

## **SAFER & STRONGER COMMUNITIES SCRUTINY COMMITTEE**

**7 NOVEMBER 2011**

### **OXFORDSHIRE ADULT LEARNING**

#### **Introduction**

1. This paper aims to give an update on current issues facing the Adult Learning Service, (ALS).
  - ALS works with 15000 learners per year
  - ALS currently employs 115 fte staff including c. 250 sessional tutors.
  - 80% of funding comes through the Skills Funding Agency (SFA), 5% from the Young People's Learning Agency (YPLA), and 15% from fees and charges.

#### **The move from SCS to E&E**

2. ALS joined the HR Service within Oxfordshire Customer Services on 1<sup>st</sup> January 2011. Good working relationships formed with Community Services, particularly with the Library Service, have continued since leaving SCS. Adult Learning Centres continue to be co-located with several Libraries. We also work closely with the Principal Librarian, Communities and Learning, particularly in relation to work with Family Learning and Skills for Life.
3. Moving to Customer Services has brought us into closer contact with the Learning and Development team, which is responsible for meeting the training needs of County Council staff and with whom we have had overlapping functions for some time. It has been agreed to draw the two services together in a staged process which will also see a reshaping of the new body along commissioning/providing lines. The move of the ALS central team to Unipart House in July 2011, working in the same office as L&D and other Customer Services staff has been beneficial in enabling less formal working relationships.

#### **Current financial position and recovery plan, including restructuring**

4. Through a variety of economy measures, including a restructure of Skills for Life provision Service Managers were able to reduce a large deficit from 2008/9 to £34k at the end of the 2010/11 financial year.
5. However, further savings need to be identified because of a variety of financial drivers. These include the need to:-
  - repay a loan from the County Council of £181,000,
  - address a known reduction in income of c. £250,000 because of changes in Skills Funding Agency (SFA) funding rules,
  - meet the deficit of £34,000 generated in the financial year 2010/11.

## SSC6

6. This has led to a planned restructuring of parts of the service, which was launched at the beginning of September 2011. It has two aims:
  - to streamline ALS administration of centres and curriculum support, in order to save approximately £400,000,
  - to move two groups of L&D staff across to ALS, in order to begin the work on creating a clear commissioner/provider split.
7. The consultation phase is now over and the process of selecting staff to posts in the new structure has begun. 12.25 fte posts will be deleted as a result of this restructure and the service will have to make considerable changes to the way it staffs its centres to accommodate this.
8. In addition, in July 2011 it became apparent that under-performance against one of the SFA contracts, the Adult Skills contract, had taken place during the academic year 2010/11. This has recently been confirmed by a written notice to improve. This is now a major challenge for the service to address and a new business strategy is being produced to affect further savings within year and beyond. The liability, which may be up to £400,000 will run over the end of this financial year and into the next. This has underlined the need for urgent structural change within some areas of the service and work has begun to address this.
9. Additional management resource is being made available through the secondment of a senior manager from the Business and Skills Unit. This will bring extensive experience of the SFA/LSC funding system and will coordinate the production and implementation of the recovery plan and play a key role in negotiating repayment arrangements with the SFA. This post formally begins on 26<sup>th</sup> October 2011 and the main tasks have been agreed and a job description drawn up.

### **Plans for merging ALS and Learning and Development (L&D) and the links to the Business and Skills Unit**

10. The ALS and L&D management teams are to merge and it is planned to do this in a change process from January – March 2012. This will need to link to work currently in hand to move both services to a commissioner/provider model. This work is due to be completed by December 2011, so that it can inform the change process to begin in early 2012.

This work is part of a larger strategic plan which sets out a vision of the County Council's role in surveying skills development needs across the county, giving high-quality intelligence about skills needs and shortages to funders and providers, and supporting the Local Enterprise Partnership in giving voice to those needs through the production of a skills need analysis.

ALS/L&D will have a key role as the provider of Adult Skills training for the County Council in meeting the challenges identified through the skills needs analysis.

## Testing the Service Delivery Model

11. CCMT has agreed in principle to explore the options for the delivery arm of the restructured ALS/L&D service to be externalised. This work is at an early stage and there are options to be investigated. Although many local authorities have looked at this issue, very few have successfully brought services successfully to the point of externalisation and currently we are working to understand the nature of the barriers to this course of action. However this work is being undertaken as a matter of some urgency to address the issues of service quality, customer participation and marketing.

## National developments

### 12. Simplification of funding arrangements.

The SFA has announced that it intends to move towards simplifying the Adult Skills funding system over a three year period:-

- 2011/12 - SFA issues shadow rates matrix with indicative funding values
- 2012/13 - Dual run of the new funding rates alongside the current ones
- 2013/14 - Full implementation of new funding system

Ironically this will not overall result in net simplification for ALS as the level of reporting required for the Adult Safeguarded Learning (ASL) and First Steps streams is not as great as for the Adult Skills budget.

*(A new streamlined funding system for adults skills SFA, October 2011)*

### 13. Consultation on informal Adult and Community Learning

The Department for Business, Innovation and Skills is conducting an extensive review of Informal Adult and Community Learning (IACL). BIS states that they wish to:-

- maximise its contribution to wider policy objectives, including the Big Society
- focusing public funding on people who would not otherwise have access to learning
- support progression to further learning, training and employment.

*(New Challenges, New Chances: Next steps in implementing the Further Education reform programme – Review of Informal Adult and Community Learning – BIS, August 2011)*

In short, the Government is reshaping the market for Adult Learning and there is some risk that this will result in funding being redirected to organisations other than the County Council. The outcomes of the review, incorporating a timetable for implementation, will be published in late autumn 2011

**Action**

Scrutiny Committee is asked to note the actions outlined in this report.

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**Glossary**

ALS Adult Learning Service

BIS Department for Business, Innovation and Skills

E&E Environment and Economy Directorate

ESOL English for Speakers of other Languages

IACL Informal Adult and Community Learning

L&D Learning and Development Service (within Customer Services)

LSC Learning and Skills Council

SCS Social and Community Services Directorate

SFA Skills Funding Agency

SfL Skills for Life