



**ESOL Funding Summit**

Morley College  
12<sup>th</sup> January 2011

Brought to you by Nick Linford

**Lsect**  
Learning & skills ~ events,  
consultancy and training

## Summit programme

- 10.30 Welcome and introductions
- 10.40 Exploring funding rate and eligibility changes
- 11.40 Refreshments
- 12.00 The view from a learner membership body
- 12.30 The view from a college membership body
- 13.00 Lunch
- 13.50 The view from adult education and third sector
- 14.20 Impact analysis and response
- 15.30 Summit end

## Who will you hear from?\*



**Nick Linford**  
Managing Director of Lsect



**Shane Chowen**  
Vice President for Further Education at the NUS



**Julian Gravatt**, Assistant Chief Executive and Director of Research and Development at the Association of Colleges (AoC)

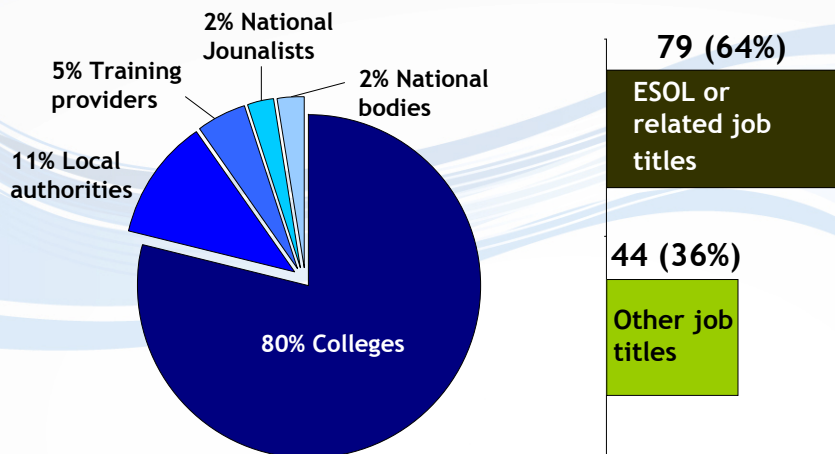


**Chris Taylor**  
Programme Director for NIACE

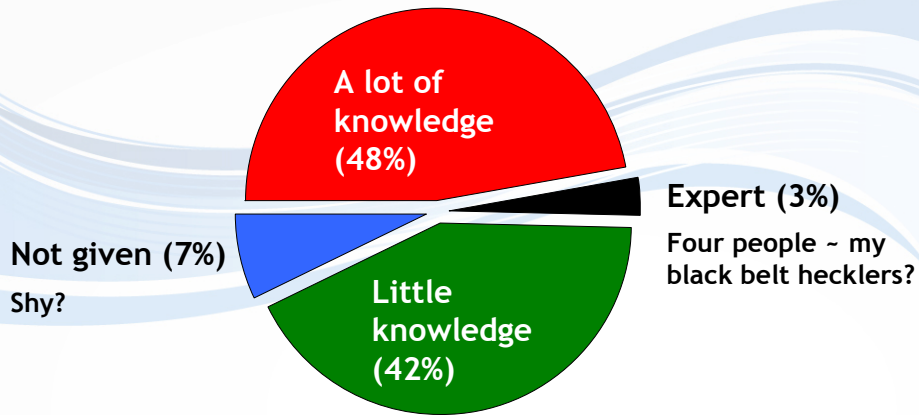


\* In order of appearance

## Who are you, the 123 delegates?



## During booking, delegates were asked their prior knowledge of funding



So an even split, thus content will be tailored for both

## Exploring funding rate and eligibility changes

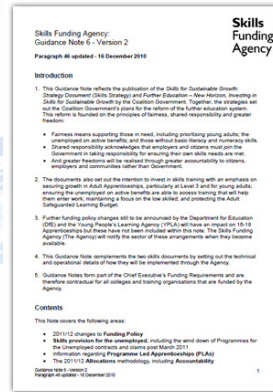
Nick Linford  
Managing Director of Lsect

