for intervention (see Proposals for intervention)? If not, what suggestions do you have for changes/improvements?

NIACE cautiously endorses the Proposals for Intervention outline. Its concern is about how the categorization of a provider is made and by whom. Clearly the Skills Funding Agency and (if appropriate) Young People's Learning Agency/EFA are major stakeholders as will be Ofsted but there are others too,

including Sector Skills Councils (for certain forms of provision), local authorities and learners themselves.

NIACE members have expressed concerns that an absence of external inspection in 'outstanding' providers may restrict the chance of identifying 'tipping points' or issues arising. NIACE proposes that the longest time any provider should go without external inspection is six years. NIACE would also hope to see local accountability, linked to a localism agenda built into any trigger points. This idea will be explored in more detail in the final report of Baroness Sharp's committee of inquiry.

In addition, NIACE would wish to encourage the extension of rigorous peer review as a means of challenging complacency and 'coasting' among providing institutions, services and organisations. This might also include more imaginative use of learner, employer and community surveys to capture not only the voices of existing students and trainees but also latent demand in the community.

Section 4: Simplifying the funding system

While recognising the benefits of simplification of funding arrangements, NIACE commends the Government for maintaining a budget for Adult Safeguarded Learning (ASL). This sent an important signal to the FE sector. When the safeguard was introduced it represented 3% of adult FE spending but its value today is less than 2%. As part of the reform of ASL, (*see section 6*) NIACE urges the Government to restore its value to at least 3% of the total in real terms.

Q11. What benefits have been experienced from the introduction of ACTOR and what further action could be taken to make future contracting arrangements more straightforward?

The potential benefits of the Approved College and Training Organisation Register (ACTOR) for procuring publicly funded education and training provision have not yet been realised. The Skills Funding Agency should continue to explain how ACTOR works and support providers to understand how it can reduce bureaucracy in the sector.

NIACE urges the Skills Funding Agency to continue to streamline ACTOR as the basis of identifying providers the Government can trust. It believes that there is a distinction to be made between 'for-profit' and 'not-for-profit' providers since a for-profit providers' primary concern is for the interest of its shareholders rather than its learners.

Q12. What has been the impact of the introduction of Minimum Contract Levels? Has the approach to exemptions been effective?

In its response to last year's *Skills for Sustainable Growth* consultation NIACE suggested "that a simplified funding system with too high a minimum contract threshold for providers puts administrative convenience above the quality of the learning experience". It went on to argue that "(w)ere minimum contract values for public provision to be introduced, this would have the effect of pushing new and smaller third sector organisations out of the market. A minimum threshold of £1 million, for example, would exclude many medium-sized voluntary organisations (and some local authority community education services too). If the only role for third sector organisations is as sub-contractors, there is a danger of marginalisation, a reduction in the breadth of services and a dilution of quality as specialist expertise gets dissipated".

NIACE remains unconvinced that a strong case has been made for raising the threshold level from £500,000 – which in itself runs counter to the policy objective of encouraging new and different entrants to the market. In particular, NIACE urges strongly that all local authority providers should be exempt from any threshold. It is anomalous that a small university is currently exempt but a local council, handling considerably larger volumes of public money, is not.

Should the Skills Funding Agency wish to raise the level, NIACE urges it to undertake further consultation and to commission an independent evaluation of the impact of introducing a minimum contract level so that an evidence-based decision can be reached and that negative consequences can be mitigated and the positive benefits maximised.

NIACE also believes that a policy should be introduced enabling third sector providers to enter the market below the £500K threshold. They could be given a three year plan to build their business, with appropriate support where necessary.

Q13. What benefits do you envisage from the introduction of a simplified rates matrix?

NIACE was encouraged to read, in the Skills Funding Agency document *A new streamlined funding system for adult skills* (October 2011) the endorsement of proposals from the interim report of Baroness Sharp's Commission of Inquiry (A *Dynamic Nucleus at the Heart of Local Communities*). NIACE is generally supportive of the Government's direction

of travel around simplification while continuing to argue that Adult Safeguarded Learning remains a special case.

