

PART 1 - PUBLIC

Decision Maker: Renewal and Recreation PDS Committee/Portfolio Holder

Date: 11th October 2011

Decision Type: Non-Urgent Non-Executive Non-Key

Title: BROMLEY ADULT EDUCATION COLLEGE REVIEW

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Chief Officer: Marc Hume

Ward: All wards

1. REASON FOR REPORT

To update Members on the progress of the review of adult education.

2. RECOMMENDATION(S)

That the Portfolio Holder notes the progress of the review and comments on shortlisted options currently subject to detailed analysis. A further report with a recommendation for the sustainable business model to be used for adult education in the future will be considered at the PDS meeting in December.

Members are invited to comment on the shortlisted options and/or requirements they would wish to see satisfied in any future changes or transfer of the service

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Supporting Independence. Excellent Council
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Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: Adult Education College
 4. Total current budget for this head: £ 139k net budget (£401k Credit Controllable budget)
 5. Source of funding: External
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Staff

1. Number of staff (current and additional): 60ftes and 325 sessionally employed
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Non-statutory - Government guidance.
 2. Call-in: Call-in is not applicable.
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 10,000
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 Members will remember that at the Renewal & Recreation Portfolio Holder meeting of 7th December 2010 a request was made for independent support in undertaking a review of the strategic options available to the Adult Education College in order to safeguard its future and to continue to improve the service offer given the known cuts to Skills Funding Agency Grants and future funding pressures.
- 3.2 This support has been provided to the Director of Renewal and Recreation by constituting an internal review board chaired by the Assistant Director, Organisational Improvement.
- 3.3 The Director of Renewal & Recreation requested that the board examine at a high level the various options available for future provision of this service and respective opportunities and challenges each of these options represents. Terms of reference are included in Appendix 1.
- 3.4 Based on this analysis the Board were tasked with recommending a preferred option for future service delivery which takes account of Building a Better Bromley Priorities, the Corporate Operating Principles and the current and future economic situation.
- 3.5 The Review Board will initially report findings to the Director of Renewal and Recreation and to BAEC Governing Body. The Director of Renewal & Recreation will then make a recommendation to the PDS Committee and Portfolio Holder as to which option he endorses as representing the most appropriate and secure future for adult learning in borough.
- 3.6 Scope

The Review Board has focussed on a number of options; evaluating the advantages and disadvantages for each option and considering what offers the best alternative for existing and potential adult learners in Bromley and the Local Authority over the next five to ten years.

The options under consideration were:

1. Remain as a core, directly provided, local authority service but downscale and review use of existing accommodation
2. Identify opportunities for Adult Education to transfer as part of any alteration to the service delivery model for Bromley libraries
3. Engage in a strategic alliance with other local adult education providers
4. Merge with Bromley & Orpington Further Education Colleges
5. A shared service model with another local adult education provider.

The following option was subsequently added to the evaluation process at the request of the college Management Team:

6. Adult Education college to be established as a standalone Social Enterprise/Mutual delivering on behalf of the Local Authority.

3.7 Progress

The review board is due to have its final meeting at which a recommendation to the Chief Officer will be selected in mid October. Reporting to Members is therefore likely to take place at the December meeting.

The long listed options have now been reduced to two alternative models which are currently the subject of more detailed analysis which will form the basis of the recommendation to the Director.

Absolute clarity regarding future funding for both vocational and non vocational adult learning has proved difficult and therefore evaluation has had to be made based on a number of prudent assumptions, building in a suitable contingency from the known financial position.

Whilst a funding reduction from the Skills Funding Agency (SFA) to the Adult Skills Budget funding stream of 25% over four years between 2010/2011 and 2013/14 is known, the SFA have been unable to provide any further projection beyond this period and future of the Adult Safeguarded Learning funding stream is unclear at this stage. Therefore, setting a realistic funding envelope for this service in the medium to long term with a high degree of certainty is difficult.

3.8 Shortlisted Options

The Options relating to Library Transfer (2), Strategic Alliance (3), Shared Service (5) and Social Enterprise (6) have all been excluded from further analysis for a number of reasons which variously include issues such as the scale/lack of opportunity, the complexity of implementation and issues with the transfer or release of assets.

The options outlined below have therefore been progressed for detailed analysis:

Option 1: Remain as core, scaled down, directly provided, Local Authority Service.

