



## COUNCIL CABINET 27 May 2021

# ITEM 9

**Report sponsor:** Pauline Anderson, Service Director and Andy Smith, Strategic Director of People Services.

**Report Author:** Anna Mimms, Head of Employment, Skills and Adult Education

## Adult Learning Service Course Fees 2021/22

### Purpose

- 1.1 Derby City Council's Adult Learning Service (DALs) reviews the fee policy annually. This fees policy has been updated considering the current economic position responding to the impact of covid and in line with the Education and Skills Funding Agency (ESFA) Adult Education Budget (AEB) funding rules and methodology. It recognises the circumstances in which we are both managing our service, and the socio-economic challenges that our citizens are facing. This policy is designed to be reviewed in April 2022.

Courses delivered by Derby City Council's Adult Learning Service are funded through an annual Education and Skills Funding Agency (ESFA) Adult Education Budget (AEB) contract that includes allocations of funding for both Community and Skills learning.

- 1.2 Derby City Council's AEB funded adult learning courses are required to operate a fair and transparent fee remission policy that requires individuals to pay a course / tuition / joining fee, but also sets out clear eligibility criteria for those individuals who, due to their circumstances, qualify for either partial or total fee remission.
- 1.3 The course fee rates and remissions for all funded courses offered by Derby City Council's Adult Learning Service are agreed by Council cabinet.
- 1.4 Derby City Council's Adult Education Budget funding allocation for 2020/21 was £2,851,209 and has been confirmed as £2,820,782 for 2021/22
- 1.5 As a response to the **Covid-19 emergency planning and restart**, we recognise the importance of providing essential learning at a time when Derby Citizens are facing unprecedented challenges and significant impact on their economic prosperity. We propose small changes to the fee structure for 21-22 to ensure it is transparent and fair (*funding rule 225. In the ESFA funded adult education budget (AEB): funding and performance management rules 2020-21 v6 April 2021*) and provides increasing access to vital free learning for those Derby citizens that are from disadvantaged learner groups.

### Recommendation

- 2.1 To approve the fee structure for the 2021/22 academic year from 1<sup>st</sup> August 2021 to 31<sup>st</sup> July 2022.

## Reasons for Recommendation

- 3.1 The Adult Learning Service is funded for adult education through the Education and Skills Funding Agency (ESFA) Adult Education Budget (AEB). The main purpose of this funding is to provide access to learning that will have the most social value and impact, by developing skills, confidence, motivation, and resilience of adults of different ages and backgrounds in order to:
- progress towards formal learning or employment and/or
  - improve their health and well-being, including mental health and/or
  - develop stronger communities.
- 3.2 As a result of the Covid-19 pandemic our Derby citizens continue to face unprecedented challenges, including a high level of unemployment and the impact of increased and prolonged isolation. The Derby Adult Learning offer prioritises social impact. Our curriculum is designed to engage with and support Derby citizens at a time of significant challenge, to provide learning that promotes positive health and wellbeing and an opportunity to learn new skills and develop stronger communities. As a result of increased unemployment, we anticipate a reduction in fee income during 21/22. There is a similar picture for further education providers across the country.

In response to Covid-19 and the potential pressures of social distancing on premises, shielding and potential for further lockdown related protocols, we have designed a new curriculum that significantly increases our on-line learning. This allows us to ensure that we optimise the face to face resources for those struggling with digital inclusion.

In order to engage those most isolated and to improve mental health, wellness and employability we have produce a fee structure that recognises that our citizens will require a variety of subjects in order to optimise engagement and reduce risks of further isolation.

## Supporting Information

- 4.1 The Adult Learning Service funding allocation from the ESFA for the 2021/22 academic year is confirmed as £2,820,782. Although allocated in one block of AEB funding, there is a historical notional allocation of £1.7 million for non-accredited Community Learning with the remaining allocated to accredited 'skills' programmes and discretionary learner support (DLS).

- 4.2 To provide courses and learning opportunities that have a higher social value and impact for our Derby Citizens, we have designed a curriculum for 21/22 that provides a range of courses that are open to all, it also targets provision towards:
- neighbourhoods with the highest levels of socio-economic deprivation
  - adults with learning difficulties and disabilities
  - adults with low levels of skills who have not previously engaged in adult learning
  - adults without level 2 qualifications
  - adults who are unemployed
- 4.3 The fees policy and proposed concessions remain aligned to the Council's priorities and enable the service to make a significant contribution to improving the skill levels and opportunities for Derby residents.