A simplified rates matrix, without reference to Guided Learning Hours (GLH), should allow for more innovation in delivery and a lower audit burden.

Section 5. Teaching, learning and qualifications

Q14. How could a commission on vocational teaching and learning best help the sector improve?

NIACE looks forward to being a key partner in any sector-led Commission and to working with other intermediary bodies including the Learning and Skills Improvement Service, Institute for Learning and universities. The particular contribution that NIACE would expect to bring to any Commission would be to ensure that any recommendations avoid a 'one size fits all' model and are demographically sensitive to the education and training needs of adults at different life-stages, drawing upon the analysis behind NIACE's Inquiry into the Future for Lifelong Learning (2009). NIACE would also anticipate contributing from a perspective which acknowledges that learning, for more and more adults, will involve a blend of face-to-face activities, self-study using digitised materials and online group learning.

In addition NIACE urges that the Commission's remit should not be confined to teaching and assessor staff but also others who facilitate learning (including Community Learning Champions, Union Learning Reps and professional guidance workers).

Q15. How can we best engage the knowledge of learned societies and professional bodies to empower improvement in the FE sector?

NIACE welcomes the Government's aspiration to work with learned societies and professional bodies – although the diversity of organisations claiming such a pedigree is such that some may be more useful than others in promoting further, technical or vocational education (see for example the eclectic range of such bodies listed on the British Academy website).

NIACE supports similar Government initiatives to engage craft guilds and organisations and the voluntary and community sector but urges that any engagement should be inclusive and non-hierarchical otherwise there is a risk that professional bodies end up as protective cartels benefiting their members as much as the public or learners.

NIACE also suggests that any engagement be led by the sectors' own representative bodies.

Q16. What else needs to be done to stimulate and spread innovation, including embracing the potential of new learning technologies?

One route through which the Government could encourage the stimulation and spread of innovation (including ICT) would be to facilitate dialogue between the FE sector's leading intermediary bodies with other significant stakeholders (such as the BBC, OU, NESTA, Pearson and Microsoft). NIACE's membership body and sponsors include most of those named and NIACE would be pleased to convene such an initiative with the Department's support.

NIACE has a strong track record in supporting colleges and providers to use new technologies to benefit learners and learning, and would be pleased to utilise that expertise over the coming years. With the demise of BECTA there is a huge need for funding to support the best use of technology in learning.

Q17. How do you currently assess the employability skills needed by your local employers – how could this be improved?

NIACE is not a direct provider but its members (which include providers among others) tell it that many smaller employers find it difficult to go beyond an general expectation of basic communication (including literacy and numeracy) and timekeeping skills and articulate their training needs in a rigorous and systematic way. Many also appear unwilling to pay for training themselves having grown used to initiatives such as Train to Gain. Providers also report that getting employers to make a cash contribution toward the training costs of apprentices aged over 25 is a challenge.

Over the past 25 years Governments have sought to 'put employers in the driving seat' through ITBs, Area Manpower Boards, ITOs NTOs, TECs, Local LSCs, SSCs. None have been wholly successful and NIACE believes that the case for an element of compulsion is growing stronger. NIACE is attracted to the idea of sector-led licenses to practice and urges the Government to continue encouraging and supporting their development.

The Inquiry into the role of colleges in their communities sets out a vision of colleges engaging with employers to agree skills priorities, including employability skills.

Q18. Have you any experience of developing new qualifications to meet a new / emerging need – how did this work?

The development of Open College Networks following the 1992 Further and Higher Education Act is an illustration that the FE sector is certainly able to develop its own qualifications from the bottom-up even if there is now a plethora of courses, many recruiting only small numbers of students. NIACE is supportive of initiatives to develop a signature 'FE Qualification' akin to the Associate Degrees awarded by Community Colleges in the USA and sees some potential in the further development of Foundation Degrees.

