

DERBYSHIRE COUNTY COUNCIL

CABINET

3 March 2015

Report of the Acting Strategic Director for Children & Younger Adults

**DERBYSHIRE ADULT COMMUNITY EDUCATION SERVICE
FEES POLICY FOR PERIOD 2014/17: PUBLIC CONSULTATION
RESPONSE
(Children and Young People)**

1. Purpose of Report

- 1.1 To report the outcomes and recommendations resulting from the public consultation on the Derbyshire Adult Education Fees Policy agreed by Cabinet on the 21 October 2014.
- 1.2 To seek Cabinet agreement to implement these changes as part of the service planning process for its academic programme in 2015/16.

2. Information and Analysis

2.1 Background and Context

- 2.1.1 Cabinet approved the DACES Fees Policy for period 2014/17 at its meeting on 21 October 2014, subject to the public consultation. It was noted that a further report would be submitted to provide information and recommendations following completion of the consultation process.
- 2.1.2 The public consultation was undertaken using online and paper surveys. The survey was promoted and marketed with the support of the Public Relations team, liaison with service partners and other interested organisations and stakeholders.
- 2.1.3 Nearly 900 people took part in the consultation process which ran from 3 November 2014 to 14 December 2014. The survey consisted of a range of questions and statements that sought responses and comment to matters covering, locations of centre, travel range, types of centre, types of provision and reasons for participating in adult learning.
- 2.1.4 The outcomes of the survey have demonstrated that the service is valued by the people who use it and is seen as an important service within the community, for partners and those currently not engaged in

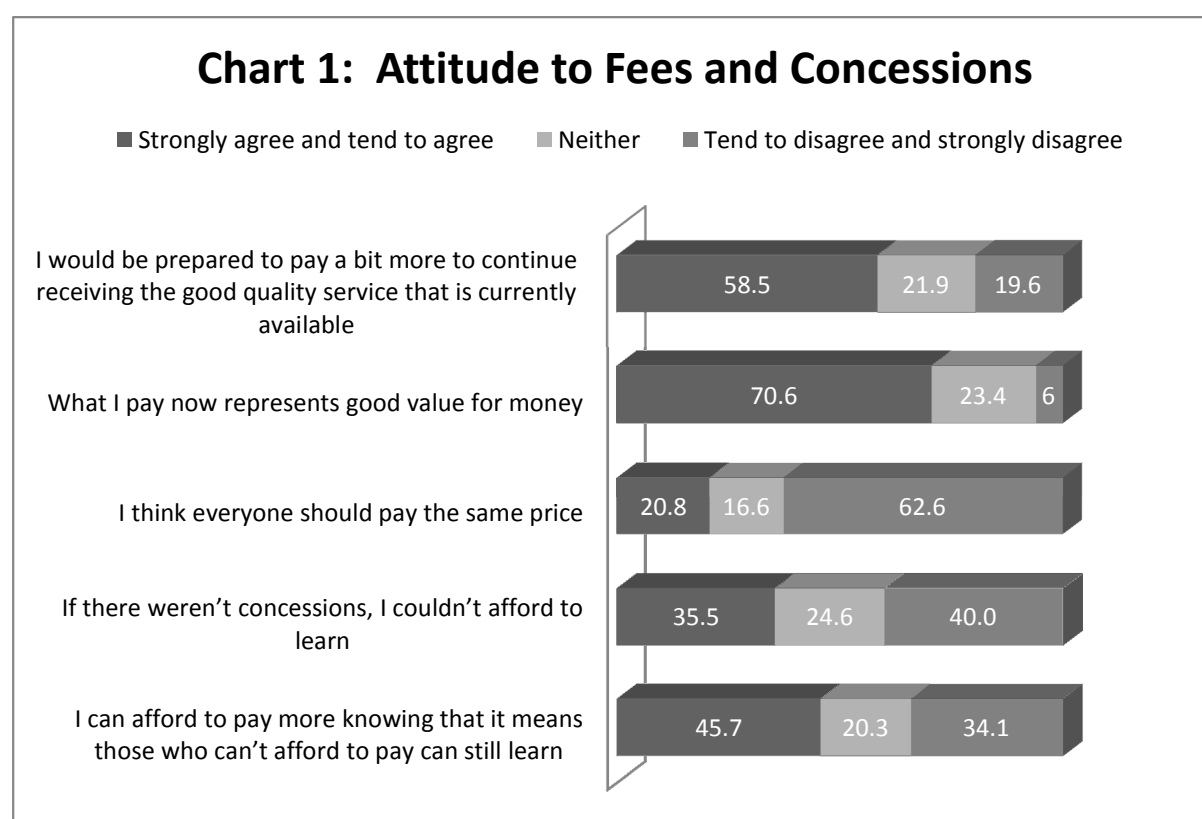
adult learning. A more detailed analysis of the consultation data can be found at Appendix A

2.1.6 The changes in the fees policy is required as local authorities across the country are facing unprecedented financial challenges which, for Derbyshire, represents a cut to its budget of £157 million between 2013-14 and 2017-18. In order to meet this target, contracts and services are being reviewed to ensure all services are affordable.

