

PART 1 - PUBLIC

- Financial/business affairs of a person or body

Decision Maker: Renewal and Recreation PDS Committee/Portfolio Holder

Date: 15 February 2011

Decision Type: Urgent Executive Non-Key

Title: ADULT EDUCATION FEES AND CHARGES 2011/12

Contact Officer: Michael Wheeler, Principal, Bromley Adult Education College
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Chief Officer: Marc Hume

Ward: All wards

1. Reason for report

- 1.1 This report is to seek approval for an increase in the fees charged to adults enrolling on courses at Bromley Adult Education College. This increase will allow the College to maintain income at a time when Government funding is being reduced and to meet the income generation expectations of the Skills Funding Agency.
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2. **RECOMMENDATION(S)**

- 2.1 It is recommended that for the academic year starting in September 2011 the courses fees at Bromley Adult Education College are increased by the following amounts:

1: For adult non accredited courses delivered under the Adult Safeguarded learning stream, an average increase of 4.5%; that is an increase of approximately 16 pence per hour from £3.51 to £3.67 on standard long courses and an increase of approximately 19 pence per hour from £4.22 to £4.41 on standard short courses.

2: For adult accredited level 2 courses delivered under the Adult Learner Responsive funding stream, an average increase of 2.5%; that is an increase of approximately 7 pence per hour to £3.00 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 £39,000
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: Adult Education College
 4. Total current budget for this head: £112k
 5. Source of funding: Existing revenue budget 2010/11
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Staff

1. Number of staff (current and additional): 60 full time equivalents and 325 sessionally employed staff
 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 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, both accredited and non accredited. Some courses lead to qualifications and others are provided to meet the cultural, social and personal needs of local residents. A summary of the provision delivered in 2009/10, the last year for which there are final figures, is given in Table 1. The courses are funded through a number of mechanisms but in all cases the expectation by the funding agency, is that students will pay an increasing proportion of the costs each year.

Type of provision	Number of learners	Fee income (£)	SFA income (£)	Number of hours taught (GLH)	Total income per hour (£)	Average cost to students per hour (£)
Further Education/Learner Responsive: ∅ (fee paying)	1608	£226,739	£1,001,444	101,912	£12.05	£2.22
(non-fee paying: Skills for Life, including 208 adults with Moderate Learning Difficulties and Disabilities)	578	0	£519,738	42,638	£12.19	0
Adult Safeguarded learning: Personal and Community Development Learning *	7044	£881,029	£425,328	211,041	£6.19	£4.17
Wider Family Learning +	526	0	£102,100	9,646	£10.58	0
Family Literacy Language and Numeracy	267	0	£70,000	4,650	£15.05	0
Total	10,023	£1,107,768	£2,118,610	364,379	£8.72	

∅ including some free and reduced places for individual students

* including free community courses and concessions for residents on means-tested benefits

+ 534 children also took part in this provision

3.2 The proportion of course costs that the Skills Funding Agency expect adult learners to pay through their course fees for accredited Learner Responsive courses has increased year on year. In the 2011/12 academic year adult learners will be expected to pay 50% of their course costs, unless they qualify for means tested benefits or they are studying basic Skills for Life subjects, literacy, numeracy and English. In 2009/10, 36.5% of Learner Responsive students qualified for fee remission.

3.3 Unlike accredited Further Education/Learner Responsive classes, there is no explicit level of fee payment expected for Adult Safeguarded Learning courses, but students 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 for specific groups of learners, including older people in care or residential settings and those on low incomes. In 2009/10, 972 adults paid no fee for their Adult Safeguarded Learning courses.

