



## Aide-Memoire: Rationale for ACE in Communities 'Digital Literacy – Computers in Homes' 2020 funding decisions

<b>To:</b>	Hon Chris Hipkins, Minister of Education
<b>Copy:</b>	Hon Tracey Martin, Associate Minister of Education
<b>From:</b>	Gillian Dudgeon, Deputy Chief Executive, Delivery
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### Purpose

1. This aide-memoire provides you with further information on the approach we took to fund Adult and Community Education (ACE) in Communities 'Digital Literacy – Computers in Homes' programmes for 2020. This follows our fortnightly update to you dated 10 March 2020.
2. We will proactively release this aide-memoire with any information withheld in accordance with the Official Information Act.

### Computers in Homes supports digital inclusion

3. Our Computers in Homes programmes require providers to support learners with digital literacy and inclusion by:
  - providing them with access to digital literacy training
  - providing a device (PC or laptop) in the learner's home that they can keep
  - subsidised internet, and
  - technical support for up to six months after the programme has finished.
4. We allocated \$1.0 million in 2019 for Computers in Homes across six providers. All of the 2019 providers met their target learner numbers of a total of around 770 places.

### We considered three options for allocating 2020 funding

5. The three possible approaches to allocate 2020 Computers in Homes funding were:
  - *Approach 1:* Re-negotiate contracts with current providers, including negotiating additional expectations for outcomes and areas of focus.
    - If there remained any funds at the conclusion of negotiations, we would then consider whether to increase funding to existing providers, and/or open a contestable round to other providers to allocate any remaining funds.
  - *Approach 2:* Roll over current agreements with providers without changes.
  - *Approach 3:* Run another contestable round.

6. Approach 1 was considered to be the most appropriate approach when considering the short time the initiative had been in place and the scale of funding.
  - Computers in Homes commenced in 2019, and existing providers had invested in the establishment and delivery of the programme in a relatively short time frame.
  - These providers had developed experience and capability to deliver the programme in this period, developed a pipeline of future learners, and had also achieved their delivery targets for the year.
  - We considered rolling over current agreements (*Approach 2*), however this would not allow for wider delivery areas or additional expectations.
  - We considered that opening a new contestable round (*Approach 3*) for the delivery of 2020 Computers in Homes would likely disrupt the momentum and capability that had been developed through 2019, and subsequently contribute to poorer outcomes for learners.
  - We considered the risk that unsuccessful applicants from 2019 would be disappointed they did not have an opportunity to apply for 2020 funding. However, on balance we considered that this risk was outweighed by the benefit of supporting the momentum that had already been established by the programme.
7. We have renegotiated with current providers and will provide them with funding in 2020 at the same value of their 2019 Computers in Homes contracts. This was different to *Approach 2* as we managed to move some delivery to Palmerston North in collaboration with the Ministry of Education (MoE). A table detailing the 2020 funded providers is in *Appendix A*.
8. Further information on Computers in Homes funding is provided in *Appendix B*.

### **The majority of current providers wanted to expand their delivery due to the success of the programme**

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9. We engaged with the six 2019 providers to gauge their interest in delivering Computers in Homes in 2020, and to negotiate a new delivery site in Palmerston North.
10. All providers asked for their 2019 funding, and most providers asked if there was capacity to fund more places due to the programme being successful to date. However, under current settings there is no additional funding available for 2020.
11. Providers also informed us that whilst the programme focuses on digital literacy, it is also supporting meet wider learner needs, including:
  - building learner confidence
  - interest in further education
  - confidence to apply for jobs, and
  - supporting other family members.

## **The Ministry of Education supported our approach to funding decisions**

12. Extending Computers in Homes delivery to Palmerston North also aligns with the Ministry's work on Equitable Digital Access for Students. The MoE worked with us in negotiating with the 2020 Trust to expand some of its Computers in Homes delivery to the Palmerston North region.

## **Our approach meets procurement and legal obligations**

13. As a funder of education delivery, we are exempt from Government rules of procurement – however, we still follow best practice and fit-for-purpose procurement processes to ensure that we are transparent in our decision making and get the best possible value from our investments.
14. The approach taken to renegotiate with current providers is consistent with our approach to procurement and meets our legal obligations.

## **Future funding for Computers in Homes**

15. Computers in Homes funding is appropriated until December 2020 only. Funding for later years is proposed for Budget 2020 once there is more certainty of funding beyond 2020 for Computers in Homes, we will reconsider our approach to selecting providers to fund.



**Gillian Dudgeon**

Deputy Chief Executive, Delivery  
Tertiary Education Commission



**Hon Chris Hipkins**  
Minister of Education

8 / 4 / 20

## Appendix A: Computers in Homes allocations for 2020

Organisation	2020 funding (GST excl.)
Horowhenua Learning Centre	\$30,000*
Literacy Taupō Inc	\$40,000
Porirua City Community IT Educational Trust	\$100,000
Target Training Centre	\$134,400
Capital Training Ltd	\$199,800
2020 Communications Trust	\$495,800
<b>TOTAL FUNDING</b>	<b>\$1,000,000</b>

\* Horowhenua Learning Centre requested, and was granted, an additional \$50,000 in 2019 for Computers in Homes provision from the general ACE in Communities fund.

## **Appendix B: Background on Computers in Homes funding**

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### **Cabinet approved up to \$1.0 million to restore Computers in Homes programmes**

1. In June 2018 Cabinet approved up to \$1.0 million of underspends from Vote Tertiary Education in the 2017/18 year for Computers in Homes programmes for 2018/19. Cabinet noted that ongoing funding for strengthened Computers in Homes programmes would be considered as part of Budget 2019.
2. In July 2018 the Associate Minister of Education announced that a TEC contestable fund of up to \$1.0 million would be established to restore Computers in Homes programmes.
3. It was decided that Computers in Homes programmes funded by us would align with the previous programme funded by the Ministry of Education. The earlier programme aimed to support digital inclusion by providing participants with access to informal digital literacy training to increase skills and confidence in the use of computers.

### **There was significant interest in 2019 funding**

4. Computers in Homes funding applications were considered by TEC assessors and a review panel late in 2018. The applications had to meet published criteria.
5. We received 19 applications from 17 different providers, requesting a total of \$4.7 million. Of these, six providers were successful.

### **Budget 2019 approved a further \$1.0 million**

6. Budget 2019 announced that a further \$1.0 million would be available for Computers in Homes type programmes for 2019/20.
7. The TEC is requesting \$500,000 to be transferred at the March Baseline Update (MBU), so funding is available for the full 2020 calendar year.
8. Currently there is no guarantee that this funding will be extended past 2020.