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WANDSWORTH BOROUGH COUNCIL

EDUCATION AND CHILDREN'S SERVICES OVERVIEW AND SCRUTINY
COMMITTEE- 11TH FEBRUARY 2016

GENERAL PURPOSES COMMITTEE – 25TH FEBRUARY 2016

FINANCE AND CORPORATE RESOURCES COMMITTEE – 25TH FEBRUARY
2016

EXECUTIVE – 29th FEBRUARY 2015

Report by the Director of Children's Services on a Review of the Accredited
Training and Assessment Centre (ATAC)

SUMMARY

The Accredited Training and Assessment Centre (Queenstown) has been reviewed with the objective of appraising the service provided and the future potential for the service to become self-funding, in recognition of the unsustainability of providing this service otherwise in light of the current pressures on local government finances.

The review was carried out with the involvement of key stakeholders, including staff, service users and commissioners.

The report from the independent reviewer has now been received and identifies one viable option for the service, which is that the service should utilise the existing commissioning expertise within the Training and Development Team to commission accredited training as identified as required by the Children's Services Department . The adoption of this approach would have the benefits of removing the current subsidy paid by the DCS for the delivery of the courses, as well as providing greater flexibility in the range of courses that could be commissioned from the existing competitive market for these types of qualifications.

In addition, the competitive market place would mean that there is potential for further savings to be achieved as a consequence of effective procurement

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and ensure that the highest quality service at the most competitive price will be achieved.

The proposals, if approved, would lead to the deletion of five posts, with four members of staff directly affected and at risk of redundancy.

The current budgeted subsidy of this service amounts to £152,000 in a full year, this would be the minimum amount saved prior to any further savings being identified as a result of commissioning alternative training from within the existing competitive market.

The Director of Finance comments that the proposals in this report will require negative General Fund revenue budget variations of £105,000 in 2016/17 and £152,000 in 2017/18 and a full year. A review will be undertaken with the aim of delivering further savings from the commissioning of alternative training from the existing competitive market. Redundancy costs cannot be fully determined at this stage, however could be up to £128,000 depending on which, if any, members of staff are made redundant.

GLOSSARY

ATAC	-	Accredited Training and Assessment Centre
DESS	-	Department of Education and Social Services

RECOMMENDATIONS

1. The Education and Children's Services Overview and Scrutiny Committee are recommended to support the recommendations in paragraphs 3 (a) and (b) below and the Finance and Corporate Resources Overview and Scrutiny Committee are recommended to support the recommendation in paragraph 3 (c).
2. If the Overview and Scrutiny Committee approve any views, comments or recommendations on the report, these will be submitted to the Executive/General Purposes Committee for their consideration.
3. The Executive are recommended to approve;
 - a. The closure of the Accredited Training and Assessment Centre located at the Battersea Park Library with effect from 1st July 2016
 - b. A negative revenue General Fund budget variation of £105,000 in 2016/17 and £152,000 in a full year.

- c. That the premises used by the Accredited Training and Assessment Centre be declared surplus to the use of the Department of Children's Services and therefore be made available for disposal by the Assistant Director (Property).
4. The General Purposes Committee are recommended to approve the deletion of five posts that form the establishment of the Accredited Training and Assessment Centre, as set out in Table 1 below.

INTRODUCTION

5. The Accredited Training and Assessment Centre (ATAC) has been in existence, in one form or another, since the 1970s, providing training and qualifications across a range of subjects and learners, from unemployed young people originally through to early years training currently.
6. The service has been overseen by different departments and committees of the Council during its lifetime, including Children's Services, Leisure and Amenities and now with Children's Services. Since 2002 it has been located within the Battersea Park Library complex on Battersea Park Road (Queenstown).
7. The service was identified as requiring a review as a consequence of the creation of the Department of Education and Social Services in 2014 (Paper No. 14-322), which identified that the service was not self-funding and was being subsidised by a minimum of £140,000.

