

<b>Subject:</b>	<b>Adult &amp; Community Learning</b>		
<b>Date of Meeting:</b>	<b>30<sup>th</sup> April 2020</b> 29 <sup>th</sup> April 2020 – Housing Committee		
<b>Report of:</b>	<b>Interim Executive Director for Families Children &amp; Learning</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Carla Butler</b>	<b>Tel: 01273 291281</b>
	<b>Email:</b>	<a href="mailto:carla.butler@brighton-hove.gov.uk">carla.butler@brighton-hove.gov.uk</a>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report sets out the recommendations for the future delivery model of the council's Adult & Community Learning offer funded by the Education and Skills Funding Agency (ESFA) which is currently delivered through sub-contracting arrangements. Three options have been reviewed; bringing Adult and Community Learning in-house; undertaking a full procurement exercise; and returning the AEB allocation to the government. The risks and benefits of each option are identified in the report. The overarching aim of the Adult and Community Service is to ensure that a coherent, inclusive and high-quality learning offer in Brighton and Hove, with a priority focus on disadvantaged communities, including wards identified in the index of multiple deprivation and residents with few or no qualifications.
- 1.2 The council have been informed by the Education Skills and Funding Agency (ESFA) that its indicative Adult Education Budget (AEB) for the 2020/21 academic year is £569,988. AEB is provided for adults aged 19+.

**2. RECOMMENDATIONS:**

**Housing Committee:**

- 2.1 That a contribution of £40,000 from the HRA be set aside in the 2020/21 financial year to support the funding requirements detailed in Option 1 in the report and subject to recommendation 2.3 (i) below for the Policy & Resources Committee being approved.

**Policy & Resources Committee:**

- 2.2 That the Adult and Community Learning be brought in-house following the expiry of the current arrangements on 31<sup>st</sup> July 2020;
- 2.3 That additional funding to be allocated to the Families, Children and Learning Directorate to cover the associated costs of bringing delivery in-house based on the two options below be approved:

- (i) Option 1 – funding anticipated being in the region of £61,030 in year 1, based on funding of £20,000 each for Neighbourhood Learning in Deprived Communities (Hangleton and Knoll and Whitehawk Inn) is provided by the Housing Revenue Account.
- (ii) Option 2 – funding anticipated being in the region of £101,050 if funding is not provided through the Housing Revenue Account of £20,000 each for Neighbourhood Learning in Deprived Communities (Hangleton and Knoll and Whitehawk Inn).

Note: the costs for year two onwards for both options is dependent on securing suitable accommodation within the council.

2.4 That delegated authority be granted to the Executive Director for Economy , Environment & Culture to:

- (i) Secure a 1year lease or license as appropriate on Isetta Square from the Friends Centre.
- (ii) Take any other steps necessary to implement the recommendations in this report.

2.5 That delegated authority be granted to the Executive Director for Families, Children & Learning to:

- (i) Take forward TUPE arrangements to facilitate the in-house provision of community learning currently delivered by the Friends Centre.
- (ii) Take forward the option to bring in-house two externally funded projects, Step by Step and Get Socially Active projects and manage TUPE arrangements and subsequent liaison with funders
- (iii) Take any other steps necessary to implement the recommendations in this report including a comprehensive review of the service after one and three years of operation to assess value for money, opportunities for efficiencies, investment and growth opportunities, performance, satisfaction, and impact on equalities data.

2.6 That delegated authority be granted to the Executive Director for Neighbourhoods, Communities & Housing to take forward the recommendation to fund Neighbourhood Learning in Deprived Communities from the Housing Revenue Account of £40,000, if option 2.3 (i) is approved.

### **3. CONTEXT/ BACKGROUND INFORMATION**

#### **Strategic Context**

3.1 This report sets out the options to change the delivery model of the council's Adult & Community Learning services which are funded by the Education Skills and Funding Agency (ESFA).

