

Leicester  
City Council

**WARDS AFFECTED**  
All

**FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:**  
Cabinet

**23 July 2007**

---

**BRIEFING ON THE STRATEGIC DIRECTION OF THE ADULT SKILLS AND LEARNING SERVICE**

---

**Report of the Corporate Director for Adults and Housing**

**1. Summary**

- 1.1 The purpose of the report is to brief the Cabinet on the strategic direction of the Adult Skills and Learning service to 2010 and make recommendations on the immediate issues facing the service.

**2. Recommendations**

- 2.1 The cabinet is requested to endorse the three main aims of the development plan, which is required as a condition of funding by the Learning and Skills Council and the following associated actions:
- 2.1.1 The cabinet should endorse the actions being taken to tackle the 'notice to improve' outlined in section 1.6 of the supporting information.
- 2.1.2 The cabinet should follow the national guidance from the Learning and Skills Council to introduce a fee of £1.98 per hour on ESOL courses in line with national policy and to match the decision taken by the governing body of Leicester College but should implement it with appropriate care for staff and learners.
- 2.1.3 The cabinet should endorse the actions to maximise the support provided for those who cannot afford to pay the fees including the allocation of a specific learner support fund with Leicester College as outlined in section 1.9 of the supporting information.
- 2.2 The cabinet should seek a further report in the autumn to examine the overall position of Adult Learning across all sectors of Leicester with a view to our strategy being implemented by Academic Year 2008/09.

### 3. **Headline Financial and legal Implications**

#### 3.1 **Financial Implications**

This Service is funded from a variety of sources and some of the funding is volatile. Nevertheless, it is required to operate within its set budget. Cabinet's decision or introducing fees (recommendation 2.1.2) will have an impact on this as will the Service's ability to bring in additional funding and cope with a variety of financial pressures.

Rod Pearson (Head of Finance) Ext. 29 8800

#### 3.2 **Legal Implications**

There are no legal Implications arising from this report.

Guy Goodman (Head of Community Services Law) Ext. 29 7054

### 4. **Report Author/Officer to contact:**

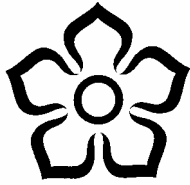
Name: Chris Minter

Job Title: Head of Adult Skills & Learning

Extension number: 39 4381

e-mail address: [chris.minter@leicester.gov.uk](mailto:chris.minter@leicester.gov.uk)

<b>Key Decision</b>	No
<b>Reason</b>	N/A
<b>Appeared in Forward Plan</b>	N/A
<b>Executive or Council Decision</b>	Executive (Cabinet)



Leicester  
City Council

**WARDS AFFECTED**  
**All**

**FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:**  
**Cabinet**

**23 July 2007**

---

**BRIEFING ON THE STRATEGIC DIRECTION OF THE ADULT SKILLS AND LEARNING  
SERVICE**

---

**SUPPORTING INFORMATION**

**1. Report**

- 1.1 The service that was inherited by Adults and Housing in 2006 faced the following problems:
  - 1.1.1 A lengthy internal review (the conclusion of which was the subject of a previous cabinet report in March 2007), which with its long process of devising a proposed structure, slotting-in list and appeals had given rise to a period of uncertainty that had affected the morale and confidence of staff in both the previous Local Authority Adult Learning Service and in Leicester Adult Education College.
  - 1.1.2 A loss of £600,000 funding from the Learning and Skills Council in 2006/07 compared to 2005/06 and a situation of dependency where the funding from the Learning and Skills Council made up over 90% of the budget.
  - 1.1.3 A reduction in learners participating in the service from £15,964 in 2005/06 to only £11,652 in 2006/07.
  - 1.1.4 A lack of attention to quality in the service that has led to the imposition of a 'notice to improve' from the Learning and Skills Council.
- 1.2 The new Service is not directly funded by the City Council but is a public service that receives its funding from the Learning and Skills Council which restricts our local determination for the service. Like FE Colleges we are subject to national guidance and this can put the service into a position where our decision-making is determined by national decisions, which could be difficult to implement locally. An example of this would be the current position with English for Speakers of Other Languages outlined in section 1.9 of this report.

1.3 As a result of this our major focus, as determined by the Learning and Skills Council as the funding agency, is gradually being moved onto support for skills and employment and away from any sense of 'leisure' learning. However in the new strategic plan this service is balancing that agenda in a way that seeks to reflect the wider needs of the people of Leicester as well as a narrow economic perspective.

1.4 The Adult Skills and Learning Service that has emerged from the merger between the Local Authority Adult Learning Service and Leicester Adult Education College now has the support for the skills and employment agenda as its main driver and in addition it has the following three main aims, which are underpinned by eight priorities:

**1.4.1 Contribute to safer and stronger communities**

- Families and parenting, linked to Every Child Matters and Respect Agenda.
- Support for vulnerable adults, especially those recovering from drug and alcohol abuse or from a history of offending; those who are homeless or who have mental health problems.
- Support for the skills & employment agenda, especially linked to the City Strategy pilot for Leicester City.