The Government also has an under-valued mechanism in the QCF which could play a more visible co-ordinating role in the development of new qualifications relevant to local need and employer demand. What is needed is an engagement strategy (and to bring literacy/numeracy into the framework).

The issue is however not simply about developing qualifications but also about how they are funded. Here the QCF provides potential flexibility but is constrained by over-regulation that does not permit the funding of individual units of qualifications, other than for offenders and the unemployed.

Section 6: Review of Informal Adult and Community Learning

NIACE's responses to these questions are given in a separate response.

Section 7: Review of literacy and numeracy provision for adults

NIACE welcomes the Government's commitment to keeping literacy and numeracy provision free of fees for students while regretting the withdrawal of funding uplift for some kinds of provision. It would however be concerned were the recommendations made by Professor Alison Wolf for improving the literacy and numeracy of young people to be applied to adult learners. While a focus on helping more young people reach GCSE-level standards may be desirable for those under the age of 19, the GCSE curriculum is NOT the most appropriate one for adult learners.

A GCSE in English is not a literacy qualification, so those adults who completed their initial education with weak levels of literacy need something more appropriate. Similarly, the GCSE mathematics curriculum is absolutely not a proxy for the numeracy skills required by most adults and those who require them to be numerate in the workplace.

More specifically, a new initiative is required to attract and retain learners at entry-level. There may be a case for re-visiting and updating the Wordpower and

Numberpower qualifications which were developed in the early 1990's by the Adult Literacy and Basic Skills Unit (a daughter charity of NIACE which became the BSA before being reabsorbed into the Institute).

It is clear that there is no 'magic bullet' to improve adult literacy and numeracy. What is required is the determination to continue the prioritisation that such work has been given since the establishment of Skills for Life and a recognition that strategies (such as more blended learning) may need to adapt now that a lot of the so-called 'low-hanging fruit' has been reached. The time may also be ripe to consider whether provision is sufficiently learner responsive and to re-assess the effectiveness of the Foundation curriculum.

NIACE also urges the Government to give serious consideration to the second recommendation of Lord Boswell's Inquiry into adult literacy in England. This states that "the Department for Education, working with BIS and local authorities, must help to break down cycles of intergenerational difficulties with literacy through family literacy and learning programmes".

As well as sponsoring the above inquiry, NIACE has recently concluded an independent review of adult numeracy, chaired by Dame Mary Marsh and fed the recommendations of this to the Government. NIACE looks forward to working closely with the Government to continue to develop policy and practice in this area. Poor literacy remains a brake on economic growth and community engagement and a barrier preventing the development of other skills

Q19. What more is needed to accelerate the rate at which the most successful teaching practices / models of delivery are spread across the sector?

Although the LSIS Excellence Gateway serves as an important access portal for teaching and learning resources, the adoption of successful practices and models requires more direct intervention and support. There is a need for more trained teachers and a sustained programme of continuing professional development, accessible locally but drawing on specialist expertise – especially in the area of numeracy teaching where there is a critical shortage of specialist teachers. In the present financial climate many providers find it hard to release teachers and trainers even for short refresher, top-up or updating training.

Targetted central funding in some areas, over and above the LSIS grant, may be necessary to support the delivery of Government policy. NIACE believes that this is the case in numeracy, literacy and ESOL.

Q20. What more is needed to maximise the quality of the literacy and numeracy teaching workforce?

The drive for greater professionalization of the specialist workforce of teachers of literacy and/or numeracy should continue and be incentivised where necessary. Given the pressing need, the Government would be well-advised not to rely on prospective literacy and numeracy teachers taking out Level 3 loans for their training. That will not happen in sufficient numbers and could be a good area for sowing flexibility by waiving the fees.

A requirement to professionalise the workforce must be enforced locally and monitored through Ofsted inspections and the SFA's contracting arrangements. The same qualification requirements to teach literacy and numeracy should apply across the sector – for the delivery of Skills for Life, Key Skills and Functional Skills programmes. The focus for teaching should be on the development of skills and their practical application, all supported by a sound understanding of the underpinning knowledge and concepts. All too often, too little funded teaching time (eg. 35-40 guided learning hours or less to raise a learner through one level) encourages tutors to “teach for the test”.