2.2 Summary Feedback on Public Consultation

2.2.1 The survey assesses the current attitude towards charging fees. This is summarised in Chart 1 below with the detail found in Question 1, Appendix A. Of all respondents, the key messages are:

- nearly 50% stated that they would be prepared to pay more knowing that it means that those who can't afford to pay can access learning;
- over a third felt that, if there were no concessions, they wouldn't be able to participate in learning;
- approximately two-thirds disagreed that everybody should pay the same fee irrespective of where they lived or their personal circumstances;
- over two thirds felt that the current fees policy represents good value for money; and
- just fewer than 60% would be prepared to pay more to continue to receive the good quality service this is currently available.



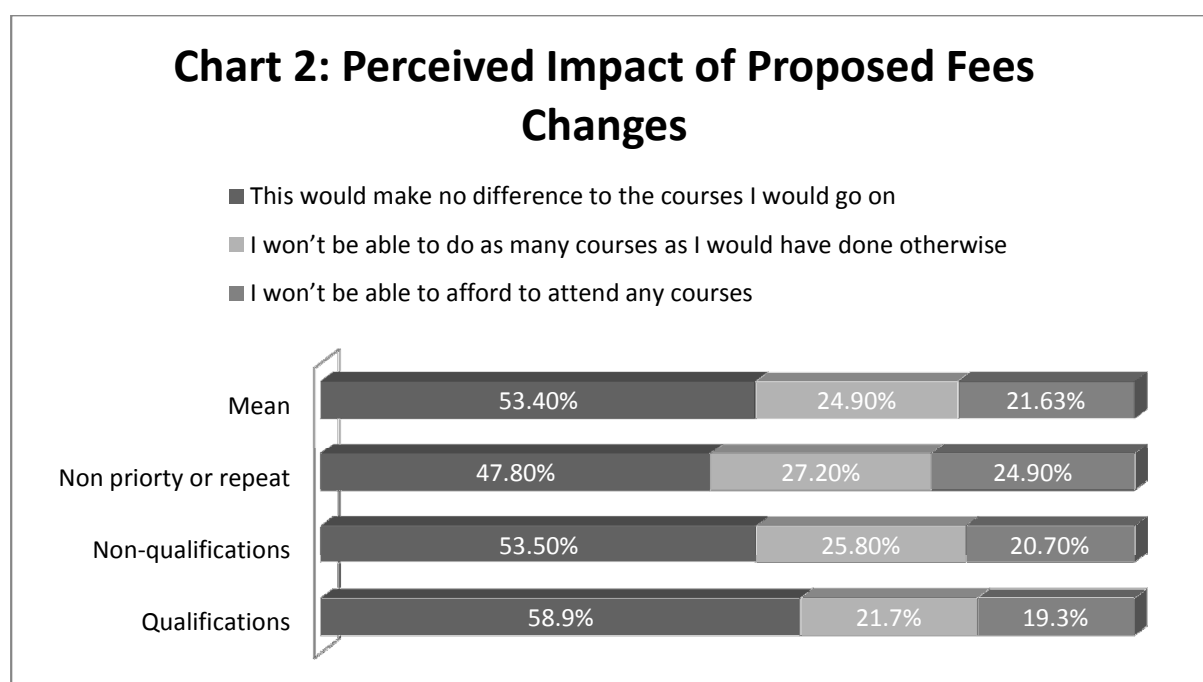
2.2.2 The survey assesses the potential impact of the proposed increase to fees on the following areas of provision:

- Learning for qualification;
- Learning not for a qualification; and
- Non-priority or repeat learning.

2.2.3 The results for all categories were very similar. Cumulatively, of all respondents, the feedback was as follows:

- over 50% stated that the proposals would make no difference to the courses they would participate;
- 25% stated that they would reduce the number of courses they would attend.
- 22% stated that they would not be able to afford to attend any courses.

