



Coventry City Council

Council Meeting

13th September, 2005

Booklet 2

Recommendations

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SCRUTINY BOARD (1)
(POLICY AND GOVERNANCE, FINANCE, AREA CO-ORDINATION,
EQUALITIES AND
CORPORATE AND CUSTOMER SERVICES) (AUDIT COMMITTEE)

29th June, 2005

Scrutiny Board (1)

Members Present:-
Councillor Charley
Councillor Chater
Councillor Mrs. Johnson
Councillor Mrs. Lacy
Councillor Lee (Deputy Chair)
Councillor Skipper
Councillor Williams (Chair)

Cabinet Member

Present:-
Councillor Kelsey (Cabinet Member (Corporate and Customer Services))

Other Member

Present:-
Councillor Gazey

Employees Present:-

L. DeVeer (Chief Executive's Directorate)
D. Francisco (Finance and ICT Directorate)
S. Iannantuoni (Chief Executive's Directorate)
S. Mangan (Finance and ICT Directorate)
U. Patel (Legal and Democratic Services Directorate)
A. Ridgwell (Director of Finance and ICT)
C. Steele (Legal and Democratic Services Directorate)

Apologies:-

Councillor Nellist
Councillor O'Neill (Cabinet Member (Finance and Equalities))

7. Internal Audit Function Activity – Internal Audit Annual Report (Including 4th Quarter Performance)

The Scrutiny Board considered a report of the Director of Finance and ICT which summarised the Council's Internal Audit Activities for the period April 2004 to March 2005 against the agreed Internal Audit Plan for 2004/05. In addition the report detailed the Internal Audit Manager's opinion on the overall adequacy and effectiveness of Coventry City Council's internal control environment for the financial year 2004/05.

The Board noted that during 2004/05, two Directorate based teams supplemented the Internal Audit Division's work. The Education and Libraries Service Audit Team was managed by the Education Finance Manager and

reported retrospectively to the Cabinet Member (Children's Services) on each term's activities. Similarly, the City Services Auditor was line managed by the City Services Finance Manager. With effect from April 2005, the Internal Audit Function had been centralised under the management of the Internal Audit Manager.

In line with previous reports, information contained within the report was statistical rather than specific, because of the confidential nature of much audit work. The report included a summary of the performance of the Internal Audit Division for the period April 2004 to March 2005. The Board noted that, as at the end of March 2005, the Audit Team had completed 84% of its Operational Plan against a revised target of 92% (as agreed by the Board in February, 2005). This had resulted in the teams not completing its Plan by March 2005 and it was noted that a number of issues needed to be considered when assessing the divisions performance.

The Board noted that the Code of Practice for Internal Audit and Local Government in the UK 2003 stated that Internal Audit needed to develop and provide the Chief Executive with an objective evaluation of, and opinions on, the effectiveness of the Council's risk management, control and governance arrangements. It required that the Internal Audit Manager's opinion was to be a key element of the framework of assurance that the Chief Executive needed to inform the completion of the annual Statement on Internal Control (SIC).

In view of the above, an internal audit strategy approved by Cabinet in April 2005 required that the Internal Audit Annual Report provided the following information:-

- An opinion on the overall adequacy and effectiveness of the Coventry City Council's internal control environment.
- Disclosure of any qualifications to that opinion, together with a reason for the qualification.
- Present a summary of the audit work undertaken to formulate the opinion, including the reliance placed upon the work of other assurance bodies.
- Draw attention to Scrutiny Board (1) any issues particularly relevant to the preparation of the SIC.

The opinion was limited to the work carried out by the Internal Audit during the financial year 2004/05 on the effectiveness on the internal control environment of Coventry City Council. The Board noted that on this basis, it was the opinion that reasonable assurance could be provided that there was a generally sound system of internal control designed to meet the organisation's objectives.

The audit work throughout the year highlighted some weaknesses in the design or inconsistent application of controls which may put the

achievement of particular objectives at risk although management assurance that the majority of the audit recommendations had been implemented through the year had enforced the opinion highlighted above. Based on the work carried out by Internal Audit in 2004/05, no qualifications exist to the opinion. Furthermore, the Internal Audit Manager had not identified any issues in audits during this period that in his opinion needed to be considered when the Council produces its SIC for 2004/05.

RESOLVED that :-

- (1) The 2004/05 performance against the 2004/05 Internal Audit Operational Plan be noted.**
- (2) The opinion of the Internal Audit Manager on the overall adequacy and effectiveness of Coventry City Council's internal control environment be noted.**



Coventry City Council

8.1

Public report

Report to

Scrutiny Board 1

29th June 2005

Report of

Director of Finance and ICT

Title

Internal Audit Function Activity – Internal Audit Annual Report (including 4th Quarter Performance)

1 Purpose

1.1 This report to Scrutiny Board 1 has two main focuses:

- To summarise the Council's Internal Audit Activity for the period April 2004 to March 2005 against the agreed Internal Audit Plan for 2004/05.
- To provide Scrutiny Board 1 with the Internal Audit Managers opinion on the overall adequacy and effectiveness of Coventry City Council's internal control environment for the financial year 2004/05.

