

Decision Maker: EXECUTIVE

Date: For Pre-Decision Scrutiny by the Education Policy Development and Scrutiny Committee on Wednesday 8 July 2015

Decision Type: Non-Urgent Executive Non-Key

Title: REORGANISATION OF BROMLEY ADULT EDUCATION COLLEGE

Contact Officer: Jane Bailey, Assistant Director: Education
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Chief Officer: Chief Executive

Ward: (All Wards);

1. Reason for report

1.1 This report outlines a proposal for the reorganisation of the Council's Adult Education service

2. RECOMMENDATION(S)

2.1 That Education PDS Members note and comment on the content of this report

2.2 That the Council's Executive endorse the proposal that the Assistant Director: Education commences consultation with staff and their representatives, stakeholders and service users to restructure and reduce the adult education service as outlined in this report. This option will reduce the budget overspend and retain a level of service from Bromley residents that is focussed on the areas of greatest need.

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: £Cr 601k (controllable)
 5. Source of funding: External / Revenue Budget
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Staff

1. Number of staff (current and additional): 45 staff on permanent contracts, 294 casual/sessional workers, 69.6 FTE
 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): 6,500
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes No Not Applicable
2. Summary of Ward Councillors comments:

3. INTRODUCTION

3.1 This report outlines a proposal for a reorganisation of the Council's Adult Education service. The proposed reorganisation will put in a structure that could enable the service to return to a balanced budget position.

3.2 The structure of the report is as follows:

- Paragraph 4 provides an outline of the context for the proposal.
- Paragraphs 5 and 6 outline the proposal along with the proposed timeline for implementation
- Paragraphs 7 and 8 provide an overview of the key benefits and main impacts as identified at this preliminary stage

4. BACKGROUND

4.1 At the end of the 2014/15 financial year the Adult Education service had a budget overspend of £246k. A further overspend of £382k is forecast for the 2015/16 financial year. A report outlining a proposal for an organisational restructure aimed at reducing operating costs was prepared for the Education PDS in January 2015; however the report was withdrawn.

4.2 The service covers all of its direct costs and, as a result of historic budget decisions to maximise the use of the grant and fee income, has a controllable budget of £601k credit which contributes towards corporate and departmental recharges allocated to the service.

4.3 In March 2015 the service received an indicative allocation from the Skills Funding Agency (SFA) of the Adult Skills (AS) grant. This shows a predicted reduction in the AS grant of £249k or 21% when compared to the current year's allocation. Further reductions in this grant are anticipated for the foreseeable future, with English, maths and training for unemployed adults and those with learning disabilities likely to remain as the key priorities for the adult education service.

4.4 The 2015/16 grant for Community Learning (CL) provision has remained the same at £796k. The long term future of this grant is unknown at this stage.

4.5 Following agreement by the Council's Executive to market test Education Services, Adult Education formed part of the tender, but as a separate Lot. Although two submissions were received for the Adult Education Lot, both providers were deemed not to have met the minimum Pre-Qualifying requirements. As no eligible tenders were received, the tendering process for Adult Education formally came to an end and Members were advised of this in March 2015.

4.6 The Adult Education service underwent an Ofsted inspection in early March 2015. During the inspection the current uncertainty around the future strategic direction for adult education was heavily criticised. This, along with the lack of an agreed plan to address the overspend contributed significantly to the final overall grade of Requires Improvement being applied to the service.

4.7 Ofsted were also critical of the volume of the community learning allocation used to support traditional non-accredited adult learning. *"Leaders focus too much on the community learning and leisure courses, and too little on how the services can better meet the local needs of disadvantaged members of the community"*

4.8 The purpose of the CL grant was set out in the government document *"New Challenges New Chances"* (2011). It is focussed around three principles; that the funding should be targeted at

people who are disadvantaged and least likely to participate in education and training; that a localised devolved approach, working in partnerships is used; that value for money is maximised, through collecting fee income where people can afford to pay and contributions in kind are used where fee income would exclude an ability to participate. This approach has been required of all providers with effect from September 2014. It was the view of Ofsted that within Bromley an insufficient percentage of the grant is being targeted at disadvantaged and disengaged adults rather than those who can afford to pay student fees.

