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**LIFELONG LEARNING AND COMMUNITY DEVELOPMENT BUDGET -  
RECOVERY PLAN**

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**Report of the Chief Finance Officer**

**1. Introduction**

- 1.1 As members will be aware, an over-commitment of the Lifelong Learning and Community Development Division budget was identified late in 2004/05. A separate report on Cabinet's agenda identifies the reasons why this has happened.
- 1.2 Officers have subsequently been working on a recovery plan to bring the budget of the division back into balance. A set of draft options has been prepared for member consideration.
- 1.3 Consultation is presently taking place with trade unions. Members' guidance and views of trade unions and other consultees will be reflected in detailed proposals to be submitted to the Cabinet on 27 June and (probably) the Council on 30 June.

**2. Recommendations**

Cabinet

- 2.1 Members are asked to consider and give guidance on the options attached to this report, and discussed in more detail in the supporting information. In particular, members are asked to advise:
- (a) whether there are any further options they would wish to propose for consultation with the trade unions;
  - (b) if there are any options listed which members would not wish to see taken further;
  - (c) if there is any further information they would require to assist them in making a decision.
- 2.2 Cabinet members are particularly advised that they should not make firm decisions at this stage, to avoid pre-empting consultation.

## Scrutiny Committee

- 2.3 The Committee is asked to submit its views to the Cabinet, in the light of the recommendations above.

### **3. Summary**

- 3.1 The estimated level of budget over-commitment is £2.3m in a full year. An overspend of £1.2m in 2004/05 has been paid for from underspends in the rest of the department.
- 3.2 Officers have worked on a recovery plan designed to bring the budget back into balance by 2006/07. To the extent that this does not save £2.3m in 2005/06, one-off monies are available to bridge the gap.
- 3.3 The proposals are split into 4 categories:
- (a) a number of items were included in the budget of the Lifelong Learning Division on the basis of a misunderstanding of the true position – the first category proposes removal of these items to the extent that it is sensible to do so;
  - (b) reductions to budgets of the Lifelong Learning Division which have a low impact on departmental objectives and frontline services form the second category;
  - (c) reductions which have a medium impact on services form the third category;
  - (d) reductions which have a high impact on services form the fourth category.
- 3.4 If, following union consultation, members decide to adopt the first and second categories, this would almost balance the budget in 2006/07 and leave a one-off overspend of £0.7m to be dealt with in 2005/06. Options in the third and fourth categories would not be required.
- 3.5 Available sources of one-off funding to the department are as follows:
- (a) uncommitted departmental reserves of £0.7m;
  - (b) one-off funding of £1.25m allocated to the department by the Council in February, to support capital investment in primary schools;
  - (c) one-off funding of £1.1m allocated to the department to support additional key stage 2 tuition in primary schools.
- 3.6 Items (b) and (c) above have been left uncommitted pending agreement to the recovery plan. (A further £1.25m for capital investment in primary schools was committed as part of the Education Capital Programme).

- 3.7 In putting together options for members, the following approach has been adopted:
- (a) attention has been paid to the elimination of budget growth which was built into the detailed budget due to a misunderstanding of the true position, particularly where such growth has not in fact been implemented;
  - (b) the management posts created as a consequence of the Divisional Organisational Review have been scrutinised and, where appropriate, reductions have been proposed. Some of these posts have never been filled;
  - (c) attention has been paid to comparative levels of support budgets, and reductions proposed where it is believed services can operate effectively for less;
  - (d) reductions to frontline services have been directed, where possible, towards services for which there are alternative funding opportunities, which do not meet nationally required standards or funders' expectations, which are under-utilised, or which are expected to be superseded by the developing integrated children's services agenda.
- 3.8 Particular care has been taken to ensure that the Council does not pre-empt future decisions about children's services.

#### **4. Financial Implications**

- 4.1 The 2005/06 budget of the division, excluding libraries, is £10.9m which is at present over-committed by £2.3m.
- 4.2 The recovery plan seeks to balance the budget in a full year by 2006/07, and achieve part year savings in 2005/06.
- 4.3 Putting the recovery plan into effect will require virement. Council has reserved to itself the right to exercise virement in excess of £100,000 between budget lines. There are 2 aspects to this:
- (a) the ongoing impact from 2006/07;
  - (b) the impact in 2005/06, which will require a "top-up" to the budget of the division (from one-off monies described above).
- 4.4 It is expected that the final recovery plan will require a Council decision, but this will be assessed prior to putting the recommended plan to Cabinet on 27 June.
- 4.5 The subsequent report will seek approval to the detailed budget of the Lifelong Learning Division.

