

<b>Item No.</b>	<b>Classification</b> Open	<b>Date:</b> 13 March 2014	<b>Decision Taker:</b> Cabinet Member for Communities and Economic Wellbeing
<b>Report title:</b>		Fees and Charges for Adult Learning 2014/15	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director of Environment & Leisure	

## RECOMMENDATION

1. That the Cabinet Member retains the adult learning fees and charges for 2014/15 at the same level as for 2013/14. It is also proposed that repeat learner fees will not be payable by those learners paying the standard learning fees.

## BACKGROUND INFORMATION

2. The medium term resources strategy (MTRS) and the corporate income policy require that:
  - To increase discretionary fees and charges 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.
  - To maximise the council's income generation by seeking income streams in line with council policies and priorities.
  - To increase all fees and charges capped by statute 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, 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
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 appendix 1 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. 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.

#### **PROPOSED FEES FOR 2014/15**

10. The standard course fee for courses subsidised by the Skills Funding Agency is to remain at the 2013/14 level of £3.90 per hour.
11. In recent years 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. The service has received an Ofsted (Office for standards in education) inspection judgement of "Good" with several areas of good practice including excellent value for money being identified. A recent internal 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 therefore proposed to retain all adult standard learning fees and charges for 2014/15 at the same level as for 2013/14.
12. It is proposed that the repeat learner fee of £5.50 for learners paying the standard learning fee, is removed.
13. Nursery fees were increased by a significant 20% in 2011/12, and therefore it is recommended that the fee is not increased in 2014/15.
14. 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, where available, are shown in table 1:

**Table 1: Adult learning service benchmarking information 2012/13 and 2013/14**

Provider	course title	fees per hour 2012/13	fees per hour 2013/14
Greenwich Community College	qualification courses	£3.25 standard (concessions available on some courses)	Comparable figures not available
Morley College	Beginners Clothes Making	£5.50 standard, £2.86 concession, £4.40 senior	£5.83 standard;£3.00 concession,£4.72 senior
	Design cut and make	£4.40 standard, £2.29 concession, £3.43 senior	£5.96 standard,£3.16 concession,£4.84 senior
	Ceramics- beginner and intermediate	£6.30 standard, £5.11 concession, £6.30 senior	£6.78 standard,£5.48 concession,£6.78 senior
Lewisham (CEL)	Botanical Illustration - Beginners	£3.56 standard, £1.88 concession	£4.45 standard,£2.35 concession
	Art for beginners	£4.70 standard, £2.60 concession	£4.70 standard, £2.60 concession
	Pottery for Beginners and Intermediate	£5.45 standard, £3.35 concession	£5.45 standard, £3.35 concession
	Soft Furnishing - Cushions and Blinds beginners workshop	£4.33 standard, £2.26 concession	£4.33 standard, £2.26 concession
Southwark Adult Learning Service	Still life drawing and painting	£3.90 standard, £1.55 concession,	£3.90 standard, £1.55 concession,
	Pottery	£3.90 standard, £1.55 concession,	£3.90 standard, £1.55 concession,
	Introduction to working in an early years setting (Cache level 1 award)	£3.90 standard, £1.55 concession,	£3.90 standard, £1.55 concession,
	Supporting Teaching and Learning in schools (Cache level 2 certificate)	£3.90 standard, £1.55 concession,	£3.90 standard, £1.55 concession,
	Soft Furnishing	£3.90 standard, £1.55 concession,	£3.90 standard, £1.55 concession,

### Resource implications

- The adult learning service is funded solely from the Skills Funding Agency (SFA). Grant and costs are expected to remain at similar levels to the previous academic year with 80% of learners paying no fees due to their circumstances or the course they are taking. The SFA fully subsidises these courses.

16. For the remaining 20% there is a need to maintain affordability in order to sustain the number of learners. This ensures ongoing funding from the SFA as the grant received is linked to achieving a target number of learners each year.
17. This report proposes freezing the fees at 2013/14 levels to ensure grant levels are maintained. This is expected to continue to generate annual income of £141,000 from fees contribution made by learners and parents/carers (of children in the nursery).
18. The removal of the repeaters fees of £5.50 per hour would have little material impact on the fees income earned by the council. The estimated loss of income is less than £5k per annum and will be absorbed by the division if alternative funding cannot be secured.

### **Community impact statement**

19. One of the key considerations in arriving at the proposed levels was the price sensitivity, that is, the impact that increases will have on learners' ability to pay and the take-up of services. In addition, concessionary fees apply for those who need them most. This includes: residents on means tested benefits including Job Seekers Allowance, working tax credit and council tax benefit. 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 adverse equalities impact arising from the report's recommendation.

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

20. Consultation is not required on the above fees and charges. However, formal notification of price levels is required. Once approved, notification of fee levels will be published through the appropriate channels including the course guide (brochure) and the council website.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Director of Legal Services (SB0314)**

21. 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 2014/15 as listed in Appendix 1. The recommendations will take effect on 1 August 2014, if approved.
22. 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.
23. 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.

24. 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.
25. 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.
26. 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.
27. 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.
28. 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, paragraphs 8 and 19 set out the factors which have been taken into account in order to satisfy that statutory duty and to recommend that the level of fees and charges should remain at current rates.

**Strategic Director of Finance and Corporate Services (E&L/13/042)**

29. This report recommends that the cabinet member for communities and economic wellbeing agrees the proposed non-statutory fees and charges for 2014/15, with an implementation date of 1 August 2014.
30. The strategic director of finance and corporate services notes the level of fees and charges proposed for 2014/15 and the resource implications within the report. These charges will be included in the draft budget being presented to council assembly on 26 February 2014 and will be monitored throughout the year. In the event that expenditure or income levels change, the service will need to contain costs within budget or identify alternative sources of funding,
31. 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 2014/15

## AUDIT TRAIL

<b>Lead Officer</b>	Deborah Collins, Strategic Director of Environment & Leisure	
<b>Report Author</b>	Adrian Whittle, Head of Culture Libraries Learning and Leisure	
<b>Version</b>	Final	
<b>Dated</b>	13 March 2014	
<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
Finance Director	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	13 March 2014	

## Appendix 1

### Environment & Leisure Department

#### Adult Learning Service - Fees And Charges 2014/15

<b>INCOME STREAM</b>	<b>Income Type - Mandatory or Discretionary</b>	<b>Nature - Capped or fully flexible</b>	<b>VAT status</b>	<b>2013/14 Fee £</b>	<b>2014/15 Fee £</b>	<b>%age increase in fees</b>	<b>Fee comparison position against other Local Authorities</b>
Standard course fee (subsidised courses)	Discretionary	Fully flexible	Exempt	£3.90 per hour	£3.90 per hour	0.0%	See IDM report
Concessionary course fee (new courses or repeaters)	Discretionary	Fully flexible	Exempt	£1.55 per hour	£1.55 per hour	0.0%	See IDM report
Skills for Life Courses	Discretionary	Fully flexible	N/A	Free of charge	Free of charge	0.0%	See IDM report
Course fee: Repeat learner fee	Discretionary	Fully flexible	Exempt	£5.50 per hour	£3.90 per hour	-29.1%	See IDM report
Course registration fee	Discretionary	Fully flexible	Exempt	£5 (non-refundable)	£5 (non-refundable)	0.0%	See IDM report
Crèche fee	Discretionary	Fully flexible	Exempt	£6/hr or £240/week	£6/hr or £240/week	0.0%	See IDM report