

Leicester
City Council

WARDS AFFECTED
All wards – corporate issue

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Scrutiny
Cabinet

1st September 2005
5th September 2005

Strategic options for the delivery of Adult Learning by Leicester City Council

Report of the Deputy Chief Executive

1. Purpose of Report

- 1.1 This report seeks Cabinet approval to conduct a consultation on options for the management of the delivery of adult learning provided by the City Council. The Council receives a grant from the Learning and Skills Council to provide adult learning to contribute to LSC priorities and to the council's priorities, in particular its prime objective of raising educational standards across the city.
- 1.2 In 2004 Cabinet endorsed the proposal to consult on options but referred the paper to the Education and Lifelong Learning Scrutiny Committee for its consideration prior to the commencement of any consultation.
- 1.3 This is a key piece of work, which is critical to the future of the City Council Adult Learning Service in order to meet changing national priorities and provide a fit for purpose service. The LSC is undertaking a separate exercise to review and reprioritise post-19 learning across Leicestershire. The Adult Learning Service is part of this review and any new configuration of the Service needs to align with the outcomes of the LSC review.

2. Summary

- 2.1 The Council receives a significant grant from the Learning and Skills Council (LSC) to provide a wide ranging adult and community learning (ACL) programme. This programme can make significant contributions to the achievement of a range of council objectives and priorities, especially in relation to improving educational standards in schools. The City Council provides no funding for Adult Learning; the Service is totally dependant on the LSC allocation. In 04/05 it received £3,168,945 for ACL and £2,693,00 for FE.
- 2.2 Since 2001 the LSC has been both the funder and the planning authority for Adult Learning. Nationally the LSC has carried out a consultation in respect of reforming the funding and planning arrangements for Adult Learning. These reforms include changing what is eligible to be funded through the different streams and provides a much more rigorous approach to the methodology. The LSC has recently indicated that it must

move quickly to a position where it will only fund provision that meets its priorities and the Skills Agenda for FE and that it must purchase provision according to its commissioning and quality improvement strategies. Even if the Council does re-align and re-target provision it is likely that the Adult Learning Service will receive a significant reduction in funding from 06/07 academic year. It is therefore vital that the Council examines urgently how it delivers Adult Learning and what it delivers.

- 2.3 The LSC is currently conducting a Strategic Area Review (StAR) for post 19 learning. This will review adult learning so that provision more accurately represents the national and regional strategic priorities for the improvement of adult skills leading to employment, whilst at the same time also recognising the specialised needs of local communities and individual learners. The Adult Learning Service is part of this Strategic Area Review and any new configuration of the Service needs to align with the outcomes of StAR.
- 2.4 The ACL programme in Leicester is delivered through a combination of direct provision through free standing and neighbourhood centres, schools and colleges and a delegated institution, the Leicester Adult Education College (LAEC). Planned provision for 05/06 indicates that 65% of provision will be provided by community settings and 35% by LAEC.
- 2.5 The Council has both a strategic and operational role in relation to post 19 adult learning. It works closely with the local LSC that has statutory responsibilities in this area, to ensure there is a coherent and accessible range of learning opportunities that enable adults to engage in learning, achieve and make progress. This strategic role is discharged in a number of ways including work in partnership with other providers and agencies to identify need and better to plan and coordinate provision to avoid gaps, overlaps and duplication of provision.
- 2.6 The Council also has a significant role as a provider of ACL. The adult learning service focuses its work around a core offer to priority groups. The particular emphasis of the offer is to contribute to raising standards in schools, offering Skills for Life provision across the city, increasing demand for lifelong and family learning and helping to build the learning capacity of communities by working with local partners.
- 2.7 The Adult Learning Service was inspected in June 2004. It received a satisfactory grade overall. In May 2005 two Areas of Learning were re-inspected and received very positive judgements. Significant progress has been made to ensure a high quality service. In the two key areas of English for Speakers of Other Languages (ESOL) and literacy and numeracy the service was judged good.
- 2.8 The adult learning service in Leicester faces a number of challenges. The National LSC has recently carried out a consultation in respect of reforming the funding and planning arrangements for Adult Learning. These reforms include changing what is eligible to be funded through the different streams and provides a much more rigorous approach to the new methodology. It is likely that the Council will receive less funding in future and therefore it is urgent that a range of options on future delivery is considered to reflect this reduced funding and ensure more effective delivery. Change would also be beneficial in relation to more coherent planning, improved quality assurance, governance, accountability and curriculum development. As well as examining the

