

SUPPORTING INFORMATION

1. Introduction

The supporting information to this report:

- a) Summarises the rationale for a more strategic approach to achieving the necessary reductions to balance the budget;
- b) Describes the proposals which members are being recommended to agree now, and the posts to which recruitment would be frozen;
- c) Summarises the consultation responses;
- d) Summarises the equalities impact assessment findings;
- e) Identifies other issues relevant to members' decisions.

Attached are 2 appendices showing:

- a) A list of all reductions now being recommended (Appendix 1);
- b) A list of all potential reductions which could be implemented if members wished to close the budget gap further at this stage (Appendix 2). Appendix 1 is a subset of Appendix 2 and is referenced accordingly.

2. Rationale for More Strategic Approach

When the over-commitment in the Lifelong Learning Division was first identified, managers in the department were tasked with identifying savings options to bring the budget back into balance, which they have done.

The Lifelong Learning Division is, however, facing a period of future change, arising particularly from:

- a) Creation of a new integrated Children's Services Department, which will merge the early years services which are currently in the division with services that are currently part of Social Care and Health;
- b) Changing priorities of the Learning and Skills Council, who are responsible for funding adult learning. This will of itself require a significant rethink of the way the division delivers its services;
- c) The Youth Green Paper expected later this month.

These developments are more fully described in the report of the deputy chief executive elsewhere on today's agenda.

As a result, therefore, there was a conflict between the needs to:

- a) Balance the budget as quickly as possible, with a view to ensuring that reconfiguration of services did not take place under the cloud of a financial deficit to be recovered;
- b) Avoid subjecting staff and service users to 2 periods of change, particularly where there is a danger that decisions taken on a recovery plan may conflict with the future needs of the service. This message was clearly put to us during the process of consultation with trade unions and others.

The approach taken has been, therefore, to:

- a) Ensure the budget for 2005/06 can be balanced within the department;
- b) Identify those savings which can be implemented now without detriment to the future strategic direction.

Should members not wish to adopt this approach, they do have the option of selecting additional savings from the original options, in the light of the consultation responses.

3. Savings Members Are Recommended To Agree Now

These savings are listed in appendix 1 of the report, and are further described below. Each paragraph below is cross-referenced to appendix 1, and the full year saving is also shown.

3.1 Community Services – Premises Costs (part of 1) (£265,000)

The detailed budget of the Lifelong Learning Division provided for an increase in the establishment of premises officers to 60 full time equivalent staff. The original option put before members was to delete all but 10 of the additional staff (the extra 10 being required to meet health and safety requirements). Whilst this would not have resulted in the closure of any premises, it would have restricted the hours of opening.

The present recommended proposal is to:

- a) Reduce the establishment from 3 area managers to 2, by deleting a vacant post;
- b) Delete 10 premises officers posts, all of which are vacant, to reduce the establishment to the level it was operating at prior to the divisional organisational review.

This represents no reduction to what is there at the moment.

The above can be implemented without restricting hours of opening.

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.

3.2 Awards and Grants Staffing (2 and 3) (£81,000)

The establishment of the awards and grants team was increased in 2004/05, to support implementation of a new system. The original proposal put in front of members was to reduce the staffing of the team, by 3.7 FTE posts.

The staff of the team have made representations that they presently have a backlog of work, due to implementation of new DfES procedures. It is anticipated that this backlog will be cleared by the end of the financial year.

It is therefore recommended that the reduction is taken as originally proposed, but not until 2006/07.

It is believed that this saving can therefore be made without service impact. Out of the 3.7 FTE posts deleted, 2.5 are presently vacant. Taking the saving in 2006/07 will provide some resource for temporary staffing in the current year.

3.3 Reduce Business Systems Team (4) (£71,000)

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 £170,000. This is believed to be adequate to provide the necessary service. 2.5 posts will be deleted, none of which are presently vacant.

3.4 Support Budgets (6,7, 9 and 11) (£482,000)

These proposals involve reduction in support budgets to the division, which it is believed can be implemented with minimal impact on the service. The reductions consist of:

- a) Reductions made to budgets where support budgets had been increased to a level higher than they were prior to the divisional organisation review;
- b) Reductions in management and premises budgets for the Family Learning Service, which are routinely underspent;
- c) Further reduction of £60,000 in support services within adult learning.

3.5 Grant To WEA Which Has Already Ceased (10) (£28,000)

The Workers Educational Association has already been notified of this reduction, and agreed to it.

