

T R I B A L

E d u c a t i o n



Leicester City Council

**Leicester City Council
Adult Learning Service
Strategic Options Review**

**Final report
December 2005**

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1 INTRODUCTION

Introduction

Tribal Education has been commissioned to prepare a strategic options review to determine the most effective way for Leicester City Council to deliver high quality adult learning opportunities in the future. This report details the outcomes of the options review.

The strategic review will:

Evaluate the current operational capacity of the Adult Learning Service and its ability to respond effectively to local need.

Assess the suitability and strategic positioning of the Adult Learning Service curriculum and service offer in the local market place.

Scope of the appraisal

Using the tender specification as the starting point for the options appraisal, consultant activity has focused on the following two main areas:

- ❖ Evaluating the range of alternative delivery models that might be used as a basis for redesigning the service.
- ❖ Assessing the most appropriate option for delivering adult and community learning across the borough.

Evidence base

The evidence for this report is based on the following sources:

- ❖ Interviews with senior officers from the service and other key stakeholders who have an interest in the management of adult education more broadly.
- ❖ A desk based review of relevant legislation, policy documentation, inspection evidence and performance data.

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Statutory context

Responsibility for securing adult and community learning was removed from local education authorities (LEAs) and now rests with the Learning and Skills Council (LSC) under the terms of the Learning and Skills Act 2000.

Under the terms of this legislation, however, LEAs retain a power (as against a duty) to provide adult and community learning provision, if they consider it appropriate. In addition, although LEAs can be specifically required by the LSC to make provision, this is contingent on the LSC providing the necessary resources to do so. In a number of local authorities the LSC no longer provides any funding.

It is important to note, therefore, that any significant changes to the current arrangements for delivering adult and community learning by the City of Leicester will need to be carefully negotiated by the LEA with the local LSC.

Tribal Education consultants interviewed senior personnel from the local LSC as part of the review.

Policy context

The broad policy agenda for LSC funded and local authority based adult and community learning is dominated by a number of key government sponsored reports each of which is focused on a specific area of concern.

They are:

- ❖ The arrangements for ensuring inclusive learning as set out in *Inclusive Learning*. (1996)
- ❖ The report into widening participation in further education chaired by Helena Kennedy – *Learning Works* (1997)
- ❖ The Department of Education and Employment report, *The Learning Age: a renaissance for a new Britain* (1998)
- ❖ The Department of Education and Employment report, *Learning to Succeed: a new framework for post-16 learning* (1999)
- ❖ The report of the working group chaired by Sir Claus Moser - *Improving Literacy and Numeracy: A Fresh Start*. (1999)
- ❖ The Department of Education and Employment report, *Skills for Life, the national strategy for improving adult literacy and numeracy skills*,(2001)
- ❖ The reform agenda for further education as set out in *Success for All*. (2002)
- ❖ The impact of the government's Skills Strategy – *21st Century Skills: Realising our Potential*. (2003)
- ❖ The drive to widen adult participation in learning as set out in *Successful Participation for All* (2003)

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- ❖ The developing role of the voluntary sector as set out in *Working Together: A Strategy for the Voluntary and Community Sector and the LSC* (2004).
- ❖ The Children Act (2004)
- ❖ Every Child Matters: Change for Children (2004)
- ❖ *The 14-19 and Skills White Papers* (2005)
- ❖ The LSC's transformation agenda and its impact on providers as set out in the *Agenda for Change* (2005) prospectus and technical proposals
- ❖ The implications on funding as set on in *Priorities for Success 2006-2008* (2005)
- ❖ The changing role of further education colleges and its impact on local services as identified in *Realising the Potential, a review of the future role of further education colleges* undertaken by Sir Andrew Foster (2005)
- ❖ Extended schools: Access to Opportunities and Services for all – the Prospectus (2005)

This options review takes into account the relevant policy proposals contained in each of these reports.

Two key local research documents were also examined. These were:

- ❖ The Leicestershire LSC *Strategic Area Review Phase Two: Post-19 Education* (2005)
- ❖ *The East Midlands Learner Satisfaction Survey* (2005) conducted by GfK NOP Social Research for the LSC

Policy impact

It should be noted that the broad outcome of the above range of policy interventions is likely to have a number of specific effects on the delivery of adult and community learning in a general sense and can be summarised as:

- ❖ A shift away from using public funding to subsidise the delivery of non qualification bearing provision and a consequent shift towards more of the costs being borne by individuals and employers.
- ❖ A shift toward funding qualification bearing provision at level 2 or below for those individuals that do not currently hold level 2 qualifications.
- ❖ A refocus in the funding available to support the delivery of basic skills and first steps provision for adults
- ❖ A refocusing of community provision around an extended services (schools) agenda

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It is not yet possible to define exactly how these shifts in emphases will affect the delivery of Leicester adult and community learning provision, however it is clear that these changes are likely to have a significant impact in the medium term and that the changes present a significant business risk to any potential investor or alternative adult and community learning provider considering entering this sector.

Leicestershire LSC

Leicestershire LSC (LLSC) are the body with responsibility for planning and funding post 16 education and training provision across the sub region in which Leicester is situated.