4.9 Whilst the current operational overspend is recognised as a key driver for an organisational restructure of the service, the continuing annual reduction in the AS grant, the uncertainty of the long term future of the CL grant and the recommendations from Ofsted should be considered when developing any future strategy for the delivery of adult education in Bromley.

5. PROPOSAL

5.1 Officers recommend that the purpose and mission of the adult education service is reviewed and revised to ensure that resources are predominantly focussed on adults and communities of the greatest identified need.

5.2 Under the current operational model, approximately 56% of the CL grant is used to subsidise mainstream (traditional) adult education classes. Learners enrolling on this provision pay course fees based on the assumption that 50% of the costs of delivering the course are subsidised by the CL grant.

5.3 The remainder of the grant is used to support adult learning with disadvantaged groups in community settings, usually in partnership with local schools, community groups and third sector agencies (see table 1). By increasing the percentage of the grant used to target adult learning in community settings the local authority would be able to increase the volume of work focussed on meeting the needs of its disadvantaged residents.

5.4 Table 1 below provides an example of how the new Community Learning Fund might be apportioned under the new operational model compared to current operational practice.

5.6 Table 1 – Use of CL funding

| Type of provision | Partners | Current model | Example, new model |
|---------------------------------------|--|-----------------|--------------------|
| Family English maths & language | School Standards, primary schools, Children and family centres (CFC's) | £150,000 | £200,000 |
| Wider family learning | Bromley Children Project, CFC's, primary schools, community groups. | £100,000 | £100,000 |
| Older learners | Adult social care, Age UK, care homes | £10,000 | £75,000 |
| Learning Partnerships | Mottingham and Cotmandene Centres | £20,000 | £50,000 |
| Other partnerships | Local agencies and community groups | £10,000 | £75,000 |
| Sub-contracting | Local agencies and community groups | £60,000 | £120,000 |
| Mainstream traditional adult learning | Direct delivery by adult education service | £446,555 | £176,555 |
| | TOTAL | £796,555 | £796,555 |

5.7 Through targeted delivery of the CL fund to engage with long term unemployed adults, the service would provide a clear progression pathway through to low level accredited and/or English and maths courses funded through the AS grant. This could support adults back into

employment or higher level training with another local provider, thus helping to reduce the size of the welfare bill and contribute towards preparing disengaged local citizens to become economically independent. During inspection, Ofsted judged the employability provision that the Adult Education College delivers to be of a high quality and it was their view that this area of provision should be expanded.

5.8 Table 2 provides a strategic overview of the type of provision under the proposed new delivery model

5.9 Table 2 – Provision Overview

| <u>Community Learning Fund</u> | <u>Adult Skills Fund</u> |
|--|--|
| Predominantly delivered in community settings, with small volumes in BAEC sites. | Predominantly delivered in BAEC venues with small pockets in community settings where volume is sufficient for economic viability |
| Would be used to deliver: | Provision would be focused on: |
| Family English, maths and language – delivered in partnership with schools, Children and Family Centres (CFC’s) and LBB school improvement team | English and Maths (government priority), this includes Entry, level 1, level 2 (incl GCSE) |
| Wider Family Learning – delivered in partnership with CFC’s, schools and other partners who support disadvantaged families | Employability courses – accredited courses in partnership with JCP that will support adults into employment, Entry up to levels 1 and 2 |
| PCDL (personal and community developmental learning). Non-accredited learning. Majority delivered in partnership with a wide range of community partners, some via subcontracting delivery, others delivered by BAEC at venues provided by partners at no cost to BAEC. Small volumes of traditional adult learning remaining at BAEC’s own centres. | Preparation for Life and Work (accredited provision for adults with learning disabilities and difficulties) |
| NLDC (neighbourhood renewal in deprived communities) used to support local VCS to deliver learning opportunities to disadvantaged neighbourhoods, with a focus on pre-employment support or progression into other learning that could lead into sustained employment. | English for speakers of other languages Option to consider NEETS / Traineeships once Ofsted inspection grade has improved to overall effectiveness grade 2 (Good) |

5.10 Under the model described in Table 2 above, the volume of traditional non-accredited learning provision (leisure type courses) and the numbers of adults participating would be significantly reduced. Learning in disadvantaged communities could be fully funded at the point of delivery, i.e. free to the student. The identification of local priorities and subsequent distribution of the Bromley CL fund could be determined by a Community Engagement Partnership Board. This approach would ensure the localised approach required and help to devolve some of the decision making processes into the communities being targeted.

