

EXECUTIVE COMMITTEE

4th October 2011

LEARNDIRECT

| | |
|----------------------------|---|
| Relevant Portfolio Holder | Councillor Derek Taylor, Portfolio Holder - Leisure and Tourism |
| Portfolio Holder Consulted | Yes |
| Relevant Head of Service | John Godwin, Head of Leisure and Cultural Services |
| Wards Affected | All Wards |
| Key Decision | |

1. SUMMARY OF PROPOSALS

To consider the future operation of the Learndirect adult learning service based at the Greenlands Business Centre following the withdrawal of funding from University for Industry (UFI) for the forthcoming academic year 2011/12 and subsequent negotiations with North East Worcestershire College (NEWC).

2. RECOMMENDATIONS

The Committee is asked to **RESOLVE** that

1) **the contents of the report be noted; and**

to RECOMMEND that

2) **EITHER**

Option 1 - funding be continued and the service maintained as currently provided; OR

Option 2 - the service be closed at the end of the extended contract period: OR

Option 3 – the funding agreement/contract proposed by NEWC is accepted and that the learndirect services are rebranded and run on a NEWC franchise basis. This option is subject to formal endorsement by NEWC Board.

3. KEY ISSUES

3.1 Following the withdrawal of funding by the UFI, the Council now needs to consider the options available and the viability of these options. As members will be aware in previous years the Council has been granted a contract from the UFI funding body to deliver basic skills and IT

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training which offsets the cost of operating the service and provides the customer with free or very limited cost for training.

- 3.2 At the Council meeting on 9th August 2010 Members approved option 4 of the recommendations to relocate the Learndirect element of the REDI Centre Service to another Council owned facility. The relocation was completed by the beginning of January 2011 with the service being maintained to its customers throughout the transition process.

Within the report Officers stated that the current contract with UFI may not be granted for another term as they were issued on an annual basis and the funding stream was not guaranteed

- 3.3 The Deputy Leader of the Council in the Leaders' Announcements at the Executive Committee held on the 12th July 2011 advised the Committee that the existing contract with UFI to fund the Learndirect service had not been renewed. It is important to note that the withdrawal of the contract was entirely due to the way that UFI wished to operate future contracts and not due to any quality or quantity issues relating to the delivery at the Centre. Customer online satisfaction rating returns to UFI scored the service at 100%.
- 3.4 The Centre is currently funded by University for Industry (UFI) through the brand name **Learndirect**, (Adult Responsive Learning). For the academic year 2010/11 we were contracted to deliver the following targets contained in the table below, which were all exceeded.

| Description | | Target | Actual |
|--------------------|------------|---------------|---------------|
| Skills for Life | Enrolments | 152 | 165 |
| IT – Level 2 | Enrolments | 46 | 58 |

- 3.5 An extension to the existing contract due to expire on the 31st July 2011 has been agreed with UFI which will provide funding until the 30th September 2011. The total number of individual learners that have attended the Centre up to the 31st July is 172. An additional 30-40 learners will attend the Centre during the contract extension period bringing the total number of learners to in excess of 200.
- 3.6 At the end of September 2011 the contract extension will expire which will see the total removal of all existing income streams from the Centre. The Centre can continue to deliver basic skills courses and ICT to customers. The costs of provision could be offset by a charging policy to all learners, but this would need time to be developed taking into account the needs of individuals on lower and higher incomes and the needs of local employers.

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- 3.7 Officers have been in contact with UFI to identify who has been granted a contract to operate the Learndirect Service in the Redditch area. It has been confirmed that the contract has been awarded to Pertemps People Development Group, a large recruitment and training company. Officers have discussed with the new provider whether there would be an opportunity for Pertemps to be able to use the Council's Centre to continue to deliver Learndirect courses and to be paid to do so on a sub-contract basis, but unfortunately their contract does not permit this. Pertemps will make access to Learndirect training courses available to the people of Redditch via two routes: 1) via referral from Jobcentre Plus for helping the long term unemployed back to work; or 2) via uptake from the general public. Pertemps premises are located in Empire Court, Redditch Town Centre.
- 3.8 Following discussions at the Local Strategic Partnership (LSP) on the funding issues faced within adult education services and the further education sector, senior officers have met with representatives of NEWC. These discussions have been extremely positive and productive and have resulted in an offer being made to the Council by NEWC to continue to offer services on a franchise basis. These services will be commissioned by NEWC to deliver basic skills and ICT provision to the same contract value level or higher than that provided by the Learndirect contract.
- 3.9 The NEWC offer is for funding up to £100,000. Based on the Centre's past achievements a contract value of £75,000 to £80,000 is realistic based on the number of staff, computers and venue capacity. The delivery is a mix of basic skills and ICT all leading to recognised qualifications. Customers will continue to be derived from links with Job Centre, Next Step Advisors, NEWC; SureStart Centres; local community groups and back to work programmes within the town. See confidential Appendix 3 for agreed delivery targets. The financial figures have been endorsed by the Principal of NEWC and a formal contract offer has been made (subject to formal endorsement by NEWC Board).
- 3.10 Should the council wish to enter into this agreement the service would be required to rebrand, as Learndirect is a registered trademark and could not be used. The service would be branded under RBC style guide however due to the funding arrangement all courses funded via NEWC will be required to carry their logos alongside side our own.
- 3.11 Under this proposal the service would also be allowed to generate additional funding streams and provision to further increase opportunities for residents whilst minimising Council funding.