The Adult Education College Management Team have presented challenging and ambitious proposals for a rationalised Bromley Adult Education Service. Proposed changes to provision are phased over three years, consolidating the service into a single site significantly reducing both staff and running costs whilst maintaining, as far as possible, both SFA and student fee income. The plan is based upon a reduction in funding far greater than the known 25%. Should funding reductions fall within the known parameters this would allow the service an element of flexibility with the option of retaining two sites but remain revenue positive.

The plans protect as far as possible the core adult learning offer and retain an exclusive facility for adult learners whilst eliminating the current budget contribution required by the local authority. Given the significance of the changes to the service there is an acknowledgement from both the College Management team and the review board that the sustainability of the model would need to be examined again in 18-24 months.

Option 4 (Merge with Bromley/Orpington College of Further Education)

The FE college have presented a high level proposal outlining the opportunity to consolidate further education and adult learning under the College. Again, the proposals are phased over 2-3 years and would see eventual consolidation of the adult learning offer within the FE college facilities at Bromley and Orpington with some merging of the curriculum.

The FE college have plans to develop an adult education offer, along with enhancing their Higher Education faculty so have an obvious interest in securing the transfer of the Adult Education function and significantly their learners.

The college are currently developing their proposal further and in particular giving consideration to any capital contribution that may be required from the local authority in order to accommodate and provide an adult learning syllabus.

3.9 Next Steps

Both proposals are now being developed further into high level business cases by the two potential providers to articulate in service, as well as financial terms, how their proposal will protect and enhance the adult learning offer in the Borough. This will allow the board to evaluate the relative advantages and disadvantages of both proposals on an equal and fair basis.

An equalities impact assessment will be undertaken as part of this process along with engaging in a consultation exercise with current and potential adult learners in the borough.

Key Lines of enquiry that the providers have been asked to provide responses focus on four core questions which need to be addressed by the two prospective suppliers:

- What would be the additional benefits to residents of adult education being provided by the proposed model
- What are the savings or value for money drivers for the Local Authority to opt for this model; including any possible positive capital or revenue contribution to the Local Authority.
- What would the delivery model look like in practice, and in what ways could the Local Authority continue to have influence, oversight and benefit.
- How could the Local Authority be assured of the ongoing quality of provision which would continue to meet the needs of the local population.

In order to be able to answer these questions the review board feel it necessary for the prospective future providers to develop a considered outline business case which would need to include:

- Their vision for Adult Education in the borough.
- A description of what the additional benefits to residents in the future would be when benchmarked against the existing provision/alternative model.
- Setting out at a high level what the breadth, balance and location of the curriculum would look like.
- How will the existing brand be developed and promoted to both reassure and retain the existing customer base and break into new markets.
- How the providers would assure the Local Authority that the most vulnerable users of the service would continue to remain a priority demographic.
- An explanation of the potential delivery model/s with reference to how the provider will work with Local Authority to ensure quality adult education is delivered to our residents including governance arrangements.
- What arrangements will the provider make to contribute towards the local authority's own Learning and Development requirements.
- A high level investment plan that can evidence how the Local Authority can achieve greater value for money.
- Where shared use of facilities are planned with younger users (16-19) what strategies will ensure the needs, wants and sensitivities of all groups are met.

- Evidence of how and where adult learning would be delivered and the degree of integration or sharing of facilities, such as refreshment facilities, with other service users that is necessary/desirable.
- Details of any measures which the prospective provider envisages taking concerning the affected employees. This should include any plans that the provider intends to take to address transfers/displacement of staff currently providing the existing service. Details of any plans for restructuring or changes to employee terms and conditions, with due regard to the TUPE regulations and potential redundancy payments.
- How would the delivery of the proposed service model be programme managed with an indication of their timescales and resource.

This is not an exhaustive list and the providers may wish to add additional details and points that they consider relevant to developing a robust business case that successfully explains and demonstrates the advantages to the Local Authority of choosing a particular model.

Members are invited to consider these options and any requirements they would wish to see satisfied in future changes or transfer of the service.