SCOPE OF THE REVIEW

8. The timing of the review was originally scheduled to take place in 2014 but was delayed as a consequence of a combination of changes in the management arrangements for the Training and Development Team following the establishment of the Department of Education and Social Services and the completion of a formal procurement process to appoint the independent reviewers. As a consequence the review was undertaken during the autumn of 2015.
9. The original review that established the Training and Development Team (Paper No. 14-322), identified that the ATAC service was not self-sustaining from a financial perspective and set out the basic need *"...to review the service in order to identify if additional incomes streams can be accessed, if ATAC can support the wider workforce of DESS going forward and explore alternative models, which balance the need to achieve value for money whilst maintaining high quality early year's provision and qualified staff in Wandsworth."*

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10. The final terms of reference for the review of the ATAC service are attached as Appendix 1. The terms of reference was written so as to ensure that the review was comprehensive, involving relevant stakeholders and, whilst clearly reflecting the financial circumstances of both the service and the Council, particularly from the perspective of delivering value for money, ensuring that the benefits derived from the service were clearly identified and reflected.
11. In recognition that;
 - training courses delivered by the ATAC service often run for more than twelve months, reflecting the depth of learning required in an accredited training course,
 - the outcome of the review could not be reliably predicted in advance, and
 - should the review not identify a financially sustainable business model for the future, recognising the financial circumstances faced by the Council, the service may not have a long term future

a decision was taken that courses, that could not be completed before the review was completed and reported to Committee, should not be commissioned, in order to protect the interests of both the prospective learners and the Council. It is acknowledged that this was frustrating for the ATAC service staff, as it curtailed the volume of training that could be offered and consequently impinged upon their ability to fulfil their professional roles however, on balance, it was considered that the protection of the interests of prospective learners and the Council in uncertain circumstances justified this unfortunate implication.

THE REVIEW AND ITS FINDINGS

12. The review addressed the context of where the ATAC service fitted within the Council's strategic objectives, as reflected within the Key Issues, as well as the broader demands of commissioners of accredited training, reflecting the requirements of Lifelong Learning both locally and in relation to the national agenda. In addition, the review clearly placed the ATAC service within the broader national and local context of policy, practice, demand, including the need for mandatory training as stipulated within the Department for Education Statutory Framework for the Early Years Foundation Stage published in 2014, and local market conditions.
13. In general terms, the review reflected that the ATAC service holds a good reputation with both learners and partners. However, within the last twelve months, the relationship between ATAC and the Lifelong Learning service, a key internal commissioner of services, has become more challenging as a direct consequence of the need for improvement identified and required

following an inspection by Ofsted in December 2014 (Paper No. 15-90). The ATAC service has responded positively to the requirement for improvements but, as a direct consequence of the Ofsted inspection, there is a risk that funding could be withheld as a consequence.

14. Notwithstanding the challenges identified above, the ATAC service is held in high regard by learners and by the accrediting body City and Guilds, recognising that the quality of tutoring and support offered to learners is high.
15. From a financial perspective, it is clear that the ATAC service has operated for some years with a deficit, with a significant proportion of the income generated from internal sources within the Council, such as Lifelong Learning, Post-Entry Training and Early Years. Deficits have regularly been in excess of £100,000 per annum and revenue expenditure pressures exist as a consequence of changes elsewhere within the Council, specifically, as a consequence of the history of the ATAC service being part of the Leisure Service, ATAC was not directly charged for rent or utility costs. However, now that the building occupied by the ATAC service is operated by the Library Service there is a need to reflect more accurately the operational costs of the ATAC service. To date this has been reflected in an allocation of utility costs with the likelihood that, in future, there would be a rental charge levied as well. It is clear therefore that the ATAC budget would, in the near future, come under pressure as a consequence of threats to income if performance was not deemed to be of a sufficient quality, and from a true reflection of the overheads relating to the service within the ATAC cost centre.
16. The accommodation utilised by the ATAC service, dedicated premises above the Battersea Library, are, at the same time, an advantage and a disadvantage to the service. Without doubt the premises are welcoming, well laid out and appropriate to the delivery of the service currently delivered, contributing to the positive feedback received from learners. However, the available space also limits the number of courses that can be offered, which within the context of a deficit budget mean that it would be difficult to expand the training provided without additional space, which in turn would clearly add further to the budget pressures.
17. The local market for children's workforce qualifications is competitive and the review indicates that, in the event that the ATAC service was not available, alternative providers would be able to absorb the demand arising as a consequence. There are six alternative accredited training and assessment centres within the local area, all of which have capacity to meet additional demand, in addition to which there are nine further local further education colleges offering accredited training for Early Years and Young People with capacity to meet further demand.