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Financial Implications

3.7 The impacts of the options contained in the report in this financial year are contained in the table below.

| Option | 2011/12 Current Budget | 2011/12 – additional funding requirement | 2011/12 – Revised Budget | 2011/12 – Net (savings) /additional costs | Comments |
|---------------------------------------|---------------------------------------|---|---|--|---|
| | £ | £ | £ | £ | |
| 1 | 33,150 | 45,000 | 78,150 | 45,000 | The loss of contracted income of £45,000 is directly proportionate to the increase in revenue expenditure. No Redundancy or Pension costs would be liable |
| 2 | 33,150 | 27,356 | 60,506 | 27,356 | The budget requirement to operate until the 30 th September is £26,372 the balance from the total budget of £6,778 can be used to offset Redundancy & Pension costs of £34,134 |
| 3 | 33,150 | 0 | 0 | 0 | The contract offer on this option would replace the learn direct funding on a like for like basis. Additional cost to establish the changes to the service will be met from existing budgets. |
| 2012/13 budget requm't | 33,150 | 75,000 | 108,150 | 75,000 | The figures in this section relate to costs without any new income streams being available. |

3.8 The impact of any approval on the Council's budget 2012/13 will be included in the up coming budget discussions for formal approval in February 2012 should option 1 be approved.

3.9.1 Relevant finance Officers have been consulted with regard to the financial implications and consider them to be sound.

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Legal Implications

- 3.10 No legal implications have been identified.
- 3.11 Relevant Legal Services Officers have been consulted with regard to the legal implications and the franchise agreement.

Service/Operational Implications

- 3.12 Option 1 & 3 to continue to operate the current service, has no further service or operational impacts and the service will continue to offer the same qualifications as the learndirect contract. As highlighted earlier in the report Option 1 would also require a charging policy to be implemented following the loss of funded places on site. In Option 3, learner charges will also be made in accordance with the SFA funding guidelines.
- 3.13 Option 2 to close the service, will have an impact on the Business Centre as Units 4 & 5 that Learndirect currently occupy as paying tenants would have to be vacated. The current IT hardware located at the Centre could be put back into RBC ITC PC stock.
- 3.14 Presently there are four part time members of staff (2.1 FTE's) operating the Learndirect Service. On the 22nd July 2011, staff were briefed on the current position and formally put on notice of being at risk of redundancy until this report was brought to the Executive Committee for a decision on the future of the service. Staff will be briefed on the decisions taken by the Executive Committee following this meeting.
- 3.15 Option 1 & 3 contained in this report helps support the Council's priority of Enterprising Community in the support towards skills and learning. The cost of the service needs to be considered within a Value for Money framework if the cost of the service can be reduced via other alternative options.
- 3.16 Option 2 complete closure does not support the Enterprising Community priority of the Council.

Customer / Equalities and Diversity Implications

- 3.17 Option 1 - If this option were recommended there would be an impact on existing and new customers as Learndirect courses would not be maintained, but basic skills and ICT training could continue to be provided. As the contract income from UFI that was drawn down to

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fund the cost of learning has been withdrawn, customers would be required to pay a fee towards the cost of providing the learning service.

3.18 Option 2 - This would impact on all current and future users as the service would be closed. Customer comments on the relocated service and potential impacts on customers are contained in Appendix One.

3.19 Option 3 – Would not have an impact upon existing and new customers as the learning places/opportunities provided would be funded through the franchise agreement on offer with NEWC. In line with the SFA guidelines a limited number of courses would be charged for but these levels would be significantly less than those that would be required with option 1.

