
Cabinet Member (Education)

17 June 2014

Name of Cabinet Member:

Cabinet Member (Education) – Councillor D Kershaw

Director Approving Submission of the report:

Executive Director, People

Ward(s) affected:

All

Title:

Adult Education Service Fees Strategy – Academic Year 2014/15

Is this a key decision?

No – Although the Strategy affects all Wards of the City, it is not expected to have a significant impact on communities

Executive Summary:

Based on the requirements of Skills Funding Agency funding and comparisons with similar providers, this report makes recommendations for course fees for the academic year 2014-15.

The proposals relate to:

- accredited courses:
 - classroom based (non-loans)
 - Advanced Learning Loans for learners aged 24 plus
 - workplace based courses
 - apprenticeships

- non-accredited Community Learning courses:
 - full fees
 - PTLL fees
 - 60 plus fees
 - single session workshops
 - courses requiring additional resources
 - non-chargeable courses

Recommendations:

That the Cabinet Member (Education) approves the proposed Adult Education Service (AES) fee strategy for courses for the academic year 2014-15.

List of Appendices included:

Appendix 1: Non-accredited Community Learning fee comparison – 2013-14 fees for courses and (where applicable) one-day workshops

Background papers

None

Other useful documents:

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 2014/2015, Version 2, May 2014,

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

Skills Funding Agency, Community Learning 2013/14: Information for Community Learning Providers, April 2013 Version 2.0, Publication Number – P – 130090,

http://readingroom.skillsfundingagency.bis.gov.uk/sfa/finalcommunity_learning_2013-14_web_version.pdf

Adult Education Service fees strategy – academic year 2013-14,

<http://democraticservices.coventry.gov.uk/documents/s11442/Adult%20Education%20Service%20Fees%20Strategy%20-%20Academic%20Year%202013-2014.pdf>

24+ Advanced Learning Loans Bursary Fund – fee structure for level 3 courses, 2013-14,

<http://democraticservices.coventry.gov.uk/documents/s9932/24%20Advanced%20Learning%20Loans%20-%20Level%203%20Course%20Fees%20201314.pdf>

Has it been or will it be considered by Scrutiny?

No. However following a discussion at the Education and Children's Services Scrutiny Board (2) meeting held on Thursday 27 February 2014, a further briefing will be taken to the Scrutiny Board when analysis of September 2014 enrolment has taken place to review the impacts of these changes.

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

1. Context (or background)

The Adult Education Service (AES) provides accredited courses for learners aged 16 plus who are not in full-time education, and non-accredited courses for learners aged 19 plus.

The Department for Business, Innovation and Skills (BIS) modified its funding for further education courses with effect from August 2013, including a reduction in the Skills Funding Agency (SFA) contribution for learners on accredited courses, as explained in the Adult Education Service's fee policy for 2013-14. There is also a requirement for providers of Community Learning (CL) (ie learning to help people to acquire new skills, reconnect with learning, follow an interest, prepare to progress to formal courses, or learn how to support their children better) to collect fee income from people who can afford to pay and use this where possible to extend provision to those who cannot.

Accredited courses

Learners on accredited courses are eligible to have their course either fully paid for or part paid for, or are expected to pay full costs if they do not meet Skills Funding Agency (SFA) eligibility guidelines. AES currently receives funding from the SFA for any eligible learners at rates set annually by the SFA.

For learners on accredited courses who are only eligible for part funding, providers (AES included) are expected to make up additional monies by charging fees to these learners. Providers can charge a fee which is deemed appropriate.

The SFA has published its updated funding rates for 2014-15, maintaining its current methodology for funding accredited courses, whereby those with higher credit values have higher funding rates. Some courses that received SFA funding in 2013-14 will no longer receive funding; however for those courses that are funded in 2014-15, funding remains at the same level as in 2013-14.

Non-accredited Community Learning (CL) courses

AES receives an annual allocation from the SFA to fund Community Learning programmes. The SFA objectives for CL providers remain the same as for 2013-14, i.e. to focus public funding on turning around the lives of local people and maximising the impact of public funding on the social and economic wellbeing of individuals, families and communities, particularly those who are most disadvantaged and, importantly, add value to the public funding for this provision.