## 2011/12 plans from BIS and Skills Funding Agency



**Skills Strategy**

<http://tinyurl.com/3x8dz2h>



**Guidance Note 6**

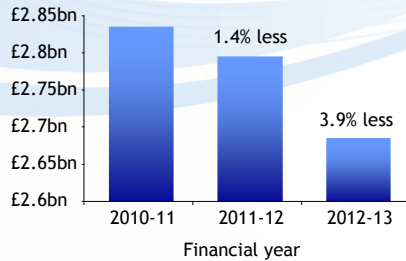
<http://tinyurl.com/27r5rrs>

## The 19+ spending for 2011/12

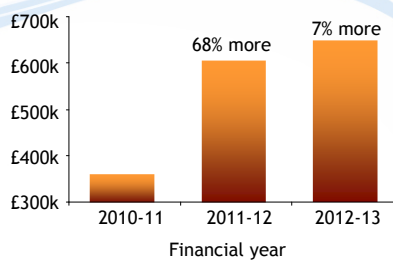
Skills Strategy published November 2010

- ~ FE resource budget reduced by 25% by 2014-15\*
- ~ Significant growth in 19+ Apprenticeships
- ~ Introduction of OIPs and £500k Minimum Contract Levels (MCL)

**19+ Adult Skills Budget** which includes



**19+ Apprenticeship funding**



\* Looks like biggest 'cuts' kick in for 2013-14 and 2014-15 when L3+ loans introduced

## Detail in Guidance Note 6

Many significant changes for 2011/12



- ~ 19+ national funding rate reduction of 4.3%\*
- ~ 1.2 PWF uplift removed for Skills for Life (excl. Entry Level Numeracy)\*
- ~ Non-entitlement Level 3 Train to Gain not funded
- ~ Non-entitlement Level 2 Train to Gain for non-SMEs (250+) not funded
- ~ No ESOL funding in the workplace
- ~ Fee remission only for those on 'job ready' income support (e.g. JSA)
- ~ £80m pilot in learner-responsive for Outcome Incentive Payments (OIPs)
- ~ Minimum Contract Level of £500k
- ~ Single ER and LR budget, and SFA will pay 16-18s on behalf of YPLA

\* Rate changes 'will apply for all new and existing learners'

## ESOL provision hit by a menu of cuts

1. Rate reduction (32%)
2. Fully-funded to co-funded (inactive benefits)
3. Co-funded to no funding (ESOL in workplace)
4. No more ESOL learner support funding (£4.6m)

**“Fairness means supporting those in need”**

**Have BIS gone too far?**

**Does BIS understand the impact?**

**Surprised by Mr Cable's actions?**



## 1. Rate reductions

ESOL co-funded learner-responsive rates\*

Academic year	2009/10	2010/11	2011/12
National Funding Rate	£2,817	£2,732	£2,615
Programme Weighting**	1.4	1.2	1.0
Fee element %	47.5%	50%	50%
Fee element £	£1,338	£1,366	£1,307
Funding	£2,606	£1,913	£1,307
Change on previous year		-27%	-32%
Change on 2009/10			-50%

\* And remember, ESOL is funded at half the level of Literacy and Num

\*\* Will lead to a reduced 2011/12 Provider Factor

## 2. Fully-funded to co-funded\*

At present, people only on one or more these benefits are fully-funded

- Council Tax Benefit
- Housing Benefit
- Income Support
- Working Tax Credit
- Pension Credit
- Contribution based ESA (unless in the Work Related Activity)
- Unwaged dependants (as defined by DWP) of those listed above

**From August 2011 new starts will be co-funded (funding halved)**

Government will expect learners to contribute £5.81 per hour in 2011/12

Worked out as National Funding Rate per SLN (£2,615) / 450 x 50% = £2.91

Expect reflection of non-collection of fees in future allocations (SFA GN6)

\*All 19+ learner-responsive provision, not just ESOL

### 3. Co-funded to not being funded

Funding will be “ineligible where ESOL is delivered in the workplace. Public funds should not be substituted for employer investment in this way.” (SFA GN6)

Yet literacy will continue to be fully funded and therefore free to the employer

Fair?

In reality, little publically funded ESOL is delivered in the workplace, probably because the Train to Gain funding rate is already too low

### 4. End of ESOL Learner Support Funding

Since Bill Rammell ended fully-funded ESOL in 08/09 there has been a £4.6m pot, distributed to providers to help cover tuition fees for ESOL learners in need of the most help



This year 2010/12 there are 322 providers sharing the **£4,574,432** ESOL Learner Support Funding pot, ranging from £22 to £119,799 (Westminster Kingsway College)

This ESOL LSF funding is not being distributed in 2011/12

With all the new co-funded categories for 2011/12, should this pot remain to help with continued transition?

