

Report to Cabinet Member for Education and Skills

**Decision to be taken on or after 8th April
Decision can normally be implemented at least
working days after decision has been signed.**

Cabinet Member Report No. ED06.19

Title: Adult Learning Fees 2019-20

Date: 8th April 2019

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Local members affected: All Electoral Divisions;

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Summary

This paper sets out the fees which the Adult Learning service proposes to charge and concessions that it intends to offer for courses delivered and apprenticeships commenced in the 2019-20 academic year.

Recommendation

**That the Cabinet Member AGREES the proposed fees and concessions set out
in the paper and that they are adopted for the 2019-20 academic year.**



INVESTOR IN PEOPLE



A. Narrative setting out the reasons for the decision

1. Courses provided by Buckinghamshire Adult Learning (BAL) are supported by grant income from the Education and Skills Funding Agency (ESFA). The ESFA's funding rules and regulations set out clearly who will be entitled to have their course fully funded by them. BAL is able to set its own fees and concessions policy where an individual's learning programme is not fully-funded by the ESFA. One of the principles to which BAL must adhere is that it should collect fees from those who can afford to pay and support those who are most disadvantaged or furthest from learning. Whilst the grant income is sufficient to cover the full cost of certain accredited courses for some learners, the majority are expected to contribute towards the cost of their learning.
2. The aim of the fee policy is to set appropriate rates and concessions to encourage participation by target groups and those who are not able to pay, whilst generating sufficient and appropriate levels of fees from those who can. This paper sets out the tuition fees to be charged for different types of provision together with additional costs passed on to learners, where required, to reflect the higher cost of delivering courses for particular curricula areas.
3. In the 2017/18 academic year, tuition fee income collected amounted to about £955K of which about £208k (22%) was in relation to accredited courses with the balance being derived from non-accredited courses (78%). Numbers on non-accredited courses have fallen on average of 20% year-on-year since 15/16; this year (18/19) the numbers are 13% lower than last year at the same time. Setting an appropriate fee level is critical to respond to economic and social localised factors as well as maintain our provision for the future, historically when we have increased fees significantly the reduction in take-up negated any price rise and led to lower fee income.
4. It is proposed that Adult Learning fees for 2019/20 are not increased and will remain at the same rate as 2017/18. The proposed hourly fee rates are set out in the table below:

Type	Provision	Proposed 2019-20	Increase since 2016-17	Fees 2018-19	Fees 2017-18	Fees 2016-17
Accredited	English Speakers Other Languages	£3.80	1.3%	£3.80	£3.75	£3.75
Accredited	Adults with Learning Difficulties or Disabilities	£4.70	10.58%	£4.70	£4.60	£4.25
Accredited	All other subjects	£5.80	5.4%	£5.80	£5.60	£5.50
Non-accredited	Lip-reading	£4.70	4.4%	£4.70	£4.60	£4.50
Non-accredited	Learning for Personal Development	£5.80	5.4%	£5.80	£5.60	£5.50
Non-accredited	Adults with Learning Difficulties or Disabilities	£4.70	-6.0%	£4.70	£4.60	£5.00
Non-accredited	Small group	£8.05	5.9%	£8.05	£7.75	£7.60
Non-accredited	Workshops of 6 hours and less	£8.90	5.9%	£8.90	£8.60	£8.40
Overseas/ non-funded	All	£10.90	9.0%	£10.90	£10.00	£10.00

ANNUAL REGISTRATION FEE

5. It is proposed that Adult Learning's registration fee will not be increased and will remain at £10. This fee will continue to cover the cost of the enrolment process, including the data collection that is required. It applies on the first enrolment in an academic year, with some exceptions, rather than being applied each time a learner enrolls on a new course. It applies to all courses with the exception of:

- Targeted provision for disadvantaged learners
- Workshops and courses of 6 hours or less (as the course fee uplift that would arise from the addition of the £10 fee would be disproportionate and would discourage learners from enrolling)

In principle it is applied to all other courses but, where the course is fully funded by the ESFA, this also covers the registration fee and we are not allowed to charge the learner.

ACCREDITED PROVISION

6. As stated in paragraph 1, the ESFA sets out in its funding rules details of those learners who qualify for their course to be fully funded from ESFA grant income, i.e. those who are not expected to pay fees for their learning programme. Details of the learners who qualify for their course to be fully-funded are set out in Appendix B. In 2017/18 63% of the 2,421 enrolments on accredited courses were fully-funded. Other learners who are expected to pay are referred to as co-funded learners. 38% of the co-funded learners received other support from the discretionary Learner Support Fund (see paragraph below) because of their financial status. The standard accredited hourly rate for 2019/20 will be £5.80 but a reduced hourly fee rate is charged for specific target groups of learners as follows.

