



## **Community Learning financial strategies and “pound plus” implementation: an assessment by the HOLEX National Office**

### **SUMMARY OF KEY FINDINGS**

**September 2015**

Since August 2013, the SFA has required community learning providers to work in partnership with other learning providers, local services and organisations to agree a relevant, customised community learning offer. The *2013 - 2016 Skills Funding Statement* stated that “the SFA will continue to offer a contribution to the overall cost of delivering community learning” and that “providers will be expected to add value to this public contribution...”. Those offering community learning have been required to lever-in additional funding (e.g. through fee income, sponsorship, grants, funding from other government departments and/or commercial sales) and to secure savings (e.g. from contributions in kind, volunteer activities, sharing services and/or pooling resources). This approach is known as “Pound Plus”. The policy objective has been to widen participation in learning by ensuring as much funding as possible is targeted at enhancing opportunities for those experiencing social and/or economic disadvantage.

In light of this policy context, and following a national survey on Pound Plus activity in 2013/14 (RCU, November 2014) and a wider study of community learning reform implementation (HOLEX, March 2015), the HOLEX National Office approached some 50+ providers for insights into their financial strategies. The range of (in cases detailed) evidence presented in response shows, in summary that:

- the Pound Plus approach is gaining traction and community learning funding allocations are being used to generate a growing volume of additional resource year on year
- the impact of re-investment of Pound Plus on the community, and especially on those most disadvantaged, is significant. Many are being supported/learning skills specifically

pertinent to gaining some sort of employment, to help them progress to other study and/or to allow them to support the learning of their children more effectively

- Pound Plus and wider financial strategies have also led to the development of new curriculum opportunities (especially a focus on physical and mental health), an expansion in outreach work and the upgrading of learning facilities and equipment
- the methodology devised by RCU for calculating Pound Plus is now widely adopted, and several providers are developing time-series data to show how their implementation of this aspect of the community learning reform agenda is progressing; we suggest BIS consider commissioning collation and publication of this data on an annual basis to secure national benchmarks which can then be used by providers to set improvement targets/identify best practice
- approaches to increasing provider revenue typically include a combination of fee income (the primary source of Pound Plus income), sponsorship, funding from other government sources, successful tenders and grant applications, together with revenue from the sale of products and services outside the main programme offer
- cost savings are typically generated primarily by contributions in kind (especially free or reduced-charge access to accommodation and equipment), the setting up of self-organised learning groups, enhanced use of volunteers, adoption of “shared services” approaches and the efficiency gains generated by more co-ordinated local planning
- Pound Plus is being systematically incorporated into providers’ wider financial strategies, which are themselves becoming more robust
- local commissioners are including Pound Plus expectations in their procurement and monitoring practices
- there is some increase in the provision of higher-cost “leisure learning” courses to generate income, but limited other evidence of commercial trading or sponsorship
- local fee policies offer concessions or full fee remission to priority groups undertaking general community learning programmes, but local practice is variable
- provision targeted at “disadvantaged” learners is generally offered at no or low cost
- community learning fee policies are reviewed on an annual basis, but the outcomes vary

- internal cross-subsidy is commonplace, with increased fee income from the general programme being used to develop and expand targeted work; market sensitivity however suggests this is not a sustainable long-term financial strategy
- local authority service planning and financial strategy is itself informed and focused by corporate Council goals and targets
- service managers in local authority settings are not free agents; however, a number of such providers are developing and implementing robust, multi-dimensional approaches to maintaining a viable financial position while flexing service activity to meet community learning reforms
- challenges to the implementation of Pound Plus, though still present, are fewer in number and are being progressively resolved; concerns raised relate primarily to the uncertainties around public funding and how it is administered, certain local authority working practices, and the mechanics of partnership working. We suggest there may be scope for discussion with Treasury, SFA and LGA on these matters.

Further information on this study, and a copy of the full report, is available from Charlie McKenna at [charlie.mckenna@holex.org.uk](mailto:charlie.mckenna@holex.org.uk).

Information on HOLEX can be found at [www.holex.org.uk](http://www.holex.org.uk); alternatively, please contact HOLEX Operations Officer Charlie McKenna at [charlie.mckenna@holex.org.uk](mailto:charlie.mckenna@holex.org.uk).