1.2 During 2004/05, the Internal Audit Division's work was supplemented by two directorate based teams. The Education & Library Service audit team was managed by the Education Finance Manager and reported retrospectively to the Cabinet Member for Children's Services on each term's activity. The City Services Auditor during the same period was line managed by the City Services Finance Manager. With effect from April 2005, the Internal Audit Function has been centralised under the management of the Internal Audit Manager.

2 Recommendations

To note:

- 2.1 the 2004/05 performance against the 2004/05 Internal Audit Operational Plan;
- 2.2 the opinion of the Internal Audit Manager on the overall adequacy and effectiveness of the Coventry City Council's internal control environment.

3 Report format

3.1 There are separate sections for the three audit teams. These will be combined in the future now that the three teams have been centralised.

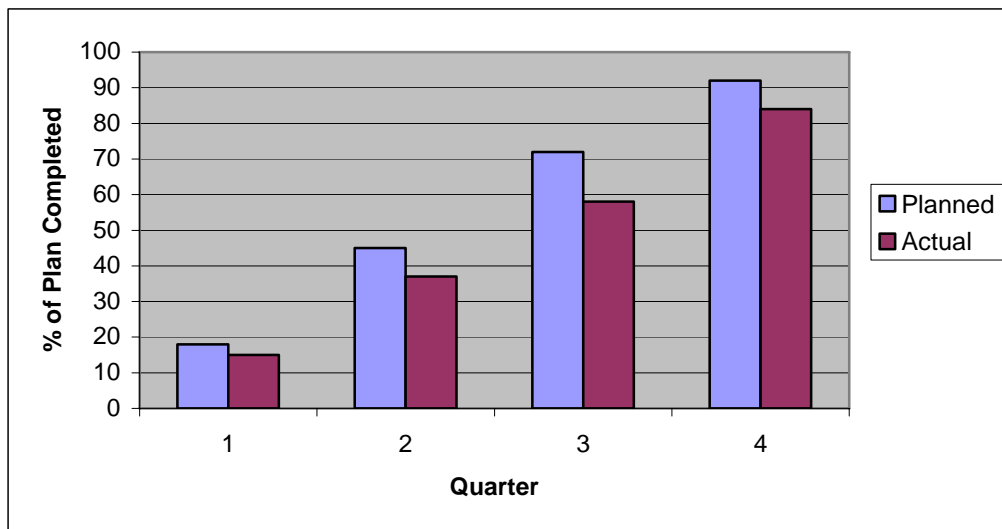
3.2 In line with previous reports, information is statistical rather than specific, because of the confidential nature of much audit work.

4 Performance in 2004/05 – Summary

4.1 Internal Audit Division

4.1.1 Included as Appendix 1 is a summary of the performance of the Internal Audit Division for the period April 2004 to March 2005. The key details to support the performance are detailed below:

4.1.2 **Delivering the Operation Plan** – The chart below provides analysis of the progress against planned audit work for the period April 2004 to March 2005.



This shows that as at the end of March, the team completed 84% of the plan against a revised target of 92% (agreed at February's Scrutiny Board). Although this has resulted in the team not completing its Operational Plan by the end of March, the following issues need to be considered when assessing the divisions performance:

- To ensure that audit can respond to the ongoing needs of management during the financial year, a contingency of days are held to respond to requests for additional audit work and to support any special investigations that need to be carried out. For the period April 2004 to March 2005, 411 days have been allocated against a planned contingency of 320 days.
- Staff vacancies were not filled in 2004/05 pending the planned review of the Internal Audit Function.
- Of the remaining 8% of audits not completed as at the end of March 2005, all have now been finalised with relevant management.

4.1.3 **Chargeability Target** – The chargeability target of the Internal Audit Division is a key indicator of the productivity of the division. A target was set of 60% which is consistent with the outputs required in order to deliver the Operational Plan. For the financial year 2004/05, the division achieved a chargeability rate of 59%. The Internal Audit Division had

exceeded this target up until Quarter 3 (61%) but two significant illnesses within the Audit team in the final quarter of 2004/05 has caused performance to drop below the target.

4.1.4 **Follow-up** – For the financial year, 105 audit reviews have been followed up. A summary of the results of this exercise for the financial year 2004/05 are highlighted in the table below:

Number of Audits Followed Up	High risk actions followed up	High risk actions Implemented	Medium risk actions followed up	Medium risk actions Implemented
105	161	152	304	279

We are pleased to report that of the 465 high and medium risk actions followed up, we have received assurance that 93% had been implemented by management within the timescale. Of the actions not fully implemented, revised implementation dates have been agreed and will be reported back to Scrutiny Board 1 in due course.

