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**Education and Children's Services Scrutiny Board (2)**  
**Cabinet Member for Education**

**12 February 2015**  
**10 March 2015**

**Name of Cabinet Member:**

Cabinet Member for Education – Councillor D Kershaw

**Director Approving Submission of the report:**

Executive Director of People

**Ward(s) affected:**

All

**Title:**

Adult Education Service Fees Strategy – Academic Year 2015-16

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**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.

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**Executive Summary:**

Based on the requirements of Skills Funding Agency (SFA) funding and following the changes approved on 17 June 2014 in relation to Adult Education Service (AES) fees for 2014-15 academic year, this report makes recommendations for course fees for the academic year 2015-16.

The proposed amendments to the fee structure relates to:

- accredited courses funded through the SFA's Adult Skills Budget (ASB):
  - classroom based (non-loans)
  - Advanced Learning Loans for learners aged 24 plus
  - workplace based courses
  - apprenticeships
  
- non-accredited Community Learning (CL) courses:
  - full fees
  - Passport to Leisure and Learning (PTLL) fees
  - 60 plus fees
  - single session workshops
  - courses requiring additional resources
  - currently non-chargeable courses in confidence building, assertiveness and short introductory courses in vocational subjects

**Recommendations:**

1. The Education and Children's Services Scrutiny Board (2) is recommended to note and consider this report and make any comments to the Cabinet Member for Education.

2. The Cabinet Member for Education is recommended to:
- i. Consider comments from the Education and Children's Services Scrutiny Board (2);
  - ii. Approve the Fee Strategy for the academic year 2015/16.

**List of Appendices included:**

Appendix 1: Key to abbreviations

**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](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](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/308105/funding_rules_2014_to_2015_version_2.pdf)

Adult Education Service fees strategy – academic year 2014-15,

<http://democraticservices.coventry.gov.uk/documents/s17348/Adult%20Education%20Service%20Fees%20Strategy%20Academic%20Year%202014-15.pdf>

**Has it been or will it be considered by Scrutiny?**

Yes – Education and Children's Services Scrutiny Board (2), on 12 February 2015.

**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.

## **Report title: Adult Education Service Fees Strategy – Academic Year 2015-16**

### **1. Context (or background)**

1.1 Coventry 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.

1.2 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 SFA contribution for learners on accredited courses, as explained in the AES fee policy for 2013-14. There is also a requirement providers of Community Learning (that is, 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.

### **1.3 Accredited courses**

1.3.1 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 SFA eligibility guidelines. AES currently receives funding from the SFA for any eligible learners at rates set annually by the SFA.

1.3.2 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.

1.3.3 AES is awaiting publication of the SFA funding rates for 2015-16. This paper is based on the expectation that the levels of funding from SFA for accredited courses remain similar to those in 2014-15. In the event of any announcement of significant changes by SFA after Cabinet Member approval, then further appropriate approval will be sought .

### **1.4 Non-accredited (CL) courses**

1.4.1 AES receives an annual allocation from the SFA to fund CL programmes. This paper is based on the expectation that SFA funding for CL programmes remains the same as for 2014-15, and that SFA's objectives remain the same, that is to focus public funding on turning around the lives of local people and maximise 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.

1.4.2 In considering fees for 2015-16, AES has also had to take into account the following:

- the impact of the AES fees strategy 2014-15;
- the impact of the introduction of online enrolments for non-accredited CL programmes in September 2014;
- the rate of non-take up of courses by Passport to Leisure and Learning (PTLL) holders;
- retention rates amongst PTLL holders.

1.4.3 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**

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

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

2.1.1.1 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. AES proposes to increase the currently agreed fee rates for these courses for the academic year 2015-16 by 2.7% (and appropriately rounded up to the nearest round figure), in line with agreed City Council policy.

#### **2.1.2 Advanced Learning Loans for learners aged 24 plus**

2.1.2.1 AES offers Level 3 courses in Children and Young People's Workforce, Support for Teaching and Learning in Schools, Education and Training, Computer Skills and Business Skills. Learners aged 19 plus are fully funded for their first Level 3 vocational course, whilst other 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 to date there has been no increase in SFA funding rates. Learners are not required to start repaying their loans until they start to earn at least £21,000 per year.

2.1.2.2 AES proposes to maintain the 2014-15 model for fees for Level 3 courses of 10% below the SFA fully funded rate to attract learners in 2015-16, as previously approved by Cabinet Member in June 2014.

#### **2.1.3 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 the 2014-15 model for fees for workplace based courses, taking into account SFA funding rates.

#### **2.1.4 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 maintain the 2014-15 model of negotiating appropriate arrangements with individual employers.

### **2.2 Non-accredited CL courses – full fees, PTLL fees, 60 plus fees, single session workshops, courses requiring additional resources, currently non-chargeable courses**

### 2.2.1 Table 1 – CL enrolments: comparison between autumn 2013 and autumn 2014

Fee rate	Total CL enrolments autumn 2013	Total CL enrolments autumn 2014	Percentage increase/decrease
Full fee	814	950	+ 16.7%
PTLL	1,522	1,432	- 5.9%
60 plus	742	891	+ 20.1%
Total	3,078	3,273	+ 6.3%

### 2.2.2 Full fees

In line with the SFA objectives mentioned above, AES proposes an increase from £3 to £3.10 per hour, in order to generate additional fee income whilst maintaining affordability for adult learners, in line with the City Council's 2.7% increase and rounded up to the nearest round figure. For a ten week course of two hours per week, this would be an increase from £60 to £62.