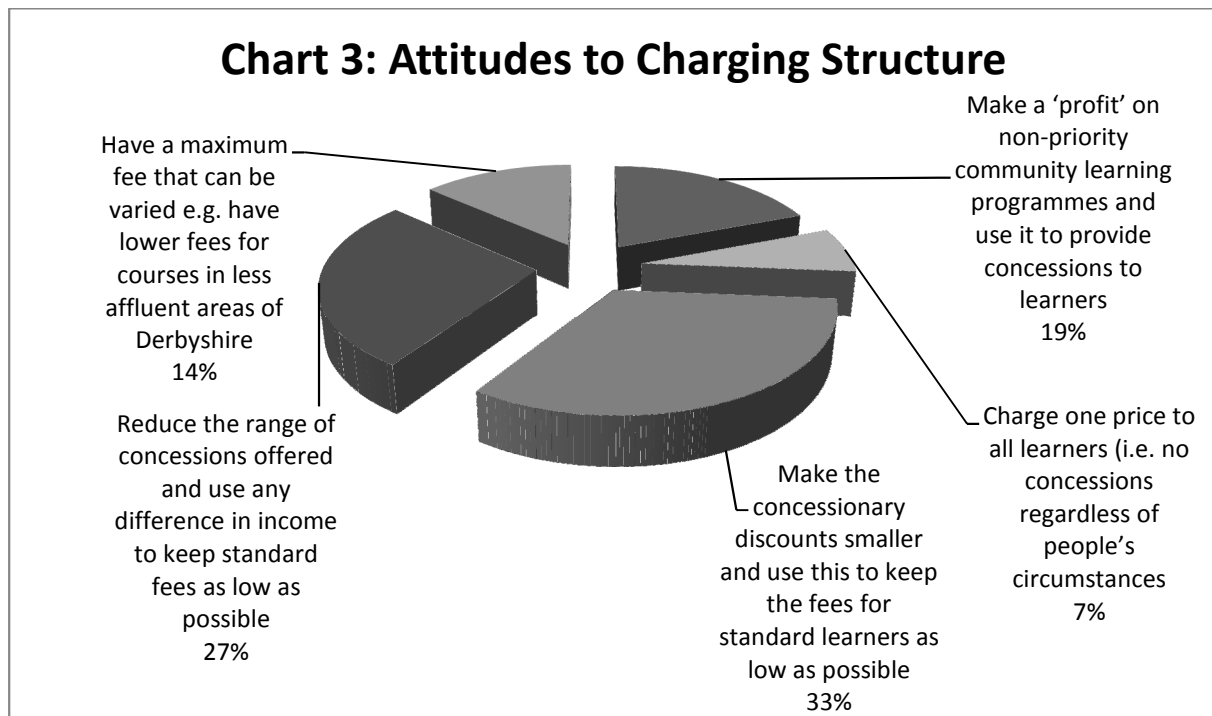
This is summarised in Chart 2 below with the detail found in Questions 2-4, Appendix A.



2.2.4 The survey establishes how learners would like the Council to prioritise setting its fees policy for adult learning. This is summarised in Chart 3 overleaf with the detail found in Question 5, Appendix A. Of all respondents, the key messages are:

- a third felt that the concessionary discounts should be made smaller and that this should then be used to keep the standard fee for learners' as low as possible;
- over 25% stated that the range of concessions offered should be reduced and that any difference in income should be used to keep the standard fees as low as possible;

- only 7% felt, however, that the council should charge one price regardless of an individual's personal circumstances.
- nearly 20% felt that the council should seek to make a "profit" on non-priority community learning programmes AND use it to provide concession to other learners; and
- fewer than 15% would like to see a maximum fee that could be varied to reflect the socio-economic needs of a local area.



2.2.5 Respondents were asked to rank how important they felt the discretionary concessions categories used by the Council are in how to reduce the fees that people pay. There was the strongest support for those people on:

