

DRAFT TEMPLATE

Checklist of questions all managers will need to consider when setting income charges:

1. Do we need to provide this service at all and if not please explain why we are providing it?

Adult Education is a non statutory service. A local authority has a duty under the Learning and Skills Act (2000) to provide “reasonable facilities” for persons of age 19 and over. In performing this duty of “reasonable facilities” the Council must “take account of facilities whose provision thinks might reasonably be secured by other persons” and “make best use of Council’s resources and in particular avoid provision which might give rise to disproportionate expenditure”.

The London Borough of Bromley receives an annual grant from the Skills Funding Agency to support the delivery of Adult Education. There are two strands to the grant, the Adult Skills Fund, which supports approved qualifications and adult English, literacy and numeracy courses (including learning for adults with learning disabilities), and the Community Learning Fund which supports non-qualification bearing learning activities.

2. Is this a new charge to be considered or an amendment/change to our existing charging policy?

Any proposals would be an amendment to existing fees and charging rates, which are reviewed on an annual basis, following indicative funding information becoming available for the following academic year. Course fee changes are introduced at the start of each new academic year (September), with enrolment for those courses commencing in the preceding June.

3. Is the charge set by statute?

No

4. Is the level of charge set by statute?

No.

However, the SFA funding rules stipulates the fee concessions that are to be applied to courses funded under the Adult Skills Fund. See Q 13, (*information in italics*).

5. If 3 & 4 above are not applicable, is the proposed charge based on full cost recovery and if not please specify why not?

- **Political**
- **Means Tested**
- **Statutory**
- **Negative impact on the environment**
- **Other – please specify**

Where provision is supported by public funding this is used to subsidise the full cost recovery rate.

Provision that is exempt from public funding is charged at a non funded rate which is based on full cost recovery.

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6. Who uses the service and when and can they go elsewhere?

Adults, 80% of whom are residents of the London Borough of Bromley, use this service. Attendance on courses takes place across the academic year, Monday – Saturday daytime and Monday – Thursday evening.

The Work Club at the Kentwood Centre in Penge operates on Monday and Tuesday mornings across 48 weeks of the year. This is accessed by unemployed local adults, some of whom are referrals from JCP. Some of the accredited provision for unemployed adults continues to run outside of the standard school term time, e.g. during July and August.

See Q14 for information about other providers offering some of the provision currently available at BAEC.

Where adults have children of school age they need to access courses where travel times will allow them to drop off and or/pick up children at school. Some students attending classes in the evening also need to access provision that is within a short travel time of their home, due to either their own or their partners commuting arrangements. Provision located out of borough would not be an option for many service users with these types of travel time restrictions.

7. What impact will any change in charging have on the service?

Historical data suggests that there will be a reduction in the numbers of fee-paying learners accessing the provision. Increasing fee rates in previous years has failed to increase the overall income derived from course fees. Anecdotal evidence indicates that when fees increase, some fee paying students choose to enrol on fewer courses, suggesting there is a ceiling on the amount of their disposable income they will use for their lifelong learning activities.

8. Will consultation need to be undertaken out and how long will this take?

Public consultation not required, although the Local Scheme of Delegation requires that the view of the BAEC Board of Governors is sought prior to any increase.

9. Is there evidence that there will be a disproportionate impact on some customer groups? If yes, a full equality impact assessment will need to be undertaken.

As concessionary fees (see Q13) will continue to apply to priority groups providing any proposed increase is low, there is no evidence to indicate a disproportionate impact on any user groups.

10. How acceptable are the proposals to the public?

The members of the public who are required to pay for their courses are accustomed to doing so. An increase in charges is seldom welcomed by the public, however most understand that rising costs in resources, utility bills and staff salaries inevitably lead to an increase in charges to service users. Providing increases are in line with inflation, they are generally accepted. When an increase greater than inflation was applied to the non-funded rate, this resulted in a reduction in enrolments, and subsequently income, for this type of provision

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11. Is the charge subject to VAT? If you are not sure please seek advice from the VAT officer in finance.

Not subject to VAT

12. Impact on service demand – if demand increases/falls can the Council adjust its provision accordingly?

Tutors are on sessional contracts, so only work when there are sufficient enrolments to make classes financially viable.