4.1.5 **Customer Satisfaction** – Internal Audit receive customer feedback in two ways:-

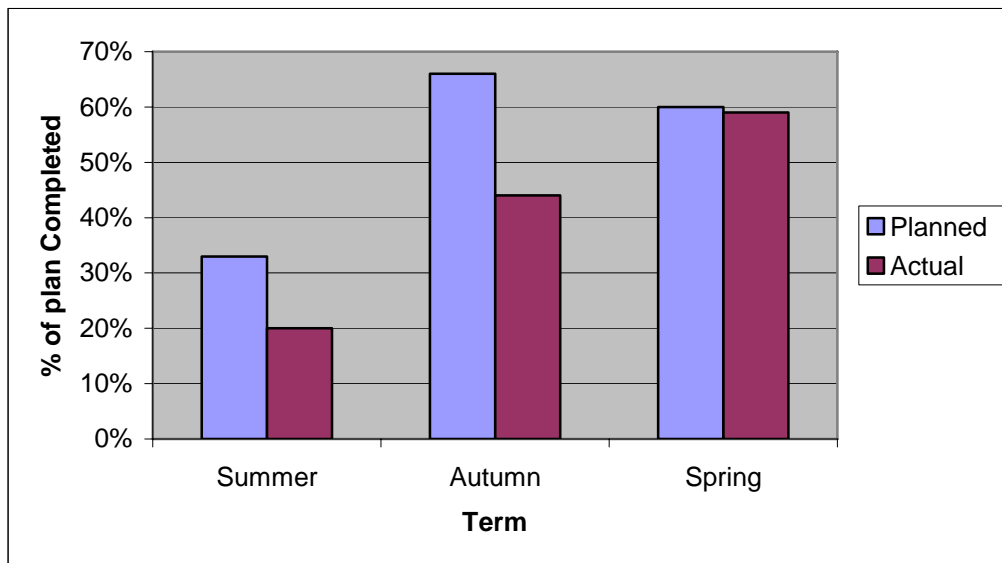
- a) Informal feedback from auditees during the audit
- b) Completion of a post audit questionnaire

We have generally received positive feedback from auditees about the professionalism of the auditors involved and also the quality of the audit findings. We do have to acknowledge that as a function, we need to work closer with our internal customers to ensure that we provide an effective service that meets user needs and responsibilities within the Council. We have started this process through the development of the 2005/06 Internal Audit Operational Plan and will continue to invest time and resources to ensure that we provide an added value service to our customers.

4.2 Education and Library Service Audit Team

4.2.1 Included as Appendix 2 is a summary of the performance of the Education and Libraries audit team for the period April 2004 to March 2005. The key details to support the performance are detailed below:

4.2.2 **Delivering the Operational Plan** - The chart below provides analysis of the progress against planned audit work for the period April 2004 to March 2005. This shows that as at the end of March 2005, the team delivered 59% of the plan completed against a revised target (agreed at February Scrutiny Board) of 60%.



4.3 City Services Auditor

The City Services Auditor has carried out a variety of planned and unplanned work in 2004/05, mainly focusing on:

- Support to City Services Management Team in enhancing controls within key systems.
- Undertaking reactive work in response to reported thefts and losses within City Services.

Additionally, in response to concerns raised by Scrutiny Board 1 around the lack of proactive work undertaken within City Services, the City Services Auditor has been working closely with the Internal Audit Manager in the final quarter of 2004/05 on developing a more proactive audit work plan within City Services for 2005/06.

4.4 The Year Ahead

4.4.1 This report has highlighted that although the function has generally made progress since 2003/04 as reflected in the key performance indicators reported in Appendix 1, the function (both Internal Audit Division and the Education and Libraries Audit Team) has failed to deliver its key target of delivering the Internal Audit Operational Plan in 2004/05.

4.4.2 Given that the 2005/06 Internal Audit Operational Plan has recently been approved, the Internal Audit Manager has taken the following steps to address problems identified in 2004/05. These include:

- The acknowledgement that the management of the contingency allocation of days is a critical factor in delivering the Internal Audit Operation Plan. A procedure has been developed within the function to approve unplanned ad-hoc requests from management to ensure the right balance is achieved between responding to Council management needs and delivering our operational requirements.
- The critical key resource required to deliver the Internal Audit Operational Plan is the employees within the division. The restructure of Internal Audit is currently ongoing and the Internal Audit Manager is taking proactive action to ensure that adequate resources exist to deliver the 2005/06 Internal Audit Operational Plan.

4.4.3 Given the flexibility within the Audit Plan, it is likely that the plan will change during the year and resources will have to be refocused to address management concerns. With the clear role of Scrutiny Board 1 of reviewing Internal Audit's progress against the audit plan, it is imperative that the Internal Audit Manager provides timely information to Scrutiny Board 1 to allow for any revisions / amendments to the plan to be approved on a timely basis.

