

Item No.	Classification Open	Date: 8 February 2012	Decision Taker: Cabinet Member for Culture, Leisure, Sports and the Olympics
Report title:		Adult Learning Service Fees & Charges 2012-13	
Ward(s) or groups affected:		All	
From:		Strategic Director of Environment & Leisure	

RECOMMENDATION

1. That the cabinet member agrees the proposed non-statutory fees and charges for 2012/13, with an implementation date of August 1, 2012 and is notified of the indicative non-statutory fees and charges for 2013/14 and 2014/15.

BACKGROUND INFORMATION

2. The medium term resources strategy (MTRS) 2010/11 – 2012/13 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.
3. 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.
4. 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

5. Fees and charges are those charges where there is a schedule of rates for services provided. There are various types, namely mandatory and discretionary i.e. 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 on the level of charges to be set
6. 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.
 7. This report only seeks approval for fees and charges for which there is discretion or where fees are capped, although, all fees and charges are included in the Appendices for information.
 8. 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.
 9. Table 2 (see paragraph 14) details the total income expected to be generated from non-statutory fees and charges. A full list of non-statutory fees and charges to be approved are shown in appendix 1. There are no statutory fees and charges within the adult learning service.
 10. It is proposed that only the standard course fee within the service be increased in 2012/13, and that none of the other fees are increased. The reasons for this are discussed in greater detail in paragraphs 11 and 12.

PROPOSED FEES FOR 2012/13

11. The standard course fee for courses subsidised by the SFA is to be increased by 5.4% from £3.70 per hour to £3.90 per hour, which is in line with current inflation levels. In 2011/12 the increase was only 2.8%, which was below the average inflation for that year.
12. For the remaining 5 fee types it is recommended that there is no increase. Two of the fees (the means tested concessionary fee and the registration fee) directly affect deprived students, and the third fee- the repeat learner fee- was introduced as a new fee in 2010/11. The repeat learner fee met with a considerable amount of resistance from some learners and based on learner feedback received it is recommended that this fee remains unchanged. Crèche fees were increased by a significant 20% in 2011/12, and therefore it is recommended that the fee is not increased in 2012/13, but rather increased in 2013/14. The final type of fee- Skills for Life and family learning course fees- is fully subsidised by the SFA and thus free charge to the learner.
13. London benchmarking data suggests that fee structures may have local differences. For example, at Morley College only a small number of courses are selected for concessionary rates whilst the Southwark adult learning service offers concessionary rates across all fee-bearing courses. Benchmarking has been carried out with like-for-like courses and the data is shown in table 1:

Table 1 – Adult learning service benchmarking information 2011/12

Organisation	Registration fee	Full / return learner fee per hour	Standard / reduced for seniors per hour	Concession per hour
Southwark ALS	£5.00	£5.50	£3.60	£1.55
Harrow ACL	£15.00	£3.40	£3.40	£0.85
Islington Lifelong learning	£0.00	£0.00	£0.00	£0.00
Lewisham Community Learning	N/A	£5.75	£4.00	£2.00
Morley College	£8.00	N/A	N/A	N/A
ceramics beginners day	N/A	£8.33	£8.33	£4.16
family pottery	N/A	£6.00	£6.00	£3.08
the drawing course	N/A	£5.75	£5.75	£2.86
City Lit	N/A			
pottery for beginners	N/A	£6.00	£4.30	£3.30
drawing 1	N/A	£5.25	£5.25	£2.41
dance and movement	N/A	£7.40	£7.40	£7.40
Ealing Adult Learning*	N/A	£4.00	£4.00	£2.00
Greenwich Community Learning**	N/A	£3.55	N/A	N/A
* can only enrol on one subsidised course per year				
** average cost per hour for residents without a Greenwich card				

Resource Implications

14. The adult learning service is grant funded in its totality by the Skills Funding Agency and thus an increase in income as a result of increasing fees cannot be put forward as a saving during the council's budgeting process. Rather, it is utilised to increase spending on the service. Table 2 shows the budgets and projected out turn for 2011/2012 and the anticipated income levels for 2012/2013 arising from the proposed fees and charges increases.

Table 2 – Adult learning service budget and actual income figures

Income area	2011/12 Budget £	2011/12 Projected outturn £	2012/13 Proposed budget £	Average increase in income %	Comments
- Adult Learning	141,000	139,000	141,000	0.0%	

15. As can be seen in table 1 actual income for 2011/12 is forecasted to be in line just slightly below the target. It is hoped that the proposed 5.4% increase in the standard course fee will contribute to closing this slight gap between actual and target income in 2012/13.

Community Impact Statement

16. One of the key considerations in arriving at the proposed levels was the price sensitivity i.e. the impact that increases will have on customers' ability to pay and the take-up of services. In addition, concessionary fees apply for community groups, the young, the elderly, and for those on means tested benefits. Obviously, all this needs to be balanced with the Council's MTRS, as outlined in paragraphs 2 and 3 and the requirement to increase fees and charges year on year.

Consultation / Notification of fee increases

17. Consultation is not required on the above fees and charges. However, formal notification of price increases is required. Once approved, notification of fee increases will be published through the appropriate channels.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance (SB0212)

18. The Cabinet Member for Culture, Leisure, Sports and the Olympics is asked to approve the 2012/13 non-statutory fees and charges as outlined in this report. The recommendations will take effect on 1 August 2012 if approved.
19. 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 are not prevented from charging for the services elsewhere in legislation. The Strategic Director of Communities, Law & Governance is not aware of any specific legislative provision which would prevent the Council relying on these powers to charge.
20. 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.
21. 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.
22. The report confirms how the legal requirements for consultation on the proposed fees and charges and notification of any proposed increases are to be complied with. Officers should ensure that all forms of notification explain how and to whom any complaints or queries should be made.
23. 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.
24. The proposed increases are intended to be consistent with the Medium Term Resources Strategy and will apply to the existing non-statutory fees and charges.

Finance Director (NR/0112)

25. This report recommends that the cabinet member agrees the proposed non-statutory fees and charges for 2012/13, with an implementation date of August 1, 2012 and is notified of the indicative non-statutory fees and charges for 2013/14 and 2014/15.
26. The Finance Director notes that the Medium Term Resources Strategy (MTRS) policy is to generally increase fees and charges to a level that is equal to the most appropriate London average except where this conflicts with Council policy or would lead to adverse revenue implications or would impact adversely on vulnerable clients. The Finance Director notes the level of fees and charges proposed for 2012/13, the grant support provided by the Skills Funding Agency and the resource implications within the report.
27. Officer time to effect the recommendations will be contained within existing budgeted revenue resources.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
1	Detail of proposed Adult Learning fees 2012/13 to 2014/15

AUDIT TRAIL

Lead Officer	Gill Davies, Strategic Director Environment & Leisure	
Report Author	Adrian Whittle, Head of Culture Libraries Learning & Leisure	
Version	Final	
Dated	8 February 2012	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic director of communities, law & governance	Yes	Yes
Finance director	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	8 February 2012	