



National Audit Office

# Skills for Life: Progress in Improving Adult Literacy and Numeracy

REPORT BY THE COMPTROLLER AND AUDITOR GENERAL | HC 482 Session 2007-2008 | 6 June 2008

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National Audit Office

# Skills for Life: Progress in Improving Adult Literacy and Numeracy

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**30 May 2008**

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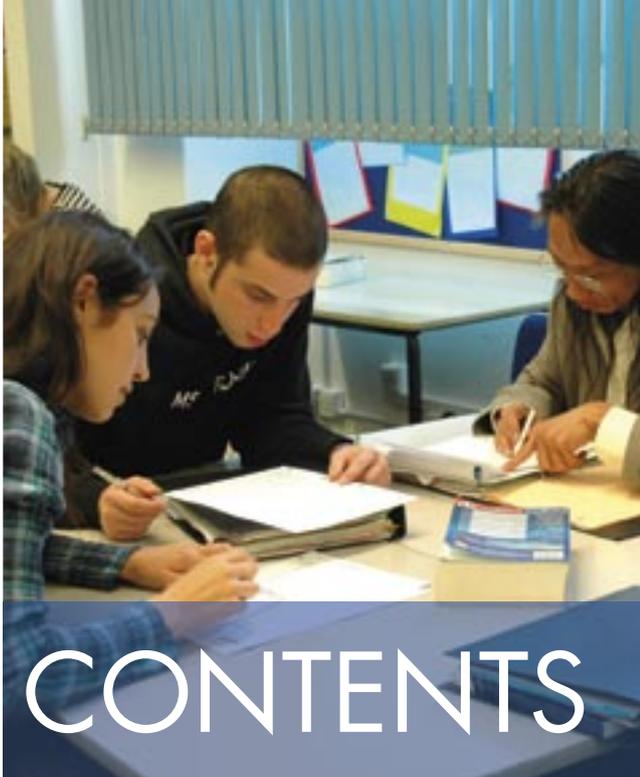
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## Who is involved and featured in this report?

### Strategy and funding

Department for Innovation, Universities and Skills (the Department)

Responsible for policy on improving adult literacy, language and numeracy, funding research and monitoring progress against the targets. Also responsible for policy on skills for offenders.

Learning and Skills Council

Responsible for funding and commissioning education and training for those aged 16 plus, including adult literacy, language and numeracy. Basic skills provision for Jobcentre Plus clients, except those on New Deal, and offenders is also now managed by the Learning and Skills Council.

### Engagement

Providers (listed across)

Carry out engagement activity to attract learners.

Learning and Skills Council

Took over responsibility from the Department in 2007 for promoting demand from potential learners.

Department for Work and Pensions and Jobcentre Plus

Responsible for welfare policy and delivering support for people on benefits and advice and help for those seeking to work. From April 2010, all new benefit claimants are undergoing a skills check at the start of their claim.

Ministry of Justice, including the Prison Service, National Probation Service and Youth Justice Board

Responsible for correctional programmes for offenders, designed to reduce re-offending. Since June 2004 a single National Offender Management Service within the Ministry of Justice has led policy on reducing re-offending. The learning and skills provision required for offenders in regions is co-commissioned by the Learning and Skills Council and the National Offender Management Service.

Employers

Employers offer Skills for Life training for their employees with access through Train to Gain, Union Learn and direct contact with providers.

Immigration advisers

Signpost new entrants to the United Kingdom to Skills for Life learning opportunities delivered by other organisations.

Community and voluntary sector organisations

Working with often hard-to-reach learners by playing a variety of roles including identifying needs of clients and signposting them to other organisations or directly delivering Skills for Life training.

Source: National Audit Office fieldwork

## Providers

Further education colleges

Offering a wide range of provision through different delivery methods from classroom-based, to work-based to online learning.

Private sector providers

Offering a wide range of provision through different delivery methods from classroom-based, to work-based to online learning.

Local adult community and education services

Education services provided by local authorities.

learnirect

A supported online learning solution managed by Ufi providing Skills for Life courses.

## Support for provision

Ofsted

Inspects education for 16- to 18-year-olds in further education colleges and school sixth forms, and all adult and work-based education (formerly the responsibility of the Adult Learning Inspectorate).

Qualifications and Curriculum Authority

Responsible for developing and administering national tests for literacy and numeracy.

Quality Improvement Agency

Provides support to organisations and individuals throughout the learning and skills sector to improve performance. Support is delivered by contractors on behalf of the agency.

Lifelong Learning UK

Sector Skills Council responsible for the professional development of all those working in community learning and development, further education, higher education, libraries, archives and information services and work-based learning.

Alliance for Lifelong Learning

An alliance, established in July 2007, between the National Institute of Adult Continuing Education and Tribal (an educational consultancy) that offers language, literacy and numeracy support across all age ranges to practitioners, policy makers and the Government. In 2007, the Basic Skills Agency merged with the National Institute for Adult Continuing Education.

National Research and Development Centre for Adult Literacy and Numeracy

Responsible for conducting research and development projects to improve literacy, numeracy, language and related skills and knowledge.



|                                  |  |
|----------------------------------|--|
| Achievement                      | For approved provision an achievement is defined as gaining an approved or accredited qualification. For non-approved provision an achievement is defined as meeting the relevant basic skills learning aims, based on the National Standards and Curriculum for Adult Literacy or Numeracy.   |
| Adult                            | People aged 16 and over.   |
| Basic skills                     | Refers to adult literacy, numeracy and English language skills from pre-Entry Level up to Level 2.   |
| Approved provision               | Approved provision leads directly to qualifications accredited by the Qualifications and Curriculum Authority for inclusion in the National Qualifications Framework and approved by the appropriate Secretary of State under Section 96 and Section 97 of the Learning and Skills Act 2000. Approved qualifications are available at all levels.  |
| Non-approved provision           | Non-approved provision is provision that has not undergone the process above but meets basic skills learning aims, based on the National Standards and Curriculum for Adult Literacy or Numeracy.  |
| Embedded                         | Embedded is a delivery method that combines (contextualises) a Skills for Life qualification with a vocational or other skill. The skills acquired provide learners with the confidence, competence and motivation necessary for them to succeed in qualifications.  |
| Functional literacy and numeracy | The levels needed to get by in life and at work as defined by the working group on post-school basic skills chaired by Sir Claus Moser, in their report <i>A fresh start: improving literacy and numeracy</i> , published in 1999. For literacy the functional level is Level 1 and for numeracy it is Entry Level 3. Qualifications that are available at literacy Level 1 include GCSE in English, Key Skills in Communication, and the Certificate in Adult Literacy and the Certificate in English for Speakers of Other Languages Skills for Life. The qualification available at Entry Level 3 numeracy is solely the Certificate in Adult Numeracy. |
| Hard-to-reach                    | Potential learners who are unlikely to participate in training or learning, for example the unemployed and those on benefits, offenders and low-skilled people in the workplace.   |
| Key Skills                       | For 16- to 18-year-old full-time learners the expectation is that those who have not achieved Mathematics or English at GCSE grade A*-C should aim to achieve the appropriate Key Skills qualifications. These are application of number and communication at Levels 1 and 2.  |

|  |  |
|--|--|
| Level of qualifications  | See Figure 1 (on page 13) for the different qualification levels referred to in this report. Entry Level 1, Entry Level 2 and Entry Level 3 are the national school curriculum equivalents for attainment at ages 5–7, 7–9 and 9–11, respectively. Level 1 is equivalent to a GCSE grades D-G and Level 2 is equivalent to a good GCSE (grades A*-C). A full Level 2 qualification is equivalent to five GCSEs grades A*-C. A Level 3 qualification is equivalent to an A level.   |
| National Standards and Curriculum for Adult Literacy or Numeracy | The standards, developed by the Qualifications and Curriculum Authority in 2000, provide a map of the range of skills and capabilities that adults are expected to need in order to function and progress at work and in society. The standards for literacy cover the ability to: speak, listen and respond; read and comprehend; and write to communicate. The standards for numeracy cover the ability to: understand and use mathematical information; calculate and manipulate mathematical information; interpret results and communicate mathematical information. The core curriculum is based on the national standards for adult literacy and numeracy and describes the content of what should be taught in adult literacy and numeracy programmes. |
| Non-target bearing qualifications                                | Refers to qualifications that do not count towards the target, these include all non-approved qualifications (including pre-Entry Level) and approved qualifications at Entry Level 1 and 2.   |
| Target-bearing qualifications                                    | Refers to qualifications that may count towards the target. Qualifications that count towards the target are approved qualifications: GCSEs in English or maths (Levels 1 and 2); Key Skills in Application of Number or in Communication (Level 1 and 2); and Certificates in Adult Literacy, in Adult Numeracy or in English for Speakers of Other Languages Skills for Life (Entry Level 3, Level 1 and Level 2). A person may achieve more than one target-bearing qualification, but only the first qualification achieved counts towards the target. Appendix 3 provides a list of qualifications and whether they count towards the 2010 and 2020 targets.  |
| Skills brokers   | Skills brokers, part of the Train to Gain service, offer impartial and independent skills advice to businesses, identifying their training needs, matching these to the most appropriate training providers and recommending how to fund the training.   |
| Skills for Life  | The name of the Government's national strategy for improving the literacy and numeracy skills of adults, aged 16 and over, through the delivery of literacy, numeracy and English for Speakers of Other Languages provision.   |
| Skills for Life Public Service Agreement target                  | The target is to 'improve the basic skills of 2.25 million learners by 2010, with an interim milestone of 1.5 million learners by 2007'. The target covers people aged 16 and over in England who have left compulsory education (excluding students in schools' sixth forms, but including those in sixth-form colleges). It refers to numbers of people achieving qualifications – a person achieving more than one qualification should only be counted once. It defines improvement as movement up a level and the achievement of a qualification.   |
| The Department   | The Department refers to the Government Department responsible for policy on improving adult literacy, language and numeracy, funding research and monitoring progress against targets. Since July 2007 this has been the Department for Innovation, Universities and Skills. Prior to this it was the then Department for Education and Skills.   |



**1** This report examines the progress made by the Department for Innovation, Universities and Skills, the then Department for Education and Skills (both referred to as the Department) and the Learning and Skills Council in improving adult literacy, numeracy and English language skills since our previous report on Skills for Life and in particular the progress made in implementing the recommendations set out in the subsequent report by the Committee of Public Accounts, published in January 2006. The present report assesses progress against the following criteria:

- the Skills for Life Public Service Agreement target (and in particular progress against the 2007 interim target);
- increasing programme participation and achievement, and in particular participation of hard-to-reach learners and learners engaged through their employers;
- increasing the diversity of learning providers;
- improving the quality of provision, including the skills levels of the teaching workforce, and the diversity of providers; and
- how the organisations involved are preparing to meet the challenges set out by the Department's new 2020 targets announced in 2007.

**2** To assess progress we undertook a detailed analysis of data held by the Learning and Skills Council and the Department supplemented by a number of other methods, such as detailed case examples. Appendix 1 sets out our methodology and Appendix 2 provides a summary of the Committee of Public Accounts' recommendations, progress in the implementation of the recommendations and their impact.

## What we found

### The Skills for Life Public Service Agreement target

**3 The Department has made good progress towards meeting the 2010 target for basic skills.** The Public Service Agreement target was to improve the basic skills of 2.25 million adults between 2001 and 2010, with two milestones – 0.75 million by 2004 and 1.5 million by 2007. The target defines improvement as movement up a level and the achievement of a qualification. The 2004 and 2007 Public Service Agreement targets were both exceeded and according to the Department's estimates it is on course to meet the 2010 target early (updated achievement data is expected later in 2008). Spending on the Skills for Life programme has increased from £167 million in 2000-01 to £995 million in 2006-07. The average cost per course, or per qualification, varies according to the type and level of qualification. Courses in English for Speakers of Other Languages are typically more expensive (£1,030) than literacy courses (£510) or numeracy courses (£460); and Entry Level courses are typically more expensive (£960) than Level 1 courses (£570) and Level 2 courses (£400), reflecting the greater learning needs of these learners.<sup>1</sup>

**4 The true impact of the Skills for Life programme on the nation's skills base is not known.** The 2003 Skills for Life survey, commissioned by the then Department for Education and Skills, identified the scale of the problem at that time. Until a follow-up survey is undertaken the impact of the programme on the nation's skills base will not be known as some people will gain the skills without achieving a qualification, some may lose the skills acquired, some young people enter the adult population with poor basic skills, the skills needs of the migrant population may change with time and some adults with poor basic skills will reach retirement age and drop out of the adult working-age population.

<sup>1</sup> All costs are average course costs for 2006-07.

## Increasing participation and achievement

**5 The Department has made less progress in strengthening numeracy skills.** Less people have participated in and achieved qualifications (or relevant learning aims) in numeracy than in literacy. Only 10 numeracy qualifications have been achieved for every 100 people with numeracy skills below the level of a good GCSE (grades A\*-C), compared with 18 literacy qualifications for every 100 people with literacy skills below the level of a good GCSE (grades A\*-C). The Department intends to publish a numeracy plan in summer 2008.

**6 Participation and achievement in Skills for Life provision varies across the country.** Since the programme started in 2001, the number of literacy qualifications achieved for every 100 people with literacy skills below the level of a good GCSE (grades A\*-C) varied regionally between 22 in the North East and 15 in the East of England. For numeracy it varied regionally between 12 in the North West and North East and 7 in London. The North East and North West have the best rates of achievement for both literacy and numeracy.

**7 Demand for courses in English for Speakers of Other Languages has grown substantially and in some areas exceeds supply.** Between 2001 and 2004, English for Speakers of Other Languages spending by the Department tripled and in 2006-07 it was just under £300 million. Despite the increased expenditure, demand continued to outstrip supply, partly as a result of changes in patterns of migration, particularly in London. From August 2007, the Department revised its strategy to refocus provision on those who are most disadvantaged, with other individuals (and their employers where appropriate) expected to make a financial contribution towards their course. The impact of these changes is not yet clear.

**8 The Department is engaging more hard-to-reach learners but different parts of government can work together to do more to encourage people on to Skills for Life courses – for example there is potential to create a much better flow of people into learning from Jobcentre Plus benefit streams.** Hard-to-reach learners can be engaged through a range of activities and partnerships. For example, Jobcentre Plus can engage benefit recipients through screenings and referrals, the Prison Service and the Probation Service can refer offenders through the Offenders' Learning and Skills Service, and many voluntary and community sector organisations either signpost potential learners to courses or deliver the course themselves, often in partnership with other providers.

Family literacy, language and numeracy programmes are engaging hard-to-reach learners in non-traditional adult learning settings such as schools and nurseries. Of some 550,000 benefit claimants who have literacy, language and numeracy needs in 2006-07, just over 17,700 Jobcentre Plus clients were referred to the Learning and Skills Council's Employability Skills Programme as the new programme was established. Jobcentre Plus customers may also access Skills for Life training directly but these numbers are not known. We estimate that there are some 35,000 offenders in prison whose literacy and numeracy are below Level 1.<sup>2</sup> For offenders in prison engagement with learning and skills provision is voluntary and runs alongside a number of activities prisoners undertake. Our recent report<sup>3</sup> on the Offenders' Learning and Skills Service estimated that only one in five offenders assessed as having literacy and numeracy below Level 1 enrolled on a literacy or numeracy course.<sup>4</sup>

**9 The Department is engaging more employers but needs to do more to persuade them of the benefits of literacy, language and numeracy training for their staff.** The Department and the Learning and Skills Council are undertaking a range of activities to persuade employers of the business benefits of literacy, language and numeracy training and to encourage them to develop the basic skills of their workforce. Appendix 5 shows some of the business benefits to employers of such training. However, there is more that can be done to reach those with poor skills in the workplace and help them overcome the barriers they may face. Employers are not yet taking full opportunity of Train to Gain, the Department's service to help businesses identify their skills needs and then access the training and support they need, as a route for improving the basic skills of employees. Up to the end of March 2008 there were 41,100 learners compared with an expected profile of 73,470. A common theme from our discussions with stakeholders was that employers would benefit from a higher level of expertise about how to identify and address Skills for Life issues at an organisational level from skills brokers, who help businesses identify their training needs. In order to align advice services for employers, the responsibility for the Skills brokerage service will be transferred from the Learning and Skills Council to the Regional Development Agencies by April 2009.

## Increasing the diversity of learning providers

**10 The Department has made progress in increasing the proportion of provision delivered outside further education colleges.** Many people with poor literacy, language and numeracy skills are reluctant to take up learning or enter formal learning environments.

<sup>2</sup> An estimate based on Prison statistics for England and Wales, 2002 applied to the current prison population.

<sup>3</sup> National Audit Office report: *Meeting needs? The Offenders' Learning and Skills Service*, HC 310 Session 2007-08.

<sup>4</sup> Based on a review of files for 800 individuals starting custodial sentences in September 2006.

An increasing proportion of courses (almost 50 per cent in 2006-07)<sup>5</sup> is being delivered by work-based learning providers, adult and community learning providers, learndirect, and by providers working in prisons. In addition, more providers are delivering courses on employers' premises.

## Improving the skills level of the teaching workforce

**11 The skills level of the adult teaching workforce is improving but many of those who teach more than one subject do not hold relevant qualifications in all subjects that they teach.** The Department has an objective that by 2010 all teachers of adult literacy, numeracy and English for Speakers of Other Languages should hold or be working towards appropriate teaching qualifications. This target only applies to teachers who started in the sector after 2001, when the sector workforce became regulated. In 2006, 35 per cent of the workforce held appropriate teaching qualifications, up from 13 per cent in 2004-05. In terms of the target, the percentage of the workforce counting as qualified will be higher as the survey included teachers who began teaching before 2001. However, while two-thirds of literacy and numeracy teachers teach more than one subject, fewer than 10 per cent of these hold appropriate teaching qualifications in all subjects that they teach. Although the Department has increased the number of qualified staff, the overall number of numeracy teachers remains low (fewer than 6,100) compared with literacy teachers (over 9,300).