5 Opinion on the Overall Adequacy and Effectiveness of Coventry City Council's Internal Control Environment

5.1 The Code of Practice for Internal Audit in Local Government in the UK 2003 states that Internal Audit need to develop plans to provide the Chief Executive with objective evaluation of, and opinions on, the effectiveness of the Council's risk management, control and governance arrangements. It requires that the Internal Audit Manager's opinion is a key element of the framework of assurance the Chief Executive needs to inform the completion of the Annual Statement on Internal Control (SIC).

5.2 Given the above, an Internal Audit Strategy approved by Cabinet in April 2005 requires that that the Internal Audit Annual Report provides the following information:

- An opinion on the overall adequacy and effectiveness of the Coventry City Council's internal control environment.
- Disclosure on any qualifications to that opinion, together with the reason for the qualification.
- Present a summary of the audit work undertaken to formulate the opinion, including reliance placed on the work of other assurance bodies.
- Draw attention to Scrutiny Board 1 of any issues particularly relevant to the preparation of the SIC.

5.3 Audit Opinion / Disclosures

5.3.1 The opinion is limited to the work carried out by Internal Audit during the financial year 2004/05 (as summarised in Appendix 3) on the effectiveness on the internal control environment within Coventry City Council.

- 5.3.2 **On this basis, it is the opinion that reasonable assurance can be provided that there is a generally sound system of internal control designed to meet the organisation's objectives.**
- 5.3.3 The audit work throughout the year has highlighted some weaknesses in the design or inconsistent application of controls which may put the achievement of particular objectives at risk although management assurance that the majority of audit recommendations have been implemented during the year has reinforced the opinion highlighted above.
- 5.3.4 Based on the work carried out by Internal Audit in 2004/05, no qualifications exist to the opinion.
- 5.4 **Issues Relevant to the Preparation of the SIC**

Based on the work carried out in 2004/05, the Internal Audit Manager has not identified any issues in audits during this period that in his opinion need to be considered when the Council produces its SIC for 2004/05.

6 Other specific implications

	Implications (see below)	No implications
Area Co-ordination		✓
Best Value	✓	
Children & young people		✓
Comparable benchmark data		✓
Coventry Community Plan		✓
Corporate parenting		✓
Crime and disorder		✓
Equal opportunities		✓
Finance	✓	
Health and safety		✓
Human resources	✓	
Human Rights Act		✓
Impact on partner organisations		✓
Information and communications technology		✓
Legal		✓
Property		✓
Race equality scheme		✓
Risk management	✓	

	Implications (see below)	No implications
Sustainable development		✓
Trade union consultation		✓
Voluntary sector – the Coventry Compact		✓

7 **Best Value, finance and risk management**

Internal audit work has clear and direct effects in all three areas, through the recommendations made to managers. Since these vary widely, it is not useful to attempt to summarise them here, beyond noting that all recommendations are designed to help managers improve either

- ✓ value-for-money obtained
- ✓ probity and propriety of financial administration, or
- ✓ management of operational risks

8 **Human resources implications**

Matters affecting employees are being dealt with in accordance with the Council's Human Resource Policies.

9 **Timescale & monitoring**

Audit activity will be reported each quarter to Scrutiny Board 1, allowing members to check the progress made on matters arising from this report, and audit work in general.

List of background papers

Proper officer: Angie Ridgwell, Director of Finance and ICT

Author: Stephen Mangan, Internal Audit Manager, Finance and ICT

(All enquiries to stephen.mangan@coventry.gov.uk, or 024-7683-3747)

Other contributors:

John Daly, Head of Special Projects Finance (024-7683-3990)

Gill Carter, Principal Lawyer, Legal & Democratic Services (024-7683-3116)

Sue Iannantuoni, Senior HR Manager – Corporate Support (024-7683-3241)

Papers open to public inspection

Description of paper

Location

None

Appendix 1: Internal Audit Division Performance – Internal Indicators

	2004/05 Performance	Quarter 4 Performance	Previous Quarters Performance (Quarter 3)	2003/04 Performance
Audits Completed				
Total Reported since 1 April 2004	128	33	31	68
Percentage Completed on Time:	77%	79%	74%	69%
Current Year Planned Audits Complete (%)	84%	26%	21%	96%
Cumulative "Chargeable"	59%	56%	65%	49%
Recommendations Made in 2004/05:				
High Risk Issues Reported	79	13	29	131
Medium Risk Issues Reported	416	85	110	242
Follow-ups:				
Follow-ups Finished since 1 April 2004	105	22	25	51
Percentage Completed on Time	58%	50%	59%	43%

Quality measures – satisfactory, for input, output and assurance scores. There has been a significant amount of very positive feedback on audit performance, and there have been no instances of expressed dissatisfaction with the service.