Adults with Learning Difficulties and Disabilities (ALDD) (Accredited and non-accredited)

7. BAL offers harmonised rates for accredited and non- accredited provision for this group of learners whilst still offering a concessional rate. It is proposed to offer a rate of £4.70, a reduction of £1.10 per hour against our standard rate, for both types of provision in 2019/20. Most learners will not in fact pay this rate as we offer concessions to those on disability-related benefits, which help to reduce the fees.

English for Speakers of Other Languages (ESOL)

The government has identified a need for good quality ESOL provision and there appears to be an increasing focus on this. Poor speaking and listening skills in particular are likely to prevent an individual from obtaining work or joining fully in society, thus potentially leading to a lack of integration into British society. In order to make good progress, most learners will attend twice a week and for more weeks than the standard course length. Thus the course fee can be quite considerable an a disincentive to enrol, especially where the learner may not be entitled to a fee concession. For 2019/20 it is proposed not to increase fees for this group of learners, for economic and social reasons it is considered that the lower fee is justified.

Examination fees

8. Other than where the learner is fully funded, learners are required to pay examination and accreditation fees in full in advance. These are generally set at the expected charge to be made to us by the Accrediting Organisation plus a further £25.00 per exam to cover invigilation and administrative costs.
9. For ESOL provision our exam charges will not change; exams vary from £11 to £39 depending on the type and level of examination taken. If learners study with us all year, they have the opportunity to take at least two examinations and therefore a set fee of £60 per learner covers our examination entry charges.

NON-ACCREDITED PROVISION

10. Non-accredited or Community Learning provision can be divided into
 - Targeted provision for disadvantaged learners;
 - Universal paid for provision (Learning for Personal Development - LPD).
11. Targeted provision is for those learners who meet the disadvantage criteria as outlined in the Community Learning Strategy, principally those who are disadvantaged and least likely to participate, including those on low incomes with low

skills. These learners receive free tuition and do not pay the £10 annual registration fee, although some small costs are charged for cookery ingredients and craft resources where the learner makes use of the finished product.

12. General tuition fees will remain the same at £5.80 per hour for the universal paid for provision (LPD) in 2019/20, where the class size is 9 or more, with exceptions for Lip-reading provision and ALDD provision. For groups of 5-8 learners, tuition fees will be £8.05 per hour, where the class is planned and run as a small group. For other classes, where the minimum number of 9 is not met, the class will run as a small group and the fee will equate to £8.05 per hour, although this will be managed by reducing the course length rather than collecting additional fee income. This applies provided at least 5 of the group agree, otherwise the class is closed and all learners receive a full refund.
12. One day workshops and very short courses of 6 hours or less are included in the table above and will remain the same price as other LPD courses.
13. A reduced fee rate is offered for lip-reading courses. Very few providers offer lip-reading but most of those that do, offer a reduced fee. We believe that the skills learners acquire are essential in helping reduce the social isolation of those with hearing difficulties and we do not want fee levels to prevent participation. We propose to harmonise the hourly rate to that charged for our ALDD provision of £4.70 per hour, £1.10 per hour less than our standard rate. Learners would still be eligible to apply for support with these fees.
14. Additional charges will remain static in 2019/20 and be made as outlined in the table in Appendix A for specialist support; use, replacement and servicing of equipment; exceptional utilities charges such as electricity for a kiln; life models; tutor demonstration materials; and any other costs directly associated with the course.

CONCESSIONS

15. We will continue to support Learners with genuine financial difficulties that prevent them from enrolling on or completing an accredited course, they can apply for financial support from the Discretionary Learner Support Fund (DLSF). The DLSF is part of the Adult Education Budget (AEB) and there will be no change to the way BAL will apply its own criteria to decide who these funds may be used by. For 19/20 we propose to increase the budget limit of the DLSF from £40,000 to £45,000. The DLSF principally supports additional costs of engaging with learning such as travel, materials and childcare but it can also be used to help with tuition and exam fees, where the learner is not fully funded. The Learner Access Fund (LAF) is a fund established out of fee income to support learners on non- accredited provision; we propose to increase this budget from £30,000 to £35,000. Once the funds in these support funds have been used, no further support may be available. The funds have assisted 320 learners to date this year and by increasing the amount we hope to support more.
16. The maximum support which BAL will provide for those on ESOL courses is:
 - Payment of the exam fee
 - Payment of 60% of the balance of the tuition feessubject to the total support not exceeding £500 per learner.
17. In relation to ALDD learners, many of whom receive support from the DLSF and in relation to their non-accredited courses (see paragraph 19 below), we will continue to

offer support for 50% of the course/exam fees, subject to an overall maximum for accredited courses of £500 per learner per year. Learners also studying on non-accredited courses would also be entitled to apply to the Learning Support Fund (LAF) and subject to eligible funding of up to £250.