In considering fees for 2014-15, AES has also had to take into account the following:

- the intended introduction of online enrolments for non-accredited Community Learning in September 2014
- lower retention rates amongst Passport to Leisure and Learning (PTLL) holders and a higher rate of non-take up of courses by PTLL holders that initially enrolled than amongst learners as a whole.

Non-accredited fees will need to be increased where possible, taking account of the need to support disadvantaged people and those unable to afford to pay fees and to increase fees for those who can afford to pay for their learning.

2. Options considered and recommended proposal

Accredited courses – classroom based (non-loans), Advanced Learning Loans for learners aged 24 plus, workplace based courses, apprenticeships

- **Classroom based courses (non-loans)**

AES proposes to maintain currently agreed fee rates for these courses for the academic year 2014-15, because the SFA have retained the funding levels for 2014-15 at the 2013-14 rates, and enrolment numbers have decreased since fees were increased for 2013-14. The majority of learners enrolling for these courses are eligible for full fee remission because of their financial circumstances and low level of existing qualifications, and of the relatively small number who are required to pay a fee, most face financial barriers, with many vocational courses supporting progression into or within sectors where wages are relatively low (such as care, support for teaching and learning in schools, and administrative roles). It is a requirement for AES to achieve learner number targets in order to maintain funding.

- **Advanced Learning Loans for learners aged 24 plus**

AES offers Level 3 courses in Children and Young People's Workforce, Support for Teaching and Learning in Schools, Computer Skills and Business Skills. Learners aged 19 plus are fully funded for their first Level 3 vocational course, whilst learners aged 24 plus who enrol for Level 3 vocational courses are eligible for loans administered by the Student Loans Company to pay for their fees. The government introduced these loans in August 2013, and there has been no increase in SFA funding rates for 2014-15. Learners are not required to start repaying their loans until they start to earn at least £21,000 per year.

148 learners enrolled on Level 3 vocational courses in academic year 2012-13. In 2013 Cabinet Member approved fees within the context of the new loans system at 10% below the SFA fully funded rate to attract learners in 2013-14. In 2013-14 there were 112 learners on Level 3 vocational courses. Of these, 80 had begun courses in academic year 2012/13 (i.e. their courses spanned two academic years), and 32 enrolled after August 2013 when loans were introduced. In 2014-15, all Level 3 learners will use a loan to enrol on their courses (unless they prefer to pay the fee themselves or undertake an apprenticeship). Providers of Level 3 courses can decide the level at which fees for learners aged 24 plus are set. AES proposes to maintain the existing fee rate for Level 3 courses of 10% below the fully funded rate to attract learners in 2014-15. The decrease in learner numbers experienced by AES is in line with the national average and this could be a reason why the SFA has introduced fundable Level 3 apprenticeships for 24 plus with effect from academic year 2014/15.

- **Workplace based courses**

In addition to classroom based vocational provision, AES delivers vocational qualifications through workplace based courses. These are currently charged using the same methodology as for classroom based vocational courses but with course fees being reduced on a pro rata basis to reflect the reduced number of teaching hours delivered within this context. AES proposes to maintain this methodology and pro rata fees for 2014-15 in line with classroom based fee levels specified above.

- **Apprenticeships**

AES offers apprenticeship training at intermediate and advanced levels within its existing range of vocational subject areas. Apprenticeships are a priority in relation to AES's funding as they are the only growth area being funded by the SFA, and AES aims to increase this area of its provision. Due to the differing nature of

apprenticeships with different employers, AES proposes to continue to negotiate appropriate arrangements with individual employers.

Non-accredited Community Learning courses – full fees, PTLL fees, 60 plus fees, single session workshops, courses requiring additional resources, non-chargeable courses

- **Full fees**

In line with the SFA objectives mentioned above, AES proposes an increase from £2.75 to £3 per hour, in order to generate additional fee income whilst maintaining affordability for adult learners. Benchmark data collected from similar providers (see Appendix 1) would indicate that AES's proposed fees are in the low to middle range. For a ten week course of two hours per week, this would be an increase from £55 to £60.

AES started to deliver a small number of online courses in 2013-14, and plans to continue to offer these in 2013-14. Online courses which are not eligible for accredited funding will be offered as part of AES's Community Learning offer. These courses require a modest amount of online tutorial input and substantially fewer teaching hours. AES proposes to charge a reduced fee for these courses based on a calculation of the reduced tutorial hours required per learner, in addition to the actual cost of accreditation fees and any materials provided. The respective PTLL and 60 plus rates would be calculated on the same basis.