Appendix 2: Education and Libraries Audit Team – Internal Indicators

	2004/05 Performance	Spring Term Performance	Previous Terms Performance
Audits Undertaken	44	13	16
Draft Reports Issued within 4 weeks of Feedback Meeting	36%	46%	25%*
Positive Responses to Feedback Questionnaires	95%	97%	93%

*Term time used to concentrate on visits with reports done over the holidays. This term these holidays were over the Christmas period when the Auditors were also on holiday.

Follow Up (from previous Rolling Programme)

Level of Risk	Implemented	Partially Implemented	No Progress
High	56%	18%	26%
Medium	51%	10%	37%

Follow Up (from new procedures – Current Rolling Programme)

Level of Risk	Implemented	Partially Implemented	No Progress
High	75%	25%	0%
Medium	91%	8%	1%

Appendix 3: Summary of Audit Work Carried Out in 2004/05 by the Internal Audit Function

In addition to ad-hoc advice / audits provided to management, the following reviews have been carried out in 2004/05

Corporate Financial Systems

Accountancy and Budgetary Control x 4, Bank Accounts, Business Rates, Cashiering, Council Tax, Creditors x 2, Debtors, Leasing, Loans, Payroll x 3, Procurement, Housing Benefits, Control Advice on Oracle

Education and Libraries

In addition to the 44 schools Audits, Capital Schemes, Grant Payments, Assets, Fair Funding Payments, Extra District Income and Payments, School Meals Income

Social Services and Housing

In addition to the 30 Social Services Establishment Audits, Compliance with Lamings Recommendations, Private Funds Monitoring, Care Leavers Payment, Benefits, Homelessness, Supporting People

City Development

Grants x 3 (NRF, NDC and Euro Action Plans), Project Management – Highways Scheme, Property Security, Taxi Management

City Services

Stores, Contracting Out, Transport Services

Other

Community Safety, Advertising and Sponsorships, Members Expenses, Consultant Payments

CABINET

9th August 2005

Cabinet Members
Present:-

Councillor Arrowsmith
Councillor Blundell
Councillor Foster
Councillor Kelsey
Councillor Matchet
Councillor H Noonan
Councillor Ridley
Councillor Taylor (Chair)

Non-Voting Opposition

Representatives present:- Councillor Benefield
Councillor Duggins
Councillor Mutton

Other Members
Present:-

Councillor Clifford
Councillor Gazey
Councillor Mrs Harper
Councillor Mrs Stone

Employees Present:-

J. Bolton (Director of Social Services and Housing)
N. Clews (City Development Directorate)
A. French (Finance and ICT Directorate)
M. Godfrey (Social Services and Housing Directorate)
C. Hinde (Director of Legal and Democratic Services)
R. Hughes (Head of Corporate Policy)
L. Knight (Legal and Democratic Services Directorate)
S. Manzie (Chief Executive)
B. Parker (Education and Libraries Directorate)
S. Pickering (Director of City Services)
A. Ridgwell (Director of Finance and ICT)
D. Shoker (City Development Directorate)
C. Wainwright (Education and Libraries Directorate)

Others Present:

A. Bennett (Coventry Teaching Primary Care Trust)

Apologies:-

Councillor Nellist
Councillor O'Neill

RECOMMEDATIONS

Public Business

75. **Adult Education Service Three-Year Strategic Development Plan August 2005-July 2008, Adult Education Service Self Assessment Report February 2005, and Adult Education Service Quality Development Plan March 2005**

The Cabinet considered a report of the Director of Education and Libraries, which outlined the Adult Education Services 3-year Development Plan August 2005 to July 2008, which is a revised and updated continuation of the 3-year Strategic Development Plan August 2003 to July 2006. The report also outlined the Adult Education Service Self Assessment Report and Quality Development Plan.

The Learning and Skills Council have funded Adult and Family Education delivered by the Adult Education Service since April 2001. 'Success for All', published in November 2002, set out the Government's agenda for reforming further education and training in England, and establishing a new framework for quality and success. It recognises the need to reduce bureaucracy by limiting the number of plans which providers have to share with Local Learning and Skills Councils. It calls for a new, more strategic relationship between Local Learning and Skills Councils and providers, where Local Learning and Skills Councils will take a more 'hands off' approach, and a greater strategic overview. The idea is that new relationships will be developed, which move away from the purchaser/provider approach, reliant on contract management, to a more strategic arrangement, where Local Learning and Skills Councils work together with providers to plan provision. The main way of achieving this will be for providers (ie Further Education colleges, work-based training providers and Adult Education Services) to provide short, strategic 3-year development plans, with key headline targets. This process is known as 'Plan-led Funding'.

The report submitted summarised the content, highlighted the key points of the 3-year development plans and outlined the key headline targets. A full copy of the plan was also available in the Members lounges.

There is currently a major Learning and Skills Council review of post 16 funding - 'Agenda for Change'. It is still unclear what impact any recommendations from this review will have upon the future funding for adult education. It is anticipated that with an increased number of 16 - 19 year olds entering the system over the next three years, funding for adult education will be under pressure as the Learning and Skills Council has a legal duty to provide education for 16 - 19 year olds.