**1.4.2 Invest in the future**

- Attract, develop and retain high performing staff.
- Provide a sustainable and local network of community venues for learning across the city.
- Ensure a sound financial base and effective & efficient business systems.

**1.4.3 Promote intercultural understanding**

- Provide high quality skills and learning activities to bring together diverse groups and individuals to increase intercultural understanding.
- Support individual learners and communities to take control of their own learning.

1.5 To take forward this agenda the Service is now structured into three branches each of which have service targets to achieve:

**1.5.1 Systems and finance** – accountable for performance on financial health; financial control and use of resources and with targets for 2010 to:

- Achieve annual fee income targets of £350,000.
- Make annual efficiency savings of £5,000.
- Increase to 85% the percentage of our tutors qualified up to level 4.

**1.5.2 Curriculum effectiveness** – accountable for performance on quality of provision and quality of outcomes and with targets for 2010 to:

- Embed 50% of Family Learning into joint work on parenting with extended schools and children's centres.
- Increase the number of learners on skills and employment courses to 500.
- Increase funding from employers to 1% of our total budget.

1.5.3 **Learner responsiveness** – accountable for performance on identifying the learning that is needed across the communities of the city and with targets for 2010 to:

- Gather and act upon the views of 75% of our learners.
- Increase overall learner numbers to 15,000.
- Increase the number of vulnerable adults supported to 1,000.

1.6 In addition we have received a ‘notice to improve’ from the Learning and Skills Council (LSC) which means that to continue to receive funding for accredited courses (approx. 40% of our current funding) we have had to set targets for everyone in the service of reducing the percentage of our courses not meeting the required success rate to 45% for long courses and 55% for short courses by March 2008 and we have set a target to reduce the percentage for all courses to 30% by 2010, which should bring us into line with the majority of FE Colleges.

1.6.1 To achieve this challenging target we have an action plan including the following:

- Entered into partnership with Leicester College who are supporting us, especially with the data that we submit to the LSC.
- Reassigned an existing member of staff to have a full-time focus on the implementation of the agreed action plan across the whole service with the full support of the senior management team.
- National advisors will support us from July with 62.5 days of consultancy that has been agreed with the LSC and the Quality Improvement Agency (QIA).

## 1.7 Finances – now agreed with LSC for 2007-08

1.7.1 The reduction in our budget reflects a national reduction that has been passed on through regional and local offices of the LSC. In order to achieve our 2010 target of increasing our number of learners back up to 15,000 we will have to seek additional sources of funding over the next three years. The transfer of funding from PCDL to First Steps and Neighbourhood Learning in Deprived Communities (NLDC) also shows that the LSC want us to prioritise skills & employment and also increase our support for vulnerable adults. Whilst this funding will mean that we can now pay our staff we will also be developing new commissioning arrangements with the voluntary and community sector to increase their ability to provide holistic support for those who need it most across the city.

LSC allocation	2006-07	2007-08
Accredited Learning	£2,274,422	£1,857,933
Personal & Community Development Learning (PCDL)	£2,414,051	£1,704,399
Family Learning	£348,000	£348,000
First Steps		£532,625
Neighbourhood Learning in Deprived Communities		£456,048
Total:	£5,036,473	£4,899,005

## **1.8 PCDL Partnership for Leicestershire and Leicester City**

1.8.1 To help us raise further funding we are now part of a partnership that covers the City and the County that will bring together regional and sub-regional funding agencies, including e.g. Arts Council East Midlands, Sport England, Regeneration East Midlands, Leicester Partnership, Job Centre Plus with all Adult Learning providers, including those from the voluntary and community sectors, so that we can increase the funding brought into the City and County to support PCDL. Our main priority will be to work with colleagues in Culture and Regeneration to support intercultural activities across the city that lead to greater participation and achievement in languages, arts and active citizenship.

## **1.9 English for Speakers of Other languages (ESOL)**

1.9.1 Due to unsustainable demand for ESOL the then Department for Education and Skills (DfES) decided to remove the national fee remission for ESOL courses with the assumption that learners should pay fees for their courses. However this does not impact neatly across the country and it will impact particularly harshly upon Leicester City where Leicester College and the City Council Adult Skills and Learning Service provide for 5,384 learners (approx. 33%) of the 15,197 ESOL learners in the East Midlands Region. However according to our impact assessment approximately 50% of our anticipated enrolments will still be eligible for fee remission. The hardship fund provided by the Learning and Skills Council should also support those in low paid employment and dependant women. The only residents who would be paying the fees would be those who are already in employment.

