

## **Cabinet – 13th December 2017**

### **The Future of Walsall Adult and Community College**

**Portfolio:** Councillor Nawaz, Children's Services & Education

**Related portfolios:** Councillor Jeavons, Regeneration

**Service:** Children's Services

**Wards:** N/A

**Key decision:** Yes

**Forward plan:** Yes

#### **1. Summary**

- 1.1 A report regarding the future of WACC was presented to Cabinet on 18<sup>th</sup> May 2017.
- 1.2 That report outlined why the Council and Walsall Adult Community College (WACC) need to review and amend the business relationship between themselves in order for Walsall Council to remain compliant with the Education Skills Funding Agency's (ESFA) regulations. If Walsall Council does not comply with ESFA funding regulations by 31<sup>st</sup> March 2018 then the ESFA will withdraw all Walsall Council funding that is paid over to WACC. It is ESFA funding that supports the community learning activity delivered in Walsall by WACC.
- 1.3 The previous report recommended that Cabinet approve that WACC merges with another Education Skills Funding Agency (ESFA) grant funded organisation which is not the Council, namely Walsall College and that the Council request that the ESFA novate the Adult Education contract to Walsall College with whom WACC has merged.

The Cabinet meeting held on 18<sup>th</sup> May 2017 approved this recommendation.

This would ensure that the Council become compliant with ESFA regulations and that Walsall borough residents remained able to access community learning opportunities.

- 1.4 The Cabinet meeting of 18<sup>th</sup> May 2017 also approved the other recommendations that:
  - any pension deficit, and any other costs relating to the transfer of WACC to the new body is fully funded from WACC's reserves.

- the operation currently carried out by Walsall Adult and Community College continues until the final Cabinet decision is made.
- a merger proposal report is presented to Cabinet, and the report identifies:
  - the contracts, staff, and assets of Walsall Adult and Community College be transferred to the identified ESFA grant funded organisation, namely Walsall College
  - WACC cash reserves to be returned to the Council
  - how the Council continues to ensure ESFA investment in the Borough grows and that adult skills provision meets Walsall residents current and future needs
  - a merger plan for WACC with the College and, the novation of the ESFA contract - completion by 31 March 2018
  - a memorandum of understanding setting out the Council's ambition and expectation for the delivery and provision of adult education within the Borough.

This report before Cabinet today is that merger proposal report. It advises and makes recommendations on the merger proposal issues as identified above that will ensure that WACC formally merges with Walsall College and that investment in adult and community learning provision for Walsall residents is protected through this arrangement.

## **2. Recommendations**

2.1 That Cabinet approve the merger of WACC and Walsall College.

2.2 That Cabinet approve this merger proposal report which identifies:

- the Operational Plan for the merger of WACC/Walsall College
- the Adult Community Learning principles that will ensure effective Adult and Community Learning (ACL) provision in Walsall.
- that WACC staff will transfer to Walsall College
- that the WACC cash reserves should transfer to Walsall College to settle pension, redundancy and business plan delivery costs.
- that the ESFA funding contracts are novated to Walsall College

2.3 & 2.4 Subject to consideration of the confidential information in the private session of the agenda, Cabinet will be recommended to approve the terms agreed with Walsall College relating to the property implications of the merger proposal

2.5 That Cabinet approve the operation which is currently carried out by WACC, continues until the merger with Walsall College is completed on 31st March 2018.

## **3. Report detail**

### **Context**

- 3.1 Walsall Adult and Community College (WACC) was formed in 2010 with the amalgamation of the College of Continuing Education and Walsall Community College.

Over the past two years, WACC has been working towards becoming an independent college, during which time it has become more commercial and resilient, introducing new structures to enable it to progress.

- 3.2 On 17 December 2014 Cabinet approved that by 1 August 2015 Walsall Adult and Community College become a separate legal entity; a company limited by guarantee with charitable status that is a wholly owned subsidiary of the Council.

This was only partially achieved on 1<sup>st</sup> August 2015, as the company established could not secure charitable status as the charities commission deemed that as a wholly owned subsidiary of the Council, it was “too close” to the Council. Subsequently WACC was granted charitable status by HMRC for tax purposes.

Once the new legal entity was established, it was originally intended that WACC would then completely spin out from the Council by 31 July 2017 and become wholly independent when the following conditions could be met:

- The transfer of the skills funding contracts has been confirmed
- The financial position of WACC is secure
- The pension arrangements for staff have been secured

- 3.3 The reason a full spin out of WACC from Council control could not be achieved on 1<sup>st</sup> August 2015 is because the ESFA, WACC’s main source of funding, would not fund a new organisation that had not acquired an independent financial track record. Thus, the Council remained the contracting party with the ESFA and has utilised the ‘Teckal’ exemption which is now codified in regulation 12 of the Public Contracts Regulations 2015 (that the Council had the same control over WACC as it did over its Departments) to pass the funding to WACC. The Teckal Exemption means that the Council is not required to undertake a compliant procurement under the Public Contracts Regulations 2015 to purchase the services which WACC provide with the ESFA grant monies.

- 3.4 In July 2016 the ESFA issued new funding guidance for the academic year 2016/17 that included updated guidance for subcontracting. In the new guidance subcontractors are now defined as:

“A separate legal entity that has an agreement with you to deliver any element of the education and training we fund, or which is funded through Advanced Learner Loans. A separate legal entity includes companies in your group, other associated companies and sole traders. It also includes individuals who are self-employed or supplied by an employment agency, unless those individuals are working under your direction and control, in the same way as your own employees.”

- 3.5 WACC meets the criteria for “a separate legal entity”. The Council is the contracting body for funding from the ESFA and transfers the funding to WACC by way of a funding agreement using the Teckal exemption. Therefore, under the

new guidance there is a subcontracting relationship between WACC and the Council.

- 3.6 On 1 September 2016 the ESFA confirmed to the Council that the funding arrangement between the Council and WACC did constitute subcontracting under the new guidance and that the Council had to change its relationship with WACC to ensure that the Council operates within the funding rules for subcontracting, or to cease the subcontracting arrangement.

The ESFA have stated that WACC and Walsall Council must be compliant with ESFA funding guidance by 31<sup>st</sup> March 2018 otherwise they will withdraw the contract. They have requested that Walsall Council submit detailed plans that confirm how a resolution will be put in place. The Cabinet decision of 18<sup>th</sup> May 2017 formed the detail of the plans that were submitted by the Council to the ESFA. The ESFA accepted those plans.

- 3.7 The Council cannot novate the ESFA grant. Only the ESFA can novate grants to other ESFA grant funded bodies, which are either a further education establishment incorporated under the Further and Higher Education Act 1992 or a Local Authority. This means that the Council cannot transfer the ESFA grant to WACC Any Council led transfer of the funding contract would need to be via an open procurement process rather than agreement between the Education Skills Funding Agency, the Council and WACC as originally expected.

- 3.8 In October 2016 four possible options were identified to ensure that the Council operated in a way compliant with the funding rules. These options were:

1. WACC spins out completely from the Council and bids for funding directly from the ESFA in an open procurement process. The Council would then commission its services for Adult Education through an open procurement process and WACC would bid for contracts alongside other interested providers.
2. A formal subcontracting arrangement that is compliant with the funding rules is put in place between the Council and WACC. The responsibility for delivering adult education remains with the Council.
3. The subsidiary company, WACC, returns to be a Council in-house service. The responsibility for delivering adult education remains with the Council.
4. WACC merges with another ESFA grant funded organisation which is not the Council. The ESFA then novate the Adult Education contract to the organisation with whom WACC have merged.