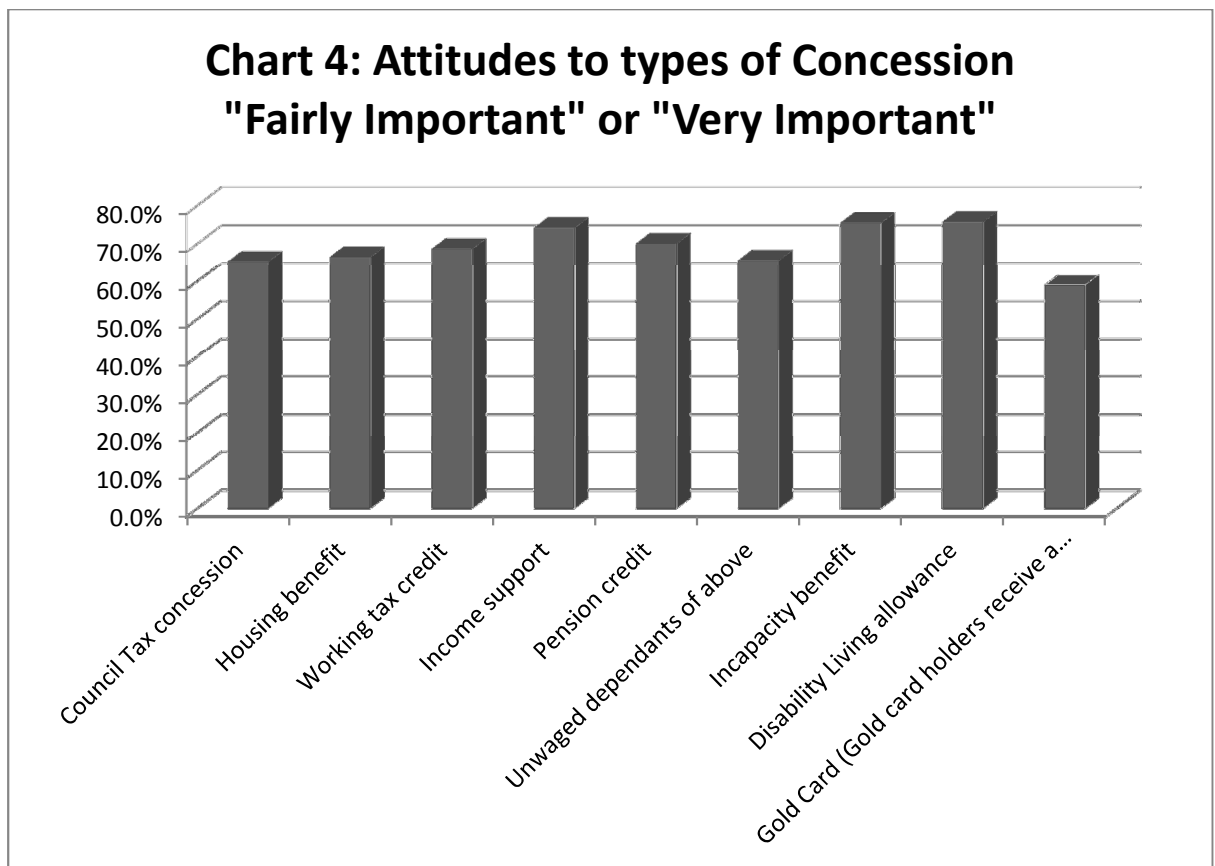
- Disability Living Allowance,
- in receipt of incapacity benefit; and
- those on income support.

The least popular categories were:

- Derbyshire Gold Card;
- people in receipt of Council Tax/Housing Benefit; and
- the unwaged dependants of people on benefits.

It should be noted that at least 60% of respondents in each category felt the concession was either very or fairly important.

This is summarised in Chart 4 overleaf with the detail found in Question 6, Appendix A.



2.2.6 Respondents were asked to rank how important they felt the intended outcome of participating in learning was when setting fees. There was strongest support for:

- helping those with little or no qualifications back into learning; and
- helping people move into, and on in, work.

Respondents perceived the least important outcomes to be:

- supporting a person's financial capability; and
- promoting sustainability/green issues.

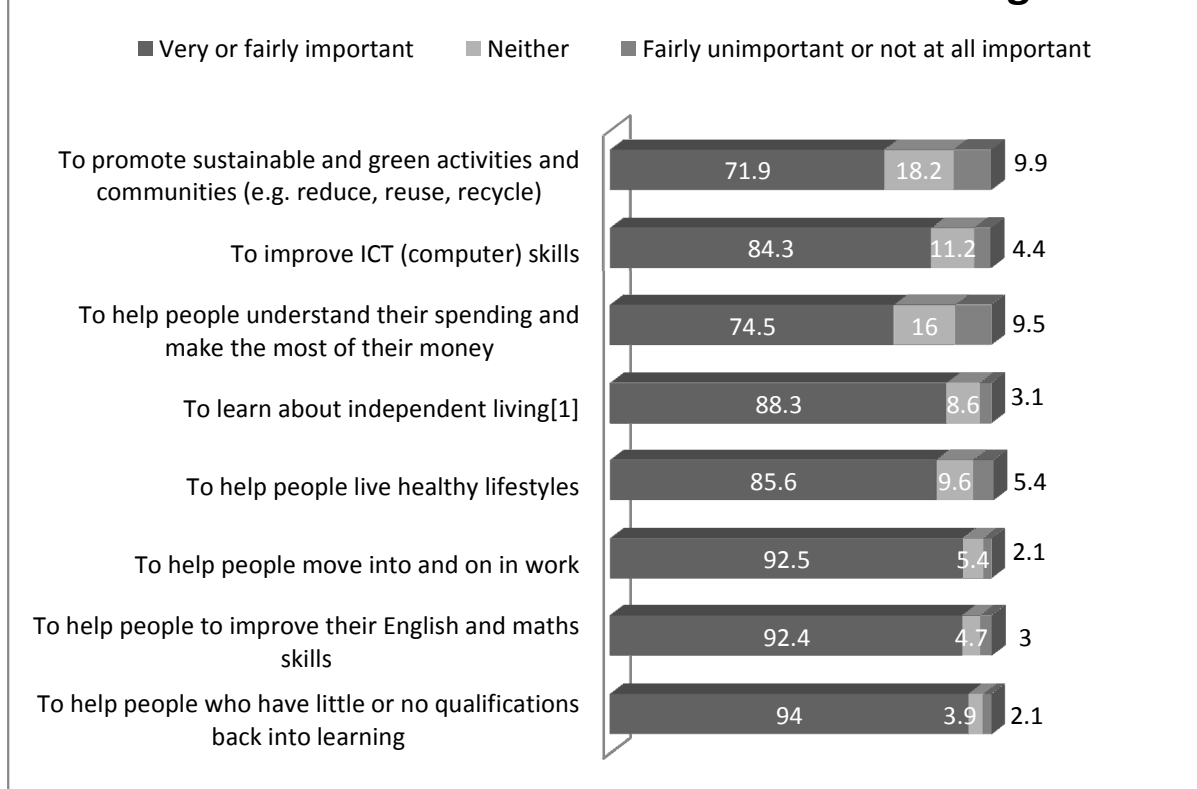
It should be noted that at least 70% of respondents in each outcome felt they were either very or fairly important.