4. POLICY IMPLICATIONS

- 4.1 The work of the Adult Education College contributes to Bromley's Building a Better Bromley vision of remaining a place where people choose to live and do business. Maximising the opportunities that all residents have to lead fulfilling and independent lives.
- 4.2 Any future changes to the operating model of the Adult Education College must be set in the context of this vision and the political priority associated with maintaining a high quality, varied and accessible adult education offer.

5. FINANCIAL IMPLICATIONS

- 5.1 The main driver for the service review is the funding reduction from the Skills Funding Agency (SFA) of 25% over four years between 2010/2011 and 2013/14. The SFA grant for 2011/12 is c.£2.5m. The SFA have been unable to provide any further projection beyond this period and future of the Adult Safeguarded Learning funding stream is unclear at this stage, therefore, the Director is taking steps to ensure any risk to the Council in future years is managed.
- 5.2 The 2011/12 net budget for the Adult Education Service is £139k. The table below gives a summary of the budget for the service:

	2011/12 £'000	Budget
Employees	2,823	
Running Costs	1,013	
Income	(4,237)	
Controllable Budget Sub Total	(401)	
Repairs & Maintenance and Insurance	32	
Depreciation	382	
Recharges	126	
Net Budget	139	

5.3 Final costed plans for options 1 and 4 are currently being completed. The final proposals will be evaluated and reported back to this meeting for comparison and decision in December.

6. LEGAL IMPLICATIONS

6.1 The Council has a duty under the Learning and Skills Act 2000) to provide “reasonable facilities” for education for persons of age 19 and over. In performing this duty of “reasonable facilities” the Council must “take account of facilities whose provision the Council thinks might reasonably be secured by other persons” and “make the best use of Council’s resources and in particular avoid provision which might give rise to disproportionate expenditure”.

6.2 In addition under s15ZA Education Act 1996 the Council must ensure there is sufficient suitable education and training for persons aged between 19-25 who are subject to learning disabilities.

6.3 The options put forward will need to reflect these duties

7. PERSONNEL IMPLICATIONS

7.1 Both remaining shortlisted options are likely to result in a reduced workforce. In the event that the Chief Officer recommends to Members that they opt for either of the shortlisted options some existing London Borough of Bromley staff may be at risk of redundancy. It is difficult however at this stage to predict the level of any reductions in staff until further detailed work is undertaken on these options.

7.2. The potential providers have been asked to explore the scale of possible redundancies and any other changes to existing staff terms and conditions. These factors and the associated costs will be considered by the review board when coming to formalise their recommendation to the Chief Officer.

7.3. The Council has a policy of avoiding compulsory redundancies wherever possible and would manage any proposed changes in accordance with its HR policies and procedures for managing change in the workforce. The Council is also mindful of its legal duties and responsibilities with regard to the Transfer of Undertaking (Protection of Employment) Regulations 2006 (TUPE). In the event that either of the shortlisted options are agreed the Council will ensure that staff and their representatives are kept fully informed and consulted on any proposed changes that impact on its workforce. Further details would also be the subject of a further report on this matter.

Non-Applicable Sections:	[List non-applicable sections here]
Background Documents: (Access via Contact Officer)	N/A

**Review Topic: Strategic Options for Bromley Adult Education College
Terms of Reference (as amended 20/04/11)
Review Board**

Chris Spellman, Assistant Director Organisational Improvement (chair)
Marc Hume, Director of Renewal & recreation
Michael Wheeler, College Principal
Carol Arnfield, College Deputy Principal
Beverley Johnston, CYP
Mahtab Munshi, LADS
Maria O'Donnell, Head of Finance
Rosamund Skinner, Vice Chair BAEC Governing Body to be invited to attend specific meetings
Tammy Eglinton, HR

Introduction

A number of factors namely the reduction in external grant funding, falling learner numbers, the proposed Further Education College merger and the general economic climate have combined together to encourage both the local authority and Adult Education governors to review realistic strategic options for future adult learning provision.

The current provision is held in high regard by its 10,000 plus users and was the subject of a successful Ofsted inspection in February 2010. It will be important to identify appropriate means of protecting a key service that makes a significant contribution towards making Bromley a desirable place to live and work whilst at the same time ensuring it is being delivered in the most efficient and effective way possible without reducing the quality of the service. There are approximately 29,000 borough residents registered on the College database and current users express high levels of student satisfaction.