- 3.2 Responsibility for Adult & Community Learning and the management of the council's allocation of AEB sits within the Skills and Employment Team, within the Families, Children and Learning Directorate. The overarching aim of the team is to ensure that a coherent, inclusive and high quality learning offer is available for all adults in Brighton and Hove, with a priority focus on disadvantaged communities, including wards identified in the index of multiple deprivation and residents with few or no qualifications. Appendix 1 provides a briefing paper on Adult and Community Learning.
- 3.3 The council's AEB allocation includes funding ring fenced for Community Learning which is used to develop the skills, confidence, motivation and resilience of adults of different ages and backgrounds in order to:
- progress towards formal learning or employment and/or
  - improve their health and well-being, including mental health and/or
  - develop stronger communities
- 3.4 AEB also fully funds programmes for eligible adult learners (set out in the Apprenticeships, Skills and Children's Learning Act 2009), leading to the following qualifications:
- English and maths, up to and including level 2, for individuals aged 19 and over, who have not previously attained a GCSE grade A\* - C /grade 4, or higher, and/or
  - first full qualification at level 2 for individuals aged 19 to 23, and/or
  - first full qualification at level 3 for individuals aged 19 to 23
- 3.5 The ESFA requires the council to report on the delivery of community learning courses under the following four delivery strands:
- **Personal and Community Development Learning** - for personal and community development, cultural enrichment, intellectual or creative stimulation and for enjoyment (generally not leading to a formal qualification)
  - **Family English, Maths and Language** - learning to improve the English, language and maths skills of parents, carers or guardians and their ability to help their children
  - **Wider Family Learning** - learning to help different generations of family members to learn together how to support their children's learning
  - **Neighbourhood Learning In Deprived Communities (NLDC)** - supports local voluntary and other third sector organisations to develop their capacity to deliver learning opportunities for the residents of disadvantaged neighbourhoods.
- 3.6 Adult and Community Learning is embedded in number of council strategies including:
- 3.7 The Council Plan 2020 to 2023 - promotes lifelong learning. Through an in-house provision offer we will be able to enhance the confidence and employability skills

of residents within the city. In particular we will support women, disabled people, and BME groups to achieve their full potential in line with the ambitions of the council plan.

<https://new.brighton-hove.gov.uk/sites/default/files/2020-01/brighton-hove-city-council-plan-2020-2023.pdf>

- 3.8 The City Employment and Skills Plan has a priority that no one is left behind. An in-house provision offer will support residents and workers suffering disadvantage in the labour market either through unemployment, low pay or lack of aspiration to ensure they are supported effectively to make the most of the economic opportunity that the City and its wider partnerships can offer.

<https://www.brighton-hove.gov.uk/sites/brighton-hove.gov.uk/files/City%20Employment%20%26%20Skills%20Plan%202016-2020.pdf>

- 3.9 The Economic Strategy supports those furthest from the labour market particularly the talented and fair city strands which the in-house provision can support. Adult Learning facilitates economic participation across all life stages delivering greater labour market productivity and inclusion. It also supports the narrowing of the gap between and within our communities. We will be able to engage proactively with the most marginalised groups; developing new projects to ensure economic, social and environmental resilience across the city.

<https://www.brighton-hove.gov.uk/content/business-and-trade/support-businesses/brighton-hove-economic-strategy-2018-2023>

- 3.10 The funding made available to the council by the ESFA in the 2019/20 academic year was £560,348 of which £412,289 was in respect of community learning.

- 3.11 This funding was allocated by the council as follows:

Neighbourhood Learning in Deprived Communities (Whitehawk Inn and Hangleton and Knoll): £40,000  
Tempus Training: £73,500  
Friends Centre: £306,161  
FCL: £28,907, staffing, governance and quality assurance  
£17,713 to be awarded

- 3.12 The council has recently been informed by the Friends Centre that it is facing significant difficulties and that it will not be in a position to continue to provide the services after the end of the academic year on 31 July 2020. Its office and teaching space is being marketed for sale.

- 3.13 The Friends Centre, a charity since 1957, and a company limited by guarantee provide a dedicated adult and community learning centre in the city. It offers daytime and evening courses in Arts and Crafts, Fashion, Sewing and Textiles, Creative Writing, English, ESOL, Art History, Family Learning, Information Technology, Modern Foreign Languages and Personal Development. It oversees approximately 1,100 learners each year at their two main learning centres in Brighton at Isetta Square and Ivory Place and in a range of community venues,

including children's centres and community hubs based on estates in the east of the city.

