

Item No.	Classification Open	Date: April 16 2009	Meeting Name: Executive Member for Children's Services and Education
Report title:		Adult Learning Services – fees and charges 2009/2010	
Ward(s) or groups affected:		All	
From:		Strategic Director of Environment & Housing	

RECOMMENDATIONS

1. That the Executive Member agrees the proposed non-statutory fees and charges for 2009/10, with an implementation date of August 1st 2009 and agrees the indicative non-statutory fees and charges for 2010/11 and 2011/12.
2. That the Executive Member notes the information contained within this report on the agreed 2009/10 non-statutory fees and charges and the projected out turn position.

BACKGROUND INFORMATION

3. The Medium Term Resources Strategy (MTRS) 2009/10 – 2011/12 agreed by Executive on December 16th 2008, requires that:
 - Discretionary fees and charges are increased by 2% above the then current rate of inflation for the type of service being provided with the objective of ensuring Southwark Council's fees and charges are at a minimum at least equal to the most appropriate London average (e.g. inner London, family, groupings, etc.) except where this conflicts with Council policy or would lead to adverse revenue implications.
 - 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 can fees or charges increases be set at a lower level than that set by the MTRS. In these circumstances, agreement from the relevant Executive Member is required through an Individual Decision maker (IDM) report.
5. The Council's constitution requires that the charges are agreed by the relevant Executive Member.
6. This report sets out proposals for the fees and charges to be set for the Adult Learning Service for 2009/10 and indicative charges for 2010/11 and 2011/12.

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 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
8. Where the Authority has a choice about charging, any decision not to charge must be agreed by the relevant Executive Member. This will be reviewed annually and will be considered within the context of the overall budget position.
9. 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.
10. In arriving at the proposed fees and charge levels, consideration has been given to a number of factors, including; volume assumptions, benchmarking data, 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.
11. Table 1 (see paragraph 15) 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.
12. It is proposed that all fees and charges within Adult Learning be increased in accordance with the MTRS.

Adult Learning

14. Adult Learning Services has restructured its fees for 2009/10, resulting in only two fees: a full fee and a concessionary fee. The full fee has been increased by an above average 4.4%, whilst the concessionary fee has been increased by a slightly less than average 4.2%. Both increases are slightly less than the 4.5% increase asked for in the MTRS but this is mainly to do with the fact that rounded fees are preferred as this simplifies the administration of the fees. For 2010/11 and 2011/12 the increase has been kept on average at about 4.5%. It is expected that additional learners will be recruited, particularly people wishing to re-skill in the current economic climate.

Resource Implications

15. Table 1 show the budgets and projected out turn for 2008/2009 and the anticipated income levels for 2009/2010 arising from the proposed fees and charges increases.

Table 1 – Culture and Libraries budget and actual income figures

Division/ Income Stream	2008/2009 Budget £	2008/2009 projected out turn £	2009/2010 Proposed Budget £	Increase In Income %	Comments
- Adult Learning	52,500	44,904	54,863	4.5	

16. As can be seen actual income has lagged behind budgeted targets. Thus far the service has been able to absorb this underachievement in income by savings in other areas of the service. It is intended to decrease this gap by putting measures in place to increase student figures.
17. There are no staffing implications to be considered.

Community Impact Statement

18. 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 MTFs, as outlined in paragraph 5 and the requirement to increase fees and charges year on year

Consultation / Notification of fee increases

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

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal and Democratic services

20. The Executive Member for Children's services and Education is recommended to approve the 2009/10 non-statutory fees and charges as outlined in this report. The recommendations will take effect on 1 August 2009 if approved.
21. The approval of the fees and charges sought in this report is a matter reserve to the Executive Member for individual decision making in accordance with Part 3D paragraph 3 of the Council's constitution.
22. The proposed increases will apply to the existing non-statutory fees and charges. The Executive Member must be satisfied that the proposed increases are in accordance with the MTRS and that the increases proposed are reasonable.

Finance Director

42. This report seeks approval for the proposed fees to be charged for the 2009/10 financial year. It is only concerned with fees and charges where the Council has discretion about the level to be charged.
43. As outlined in the body of this report, the overall proposed increase is in line with MTRS.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Environment & Housing budget working papers	Environment & Housing Offices, 1 st Floor, Chatelaine House 186 Walworth Rd, SE17 1JJ	Deon Kritzinger, CLLL Divisional Accountant Tel: 020 7 525 3754

APPENDICES

No.	Title
Appendix 1	Adult Learning fees detail

AUDIT TRAIL

Lead Officer	Gill Davies, Strategic Director Environment & Housing	
Report Author	Adrian Whittle, Head of Culture Libraries Learning and Leisure	
Version	Final	
Dated	April 9 2009	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Borough Solicitor	Yes	Yes
Finance Director	Yes	Yes
Executive Member	Yes	Yes
Date final report sent to Constitutional Team		April 16 2009