At the Cabinet meeting on 18<sup>th</sup> May 2017 a full appraisal of the options was presented, as developed by the Council and WACC. Cabinet approved the recommendation that WACC merges with another ESFA grant funded organisation which is not the Council, namely Walsall College and that the Council request that the ESFA then novate the Adult Education contract to Walsall College with whom WACC has merged.

Cabinet also approved that:

- a merger proposal report is presented to Cabinet and the report identifies:
  - the contracts, staff, and assets of Walsall Adult and Community College be transferred to the identified SFA grant funded organisation, namely Walsall College
  - WACC cash reserves to be returned to the Council
  - how the Council continues to ensure SFA investment in the Borough grows and that adult skills provision meets Walsall residents current and future needs
  - a merger plan for WACC with the College and, the novation of the SFA contract - completion by 31 March 2018
  - a memorandum of understanding setting out the Council's ambition and expectation for the delivery and provision of adult education within the Borough.
- any pension deficit, and any other costs relating to the transfer of WACC to the new body is fully funded from WACC's reserves.
- that the operation currently carried out by Walsall Adult and Community College continues until the final Cabinet decision is made.

3.9 In summary, these Cabinet decisions required two key actions entailing the development of the following:

- an Operational plan – the proposal of how WACC could leave Council control and formally join Walsall College and how the unique nature of WACC learning provision would continue into the future.
- an Adult and Community Learning Plan – exploring how Walsall Council and the boroughs key providers (i.e. WACC and Walsall College), especially in light of the emerging West Midlands Combined Authority agenda, will seek to ensure that Walsall adult and community learning provision meets the current and future needs of Walsall residents.

Completion of these two key actions form the merger proposal report which is required to be presented to Cabinet for final decision.

## **Background to Recommendation**

3.10 Both WACC and Walsall College Boards acknowledged the need for the development of a formal merger proposal which details:

- Operational Plan – developed in partnership with WACC and Walsall College with each having equal input. Both organisations boards must agree this operational plan before it is presented for final decision to Walsall Cabinet in December 2017.
- Adult and Community Learning Plan – Walsall Council is the author, with WACC and Walsall College being major contributors.

- 3.11 Before beginning to develop a formal merger proposal both WACC and Walsall College Boards/SMT clearly stated their positions regarding the potential merger as being:

Walsall Council/WACC position - WACC is in a very strong position. It was recently graded by Ofsted as a “Good” provider, has a sound financial plan and has a skilled and committed staff team. It has a well-respected profile in the Walsall community with a community based delivery model which enables it to engage with Walsall residents who wouldn’t engage in more traditional models of learning and skills provision.

Whilst WACC is in a strong position, it is recognised that some flexibility would be required to ensure an effective and efficient joining with Walsall College. Key WACC Board/SMT issues for discussion/resolution relevant to joining Walsall College are:

- WACC delivery model
  - Out-reach and Community venues
  - Responsive operational model over traditional FE model – business development opportunities
- Learner engagement
  - WACC vs Walsall College community profile
  - Adult vs predominately 16 – 19 yr olds
  - Increased ESFA expenditure on Walsall residents.
- Governance structure of joined entity
  - WACC management structure – adult and community learning lead on Walsall College board

Walsall College position - Walsall College are in a strong position operationally, financially and strategically. The board and SMT recognise the development opportunities a formal joining of WACC and Walsall College could bring – both for them as an organisation and also for the wider learning and skills agenda within Walsall, the Black Country and the West Midlands Combined Authority area. They are especially interested in how a joined entity could leverage further learning and skills investment into Walsall.

Walsall College Board/SMT recognise that WACC’s delivery model is quite different to their own and that this will present both challenges and opportunities. They are committed to working closely with Walsall Council/WACC in developing a viable Operational Plan and Adult and Community Learning Plan and will invest their own resources to do so. They emphasise that agreement of the Operational Plan will be a joint decision between Walsall Council/WACC and Walsall College and that if agreement cannot be reached then Walsall College would not be seen as “scuppering the deal”.

Key Walsall College issues for early discussion/resolution:

- Operational plan
  - Opportunities for growth
  - Improve provision – WACC and Walsall College
- Property

- Main campus and community delivery venues –current/future agreements
- Council building/asset development strategy - new build
- Finances
  - Pensions – use of WACC reserves to settle liabilities
  - Working capital/cash flow to align expenditure with funding cycle
- Structure
  - WACC Ltd transfers as an entire entity vs dissolution

3.12 Both WACC and Walsall College agree that a merger of the two organisations, providing satisfactory resolution to their identified positions as above, can be achieved.

3.13 To arrive at a joint position and to develop the merger proposal report required to be presented to Cabinet, within the timescales required (May to November 2017), two key management groups were established:

1. Project board - Strategic oversight and direction.
2. Project Steering group - Operational development

External specialists, Haynes Associates, provided overall project management and support to Walsall Council to lead upon the development of the merger proposal report.

### **Project Board**

3.14 The focus of the Project Board was to provide strategic oversight, set the direction of operational plan and to set and maintain “the tone” of the work required to develop the operational plan. The project board was Chaired by Simon Neilson – Walsall Council Executive Director and attended by the Chairs and CEO/Principles of WACC and Walsall College.

The Project Board agreed that the overriding focus of the operational plan would be the development of the best option for Walsall, ensuring that the range of training and learning opportunities available across the borough met current needs and provides the best model for future delivery and maximises investment potential for the benefit of Walsall residents.

Whilst the Project Board recognised the potential a joint WACC and Walsall College entity could bring to Walsall, the board was clear that during the process no assumptions be made regarding how this might happen.

WACC and Walsall College are well known in Walsall, the Black Country and beyond and because of this both learners and funders alike are attracted to both organisations. The project board recognised that it is essential that the merger proposal report ensures that the profile of both organisations continues to be recognised.

3.15 Throughout the development of the merger proposal report Walsall Council, WACC and Walsall College have been committed to working together to exploring the best option for Walsall. The project board all agreed that the merger proposal report is an exciting opportunity for Walsall and they have ensured

throughout its development that the needs of learners, staff and wider partners are addressed.

### **Project Steering Group**

3.16 The focus of the Project Steering Group has been the operational development and production of the merger proposal report. The steering group was chaired by Haynes Associates, and attended by both WACC and Walsall College SMT.

The group worked together to identify the key issues, key information requirements, develop solutions and to secure the respective buy-in and required decisions of both WACC and Walsall College boards, prior to the presentation of the merger proposal report to Cabinet.

The Project Steering Group established and managed a series of sub-groups which developed the detail required in the merger proposal report. These sub-groups were led by members of the steering group and involved key operational staff and specialists from across WACC, Walsall Council, Walsall College and external advisors.

The sub-groups developed by the project steering group were based around key themes and issues required to develop the merger proposal report that could be agreed by both the WACC and Walsall College boards before it was presented to Cabinet for final decision.

Sub-groups were formed and focused upon key areas outlined below:

- Finance – Governance - Legal structure/transfer
- Human Resources
- Property, Facilities Management and Health & Safety
- Curriculum/Learners - MIS / Data – Business Development
- Comms – internal and external

### **WACC and Walsall College merger proposal report**

3.17 The merger proposal is presented in two sections:

1. Operational Plan – The project board and steering group contributed to the development of this plan. It is presented based upon details already agreed by the WACC Board and Walsall College Board.
2. Adult and Community Learning Plan – this is presented by Walsall Council and the project board and steering group as a set of principles for adult and community learning.