The fee policy continues to support the main purpose and objectives for Community Learning funding (outlined by Department for Business, Innovation and Skills in "New Challenges, New Chances" December 2011) which include:

#### Purpose

- Maximise access to community learning for adults bringing new opportunities and improving lives whatever people's circumstances
- Promote social renewal by bringing local communities together
- Maximise the impact of community learning on the social and economic well-being of individuals, families, and communities

#### Objectives

- Focus public funding on people who are disadvantaged and least likely to participate and people on low incomes with low skills
- Collect fee income from people who can afford to pay and use where possible to extend provision to those who cannot

Those learners who are unemployed and/or in receipt of benefits are fully funded by the ESFA for accredited courses.

## Proposed Fee Structure for 2021/22

4.4 Fees are currently structured in three bands, there are no proposed changes to these bands:

Band		
<b>A</b>	<b>Full Fee</b>	The standard fee rate without discounts or concessions
<b>B</b>	<b>Discounted</b>	Reduced fee rate or free for eligible learners (evidence required)
<b>C</b>	<b>Gold Card</b>	10% reduction for Gold Card holders (evidence required)

There are no changes to the main fee remission categories below.

\*We propose to change the household income threshold to bring it in line with the Skills individual income threshold of £17,374.50. This recommendation is specifically designed to ensure that people on low incomes have greater access to learning.

### **Band A – Full fee paid by the learner (no fee remissions)**

#### **Band B – Discounted:**

Proposed Fee Concessions - 100% fee concession will be given to the following learners:

Those in receipt of:

- Job Seekers Allowance (JSA - WRAG)
- Universal Credit (UC)
- Employment Support Allowance (ESA - WRAG)

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Plus, learners in receipt of income-based benefits or on a low personal income:

- Council Tax benefit
- Housing benefit
- Income Support
- Working Tax Credit
- Individual income below \*£17,374.50
- Pension Guarantee Credit

*\* Salary level subject to change once the AEB funding rules for 2021/22 are published.*

**Band C - Gold Card: (No changes)**

10% fee concession will be given to Derbyshire Gold Card holders (this is the concessionary bus pass issued to older people and disabled people in Derby and Derbyshire). This will only apply to those who do not meet the criteria for 100% fee concession outlined above.

**Other fee remissions: (No changes)**

Full fee remission will be given on British Sign Language courses and Makaton courses at Entry Level and Level One to:

- Learners who are deaf or hearing impaired
- The spouse or civil partner of a deaf / hearing impaired person
- The parent or carer of a deaf / hearing impaired person / child

#### 4.5 **Proposed Fee Structure for courses that do not lead to a qualification (Community Learning – non-accredited)**

To provide a fair and transparent fee policy for community learning courses, we are proposing to increase access to free courses and reduce existing fee levels for 21/22 for those who can afford to pay.

This will increase access to free courses and reduce barriers to accessing learning for those learners with a personal income of less than £17,374.50, as they will receive 100% concession. A reduced fee for social value courses brings us in line with other local providers and offers affordability and access to learning, whilst meeting the funding methodology for fee remission and transparency.

Prefix	Course Type	Proposed Fee 21/22	Current Fee 20/21	Fees 2019/20
CZ	Community taster/engagement courses	Free	Free	Free
FL/FG	Family Learning courses	Free	Free	Free
CC	Community Social Value courses	£5.00	£7.20	Free
XX	Bespoke Courses	Negotiated rates - not subsidised by public funding		

#### 4.6 **Proposed fee structure for courses that lead to a qualification (Skills Courses)**

We are proposing to offer the following fee levels for 21/22 as follows:

Prefix	Course Type	21/22 proposed fees	20/21 rates	2018/19 rates	2017/8 rates
LR	Accredited courses <i>*Each qualification has a learning aim with a funding amount allocated. Where a learner is not eligible for fee remission, they will pay the 50% co-funded rate.</i>	*50% fee	£4.20	£4.00	£3.80
LD	LLDD	£4.00	£4.00	£3.80	£3.60

LE	ESOL	£4.00	£4.00	£3.80	£3.60
LS	Maths / English / Essential Digital Skills (legal entitlement)	Free	Free	Free	Free
LU	Employability skills	Free	Free	Free	Free

The current full fee remission is awarded by the ESFA to adults on accredited courses who meet the following criteria:

- Learners on English and maths courses (who do not already have GCSE Grade C or 4 or higher or equivalent)
- Learners on an Essential Digital Skills Qualification up to and including level 1
- Learners aged 19 – 23 years and joining an entry, level 1, level 2, or level 3 course who do not already have a full Level 3 qualification
- Learners aged 24+ years without a full level 3 accessing a level 3 qualification on the level 3 adult qualification offer list