- 3.14 The Friend Centre also coordinates the Migrant English Second Language Hub, delivers ESOL (English for speakers of other languages) provision for the refugee resettlement programme, and until January 2021, runs the Step by Step programme, supporting homeless and insecurely housed residents with English, Maths and ICT. It also delivers the Get Socially Active project funded by the European Structural Fund and Big Lottery. The Principal of the Friends Centre provides City leadership by chairing the Adult Learning and Skills Partnership, a strategic partnership focusing on improving learning and employment outcomes for residents, particularly the hardest to reach.
- 3.15 The Brighton and Hove Adult Learning and Skills Partnership ensures that the strategic priorities of the city related to adult learning and skills are addressed collaboratively through its member networks. The networks represent learning providers and learners facing economic and social challenges across the city. Members include the Work and Learning Network, The Trust for Developing Communities, ESOL Network, Greater Brighton Metropolitan College, SEND Network and ESFA Network and Community Works. The overriding aim of the partnership is to develop a clear set of priorities and actions that ensure that no one is left behind, to this end partners work transparently, collaboratively and non-competitively together to ensure that the right offer is available in the right place and that appropriate progression pathways are available to learners.

### **Strategic objectives for the future delivery of services**

- 3.16 For the 2020/21 academic year the ESFA have informed the council that the indicative AEB is £569,988, with £412,289 allocated for community learning and the remainder for accredited learning.
- 3.17 In making the decision members need to be aware that the ESFA have recently consulted on the future arrangements for the funding of post 16 education and training services. One of the initiatives was the introduction of a cap on the percentage of the funding which may be used to procure services from third parties. It was suggested a cap is applied on a sliding scale from 25% in 2021 to 10% in 2023/24. They also proposed "exercising greater oversight of the volume and value of provision that can be delivered by a single subcontractor". If these recommendations are implemented we would need to provide the service in house or return the grant.
- 3.18 The risk of closure of the current principal community led provider in the city and the potential restriction on the level of subcontracting which will be permitted under the terms of future ESFA funding allocations has meant that options for the continuation and future delivery of the service need to be considered urgently. A review has taken place against the background of the recent closure of the Bridge Adult Learning Centre in Moulsecoomb. The recommendation to bring the service in-house delivers against the council strategies – Our Plan, The City Employment and Skills Plan and Economic Strategies. This will enable us to retain the funding for 2020/21 and have the staff to deliver community learning within the City to meet the needs of residents with the greatest barriers to employment and those furthest away from the labour market.

## **Recommendations for future delivery**

- 3.19 In order to secure the 2020/21 AEB allocation the council needs to take decisive action now in order to establish a provision offer for the 2020/21 academic year.
- 3.20 Given the identified risks attached to subcontracting and returning the funds to government the recommendation is to bring Adult and Community Learning delivery in-house from 1st August 2020. The provision offer is attached in appendix 2.
- 3.21 TUPE will apply to employees who are currently assigned to deliver services to the council. Those employees who are affected by TUPE and who do not object to transferring will transfer on their existing terms and conditions of employment.
- 3.22 The information provided by the Friends Centre so far is based on their current workforce and structure and may vary up to the date of transfer.
- 3.23 However, there is a risk that the Friends Centre employees who oversee work at the Friends Centre may not transfer. The TUPE regulations may not be applicable to them as they may not form part of an organised grouping which primarily works for the council. This would be due to the fact that they may manage other contracts. If they are covered by TUPE, those staff affected could decide not to transfer, although as a consequence they are likely to be made redundant by the Friends Centre.
- 3.24 The council does not currently have the expert skills and technical knowledge to manage adult learning services and there would be a need to recruit if key staff do not agree to transfer. It may be difficult to attract staff and managers with the necessary skill set from the private sector within the council's current pay structure.
- 3.25 Council officers will continue to work with the Friends Centre to establish which staff will transfer if this recommendation is chosen. Council officers will also develop an action plan with Union representatives to communicate effectively with staff affected by any transfer proposals.
- 3.26 It is proposed to carry out a comprehensive review of the service after one and three years of operation to assess value for money, opportunities for efficiencies, investment and growth opportunities, performance, satisfaction, and impact on equalities data.
- 3.27 The service would also be reviewed for expansion opportunities; this could include in-house delivery of English, maths and ICT support for existing staff and opportunities for training clients through community teams working with SEND clients. Any expansion would need to be effectively planned for and assessed against budgets and investment plans, to ensure appropriate levels of resources
- 3.28 The annual cost of delivering an in-house service based on one year inclusive lease or licence, staff and operational expenses provided by the Friends Centre. Note salary costs have been uplifted to account for the variation in BHCC on-costs which are an additional 8.5%.