### 2.2.3 Passport To Leisure and Learning fees

- 2.2.3.1 Following the introduction of a fee for PTLL learners, the percentage of PTLL learners who enrolled but did not take up their place on their course reduced from 13.1% in autumn 2013 to 6.9% in autumn 2014 (compared to 6% for learners as a whole). Pending final collation of data, the indicative retention rate amongst PTLL learners in autumn 2014 was 92.1%, compared with 93.8% overall retention in Community Learning. This represents an increase in relation to autumn 2013 retention, which was 79.7% for PTLL learners and 84.3% overall.
- 2.2.3.2 The overall number of PTLL enrolments in autumn 2014 reduced by 90 (5.9%) compared with autumn 2013. This may be linked to a reduction in the number of people eligible to purchase a PTLL, with a 12% decrease in the number of people claiming out-of-work benefits in Coventry between the year ending June 2013 and year ending June 2014, and a decrease in income of 19% in citywide PTLL sales comparing the August to October quarters in 2013 and 2014.
- 2.2.3.3 However, there was a fall in the number of learners on CL courses living within the 30% most deprived neighbourhoods in the city, with only 25.9% of total CL learners in autumn 2014 living in these neighbourhoods, compared with 37.2% in autumn 2013. In order to ensure that courses remain financially accessible to PTLL learners, and in line with AES's on-going commitment to targeting those facing disadvantage and barriers to learning, AES recommends maintaining PTLL fees at the current rates.

### 2.2.4 60 plus fees

AES recommends that the fee for learners aged 60 plus is increased from £2.25 per hour to £2.35 per hour (maintaining the same proportion of 75% of the full fee rate as in 2014-15), which for a ten week course of two hours per week would be an increase from £45 to £47. Some 60 plus learners are eligible for a PTLL and would therefore be eligible for the higher PTLL discount. As with full fee payers, this increase represents a 2.7% increase, rounded up to the nearest round figure.

## **2.2.5 Single session workshops**

- 2.2.5.1 Single session workshops are offered to encourage learners to try new subjects for which this is the most appropriate length and format, and 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.
- 2.2.5.2 AES therefore recommends an increase from £5 per hour to £5.15 per hour for single session workshops. This equates to £20.60 for a typical four hour workshop. AES recommends maintaining the current flat rate £2 fee for single session workshops for PTLL holders, and to increase the fee for learners aged 60 plus from £3.75 to £3.90 per hour (£15.60 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 maintaining the offer of special discounted rates on the proposed £5.15 per hour for single session workshops in order to incentivise people to attend one-off sessions and promote progression to longer courses. This increase also represents a 2.7% increase, rounded up to the nearest round figure.

## **2.2.6 Courses for which equipment or rooms necessitate limited numbers and courses requiring additional staffing**

- 2.2.6.1 AES proposes to increase the higher hourly rate for certain courses which are more expensive to run, from £4.50 to £4.65 per hour (£3.40 to £3.50 for learners aged 60 plus), and retain the current fee of 40 pence per hour for those with a PTLL, subject to a minimum PTLL fee of £2.
- 2.2.6.2 In such cases the charge for a ten-week course would be £93 rather than the proposed £62 for other ten-week courses and the proportionate reduction for learners aged 60 plus would still apply (£75 for a ten-week course), with the PTLL rate remaining the same as in 2014-15 for these courses, at £8 for a ten-week course. 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 eight people;
  - courses incurring additional costs due to their specialist nature, for example, a life drawing course would require a life model in addition to a tutor at each lesson.
- 2.2.6.3 Other additional costs for learners are explained in course information forms, for example materials, equipment and ingredients.

## **2.2.7 Non-chargeable courses in self-confidence, assertiveness and short introductory courses in vocational subjects**

- 2.2.7.1 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 has offered 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. The fee increases for other Community Learning courses have generated additional income which will enable AES to maintain these courses free.

2.2.7.2 However, following the introduction of online enrolments for Community Learning courses in September 2014, although AES proposes to continue to offer Family Learning courses free of charge, it proposes to introduce a nominal £2 flat rate fee for self-confidence, assertiveness and short introductory courses in vocational subjects as this will enable people to enrol online for these courses.

## 2.2.8 Online courses

2.2.8.1 AES is not currently delivering online courses independently of wider vocational programmes. However, if AES reintroduces these courses, the current model of a reduced fee based on the reduced tutorial hours required per learner would be applied. The respective PTLL and 60 plus rates would be calculated on the same basis for online CL courses.