Funding for the plan in 2005/06 is allocated on a yearly basis with in-year and annual review to determine future funding based on performance and priorities. Funding for Coventry for 2005/06 is £7,536,076, while last year the Council received £7,398,175.

The Adult Education Service has significantly improved since it volunteered to be inspected in November 2001. The headline judgements from the Adult Learning Inspectorate inspection in March 2004 show that in 2004 76% of lessons observed were Good or Better compared with 63% in 2001. Leadership and Management was found to be Good in 2004 against Satisfactory in 2001. Quality Assurance and Equality of Opportunity have also improved to Good in 2004. The Self Assessment Report grades all aspects of Leadership and Management and teaching and learning as Good. This assessment has been shared and agreed with the Local Learning and Skills Council. The Adult Education Service sees continuous improvement as the key strategy to turn a good service into an excellent one.

Actions within the Quality Development Plan are determined by the curriculum development groups responsible for each Area of Learning and the framework for the Plan is determined by the Learning and Skills Council. The Cabinet noted that funding to support the implementation of the actions in the Quality Development Plan comes from the Learning and Skills Council.

The Quality Development Plan, as well as setting targets, also addresses the key challenges for Coventry LEA, which were detailed within the report.

Full copies of both the Self Assessment Report and Quality Development Plan were also available in the Members lounges.

RESOLVED that the Council be recommended to:-

- (1) Approve the Adult Education Service 3-year Development Plan August 2005 - July 2008 for submission to the Coventry and Warwickshire Learning and Skills Council.**
- (2) Approve the 2005 Self Assessment Report and Quality Development Plan for submission to the Coventry and Warwickshire Learning and Skills Council.**

Report to
Cabinet

9th August, 2005

Report of
Director of Education and Libraries

Title
Adult Education Service 3-year Development Plan August 2005 to July 2008,
Adult Education Service Self Assessment Report February 2005, and
Adult Education Service Quality Development Plan March 2005

1 Purpose of the Report

- 1.1 To outline the Adult Education Services 3 year Development Plan August 2005 to July 2008, which is a revised and updated continuation of the 3 Year Strategic Development Plan August 2003 to July 2006.
- 1.2 To outline the Adult Education Service Self Assessment Report and Quality Development Plan.

2 Recommendations

The Cabinet are asked to recommend the City Council to:

- 2.1 approve the Adult Education Service 3-year Development Plan August 2005 - July 2008 for submission to the Coventry and Warwickshire Learning and Skills Council;
- 2.2 approve the 2005 Self Assessment Report and Quality Development Plan for submission to the Coventry and Warwickshire Learning and Skills Council.

3 Background

- 3.1 The Learning and Skills Council have funded Adult and Family Education delivered by the Adult Education Service since April 2001.
- 3.2 'Success for All', published in November 2002, set out the Government's agenda for reforming further education and training in England, and establishing a new framework for quality and success. It recognises the need to reduce bureaucracy by limiting the number of plans which providers have to share with Local Learning and Skills Councils. It calls for a new, more strategic relationship between Local Learning and Skills Councils and providers, where Local Learning and Skills Councils will take a more 'hands off' approach, and a greater strategic overview. The idea is that new relationships will be developed, which move away from the purchaser/provider

approach, reliant on contract management, to a more strategic arrangement, where Local Learning and Skills Councils work together with providers to plan provision. The main way of achieving this will be for providers (ie Further Education colleges, work-based training providers and Adult Education Services) to provide short, strategic 3 - year development plans, with key headline targets. This process is known as 'Plan-led Funding'.

3.3 In short, the **3-year Development Plan** consists of a

Strategic Summary

Strategic priorities and fit

- How the provision to be delivered meets needs and priorities for learning and skills

Quality

- How provision is quality assured and targets for improvements set

Infrastructure and resources

- The infrastructure and resource implications arising from the plan including proposed capital developments and actions to develop the workforce

Risk management

- The key risk associated with delivery of the plan, including the achievement of headline performance measures

Headline Performance Measures and Planning Assumptions

- Participation (learner numbers)
- Quality (success rates)
- Responsiveness (employer engagement)
- Capability (professional qualifications)
- Income (proposed)

3.4 There is currently a major Learning and Skills Council review of post 16 funding - 'Agenda for Change'. It is still unclear what impact any recommendations from this review will have upon the future funding for adult education. It is anticipated that with an increased number of 16 - 19 year olds entering the system over the next three years, funding for adult education will be under pressure as the Learning and Skills Council has a legal duty to provide education for 16 - 19 year olds.

3.5 Funding for the plan in 2005/06 is allocated on a yearly basis with in-year and annual review to determine future funding based on performance and priorities. Funding for Coventry for 2005/06 is £7,536,076, last year we received £7,398,175.