### **Operational Plan**

3.18 After the 18<sup>th</sup> May 2017 Cabinet decision to approve that WACC merges with Walsall College, the Walsall College Board established key criteria for such a merger:



- operationally cost neutral based upon current volumes;
- for the Council to address the pension deficit before merger;
- sufficient working capital to avoid a requirement for cash flow support from the College.

The Operational Plan proposed below achieves these criteria for Walsall College.

- 3.19 On or before 31<sup>st</sup> March 2018 Walsall College will purchase the assets of Walsall assets, (including cash) brand, all staff and novation of all contracts with regard the ongoing operations of WACC. Subsequently Walsall Council will deal with the dissolution of WACC Ltd legal entity. The Councils current ESFA funding will be transferred to Walsall College by the ESFA

WACC will form a new Cluster in the College's existing operational structure and continue to operate under the WACC brand but with recognition of its inclusion into Walsall College.

The WACC brand is integral to the ongoing success in engaging harder to reach groups into learning. It is proposed that the brand would continue to be used in a substantive way after acquisition and in perpetuity.

Walsall College Board have agreed to create two new board positions that would champion adult and community learning. The existing WACC board would cease once the WACC Ltd entity is dissolved.

- 3.20 Both WACC and Walsall College are well aligned in terms of geographical overlap, complementary curriculums and economies of scale.
- 3.21 With the prospect of devolution of the adult education budget to the West Midlands Combined Authority, the long-term outlook for adult funding is uncertain. By increasing Walsall College's scale and impact locally, this should strengthen the College's position to bid for this funding in future. And the principles outlined in the Adult Community Learning Plan provide the basis upon which both the College and Walsall Council can work together to better secure future funding for skills and education.

WACC, due to its size, is coming under increasing pressure to remain viable considering the requirement for compliance, regulation, management and back office functions. This follows closely with the Area Review objectives to ensure colleges are of sufficient size to be financially stable and robust. Merger with Walsall College can quickly deliver economies of scale to WACC's operations, freeing up more resource for learning programmes and therefore delivering better value for money for the Borough of Walsall and its resident learners and increased scale to the College itself (with circa 4,000 new students and £4m of funding)

Where WACC and Walsall College curriculums do overlap there is the opportunity to again achieve some economy of scale and good practice delivery from across both organisations.

Whilst WACC is currently graded "Good" by Ofsted, its merger with Walsall College will not affect Walsall Colleges "Outstanding" grade. Once merged,

former WACC provision would be included in any future inspection of Walsall College.

Walsall College's current Ofsted grade is "Outstanding". WACCs recent Ofsted grade reduced from "Outstanding" to "Good" was largely driven by WACC's apprenticeship provision. Walsall College are confident that they could quickly integrate this provision and return it to an "Outstanding" level.

WACC learners are primarily below Level 2. A joining of both WACC and Walsall College can offer a more harmonious student journey, especially for those WACC learners that want to progress further at Level 2 or beyond. Through being one organisation, this transition can be better managed with the aim of learners going further and reducing the impact of transitioning from one college to another, which may be a barrier for some.

WACC is a good community based provider, as graded by Ofsted and it is imperative that this remains the case, focusing specifically on community based provision. Walsall College is an outstanding vocational provider and it is similarly clear that it should continue to support vocational and employer responsive provision. The brand and identity of both organisations must remain.

Appendix 1 details the current 2017/18 WACC offer - Learning to Learn – Work Ready – Job Ready.

3.22 The current 2017/18 academic year curriculum delivered by WACC will not change. Learner outcomes and experience will not be negatively affected by the merger of WACC with Walsall College. Learners will transfer from the Walsall Council UKPRN to Walsall College UKPRN at the point of transfer. This is essentially an administrative issue relating to ESFA management of funding and learning provider performance.

WACC and Walsall College learners are already aware that WACC is seeking a merger with Walsall College. Should a merger be approved then responsive communication plans will continue to be delivered as the merger process progresses.

Within adult and community learning and further education provision, the January to March period is when curriculum and business planning takes place for the next academic year. For the 2018/19 academic year WACC and Walsall College SMT have already begun initial high-level work looking at both colleges' offer. Should Cabinet approve the joining of WACC and Walsall College then both organisations Boards have agreed that in January to March 2018 both colleges will work together in planning the 2018/19 curriculum. Whilst this is prior to a formal joining it will ensure the most efficient viable delivery model is developed to deliver a high-quality experience for both colleges' learners and the best overall offer for the residents of Walsall within the funding available.

3.23 Some WACC provision is through sub-contracting. All learning delivery sub-contracts valid at the point of transfer will be novated to Walsall College, with existing sub-contractor terms and conditions remaining unchanged.

Over the last year WACC has deliberately wound down all sub-contracted provision. This reduction, whilst presenting challenging relationships at times with sub-contractors, has been driven by a need to closely manage and maintain quality and consistency across learning programmes and funding reductions.

WACC will continue to review sub-contracted provision until it merges with Walsall College. Once merged Walsall College will continue this review and may in the future make changes to WACC sub-contracted provision as is required to maintain quality and viability across learning provision and to protect learner outcomes and experience.

## **TUPE**

- 3.24 At the point of merger, on or before 31<sup>st</sup> March 2018, all WACC staff will transfer to Walsall College. WACC staff will be subject to protection under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE). The numbers of staff currently employed by WACC (Nov 2017), who would be liable for transfer are 150. Of these, 58 are full-time, 44 are sessional with no fixed contract hours and 48 are part time. Overall this equates to 88.19 full time equivalent posts (FTE), excluding sessional staff.

Should Cabinet approve the merger, then as the merger implementation progresses (Jan to Mar 2018) a detailed implementation plan will be drawn up which will include an appropriate pooling of staff in the same or similar roles across both Walsall College and WACC staff. There will be some duplication of roles and also efficiencies of scale that once realised provide the financial savings that significantly contribute to the viability of the merged WACC/Walsall College business model.

The structure of the joined entity may be changed and developed as part of Walsall Colleges normal business planning and design process. If there were to be changes then this would be done at the end of the academic year (July/August 2018) with the structure being determined by business needs for the 2018/19 academic year.

## **Premises**

- 3.25 WACC operates across circa 35 sites in Walsall. The majority of these sites are operated on short term or informal agreements with no long-term liability for WACC, but the provision takes place in buildings where the Council may retain a freehold interest for example at sites where Community Associations operate. These sites are important to the WACC delivery model as they are mainly community venues/hubs that enable WACC to reach key vulnerable groups of learners. Once merged with Walsall College, WACC intends to continue using a range of community venues for delivery as long as the funding and delivery model remains viable to do so.
- 3.26 The two main sites WACC operates from are the Whitehall Centre and the Hawbush Centre of which the Hawbush Centre hosts significantly the most provision. Both of these properties are Council owned assets. The Whitehall Centre is occupied under the terms of a draft lease which has not been completed. The proposed terms of occupation were a lease of 5 years expiring in

July 2020 It is currently envisaged that delivery may be withdrawn from this centre within that timeframe if the curriculum planning being undertaken by the two organisation identifies there are more suitable or alternative delivery locations. To enable the Council and the College to manage this interim situation is it proposed that the College enter into a form of agreement to occupy the Whitehall Centre; on terms that take account of the potential short-term nature but that enable the Council to manage the asset effectively in future.