structures for the delivery of adult learning the consultation and recommendations also need to focus on the future curriculum offer. The wider strategic context also provides a number of opportunities for the service to develop further its broader role. These include Building Schools for the Future, the continued modernisation of the Libraries Service and the development of Extended Schools.

- 2.9 Two closely related issues that would benefit from resolution are clarifying the strategic and provider role of the local authority and bringing greater coherence and consistency to the management arrangements of the provision. The policy to delegate responsibility and accountability to provider institutions has a long history and is now one of the principles means to secure continued improvement and local accountability and to clarify roles and responsibilities.
- 2.10 It is proposed therefore to engage an appropriate agency to carry out consultation on a range of options for the management of the authority's ACL provision and provide recommendations for future curriculum offer. These options include:
- Extending the remit of LAEC to be responsible for the operational delivery of the whole ACL programme
 - Creating a new single institution which would subsume LAEC and the current community based provision
 - The authority contracts out the delivery of the Service to another provider whilst maintaining strategic oversight
 - A modified version of the status quo arrangements.
- 2.11 The consultation needs to be carried out promptly due to the urgency of the future funding arrangements. Significant changes to funding are anticipated for the academic year 2006/7, therefore any new management arrangements would need to be in place for 1st August 2006. Consultation would therefore be planned for 6 September 2005 to 31 October 2005. The consultation will be primarily with stakeholders with an interest in the management arrangements for the delivery of adult learning.

3. Recommendations

The Scrutiny Committee is recommended to:

- a) note the report
- b) pass on any comments the Scrutiny Committee sees fit to Cabinet.

The Cabinet is recommended to:

- c) endorse the proposal to conduct a consultation on options for management arrangements between September 2005 and October 2005;
- d) approve expenditure from within the Adult Learning budget. All costs to be met within existing resources;
- e) approve that the Deputy Chief Executive:
 - seeks tenders for the project; and

- is given delegated authority to accept the most appropriate tender and that the Head of Legal Services is authorised to conclude a formal contract;
- d. request the agency to consult with the LSC on this matter; and
- e. receive a report from the agency on completion of the consultation setting out options and recommendations for management arrangements for the adult and community learning provision secured by the Council.

4. **Headline Financial and Legal Implications**

- 4.1 There are no legal implications in respect of the proposals to consult on strategic options. Detailed advice will be required at the time that the decision is made as to which option to choose and the implications of that choice for the Council become clearer. (Guy Goodman, Assistant Head of Legal Services - ext 7054).
- 4.2. There are no direct financial implications associated with undertaking the consultation exercise.

If delegated management is extended following consultation, the full financial implications and control issues will need to be fully considered. Any new arrangements will need to be mindful of the current delegated arrangement with the LAEC.

Any costs arising from changes in governance, and all the adult education provision must be met from within the LSC grant funding.

(David Wilkin, Head of Education Finance, ext 7750)

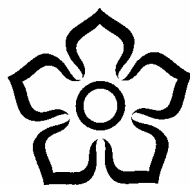
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DECISION STATUS

Key Decision	Yes
Reason	Significant in terms of its effect on communities living or working in an area comprising one or more ward
Appeared in Forward Plan	Yes
Executive or Council Decision	Executive (Cabinet)



