

Education and Children's Services Scrutiny Sub-Committee

Monday 11 April 2011
7.00 pm
Town Hall, Peckham Road, London SE5 8UB

Supplemental Agenda

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Date: 8 April 2011

Adult Learning in Southwark

A report of a meeting between Vince Brown, Southwark Save Adult Learning, and Southwark council officers: Adrian Whittle, Dolly Naeem, Harriet Duncan, and Deon Kritzinger, 29/3/11, and a recommendation for action

The meeting was very friendly and productive and I came away much clearer as to the reasons why Southwark have increased adult learning fees by so much and all the more convinced that Southwark are wrong to have done this. What was most apparent is that this is a decision that was taken by council officers and not by councillors. The justification given by officers for the fee rise was not what campaign supporters were told when they met with Veronica Ward, nor was expressed by any of the councillors at the full council meeting that discussed the issue last January.

Two reasons for introducing the new fee structure were given by officers at the meeting: students are expected to learn all they need to know in one term so why would they want to repeat a course by coming back for a second term, and secondly, that Southwark is now a provider of introductory 'taster' courses and students are expected to move on to other providers for further study and to acquire further skills there rather than remain with Southwark.

This provides a clear explanation of why the fees for a second term or a second course are so high: because the student is being encouraged not to come back for a second term (or to try a second course until the next year), but to go on to some other provider such as Morley College of City Lit or one of the other more specialist providers in Southwark. Thus, the reason why a course which would cost someone on a low income £88 at City Lit but would cost £165 at the Calton Centre is that the student is expected to go on to somewhere like City Lit in their second term, not repeat the same 'taster' course with Southwark.

This idea of Southwark becoming just a provider of arts, crafts and leisure *taster courses* may or may not be a good idea, but this is an important and fundamental policy change that should have been debated widely and thoroughly. It should not have been imposed without consultation. There are many controversial issues, for instance:

- Who are these other providers of adult learning in Southwark and are they able to adequately substitute for the service currently provided by Southwark?
- What about the community of learners that has grown up around the Calton Centre, this is highly valued by students so why has it been given up so readily?
- And what about those least able to travel to other providers or those that have child care or other caring responsibilities, were their needs considered?
- What about those on low incomes? Aren't they most likely not to go on to new providers but simply drop out of adult learning altogether?

- And how is the effect of this major policy change to be monitored and evaluated? It seems that Southwark are just hoping that things work out OK and students move on to new providers, but haven't anything in place to check this is so.

All these questions should have been the subject of discussion between councillors, learners, tutors and the wider community about the type of adult learning we want and how to make it financially secure. Most importantly there should have been an informed look at all the alternative ways forward. What we have had instead is a policy imposed without discussion and one that looks increasingly unjustified and unsustainable. It is hardly surprising that it has caused so much rancour.

As a justification for this rush to change policy we have been told by officers that Southwark had no choice in this and they had to act urgently. First we told this was because the Skills Funding Agency insisted on the changes, but the representative of the SFA at the scrutiny meeting last month couldn't have been clearer that the fee structure is a decision for Southwark council, not the SFA. We were told that future funding was vulnerable and action had to be taken urgently, but the SFA representative told us that there would be no cuts in funding for the next three years (though no inflation increase). Lastly we were told that Southwark were losing too much money and had to put up fees to cover costs. I'll tackle this point below.

It is true that Southwark have not covered their costs in the past, but it has become increasingly apparent that this was not because fees were too low but because there were too few students in classes. The recent meeting with officers did provide some new figures that made this quite clear, though we still have nowhere near the full picture. Deon Kritzinger (accountant) gave me his estimate of the 'marginal cost' of classes, £50 per hour. This was explained as the cost of running a class given that the building and general administration is already up and running. Deon readily agreed that the marginal cost of students: the cost of adding extra students to a class once it is running, is effectively zero. This allows us to make an estimate of the cost of running a class that should at least not be disputed by officers as this is based on Southwark's own figures. I provide an example below just to get an idea of what sort of costs are involved and what sort of fees need to be charged in order to cover costs. The main point is to show that there is a quite viable alternative to a high fees policy, that is, a low fees/high student numbers policy

