

Decision Maker: Renewal and Recreation Portfolio Holder

**For pre-decision scrutiny by the Renewal and Recreation
PDS Committee on 27 March 2012**

Date: 27 March 2012

Decision Type: Non-Urgent Executive Non-Key

Title: **ADULT EDUCATION FEES AND CHARGES 2012/2013**

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Chief Officer: Marc Hume

Ward: All wards

1. Reason for report

This report is to seek approval for an increase in the fees charged to adult enrolling on courses at Bromley Adult Education College in 2012/2013. This increase will allow the College to maintain income at a time when Government funding for adult learning is being reduced and to continue to meet the income generation expectations of the Skills Funding Agency.

2. **RECOMMENDATION(S)**

It is recommended that for the academic year starting in September 2012 the course fees at Bromley Adult Education College are increased by the following amounts:

- i) **For adult non accredited courses delivered under the Adult Safeguarded Learning funding stream, an average increase of 4.5%. This equates to an increase of approximately 17 pence per hour from £3.67 to £3.84 on standard long courses (over 23 weeks) and an increase of approximately 20 pence per hour from £4.41 to £4.61 on standard short courses.**
- ii) **For adult accredited courses delivered under the Adult Skills Budget funding stream, an average increase of 3%. That equates to an increase of approximately 9 pence per hour on a standard GCSE/level 2 course.**

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: N/A.
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Financial

1. Cost of proposal: Estimated cost Additional income of £50,235
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: Adult Education College
 4. Total current budget for this head: £7.2k 2012/13 Net Budget
 5. Source of funding: Existing revenue budget 2011/12 (funded by external & student fee income)
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Staff

1. Number of staff (current and additional): 350
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Non-statutory - Government guidance.
 2. Call-in: Call-in is not applicable.
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 10,000 per academic year
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 Bromley Adult Education College provides a wide range of courses for adult local residents. Some courses are accredited and lead to recognised qualifications within a range of vocational subjects. In the last twelve months the College has developed a strong partnership with Job Centre Plus, providing targeted training opportunities for unemployed adults to help support them back into employment. The College also offers an extensive programme of non-accredited courses aimed at meeting the cultural, social and personal needs of local residents.
- 3.2 The courses are funded through a number of mechanisms, but in all cases the general expectation by the funding agency is that students, or their employers, pay an increasing amount of the costs for their courses and training where they can afford to do so.
- 3.3 For the 2012/2013 academic year adult learners, or their employers, enrolled on courses leading to approved qualifications funded under the Adult Skills Budget will be expected to pay 50% of the course costs plus awarding body accreditation charges. However, adults in receipt of Job Seekers Allowance or ESA (Work Related) will have their course fees and accreditation charges fully subsidised. Adults enrolled on basic Skills for Life courses, leading to recognised qualifications in literacy and/or numeracy below level 2, also qualify for full tuition fee remission.
- 3.4 There is currently no explicit level of fee payment expected for courses provided under the Adult Safeguarded Learning fund, but learners able to afford fees are expected to pay a substantial proportion of their course costs. Free courses and reduced fees are available for some community courses and specific disadvantaged groups. In 2010/2011, 932 adult learners paid no fees for their Adult Safeguarded Learning courses with BAEC.
- 3.5 College managers have been advised by the LBB Senior Accountant that the budget for adult education has been inflated by 4.5%, so fees and charges need to be inflated to reflect this increase.
- 3.6 The proposal is that for non accredited courses delivered under the Adult Safeguarded Learning funding stream an average increase of 4.5% is applied. This equates to an increase of approximately 17 pence per hour, from £3.67 to £3.84 on standard long courses of 23 weeks or more, and an increase of 20 pence per hour from £4.41 to £4.61 on standard short courses.
- 3.7 For accredited courses delivered under the Adult Skills Budget (ASB) funding stream, an average increase of 3% is proposed. That equates to an increase of approximately 9 pence per hour from £3.00 to £3.09 on a standard GCSE/level 2 qualification course. The delivery of courses leading to recognised qualifications remains a key priority for the College and as such senior managers consider it necessary to minimise the fee increase and avoid the risk of increasing the barriers to participation unnecessarily.
- 3.8 The lower than 4.5% increase in the ASB funded courses will be offset by a higher increase, an average of 4.5%, applied to that provision which sits outside of public funding. For the College this includes training for employers, English as a Foreign Language (EFL), and some high level ICT courses.
- 3.9 The impact of these changes is illustrated by the following examples. A 60 hour pre-level 2 Foundation course, supported by SFA Adult Learning Responsive funding will cost students £180 in 2012/2013 compared to £175 in 2011/2012. However a 56 hour non-accredited course, typically in arts and crafts or health and fitness activity classes, which is not directly subsidised by the SFA, but supported through the Adult Safeguarded Learning programme will cost students £216 in 2012/2013 compared to £205 in 2011/2012. A completely self-funded course, such as an English as a Foreign Language course of 56 hours will cost learners £448 in 2012/2013, compared to £392 in 2011/2012.

4. POLICY IMPLICATIONS

Bromley Adult Education College's fee policy broadly fits within the charging policy for other council Services.

5. FINANCIAL IMPLICATIONS

- 5.1 College income from the Skills Funding Agency will reduce in 2012/13. The Adult Skills Budget indicative funding allocation shows a 12% reduction, or £110,000, when compared to the allocation for the 2011/12 academic year. However, as the rates that can be claimed from the SFA for many of the eligible qualifications have been revised downwards, Colleges are required to increase their output despite falling levels of funding.
- 5.2 The Adult Safeguarded Learning fund will remain at the same levels as for 2011/12.
- 5.3 The table below illustrates the projected fee income that could be realised if the proposed increases are applied onto of the projected income for 2011/12.

	Actual fee income 2010/11	Projected fee income 2011/12	Projected fee income 2012/13*
Adult Skills Budget	£164,069	£220,915	£227,542
Adult safeguarded learning	£911,505	£849,046	£887,253
Non-Funded provision	£53,333	£72,020	£77,421
Total	£1,128,907	£1,141,981	£1,192,216

6. LEGAL IMPLICATIONS

The Bromley Adult Education College fee policy meets the guidelines set down by the Skills Funding Agency.

Non-Applicable Sections:	Personal Implications
Background Documents: (Access via Contact Officer)	