1.9.2 The Learning and Skills Council expect the City Council Adult Skills and Learning Service to introduce the same fee for ESOL courses as Leicester College of £1.98 per hour. If the service does not introduce this fee then this could result in a reduction of funding available of up to £300,000 in our £1,200,000 budget for ESOL next year. The more serious damage from not introducing the fee would be that we would be out of alignment with our key partners that could destabilise the overall provision of adult learning across the city.

1.9.3 Given the reality that speaking English is a major part of community cohesion in Leicester and that it is a major barrier to employment for BME communities then it is likely that we should seek to:

- Continue to argue with the LSC for some targeted support for ESOL in Leicester, and specifically for increases to the learner hardship fund to provide assistance in the support of dependent women and for those who cannot afford to pay the fee.
- Bid for funding from the Deprived Areas Fund through the City Strategy to provide innovative ESOL to support BME residents into employment or more sustainable employment.
- Explore the possibilities of allocating some funding from the Neighbourhood Learning in Deprived Communities to boost the learner support funds for residents in specific areas of the city.

1.9.4 Leicester College have already agreed to impose a fee upon ESOL in line with national guidance and we propose to work with the College on a citywide approach to explaining the changes in funding of ESOL; to joint marketing and the development of criteria and allocation of a city-wide learner support fund to support those who cannot afford the fees. However in principle, we should not place our staff in a vulnerable position in trying to collect fees from those who cannot afford to pay nor should we exclude any ESOL learner who cannot pay the fees as this could seriously damage the culture of learning in the city needed to raise our skills base.

## 1.10 Financial Pressures

Whilst we have now stabilised the post-review finances and can afford the current staffing structure for this financial year, by 'freezing' some of the posts that remained vacant, there remain some financial implications for the future of this service that we need to take note of.

1.10.1 The change in strategic direction should enable the Service to reduce the risk of any further financial cuts from the Learning and Skills Council by focusing funding to support the skills and employment agenda across the city.

1.10.2 There are currently three potential financial pressures on the service for 2007-08:

- If the City Council opted not to introduce a fee onto ESOL courses this could cause an estimated overspend of up to £300,000 due to lost funding from the removal of fee remission. If we did introduce the fees and were unable to collect them then we could incur a shortfall in expected income of up to £150,000 given that the majority of learners would be eligible for fee remission due to being on benefits.
- We will have to retrain our existing workforce to meet new needs that will mean a demand for more flexibility and higher quality. We will also be moving from a direct delivery role involving our own tutors to include some commissioning of the voluntary and community sectors which will mean fewer tutors and we will need other staff to support capacity-building for voluntary and community sector organisations.
- As a consequence of the merger with the Leicester Adult Education College we need to connect up the site in Wellington Street. Corporate IT services have advised that this will cost an estimated £36,000 to carry out the necessary re-cabling and networking. At present we only have a £32,000 capital budget for this year from the LSC, which also has to cover the physical adaptations to the building to accommodate learners and staff from the REMIT/REACH projects who are being relocated into Wellington Street from the Watershed. This is likely to cause a potential overspend of £20,000.

## **2. FINANCIAL, LEGAL AND OTHER IMPLICATIONS**

### **2.1. Financial Implications**

This Service is funded from a variety of sources and some of the funding is volatile. Nevertheless, it is required to operate within its set budget. Cabinet's decision on introducing fees (recommendation 2.1.2) will have an impact on this as will the Service's ability to bring in additional funding and cope with a variety of financial pressures.

Rod Pearson (Head of Finance) Ext 29 8800

### **2.2 Legal Implications**

There are no legal implications arising from this report.

Guy Goodman, (Head of Community Services Law) Ext 29 7054

## **3. Other Implications**

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting information
Equal Opportunities	<b>Yes</b>	<b>1.9 Introduction of Fees for ESOL Provision</b>
Policy	<b>Yes</b>	<b>1.9 Introduction of Fees for ESOL Provision</b>
Sustainable and Environmental	<b>No</b>	
Crime and Disorder	<b>No</b>	
Human Rights Act	<b>No</b>	
Elderly/People on Low Income	<b>Yes</b>	<b>1.9 Introduction of Fees for ESOL Provision</b>

## **4. Background Papers – Local Government Act 1972**

Adult & Community Services Scrutiny Report, 21 March 2007 – Proposed Funding Changes for ESOL Provision

Raising our Game – LSC Annual Statement of Priorities 2007-08, p25

LSC Funding Rates - Changes for 2007/08, para. 25.

## **5. Consultations**

With LSC and Leicester College regarding local implementation, communication and Learner Support Fund.

## **6. Report Author**

Name: Chris Minter

Job Title: Head of Adult Skills & Learning

Extension number: 394381

e-mail address: [chris.minter@leicester.gov.uk](mailto:chris.minter@leicester.gov.uk)