However, it is more difficult to vary the infrastructure costs on the same flexible model. Withdrawal from sites of delivery inevitably leads to a reduction in income, which off sets some of the efficiencies made.

13. Which services do we offer concessions on? Please state if this happens in your area.

Course fee concessions apply as follows:

- *Eligible adult Skills Fund: Adults enrolling on courses that are approved for funding and who are in receipt of state benefits (other than state pension and child benefit) can access their course free of charge provided they can confirm they are actively seeking work and their course will help them to seek/gain employment.*
- *Eligible adults can enrol on adult literacy and numeracy classes free of charge regardless of their income levels.*
- *GCSE Maths and English course are free to any adult who has not previously achieved a GCSE pass at grades A* to C.*
- *16-18 year olds can access approved qualification courses free of charge, providing they can confirm that they are taking their course as part of their full time education or training. Otherwise they will be required to pay the non-funded (full cost recovery) rate.*
- Eligible adults enrolling on non-accredited courses supported by the Community Learning Fund and who are in receipt of state benefits (other than state pension and child benefit) are entitled to a reduction of 20% against the advertised fee.
- Family Learning provision, delivered in partnership with the School improvement Team will continue to be delivered free of charge to families.

Italics: These concessions are a requirement of the Skills Funding Agency as set out in their Funding Rules 2014/15.

There are no concessions for non-funded (full cost recovery) courses.

Benchmarking**14a. Are third party commercial providers operating similar services in competition with the Council?**

There are no commercial training providers in Bromley operating the comprehensive range of services currently provided by BAEC. The wide range of non-accredited community learning courses is not replicated elsewhere in the borough.

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There are private training providers that offer a few of the individual qualifications that BAEC include as part of their accredited offer. These include Health and Safety, Food Safety, Emergency Life Support, ECDL and Book keeping

Private leisure facilities – offer recreational yoga, Pilates, keep fit and badminton, however these do not routinely include the formal structured progression opportunities that users benefit from in an adult education setting.

A local commercial gardening centre offers a small number of qualification and recreational gardening courses.

The WEA, U3A and Bromley Arts Council have a very restricted local offer of non-accredited learning activities. These activities are predominantly held in the day time.

Bromley College of Further and Higher Education (BCFHE) offers a wide range of vocation training opportunities, but there are only a few areas of direct overlap with BAEC provision, mainly in the following accredited subjects; book-keeping, beauty therapy, counselling, English, maths and languages. In some subject areas the actual qualifications differ so direct comparisons are not really possible. For example the Level 1 Book-Keeping at BCFHE is the manual version, whilst BAEC offer the computerised version.

14b. If yes, what/how do our charges compare and why are they different?

Commercial Garden Centre charges approx £7.50 ph for the non accredited courses. This is a higher rate than the standard BAEC fee of £4.61 because BAEC is able to subsidise the fees using the community learning fund. However, it is worth noting that the class numbers are usually smaller in the commercial setting.

The WEA standard rate is £3.95 ph, which is less than the BAEC standard rate for short courses of £4.61, but marginally higher than the BAEC standard rate for long courses, which is £3.84. The WEA has charitable status and does not have the sort of infrastructure costs (incl premises) that are attached to the adult education service.

Private yoga and Pilates clubs rates vary between £6.00 - £10.00 ph. Private leisure clubs operate on a monthly membership rate which can give members access to similar classes. Monthly membership rates vary from £60.00 - £100.00. Non members can access clubs by paying a daily rate, usually approx £15.00. At Bromley Mytime there is a charge of £5.60 ph hour for a yoga class (members rate) whilst non members are charged £7.10. Standard Bromley Mytime Centre membership is currently £38.00 per annum.

For comparisons with fees charged for similar courses at BCFHE for the 2014/15 academic year, please see table below:

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Course	BCFHE 2014/15		BAEC 2014/15		Comment
	Advertised Fee	Details	Advertised Fee	Details	
L1 Award Book keeping (manual – BCFHE; Computerised - BAEC)	£265.00	11 wks x 2.5 hrs Incl exam/reg costs	£287.00	12 wks x 3 hrs. Incl exam/reg costs	
L2 Intro to Counselling	£276.00	30 hrs. Excl exam costs	£364.00	34 hrs. Incl exam fees of £68.00	Hourly tuition rate BCFHE = £9.20; BAEC £8.70
L2 Cert in Counselling skills	£875.00	15 weeks Excl exam costs	£466.00	33 wks x 2.5 hrs. Incl exam costs	Course at BCFHE not supported by SFA funding
Non accredited French/Spanish	£220.00	2hrs x 15 weeks	£173.00	3hrs x 12 wks	Course at BCFHE not supported by SFA funding
BSL Level 1	£490.00	Tuition hrs not specified	£304.00	33wks x 2hrs	Course at BCFHE not supported by SFA funding

15a. Is there a planned rate of increase for charges (above inflation) and how frequently are charges increased above inflation?