This is summarised in Chart 5 overleaf with the detail found in Question 7, Appendix A.

2.2.7 The survey also elicited information about a learner's:

- preference for how they would like to pay for their learning;
- preference for when they would like to pay for their learning;
- motivation for participating in learning; and
- preference for incentives, or discounts, to encourage them to engage in further learning.

Chart 5: Attitudes to Areas of Learning



2.2.8 The key messages from these questions have identified that:

- a large majority of learners want to pay by card, both in person and online, with a reducing appetite for paying by cash and/or cheque;
- the majority of learners prefer to pay in full at the start of their learning, though there was strong interest in paying by instalments and/or as you learn;
- the quality of the courses offered, good teaching and learning and personal development remains the strongest motivations for participating in learning. The experience and achievement of previous learners were the least likely to influence an individual's choice; and
- that the most popular incentive is an early booking discount.

2.2.9 The response to all questions to the survey can be found in Appendix A.

2.2.10 A summary of the personal information of those people who responded to the survey between the 3 November and 14 December 2014 can be found in Appendix B.

2.3 Summary:

2.3.1 The proposed changes to Fee Bands for AY2015/16 to AY2017/18 consulted upon, and agreed by Cabinet on the 21 March 2014, are as follows:

Theme:	Category	14/15	15/16	16/17	17/18
Learning for Qualifications	Band A	£2.41	£2.80	£3.20	£3.50
Learning for Qualifications	Band C	£0.48	£0.84	£0.96	£1.05
Community Learning	Band A	£3.20	£3.80	£4.20	£4.50
Community Learning	Band B	£2.88	£3.42	£3.76	£4.05
Community Learning	Band C	£0.64	£1.14	£1.26	£1.35
Non-subsidised	Enhanced	£4.40	£5.50	£6.00	£6.50

2.3.2 Whilst approximately a fifth of respondents indicated that they would not be able to continue to participate if fees were increased, a significant number felt that higher charges would not be an impediment to continue learning with Derbyshire Adult Community Education Service. This is also supported by the significant proportion of respondents who identified that the current fees represented good value for money and that they would be prepared to pay a little more to maintain the quality of the current provision.

2.3.3 The survey demonstrated that many respondents felt that the current remission rate was generous and that this should be reduced to minimise the impact of increases on the standard rate. As stated in the previous Cabinet paper, the Service is committed to maintaining its current level of free or significantly subsidised provision as a minimum. This principle was generally supported by the consultation with a view that less generous concessions could increase participation of others learners.

2.3.4 Whilst there was a modest level support for the Council setting a maximum chargeable value which could then be varied according to socio-economic factors locally, the survey identified strong support for paying a little more to enable others to participate. This approach would enable the Service to vary fees to maximise participation in targeted parts of the County to improve the life chances of some of the most disadvantaged communities.

2.3.5 There was general support for the Council's approach for targeting provision as follows:

- where there is the greatest need as highlighted by the [Derbyshire Community Profiles](#) and [Derbyshire Local Economic Assessment](#);
- to help young people and adults to improve their English and maths skills;
- supporting young people and adults to progress on and into work;
- to promote healthy lifestyles and health literacy;

- to promote independent living for those with learning difficulties, suffering from mental health problems or with a limiting health condition;
- to improve financial capability to help them maximise their household incomes;
- to maximise access to, and improve the skills of local people in using, information and communication technology; and
- to promote sustainable and green activities and communities.

Therefore, learning programmes deemed to be outside of these priorities or repeat programmes predominantly targeting existing learners should be charged the enhanced rate as a minimum.

