

**Decision Maker:** Education Portfolio Holder

**Date:** For Pre-Decision Scrutiny by the Education Policy Development and Scrutiny Committee on 2 July 2013

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

**Title:** **BROADER EXAMINATION OF THE ROLE OF BROMLEY ADULT EDUCATION COLLEGE AND LIFELONG LEARNING**

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**Chief Officer:** Terry Parkin, Executive Director, Education and Care Services

**Ward:** Boroughwide

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1. Reason for report

This report explores the broader role of adult education and outlines the various options available to the Council in order to fulfil its duty for provision of adult education in the Borough.

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2. **RECOMMENDATION(S)**

**(i) That Members note the content of this report**

**(ii) That the Portfolio Holder for Education recommends whether or not to withdraw involvement in provision for Adult Education and considers the financial impact of doing so**

**If the decision is to continue with provision:**

**(ii) That the Portfolio Holder for Education indicates whether a direct LA delivery model is preferred or whether the service should be market tested**

**(iii) That Members agree a further report to the Education PDS Committee on the business case for the preferred delivery model**

### Corporate Policy

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

1. Cost of proposal: Not Applicable:
  2. Ongoing costs: Not Applicable:
  3. Budget head/performance centre: Adult Education College
  4. Total current budget for this head: £514,730
  5. Source of funding: External/Revenue Budget
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### Staff

1. Number of staff (current and additional): 43 FTEs 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: Not Applicable
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 7000 per annum
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### Ward Councillor Views

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

### **3. Introduction**

- 3.1 This report outlines the broader role of adult education and the role played by the Bromley Adult Education College in the provision of Lifelong Learning for local adults. The report also explores options available to the Council in order to fulfil its duty under the Learning and Skills Act (2000) to secure reasonable provision for adult education in the Borough.
- 3.2 Currently, the responsibility for adult education sits in the Education Division. Details of the College, its provision and its funding streams were outlined in the report to the Education Policy Development and Scrutiny Committee on 6 November 2012, 'Transfer of the Adult Education Service'.
- 3.3 The service is full cost recovery and additionally covers £559k of centrally recharges costs. Any changes to service delivery/service options could impact on grant funding/income generation and therefore have cost implications of up to £559k.
- 3.4 The structure of the report is as follows:
- Paragraphs 4 and 5 summarise the key functions of the adult education service in Bromley and outlines work undertaken with the aim of developing a co-ordinated London wide approach towards non-accredited learning for adults.
  - Paragraphs 6 to 10 outline options for future delivery; benefits; drawbacks; and points for note by Members of the Committee.

### **4. The broader role of the Bromley Adult Education College in lifelong learning**

- 4.1 Lifelong learning is learning in its broadest sense – across all age groups and for a range of purposes:
- for access to work;
  - for career development; to refine a skill or specialism;
  - for interest and leisure;
  - to develop independence and life skills.
- 4.2 In essence, lifelong learning provides people of all ages with training for employment and career development and learning for personal development.
- 4.3 The work of Bromley Adult Education College (BAEC) can be categorised into these two key delivery functions; training for employment and career development and learning for personal development (sometimes referred to as leisure or informal learning). Funding streams for each of these two key functions are outlined in the relevant sections below.
- 4.4 Training for employment and career development  
This work is supported by a combination of the Adult Skills Budget, students' fees, student loans (from Sept 2013) and employer contributions. It is very much focussed on national government priorities and local employment and training needs.
- 4.5 At BAEC, this area of work includes a range of vocational qualifications at levels 1 – 3, adult literacy and numeracy and English for speakers of other languages (ESOL).
- 4.6 It also includes training in independent living skills for adults with disabilities and the recently expanding partnership work with Job Centre Plus and Affinity Sutton focussed on supporting local adults into employment. The income from this area of work also supports a work club at the Kentwood Centre in Penge, which meets on two mornings each week and works with

unemployed adults to help them develop job search skills, Curriculum Vitae (CV) writing and interview techniques.

