

Report to:	EXECUTIVE CABINET
Date:	23 June 2021
Executive Member:	Cllr Leanne Feeley, Executive Member for Lifelong Learning Equalities and Culture
Reporting Officer:	Jayne Traverse, Director of Growth Gregg Stott, Assistant Director of Growth
Subject:	ADULT COMMUNITY EDUCATION GRANT FUNDING - FUTURE PROVISION
Report Summary:	The report sets out a proposal for future provision of the service for consideration. It is proposed that Adult Community Education provision is delivered by Tameside College subject to consultation and processes.
Recommendations:	It is recommended that the proposal for Tameside Council to begin consultation on the transfer of the Adult Community Education Service to Tameside College is approved by Executive Cabinet.
Corporate Plan:	Improving adult skill levels is essential to inclusive growth in Tameside and is identified within the Corporate Plan and Inclusive Growth Strategy as a priority area.
Policy Implications:	The proposal for future provision will have policy implications for Tameside Council as a direct delivery organisation of Adult Education Budget services as set out in the report.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	<p>The report sets out details of a proposed consultation to transfer the Adult Education Service to Tameside College.</p> <p>The Council currently receives the Adult Community Education Grant from GMCA on an academic year basis. This is a sum of £0.818m for the 2020/21 academic year (1 August 2020 to 31 July 2021).</p> <p>The grant is subject to performance management arrangements primarily against learner numbers. For the period 1 August 2020 to 31 March 2021 (2020/21 financial year) the approach through the covid pandemic will be retained where there will be no performance management arrangements against learner numbers. This equates to 67% of the grant sum due i.e. £ 0.548m.</p> <p>However it should be noted that from the 1 April 2021 (2021/22 financial year), performance management processes will be re-instated for the remaining 33% balance due i.e. £ 0.270m. Providers (i.e. the Council) will be allowed to submit a business case for up to the maximum of their funding allocation due. A business case will be submitted for the period 1 April 2021 to 31 July 2021 to ensure the full remaining balance due can be retained by the Council and that there is no risk of clawback in the 2021/22 academic year (1 August 2021 to 31 July 2022).</p> <p>The grant sum due for the 2021/22 academic year is yet to be confirmed. This will need to be compared to the 2021/22 financial year budget assumed for the grant of £0.823m (apportioned between academic years) to ensure there is no shortfall and that it</p>

does not result in a budget pressure that will need to be managed within the Growth directorate revenue budget.

This will need to form part of the necessary financial due diligence if the transfer is subsequently approved following the period of consultation.

The grant funding agreement with GMCA expires on 31 July 2022 (at the end of the 2021/22 academic year). Table 1 (4) states that the grant currently finances 20% of the Head of Economy Employment and Skills post non recurrently and is assumed in Growth directorate savings plans for 2021/22 only. Therefore a budget pressure should not materialise within the Growth directorate if the proposed transfer takes place after 1 April 2022.

Section 2.4 of the report states that the service delivers a minimum of £0.300m worth of community learning provision. It should be noted that this sum is within the aforementioned 2020/21 academic year GMCA grant allocation of £0.818m and is not additional funding.

In addition table 1 (3) states that £0.150m was recently awarded by GMCA to support four projects that would need to be considered for retention by the Council as the responsible body. These projects are due to end on 31 March 2022 and relate to commissioned services, employees on fixed term contracts and small scale community initiatives. This funding is additional to the 2020/21 academic year GMCA grant allocation of £0.818m. However it is envisaged that this funding will not impact on the proposed transfer as the grant funding period will have concluded in advance of the proposed transfer date. The Council would be liable for any repayment of the grant sum if performance outcomes are not achieved subject to the terms of the respective grant conditions. This will be monitored during the 2021/22 financial year to ensure any potential risk of repayment is known at an early stage and any remedial action can be implemented.

Members should note that further due diligence on the related financial implications of the proposed transfer will be necessary during the period of consultation.

This will include any employee TUPE cost implications and an evaluation of any dilapidation costs that may be liable relating to the surrender of the lease of Stamford Chambers as stated in table 1 (8).

It is essential that all the related financial implications arising from the proposed transfer are clearly set out in a subsequent report to Members for consideration once the outcome of the consultation is known.

