

# Report



## Cabinet Member for Regeneration and Investment Cabinet Member for People and Business Change

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### Part 1

Date: 2 February 2016

Item No:

### **Subject** Changes to Adult and Community Learning Provision

**Purpose** This report describes a number of operational changes made within Adult and Community Learning in response to the reduced grant available to support the provision. The report also seeks Cabinet Member approval for the withdrawal of Adult Community Learning from the Rivermead Centre and to transfer the Centre to the Property Section within Regeneration Investment & Housing.

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**Ward** Rogerstone, St Julian's, Pillgwenlly and Stow Hill.

**Summary** Adult and Community Learning is a grant funded provision. Two grants support the service; a direct grant from Welsh Government and a franchise payment through Coleg Gwent. In the past two years these two funding streams have been reduced significantly. It has been necessary to re-format the service to reflect the reduced income. This report sets out the measures that have been implemented to achieve this.

The service will now focus on delivering the curriculum set out by the grant giving bodies. Courses provided for personal growth and recreation will no longer be delivered directly. Instead tutors who want to take on the responsibility for delivering learning themselves will be encouraged offer courses using the Service's facilities and support staff.

The report also examines the cost of running venues for learning delivery and concludes Adult Community Learning staff should be withdrawn from the Rivermead Centre in Rogerstone as it is the most expensive site to operate. This report seeks approval to transfer Rivermead Centre to the Property Section within RIH and operate it on a cost recovery basis as a Caretaker managed facility

- Proposal** i) **To note the changes to Adult and Community Learning provision including;**
- focussing delivery to courses to those needed to meet the requirements of the two funding organisations;
  - encouraging tutors delivering courses outside the scope of the funding bodies' requirements to become self-employed to maintain the breadth of curricula offered;
  - changes to the staffing structure required to deliver the service within the funding package available.

**ii) To approve the withdrawal of Adult & Community Learning provision from the Rivermead Centre in Rogerstone and to transfer the Centre to the property section within Regeneration Investment & Housing**

**Action by** Head of Regeneration, Investment and Housing

**Timetable** Immediate

This report was prepared after consultation with:

- Adult & Community Learning Staff and Tutors
- Business Improvement Team
- Head of Regeneration, Investment and Housing
- Library Operations Manager
- Virtual Systems and Services Coordinator
- Senior Curriculum and Learning Officer
- Trades Unions – UNISON, Transport and General Workers Union (TGWU), National Association of Schoolmasters Union of Women Teachers (NASWUT), National Union of Teachers ( NUT).
- Head of Law and Regulations – Monitoring Officer
- Head of Finance – Chief Finance Officer
- Head of People and Business Change

**Signed**

## **1. Background**

- 1.1 Adult Community Learning is a grant funded service delivering a range of learning opportunities outside the formal education framework. The provision is entirely funded by grant aid received in two packages; a direct grant from Welsh Government and a franchise payment channelled through Coleg Gwent. In the financial year 13/14 the Council received 1.46 million in funding support. These funding streams have both been subject to sizeable reductions and grant support for the current year is £609,000.
- 1.2 Some reduction in expenditure through a change programme has been achieved in the previous two fiscal years; however the grant reduction in the past year is of such a scale that a fundamental redesigning of service provision has been required to achieve a sustainable budget position.
- 1.3 The grant bodies provide funding targeted to support learning in Basic Skills, ESOL some IT and independent living skills; course delivery meeting these curriculum areas is a condition of grant.
- 1.4 Adult & Community Learning previously delivered a much wider curriculum that many learners accessed for personal growth and recreation. The subsidy of these courses has gradually reduced and the courses have been delivered on a partial cost recovery basis. The Service carried risk in relation to courses being undersubscribed and when calculating price only operational costs had been factored in and not the true costs, principally relating to administration of the service.
- 1.5 The Service operated from four venues, Charles Street, St Julian's Pillgwenlly Library and Rivermead. There had been a degree of cross subsidy between Adult & Community Learning and Libraries and St. Julian's and Pillgwenlly operate as both learning centres and libraries.

## **2. Learning delivery**

- 2.1 The service now focuses on the learning provision it needs to deliver to meet the requirements of the funding bodies. This means the service focuses on Basic Skills, English for Speakers of Other Languages, some IT training and Independent living skills. All other courses are no longer delivered directly by the Service. In the past academic year 42 Tutors were engaged to deliver courses; this number was reduced to 26 to deliver core courses from September 2015
- 2.2 Tutors were previously employed on fixed term contracts terminating on August 31 and renewed on an annual basis. Tutors engaged to deliver courses outside the scope of the funding bodies' requirements were not re-engaged. The Service is continuing to work with some of these tutors to encourage a new approach to course delivery where tutors operate on self-employed basis and rent space for teaching in the learning centres. The service also offers support to Tutors providing accredited and exam based courses and provides learning materials on a fee basis. We hope to maintain the widest possible curriculum by taking this approach.