- 2.3.6 Nearly 20% of respondents felt that the Council should continue to offer programmes that are focused on income generation and not fundable under the SFA Funding Rules. Any income above and beyond the costs of putting on the provision should be used to support targeting of provision elsewhere to maintain breadth of the curriculum offer.

3. Financial Considerations

- 3.1 Derbyshire Adult Community Education Service (DACES) generated approximately £600,000 in fee income in Financial Year 2013/14. This was generated by the learner profile outlined in Table 1 of Appendix C.
- 3.2 Based on the proposed increase in fee charges as outlined in Table 2 in Appendix C, and based on the assumption of the same learner profile in 2013/14, the cumulative increase in fee income between AY2015/16 and AY2017/18, was estimated as £813,647 for the period.
- 3.3 Given that, in their response to the survey (see 2.2.3), a number of respondents imitated that they would no longer be able to afford to learn with Derbyshire Adult Community Education Service. It is estimated that, assuming that all these respondents are currently learners and therefore will no longer pay for their learning, this could reduce the total additional projected fee income by £166,830 to £646,817 for the AY2015/16 to AY2017/18 period. This is broken down in further detail in Table 3 in Appendix C

4. Legal and Human Rights Considerations

- 4.1 Skills Funding Agency [Funding Rules 2014/15](#) explains the levels of government contribution that are made towards the cost of learning and the rules that must be followed under the Apprenticeships, Skills, Children and Learning Act 2009.
- 4.2 Depending on the circumstances, SFA recognises that, from its Adult Skills Budget allocation, the Council is able to:
- Fully fund the cost of learning;
 - Share responsibility for investing in skills by part-funding the cost of learning and expecting an employer or learner to contribute

towards the cost of learning (known as co-funding). For a learner, this could possibly be through a loan;

- Expect the employer or learner (or both) to cover the full cost of learning.

Apprentices cannot be made to contribute financially to the direct cost of learning. If a charge is made to the apprentice's employer, this is at the discretion of the Council.

If the Council offers a qualification that the SFA would fund through grant funding or would be eligible to be funded through a loan, but has decided to offer the qualification only as a commercial 'full-cost' opportunity, the Council must tell the learner this and that other providers may offer alternative funding routes.

- 4.3 Community learning is designed to help people of different ages and backgrounds gain a new skill, re-connect with learning, pursue an interest, prepare for progression to formal courses or learn how to support their children better. There is no requirement for learners to progress to other learning or achieve regulated qualifications.

The SFA will offer a contribution to the overall cost of delivering Community Learning and providers will be expected to add value to this public contribution by attracting extra income from learners and other sources.

- 4.4 The SFA requires the Council to ensure that each learner is eligible for funding and this is set out in Annex 1 of the Funding Rules 2014/15.
- 4.5 The Council must make all learners, including learners funded through a loan, aware of its policy on fees and charging. This is published each AY on the website and forms part of the e-booking facility being implemented by the Council for AY2014/15.
- 4.6 DACES will comply with statutory requirement set out in respect of public consultation and ensure Legal Services assist in guiding the process.

5. Human Resources Considerations

There are no specific considerations in this matter. The ability to vary tutor contracts was agreed by Cabinet in 26th October 2010.

6. Equality of Opportunity Considerations

- 6.1 Local Authorities are currently under a legal duty to pay "due regard" to the need to eliminate discrimination and promote equality with regard to race, disability and gender, including gender reassignment, as well as to the need to promote good race relations.
- 6.2 To this end, the Council has conducted an equality impact assessment (EIA) in respect of the proposals contained in this report in accordance

with the duties set out in the Equality Act 2010. This is attached in Appendix 4.

- 6.3 It is important that Members consider carefully whether any issues identified in the Equality Impact Assessment attached to the report are of such significance as to affect the Officer Recommendation. Attention should be paid to both the service delivery implications of the proposals and also to any resultant corporate effects, such as Human Resources issues. Members should also be mindful that, from April 2011, the equality duty described above was extended to cover age, sexual orientation, pregnancy, maternity and religion and belief.

7. Other Considerations

In preparing this report the relevance of the following factors has been considered: Property, Prevention of Crime & Disorder, Environmental, Health, and Transport issues.

8. Key Decision

No

9. Call-In

A waiver of the call-in procedure will not be required for this report.

10. Background Papers

Report of the Strategic Director for Children & Younger Adults: DERBYSHIRE ADULT COMMUNITY EDUCATION SERVICE FEES POLICY FOR PERIOD 2014/17 (Children and Young People), Cabinet, 15 July 2014.