## Preparing to meet the new challenge

**12 The Department recognises that it needs to make a step change to achieve its numeracy ambitions – not more of the same but more of what works most effectively in engaging learners and helping them to progress.** The Government's long-term ambition is that by 2020, 95 per cent of the adult population should have functional literacy and numeracy. To meet the new numeracy ambition the Department plans to expand provision (including the number of numeracy teachers), engage more learners and increase achievement at Entry Level. The Department intends to publish a numeracy plan highlighting these elements in summer 2008. To date, only 10 per cent of people whose numeracy is below functional level (Entry Level 3) have participated in a numeracy course and only two per cent have achieved qualifications that count towards the target. A major challenge for the Department will be to strengthen the delivery network to meet these new challenges and deliver more lower-level provision within existing funding arrangements.

<sup>5</sup> All years referred to in this report are academic years unless otherwise stated.

## Overall conclusion on value for money

**13** The Skills for Life programme has engaged 5.7 million learners on 12 million courses with 7.6 million achievements, at an overall cost of £5 billion. This represents an average cost of £660 per achievement. The value for money of the Skills for Life programme can be improved if the Department can increase the success rates (the percentage of participants who achieve a qualification or meet the relevant learning aims of the course). It remains a challenge to achieve this while still recognising that there is significant value to be gained from engaging those hard-to-reach learners at the lower entry levels, who can improve their literacy or numeracy skills, even though they may not achieve a qualification.

## Conclusions and recommendations

**14** Our recommendations are aimed at supporting the Department to further improve the value for money of the programme and achieve its new ambitions.

- i Changes to the Skills for Life programme have not been comprehensively communicated quickly and effectively to national support organisations and providers, risking achievement of the new targets.** The Department is planning to publish a refreshed Skills for Life strategy document to provide strategic guidance to the Learning and Skills Council, national support organisations and providers and to enable more effective and comprehensive communication of priorities for the revised literacy and numeracy targets. The strategy needs to reflect the proposed expansion of numeracy provision and its growth in achievement at Entry Level. It will also need to reflect the impact of the Qualifications and Credit Framework, the Foundation Learning Tier, and functional skills in GCSEs, as well as the proposed changes to English for Speakers of Other Languages provision.
- ii The level of success of the Skills for Life programme varies regionally.** To improve participation in lower-performing regions, the Learning and Skills Council should monitor and evaluate regional participation rates (the percentage of those with a Skills for Life need who participate in a Skills for Life course), using the most recent Skills for Life survey data to identify regional Skills for Life needs. In addition, the Learning and Skills Council should monitor and evaluate success rates (the percentage of participants who achieve a qualification or the relevant learning aims of the course) to ensure learning providers are giving value for money.

- iii Until a follow-up to the 2003 Skills for Life survey is undertaken the impact of the Skills for Life programme on the nation's skills base will not be known.** The Department needs to undertake a follow-up survey, as soon as is practically possible, to assess the impact of the Skills for Life programme. The Department should use the results of the survey to improve planning for Skills for Life provision which is hindered by the lack of evidence on the current Skills for Life needs of the population. In addition, the follow-up survey will provide a more accurate picture of the extent to which regions have addressed the Skills for Life needs of their region.
- iv The take-up of Skills for Life courses through Train to Gain has been lower than expected since it started in 2006.** Up to the end of January 2008 there were 34,250 Skills for Life learners compared with an expected profile of 62,880. With the expansion of Train to Gain over the next few years, this service will play an important role in engaging people into the Skills for Life programme. Commitments to improve take-up and delivery of Skills for Life within Train to Gain (such as clear support for standalone Skills for Life qualifications) need to be fully implemented. Skills brokers need to have a good understanding of Skills for Life training and be able to confidently present the case to employers for undertaking training. They should be able to identify the impact on business of poor basic skills and be able to make appropriate referrals to delivery experts for support with assessment and provision. The Learning and Skills Council should ensure that adequate training and support materials for skills brokers is in place and monitor progress in skills broker referrals relating to Skills for Life needs.
- v Although potential learners come into contact with different government services, such as employment support and correctional programmes for offenders, not many are engaged on to Skills for Life provision.** In 2006-07, we estimate that Jobcentre Plus only referred one in 30 of its 550,000 clients with a Skills for Life need to the Learning and Skills Council's Employability Skills Programme. In addition, in 2006-07, we estimate that only one in five offenders assessed as having literacy and numeracy below Level 1 enrolled on a literacy or numeracy course. The Department, the Learning and Skills Council, the Department for Work and Pensions and Jobcentre Plus need to work together to increase the number of Jobcentre Plus customers referred to Skills for Life provision, while the Prison Service needs to encourage more offenders with an identified need to take up learning. The Department should also explore the scope for referring learners to Skills for Life courses through partnerships with other government services and initiatives, for example, health services, housing services, urban and regional regeneration.
- vi The voluntary sector could be used more to engage hard-to-reach learners.** Many voluntary sector organisations identify the literacy, language and numeracy needs of clients and signpost them to provision; while a small number of organisations are directly involved in the delivery of Skills for Life courses to their clients, often in partnership with recognised providers. The Learning and Skills Council should encourage the voluntary sector to play a bigger role in the Skills for Life strategy. Possibilities include encouraging more community and voluntary organisations to recognise that their staff, volunteers and clients could potentially benefit from higher levels of literacy, language and numeracy; and helping the voluntary sector to develop networks and partnerships with learning providers and funders.
- vii Targeting improvement in literacy, language and numeracy provision is made more difficult by the lack of data on the quality of these separate elements.** Although Ofsted inspections show that, as a whole, the quality of Skills for Life provision is improving, they do not normally separately identify subjects, i.e. literacy, language or numeracy. In order to develop a clear picture of the quality and effectiveness of these separate programmes the Department needs to discuss with Ofsted whether, within the resources available, it would be possible for inspection grades to be reported separately for literacy and numeracy.
- viii Although there has been growth in the number of qualified teaching staff, the overall number of numeracy teachers remains low.** Greater numbers of skilled and qualified numeracy teachers will be needed to achieve the new targets for 2020. The Department will need to consider creative and imaginative approaches to recruitment. For example, it could increase the availability of specialist training routes, using distance learning and information technology; and it could target recruitment campaigns on potential teachers of numeracy such as people with experience of teaching maths in schools and graduates of programmes with substantial maths content.



## Introduction

### The scope of our examination

**1.1** The Committee of Public Accounts previously reported on Skills for Life in 2006.<sup>6</sup> This report examines the overall progress made in improving adult literacy, language and numeracy skills since then and in particular the progress made in implementing the nine recommendations set out in the Committee's report. This report also examines how the organisations involved are preparing to meet the challenges set out by the new targets. Our methodology is set out in Appendix 1.

### The Skills for Life strategy and the Government's objectives for improving literacy, language and numeracy

**1.2** In 2001, the then Department for Education and Skills launched the Skills for Life Strategy, as a response to Sir Claus Moser's 1999 report *A Fresh Start*.<sup>7</sup> The Moser report identified the need for a national strategy to address low levels of adult literacy and numeracy. Moser's benchmarks for functional literacy and numeracy, the level needed to get by in life and at work, were broadly equivalent to Level 1 for literacy and Entry Level 3 for numeracy (Figure 1). The Government now uses these as the benchmarks for functional literacy and numeracy.

**1.3** The Skills for Life strategy widened the focus of Moser's recommendations, seeking to improve the basic skills of any adult with skills below Level 2 in order to help them to progress to the higher-level skills necessary to support the Government's economic goals. The strategy

also covered English language skills for those whose first language is not English. The strategy had three key themes: engaging learners; raising standards and co-ordinating planning and delivery.

**1.4** Supporting the strategy was a Public Service Agreement target to improve the basic skills levels of 2.25 million adults between 2001 and 2010, with two milestones: 0.75 million people by 2004 and 1.5 million by 2007.

**1.5** In 2003, research<sup>8</sup> commissioned by the Department suggested that 17.8 million adults (56 per cent of the adult population of working age) in England had literacy skills below Level 2, the level of a good pass at GCSE, and 23.8 million (75 per cent) had numeracy skills below this level (Figure 1). The research also suggested that 5.2 million people lacked functional literacy and 6.8 million people lacked functional numeracy, the level needed to get by in life and at work.

**1.6** Recent changes to the pattern of migration, including increased numbers of migrants from new European Union states who do not necessarily come to the United Kingdom to settle long-term, has made assessment of overall number of people with English language needs difficult as there is no comprehensive information source on migrant skills. Estimates by the London Skills Commission indicate that the number requiring language tuition within London alone is 600,000.<sup>9</sup> With time, one of the expected outcomes of the Department's consultation on English for Speakers of Other Languages (see paragraph 2.17) is likely to be a more robust way of understanding and responding to needs at regional and local levels.

<sup>6</sup> Committee of Public Accounts, 21st Report of 2005-06: *Skills for Life: improving adult literacy and numeracy*, January 2006.

<sup>7</sup> *A Fresh Start – improving literacy and numeracy*, Department for Education and Employment, 1999.

<sup>8</sup> *The Skills for Life Survey: a national needs and impacts survey of literacy, numeracy and ICT skills*, Research report 490, Department for Education and Skills, 2003.

<sup>9</sup> *London Skills for Life Strategy*, London Skills Commission, November 2006.

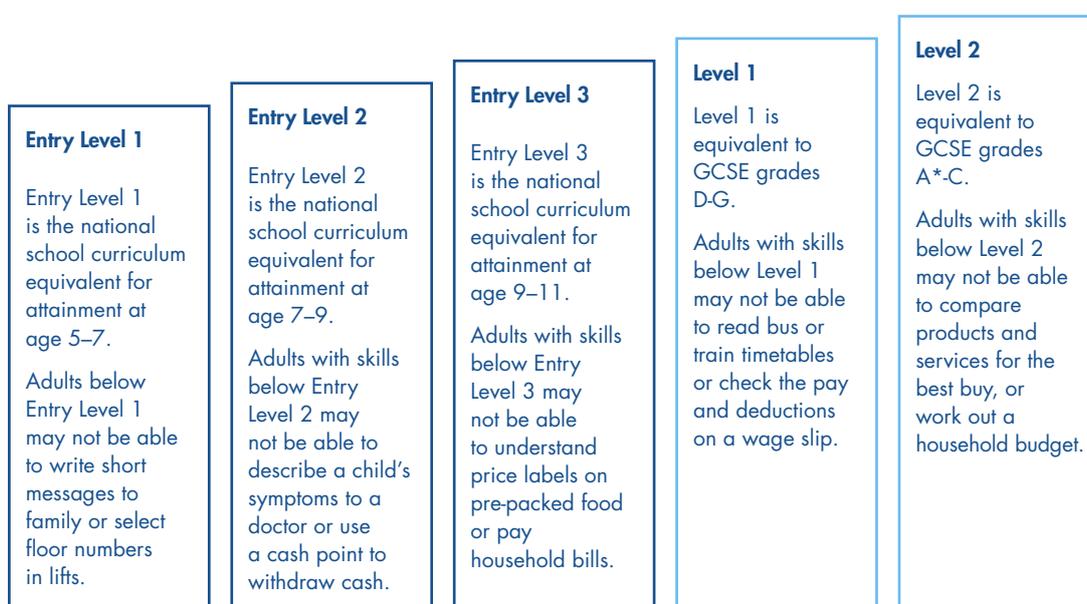
**1.7** In 2006, the National Audit Office assessed the data systems underlying the Public Service Agreement target for basic skills to be not fit for purpose.<sup>10</sup> We found that, while the systems supporting the target attempted to address the key risks to data accuracy they did not, for example, allow for people who achieved similar qualifications before 2001 to be removed from the data. In addition, for Jobcentre Plus and prison provision (which represented 8.5 per cent of qualifications contributing towards the target up to July 2006), the systems did not distinguish adequately between individuals gaining qualifications and the total number of qualifications achieved. The Department and the Learning and Skills Council have taken action to address the issues identified and the current position is set out in Appendix 3.

**1.8** The Department sponsors the Learning and Skills Council which funds the different types of learning opportunity available to people aged over 16 (**Figure 2 overleaf**).

## The Leitch review of skills and new 2020 targets for literacy and numeracy

**1.9** The Leitch review examined what the United Kingdom's long-term ambition should be for developing skills in order to maximise economic prosperity and productivity and to improve social justice. It recommended that the United Kingdom should commit to becoming a world leader in skills, reaching the upper quartile of OECD countries by 2020.

### 1 Literacy and numeracy skills affect a person's ability to function in society



#### Number of adults below the level in 2003 (cumulative)

|          | Entry Level 1 | Entry Level 2 | Entry Level 3 | Entry Level 4 | Entry Level 5 |
|----------|---------------|---------------|---------------|---------------|---------------|
| Literacy | Not known     | 1.1 million   | 1.7 million   | 5.2 million   | 17.8 million  |
| Numeracy | Not known     | 1.7 million   | 6.8 million   | 15.0 million  | 23.8 million  |

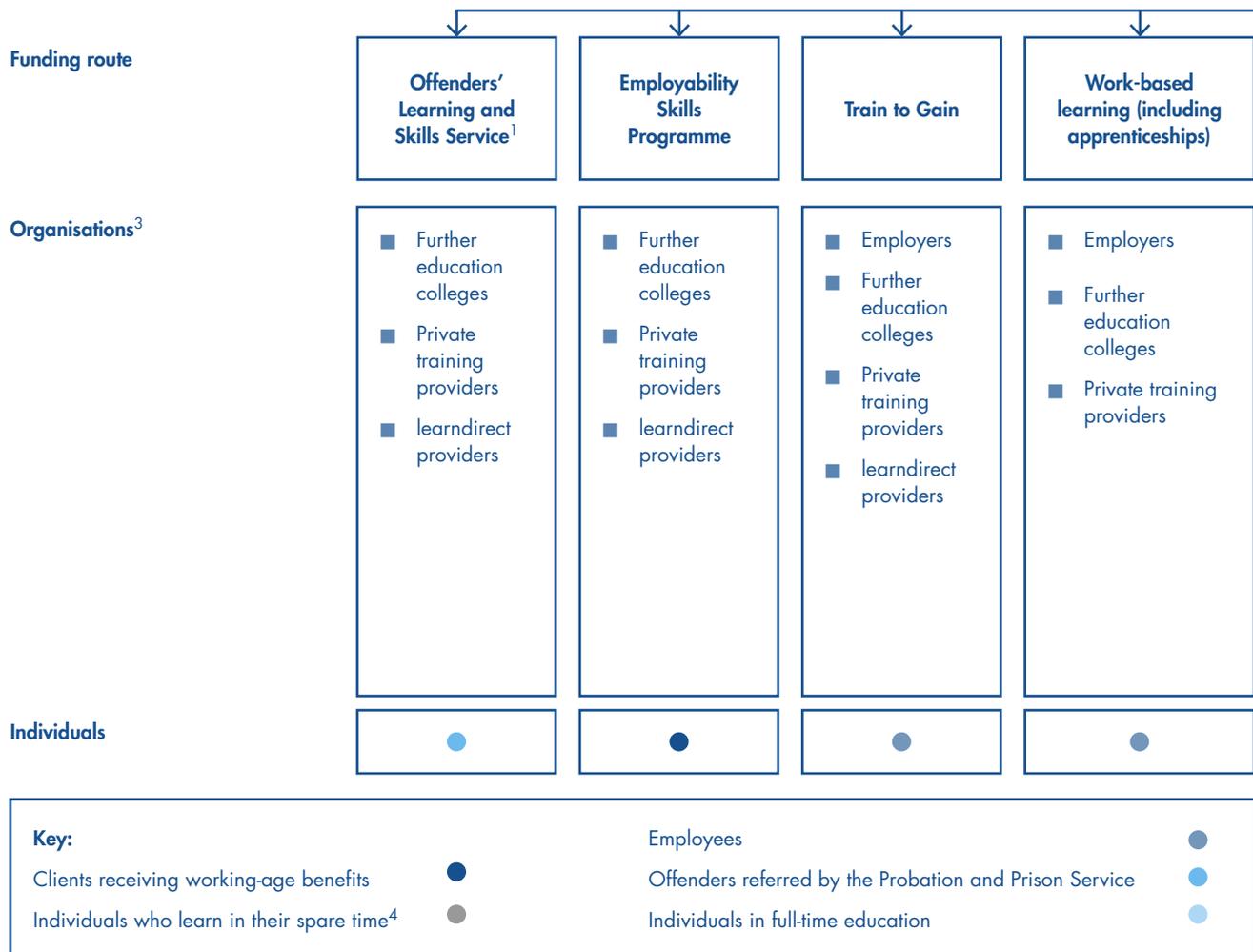
Source: Estimates of the number of adults below each level are taken from the Skills for Life Survey: a national needs and impacts survey of literacy, numeracy and ICT skills, Research report, 490, Department for Education and Skills, 2003.

#### NOTE

Entry Level 3 numeracy and Level 1 literacy are considered the minimum functional levels for adults by Sir Claus Moser's report: *A fresh start: Improving literacy and numeracy*.