Course fees are reviewed on an annual basis and are usually increased in line with inflation for the start of each new academic year.

15b. Is member approval needed for new charges or increases above inflation? (The scheme of delegation allows chief officers to increase by inflation only, unless specifically agreed).

All fee proposals are scrutinised by the BAEC Board of Governors. Increases above inflation are subject to member approval following scrutiny by the Governors.

15c. Is this consistent with third party commercial providers?

Many private training providers who access funding from the Skills Funding Agency tend to increase fees in line with the start of the new funding year (i.e. August). However, those not accessing public funds will usually introduce fee increases for the start of the new financial year.

The monitoring of trend data over the last few years indicates that increases are usually in line with inflation. During the recession, some providers have frozen course fees for a period of time in an attempt to encourage enrolments.

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16. How do charges compare to:

- **Similar councils?**
- **Neighbouring councils?**
- **Other service providers?**

The London Boroughs of Bexley, Sutton and Redbridge run adult education services that are similar to those of Bromley. Bexley, Croydon and Lewisham are the neighbouring boroughs with who we are mostly in competition with for students.

Bexley	Fees at Bexley Adult Education are similar to those at BAEC. Non accredited course fees average out at around £4.50 ph and vary depending on the type of course and costs associated with the delivery of the subject. Fees for accredited provision are closely aligned to those at BAEC.
Croydon	Fees for non accredited provision in Croydon are set at a slightly higher hourly rate than at BAEC, approximately £0.30 - £0.50p per hour higher. However, Concessionary fees are set at 70% of the full fee compared to 80% of the full fee at BAEC. Fees for accredited provision are closely aligned to those at BAEC.
Lewisham	Student fees at Lewisham adult education tend to be slightly lower than those at BAEC. This is because they provide fewer courses, but apply a greater subsidy from their SFA allocation. Concessionary fees are generally set at 50% of the full fee compared to 80% of the full fee at BAEC (i.e. a 20% reduction).
Redbridge	Fees for 2014/15 were not available for comparison at the time of writing this report. However a comparison of the 2013/14 fees indicated that adult education fees in Redbridge were slight lower than those in Bromley, ranging from £2.00 - £5.30 per hour for Community Learning and £2.80 - £.300 for qualification courses. Concessionary fees varied between 50% and 60% of the standard fee rate.
Sutton	Student fees at Sutton adult education are very similar to those at Bromley. Community Learning fees range from £2.50 to £6.00 per hour, fees on qualification courses from £3.00 - £3.30per hour and the full cost recovery fee is £8.50 per hour. Concessionary fees are set at 75% of the standard fee with no concessions for full cost recovery.

For comparisons with other service provider charges, please see 14b above.

- **How are charges structured, and why?**

Please see appendix 1 for information regarding the structure of BAEC course fees for the 2014/15 academic year.

Fees for the accredited courses are charged at a slightly lower hourly rate as these are considered a priority by the national Government and as such receive a higher subsidy. Where courses are more expensive to run, such as ICT, which requires specialist equipment, software and regular maintenance etc, both the fee rate and the paid subsidy are higher. Examination and qualification charges are set by the awarding bodies and are in addition to the tuition fee costs. These are all included in

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the final advertised fee as appears in the printed brochure and on the website. SFA funding rules prevent BAEC from passing the exam and qualification charges on to those students who are in receipt of state benefits (other than state pension and child benefit) and accessing their course free of charge.

