

**CAMBRIDGESHIRE ADULT LEARNING AND SKILLS**

**To:** Communities and Partnership Committee

**Meeting Date:** 8<sup>th</sup> August 2019

**From:** Pat Carrington, Assistant Director: Skills & Employment

**Electoral division(s):** All

**Forward Plan ref:** N/A **Key decision:** No

**Purpose:** For the Committee to receive information relating to the key changes being made to the Cambridgeshire Adult Learning and Skills Service delivery plan for the new academic year.

**Recommendation:** The Committee is asked to:

- a) Note the changes in the delivery plan for the new academic year, which build on the outcomes of an internal review and the requirements of the new funding body;
- b) Request that the Chief Finance Officer, in consultation with the Chairman of the Communities and Partnership Committee and the Service Director for Communities and Safety, carries out the final due diligence required prior to changing the organisational arrangements of the service, ensuring any residual risks to the council are identified and mitigated; and
- c) Note that the final decision on the service will be made by the Commercial and Investment Committee after due diligence has been completed.

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## 1. **BACKGROUND**

- 1.1 The Cambridgeshire Adult Learning and Skills Service (CALSS) is the County Council's adult education service, funded through the Department of Education. This grant funding, currently £2.25 million, is for the provision of adult learning and training.
- 1.2 In 2018, CALSS transferred to the Communities and Safety service directorate and to the responsibility of the Communities and Partnership Committee. A Shadow Board was introduced to provide strategic oversight of the service, with a view to a full Governing Board coming into operation from April 2019. This transfer of service and committee responsibility created an opportunity to review the service, including its programme of learning, its methods of reaching and engaging with learners, and the impacts and outcomes the service was achieving. For the reasons described in section 1.5 and 1.6, the transition to alternative delivery arrangements was deferred, enabling the service to focus on operational changes that needed to be made.
- 1.3 More recently, the detail behind changes to funding arrangements for the forthcoming academic year have become more defined, with the devolution of adult skills funding to the Combined Authority coming into effect from August 2019.
- 1.4 Our own review and our preparedness for these funding changes have enabled us to bring forward recommendations to Committee over the past few months to reform the service delivery model, to ensure we are targeting our work in the right ways. To date, the Committee has approved the outcomes of the review, the creation of a new arms-length service delivery model, detailed management and governance arrangements, and a staffing and service reorganisation. Links to the Decision Summaries of the relevant Committees can be found at the following links:

July 2018:

<https://cambridgeshire.cmis.uk.com/ccclive/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/840/Committee/44/Default.aspx>

December 2018:

<https://cambridgeshire.cmis.uk.com/ccclive/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/845/Committee/44/Default.aspx>

May 2019:

<https://cambridgeshire.cmis.uk.com/ccclive/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/850/Committee/44/Default.aspx>

- 1.5 The focus of recent work has been to be operationally ready to deliver an adult skills service that meets both the council's priorities and those of the funding body, by the start of the next academic year commencing September 2019. The decisions made previously by the council, and in particular those made in May 2019, has enabled this work to progress such that we have now agreed a delivery plan with the funder and will be ready to operate that on time.
- 1.6 This is separate from the transition to becoming an arms-length service, which is recommended should take place at a slightly later date, thereby ensuring a sharp focus is maintained on service delivery. We anticipate that, subject to final due

diligence processes being carried out, the service will be ready to transition in early 2020.

## **2. MAIN ISSUES**

- 2.1 As referred to above, the transfer of the service to a new directorate and a new committee enabled a full service review to be undertaken. This review was carried out by an independent adult skills specialist, with extensive experience in the provision of local authority adult skills services across the country.
- 2.2 The review identified that, overall, the quality of the provision delivered and commissioned by the service was good. However, it also identified that a large proportion of this delivery was non-accredited, leisure classes. Although we absolutely recognise the value of this type of learning - for example, to help address social isolation and loneliness, and to improve confidence and self-esteem - there was probably insufficient focus on learning to help people into employment or higher level training or to progress further in their work.
- 2.3 Further, the review identified that the delivery of a large proportion of delivery (c.75% of learners) is sub-contracted to local, external providers. This may not enable the service to ensure consistency of delivery and quality is maintained. Additionally though, the CPCA is planning to fund skills based, qualification bearing programmes and is restricting the amount of subcontracting to no more than 20% of individual provider's budget allocations. CALSS currently contracts more than 35% of its funding to subcontractors.
- 2.4 The review noted that, in order to best respond to the priorities set by the council and to the delivery requirements of the new funding body, a redesign of delivery arrangements, including a full staff restructure, needed to be undertaken to ensure it was ready to meet its delivery contract obligations for the new 2019/20 academic year.
- 2.5 **The expectations of the CPCA**
- 2.5.1 Combined Authorities have been given the responsibility for adult skills development in their areas and the Adult Education Budget to support this will be devolved to Combined Authorities from 1st August this year. The CPCA has developed a local Skills Strategy and, on the basis of the priorities identified, will be purchasing learning provision from local providers. Their priorities for adult skills are:
- Development of skills to gain a job
  - Retraining / reskilling to change employment
  - Upskilling those in work, particularly those in low skill, low paid work
  - Providing education and training opportunities to those who are furthest away from learning and work
- 2.5.2 The CPCA has also identified the importance of targeting provision in the areas of greatest need in Cambridgeshire, namely Fenland and East Cambridgeshire. These areas have the highest level of unemployment and the highest levels of long term