CONSULTATION DURING THE REVIEW

18. The review undertook consultation with stakeholders including staff, learners and commissioners of services, undertaking interviews, open consultation meetings utilising a consistent approach based around open questions in order to capture views and opinions. Learners were “overwhelmingly positive”, reflecting their personal experience of learning with the ATAC service. Commissioners recognised the commitment, experience and professionalism of the staff involved with the delivery of training but also expressed some reservations about the flexibility of the training offered by the service, which may be a reflection of the relatively small size of the ATAC service.

CONCLUSIONS, OPTIONS AND RECOMMENDATIONS

19. The review identified two options for the future of the service, reflecting a SWOT analysis of the strengths, weaknesses, opportunities and threats identified. The options identified were as follows;

- 1) Outsourcing the service, or
- 2) Integration into the existing Training and Development Team

In reality, these two options are all part of a single option, which is to outsource the provision of accredited training and close the ATAC service as it currently exists. The reasons for this are as follows;

- The opportunity for commissioners to take advantage of the competitive local market, including the potential for a broader, more flexible range of qualifications, without reducing the existing financial resources available for this purpose.
- The opportunity to locate training in a wider variety of locations, increasing the accessibility and convenience to local learners
- Improved value for money, generating a saving to the Council of approximately £150,000 per year whilst maintaining access to appropriate accredited training
- The potential integration of the ATAC staff into the Training and Development Team, as identified within Option 2, will take place automatically as part of the Council’s established redeployment process should Members approve the recommendations in paragraph 5 above.
- This would avoid the risk of increased budget pressures arising as a consequence of concerns about the performance of the ATAC service and/or accommodation and utility costs

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- It would mean that the accommodation currently utilised by the ATAC service could be declared surplus to the requirements of the Children's Services Department .
- It would mean that the existing five established posts of the ATAC service would be deleted, putting four members of staff at risk of redundancy as set out in Table 1 below.

Table 1 – Posts to be Deleted

Post Number	Job Title	Grade	Status	Full Time Equivalent
C2210	Accredited Training Manager	PO4	Occupied	1.0
L5010	Principal Training Officer	PO2-PO3	Occupied	1.0
C2212	School Support Training Officer	PO2-PO3	Occupied	1.0
C2211	NVQ & Business Supporting Manager	PO2-PO3	Vacant	1.0
LS225	Training Co-ordinator – ATAC	Scale 6	Occupied (0.43 fte)	1.0

TRANSITION ARRANGEMENTS

20. If the recommendations in paragraph 5 above are approved, there will be a minimum of a three month redeployment period from the date of the Executive decision, which would be sufficient to close the ATAC service and commission alternative provision for future learning requirements.

COMMENTS FROM THE DIRECTOR OF FINANCE

21. The ATAC currently operates as a net cost to the Council's General Fund. Income and expenditure is currently as follows:

	2014/15 Actuals £'000	2015/16 Budget £'000
Expenditure (excluding recharges)	199	252
Income	(63)	(100)
Net cost to the Council	137	152

22. The proposal to cease the ATAC service and instead procure training from the market will require negative General Fund revenue budget variations of £105,000 in 2016/17 and £152,000 in 2017/18 and a full year. A review

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will be undertaken with the aim of delivering further savings from the commissioning of alternative training from the existing competitive market.