(i) Option 1

Lease / licence and associated costs per annum	£78,484
Administrative staff	£288,639
Teaching Staff	£273,242
Operational expenses	£108,,653
<b>Total</b>	<b>£749,018</b>
Income from AEB allocation	-£569,988
Income generated from fee paying courses*	-£118,000
Funding deficit	£61,030

\* Based on predictions of course fees and room rental which are not guaranteed, but have been achieved during the last two years. Please note that these figures do not include an operational contingency.

(ii) Option 2

Lease / licence and associated costs per annum	£78,484
Administrative staff	£288,639
Teaching Staff	£273,242
Operational expenses	£108,,653
<b>Total</b>	<b>£749,018</b>
Income from AEB allocation	-£569,988
Income generated from fee paying courses*	-£118,000
Neighbourhood Learning** Deprived Communities (NLDC)	£40,000
Funding deficit	£101,030

\* Based on predictions of course fees and room rental which are not guaranteed, but have been achieved during the last two years. Please note that these figures do not include an operational contingency.

\*\* If funding for NLDC is not provided by the Housing Revenue Account.

- 3.29 Adult Education Training Rooms are in high demand and currently there is no available space within the council property portfolio or commercially within the city for this use class. Offices space is available which would require a change of use application and landlord approval. The cost for leasing appropriate office space would be in the region of £127,000 to £142,000 per annum.
- 3.30 During the new academic year work will commence to source additional income streams and secure accommodation for 2021 at an affordable rate including utilisation of BHCC sites to reduce the cost in subsequent years.
- 3.31 The recommendation to bring Adult and Community Learning delivery in-house brings the following benefits and risks:

## Benefits

- (i) A provision offer for 2020/2021 is ready to be delivered if the current premises and staff of the Friends Centre are utilised.
- (ii) Recruitment by way of the transfer of experienced staff of the Friends Centre under the TUPE regulations. The service was inspected in 2020 by Ofsted and received a [rating of "Good"](#) evidencing the quality of the current service provision.
- (iii) The AEB and Community Learning Budget is retained in the City.
- (iv) Retain established links to the community and continuity for learners seeking progression.
- (v) Potential to offer and expand in-house provision in response to demand from services within BHCC.
- (vi) BHCC will have increased control of delivery and potential to improve service integration across the council.
- (vii) Anticipates and prepares the council for future tightening of ESFA sub-contracting rules.

## Risks

- (viii) The Adult Education Budget is an annual grant, funding is awarded annually by the ESFA and is not guaranteed.
- (ix) Failure to procure alternative accommodation will severely limit capability to deliver in the next academic year and could result in funding being returned to the ESFA.
- (x) BHCC would be liable for the redundancy payments of staff transferred through TUPE following any subsequent re-organisation which reduced overall staffing; or in the event that our AEB allocation is reduced or stopped.
- (xi) BHCC would be required to meet the additional estimated cost of bringing the service in-house as referenced in point 3.28.

## Premises for delivery

- 3.32 If Adult and Community Learning is brought in-house appropriate premises will be required for delivery.

The property requirement falls into short term requirement (academic year 20/21) and long-term requirement (from academic year 21/22).

