

Decision Maker: Renewal and Recreation PDS Committee

Date: 27 March 2012

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

Title: **BROMLEY ADULT EDUCATION COLLEGE RESTRUCTURE**

Contact Officer: Carol Arnfield , Acting Principal, Bromley Adult Education College
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Chief Officer: Marc Hume

Ward: All Wards

1. Reason for report

At the meeting of the Renewal and Recreation Policy Development and Scrutiny Committee on 13th December 2011, Members agreed that the Director of Renewal and Recreation:

Commences consultation with staff at Bromley Adult Education College and their representatives on the outcomes of the review both in the short and medium terms

Continues with detailed discussions with the Bromley College of Further and Higher Education on the potential opportunities for adult learning in the longer term

Bring a report to the committee on 27th March 2012 on the outcomes of these negotiations and consultation

This report updates members on the progress made since that meeting.

2. **RECOMMENDATION(S)**

The Renewal and Recreation PDS is asked to note this report which contains the headline information on the progress made to date.

Corporate Policy

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

1. Cost of proposal: N/A
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: Adult Education
 4. Total current budget for this head: £3k net draft revenue budget 2012/13
 5. Source of funding: External/Revenue Budget 2012/13
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Staff

1. Number of staff (current and additional): 52 FTE's and 308 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

Bromley Adult Education College internal restructure

- 3.1 Senior managers at the College, with support from HR and Finance, reviewed the internal options paper that was prepared by BAEC staff as part of the review. This information was used to develop a proposal for a restructure of the Adult Education Service that would deliver the projected known savings required in the short term and put in place a structure that could help the College continue to operate in a flexible way in the medium term, depending on the continuation of the public funding currently accessed by the College.
- 3.2 The consultation period, which would normally last for thirty days, began on 8th March 2012. In recognition of the Easter Bank Holiday the consultation period has been extended until the 10th April 2012. Responses received from staff, through meetings and in written submissions, will be collated and reported to Chief Officers at the end of April. If the proposed restructuring is agreed then implementation will begin in May. The intention is to have the new structure in place by the start of the new academic year on 1st September 2012.

Further discussions with Bromley College of Further and Higher Education

- 3.3 The Chief Executive, Director of Renewal and Recreation and Acting Principal of Bromley Adult Education College met with the Principal of Bromley College of Further and Higher Education (BCFHE) and the Finance Director of BCFHE on 26th January 2012. It was agreed that there is merit in continuing discussions for merger and/or closer joint working arrangements. The option for developing a pilot which would involve the running of BAEC courses in BCFHE premises was explored. It was agreed that this should be pursued in order to further assess options for closer joint working and/or merger. The outcomes from this pilot will be considered in the context of further options going forward in the medium term and beyond.

4. POLICY IMPLICATIONS

- 4.1 The work of Bromley Adult Education College contributes to the 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.

5. FINANCIAL IMPLICATIONS

- 5.1 The College is funded by the Skills Funding Agency to deliver Adult Skills Training and other adult learning programmes. Students of the College also contribute fee income. Funding from the Skills Funding Agency (SFA) is being reduced by at least 25% between the period of 2010 to 2014. For the Academic year from August 2012 to July 2013 it is anticipated that the funding received from the Skills Funding Agency to support adult training will be reduced significantly so that the College's funding allocation will be cut by approximately 12%. Additional funding could be lost if the College does not meet SFA targets for 2011/2012. The total known fall in grant allocations for 2012/13, from the original 2011/12 budget, is £228,000.
- 5.2 This potential loss of income alongside the Council's significant financial pressures over the coming years with saving targets of £15m by 2012/13 and £30m by 2013/14 has prompted the radical review of the Adult Education Service. The most significant cost in the College budget is staff salaries at £2.8m in 2011/12, representing 73% of the total service budget.
- 5.3 The staffing proposals set out in the consultation document will result in savings of £459,000 in a full year. For 2012/2013 the savings would be approximately £345,000 if they were implemented from 1st September 2012.

- 5.4 The proposals outlined in the consultation document will reduce the overall budget for the Adult Education Service by £136k from 2012/2013. This is the net effect of the proposed changes to the staffing structure and the substantial loss of income (shown below). This will effectively move the service to a self funding position for 2012/13.

Proposed Changes:	2012/2013 £'000
Staff savings	(345)
Loss of Income	228
Minor other adjustments	(19)
Total budget reduction	136

6. LEGAL IMPLICATIONS

- 6.1 The Council has a duty under the Learning and Skills Act (2000) to provide “reasonable facilities” for persons over the age of 19. 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 Council continues to provide this duty.

7. PERSONNEL IMPLICATIONS

- 7.1 Formal consultation is currently underway with the staff and their representatives at Bromley Adult Education College on the proposed restructure and the implications for staff either directly or indirectly. The Council has a good record of mitigating the need for compulsory redundancies and officers will manage the process in accordance with the Council’s procedures for managing change, and with due regard to employment law.

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	