

## **Children's and Adults' Care and Education Committee**

13 February 2019 (additional committee)

### **Kingston Adult Education**

Report by Director, Communities

Call-in deadline 5pm on Wednesday 27 February 2019 (ten working days after the meeting)

#### **Purpose**

- 1 - To transform the existing Council-operated Kingston Adult Education service in the short to medium-term, in order to ensure key outcomes are met and to make the service operationally more efficient and flexible.
- 2 - To scope and understand the potential for provider(s) to deliver adult education for Kingston in the medium-term, with Committee approval to undertake a scoping exercise of potential providers and opportunities.

#### **Recommendations of the Portfolio Holder for Children's Services including Education**

To **resolve** that -

1. Officers take forward proposals in the short to medium-term to make the current Kingston Adult Education service more efficient and continues to deliver effective learner outcomes (ref para 25);
2. a scoping exercise can be undertaken to understand adult education provider(s) for Kingston adult education over the medium-term; and
3. a detailed report with the findings is submitted to this Committee by June 2019 (subject to timeframes).

#### **Benefits to the Community:**

To continue and enhance adult education provision in borough.

#### **Key Points**

- A. The Kingston Adult Education service (KAE) supports 2,832 learners a year (equating to around 6,000 enrolments) and generates a surplus of circa £300K per annum. It plays an important role in supporting healthy, independent and resilient residents. Outcomes for learners include gaining qualifications, improving employment skills, reducing social isolation and improving the mental health and wellbeing of individuals.
- B. KAE is financially valuable to the Council, generating annual income of £2m and costing £1.7m to run. The service currently makes a controllable surplus of approximately £330K annually, which is less than the budget target of £560k, leaving a £230k gap. The gap is partly due to the removal of the apprenticeship grant by central government, for which KAE will receive growth of £150k in 2019/20. The service can achieve £100K of savings over 2 years (£80k in 2019/20 and a further £20k in 2020/21) by continuing to deliver effective learner outcomes, reducing management costs and making service efficiencies, to close the remainder of the gap.

- C. To make it a more dynamic, flexible and efficient service it is acknowledged that KAE needs to make changes to how it operates and delivers provision. In the short to medium term we will seek to achieve this by transforming the service to make it more efficient and modern, with digitised processes.
- D. However, it is also important to explore other options for the longer term. One of the ways in which other councils have successfully delivered adult education in terms of outcomes for learners and efficiency, is through specialist providers to provide a service that also has the potential to save on management and accommodation costs. A first step in understanding the viability of this option is to undertake a scoping exercise of potential providers and opportunities.
- E. The following approach is recommended:
  - a. 2019/20 and 2020/21 - transform the existing service. To continue to deliver effective learner outcomes and refine and digitise processes to make the service more efficient. To remain aligned with national, regional and local needs. To ensure assets are used to their full potential. To deliver savings through efficiencies.
  - b. 2019/20 - to undertake a scoping exercise of potential providers and opportunities whilst continuing to transform the service. Future options will then be developed depending on the results of the scoping exercise. A business case will be brought back to CACE committee with the findings of the scoping exercise which explores the benefits of external providers versus continuing as a council delivered service. At this point, we are exploring options and opportunities. It is anticipated that future options may involve delivery of adult education provision from different sites across the borough. An appraisal of potential sites will be included as part of the future options development.

## **Background and Context of Kingston Adult Education**

1. This report sets out the current position of Kingston Adult Education (KAE), where outcomes for residents can be improved and where efficiencies can be made.
2. The skills of adult residents are important to the Council and partners and an adult education provision in Kingston remains crucial to creating a skilled and successful community. The service also needs to ensure it remains aligned with national, regional and local needs:
  - nationally: the Department for Education (Ofsted & Education & Skills Funding Agency) and the Government's priority regarding mental wellbeing
  - regionally: the Greater London Authority and the Mayor of London's Skills for Londoners framework regarding empowering all people to access the education and skills to be able to participate in society and progress in education and work. The framework particularly focuses on ensuring those who are disadvantaged are able to access education.
  - locally: learners' needs, community groups' requirements and Council community outcomes. Delivered through working in partnership with community groups, local providers and relevant departments (Public Health / Adult Social Care).

Outcomes achieved through improving skills include reducing social isolation, increasing English & mathematics skills and levels of residents, supporting

residents back into employment and improving the mental health and wellbeing of residents.

