Children and Young People’s Services Select Committee

9 March 2016

Ofsted Inspection of local authority arrangements for Adult Education and future provision of Adult Learning

Report by Executive Director Care Wellbeing and Education and Interim Director Education and Skills

Executive Summary

The Ofsted inspection of the West Sussex County Council arrangement for Adult Education that took place in November 2015 judged overall effectiveness to be Inadequate. Teaching outcomes and the quality of provision were judged to be Good but the leadership and management of the Adult Education contract and elements of safeguarding were the key areas of concern that led to the overall judgement.

West Sussex Adult Education was outsourced by the Council in 2012 and Aspire Sussex Limited (Aspire) took on the contract. Aspire is a social enterprise Company Limited by Guarantee with charitable status. Aspire is in its fourth year of a rolling five year contract to deliver Adult Education on behalf of West Sussex County Council. European Union procurement rules that came into effect in 2015 dictate that the County Council cannot automatically extend the contract with Aspire beyond 2017.

Since the inspection in November the Local Authority has had a follow up monitoring visit by Ofsted and input from the Skills Funding Agency (SFA) and the Further Education (FE) Commissioner. These interventions have been used to craft a draft Improvement Plan.

In addition the fourth year of the Adult Learning contract with Aspire comes to an end in August 2016. The Local Authority is in the process of confirming the continuation of this contract to August 2017. The proposal is that the County Council conducts a procurement process for the future provision of Adult Learning from September 2017.

The focus for scrutiny

The Committee is invited to consider the report and findings from Ofsted and the process in place to develop the final version of the West Sussex County Council Improvement Plan.

The Committee is also asked to consider the proposals for the future operation of the Adult Education contract in advance of the Cabinet Member Decision.

Recommendations

The Committee is asked to:-
1. Consider the findings of the Ofsted inspection and the draft improvement plan.
2. Identify any further actions required by the Cabinet Member in response to the inspection findings.
3. Endorse the proposed decision to
   - continue with the Skills Funding Agency (SFA) funding agreement for Adult Education and
   - conduct procurement for a sub-contractor to deliver the services on behalf of the County Council with a new contract to commence in September 2017.

1. **Background**

1.1 Adult Education was a County Council run service until 2012 when the service became a separate social enterprise company. The original intent in outsourcing Adult Education from the Local Authority was to provide an opportunity for Adult Education to be able to benefit from wider funding opportunities and greater flexibility in responding to market trends. The County Council had embarked on a Commissioning strategy and the Aspire contract was the first time this type of model had been used to deliver Adult Education by the local authority.

1.2 The funding for Adult Education comes mostly from the SFA. West Sussex County Council holds the contract with the SFA and sub contracts this to Aspire. The County Council passes the grant to Aspire minus the 3% management fee.

1.3 The intention of the Local Authority and Aspire at the time of the outsourcing was that the contract would ultimately move (novate) from West Sussex County Council to a direct contract between the SFA to Aspire.

1.4 The inspection in November 2015 highlighted that Ofsted’s interpretation of how the contract should be managed is more detailed, and the level of scrutiny expected from the local authority much greater, than envisaged by the Local Authority when the contract was let.

1.5 The Local Authority is making a number of changes in relation to how it manages the contract and must also consider how it wants to discharge its duties and aspirations for Adult Community Learning at the end of the Aspire contract.

2. **Inspection Findings**

2.1 The Ofsted inspection of the Local Authority’s arrangements for Adult Education took place over a three day period in November 2015 (the full report can be found as Appendix A1).

2.2 The following judgements were awarded by Ofsted
2.3 The judgement regarding Adult Learning Programmes resulted from a misunderstanding on the part of the Ofsted inspection team regarding the appropriateness of provision for self-referred learners who signed up for Maths and English classes. Since the inspection the local authority has had verbal confirmation from the FE Commissioner that Aspire are meeting the terms of the contract.

2.4 The full report outlines the key recommendations for action on the second page under the heading ‘What does the provider need to do to improve further?’

3. **Improvement plan**

3.1 Aspire are addressing the recommendations that relate to their areas of responsibility. The Disclosure and Barring Service (DBS) processes have been amended and appropriate staff and volunteers are being DBS checked. Tutors are risk assessed and supervised when waiting for DBS clearance.

3.2 Aspire are reviewing all their training venues and working with West Sussex County Council on a robust assessment framework that includes risk assessment of security arrangements.

3.3 Leadership and Management have been strengthened through clarity on specific expected outcomes for learners. The County Council has refreshed its Adult Learning priorities and implementation of monitoring processes that effectively track progress against key performance indicators.

3.4 The Local Authority has produced a draft Quality Improvement Plan (Appendix B) and is planning its own Self-Assessment Report as part of this monitoring process. A cycle of monitoring visits to check progress against targets and timeframes in the Improvement Plan is now in place.