The use of appropriately trained mentors, learner support staff and other intermediaries (including union learning reps and community learning champions) would also extend the impact of programmes which support, engage, retain and progress learners while offering value for money. NIACE suggests that all professional and para-professional staff supporting the education and training of adults should have some level of basic skills awareness training to enable appropriate signposting.

Q21. What conditions are needed to accelerate the pace of innovation throughout the sector and what is the potential?

What is needed is Government will, consistency and the spread of confidence in that consistency across the sector. The drive for developing, piloting and trialling of innovation must be Government-backed and funded (if only pump-primed) and must secure local provider involvement and build on existing high quality practice/methods. As such, funds/incentives must be offered to specialists and local providers to secure the time/expertise needed to contribute to development, piloting, trialling and evaluation of innovative practice. To avoid “re-inventing wheels”, overlap and shortfalls, development must be co-ordinated nationally and effective practice shared and evaluated. Small scale projects that focus on solutions that are readily adaptable to local circumstances should be promoted rather than grand schemes that take a long time to complete and are unlikely to be implemented without significant funding and resources.

Successfully trialled and endorsed innovation must be accompanied by appropriate training/CPD programmes for providers (both management, practitioners and volunteers) to ensure buy-in and effective delivery. Evaluating performance (and any necessary funding/resources) must go beyond initial roll-out and early adoption. A short-term approach should be avoided.

There is also a case to be made for the introduction of literacy and numeracy assessments for all full-time FE learners. NIACE is aware of this approach being used with some success by certain colleges in Wales. It has the potential for providing a reliable baseline against which progress can be measured.

Q22. Are the current incentives in the system driving the required provider behaviour and what else can be done to improve this?

Nationally, the greatest improvement in adult literacy and numeracy skills (measured by qualifications gained) since the introduction of the Skills for Life Strategy in 2001 have been amongst those at Level 1 and Level 2. The funding uplifts for SfL provision (now limited to Entry Level numeracy programmes) did encourage providers to increase their programmes but it was largely the easier-to-reach learners, those who needed brush-up support and engaged more readily (the so-called “low-hanging fruit”) who were targeted. The harder-to-reach, so often with EL1 and EL2 as well as the pre-entry needs, have not benefited as much from the extensive SfL initiative.

Some providers report that the withdrawal of uplift funding is leading to course closure and there is concern that the pattern of provision developed over a decade may be put at risk. The Government may need to look again at whether the current uplift arrangements are sufficient to bring about the provider behaviour it wishes to encourage or whether there are other measures that encourage providers to respond to need where market forces alone are insufficient.

Uplift payments did incentivise providers but in a demand-led system, such payments do not directly incentivise these hard-to-reach potential learners to take up the offer of provision. There is a case for considering whether up-lift funding could be used as direct payment to these individuals when they gain their qualification in order to secure their early engagement. There is also a need to consider how best to incentivise progression, perhaps through simple funding arrangements.

In addition, the report of Lord Boswell's NIACE-sponsored Inquiry into Adult Literacy¹ has recommended Government establish a Challenge Fund to develop innovative, intensive approaches to learners for the different learner cohorts in these under-represented, hard-to-reach groups. Such an approach would be welcome as NIACE believes that those furthest from the labour market often need high levels of state investment.

A further signal the Government could give would be to encourage the recognition of small steps towards a learning goal but the funding of units as well as full qualifications.

Q23. What more can be done to stimulate greater learner demand for numeracy courses?