10 National Audit Office report: *Third validation compendium report*, HC 127 I and II Session 2006-07, December 2006.

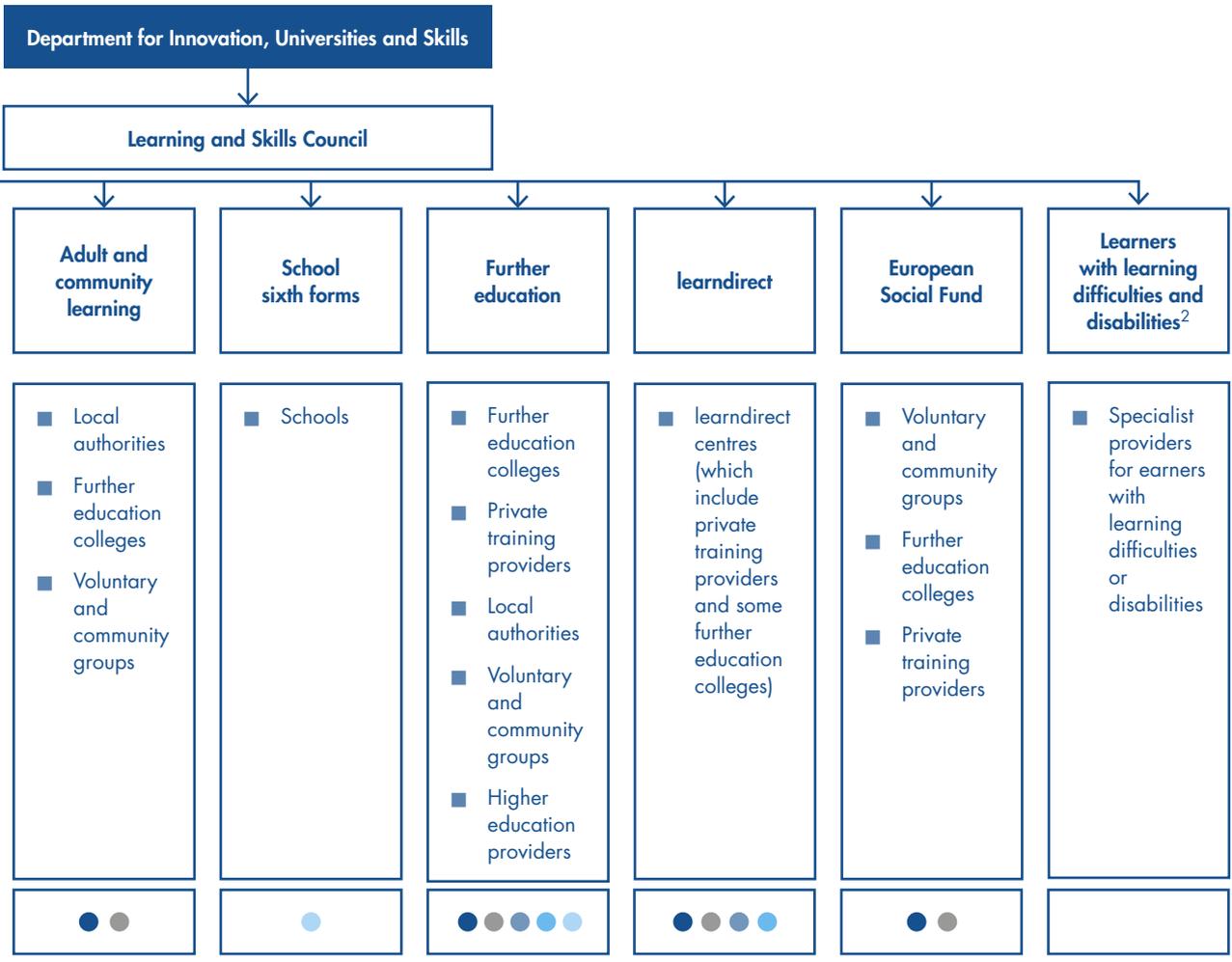
**2** A wide range of organisations are funded to provide learning opportunities through different funding routes



Source: National Audit Office literature review

**NOTES**

- 1 Training providers working both for prisons and the Probation Service may be directly employed staff, private sector providers, colleges or learndirect.
- 2 For learners with Statements of Educational Need whose educational requirements cannot be met through other providers.
- 3 Some of these organisations may spend additional funds from other sources.
- 4 People learning in their spare time may be employed or unemployed and in receipt of benefits.



**1.10** The review found that based on progress, up to 2006, the scale of the nation's literacy and numeracy problem would not be substantially reduced by 2020.<sup>11</sup> It recommended a new objective that by 2020, 95 per cent of the adult population should be functionally literate and numerate, compared with the 2005 level of 85 per cent for literacy and 79 per cent for numeracy. In summer 2007, the Government announced new targets for 2020 reflecting this recommendation.<sup>12</sup>

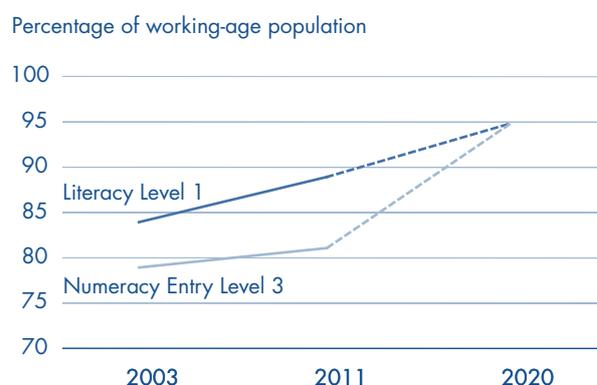
**1.11** The new 2020 ambition is for many more people to be encouraged to improve their skills and achieve at least a minimum functional level of both literacy and numeracy (Figure 1). In focusing the new targets at a lower level (the focus of 2010 target was up to Level 2), the Department intends to help target provision at the most disadvantaged – those with the lowest levels of skills. Although many people addressed both literacy and numeracy needs, the 2010 target only recognised the first qualification achieved. The Department is considering what form of survey data is needed to measure progress towards the new target and the Learning and Skills Council will measure progress through counting and reporting achievements against the target.

**1.12** To work towards the 2020 ambition, the Department has set an interim target from 2008-09 to 2010-11 for 597,000 people of working age to achieve a first Level 1 (or above) literacy qualification, and 390,000 to achieve a first Entry Level 3 (or above) numeracy qualification. Achieving these targets would mean that by 2011, 89 per cent of working-age adults would be functionally literate and 81 per cent would be functionally numerate (Figure 3).

## Spending on improving literacy, language and numeracy skills in England

**1.13** The Department has spent at least £5.0 billion on adult literacy, language and numeracy skills since the strategy began in 2001, and over the period 2007-08 to 2010-11 planned expenditure is £3.9 billion (Figure 4).<sup>13</sup> Most of this expenditure (88 per cent) provides funding for individuals and employees to undertake courses in further education colleges, adult and community education centres, learndirect centres, prisons and probation offices – the majority of which are funded through the Learning and Skills Council. Approximately 12 per cent has been spent on start-up and project funding, for example on developing teaching materials.

### 3 The Department's new ambitions for functional literacy and numeracy



Source: National Audit Office literature review

#### NOTE

2003 figures are based on survey data. 2011 and 2020 figures are ambitions. Trajectory from 2011 to 2020 has not yet been agreed.

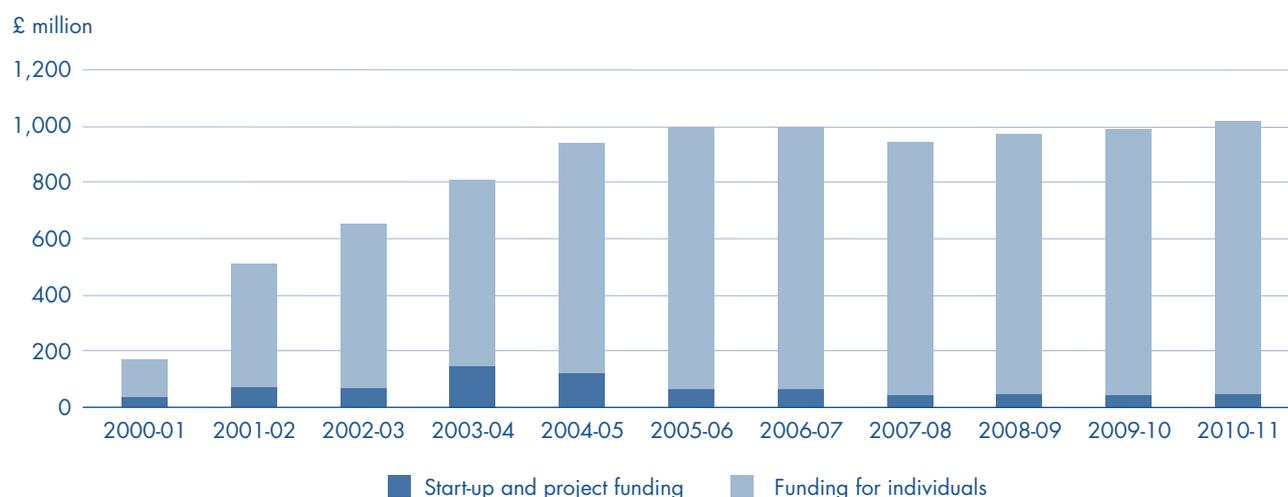
**1.14** The average cost per course or per qualification varies according to the type and level of qualification (Figure 5). Courses in English for Speakers of Other Languages are typically the most expensive; and Entry Level provision is more expensive than Level 1 and 2, reflecting the greater learning needs of these learners. These averages mask wide variations, as costs are also dependent on the age of learners, the qualification type (GCSE, Key Skills or nationally approved certificates in adult literacy, numeracy and English for Speakers of Other Languages) and whether the courses lead to target-bearing qualifications (those that do not are often shorter courses). The increase in costs between 2005-06 and 2006-07 resulted from an increase in approved provision, which is often longer in length, and therefore more expensive. The Department and the Learning and Skills Council have established cost estimates of future resource need, as recommended by the Committee of Public Accounts (Appendix 2), and used these to inform spending review negotiations.

<sup>11</sup> This modelling takes into account achieving current targets, planned improvements to GCSEs and the effect of young people replacing less-skilled, older people in the working-age population.

<sup>12</sup> *World class skills: implementing the Leitch review of skills in England*, Department for Education and Skills, Cm 7181, 2007.

<sup>13</sup> Expenditure covers post-16 provision on adult literacy, language and numeracy.

#### 4 By July 2007 over £5 billion had been spent on Skills for Life by the Department and the Learning Skills Council

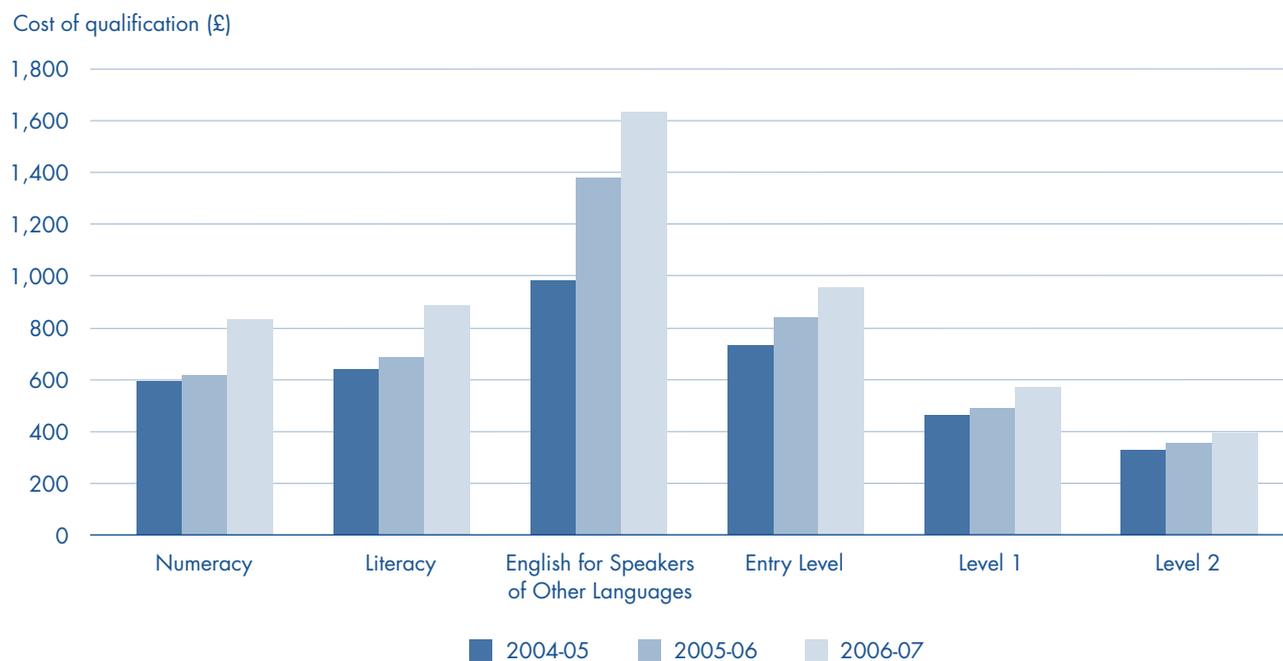


Source: National Audit Office analysis of Department for Innovation, Universities and Skills data

#### NOTE

Funding for individuals includes funding of courses undertaken through further education, work-based learning, adult and community learning, Train to Gain, learndirect, provision in prisons and for Jobcentre Plus customers.

#### 5 The cost of qualifications varies, reflecting the needs of learners



Source: National Audit Office analysis of Learning and Skills Council data

#### NOTE

The cost of qualification is calculated by taking the costs of courses and dividing by the number of achievements. Data is for further education providers only and does not include units of qualifications.



## PART TWO

## Participation and achievement

**2.1** This part of the report evaluates progress made by the Department and the Learning and Skills Council in increasing participation and achievement in adult literacy, language and numeracy since our previous report, in 2004.

### Progress towards the Department's 2010 target

**2.2** The Department exceeded its Public Service Agreement interim targets of improving the literacy and numeracy levels of 0.75 million adults by 2004 and 1.5 million adults by 2007 and according to the Department's estimate is on course to meet the 2010 target, of 2.25 million adults by 2010, early (**Figure 6**). The figure of 2.294 million learners achieving at least one qualification up to July 2007, in **Figure 6**, is subject to revision and confirmation by the Department, because it is validating a 10 per cent reduction on achievement made to take account of learners who have already achieved multiple qualifications.

### Participation and achievement in courses counting towards the target

**2.3** The Department continued to use its Get On campaign, using a 'gremlin' character to challenge people to recognise their needs and take up learning. Television and radio advertising was accompanied by national newspaper adverts, leaflets and posters and the Learning and Skills Council produced complementary material for local campaigns. The Get On campaign has continued to have a high recognition rate (93 per cent in September 2006) among the general public. To date, the Department has spent £26 million on the campaign; almost a third of which came from the European Social Fund. Evaluations of the campaign's impact indicate that up to 350,000 people contacted the associated telephone advice line.

**2.4** The number of take-ups continued to rise until 2005-06 but there was a drop in 2006-07 (**Figure 7**). This drop resulted from a drive by the Learning and Skills Council, in line with the Department's policy, to encourage providers to deliver more accredited (longer and more expensive) provision. Participation in courses that count towards the target rose from 47 per cent in 2005-06 to 68 per cent in 2006-07 (**Figure 7**).

**2.5** Since 2004, the Learning and Skills Council has been encouraging providers to replace non-approved provision with approved. In 2006-07, the Learning and Skills Council's expectation was that 80 per cent of all enrolments should be on approved qualifications. To further increase the amount of approved provision being delivered, since 2007-08 providers have only been funded for literacy, language and numeracy at Levels 1 and 2 if the provision is approved. Providers will continue to be funded for Entry Level provision, both approved (at least 80 per cent) and non-approved (20 per cent or less) and for all pre-Entry Level provision, which is all non-approved.

**2.6** Since the strategy began in 2001, the number of target-bearing qualifications achieved has generally grown year on year in literacy and numeracy (**Figure 8 on page 20**). However, for English for Speakers of Other Languages the number of qualifications achieved dropped sharply between 2003-04 and 2005-06. The Department introduced units of English for Speakers of Other Languages qualifications in 2004-05. Units do not count towards the target and therefore the benefit to learners is not captured by examining target-bearing qualifications.

**2.7** Between 2001 and July 2007, more than half the qualifications that count towards the target were gained by 16- to 18-year-olds and were principally Key Skills and GCSEs in English and maths (**Figure 9 on page 20**). However, the pattern of achievement is changing – the percentage of target-bearing qualifications gained by adults aged 19 years and over has increased from 38 per cent in 2000-01 to 52 per cent in 2006-07.

## 6 The Department has met interim targets for adult literacy and numeracy and estimates that it is on course to achieve the 2010 target early

Number of learners ('000s, cumulative)



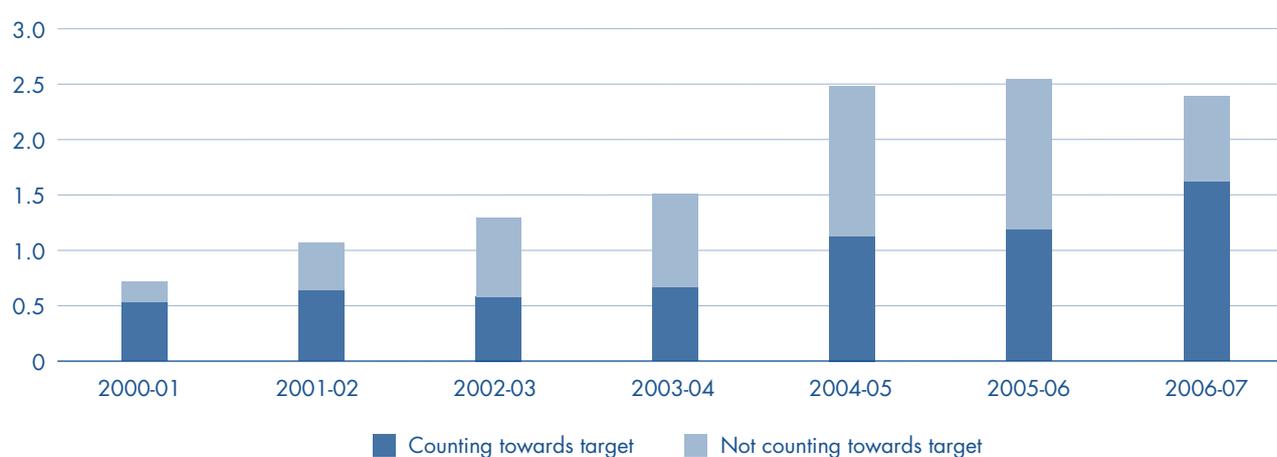
Source: National Audit Office analysis of Department for Innovation, Universities and Skills data

### NOTE

The dark bars represent learners who have achieved at least one qualification. A 10 per cent reduction is made on achievement to take account of individuals who have achieved multiple qualifications. Analysis is being carried out by the Department to validate this assumption and subject to this analysis the achievement figures will be revised. Figures for 2006-07 are provisional.

## 7 Participation in Skills for Life provision

Participation (millions)



Source: National Audit Office analysis of Learning and Skills Council data

### NOTE

Data for 2006-07 is provisional.