As such, any significant changes to the arrangements for delivering adult and community learning provision will need to be negotiated and agreed with LLSC.

LLSC are in the process of conducting a strategic area review (StAR) of all provision for which they are responsible. The focus of this review is on how to maximise the use of LSC resources in achieving the priorities as set out in their strategic plan. The proposals “represent an indication of the need to rebalance, shift and alter provision to fit new economic agendas within the region and the local area”. Phase 2: Post-19 Education of the StAR is currently out for consultation (closing date 14 December 2005).

As the StAR process is not yet complete the LLSC is not yet in a position to make firm commitments in relation to the longer term development of education and training for the area. However they are clear in the StAR that provision for adult education and skills “needs to undergo considerable change if it is to meet the national and regional strategic priorities for the improvement of adult skills leading to employment, whilst at the same time recognising the specialised needs of local communities and individual learners”.

Local context

Within the City of Leicester the 2001 census indicates that there were 279,921 people of whom around 200,000 were adults aged over 19 years. 45% of the population is aged under 29. 36.2% of the total population are from Black or Minority Ethnic groups compared with 6.5% in the East Midlands and 9.1% in England. 26% of the total population of Leicester are of Asian or Asian British origin. The projected population for the City for 2011 is 297,180.

The unemployment rate in Leicester in February 2005 was 4.6 per cent, more than twice the national rate average of 2.3 per cent. In some wards the

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unemployment rate is as high as 15 per cent. There are five wards in the City where unemployment is significantly high. These are the wards of New Parks, North Braunstone and Mowmacre where the population is mainly White and the Wycliffe and Spinney Hill wards where the population is mainly of Asian origin. Additionally the Indices of Multiple Deprivation 2004 highlight the wards of Braunstone Park and Rowley Fields, New Parks, Spinney Hills, Latimer, Charnwood, Belgrave, Thurncoat and parts of Abbey ward as deprived areas in terms of education skills and training. Leicester is ranked as the 35th most deprived local authority nationally, according to the government's Index of Multiple Deprivation.

Leicester Adult Learning Service

The service's aim is to work with partners promoting equality and inclusion, to enrich the lives of people in Leicester enabling them to be effective learners, healthy and confident individuals, and empowered citizens.

The service is led by the Head of Adult Learning. The Adult Education College is led by a Principal and has its own governing body. LAEC offers approximately 35% of learning programmes within the Service. Additional provision takes place at ten secondary community colleges, four primary community centres, seven neighbourhood centres, and through a number of independent projects.

In 2004-05 the Service had a contract with the LSC for £3,168,945 to deliver Adult and Community Learning in the City. 7972 learners attended ACL provision. The Service received almost £398 per learner. The Service has historically been highly funded to provide ACL opportunities compared with other local authorities. The new LSC funding regime will put this level of funding at risk.

The Service also had a contract with the LSC for £2,681,329 to deliver FE provision. The latest information from the LSC, based on the F05 return, indicates that the Service did not meet its targets within this contract.

For 16-18 year olds the figures are:

2004-05		Target	Actual outturn	Difference
16-18	Learner Numbers	200	219	19
	*FTEs	24	22	-2
	Funding per FTE (£)	£2,969	£2,737	-£232
	Funding Value (£)	£71,260	£60,219	-£11,041

(*FTE = full time equivalent and is determined by taking the total number of guided learning hours for all learners and dividing this by 450 to give a measure for comparison across all providers)

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This is not a highly targeted group for the Service and competition with other providers is greatest within this age group. The Service attracted 19 learners over its target but delivered 2 FTEs or approximately 900 guided learning hours below target. Service targets were based on each learner studying on average for 54 hours but the outturn shows that the average hours for each learner was only 45 hours.

For adults aged 19 and over, the figures are:

2004-05		Target	Actual outturn	Difference
19+	Learner Numbers	9,457	8,492	-965
	FTEs	848	765	-83
	Funding per FTE (£)	£2,969	£2,929	-£61
	Funding Value (£)	£2,534,726	£2,240,324	-£294,402

In this age group, the problem arises from a significant shortfall of just over 10% in student numbers. The outturn average hours for each learner are consistent with the target average hours at around 40 hours per learner. There is therefore only a small reduction of 2% in the funding for each FTE.

Overall the figures are:

2004-05		Target	Actual outturn	Difference
All learners	Learner Numbers	9,657	8,711	-946
	FTEs	872	787	-85
	Funding per FTE (£)	£3,075	£2,970	-£105
	Funding Value (£)	£2,681,329	£2,337,240	-£344,089

This indicates that the Service has a shortfall of £344,089 for 2004-05. This will be clawed back by the LSC over the next few months.

The LLSC has analysed the F04 return, based on data available to 31 July 2005, to see where Service provision fits into its priorities. The tables below give the detail for 16-18 and 19+ provision.