- **PTLL fees**

In reviewing fee levels for 2014-15 AES has taken account of the higher rate of non-take-up of course places by PTLL learners than by all Community Learning learners (13.1% amongst PTLL learners in 2013-14 autumn term, compared to 5.9% for all Community Learning learners). AES also took into account a retention rate in the academic year 2012-13 of 81.6% amongst PTLL holders which was lower than the overall Community Learning retention rate of 85.5%. In addition, AES had to consider the potential impact of online enrolments, which could increase the risk of people enrolling for more courses than they plan to attend if it were free. Therefore, AES recommends that a small fee of 25 pence per hour is introduced for PTLL holders, still representing slightly more than 90% discount on the full fee, subject to a minimum charge of £2. A course lasting ten weeks, at two hours per week, would cost £5 with a PTLL.

- **60 plus fees**

AES recommends that the fee for learners aged 60 plus is increased from £2 per hour to £2.25 per hour, maintaining the same proportion of the full fee rate as in 2013-14, which for a ten week course of two hours per week would be an increase from £40 to £45. This maintains the current discount of 25% of the full fee. Some 60 plus learners are eligible for a PTLL and would therefore be eligible for the higher PTLL discount.

- **Single session workshops**

Single session workshops are offered to encourage learners to try new subjects for which this is the most appropriate length and format, and they are also useful to encourage learners to progress on to longer courses in related subjects. A higher hourly fee is broadly in line with the higher fees for single session workshops charged by similar providers, and reflects the fact that the relative administrative costs in setting up single session workshops are higher than for longer courses. AES therefore recommends retaining the £5 per hour fee for single session workshops already approved by Cabinet Member last year. This equates to £20 for a typical four hour workshop. AES recommends introducing a flat rate £2 fee for single session workshops for PTLL holders, as it would not be economical to process a smaller fee if the same discount were charged as for longer courses. The fee for learners aged 60 plus would remain at

£3.75 per hour (£15 for a four-hour workshop) maintaining the same level of discount as for longer courses. In addition, AES proposes that a Service Manager would be entitled to exercise a flexible approach by offering special discounted rates on the proposed £5 per hour for single session workshops in order to incentivise people to attend one-off sessions and promote progression to longer courses.

- **Courses requiring additional resources**

AES proposes a higher hourly rate for certain courses which are more expensive to run, of £4.50 per hour (40 pence per hour with PTLL and £3.40 for learners aged 60 plus), in order to recover the same level of income as for other courses. In such cases the charge for a ten-week course would be £90 rather than £60 but the proportionate reduction for PTLL and learners aged 60 plus would still apply (ie a total PTLL fee of £8 and a total 60 plus fee of £68). Examples of courses that would incur the higher rate are:

- courses with limited places due to availability of space or resources, such as Studio Photography, where the space and equipment requirements currently available to AES would limit the course to 8 people;
- advanced level language courses offering progression to existing learners, but because the numbers of learners requiring this level of progression fall below AES's usual minimum requirements, it has not been possible to provide progression to this level despite feedback from learners that they would be prepared to pay a higher fee;
- courses incurring additional costs due to their specialist nature, for example, a life drawing course planned to start in September 2014 would require a life model in addition to a tutor at each lesson.

Other additional costs for learners are explained in course information forms, for example materials, equipment and ingredients.

- **Non-chargeable courses**

AES delivers free courses in Family Learning and in subjects such as confidence building and assertiveness and introductory courses in vocational subjects. Coventry is in line with other local authorities in delivering Family Learning courses without charge. It offers other nominated courses free to encourage learners to move into programmes which will lead to employment and for those taking their first steps back into learning. AES proposes to continue to offer these courses without charging a fee to learners in 2014-15 as it has sufficient funds to do so, and will review in 2014-15 the feasibility of continuing its policy regarding non-chargeable courses in the light of the CL budget allocation for 2015-16 and the impact of increased fees for learners on other non-accredited courses.