- 4.7 BAEC also delivers a range of corporate training for the local authority, such as the corporate ICT and New Futures training, as well as managing the training for Early Years and for the schools' workforce previously delivered through the Education Development Centre (EDC) and including the Governor Services offer.
- 4.8 Personal developmental learning  
This non-accredited provision is supported by the Community Learning Grant from the Skills Funding Agency (SFA), as well as student fees and payment "in kind" from various community partners, usually in the form of free accommodation and/or resources.
- 4.9 The Community Learning Fund is provided to local authorities to support informal adult learning at a local level, helping to meeting local needs and strategic objectives. Local authorities across England use these funds in very different ways and not all use it to provide "leisure type courses", but instead focus solely on non-regulated literacy, numeracy, ESOL and ICT to deprived communities, particularly amongst the inner city and more isolated rural communities.
- 4.10 At BAEC, this fund supports a wide range of non-accredited learning opportunities, some of which are provided in partnership with a range of local community and third sector organisations to help engage non-traditional adult learning participants. The Community Learning Fund also supports family learning, working in partnership with schools to encourage intergenerational learning and working with parents to help them support their children with homework. This aspect of Adult Education delivery has a strong focus on responding to the needs of the local community and delivery within the local community.
- 4.11 Funding for adult education 2013/14  
The Adult Skills Budget continues to be focussed on supporting adults to gain new skills or improve existing skills to help them enter and remain actively employed. As the total amount of funding available at national level to support this work diminishes, the Government is encouraging people to become more responsible for their own learning through the introduction of 24+ level 3 learning loans, which are likely to be expanded in future years to include level 2 and apply to adults over the age of 21.
- 4.12 From 2013/14, the Community Learning budget will be seen by the SFA as a contribution towards locally owned adult learning. The learning provided must continue to: meet local needs; maximise access to community learning for adults; improve lives; bring together local people to experience the joy of learning and the pride that comes with achievement; and maximise the effect that community learning has on the well-being of adults, families and communities. Bromley local authority meets the contribution requirement of the Skills Funding Agency through the generation of students' course fees from those who can afford to pay and the payment in kind received from the partners it works with to deliver community learning.
- 4.13 Any consideration for future delivery of the service needs to take account of the fact that Bromley residents continue to make up 80% of the total student population at the Bromley Adult Education College, with 65% of enrolments being supported through the Community Learning Grant. Of those students who are accessing Community Learning provision, 42% are aged 60+ and 64% attend daytime courses. In order to meet the needs of these students, the majority of the daytime provision needs to take place between the hours of 10.00 am and 15.00 pm so that users can travel outside the main rush hour times and take advantage of public transport concessions.

4.14 Although the Community Learning grant is a locally targeted fund for local access of adult learning, the London branch of the Local Education Authority Forum for the Education of Adults (LEAFEA) previously submitted a successful bid to the Transformation Fund for a project aimed at enabling promotion and co-ordination of informal adult learning across the 33 London boroughs.

## **5. Wider London approach to adult learning – Transformation Project**

5.1 The Transformation Project, which ran from 2009 to 2012 succeeded in developing a pan-London portal for capturing informal adult learning opportunities across the London region. The portal was accessible to learners, helping them identify the range of learning opportunities that were available to them as provided by various London boroughs and the Corporation of London.

5.2 Unfortunately, in its second year of operation the portal experienced various difficulties, especially when local authorities were required to pay an annual subscription to sustain the ongoing maintenance costs of the portal. Boroughs who used the Community Learning budget solely for targeted community capacity building found little or no benefit in participation in the project. Many larger adult learning services, such as Bromley, Bexley and Croydon, also had a significant accredited learning offer, which was not being supported by the portal. Therefore, this prevented the portal from replacing their local websites. Added to administrative burden of having to provide the data in different formats for their own site and the portal, combined with additional costs at a time of decreasing funds and a need to prioritise spending, a significant number of local authorities withdrew from the project at the end of year two. With insufficient subscribers, the portal finally closed in 2012.

5.3 Whilst the pan-London approach experienced various problems, a more regional approach may be possible where services share a common approach to the use of their adult learning funding. For example, in south London the boroughs of Bexley, Bromley, Croydon, Sutton and Kingston all have adult learning services that access both the Adult Skills Budget and Community Learning funds from the Skills Funding Agency.