23. Four of the five established posts are currently occupied and one off redundancy costs will be incurred if any of these staff are made redundant. Redundancy costs cannot be fully determined at this stage, however could be up to £128,000 depending on which, if any, members of staff are made redundant. Any redundancy costs will be met from existing service budgets where available, otherwise from the Service Transformation Reserve.

COMMENTS FROM ACTING HEAD OF HUMAN RESOURCES

24. If the proposals in this report are agreed, this will result in the deletion of 5.0 FTE posts (of which 3.43 fte posts are occupied) as detailed above in paragraph 21. The staff who are at risk of redundancy will be counselled in accordance with the Council's Redundancy and Redeployment agreement to ensure any redundancies are kept to a minimum. Staff consultation has taken place in accordance with the Council's Code of Practice for Managing Staffing Reorganisations.

STAFF CONSULTATION

25. Representatives of the trade unions formally recognised by the Council (GMB and UNISON) have been consulted on this report and any comments received from them will be reported to the Adult Care & Health OSC and the Education and Children's Services OSC.
26. The trade unions have been consulted and any comments received on the staffing aspects of this report will be reported to the General Purposes Committee. Staff are understandably concerned and upset about the recommendations of the review and this report. As part of the consultation with staff they have expressed a number of specific views as follows;

- They expressed concern about the delay in holding the review, as well as the impact this delay has had upon them as a staff group and the service they have been able to deliver as a consequence in the interim period.

The reasons for the delay have been addressed in paragraph 9 above, it is acknowledged that the delay was unfortunate and the impact upon staff as a consequence is regrettable, however the delay was the consequence of other external factors which could not have been anticipated in advance and were addressed as quickly as possible in the circumstances.

- Staff felt that more options for retaining the service should have been explored.

Whilst there are always further options that could be explored, the review had to reflect the current financial circumstances of local government in general and Wandsworth Council in particular, as was reflected within the Terms of Reference for the review, attached at Appendix 1.

- In particular, staff felt that there should have been a more detailed exploration of the costs of commissioning services from an alternative service provider.

The budgets for the commissioning of learning courses are held within other budgets of the Department of Education and Social Services, which will not be affected by the recommendations in this report. The review was of the ATAC service as a service provider and, unfortunately, the deficits arising from the shortfall between costs and income meant that the Council was subsidising the service provided. In future, if the recommendations are approved, the Department of Education and Social Services will need to undertake procurement of courses in the usual manner within a competitive market.

- Staff expressed a view that they hadn't realised that there was a possibility that the service could be closed if the service was not financially self-sufficient.

This is regrettable but the Terms of Reference, attached at Appendix 1, clearly referred to "ATAC had been operating on a subsidy and was supported by a significant contribution from the core departmental training budget of approximately £140,260 annually. The business case for the Council continuing to operate an in-house accredited training function therefore needed to be reviewed given the financial context and pressures facing the Council."

EQUALITY IMPACT ASSESSMENT

27. As part of the planning for the reorganisation detailed in this committee report an Equality Impact Assessment (EIA) has been undertaken to ensure that the changes proposed are not to the detriment of any group of staff who share a protected characteristic under the Equality Act 2010. The findings of this assessment are attached as Appendix 2.

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28. This EIA has found that the changes proposed have a disproportionately detrimental impact on a protected group of staff. The reason for this is the establishment of the ATAC service is five full time equivalents, with four posts filled, as a consequence of this the relative impact, represented as a percentage figure is significantly higher.
29. The proposed interventions to minimise the impact are that the staff affected would be subject to the established redeployment process of the Council, with the recognition that, in light of the imminent implementation of the Shared Staffing Arrangement, appropriate allowance will need to be made about the planned future posts available within whatever structures are agreed during the period of redeployment. The redeployment process will include opportunities for staff to receive support and training to assist them in finding suitable alternative employment.