3. The Council's Kingston Adult Education service (KAE) provides a range of courses for adults aged 19 and over and young people aged 16-19 such as employability, health & wellbeing, English, mathematics (GCSEs and Functional Skills), ICT, languages, arts and crafts, community learning and many more. The mission statement of KAE is:

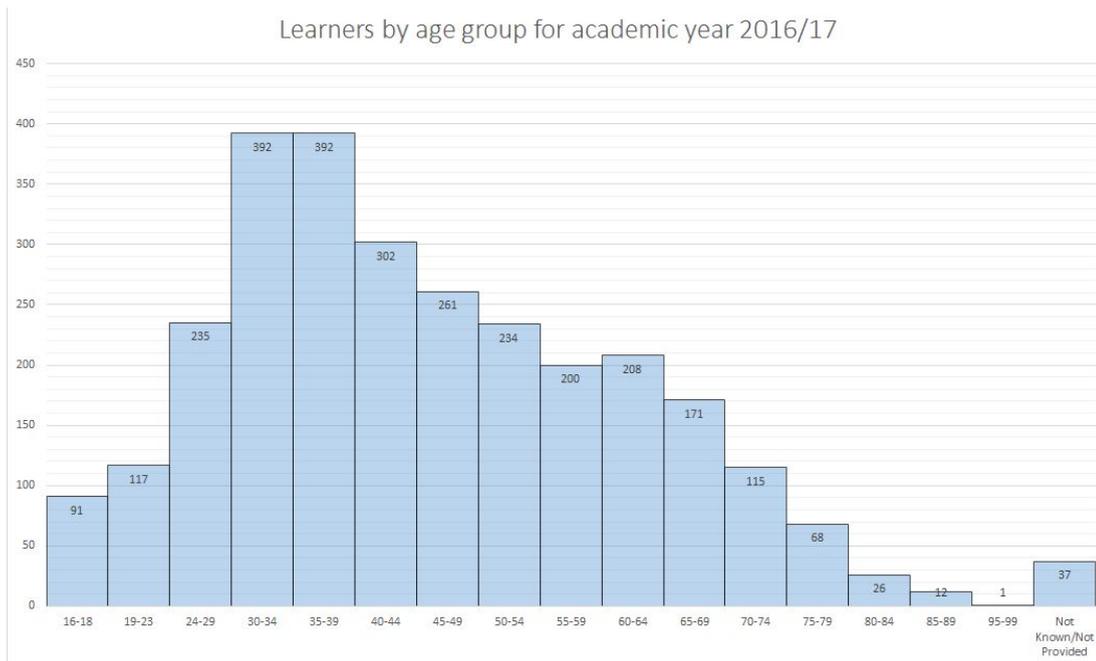
*"...to offer high quality learning and training opportunities which meet the needs of individuals and employers in Kingston and surrounding areas and to work alongside community partners to achieve this."*

4. The service is primarily delivered from King Charles Centre in Surbiton but also runs out of a range of community venues across the borough such as libraries, churches, housing estates, children's centres and schools. There is a current options appraisal exploring the opportunities to relocate adult education provision to other venues across the borough.
5. KAE supports over 6,000 individual learning aims every year (both government funded and privately funded). This is 2,832 individual learners (a learner can do more than one course and each course would be an enrolment). The service runs over 600 courses including Back to Employment for adults, bespoke courses for people with learning difficulties and/or disabilities, GCSE Mathematics & English, ICT, ESOL, Health and Fitness, Community Learning, the Arts and courses for people with mental health difficulties or who are socially isolated.
6. Adult Education has shifted dramatically from its origins in evening classes. KAE now offers services for:
  - professional people who would like to change career or develop new skills
  - unemployed people who would like to re-enter or take their first step into work
  - socially isolated or disadvantaged people who want to re-engage in education and society
  - entrepreneurial people who want to set up their own businesses
7. KAE's entire provision is delivered through four key areas (subjects, enrolment numbers and percentages change annually to reflect the borough need):
  - 1 - Health and wellbeing - Enrolments: 2544 (42%)  
Through courses for: improving mental health; learners with learning difficulties and disabilities; carers; health and fitness; health and social care; building self-confidence through writing; active ageing; lip reading; and wider family learning.
  - 2 - Supporting the economy and employment - Enrolments: 497 (8%)  
Through: Apprenticeships, Study programmes for 16-18 year olds, Back to employment for 19+ year olds, Friendly Finance, Childcare qualifications and Teaching Assistant, Interpreting qualifications.
  - 3 - English, mathematics and IT - Enrolments: 1729 (28%)  
Through: GCSE English, GCSE mathematics, functional skills English, functional skills mathematics, family English and mathematics, English for speakers of other languages, and IT.
  - 4 - Creative industries - Enrolments: 1306 (22%)  
Through: The arts, crafts, performing arts and digital photography.