**8** The numbers of target-bearing qualifications achieved in literacy and numeracy have increased but dropped sharply for English for Speakers of Other Languages between 2003-04 and 2005-06

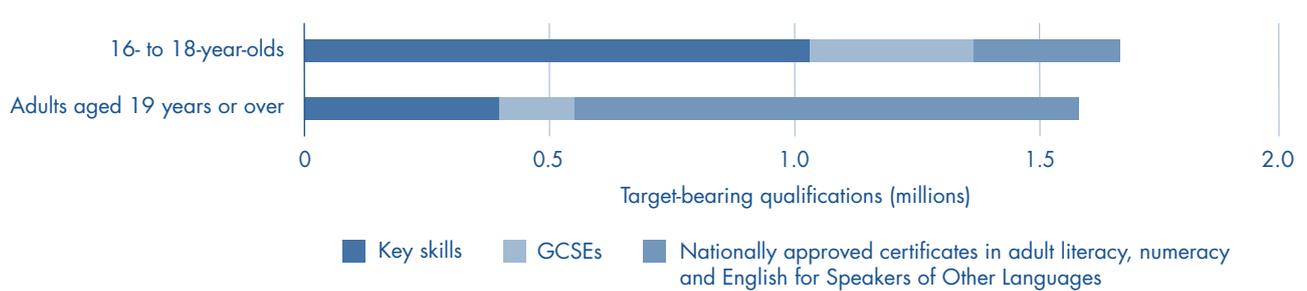


Source: National Audit Office analysis of Learning and Skills Council data

**NOTE**

This figure includes all approved qualifications, but learners achieving more than one qualification only count once towards the target as in Figure 6. Data for 2006-07 is provisional.

**9** More than half of target-bearing qualifications have been gained by 16- to 18-year-olds between 2001 and 2007



Source: National Audit Office analysis of Learning and Skills Council data

**NOTE**

This figure includes all approved qualifications, but learners achieving more than one qualification only count once towards the target as in Figure 6. Data for 2006-07 is provisional.

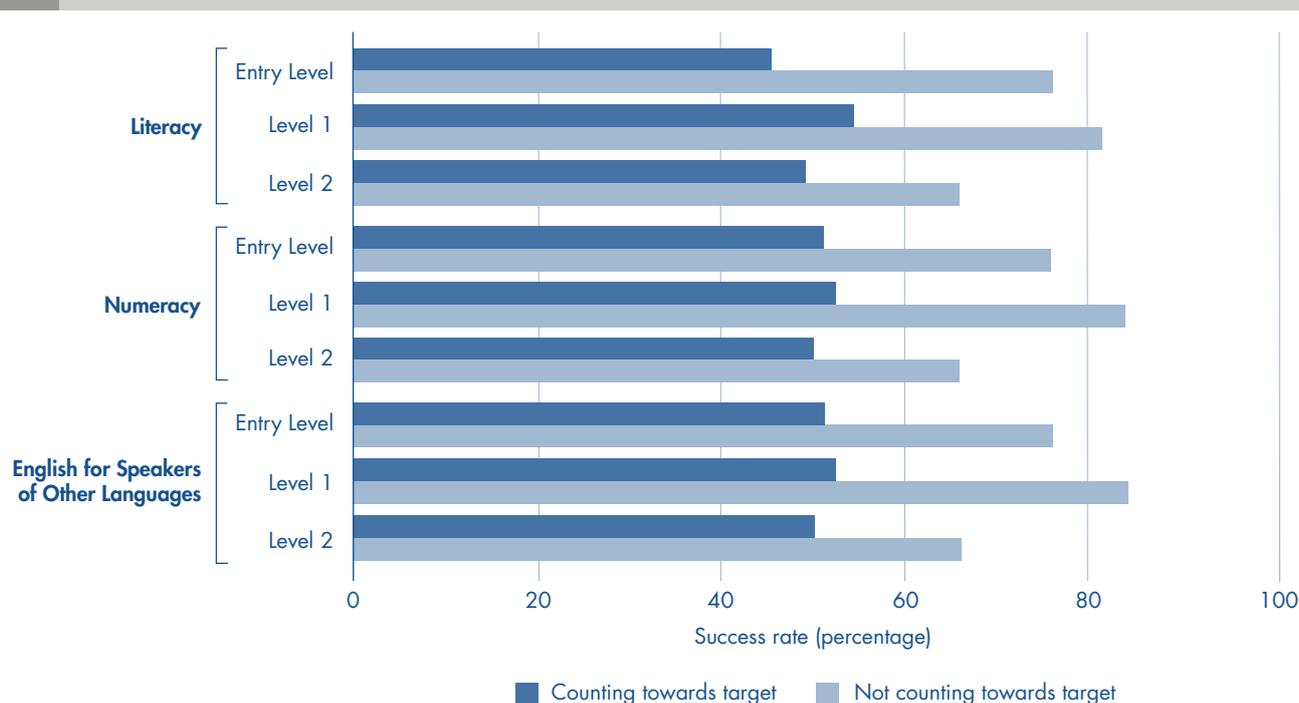
**2.8** The percentage of school pupils achieving good GCSEs (grades A\*-C) is increasing slowly but a large number of pupils are still leaving school without functional literacy and without Level 1 numeracy. In 2006-07, 45 per cent of pupils leaving school had not gained Level 2 maths (GCSE grades A\*-C) and 40 per cent had not gained Level 2 English. Over 63,000 pupils left school without Level 1 or 2 maths (a GCSE grade A\*-G) and almost 38,000 left without Level 1 or 2 English.

**2.9** The Committee of Public Accounts recommended Departmental action to help schools to enable pupils to succeed in English and mathematics at an early age (Appendix 2). The Department has partially implemented this recommendation. Reforms to the teaching of 14- to 19-year-olds aim to further improve the basic skills of school leavers. The Department plans to introduce functional skills in GCSEs (English and ICT from 2009 and maths from 2010) so that a grade C will be a guarantee

that young people have the functional skills they need for work and life. The Department also plans to make space in the curriculum for extra support in English and maths for pupils aged 11 to 14 who need it.

**2.10** Approximately half of all participants studying for a target-bearing qualification have gained it (**Figure 10**). On non-approved courses the success rates (the percentage of participants who achieve a qualification or the relevant learning aims of the course) are higher (65 to 84 per cent) because courses are shorter and less robustly tested than target-bearing qualifications. These figures represent an average since the strategy began. The Learning and Skills Council currently publishes success rates annually for further education and Train to Gain provision, including all Skills for Life courses, so that providers can benchmark themselves against similar provision.

**10** The success rates for Skills for Life provision



Source: National Audit Office analysis of Learning and Skills Council data

**NOTE**

The success rate is the percentage of enrolments that achieve a qualification. Data taken from the start of the programme up to July 2007. Includes data for 2006-07 which is provisional.

## Progress in strengthening numeracy and literacy skills

**2.11** Less people have participated in and achieved qualifications (or relevant learning aims) in numeracy than in literacy. Only 10 numeracy qualifications have been achieved for every 100 people with numeracy below the level of a good GCSE (Level 2), compared with 18 literacy qualifications for every 100 people with literacy below this level (**Figure 11**).<sup>14</sup> Participation is also lower in numeracy – at only 17 numeracy course participations for every 100 people with numeracy below the level of a good GCSE compared with 30 literacy course participations for every 100 people with literacy below this level. It should be noted however that the Skills for Life targets have not previously distinguished between literacy and numeracy. Take-up of courses has largely been dependent on individual learners' choices, with the majority of learners choosing to study literacy first. The Department intends to publish a numeracy plan in summer 2008 to address issues around demand and capacity.

**2.12** As Figure 11 illustrates, some regions are doing better than others at raising the literacy and numeracy levels of a greater proportion of adults with low skills. The North East and North West have the best rates of achievement for both literacy and numeracy. In contrast, the East of England and East Midlands have the lowest rates of achievement for literacy and East of England and London have the lowest rates of achievement for numeracy. The relative position of each region in terms of participation has changed little since our previous report in 2004, except for London which has dropped three places and now has the lowest numeracy participation rate of all the regions.

## Demand for English for Speakers of Other Languages provision

**2.13** Between 2001 and 2004, the Department tripled its spending on English for Speakers of Other Languages (ESOL) and in 2006-07 it was just under £300 million. Despite the increasing expenditure, demand has continued to outstrip supply, particularly in London.

**2.14** In October 2006, the then Department for Education and Skills announced that the universal entitlement to free English for Speakers of Other Languages training was to be discontinued in order to target resources on

those clients with the greatest need. From August 2007, free English for Speakers of Other Languages courses are only available to people receiving income-based benefits, Jobseeker's Allowance and Tax Credits, with those who can afford to pay contributing up to 37.5 per cent (rising to 50 per cent in 2010) towards the basic cost of provision. The Department estimates that 50 per cent of learners will be eligible for free provision. Another funding change, introduced in August 2007, was the addition of £4.6 million to the discretionary Learner Support Fund to support spouses and low-paid workers.

**2.15** Initial findings from research,<sup>15</sup> commissioned by the Department, on the impact on 20 colleges of the English for Speakers of Other Languages funding changes, suggest a mixed impact. Some providers reported enrolments comparable to 2006-07 and were meeting targets, some reported reductions in enrolments of up to 50 per cent and others experienced unexpected increases in take-up. There were few waiting lists but there was a varied response by learners to the fee introduction. Some providers had no problems collecting fees, some reported learners turning away when asked to pay, and some conjectured that potential learners had not come to enrol in the first place. Phase two of this research will be a wider survey due to be undertaken in early 2008.

**2.16** In September 2007, the Department introduced a new range of English language qualifications called ESOL for Work qualifications.<sup>16</sup> These offer shorter, more work-related English programmes of the type sought by employers and are currently available at Entry Level 3 and Level 1.

**2.17** A recent report on integration and social cohesion<sup>17</sup> showed that the ability to communicate effectively is the most important issue facing integration and cohesion for both settled and new communities in Britain. The Department wants English for Speakers of Other Languages provision to be more specifically targeted to foster community cohesion and integration. In January 2008, the Department issued a consultation document setting out these ideas and a list of national priorities for English for Speakers of Other Languages funding. Consultation concluded in April 2008. The Department plans to implement the changes resulting from consultation in the academic year 2009-10. At this stage, therefore, the recommendation of the Committee of Public Accounts on ensuring that good-quality English for Speakers of Other Languages provision meets local needs has been only partially implemented (Appendix 2).

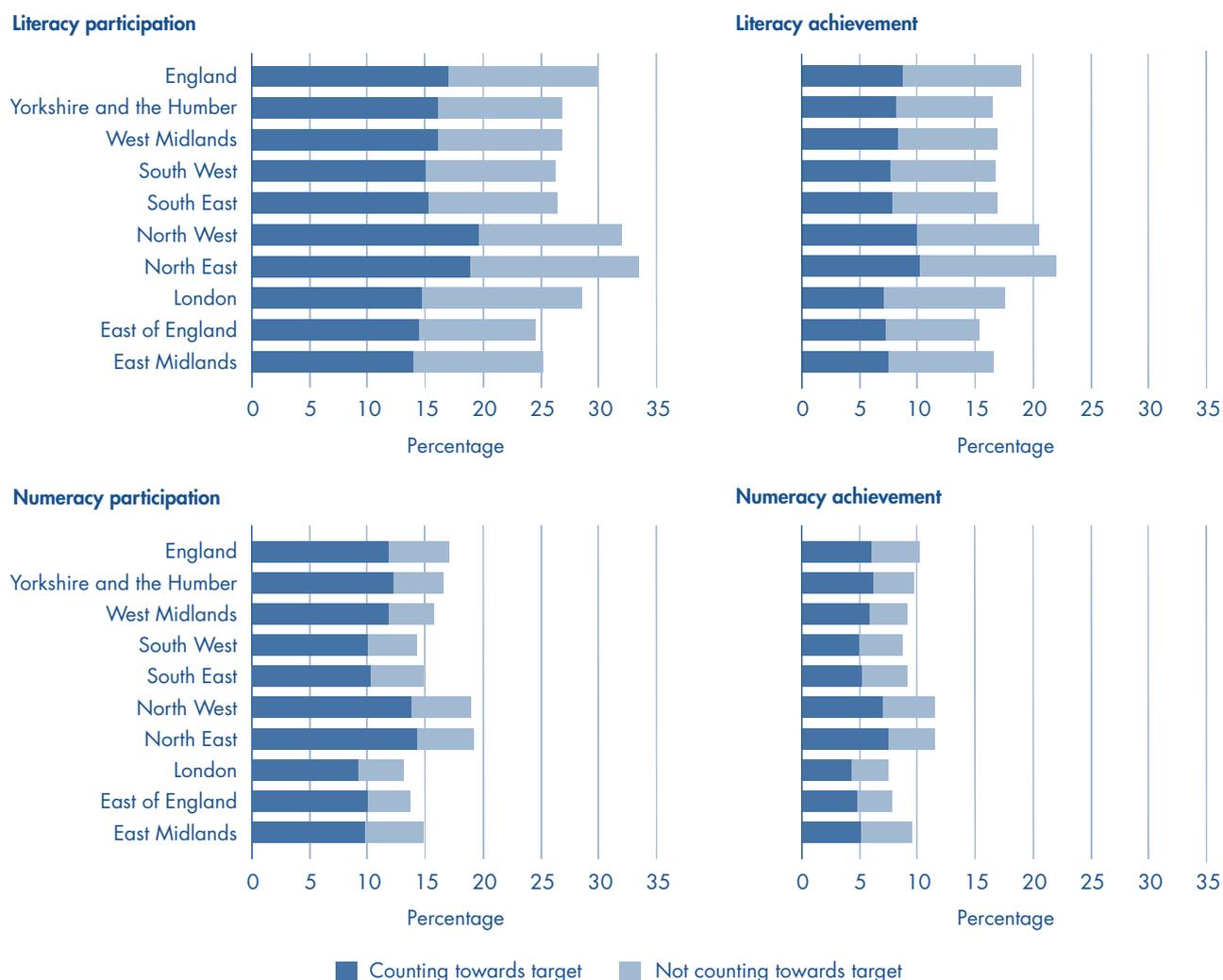
<sup>14</sup> The numbers of people with literacy or numeracy skills below the level of a good GCSE are taken from the 2003 Skills for Life survey.

<sup>15</sup> Unpublished research undertaken by the National Institute for Adult Continuing Education for the Department.

<sup>16</sup> Developed and accredited by the Qualifications and Curriculum Authority and awarding bodies.

<sup>17</sup> *Our shared future*, Commission on Integration and Cohesion, June 2007.

## 11 Participation and achievement relative to the numbers of people with low skills varies between regions



Source: National Audit Office analysis of Learning and Skills Council data

### NOTE

Participation is the take-up of courses as a percentage of adults with skills below Level 2. Achievement is the number of qualifications (or other measures of achievement) as a percentage of adults below Level 2. Estimates of numbers of adults with skills below particular levels are taken from the 2003 Skills for Life survey. The England figures include courses taken up and achievements through the National Employer Service that cannot be attributed to a particular region. Includes data for 2006-07, which is provisional. Literacy does not include English for Speakers of Other Languages.



# PART THREE

## Reaching more learners

**3.1** This part of the report examines progress made in widening provision, engaging hard-to-reach learners and encouraging employers to address the Skills for Life needs of their employees. It also sets out what else will have to be done to engage more learners in order to meet the 2020 target.

### The diversity of Skills for Life course providers

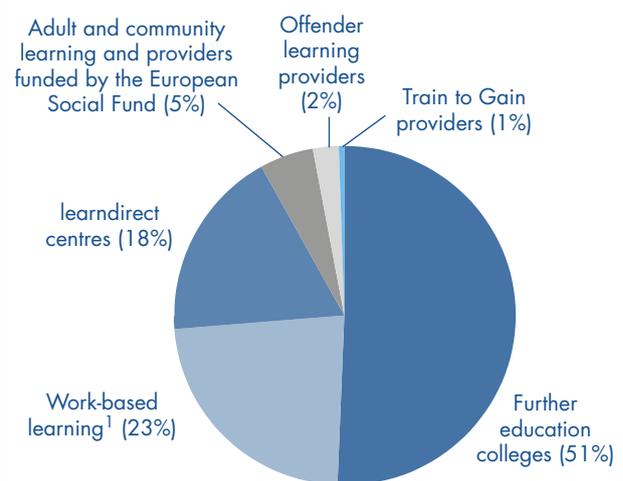
**3.2** The Learning and Skills Council funds a wide range of learning providers to deliver opportunities for learning; they include local colleges, private sector training providers, voluntary and community groups, local adult and community education services and learndirect centres. Many learners will be able to choose the type of learning they take up, and when and where they can do it.

**3.3** Between the launch of the strategy in 2001 and July 2004 approximately 80 per cent of courses were delivered in further education colleges and the Committee of Public Accounts recommended increasing the diversity of providers (Appendix 2). The Department has made progress in implementing this recommendation. Since 2004, the proportion of courses delivered by further education colleges has decreased as an increasing proportion of courses are delivered in work-based learning, adult and community learning, offender learning and by learndirect and Train to Gain providers. In 2006-07, just over half of all courses were directly delivered by further education colleges (**Figure 12**).

**3.4** learndirect, for example, delivered around 450,000 Skills for Life courses for over 100,000 learners in 2006-07. The percentage of learndirect learners achieving a nationally approved literacy, numeracy or English for Speakers of Other Languages certificate has increased from 35 per cent in 2005-06 to 47 per cent in 2006-07.

**3.5** The Department and the Learning and Skills Council recognise that further action is required to ensure the community and voluntary sector are fully engaged with the Skills for Life strategy. Community and voluntary sector organisations are well-placed to engage with hard-to-reach learners. These organisations can play a variety of roles in helping people improve their basic skills – many are involved in identifying the literacy, language and numeracy needs of clients and signposting them to other organisations, while a small number of organisations are directly involved in delivering Skills for Life courses to their clients, many of them in partnership with recognised providers, such as colleges.

**12** In 2006-07 just over half of all courses were undertaken in further education colleges



Source: National Audit Office analysis of Learning and Skills Council data

#### NOTES

- 1 Includes Jobcentre Plus referrals to the Employability Skills Programme.
- 2 Data for 2006-07 is provisional.

## Engaging hard-to-reach learners

**3.6** Jobcentre Plus is a key partner in the engagement of hard-to-reach learners. Many Jobcentre Plus clients have low levels of literacy and numeracy – 17 per cent of Jobseeker's Allowance claimants and 16 per cent of incapacity benefits claimants have a literacy, numeracy or English language need.<sup>18</sup>

**3.7** In the past, only certain benefit claimants, for example those claiming Jobseeker's Allowance, or those on New Deal programmes, were screened to identify any basic literacy, numeracy or language needs. Jobcentre Plus has extended skills screenings to more benefit recipients over time, for example those who receive work-focused interviews, and from April 2010 all new Jobcentre Plus claimants will be screened for potential basic skills needs when they start their claim.