3.6 Key points about this plan are that:

- it demonstrates how the work of the Service contributes to corporate priorities and the Community Plan;
- it is designed to be short, strategic and readable, but refer to other plans where relevant;
- It is based on a format laid down by the national Learning and Skills Council;
- it contains key headline improvement targets;
- it highlights initiatives to take forward recommendations of the Local Strategic Area Reviews for post 19 and learners with learning difficulties and/or disabilities;
- it contributes to equality and diversity impact measures;
- it further develops strategic partnership;

- the plan was submitted to the Learning and Skills Council Coventry and Warwickshire on 17 May 2005, subject to City Council Political Management arrangements.

- 3.7 **Self Assessment Report and Quality Development Plan** The Adult Education Service has significantly improved since it volunteered to be inspected in November 2001. The headline judgements from the Adult Learning Inspectorate inspection in March 2004 show that in 2004 76% of lessons observed were Good or Better compared with 63% in 2001. Leadership and Management was found to be Good in 2004 against Satisfactory in 2001. Quality Assurance and Equality of Opportunity have also improved to Good in 2004. The Self Assessment Report grades all aspects of Leadership and Management and teaching and learning as Good. This assessment has been shared and agreed with the Local Learning and Skills Council.
- 3.8 The Adult Education Service sees continuous improvement as the key strategy to turn a good Service into an excellent one.
- 3.9 Actions within the Quality Development Plan are determined by the curriculum development groups responsible for each Area of Learning.
- 3.10 The framework for the Plans is determined by the Learning and Skills Council.
- 3.11 Funding to support the implementation of the actions in the Quality Development Plan comes from the Learning and Skills Council.

4 Proposal

- 4.1 Some of the key headline targets in the **3-year Development Plan** are:
- 4.1.1 Increase 19+ learner numbers on FE programmes from an estimated 6,746 in 2005/06 to 6,900 in 2007/08.
- 4.1.2 Increase learners on non-accredited programmes from an estimated 5,300 in 2005/06 to 5,600 in 2007/08.
- 4.1.3 Increase learners on full time Level 2 programmes from an estimated 277 in 2005/06 to 317 in 2007/08.
- 4.1.4 Increase learners achieving a Skills for Life qualification (Literacy, Numeracy, English for Speakers of Other Languages) from an estimated 760 in 2005/06 to 780 in 2007/08.
- 4.1.5 Engage with employers to recruit 200 learners in the workplace to Basic Skills programmes.
- 4.1.6 Increase success rates from an estimated 76.6% in 2005/06 to 78.6% in 2007/08.
- 4.1.7 Increase penetration rates in high priority and priority neighbourhoods from an estimated 13% in 2005/06 to 15% in 2007/08.
- 4.1.8 Resolve the most serious accommodation issues.
- 4.1.9 Further develop social enterprise programmes for adults with learning difficulties.

- 4.1.10 Develop clear progression routes for learners on all programmes contributing to the development of a Coventry curriculum.
- 4.2 The **Quality Development Plan**, as well as setting the above targets, addresses the key challenges for Coventry LEA. These are:
- Further improve the arrangements for gathering the views of all learners
 - provide suitable accommodation and resources across the provision
 - increase the promotion and awareness of equality of opportunity in the curriculum
 - improve the sharing of good practice
- 4.3 Each of the learning areas has identified specific areas for development and improvement. Recurrent themes include:
- Improve access to ICT
 - Improve the arrangements for gathering the views of all learners
 - Improve the quality of learning materials
 - Improve the quality of information on progression routes
 - Raise retention and achievement rates
- 4.4 Copies of the Self Assessment Report, 3 year Development Plan and Quality Development Plan are available in the Members Lounges.

5 Other specific implications

5.1 3-year Development Plan

	Implications (See below)	No Implications
Area Co-ordination	✓	
Best Value		✓
Children and Young People	✓	
Comparable Benchmark Data	✓	
Corporate Parenting		✓
Coventry Community Plan	✓	
Crime and Disorder	✓	
Equal Opportunities	✓	
Finance	✓	
Health and Safety	✓	
Human Resources	✓	
Human Rights Act		✓
Impact on Partner Organisations	✓	
Information and Communications Technology	✓	
Legal Implications		✓
Property Implications	✓	

	Implications (See below)	No Implications
Race Equality Scheme	✓	
Risk Management	✓	
Sustainable Development		✓
Trade Union Consultation	✓	
Voluntary Sector - The Coventry Compact		✓