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16-18	High Priorities (e.g.: Construction, Engineering, Health, Retail plus Maths, English, Skills for Life/ Foundation)	Medium Priorities (e.g.: Agriculture, ICT)	Low Priorities (e.g.: Hairdressing, History, Social Sciences	Total
Provision contributes to National Target (i.e. Skills for Life, full level 2, full level 3)	£6,245 11.6%	£0 0%	£3,569 6.6%	£9,814 18.2%
Provision partially contributes to National Target (e.g. single GCSEs or AS levels)	£375 0.7%	£6,948 12.9%	£403 0.7%	£7,726 14.3%
Provision does not contribute to National Target (e.g. internally certificated provision)	£17,738 32.8%	£15,873 29.4%	£2,901 5.4%	£36,513 67.6%
Total	£24,358 45.1%	£22,821 42.2%	£2,901 5.4%	£54,052 100%

The table indicates that only 18.2% of 16-18 provision contributed to the National Targets of which just under two-thirds was a high priority for the LLSC. 67.6% of provision did not contribute to the National Target but most of this provision fell within medium or high priority areas for the LLSC.

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19+	High Priorities (e.g.: Construction, Engineering, Health, Retail plus Maths, English, Skills for Life/ Foundation)	Medium Priorities (e.g.: Agriculture, ICT)	Low Priorities (e.g.: Hairdressing, History, Social Sciences)	Total
Provision contributes to National Target (i.e. Skills for Life, full level 2, full level 3)	£91,256 3.9%	£0 0%	£21,801 0.9%	£113,057 4.9%
Provision partially contributes to National Target (e.g. single GCSEs or AS levels)	£12,098 0.5%	£24,355 1.1%	£10,912 0.5%	£47,365 2.0%
Provision does not contribute to National Target (e.g. internally certificated provision)	£1,383,953 59.7%	£612,210 26.4%	£161,460 7.0%	£2,157,624 93.1%
Total	£1,487,307 64.2%	£636,565 27.5%	£194,173 8.4%	£2,318,045 100%

This table shows that only 6.9% of provision contributed wholly or partially to the National Target. Whilst 64.2% of provision was within high priority areas and a further 27.5% within medium priority areas, only 3.9% of this provision contributed to the National Target.

The Service will be under considerable pressure to make more of its provision contribute to the National Target and there are early indications from the first return for 2005-06 (F01) that there is a move in this direction. The LLSC is likely to continue to fund some provision which does not contribute to the National Target and this will include literacy, Numeracy and ESOL (English for Speakers of Other Languages where the individual is at pre-entry level or is working towards entry levels 1 and 2.

The most recent data, the Local Area Labour Force Survey for 2003-04, shows the levels of qualifications held by people of working age in the City of Leicester.

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Working age population	%
% with NVQ Level 4+	18.7
% with NVQ Level 3	13.2
% with NVQ Level 2	12.1
% with NVQ Level 1	12.2
% with no qualifications	24.7

It can be seen that almost a quarter of adults have no qualifications and should therefore be a particular target for the Service.

Overall approximately 8% of the adult population of Leicester attended some provision offered by the Adult Learning Service during 2004-05.

Over £600,000 is spent on accommodation in community settings across the City. In many instances the Service is obliged to pay for the community settings, irrespective of the amount of use it makes of the buildings and facilities. This results in money being diverted from front line delivery to pay for often under-utilised buildings. In one setting it costs £600 per learner in building costs and yet, were another provider to rent rooms in the same premises, they would be charged approximately £6.50 per hour.

The Leadership and Management of the Service was considered to be satisfactory by the Adult Learning Inspectorate with quality assurance judged unsatisfactory. This will lead to an annual quality monitoring visit to ensure that the Service is improving and challenging its own performance.

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2 PROCESS

A Consultation Group was established with the remit to facilitate the consultation process. The members of this group are listed in Appendix A. This group met twice during the consultation period. Concern was raised that the invitation to tender specifically excluded consultation with learners. It was argued that in the same way that a car design and manufacturing company would not consult car drivers about its management arrangements, it was not appropriate to consult learners at this stage. However

it is recommended that learners' views on the nature, location and delivery of provision are sought during the implementation phase.

Although outside the scope of the exercise the consultants sought perceptions of the learner voice, where possible, from tutors and those stakeholders in a position to comment.

Key stakeholders were identified from a variety of sources and agreed with the Deputy Director, Andrew Cozens. A list of the stakeholders can be found in Appendix B. Most stakeholders were interviewed in person by a Tribal Education consultant. Some stakeholders were interviewed by telephone and a small number agreed to complete a questionnaire. Interviewees were sent a copy of the questions for consideration ahead of their interview. In addition, all tutors were invited to participate in the consultation by completing a questionnaire. Participants were assured that their responses would be treated in confidence.

A series of questions were drawn up around four themes

Theme one: vision for the future

Theme two: the wider social and community picture

Theme three: capacity to deliver

Theme four: the curriculum offer

The questions asked under each theme are detailed in Appendix C.

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3 RESPONSES TO THE CONSULTATION

Although levels of adult participation in learning are perceived as high across the City, there is a general dissatisfaction with the current operational arrangements for the delivery of the LEA ACL service and a widely held view that a new approach to delivering the service is required.

Much of this dissatisfaction is linked to the perceived lack of strategic direction and management and to the ineffective use of support systems for finance, HR and ICT.

Many of the people consulted spoke of wanting a “fresh start”.