3.5 Key policies such as Safeguarding, Health and Safety, Prevent, and Equality and Diversity are being set by the Local Authority. Training support is being provided for Aspire. The Local Authority and Aspire have put in place processes that evidence that there is continuity between the Local Authority policy/practice and its Provider’s policy/practice.
3.6 Reporting and escalation procedures have been put in place between Aspire and the West Sussex Safeguarding Children Board and the Local Safeguarding Adults Board.

3.7 Venue security and safety will be reviewed and risk assessments carried out in accordance with West Sussex procedure where relevant.

3.8 The local authority is carrying out spot checks across its supply chain and reviewing venue security and key documentation such as DBS checks and Safeguarding logs as part of the monitoring procedure.

3.9 Ofsted conducted an initial reinspection monitoring visit in January 2016 (the full report can be found as Appendix A2). The County Council is using this alongside the original Ofsted report to inform the Improvement Plan and work alongside Aspire to address the areas of concern.

4. **Proposals for the future operation of the Adult Education service from September 2017**

4.1 The fourth year of the Adult Learning contract with Aspire comes to an end in August 2016. The Local Authority is in the process of confirming the continuation of this contract to August 2017.

4.2 It is not possible to extend the contract with Aspire automatically beyond this date. New EU procurement rules came into place in 2015 that dictate any contract with an annual value of more than £625k needs to be subject to an open tendering process. The value of the SFA contract is in the region of £3M.

4.3 It is therefore proposed that the Cabinet Member for Education and Skills will make a decision in April 2016 on the future arrangements for the provision of Adult Learning from September 2017.

4.4 The proposal is that the County Council conducts a procurement process for Adult Education. This option will allow the County Council to investigate how strong the provider market is and what appetite there is for the Adult Education contract.

5. **Alternative options considered**

5.1 A review of the alternative options and the associated strengths and weaknesses of these options can be found as Appendix C.

6 **Issues for consideration by the Select Committee**

6.1 The Committee is asked to consider the report and findings from the Ofsted inspection and the process in place to develop the final version of the West Sussex County Council Improvement Plan.
6.2 The Committee is also asked to consider the proposal that the County Council continues with the SFA funding agreement for Adult Education beyond 2017 and conducts procurement for the full contract value.

7 Consultation

7.1 Consultation will be conducted with potential providers and interested parties to help inform the procurement strategy prior to the commencement of any procurement process. The consultation will be in the form of soft market testing that will give us the opportunity to discuss our proposed approach with the market and amend if appropriate. We will also consult with other local authorities and SFA delivery partners to ensure that any lessons learnt from others can be incorporated into our contract.

8. Resource Implications and Value for Money

8.1 Resource Implications in relation to the different options considered for the future provision of adult learning can be found as Appendix C.

8.2 The proposal allows the County Council to access £3M SFA Adult Education funding for the benefit of local residents. The local authority will receive income from rental agreements with the Service Provider, Service Level Agreements and the management fee. Review of the management fee level will form part of the re procurement process to ensure that the management fee is sustainable to the Service Provider, is benchmarked against other organisation and fairly reflects County Council officer resources in the delivery of the contract.

8.3 Resource implications in relation to the actions set out in the draft quality improvement plan will be met within existing resources.

9 Risk Management Implications

9.1 Should the County Council not wish to continue with our current grant funding contract with the SFA (as outlined in alternative options), the SFA will decide whether to procure Adult Community Learning in West Sussex as they are bound by EU Procurement Regulations in the same way as the County Council. The proposal removes the risk of the SFA deciding not to seek a provider for Adult Community learning in West Sussex and ensures that SFA funding for Adult learning is available for local residents. It allows Aspire to bid while providing continuity of services in the meantime without destabilising the current workforce.

9.2 There is a reputational risk to the authority of having an Inadequate judgement in relation to Adult Education. The County Council is mitigating this by enacting its own improvement plan to address the areas identified as causing concern in addition to supporting Aspire with actions regarding Safeguarding, training and venue security.
10  Impact of the proposal

10.1 The proposal supports the continuation of Adult Community Learning in line with Future West Sussex aspirations for local residents.

11  Equality Duty.

11.1 A full Equality Impact Report (EIR) regarding the future provision of Adult Learning has not been completed at this time. The proposal is for the County Council to continue with the Skills Funding Agency funding agreement and conduct procurement for Adult Education. The procurement process would start in May 2016 in order to have a provider in place by September 2017. An EIR will be prepared to support the proposed decision and will take into account any issues identified by the Select Committee as appropriate.

12  Crime and Disorder Act Implications

12.1 There are no crime and disorder implication arising from this report.

13  Human Rights

13.1 This proposal will not affect the Council’s duties under the Human Rights Act.

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Appendices
Appendix A1 - Ofsted Inspection of local authority arrangements for Adult Education
Appendix A2 - First monitoring reinspection visit report
Appendix B – Draft Improvement Plan
Appendix C – Options Appraisal

Background Papers: None