5.11 Increasing the volume of community partnership work and reducing the amount of traditional adult learning provision would reduce the service’s need for accommodation and thus

infrastructure costs. This will allow the authority to rationalise the current accommodation resources, potentially releasing a site for school expansion and reducing infrastructure costs for the adult education service.

- 5.12 The Widmore site was originally built in 1905 as a secondary school and subsequently expanded at various stages throughout its continued existence as a school. If the adult education service were to vacate this site, it would then release a large site for potential development as a school once again.
- 5.13 As the largest of the three dedicated centres, Widmore is costly to maintain both in terms of running costs and maintenance expenditure. However, in the 2014/15 academic year to date, 55% of the enrolments for the service have been at the Widmore site. This is also the centre that accommodates many of the specialist workshop facilities and associated courses which were praised in the recent Ofsted inspection report. For reasons of economy or available space, relocating many of these to Kentwood or Poverest is unlikely to be a viable option.
- 5.14 Although the Kentwood and Poverest Centres are much smaller than the Widmore site, neither currently operates at full capacity. Poverest only opens during the daytime and Kentwood is closed on a Monday and Friday afternoon and evening. Neither site opens at the weekend. However, both sites are located near to areas of identified disadvantage in the borough, with Kentwood serving the Penge and Anerley wards on the north side of Bromley and Poverest being located near to the Cray's and the Ramsden Estate in Orpington.
- 5.15 Reducing the volume of CL funding used to support the traditional adult education classes would reduce the volume of CL courses by approx 60%. Based on 2013/14 volumes this would mean a reduction down from 440 to approximately 175. It is currently assumed that this would reduce the income to the service from students' fees by a similar amount. Based on 2013/14 fee income for CL courses this would be a reduction from £684k to around £271k

6. TIMELINE FOR IMPLEMENTATION

6.1 The proposed target completion date would be the end of July 2016, with full implementation from the start of the 2016/17 academic year. The milestones in this process would be as follows:.

6.2

| | |
|-------------------------|--|
| August – September 2015 | Develop detailed, fully costed plans for proposed new structure, job descriptions and consultation documentation |
| Early October 2015 | Meet with staff directly affected by proposals |
| October – November 2015 | Consultation – staff, staff representatives, stakeholders and public. Impact assessments completed |
| December 2015 | Consider responses to proposals and develop revisions and responses as appropriate |
| January 2016 | Reports to elected members |
| February/March 2016 | Planning starts for site closure and relocation Planning starts for the revised curriculum |
| April 2016 | Interviews to new posts |
| 1 August 2016 | New staffing structure in place. Start of the SFA 2016/17 funding year |
| 1 September 2016 | New 2016/17 Academic year starts |

7. KEY BENEFITS

- 7.1 This model retains an adult education service, ensuring that the local authority continues to fulfil the requirements of the funding grants, meets the expectations of Ofsted and satisfies its duty under the Learning and Skills Act (2000).
- 7.2 It provides the local authority with an opportunity to move the service closer towards a commission led model in both delivery and backroom office functions.
- 7.3 It provides an adult education service that will be in a strong position to work alongside other council services, such as public health, social and children's services, to tackle the impact of social deprivation and support early intervention processes.
- 7.4 The model has the potential to lead to a leaner service that could deliver within budget and provide best value.
- 7.5 This proposal would allow the release of the Widmore site for alternative use whilst retaining the sites in Penge and Orpington.