**Legal Implications:
(Authorised by the
Borough Solicitor)**

As set out in the main body of this report the ACE service may 'fit better' being delivered by the college.

The next steps will be to engage with the college especially in relation to the transfer of the funding stream to the college and staffing implications with particular regard to the operation of The Transfer of Undertakings Protection of Employment Rights Regulations (TUPE).

HR and finance will also form a critical part of the working group in order to provide advice and guidance in relation to consultation and

the transfer of staff together with related staffing matters including pensions.

As the intention is that the responsibility and liability for delivering the service together with the funding will pass to the college it will be necessary as part of the due diligence to formalise and capture all arrangements between the Council and the College in relation to this matter going forward.

The next steps at para 3.1 needs to be clear when a final decision will be made following the consultation by the Council in order that if agreed TUPE consultation and transfer can commence.

Risk Management:

Tameside Council has a grant agreement with Greater Manchester Combined Authority to deliver Adult Education Budget delivery.

Background Information:

The background papers relating to this report can be inspected by contacting Sarah Odor, Head of Service Adult and Community Education, by:



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1. INTRODUCTION

- 1.1 The report sets out a proposal for future provision of the service for consideration. Following a review of the adult learning landscape and benefits to residents it is proposed that Adult Community Education provision is delivered by Tameside College subject to consultation and processes.
- 1.2 Tameside Adult Community Education (ACE) provides skills provision for adults aged 19+. The Provision is based primarily from Stamford Chambers in Ashton Town Centre. The Service is funded with Adult Education Budget (AEB) by Greater Manchester Combined Authority (GMCA). ACE normally enrolls 600 individual learners on an annual basis. The impact of COVID19 has meant that learner numbers have fallen as social distancing measures have been introduced in line with health and safety risk assessments. ACE is an Ofsted 'Grade 2 Good provider' and is Matrix accredited. ACE operates on an academic funding year of 1 August -31 July.

2. REVIEW OF FUTURE PROVISION

- 2.1 ACE has a contract with GMCA until 31 July 2022 and has recently successfully applied to the GMCA Education, Work and Skills Flexible Procurement System enabling the service to bid for future contracts. ACE is well placed to continue to deliver good quality services to Tameside residents. This report sets out a proposal to build on the quality of services provided by ACE by integrating the provision with Tameside College and the Council ceasing to provide the service.
- 2.2 The key elements for the case for change are set out below:
 - The skills provider market will become increasingly competitive in future years and providers will need to be increasingly agile and flexible in a commercial environment in bidding for contracts.
 - COVID19 has demonstrated the need for providers to be able to switch provision and reallocate teaching resources in a responsive way to meet demand, larger organisations with a wider range of resources such as Tameside College will be able to meet this.
 - Smaller providers such as ACE face greater challenge to manage single point of failures in service delivery which are not faced by larger organisations. An example is the Management Information Systems and Careers Support where one member of staff has a lead in this area with cover provided by other posts.
- 2.3 The following options were considered alongside the main proposal:
 - Council continues to deliver provision – the case for change set out above is not met effectively by retaining a small scale provision within the Council.
 - Merge the provision with other local authority adult education budget provision – the case for change set out above is not met effectively by creating an integrated service with shared responsibility for strategic approach, governance, performance and delivery. It is proposed that the service retains a clear Tameside focus.
- 2.4 The proposal for the service would be to begin a consultation process on integrating ACE into Tameside College to enable the service to bid for future contracts from a strengthened position. Tameside College currently deliver over £2m of AEB services and an Ofsted 'good, grade 2' provider. The timeframe for the process is set out further below in next steps with an expectation that any change be completed by January 2022. The principles underpin the proposal:
 - The provision should continue to deliver and bid to win future contracts from GMCA primarily beyond the current contract end date of 31 July 2022.
 - The Council would have no direct ongoing responsibility or liability for the provision in relation to securing contracts, contract delivery or quality assurance of provision.

