

Cabinet Member for Safer & Stronger Communities – 9 May 2011

Adult Learning Fee Structure for 2011/12

Report by Paul Gerrish, Interim Deputy Director (Oxfordshire Customer Services)

Introduction

1. Adult Learning fees have not been revised for two years. It was felt at this point last year that to raise them would be an unacceptable business risk in a time of economic uncertainty. However, we are now faced with rising costs and the need to demonstrate that Adult Learning is compliant with Skills Funding Agency (SFA) regulations on the amount of fee income raised in proportion to SFA funding received. This means that we need to make decisions about changing the level and structure of Adult Learning fees for the academic year 2011-12.

Until now AL has worked on a system of setting a “main rate” with a series of sub-rates and fee remissions. We feel that the time has come to put in place something more responsive to customer need and which reflects the council objective of *Value for money* and the values of *customer focus* and *efficient and effective*.

2. **Differentiated fees:** reflecting the council’s objective of Value for Money, it is proposed to move to a schedule of fees that balances the need to provide targeted provision to people in more deprived communities with the ability to taper the amount of subsidy applied to AL courses once learners have had access to subsidised programmes for a number of years. In particular, for our Leisure learning programme we propose: an engagement rate of £2.50 per taught hour; a standard rate of £4.50 per hour; an enhanced rate of £5.00 per hour (where there are additional costs in delivering the learning); and a premier and workshop rate of £6.50 p.h. Premier rates would apply to learners who have moved through the curriculum offer over a period of years and for whom a large amount of subsidy is no longer applicable.
3. **Other fees issues:**
 - (a) **“Plus groups”** were established four years ago and were an initial attempt to recognise situations in which learners received little or no subsidy for the learning. Only a few of these classes still exist and it would be logical to badge these under the premier rate for 2011/12.
 - (b) **Lipreading classes** have been offered for many years by AL, initially free to the learner, and then with a 50% subsidy. Demand for these classes is dropping as more sophisticated hearing aids have become

available and it is time to bring these classes into the main schedule of fees, where they would sit at the £4.50 standard rate.

- (c) **English for Speakers of other Languages (ESOL)** is offered under two funding streams, the Adult Single Skills budget, and the Adult Safeguarded Learning budget. The SFA has indicated that it expects the former to be offered at £3.00 p.h, and for the latter we propose that it remains at the standard rate of £4.50 p.h. AL will ensure that the content of courses offered under the two funding streams is differentiated so that it is clear that learners are paying for two different types of course.

4. **Discounted fees:** AL has offered for several years past a variety of discounts designed to encourage early enrolment, on-line enrolment and staff participation. These discounts have resulted in AL **not** collecting an estimated £50,000 p.a in fees (based on 2009/10 figures). However, there is no evidence that giving these discounts has encouraged participation which would not otherwise have happened. It is proposed to end the system of discounts and to use the money released to target provision more effectively through lower fees for specific programmes, usually those that would have the purpose of engaging learners who have not taken part in AL before.
5. **Fee remission:** the SFA has announced much more restricted categories of learners entitled to fee remission. For 2011/12, only learners on Jobseekers allowance (JSA) and Employment & Support Allowances (ESA), will be entitled to fee remission. AL is able to set its own fee remission criteria for some funding streams, and has previously aligned these with the SFA's. We propose to continue to do the same for 2011/12, because to do otherwise would potentially cause a great deal of confusion and bad-feeling from potential learners, but this will mean taking all but JSA and ESA claimants off the list of eligible claimants. We estimate that this change this could represent up to £19,000 in fee remissions that would no longer be claimable by learners. We therefore propose to increase our discretionary Learner support fund by this amount to compensate, thus allowing learners to claim fee remission through a process run by the service itself.
6. **Equality and Inclusion:** the adoption of a differentiated fees policy will allow AL to strengthen its equalities approach in this area. We know that price is a barrier for some lower-paid groups and the introduction of a learner engagement rate will enable AL to offer attractive, low-cost short courses to first-time learners. Similarly, higher-priced courses with lower subsidy will be targeted at repeat learners who have already benefited over a number of years from subsidised AL provision.

7. **Risk Management**

Risk associated with changes proposed		
(1)	Reputational risk	Issue Adverse reaction in learner community; possibility of changes perceived as being linked to cuts agenda

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	Risk minimisation	Anticipate concerns; address in brochure and other publicity. Prepare statement and brief media team.
(2) Financial risk	Issue	Loss of income/reduction in enrolments
	Risk minimisation	Active monitoring of learner enrolment in Autumn; supplementary publicity and introduction of new programmes within year if required.