## **5. Legal Implications (Peter Nicholls)**

- 5.1 The report sets out proposals which involve a number of staff redundancies and therefore the Council is obliged to consult with the trade unions upon the proposals under the collective redundancies legislation prior to the making of any decisions. To be lawful, consultation must be meaningful and this involves providing sufficient information to, and adequate time for, the unions to consider and respond to the proposals. Cabinet is advised at this stage to avoid making any choices on the proposals before it but to await the outcomes of the consultation before giving approval to any of the savings proposed.
- 5.2 Any proposals that involve cuts to voluntary sector or other external projects currently funded by the Lifelong Learning and Community Development Division will need to be the subject of consultation prior to a final decision being taken. Where organisations/projects concerned have a contractual arrangement with the City Council, contractual provisions will need to be followed. This will minimise, firstly, the risk of any Judicial Review challenge and, secondly, the likelihood of any such challenge being successful.
- 5.3 There is a need for a race impact assessment, which will be provided when proposals are submitted for approval.

## **6. Consultation**

- 6.1 Before final proposals are brought to Cabinet, a process of consultation will take place with:
- trade unions;
  - voluntary sector (where necessary) and other local stakeholders.
- 6.2 It is essential that consultation with trade unions and staff is properly resourced to ensure the consultation is meaningful. A lot of effort will be required to achieve a further report by 27 June.
- 6.3 Further work will take place with Social Care and Health to explore the impact options might have on the department's services.

**7. Other Implications**

<b><u>Other Implications</u></b>	<b><u>Yes/No</u></b>	<b><u>Paragraph References within Supporting Papers</u></b>
Equal Opportunities	Yes	A full race impact assessment will be included with the final proposals.
Policy	No	
Sustainable and Environmental	No	
Crime & Disorder	No	
Human Rights Act	No	
Elderly People/People on Low Income	Yes	Some proposals will reduce services provided to these groups.

**8. Report Author/Officer to Contact**

**Mark Noble/Paul Vaughan**  
**Chief Financial Officer/Acting Service Director (Education)**  
 2 June 2005

**DECISION STATUS**

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

## Lifelong Learning Recovery Plan – Savings Option

	Service	Proposal	Saving in 05/06 £000s	Saving in 06/07 £000s
<b>A</b>	<b>Removal of items which ought not to be included in the budget</b>			
1	Community Services	Premises costs	463	664
2	Awards & Grants	Vacant temporary posts	52	52
3	Awards & Grants	Staffing reduction	12	29
4	Business Systems	Reduction in team	29	71
5	Time-limited Items		0	30
6	Early Years	Support budgets	132	132
7	Adult Learning	Support budgets	250	250
		Total	<b>938</b>	<b>1,228</b>
<b>B</b>	<b>Low Impact on Services</b>			
8	Adult Learning	Vacant management posts	91	116
9	Adult Learning	Support budgets	60	60
10	Adult Learning	Ceased grants	28	28
11	Adult Learning	Family Learning – underspending support budgets	40	40
12	Adult Learning	Community Schools Budget (CSB)	19	19
13	Adult Learning	Adult Inspection Funding	75	100
14	Early Years	Changes to funding for adult learning crèches	77	131
15	Early Years	Income Targets for Early Education Providers (Playgroups)	99	170
16	Early Years	Out of School Clubs, linking with extended schools strategy	68	116
17	Youth Service	Support budgets	7	7
18	Youth Service	Quality Assurance Officer (vacant post)	42	42
19	Youth Service	Climbing Wall Team	3	5
20	Youth Service	Part-time Youth Work (Braunstone)	2	5
21	Youth Service	St Marks Youth Centre	3	7
22	Youth Service	Youth work not contributing to core targets	29	71
		Total	<b>643</b>	<b>916</b>
<b>C</b>	<b>Medium Impact on Services</b>			
23	Adult Learning	Inclusive Learning Co-ordinator	17	42
24	Adult Learning	Sports and Fitness Tutors	24	44
25	Early Years	Early Years Activity Clubs	3	5
26	Early Years	Parent & Toddler Groups – Stay & Play Groups	18	32
27	Early Years	Play Co-ordinator Posts	15	31
28	Early Years	Early Years Operations Staff	33	66
29	Early Years	0.5 Finance Officer	5	10
30	Early Years	Summer Play scheme Grants	23	39
31	Early Years	Childcare Strategy Manager	23	45
32	Youth Service	Part-time Youth Work Vacancies	57	69
33	Youth Service	Summer Youth Activities	19	19
		Total	<b>238</b>	<b>402</b>
<b>D</b>	<b>High Impact on Services</b>			
34	Adult Learning	Core training	16	22
35	Early Years	Non-Early Education Providers Playgroups	42	71
36	Youth Service	Curriculum Resources	29	29
37	Youth Service	2 Full-time Youth Work Posts	24	48
38	Youth Service	4 Full-time Youth Workers (Attainment & Inclusion)	66	132
39	Youth Service	3 Part-time Youth Workers (Attainment & Inclusion)	14	28
40	Youth Service	Duke of Edinburgh Award Co-ordinator	2	4
41	Youth Service	Sickness Absence Cover Budget	48	97
42	Youth Service	Staffing training budget	27	27
		Total	<b>268</b>	<b>458</b>
		Grand Total	<b>2,087</b>	<b>3,004</b>
		Savings required		<b>2,292</b>



