

<b>Item No.</b>	<b>Classification</b> Open	<b>Date:</b> 22 April 2013	<b>Decision Taker:</b> Cabinet Member for Communities and Economic Wellbeing
<b>Report title:</b>		Fees and charges for Adult Learning Services for 2013/14	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director of Environment & Leisure	

## RECOMMENDATIONS

1. That the Cabinet Member agrees to discontinue the current repeat learner fee for concessionary learners and to a review of the impact of this change at the completion of the academic year, as set out in paragraph 15 below.
2. That the Cabinet Member retains all other fees and charges for 2013/14 at the same level as for 2012/13.

## BACKGROUND INFORMATION

3. 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.
4. 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.
5. 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

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 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
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 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.
  9. 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.
  10. Table 2 (see paragraph 17) 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.
  11. It is proposed that none of the standard course fees within the service be increased in 2013/14, and that none of the other fees are increased.
  12. It is also proposed to discontinue the repeat learner fee for concessionary learners in 2013/14 and to charge only the normal concessionary rate for additional courses. This change is proposed as a pilot to be reviewed throughout and at the end of the academic year in order to assess the impact on performance against the Skills Funding Agency (SFA) learner number targets. Continued funding for the entire Adult Learning Service is dependant on achieving these targets. The reasons for this are discussed in greater detail in paragraphs 12, 13 and 14.

#### **PROPOSED FEES FOR 2013/14**

13. The standard course fee for courses subsidised by the SFA is to remain at the 2012/13 level of £3.90 per hour. In 2011/12 the increase was only 2.8%, which was below the average inflation for that year.
14. For all 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 fee was introduced in order to ensure that the SFA unique learner number target was met and to reflect the fact that the service receives funding to subsidise one course per learner per year. Previously significant numbers of learners were taking several courses with no additional subsidy being received from the SFA to cover the costs. It is important to note that the service is entirely funded by an annual settlement from the SFA and that this settlement has to be "earned" by delivering a target number of "unique learners". The service does not receive payment from the SFA for second or

other additional courses taken by learners. There are some exceptions to this – adult literacy, adult numeracy, English for Speakers of other Languages and most family learning courses. These are entirely funded by the SFA for those meeting the eligibility criteria.

15. Since the introduction of the repeat learner fee, learner numbers have increased dramatically with the service moving from delivering just a little more than half of the target in 2008/2009 to exceeding the target for the last two years. In addition to this, the service has received an OFSTED inspection judgement of “Good” with several areas of good practice including excellent value for money being identified, whilst a recent audit of the financial management of the service has received a “green” rating. In view of the much more stable position of the service, and the significant improvement in quality and learner numbers, it is proposed to discontinue to the repeat learner fee for concessionary learners as a pilot with a detailed review of the impact of this to be undertaken ahead of setting fees and charges for subsequent years. This would mean that concessionary learners undertaking more than one course would only be charged the concessionary rate for additional courses.
16. Crèche fees were increased by a significant 20% in 2011/12, and therefore it is recommended that the fee is not increased in 2013/14, but rather increased in 2014/15. The final type of fee- Skills for Life and family learning course fees- is fully subsidised by the SFA and thus free of charge to the learner.
17. 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 2012/13**

Provider	Course title	Fees per hour
Greenwich Community College	qualification courses	£3.25 standard (concessions available on some courses)
Lambeth Adult Learning	Fees not located on the Council website- individual partner providers of the Council need to be contacted	
Morley College	Beginners Clothes Making	£5.50 standard, £2.86 concession, £4.40 senior
	Design cut and make	£4.40 standard, £2.29 concession, £3.43 senior
	Ceramics- beginner and intermediate	£6.30 standard, £5.11 concession, £6.30 senior
Lewisham (CEL)	Botanical Illustration - Beginners	£3.56 standard, £1.88 concession
	Art for beginners	£4.70 standard, £2.60 concession

Provider	Course title	Fees per hour
	Pottery for Beginners and Intermediate	£5.45 standard, £3.35 concession
	Working with Children (NCFE level 1 award)	£8.23 standard, £4.60 concession
	Supporting Teaching and Learning in schools (NCFE level 2 certificate)	£3.64 standard, £1.81 concession
	Soft Furnishing - Cushions and Blinds beginners workshop	£4.33 standard, £2.26 concession
Southwark Adult Learning Service	Still life drawing and painting	£3.90 standard, £1.55 concession, £5.50 repeat
	Pottery	£3.90 standard, £1.55 concession, £5.50 repeat
	Introduction to working in an early years setting (Cache level 1 award)	£3.90 standard, £1.55 concession, £5.50 repeat
	Supporting Teaching and Learning in schools (Cache level 2 certificate)	£3.90 standard, £1.55 concession, £5.50 repeat
	Soft Furnishing	£3.90 standard, £1.55 concession, £5.50 repeat

### Resource Implications

18. 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 confirms that the budgeted income arising from the proposed fees and charges are not increasing.

**Table 2 – Adult learning service budget and actual income figures**

Income area	2012/13 Budget £	2013/14 Proposed budget £
Adult Learning	141,000	141,000

19. There are no staffing implications to be considered.

### Community impact statement

20. 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. There is no equalities impact

21. The cessation of the higher rate repeat learner fee for concessionary learners will have a positive impact on less well-off people, enabling increased access to adult learning opportunities for those most in need. It is proposed that all other fees remain at the current level in order to keep affordable for local people.

#### **Consultation / Notification of fee increases**

22. 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**

##### **Director of Legal Services (SB0413)**

23. The Cabinet Member for Communities and Economic Wellbeing is asked to approve the recommendations of this report, including the non-statutory fees and charges for 2013/14 as listed in Appendix 1. The recommendations will take effect on 1 August 2013 if approved.
24. 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 Director of Legal Services is not aware of any specific legislative provision which would prevent the Council relying on these powers to charge.
25. 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.
26. 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.
27. 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.
28. 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.
29. 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.

30. 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 Equalities Impact Assessment in order to consider how that decision might affect different groups of people within the community. Paragraph 20 sets out the measures which have been taken in order to satisfy that statutory duty.

**Strategic Director of Finance and Corporate Services (ENV/JM/220313a)**

31. This report recommends that the cabinet member agrees the proposed non-statutory fees and charges for 2013/14, with an implementation date of 1 August 2013.
32. 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 2013/14 and the resource implications within the report.
33. 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
Appendix 1	Detail of proposed Adult Learning fees 2013/14

**AUDIT TRAIL**

<b>Lead Officer</b>	Deborah Collins, Strategic Director of Environment & Leisure	
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<b>Version</b>	Final	
<b>Dated</b>	22 April 2013	
<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 Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	22 April 2013	