For arguments sake, and keeping the figures simple, suppose the Calton Centre runs a three term class, 10 weeks per term, 2 hours per class. That is a total of 60 hours at a total cost of $60 \times 50 = £3,000$, this is the complete cost for **all three terms**. How are the running costs covered? Suppose eight students turn up on day one of the first term. Each one of these students attracts a grant from the SFA of £375. Eight times £375 comes to £3,000. So the running cost of the class for all three terms (60 hours), that is, for the whole academic year, is completely covered by the grant provided by the SFA for eight students. Even better, each additional student attracts a further £375,

for instance, a class of 16 students would provide a further £3,000 over and above running costs. And of course, Southwark also gets the money that each student is charged in fees.

All the costs of running the class have been taken into account so all the extra money goes to support the fixed building and other costs. There is thus no reason to charge high fees in the second and third term, on the contrary, a moderate fee aimed at attracting in more students is quite clearly called for and would more likely provide optimal income for Southwark. The more classes run the more money raised and the easier it is to cover fixed costs, the fewer the number of classes the more difficult it is to cover fixed costs – and, of course, higher fees mean fewer students and fewer classes.

Moreover, there is no problem for students who are taking other classes to attend the class. It has now been fully conceded by officers that additional students add no (or at least negligible) extra costs to already running classes and so their attendance is pure financial gain for Southwark. Of course, it makes sense to give first priority to those who are not taking other courses if the alternative is they take no course at all and Southwark would then lose the SFA grant they would attract. However, this is only likely to be the case, if at all, on the most popular courses, and there is always the option of running additional classes if demand is very high.

There is clearly a viable alternative policy to the high fees route imposed by Southwark officers. A low fees/high numbers policy that doesn't penalise those on low incomes, allows local people to continue their study with Southwark, and maintains the close community formed by students at the Calton Centre and other Southwark adult learning sites. Moreover, there was no urgency that justified a high fees policy being rushed in (the shortfall in income could have been alleviated by a drive to attract more students) and so the alternative ways forward should have been widely debated before a decision was taken.

What should happen now? We ask that the public consultation that should have happened before any changes were imposed should happen now. Meantime, the old fee structure should be put back in place to safeguard against further class closures and to start to get back students that have been forced out of adult learning. We can then jointly: councillors, council officers, tutors and students work out how we can ensure Southwark adult learning attracts the number of students it needs to guarantee its future. The good will engendered by all this would be great boost to the Save Southwark Adult Learning Campaign's offer of setting up a 'friends group' to go out and promote Southwark Adult Learning and bring in new communities of learners. For, as we have argued all along, it is not high fees, but high numbers of adult learners that will safeguard adult learning in Southwark.

Education and Children's Services Sub-committee 11th April 2011

Adult Learning Service update

Background

1. The March 14th meeting of the Education and Children's Services Scrutiny Sub-committee received a report from officers on the Adult Learning Service.
2. The report focused primarily on issues relating to changes in the fee structure of the service during the last year.
3. As well as receiving an officer report, the Committee also received a deputation from Save Southwark Adult Learning.
4. Committee requested an update report from Officers for the 11th April meeting as well as that officers meet with representatives of Save Southwark Adult Learning in order to explain the calculation of fees in more detail. This meeting took place on March 29th.
5. Discussions centred on funding for Personal Community Development Learning (PCDL) and it was acknowledged that key areas such as literacy, numeracy, English for speakers of other languages (ESOL) and family learning are provided at no direct cost to the learner as required by Government.

Update

6. Since the last Committee meeting, officers have met with campaigners to respond to further queries about the service. One of the outcomes of the meeting was that officers are giving consideration to ways in which learners can be more involved in promoting the service.
7. In addition to this, key officers met with representatives of the campaign (as well as a meeting with Dr Brown on March 29th) to explain in more detail, the way in which fees are calculated.
8. The notes of the meeting with Dr Brown have only recently been received by officers who are looking at the numerous points he raises. Dr Brown has also, subsequently, asked for further information from officers in order to continue the debate on this issue. Officers are preparing this information for him.
9. There has not been sufficient time to prepare a full written commentary on the notes Dr Brown has submitted in time to meet the deadlines for Scrutiny Committee. One point from Dr Brown's notes does, however, need immediate clarification: The decision on fees and charges for the Adult Education Service was a Member decision taken by the Executive Member on 8th March 2010.

