

## London Borough of Bromley

### PART 1 - PUBLIC

#### Briefing for Education Policy Development and Scrutiny Committee Tuesday 12 November 2013

# BROMLEY ADULT EDUCATION COLLEGE AND LIFELONG LEARNING: UPDATE ON COMMISSIONING PLANS

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## 1. SUMMARY

- 1.1 At the Education Policy Development and Scrutiny Committee on 2<sup>nd</sup> July 2013, the Portfolio Holder reaffirmed the Council's commitment to adult education and lifelong learning and agreed that market testing of the existing adult education services be undertaken.
- 1.2 This report provides Members with an update on commissioning plans for market testing the adult education service in Bromley.

## 2. THE BRIEFING

- 2.1 At the Education Policy Development and Scrutiny Committee on 2<sup>nd</sup> July 2013, it was agreed that a report on the business case for the preferred delivery model be presented at a future meeting.
- 2.2 Following an initial piece of work, which considered a range of direct and associated issues it has become apparent that further detailed work is required before a preferred model of delivery can be presented for endorsement.
- 2.3 This information briefing outlines the initial findings that require more detailed consideration, together with a proposed timeline for full market testing of the adult education service.

### Issues for consideration

- 2.4 **Level of provision** – the Council has reaffirmed its commitment to adult education and lifelong learning in Bromley but needs to consider what that service might look like in order to provide a comparable evaluation and determination of best value within the market testing process. The options appraisal will include this consideration and form part of the business case for the preferred service specification. Options will include externalising the service to reflect the current level of provision and a de minimis service that will deliver the Council's statutory duty.

- 2.5 **Property** – there are a range of issues pertaining to property. Consideration will include the utilisation of capital assets and the associated financial implications, use of buildings and issues around caretaker provision.
- 2.6 **Nursery provision** – the borough has a statutory duty to provide free entitlement of nursery places to an identified cohort of children and sufficient childcare provision to meet the needs of working parents the provision within the adult education service is part of the offer. It has been identified that both the location and level of current provision is not fit for purpose to meet our statutory duty and is currently under review. It is also clear that the provision covers direct costs, but not indirect costs so is not financially sustainable in its current form.
- 2.7 **Pupil places** – Bromley is currently facing significant pressure for primary places with the most prevalent in the north of the borough (Penge/Anerley). Through the options appraisal process, consideration will be given to the potential to use of the buildings to relieve current pressures.
- 2.8 **Recharges** – the current overspend projection for the adult education service is £168k, which is not an operating deficit but reflects the contribution to the recharge charged to the service. Total recharges are £681k for 2013/14 and reflect corporate charging policy rather than the actual costs of services to adult education: this scale of charges has significant implications for service viability. Consideration of how the recharges are managed will form part of the options appraisal and in particular the potential impact on other Council services such as IT, grounds maintenance, support services as well as recharges to individual departments.
- 2.9 **Skills Funding Agency (SFA) funding agreement** - a briefing note issued in August 2013 confirmed that where local authorities consider changing the methodology of delivery, consent of the SFA's Chief Executive must first be obtained. There is no automatic right to transfer the Council's funding agreement.
- 2.10 **Legislative considerations** – the legislation published by the Department of Communities and Local Government (June 2012) states that local authorities must consider expressions of interest from relevant bodies and, where they accept an expression of interest, carry out a procurement exercise for the service. In considering proposals for services, officers will have regard to the requirements of the Local Government Act 1999 Section 3 which requires best value authorities to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness, and to [the Public Services \(Social Value\) Act 2012](#) which requires authorities to make the following considerations at the pre-procurement stage: how what is proposed to be procured might improve the economic, social and environmental well-being of the "relevant area" and whether to undertake a consultation on these matters.

### Options Appraisal

- 2.11 With consideration of the aforementioned issues, an options appraisal will be undertaken to develop the business case for the preferred model of delivery. At this stage it is envisaged that the four options likely to be considered are:
1. Outline the current service, requiring the applicant to follow the existing model in line with Government requirements i.e. Skills Funding Agency & Education Funding Agency (for learners up to 25yrs with LDD) – locations for delivery determined by the Council and outlined in the specification.
  2. Outline the broad requirements of the service, allowing for innovation and creativity within Government framework/guidance – locations for delivery determined by the Council and outlined in the specification.

3. Outline the broad requirements of the service, allowing for innovation and creativity within Government framework/guidance – one or two identifiable sites within the borough outlined in the specification, with the applicant also providing sites to complement those offered by the Council – applicant leases identified sites from the Council but manages and runs them entirely.
4. Outline the broad requirements of the service, allowing for innovation and creativity within Government framework/guidance – locations for delivery to be determined solely by the applicant who must demonstrate an understanding of the borough demographics and requirements of the service as outlined in the specification.

### Timescale

- 2.12 Although a separate exercise, it will be prudent to align the process to the wider education commissioning review. Full market testing of the adult education service itself will sit as a separate 'lot' from the wider commissioning bundle.
- 2.13 The following estimated timescale is proposed for the project, but is subject to change to take account of external factors and the wider commissioning review:

Date	Meeting	Report type	Description
November 2013	Education PDS Committee	Information briefing	Information briefing to provide an update on the commissioning plans, outlining the approach and timeline to progress to full market testing of Bromley adult education service.
March 2014	Education PDS Committee	Decision	PDS decision paper presenting the outcome of the options appraisal exercise and decision sought on the preferred service specification option.
June 2014	Executive	Decision	Gateway review presented to Executive for decision
July 2014 to April 2015	n/a	n/a	Market testing process carried out – adhering to guidelines and timescales as set out in The Council's Contract Procedure Rules (CPR) and EU Procurement Regulations
July 2015	Education PDS Committee & Executive	Decision	PDS decision paper presenting the outcome of the full market testing exercise, together with best-value analysis. Decision sought to agree future delivery of adult education services in Bromley.