## **3. Staff Restructuring**

- 3.1 Staffing is the single largest cost within the Service and so a staffing restructuring exercise has been carried out using the Head of Service's delegated authority to reduce cost. The new structure has been introduced following consultation with the unions and the staff and will be fully implemented from January 31<sup>st</sup> 2016. The key changes are:
  - A reduction in the curriculum team from 5 fulltime equivalent posts to 2.8 fulltime equivalent posts.
  - The Business Support Team has reduced from 3.5 fulltime equivalent posts to 1.1 fulltime equivalent posts.

- The operational team that staff the four learning centres has been reduced from 10.9 fulltime equivalent posts to 6.6 fulltime equivalent posts.
- 3.2 The new structure is predicated on the proposed changes to building operation including focusing the service on Charles Street and managing operation at other sites from there, reducing opening times at St Julian's and Pillgwenlly Library and withdrawing Adult & Community Learning staff from Rivermead altogether.

## **4. Learning Centres**

- 4.1 Analysis of courses provided and income achieved shows that Rivermead is the least productive of the three main sites operated. Charles Street is the most used venue and its City Centre location makes it accessible to many, although the building itself poses a number of accessibility problems for learners with mobility issues.
- 4.2 St Julian's performs a little more effectively, but is more accessible for learners with mobility issues, and is the key site for the service's Independent Living Skills (ILS) provision. St. Julian's and Pillgwenlly learning centres also provide a library service and any decision that includes closing these venues will require a statutory public consultation period. Pillgwenlly operates from a leased building, and the lease is for a period of twenty five years with no break clauses available to the Council.
- 4.3 It is therefore proposed that the Service retains Charles Street, St. Julian's and Pillgwenlly as Community Learning Centres, although both St. Julian's and Pillgwenlly will operate with reduced hours. It is proposed that the Adult and Community Learning Service withdraw from the Rivermead Centre due to the high operational costs at the site.
- 4.4 The report recommends that the Rivermead Centre is transferred to the Property Section within Regeneration Investment & Housing. It is recommended that the centre is operated on a caretaker managed basis and that property and salary costs are recovered through room hire income. The building is an excellent already benefits facility and for a reasonable income from room hire.
- 4.5 The future of the centre, including alternative property options can be explored if the Centre proves to be liability. However, disposal by sale is not straight forward as a covenant exists on the site. Additionally, the views of the community have not been sought and a full consultation process will need to be undertaken if the centre's function as a community facility is to be brought to an end. The proposal to transfer Rivermead to property and run it as a caretaker managed community will ensure maintain its continued community use. The need to resolve the Adult & Community Learning Budget quickly has not allowed for a full exploration of other options for use of the site, but a period of settled use as a caretaker managed facility will provide time for further options for the medium and long term.

## **5. Benefits Expected**

- 5.1 The proposals will see a substantial reduction in budget and would see the reduction in the forecasted deficit from £390,574 to £181,132 this financial year. (This figure does not include a contribution figure currently built into the budget) The full year effect of the proposals will mean a 76k contribution can be realised in 2016/17, however the funding position in Adult and Community Learning means that further cuts to funding are likely, and a second phase of reorganisation is likely to be required.

## **6. Legal implications**

- 6.1 There are no specific legal issues arising from this report. However, the decision to withdraw Adult and Community Learning from Rivermead will mean an alternative for managing the building will have to be found. Rivermead was built through development gain and a covenant to the site's use exists.

## 7. Staffing Issues

- 7.1 The proposals agreed through the Head of Services delegate responsibilities has seen the deletion of 8.9 full time equivalent post representing 16 posts in total. These post losses have been mitigated in part by the creation of 3 new posts equating to 1.6 full time equivalents. Additionally, 11 posts have had their contracted working hours reduced.
- 7.2 Full consultation with staff and unions has been undertaken and Voluntary Redundancy agreed where possible to limit the number of compulsory redundancies.

## Financial Summary

Adult Education	Budget	Predicted out-turn June 2015	Predicted out-turn after Reorganisation Oct 2015/16
Pay	569,501	673,925	450,869
Supplies and Services	242,790	242,790	196,459
Income	-1,353,488	- 1,231,439	-703,029
Tutors	322,668	314,722	202,400
Net	-218,527	0	146,699 *

\* figure does not include redundancy costs

\*\*assuming grant funding remains at the current level

## 8. Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
The Adult & Community Learning budget continues to operate on an unsustainable basis leading to increasing budget pressure.	H	H	Adult & Continuing Learning is working with the Business Improvement Team to remodel the service and reduce costs	Culture and Continuing Learning Manager
The impact on service users caused by the inability to provide the range of courses we are currently able to deliver	M	M	The Service is working with Tutors for courses outside the scope of the grant programme to develop a different format for course delivery	Culture and Continuing Learning Manager

\* Taking account of proposed mitigation measures

## **9. Links to Council Policies and Priorities**

- 9.1 The Corporate Plan calls for “ensuring the on-going stability of budgets”. The proposals set out in this report seek to achieve stability in the Adult and Community Learning budget.

