

Item No.	Classification Open	Date: 18 February 2010	Decision Taker: Executive Member for Children's Services and Education
Report title:		Fees and charges within Adult Learning Service for 2010-11	
Ward(s) or groups affected:		All	
From:		Strategic Director of Environment & Housing	

RECOMMENDATIONS

1. That the proposed non-statutory fees and charges for 2010/11 be agreed with an implementation date of August 1, 2010.
2. That the Executive Member agrees the indicative non-statutory fees and charges for 2011/12 and 2012/13.
3. 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

4. This report sets out proposals for the fees and charges to be set for the Adult Learning Service for 2010/11 and indicative charges for 2011/12 and 2012/13.
5. The Medium Term Resources Strategy (MTRS) 2009/10 – 2011/12 and the corporate income policy require that;
 - Fees and Charge 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 and 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.
6. 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.
7. The Council's constitution requires that all fees and charges increases are agreed by the relevant Executive Member through an Individual Decision Making (IDM) report. An IDM report is also required where no increase or a reduction in fees and charges is proposed.

KEY ISSUES FOR CONSIDERATION

8. 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.
9. 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.
10. 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.
11. In arriving at the proposed fees and charge levels consideration has been given to a number of factors including volume assumptions benchmarking data (see Appendix 2) 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.
12. Table 1 (see paragraph 19) 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.
13. It is proposed that current fees and charges within Adult Learning be increased by around 2% on average for 2010/11 and that a new fee be introduced from 2010/11.

PROPOSED FEES FOR 2010/11

14. One of the issues that the Adult Learning Service (ALS) has been wrestling with, is the phenomenon whereby certain members of the public enrol for the same course more than once thereby depriving others from attending the course. In addition to this, the student enrolment returns of the ALS to the Learning Skills Council (LSC) are adversely affected as a person only counts once as an enrolment on a specific course.
15. This is an issue that several authorities are facing and some including Oxfordshire had successfully introduced a higher fee for students who enrolled for the same course more than once i.e. the first enrolment would be at the standard (LSC subsidised) rate while subsequent enrolments would be at the new higher rate.

16. This report proposes that Southwark ALS adopt this approach and consequently requests the approval to introduce a new non-subsidised course fee of £5.50 per hour in 2010/11 which will be about 53% higher than the proposed standard subsidised fee of £3.60 per hour for 2010/11. The new fee will also apply to courses that are not officially subsidised by the LSC and therefore have to be run on a cost recovery basis. It is believed that this level of fee is enough to cover the additional costs of running these courses. As part of its plan to expand activities Southwark ALS will start introducing this type of course during 2010/11.
17. The current subsidised fees charged by ALS are a standard fee and a means tested concessionary fee. (Skills for Life courses are fully subsidised by the LSC and thus free). It is proposed that the standard fee be increased by 1.4% to £3.60 an hour and the concessionary fee by 3.3% to £1.55 an hour- about 2% on average. The only reason for the difference in the percentage increase is the requirement to round fees. These fees have been benchmarked against Lewisham's fees for Adult learning courses and were found to be competitive (see Appendix 2).
18. It is believed that a 2% average increase in fees in 2010/11 will allow the ALS to make up a slight shortfall in income against budget as can be seen in Table 1 at paragraph 19.

Resource Implications

19. Table 1 show the budgets and projected out turn for 2009/2010 and the anticipated income levels for 2010/2011 arising from the proposed fees and charges increases.

Table 1 – Adult Learning Service budget and actual income figures

Income area	2009/2010 Budget	2009/2010 Projected outturn	2010/2011 Proposed budget	Average increase in income	Comments
	£	£	£	%	
- Adult Learning	48,918	48,038	48,918	0.0%	

20. As can be seen in Table 1 actual income for 2009/10 is forecasted to fall just slightly short of the budget target. This is an improvement on the performance in 2008/09 and it is intended to decrease this gap even further in 2010/11 by putting measures in place to increase student figures and by the introduction of a new fee as detailed in paragraph 16.
21. There are no staffing implications to be considered.

Community Impact Statement

22. 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 paragraph 5 and the requirement to increase fees and charges year on year.

Consultation / Notification of fee increases

23. 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 Communities, Law & Governance (SB022010)

24. The Executive Member for Children's Services and Education is asked to approve the 2010/11 non-statutory fees and charges as outlined in this report. The recommendations will take effect on 1 August 2010 if approved.
25. 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.
26. 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.
27. The Council is therefore allowed to set the level of the charge for each discretionary service that it thinks fit subject to those charges not exceeding the costs of the provision.
28. The approval of the fees and charges sought in this report is a matter reserved to the Executive 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 MTRS and will apply to the existing non-statutory fees and charges.

Finance Director (CD022010)

30. This report seeks authority for approving the fees to be charged by the ALS in 2010/2011. It is only concerned with fees and charges where the Council has discretion about the level to be charged.
31. The current MTRS states that discretionary fees and charges are to be increased 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.
32. The Adult Learning Service is proposing to increase current fees and charges by an average of about 2% and to introduce a new fee for 2010/11. As these increases and changes in fees will not lead to adverse revenue implications this proposal is in line with the MTRS .

BACKGROUND DOCUMENTS

APPENDICES

No.	Title
1	Detail of proposed Adult Learning fees 2010/11 to 2012/13
2	Adult Learning Service fees benchmarking information

AUDIT TRAIL

Lead Officer	Gill Davies, Strategic Director Environment & Housing	
Report Author	Adrian Whittle, Head of Culture Libraries Learning and Leisure	
Version	Final	
Dated	18 February 2010	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	Yes
Executive Member	Yes	Yes
Date final report sent to Constitutional Officer	18 February 2010	