The Director of Renewal & Recreation has requested that an appropriate board be convened to examine at a high level the options for future provision of this service and respective opportunities and challenges each of these options represents. The College Senior Management Team has already commenced the process of a detailed review of current operations and viable alternatives for service delivery. These findings will be fed through to the Review Board.

Background

Bromley Adult Education College works from three main centres in Bromley, Penge and Orpington and in a wide range of community settings, taking learning opportunities to adults and families who would otherwise be excluded from learning and the many benefits it brings. Courses are offered during the day time, evenings and on Saturdays. These include a range of types of provision including:

- a) Courses are offered during the day time, evenings and on Saturdays and include a range of 'Skills for Life' (Adult Literacy and Numeracy)
- b) English for speakers of other languages (ESOL)
- c) Cultural and personal development activities including arts, humanities, exercise and fitness, cookery, health and well-being.
- d) Skills training in a range of subjects, e.g. business, Information communication technology (ICT), languages, adult teacher training and counselling.

- e) Specialist provision for adults with learning difficulties and disabilities (LDD) and specialist ICT provision for students with hearing and visual impairment.
- f) Community provision including ICT and Skills for Life classes and specific provision for older learners
- g) Family Learning: wider family learning and literacy, language and numeracy
- h) Employer Engagement including LBB training such as the corporate ICT contract.
- i) Managing the LBB Personal Community and Developmental Learning (PCDL) and Neighbourhood Learning in Deprived Communities (NLDC) Lifelong Learning projects

Provision is designed to lead to employment, progression routes to higher education, workforce up-skilling, professional as well as personal development and interest. The provision is delivered by a team of 260 (mostly) sessional tutors.

The College manages the Wider Family Learning provision across the Borough of Bromley working with a variety of organisations in the community. The College also delivers the adult aspects of family literacy, language and numeracy provision managed by the Learning and Achievement in Schools Personalised Learning Team of the Children and Young People directorate.

The College has maintained targeted learning opportunities for the over 60s through a series of effective partnerships within the borough, with the following organisations: Age Concern, Broomleigh, Bromley Social Care, NHS, Mission Care, as well as many smaller organisations. Courses have ranged from low impact exercise classes to maintain mobility to Arts and Crafts, Healthy Eating/Lifestyle and Yoga.

The three main sites (Widmore, Kentwood and Poverest) provide nurseries for the care and education of children under five years old, for the use of students and staff during term time, as well as the wider community.

Objective of Review

To review Bromley Adult Education's current and alternative service models and to make a recommendation as to a preferred future option.

Outputs

- To bring together all available and relevant information regarding Adult Education provision both within Bromley and elsewhere taking consideration of the findings and recommendations of the BAEC strategic working group
- To seek the views of relevant stakeholders on the future of adult learning in Bromley and their preferred options for sustainable, high quality future service provision
- To consider adult learning in the wider context of the Renewal & Recreation Portfolio and Local Authority Services more generally.

Outcome

- To develop a preferred option for future service delivery which takes account of Building a Better Bromley Priorities, the Corporate Operating Principles and the current economic situation.
- The retention of a flexible, high quality service to borough residents.

Scope

The Review group should focus on a small number of realistic options in order that the review is conducted in a timely way and alternatives are evaluated appropriately.

The advantages and disadvantages for each option should be highlighted considering what will be best for existing and potential adult learners in Bromley and the Local Authority over the next five to ten years.

Options will be underpinned by a detailed financial analysis

The agreed options for consideration are:

1. Remain as a core, directly provided, local authority service but downscale and rationalise property use. Specifically the college would need to be remodelled without the Widmore Road site but consider liberating other current assets too.
2. Adult Education college to be established as a stand alone Social Enterprise/Mutual delivering on behalf of the Local Authority.
3. Engage in a strategic alliance with other local adult education providers
4. Merge with Bromley & Orpington Further Education Colleges (pending the outcome of the consultation)
5. A shared service model with another local adult education provider.