Coventry City Council Adult Education Service course fees – summary of current 2013-14 and recommended 2014-15 rates

Course type	Current fee 2013-14	Recommended fee 2014-15
Accredited courses		
Classroom based courses (non-loans)	Variable based on funding rates; full fee remission for many based on financial circumstances and existing qualifications	No change
Advanced Learning Loans for Level 3 courses	Variable based on funding rates	No change
Workplace based courses	Variable based on funding rates; full fee remission for many based on financial circumstances and existing qualifications	No change
Apprenticeships	Variable – appropriate rates payable by employer	No change
Non-accredited Community Learning courses		
Courses - full fee	£2.75 per hr	£3 per hr
Courses - PTLL	Free	25 pence per hr (min £2)
Courses - 60 plus	£2 per hr	£2.25 per hr
Single session workshops - full fee	£5 per hr	No change
Single session workshops - PTLL	Free	£2 flat rate
Single session workshops - 60 plus	£3.75 per hr	No change
Courses requiring additional resources – full fee	£2.75 per hr	£4.50 per hr
Courses requiring additional resources – PTLL	Free	40 pence per hr
Courses requiring additional resources – 60 plus	£2 per hr	£3.40 per hr
Non-chargeable courses	Free	No change

3. Results of consultation undertaken

- 3.1 A Community Learning Learner Survey was undertaken by BIS in 2012, on which a report was produced in March 2013, providing positive feedback from learners across the country on their objectives regarding fees. The AES promoted the survey amongst its own learners at that time. Discussion has taken place with colleagues within the AES to agree the fee structure, taking account of the funding levels and requirements of the Skills Funding Agency and any impact of the fee changes implemented in September 2013. As reported to Scrutiny Board (2) on 27 February 2014, there was no discernible impact on enrolments that could be specifically attributed to changes in fees.

4 Timetable for implementing this decision

- 4.1 Implementation: Fee increases to be implemented with effect from 1 September 2014.
- 4.2 Monitoring: termly and at the end of the academic year.

5 Comments from Executive Director, Resources

5.1 Financial implications

The report proposes to maintain 2014-15 fee rates for accredited vocational courses at 2013-14 levels, in line with the SFA decision to maintain funding rates at the 2013-14 levels. Fees for apprenticeships will be set taking into account the SFA funding rates and will be negotiated on an individual basis depending on the nature of the apprenticeship being offered to employers. Fee rates for non-vocational accredited courses and non-accredited Community Learning courses will increase as set out in the main body of this report and provide a balance between generating increased fee income and the need to maintain learner numbers on these courses.

For all courses, minimum numbers of enrolments are specified for courses to run, and this will continue in order to avoid courses running with insufficient enrolments. The fee rates, modes of delivery, and the financial sustainability of all programmes will be reviewed during the year, taking account of market conditions, to enable the Service to make appropriate changes to provision and fee rates for future years.

The total amount of fees collected in 2013-14 financial year amounted to £230,000. Making a projection for next year is difficult as it will depend upon the programme for the year, the take-up of those courses and the mix of those learners who will pay a fee and those who are entitled to concessions. Therefore the position will need to be continually monitored following each term's enrolments in the new academic year. Should the activity levels for those courses proposing an increase in fees remain the same as for 2013-14, the increase in income for 2014-15 is expected to be in the region of £26,000. The increase in income will be reinvested within the service to extend provision to people who cannot afford to pay in accordance with the SFA grant guidance.

5.2 Legal implications

The public sector Equality Duty requires all the Local Authority decision makers to consider all individuals when carrying out their day-to-day functions, including when shaping policy, and in respect of the delivery of services. The public sector equality duty requires the Local Authority to have due regard to the need to eliminate discrimination; advance equality of opportunity; and to foster good relations between different people when carrying out their activities, and to identify the steps needed to achieve this by applying a rigorous analysis to any proposals, their potential adverse impacts and the measures needed to minimise any discriminatory effects.

6 Other implications

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

AES provides vocational opportunities that allow adult learners to gain skills and qualifications to improve their job prospects and career progression, supporting economic activity in the city. The range of qualifications offered are in vocational areas where there is an identified need within the city. The impact of Community Learning courses also includes the development of skills to improve job prospects and career progression, as well as skills that learners apply to volunteer within their communities or support their children and families. Many Community Learning courses contribute to learners' improved health and fitness and improved self-confidence and wellbeing. The proposed changes maintain fee levels that remain affordable for Coventry residents and that are competitive in relation to similar providers.