- 3.27 The Hawbush Centre is WACC's main operational base including management and office functions. As with the Whitehall Centre, WACC occupies under the terms of a draft lease that has not been completed, for a term of 5 years expiring in July 2020. The Hawbush Centre forms part of the former Forest Comprehensive School, with the majority of the site being occupied by the Forest Arts Centre- a Council operated and funded service- the exception being two large rooms within the Forest Arts Centre presently let to WACC under a separate occupancy agreement
- 3.28 A short-term lease arrangement is not acceptable to Walsall College as they want to be in a position to assure themselves that current and future WACC learners have a longstanding physical place at which to study, and a long-term arrangement for the Hawbush site ensures this. There is also the risk that a short-term lease could be seen as a short-term plan for WACC, leading to perceptions that the Council was prepared to close down WACC. The lease has to be a long-term lease to assure the WACC community. Walsall College have outlined that a short-term lease does not fit with their asset management or financial planning and modelling. The Hawbush site requires a new building project to bring community focussed delivery within a modern and learning supportive building such as that enjoyed by existing Walsall College students. Security of a long-term tenure on the Hawbush site enables Walsall College to pursue development options.
- 3.29 In order to support Walsall College's aim to secure the long term future of WACC within a modern setting, it is proposed that the whole of the former Forest Comprehensive School site, which currently accommodates both WACC and Forest Arts Centre, as shown edged in black on plan number EPMS4177/4, is leased to Walsall College. The terms for this lease are subject to consideration of confidential information in the private session of the agenda.

### **Financial Viability**

- 3.36 A key risk identified in the 18<sup>th</sup> May 2017 Cabinet paper, was that a financially viable operational model could not be agreed between Walsall College and the Council.
- 3.37 Walsall College have undertaken extensive financial modelling to assess the impact of WACC's business plan and restructuring costs in the 2017/18 financial year and have worked closely with WACC SMT to develop a viable business plan.
- 3.38 A viable business model has been developed by WACC and Walsall College, within the remit of the recommendations approved by the Cabinet previously on 18<sup>th</sup> May 2017:

- WACC Reserves –The WACC board have approved the investment of WACC cash reserves to settle pension liabilities, merger/redundancy costs and fund WACC’s operational business development plans.
  - Council as WACC landlord – agreement has been reached with Walsall College regarding the long-term occupation of the Hawbush site and novation of the existing Whitehall lease.
  - ESFA – the ESFA have agreed (subject to Cabinet approval) to novate all Council held contracts relating to WACC delivery to Walsall College.
- 3.39 WACC and Walsall College have developed projections forward into 2018/19 and 2019/20 and these show that WACC merging with Walsall College remains broadly financially neutral. This is primarily achieved through investment of WACC reserves, economies of scale and forecasted moderate growth reflecting the strong demand from learners.
- 3.40 Should Cabinet approve the merger then detailed curriculum and operational planning for the 2018/19 academic year will be conducted jointly by both WACC and Walsall College from January 2018 onwards. Through this process further economies and efficiencies may be found.
- 3.41 Should Cabinet approve the merger then Walsall College will conduct external due diligence ensuring that the report they have developed, to which WACC/Walsall College SMT both contributed in detail recommending a merger, presents an accurate representation of WACC’s operations and finances along with their associated risks. This external due diligence will additionally examine the business plan assumptions to ensure they are deemed reasonable and achievable.
- 3.42 Walsall College Board have reviewed the operational plan of a joined WACC and Walsall College and have given “in principle” approval to a merger of the two organisations. The decision is subject to a satisfactory outcome of the external due diligence and agreement on estates matters with the Council.
- 3.43 WACC’s board have agreed the operational plan as outlined in this paper and a merger with Walsall College.

### **If Cabinet do not approve the Operational Plan**

- 3.44 Should Cabinet not approve the Operational plan as presented in this paper, then there is only one other option that could be achieved within the timescales to ensure Council compliance by the ESFA deadline of 31<sup>st</sup> March 2018 – this would be the merger of WACC and Walsall Council.

Under this option the company, Walsall Adult and Community College Ltd, would be dissolved and its staff, assets and contracts would transfer to the Council under TUPE.

WACC would become a Council service and the responsibility for delivering adult education would remain with the Council. There would be no sub-contracting relationship between the Council and WACC.

There could be potential benefits to the Council in being able to maximise the return on the Apprenticeship Levy as WACC has experience of delivering apprenticeships and maintaining an influence over the delivery of adult skills provision in Walsall.

WACC could also make some savings to business running costs that would no longer be duplicated and VAT which is currently irrecoverable would be recoverable.

WACC's current 5-year business plan forecasts needing to draw on its reserves to remain viable. Based on current forecasts it is anticipated that WACC will have cash reserves in the region of £1.5 million at the point of transfer. These reserves would be required to meet dissolution and transfer costs and settle any pension deficit required, any balance of the reserves then transferring to the Council.

- 3.45 Since the establishment of the subsidiary WACC Teckal company in August 2015 WACC has performed well, both in terms of learner outcomes and financially. This has also been recognised by the recent October 2016 Ofsted Inspection.

This level of performance has been chiefly as a result of the operational benefits brought about through independence. These benefits were recognised in the December 2014 Cabinet paper, upon which the original decision to establish the subsidiary WACC company was based.

- 3.46 The change in the ESFA's sub-contracting rules has resulted in the need for the Council and WACC to review and amend the business relationship between them.

What has not changed are the conditions required for WACC to deliver effective and sustainable adult skills provision. The current adult skills market remains an increasingly challenging environment, both in terms of securing funding and also in achieving positive learner outcomes.

It is more than 2 years since the Council launched WACC and its 5-year business plan as the best model for adult skills provision in Walsall. WACC's performance to date demonstrates the validity of that decision.

As a Council service WACC would lose the operational freedoms and flexibilities required of a modern learning provider. This may threaten the operational and financial viability of WACC.

The following are also pertinent and would need to be considered should WACC and the Council merge:

- Operationally WACC would have to serve two different stakeholders (ESFA as the funder and the Council as the managing body) which dilutes the resource that is available to learners in the classroom.
- It would reduce the speed with which WACC could respond to opportunities/needs due to operating within the restrictive and procedural environment of local authority operational structures.

- As a Local Authority department WACC would be limited in the funding sources it could access, reducing investment in Walsall adult skills provision and affecting the financial viability of WACC.
- The Council would need to have independent processes in place for the monitoring and checking of the quality of WACC's delivery and data returns. This could necessitate additional investment for the Council in systems and staff resources, thereby diverting funds away from front line Council services.
- Even if this option was selected as a temporary holding position then WACC would have to remain stationary with little or no ability to expand or secure new investment. The severely restricted ability to secure investment is a significant risk as this could encourage adult funds to be directed away from Walsall into larger more innovative and flexible authorities. This would have a negative impact for learners and financially; both almost immediately and in the future.
- The Council spent resources establishing WACC and less than 2 years later would be repeating similar levels of expenditure in absorbing WACC back into the Council.
- There is a reputational risk to the Council both externally with key partners and stakeholders and internally with learners, staff and residents regarding its ability to understand and operate the best model required meet adult skills provision in Walsall.

3.47 The ESFA have set a hard deadline of 31<sup>st</sup> March 2018 by which Walsall Council must be compliant with ESFA funding rules.

If Walsall Council is not compliant by that date, then the ESFA will terminate its funding contracts with the Council. The ESFA will then, at its discretion, allocate the funding to other providers with the likelihood that Walsall residents would lose out on investment in adult and community learning.