**3.8** From April 2006, the responsibility for providing Jobcentre Plus clients (except New Deal clients) with basic skills training transferred from Jobcentre Plus to the Learning and Skills Council. Before this, both organisations purchased basic skills provision, and sometimes the same provider had contracts with both bodies. The transfer of responsibilities was implemented in three stages.

- From 1 April 2006, Jobcentre Plus referred clients to Learning and Skills Council provision where this had the capacity to accommodate these clients.
- From September 2006, the Learning and Skills Council established contracts for additional provision to accommodate Jobcentre Plus clients.
- From August 2007, a new Employability Skills Programme, developed by the Learning and Skills Council delivered basic and employability skills for Jobcentre Plus clients. These courses lead to a basic skills qualification and Employability Award based on the skills, behaviours and attitudes that employers want to see in someone they recruit.

**3.9** In 2005-06 Jobcentre Plus referred around 39,000 people with basic skills needs to their own provision. In 2006-07, following the transfer to the Learning and Skills Council, just over 17,700 Jobcentre Plus clients were referred to the Learning and Skills Council's Employability Skills Programme. A number of operational problems occurred with the initial phases of the transfer, including

a lack of referrals from Jobcentre Plus to courses funded by the Learning and Skills Council, and Jobcentre Plus referrals to unsuitable courses (for example, people with significant learning needs referred to short courses).<sup>19</sup> Jobcentre Plus and the Learning and Skills Council worked to address the initial problems and the referral rate has steadily improved over the year. The Department of Innovation, Universities and Skills and Department for Work and Pensions are considering with Learning and Skills Council and Jobcentre Plus how to improve the rate of starts and referrals to the programme in the context of wider developments on the integrated employment and skills service (paragraphs 3.12 and 3.13).

**3.10** Jobcentre Plus can refer any customer aged 18 and over with a basic skills need identified through light touch screening, to the Employability Skills Programme, funded by the Learning and Skills Council. In addition, Jobcentre Plus customers may access Skills for Life provision directly, for example by enrolling on a course at their local college or learndirect centre. However, the number of Jobcentre Plus customers who access provision directly is not known as learners are not required to disclose this information. New Deal customers with basic skills needs are referred to Jobcentre Plus provision.

**3.11** The Learning and Skills Council and Jobcentre Plus have partially implemented the Committee of Public Accounts' recommendation that they should work together to ensure that those starting work are able to continue with learning (Appendix 2). The Learning and Skills Council and Jobcentre Plus are taking steps to improve links between pre-work training and Train to Gain in-work support, to ensure jobseekers who find work before addressing their skills needs can carry on or start training to address these needs. For example, the Learning and Skills Council in partnership with Jobcentre Plus is developing 'Skills for Jobs', which is an umbrella term for activities funded by the Council that focus on those with low skills who want to work, to help them gain a job. The Council intends that support will be available pre- and post-employment; including pre-employment provision for vacancies generated by Local Employment Partnerships.<sup>20</sup> Other actions that the Learning and Skills Council and Jobcentre Plus are undertaking to improve linkages between pre-work and in-work training are set out in Appendix 2.

18 *DfES and DWP: A shared evidence base – the role of skills in the labour market*, Department for Education and Skills and Department for Work and Pensions, 2007 and *Opportunity, employment and progression: making skills work*, Department for Work and Pensions and Department for Innovation, Universities and Skills, Cm 7288, November 2007.

19 National Audit Office report: *Helping people from workless households into work*, HC 609 Session 2006-07, July 2007.

20 Local Employment Partnerships are a collaborative approach based on a 'deal' between Government and employers: the Government, through Jobcentre Plus and its partners, takes responsibility for preparing disadvantaged jobless people for work; employers with vacancies give them a fair shot at their jobs through measures such as reviewing their recruitment process, guaranteeing interviews and providing work placements.

**3.12** The Department and Learning and Skills Council are developing a new adult advancement and careers service, which will support Jobcentre Plus clients. The service aims to help people improve their skills, move into sustainable employment and progress in work. It will draw together a range of advice and support for jobs, skills, financial issues, childcare, housing and personal issues to address the broad needs of its customers. Skills Health Checks, delivered through the new service, aim to improve identification and promote the individual's management of their own learning, skills and career progression. The new service is due to be fully operational from 2010-11, with trials of aspects of the service starting in autumn 2008.

**3.13** In addition, in autumn 2007 the Department for Innovation, Universities and Skills and the Department for Work and Pensions made a commitment to develop a new shared objective of sustainable employment with the opportunity for progression over the comprehensive spending review period. The shared objective is measured in two ways. The Department for Innovation, Universities and Skills will monitor progression using the Frameworks for Excellence destinations survey to measure whether individuals completing Level 2 and Skills for Life qualifications are improving their earnings and employment prospects. The Department for Work and Pensions will measure employment retention by using reduction in time spent on out-of-work benefits as a proxy for time spent in employment.

**3.14** A large proportion of offenders, in prison or on probation, have poor levels of literacy and numeracy. For example, in 2002, 43 per cent of offenders in prison were below Level 1 in numeracy and 37 per cent were below this level in literacy.<sup>21</sup> Since the strategy began in 2001, the Department and other relevant bodies have worked to increase the opportunities offenders have to learn new skills. Before July 2005, learning and skills services for offenders in custody were delivered by providers under contract to the Prison Service and Instructional Officers employed by the Prison Service. From July 2005, the Learning and Skills Council took responsibility for planning and funding a new education service for offenders in three regions (North East, North West and South West), the Offenders' Learning and Skills Service. Roll out of this service in public sector prisons in England was completed by July 2006.

**3.15** The Learning and Skills Council recognised that it had inherited a number of significant problems from the previous system of offender provision, including levels of provision not being linked to need, contracts that did not reward outputs or outcomes, and poor management information; there was also no electronic system for the transfer of records, leading to breaks in continuity of learning when prisoners move between prisons or are discharged into the community (highlighted in previous reports on Skills for Life<sup>22</sup>). Our recent report *Offender learning* found that some of the issues with continuity of provision remain,<sup>23</sup> so the recommendation by the Committee of Public Accounts aimed at improving the continuity of learning has been only partially implemented (Appendix 2). Our report found that the Learning and Skills Council is taking action to address these issues, for example, with the planned introduction in September 2008 of a management information database that will allow offender learning and skills records to be available to all providers.

**3.16** Our report on Offender learning also found that Skills for Life courses account for the largest proportion of courses (35 per cent) for which offenders in custody registered. However, only about one-fifth of those in custody with an identified literacy or numeracy need had enrolled on a literacy or numeracy course.<sup>24</sup>

**3.17** For offenders in custody, engagement with learning and skills provision is voluntary and runs alongside a number of activities offenders can undertake. The Learning and Skills Council therefore noted that only a certain percentage of prisoners at any one time are able or likely to be referred to training provision and that there is not enough time in the prison system to provide Skills for Life courses for all those with an identified need. Currently 36 per cent of the prison population are taking courses funded by the Offenders' Learning and Skills Service. To improve engagement, Heads of Learning and Skills and Education Managers in prisons suggested taster courses for offenders and embedding basic skills education into vocational courses.<sup>25</sup>

**3.18** The Department's Family Literacy, Language and Numeracy programme aims to enable parents and children to learn together to improve their basic skills, break the cycle of underachievement and enable parents to gain qualifications and move on to other learning (**Case Example 1**). For many adult learners a family

21 *Prison statistics for England and Wales 2002*, Home Office, Cm 5996, November 2003.

22 National Audit Office report: *Skills for Life: improving adult literacy and numeracy*, HC 20, Session 2004-05, December 2004; Committee of Public Accounts, 21st Report of 2005-06: *Skills for Life: improving adult literacy and numeracy*, January 2006.

23 National Audit Office report: *Meeting needs? The Offenders' Learning and Skills Service*, HC 310 Session 2007-08, March 2008.

24 Based on a review of files for 800 individuals starting custodial sentences in September 2006.

25 National Audit Office report: *Meeting needs? The Offenders' Learning and Skills Service*, HC 310 Session 2007-08, March 2008.

programme is their first step back into learning since their own school days and they participate because they want to offer their child or grandchild support and opportunity.

**3.19** The programme is being delivered by a wide range of providers in non-traditional adult learning settings such as schools, nurseries, children's centres and extended schools.<sup>26</sup> It has a budget of £25 million a year and around 70,000 parents/carers participate each year. 25 per cent (6 per cent of intensive courses) achieve a national qualification. The Department is planning an expansion of family learning with an additional £30 million from the Department for Children, Schools and Families over the next three years.

## Working with employers to develop the basic skills of the workforce

**3.20** From the outset of the Skills for Life strategy, the Department saw it as a priority to improve literacy, language and numeracy skills in the workforce. The Department has developed a number of initiatives to engage with employers. Encouraging voluntary action by learners and employers requires a degree of culture change, and as such, the Department see it as a long-term strategy.

### CASE EXAMPLE 1

#### Family Literacy and Numeracy at Ryhill Junior and Infant School – delivering training in non-traditional settings

Wakefield Local Authority runs Family Literacy and Numeracy courses in 46 primary schools in the district including Ryhill J&I Primary School. The course visited was on one day a week for 12 weeks and involved parents working on their own skills in the morning and working with their children, adult teacher and primary teacher in the afternoon. At the end of the course learners have the opportunity to take a Level 1 or 2 national adult literacy or numeracy qualification, which has a 90 per cent achievement rate. Some parents progress on to becoming nursery nurses, teaching assistants or further learning opportunities.

The family learning teacher working at Ryhill had to update her own numeracy skills through continuing professional development before taking the role and has therefore been able to relate to the learners' own numeracy difficulties. Learning activities tend to involve group work which creates a group support system and encourages parents to develop friendships and build confidence. Parents commonly cite the prospect of helping their children with their homework and taking part in learning that fits in with the school routine as motivating factors for taking up the courses.

*Source: National Audit Office fieldwork*

**3.21** The Train to Gain service is the Department's and the Learning and Skills Council's main service aimed at engaging employers in providing training for their employees. It was launched in April 2006 as a national skills service to support employers of all sizes and in all sectors in improving the skills of their employees as a route to improving their business performance. The programme currently offers:

- a free skills brokerage service aimed at a range of employers, with 51 per cent of services targeted at hard-to-reach employers (those who do not have a record of training their workforce);
- fully subsidised training for low-skilled workers up to first full Level 2 qualification (equivalent to five good GCSEs), and with support for progression to Level 3;
- access to specialised information, advice and guidance for employees, accessible through the workplace; and
- for employers with fewer than 50 employees, wage compensation for the time employees spend in training.

**3.22** The Department and the Learning and Skills Council are expanding the service as part of plans to spend an increasing proportion of the adult skills and further education budget (a third by 2011) on employer-focused training. Starting from a base of £300 million spent in 2005-06, the Department predicts that the budget will rise to over £1 billion by 2010-11.

**3.23** The take-up of Skills for Life courses through Train to Gain has been lower than expected. Up to the end of March 2008 there were 41,100 learners compared with an expected profile of 73,470. The main reasons for slow take-up were: the emphasis on full Level 2 courses rather than Skills for Life courses; Skills for Life courses were tied to enrolment on to a full Level 2 course and not available as discrete courses; and only available at Levels 1 and 2. Those employees with Entry Level needs were not able to access discrete Train to Gain funding but could be supported through further education Skills for Life funding.

**3.24** From November 2007, to improve take-up, the Learning and Skills Council introduced discrete Skills for Life courses through Train to Gain. To help more learners at lower levels, the Council is piloting Entry Level Skills for Life qualifications through Train to Gain in London in 2007-08, and plans to extend this access to all regions from 2008-09. The Council also plans to pilot ESOL for Work qualifications (currently only available at Entry Level 3 and Level 1) through Train to Gain in London in 2008.

<sup>26</sup> Extended schools offer a range of extended services in and around their school, such as childcare, parenting support, open facilities, easy referral to specialist services and a programme of activities such as homework clubs, music tuition, sports and languages.

**3.25** Skills brokers carry out an analysis of overall training needs at an organisational level, while it is the responsibility of the providers to carry out detailed analysis of individual employees' skills needs. A common theme from our discussions with stakeholders was that skills brokers could improve their ability to identify possible Skills for Life needs by focusing more on the needs of the employer. The 2007 Pre-Budget report announced that the Train to Gain skills brokerage service will be merged with Business Link, a business support, information and advice service, by 2009 into a single brokerage service. The new service will be managed by the Regional Development Agencies.<sup>27</sup>

**3.26** In February 2007, the then Department for Education and Skills announced the Skills Pledge, inviting employers in England to commit voluntarily to support their employees in developing their basic skills, including literacy and numeracy, and work towards relevant qualifications to at least Level 2. For employees who do not already have a full Level 2 qualification, the Department intends to provide funding to help them gain basic literacy and numeracy skills as well as their first full Level 2 qualification. By March 2008, over 2,500 private and public sector employers, covering some 3.7 million employees, had made the pledge. A further 1,000 employers have expressed an interest and been referred to skills brokers to work through the process of making a formal commitment.

**3.27** The Learning and Skills Council's National Contract Service, established in 2002, refocused in 2005 as the National Employer Service, concentrates on large national employers with over 5,000 employees that operate across many regions, including government departments and the Armed Forces. The service's account managers, supported by a specialist skills brokerage service, provide information about learning and development services, help employers establish relationships with the further education and higher education sectors and extend learning into all parts of the workforce through the development of tailor-made programmes. The service currently works with over 80 large employers such as the Ford Motor Company and plans to expand to cover 300 employers by 2010-11.

**3.28** The National Employer Service's work on Skills for Life is supported by two organisations (see Case Example 2): Business in the Community, which is contracted by the Department to engage with large businesses, market the relevance of Skills for Life to these companies and encourage them to sign the Skills Pledge; and a commercial contractor which provides consultancy support such as needs analysis to larger and more complex organisations.

**3.29** The Department and the Learning and Skills Council are also working with the Sector Skills Councils to promote the take-up of Skills for Life training across sectors. The designated lead on this agenda is Asset Skills, the Sector Skills Council for the property, facilities management, housing and cleaning industries. This sector has a higher proportion of Skills for Life needs than most other sectors; for example, in some parts of the cleaning industry over 50 per cent of workers at all levels have literacy, language or numeracy needs.

**3.30** Asset Skills has developed a comprehensive package of support for employers within its sector. This includes organisational needs analysis; a funding directory and Skills for Life advisory service; a brokerage service to help employers access training providers and a pool of

## CASE EXAMPLE 2

### DHL aviation – realising the business benefits of Skills for Life staff training

DHL Aviation, part of the DHL group, is responsible for the import, export and transshipment of consignments that have been generated both in the United Kingdom and overseas. The company has a workforce of around 800 staff most of whom are semi-skilled or manual workers. DHL Aviation was approached by Business in the Community and signed up to the Skills Pledge in June 2007. With the help of the Learning and Skills Council's commercial contractor, DHL mapped the skill requirements of over 100 job roles against the Literacy and Numeracy National Curriculum. Staff skill levels were then assessed on a voluntary basis and a training programme was designed with Stephenson College. Training is undertaken in employees' own time and for every two hours spent training employers are paid for one hour of that time. Training is provided on site and also at night to fit with nightly shift patterns.

DHL Aviation has simplified key employee facing documents to make them easier to read. It has also incorporated an assessment stream into their recruitment process. The assessment stream involves appointing individuals who are marginally below the required level for the DHL Group and training them up or offering six-month provisional places to those who need to raise their skills further.

DHL Aviation has identified a number of business benefits from improving the literacy and numeracy skills of its staff including: job roles have been streamlined, with clear requirements for each; reduced accident rate and absenteeism amongst the learners; productivity rates have increased and turnover has dropped by 50 per cent, the lowest in eight years; staff morale has improved, job satisfaction has increased by 109 per cent, and the company has enjoyed positive publicity.

*Source: National Audit Office fieldwork*

<sup>27</sup> Meeting the needs of the British people, 2007 Pre-Budget Report and Comprehensive Spending Review, Cm 7227, HM Treasury, October 2007.

employer case studies to promote good practice. It has developed framework documentation to encourage other Sector Skills Councils to develop their own sector specific policies and strategies to increase awareness of programmes teaching basic skills and their potentially positive business benefits. Asset Skills, however, was concerned that some Councils had failed to recognise that their sectors had literacy, language and numeracy needs.

**3.31** Colleges are increasingly working with employers to better meet their needs and a summary of good practice, based on the National Audit Office's fieldwork and review of the literature is set out in Appendix 5. Employer engagement directly through providers accounts for 70 per cent of engagement activity in Train to Gain. The Department's key challenge to engaging employers in skills training is getting them to recognise the business benefits of staff training. Case study examples of the business benefits show that improving employees' literacy, language and numeracy skills can improve business productivity and bring other benefits such as greater efficiency, less sickness and absenteeism, better customer service, fewer accidents and improved safety. Figure 18, at Appendix 5 provides examples of the range of benefits to business.

## Embedding basic skills provision in other training provision and across organisations

**3.32** Many adults with poor basic skills are resistant to basic skills training, but they may be more willing to address these needs when literacy, numeracy or language skills are an integral part of the course of their choice. Embedding basic skills with other learning helps people to see the practical benefits of improving these skills. The newly established Employability Skills Programme (see paragraph 3.8) is an example of an embedded programme that links literacy, language and numeracy acquisition and achievement, to improved employability, evidenced through an employability award.

**3.33** Research<sup>28</sup> indicates that there are considerable benefits to embedding literacy, language and numeracy skills in other learning: more people stay on the course (15 per cent more stay on embedded courses than stand alone Skills for Life courses); there is higher achievement, for both vocational and Skills for Life qualifications; for example, on fully embedded courses 93 per cent achieved a literacy or English for Speakers of Other Languages qualification compared with 50 per cent on

non-embedded courses; learners are more engaged in improving their Skills for Life, and value them, because they can see their relevance. However, although there is strong evidence supporting the benefits of embedding Skills for Life provision within further education colleges at Level 1 and 2, the amount of evidence is limited in other settings, such as those used in Train to Gain provision, and lower levels, such as Entry Level.

**3.34** To inform its ongoing support for embedded learning, the Department has commissioned a survey to establish how much embedding exists across the learning and skills sector and is examining different models of delivery in terms of cost and effectiveness.