Adult numeracy skills in this country are poor. For many adults, there is a “fear of maths” and/or lack of recognition (or unwillingness to recognise) the importance of numeracy in everyday life and work. The NIACE-led Inquiry into Adult Numeracy (2011) identified that “being bad at maths” did not carry the stigma that an inability to read or write would bring. It reported that this is a widely accepted state of affairs and for some, it was carried almost like a “badge of honour”. This in turn means low demand for provision and participation in numeracy programmes remains too low. The following should be exploited:

- **Use of targeted promotional campaigns.** National schemes have their place but are expensive and impact on outcomes is difficult to measure/attribute. Co-ordinated local numeracy campaigns developed with specialist marketing advice and in partnership with providers, employer organisations, individual employers, local authorities etc should be a principal vehicle. The focus should be on the specific everyday/workplace requirements for numeracy and the benefits they bring. National champions, and local champions (especially, in the workplace and at all levels within an organisation) should be used to sell the numeracy message.
- **Improved numeracy teaching and provision.** Numeracy teaching should be highly contextualised for work-related settings and everyday life and delivered by qualified teachers. It should be focused on mastery of the fundamental skills (built on understanding concepts, not memorising rules) and their application in real-life contexts. Programmes should be:
 - Made directly relevant for the learner and his/her immediate requirements,

¹ Work, Society and Lifelong Learning – Report of the Inquiry into adult literacy in England, NIACE, 2011.

- Organised as “bite-sized” provision that builds to full qualification but is delivered at a pace and time that meets the needs of the learner (and where relevant, the employer), and
- Made interesting and enjoyable!
- **Promoting Success.** Learner success should be widely promoted and celebrated, both locally and nationally, including through vehicles such as Adult Learners’ Week. Word of mouth remains a most effective way of selling the message, but that relies on ensuring the individual learner experience is of high quality and the provision is fit for purpose and leads to worthwhile recognition. Capturing feedback and conducting extensive evaluation on learner experience and outcomes are important in this respect.

Q24. What more can be done to encourage employers to increase the take-up of literacy and numeracy provision by their employees?

In current economic circumstances NIACE believes that large-scale public information campaigns are unlikely to be a cost-effective way of encouraging employers or individuals. This is not the time for a free-standing campaign such as ‘Gremlins’. There may however be potential to work in a targeted way with such intermediaries such as:

- union learning representatives for industry-specific initiatives;
- public service broadcasters (especially the BBC) to use social action broadcasting and web-based initiatives for targeted communication;
- outreach initiatives associated with independent campaigns such as Adult Learners Week (especially the *Learning Works* awards) and VQ Day;
- professional advisers acting as champions at local level (small businesses, for example, may trust and be receptive to suggestions from their accountant or solicitor that training would be a sound investment) .

Continuity of national funding for literacy and numeracy work is an essential prerequisite for employers to plan workforce development effectively. Frequent changes in eligibility and funding arrangements act as a powerful disincentive to employers.

Section 8: Delivering higher education and skills

NIACE has responded separately to the issues raised in the White Paper *Students at the Heart of the System*, welcoming some aspects of reforms (particularly around the introduction of loans for part-time students and an enhanced role for FE colleges in the delivery of higher education) but expressing misgivings and concerns about

other elements of the proposals which appear to be very high-risk and which may have the effect of narrowing access and participation.

Q25. What can we do to improve awareness and identity of what further education can offer?

In addition to effective Information, advice and guidance through the Careers Service (not mentioned in this consultation) NIACE believes that the introduction of income contingent loans to the further education sector will create a need for clear and impartial financial advice. 'Course labelling' initiatives alone will not mean that prospective students are well-informed about the financial costs and benefits of taking one course rather than another. The FE market in courses is far more complex than the Higher Education market which is dominated by the undergraduate degree course.

Q26. What are the opportunities to promote alternative progression routes into higher education?

NIACE is concerned that the introduction of loans for Level 3 study should not reduce the attractiveness of dedicated Access courses which continue to have an important role to play in preparing adult learners for HE study. In addition, it is attracted to the potential for establishing bursary funds for non-traditional learners.

NIACE would also urge the Office for Fair Access to give particular priority to the encouragement of part-time and flexible progression routes, encompassing partnership working between further and higher education institutions, when it reviews and monitors individual institutions' Access plans.

Q27. What innovative delivery and business models might be explored and secured to meet the needs of learners and employers in the local community?