CONCLUSION

30. On this basis, the only option identified, that meets the objectives of meeting demand for appropriate accredited training qualifications, whilst simultaneously maximising value for money for Wandsworth residents, is to close the ATAC service and to commission alternative services from the local market of accredited training providers.

The Town Hall,
Wandsworth,
SW18 2PU.

DAWN WARWICK
Director of Children's Services

3rd February 2016

Background papers

There are no background papers to this report.

All reports to Overview and Scrutiny Committees, regulatory and other committees, the Executive and the full Council can be viewed on the Council's website (www.wandsworth.gov.uk/moderngov) unless the report was published before May 2001, in which case the committee secretary (Rachel Williamson on 020 8871 7857; email: rwilliamson@wandsworth.gov.uk) can supply it if required.

Appendix 1

Wandsworth Borough Council
Department for Education and Social Services

**Terms of reference for a service review of the
Accredited Training and Assessment Centre (ATAC)
1st floor Battersea Park Library
Battersea Park Road, SW11 4NF**

Background:

In July 2014 Wandsworth Borough Council's Executive Committee considered and approved a recommendation passed forward from the Education and Children's Services Overview and Scrutiny Committee for a review to be carried out of the Accredited Training and Assessment Centre (ATAC) - a service initially set up within the Council in the late 1970s and located at this time within the Department of Education and Social Services (DESS).

A committee report on the creation of an integrated Workforce Development Team for DESS had recognised that whilst the range of accredited qualifications delivered by ATAC played an important role in ensuring that local employers, including the Council itself, had access to specific vocational qualifications needed to up-skill the children's and young people's workforce in Wandsworth, particularly within the borough's early years settings, ATAC had been operating on a subsidy and was supported by a significant contribution from the core departmental training budget of approximately £140,260 annually. The business case for the Council continuing to operate an in-house accredited training function therefore needed to be reviewed given the financial context and pressures facing the Council.

The review was consequently charged with identifying any additional income streams that could enable ATAC (hereafter referred to as "the service") to operate on a more sustainable and cost effective basis in future and with exploring alternative models which would balance the need to achieve value for money for the Council whilst maintaining high quality early years training provision and a sufficiency of qualified staff within the children and young people's workforce.

This review is being commissioned externally. The successful service contractor will be expected to produce a written report based on the stated terms of reference below which sets out a range of evidence based options and recommendations for the future of the ATAC service. This will be used for the purposes of reporting to the DESS Senior Management Team and to Council Members. A SWOT analysis approach to this exercise identifying strengths,

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weaknesses, opportunities, and threats will be the required method for data analysis and options appraisal.

The review is required to establish, examine and give due regard to the following considerations:

1. Any relevant factors pertaining to the long history of the service within the Council that impact upon the aims and objectives of this review
2. The financial context and challenges facing the Council
3. The service's staffing establishment and annual costs
4. The service's accommodation and annual costs
5. The likely impacts upon the service of losing rent-free accommodation at Battersea Park Library should this occur
6. Service activity data for the last 3 years - 2012/13, 2013/14, 2014/15 - including a breakdown of learners; sponsoring employers; results achieved; feedback and evaluations
7. The service's accreditation status with awarding bodies and the costs and undertakings entailed in maintaining this status
8. The range of qualifications which the service is currently capable of delivering
9. Relevant mandatory qualifications that are required by the children and young people's workforce linked to the exercise of the Council's statutory duties and responsibilities; and the level of estimated demand for take-up of these qualifications by the workforce over the next three years
10. Any new qualification programmes with a potential internal and/or external market which the service could expand its offer to include with minimal extra costs (e.g. any necessary investment in the further continuous professional development (CPD) of the staff team)
11. The service's schedule of charges for delivering existing qualification programmes (indicating if and where prices may be charged differently to internal and external customers)
12. Any comparator services in other local authorities against which the activity of the service could be compared or benchmarked
13. The availability and accessibility of the qualification programmes which the service delivers at alternative centres or institutions within reasonable

distance of Wandsworth; their comparative costs; and their capacity to absorb an increase in demand were the ATAC service to be decommissioned