unemployment. Currently the service provides very little in these areas, with most provision being provided in Cambridge City and South Cambridgeshire.

- 2.5.3 The CPCA will apply the national requirement that funded providers do not subcontract more than 20% of their adult education budget funding.
- 2.6 To respond to these changes, and in line with our own review findings, the service must reduce its subcontracted work from the current level of 35% to the 20% maximum stipulated nationally. Much of the subcontracting is to community schools/colleges in the form of a subsidy per learner for the provision of general leisure and pleasure classes. This cannot continue as it is not in line with the CPCA priorities. Importantly though, the service will continue to encourage the current subcontractors to maintain their existing leisure programme offer through the continued application of the fees they already levy.
- 2.7 Instead, the service needs to develop and deliver a range of additional programmes that will align to the CPCA Skills Strategy. The service has submitted its plan for 2019/20 which is aligned to the Skills Strategy and this plan was approved at the end of May. Details of this plan are contained within **Appendix 1** (exempt) to this report. Alongside this, as **Appendix 2** (exempt), is the associated budget to deliver this plan. The service will extend its existing provision of accredited and non-accredited Basic Skills programmes – English, Maths, IT and ESOL. It is also developing a range of accredited and non-accredited vocational programmes to meet local needs.
- 2.8 The service also needs to further develop community links and links with local employers to gain a better understanding of local need and to work together with communities and businesses to meet that need. There will be a particular focus on introducing new provision in Fenland and East Cambridgeshire whilst also maintaining and developing programmes in areas of need across the whole of Cambridgeshire.
- 2.9 **Options appraisal**
- 2.9.1 To ensure that the service adopts the most appropriate model for its delivery and structure longer term, an options appraisal was undertaken. The options included:
- (i) Doing nothing:**  
If the service was to continue operating in its current form it would be in breach of subcontracting rules to limit subcontracting to 20%, and would be likely to lose its funding. The council is committed to supporting our most vulnerable residents through, for example, increasing their access to employment, and continuing with the existing arrangement, with a heavy focus on learning for leisure, whilst valuable, would not help us to fulfil this ambition.
- (ii) Cease trading:**  
Adult community learning services, especially those delivered by local authorities, provide a vital service to the most disadvantaged people in the community and to those who are furthest away from the workplace. This is challenging work, requiring the service to reach out into the community and deliver accessible and customised learning opportunities that are not provided by FE colleges or private providers. They

also provide the safe, supportive and nurturing environment that vulnerable adults are comfortable in.

Local authority adult education services link into the wider local authority services and priorities, providing an important link and resource that supports the priorities of the council. This important link and resource, which we would want to further develop and extend, will be lost if the service were to cease trading. Further, the county could potentially lose £2.25million of funding for adult skills development if CALSS ceased operating.

### **(iii) Redesigning the Service**

To best meet the needs of the council and the funding body, this option was the preferred option. The service has just completed a rigorous consultation process on a fundamental reorganisation and will be implementing the changes from 1st September this year. This will see a new organisational structure introduced to effectively develop and deliver the programme offer and service to learners.

This will see a learner focussed, learner facing service, operating from 'hubs' in March and, most probably, Ely. The hub in March is likely to be the March Community Centre which the service currently operates from, but developments will see the centre becoming a busier core hub for Cambridgeshire Skills, with learning programmes offered across the day and evening. The service is currently seeking a comparable facility in Ely. These two centres will operate as local colleges providing a comprehensive service to learners. These hubs will serve to be a base from which learning is delivered in the wider county from community venues such as libraries, community centres and village halls.