8. In the academic year 2016/17, volumes of users were as follows:

Area	Enrolments
Apprenticeships and Vocational	220
Employability & ICT	321
English, Maths & ESOL	929
Family English and Maths	638
Health, Fitness and Wellbeing	507
Personal and Community Learning	636
Specialist Skills and Leisure	1,912
Wider Family Learning	913
<b>Total</b>	<b>6,076</b>

9. The age of learners ranges from 16 to 99, with the highest proportion of learners aged 30-39:



10. 28.7% of learners identify as Black and Minority Ethnic origin (BAME):

	<b>Census (2011)</b>	<b>KAE (2016/17)*</b>
<b>Ethnicity</b>	<b>%</b>	<b>%</b>
White	74.5%	69.2%*
Mixed/Multiple	3.9%	3.3%
Asian/British Asian	16.3%	15.0%
Black/African/Caribbean/ Black British	2.5%	3.0%
Other Ethnic Groups	2.8%	5.3%
Unknown/Not Provided	n/a	4.3%
<b>Total BAME</b>	<b>25.5%</b>	<b>28.7%</b>

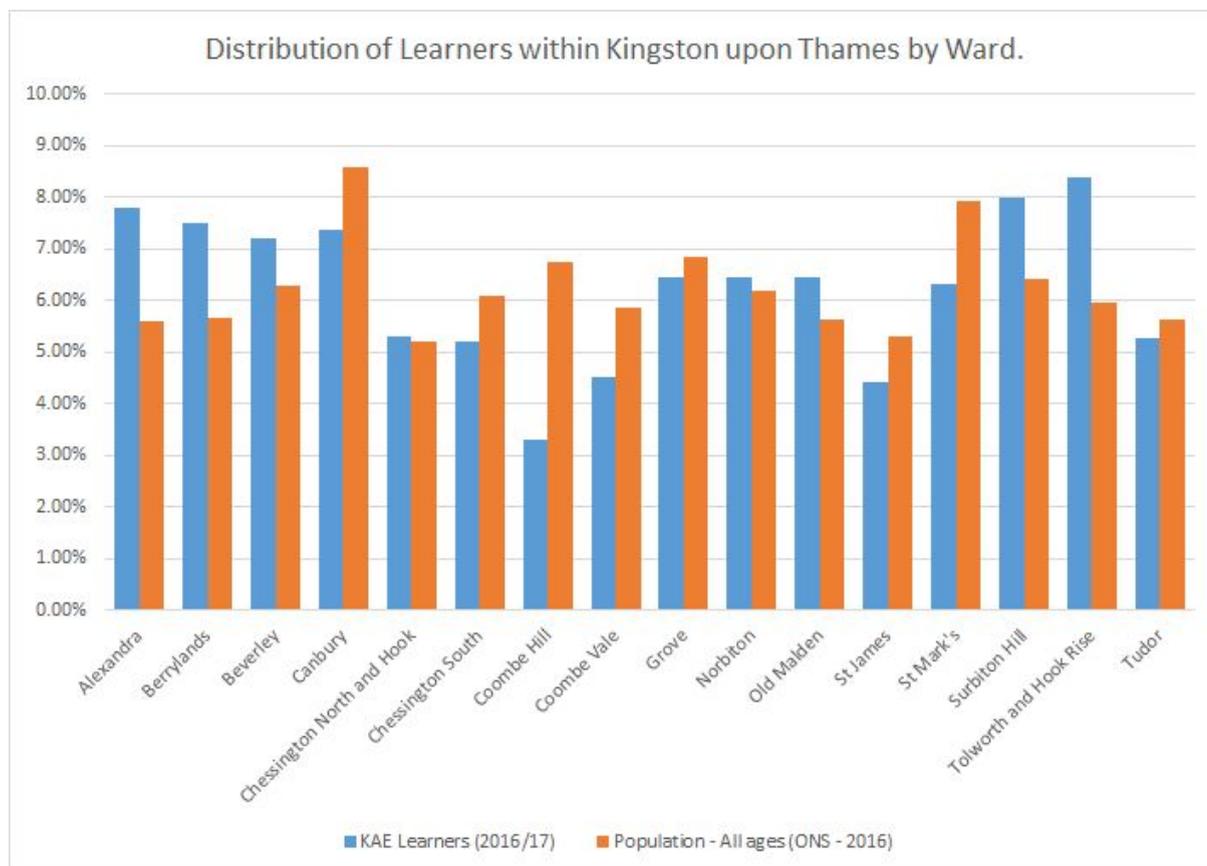
*\*22.0% of the "White" ethnic group identify as either White Irish or White Other.*