3.4 Standard course fees were increased by 3% for Learner Responsive (LR) and 5% for Adult Safeguarded Learning (ASL) in 2009/10, and 5% for Learner Responsive and 7% for Adult Safeguarded Learning in 2008/2009 and by 7.5% and 10% in 2007/2008. The hourly rate charged for a course is based on a number of factors, including the need for art models,

specialist equipment or small class sizes. The impact of the proposed fee increase on non-accredited (ASL) and increase on accredited (LR) course fees is shown in Table 2 below:

Table 2: Proposed Course Fees 2011/2012

Assumptions: Accredited provision – fee increase of 2.5%,
Non-accredited provision – fee increase of 4.5%

Raw impact on hourly tuition fee rates:

	2010/11 £	2011/12 £	Comments
Accredited Courses			
Foundation learning	2.85	2.92	£170 for 60 hrs (+ other)
GCSE / Level 2	2.93	3.00	£180 for 60 hrs (+ other)
A level /level 3	3.00	3.08	£185 for 60 hrs (+ other)
European Computer Driving Licence (ECDL)	2.00	2.05	ECDL Essentials £62 (+other) ECDL Extra £98 (+other)
Preparing to Teach in the Lifelong Learning Sector (PTLLS)	5.23	5.36	£193 (+other)
English for Speakers of Other Languages (ESOL)	2.00	2.50	Greater increase applied to bring in line with other local providers and bring closer to FLC rate.
Non-Accredited Courses			
Standard non-accredited (long courses)	3.51	3.67	£206 for 56 hrs
Standard non-accredited (short courses)	4.22	4.41	£106 for 24 hrs
Non accredited, specialist resources (long courses)	3.74	3.91	£219 for 56 hrs
Non accredited, specialist resources (short courses)	4.47	4.67	£112 for 24 hrs
Saturday rate	6.05	6.32	£38 for 6 hrs
Non accredited MFL	4.22	4.41	£137 for 30 hrs
English as a Foreign Language 1	5.00	6.50	Needs to move closer to self funded rate, so higher increase than 4.5%
English as a Foreign Language 2	6.00	7.00	
ICT standard non accredited	5.33	5.57	£134 for 24 hrs
ICT – high level	7.86	8.07	
Lip reading, VISIT,	2.50	2.75	Greater increase because of need to move closer to FLC rate
Community	2.60	2.75	Greater increase because of need to move closer to FLC rate
Self-Funded	N/A	8.00	Becomes Non SFA provision. No concessions.
Non EU rate	11.00	8.00	Make the same as Self-Funded rate

3.5 Providers are free to set their own rates for courses, depending on local circumstances and comparisons between providers are difficult. Some might charge a registration fee and/or a separate examination fee.

3.6 The Governing Body of Bromley Adult Education College has been consulted on the proposed fee increases for 2011/12 and supported the proposal.

4. POLICY IMPLICATIONS

- 4.1 Bromley Adult Education College's fee structure broadly fits within the charging policy for other Council services.

5. FINANCIAL IMPLICATIONS

- 5.1 The Skills Funding Agency is raising its expectation of the level of income for adult education courses generated from the students or their employers. In 2011/12 for accredited classes the assumption is that 50% of the course costs will be met by either the students or their employers. For non-accredited courses there is no explicit fee assumption, only that when adults can afford to pay for their courses they should pay a substantial contribution.

- 5.2 Total fee income

Academic Year (1 August to 31 July)	Actual fee income 2008/9	Actual fee income 2009/10	Projected fee income 2010/11	Projected fee income 2011/12
Fee income (not including materials costs and models)	£1,072,654	£1,103,072	£1,106,692	£1,145,692

- 5.3 Figures in table are net amounts with student refunds already deducted from the totals

- 5.4 College income from the Skills Funding Agency, will reduce in 2011/2012. This will occur through two mechanisms, one is the reduction in the proportion of each qualification cost that is paid by the SFA, from 52.5% to 50%. The other is the reduction in the payment for Skills for Life, that is literacy, numeracy and English, teaching. The payment for Skills for Life courses had been subject to an increase over other classes to allow for small classes and focussed teaching.

- 5.5 The budget for the 2011/12 financial year includes income from grant and fees based on income levels in 2010/11. However the College will not be notified of funding for the 2011/12 academic year until the summer. Therefore budgets will be revised as part of budget monitoring in-year, to reduce costs associated with any reduction in funding from the SFA..

6. LEGAL IMPLICATIONS

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

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