[Funding Rules 2014 to 2015 \(Skills Funding Agency, 2014\);](#)

[Rigour and Responsiveness in Skills \(BIS, 2013\);](#)

[New Challenges, New Chances: Investing in a World Class System \(BIS, 2011\);](#)

11. Strategic Director's Recommendation

In light of the public consultation, it is recommended that Cabinet confirm its approval for:

- 11.1 implementation from 1 April 2015 of the proposals set out in 2.3.1 of this report and previously supported at the Cabinet meeting on 21 October 2014;
- 11.1 maximum values for fees be set to enable differentiated charging:
- (a) to encourage new learners into provision; and
 - (b) to reflect local variations in the community profiles and the ability to pay;

- 11.3 an automatic, inflationary increase applied on all maximum fee values in line with Retail Price Index (RPI) each year.

IAN JOHNSON
Acting Strategic Director for Children & Younger Adults

Appendix A

1. How strongly do you agree or disagree with each of the following statements?

	Strongly Agree (%)	Tend to Agree (%)	Neither (%)	Tend to disagree (%)	Strongly disagree (%)
I can afford to pay more knowing that it means those who can't afford to pay can still learn	15.3	30.4	20.3	17.6	16.5
If there weren't concessions, I couldn't afford to learn	20.8	14.7	24.6	21.1	18.9
I think everyone should pay the same price	8.3	12.5	16.6	38.4	24.2
What I pay now represents good value for money	33.4	37.2	23.4	4.1	1.9
I would be prepared to pay a bit more to continue receiving the good quality service that is currently available	22.1	36.4	21.9	14.3	5.3

2. What would be the impact on you if the proposal to increase fees for learning for qualifications courses was implemented (select one)

	Value	%
This would make no difference to the courses I would go on	442	58.9
I won't be able to do as many courses as I would have done otherwise	163	21.7
I won't be able to afford to attend any courses	145	19.3
Total respondents:		750

3. What would be the impact on you if the proposal to increase fees for learning not for a qualification was implemented? (select one)

	Value	%
This would make no difference to the courses I would go on	400	53.5
I won't be able to do as many courses as I would have done otherwise	193	25.8
I won't be able to afford to attend any courses	155	20.7
Total respondents		750

4. **What would be the impact on you if the proposal to increase fees for non-priority or repeat learning courses was implemented? (select one)**

	Value	%
This would make no difference to the courses I would go on	352	47.8
I won't be able to do as many courses as I would have done otherwise	201	27.2
I won't be able to afford to attend any courses	184	24.9
Total respondents:		748

5. **Which of the statements below best describes how you would like the County Council to charge fees to learners? (select one)**

	Value	%
Make a 'profit' on non-priority community learning programmes and use it to provide concessions to learners	144	19.2
Charge one price to all learners (i.e. no concessions regardless of people's circumstances)	53	7.1
Make the concessionary discounts smaller and use this to keep the fees for standard learners as low as possible	248	33.1
Reduce the range of concessions offered and use any difference in income to keep standard fees as low as possible	204	27.2
Have a maximum fee that can be varied e.g. have lower fees for courses in less affluent areas of Derbyshire	101	13.5
Total respondents		750

6. **Please indicate how important you feel it is that we reduce our fees based on each of the following benefits/concessions.**

	Very Important (%)	Fairly Important (%)	Neither (%)	Fairly Unimportant (%)	Not at all important (%)
Council Tax Concession	29.6	35.8	22.7	6.9	4.9
Housing Benefit	31.1	35.5	21.2	6.2	5.9
Working Tax Credit	31.7	37.1	20.3	5.7	5.2
Income Support	38.5	35.9	17.1	4.8	3.7
Pension Credit	32.1	38.0	19.6	5.9	4.2
Unwaged dependants of above	32.7	33.1	21.2	6.9	6.2

Incapacity benefit	38.9	36.7	15.7	4.7	4.0
Disability Living Allowance	42.8	33.0	15.5	4.6	4.1
Goldcard ¹	27.1	32.1	23.5	8.6	8.7

7. How important do you think each of the following issues are when prioritising the range and cost of adult education courses?

	Very Important (%)	Fairly Important (%)	Neither (%)	Fairly Unimportant (%)	Not at all important (%)
To help people who have little or no qualifications back into learning	71.4	22.6	3.9	1.5	0.6
To help people to improve their English and maths skills	63.5	28.9	4.7	1.6	1.4
To help people move into and on in work	65.7	26.8	5.4	1.3	0.8
To help people live healthy lifestyles	46.7	38.9	9.6	3.5	1.9
To learn about independent living ²	57.8	30.5	8.6	1.9	1.2
To help people understand their spending and make the most of their money	33.8	40.7	16	7.3	2.2
To improve ICT (computer) skills	37.8	46.5	11.2	3.4	1
To promote sustainable and green activities/ communities	36.5	35.4	18.2	6.7	3.2

8. When would you prefer to pay for Adult Community Education courses? (select one only)

	Value	%
In full at the start of the course	397	50.9
Pay as you learn (pay every session)	174	22.3
By instalments	209	26.8
Total respondents:		780

¹¹ Goldcard holders are only entitled to 10% remission on community learning programmes as opposed to the service standard of 80% remission for other concession categories.

