

<b>Item No.</b> N/a	<b>Classification:</b> Open	<b>Date:</b> 12 October 2018	<b>Decision Maker:</b> Cabinet Member for Jobs, Skills and Innovation
<b>Report title:</b>		Supply chain Adult and Community Learning fees and charges for the academic year 2018-2019	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director for Children's and Adults' Services	

## RECOMMENDATION

1. That the Cabinet Member for Jobs, Skills and Innovation approves the supply chain fees and charges for the academic year 2018/19.

## BACKGROUND INFORMATION

2. The Adult and Community Learning Service is funded by the Education and Skills Funding Agency (ESFA) to deliver adult and community learning courses. The funding allocation is made on an annual basis and monies are paid for the achievement of contractual targets set out in the funding contract between the council and the ESFA.
3. The Adult and Community Learning Service subcontracts part of the ESFA funding allocation to eight external providers. These subcontracted partners are paid to deliver adult and community learning provision to Ofsted and ESFA standards and expectations.
4. The Adult and Community Learning Service retains some of the ESFA funding allocation to cover the costs of management, administrative and quality assurance support provided to the subcontracted partners.
5. The ESFA requires all its directly funded providers to publish their fees and charges policy. The policy needs to cover the monies (costs) retained by the lead provider.

## KEY ISSUES FOR CONSIDERATION

6. 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.

7. 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.
8. This report seeks approval for charges which are Flexible (discretionary).
9. The medium term resources strategy (MTRS) and the corporate income policy require that discretionary 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.
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 management, procurement, administrative and quality assurance support for subcontracted provision has therefore, also been a consideration in arriving at the proposed supply chain fees and charges.
11. As part of Southwark Council's commitment to support local providers, including voluntary sector organisations, the service works with subcontracted delivery partners to enable a wide range of courses to be delivered to Southwark residents, in a broad geographic area, at accessible venues across the borough. This makes learning more accessible to residents wherever they live. The support to local providers, including community and voluntary sector organisations, helps them to build their capacity for delivery of high quality learning to Southwark residents.
12. The Adult and Community Learning Service retains 15 per cent of the allocated ESFA funding for management and administrative costs. This includes the costs associated with procurement and contracting voluntary sector providers delivering education services.
13. The Adult and Community Learning Service also provides a range of other services to subcontracted partners e.g. software licenses, quality assurance services and premises, and these are charged at cost recovery.
14. The Adult and Community Learning Service is funded by the Education and Skills Funding Agency (ESFA). Grant levels are expected to remain at the 2017/18 level of funding. Costs are expected to remain at similar levels to the previous academic year. This ensures ongoing funding from the ESFA as the grant received is linked to achieving a certain expected number of learners and achievements each year.

### **Policy implications**

15. The recommendation in this report will enable the Adult and Community Learning Service to deliver learning opportunities which are in line with the Council Plan, Southwark Skills Strategy and Economic Wellbeing Strategy. In

particular, the recommendation will help the council to deliver the following aims and promises for a Fairer Future for All.

- Full employment, where everyone has the skills to play a full part in our economy.
- A healthy borough where your background doesn't determine your life chances;
- Make sure everyone has a basic qualification in English and maths and that residents have the digital skills to get the jobs of the future;

### **Community impact statement**

16. One of the key considerations in recommending the fees and charges for 2018/19, was price sensitivity, that is, the impact that an increase would have on subcontracted partner providers' ability to deliver the agreed target numbers of learners and courses whilst sustaining quality standards and access.

### **Resource implications**

17. None.

### **Consultation**

18. Consultation is not required on the above fees and charges. Fees and charges are published through the appropriate channels including the Adult and Community Learning Service pages on the Southwark council website.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Democracy**

19. The Cabinet Member for Jobs, Skills and Innovation is asked to approve the recommendation in this report. The recommendation will take effect from 1 September 2018, if approved.
20. 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 Law and Democracy is not aware of any specific legislative provision which would prevent the council relying on these powers to charge.
21. 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.
22. 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.
23. 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.

24. The approval of the supply chain 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.
25. 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, this report sets 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 September 2018.

### **Strategic Director of Finance and Governance**

26. This report is requesting the Cabinet Member for Jobs, Skills and Innovation to approve supply chain fees and charges for the academic year 2018-19 with an implementation date of 1 September 2018.
27. The strategic director of finance and governance notes the expected level of funding from the Education and Skills Funding Agency (ESFA) is £1,457,254 and that this is dependent on performance which has been achieved (in full) in recent years due to the support and services provided to the subcontracted partners by Southwark Council's Adult and Community Learning Service. Setting fees and charges at a level which enables the Council to support our subcontracted partners effectively is critical in ensuring we receive the maximum funding into the borough to support adult and community learning.
28. This funding is subject to audit.

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
None		

### **APPENDICES**

<b>No.</b>	<b>Title</b>
None	

## AUDIT TRAIL

<b>Lead Officer</b>	Liz Britton, Lead Officer, Secondary & Further Education, Employment & Inclusion	
<b>Report Author</b>	Dolly Naeem, Head of Adult and Community Learning	
<b>Version</b>	Final	
<b>Dated</b>	02 October 2018	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team / Community Council / Scrutiny Team</b>	11 October 2018	