



Derby City Council

**EDUCATION AND SKILLS CABINET
MEMBER MEETING
21 May 2018**

ITEM 5

Report of the Strategic Director of People Services

Adult Learning Service Course Fees 2018/19

SUMMARY

- 1.1 Learners on Derby City Council's adult learning courses are required to pay course fees. The course fee structure is based on learners' ability to pay according to their income and the level of subsidy received from the Education and Skills Funding Agency (ESFA).

The course fee rates for all Adult Education Budget (AEB) courses are decided by council cabinet.
- 1.2 The ESFA funding model was changed significantly for the 2016/17 academic year but has remained the same since. Overall income levels, however, have decreased.
- 1.3 Derby City Council's Adult Education Budget funding allocation for 2017/18 was £2,729,279 and has been confirmed as exactly the same for 2018/19.
- 1.4 It is proposed that the fee structure, which has remained largely the same for several years, is changed for the 2018/19 academic year.

RECOMMENDATION

- 2.1 To approve the fee structure for the 2018/19 academic year from 1st August 2018 to 31st July 2019

REASONS FOR RECOMMENDATION

- 3.1 The Adult Learning Service was restructured through the Achieving Change process in 2016 to balance expenditure and income, as a direct result of a reduction in funding from the ESFA. Eighteen months on from the re-structure, it is clear that the reduction in ESFS funding combined with staffing reductions have impacted on the service's overall capacity and income levels.
- 3.2 It is anticipated that income levels this year will also be reduced as a consequence of changes in the way apprenticeships are funded with the introduction of the apprenticeship levy. While the allocation of funding from the ESFA for 2018/19 will remain the same, apprenticeship income is significantly lower and will remain so until the levy funded apprenticeship programme and strategy are fully implemented. There

is a similar picture across the country.

SUPPORTING INFORMATION

- 4.1 The Adult Learning Service funding allocation from the ESFA for the 2018/19 academic year is confirmed as £2,729,279. Although allocated in one block of AEB funding, there is a historical notional allocation of £1.7 million for non-accredited Community Learning with the remaining allocated to accredited 'skills' programmes, non-levy apprenticeships and discretionary learner support (DLS).
- 4.2 The Adult Learning Service delivers a wide range of adult learning opportunities in adult learning centres, schools, community venues and workplaces across the city. In 2016/17 academic year there were 5849 enrolments on to courses representing 3519 learners as compared with higher numbers the previous year (2015/16 – 7207 enrolments representing 4150 learners). This has impacted on income. The largest number of enrolments continues to be in Skills for Life courses - Literacy, Numeracy and English for Speakers of Other Languages. Other popular areas of learning include Information Technology, Modern Foreign Languages and Visual Arts. While the service provides a range of courses that are open to all, it also targets provision towards:
- neighbourhoods with the highest levels of socio-economic deprivation
 - adults with learning difficulties and disabilities
 - adults with low levels of skills who have not previously engaged in adult learning
 - adults without level 2 qualifications
- 4.3 The fees policy and proposed concessions remain aligned to the Council's priorities and enable the service to make a significant contribution to improving the skill levels and opportunities for Derby residents.

The fees policy continues to support the main purpose and objectives for Community Learning funding (outlined by Department for Business, Innovation and Skills in "New Challenges, New Chances" December 2011) are to:

Purpose

- Maximise access to community learning for adults bringing new opportunities and improving lives whatever people's circumstances
- Promote social renewal by bringing local communities together
- Maximise the impact of community learning on the social and economic well-being of individuals, families and communities

Objectives

- Focus public funding on people who are disadvantaged and least likely to participate and people on low incomes with low skills
- Collect fee income from people who can afford to pay and use where possible to extend provision to those who cannot

Those learners who are unemployed and/or in receipt of benefits are fully funded by the ESFA for accredited courses.

4.4 In 2016/17 the “Learning Club” was established to enhance the range of provision for learners who can afford to pay full fees; this is one of the 50 Pledges. The Learning Club includes specialist courses such as advanced modern foreign languages and courses with high resource and materials costs such as silversmithing and life drawing. It is intended that profit from the Learning Club provision will be used to support other ‘targeted’ community learning activity for priority communities and groups. The target for 2017/18 of 500 learners will be achieved by the end of July. The aim is that over time this provision will become self-financing and not dependent on public funding. Fee increases were not put in place for the Learning Club for 17/18. To enable the provision to move to full cost recovery, fees need to go up for the next academic year.