The loss of the ESFA funding to the Council would see it have no income to sustain WACC delivery and the Council, as the sole owner of WACC, could either fund all WACC's activities from its own resources or wind WACC up. The costs of either of these options would quickly exhaust the WACC reserves and require further expenditure by the Council. WACC learners could have their learning severely disrupted and there would also be significant reputational damage for WACC and the Council. Whilst WACC, Walsall Council, Walsall College and the ESFA see it as being extremely unlikely that such a scenario would occur, it is only proper that it is highlighted to Cabinet at this point.

### **The Adult and Community Learning Plan – ACLP**

3.48 The Adult and Community Learning Plan (ACLP) delivers upon the other recommendations agreed by Cabinet on 18<sup>th</sup> May 2017, namely:

- how the Council continues to ensure SFA investment in the Borough grows and that adult skills provision meets Walsall residents current and future needs

- a memorandum of understanding setting out the Council's ambition and expectation for the delivery and provision of adult education within the Borough

3.49 Commissioned by Walsall Council, the purpose of the ACLP work is to provide a clear rationale and set of working principles upon which WACC and Walsall College, can join forces and provide coherent learning opportunities for the residents of Walsall – both now and into the future.

The development and consultation work undertaken in developing the ACLP involved looking at the background and context of skills and lifelong learning and exploring the:

- National picture
  - The future of skills and lifelong learning
  - Funding of skills and lifelong learning
- Local picture
  - The West Midlands Combined Authority
  - The Black Country LEP
  - Walsall Council
  - Walsall Council Children's Services and Education
  - Walsall College
  - WACC

3.50 Both WACC and Walsall College were significant contributors to ACLP activity and the result has been the establishment of a number of high-level principles upon which Walsall College and WACC are coming together and will deliver effective Adult and Community Learning (ACL) provision in Walsall.

The activity emerging from the ACLP work seeks to establish how Walsall Council will work in partnership with relevant partners to ensure that Adult and Community Learning (ACL) provision meets the needs of the boroughs residents.

ACL provision focuses upon the engagement of non-traditional and reluctant learners and the need to increase funds for ACL provision in Walsall is clear. The value of effective ACL provision is nationally recognised and central government continue to make substantial sums of public money available for this provision. The current national skills deficit is widely publicised and so are the social and economic consequences of this for individuals, communities and the nation.

3.51 The strategic joining of Walsall College and WACC provides opportunities to further capitalise on the excellent ACL and wider learning activity already going on across the borough:

**For WACC - Continued delivery of strong WACC provision in a sustainable model:**

- 'first step' (Level 2 and below) learning opportunities for Walsall residents who would not normally consider or do not have the pre-requisite learning to access more formal education



- clear progression routes for learners who, having gained confidence through their ACL experience, transition smoothly and with support into higher level learning
- a “continuum of learning” is offered in Walsall, using the particular and specialist expertise present in both WACC and Walsall College, for young people with Special Educational Needs (SEND) and Education Care and Health Plans (EHCPs) – achieving positive delivery, outcome and financial impacts.
- community learning providers engage with the Combined Authority as a ‘single voice’ – exerting greater influence in discussions on skills and non-statutory education

**For Walsall College – Positioning the College as Walsall’s premier post 16 provider:**

- an increase in the opportunities for Walsall College to deliver its community strategy
- progression routes for WACC learners are strengthened with continuation of learning for those who may not traditionally see College as an option and so potentially increase student numbers and income
- community learning providers engaging with the Combined Authority as a ‘single voice’ – exerting greater influence in discussions on skills and non-statutory education

**For Walsall Council – Championing the addressing of learner needs, ensuring that**

- Walsall residents benefit from the maximum possible investment in skills, particularly those who are currently furthest away from economic independence.

3.52 Walsall Council, Walsall College and WACC are developing “an agreed way forward” as to how the Council and the new joined entity Walsall College/WACC will work together. The aim will be to ensure that ACL provision in Walsall grows to meet the needs of the borough’s residents and that there is a coordinated approach to influencing discussions on skills and non-statutory education, especially with key commissioners such as the West Midlands Combined Authority.

**4. Council Priorities**

4.1 This report and its recommendations directly supports Corporate Plan priorities:

- **Pursue inclusive economic growth:** Walsall people will have appropriate skills and access to jobs so economic benefits are felt in each of our communities; and
- **Make a positive difference to the lives of Walsall people:** Increasing independence and improving healthy lifestyles so all can positively contribute to their communities.

- 4.2 The recommendations will best ensure learning opportunities for Walsall residents across all of our communities continues at least at the current levels and will help protect Walsall funding from being diverted elsewhere. The recommendations will also best ensure that the social mobility and economic wellbeing of Walsall residents will be enhanced through the provision of quality education and training.
- 4.3 The recommendations also protect provision for high needs learners within Walsall and ensure that there is provision for some of those whose needs cannot be met by other educational institutions within Walsall and are therefore funded out of borough.
- 4.4 The recommendations would continue to support the Council with community cohesion amongst existing and new communities, through the continuation of WACC's provision of courses to increase English language skills to support people to obtain and maintain employment.
- 4.5 The recommendations would enable the Council to continue to reach communities through the continued operation of a community based learning delivery model.

## **5. Risk management**

Risk identified:

- 5.1 That a financially viable operational model cannot be agreed between Walsall College and the Council.

Mitigation of these risks will be managed through:

- the strategic investment of WACC reserves,
  - the Council's role as WACC landlord
  - the relationship and influence WACC, the Council and Walsall College have with the ESFA.
- 5.2 The risk of not taking any action is that the Council will be considered to be in breach of funding rules and the ESFA will cancel the current funding contract. WACC would then be unable to continue to operate and the provision of adult education in Walsall would be greatly depleted.
  - 5.3 The risks to the Council of taking the recommended course of action are identified as being:
    - by relinquishing the ESFA adult education grant the Council will cease to have direct control over the development of the service which the grant has been used to fund to date

- the Council will have less control over the current and future investment that is required to meet the needs of adults in Walsall.

#### 5.4 Mitigation of these risks will be managed through:

- the establishment of the Adult and Community Learning Plan and principles for Walsall that outlines the current and future investment required to meet learners needs.
- Walsall Council will develop a Skills Plan for Walsall to influence the ESFA, learning providers active in the Borough and the emerging agenda of the Combined Authority.
- 2 positions will be made available on the Walsall College Board to champion adult and community learning.

## 6. Financial implications

6.1 The Council hold contracts which are used to support WACC activity. Should WACC merge with Walsall College, then at the point of merger these contracts will need to be novated to Walsall College.

