

Item No.	Classification Open	Date: 22 August 2017	Meeting Name: Cabinet Member for Business, Culture and Social Regeneration
Report title:		Adult learning service - setting fees and charges for the period August 2017 to July 2018	
Ward(s) or groups affected:		All	
From:		Lead Officer, Secondary & Further Education, Employment & Inclusion	

RECOMMENDATIONS

1. That the Cabinet Member for Business, Culture and Social Regeneration approves the retention of the childcare fees for academic year 2017/18 at the same level as for academic year 2016/17.
2. That the Cabinet Member for Business, Culture and Social Regeneration approves the retention of the standard adult learning fees and charges of £4.00 per hour and concessionary fees of £2.00 per hour in academic year 2017/18.
3. That the Cabinet Member for Business, Culture and Social Regeneration notes that the implementation date for all recommendations is 1 August 2017 (start of academic year 2017/18).

BACKGROUND INFORMATION

4. The medium term resources strategy (MTRS) and the corporate income policy require that:
 - *Fees and charges are increased to a level, at a minimum, that is equal to the most appropriate London average (e.g. inner London, family, groupings etc.) except where this conflicts with council policy, would lead to adverse revenue implications or would impact adversely on vulnerable clients*
 - *Income generation is maximised by seeking income streams in line with council policies and priorities.*
 - *All fees and charges capped by statute are increased to the maximum level the cap allows.*
5. Only where it can be demonstrated that adverse financial implications might arise or where increases are not considered realistic due to demand and local circumstances, can fees or charges increases be set at a lower level than that set by the MTRS.
6. The council's constitution requires that all fees and charges increases are agreed by the relevant cabinet member through an IDM report. An IDM report is also required where no increase or a reduction in fees and charges is proposed.

KEY ISSUES FOR CONSIDERATION

7. Fees and charges are those charges where there is a schedule of rates for services provided. There are various types, namely mandatory and discretionary, that is, where the authority must charge or where there is a choice of charging or not. Whether mandatory or discretionary, the charges will be either:
 - *Fixed* – where the level of charges is set by statute and the authority has no discretion.
 - *Capped* – where a maximum level is set, generally by statute and so charges cannot be set above this level, or
 - *Flexible* – where there is full discretion for the level of charges to be set
8. Where the authority has a choice about charging, any decision not to charge must be agreed by the relevant cabinet member. This will be reviewed annually and will be considered within the context of the overall budget position.
9. This report seeks approval for fees and charges for which there is discretion or where fees are capped.
10. In arriving at the proposed fees and charge levels, consideration has been given to a number of factors, including volume assumptions, market forces and sensitivity i.e. the impact that increases will have on its customers' ability to pay and the take-up of services. Another factor taken into account is that, whilst Southwark may have discretion over the level of fees set, in many cases, this is on a cost recovery basis or must have due regard to the cost of service and be reasonable. The cost of service provision has therefore, also been a consideration in arriving at the proposed fees.

PROPOSED FEES FOR 2017/18

11. There are no statutory fees and charges within the adult learning service.
12. The Adult Learning Service continues to maintain a stable financial position. The service also meets the Skills Funding Agency and Ofsted quality standards. It currently holds an Ofsted rating of Good. At the last Ofsted inspection it was judged to be Good overall with several areas of good practice including excellent value for money being identified.
13. It is recommended that the 2016/17 standard fee rate of £4.00 per hour and the concessionary fee rate of £2.00 per hour are both retained in 2017/18. This will keep the adult learning courses accessible and affordable for the most disadvantaged residents. The SFA subsidises the provision. There is no financial cost to LBS.
14. It is recommended that the 2016/17 childcare fees of £6.00 per hour is retained for 2017/18. The childcare provision is integral to the Adult Learning Service.