4. RISK MANAGEMENT

4.1 There is a financial risk to the Authority in varying degrees as the service is not funded at this stage beyond September 2011. Any future service costs dependent upon the option chosen will need to be funded from revenue balances and/or savings from other Council services/provision. Option 3 although negating the need to provide additional resources does carry a risk given that the financial performance of the site, is franchise based and linked to achieving agreed outcomes. However as part of the negotiation with NEWC and a review of current and past performance officers are confident that these figures are achievable. Due to the nature of the contract over performance is also rewarded to provide an incentive to succeed.

4.2 There is the potential for some reputational risk to the Authority for each of the options presented, either in respect of loss of service provision or value for money considerations.

5. APPENDICES

Appendix 1 - Customer comments on existing service provision and impact views

Appendix 2 - Statistical information on Learndirect users

Appendix 3 - Franchise Agreement Income Projections (This Appendix is exempt by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.) – TO FOLLOW

6. BACKGROUND PAPERS

None

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AUTHOR OF REPORT

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APPENDIX ONE

The service relocated to Greenlands Business Centre and began trading at the beginning of January 2011. Customers who were engaged on Learndirect at the REDI Centre were asked if relocating would be a barrier to their continued learning, 90% of respondents said it would not be a barrier.

Learner Satisfaction

Learner satisfaction reports from Learndirect show 100% on all areas. Clients found the new environment professional, welcoming and easy to access. Some of the comments received highlighted the need for an individual and flexible approach to learning which could be achieved outside of the Learndirect contract.

Customer comments include:

“Excellent experience. The tutors were super, knowledgeable and approachable. All round positive experience.

“Had a really positive learning experience for the first time ever. Never thought I would achieve but I did”.

“Really nice centre, very professional. I was able to talk about my long term goals and sort out the best course to start with”

“Great – easy way to learn, very flexible for me while I am working and looking after the children on my own. My tutors were always there to help and I only needed to attend at times suitable to my own schedule. Loved it – great tutors”.

It is considered that certain groups may be impacted upon but not excluded from access to training opportunities provided by others.

| | |
|--------------|---|
| Lone Parents | Low self esteem and poor prior educational success and experiences prevents this group from going to college or places such as Pertemps Training Centres. |
|--------------|---|

| | |
|---------|---|
| Parents | Families with multiple and complex problems often wish to improve their educational chances to provide support for their children. This is a high motivating factor for many of our learners. |
|---------|---|

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They found that the smaller, more individual leaning environment helped them to focus on their own development and long term aspirations. We know that this has a positive impact on the family life and helps to improve family cohesion and aspirations.

The individual learning programmes offered by our training centre help this type of learner to stay more focused and achieve, in many cases, their first qualification.

Unemployed: Again, low confidence and self esteem suggest that this group of people often need more targeted one to one support than they get at a larger learning organisation.

Employed part-time/full time: They are unable to access learning during normal college hours. Although there are night time courses, many work on shifts and lack of weekly attendance means they are often withdrawn from the learning programme. They also want a more individualised learning plan to meet their needs.

APPENDIX TWO

The statistics show that the Centre mainly attracted people from the age group 25-59 who entered with qualifications at Level 1¹ or below. 72% of people achieved at least one qualification and have moved into part-time employment or have been accepted onto a range of further education Level 3 courses and apprenticeships (notably in nursing, child care and social/health care).

In this area the Centre achieved 109% of its target numbers in Skills for Life and 126% of its target numbers for IT Level 2 (ECDL). The only main concerns this year were timely completion of programmes. This was an area where the Centre made great improvements on the previous service delivery improving the target up from a low 25% to 74%. The success rate for Skills for Life was 81% and the IT rate was 76%.

Referrals

Statistics show that the majority of learners were referred by the Job Centre and word of mouth, however it was notable that the number of referrals from employers has grown significantly since last year. Also, this is the first year NEW College have actively referred learners to the Centre. This was because the Centre was able to offer courses all year round and had flexible start and end dates.

| | | |
|--------------------------------------|----|-----|
| Job Centre | 36 | 21% |
| Word of mouth | 31 | 18% |
| Next Step Provision | 24 | 14% |
| Learndirect website | 21 | 12% |
| NEW College (Advice and Guidance) | 15 | 9% |
| Employer | 13 | 8% |
| Marketing Events | 10 | 6% |
| JCP | 10 | 6% |
| SureStart | 8 | 5% |
| NHS | 4 | 2% |

