

Cabinet

31 July 2008



**Education in the Community
Budget 2008/2009
Key Decision Ref LLL/CYPS/04/08**

**Report of David Williams, Corporate Director, Children and
Young People's Services
[Cabinet Portfolio Member for Children's Services, Councillor C
Vasey]**

Purpose of Report

- 1 The County Council received notification on 30 June 2008 that the Annual Learning and Skills Council (LSC) grant will remain at the current level for 2008/2009. In real terms, this is a budget reduction because of the effects of pay and price inflation. This report informs Cabinet of the implications of this and asks whether the Cabinet wishes to make up the shortfall in the funding from contingencies.

The Current Position

- 2 Since 2000/2001, the LSC grant for Personal and Community Development Learning (PCDL) has been reduced by approximately 32%. This budget is managed by Education in the Community (EiC), part of Children and Young People's Services. Pressure has been exerted upon EiC to manage within budget whilst maintaining the quality of provision and meeting LSC expectations, particularly in terms of learner numbers. Cabinet may recall that in 2006, a 14% mid year reduction in PCDL funding caused significant disruption and substantial staff reductions in EiC's adult learning service.
- 3 The County Council currently receives two funding streams from the LSC:
 - safeguarded activity including PCDL, Family Language, Literacy and Numeracy (FLLN) Wider Family Learning (WFL) and Neighbourhood Learning In Deprived Communities (NLDC); and
 - Further Education (FE) funding including accredited learning, national tests and skills for life.
- 4 Whilst the PCDL, FLLN, WFL and NLDC budgets are safeguarded up to July 2010, the safeguard does not take account of cost of living rises. This will lead to an annual real term reduction in budget up to 2010 of an estimated 3% per annum, dependent upon inflation rates and other economic factors.

PCDL Budget Proposals for 2008/2009

- 5 The budget for 2008/09 is standstill, the same as the LSC grant received in 2007/2008, with no uplift for inflation; a cash value of £42,000.
- 6 The LSC expect that PCDL grant is dedicated to the direct delivery of adult learning and the achievement of learner targets. To comply with this requirement and to avoid staff reductions, savings will need to be made in other budget areas. The only realistic option in this context is to reduce "Main Centre" grants from £10,500 to £7,000. These are grants to support the delivery of adult education classes in all the eleven "Main Centres". This funding is used to support related venue costs, promotion and marketing of activity and purchase of resources. This reduction in grants will result in savings of £38,500. The remaining £3,500 will be achieved through other efficiencies.
- 7 Main Centre grants have not been affected by previous budget reductions and the proposed decrease is proportionate to overall LSC budget reductions since 200/2001. The proposed £7,000 grant also exceeds that available under the previous Grant Aid system.
- 8 As part of the consultation process and to help management committees plan for the coming academic year, the EiC Manager wrote to the eleven main centres potentially affected by this proposal. As a consequence, management committees have asked the County Council to reconsider this proposal to ensure support to Main Centres at the higher level.

Conclusion

- 9 The standstill in LSC safeguarded grant funding, means that savings are required unless the County Council makes a direct contribution from contingencies. If the Cabinet chooses to supplement the LSC Grant with additional funding this would need to be recurrent or budget reductions would still need to be made in subsequent years.

Conclusions and Recommendations

- 10 A risk assessment has been undertaken on the proposal. This has been identified as a reportable risk that the number of Main Centres for delivery of adult education will be reduced and that learner numbers may not be achieved. Details are attached at Appendix 2
- 11 The Cabinet is asked to determine whether to make a contribution of £38,500 from County Council contingency funds for the financial year 2008/2009.

Background Papers

None.

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DAE/EiC/ALA/Education in the Community Budget 2008/2009

Appendix 1: Implications

Local Government Reorganisation

(Does the decision impact upon a future Unitary Council?)

None.

Finance

Main Centres would receive less funding than in previous years.

Staffing

None.

Equality and Diversity

Some activities delivered will address equality and diversity issues.

Accommodation

Main Centre Grants are used to support the venue cost of running adult education courses .

Crime and disorder

None.

Sustainability

Adult Education programme will be delivered across all Main Centres.

Human rights

None.

Localities and Rurality

Delivery of Adult Education activity is in the heart of the local community.

Young people

Young people do enrol as learners onto the programme being offered.

Consultation

Management decision made initially followed by responses from Management Committees stating they would be unable to maintain the same amount of support to adult education courses delivered if the level of grant was reduced to £7,000.

Health

Some healthy lifestyle courses are delivered through the adult education programme.

Annex 1

Risk Description	Potential Impacts	Treatment	Risk Owner
If grants are not sustained the number of Main Centres for delivery of adult education will be reduced	<ol style="list-style-type: none">1. Agreed targets for learner numbers may not be achieved which may result in a further reduction of external funding2. Negative impact on external inspection outcomes3. Reduced opportunities and life chances for Durham residents	Identification of sources of funding to maintain support for Main Centres	Head of Education in the Community