Table 1: Childcare fees benchmarking

Provider	£ Per hour	£ Per week
Smart Kids-Peckham	6.50	215
Crystal Nursery Ltd. Southwark	6.50	250
Catch Them Young-OKR	4.50	190
Thomas Calton	6.00	240
Average	5.80	234

15. London benchmarking data suggests that fee structures may have local differences. Benchmarking has been carried out with like-for-like courses, and the data, where available, are shown in table 2

Table 2: Adult learning service benchmarking information 2016/17

Provider	Standard fee (£ per hour)	Concessionary fee (£ per hour)
Southwark adult learning service	4.00	2.00
Lewisham adult learning	4.50	2.25
Bromley adult learning	4.00 (long courses) 4.82 (short courses)	3.14
Ealing adult learning	4.20	£20 per course
Harrow adult learning	4.00	2.00
Morley College	7.64	6.11
Redbridge Institute for community and adult learning	4.50	2.40

Resource Implications

16. The adult learning service is funded by the Education and Skills Funding Agency (ESFA). Costs are expected to remain at similar levels to the previous academic year with approximately 80% of eligible learners paying no fees due to their circumstances or the course they are taking. The SFA subsidises these courses.
17. For the remaining 20% there is a need to maintain affordability in order to sustain the number of learners. This ensures ongoing funding from the SFA as the grant received is linked to achieving a target number of learners each year.
18. This report proposes retaining all adult learning fees in 2017/18 levels to ensure income levels are maintained and to keep fees in line with the London average. This is expected to continue to generate an annual income of approximately £141,000 from fees and charges.

Community impact statement

19. One of the key considerations in arriving at the recommendations is that any increases will have an adverse impact on learners' ability to pay and therefore potentially render the courses harder to access and afford, for those residents who need them. Concessionary fees apply for those who need them most. This includes: residents on means tested benefits including Job Seekers Allowance, working tax credit and council tax benefit. There is no adverse equalities impact arising from the report's recommendation.

20. There would, however, be an adverse impact on the most disadvantaged residents, if the concessionary fees and charges were recommended to be increased. This would also lead to fewer residents being able to access learning and not be in keeping with the council's fairer future for all promise.

Consultation / Notification of fee increases

21. Consultation is not required on the above fees and charges. However, formal notification of price levels is required. Once approved, notification of fee levels will be published through the appropriate channels including the course guide (prospectus/brochure) and the council website.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy (SB)

22. The Cabinet Member for Business, Culture and Social Regeneration is asked to approve the recommendations of this report. The recommendations will take effect on 1 August 2017, if approved.
23. Section 93(1) of The Local Government Act 2003 enables the Council to charge for providing discretionary services. The power in the Act is subject to the requirement that the authority is not prevented from charging for the services elsewhere in legislation. The Director of Legal Services is not aware of any specific legislative provision which would prevent the Council relying on these powers to charge.
24. The power to charge for a service under the Act is also subject to the duty to make sure that taking one financial year with another, the income from charges made from a service does not exceed the cost of the provision of the service.
25. The Council is, therefore allowed to set the level of the charge for each discretionary service that it thinks fit and considers reasonable, subject to those charges not exceeding the costs of the provision.
26. The report confirms that there is no legal duty to undertake consultation on the proposed fees and charges but that appropriate notification will be given. Officers should ensure that all forms of notification explain how and to whom any complaints or queries should be made.
27. The approval of the fees and charges sought in this report is a matter reserved to the Cabinet Member for individual decision making in accordance with Part 3D paragraph 3 of the Council's constitution.
28. In making such a decision, the council must ensure that it complies with the Public Sector Equality Duty imposed by the Equality Act 2010, which includes a requirement to undertake an equality analysis in order to demonstrate that it has had "due regard" to the implications of its decision and how that might affect different groups of people within the community. Whilst formal consultation is not required, paragraphs 10 and 19 set out the factors which have been taken into account in order to satisfy that statutory duty and to recommend the level of fees and charges which are to apply from 1 August 2016.

Strategic Director of Finance and Governance

29. The strategic director of finance and governance notes the recommendations in this report for non-statutory fees and charges for 2017/2018, with an implementation date of 1 August 2017.
30. In the event that expenditure, grant funding or income levels change, the service will need to contain costs within budget or identify alternative sources of funding.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Lead Officer	Liz Britton, Lead Officer, Secondary & Further Education, Employment & Inclusion		
Report Author	Dolly Naeem, Head of Adult Learning		
Version	Final		
Dated	17 August 2017		
Key Decision?	Yes		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title	Comments sought	Comments included	
Director of Law and Democracy	Yes	Yes	
Strategic Director of Finance and Governance	Yes	Yes	
Cabinet Member	Yes	Yes	
Date final report sent to Constitutional Team		17 August 2017	