## **10. Options Available**

- 10.1 The options are either to continue to operate the four learning centres and accept a higher level of expenditure and accepting the reduction in grant income as a spending pressure, or take remedial action to rebalance the budget. The restructuring of the staffing establishment, reducing the scope of direct course delivery to grant priority areas as made a significant contribution to reducing expenditure to a sustainable level and withdrawing Adult and Community Learning provision from Rivermead and reducing operational hours at St Julian's and Pillgwenlly Libraries will maximise the savings. Transferring the Rivermead Centre to the property section within Regeneration Investment and Housing will safeguard the facility for community use while operating on a cost recovery basis.

## **11. Preferred Option and Why**

- 16.1 The Cabinet Members to note the changes made to Adult and Community Learning delivery through the Head of Service's delegated powers including; focussing delivery to courses to those needed to meet the requirements of the two funding organisations; encouraging tutors delivering courses outside the scope of the funding bodies' requirements to become self-employed to maintain the breadth of curricula offered and changing the staffing structure to deliver the service within the funding package available.
- 16.2 The Cabinet Member to approve the withdrawal of Adult and Community Learning provision from the Rivermead Centre in Rogerstone.
- 16.3 The withdrawal of Adult and Community Learning provision is necessary to reduce the overall expenditure of the Service. The facility at Rivermead is expensive to operate by comparison with Charles Street and St. Julian's and it is not a priority facility for delivering courses within the scope of both the Coleg Gwent franchise agreement and the direct grant. Transferring Rivermead Centre to Property Section within Regeneration will ensure the Centre remains a facility for the local community.

## **17. Comments of Chief Financial Officer**

- 17.1 Given the significant reduction in funding it has been necessary to carry out a fundamental redesign of the service. The proposed model has been developed on a cost recovery basis as the Authority is not in a position to offer any form of subsidy. There is a risk, however, in relation to the discretionary course offer being undersubscribed. Indirect costs of course delivery must be continually reviewed along with 'the offer' of discretionary courses to ensure that it is consistent with the needs of the users.
- 17.2 It is also important for the Authority to use assets in the most efficient way. Asset management must be an important consideration in this review to avoid duplication of effort and wasted resource. Property should be viewed as a strategic resource and challenged as to how well it contributes to the core objectives.

## **18. Comments of Monitoring Officer**

- 18.1 There are no specific legal issues arising from the Report, although the restructuring and reconfigurations of the ACL service will have staffing and contractual implications. The provision of Adult and Community Learning services is entirely discretionary and the Council's only obligation is to meet the curriculum requirements of the grant funding bodies. Therefore, the

Council is able to re-focus the delivery of ACL courses to meet Welsh Government and Coleg Gwent requirements. Any additional courses can be delivered by tutors on a self-employed basis, utilising Council facilities but taking over direct responsibility for the management and delivery of the courses. The proposed changes to staffing structures to deliver this reduction in service are non-executive matters delegated to the Head of Service. Therefore, the Cabinet Member is only required to agree to the principle of these service delivery changes. However, the implementation of the staffing proposals will be carried out in accordance with the Council's Job Security Policy, to ensure that compulsory redundancies are kept to a minimum. The withdrawal of ACL services from the Rivermead Centre will mean that the premises can be declared surplus to the requirements of the service and re-appropriated under Section 122 of the Local Government Act for general asset management purposes. The centre was developed using s106 monies and, therefore, the Council has an obligation to maintain this community facility but the new management arrangements will be a matter for Head of Regeneration Investment and Housing to determine.

## **19. Staffing Implications: Comments of Head of People and Business Change**

- 19.1 These proposals have significant staffing implications. Full consultation has been undertaken with affected staff in attendance with the relevant trade unions. Some of the redundancies will be achieved via voluntary redundancy.

## **20. Comments of Cabinet Members**

- 20.1 Cabinet Members has approved the report for consultation.

### **Comments from Non Executive Members**

None received

## **21. Ward Member Comments**

- 21.1 No comments received.

## **22. Scrutiny Committees**

- 22.1 N/A.

## **23. Equalities Impact Assessment**

- 23.1 N/A

## **24. Children and Families (Wales) Measure**

- 24.1 N/A

Dated: 2 February 2016