- Effective Leadership and Management underpins the delivery of the provision.
- The provision reports to the Council Education Improvement Attainment Board annually in the form of a self assessment report and forward looking 12 month skills needs assessment where joint priorities and intentions of the provision were clearly identified and agreed in an integrated fashion.
- The Council is invited to join the Governing Board of the provision to be part of future strategic development and decision making.
- GMCA should be heavily engaged and involved in the proposal and future delivery of provision. GMCA is the main commissioner £0.818m per annum (2020/21 academic year.grant value)
- The provision continues to deliver a minimum of £0.300m worth of community learning provision (community learning is defined as non qualification courses, such as confidence building, that enable residents to enter the provision at a lower level and progress onto qualification courses, such as English, maths and digital). It should be noted that this value is within the aforementioned £0.818m Adult Education grant sum via GMCA and is not additional funding.
- The proposal should ensure the core ethos of ACE is retained.
 - The ethos is a minimum of 'good' provision with an ambition to delivery 'outstanding',
 - Small class sizes of 10-12 learners,
 - Supportive community environment that empowers learners to engage in provision,
 - Learners supported to progress through levels from short community learning courses to qualifications,
 - The provision is accessible and attracts residents with complex or vulnerable circumstances (e.g. adults recovering or suffering from substance misuse, adults with disabilities or with low English skills) who may be starting from no or low base (e.g. learners are not cherry picked for results through assessment screening).
- The ACE branding is retained for a minimum of 3 years to ensure the provision continues to be identified by existing learners and members of the community and their networks.
- The provision retains a face to face teaching base in Ashton-under-Lyne Town Centre (a minimum of 50% of provision from this base) with community provision in place as appropriate across the borough. The base in Ashton-under-Lyne would not be stipulated as Stamford Chambers.

2.5 The proposal would be set out within an MoU/Service Level Agreement/Covenant between the Council and provider to be reviewed every 5 years.

2.6 Table 1 provides an overview of the key considerations for the provision in relation to the proposal set out in this report.

Table 1 – Considerations		
Item	Notes	Risk rating
1. GMCA grant funding £0.818m per annum (2020/21 academic year grant value) is not in place after 31 July 2022	TMBC bid to GMCA supplier system submitted Jan 2021 and approved. College not currently approved though highly likely to be approved in the short term. No contract means a £0.818m financial liability.	Low
2. Impact of GMCA Performance Management Rules for 2020-21	GMCA have issued new Performance Management Rules for 2020-21 this may ultimately see funding for 2020-21 that cannot be claimed as spent to be ringfenced into the 2021-22 academic year requiring over performance and placing a higher burden on the provision.	Low

3. Local Authority Grant Programme spend	£0.150m recently awarded by GMCA over four projects that would need to be considered for retention by the Council as the responsible body. Projects due to end 31 March 2022 and relate to commissioned services, staff on fixed term contracts and small scale community initiatives. This sum is additional to the £0.818m GMCA grant funding referenced in section 1 of the table.	Low
4. TMBC savings identified against ACE budget of 2021/22 only	Head of Economy Employment and Skill post 20% funded from ACE which is assumed non recurrently in Growth directorate savings plans for 2021/22 only.	High
5. Instability in provision	The service needs to meet contractual targets, any review needs to support continued high level of delivery.	Low
6. ESFA contract £0.006m per annum.	Tameside ACE Governors support the service ending the ESFA contract due to size and future direction, ESFA would need to be engaged and involved in any review process.	Low
7. Existing contracts	ACE has contracts in relation to IT systems (Its Learning and West March) that would need to be transferred as part of review.	Low
8. Existing building	TMBC had a lease on Stamford Chambers which has expired and is being held over. TMBC required to give 3 months notice, the premises have to be cleaned, repaired and reinstate all alterations and additions if required by the Landlord. Current building costs for ACE annually are £0.060m it total (including principal rent £0.037m).	Low

3. NEXT STEPS

- 3.1 The timeline for this work is set out below:
- May– June 2021 – Report setting out proposal and considerations completed
 - 23 June 2021 – Executive Cabinet to consider proposal
 - June – August 2021 – Engagement and due diligence with Tameside College
 - September – December 2022 – Consultation & TUPE process
 - 1 January 2022 transfer date

4. RECOMMENDATIONS

- 4.1 As set out at the front of the report.