## BIS Equality Impact Assessment for Skills Strategy

“whilst we expect a reduction in the numbers eligible for fully funded ESOL, continued co-funding for other categories and freedom for providers to fully remit fees for vulnerable learners should result in a very small overall impact on protected groups.”



Do you agree?

Incredibly, this is all the 39 page document has to say about the impact of changes on ESOL

## Also



BIS said **“We will co-fund for those who are settled here.”**  
But no mention of this in SFA Guidance Note 6



## And finally

The Young People’s Learning Agency are not reducing the ESOL programme weighting (still 1.4). They tell me “they see no evidence for the need to do so”





## The view from a learner membership body

Shane Chowen  
Vice President for FE, National Union of Students



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## The view from a college membership body

Julian Gravatt  
Assistant Chief Executive and Director of Research and  
Development at the Association of Colleges



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## The view from adult education and third sector

Chris Taylor  
Programme Director, NIACE



Download Chris's slides at:  
<http://tinyurl.com/ESOL-Funding-Summit>



## Impact analysis and response

Nick Linford  
Managing Director of Lsect



Yesterday lunchtime I sent out a survey, here are some of the results so far

## ESOL Impact Survey (Q1)

Respondents:

Further Education College	65%	46
Local Authority Adult Education	20%	14
Large Independent Training Provider	0%	0
Small Independent Training Provider	3%	2
Adult Education College or Third Sector provider	6%	4
Other	7%	5
<b>Total</b>		<b>71</b>

63% (45 people) said they were attending today

## ESOL Impact Survey (Q2)

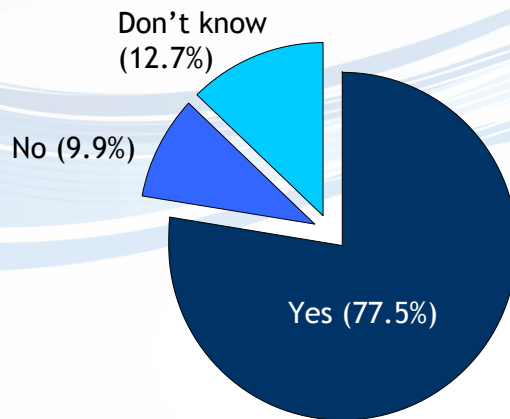
Volume of funded ESOL

All of your adult funding	14%	10
More than half your adult funding	14%	10
About half your adult funding	11%	8
Less than half of your adult funding	38%	27
Very little of your adult funding	18%	13
None of your adult funding	4%	3
<b>Total</b>		<b>71</b>

Highlights the point that impact will vary by provider

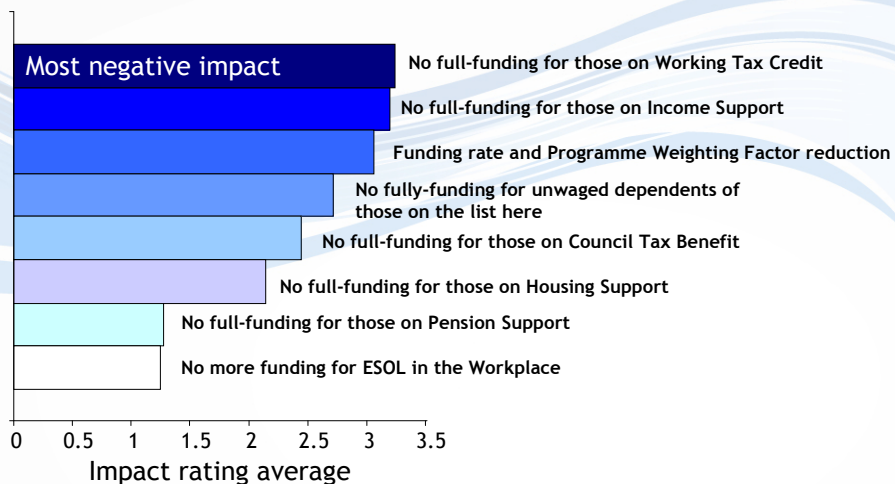
## ESOL Impact Survey (Q3)

Have you or your organisation considered the impact of the ESOL Funding Rate and Eligibility changes for 2011/12 yet?