There were specific concerns around a whole host of issues. Some are listed below:

- ❖ the lack of a City wide strategy
- ❖ the profile of ACL both within and outside of the Council
- ❖ the feeling that the Service previously had a strong commitment to community cohesion but this is no longer the case, for example, no-one from the service attends the community cohesion group
- ❖ the feeling that the Service now concentrates totally on the individual and their learning programme and does not set into the community context or have an understanding of building social capital
- ❖ the lack of any learner groups across the Service
- ❖ the quality of leadership and management
- ❖ the perceived “top heavy” nature of the current ACL organisation structure
 - ❖ there appears to be 12 curriculum managers and co-ordinators at LAEC and a further 29 curriculum managers, leaders and co-ordinators plus three Area Managers across the community settings
 - ❖ there appears to be confused roles and responsibilities among these managers
 - ❖ there is an inconsistency in the pay levels of some staff between LAEC and the rest of the Service
- ❖ how staff are best deployed too many staff are tied to particular locations rather than being a Service-wide resource
- ❖ the cost, quality and location of community centres
for example: £630,000 is spent in rental on city community centres for 25% of learners and £290,000 is spent in rental to schools for 75% of learners
- ❖ the perceived lack of value for money
- ❖ the poor financial state of the Service. On top of existing problems it is facing a clawback from the LSC of around £1½m for shortfall against targets in 2004-05. This will also trigger a rebasing of its funding targets for 2005-06

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- ❖ LAEC finances. LAEC operates under a delegated budget from the Council and it is overspent on that budget
- ❖ the changes in the national government agenda and in regional and local priorities together with changes in the funding strategy These will further reduce the LSC income in 2005-06. The exact effect of this is not yet known
- ❖ Service purely focused on LSC priorities
- ❖ the lack of funding other than LSC core FE and ACL funding to support activity which could (should) be taking place
- ❖ a lack of transparency in relation to resource allocation across the Service
- ❖ the quality and use of management information, particularly in terms of
 - ❖ performance management
 - ❖ planning for the future
- ❖ a duplication in MIS and funding functions between the community settings and LAEC
- ❖ too many silos

Other observations include:

- ❖ provision should continue to recognise cultural diversity across the City
- ❖ provision should be socially inclusive providing a culturally inclusive style of learning
- ❖ many people interviewed wanted a Service which
 - ❖ targeted priority groups (most disadvantaged)
 - ❖ in a range of accessible settings in the community determined by need not by existing building location
- ❖ the preferred option should provide a strategically planned and sustainable service which also pays due regard to lay governance to ensure that the Service is meeting and accountable to local needs
- ❖ the Family Learning contract with Leicester College provides high quality provision (ALI Grade 2) and should be retained
- ❖ there was not an agreement (unsurprisingly) about whether the Service should be Council led
- ❖ there were some who felt that the provision should be left to the colleges
- ❖ it was felt that the Service should play a part in the regeneration of the City and that its role in this should be identified and acknowledged
- ❖ concern was expressed that the local authority was undermining community cohesion by ignoring actual neighbourhoods and creating larger units of administrative functions through the dismantling of community forums and the introduction of area committees
- ❖ it was felt that the role of LAEC needs clarification (it shouldn't be doing "more of the same" offered elsewhere) There was scope for it to take on a new role within the provision for the City
- ❖ with the right focus, the college location could provide the "wow" factor
- ❖ there were differing views about whether LAEC should continue to have its own governing body and delegated budget

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- ❖ many interviewees were concerned that the Service should develop and maintain good working relationships across a range of departments within the Council – clearly Children’s Services and Regeneration and Culture are key in this
- ❖ concern was also expressed that there wasn’t an effective post 19 forum for all providers of 19+ provision
- ❖ the Service is unlikely to improve on its “satisfactory” status from the ALI for Leadership and Management with its current management
- ❖ other reorganisations had failed to “sort out the mess”. Why should this one?

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4 CONSIDERATION OF OPTIONS

The consultation exercise identified six clear options for the management of Adult and Community Learning in the City of Leicester.

a. Cease to draw down funding from the Learning and Skills Council and concentrate on delivery of those areas which can be funded by other means

The first decision that the Council will need to take is whether or not it wishes to continue to be a strategic partner with the LSC in the provision of adult and community learning opportunities for the residents of Leicester. The changes in the government's agenda and priorities for funding will inevitably result in the loss of some provision and this may sit uncomfortably with local priorities.

With the annual challenge to meet ever more focused and demanding targets and the shift of emphasis from widening participation to achievement, the risk to the Council of failing to satisfy the conditions of the contract and consequent payback and rebasing, is ever present. The Council may no longer wish to accept this risk.

Advantages

The advantages with this option are:

- ❖ the Council would not be subject to the risks associated with the continuation of its contract with the LSC
- ❖ the Council would not be constrained by the need to make provision in line with the government's agenda, it could concentrate on local priorities
- ❖ the Service would be in full control of its curriculum offer
- ❖ the Service would not be tied to need to collect fees in line with government/LSC recommendations

Disadvantages

The disadvantages with this option are:

- ❖ lack of core funding from LSC to pay for infrastructure and delivery
- ❖ the LSC will purchase the provision currently made by the Service from other providers in the City
- ❖ the Service would be totally dependent on funding from other sources
- ❖ long lead time before operation whilst bids are made and approved
- ❖ the Service would be unlikely to receive significant, if any, funding from the Council
- ❖ the Service would reduce significantly in size and would incur redundancy costs

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- ❖ the Council would not be meeting the national agenda
- ❖ the Council would be excluded as a major player in the strategic developments in post-19 education in the City

b. Extend the remit of LAEC to be responsible for the operational delivery of the whole ACL programme

Although there was some support for this option from staff at the college there was no support from other stakeholders. It was seen as a return to the arrangements which existed under a previous reorganisation and would be difficult to implement in the current climate.