11. The population of Kingston has become more ethnically diverse, from 16% Black, Asian and Minority Ethnic (BAME) groups in the 2001 Census to 25.5% BAME in 2011 Census.
12. The gender breakdown is representative of the national and regional picture of people who access adult education:

<b>Year</b>	<b>ONS (2016) No.</b>	<b>ONS (2016) %</b>	<b>KAE (2016/17) No.</b>	<b>KAE (2016/17) %</b>
Male	86,800	49.3%	541	18.9%
Female	89,300	50.7%	2291	80.1%

13. The 2011 Census showed that there were 18,762 people with a limiting long-term illness in Kingston (12.4%). A limiting long-term illness is defined as any long-term illness, health problem or disability which limits a person's daily activities or the work that they do. 7.3% of learners have indicated they have a learning difficulty or disability.
14. 3.2% of Kingston residents claimed Employment Support Allowance (ESA) and Incapacity Benefits in Nov-16 compared to 4.8% for London and 6.1% for Great Britain as a whole.

15. Learners travel to KAE, based in Surbiton from all across the borough. 73.8% of learners come from within the borough. The wards with the highest amount of learners are (in order) Tolworth and Hook Rise, Surbiton Hill and Alexandra. King Charles Centre, the main delivery hub for KAE courses is in Berrylands ward.



16. The service was awarded Grade 2 "Good" by Ofsted in 2017 after an inspection of the entire provision. The service was also awarded Matrix Accreditation for Information, Advice and Guidance in February 2018.

17. The service's **Key Performance Indicators** are:

- Attendance (target 83%), final result 85%
- Achievement (target 80%), final result 93%
- Enrolments (target 5,000), final result 5,967

## Current Financial Position of Kingston Adult Education

18. KAE is financially valuable to the Council, generating annual income of £2m and costing £1.7m to run. The service currently makes approximately £300K income annually but because the service had budgeted to make £565K income, there is a budget gap. This is due to the removal of the apprenticeship grant from central government. Therefore to close the budget gap we estimate we can achieve £100K of savings over 2 years by continuing to deliver effective learner outcomes, reducing management costs and making service efficiencies. The shortfall will not be met in its entirety hence £150k growth money in the budget to offset the gap and provide KAE a realistic budget to work with.
19. The service currently has a turnover of approximately £2 million. It receives income from two main sources:
- grant-funded income (from the Education & Skills Funding Agency) £1.35m
  - commercial income (from learners/employers/partners) £650K
20. The current forecast position for 2018/19 is:

Income	Amount		Controllable Expenditure	Amount	Difference
Commercial Income (from learners/ employers/partners)	£649,834		Employee Costs	£1,396,446	
ESFA Funding (Government funding for adults)	£1,233,956		Supplies & Services	£143,795	
ESFA Funding (Government funding for 16-19 year olds)	£130,123		Premises	£137,650	
Levy Funding (Employers)					
<i>Total income forecast</i>	<i>£2,013,913</i>		<i>Total actual expenditure forecast</i>	<i>£1,677,891</i>	<i>£336,022</i>
Income budget (what service projected could generate in income through increased apprenticeships. Then apprenticeship grant was stopped)	£2,448,400		<i>Total expenditure budget</i>	<b>£1,883,704</b> (in budget but will overspend due to shortfall in income through apprenticeships)	<b>(£564,696)</b>
Shortfall	£434,487		<b>Forecast overspend</b>	<b>(£205,813)</b>	<b>£228,674</b>

21. The service is currently showing a budget gap of £228,674. In 2019/20, £150k growth has been allocated, which will leave a shortfall of £80k. The service will undergo a restructure (as part of DOT 4 and 5) in order to make the required efficiencies whilst ensuring the core national, regional and local priorities are met. This will result in the service closing the remaining £80k gap. This helps to set a benchmark against which to measure the feasibility of future service options.