## 2.2.9 Table 2 - Coventry City Council Adult Education Service course fees – summary of current 2014-5 and recommended 2015-16 rates

Course type	Current fee 2014-15	Recommended fee 2015-16
<b>Accredited (ASB) courses</b>		
Classroom based courses (non-loans)	Variable based on SFA funding rates; full fee remission for many based on financial circumstances and existing qualifications	2.7% increase in line with Council policy, rounded up to nearest round figure
Advanced Learning Loans for Level 3 courses	Variable based on SFA funding rates	Maintain the 2014-15 model for Level 3 courses
Workplace based courses	Variable based on funding rates; full fee remission for many based on financial circumstances and existing qualifications	Maintain the 2014-15 model for workplace based courses, taking into account SFA funding rates
Apprenticeships	Variable – appropriate rates payable by employer	Maintain the 2014-15 model for apprenticeships
<b>Non-accredited (Community Learning) courses</b>		
Courses - full fee	£3 per hr	£3.10 per hr (£62 for 20 hrs)
Courses - PTLL	25 pence per hr (min £2)	No change
Courses - 60 plus	£2.25 per hr	£2.35 per hr (£47 for 20 hrs)
Single session workshops - full fee	£5 per hr	Increase to £5.15 per hr
Single session workshops - PTLL	£2 flat rate	No change
Single session workshops - 60 plus	£3.75 per hr	Increase to £3.90 per hr
Courses for which equipment or rooms require limited numbers; courses requiring additional staffing	£4.50 per hr	£4.65 per hr (£92 for 20 hrs)
Courses for which equipment or rooms require limited numbers; courses requiring additional staffing – PTLL	40 pence per hr	No change
Courses for which equipment or rooms require limited numbers; courses requiring additional staffing – 60 plus	£3.40 per hr	£3.50 per hr (£70 for 20 hrs)
Currently non-chargeable courses in confidence building, assertiveness and short introductory courses in vocational subjects	Free	£2 flat rate

Online courses	Reduced fees based on reduced teaching hours	Increase as per above fee increases, based on reduced teaching hours
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### 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. There have been no further consultations on non-accredited (CL) fees since the BIS survey in 2012, and whilst fees have increased since then, they remain very competitive in relation to those of similar providers, and enrolments amongst people paying full/60 plus fees have increased, and there has been no critical feedback by PTLL learners since the introduction of the nominal £5 fee. AES promoted the survey amongst its own learners at that time. Discussion has taken place with colleagues within AES to agree the proposed fee structure for 2015-16, taking account of the funding levels and requirements of the SFA 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. The effect of the changes to enrolment fees for CL enrolments between autumn 2013 and autumn 2014 is shown in Table1 above.

### 4 Timetable for implementing this decision

- 4.1 Implementation: fee increases to be implemented with effect from 1 September 2015.
- 4.2 Monitoring: termly and at the end of the academic year.

### 5 Comments from Executive Director of Resources

#### 5.1 Financial implications

- 5.1.1 The report proposes fee rates for accredited (ASB) courses for 2015-16 to be in line with current AES fee policy, which is connected to the SFA funding rates, as shown in Table 2 above. Fees for apprenticeships will continue to 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.
- 5.1.2 Fee rates for non-accredited (CL) 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. The increases are in line or above the City Council's policy of 2.7% except for PTLL, which is being maintained at the 2014-15 rate, as shown in section 2 (PTLL) above.
- 5.1.3 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.
- 5.1.4 The increase in income for the 2015-16 academic year based on these proposals is expected to be in the region of £7,000, assuming similar levels of activity to previous years. The increase in income will be reinvested within AES to extend provision to people who cannot afford to pay in accordance with SFA grant guidance.



## 5.2 Legal implications

- 5.2.1 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 CL 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 CL 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. A substantial ESOL programme supports large numbers of learners facing disadvantage and barriers to learning to improve their English language skills in order to play a fuller role within their local communities.

### 6.2 How is risk being managed?

The fee rate is being set for the academic year 2015-16 taking into account current SFA 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 What is the impact on the organisation?

None.

### 6.5 Equalities / EIA

An EIA was completed May 2013 in relation to the 2014-15 fees strategy, with no negative impacts identified. An analysis of learner enrolments in autumn term 2014 shows an increase in enrolments by full fee payers and learners aged 60 plus compared with autumn term 2013.

There was a decrease of 90 enrolments (5.9%) by PTLL learners compared with autumn term 2013, which may be linked to a 12% decrease in the number of people claiming out-of-work benefits in Coventry between the year ending June 2013 and the year ending June 2014 and a decrease in income of 19% in citywide PTLL sales comparing the August to October quarters in 2013 and 2014.

However, there has been a fall in the number of learners on CL courses within the 30% most deprived neighbourhoods in the city, with 25.9% of CL learners in autumn 2014 living in these neighbourhoods, compared with 37.2% in autumn 2013. AES is undertaking further investigation into the reasons for this in order to ensure that courses continue to meet the needs of, and remain accessible to, those living in deprived neighbourhoods.

**6.5 Implications for (or impact on) the environment**

None.

**6.6 Implications for partner organisations?**

None.

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## **Appendix 1: Key to abbreviations**

AES	Adult Education Service
ASB	Adult Skills Budget
BIS	Department for Business, Innovation and Skills
CL	Community Learning
PTLL	Passport to Leisure and Learning
SFA	Skills Funding Agency