Advantages

The advantages with this option are:

- ❖ one unified service
- ❖ Council will retain both strategic and operational management of the Service but through the governance of the college
- ❖ could make more effective use of a central location as an administrative hub
- ❖ broader range of partners involved in governance
- ❖ some outreach work currently undertaken

Disadvantages

The disadvantages with this option are:

- ❖ the college does not enjoy the full confidence of all stakeholders
- ❖ the Council will bear the financial risk for non achievement against targets and, as now, for overspend against budget
- ❖ additional layer of governance
- ❖ insufficient infrastructure and capacity to manage a larger service
- ❖ insufficient infrastructure and capacity to deliver a broader curriculum
- ❖ concerns over the DDA compliance of the main building (a grade 2 listed building) as a teaching resource

c. Keep the status quo but with new management arrangements

The consultation showed that there was some support for maintaining the existing arrangements whereby the Council is the contract holder with the LSC, LAEC remains as an entity in its own right and other provision is delivered through the community settings. There was no such support for the existing management arrangements.

The almost unanimous view was that the existing service lacked vision and strategic direction. The management structure was seen to be top

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heavy with 12 curriculum managers and co-ordinators at LAEC and 29 curriculum managers, leaders and co-ordinators plus three Area Managers across the community settings. MIS and funding functions were broadly duplicated. LAEC had its own personnel function. Some staff at LAEC enjoy more generous pay and conditions than their colleagues within the Service.

The current structure needs to be modified to reflect changing priorities and increasing cost pressures in the external environment as well as resolving the ambiguities about roles and responsibilities in the current management structure.

An asset review of accommodation should be carried out if this option is to be pursued.

Support services provided to the Service by the local authority need to be improved, service level agreements need to be introduced and greater transparency in terms of cost and benefit needs to be established.

Advantages

The advantages with this option are:

- ❖ the Council will retain both strategic and operational management of the Service
- ❖ well understood delivery arrangements across the City
- ❖ clearer definition of role and purpose of LAEC
- ❖ management structure would be designed to be fit for purpose
- ❖ reduced management overheads following the rationalisation of management staff
- ❖ improved communication between management staff
- ❖ improved communication between the Service and LAEC
- ❖ minimises disruption to front line delivery and learners

Disadvantages

The disadvantages with this option are:

- ❖ the Council will bear the financial risk for non achievement against targets
- ❖ perpetuates some of the difficulties with the existing arrangements and does not address the underlying culture issues
- ❖ LLSC may retain concerns about the Council's ability to deliver against the government agenda
- ❖ loss of management staff could be an issue with unions
- ❖ does not provide the unified service desired by most stakeholders
- ❖ does not make the required financial savings
- ❖ may not improve the cost effective use of premises

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- ❖ unlikely to improve the perceptions of the Service by other stakeholders

d. Create a new single institution within Leicester City Council which would subsume LAEC and the current community based provision

The consultation showed a much greater support for the creation of a new institution, either within the Council or separate from the Council (see option e below). Those consulted often referred to wanting “a fresh start”. This option would provide the opportunity to put in place a management structure which would be appropriate to the nature and size of the new institution with clearly articulated roles and responsibilities. It will require a Head of the institution with the vision, strategic thinking and leadership skills to enable this new institution to contribute to the vision that the Council has for the City, address the learning needs of the adult residents of Leicester and deliver in line with the government agenda. Managers will need to seek funding from a range of sources to enable it to deliver on all these fronts.

This institution should have an advisory group to enable key stakeholders to communicate more effectively with the Head of Service and the Cabinet Portfolio holder. This group should include representation from staff, learners and communities.

In this option, the college will cease to have its own governance and will become an integral part of the institution. However it will need to have a focus. It could, for example, capitalise on its strengths in English and in modern foreign languages and become a centre offering a range of provision and services to individuals and employers in a similar way to the Brass House in Birmingham. Alternatively it could become a centre for education, training and continuing professional development for the Council, the Unions and other employers, with the dual purpose of raising both income and the corporate learning agenda. This solution may meet with some opposition from other providers.

The institution will need to re-assess the nature and location of provision in the community and consult with learners to inform this process. The area structure will need to be re-visited to determine whether it will be fit for purpose and the institution will need to make informed decisions about the cost effective use of premises. A leaner management structure will be required.

Together the changes to the college and to the community settings will provide considerable cost savings, generate additional income and enable a greater proportion of income to be focused on delivery.

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As with option c, support services provided to the Service by the local authority need to be improved, service level agreements need to be introduced and greater transparency, in terms of cost and benefit, needs to be established.