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SUPPORTING INFORMATION

1. Report

Background

- 1.1 The Council is a significant provider of adult and community learning, both qualification and non-qualification based provision. There is a long tradition of adult learning in Leicester and Leicestershire with high levels of provision and participation - approximately 20,000 learners per year or 10% of the adult population.
- 1.2 The current arrangements for the delivery of this provision arise from a historic pattern of provision that has developed over the years. The Council manages over half of its provision through direct management and a partnership with schools. The remainder is delivered through the Adult Education College that is a delegated institution within the Council. This report proposes a review of this dual management model and a consultation on a range of management options that would bring greater coherence and consistency to the service.
- 1.3 Local authorities have traditionally provided a programme of adult and community learning (ACL) funded until April 2001 from their Revenue Support Grant. With the establishment of the Learning and Skill Council (LSC) in April 2001, responsibility for the funding of post-16 adult learning transferred from the local authority to the LSC. The Learning and Skills Act which provides the statutory basis for the LSC requires each local LSC to set out in its plan a “statement of the education and training whose provision the local council would like a relevant local education authority to secure ... and the financial resources with which the authority will be provided by the Council to enable the authority to secure the provision ...”. The majority of local authorities continue to provide a programme of adult and community learning although about a

third of them sub-contract the delivery of the provision to other providers such as a local college of further education.

- 1.4 Adult and community learning covers a wide range of informal and formal learning opportunities. Some learning is linked to qualifications others not. Over the past few years the linkages between lifelong learning and achievement at school have been explored and substantiated. The most significant predictor of continued participation in lifelong learning in its broadest sense (including work related learning) is the level of achievement gained on leaving school i.e. those who achieve highly at school are more likely to continue in learning when compared with those who do not achieve so highly. Parents as the prime educators of their children also transmit key attitudes to learning to their children. Confident adult learners are therefore more likely to promote positive attitudes towards and support for their own children's learning and achievement. Finally children's own learning can often provide an important stimulus and motivation to adults to return to learn so they can better support their children's efforts at school. There is therefore a close relationship and mutual interest in high standards of achievement and participation in learning for both adults and children. This provides one of the essential rationales for the Council retaining a strategy and provider interest in adult and community learning.
- 1.5 Leicester has one of the largest per capita settlements nationally from the local LSC to secure adult and community learning. This arose largely from the historically high levels of spend on community education by the former Leicestershire LEA which established a series of community colleges, primary community centres, free standing centres and an Adult Education College (LAEC) in the middle years of the last century. When Colleges of Further Education were incorporated in 1992, responsibility for basic skills provision was in effect contracted to the former Charles Keene College, whilst the Leicester Adult Education College was established with a local scheme of delegation and articles of governance. Leicester City Council inherited this pattern at local government reorganisation in 1997. The current position therefore is that the council currently contracts with the LSC to provide a programme of learning opportunities through its own directly managed provision in freestanding centres and community colleges and through a delegated arrangement with the LAEC.

The purpose of the adult and community learning programme secured by the Council

- 1.6 The Council contracts with the LSC to deliver an agreed programme of ACL. The LSC funds this provision in order to achieve its own objectives and priorities. However the local authority's ACL provision must also be seen as contributing to its own strategic priorities and objectives as well as those of the LSC. In the case of Leicester the first key strategic objective is to raise educational standards and skills irreversibly so that all schools are good schools and individuals are committed to learning throughout life. The Council's approach to securing its ACL provision clearly needs to demonstrate how this provision contributes to this objective. There are also a number of other relevant Council priorities which need to be taken into account when considering the Council's approach to its ACL provision, including improving quality of teaching and learning, making developments sustainable so the next generation can enjoy to exercise choice, to build cohesive communities, support vulnerable children and their families, open up access to cultural and recreational opportunities and promote prosperity and new jobs.

- 1.7 There are two broad ways in which the ACL provision makes a clear contribution to the strategic objectives and key priorities of the council – in the part it plays in strategic planning and decision making over ACL in general and in the way in which the ACL offer is seen to reflect these priorities.