18. Support towards the cost of travel and appropriate materials up to a combined maximum of £275 and childcare of £500 for all qualifying learners on accredited courses may be awarded, provided the overall maximum support for any learner does not exceed £775. This is to allow us to help as many learners as possible.
19. There is no specific government grant allocation with which to provide concessions for those on non-accredited programmes. We use our fee income for this and ring-fence an amount of funding, referred to as the Learner Access Fund (LAF). As with the DLSF, it is used to support those who are struggling financially and meet specific hardship criteria. The concessions are offered to encourage those furthest from learning and those who are disadvantaged to engage. Once the fund has been used, no further concessions can be offered. With the exception of ALDD learners, concessions are:
 - 50% of the course fee, up to a maximum fee concession of £250 per learner per year

Additional costs for materials may still be payable for those on concessionary rates.

APPRENTICESHIPS

20. Apprenticeships remain a government priority. As a result of the funding changes introduced in April 2017 BAL has a contract to offer levy apprenticeships funding, there are no additional fees payable by employers. Funding is controlled by employers and drawn through their Digital Accounts (DAS). Government funding band guidance and negotiation with employers sets the charge for each apprenticeship standard.

OVERSEAS and FULL COST LEARNERS

21. Overseas learners who do not meet the ESFA's eligibility criteria are not able to be supported by ESFA grant income and must therefore pay the full cost of their provision. The hourly rate will remain the same at £10.90. Very few learners pay this rate.

LEARNERS STUDYING LEVEL 3 ACCREDITED COURSES – ADVANCED LEARNER LOANS

22. Certain learners are able to apply for and take out an Advanced Learner Loan from the Student Loans Company to cover the cost of their learning programme (if the qualification is listed as eligible). Those who are covered by these rules include:
 - Learners aged 19-23 who have not previously achieved a full technical or vocational Level 2 (equivalent to 5 GCSEs) or technical or vocational Level 3 (equivalent to 2 A Levels); and

The level of our tuition fee to be charged by BAL is set at the same rate as the maximum loan that can be taken out by the learner. No other ESFA funding is available to BAL, this amount will cover all tuition and exam costs of the qualification.

B. Other options available, and their pros and cons

23. There are numerous other options, the principal ones of which are:
- i. Keep the fee levels as in 2018/19
 - ii. Increase the general fee level by 1-3 %
 - iii. Increase the fees for ALDD and/or ESOL and/or Lip-reading classes to the standard fee rate
24. Our current funding covers inflation and salary increments which are due in 19/20, so in order to demonstrate to the ESFA that we are supplementing the grant income we receive whilst supporting their 'pounds +' initiative, increased use of partnership resources will supplement the fees charged. The stationary fee levels we are proposing are on the whole in-line with what similar providers are charging.
25. We believe that if we increase fees it will discourage participation and fee income will actually fall, which it has done in the past.
26. We are fully committed to supporting vulnerable groups with a concessionary fee policy. Were we to increase ESOL fees, this would directly impact on participation which means, not only would we lose the fee income, but we would be unable to earn our ESFA grant and any underperformance would result in a grant recovery, which could then result in a need to restructure.

C. Resource implications

27. There are no cost implications from this policy. The impact will be on income earned. The significant impact on fee income at the start of the financial downturn was underestimated and we failed to meet our fee income targets by almost £250k. Since then, we have significantly lowered our estimates and have generally been very close to budget.

D. Value for Money (VfM) Self-Assessment

28. This is not a new policy

E. Legal implications

29. There are no known legal implications.

F. Property implications

30. There are no known property implications

G. Other implications/issues

31. An Equality Impact Assessment is attached as Appendix C.

H. Feedback from consultation, Local Area Forums and Local Member views

32. This is not a change in policy and, as in previous years, no consultation has been undertaken. The decision affects all Members as the adult learning fee level affects learners participating throughout Buckinghamshire.

I. Communication issues

33. Through our 2019/20 brochure, web-site and student newsletters, in which we also

explain about the subsidy that adult learning receives from the Education and Skills Funding Agency.

J. Progress Monitoring

34. Fees earned are monitored monthly. If a shortfall in fee income is likely to negatively affect the financial outturn, steps will be taken to reduce expenditure appropriately.

K. Review

35. The impact on income of the fee strategy/policy will be reviewed after 31 January 2020. At that time, we should be in a good position to estimate the likely year end outturn and the impact of the policy on fee levels should be evident.

Background Papers

- Appendix A Details of additional course charges
Appendix B Details of concessions on fees
Appendix C Equality Impact Assessment
Appendix D Fee rates from other authorities

Your questions and views

If you have any questions about the matters contained in this paper please get in touch with the Contact Officer whose telephone number is given at the head of the paper.

If you have any views on this paper that you would like the Cabinet Member to consider, or if you wish to object to the proposed decision, please inform the Member Services Team by 5.00pm on 15 April 2019. This can be done by telephone (to 01296 382343), or e-mail to democracy@buckscc.gov.uk