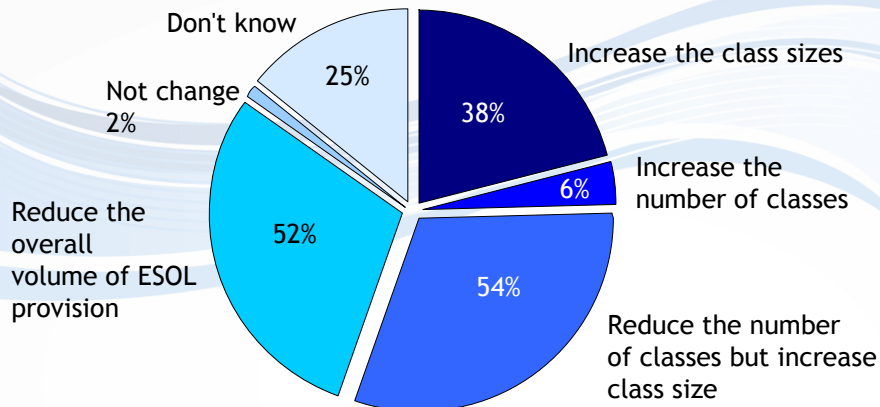
## ESOL Impact Survey (Q4)

Rate [on a four point scale] which of these changes will have the greatest negative impact on your ESOL provision



## ESOL Impact Survey (Q5)

In response, will you (more than one answer can be selected)



## ESOL Impact Survey (Q6)

The Government need to create efficiencies. Is there anything you would have rather they cut that might have been fairer (such as Area Cost Uplift)?

“Make ESOL Entry Level classes part funded but make Level 1 & Level 2 pay full cost.”

“Funding for Level 2, as these learners have the language ability to find better paid employment and may be able to pay towards fees”

“Why give a helping hand to level 2 and level 3 learners, whilst knocking away support for 19+ vulnerable learners.”

“A review of all funding uplifts would have been a fairer way to make efficiency savings”



Diploma for the Harness Horse Groom (QCF)

“Get rid of Lord Mayor and any Royal celebrations”

## ESOL Impact Survey (Q7)

Any further comments about what you think the impact will be for your ESOL provision and existing or potential learners?

“If the ESOL LSF could be retained and applied to those not on the JSA and ESA, that would help a lot of learners for less money”

“It will devastate the opportunities for 70% of our learners many of whom are British Citizens and most are women. The societal impact of the lack of opportunity for women to learn English will be felt in terms of community cohesion/involvement and support for children in schools”

“We’re extremely concerned about single parents and people in low-waged employment being trapped because of their inability to improve their language and get more skilled jobs”

“As a county council provider with small amounts of provision in several areas of the county it will dessimate our classes.”

## ESOL Impact Survey (Q8)

Any other comments, such as to the policy makers?

“I believe removing working tax credit is penalising in work individuals who are looking to upskill - my area has a lot of low skilled employment - the removal of this benefit will prevent upskilling and increase likelihood of individuals at risk of being long term unemployed”

“What message does it send out if British citizens are demied provision to improve their language but if they have literacy or numeracy needs they will be provided free?”

“The reduction in funding for ESOL will mean that providers will review their current curriculum offer and transfer their provision to other areas. The impact on community cohesion, health and well being of learners will create more demands from other departments’ funding. There is lack of clarity about terminology e.g. ‘settled communities’ ESOL learners are often marginalised in communities and ESOL provision has always help to integrate leraners as well as improving their skills. This wholesale reduction in funding will have much wider repercussions than just levels of English.”

## Lsect free ILR Utility <http://tinyurl.com/5shjst2>


Sent out yesterday, containing an ESOL impact report

The ESOL report analyses 2009/10 19+ funded learner-responsive provision and applies rate changes to model funding impact

In half a day 42 providers have already sent me back their reports

### Real examples for some large London colleges:

Total ESOL reduction to 2009/10 by applying 2011/12 rates



College A	College B	College C	College D	College E	College F
-£1.9m	-£1.7m	-£1.1m	-£936k	-£862k	-£685k
-16%	-11%	-8%	-19%	-8%	-15%

Total % reduction of all adult funding owing to ESOL reduction

## What happens next...

Equality Impact Assessment for ESOL from BIS?

Providers receive remodelled provider factors, and many will need to deliver to more learners for less funding to retain allocation

Will ESOL provision shrink as providers shift to more 'profitable' provision as part of the Single Adult Skills Budget (such as Apprenticeships or quick and easy OIPs?)

**How will you respond?** More temporary staff? Larger class sizes? Less double staffing? Only deliver within the college? Waive fees?

I will be producing an ESOL Funding Summit report - please email me any views or case studies to [nick.linford@lsect.com](mailto:nick.linford@lsect.com)