The strategic role of the local authority

- 1.8 The last four years have seen a significant process of learning and development about the local authority's strategic role in engaging with the newly established LSC. The local authority works as a close partner with the LSC on all major strategic developments as they affect education and learning opportunities in the city. The Corporate Director of Education is a member of the local LSC board and with the executive director of the LSC was a prime mover in the establishment of the Education and Skills Partnership Board, which brings together the principal stakeholders in education, and skills across the city. This board also acts as the lead group for the learning and development programme of the Leicester Partnership. Leicester and Leicestershire also have a particularly active and dynamic Lifelong Learning Partnership, which coordinates a range of initiatives on behalf of the LSC and other agencies. Local authority officers play a variety of roles in this partnership – taking the lead on some initiatives and working with partners on others.
- 1.9 The Council has made and will continue to make a significant contribution in these strategic contexts. The local LSC has made it clear that it would wish for a single adult learning plan for the whole city, which sets out the offer to learners from all significant providers.

The provider role of the local authority

- 1.10 The adult learning service is part of the Lifelong Learning and Community Development Division. The Division has two key strategic objectives in relation to delivery of services – to widen participation in learning and community development and to raise standards of achievement through learning and community development. The adult learning service has set out its mission and vision in relation to the council's, department's and division's objectives as

“Enabling adults and their communities to succeed and develop through learning”

- 1.11 The service sets out to contribute to raising standards in schools, increasing demand for lifelong and family learning and help to build the learning capacity of communities by working with local partners. The service has to be clear about what its offer is in relation to priority groups – this is essential in the strategic context set out above of partnership and collaboration and making it clear what the distinctive contribution of the Council's provision is to the overall offer to learners in Leicester. These are set out in the Three Year Development Plan awaiting agreement with the local LSC for provision for the next three years.
- 1.12 The core business of the Adult Learning Service is:
- Return to learn and first rung opportunities for individuals and communities who have had least benefit from education in the past.

- Entry level and level 1 programmes to create learning pathways to support progression to level 2
- A broad and balanced programme to attract and stimulate learners
- Accredited and non-accredited courses to meet learners needs
- Family learning opportunities

1.13 The priority groups that the offer is developed for are:

- People needing to improve their basic literacy, numeracy and ICT skills
- People whose first language is not English
- Black and minority ethnic groups
- Unemployed people and employed people needing to develop work skills
- Adults with physical, sensory or learning disabilities or mental health problems
- People aged 60 and over
- Men

1.14 There is also a changing and developing wider strategic context within which the service is operating. Building Schools for the Future has potentially significant implications for the service, as this development becomes the key vehicle for the transformation of education and learning in the city. There are important synergies to be explored and then secured with a modernising Libraries and Information Service. Finally the extended schools policy provides an interesting context within which to develop the service's specific contribution to raising standards of achievement in schools.

Current position and issues

1.15 The adult learning service is facing a number of issues and challenges. Although it has successfully passed inspection a number of issues remain that need addressing. The LSC funding streams are changing and it is unlikely that the current funding levels will continue. There are high management costs arising from the duplication inherent between the management infrastructure in the Council and a management infrastructure in the LAEC. The LSC has provided interim feedback regarding the Service's 3 Year Development Plan and is questioning the high proportion of non-city resident learners and the low % of black minority learners at the LAEC. In addition it is questioning how provision within the LAEC is contributing to LSC priorities and has raised concerns with recent decisions to withdraw provision for learners with learning disabilities and ESOL, which are key priorities for the LSC.

1.16 In December 2004 the LSC published its Annual Statement of priorities. Its six priorities are.

1. To make learning truly demand-led so that it better meets the needs of employers, young people and adults.
2. Ensure that all 14 – 19 year olds have access to high quality, relevant learning opportunities.
3. Transform Further Education so that it attracts and stimulates more business investment in training and skills development
4. Strengthen the role of the LSC in economic development so that we provide the skills needed to help all individuals into jobs.
5. Strengthen the LSC's capacity to work effectively at a regional level – particularly with Regional Development Agencies and Regional Skills Partnerships.
6. Improve the skills of the workers who are delivering public services.

The Adult Learning Service's priorities as set out in 1.12 and 1.13 above need to be reviewed in the context of these new LSC priorities.