Full fee remission is also given to those in the following groups:

- Learners in receipt of Universal Credit and in a Work Group (work-related requirement, work preparation or work-focused interview) organised by Job Centre Plus and earn less than £343 per month (learner is sole adult in their benefit claim) or £549 a month (learner has a joint benefit claim with their partner)
- Learners in receipt of Jobseekers' Allowance (including JSA National Insurance Credit)
- Learners in receipt of Employment Support Allowance (Work Related Activity Group only)
- Learners who are unemployed and actively seeking work enrolled on a course with the aim of improving employability and in receipt of:
  - Income support
  - Council Tax Benefit
  - Housing Benefit
  - Pension Guarantee Credit
  - Universal Credit

Full fee remission will be given on British Sign Language and Makaton courses that lead to a qualification at entry level and level one to:

- Learners who are deaf or hearing impaired
- The spouse or civil partner of a deaf / hearing impaired person
- The parent or carer of a deaf / hearing impaired person/child

## **Public and Stakeholder Engagement**

- 5.1 The fees policy is required to reflect the ESFA AEB funding rules and methodology and to consider the spirit in which Community Learning should be delivered. As such the proposed Fees Policy for 21/22 remains relatively unchanged. Any proposed changes noted above are to widen opportunity to access free and subsidised learning to a wider range of learner groups, particularly those who are disadvantaged or facing financial challenges.
- 5.2 This fees policy responds to the emerging needs of Derby citizens by reducing barriers to accessing learning to support citizens to engage those most isolated and to improve mental health, wellness and employability.

## **Other Options Considered**

- 6.1 Make further increases in course fees - This could impact our engagement with key learner groups, reduce our social impact and see a decrease in enrolments onto courses at a time of significant and unprecedented challenge for our Derby Citizens.
- 6.2 To introduce a course fee subsidy from Council funding. This option has not been recommended due to on-going Council budget pressures.
- 6.3 It is unlikely that our Derby Citizens will have sufficient disposable income to be able to tolerate any further increase to course fees. This fees policy recognises that there is likely to be a significant reduction to household income in our target learner groups in 21/22.

## **Financial and Value for Money Issues**

- 7.1 The Adult Learning Service has an allocation of funding of £2,820,782 for the 2021/22 academic year from the Education and Skills Funding Agency's Adult Education budget.

The funding allocation and course fee income is ring-fenced for adult learning activity and cannot be used to subsidise other Council services.

Derby Adult Learning Service is a significant nett contributor to The Council's core budget. It sustains all its own costs and is not funded through core council budgets. The fee rates represent good value for money for learners and are comparable with other local authority adult learning services in the region.

## **Legal Implications**

- 8.1 None

## Climate Implications

- 9.1 Our planned curriculum for 21/22 includes an increased number of online and remote learning classes. These also includes opportunities for learners to attend virtual classes, digital skills training and cafes.
- 9.2 We are improving our use of digital technologies to complete core functions and processes linked with enrolling learners and processing fees, to reduce the use of paper in our centres.

## Personnel Implications

- 10.1 We forecast an increasing number of learners will be entitled to free courses as a result of the Covid-19 pandemic and the impact on employment. We are therefore continuing with a reduced fee income forecast for 21/22.
- To mitigate the impact of a reduction in fee income in our 21/22 budget, we have reviewed our curriculum offer to increase the number of distance learning courses and increase minimum class numbers. We are proposing to manage and deliver the new curriculum inside the current infrastructure and teaching staff resource.

## IT Implications

- 11.1 Reduced fee income will impact on our potential to invest in a wider range of digital equipment (tablets and laptops) to provide mobile digital learning, or a learner loan equipment facility.
- There may be opportunities to expand our IT equipment offer to support learners, through new government schemes to increase the access to digital equipment for low income households in deprived areas

## Equalities Impact

- 12.1 The proposal to retain the current fee structure with an increased 'personal-low-income' threshold will increase opportunities for Derby Citizens on low incomes to access adult learning, while focusing fees at those who can afford to pay.

## Health and Safety Implications

- 13.1 None

This report has been approved by the following officers:

<b>Financial officer</b>	Janice Hadfield
<b>Service Director(s)</b>	Pauline Anderson
<b>Other(s)</b>	
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<b>Background papers:</b>	None
<b>List of appendices:</b>	None