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EDUCATION POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Meeting to be held on Tuesday 2 July 2013

**Please see the attached reports which provide additional information for Item 8e:
Broader Examination of the Role of Bromley Adult Education College and Lifelong
Learning as requested by the Chairman of Education PDS Committee.**

- 8e Broader Examination of the Role of Bromley Adult Education College
and Lifelong Learning (Pages 3 - 6)**

Copies of the documents referred to above can be obtained from
www.bromley.gov.uk/meetings

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BRIEFING NOTE – BROMLEY ADULT EDUCATION CENTRE

BROMLEY ADULT EDUCATION CENTRE

<u>EXPENDITURE/INCOME</u>	<u>IMPACT FROM CURRENT SERVICE</u>		
	<u>CURRENT</u>	<u>NO SERVICE</u>	<u>OTHERS - COLLEGE/ COMMISSIONING, ETC</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
EMPLOYEES	2,213	(-2,213)	0
PREMISES	259	(-259)	0
TRANSPORT	3	(-3)	0
SUPPLIES AND SERVICES	484	(-484)	0
INCOME	(-3,564)	3,564	(-3,564)
PREMISES - REPAIRS AND MAINTENANCE	46	(-46)	0
THIRD PARTY PAYMENTS	0	0	3,005
INCOME IN EXCESS OF COSTS OR CONTRIBUTION TO CENTRAL RECHARGES	(-559)	559 *	(-559) **
CENTRAL RECHARGES	661	661	661

OTHER IMPACTS

SALE OF SITES	£XM	£XM
INTEREST FROM SALE OF SITE	1.22%	1.22%
RELEASE OF SITE FOR OTHER PURPOSES E.G. FREE SCHOOL?	0	0

The table above shows the impact of the various options on the finances.

Current situation

It can be seen from the above table that the service 'makes a profit' of £559k on the income it receives from grants and fees against the payments it expends. However in order to be as efficient as possible with the use of the grant funding available Bromley charge £661k of central recharges (computer, support, business support, commissioning, etc), thus more than offsetting this profit. Central recharges are allocated on an fte basis. This is a legitimate recharge and happens across the Council although not all areas have grant/income that can offset these costs.

No Service

If there is no service being made available we will not have the costs of employees, premises, etc. Conversely we will also not receive the income and grant from government. Therefore we would be left with a potential shortfall of £559k(*) as we would not be able to charge any central recharge costs to the service as there

would be no 'profit' to put it against. The organisation would have to find offsetting savings by reducing central recharges to compensate or find savings elsewhere. In theory this should be achievable as if we are not provided the service it can be removed. However in practise it is more difficult as some costs are fixed. This is the £559k that is referred to in the report.

If the service ceased then there is potential for a capital receipt on the three sites that the service occupies (Widmore, Poverest and Kentwood). The three sites are attached to/adjacent to schools. If capital receipts were realised the current return on new investments is 1.22%. The value of the property is being confirmed with the Property Division.

Alternatively the sites could be put to an alternative use.

This scenario does not include any redundancy/retirement costs that may be incurred.

Others – College/Commissioning, etc

In this scenario the Council would still receive the grant/income as services would still be being provided. The Council would not have any costs of employees/premises as they would be the responsibility of the provider. Everything remaining equal, the service will return a 'profit'. In this scenario I have assumed that we would still be able to charge £559k (**) of central recharges to this service regardless of that we are not providing the services ourselves. In practise this is a risk as we will not be providing as much back office support (this will be provided by the new provider). Moreover any new provider will want to charge for its back office infrastructure in some way so we may find we pay more for the service and are unable to recharge all of our own central recharges to the grant. Again this is not insurmountable if the organisation is able to reduce the central recharges accordingly. The level of the risk will be dependent on the route taken.

No redundancy costs/potential TUPE issues have been factored into this.

There is potential for vacant sites as described in the second scenario.

Conclusion

The options available will need to be looked at in more detail, and proper business cases drawn up. There are risks but these are not insurmountable if a planned approach is taken.

Briefing Note: Supplementary data on Adult Education delivery 2012/13

Data as of 1 July 2013. (NB: Data excludes EDC delivery based at Widmore)

Table 1: Overview by funding stream

	Adult skills budget	Community Learning	Non Funded	TOTAL
Students	2283	4068	1647	7998
Enrolments	2861	6902	2348	12111
Courses	293	558	373	1224

Overall, 62% of the enrolments to date in 2012/13 have been on provision that has taken place Monday – Friday during the daytime, 27% on evening provision (after 6.30 pm). The remainder of the enrolments have been on courses that have run either Saturdays or weekday twilights (i.e. between 4.30 – 6.30 pm). When this data is broken down by funding stream, 58% of the community learning and 63% of the adult skill budget enrolments were on daytime provision, and 33% (CL) and 25%(ASB) on evening provision.

