



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



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.¹

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.

¹ 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 1.² For offenders in prison engagement with learning and skills provision is voluntary and runs alongside a number of activities prisoners undertake. Our recent report³ 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.⁴

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.

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

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

⁴ 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)⁵ 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.

⁵ 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.