



Wards affected

All Wards –corporate issue

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Cabinet

27th September 2004

SCRUTINY REFERRAL OF THE PREMISES REVIEW REPORT

REPORT OF THE CORPORATE DIRECTOR OF EDUCATION AND LIFELONG LEARNING

1. PURPOSE OF THE REPORT

- 1.1. This report sets out the comments of the Service Director Lifelong Learning and Community Development regarding the decision by the Education and Lifelong Learning Scrutiny Committee to refer the progress report on the premises review to Cabinet.

2. SUMMARY

- 2.1. The Education and Lifelong Learning Scrutiny Committee, at its meeting on 14th September 2004, considered a report on the premises review which set out the current position and the proposed approach to consultation and preparation of proposals. The scrutiny committee also heard representations from members of the public regarding the position of Highfields Youth and Community Centre. Finally the committee took the opportunity to debate wider issues associated with the divisional organisation review.
- 2.2. Following the debate the scrutiny committee passed the following resolution: “That the Cabinet be asked to stop the Premises Review and Divisional Organisation Review with immediate effect and to reinstate those made redundant” and “That the whole issue of premises and organisational reviews be considered together”. In addition the committee requested a report be brought back to its meeting on 7th October outlining the impact of the reviews on staff and service users.
- 2.3. The Divisional Organisation Review commenced in September 2003 and involved the creation of a series of specialist services from the existing largely generically managed service. The premises review arose from the council’s three year budget strategy which was agreed

in February 2004 and requires reductions in the revenue requirement of the Division's premises in the order of £650,000 over the next three years.

- 2.4. The proposals for the structure of the service was consulted on from February until May earlier this year. Towards the end of the consultation, further consideration was given to the need to strengthen the community services element of the proposals. This resulted in an increase in the number of Facility Managers in the service and a strengthened role for them in linking with local communities.
- 2.5. The Service Director Lifelong Learning and Community Development sets out, in the supporting information an analysis of the risks associated with stopping the organisation and premises reviews at this point and advises that there is little to be gained and much to be lost if this course of action is followed.

3. RECOMMENDATIONS

The Cabinet is asked to:

- a) Note the Service Director's comments regarding the referral of the premises review report.
- b) Confirm the implementation of the Divisional Organisation Review under powers delegated to the Corporate Director.
- c) Confirm the process set out in the progress report on the premises review as the strategy for developing proposals for consideration by Cabinet.

Financial and legal implications

- 3.1. The halting of the implementation of the Divisional Review may well impact upon the contractual rights of current and former members of staff with adverse consequences for the Council (Guy Goodman, Assistant Head of Legal Services – ext 7054).
- 3.2. The Education & Lifelong Learning Departmental Revenue Strategy for 2004/05 – 2006/07 requires savings from the premises review of £112,500 in 2004/05 rising to £638,500 by 2006/07.
- 3.3. If the savings set out in the Council's Budget Strategy are not achieved this will create a revenue budget pressure for the Department. Any revenue gap will need to be closed either by compensatory savings or a review of the strategy.
- 3.4. Further consideration of the financial consequences of the risks covered in the report is needed (David Wilkin, Head of Education Finance, ext 7750).

Report author/officer to contact

John Crookes, Service Director, Lifelong Learning and Community
Development 2527703



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SUPPORTING INFORMATION

1. REPORT

- 3.5 The Education and Lifelong Learning Scrutiny Committee, at its meeting on 14th September 2004, considered a report on the premises review which set out the current position and the proposed approach to consultation and preparation of proposals. The scrutiny committee also heard representations from members of the public regarding the position of Highfields Youth and Community Centre. Finally the committee took the opportunity to debate wider issues associated with the divisional organisation review.
- 3.6 Following the debate the scrutiny committee passed the following resolution: “That the Cabinet be asked to stop the Premises Review and Divisional Organisation Review with immediate effect and to reinstate those made redundant” and “That the whole issue of premises and organisational reviews be considered together”. In addition the committee requested a report be brought back to its meeting on 7th October outlining the impact of the reviews on staff and service users.