6.2 The Council will request that the ESFA novate all contracts applicable to WACC delivery as at 31 March 2018 from the authority to Walsall College. At the time of writing this report the contracts that were in force are:

Funding Stream	UKPRN	Contract Ref	Annual Value
EFA 16-19 Allocation	10007318	111355	£404,188
16-18 Apprenticeships	10007318	16AP-4636	£40,510
Adult Apprenticeships	10007318	AAPP-1233	£29,240
16-18 Non Levy Apprenticeships	10007318	16NL-1865	£5,934
Adult Non Levy Apprenticeships	10007318	ANL-1912	£4,485
Adult Education Budget	10007318	AEC-1793	£3,125,051
Advanced Learner Loan Facility	10007318	ALLF-3918	£72,713

6.3 WACC currently hold other funding contracts and will request that the contracting body novate these contracts to Walsall College at the point of transfer, at the time of writing this report these were:

Awarding Body	Lead Partner	Title	Contract Ref	Duration	Total value	Estimated remaining value as at 31/3/18

WMBC - Working Together	Accord Housing	City Deal	WACC 2017/18	1/5/2017 to 31/10/2018	£235k	£92k
Big Lottery Fund	Heart of England	Community Matters	n/a	Oct 2016- Dec 2019	£260k	£139k
Big Lottery Fund	Steps to Work	Building Better Opportunities	n/a	Jan 2017- Dec 2019	£277k	£163k
Big Lottery Fund	Walsall Housing Group	Click Start	n/a	July 2016- Dec 2019	£219k	£77k

6.4 The Cabinet have previously approved that “any pension deficit, and any other costs relating to the transfer of WACC to the new body is fully funded from WACC’s reserves.” (Cabinet meeting 18<sup>th</sup> May 2017).

6.5 The direct costs of the merger of WACC with Walsall College are shown in the table below. The costs represented identify the costs of merger with Walsall College:

Financial Due Diligence	-£42,000
Legal Due Diligence	-£19,000
Bank Approval*	-£10,000
Pension Fund Approval*	-£10,000
Hawbush Centre Building Survey*	-£4,000
Redundancy Costs*	-£223,000
Legal Support in Acquisition	-£50,000
<b>Total</b>	<b>-£358,000</b>
WACC Business Plan Costs (2017/18)*	-£553,000
Pension Liability Incurred*	-£611,000
Reserves Cash Balance Transferred*	£1,502,000
Net Asset (to Walsall Council)	
Liability (to Walsall College)	-£20,000

\*estimate

6.6 Costs have not been assessed for the time involved in implementing the merger of WACC for either Walsall Council, WACC or Walsall College staff.

6.7 At the 18<sup>th</sup> May 2017 Cabinet meeting Cabinet agreed the recommendation that any costs relating to the transfer of WACC to the new body are fully funded from WACC’s reserves. Responsibility for the designation of WACC reserves lies with

the WACC Board. As can be seen from the above table, there will be no return to the Council from WACC reserves.

6.8 In the direct merger costs identified above in paragraph 6.5 costs are focused in 3 main areas:

- Pension Liability - The Council agreed upon the creation of WACC as a separate company to retain any pension deficit with the authority at the point of spin out. Since that point, due to changes in the global economic climate and actuarial assumptions, the pension deficit has increased, which is borne by WACC as a standalone entity. WACC's current pension deficit based on the West Midlands Pension fund valuation as at the time of writing is £0.611 million. To avoid any further financial detriment to the authority or to Walsall College when WACC merges the pension deficit relating to the transfer of WACC to Walsall College should be paid off from WACC's reserves.
- WACC Business Plan Costs (2017/18) – These are the costs associated with the delivery of the WACC business plan and would be incurred regardless of whether WACC merged with Walsall College or continued to operate in its current standalone model. They reflect the tough operating environment for WACC and are to ensure future financial viability. WACC requires the efficiencies which can only be achieved through merging with Walsall College (another ESFA grant funded organisation which is also a learning and skills provider).
- Redundancy Costs – As highlighted earlier in this paper, there will be some duplication of roles. Once these duplications have been removed from within both WACC and Walsall College, along with other efficiencies of scale, they provide the financial savings that significantly contribute to the viability of the merged WACC/Walsall College business model.

6.9 If WACC does not merge with Walsall College but merges with the Council, then of the merger costs identified above the only cost which would be saved would be the redundancy costs.

6.10 WACC merging with the Council or dissolution of WACC - pension liability costs would not change and would need to be settled from WACC reserves.

6.11 As identified in this paper and the paper presented on 18<sup>th</sup> May 2017, a key factor to WACC's future viability is its ability to operate freely as a learning provider and to access better economies of scale.

A merger with the Council would see WACC lose both those opportunities, and the WACC Business Plan Costs figure would be likely to rise this financial year and for future years, quickly exhausting WACC reserves and requiring investment direct from Council funds and diverting resources away from front line services.

6.12 The Council currently supply WACC with a range of charged for support services e.g. payroll, cleaning/caretaking and other generic support functions. After merger Walsall College may decide to source such services from suppliers other than the Council.

- 6.13 Council officer time and external specialist support (i.e. legal costs) will be required to oversee and complete the merger of WACC with Walsall College and the subsequent dissolution of WACC.
- 6.14 The strategic fit, values and aspirations of WACC and Walsall College will work well together. Walsall College will need to understand and assess the risks it takes on in taking over WACC and it is doing this via externally conducted due diligence. Whilst Walsall College is a financially strong College, the ongoing financial challenges for the sector remain significant and in line with those identified in the original business case to spin WACC out from the Council to protect the Council's core functions from the financial risks in the education sector.
- 6.15 The financial implications of the proposed lease terms will be considered in private session.

## **7. Legal implications**

- 7.1 Further work will be undertaken to ensure that the Council appropriately manage any legal related risks associated with the recommendations set out in this report.
- 7.2 It is important that WACC complies diligently with any legal obligations arising out of a TUPE transfer of its staff to Walsall College.
- 7.3 For the merger of WACC and Walsall College to take place Walsall College needs to formally take over the staff, assets and liabilities of WACC from Walsall Council.
- 7.4 A commercial transfer agreement (CTA) which contains these appropriate details will need to be prepared and completed between WACC and Walsall College.

When WACC spun out as an independent entity established on 1<sup>st</sup> August 2015, a CTA was entered into by the Council and WACC and a new CTA will be developed for this transfer of WACC to Walsall College, which will cover:

- Assets (excluding land and buildings);
- Student records;
- Transferring contracts (whether such contracts are specific to WACC or a contract made by Walsall Council covering other council services/departments as well as WACC)
- Employees, pensions and the staffing information that is required under TUPE;
- Other rights and liabilities.

- 7.6 The legal implications of the proposed lease terms will be considered in private session.

## **8. Procurement Implications/Social Value**

- 8.1 Further work will be undertaken to ensure that the Council appropriately manage any procurement related risks associated with the recommendations set out in

this report. Advice will be sought from the Council's Legal and Procurement Services to ensure that such matters are appropriately addressed.

## **9 Property implications**

- 9.1 The two main sites WACC operates from are the Whitehall Centre and the Hawbush Centre of which the Hawbush Centre hosts significantly the most provision. Both of these properties are Council owned assets.
- 9.2 The Whitehall Centre is occupied under the terms of a draft lease. The proposed terms of occupation were a lease of 5 years expiring in July 2020. It is proposed that the College enter into a form of agreement to occupy the Whitehall Centre; terms that takes account of the potential short-term nature but that enables the Council to manage the asset effectively moving forward.
- 9.3 The Hawbush Centre is WACC's main operational base including management and office functions. As with Whitehall Centre, WACC occupies for a term of 5 years expiring in July 2020. The Hawbush Centre forms part of the former Forest Comprehensive School, with the majority of the site being occupied by the Forest Arts Centre- a Council operated and funded service- the exception being two large rooms within Forest Arts Centre presently let, under a separate agreement, between Forest Arts Centre and WACC
- 9.4 It is proposed that the whole of the former Forest Comprehensive School site, which currently accommodates both WACC and Forest Arts Centre, as shown edged in black on plan number EPMS4177/4, is leased to Walsall College. The terms of this proposed lease will be considered in private session.