1.17 The National LSC has recently carried out a consultation in respect of reforming the funding and planning arrangements for Adult Learning. These reforms include changing what is eligible to be funded through the different streams and provides a much more rigorous approach to the methodology. In future, funding and planning will focus on two new categories of learning. First, a new category of "First Steps Learning" is proposed. This will essentially target learners who do not have a "Full Level 2" qualification and will aim to move learners towards achieving this. Providers will be expected to demonstrate a progression strategy for learners, including a mechanism for tracking and evidencing progression. All "First Steps Learning" will be funded through the FE Funding Methodology. At present the Adult Learning Service does run First-Steps programmes but these do not at present meet all the requirements of the new proposed category of "First Steps Learning" which will be more rigorous in targeting learners who do not have a full level 2 qualification and demonstrate clear progression.

1.18 The second new category for funding is called "Learning for Personal and Community Development". There is an expectation that those learning in this category should generally pay higher fees, although providers can remit fees in areas of high disadvantage. The Safeguard for this second category is unlikely to equal funds, which the Adult Learning Service currently receives. Leicester LEA has historically received a large ACL grant. Indeed, the amount allocated to the safeguard for learning for personal and community development may be substantially less than the current ACL grant. It is likely that the safeguard amount will be calculated nationally and then allocated to local LSCs on the basis of size of adult population with weighting for disadvantage and size of the 60+ age group. This realigning across the country will impact on Leicester over the next 2 or 3 years.

1.19 Some activities currently supported through the existing ACL grant will not be accommodated under either of the two new funding approaches. These include the Council franchising with voluntary organisations, community capacity building, and cross-area partnership staff.

- 1.20 In addition to these new funding changes there are two major current funding issues affecting the Adult Learning Service. In relation to the existing ACL block grant, LSC policy direction is to purchase provision from a range of providers depending on quality criteria. The LSC has already indicated that it is “not realistic or likely” that we will receive all the ACL funding that we currently receive. The LSC will consider voluntary organisations, FE Colleges and other providers when distributing current ACL and FE funds. This poses a significant risk to both ACL current programmes and staff continued employment. This problem is exacerbated by the likely national reduction in resource for ACL.
- 1.21 The second major issue affecting current funding is the fact that around 30% of our FE provision currently meets the LSC priorities and targets for FE funding. The LSC had indicated that a further 16% is possibly eligible but is subject to challenge. Therefore over 50% of the Adult Learning programmes, which currently receive FE Funding, fall into the category of “FE Other” and will not continue to be funded. This equates to approximately £1.2million and will have a far reaching and significant impact on both current provision and continued staff employment if changes to the curriculum offer are not made.
- 1.22 The issues around the two current funding streams are related. The current ACL stream of £3.2million will be under considerable pressure as it is squeezed by the 50%+ of “FE Other” provision, which the LSC has indicated, may be more appropriate to be funded from this budget. This is because some of our current FE Other provision is closer to meeting LSC priorities than existing ACL funded work. The least sustainable work is that which does not meet National, Departmental and LSC priorities. If the Council wishes to continue to provide the widest curriculum offer it will need to consider finding some of its own resource to fund some areas of learning.
- 1.23 The LSC is currently conducting a Strategic Area Review (StAR) for post 19 learning. This will review adult learning so that provision more accurately represents the National and regional strategic priorities for the improvement of adult skills leading to employment, whilst at the same time also recognising the specialised needs of local communities and individual learners. The Adult Learning Service is part of this Strategic Area Review and any new configuration of the Service needs to align with the outcomes of StAR.
- 1.24 The provision is currently delivered through a mixture of settings as set out in the background section above and in three different management processes. Approximately 65% of the provision is delivered through staff directly managed by the Division working in free standing centres and schools and colleges, and the remainder is delivered by LAEC as part of its remit and there is a small contract with Leicester College to deliver elements of the family learning programme. As well as examining the structure for delivery, the curriculum offer needs to be part of the consultation and recommendations.
- 1.25 The service also has to resolve more satisfactorily than it does at present the tensions between its strategic and operational roles and the different management arrangements it uses to deliver its provision. There is clearly a tension for any provider that has both a strategic and operational function, this is not unique to the local authority. The pressure to deliver and increase provision can rest uneasily with a strategic role promoting collaboration and partnership. The different management systems inherited at local

government reorganisation can generate lack of clarity and ambiguity over accountabilities. It should be possible to resolve these tensions by developing a single and coherent form of management of the local authority's provision. This report therefore concludes with a proposal to consult on a range of options for the creation of a set of management arrangements for the delivery of the authority's ACL provision.