- 3.33 The Friends Centre provision is currently delivered from a range of venues across the City, with particular focus on areas facing multiple factors of deprivation. The majority of teaching delivery is based at Units 1-3 Isetta Square which is also their main administrative office. Additional teaching accommodation



is based at Ivory Place – Morley Street which is leased from the council (on a lease to 2030). A list of venues where delivery has taken place during the current academic year is included in appendix 3.

3.34 The Friends Centre have indicated they could provide BHCC a one year lease or licence on Isetta Square to enable adult and community learning to be delivered from 2020, meeting the short-term property requirement. This would cost in region of £78,500 per annum, fully inclusive of all occupational costs. The market rent for Isetta Square rent would be in the region of £60,000 to £80,000 per annum exclusive of occupation costs. Allowing for predicted falls in rental values due to Covid-19, the proposed inclusive rent is considered value for money when taking into account the occupational costs.

3.35 In addition to the risks and benefits identified in relation to bringing Adult and Community learning in-house, securing a one year lease on Isetta Square delivers the following risks and benefits:

### **Benefits**

- (i) As it is currently used for education purposes the site is fit for purpose and requires no remodelling and therefore no disruption to delivery.
- (ii) Courses available from August 2020 can be immediately marketed.
- (iii) Isetta Square is in a central prime location known to learners.
- (iv) A short-term lease or licence allows time to consider other alternative venues including schools and other council owned buildings. However, there are Safeguarding considerations which need to be addressed if provision is located within schools.
- (v) There would be no additional costs incurred in terms of fit-out of the premises for educational purposes.
- (vi) In the current unprecedented COVID 19 environment, a consequence may be that more premises become available in the city for future years; a short-term lease or licence would enable these options to be explored.

### **Risks**

- (i) The inability to secure appropriate accommodation will impact on the provision offer from 2021, potentially leading to a situation where there is pressure to find suitable alternative accommodation.
- (ii) There is a currently a poor supply of appropriate accommodation to lease in the City for training purposes.
- (iii) We are reliant on Friends Centre being financially solvent during the period of the lease/licence.
- (iv) Landlord's consent is required for Friend's Centre to sub-let. This is not to be unreasonably with-held.

### **Other alternative venues**

- 3.36 Estates have undertaken a high-level review of BHCC properties and other buildings currently available within in the city. There is low availability of commercial properties that are affordable, appropriate or feasible within the timescales. Furthermore, it would not be possible to locate a suitable property, and agree a lease in the time-frame to allow for the time-tabling and marketing of the courses. Based on the quoting rents, the rents alone would be more than that being proposed by the Friends Centre. In addition to this there will be fit-out and moving costs that will be incurred. Therefore, this is not a suitable option for immediate short-term property requirement.

The additional time provided by the short-term lease at Isetta Square will allow time for a review of the long-term occupation requirements for the service delivery from 21/22 academic year. This will enable a comprehensive review of alternate properties to meet the requirements. Going to the open market will increase costs further with occupation costs and fit-out costs which will have an implication on the future budget of the service.

- 3.37 The Friends Centre currently occupies part of the first Floor at Morley Street. As the remaining space is occupied by the Children's Centre It is unlikely that the full space at Isetta Square could be accommodated in Morley Street, especially within the timescales.

The following risks are also identified:

- (i) The inability to secure appropriate accommodation immediately impacts on provision planning leading to the situation where there is no viable offer from August 2020 resulting in funding being returned to the ESFA.
- (ii) Ivory Place/Morley Street currently used by the Friends Centre for delivery is at full capacity.
- (iii) Alternative venues may not attract learners resulting in learning targets not being achieved and funding being returned to the ESFA.
- (v) Income generation targets are unlikely to be achieved if the provision is reduced and the facilities of Isetta Square are lost.

### **Neighbourhood Learning in Deprived Communities (NLDC)**

- 3.38 NLDC grants support local voluntary and other third sector organisations to develop their capacity to deliver learning opportunities for the residents of disadvantaged neighbourhoods.
- 3.39 Currently a grant of £20,000 is awarded to both the Hangleton and Knoll and Whitehawk Inn from the Community Learning funding stream of the Adult Education Budget allocation received by BHCC from the ESFA. The work of these hubs in engaging with learners within their communities fulfils the overall strategic aims of the council.