## Proposals and Options

22. Kingston Adult Education service (KAE) supports 2,832 learners a year and generates circa £300K income per annum. It plays an important role in supporting healthy, independent and resilient residents. Outcomes for learners include improving employment skills, increasing English & mathematics levels of residents,, reducing social isolation and improving the mental health and wellbeing of individuals.
23. Whilst KAE is financially valuable to the council generating annual income of £2m and costing £1.7m to run, it is acknowledged that KAE needs to make changes to how it operates and delivers provision. This will ensure the service is more dynamic, flexible and efficient. In the short to medium term we will seek to achieve this by transforming the service to make it more efficient and modern, with digitised processes.
24. It is also important to explore other options for the longer term. One of the ways in which other councils have successfully delivered high quality adult education - in terms of outcomes for learners and efficiency, is through specialist providers to provide a more targeted service. A first step in understanding the viability of this option is to undertake a scoping exercise of potential providers and opportunities.
25. The following approach is recommended to make changes to the service:
  - a. 2019/20 and 2020/21 - transform the service. To make it a more dynamic, flexible and efficient service it is acknowledged that KAE needs to make changes to how it operates and delivers provision. In the short to medium term we will seek to transform the service to make it more efficient and modern, with digitised processes. It will continue to deliver effective learner outcomes such as employment skills, core qualifications (eg. English & mathematics), improving mental wellbeing and reducing social isolation, working with partners such as community groups, Adult Social Care, Public Health. We will ensure assets are used to their full potential and savings delivered through efficiencies.
  - b. 2019/20 - to undertake a scoping exercise of potential providers and opportunities whilst continuing to transform the service. Future options will then be developed depending on the results of the scoping exercise. An external option might be more cost effective through reduced costs such as management and premises. It is anticipated that future options may involve delivery of adult education provision from different sites across the borough. An appraisal of potential sites will be included as part of the future options development.

## **Drivers for Change**

26. There are several drivers that have an impact on adult education and potentially offer opportunities to explore how KAE could be delivered in a different, more efficient way. These are:
- To model the service to focus on improving residents' skills, working in partnership and delivering efficiencies.
  - The London Mayor's Devolution of Skills will impact on adult education services in 19/20. The Skills For Londoners strategy focuses on upskilling people post 16 so they can return to employment or improve their employment chances. There is also greater focus on those most disadvantaged groups of Londoners and areas of London. For KAE, this means an opportunity to further collaborate with services such as Public Health, Adult Social Care, Jobcentre Plus and Community Groups such as Kingston Welcare, YMCA, Kingston Carers Network to ensure effective outcomes for learners.
  - KAE generates approximately £300k income annually. There is a need to close the budget gap created through the national decision to remove the apprenticeship grant. This will be achieved through a reshaping of the current service and anticipated growth of £150K in 19/20 budget.
  - KAE has already taken some measures to close the budget gap through: an interim restructure of staff, closing the apprenticeship provision; increasing provision of training to local employers (therefore generating additional income); realigning delivery to meet national, regional and local needs; increasing partnership work in Public Health, Adult Social Care, Welfare Reform, JCP and increasing course fees by 50p an hour that will result in £10K additional income, full year. KAE is already one of the more expensive adult education providers in the region so increasing fees further could result in a decrease in uptake of courses.

## **Consultations**

27. No consultations have been undertaken to date. This committee paper seeks approval to undertake a scoping exercise of potential providers and opportunities to deliver an adult education provision in Kingston.
28. It is proposed that consultation / engagement will be undertaken when a fuller proposal is developed.

## **Timescale**

29. If approved, a scoping exercise will be undertaken between February 2019 and May 2019. A detailed report with the findings will be presented to the Children's and Adults' Care and Education Committee meeting by June 2019.

## **Resource Implications**

30. Preparing the business case and scoping documents will require significant officer time and resource from various departments. Funding for external resource is being identified.

## **Legal Implications**

31. Commissioning advice will be sought on the length of time required to undertake the scoping exercise

## **Risk Assessment**

32. A risk assessment will be undertaken as part of the scoping exercise to identify risks associated with finding suitable providers.

## **Equalities Impact Assessment**

33. Equality consideration has been taken into account within this report. A full EQIA will be undertaken for the transformation of the service.

## **Health Implications**

34. Will be taken into consideration during the scoping exercise.

## **Road Network Implications**

35. Will be taken into consideration during the scoping exercise.

## **Environmental & Air Quality Implications**

36. Will be taken into consideration during the scoping exercise

**Background papers** held by the author of the report, Joanne Moulton, Corporate Head of Service, Culture and Heritage, tel 020 8547 6754  
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- None other than those referred to in this report