REDDITCH BOROUGH COUNCIL

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Redditch Borough Council - Adult Training Centre 2010/11

| Targets | Target | Actual | 2009/10 |
|--|---------------|---------------|----------------|
| Contract Value | £70,000 | £65,800 | |
| Sfl Programme Starts | 152 | 165 | |
| ITQ Programme Starts | 46 | 58 | 19 |
| Number of individual learners @31 July 2011 | | | |
| Achieved at least 1 qualification | 124 | 72% | 64% |
| No of learning programmes ending July 2010 | | | |
| Skills for Life | | | |
| On a programme | 139 | | |
| Passes | 113 | 81% | 79% |
| Withdrawals | 26 | 19% | 21% |
| Level2 - ECDL | | | |
| On a programme | 45 | | |
| Passes | 34 | 76% | 66% |
| Withdrawals | 11 | 24% | 16% |
| No. of Qualifications achieved [OCR or BCS] by type | | | |
| | | | 147 |
| Literacy L1 | 17 | 12% | 12% |
| Literacy L2 | 29 | 20% | 18% |
| Numeracy E3 | 8 | 5% | 9% |
| Numeracy L1 | 20 | 14% | 24% |
| Numeracy L2 | 39 | 27% | 19% |
| ICT Level 2 [ECDL] | 34 | 23% | 18% |
| Success Rate | | | |
| Skills for Life | 81% | | 80% |
| L2 - ICT | 76% | | 66% |

Note: 172 individual learners is up to the end of July. There are still approximately 30-35 learners still in the pipeline that will bring the total learners to 200+ learners

Number of Individual learners **172 [210]**
2009-2010 165

| Age Groups | | | | |
|-------------------|-----|-----|-----|--|
| 19-20 | 5 | 3% | 5% | |
| 21-24 | 18 | 10% | 14% | |
| 25-59 | 144 | 84% | 75% | |
| 60 over | 5 | 3% | 6% | |

| Gender | | | |
|---------------|-----|-----|-----|
| Females | 131 | 76% | 82% |
| Males | 41 | 24% | 18% |

| Employment Status | | |
|--------------------------|----|-----|
| Employed - Full time | 28 | 16% |
| Employed - Part time | 27 | 16% |
| Unemployed Redundant | 31 | 18% |
| Unemployed Other | 61 | 35% |
| Economically inactive | 5 | 3% |
| Other | 20 | 12% |

| Ethnicity | | |
|------------------------------------|----|-----|
| Asian or Asian British - Indian | 3 | 2% |
| Asian or Asian British - Pakistani | 17 | 10% |

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| Withdrawal Rate | | | |
|--------------------------|------------------------------------|-----|------------|
| | Skills for Life | 19% | 21% |
| | L2 - ICT | 24% | 16% |
| Timely completion | | | |
| | Skills for Life | 78% | 64% |
| | L2 - ICT | 70% | 42% |
| Progress | | | 124 |
| | Further Education/Higher | 31 | 25% |
| | Employment - Full Time | 28 | 23% |
| | Employment - Part time | 33 | 27% |
| | Unemployed | 23 | 19% |
| | Other | 9 | 7% |
| Prior Attainment | | | |
| | No qualifications | 21 | 12% |
| | Entry level | 18 | 10% |
| | Other qualifications below level 1 | 22 | 13% |
| | Level 1 | 63 | 37% |
| | Level 2 | 19 | 11% |
| | Level 3 | 19 | 11% |
| | Level 4 | 5 | 3% |
| | Level 5 and above | 5 | 3% |
| Referrals | | | |
| | Job Centre | 36 | 21% |
| | Word of mouth | 31 | 18% |
| | Next Step Provision | 24 | 14% |
| | Learndirect website | 21 | 12% |
| | NEW College (Advice and Guidance) | 15 | 9% |
| | Employer | 13 | 8% |
| | Marketing Events | 10 | 6% |

| | | |
|------------------------------------|-----|-----|
| Black or Black British - Caribbean | 2 | 1% |
| Mixed - White and Asian | 1 | 1% |
| Mixed - White and Black Caribbean | 2 | 1% |
| White - British | 132 | 77% |
| White - Irish | 4 | 2% |
| White - any other white background | 8 | 5% |
| Any other | 3 | 2% |

| Learning Difficulties | | |
|--------------------------------|----|-----|
| Moderate learning difficulty | 22 | 13% |
| Dyslexia | 21 | 12% |
| Dyscalculia | 8 | 5% |
| Multiple learning difficulties | 15 | 9% |
| Other | 3 | 2% |
| No learning difficulty | 68 | 40% |
| Not known /not provided | 35 | 20% |

| Disability | | |
|-------------------------------|-----|-----|
| Hearing | 2 | 1% |
| Disability affecting mobility | 6 | 3% |
| Other medical | 8 | 5% |
| Mental health difficulty | 3 | 2% |
| No disability | 117 | 68% |
| Not known | 36 | 21% |

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| | | |
|-----------|----|----|
| JCP | 10 | 6% |
| SureStart | 8 | 5% |
| NHS | 4 | 2% |