3.40 The proposal to bring Adult and Community Learning in-house will need to be funded in full from the council's AEB allocation. Therefore, we would be unable to award funding to the NLDC hubs from July 2020. However, for the 2020/2021 academic year, this could be mitigated if funding could be provided by the Housing Revenue Account (HRA). This will be reviewed during 2020/21 to see if HRA could continue to be provided after this period following full consultation with residents. A briefing paper on NLDC is included in appendix 4.

3.41 The Hangleton and Knoll Project and the Whitehawk Inn have been consulted. They advise:

(i) Any loss of funding will have a significant impact on their services users and particularly on council house residents.

(ii) If they were to secure funding from the HRA they would record and report on how many residents from council housing utilise their services.

(iii) They would seek to increase the numbers of council tenants engaging in learning through proactive targeted publicity and joint working with the council.

### **Additional projects currently managed by the Friends Centre**

#### **3.42 Step by Step Project**

The council commissions the Friends Centre to deliver the Supporting People (Step by Step) project funded by the Homeless & Rough Sleeping Team. This project aims to improve access to English, maths, IT skills and language training for homeless and insecurely housed people in Brighton and Hove. It offers one-to-one support for homeless people, along with confidence building and support for progression into further learning. The project works in close partnership with all supported housing projects within the city and helps participants move into part-time and full time courses.

The Friends Centre has been running this programme since 2007 and work closely with 60-70 people each year. For many of the learners it is an achievement for them to attend lessons and engage with a project outside of their hostel accommodation.

The current programme is contracted until January 2021. In order, to secure this provision it is recommended this is brought in-house. The income generated would be £30,000 between September 2020 and January 2021. This includes a contribution of £6,000 to manage the programme via the in-house community learning provision.

#### **3.43 Get Socially Active Project**

Get Socially Active is a project funded to 2022 by the European Social Fund and the National Lottery Community Fund, led by the Friends Centre in partnership with SCDA in Newhaven. It provides a one to one coaching support service which helps individuals to identify and address barriers to work and learning and helps them to navigate and access local training and services that could help with confidence, managing stress, basic skills such as ESOL, maths and English

and general employability skills. During the first three years of the programme intensive support was provided to 103 residents.

The funders have in principle agreed that the project grant of £80,639, which is funded at full economic cost, could be transferred to BHCC, (subject to due diligence by BHCC) which will enable the project to continue until 2022.

If the projects transfer to BHCC the staff employed by the Friends Centre supporting the projects would TUPE to BHCC in order for delivery to continue.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

4.1 In addition to the recommendation two alternative options have been considered, procuring adult and community learning or returning the funding to government.

4.2 **Procuring Adult and Community Learning from 1<sup>st</sup> August 2020 delivers the following benefits and risks:**

##### **Benefits**

- (i) Dedicated funding for Neighbourhood Learning in Deprived Communities be retained for procurement.
- (iii) Procurement in 2020/21 academic year would buy time to plan for in-house delivery in the future if sub-contracting caps are introduced by the ESFA.
- (iv) No additional funding will be required to pay for premises and the TUPE of the Friends Centre staff.

##### **Risks**

- (i) Providers do not respond to the tender due to insufficient time to prepare and plan their curriculum offer; resource and staffing; premises for delivery in August 2020.
- (ii) Expertise in delivering community learning may be lacking as providers generally deliver accredited learning. The quality of the service offered may not meet the council's standards and it may not be possible to award a contract in which case the ESFA will require the funding allocation to be returned
- (iii) Engagement with communities who are hardest to reach and furthest from the labour market may be challenging.
- (iv) In school family learning courses for parents will cease.
- (v) Some of the Friends Centre staff could be subject to TUPE to a third party. TUPE obligations are complex and the contract specification may be unattractive to providers and the procurement of services may be fully or partially unsuccessful resulting in a reduced ESFA contract and reduced

provision offer in the city.