Clarifying strategic and operational roles

1.26 Delegation of responsibility and accountability to educational institutions has been a consistent element of policy since the mid 80s of the last century. The current emphasis on new and emerging forms of local accountability give further strength to this policy. At the same time the local authority has been expected to adopt a more strategic role in relation to its own responsibilities and its relationship with partners. Some authorities have chosen to meet only their strategic and statutory responsibilities and have in effect exited from direct provision. This is an option for the council to consider. If the council chooses to continue to be a provider of ACL and contract with the LSC then it is appropriate to consider the options for the creation of a delegated structure for the delivery of the ACL provision as it would fit both with the wider policy framework for quality improvement and strategic responsibility.

1.27 There are a number of options for consideration in relation to delegation, which would benefit from a widespread and thorough consultation following the inspection of the service. These could include:

- Extending the remit of LAEC to be responsible for the operational delivery of the whole ACL programme
- Creating a new single institution which would subsume LAEC and the current community based provision
- The authority contracts out the delivery of the Service to another provider whilst maintaining strategic oversight
- A modified version of the status quo arrangements.

Each of these options has different attractions and it is important that the consultation explores them fully before options are put before Members for consideration.

1.28 The benefits in summary of exploring delegation of operational responsibility can be summarised as follows:

- Clarity and coherence of management and accountabilities across the whole of the service
- A clear separation of the operational and strategic roles of the local authority
- The potential for community, member, school and wider stakeholder involvement in a governing body for any institution(s) created

1.29 The overall benefits of bringing about change include having a single management structure, coherent planning and quality assurance, responsive community led Governance arrangements and cohesive curriculum development.

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

2.1. **Financial Implications**

There are no direct financial implications associated with undertaking the consultation exercise.

If delegated management is extended following consultation, the full financial implications and control issues will need to be fully considered. Any new arrangements will need to be mindful of the current delegated arrangement with the LAEC.

Any costs arising from changes in governance, and all the adult education provision must be met from within the LSC grant funding.

(David Wilkin, Head of Education Finance, ext 7750)

2.2 **Legal Implications**

These are dealt with at paragraph 4.1 of the Report. (Guy Goodman, Assistant Head of Legal Services - ext 7054).

3. **Other Implications**

OTHER IMPLICATIONS	YES/NO	Paragraph Within Supporting information	References
Equal Opportunities	Yes	Para 1.11 – 1.13 in relation to core offer and targeting of provision and para 1.15	
Policy	Yes	Para 1.17 – 1.19 in relation to potential change in governance arrangements	
Sustainable and Environmental	No		
Crime and Disorder	No		
Human Rights Act	No		
Elderly/People on Low Income	Yes	Para 1.11 – 1.13 in relation to core offer and targeting of provision.	

RISK ASSESSMENT MATRIX			
Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/or appropriate)
1. That no decision or action is taken and the service is unprepared for a reduction in funding leading to unplanned significant decline.	L	H	The importance of this review is stressed to members.
2. That any significant future reduction in LSC funds will impact on the funding received by the premises section as Adult Learning is reduced.	H	H	Sufficient notice given to premises management for them to either find alternative users of the building or to investigate a growth bid to meet their costs.

L - Low
M - Medium
H - High

L - Low
M - Medium
H - High

4. Background Papers – Local Government Act 1972

Strategic Options for the delivery of Adult Learning by Leicester City Council 17th May 2004.

Three year Development Plan May 2005.

5 Consultations

Corporate Directors Board
Learning and Skills Council

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