**EDUCATION SCRUTINY COMMITTEE  
CABINET**

**9 JUNE 2005  
13 JUNE 2005**

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RECOVERY PLAN**

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**Report of the Chief Finance Officer**

**SUPPORTING INFORMATION**

**1. Introduction**

1.1 The supporting information to this report describes the proposed reduction options in more detail. Each item is cross referenced to the appendix to the main report, and the full year saving is also shown.

**2. Category A – Elimination of Growth which was based on a misunderstanding of the budget position**

**2.1 Community Services – Premises Costs (1) (£664,000)**

2.1.1 The detailed budget of the Lifelong Learning Division provided for an increase in the establishment of premises officers from 26 full-time equivalent staff to 60. It is proposed that all but 10 of these additional staff are now eliminated from the budget. The extra 10 are required to meet health and safety requirements.

2.1.2 The saving will not result in the closure of any premises, but will restrict hours of opening. All groups and organisations using the current premises will continue to have access.

2.1.3 Whilst the proposal means there will be 24 less staff than previously envisaged, there are presently 29.5 vacancies. The division will be in a position, once the recovery plan is agreed, to appoint up to 10 new premises managers. One of the deleted posts is an area manager (currently vacant) and the establishment will consequently reduce to 2 area managers.

2.1.4 The Town Clerk has been commissioned to carry out an area property review, and any subsequent decisions which need to be taken about the best use of the Council's premises will be taken as part of that review. The review has within its remit an aim to ensure best use is made of all the

Council's various holdings of premises, and that these are used as effectively and efficiently as possible.

2.1.5 Before final proposals are made in this area, more work will be done to establish the potential usage of the buildings for Social Care purposes. Work will also be done to consider the feasibility of charging some of the users of the premises, and some alternative uses of premises.

2.2 Awards & Grants (2 & 3) (£81,000)

2.2.1 The establishment of the awards and grants team was increased, to support implementation of a new system. It is now believed that the staffing of the team can be reduced, without service impact. It is proposed that 3.7 fte posts are deleted, of which 2.5 are presently vacant.

2.3 Business Systems (4) (£71,000)

2.3.1 A number of posts were created in the detailed structure of the division to provide business support to the division as a whole. The total estimated cost of the service is £240,000 per year, and it is proposed to reduce the cost to £180,000. This is believed to be adequate to provide the necessary service. 2.5 posts will be deleted, none of which are presently vacant.

2.4 Time Limited Items (5) (£30,000)

2.4.1 £30,000 is saved through cessation of a temporary staffing contract, which is due to end in October 2005.

2.5 Support Budgets (6 & 7) (£382,000)

2.5.1 These proposals involve reduction in support budgets to the division, which it is believed can be implemented without any impact on the service.

**3. Category B – Options which have a Low Impact on Services**

3.1 Deletion of Vacant Management Posts (8) (£116,000)

3.1.1 The proposal deletes 2.5 vacant adult learning curriculum leader posts and one vacant senior adult learning co-ordinator post.

3.2 Support Budgets in Adult Learning (9) (£60,000)

3.2.1 This represents a further reduction in support budgets within adult learning. It includes a 10% reduction to all supplies and services, and reductions to some miscellaneous budgets. It also includes a reduction in the training budget.