Under the **Adult Skills Budget** (ASB) the highest percentage of enrolments and students were in the subject area Preparation for Life and Work. This area, which accounted for 31% of the enrolments and 32% of the students, includes adult literacy, numeracy, English for Speakers of Other Languages (ESOL) and courses for adults with learning difficulties and disabilities. The second largest area for BAEC under the ASB funding stream was Languages, which accounted for 20% of the enrolments and 24% of the students. This area includes British Sign Language at levels 1 and 2 along with ten modern foreign languages, the most popular of which are Spanish and French.

Under the **Community Learning** (CL) funding stream 41% of the enrolments and students were on courses in the Arts and Media category. At BAEC this includes a wide range of arts, crafts and performing arts, the popular ones of which include general drawing and painting, life drawing and painting, printing and etching, pottery, photography, jewellery and silver craft, upholstery, clothes making, patchwork, stained glass, dance and guitar. The second largest area for Community Learning has been on Leisure based subject areas, which made up 25% of the enrolments and 22% of the students under the CL budget. The most popular subjects in this section are archery, badminton, Pilates and yoga.

Table 2 Demographic of students by age, gender and funding stream

		Adult skills budget	Community Learning	Non Funded	Overall profile
Age	16-18	1.2%	0	3.1%	0.8%
	19-24	7.5%	2.4%	5.0%	4.4%
	25-39	35.2%	16.7%	20.9%	22.8%
	40-59	46.9%	38.1%	25.7%	38.0%
	60+	9.1%	41.9%	6.9%	25.5%
	unknown	0	0.9%	38.3%	8.4%
Gender	Female	73.3%	77.4%	82.8%	77.3%
	Male	26.7%	22.6%	17.2%	22.7%

As can be seen from the data in table 2, the majority of learners in the ASB provision are from the age groups 40-59 and 25-39. In the 40-59 group 29% of learners were enrolled on

courses in the Preparation for Life and Work area and 23% were enrolled on the language provision.

The largest age demographic under the Community Learning fund is the 60+ group, where 49% of those learners were enrolled on courses spread across the wide range of arts and media courses at the college, the most popular of which are listed above. 35% of the learners in the 40-59 group also participated in courses from across the same range of arts provision.

Daytime enrolments are predominantly from amongst the 60+ group (40%) and the 40-59 age group (35%) whilst in the evenings 48% of the enrolments are by students aged 40-59, 24% by students aged 25-39 and 21% from the 60+ group.

Participation rates by gender at the end of each academic year consistently averages out in the region of 75% female: 25% male. Qualification courses usually attract a slightly higher percentage of male learners than the non-accredited provision. The higher than average percentage of female learners in the non-funded provision can be attributed to the current LBB corporate training programme, including the recent roll out of the Office 2010 training.

Student Fees:

Eligible students who were in receipt of active benefits (JSA and ESA WRAG) or unemployed and actively seeking employment, were able to enrol on approved qualification courses (ASB funded) free of charge. Adult literacy, numeracy and ESOL courses, along with GCSE maths and English were also free to eligible students. In total, 1,502 students to date have received total fee remission during the 2012/13 academic year, of which 1,214 were enrolled on ASB funded courses.

Course fees on approved qualification courses ranged from £3.00 per hour for level 1 to £3.17 for level 3 courses, plus exam fees and charges. This meant that a student enrolled on a level 1 sign language course (64 hours) paid a total of £274 for their course whilst a level 3 Reflexology course (96 hours) cost £388.

Fees on mainstream Community Learning provision ranged from £3.84 per hour to £5.82, depending on the type of course and specialist facilities required deliver the provision. For example a student enrolled on a 12 week (24 hours) non-accredited course in:

- Modern foreign language, will have paid £111
- Pottery, £121
- Life drawing and painting, £136
- Computing (ICT) skills, £140

Students in receipt of a means tested state benefit were entitled to a concessionary fee, meaning they were required to pay 80% of the stated course fee. 6% of students enrolled on community learning funded courses to date have paid at the concessionary fee rate. A further 7% of students on community learning were enrolled on community family learning programmes and this provision is provided free of charge to the students.

Fees on mainstream non-funded courses ranged from £7.50 to £8.50 per hour. These are predominantly made up of English as a Foreign Language (EFL) courses and specialist high level ICT courses, such as web design and photo editing, and one-day Saturday courses in a range of subjects. This means a student on a 10 week (20 hr) EFL course will have paid £140 and a student enrolled on a 10 week web design course, £150. A one-day Saturday course of 6 hours typically cost £45.