- (vi) Teaching staff currently employed by BHCC may need to be redundant if they are not subject to TUPE with a new provider.
- (vii) Developing an in-house offer from scratch following the loss of experienced staff may not be possible.
- (viii) Appropriate premises for in-house delivery may not be available.
- (ix) Sub-contracting may be curtailed following the ESFA consultation.

#### **4.3 Returning the funding to the government and allowing the current contract to expire**

##### **Benefits**

- (i) No financial support will be required to pay for premises and salary costs for the Friends Centre staff through TUPE.

##### **Risks**

- (i) The BHCC Adult and Community Learning grant will be lost for 2020 resulting in a significant impact on Community Learning in the city at a time of urgent need, with those furthest from the labour market impacted the most.
- (ii) It is unlikely that the ESFA would reinstate the award in the future years as funding will be re-directed to the most deprived areas in the country.
- (iii) An organisation which has been in existence for 75 years, its experienced staff and the delivery infrastructure will be lost.
- (iv) The contribution to FCL staffing costs currently £28,907 will be lost.
- (v) Teaching staff currently employed by BHCC will need to be made redundant, as will staff of the Friends Centre, although we will not be liable for these costs.

## **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 Due to the confidential nature of these proposals it has not been possible to publicly consult at this time.

## **6. CONCLUSION**

- 6.1 The council needs to take action now in order to be in a position to deliver Adult and Community Learning from August 2020.
- 6.2 This paper has identified three options; bringing Adult and Community Learning in-house; undertaking a full procurement exercise; and returning the AEB allocation to the government. The risks and benefits of each option have been clearly articulated.

- 6.3 The recommendation to bring the service in-house delivers against the council strategies – Our Plan, The City Employment and Skills Plan and Economic Strategies. This will enable us to retain the funding and deliver community learning within the City to meet the needs of residents with the greatest barriers to employment and those furthest away from the labour market.
- 6.4 Additional finance will need to be allocated in order to implement the recommendations within this report. However, the costs associated would enable us to retain the £569,988 adult education budget and secure the experienced staff associated with its delivery.

**7. FINANCIAL & OTHER IMPLICATIONS:**

Financial Implications:

- 7.1 The report sets out the options for the future delivery model of the council’s Adult & Community Learning offer funded by the Education and Skills Funding Agency (ESFA) which is currently delivered through sub-contracting arrangements.
- 7.2 There are a number of potential financial risks identified within the report. At this stage it is not possible to be certain of the levels of income assumed within the budget. In addition to the ESFA funding (which is subject to annual review) there is further income of £118k expected within the budget which is based on information received from the Friends Centre but may not be available to the Council going forward .
- 7.3 The additional staffing costs relating to the TUPE arrangements have yet to be finalised and as in all such arrangements may be subject to change. There is also uncertainty regarding the future costs of premises, in particular what the options are when the 1 year occupation of Isetta Square expires. This could expose the Council to further financial risks. The costings have primarily been based on information provided by the Friends Centre and so we are reliant on the accuracy of this information in forming the forecast budget.
- 7.4 The preferred option currently suggests that additional funding of £0.061m is required, assuming the HRA is able to invest £0.040m into the scheme. However given the uncertainties highlighted above the financial risk could be considerably higher.

*Finance Officer Consulted: David Ellis*

*Date: 08/04/20*

- 7.5 There is currently no approved budget provision in 2020/21 for the HRA to contribute £0.040m to Adult and Community Learning but this should be manageable within the total HRA resources during 2020/21

*Finance Officer Consulted: Monica Brooks*

*Date: 14/04/20*

Legal Implications

- 7.6 The HRA is primarily a landlord account, containing income and expenditure arising from the council’s housing functions. Department of Environment Circular

8/95 gives advice in relation to the operation of that account. It provides that for amenities which benefit the wider community, costs should be shared between the HRA and General Fund. Items specifically mentioned include amenities such as play and other recreational areas, grassed areas and gardens, community centres and play schemes. In each case it is for the local authority to form its own judgment on whether provision should be charged to the HRA or General Fund. Whilst the proposed expenditure is not directly linked to the council's housing functions, it could be considered to fall within the discretion afforded by the Circular, given the location of the service in Hangleton and Knoll and Whitehawk, both of which have a high concentration of council tenants.