10. Officers will be available at Scrutiny Committee to discuss or clarify any further points arising from Dr Brown's notes
11. The Cabinet Member for Culture, Leisure and Sport has asked that some additional visioning work be undertaken for the service. This will be undertaken in the coming months and a fuller report prepared and offered to Committee at a later date.

Report

12. The Committee meeting of March 14th raised a number of issues which are addressed in the report below.

Save Southwark Adult Learning contends that an adult learning class could be funded for a whole year with 14 unique learners and thus propose that learners are enrolled for a year.

13. Whilst it may be possible to run a course for a longer period of time with 14 learners, this would not increase the number of unique learners. Therefore, by increasing class length from 30 to 90 hours, the service risks not being able to meet the overall learner target, facing potential clawback of funds and/ or forcing the service into deficit that would then fall to the Council.
14. It is important to note that PCDL courses last a maximum of 30 hours and in the majority of cases this is delivered over 10 weeks. These are stand alone courses and not a third of a three term programme.

There is a lack of clarity or shared understanding over the cost per course or learner

15. The service's allocation from the Skills Funding Agency, for use for Adult Safeguarded Learning (which includes PCDL courses) is given as a set amount of funding for delivery of a set number of unique learners.
16. In 2010/11, £498,714 was allocated to the service for PCDL in return for delivering 1,330 unique learners. This equates to a payment of £375 per learner.
17. The funding is linked to learner targets in terms of recruiting "unique" learners. Each learner counts towards the target once only, no matter how many courses they attend each academic year. If a learner enrolls on a second course, no additional funding is received for them.
18. This has always been the case, however in the past the service has not limited the number of subsidised courses that a learner can enrol for. In previous years some learners have taken as many as 9 or 10 courses per year for which we are only paid for them to attend one. This has

meant that a small number of unique learners have been delivered and the service has failed to meet the learner targets set by the Skills Funding Agency and a deficit has resulted.

Guided learning hours and the impact on funding

19. The cost of delivering a course includes:

- tutor salary plus on-cost,
- materials and preparation for the course
- equipment costs relating to the course
- building costs, e.g. heating, lighting, cleaning
- management and administration costs
- venue hire costs for courses delivered outside of the Thomas Calton Centre

20. The service is entirely funded by the Skills Funding Agency and all costs must be met from within the annual settlement received from the funder. The cost of delivering the course for an individual learner limits the amount of guided learning hours that can be delivered.

21. For some provision, the SFA has a recommended number of guided learning hours within which courses should be delivered. In previous years these recommendations have not been strictly adhered to, leading to an over-delivery of learning hours, with no recompense from the SFA and contributing to the potential for overall deficit.

Save Southwark Adult Learning is concerned that 8 unique learners per course is an unrealistic marketing target that should be reconsidered.

22. If courses do not manage to recruit 8 new learners, then we do not have enough SFA funding to make the course viable.

23. Low enrolment sometimes occurs due to low levels of demand for particular programmes. This is not a new development and every year (and with all providers) there are courses that do not run due to lack of take-up.

24. Running courses with low enrolment also means that we risk not meeting our learner numbers for the year and so funding is directed into more popular areas.

The need for more unique learners could be addressed through improved marketing and any potential “crowding out” could be solved by a rule that unique learners take precedence.

25. Promotion and marketing of the service has been much improved in recent years with a number of new and innovative approaches to promotion being taken. Examples of this include:

- Brochure each term distributed to a mailing list of libraries, schools, children's centres, local venues in Peckham and vicinity, Morley College
- Updated course directory provider portal
- Hotcourses and floodlight listings
- Southwark web pages
- Family learning week brochure annually
- Course information sheets provided
- Articles in Southwark Life
- Articles in Southwark News
- Banners outside the building
- Telephone box ad campaign
- Morrison's receipt discount offer
- Banner opposite the Town Hall and on Elephant and Castle roundabout
- Adult Learners week brochure input
- Listings in various Southwark Council publications including Black History Month, Silver, etc.
- Articles in Communiversity – a publication from London South Bank University

26. The service operates a policy of new learners taking precedence over repeat learners as part of our strategy for meeting unique learner targets.