Advantages

The advantages with this option are:

- ❖ provides the unified service that most stakeholders desire
- ❖ Council will retain both strategic and operational management of the institution
- ❖ the institution will have a clear identity
- ❖ the LLSC are likely to have increased confidence in the Council's ability to deliver against the government agenda
- ❖ leaner management structure designed to meet the needs of a modern service
- ❖ reduced management overheads following the rationalisation of management and curriculum staff
- ❖ tighter corporate governance arrangements (e.g. financial control)
- ❖ opportunity to redefine curriculum management roles and responsibilities
- ❖ LAEC would no longer have its own governing body
- ❖ LAEC would no longer receive a delegated budget
- ❖ rationalisation of premises
- ❖ key stakeholders involved in the advisory group
- ❖ staff, learners and communities would have representation on the advisory group
- ❖ effective bridging for community cohesion

Disadvantages

The disadvantages with this option are:

- ❖ the Council will bear the financial risk for non achievement against targets
- ❖ there will be a cost associated with the redundancies

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e. Create a new single organisation such as a Community Interest Company or a Charitable Trust separate from Leicester City Council which would subsume LAEC and the current community based provision

This option would move the institution described in d above from the direct control of the Council into a free standing entity such as a Community Interest Company (CIC) or a Charitable Trust. There are benefits and disbenefits in becoming either a non-charitable organisation (CIC) or a charitable organisation (Trust). In either case such organisations are able to bid for funds that they might not be able to access as part of the Council. The source of these funds can vary according to the charitable status of the organisation. Further investigation to consider the status of the new company will be need if the option is to be pursued.

The new organisation would be managed by a Board comprising key stakeholders including the Council and the LLSC and should include staff, learner and community representation.

The LLSC will need to be consulted if this option is to be pursued to ensure that they would be willing to contract with this new body.

Advantages

In addition to the advantages identified in option d above the advantages with this option are:

- ❖ provides a coherent service for the whole area involving all stakeholders
- ❖ the Council will no longer bear any financial risk
- ❖ the Council will no longer be solely responsible for the contracts with the LSC
- ❖ the strategic direction of the organisation will be determined by the Board of stakeholders
- ❖ ability to access additional funding streams to provide informal and community learning

Disadvantages

The disadvantages with this option are:

- ❖ the Council will lose strategic control and management of the organisation
- ❖ there will be issues around TUPE for management and administrative staff; tutors are unlikely to be affected
- ❖ there will be issues around the arrangements to be made over ownership and use of premises

additionally

- ❖ there will be significant risk to viability should the LLSC not wish to contract with this organisation

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f. Create a small team within Leicester City Council who would maintain strategic oversight and commission delivery from a range of providers

This option would mean that the current Service and LAEC would cease to exist. Instead a small team of staff within the Council would determine strategic direction and commission delivery from a range of public, private, voluntary and community organisations across the City to deliver on their behalf.

This option was promoted by a small number of people interviewed who saw this solution as

- ❖ a way of transferring provision to the FE colleges;
- ❖ a way of enabling new groups to access funding; or
- ❖ a radical solution to provide a different delivery model.

The LLSC will need to be consulted if this option is to be pursued to ensure that they would be willing to continue to contract with the Council under this arrangement. It is likely that the LLSC would have considerable concerns with this option and may question whether this is the best way for it purchase provision.

Advantages

The advantages with this option are:

- ❖ a focus on strategic learning needs for the City
- ❖ greatly reduced overheads
- ❖ increased local provider base, e.g. voluntary and community groups

Disadvantages

The disadvantages with this option are:

- ❖ the Council will retain the financial risk but are now dependent on third party organisations to meet targets
- ❖ the LLSC may not support these arrangements
- ❖ providers may not be willing to deliver required provision
- ❖ the team may not have the capacity to quality assure all delivery
- ❖ there will be a cost associated with the redundancies
- ❖ the 'small strategic commissioning unit' approach has been criticised by the inspectorate on a number of occasions (e.g. Bedford LEA report)

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5 EQUALITIES IMPACT ASSESSMENT

This review was about the arrangements for the management of adult learning in Leicester and did not examine the detailed curriculum needs of the population. The views of learners were not sought at this first stage. Once there is a decision about the future management arrangements then it is expected that learners will be widely consulted and their views reflected in the detailed planning for the Service.

The questions and interviews were reviewed to ensure that the needs of all groups and the impact on specific groups of learners and communities were considered fully. Many consultees highlighted the need to reflect the nature and needs of individual local communities in planning the curriculum offer and when and where learning opportunities should take place.

In their inspection in June 2004, the ALI reported that learners from minority ethnic communities and men are under-represented at the college in many areas of learning. The Self Assessment Review for 2004-05 on the Service reports that “representation of BME groups is satisfactory across the service in most settings, representing the profile of the city’s population and represents a significant increase on previous years. However some settings having extremely high (93%) or extremely low figures (3%) that don’t necessarily reflect the local community”. It further reports that one year on from the Inspection there is still “poor representation of BME learners at the college.”