Proposed Fee Structure for 2018-19

5.1 Fees are currently structured in three bands:

Band		
A	Full Fee	The standard fee rate without discounts or concessions
B	Discounted*	Reduced fee rate or free for eligible learners (evidence required)
C	Gold Card	10% reduction for Gold Card holders (evidence required)

5.2 **Proposed Fee Structure for courses that do not lead to a qualification (Community Learning – non-accredited)**

Prefix	Course Type	Proposed Fee	Current Fee	2016/17 Rates	2015/16 Rates
CZ	CL taster (to engage)	Free	Free	Free	Free
CC	Community Development	Free	Free	Free	Free
CT	Targeted (specific groups)	£1.00	£1.00	£1.00	£1.00
CG	Community Learning General	£5.00	£4.80	£4.80	£4.70
CS	Learning Club	£7.00	£6.00	£6.00	NA
XX	Bespoke Courses	Negotiated rates - not subsidised by public funding			
CP	Premium Day Courses – 5 hours	£50	£45	£45	£45

Proposed Fee Concessions - 50% fee concession will be given to the following learners:

Those in receipt of:

- Job Seekers Allowance (JSA - WRAG)
- Universal Credit (UC)
- Employment Support Allowance (ESA - WRAG)

Plus learners in receipt of income-based benefits:

- Council Tax benefit
- Housing benefit
- Income Support
- Working Tax Credit and household income below £16,190
- Pension Guarantee Credit

10% fee concession will be given to Derbyshire Gold Card holders (this is the concessionary bus pass issued to older people and disabled people in Derby and Derbyshire). This will only apply to those who do not meet the criteria for 50% fee concession outlined above.

Full fee remission will be given on British Sign Language courses and Makaton courses at Entry Level and Level One to:

- Learners who are deaf or hearing impaired
- The spouse or civil partner of a deaf / hearing impaired person
- The parent or carer of a deaf / hearing impaired person / child

5.3 Proposed fee structure for courses that lead to a qualification (Skills Courses)

Prefix	Course Type	Proposed Fee	Current Fee	2016/17 Rates	2015/16 Rates
LR	Accredited courses	£4.00	£3.80	£3.80	£3.70
LD	LLDD	£3.80	£3.60	£3.60	£3.50
LE	ESOL	£3.80	£3.60	£3.60	£3.60
LS	Maths/English	Free	Free	Free	Free
LU	Programmes for unemployed	Free	Free	Free	Free

Full fee remission is awarded by the ESFA to adults on accredited courses who meet the following criteria:

- Learners on English and maths courses (who do not already have GCSE Grade C or 4 or higher)
- Learners aged 19 – 23 years and joining an Entry, Level 1 or Level 2 course who do not already have a full Level 2 qualification
- Learners aged 19 – 23 years and studying their first Full Level 2 qualification

Full fee remission is also given to those in the following groups:

- Learners in receipt of Universal Credit and in a Work Group (work-related requirement, work preparation or work-focused interview) organised by Job Centre Plus and earn less than £330 per month
- Learners in receipt of Jobseekers' Allowance(including JSA National Insurance Credit)
- Learners in receipt of Employment Support Allowance(Work Related Activity Group only)
- Learners who are unemployed and actively seeking work enrolled on a course with the aim of improving employability and in receipt of:
 - Income support
 - Council Tax Benefit
 - Housing Benefit
 - Pension Guarantee Credit
 - Universal Credit

Full fee remission will be given on British Sign Language courses that lead to a qualification at entry level and level one to:

- Learners who are deaf or hearing impaired
- The spouse or civil partner of a deaf / hearing impaired person
- The parent or carer of a deaf / hearing impaired person/child

OTHER OPTIONS CONSIDERED

- 6.1 Make no increases in course fees - this could lead to further budget pressures and prevent the Learning Club from achieving the planned full cost recovery position.
- 6.2 Reduce the number and range of courses offered in order to reduce the overall running costs of the service - this could lead to a reduction in choice and opportunity for Derby residents and impact on the service's ability to meet its ESFA contractual requirements.
- 6.3 To introduce a course fee subsidy from Council funding. This option has not been recommended due to on-going Council budget pressures

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	n/a n/a n/a n/a Pauline Anderson
For more information contact: Background papers: List of appendices:	Debbie Watson 01332 642304 debbie.watson@derby.gov.uk None Appendix 1 – Implications

IMPLICATIONS

Financial and Value for Money

- 1.1 The Adult Learning Service has received a funding allocation of £2,729,279 for the 2018/19 academic year from the Education and Skills Funding Agency's Adult Education budget.

The funding allocation and course fee income is ring-fenced for adult learning activity and cannot be used to subsidise other Council services.

The Adult Learning Service is not funded through core council budgets. However, it is a net contributor to the Council, through its top slice contribution.

The fee rates still represent good value for money for learners and are comparable with other local authority adult learning services in the region.

Legal

- 2.1 None

Personnel

- 3.1 If the Adult Learning Service does not find ways to increase its income, particularly full cost recovery courses and strengthen the service offer, the service staffing levels may not be sustainable in the future.

IT

- 4.1 Investment in IT equipment to support teaching and learning has been minimal and has restricted the service's ability to keep up to date, particularly with regard to the digital skills agenda; increased income could be used to improve IT facilities to ensure high quality teaching and learning.

Equalities Impact

- 5.1 The proposed fee changes will still enable those on low incomes to access adult learning while focusing fees at those who can afford to pay. The increases are limited and there have been no increases for several years.

Health and Safety

- 6.1 None

Environmental Sustainability

7.1 None

Asset Management

9.1 None.

Risk Management

10.1 None

Corporate objectives and priorities for change

11.1 Council Plan 2016-2019

- Raising achievement and skills
- Promoting health and wellbeing
- Enabling individuals and communities