The Divisional Organisation Review

- 3.7 The Service Director, Lifelong Learning and Community Development, would like Cabinet to consider the following points in relation to the resolution requesting the Divisional Organisation Review to be halted.
- 3.8 This review of the Division began in September 2003 and arose from a consideration of the context within which the Division was now operating. The broad proposal was to move from the then predominantly generic management of the service to one where there was a group of specialist services responsible for adult learning, youth, early years and community

services. The protocol for organisational change did not require Cabinet approval as the review did not involve change at Service Director or Corporate Director level and was therefore delegated to the Corporate Director. Throughout the process the Corporate Director has consulted with the relevant Cabinet link and continued to exercise his delegated authority.

- 3.9 The Education and Lifelong Learning Scrutiny Committee requested a report on the review to be presented to its November meeting. This resulted in a call to the Corporate Director to halt the review and that a working group be established to consider the matter in more detail. The Cabinet, at its meeting on 15th December, in its consideration of the adult learning plan also resolved that “the associated review of Lifelong Learning and Community Development, be conducted to completion with utmost urgency and no delays”.
- 3.10 The restructuring of the senior management team was completed by the end of December and, after a pause to allow debate within the Scrutiny working group and for feedback to be received, proposals for the remainder of the review were put forward in February 2004. These were consulted upon using the council’s protocol for organisation review and change. Following the completion of the consultation period final proposals were then used as a basis for commencing the post-filling process. Throughout this process and subsequently there have been a series of active consultations with the Cabinet link about the proposals.
- 3.11 The post-filling process continued over the summer period. Currently just over 100 staff have been moved into posts in the new structure and are in the process of taking on their roles in the new services. The principal area of post-filling that remains is in Community Services and administrative posts in the services. There are also a number of new posts that are vacant because there were no slotting rights for existing staff. These posts are currently being advertised.
- 3.12 The cabinet link in his consultation meetings with the Corporate Director and Service Director has provided some important feedback on a number of points of concern and these have been taken on board. The concerns and the officer response is set out below.
- 3.13 **Giving an appropriate emphasis to community services:** The budget strategy agreed by the council in February 2004 placed community services on a largely zero budget base. This has meant that the range of premises that could be sustained, the charges for access to facilities and the number of staff that could be afforded were all under pressure. Following further consultation with the Cabinet link the premises review is now being conducted with a view to keeping all premises open but securing additional income to enable them to continue to operate. As a result of this change in emphasis the organisation review proposals for community services were altered to enhance and strengthen the service. A number of additional facility managers will be required who will be the local point of presence for the service with local communities. Three Community Services Managers will also be appointed as a result of the

need to manage a larger service and ensure engagement with local area committees, this is an increase of two staff from the original proposals.

- 3.14 **Staffing at local centres and movement of staff around the city:** Most specialist managers have been moved to locations in the city where they can form balanced and experienced teams. However staff slotted into facility manager, premises officer and administrative posts will, more often than not, remain in their current building. The existing frontline workers such as early years workers, part-time youth workers and adult tutors are not affected by this review and so will also continue in their existing workplace. The net result should be an appropriate balance between the need for continuity and recognisable faces and the needs of a city wide service.
- 3.15 **The potential detachment of area managers from local issues:** The area managers for each service are moving into post this month. Their first priority will be to ensure the local teams are working together effectively and delivering high quality services. They will then begin engaging with local ward members and other local partnerships. The area managers will welcome opportunities to attend area committees to talk about their service and receive feedback on local issues, priorities and concerns.
- 3.16 It is also important for Cabinet to take into account the wider context within which these services are developing.
- 3.17 **External inspection:** It should be noted that the recent inspection of the adult learning service gave support to the overall strategic direction of the service in meeting the needs of adult learners in Leicester. The recommendations for further improvement contained in the report especially in relation to curriculum leadership and quality assurance coincide exactly with the proposals for creating the service. This is a key endorsement of both the quality of leadership in the adult learning service but also of its strategic view to secure an improving service. The youth service is to be inspected by OFSTED in December and it is to be expected that similar questions about strategy and quality of provision will be asked.
- 3.18 **The drivers for change:** The decision to specialise services was not taken lightly given the relatively recent creation of the Division. The changes that have been undertaken over the past year have been wide-ranging and deep. However the reasons for change remain as pressing – the direction of travel for the services in the Division may well be different over the coming years. The Children’s Federation will be looking to take forward its key strategies with the early years service especially centrally involved in leading the Children’s Centre Strategy. The forthcoming Green Paper on youth services will expect a council wide and inter-agency response to meeting the needs of 13-19 year olds. There are many opportunities for greater synergies between adult learning and libraries. Finally the role of community services will need to be clarified especially in relation to meeting the needs of elderly people and disadvantaged groups. Taken together these point to a need for continuing change and improvement within each service. It is therefore imperative to complete the implementation of the DOR in order to focus on service improvement.