- 7.7 In accordance with Part 4 of the council's Constitution, Policy & Resources Committee is the appropriate decision-making body in respect of the recommendations set out in paragraph 2 above.
- 7.8 It will be necessary to consult with the council's property lawyers concerning the term of any proposed lease or licences necessary to accommodate the education provision.
- 7.9 The service is funded by monies awarded by the ESFA and the terms and conditions on which that funding is made available must be observed.

*Lawyer Consulted: Liz Woodley/Judith Fisher Date: 08/04/20*

Equalities Implications:

- 7.10 At the core of community learning is Personal and Community Development Learning, Family English, Maths and Language, Wider Family Learning, Neighbourhood Learning In Deprived Communities (NLDC). Any reduction in community funding or contraction of provision will disproportionately impact upon residents who are hardest to reach and furthest from the labour market.
- 7.11 The provision offer for the next academic year will be severely affected if the delivery infrastructure and staffing resources are not agreed imminently. The Friends Centres delivers its core offer from Isetta Square and Ivory Place, Morley Street. However, courses run from an additional 18 locations across the City, providing learners with access to 'back into learning' provision which will be impossible to replace.
- 7.12 The proposal enables continuity of venue, community links and potentially staff, meaning that established connections with communities and individual learners are likely to be maintained. The focus on women, disabled people and people from BME communities will remain, as well as the focus on other marginalised groups and neighbourhoods.
- 7.13 Further exploration of equality impacts will form part of the planned reviews described in 3.26 to ensure that people sharing legally protected characteristics are still engaging with learning, that the in-house approach has not inadvertently created barriers, and that additional opportunities to extend or improve learning are taken up.

### Sustainability Implications:

- 7.14 Central locations are easy to get to by sustainable means so public transport, cycling or walking. This is beneficial as it supports the key council's policies and priorities i.e. Carbon Neutral 2030 ambition & Cycling & Walking Strategy. Continuing leasing existing premises from the Friends Centre seems to be the most sustainable solution in the short term. This way existing resources can continue to be utilised and the time taken to secure a new site rather than rushing into finding accommodation that may only be temporary.

### Brexit Implications:

- 7.15 Although no immediate and direct impact on these proposals, in the longer term changes related to the UK's withdrawal from the EU around structural funds that contribute to local education and training may present a challenge or opportunity for the future of adult community learning.
- 7.16 Under the Withdrawal Agreement the UK will continue to receive EU structural funds during the transition period, which is due to end on 31 December 2020. The political declaration on the future UK–EU relationship does not envisage the UK continuing to contribute to, or receive, EU Structural Funds after that point, this includes the European Structural & Investment Fund (ESIF) which is administered and coordinated through the ESFA for the UK to provide training and education opportunities.
- 7.17 In 2017, the UK government announced that it would replace EU Structural Funds with a successor arrangement called the UK Shared Prosperity Fund. In its 2019 manifesto, the Conservative Party reiterated this pledge and committed to “at a minimum match the size of structural funds in each nation”.
- 7.18 At the time of writing this report no further information was available on the proposed UK Shared Prosperity Fund. It is anticipated that at some stage in the future the Government will consult on proposals for the fund, at which point the future of the ESFA's funding capabilities will become clearer. Through the consultation the council should seek to secure the retention of funding streams which support the disadvantaged through training and education opportunities.

### Covid19 implications:

- 7.19 The impact of Covid 19 on employment and the economy are far reaching. Nationally, 950,000 applications for Universal Credit were made in the first two weeks of lock down and our local Job Centre's are reassigning staff to front-line services. As a City with a large visitor economy sector it is likely that local people will be seeking access to Community Learning to support job progression.



## **SUPPORTING DOCUMENTATION**

### *Glossary of terms*

ESFA	Education Skills and Funding Agency
AEB	Adult Education Budget
FCL	Families Children and Learning

### **Appendices:**

- 1 Adult and Community Learning Briefing Paper
- 2 Adult curriculum proposal
3. Delivery venues
4. Neighbourhood Learning in Deprived Communities Briefing Paper