## **10. Health and wellbeing implications**

- 10.1 By WACC continuing to deliver its services via the new body, this will ensure continued support for learners in Walsall to progress, thereby increasing their sense of worth through achievement and reduce their dependence on state benefits in the longer term.
- 10.2 In 2015/16 over 65% of learners progressed to further study, and over 12% of learners secured paid employment.
- 10.3 Many learners also increase their understanding of healthy lifestyles through their learning programmes and the advice and support received through WACC.
- 10.4 WACC is mindful that some staff, learners and other stakeholders may have concerns about the impact of moving into another organisation. WACC, Walsall College and the Council have developed a Communications strategy to ensure that all stakeholders are kept informed of the progress and implications for them.

## **11. Staffing implications**

- 11.1 At the point of transfer, staff employed by WACC will transfer to Walsall College. The Transfer of Undertakings (Protection of Employment) Regulations 2006 will apply to these staff. Full consultation will be held with staff affected by WACC.
- 11.2 With an effective date of 31<sup>st</sup> March 2018 there would be sufficient time to conduct a full and proper consultation if a final decision is made by Cabinet on 13<sup>th</sup> December 2017. The TUPE consultation period would then begin on Monday 8<sup>th</sup> January 2018.
- 11.3 The numbers of staff currently employed by WACC (July 2017), who would be liable for transfer are 143 staff plus 10 vacant posts. Of these, 48 are sessional with no fixed contract hours. There are 45 other staff who are part time, working an average of 22.5 hours per week. Overall this equates to 105.8 full time equivalent posts (FTE).
- 11.4 WACC operates two pension schemes for staff; the Teachers' Pension Scheme and the West Midlands Pension Scheme. There are 35 staff who are members of the Teachers' Pension Scheme (excluding sessional staff) and 27 members of the Local Government Pension Scheme. Walsall College also operate these schemes, so the pension position for College staff should be able to be maintained.

During the implementation planning and TUPE phase (Jan to Mar 2018) a pooling of staff in the same or similar roles across both Walsall College and WACC staff teams will take place. Only the removal of duplicated and surplus roles will happen at the point of transfer. The number of roles that could be affected cannot be identified until the staff consultation process is concluded

## **12. Equality implications**

- 12.1 Walsall College has outlined that it intends to keep both the WACC brand/identity through which it will continue WACC's focus upon directly supporting inclusion by targeting its learning programmes and support services to the most disadvantaged individuals and groups locally, including those with protected characteristics as defined by the Equality Act 2010.
- 12.2 Many of WACC's learning programmes are designed to address worklessness and to reduce the number of local people who are not accessing education, employment or training. WACC also offers a wide range of community provision both directly and through ESF funded projects that encourages those who are not yet ready to access mainstream programmes to attend a local 'first-step' course. The 2018/19 curriculum offer currently being developed and jointly planned by WACC and Walsall College details how the merged entity would continue this work. The principles established in the ACLP also underpin this commitment.
- 12.3 The existing community based delivery model of WACC provision is to be continued should WACC merge with Walsall College. This will ensure that adult and community learning activity continues to be delivered in the heart of communities and in venues which do not present a barrier themselves to residents accessing learning opportunities.



### 13. Consultation

- 13.1 If Cabinet approves the proposal, formal consultation will be undertaken with the staff who are employed by WACC and trade unions.

#### Background papers

18<sup>th</sup> May 2017 Cabinet Report 'The Future of Walsall Adult Community College'

#### Author

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Simon Neilson  
Executive Director  
8 December 2017

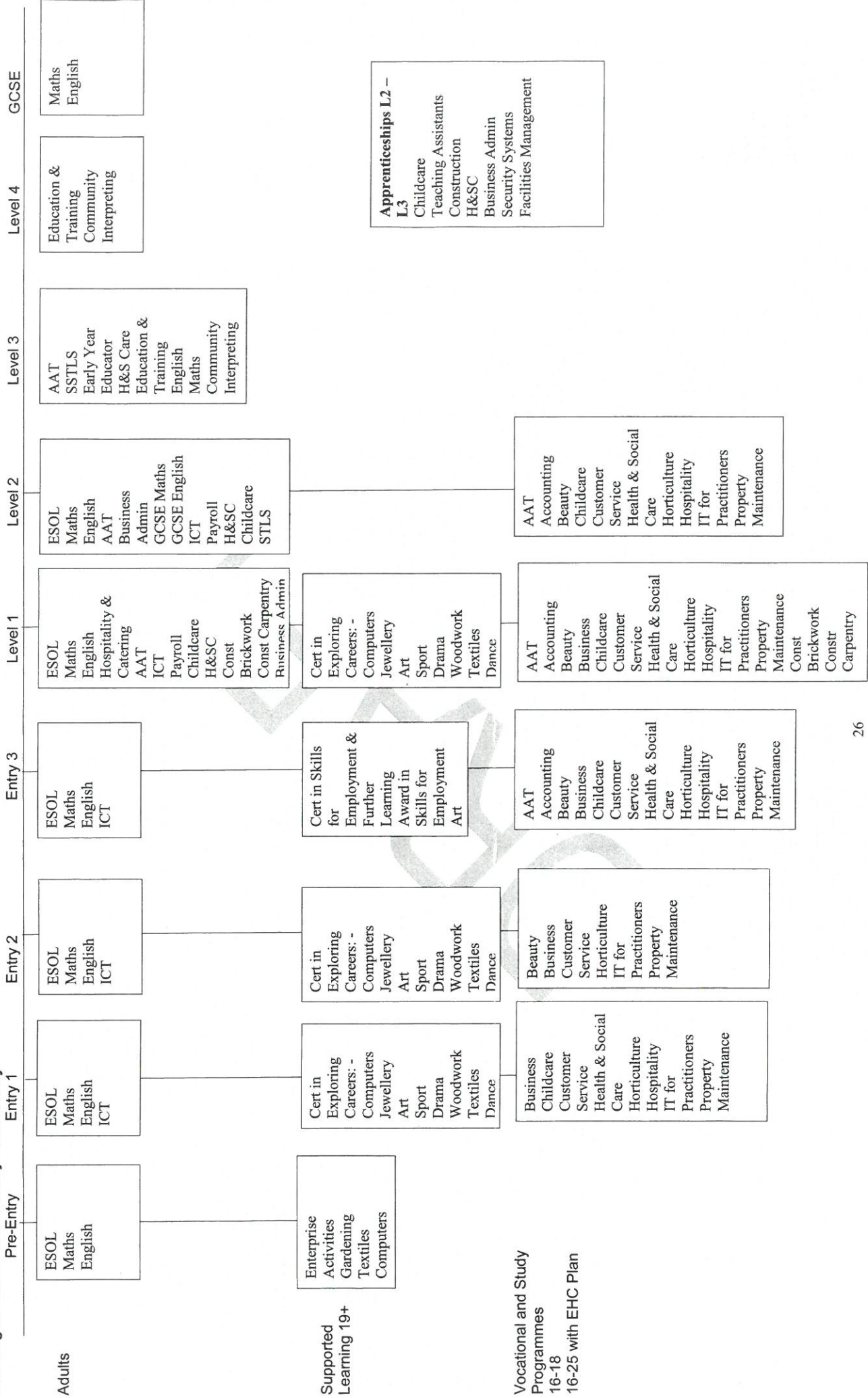


Councillor A Nawaz  
Portfolio Holder  
8 December 2017



**Appendix 1 - WALSALL OFFER (WACC)**

**Learning to Learn – Work Ready – Job Ready**



Community Offer:-

Examples: Arts & Crafts, Computing, Textiles, Flower Arranging, Horticulture, Nail Art, Threading, English and Maths, ICT, Family Learning, First Aid, Drugs and Alcohol Awareness  
Community learning courses are the first steps of the learner's journey, learning to learn, which builds confidence in order for the learner to progress on to non-accredited programmes to gain skills and knowledge, accredited programmes to support academic ability and to gain vocational qualifications in order to gain sustainable employment, join a career path or progress on to higher level further education or HE qualifications.