NIACE is open-minded about the contribution which private providers might make to the higher education sector but urges the Government to proceed with caution. There are examples of high quality public and private universities co-existing (for example in California). NIACE is also strongly supportive of initiatives which encourage mixed mode learning (including distance learning) and credit transfer and also those which facilitate progression from Advanced and Higher Level Apprenticeships onto Foundation and undergraduate degrees. NIACE also supports institutional initiatives to

compress teaching and learning into fast-track programmes through changes to the length and pattern of the traditional academic year.

While wishing to see an expansion of part-time higher education by all providers, NIACE urges the Government to be particularly mindful to avoid any unanticipated destabilisation of the provision offered by the Open University and Birkbeck College, which both deliver differently to an important group of adult learners.

Section 9. Deregulation and devolution

Q28. What more can we do to remove data requirements?

NIACE endorses the overturning of the previous Government's focus on data collection primarily for performance management purposes and welcomes the new emphasis on putting customer (whether learners, employers, communities and other service users) and their information needs first.

NIACE welcomes the Government's investment in the sector-led development of a new public information 'system' for FE and has worked in partnership with the Association of College, Association of Employment Providers and HOLEX (with support from the 157 Group and Institute for Learning) to develop a user-friendly public information framework. This is based on the available evidence of what actual and prospective learners, employers and others say they would find most useful. NIACE welcomes the Government's commitment to continue this work in partnership with the sector in the period ahead through the FE National Improvement Partnership Board.

NIACE agrees that comparable data is needed to demonstrate the optimal use of public money in the FE sector and to hold providers to account. It welcomes the commitment to restrict data requirements to those the Government can demonstrate are 'necessary to support the effective delivery and development of the sector – at national and local level'. NIACE would add that any data should be generated, as far as possible, through existing data sources so as not to add to a costly and bureaucratic burden. It is likely however that further work is needed to gain an understanding of the most appropriate balance between locally and nationally generated data – and the interplay and distinction between the evidence required for funding, policy and procurement purposes and the information learners and employers need to support consumer choice. NIACE believes that these are distinct but complementary imperatives and although their respective data requirements may intersect, it is currently unclear exactly how or to what extent. NIACE urges the Government to retain the customer-facing approach of the current initiative and suggests that a piloting phase for the draft 'Informing Choice

Framework' would enable necessary exploration of data issues in a constructive and consultative manner.

Q29. What more can we do to improve transparency in data collection and use?

NIACE has no comments on this question.

Q30. How can the data already collected be shared more effectively across the sector for the benefit of learners and employers?

Although providers across the sector are experienced in making information on their offer widely available, practice is highly variable. Such differences are not necessarily problematic and may be a sign of provider responsiveness but inconsistency around key information (for example around costs and fees) is clearly a barrier to entry. NIACE believe that providers should seek to offer a core of consistent and comparable information that service users have identified as necessary for good decision-making.

This requires providers to be more aware of the types of public information that users across the system say are essential or desirable. This might be done, in part, through the publication, piloting and wide dissemination of the 'Informing Choice Framework'. Provider commitment to best practice coupled with market forces and rising consumer expectations should then drive more consistency across the sector. This will in turn help confirm the types of data that providers and funders should generate and share for the benefit of employers and prospective learners. Technical solutions to shared MIS are already emerging but judgements on their effectiveness should include the extent to which they meet known service user information requirements.

NIACE believes that learners, employers and other stakeholders should be involved in assessing the quality and utility of the public information on offer and by implication, the effectiveness of any data sharing entailed. Embedding this formative role for service users should remain an underpinning principle.

NIACE asks the Government to consider transferring the resources currently used to support the Framework for Excellence within the Skills Funding Agency to the sector itself with the aim that the data is more directly available to learners and employers.

Conclusion

NIACE would be pleased to supply further information and analysis about any of its responses. Please contact Alastair Thomson (Alastair.thomson@niace.org.uk), Principal Policy and Advocacy Officer in the first instance.

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