### **(iv) Merge with Peterborough**

This is an option that was considered but it was agreed that maintaining both sovereignty and identity, focussing the service on the specific needs in, and of, Cambridgeshire, was vital. It is planned to have some shared backroom services with the equivalent service in Peterborough where this adds value, to provide the customised, responsive support required to effectively deliver the changed delivery model and the increased, directly delivered teaching and learning.

## **2.10 Risks and liabilities to CCC**

- 2.10.1 The adoption of the proposal to redesign the service, as agreed by Committee, has been reviewed to identify any potential risks to CCC, which are as follows:
- Redundancy costs – it is envisaged that these will be kept to an absolute minimum as far as possible. In the previous financial year, the service underspent its grant allocation, enabling these costs to be met from that source rather than creating an additional pressure on council resources
  - As the County Council currently meets the costs of HR, IT and payroll for the service, there is no loss of funding to the council should the service transition to an arms-length model and commission alternative providers of these types of functions. It is anticipated in fact that there should be a reduction in cost to the council.
  - There is a risk of reputational damage to the service and the council if the service is unable to retain its funding. This has been successfully mitigated so

far through the actions already taken as described above, but will continue to be monitored through the Shadow Board. Additionally, a new Head of Service has recently been appointed following a national recruitment campaign. The successful candidate brings a wealth of experience in local authority delivered adult skills services, including in a similar arms-length operation

## **2.11 Timeline for key milestones for going forward**

Interviews of internal candidates for new posts – July 2019  
Recruitment of external candidates to remaining posts – September 2019  
New curriculum offer in place and marketing underway – August 2019  
New Service Centre in place in East Cambridgeshire – September/October 2019  
New staffing structure in place and operational – September 2019  
All posts recruited to and staff in post by October/November 2019

## **3. ALIGNMENT WITH CORPORATE PRIORITIES**

### **3.1 A good quality of life for everyone**

The proposed objectives that the service commits to deliver and use its funding to support include:

- To advance education
- To relieve unemployment
- To relieve poverty
- To advance health
- The promotion of community participation in healthy recreation, in particular by the provision of facilities for the playing of sports and related activities

### **3.2 Thriving places for people to live**

The plans for the development of the service, once progressed, will result in increased delivery in the targeted areas of need identified in local social and economic data. This will improve the work and life prospects of local residents.

### **3.3 The best start for Cambridgeshire's Children**

Engaged and skilled adults will lead to improved support of children and families.

## **4. SIGNIFICANT IMPLICATIONS**

### **4.1 Resource Implications**

The report above sets out details of the significant implications

### **4.2 Procurement/Contractual/Council Contract Procedure Rules Implications**

No significant implications in this category.

### **4.3 Statutory, Legal and Risk Implications**

No significant implications in this category.

#### 4.4 **Equality and Diversity Implications**

The work carried out by the service is often with the county's most vulnerable residents and as such makes a positive contribution to issues of equality and accessibility. However, an impact assessment is currently being undertaken on these proposals to establish whether anyone will be inappropriately disadvantaged as a result of these proposals.

#### 4.5 **Engagement and Communications Implications**

The Service operates in partnership with local community and voluntary organisations. This work will be further developed and extended.

Individual meetings have been arranged with sub-contractors to discuss changes to arrangements for the next academic year, and to offer advice and support to help them find alternative strategies to maintain their programme offer.

#### 4.6 **Localism and Local Member Involvement**

At the heart of the Adult Learning and Skills Service is its local engagement and place-based delivery. The planned development of the service will result in the provision of two discrete learning centres, one in March and another in East Cambridgeshire. In addition, the Service is working to identify accessible, local buildings from which to deliver community-based learning.

The Shadow Governing Board has both County Council and District Council representation.

#### 4.7 **Public Health Implications**

Public health are a partner of the Adult Learning and Skills Service and will continue to be so in this new model.

<b>Implications</b>	<b>Officer Clearance</b>
<b>Have the resource implications been cleared by Finance?</b>	Yes Name of Financial Officer: Martin Wade
<b>Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?</b>	Yes Name of Officer: Gus de Silva

<b>Has the impact on statutory, legal and risk implications been cleared by LGSS Law?</b>	Yes Name of Legal Officer: Fiona McMillan
<b>Have the equality and diversity implications been cleared by your Service Contact?</b>	Yes Name of Officer: Adrian Chapman
<b>Have any engagement and communication implications been cleared by Communications?</b>	Yes Name of Officer: Matthew Hall
<b>Have any localism and Local Member involvement issues been cleared by your Service Contact?</b>	Yes Name of Officer: Adrian Chapman
<b>Have any Public Health implications been cleared by Public Health</b>	Yes Name of Officer: Tess Adams

<b>Source Documents</b>	<b>Location</b>
None	N/A