14. The service's unique selling points that give rise to it having any competitive advantage over other accredited providers
15. Any additional income streams that could reduce the service's running costs with a view to achieving or approximating a break even position, inclusive of salaries
16. Any non-monetary value, advantage, or other benefit accruing to the Council from maintaining an in-house accredited assessment and training centre
17. Any emerging national or local developments (e.g. changing workforce development requirements) that could have an impact upon the considerations of this review
18. Any opportunities for the service to be used more creatively to support the development of the workforce in Wandsworth; the priorities of the DESS departmental business plan; and/or the Council's broader corporate objectives
19. Any scope to improve current levels of performance and productivity through introducing innovations to the service's marketing and business systems
20. Any scope or rationale for a fundamental 'change of use'
21. Identification of the likely or known impacts of decommissioning the service
22. The feasibility of the service operating on a full cost recovery model

Engagement and consultation with stakeholders, to include:

- Key members of the DESS Senior Management Team
- Accredited Training Manager and members of the ATAC staff team
- Training and Development Manager (Business, Strategy, and Wider Workforce), DESS Training and Development Service
- Early Years Workforce Development Officer, DESS Training and Development Service
- Sample of service commissioners/employers
- Sample of learners.

APPENDIX 2 - EQUALITY IMPACT ASSESSMENT

No.	Question	Yes/No	Comments
1.	Does the proposed change affect one group less favourably than another on the basis of:	Yes	See below
	<ul style="list-style-type: none"> Ethnicity 	Yes	43.4% of the DESS are White British whereas 50% of the ATAC staff affected are White British. 20.1% of the DESS are Black – Caribbean whereas 25% of the ATAC staff affected are Black – Caribbean. Similarly, 2.1% of the DESS staff affected are White Irish whereas 25% of the ATAC establishment are White Irish
	<ul style="list-style-type: none"> Gender 	No	21.4% of the DESS are male whereas 25% of the staff affected are male
	<ul style="list-style-type: none"> Religion or belief 	Information not held	
	<ul style="list-style-type: none"> Sexual orientation 	Information not held	
	<ul style="list-style-type: none"> Age 	Yes	24.6% of the DESS are aged 55+ whereas 100% of the staff affected are 55+
	<ul style="list-style-type: none"> Disability 	Yes	8.7% of the DESS are recorded as having a disability whereas 25% of the staff affected are recorded as having a disability.
2.	What is the less favourable effect?		The proportion of the staff affected in the majority of the categories identified above is higher than the comparative proportion employed within the DESS.
3.	If you have identified potential discrimination or less favourable treatment, are there valid, legal and/or justifiable explanations for this?	Yes	Primarily, the reasons for these differences is as a consequence of this being a small team of staff, 4 in total, meaning that for each member of staff affected they represent 25% of the total staff affected. However, the proposal recommended in this report is the only viable option identified by the independent reviewer.

4.	What alternative options have been considered to minimise the negative impact on these groups of staff (e.g. alternatives to compulsory redundancy such as reduced hours, voluntary redundancy etc)?		Staff will be supported by their managers and HR throughout the process. For example group or 1-2-1 training on interview skills etc. will be provided as appropriate. Opportunities for redeployment will be explored fully.
5.	How does any selection criterion being used ensure equality for all groups?		All existing staff are affected equally and no selection criteria has been used.
6.	What assistance is being provided to ensure all staff are equipped for the selection process?		Not applicable, see comment 5. Above
7.	What alternatives are there to achieving the change guidance without the impact?		None, the proposals have been subject to detailed consultation with staff & trade unions..

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