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

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

3.7 Adult Learning Crèches (14) (£25,000)

This proposal, as originally made, was to reduce funding available for crèches provided for adult learners on courses, which are little used. It would have meant the reduction in some crèche activity. As presently proposed, there will be no changes in the crèche facilities provided. However, work will take place to seek to secure LSC grant, and a consistent charging policy will be introduced. Some users will need to pay who do not presently pay; at present, charging is inconsistent and other service providers charge £3.50 per session. This will become the standard for adult learning crèches. Users on low incomes, however, will get this charge rebated, and the Council will claim the lost income from the LSC.

3.8 Consistent Charging Policy in Playgroups (15) (£170,000)

Nursery education grant is available to pay for free playgroup provision, the term after a child reaches his or her third 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 Play Co-ordinator Posts Not Required (27) (£31,000)

This proposal represents deletion of 1.5 FTE posts in the early years team, whose function is no longer required.

3.10 Cease Sport and Fitness Provision (part 8, and 24) (£75,000)

This proposal involves deletion of a vacant curriculum leader post, and 23 part time sports and fitness tutor posts, which equate 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 proposals would mean that learners would be directed to local leisure centres across Leicester. This proposal anticipates changes to the service which will need to be made in response to the LSC's changing priorities.

4. **Freezing Vacant Posts**

If members accept the proposal to review the balance of funding reductions required over time, it is proposed to freeze a number of posts presently vacant. This will prevent a situation arising in future where posts are recruited and subsequently put at risk.

The posts which would be frozen are as follows:

- a) A premises facility manager, from the 2 presently vacant (there are 12 facility managers in total);
- b) A senior adult learning co-ordinator;
- c) 3 part time curriculum leader posts (1.5 FTEs) in the area of Information, Learning and Technology; English, Languages and Communications; and Health and Social Care;
- d) A quality assurance officer in the youth service, which has been vacant since September despite several attempts to recruit.

5. **Consultation Responses**

A broad consultation exercise has taken place on the 42 original options, involving formal consultation meetings with staff, trade unions and key stakeholders.

Over 400 letters have been sent to:

| | |
|---|-------|
| Staff | 268 |
| Community settlements | 32 |
| Other stakeholders | 51 |
| Trade unions | 13 |
| Internal (directors, managers, members) | 95 |
| | ----- |
| | 459 |
| | ----- |

The trade unions have been consulted via the authority's formal consultative mechanisms.

At the time of writing, the following responses have been received:

- 5 from Lifelong Learning staff
- 6 from stakeholders
- 1 from a member of the public

A general letter raising serious concerns about process has been received from Unison, but the trade unions have been given until 6th July to submit their formal response which will be sent to elected members.

The letters received cover a range of issues with no underlying theme, but issues raised include:

- a) Concerns about the capacity of the Awards and Grants, and Business Services teams if reductions are made (staff). The proposals in Appendix One reflect this to an extent by deferring implementation of the reduction in the Awards and Grants Team;
- b) Concerns about loss of youth work (various stakeholders), including the impact on the integrated children's services agenda. The proposals in this report are designed to meet this latter objection;
- c) Concerns about closure of after school clubs;
- d) Concern at withdrawal of funding for the Remit manager post, and a suggestion that adult education should be amalgamated with the County service.

Whilst the trade unions have yet to respond formally, it is fair to say they are strongly opposed to service reductions and job losses, particularly in the context of the problems that led to the budget over-commitment in the first place. They have also commented on the lack of consistency between the original 42 options and the future agenda for children's and adult's services, something this report has tried to address.

All consultation responses received have been lodged in the members' area, and members will be updated on any further views received prior to your meeting. We are aware that the LSC propose to submit a formal response, and a meeting was held with LREC on 30th June.

The Education Scrutiny Committee considered the proposals at its meeting on 9th June, and minutes have already been supplied to cabinet members. As the Cabinet will be aware, a number of members of the Scrutiny Committee expressed serious concerns about a number of the options. The Committee requested:

- a) That the possibility of reductions to senior management be investigated as part of the proposed reorganisation of children's services to help meet the shortfall – this will be done if members agree to the strategic approach proposed;
- b) That feasibility studies and impact assessments be prepared for all items – detailed pro-formas have now been lodged in the members' area.

The Social Care and Health Department is concerned about the knock-on impact of some of the 42 options for its own services, particularly those which serve the elderly/adults with special needs; and potential restricted opening of buildings.