**3.35** The Department is supporting a range of activities to encourage embedding of Skills for Life in other training. The Quality Improvement Agency, set up in 2005 to encourage innovation and excellence in the learning and skills sector, is offering providers a programme of support for embedding using the whole organisation approach (see paragraph 4.12), where literacy, language and numeracy provision is central to the whole organisation at all levels, ranging from strategic leadership and management to the delivery of service, including learning and teaching. The Agency is also supporting managers and practitioners in embedding Skills for Life across curriculum areas with practical support for partnership approaches to improve teaching and learning. The Qualifications and Curriculum Authority is working with Sector Skills Councils to identify Skills for Life needs in different vocations and plans to highlight the relevance of these skills in the workplace to encourage employers to invest in raising skills. The Learning and Skills Council has produced a fact sheet with guidance on funding for embedded provision and Lifelong Learning UK has published guidance on accredited professional development for embedded approaches for teachers in January 2008.

**3.36** Whilst there is already considerable activity across Government to extend the reach of skills, such as local area agreements picking up on skills training as a key indicator, we consider that there is scope for literacy, language and numeracy skills to be promoted more widely across Government programmes to engage the hardest to reach. For example, the economic redevelopment agenda, led by local authorities and their partners, also has an important part to play in improving skills in areas of acute deprivation in order to stimulate local economies, job markets and community engagement.

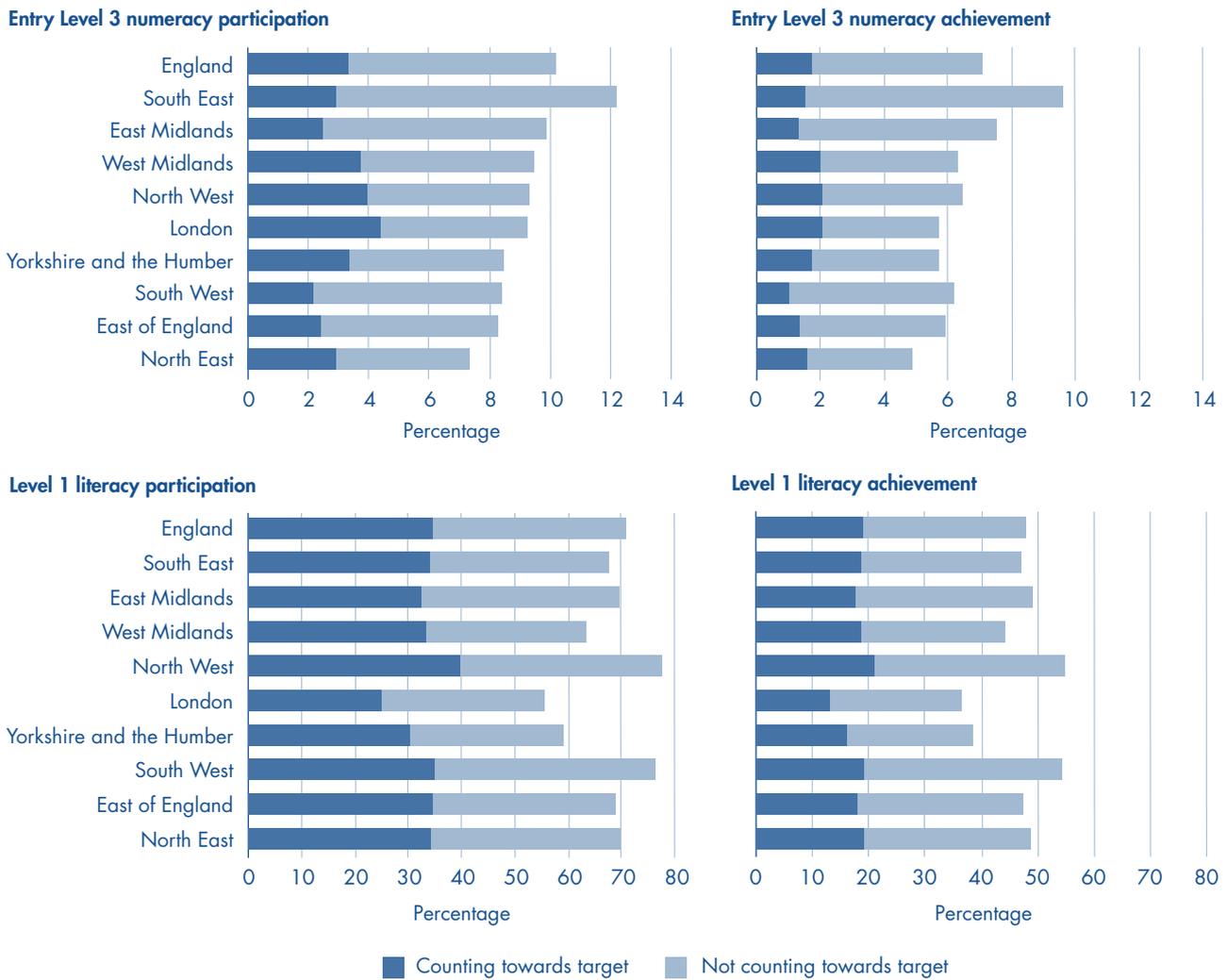
28 *'You wouldn't expect a maths teacher to teach plastering...': Embedding literacy, language and numeracy in post-16 vocational programmes – the impact on learning and achievement*, National Research and Development Centre for Adult Literacy and Numeracy, November 2006.

## Encouraging more people to improve their numeracy

**3.37** Research<sup>29</sup> indicates that poor numeracy, rather than poor literacy, is associated with low economic well-being. The Department has had more success in improving literacy skills compared with numeracy skills (see paragraphs 2.11 and 2.12), particularly at the level of functional skills. For every 100 people without functional numeracy (Entry Level 3), only 10 numeracy

courses have been undertaken and two qualifications that counts towards the target have been achieved (**Figure 13**). For functional literacy the Department has made more progress – for every 100 people without functional literacy (Level 1), 70 literacy courses have been undertaken and 18 qualifications that counts towards the target have been achieved. This can be partly explained by the fact that there are fewer qualifications leading to functional numeracy level as compared with functional literacy (see Glossary on page 6).

**13** Participation and achievement in Skills for Life courses by those who lack functional skills varies between the regions



Source: National Audit Office analysis of Learning and Skills Council data

**NOTE**

Participation is the take-up of courses as a percentage of adults with skills below the level identified. Achievement is the number of qualifications (or other measures of achievement) as a percentage of adults below the level identified. Estimates of numbers of adults with skills below particular levels are taken from the 2003 Skills for Life survey. The England figures includes courses taken up and achievements through the National Employer Service that cannot be attributed to a particular region. Includes data for 2006-07, which is provisional. Literacy does not include English for Speakers of Other Languages.

29 Numeracy matters more, National Research and Development Centre for Adult Literacy and Numeracy, 2006.

**3.38** As Figure 13 illustrates, some regions are engaging with and raising the literacy and numeracy levels of a greater proportion of adults without functional skills. For example, in the South East over 12 per cent of the population who lack functional numeracy have participated in a numeracy course whereas in the North East this figure is only 7 per cent.

**3.39** To meet the new literacy target, the Department will need to broadly maintain current levels of progress in improving literacy skills. However, to meet the numeracy target it will need to do much more – it will need to expand numeracy provision and increase achievement at Entry Level. This will create a substantial challenge for funders, national support organisations and providers.

**3.40** Unlike literacy and English for Speakers of Other Languages, the provision of numeracy is in general not characterised by demand. Providers report waiting lists and continued demand for literacy and English for Speakers of Other Languages programmes, but not for numeracy. Research, commissioned by the National Audit Office suggests a number of possible demand-side and supply-side factors may be responsible for the low take-up of numeracy courses (see Appendix 6). These include:

- a lack of specialist representation in providers at middle and senior management level may impact on the nurturing of numeracy provision and capacity;
- there are less numeracy teachers than literacy teachers;
- attitudes towards numeracy and maths – range from apathy to phobia. Respondents talked of people being ‘scared’ of numeracy; that mathematics is seen as a ‘difficult’ subject and only to be understood by ‘clever’ people; and
- a number of common barriers to the take up of numeracy courses including lack of time or other priorities; prior negative experience; feelings of inadequacy or low self-worth; and lack of relevance of programmes and courses.

**3.41** The Department is currently developing a separate numeracy plan, to be published in summer 2008. It aims to drive up demand, refocus funding to meet increased demand, improve qualified teaching capacity and provide quality improvement programmes that will enable providers to expand provision and increase achievement.

**3.42** To raise demand, the Department and the Learning and Skills Council are adapting Skills for Life promotional campaigns and wider skills promotions, focusing clearly on numeracy and highlighting the benefits of numeracy skills for employers as well as individuals. The first phase of a high-profile advertising campaign began in March 2008.

Stakeholders we interviewed suggested that further research is required on the psychology behind accepting low levels of numeracy, and how to get people to participate in improving their numeracy skills.

**3.43** The Learning and Skills Council has begun to engage its providers in the process of increasing provision – its statement of priorities, in November 2007, notes that ‘there will be far higher emphasis on numeracy provision from all partners’. The Council therefore expects all providers to offer numeracy assessments for their language and literacy learners, and endeavour to engage them in the most appropriate numeracy provision possible. In some regions, for example the West Midlands, the Learning and Skills Council and its partners are developing regional numeracy strategies.

**3.44** The Department’s priorities will be:

- increasing the number of skilled and qualified numeracy teachers – despite the growth in size of the teaching workforce, there are still relatively few numeracy teachers (under 6,100) compared with literacy teachers (over 9,300);
- to encourage providers to deliver support in a range of formats, moving beyond classroom-based learning – for example, in community groups where adults might want to develop financial skills;
- embedding numeracy into other learning – for example, in vocational courses and in family learning; and
- making more creative use of information and communications technology to engage learners.

**3.45** The Department recognises that while driving up demand for Entry Level provision, it needs to maintain current levels of provision at Levels 1 and 2 in order to support progression, meet the needs of learners with goals at these levels and maintain progress towards the 2010 Skills for Life targets.

## Encouraging learners to progress

**3.46** It is not always enough to get learners started – many learners do not fully benefit from their learning in terms of progress in work and in life if they do not progress from their initial learning to other learning. In order to achieve a skills base comparable to the top quartile of OECD countries by 2020, with 90 per cent of adults qualified to at least Level 2 and 56 per cent to at least Level 3, more Skills for Life learners will need to progress on to higher levels.

**3.47** Historically, the focus of Skills for Life and other adult education delivery was on getting people to participate, complete a course and achieve a qualification. The Department did not place strong emphasis on helping learners to progress onto the next level of learning and progression was difficult to track accurately because there was no unique identifier for each learner. Following trials in 2006-07, the Department formally launched the Learner Registration Service in February 2008. Currently over 140,000 people now have a Unique Learner Number and the Department estimates that over one million people will have one by the end of 2008.

**3.48** Analysis, undertaken by the Department, of matched administrative data has shown that for further education learners who achieved a Skills for Life qualification in 2002-03, 9 per cent had progressed to achieve a full Level 2 qualification within three years, excluding those who achieved both qualifications in the same year. The percentage of learners who progressed varied according to the qualification type, subject and level. The lowest progression rates were for those who gained an English for Speakers of Other Languages qualification (three per cent) and those who gained an Entry Level qualification (five per cent).

**3.49** There have also been difficulties in reporting on progression for people undertaking Skills for Life programmes through Entry Level provision and those undertaking personal community development learning. The Learning and Skills Council has improved data collection for these areas with the aim of making tracking easier in the future.

**3.50** In the longer term, the Department is proposing legislation under the Education and Skills Bill, introduced into the House of Commons on 28 November 2007, which will allow better data sharing across government agencies, tracking outcomes for people moving between work, benefit claims, inactivity and education. This would enable the Department to assess the effect of learning interventions on individuals' employment and earnings prospects; and other government agencies to assess the effects of tax, employment and benefits policies on participation in learning. Personal details of individuals would be removed to protect sensitive information.

**3.51** Effective progression strategies require interactions at every stage of the learner journey. The Department recognises that many learners do not currently get enough help on what to do after taking a course. It plans to ensure that the launch of the new adult advancement and careers service, due in 2010, is well publicised so that individuals and those helping them know where to seek advice.

**3.52** The Department is improving linkages between the different policy areas that support progression from learner engagement and informal learning into qualification-bearing courses, through Skills for Life levels to first full Level 2 and 3 qualifications into further training, higher education and employment. Adult education provision is becoming more joined-up in order to support learner progression. The Learning and Skills Council and the Qualifications and Curriculum Authority are developing the Foundation Learning Tier to provide a framework of accredited provision below Level 2. The tier will be made up of units and qualifications from the Qualifications and Credit Framework. Progression pathways will be the primary offer, composed of strands: functional skills; vocational skills; and subject-based skills and personal and social development skills. They are designed to help people progress to Level 2, or an apprenticeship, or focus on developing personal or social skills for independent living, and where appropriate provide a platform for employability or supported employment. Trials of these pathways began in August 2007 and phased implementation is planned from August 2008 with implementation completed by 2010.

**3.53** The Quality Improvement Agency has recently published Focus on progression, available on the Agency's Excellence Gateway website. It summarises all the policies and initiatives that support progression and signposts the tools, learning materials and other resources that can help providers to improve progression rates.

**3.54** The Qualifications and Curriculum Authority, working with the Learning and Skills Council, the Sector Skills Development Agency and the Department, has been piloting changes to the design of full Level 2 qualifications in the new Qualifications and Credit Framework. The process is intended to provide a smooth transition from the National Qualifications Framework to the new Qualifications and Credit Framework and to ensure that all key stakeholders have a clear and common understanding of the components of full Level 2 qualifications, and which of these will attract funding. The Department is currently in discussion with those involved in the pilot, due to be implemented from the summer of 2008, on how the full Level 2 qualification will be reflected in the new credit structure and how to ensure that these will produce economically valuable qualifications.



# PART FOUR

## Improving the quality of provision

**4.1** This part of the report examines progress made in improving the skills level of the adult teaching workforce and the quality of provision.

### The skills levels of the teaching workforce

**4.2** In 2004-05, there were almost 19,000 Skills for Life teachers in England, accounting for a full-time equivalent of 9,500 posts. Of these, 13 per cent were classified as fully qualified in at least one subject. The Department has an objective that all adult literacy and numeracy teachers should hold or be working towards an appropriate teaching qualification by 2010. This target only applies to those who began teaching after 2001, when the learning and skills sector workforce became regulated. The number of teachers who started prior to 2001 is not known, but based on average career duration we estimate that over half the workforce started before 2001.

**4.3** To assess progress against the above objective, Lifelong Learning UK, the Sector Skills Council responsible for the professional development of all those working in further education, undertook a survey of the Skills for Life teaching workforce in 2006 and plans to repeat this in 2009. The 2006 survey indicated that 35 per cent of teachers held appropriate teaching qualifications. In terms of the target, the percentage of the workforce counting as qualified will be higher as the survey included teachers who began teaching before 2001, and are therefore exempt from the regulatory requirement to achieve formal qualifications. However, although teachers who started prior to 2001 are not covered by regulation and the target, the expectation of the Department is that all teachers should improve their skills appropriately to meet new sector standards irrespective of when they commenced teaching.

**4.4** However, almost a third of teachers teach more than one Skills for Life subject and of these almost two-thirds of literacy teachers and two-thirds of numeracy teachers teach more than one subject but hold qualifications in only one of them. For example, of the teachers teaching literacy and numeracy, only 9.4 per cent held qualifications in both subjects (**Figure 14 overleaf**).

**4.5** Ofsted inspections in 2006-07 found that recruiting and retaining experienced teachers in literacy, numeracy and English language presents difficulties for providers. Providers we interviewed reported particular difficulty in finding suitably qualified and experienced maths teachers, partly due to the part-time nature of many available posts, which is not a viable option for many of those seeking teaching posts. Overall more than two-thirds of staff are employed on a part-time basis. In addition, increasingly more training is being delivered through workplaces, which often requires different skill sets to teaching in colleges; yet current teacher training arrangements are focused on those working in a classroom setting rather than in a work situation.

**4.6** The Department funds a number of activities to support the recruitment and retention of literacy, language and numeracy teachers. For example:

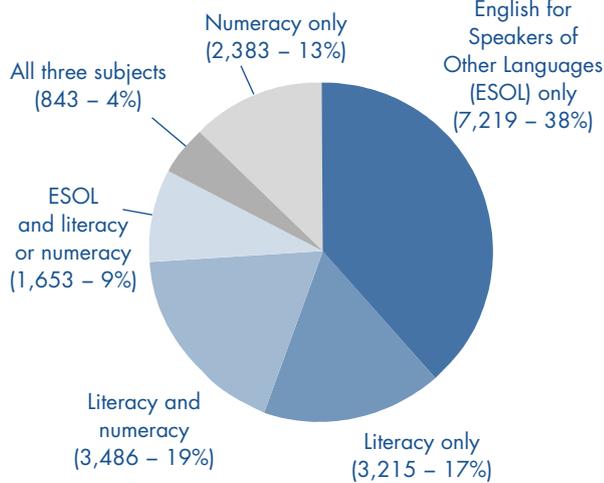
- the Quality Improvement Agency's Skills for Life improvement programme (see paragraphs 4.10 and 4.11) is working through awarding institutions to deliver new flexible routes to qualifications and top-up training for English for Speakers of Other Languages teachers to meet the new requirements;
- Skills for Life is a priority area for training bursaries; and

- Lifelong Learning UK and Standards Verification UK have developed the Professional Recognition Learning and Skills scheme, which provides a route for existing specialist literacy, numeracy and English for Speakers of Other Languages practitioners to be recognised as teaching professionals without the formal qualifications that new entrants require.

4.7 In addition, in 2007 Lifelong Learning UK published a workforce strategy for the further education sector. Its first three priorities cover: understanding the nature of the workforce; attracting and recruiting the best people and retaining and developing a modern professional workforce. Lifelong Learning UK published a three-year implementation plan in March 2008.

