

Decision to be made by the Portfolio Holder for Education and Learning on or after 15 July 2016

Adult and Community Learning Fees Structure 2016-17

Recommendation

That the Portfolio Holder is recommended to approve the Adult and Community Learning Service (ACL) fees structure proposed for August 2016 to July 2017.

1.0 Background / Introduction

1.1 Skills Funding Agency

Warwickshire County Council (the Council) has a contract with the Skills Funding Agency (SFA) to provide adult and community learning services to learners across the county. ACL receives the majority of its funding from the SFA, although a small proportion of its income is achieved through enrolment fees from learners. ACL provides accredited courses and non-accredited courses for learners aged 19 plus.

In accordance with its contract with the Skills Funding Agency, ACL provides some courses (including English, Maths and Family Learning) free of charge to the learner. Other courses targeting priority learners, such as discrete provision for learners with learning difficulties or disabilities, are made free of charge at ACL's discretion, in line with the government policy of "focusing public funding on people who would not otherwise have access to learning and maximising income from learners who can afford to pay" (New Challenges, New Chances, BIS, 2011). No changes to the funded (and, therefore, free of charge) courses are proposed.

The Department for Business, Innovation and Skills (BIS) modified its funding for further education courses with effect from August 2013 and highlighted a requirement on providers, particularly in non-accredited learning, to collect fee income from people who can afford to pay and use this where possible to extend provision to those who cannot.

1.2 ACL Funding Position

ACL will receive £1.56 million in funding from the SFA in academic year 2016/17. This is £80,000 (5%) less than two years ago, with a similar reduction in the previous year. ACL received £34,447 in fee income in the academic year 2014/15 (the last full year for which figures are available).

1.3 ACL Fees and History

ACL has three levels of fees:

- Full fee – for those learners who do not fit any of the remission categories

- 60 plus fee – a 50% reduction for those who are aged 60 years or over
- Fee for those who are in receipt of one of the following benefits: ESA, Housing/Council Tax Benefit, Income Support, Incapacity Benefit, JSA, Pension Credit, Universal Credit, Working Tax Credit – courses are free (although on some courses a resource fee is still payable).

In 2014/15 ACL took 2135 enrolments on potentially fee-paying courses. Of these:

- 11% paid full fees
- 43% paid 60 plus fees
- 22% paid no fee due to meeting one of the remissions criteria
- 24% were on a free course funded by the SFA.

The current fee level has been in place for at least 8 years and in light of funding reductions and changes in SFA funding rules, it is now appropriate to review it, in order to try to at least maintain the level of provision within the county.

As ACL has not reviewed its fee rate for eight years, the fee level is now lagging behind those of its neighbours, as demonstrated below:

Area	Full Fee / hour	60 plus fee / hour	Remissions / hour
Warwickshire	£4.00	£2.00 i.e. 50% of full fee	Free on a means tested benefit
Worcestershire	Variable, £4.50-£6.50	As full fee	Free in community learning for those who meet SFA criteria for a free ASB course
Leicestershire	£4.95	As full fee	Free in community learning for those who meet SFA criteria for a free ASB course and 30% of full fee rate for any others on a means tested benefit
Herefordshire	£4.50	As full fee	£1.50
Northamptonshire	£5.00	As full fee	£1.25

2.0 Considerations and Proposal

2.1 Options considered

Options have been considered taking into account neighbouring ACL fee structures, as well as the focus requested by the Council of:

- Focusing work in priority areas and working with those most in need
- Supporting people to gain qualifications to move into work
- Supporting parents to support their children through Family Learning.

2.1.1 Full Fee

The full fees were paid by 11% of learners in 2014/15.

An increase to either £4.50 or £5.00 has been considered but consideration needs to be taken of the current economic climate and not deterring learners from attending provision. Although a £4.50 fee is recommended for 2016/17, depending upon enrolment response, it may be appropriate to increase the full fee to £5.00 in 2017/18.

2.1.2 60 plus fees

The 60 plus fees were paid by 43% of learners in 2014/15.

There are no other county based neighbouring authorities offering a % reduction for over 60s and the retirement age has increased since this concession was introduced. We are not aware of any other Warwickshire County Council services offering discounts for over 60s. For those over 60, many are still working. For those on low wages, the remission categories apply. Implementing a change to state retirement age feels appropriate in the first instance; we would wish to monitor the impact of this before considering any further changes.

2.1.3 Fees for Remission Categories

The fees for remission categories were paid by 22% of learners in 2014/15.

The Council has stated a priority to support those most in need therefore it is logical to maintain this concession to ensure that there is accessibility to learning by those most disadvantaged.

2.2 Proposal

ACL has reviewed its fees and proposes the fee strategy outlined in this paper aiming for fee levels that are appropriate in relation to funding levels and funding rules of ACL's funding body, Skills Funding Agency; current market rates; and the ability of residents to pay the fees proposed. ACL's proposed fee rates are amongst the lowest local authority provider rates within the West Midlands, enabling ACL to retain its strategy of encouraging participation amongst learners on low incomes or means tested benefits or with few or no qualifications. Modelling based on 2014/15 academic year enrolments suggests that these changes could increase fee income by approximately £12,000 (35%).

	Current Fee Level	2016/17 Proposed Fee Level
Full Fee	£4.00 per hour	£4.50 per hour
Age related remission	£2.00 per hour – for 60 plus	£2.25 per hour – for those who have reached state retirement pension age (65 for men and 63 for women as at April 2016)
Fees for remission categories	Free	Free

Background papers:

None

Supporting papers:

Department for Business Innovation & Skills, Skills Funding Statement 2013-2016, February 2014

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/278529/bis-14-p172a-skills-funding-statement-2013-2016.pdf

Skills Funding Agency, Funding Rules 2016/2017, Version 2, May 2016

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/308105/funding_rules_2014_to_2015_version_2.pdf

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The report was circulated to the following members prior to publication:

Local Member(s): N/A

Other members: Hayfield, Jackson, Parsons, Rickhards, Williams