² For people with learning difficulties, mental health issues or with limiting health conditions.

9. How would you prefer to pay for Adult Community Education courses? (select one only)

	Value	%
In cash at the ACE Centre	153	19.6
By cheque at the ACE Centre	130	16.7
By card at the ACE Centre	310	39.7
Gift of Learning vouchers	7	0.9
By card online	180	23.1
Total respondents:		780

10. What would encourage you to attend an adult community education course? (select all that apply)

	Value	%
Courses which interest you	718	91.2
Specialist courses	391	49.7
To gain a qualification	375	47.7
To help you get a job	235	29.9
To improve health and fitness	268	34.1
To make friends/meet people	387	49.1
To allow me to do something for myself	426	54.1
The low cost of the centre	674	47.5
Good quality courses	626	79.5
High success rates from previous learners	138	17.5
High satisfaction rates from previous learners	251	31.9
Expert staff	536	68.1
Courses which make a difference to the local community	195	24.8
Recommendation from a friend	234	29.7
Other	52	6.6
Total respondents:		787

11. Please Rank from 1 to 5 the following types of discount in order of importance (1 is most important and 5 is least important)

	Value	Mean
Discount for booking yourself onto more than one course at once	2076	3
Discount for booking more than one person onto the same course	2792	4
Early booking discount	1711	2
Discount for travelling to centre sustainably	2751	4
Discounts for progressing onto a follow on course to improve your skills	2070	3
Total respondents:		760

Appendix B:

1. What is your gender? (Answered: 745, Skipped: 138)

	%	Responses
Male	28.86	215
Female	71.14	530
Total Respondents:		745

2. What was your age at your last birthday? (Answered: 729, Skipped: 154)

	Average number	Total number	Responses
Age	52	38,197	729
Total Respondents:			729

3. Do you consider yourself disabled?³ (Answered: 741, Skipped: 142)

	%	Responses
Yes	16.33	121
No	83.67	620
Total Respondents:		741

4. If you have a disability, what type of disability do you have? (Answered: 148, Skipped: 735)

	%	Responses
Disability affecting mobility	42.92	65
Disability ageing hearing	18.24	27
Disability affecting vision	5.41	8
A learning disability	30.41	45
Other (please select and specify)	24.32	36
Total Respondents:		148

5. What is your ethnic group? (Answered: 739, Skipped: 144)

	%	Responses
White	96.21	711
Asian/Asian British	0.27	2
Black/Black British	0.54	4
Mixed	0.95	7
Chinese	0.14	1
Other (please select and specify)	1.89	14
Total Respondents:		739

³ A disabled person is someone who has a physical or mental impairment which has a substantial and long-term adverse effects on their ability to carry out normal day to day activities.

6. What is your home postcode? (Answered: 730, Skipped: 153)
[To be added]

Appendix C:

Table 1: Learner Profile for AY2012/13

Theme:	Category	% of Learners	% Fee Raising Learners
Learning for Qualifications	Band A	5%	8%
Learning for Qualifications	Band C	3%	4%
Learning for Qualifications	Free	21%	n/a
Community Learning	Band A	14%	21%
Community Learning	Band B	26%	41%
Community Learning	Band C	12%	18%
Community Learning	Free	14%	n/a
Non-subsidised	Enhanced	5%	8%

Table 2: Proposed changes to Fee Bands fro AY2015/16 to AY2017/18

Theme:	Category	14/15	15/16	16/17	17/18
Learning for Qualifications	Band A	£2.41	£2.80	£3.20	£3.50
Learning for Qualifications	Band C	£0.48	£0.84	£0.96	£1.05
Community Learning	Band A	£3.20	£3.80	£4.20	£4.50
Community Learning	Band B	£2.88	£3.42	£3.76	£4.05
Community Learning	Band C	£0.64	£1.14	£1.26	£1.35
Non-subsidised	Enhanced	£4.40	£5.50	£6.00	£6.50

Table 3: Income projected based on Fee outlined in Table 2 and based on identified learner intention from Public Consultation (2.2.3 in main report).

Theme:	Category	15/16	16/17	17/18
Learning for Qualifications	Band A	£6,185	£12,755	£17,394
Learning for Qualifications	Band C	£14,496	£19,326	£22,998
Community Learning	Band A	£18,944	£30,908	£40,878
Community Learning	Band B	£36,985	£60,344	£78,810
Community Learning	Band C	£69,831	£82,896	£94,860
Non-subsidised	Enhanced	£8,992	£12,949	£17,266
Total:		£155,433	£219,178	£272,206