5.4 These local authorities also all use the CL grant to support mainstream fee paying non accredited learning as well as delivering a more targeted community capacity building type of provision. This may provide the foundation for the development of a federated adult learning approach across a significant swathe of south London and is one of the options discussed in the second part of this report for delivery of Bromley's provision in the future.

5.5 However, local authorities in general are currently undertaking significant reviews of all their services, and it is possible that they will be seeking to focus on locally based solutions to ensure continued delivery of an adult education service that meets their community needs. It is therefore recommended that Bromley local authority considers various options to identify the strategic approach it needs to take towards adult education in the future.

## **6. Withdrawal of Involvement**

6.1 Local authority involvement is not a statutory duty, only an expectation to make reasonable provision for adult education. Given the position of a large FE provider in the borough, if the local authority is confident in its relationship with both the FE College and any other private training providers or other local agencies, a case could be made for withdrawing from direct involvement in adult learning. The basis for this decision could be strategic or operational.

<b>6.2 Benefits</b>
<ul style="list-style-type: none"> <li>• Removes all elements of risk and responsibility from the local authority.</li> <li>• Release of all three sites for alternative use or capital receipt</li> </ul>
<b>6.3 Drawbacks</b>
<ul style="list-style-type: none"> <li>• Costs of redundancies along with associated service and site closure costs.</li> <li>• Loss of provision which currently reaches over 6,000 local residents.</li> <li>• Dissatisfaction amongst current users and range of existing offer unlikely to be replicated by other providers.</li> <li>• Potential cost of up to £559k relating to support services charged to the service and funded by this grant. The Department would need to find alternative savings to offset this.</li> <li>• Impact on local council priorities.</li> <li>• Loss of influence over future adult learning provision in the borough.</li> </ul>
<b>6.4 Points for note</b>
<ul style="list-style-type: none"> <li>• Where a local authority elects to withdraw from involvement it would fall to the Skills Funding Agency to take responsibility for re-contracting the surrendered contract agreement through an open competitive tendering process.</li> <li>• The council would need to consider the implications for the EDC course offer, recently relocated to the Widmore Centre under Adult Education management.</li> <li>• A staff and public consultation would be required.</li> </ul>

## 7. Other options

- 7.1 If the preferred approach is one of continued involvement in adult education, there are three options as set out below, which are (1) remain under current model of operation; (2) continued direct delivery with one or more local authorities; or (3) market testing.

## 8. Remain under current model of operation

<b>8.1 Benefits</b>
<ul style="list-style-type: none"> <li>• Maintains a service which contributes to local authority agenda and priorities and causes least disruption for service users.</li> <li>• Retains adult specific ethos and identity.</li> <li>• Continuity of service for users, with confidence in existing brand.</li> <li>• Income from recharges continues.</li> <li>• Retains option for developing the EDC provision into a business unit with income potential.</li> </ul>
<b>8.2 Drawbacks</b>
<ul style="list-style-type: none"> <li>• Some of existing accommodation would need to be retained for use of Adult Education.</li> </ul>
<b>8.3 Points for note:</b>
<ul style="list-style-type: none"> <li>• Year on year reduction in public grant is likely to result in the existing service retracting into fewer sites, thus releasing some of the existing accommodation for alternative use or capital receipt.</li> <li>• Redundancy costs incurred as a result of site closure and service contraction.</li> <li>• Under its current structure the adult education service has broadened its operational and delivery model to include the LBB IT corporate training, other corporate training and the EDC training and governor services offer.</li> <li>• This strategic approach would not be consistent with the commissioning approach of the local authority.</li> </ul>

## 9. Direct delivery with one or more local authorities

9.1 Bournemouth and Poole local authorities have recently merged their Adult Education services, with the Borough of Poole becoming the employing authority for staff and Bournemouth commissioning Poole to deliver the provision for the Bournemouth council contract. Plans are now in place for a further merger to take place with Dorset Adult Learning Service with effect from September 2013. This will extend the model across two borough councils and one county council.