Methodology

- The board will collect and collate examples of alternative service provision from other local authorities and evidence of best practise in adult education service provision elsewhere
- The board will establish the current costs of service provision, current and anticipated revenue streams and the mechanics of the SFA grant and other funding.
- The board will evaluate, using an appropriate objective technique, the current benefits/disbenefits of the existing service provision and any likely future change to these.
- The board will establish the likely costs of service delivery and implementation for all of the alternative service delivery models.
- The board will evaluate, using an appropriate objective technique, the anticipated benefits/disbenefits of all of the alternative service delivery models and any likely future change to these
- Representatives from the board will meet with all key stakeholders of the service –
 - College learners
 - College staff
 - BAEC Governing Body
 - Elected members
 - R&R, CYP and ACS Department
 - Skills Funding Agency
 - Local adult learning partners such as Bexley, CALAT and SCOLA
- The review will utilise a dedicated SharePoint project workspace. All information relevant to the review will be stored centrally on the site, where it will be accessible by officers and members alike
- The information will be accessible at all times, by officers and Members who have been given permission to access the site. It is designed to manage research and statistical documents, events, tasks, contact details and links to relevant websites.

Project administration & Target Body for Findings & Recommendations

The Review group will initially report findings to Marc Hume Director of Renewal and Recreation and to BAEC Governing Body. R&R PDS Committee.

This will contain:

- A covering report summarising the background and current issues around Adult Education
- A detailed financial assessment setting out the predicted budget implications of the various options
- A set of high level options for the future of Bromley Adult Education with a clear recommendation as to a model for future service delivery.

The Review Board membership is as follows:-

Core Team
<ul style="list-style-type: none"> • Review Lead Officer – Chris Spellman, AD Organisational Improvement Team
<ul style="list-style-type: none"> - Responsible for leading and conducting the review - Key liaison / contact point for other team members - Manage the process to keep it on track and focused on delivering clear outcomes - Chairs all team review meetings - Creates the positive but challenging environment needed to support new ideas and new ways of working - Presents final findings of the team - Maintains a perspective on the wider corporate environment that the review is working within
<ul style="list-style-type: none"> • Service Strategy Lead Officer– Michael Wheeler, College Principal
<ul style="list-style-type: none"> - Is the lead representative for the service - Provides the professional service specific expertise / knowledge - Maintains a strategic overview of the service
<ul style="list-style-type: none"> • Service Operational Lead Officer – Carol Arnfield, College Deputy Principal
<ul style="list-style-type: none"> - Provides the operational service specific expertise / knowledge - Support strategy lead in representing the service - Facilitate bringing in the necessary service information
<ul style="list-style-type: none"> • Finance Lead Officer - Maria O'Donnell, Head of Finance, Corporate Services
<ul style="list-style-type: none"> - Provide financial advice to review team - Lead on all budgetary issues: <ul style="list-style-type: none"> - <i>Independent financial challenge</i> - <i>Overheads – property assets, staff</i>
<ul style="list-style-type: none"> • Legal Lead Officer – Mahtab Munshi, Lawyer
<ul style="list-style-type: none"> - Provide expert legal advice to the review team - Lead on all legal issue: <ul style="list-style-type: none"> - <i>Potential new structures</i> - <i>Shared Services/ models of delivery</i> - <i>Working and commissioning with partners</i>
<ul style="list-style-type: none"> • HR Lead Officer – Tammy Eglinton, HR Consultancy Manager
<ul style="list-style-type: none"> - Provide expert HR advice to the review team - Lead on all employment matters : <ul style="list-style-type: none"> - <i>Potential new structures</i> - <i>Shared Services/ models of delivery</i> - <i>Best practice, Council procedures for managing change in the workforce</i>
Floating Membership of review team whose attendance will not always be required
<ul style="list-style-type: none"> • Commissioner of Review – Marc Hume, Director of R&R
<ul style="list-style-type: none"> - Commissioner of the review

<ul style="list-style-type: none"> - Receiver of final recommendations from the Team - Provide Director level input into the review - Highlights the importance of the work being undertaken by the team - Can act as arbitrator if issues around final options need to be escalated
<ul style="list-style-type: none"> • Key Stakeholder – Rosamund Skinner, Vice chair BAEC Governing Body
<ul style="list-style-type: none"> - Provides key stakeholder input into the review - Can represent the views and ambitions of the governing body for the future delivery of Adult Education across Bromley
<ul style="list-style-type: none"> • Further Support
<ul style="list-style-type: none"> - The Team is at liberty to call upon additional support and information to support the review. This may include inviting additional Officers along to the meetings to brief or present on specific bits of information relevant to the work of the review.