**14** A third of Skills for Life teachers teach more than one subject and few hold recognised qualifications in all the subjects they teach

**Who teaches what subject?**



**How many are qualified?**

| Subject               | Percentage fully qualified in all subjects they teach |
|-----------------------|---|
| Numeracy only         | 57  |
| ESOL only             | 33  |
| Literacy only         | 22  |
| Literacy and numeracy | 9.4   |
| Literacy and ESOL     | 2.6   |
| Numeracy and ESOL     | N/A   |
| All three subjects    | N/A   |

Source: National Audit Office literature review

**NOTE**

Reliable estimates of the percentage of fully qualified teachers in adult numeracy and English for Speakers of Other Languages and all three subjects are not available.

**The quality of provision**

4.8 Inspection reports by Ofsted (and previously the Adult Learning Inspectorate) indicate that the quality of literacy, language and numeracy provision is improving, with more programmes meeting the needs and interests of learners, but that some issues remain. Issues identified include: learning is often too narrowly focused on simply passing a test, with teaching often dealing with gaps in learners' skills, rather than laying a base to support them in employment and their personal lives; and for those on work-based programmes the quality and availability of literacy and numeracy support remains variable.

4.9 The Quality Improvement Agency is taking forward a programme of work for the Department to evaluate and improve the infrastructure of teaching and learning literacy, language and numeracy. In 2006-07, it spent £23 million on this programme of work, which includes new assessment tools to support teachers and learners in a variety of settings; a review of the core curricula for literacy, numeracy and English for Speakers of Other Languages; support for personalised learning through the Move On and Move On Up portal;<sup>30</sup> research and development relating to learner motivation, persistence and progression, inclusive approaches to effective teaching and learning for those who have learning difficulties or disabilities; and supporting new models of delivery (for example embedded provision) and examining innovative teaching and learning arrangements.

4.10 The Quality Improvement Agency's main programme is the Skills for Life improvement programme, which was established in September 2006 with the following aims:

- to enhance, strengthen and increase the capacity of initial training and continuous professional development for the learning and skills sector workforce;
- to improve the experiences of learners in literacy, language and numeracy by promoting high-quality provision through whole-organisation approaches to Skills for Life (see paragraph 4.12);

30 The Department's Move On project, established in 2003, aims to engage potential learners who do not consider they need to improve their literacy or numeracy skills, but may only need to brush up their skills and fill in gaps; it helps adults pass the National Tests in literacy and numeracy. Move On consists of a portal that has been created for learners to learn at their own pace and to support teachers. The Move On Up initiative seeks to build on the Move On project and is aimed at Entry Level 3 learners.

- to stimulate and share innovative and effective practice in teaching and learning across a range of providers and settings, including the use of new technology and e-learning; and
- to produce evidence of impact on learners' experiences, achievements and progression.

**4.11** The Quality Improvement Agency established a broad range of activities across each of these aims. In 2006-07, the programme engaged around 1,200 providers in peer review and development activities: 1,486 teachers trained towards qualifications; 1,735 people trained to support quality improvement in numeracy; 207 providers were given support for the use of quality improvement tools and techniques and 263 providers received support for embedded provision. The Agency's external evaluation and follow-up of programme participants showed high levels of satisfaction with this support: 70 per cent of the 110 providers consulted were satisfied overall with the support they received. Many providers cited examples where the support had led to change in strategy, management and delivery of Skills for Life.

**4.12** A whole-organisation approach to Skills for Life is where literacy, language and numeracy provision is central to the organisation at all levels, ranging from strategic leadership and management to delivery of courses. The approach includes embedding Skills for Life in teaching and learning programmes across a range of learning aims and goals and providing all learners with opportunities to progress and achieve qualifications. Development work undertaken by the Quality Improvement Agency has shown that this approach is best achieved where providers review their organisational structures and processes and, where necessary, introduce new ones (**Case Example 3**). To help organisations adopt the approach, the Agency offers them a package of support, through its contractors including:

- a 'health check' to assess the quality of their Skills for Life provision;
- consultancy advice on strategy and producing an action plan;
- support for teaching staff on a range of teaching issues, for example continuing professional development with follow-up support for development activities that enable staff to put into practice lessons learnt in training, good practice guidance and teaching materials;
- bespoke support for the effective use of tried and tested quality improvement tools and techniques; and
- regional network meetings to share experience and good practice.

**4.13** In 2006, the then Department for Education and Skills commissioned a study to benchmark the key components of the Skills for Life strategy against approaches to improving the literacy and numeracy skills of young people and adults within the United Kingdom and internationally. The study found, that compared with approaches in other countries, the Skills for Life strategy was highly developed and distinctive in the breadth of its scope and the application of its systems. It presented a national end-to-end adult teaching and learning infrastructure comprising: standards, courses, teaching requirements, learning support, assessment and qualifications that were not matched anywhere in the world.

### CASE EXAMPLE 3

#### Newcastle College – embedding Skills for Life across the whole of the organisation

Newcastle is the largest college in the United Kingdom, with over 10,000 Skills for Life course enrolments in 2006-07. In the summer of 2003, the College adopted a whole of organisation approach to Skills for Life and 50 specialist Skills for Life staff were appointed and trained. The key elements of Newcastle College's policy and strategy are as follows:

- The College has a centrally managed Skills for Life policy that allows each curriculum area (school) the flexibility to deliver in a way that suits its own needs.
- Each school has a detailed Skills for Life delivery plan, targets and a team of specialist Skills for Life staff which it owns and manages.
- Team leaders from across the College meet each week to discuss policy implementation and good practice in the delivery of both discrete and embedded provision.
- Many staff taken on and trained come from industry backgrounds and are able to relate learning to different life settings.
- Vocational or academic staff involved in embedded delivery complete Further Educational National Training Organisation Level 3 supporting either literacy or supporting numeracy qualifications, so that they are qualified to support Skills for Life as well as their specialist subject.
- All functions are engaged with the policy: for example, the college's Teaching Development Centre is developing an embedded teaching qualification and the Department of Business Services Division has its own pool of Skills for Life staff to provide courses on site for employers and focus on solutions to meet business needs.

In 2006-07, the College had a Skills for Life success rate (the number of learners achieving a qualification divided by the number of learners who started courses) of 82 per cent.

*Source: National Audit Office fieldwork*

# APPENDIX ONE

## Methodology

**1** This study examined the progress since our last report on Skills for Life, in December 2004, and in particular the progress made in implementing the recommendations of the Committee of Public Account's report published in January 2006. The main methods used are described in detail below.

### Secondary data analysis

**2** We analysed expenditure data from the Department and the Learning and Skills Council to establish spending on the programme and unit costs such as cost per course and cost per achievement.

**3** We analysed literacy, numeracy and English for Speakers of Other Languages data from the Learning and Skills Council. This included course take-ups, course completions, course achievements, and achievements counting towards the 2010 target. Detailed analysis of the data was undertaken to establish who has taken courses, what organisations are providing courses, what level of courses are undertaken, regional variations, completion rates and achievement rates. Trends have been identified at national and regional level and broken down by age group (16- to 18-year-olds; adults – 19-year-olds and over), subject of course (literacy, numeracy or language), level of course (Entry Level 3, Level 1 or 2), type of course (basic skills, Key Skills or GCSE), and whether the qualification counts towards the target.

**4** We examined progress in improving the data systems that underlie the Public Service Agreement target for basic skills (see Appendix 4). The data systems underlying this target were assessed in our report *Third Validation Compendium Report* to be 'not fit for purpose'.

**5** We also reviewed other relevant data sources such as the Skills for Life survey conducted by the then Department for Education and Skills between June 2002 and May 2003, a survey of the Skills for Life teaching workforce completed by Lifelong Learning UK in 2006, and analyses of the impacts of publicity campaigns.

### Case examples

**6** We conducted a series of visits to providers and employers who were addressing the literacy, language and numeracy needs of their employees. Providers were chosen for demonstrating good and innovative practice in: engaging hard-to-reach learners; delivering learning with high levels of completion and achievement; working with employers to deliver Skills for Life improvements in the workplace and using a whole-organisation approach to Skills for Life. Employers were chosen for demonstrating good and innovative practice in addressing the skills needs of their workforce. The providers and employers we visited were:

- further education colleges – Lewisham College, Newcastle College and Solihull College;
- provider of Family Literacy, Language and Numeracy programmes – Wakefield Local Authority;
- community and voluntary sector provider – Cambridge Women's Resource Centre;
- large employers – Ford Motor Company and DHL Aviation; and
- small and medium-sized enterprise – Mortons of Horncastle.

**7** During our visits to providers we discussed: the characteristics of learners in their area; how they engaged these learners, and employers; how they managed the funding they received; challenges they faced in delivering the Skills for Life strategy, now and in the future; key elements to their success in Skills for Life and any partnership working with other organisations. During our visits to employers we discussed the business benefits to supporting their staff to develop literacy, language and numeracy skills and good practice in engaging employees in this area.

## Literature review

**8** We reviewed literature and research published since our last report on the provision of adult literacy, numeracy and English for Speakers of Other Languages to inform our understanding of key issues and trends and to cover the following aspects:

- evaluations of literacy, numeracy and English for Speakers of Other Languages provision and support programmes;
- international comparisons of policies and programmes to raise adult literacy and numeracy; and
- good practice in the engagement and retention of people with basic skills needs, and in helping learners achieve their goals and progress to higher learning.

## Consultation with Government Departments and agencies, stakeholders and key interest groups

**9** We held discussions with officials from the Department for Innovation, Universities and Skills, and the Learning and Skills Council to gain an understanding of the main issues affecting literacy, language and numeracy provision, the strategic direction of these services, the progress made since our last report on Skills for Life and the future challenges they face.

**10** Throughout the planning and fieldwork stages we consulted widely with stakeholders and key interest groups. The consultation largely took the form of unstructured and semi-structured interviews. The groups we consulted included:

- Asset Skills
- Association of Colleges
- Association of Learning Providers
- Business in the Community
- Confederation of British Industry
- Federation of Small Businesses
- KPMG
- Lifelong Learning UK
- National Institute for Adult Continuing Education, including the Basic Skills Agency
- National Research and Development Centre for Adult Literacy and Numeracy
- Quality Improvement Agency

- Ofsted
- Tribal
- Trade Union Congress
- Ufi

**11** We asked these groups for their views on: the achievements of the Skills for Life strategy since our last report; areas where more progress was needed; how to engage those hardest to reach and employers; the adequacy of support for Skills for Life delivery, for example funds, training, best practice guidance; the adequacy of the teaching workforce in terms of quantity and quality; the main issues faced by the sector in achieving Skills for Life targets and future challenges to meet the new 2020 targets.

**12** The study team also consulted internally with colleagues at the National Audit Office who had recently undertaken reports featuring Skills for Life provision. Training in literacy, language and numeracy skills for benefits claimants and offenders was covered in our reports *Helping people from workless households into work* (HC 609, July 2007), *Sustainable employment: supporting people to stay in work and advance* (HC 32, November 2007), *Increasing employment rates for ethnic minorities* (HC 206, February 2008) and *Meeting needs? The Offenders' Learning and Skills Service* (HC 310, March 2008).

## Expert panel

**13** We set up an expert panel to review an initial draft of our report. Its members included:

- Ursula Howard, Director, National Research and Development Centre for Adult Literacy and Numeracy.
- Gill Hutchings MBE, Senior Director, Community Education and Skills for Life, Solihull College.
- Peter Mayhew-Smith, Director of Foundation Studies, Lewisham College.
- Alastair Pearson, Her Majesty's Inspector, Ofsted.
- Carol Taylor, Joint Director, Basic Skills Agency part of the National Institute for Adult Continuing Education.

## Research commissioned into the reasons why take-up of numeracy courses has been lower than for literacy courses

**14** During our fieldwork it became apparent that the reasons for the lower take-up of numeracy courses were not well understood. We therefore commissioned LLU+ to undertake a small piece of research examining the low demand for and take-up of numeracy courses compared with literacy courses. LLU+ is a national consultancy and professional development centre for staff working in the areas of literacy, numeracy, dyslexia, family learning and English for Speakers of Other Languages.

**15** LLU+ consulted widely across the numeracy field, from learners and potential learners through teachers to senior management. A range of research methods were used including an online survey circulated to specific Skills for Life mailing lists, open-ended discussion on a numeracy specific mailing list, questionnaires completed by individual participants of regional focus groups, semi-structured interviews with individuals and small groups and group feedback to prompts in selected settings. LLU+ also sampled documentary and promotional information from a range of organisations across the lifelong learning sector. Appendix 6 presents the findings of this research.

# APPENDIX TWO

## Implementation of the Committee of Public Accounts' recommendations

| Recommendation  | Implementation   | Impact   |
|---|--|--|
| <p>1 <b>Monitoring costs.</b> The Department should develop unit cost data and use it to establish reliable estimates of future resource needs.</p>   | <p>Fully implemented.</p> <p>The Learning and Skills Council has developed unit cost data.</p>   | <p>The Department and Learning and Skills Council have used their knowledge of unit costs data to inform negotiations as part of the spending review.</p>  |
| <p>2 <b>Attracting hard-to-reach learners and guarding against standards being diluted.</b> Achieving the targets is likely to become increasingly difficult over time, because they can only be met by attracting 'hard-to-reach' and older learners. The Department should guard against the risk of qualification standards being diluted to achieve the targets, by subjecting qualifications to international benchmarking of standards achieved, and regularly testing the degree of challenge built into the qualifications.</p> | <p>Fully implemented.</p> <p>To target hard-to-reach learners, the Department works with a range of partners such as Jobcentre Plus.</p> <p>The Department commissioned an international benchmarking paper.</p> <p>The Quality and Curriculum Authority continues to develop the bank of national tests.</p> <p>The Learning and Skills Council are encouraging providers to deliver more approved provision with the expectation that 80 per cent of enrolments will be onto nationally approved qualifications.</p> | <p>In order to take the strategy forward, unit costs need to be better understood for applied contexts, such as embedded provision and unit costs of progression.</p> <p>The total number of hard-to-reach learners engaged is not known. The number of offenders engaged is growing. The number of Jobcentre Plus clients referred to provision fell in 2006-07 as new arrangements became embedded. Many hard-to-reach learners come into contact with different parts of government but not many are engaged.</p> <p>International benchmarking research showed that the Skills for Life programme is highly developed and distinctive in the breadth of its scope compared to international comparators, including its qualifications.</p> |
| <p>3 <b>Improving the skills of the teaching workforce.</b> The Learning and Skills Council should assess the extent of non-qualification among practising teachers and set a date by which all the providers it funds use only qualified teachers.</p>   | <p>Fully implemented.</p> <p>In 2006, Lifelong Learning UK undertook a survey to assess the number of non-qualified staff. The Department intend all teachers to be fully qualified by 2010. Lifelong Learning UK will undertake another survey in 2009.</p> <p>The Quality Improvement Agency are undertaking a programme of work to evaluate and further improve the teaching and learning infrastructure.</p>   | <p>The percentage of enrolments on courses that count towards the target is improving (68 per cent in 2006-07, up from 47 per cent in 2005-06).</p> <p>The percentage of qualified staff is rising – in 2006, 35 per cent of teachers were fully qualified.</p>  |

**Recommendation continued**

**4 Ensuring the strategy is focused on meeting the needs of adults.** Many learners are recent school leavers, some of whom might reasonably have been expected to gain their qualifications at school. The Department should examine what adult providers are doing differently, and disseminate good practice to help schools to enable pupils to succeed in English and mathematics at an earlier age.

**5 Increasing the diversity of providers.** The Learning and Skills Council should focus on building a more diverse supplier base that can meet the needs of the full range of potential learners. The Council should expect providers to combine quality with improved access, for example by colleges working with voluntary and community groups to 'reach out' to reluctant learners.

**6 Encouraging employers to take up staff training.** The Learning and Skills Council need to support training providers who have a good track record of convincing employers of the business benefits of training their staff, and offer training tailored to employers' needs.

**7 Linking pre-employment and in-work training and encouraging employers to take up staff training.** The Learning and Skills Council and Jobcentre Plus are increasingly working together to reduce the barriers to people continuing with learning once they start work. The Council needs also to engage with local Chambers of Commerce and employers to encourage them to support courses delivered on business premises during working hours, lunch breaks or at the end of the working day.

**Implementation continued**

Partially implemented.  
The strategy is intended for individuals over 16 who have left compulsory education.

The Department plans to introduce functional skills in GCSEs (English and ICT from 2009 and Maths from 2010) so that a grade C will be a guarantee that young people have the functional skills they need for work and life.

Partially implemented.

The Department and Learning and Skills Council plan to work more closely with the community and voluntary sector. Some community and voluntary sector organisations already work in partnership with recognised providers, including further education providers, to engage hard-to-reach learners.

Fully implemented.

A priority of the Train to Gain service is the engagement of small and medium-sized employers. Train to Gain is being expanded. The Learning and Skills Council's National Employer Service works with large employers and plans to expand. The Learning and Skills Council also engages with employers through the national marketing campaign and through other stakeholders including the Institute of Directors and Sector Skills Councils.

Partially implemented.

In 2006, responsibility for Skills for Life provision for Jobcentre Plus customers, excluding those on New Deal, transferred from Jobcentre Plus to the Learning and Skills Council. The Employability Skills Programme rolled out nationally from August 2007. The Learning and Skills Council and Jobcentre Plus are taking steps to improve links between pre-work training and Train to Gain in-work support through Skills for Jobs.

The Learning and Skills Council and Jobcentre Plus are currently reviewing the Train to Gain Protocol to increase sustainable employment outcomes for Jobcentre Plus customers. This will build on the development of Sector Employability Toolkits, covering nine sectors, offering employers a consistent approach to training in their particular sector. Jobcentre Plus is looking at ways of working with the Sector Skills Councils to extend these to cover the remaining

**Impact continued**

The proportion of target-bearing qualifications achieved by adults increased from 38 per cent in 2000-01 to 73 per cent in 2004-05, but subsequently dropped to 52 per cent in 2006-07.

The proportion of courses delivered by providers other than further education colleges is increasing, such as through work-based learning, adult and community learning, learndirect and offender learning. In 2006-07, just over half of all courses were undertaken in further education colleges, down from 80 per cent between the start of the strategy and July 2004.

However, there is still potential for the voluntary sector to play a bigger role in the Skills for Life agenda.

The take-up of Skills for Life courses through Train to Gain has been low. Up to the end of March 2008 there were 41,100 learners compared with an expected profile of 73,470.

The National Employer Service currently works with over 80 large employers each with over 5,000 employees.