As the Indices of Multiple Deprivation 2004 highlighted, many ethnic minority groups in Leicester perform less well in school and there is a higher proportion of young people leaving school without or with few qualifications. There are potentially a higher proportion of adults from ethnic minority groups who will need to develop core skills or gain qualifications to have equal opportunities in employment and life. Asylum seekers and refugees from all ethnic minority groups experience considerable barriers to employment and functioning fully in the community and therefore have a vital need for access to adult learning – particularly for learning English and transferring existing skills or qualifications.

Studies by national bodies such as the Refugee Council have assessed and promoted the learning and integration needs of Refugees and Asylum Seekers and the educational attainment of minority groups has also been well documented. Consultation with Black and Minority Ethnic groups has also revealed a lack of knowledge about the services and courses available from the Adult and Community Learning Service and therefore there is a risk that people in ethnic minority groups are less likely to take up services.

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One of the main advantages of moving to a new model is that the new arrangements can be specifically designed to focus on delivering a diverse range of provision and on overcoming barriers to participation that might be inherent in the current arrangements – for example really focusing on developing provision that meets the needs of adults with learning difficulties and disabilities (ALDD) rather than the rather limited provision that is currently on offer in this respect.

6 RECOMMENDATIONS

We have consulted widely and reviewed the options in detail. The following table compares the status of a range of criteria for each option.

Criteria	Option					
	a	b	c	d	e	f
Will provide a broad range of learning opportunities for the residents of Leicester to meet individual and community needs within a framework of local, regional and national agendas	no	concerns over the infrastructure to do this	yes, but less than at present	yes	yes	unlikely
Will improve equality of opportunity for learners and staff	no	concerns over the infrastructure to do this	likely to retain the status quo	yes	yes	no
Will mainly provide or commission provision	provide	provide	provide	provide	provide	commission
Will reduce the size of the Service and the number of learners	yes, significantly	yes	yes	no	no	yes
Will provide the Service with a clear identity	possibly	yes	no	yes	yes	no
Will provide a unified Service	yes	yes	no	yes	yes	no
Will enable the Council to retain strategic control	yes	no	yes	yes	no	yes

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Criteria	Option					
	a	b	c	d	e	f
Will enable the Council to retain strategic influence	yes	yes, through governing body	yes	yes	yes, through stakeholder board	yes
Will enable the Council to retain operational management	yes	yes	yes	yes	no	no
Will remove the Council's financial risk	no	no	no	no	yes	no
Will provide a management structure compatible with the size/income of the Service	yes	yes	no, still likely to be top heavy	yes	yes	yes
Will generate financial savings	no	yes	potentially	yes	yes	yes
Will require financial support from the Council	yes	no	no	no	no	no
Will incur redundancy costs	yes	yes	yes	yes	yes	yes
Is likely to provide value for money	possibly	possibly	possibly	yes	yes	yes

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Criteria	Option					
	a	b	c	d	e	f
Is likely to gain/retain major FE and ACL contracts with the LSC	no	LSC likely to renegotiate	yes	yes	yes	LSC may withdraw
Will remove the Council's responsibility for meeting LSC targets	yes	no	no	no	yes	no
Addresses the underlying culture issues	possibly	possibly	no	yes	yes	yes
LAEC retains its current status	no	yes, enhanced	yes	no, integrated into Service with new role	no, integrated into Service with new role	no
Will involve other partners in governance	no	yes	no	no	yes	no
Will gain broad support from stakeholders	only from those who will secure additional contracts from the LSC	no	no	yes	yes	no

If the Council wishes to continue to draw down funding from the LSC then Option (a) is not a viable option.

There is little support for option (b) and it is unlikely in the short and medium term to deliver the necessary vision and provision for the people of Leicester. It may well not receive the total support of the LSC.

Option (c) is unlikely to bring about the fundamental changes in culture and organisation that will deliver a forward thinking and effective adult and community learning service.

Option (f) is unlikely to receive the support of the LSC and this model has been criticised by Inspectors elsewhere.

The predominant view arising from the consultation was for a fresh start for the Service as a whole. We therefore recommend to the Council that they consider options (d) and (e) in greater detail.

Both options potentially provide the opportunity for the Council to create a dynamic and cost effective Service which has a clearly role and place and which will have clear links to departments within the Council and Stakeholders outside the Council. Both options provide the facility for staff, learners and community representatives to have a voice in the governance of the new Service alongside other stakeholders.

Recommendation

That the Council considers further

Option (d):

Create a new single institution within Leicester City Council which would subsume LAEC and the current community based provision

and

Option (e):

Create a new single organisation such as a Community Interest Company or a Charitable Trust separate from Leicester City Council which would subsume LAEC and the current community based provision

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APPENDICES

- A Consultation Group
- B Stakeholder List
- C Themes and Questions

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A CONSULTATION GROUP

Name	Position	Organisation
Claire Ambrose	Head of Adult Learning	LCC
Brian Berkovits	HR Consultant, Education Department	LCC
Rachel Croft	Contract Manager	LSC
Theresa Davis	Senior Manager	LSC
Kim Garcia	Service Director, Lifelong Learning	LCC
Gary Garner/ Dawn Powell	Union Representative	Unison
Jay Hardman	Senior Policy Officer	LCC
Sue Linsley Hood	Lead Consultant	Tribal Education
Les Price	Union Representative	NATFHE
Robert Raven	Principal	LAEC
Tim Ward	Operations Manager, ALS	LCC
Lowell Williams	Principal (representing FE Principals)	South Leicestershire College

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B STAKEHOLDER LIST

The following people and organisations were invited to participate in the consultation process.