6.2 How is risk being managed?

The fee rate is being set for the academic year 2014-15 taking into account Skills Funding Agency funding levels and methodology and the need to maintain affordability for learners, in order to maintain learner numbers and thereby achieve funding targets. It is not anticipated that the proposed increases in income would result in any significant decrease in enrolments.

6.3 What is the impact on the organisation?

None.

6.4 Equalities / EIA

EIA completed May 2013, with no negative impacts identified. An analysis of learner enrolments in 2013-14 yields no evidence of any discernible impact on enrolments that can be attributed to fee changes since the previous year. The proposed changes in vocational and other fees for 2014-15 are not expected to have any equality impact. AES has taken into account the charging policies of similar providers in relation to those in receipt of means-tested benefits and in relation to the equivalent of PTLL. In particular a decision in Dudley Adult Education Service to charge a registration fee to learners in receipt of benefits in 2013-14 had no discernible impact on enrolments within this group, and their Service plans to introduce an enrolment fee for this group for 2014-15. The proposed fee changes for people aged 60 plus are based on the same percentage of the proposed full fee for 2014-15, and people in this age range who are in receipt of means-tested benefits will continue to be able to access courses at the considerably lower PTLL fee rate.

6.5 Implications for (or impact on) the environment

None.

6.6 Implications for partner organisations?

None.

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Appendix 1

Non-accredited Community Learning fee comparison – 2013-14 fees for courses and (where applicable) one-day workshops

(a) Fees for courses 2013-14

Local Authority	Full fee (per hr)	Concessionary rate for benefits (per hr)	Concessionary rate for 60 plus (per hr)
Birmingham	£3.75-£8.30	Variable concessionary rates apply but not published	n/a
Dudley	£2.50-£5.10 plus £2 registration fee	No enrolment fee - £2 registration fee applies	n/a
Wolverhampton	£2.30-£3.60	Variable concessionary rates apply but not published	n/a
Warwickshire	£4	Free	50% of full fee
Leicester	£5 Art with life model: £6.50 Languages in small groups: £8.33 Courses with additional resources: £5 plus additional cost recovery based on 10 learners	30% of full fee Some free courses targeting unemployed people	30% of full fee if on State benefit or Pension Credit
Leicestershire	£4.50-£6	Free on JSA, ESA (WRAG) 30% of full fee ESA (Support group) 70% of full fee other benefits/allowances of full fee	Free if on Pension Credit. Others pay full fee
Derby	£4.50-£5.50	50% of full fee	90% of full fee
Solihull College	£2-£6.25	Free	n/a
Northamptonshire	Varies approx £4.50-£6.80 plus £5 registration	Free for one course per term plus £5 registration Additional courses vary from approx 45 pence plus £5 registration	n/a

Coventry Adult Education Service Community Learning – recommended 2014-15 fees

	Full fee (per hr)	Concessionary rate for PTLL (per hr)	Concessionary rate for 60 plus (per hr)
Coventry	£3 Small group learning and courses with additional resources: £4.50	25 pence (10% of full fee) Small group learning and courses with additional resources: 40 pence	£2.25 (75% of full fee) Small group learning and courses with additional resources: £3.40

(b) Fees for one-day workshops 2013-14

Local Authority	Full fee (per hr)	Concessionary rate for benefits (per hr)	Concessionary rate for 60 plus (per hr)
Warwickshire	£4	Free	50% of full fee
Leicester	£6 Art with life model £7.50	30% of full fee Some free courses targeting unemployed people	30% of full fee if on State benefit or Pension Credit
Leicestershire	£6.25 approx	Free on JSA, ESA (WRAG) 30% of full fee ESA (Support group) 70% of full fee other benefits/allowances of full fee	Free if on Pension Credit. Others pay full fee
Northamptonshire	Varies approx £2-£6.70 plus £5 registration fee	Varies 90p-plus registration fee	n/a
Dudley	Free-£1.50 plus £2 registration fee	No enrolment fee - £2 registration fee applies	n/a

Coventry Adult Education Service one day workshops – recommended 2014-15 fees

	Full fee (per hr)	Concessionary rate for PTLL	Concessionary rate for 60 plus (per hr)
Coventry	£5	Flat rate £2	£3.75