Fees for the non-accredited Community Learning courses fee rates vary depending on the subject being studied and the length of the course. Courses requiring specialist resources, such as cookery, some arts and crafts and ICT have a higher hourly rate to reflect the additional costs involved in providing the course. Within the subject types categories, rates are differentiated depending on the length of the course. This is to reflect the additional administrative costs involved when running a number of short courses compared to a long course that spans three terms. For example, a student enrolling on a 30 week painting and drawing class will only require one enrolment and one set of data processing for the SFA returns. However, if instead that same student enrolled on three separate art courses each term that would require three enrolments and three sets of SFA data processing. The hourly fee rate for the non-funded courses was originally based on the amount it costs the service to run a course per hour, including on-costs and overheads, assuming an average of 14 learners per class. Variations in the level of recharges applied to the service, and the time at which the service has been informed of these charges, has resulted in the inflationary increase on the fully funded rate not always reflecting the actual increase in on costs.

- **How and when will we evaluate the impact of charges?**
- **What data will we need?**
- **Can we collect this data cost effectively?**
- **When should we next review our approach?**

Enrolments on courses are monitored routinely so that additional in-year planning can take place to adjust volumes and help the College meet its SFA targets. Termly milestone enrolment data is captured and this is compared with previous years to enable the impact of any changes to be considered. Enrolment data is routinely obtained from the College MIS and income from the financial monitoring system.

The Governors at the College hold termly student focus groups to gather the views of learners on a range of topics, including enrolment and fees. As part of the annual student survey, students are asked their views on the value for money of their course. This data is all used to help gauge impact on fee paying service users.

Payment Methods

17. Income collection method – does it advantage/disadvantage or encourage/discourage use?

- a) Is a prompt/advance payment discount appropriate/desirable?**
- b) Is the administrative process involved economic and/or efficient?**

- a) No discounts are offered for advance payment. If this were implemented it could have a negative impact on course viability in some cases, requiring more enrolments to be achieved before financial viability is reached. Such a scheme could be difficult and time consuming. to administer as courses start

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across the academic year, not just at the start of each term, so early booking windows would have to be applied at individual course level (over 1,300 courses planned each year).

- b) Fee income is collected at the point of enrolment. Students can enrol for their courses in person, via the telephone, online or by post. Online enrolments now make up approximately 26% of all enrolments. At the time of writing the adult education service has reviewed its incoming telephone calls planned, to identify if this part of the service could be delivered more cost effectively using the Contact Centre service. This will include telephone enrolments.

The service offers a structured payment plan for courses over 16 weeks to minimise financial barriers to lifelong learning where possible.

Other**18. Please identify if there are any risks or unintended consequences as a result of the proposals?**

Proposals for course fee increases are usually drawn up in January/February each year when the following variable information is known:

- Likely changes to funding grants for the next academic year
- Likely changes to funding rules for the next academic year
- First full term and initial start of second term enrolment data for current year (initial analysis of impact of previous changes to fees)
- LBB annual inflationary increase rate
- Plans for increases in neighbouring/similar borough adult education services that are under consideration or being proposed.

(Information as available June 2014)

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Appendix 1

Summary Table of Tuition Fees 2014/15

Funding	Provision	2014/15 rate ph	Comments
ASF funded	Entry and Level One qualifications	3.08	10 wk x 2 hr = £62.00 25wk x 2 hrs = £154.00 (+ awarding body costs)
	Level 2 qualifications	3.25	30 wks x 2 hrs = £195.00 (+ awarding body costs)
	ESOL (English as a Second Language)	3.08	20 wks x 5 hrs = £308.00 (+ awarding body costs)
CL funded	Standard non-accredited (long courses)	3.94	28 wks x 2 hrs = £221.00
	Standard non-accredited (short courses)	4.73	12 wks x 2 hrs = £114.00
	Non accredited, specialist resources (long courses)	4.19	28 wks x 2 hrs = £235.00
	Non accredited, specialist resources (short courses)	5.00	12 wks x 2 hrs = £120.00
	ICT standard non accredited	6.00	6 wks x 2 hrs = £72.00
	Community Provision	3.08	12 wks x 2 hrs = £74.00
Non- Funded	One-day Saturday rate	8.71	6 hrs = £52.00
	English as a Foreign Language	8.71	12 wks x 4 hrs = £418.00
	ICT – high level	8.71	6 wks x 2 hrs = £105.00
	Self-Funded (incl L3 courses)	8.71	33 wks x 3 hrs + £863 (+ awarding body costs)
	Non EU rate	8.71	