Stakeholder	Position/Organisation
Cllr Roger Blackmore	Member
Cllr Sue Waddington	Member
Cllr Hussein Suleman	Member
Cllr Michael Johnson	Member
Cllr Mustafa Karim	Member
Cllr Pranjit Singh Gill	Member
Rodney Green	Chief Executive
Andrew Cozens	Deputy Chief Executive
Louise Goll	Director, Achievement and Innovation
David Oldershaw	Acting Director, Adult Department
Kim Garcia	Director Lifelong Learning
Sue Welford	Acting Head of Standards
Paul Livock	Service Director, Pupil and Student Support
Sean O'Leary	Head of Service, Learning Disabilities
Bhupen Dave	Service Director, Adults
Hazel Noakes-Checklin	Financial Service Manager (Central team)
Adrian Paterson	Service Director, Policy and Resources
Brian Berkovits	Senior Human Resources Consultant
Pat Flynn	Head of Library Service
Paul Vaughan	Head of Youth Service
Steve Goddard	Head of Community Service
Jo Elks	Head of Early Years Service (job share)
Bernice Bennett	Head of Early Years Service (job share)
Robert Raven	Principal, LAEC
Pauline Swanton	LAEC, Senior Manager, Language and Liberal Arts
Doreen Watson	LAEC, Senior Manager, Visual and Performing Arts
Mary Harrison	LAEC, Senior Manager, Staffing, Resources and Services
Curriculum Coordinators	LAEC
Chair plus 2 Governors	LAEC
Tutors	LAEC
Claire Ambrose	Head of Adult Learning
Tim Ward	ALS, Operations Manager
Carol Johnson	ALS, Skills for Life Officer
Claire Cronin	ALS, Curriculum and Quality Manager
Kerry Gray	ALS, Learner Support Officer

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Stakeholder	Position/Organisation
Parmjit Basra	ALS, Funding and Data Manager
Catriona Kelly	ALS Family Learning
Curriculum Leaders	ALS
Area Managers	ALS
Area Learning Coordinators	ALS
Implementation Group	ALS
Tutors	ALS
Union representative	NATFHE
Union representative	UNISON
Union representative	GMB
Union representative	NUT
Representatives	Linwood Community Association
Representatives	Stocking Farm Community Association
Representatives	Highfields Community Association
Representatives	Cort Crescent Community Centre
Representatives	Spinney Hill Community Association
Representatives	Area Committees
REMIT/REACH	ALS
Remit User Group	
Raj Patel	
Voluntary Action Leicester	
Housing	
Health Authority	
David Nelson	Learning and Skills Council
Di Bentley	Learning and Skills Council
Theresa Davis	Learning and Skills Council
Rachel Croft	Learning and Skills Council
Community Principals	David Powell, Judge Meadow
Primary Community Headteachers	
Lowell Williams	representing FE Principals
Maggie Galliers	Principal, LCFE
Lowell Williams	South Leicestershire College
Loughborough College	Loughborough College
Stevenson College	Stevenson College
Ray Flude	Leicestershire/Leicester City Learning Partnership
Brian Glover	BSF (Leicester City Council)

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C THEMES AND QUESTIONS

Theme one: vision for the future

What is your vision for the future for adult and community learning across all providers in Leicester?

How do the Community Settings fit into your vision?

How does the LAEC fit into your vision?

Should the Service be a universal service for all or should it concentrate on particular groups?

What are the inter-relations between Adult Learning and other functions of the Council? (*including, but not only, 14-19, early years, people with learning difficulties aged up to 25*)

What is the relationship with libraries?

Where do people who do not live in the city fit into the vision, for example those people who work in Leicester?

Theme two: the wider social and community picture

What should adult learning contribute to the community cohesion agenda in Leicester?

In the light of the LSC funding changes for 2006 onwards we anticipate that some existing provision will be lost. What is it important to protect?

How will the Adult Learning Service address any tension between local demand and limited public funds?

What partners does the Adult Learning Service need to work with to attract other funding? What changes in working practices will this involve?

Theme three: capacity to deliver

For LAEC and for the Community Settings:

- How is ACL funding allocated to targets?
- How is FE funding allocated to targets?
- How is activity monitored and what steps are taken to ensure that performance meets targets?

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- How does each contribute to the strategic planning for the Service as a whole?
- To what extent do the qualifications and skills set of existing staff meet the needs of the Service?
- What procedures and safeguards are in place to ensure that spending is within agreed budgets?
- To what extent are premises appropriate to the needs of the population and the requirements of the curriculum?

What were the benefits and disadvantages of previous restructures?

Theme four: the curriculum offer

How are the curriculum needs of

- learners
- communities
- the wider population
- employers

determined?

To what extent does the curriculum offer meet identified need?

Two key change themes from the LSC:

- i. "from widening participation to achievement"

What changes need to be made to make this happen?

- ii. Towards full level two qualifications

How does the curriculum offer support this aim?

What changes need to be made?