- 3.19 Scrutiny in its resolution sought Cabinet approval for a halt to the organisation review. The Service Director's comments on this request are set out below in the form of a risk assessment.
- 3.20 **Human resources risks:** over 100 staff have now been appointed into the new structure. There is a high risk that staff would sue for breach of contract if the review was halted and the status quo remained. A number of staff have now left the service either through securing jobs elsewhere or through voluntary redundancy and early retirement. These staff will not come back so there will be key gaps in the old structure to fill.
- 3.21 **Budget risks:** the Division will still have to meet the budget savings requirement agreed in February. Redundancy selection criteria as opposed to organisation review procedures will have to be used to achieve the necessary reduction in staffing. This may generate additional pressures on a staff group that has been through a long and complex process of restructuring. In year service reductions may also need to be made in order to meet the budget requirement.
- 3.22 **Inspection risks:** there is an increased risk of an adverse outcome to the youth service inspection due to the difficulties in delivering the commitments made in the council approved youth service plan. The re-inspection of two weak curriculum areas in the adult learning service will reveal a failure of the service to implement the required curriculum leadership and quality strategies triggering potential concerns from the Adult Learning Inspectorate and a potential early re-inspection.
- 3.23 In summary therefore the Service Director's response to the request from Scrutiny to halt the review is that the concerns expressed in the later part of the consultation have been addressed and that the wider picture envisages further change and development which cannot be avoided. This review is effectively complete and cannot be unpicked without severe consequences for the services themselves and the council as a whole.
- 3.24 **The premises review**
- 3.25 The report put before Scrutiny was a progress report setting out a revised approach and timetable to enable the premises review to be completed. The need to progress the review remains the wish of the administration as set out in its budget strategy and subsequent announcements about the broad approach it wished to adopt.
- 3.26 If the premises review were to be halted then the revenue strategy agreed by council would need to be met in other ways. Over the course of a three year strategy the council proposes to remove approximately £680,000 from its support for community services. The intention in the review is to seek alternative sources of funding to cover this gap. If the premises review is halted then the funding gap remains without a strategy for closing that gap. It is, therefore, essential that the Premises Review moves to a phase of consideration of proposals in relation to each facility and to develop viable options for the service as a whole.
- 3.27 Clearly the premises review and organisational review have linkages but it is also important to be clear about their different origins and drivers. The premises review arose from the council's budget strategy whilst the

organisation review arose from an analysis of the needs of the service for further improvement and adaptation. The key linkage that needs to be made between the two is that the organisation review should provide the staffing framework for supporting the services and the facilities through which the services are delivered. The premises review will determine which services are delivered in each facility and this will in turn generate a staffing requirement.

- 3.28 In summary then, the advice of the Service Director is for the Cabinet to confirm its commitment to completion of the premises review and consider the outcomes of the consultation at a meeting of Cabinet in November.

CONSULTATION

4 FINANCIAL LEGAL AND OTHER IMPLICATIONS

a) Financial Implications

These are dealt with at paragraphs 3.2 – 3.4 of the Report.

b) Legal Implications

These are dealt with at paragraph 3.1 of the Report.

c) Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References within this report
School Improvement	No	
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	Yes	Para1.14

5 BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

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