6. Equality Impact Assessment

Initial equality impact assessments of the 5 service areas have been prepared, together with a summary EIA, and lodged in the members' area. The key issues identified are:

- a) Potential disproportionate impact on particular communities (Southfields and Belgrave);
- b) Potential disproportionate impact on staff in respect of their race, gender or disability.

The precise impacts will vary significantly, depending upon options chosen by members. It is not expected, for instance, that the proposed approach to deal with the budget problems in a more strategic context would have a disproportionate impact on any communities.

Consequently, the action plans proposed are as shown below:

To further assess and identify action needed to address disproportionate impact on communities:

- a) Collate individual service EIAs and determine impact by July 2005;
- b) Analyse the impact and produce report by August 2005;
- c) Consult with members and communities and groups directly affected to consider any necessary remedial action (September 2005).

To assess impact on staffing:

- a) Produce data on existing balance of staff by race/gender/disability by the end of July 2005;
- b) Written analysis of overall impact and report by end of August 2005;
- c) Report produced for further consultation and information to unions, staff and members.

7. Other Issues

Proposal 16 of the original options intended to save £116,000 by ceasing a limited number of out of school clubs at 6 specific schools. These are historic arrangements which pre-date local government reorganisation, and it was proposed that the schools would (instead) be supported in applying for standard fund grants to carry out these activities. Given that it cannot be guaranteed that such grant applications would be successful, the proposal is no longer included in the recommended options to balance the budget. However, it is proposed instead that the department works with the schools to submit

standards funds applications, and does what it can to ensure they are successful. Once successful, the saving made will be a further contribution to the budget deficit.

The options recommended for adoption would not meet the whole gap in 2005/06, and clearly it is essential that the department does not overspend. It is therefore recommended that the £1.1m of monies originally approved to improve key stage 2 achievement be used instead to balance the budget.

Members are reminded that 2 sums of money were “frozen” when the budget over-commitment was originally identified:

- a) The key stage 2 monies described above;
- b) £2.5m of money intended to increase investment in primary school capital. £1.25m of this has already been released, and if the recommendations in this report are agreed the balance of £1.25m can now also be released.

Mark Noble
Chief Finance Officer
30th June 2005

Appendix One

Proposed Savings

| Reference | Recommended Savings | 05/06 £000 | 06/07 £000 |
|-----------|---|---------------|---------------|
| 1 (part) | Uncommitted Premises Growth | 265 | 265 |
| 2 & 3 | Reduce Awards & Grants Staffing in 06/07 | | 81 |
| 4 | Reduce Business Systems team | 29 | 71 |
| 6 | Early Years Support Budgets | 132 | 132 |
| 7,9,11 | Adult Learning Support Budgets | 350 | 350 |
| 10 | Ceased Grant | 28 | 28 |
| 13 | Adult Inspection Action Plan | 75 | 100 |
| 14 (part) | Crèches in adult learning establishments: | | 25 |
| 15 | Consistent charging policy in playgroups | 99 | 170 |
| 27 | Play coordinator posts no longer required | 15 | 31 |
| 29 | Vacant finance officer | 5 | 10 |
| | Cease sport & fitness provision | | |
| 8 (part) | -delete vacant curriculum leader | 31 | 31 |
| 24 | -cease sessional sport & fitness tutors | 24 | 44 |
| | Total | 1053 | 1338 |
| | Freeze Vacant Posts Temporarily: - | | |
| 1 (part) | Premises Facility Manager | 27 | 27 |
| 8 (part) | Senior Adult Learning Co-ordinator | 38 | 38 |
| 8 (part) | Curriculum Leaders | 22 | 47 |
| 18 | Quality Assurance Officer | 42 | 42 |
| | Total | 129 | 154 |

NB Reference numbers cross-refer to the analysis of the original 42 options which is replicated at Appendix 2. They also cross-refer to the detailed pro-formas in the members' area.

Lifelong Learning – Original Savings Options

| | Service | Proposal | Saving in 05/06 £000s | Saving in 06/07 £000s |
|----------|--|---|-----------------------|-----------------------|
| A | Removal of items which ought not to be included in the budget | | | |
| 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 | 938 | 1,228 |
| B | Low Impact on Services | | | |
| 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 | 643 | 916 |
| C | Medium Impact on Services | | | |
| 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 | 238 | 402 |
| D | High Impact on Services | | | |
| 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 | Absence Cover Budget | 48 | 97 |
| 42 | Youth Service | Staffing training budget | 27 | 27 |
| | | Total | 268 | 458 |
| | | Grand Total | 2,087 | 3,004 |
| | | Savings required | | 2,292 |