Risk associated with no change		
(1) Relationship to funder	Issue	SFA sets and monitors income targets. Possibility that under-achievement of income is met by reduction in funding.
	Risk minimisation	Adopt differentiated fee policy which seeks to attract new learners at engagement rate whilst tapering subsidy for established learners.
(2) Lack of ability to respond to change flagged for 2012/13	Issue	The Business, Innovation and Skills Department are currently consulting on a new policy framework for Informal Adult and Community Learning (IACL). There are strong indications that funding currently associated with "Leisure" learning will be used in a more targeted way from 2012/13 onwards, to support learning objectives associated with the Big Society agenda: volunteering; citizenship; community development, etc.
	Risk minimisation	Preparing the ground for this anticipated change by reducing subsidy to leisure learning courses and moving toward more targeted provision for the Big Society work will enable us to be compliant with future policy changes.

Financial and Staff Implications

8.

- (a) Revenue resources: the proposed increase of the main fee rate to £4.50 per hour represents a 12.5% increase on the current fee rate. However, with an increased emphasis on shorter and therefore more affordable courses we expect there to be little impact on participation rates. A rise in this fee is balanced by reduced fees for more targeted work, and a rise in the size of the discretionary learner support fund. Percentage increases for the higher fees are smaller because of the effect of a flat rate increase. An increase from £4.50 to £5.00 is an 11% increase, and from £6.00 to £6.50 is an 8.3% increase. Broadly, we expect the revenue implications to be neutral.
- (b) Capital: there are no capital implications

- (c) Staff resources – the effect should be largely neutral. The current discounts are expensive to administer and that time will be saved, if the proposal is approved. The increased work created in administering discretionary learner support funds will offset this, however.

RECOMMENDATIONS

- 9. **The Cabinet Member is RECOMMENDED to**
 - (a) **approve the fees schedule for 2011/12 as set out in paragraph 2 above and in Annex 1;**
 - (b) **approve the programme-specific fees for 2011/12 as set out in paragraph 3 above and in Annex 1;**
 - (c) **approve the changes to discounts policy for 2011/12 as set out in paragraph 4 above; and**
 - (d) **approve the changes to fee remission policy for 2011/12 as set out in paragraph 5 above.**

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Annex 1

Adult Learning Proposed Fees, remissions and discounts 2011 - 12

Summary of proposals

(all fee rates are given in £s per hour as charged to the learner)

<p>Differentiated fee structure</p>	<ul style="list-style-type: none"> • PCDL should have a tiered fee system with all rates increasing by approximately £0.50 • Establish an engagement rate of £2.50 p.h for PCDL and First Steps courses for those returning to learning, but for whom a free course is not appropriate <ul style="list-style-type: none"> • Engagement rate - £2.50 • Standard rate - £4.50 • Enhanced rate - £5.00 (where there are additional tutor costs, but they are low). E.g. Languages should be in enhanced PCDL rate because of the large reliance on printed material. • Premier & workshop rate - £6.50+ (depending on tutor hourly rate and materials costs) • Plus Groups to be rebadged and sit at premier PCDL rate as will other cost recovery courses.
<p>Programme – specific proposals</p>	<ul style="list-style-type: none"> • ALR ESOL to be £3.00, • PCDL ESOL to be at standard PCDL rate (£4.50) • Lipreading to be charged at the standard PCDL rate (£4.50). • GCSE rate to be £4.50 p.h.
<p>Discounts</p>	<ul style="list-style-type: none"> • Discontinue staff, early bird or online discounts and use the c. £50,000 released for targeted AL provision.
<p>Fee remission</p>	<ul style="list-style-type: none"> • All funding streams to harmonise with the SFA criteria of restricting fee remission to learners on Jobseekers allowance (JSA) and Employment & Support Allowances (ESA), • Increase AL discretionary Learner support fund by £19,000 to compensate.

Annex 2

Glossary

ASL	Adult Safeguarded learning	Four funding streams, together worth £1,993,373 in 2011/12 <ul style="list-style-type: none"> • Personal and Community Development Learning (PCDL) • Wider Family Learning (WFL) • Family Language, Literacy and Numeracy (FLLN) • Neighbourhood learning in deprived Communities (NLDC)
ESOL	English for Speakers of other Languages	Classes for non-native speakers of English, designed to allow learners to achieve functionality in English and thus make a positive contribution to the economy.
First steps	First Steps	A funding stream to enable engagement with learners, with the explicit purpose of helping them to progress to further learning, especially in the FE sector.
IACL	Informal Adult and Community Learning	Broadly, the raft of activities funded by the <i>Adult Safeguarded learning</i> funding stream, or similar to those activities.
PCDL	Personal and Community Development Learning	The largest component of the Adult Safeguarded learning funding stream, which in Oxfordshire funds the Leisure Learning programme, which mainly consists of non-accredited courses in Arts, Crafts, Well-being, Languages and ICT.
SFA	Skills Funding Agency	Government funding agency for 19+ learning and all apprenticeships