3.3 Ceased Grants (10) (£28,000)

3.3.1 This represents grant to the Workers' Educational Association, which they have already been notified of and have agreed to.



3.4 Family Learning (11) (£40,000)

3.4.1 This proposal represents reductions in management and premises budgets for the Family Learning Service, which are routinely underspent.

3.5 Community Schools' Budget (12) (£19,000)

3.5.1 This is a budget the Lifelong Learning Division has for use of schools' premises. The service will contain spending within the remaining budget of £0.4m. Use of schools' premises is being reviewed with a view to rationalising present practice.

3.6 Adult Inspection Funding (13) (£100,000)

3.6.1 This represents a reduction in the budget to implement the post HMI action plan. It is believed that the action plan can be implemented within the reduced budget of £75,000.

3.7 Changes to Funding for Adult Learning Crèches (14) (£131,000)

3.7.1 This proposal reduces funding available for crèches provided for adult learners on courses, which are little used. The service is based on historic arrangements, and work is underway to overhaul the service. If the adult learning service provides childcare directly itself in its own settings, it can be funded by LSC grant. This proposal would reduce the establishment by 4.8 staff, of which 0.6 is currently vacant. It will also mean some users will need to pay who do not presently pay: at present, charging is inconsistent and we are entitled to charge £3.50 per session. Users on low incomes will get this charge rebated, and the Council will claim the lost income from the LSC.

3.8 Income Targets for Early Education Providers (15) (£170,000)

3.8.1 Nursery education grant is available to pay for free playgroup provision, once a child approaches his or her fourth birthday. There is no obligation to provide a free service to younger children, and previous policy has been inconsistently applied. It is proposed to make a charge of £3.50 per session to children who are not entitled to free provision, which is consistent with what the voluntary sector charges.

3.9. Out of School Clubs (16) (£116,000)

3.9.1 The division currently provides funding for a limited number of out of school clubs from its mainstream budget. These are historic arrangements which pre-date Local Government Re-organisation. It is proposed that this will cease, and schools will (instead) be supported in applying for extended schools (standards fund) grant to carry out such activities (as most schools have to do). This may mean some change in the nature of the activity, in order to meet the conditions of the grant.

3.10 Support Budgets in the Youth Service (17) (£7,000)

3.10.1 This involves reductions to small budgets for catering, hire of rooms, printing, ICT and marketing.

3.11 Quality Assurance Officer (18) (£42,000)

3.11.1 This involves deletion of a youth service post which is presently vacant (despite two attempts to recruit).

3.12 Climbing Wall Team (19) (£5,000)

3.12.1 The proposal is to cease this facility – whilst it is the only facility of its kind, no young people are currently using the service. If the service is maintained, there will be additional costs of continuous training to keep the staff certificated, and to replace equipment to meet health and safety standards. The proposal affects 4 part-time staff.

3.13 Part-time Youth Work – Braunstone (20) (£4,000)

3.13.1 These 4 posts support a group for adults in Braunstone with special needs. It is proposed to explore working with Social Care & Health to provide support in a different way (the work is not youth work). If this budget is reduced, further discussion will be needed to see if the work will meet Social Care and Health's criteria for support.

3.14 St Mark's Youth Centre (21) (£7,000)

3.14.1 St Marks Youth Centre is based in a mobile building with significant investment need. Closure is proposed, saving 3 part-time posts. Users will be encouraged to use nearby facilities at Ek Awaaj, that are supported by the youth service.

3.15 Youth Work not Contributing to Core Targets (22) (£71,000)

3.15.1 This proposal represents reduction in youth work which does not meet the department's targets in the statutory youth plan. This is because services are provided to groups other than youth groups, work consists of low-level recreational activity, under-use by city residents or lack of data supplied by projects. Further discussion is needed with Social Care and Health about the impact on some special needs users (adults rather than young people). 49 part-time individuals would be at risk, although all work a very small number of hours (5.6 FTEs).

**4. Category C – Options which have a Medium Impact on Services**

4.1 Inclusive Learning Co-ordinator (23) (£42,000)

4.1.1 This proposal represents the deletion of a dedicated member of staff in adult learning responsible for developing work with disabled people and people with learning difficulties. Work will have to be picked up by non-

specialist staff around the City. The potential impact on Social Care and Health needs to be explored further.