A number of operation problems occurred with the initial phase of the transfer resulting in a drop in the number of referrals. During 2005-06 (before the transfer) Jobcentre Plus referred around 39,000 people with basic skills needs to their own provision. In 2006-07, following the transfer to the Learning and Skills Council, just over 17,700 referrals were made by Jobcentre Plus to the Learning and Skills Council's Employability Skills Programme.

| Recommendation <i>continued</i>   | Implementation <i>continued</i>  | Impact <i>continued</i>   |
|---|--|---|
| <p><b>8 Providing good quality English for Speakers of Other Languages provision.</b> People whose first language is not English should be encouraged to learn so that they can participate fully in work and civil society. But there are shortages of good quality, accessible provision in some parts of the country. The Learning and Skills Council should disseminate good practice in assessing local needs and providing good quality language learning, particularly to areas with a growing need but limited previous experience.</p> | <p>16 sectors. Train to Gain funding can be used to fund appropriate post-employment training for people who gain jobs under Local Employment Partnerships.</p> <p>The Learning and Skills Council is working with Jobcentre Plus to design a single offer to employers consisting of both pre- and post- employment training, using Train to Gain brokers to market the complete product.</p> <p>The Learning and Skills Council and British Chambers of Commerce work closely together to promote Train to Gain to employers. British Chambers of Commerce consult regularly with employers in local areas on how well Train to Gain is meeting their needs, both in terms of quality and flexibility of delivery. There is a Train to Gain section on their website with a link to the Train to Gain website. The Learning and Skills Council also engages with employers through the national marketing campaign, the Skills Brokerage Service and other stakeholders including the Institute of Directors and Sector Skills Councils.</p> | <p>The impact of the changes made in August 2007 are not yet clear.</p> |
| <p><b>9 Providing continuity of learning for offenders.</b> Continuity of learning for offenders, when they move between prisons or are discharged into the community, should not be delayed until the planned new Offenders' Learning and Skills Service is implemented in 2006. The Learning and Skills Council should agree contracts with providers that give offenders the opportunity to complete their qualifications within the prison system and after release.</p>  | <p>Partially implemented.</p> <p>Changes to English for Speakers of Other Languages support, from August 2007, are aimed at refocusing public funding on those clients with the greatest need. The Department would like English for Speakers of Other Languages provision to be more specifically targeted to foster community and social cohesion by 2009-10. The Department consulted on their plans between January and April 2008.</p> <p>The Learning and Skills Council now only fund approved qualifications at Levels 1 and 2, and 80 per cent of courses at Entry Level also have to lead to approved qualifications.</p> <p>Partially implemented.</p> <p>The Offenders' Learning and Skills Service has been fully rolled out. The Service has agreed contracts with providers that give offenders the opportunity to complete their qualifications.</p>   | <p>Some of the issues around continuity of provision remain.</p>        |

Source: Skills for Life: improving adult literacy and numeracy, Committee of Public Accounts, 21st report of 2005-06, January 2006. National Audit Office fieldwork and analysis of Learning and Skills Council data.

# APPENDIX THREE

## Skills for Life courses

### The types of qualification and whether they count towards the 2010 and 2020 targets

|   | Level         | Funded at Skills for Life programme weighting (1.4) |
|---|---------------|---|
| <b>Nationally approved Certificate in Adult Literacy</b>  | Entry Level 1 | ✓   |
|   | Entry Level 2 | ✓   |
|   | Entry Level 3 | ✓   |
|   | Level 1       | ✓   |
|   | Level 2       | ✓   |
| <b>Nationally approved Certificate in Adult Numeracy</b>  | Entry Level 1 | ✓   |
|   | Entry Level 2 | ✓   |
|   | Entry Level 3 | ✓   |
|   | Level 1       | ✓   |
|   | Level 2       | ✓   |
| <b>Nationally approved Certificate in English for Speakers of Other Languages Skills for Life</b>   | Entry Level 1 | ✓   |
|   | Entry Level 2 | ✓   |
|   | Entry Level 3 | ✓   |
|   | Level 1       | ✓   |
|   | Level 2       | ✓   |
| <b>Key Skills in Application of Number</b> – Delivered as part of the entitlement for full-time 16- to 18-year-old learners   | Level 1       | X   |
|   | Level 2       | X   |
| <b>Key Skills in Application of Number</b> – Learners aged 19 or over and for those learners aged 16 to 18 who are following a part-time programme  | Level 1       | ✓   |
|   | Level 2       | ✓   |
| <b>Key Skills in Communication</b> – Delivered as part of the entitlement for full-time 16- to 18-year-old learners   | Level 1       | X   |
|   | Level 2       | X   |
| <b>Key Skills in Communication</b> – Learners age 19 or over and those learners aged 16 to 18 who are following a part-time programme   | Level 1       | ✓   |
|   | Level 2       | ✓   |
| <b>GCSE English</b>   | Level 1       | X   |
|   | Level 2       | X   |
| <b>GCSE Maths</b>   | Level 1       | X   |
|   | Level 2       | X   |
| <b>Non-approved pre-entry and entry level literacy and numeracy learning aims</b> (based on the National Standards and Curriculum for Adult Literacy and Numeracy)  |               | ✓   |
| <b>Non-approved pre-entry and entry level English for Speakers of Other Languages learning aims</b> (based on the National Standards for Adult Literacy and English for Speakers of Other Languages Curriculum) |               | ✓   |

Source: Learning and Skills Council

#### NOTE

1 Learners who are assessed as being below the functional skills level (below Level 1 in literacy and below Entry Level 3 in numeracy) and who achieve a higher level qualification will count towards the 2020 target. Courses funded at a weighting of 1.4 are funded at a level 40 per cent higher than courses of a comparable size in other curriculum areas.



## APPENDIX FOUR

# The data system underlying the Public Service Agreement target for basic skills

1 The Public Service Agreement target for the Skills for Life strategy is to improve the basic skills levels of 2.25 million adults between the launch of Skills for Life in 2001 and 2010. In 2006, the data systems underlying this Public Service Agreement target were assessed by the

National Audit Office to be not fit for purpose.<sup>31</sup> The Department and the Learning and Skills Council have undertaken a number of actions to address the issues identified (**Figure 16**).

### 16 Data underlying the Public Service Agreement target for basic skills

#### Issues raised

**Technical note.** A number of adjustments are made to improve the quality of data for this target but none are referred to in the technical note. Specifically, there is no adjustment made for individuals who may already have achieved a comparable basic skills qualification prior to 2001 and this could be explained more clearly in the technical note.

**Repeat learner assumption.** A 10 per cent reduction is made on the total number of national learner achievements to take account of individuals who have achieved multiple qualifications in the period. This is based on work matching Individual Learner Records from a few years ago. With the large number of achievements delivered in the interim period, this assumption may be out of date.

**Jobcentre Plus and Prison Service data collection.** This data is based on the number of qualifications rather than number of individuals.

**Data publication.** There is currently no publication of Skills for Life data apart from in annual performance reports. A first statistical release is being considered by the Department.

#### Action to date

The technical note was amended in March 2007 to include details of the assumptions, changes to the curriculum and ownership of data sources since the target was created. These amendments have been agreed by HM Treasury and the amended note was placed on the website.

The Department has set up a project to match data for learners over the last four years across the Individual Learner Record, National Information System for Vocational Qualifications and the key skills dataset. The resultant dataset is currently too big for the system used by the Department, so the Department has commissioned the Fischer Family Trust to analyse it.

Jobcentre Plus clients and offenders who undertake Skills for Life courses now have Individual Learner Records, so recent data is based on individuals.

The Learning and Skills Council and the Department have commissioned a review of existing Statistical First Releases. The inclusion of Skills for Life data is being considered as part of this review.

#### Proposed further action

The Department plans to check periodically that the technical note remains up to date.

Analysis is being carried out by the Department to validate the results. A decision on whether the assumption is still valid should be made by end May 2008 and the Skills for Life outturn figures will be revised accordingly by early June 2008.

None.

Depending on the outcome of the review an assessment will be made of where Skills for Life reporting is most appropriate.

31 National Audit Office report: *Third validation compendium report*, HC 127 I and II Session 2006-07, December 2006.

## 16 Data underlying the Public Service Agreement target for basic skills *continued...*

### Issues raised

Other Issues identified by the Department

**Entry Level breakdown.** An individual's achievement is counted towards the target if they achieve at Entry Level 3, Level 1 or Level 2. In the past there has been no split of Entry Level qualifications. To calculate the target contribution, an assumption was made that two-thirds were at Entry Levels 1 and 2 and one third at Entry Level 3.

**Learners on individual learning units.** There are increasing numbers of learners enrolling on to units rather than full qualifications. The units themselves are not target-bearing aims, but a strategy is needed to ensure these learners are included in Skills for Life participation figures. This does not affect the target reporting.

**Participation miscoding on the Individual Learner Record.** There has been some miscoding in the Skills for Life participation fields meaning some courses have been counted in error. This does not affect the target reporting.

### Action to date

A new achievement grade outcome field was introduced to the Individual Learner Record in 2005-06, to ask providers where they have delivered a Skills for Life qualification at Entry Level to record if the learners' final achievement was at Entry Level 1, 2 or 3. This field was poorly completed. For 2007-08 a warning signal requesting providers to complete the field has been introduced. However, because the literacy qualification is not awarded at one level of entry, providers will have difficulty recording a final outcome grade which may still prevent 100 per cent accurate recording.

Work has been completed to create new codes for 2007-08 which can distinguish what units of approved qualifications are being completed in literacy, numeracy and English for Speakers of Other Languages.

Work has been completed to correct these errors.

### Proposed further action

Improvement in the completion of the Entry Level field will be monitored. New findings are not likely until achievement data for 2007-08 is returned. Early results will be examined by July 2008. The Learning and Skills Council plan to work with Qualifications and Curriculum Authority to influence the development of functional skills and ensure each qualification is accredited at each step of Entry Level – 1, 2 and 3 so learners can enrol onto a specific level.

Future Skills for Life analysis will include units of approved qualifications broken down into literacy, numeracy and English for Speakers of Other Languages.

The Skills for Life participation calculation will be revised by the Learning and Skills Council.

Source: National Audit Office fieldwork

## APPENDIX FIVE

### Engaging employers – good practice and the business benefits

**1** Colleges are increasingly working with employers to meet employers' needs (Case Example 4). Colleges are either employing a dedicated team to engage with and meet the training needs of employers including literacy, language or numeracy needs, or are using a specific Skills for Life team which undertakes a number of activities to tackle literacy, language and numeracy issues across the college including skills needs in work. In both cases common critical success factors include: building strong relationships with and specialist knowledge of individual businesses; providing solutions that are business-focused and at a time and place to suit work patterns and helping employers to see the benefits to the business of addressing literacy, language and numeracy need (Figure 17).

**2** The key challenge to engaging employers in skills training is getting them to recognise the business benefits of staff training. Case study examples of the business benefits are increasingly available, through organisations such as Business in the Community, Investors in People UK, the Trade Union Congress and Sector Skills Councils. This evidence shows that improving employees' literacy, language and numeracy skills can help employers address important workplace issues and improve productivity (Figure 18).

#### CASE EXAMPLE 4

##### **Solihull College – working with employers to meet their training needs**

Solihull College has a Skills for Life team comprising 25 full-time and 40 part-time staff and works with large companies such as Birmingham International Airport, the John Lewis Partnership, Land Rover and Royal Mail. The John Lewis Learning Mosaic project started in 2004 with a small literacy group and now Solihull College runs a number of discrete courses in literacy, numeracy, ICT and British Sign Language. It took over a year for the college to build up a strong relationship with the department store. To date, 300 John Lewis employees have taken up cross curricula learning opportunities and 106 have achieved Skills for Life qualifications.

These are key features of the project: the college's client manager had previous experience in retail; courses are undertaken before the store opens, in the John Lewis training centre; when the project was launched Solihull College ensured the marketing was in the style traditionally used by John Lewis; quarterly reports are produced for John Lewis containing a breakdown of provision, learner numbers and outcomes to illustrate the employee demand, progress being made and the project's business benefits.

John Lewis also now sponsors Solihull College's Recognition of Achievement awards for learners. The awards not only motivate learners but demonstrate the benefits of addressing literacy, language and numeracy needs in the workforce. Learners' comments on their achievements include the following: 'Since speaking at the Awards ceremony, I have had recognition, praise and support from my colleagues, managers and family' and 'I left the classroom on that first day, feeling as if I had just made it to the top of a mountain'.

*Source: National Audit Office fieldwork*

## 17 Good practice in providing employers with literacy, language and numeracy training

### Engagement

**Make an initial investment into building a strong relationship with the employer** – it may take time to get the employer on board.

**Get employers to recognise the business benefits of training** – using case examples from similar businesses.

**Engage all levels of the organisation** – including the Chief Executive, human resources and finance.

**Market the training in the company style** – focusing on learner motivations and involving taster sessions to build confidence.

**Encourage employers to reward and recognise success** – award evenings can help to motivate learners and demonstrate the benefits of Skills for Life to employers.

### Delivery

**Deliver at a time and place to suit the employer** – likely to be on site and may have to fit around shifts e.g. night-time courses.

**Ensure tutors fit with business** – for example have industry knowledge and have experience teaching on site.

**Provide business-relevant training** – adapt content to make relevant to business and/or provide embedded provision.

**Provide a solution that is adaptable to evolving business environment and new learning methods or technology** – type of provision may need to change as prime nature of business develops and learning methods or technology advances.

**Measure impacts** – develop quality systems to monitor, review and evaluate impacts.

Source: National Audit Office literature review

## 18 Improving employees literacy, language and numeracy skills helps employers address important workplace issues and improve business productivity

|  |  |
|--|--|
| Increased productivity                     | Increasing the skills of employees has enabled DHL Aviation to attract and retain good people increasing productivity rates by 12 per cent.  |
| Reduced wastage                            | The Co-operative Group's Centre of Excellence for Cleaning provides recognised qualifications including literacy and numeracy for its employees. This initiative has boosted loyalty and consistently raised cleaning standards such that the life cycle of fixtures and fittings on site has been extended (for example, the life span of carpets has doubled). |
| Cost savings                               | By improving the skills of existing drivers, Fowler Welch Coolchain has negated the need for on-site accommodation for new foreign drivers, saving £200,000; the initiative has also reduced the number of foreign drivers procured by foreign agencies, saving £248,000 a year in agency and interpreter costs.   |
| Health and safety (reduced accident rates) | Since introducing a skills check at induction, the number of reportable accidents during 2005 (in the areas where new starters were deployed) at Pirelli Tyres reduced by 35 per cent, minor accidents reduced by 16 per cent and the severity of accidents also reduced.  |
| Absence management                         | Pirelli Tyres' Lifelong Learning Centre has contributed towards reducing absence levels which has saved the company £300,000.  |
| Recruitment and retention                  | Providing workplace skills development helped FirstGroup plc, UK Bus Division save a minimum of £2.8 million (4.1 per cent of driver turnover) in recruitment costs.   |
| Increased staff morale                     | Norfolk County Services increased their staff satisfaction by 20 per cent. Feedback from staff surveys indicated that support with learning and development of literacy and numeracy skills played a key part in this improvement.   |
| Reputation management                      | Walkers Snack Foods' skills programme helped them become recognised as an employer of choice.  |
| Organisational culture and change          | Skills for Life helped VT Shipbuilding staff adapt to its new state-of-the-art facility and increased productivity by 20 per cent.   |
| Improved organisational relationships      | Since developing a successful workplace skills programme relations between Midlands Mainline management and the Rail Unions (the Associated Society of Locomotive Engineers and Firemen, the National Union of Rail, Maritime and Transport Workers and the Transport Salaried Staffs' Association) have been improved through having a common learning agenda.  |
| Leadership and management                  | On closure of its factory, Royal Doulton used Skills for Life to develop the skills of those leaving the industry, giving them the confidence to secure new employment.  |
| Improved competitiveness                   | Bradgate Bakery has been able to consistently meet production targets, ensuring the continuation of commercial contracts by attracting ethnically diverse employees and developing a learning culture within the organisation.   |

Source: National Audit Office literature review

# APPENDIX SIX

## Demand for and take up of numeracy courses

**1** This appendix presents the findings of research commissioned by the National Audit Office and carried out by LLU+ into the low demand for and take-up of numeracy courses. The LLU+ gathered the views of a cross-section of those involved in this area of work – managers, teachers, workplace representatives, learners and those who could be learners.

### Supply-side issues

**2** The research found that numeracy provision is generally delivered on a smaller scale than literacy provision. Factors that may be contributing to this are: the organisational grouping together of literacy and numeracy as Skills for Life may have resulted in a loss of identity for numeracy; a lack of specialist representation at middle and senior management level may impact on the nurturing of numeracy provision and capacity; and the promoting and marketing of adult numeracy courses by providers is neither innovative nor inspiring.

**3** A key perception is that there are not enough numeracy teachers to meet a surge in demand for numeracy if the proposed numeracy campaign is successful. There are less numeracy specialist teachers and teacher educators compared with literacy and English for Speakers of Other Languages. However, this picture varies regionally, for example in East of England, the establishment of a specialist Maths Centre has raised the profile of adult numeracy and built up capacity. In addition, there are fewer full-time posts for numeracy than for literacy.

### Demand-side issues

**4** Public and popular perceptions of maths and numeracy formed the basis of many responses, ranging from apathy, “its not essential”, to phobia. Respondents talked of people being ‘scared’ of numeracy and that maths is seen as a ‘difficult’ subject. Interestingly, the same reactions are likely to come from curriculum leaders, managers and non-numeracy teachers as they are amongst learners.

**5** Evidence from the research confirms that adults are more likely to engage with maths when it is relevant to managing finances (financial literacy), work-related learning (embedded numeracy provision) and most popular of all, linked to helping children with maths (range of family maths programmes). The names of courses, such as numeracy or basic maths, may put people off. Suggested alternatives included: ‘managing money better’, ‘organising your time’ and ‘maths in your home’.

**6** The main barriers to learning suggested by managers, teachers and learners were: a lack of time or other priorities; prior negative experience; feelings of inadequacy or low self-worth; lack of relevance of programmes and courses; lack of information; funding issues and lack of accessible provision.

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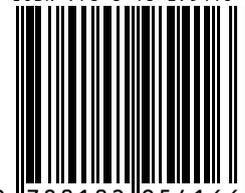
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