27. The Thomas Calton Centre has recently been refurbished with £1 million of capital funding from the Skills Funding Agency (£750,000) and from Southwark Council (£250,000). This funding has improved the learning environment as well as giving the service a more obvious and noticeable street presence. A series of opening events is planned to tie into other marketing campaigns for the service.

Save Southwark Adult Learning suggests that the services fees are pitched too high for the market and will result in classes discontinuing as courses will attract fewer learners and poorer students will be disadvantaged. Potential learners who are more mobile will travel to other providers.

28. Concessionary rates are still available for eligible learners. In addition to this, courses in literacy, numeracy, ESOL, family learning and childcare are available free of charge.

29. Fees are set annually in February as part of the overall setting of fees and charges within the Council. They are approved through a formal IDM process, approved by the appropriate Cabinet Member and are subject to the Scrutiny process.

30. A table of comparative costs for selected PCDL courses is set out below. The table shows that Southwark Adult Learning fees are indeed cheaper than those of other major providers within the area and in

many cases our cost recovery fee is cheaper than the standard rate of other providers.

Information downloaded 28/03/2011

Delivery partner	Course	Number sessions	Hours / session	Full fee	Conc fee	Cost-recovery fee
SALS	Ceramics beginners	10	3	£108 £3.60/hr	£46.50 £1.55/hr	£165 £5.50/hr
	Intro to water colour painting	10	3	£108 £3.60/hr	£46.50 £1.55/hr	£165 £5.50/hr
	Life drawing and painting	10	3	£108 £3.60/hr	£46.50 £1.55/hr	£165 £5.50/hr
Morley College	Ceramics beginners	7	3 hours	£167 £7.95/hr	£84 £4/hr	
	Ceramics intermediate	10	3 hours	£167 £5.50/hr	£84 £2.80/hr	
	Intro to watercolour	12	2.5 hours	£172 £5.70/hr	£86 £2.86/hr	
	Life drawing and painting	12	3 hours	£249 £6.91/hr	£198 £5.50/hr	
Dulwich Picture Gallery	Intro to watercolour	5	2 hrs	£75 £7.50/hr	£70 £7/hr	
	Oil Painting: Aspects of colour	4	2.5hrs	£60 £6/hr	£55 £5.50/hr	
Lewisham Community Education	Life drawing and painting	30	2hrs	£345 £5.75/hr	£225 £3.75/hr	
	Pottery all levels	20	2hrs	£210 £5.25/hr	£130 £3.25/hr	
City Lit	Intro to Ceramics	6	3hrs	£128 £7.11/hr	£74 £4.11/hr	
	Life drawing	10	3hrs	£176 £5.80/hr	£84 £2.8/hr	

Summary

- SALS now meets and exceeds its learner number targets as required by the Skills Funding Agency.
- Three times as many Southwark residents now benefit from Adult Learning as did three years ago.
- SALS will continue working on policy and vision to ensure its sustainability for local residents.
- SALS are happy to report back to Members at a future meeting, as and when required to do so.

**Children's Services and Education Scrutiny Sub-Committee
Work Programme – /11/12**

11 April
1. Adult education spotlight: review report
2. Review of parenting support – part 1: School admissions: review draft final report
3. Childhood obesity and sport provision : review interim report decide next steps
4. Children and Young Peoples Plan with Southwark Youth Council
5. Rotherhithe secondary school
Next administrative year
1. Free school meal pilot
2. Annual Safeguarding report – January 2012
3. Children and Young Peoples Plan with Southwark Youth Council – quarterly
4. Review of parenting support – part 2: support for parents
5. Consider new partnership arrangements between public health, children's services, education and the new GP consortiums

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