8. IMPACTS OF IMPLEMENTATION

- 8.1 There would be a significant organisational restructure and significant numbers of staff at risk of redundancy. The restructure may also include some outsourcing of elements of the service.
- 8.2 The majority of the current management and administration staff are accommodated at the Widmore Centre. Although the number of support posts would be reduced, there would be limited accommodation for support staff at the Poverest and Kentwood sites and alternative accommodation may be required.
- 8.3 Loss of the Widmore site would reduce income generated from room rental, some of which are Council activities and events. There would also be a knock-on impact on other LBB services e.g. Corporate ICT training, EDC delivery, Appropriate Body role for NQT's, Child car seat service, LBB training and development accommodation. There would also be a reduction in nursery places as a result of the Widmore nursery closure and consideration would need to be given to the future use of the former Children and Family Centre, which currently forms part of the Widmore nursery accommodation. The nursery at the Kentwood Centre may also need to be closed to free up accommodation for adult education classes relocated from the Widmore site.
- 8.4 There would be site closure costs (Widmore) and expenditure associated with the relocation/re-installation of some equipment and resources to the two remaining sites.
- 8.5 As a result of any service reduction, managers in other departments that support the service such as HR, Finance, Legal (Support Services) would look to make appropriate reductions in their own services where possible. However, immediate savings are unlikely to be achieved at significant levels until the effect of any other potential changes across council services are also considered.
- 8.6 Any other predicted impact including alternative delivery options identified or raised during the stakeholder/staff consultation process will also be reported to Members for full consideration.

9 POLICY IMPLICATIONS

- 9.1 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.

10 FINANCIAL IMPLICATIONS

- 10.1 Until more detailed work is done on the operational structure required it is not possible to provide reliable figures at this point as to what extent the redesign of the service proposed might help to reduce the current overspend projected for the service.
- 10.2 Rough outline figures produced by the service suggest the shortfall could be reduced to around £63k (a £538k surplus instead of the budgeted £601k surplus).
- 10.3 The shortfall may in part be mitigated by reductions in corporate support services as mentioned in 8.5 above. However, this will only be in the medium term, and the recharges will not disappear altogether as there are statutory functions and fixed (outsourced) costs embedded in them that will remain chargeable even if the service contracts.
- 10.4 The table below shows a summary of the current budget position for the Adult Education service as at the end of May 2015, and includes estimate figures for the effect of the proposal in this document.

10.5 Table 3 Budget Position

| | Latest Approved Budget £'000 | Projected Outturn £'000 | Projected Variation £'000 | Proposal £'000 | Effect of Proposal £'000 |
|------------------------------------|---------------------------------------|-------------------------------|---------------------------------|-------------------|--------------------------------|
| Employees | 2,255 | 2,136 | -119 | 951 | -1,304 |
| Premises | 282 | 282 | 0 | 131 | -151 |
| Transport | 3 | 3 | 0 | 3 | 0 |
| Supplies and Services | 485 | 469 | -16 | 365 | -120 |
| Savings to be identified | -517 | 0 | 517 | 0 | 517 |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 |
| Income | -3,112 | -3,112 | 0 | -1,988 | 1,124 |
| Controllable Recharges | 3 | 3 | 0 | 0 | -3 |
| Total Controllable | -601 | -219 | 382 | -538 | 63 |
| Supplies and Services - Insurance | 20 | 20 | 0 | | |
| Premises - Repairs and Maintenance | 26 | 26 | 0 | | |
| Capital Charges/Financing | 552 | 552 | 0 | | |
| Total Non-Controllable | 598 | 598 | 0 | | |
| Excluded Recharges | 697 | 697 | 0 | | |
| Total Net Budget | 694 | 1,076 | 382 | | |

11 LEGAL IMPLICATIONS

- 11.1 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 disproportional expenditure”.

- 11.2 In addition, under section 15ZA Education Act 1996; the Council must ensure there is sufficient education and training for persons aged between 19-25 who are subject to learning disabilities.
- 11.3 The local authority will need to undertake the necessary equality impact assessment in order to assess the impact of the proposal on groups with protected characteristics. The necessary consultation will also be undertaken .

12 PERSONNEL IMPLICATIONS

- 12.1 The proposed change to the adult education service will give rise to significant HR issues, including possible redundancy, TUPE etc. 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. Some staff at the college are on different contracts of employment including non-standard contracts e.g. sessional workers. As stated in paragraph 6.2 above, staff and trade union perspectives will be canvassed and considered, and fed into the final report for Elected Member consideration.

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|---|------------------------------|
| Non-Applicable Sections: | None. |
| Background Documents: (Access via Contact Officer) | [Title of document and date] |