- 5.1.1 Area Coordination
Adult Education Service contributes to numerous area based initiatives and without the funding from the Learning and Skills Council these may cease.
- 5.1.2 Children and Young People
Family Education continues to contribute to the raising of achievement of children.
- 5.1.3 Comparable Benchmark Data
Internally benchmarking is carried out by comparing achievement and retention rates year on year. Externally, benchmarking for Further Education provision will be through the success rate, which is calculated using a new formula recently introduced by the Learning and Skills Council. Based on an analysis of Adult Inspection grades ordered by averaged grades **Coventry is currently rated as 2nd out of 103 inspections.**
- 5.1.4 Coventry Community Plan and Corporate Action Plan
The Adult Education Service contributes to corporate priorities particularly To improve the quality and efficiency of services and make it easier to access them, To ensure the best possible education and that all children and young people can achieve their maximum potential and the Coventry Community Plan particularly key themes - Jobs in the Local Community; Equalities and Communities; Learning and Training.
- 5.1.5 Crime and Disorder
The provision of Adult Education facilities can contribute towards community cohesion and increasing Adult Education can work towards reducing anti-social behaviour in our city.
- 5.1.6 Equal Opportunities
The Adult Education Service 3-year Development Plan outlines work to develop and improve work on issues of equality of opportunity. In particular it describes how work will be developed with disabled learners and ethnic minorities. The Service effectively promotes access to a wide range of learning opportunities by local communities. The quality Development Plan details actions to promote more fully the awareness of Equal Opportunities in the curriculum.
- 5.1.7 Finance
The Learning and Skills Council fund on a yearly basis dependent upon performance, the Adult Education Service has always met its targets and in some years has received additional funding for over achievement. Currently the Learning and Skills Council is undertaking a major review of post 16 funding mechanisms, the outcomes of which will need to be carefully monitored for potential impact upon the Service. The financial implications of any reduction in funding would need to be

considered in PPR processes. However, it is likely that any information regarding funding for 2006/07 would not be in time to meet the necessary PPR process. The Adult Education Service would need to manage any reductions by scrutinising its variable hours tutors and by negotiating a reduced target with the Learning and Skills Council. The allocation for 2005/06 is £7.3 million.

5.1.8 Health and Safety

The Service is responsible for the safety of its staff and learners. The Health and Safety policy details the roles and responsibilities of staff and there is a Health and Safety Action Plan which is monitored through management arrangements. Improvements to accommodation invariably include health and safety considerations. This is a complex area for the Service and requires continuing high priority. Funding, however, is insufficient to meet all the demands.

5.1.9 Human Resources

The failure to secure sufficient levels of funding from the Learning Skills Council may result in the restructure of the Adult Education Service. In this event the City Council's Security of Employment Agreement (SOE) would be observed. There are currently 145 full time equivalent tutors, 60 managers and 25 FTE administration staff employed by the Adult Education Service.

5.1.10 Impact on Partner Organisations

The Service has very effective and successful partnerships which have been developed with community, charity, voluntary organisations and other training and educational providers. These partnerships enable the Service to deal with barriers to participation.

5.1.11 Information and Communities Technology

The plan indicates the need to embed Information Technology into adult education curriculum areas, eg Early Years, provision for disabled learners, Basic Skills and Teacher Training. The quality and accessibility of ICT facilities in some centres is unsatisfactory. The Service will seek to improve these or decide that some locations will no longer continue to be used.

5.1.12 Property Implications

The Service has some inadequate accommodation and is continually working to improve the locations where it operates while still maintaining its community accessibility. New centres which have come on line this September include provision at Bell Green Library and Learning Centre, Longford Learning Centre, Henley Green School and Community Centre and Elm Bank Corporate Training Centre.

5.1.13 Race Equality

The Service has a more than equitable participation and achievement rate amongst Black and Ethnic Minority learners.

5.1.14 Risk Management

The Adult Education Service was subject to internal audit to assess how well positioned the Service is to deal with proposed changes to funding mechanisms. The outcomes of the audit are within an action plan which minimises risk to the Service. There is a risk assessment as part of the 3-year Development Plan.

5.1.15 Trade Union Consultation

In the event of failure to secure sufficient funding it may be necessary to reduce staffing levels in the future. The Service will engage in detailed consultations with the recognised trades unions on how to deal with any potential job loss.

5 Monitoring

The actions identified in the **3-year Development Plan** and **Self Assessment Report** and **Quality Development Plan** are monitored through existing performance management arrangements and by in-year and annual reviews with the Local Learning and Skills Council.

6 Timescale and expected outcomes

7.1

Key Decision	Yes	No
Scrutiny Consideration (If Yes, which Scrutiny meeting and date)	✓	✓
Council Consideration (if Yes, date of Council meeting)	✓ 13 th September	

7.2 Discussions concerning these plans have taken place with the Coventry and Warwickshire Learning and Skills Council. Drafts have been submitted to secure funding subject to political agreement.

List of background papers

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Papers open to Public Inspection

Description of papers	Location
Adult Education Service 3-year Strategic Development Plan August 2005 to July 2008	Adult Education Service South Street COVENTRY CV1 5EJ
Adult Education Service Self Assessment Report February 2005	
Adult Education Service Quality Development Plan March 2005	Copies also available in the Members' Lounge



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