#### 4.2 Sports and Fitness Tutors (24) (£44,000)

4.2.1 The proposal is to delete 23 part-time sport and fitness tutor posts, which equates to approximately 2 fte posts. This activity is not a priority area in relation to LSC funding, who would see it as recreational activity. The proposal would mean that learners would be directed to local leisure centres across Leicester.

#### 4.3 Early Years Activity Clubs (25) (£5,000)

4.3.1 These are proposed small reductions to a number of clubs in the Southfields Centre.

#### 4.4 Parent and Toddler Groups (26) (£32,000)

4.4.1 The future of this activity will in due course be considered as part of the Council's integrated children's strategy.

#### 4.5 Play Co-ordinator Posts (27) (£31,000)

4.5.1 Deletion of 1.5 fte posts in Early Years whose function is no longer required.

#### 4.6 Early Years Operations Staff (28) (£66,000)

4.6.1 This involves deletion of 2 team leader posts, out of the present establishment of 10. There are no present vacancies.

#### 4.7 Finance Officer (29) (£10,000)

4.7.1 A deletion of a part-time, vacant post in Early Years is proposed.

#### 4.8 Summer Play Scheme Grants (30) (£39,000)

4.8.1 This represents a 30% reduction in the present level of grants to play schemes. These are jointly funded with the Social Care and Health Department.

#### 4.9 Childcare Strategy Manager (31) (£45,000)

4.9.1 This involves the deletion of a post, which is not presently vacant.

#### 4.10 Part-time Youth Work Vacancies (32) (£69,000)

4.10.1 This proposal is to delete a number of part-time youth work posts (5 full-time equivalents), all of which are presently vacant. Some youth centres will need to review their opening hours, and the proposal would reduce the ability of the service to meet participation targets.

4.11 Summer Youth Activities (33) (£19,000)

4.11.1 The proposal represents a 27% reduction in the budget for this activity. No staff are involved, and we expect to underspend in 2005/06.

**5. Category D – Options which have a High Impact on Services**

5.1 Adult Learning – Core Training (34) (£22,000)

5.1.1 This would reduce the training budget from £31,800 to £10,000. It would have a detrimental impact on our ability to update skills, and may reduce our ability to achieve the required number of sufficiently qualified teachers.

5.2 Non-Early Education Providers Playgroups (35) (£71,000)

5.2.1 This would cease funding to playgroups who are not registered for nursery education grant. The result may well be that they subsequently seek to register, in which case the saving would not be achieved. It may be possible to offer alternative provision in the short-term.

5.3 Curriculum Resources (36) (£29,000)

5.3.1 This budget is used to purchase resources and activity packs for youth workers to undertake activities with young people. It represents 70% of the total budget.

5.4 Deletion of Youth Work Posts (37, 38 & 39) (£208,000)

5.4.1 These proposals involve reducing the establishment of youth workers, none of which are presently vacant. The service impact will be:

- (a) re-opening of 2 youth centres as part-time centres, using existing part-time staff;
- (b) deletion of 4 full-time youth work posts in schools, and a need to review how schools would be supported with the remaining 6 posts.

5.4.2 10 individuals would be at risk.

5.5 Duke of Edinburgh Award Co-ordinator (40) (£4,000)

5.5.1 This proposal would mean that no Duke of Edinburgh awards are offered to young people in schools and youth centres. It would involve deletion of 0.23 fte staff, with one individual at risk.

5.6 Sickness Absence Cover Budget (41) (£97,000)

5.6.1 This will limit the amount of money available for sickness cover, and could result in sessions being closed if there is a high level of sickness absence.

5.7 Staff Training Budget (42) (£27,000)

5.7.1 This proposal would reduce the training budget of the youth service by 48%. The only training provided as a consequence would be for part-time staff (NVQ training), and unqualified full-time staff (diploma support). A recent Ofsted inspection recommended an increase in such training, and this proposal is clearly moving in the opposite direction.

6. Other Issues

6.1 It is noted that, in due course, members will need to take decisions about the future funding of 2 voluntary projects which were due to cease as a consequence of budget decisions in 2004/05 (Gorse Hill City Farm and Medway Bangladeshi Project). If funding is to continue, decisions will be needed as part of the 2006/07 budget strategy.

7. Report Author/Officer to Contact

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**Chief Financial Officer/Acting Service Director (Education)**  
2 June 2005