<b>9.2 Benefits</b>
<ul style="list-style-type: none"><li>• Economies of scale to invest in sustaining service delivery. Reduced infrastructure costs for all services involved.</li><li>• Staff expertise and adult learning experience retained</li><li>• Breadth and depth of curriculum maintained, removal of duplication and inefficiency</li><li>• Adult learning ethos and environment maintained.</li><li>• Potential for expanding the Bromley EDC course offer across other local authorities.</li><li>• Potential for release of at least one existing adult education site.</li></ul>
<b>9.3 Drawbacks</b>
<ul style="list-style-type: none"><li>• Risk of mission drift if local authorities have different priorities and focus.</li><li>• Some of existing accommodation would need to be retained for use of adult education.</li><li>• Disposal of accommodation superfluous to needs of merged service if no immediate use is identified.</li><li>• Removal of duplication may result in some users having less choice and further to travel to access courses.</li><li>• Host authority would have a continued employee/redundancy/pension cost liability.</li></ul>
<b>9.4 Points for note</b>
<ul style="list-style-type: none"><li>• Need to identify a “lead body”, which could have an impact on the local authority control.</li><li>• Skills Funding Agency contractual arrangements would need to be explored, but likely model is for one or more local authority sub-contracting with another.</li><li>• Staff and public consultation would be required.</li><li>• Potential transfer of staff under TUPE and some shared redundancy costs where existing posts are duplicated.</li><li>• There would be a need for clarity of management, financial, HR, data returns and legal arrangements.</li><li>• Commissioning local authorities retain exposure to Ofsted and responsibility for quality monitoring.</li><li>• This approach is line with the current corporate strategy to identify ways of realising economies through partnership working with the neighbouring boroughs of Bexley and Croydon, both of which have their own adult education services and are facing similar reductions in SFA funding.</li><li>• This approach could further support the LBB position on moving towards becoming a commissioning organisation if a partner local authority took on the role of lead body.</li><li>• This approach has the support of the BAEC Governing Board.</li></ul>

## 10. Market testing through competitive process

- 10.1 Should the Council not wish to continue to be directly involved in the provision of the service, either in its current form or in conjunction with another local authority, consideration could be given to market testing the service.
- 10.2 This would require a competitive process as current indications are that there would be more than one organisation potentially placed to bid for this service. Potential bidders would be likely to include local (both in borough and neighbouring borough FE colleges) and social enterprise/ third sector organisations.
- 10.3 If Members' preferred option is to market test, a full tender plan will be prepared with timescales which will be brought to a future meeting of the Committee.

## 11. POLICY IMPLICATIONS

The work of the Adult Education service 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.

## 12. FINANCIAL IMPLICATIONS

The 2013/14 budget is broken down as follows:-

	2013/14 budget
	£
Employees	2,212,840
Premises	259,300
Transport	3,100
Supplies and Services	483,570
Income	-3,564,420
Premises - Repairs and Maintenance	46,440
<b>Costs before recharges</b>	<b>-559,170</b>
Recharges In/Out	661,900
Capital asset charges	412,000
<b>Total Cost of Service as per 2013/14 budget</b>	<b>514,730</b>

As can be seen from the table the sum of £559k would not all be saved if the provision of Adult Education ceased. This would therefore mean the Department would either have to fund this loss of grant or identify savings to offset this. Depending on the options considered this will vary between the different financial options between zero and £559k

Each option has financial implications and these are detailed within the body of the report.

Further, more detailed analysis of the business case will be carried out once options have been selected. The ECHS Department would need to include in the business case how they would fund any net impact.

### **13. LEGAL IMPLICATIONS**

The Council has a duty under the Learning and Skills Act (2000) to provide “reasonable facilities” 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 best use of Council’s resources and in particular avoid provision which might give rise to disproportionate expenditure”.

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.

### **14. PERSONNEL IMPLICATIONS**

Any of the above proposals for changes to the adult education service will give rise to significant HR issues and are likely to include proposals that place a number of staff at risk of redundancy. Any changes will need to be carefully planned for and managed in accordance with the Council’s policies and procedures and with due regard for the existing framework of employment law. This will include full consultation with staff and their representatives.