Many of the courses that WACC deliver are delivered in the community as well as our own s

LEARNER



Walsall Council



ASSET  
MANAGEMENT  
Civic Centre  
Walsall  
WS1 1TP  
Tel: 01922 652094,  
Fax: 01922 636150

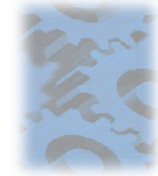
SITE ADDRESS:  
HAWBUSH CENTRE

DRAWING NO: EPMS 4177/4  
DATE : 05/12/2017  
DRAWN BY : KCL



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## Equality Impact Assessment (EqIA) for policies, procedures and services.

Guidance document to be used with this form:

Equality Impact Assessment (EqIA) for policies, procedures and services guidance.

	Date proposal first worked on	18/05/17
	Date proposal completed	12/12/17
Proposal name	The Future of Walsall Adult and Community College	
Directorate	Children's Services & Education	
Service	Children's Services	
Responsible Officer	Simon Neilson - Executive Director: Economy & Environment <a href="mailto:Simon.Neilson@walsall.gov.uk">Simon.Neilson@walsall.gov.uk</a> - Tel: 01922 652004	

1	What is the purpose of the proposal?	Yes / No	New / revision
	Policy	No	
	Procedure	No	
	Internal service	No	
	External service	No	
	Other - give detail	Yes	New
<p>To approve the joining of WACC and Walsall College which will bring Walsall Council in line with Education Skills Funding Agency (ESFA) funding rules and ensure £3.7m of adult and community learning provision funding remains within Walsall providing learning opportunities for Walsall residents.</p>			

**2 What are the intended outcomes, reasons for change, who it is intended to benefit and how the proposal can impact on equality groups?**

The intended outcome is to allow Walsall Adult Community College (WACC) to formally join Walsall College. Political approval is required to approve the formal joining, the transfer of assets and lease of Council property at less than best consideration.

The reason for change is to bring Walsall Council inline with Education Skills Funding Agency (ESFA) funding rules and to politically approve the formally joining of WACC and Walsall College.

The intended beneficiaries are:-

- Residents of Walsall
- People who travel to Walsall for education/learning
- People who work in Walsall
- People who operate, or want to operate, businesses in Walsall.

The proposal can impact on equality groups by ensuring that appropriate adult and community learning opportunities and facilities are continued to be provided in Walsall. Many of WACC's learning programmes are designed to address worklessness and to reduce the number of local people who are not accessing education, employment or training. Once joined with Walsall College, WACC will continue to deliver activity which will focus upon directly supporting inclusion by targeting its learning programmes and support services to the most disadvantaged individuals and groups locally, including those with protected characteristics as defined by the Equality Act 2010.

**3 Summarise your business case, engagement and consultation.**

The business case for political approval to allow Walsall Adult Community College (WACC) to formally join Walsall College is required to bring Walsall Council in line with Education Skills Funding Agency (ESFA) funding rules. Such approval will safeguard £3.7m of ESFA funding for adult and community learning provision within Walsall.

Engagement and consultation was undertaken as part of the development of the WACC and Walsall College joining proposal, with much of this activity resulting in the development of an Adult and Community Learning Plan (ACLP) for Walsall.

Consultation and engagement activities included:-

- Holding consultation and information events with WACC and Walsall College learners;



- Consulting with and engaging WACC and Walsall College staff in the development of the joining proposal;
- Using external specialists to develop proposal plans and engage with local, sub-regional, regional and national agencies and their learning and skills agendas;
- Making documents and proposals available to key partners and jointly developing the final proposal;

There were no equality impacting issues raised in any of the consultations.

**4 How does the proposal help to eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act?**

The existing community based delivery model of WACC provision will be continued should WACC join with Walsall College. This will ensure that adult and community learning activity continues to be delivered in the heart of communities and in venues which do not present a barrier themselves to residents accessing learning opportunities.

**5 How does the proposal help to advance equality of opportunity between people who share a protected characteristic and people who do not share it;**

Walsall College has outlined that it intends to keep both the WACC brand/identity through which it will continue WACC's focus upon directly supporting inclusion by targeting its learning programmes and support services to the most disadvantaged individuals and groups locally, including those with protected characteristics as defined by the Equality Act 2010.

Many of WACC's learning programmes are designed to address worklessness and to reduce the number of local people who are not accessing education, employment or training. WACC also offers a wide range of community provision both directly and through ESF funded projects that encourages those who are not yet ready to access mainstream programmes to attend a local 'first-step' course. The 2018/19 curriculum offer currently being developed and jointly planned by WACC and Walsall College details how the merged entity would continue this work. The principles established in the ACLP also underpin this commitment.

The existing community based delivery model of WACC provision is to be continued should WACC merge with Walsall College. This will ensure that adult and community learning activity continues to be delivered in the heart of communities and in venues which do not present a barrier themselves to residents accessing learning opportunities.



**6 How does the proposal help to foster good relations between people who share a protected characteristic and people who do not share it.**

Walsall College has outlined that it intends to keep both the WACC brand/identity through which it will continue WACC's focus upon directly supporting inclusion by targeting its learning programmes and support services to the most disadvantaged individuals and groups locally, including those with protected characteristics as defined by the Equality Act 2010.

Many of WACC's learning programmes are designed to address worklessness and to reduce the number of local people who are not accessing education, employment or training. WACC also offers a wide range of community provision both directly and thorough ESF funded projects that encourages those who are not yet ready to access mainstream programmes to attend a local 'first-step' course. The 2018/19 curriculum offer currently being developed and jointly planned by WACC and Walsall College details how the merged entity would continue this work. The principles established in the ACLP also underpin this commitment.

The existing community based delivery model of WACC provision is to be continued should WACC merge with Walsall College. This will ensure that adult and community learning activity continues to be delivered in the heart of communities and in venues which do not present a barrier themselves to residents accessing learning opportunities.

**7 Does your proposal impact on any other service that jointly could have a severe impact on particular equality groups? If yes, give details** Yes / No

No

<b>8 What justifiable action does the evidence, engagement and consultation suggest you take?</b>		<b>Yes / No</b>
A	No major change required	Yes
B	Adjustments needed to remove barriers or to better promote equality	No
C	Continue despite possible adverse impact	No
D	Stop and rethink your proposal	No

**Action and monitoring plan**

Ref	Date	Action	Responsibility	Timescale	Outcome
1	18/05/17	Works similar to the EqIA have been undertaken as part of the cabinet paper development identifying Walsall College as the proposed WACC merger partner.	Children's Services & Education	By 18/05/17	Completed
2	12/09/17	Works similar to the EqIA have been undertaken as part of the development of the Walsall Adult and Community Learning Plan.	External consultant Haynes Associates / GKA	By 12/09/17	Completed
3	13/12/17	Works similar to the EqIA have been undertaken as part of the cabinet paper which forms the WACC/Walsall College merger proposal.	Children's Services & Education	By 13/12/17	Completed