

To: Communities Policy Overview Committee – 2nd June 2008

From: Mike Hill, Portfolio Holder, Amanda Honey, Managing Director, Communities

Subject: **Adult Education Fee Structure**

Classification: Unrestricted

Summary

The 2008-9 course programme is in the final phase of completion and final decisions on individual course fees are being taken. Information on the full programme and sample fees will be available at the meeting.

1. Background

1.1 Adult Education charges fees to students for most courses and prices are determined on the basis of the cost of providing courses (including tutor pay, equipment, materials and any examination fees). As public funding from the Learning and Skills Council has declined (since 2005) the service has sought to increase income from course fees in line with Government's 'the learner pays' policy.

1.2 In the past 3 years course prices paid by users have risen on average by 45%.

1.3 In the current academic year 2007-8 enrolments have failed to match our expectations and by the end of the programme year (at 31st July) we anticipate a fall in student numbers of approximately 5000 compared with 2006-7. This shortfall, which was experienced nationally, has been attributed to the downturn in the retail and service sector economy in the second half of 2007, consumer resistance to higher prices, and a perception that local authorities were abandoning adult education provision.

2. 2008-9 Financial Plan

2.1 To deliver the £250k increase in income described in the Medium Term Plan the service has devised a strategy to reverse the decline in participation and achieve the income target in 4 ways:

2.1.1 To increase the number of learners in our core programme by filling spare capacity in classes. We plan to achieve this by holding most course prices at last year's levels and vigorously promoting this news to existing, past and potential learners. In anticipation of continuing negative news on the economy and rising prices we judge that the 'no increases on AE' message will achieve high visibility and encourage enrolment.

Rationale: In surveying past students who did not return in 2007 we discovered that many would consider returning if prices were affordable and if a wide choice of subjects was maintained.

- 2.1.2 To improve the monitoring of enrolments, course by course, with early action taken to amalgamate classes where possible to achieve viability. Give groups the opportunity to pay supplements to enable their course to run in the case of low numbers. (In effect we will invite members of a class to 'make up' the fees of missing students).

Rationale: This practice was common in Kent in the late 90's and was approved by Members. There is evidence that courses were able to be retained in this way and that users were more satisfied than if their class had been cancelled.

- 2.1.3 To add to the core programme in Adult Education Centres, a series of new courses at premium fee levels is proposed, aimed at new learners most able to afford to pay.

Rationale: We piloted premium-fee courses in specialist arts subjects, some computing and advanced modern languages in 2006-7 and 2007-8 with considerable success.

- 2.1.4 To bring to market new training courses aimed at employers and organisations including KCC, District Councils, selected employers, 3rd sector organisations and schools.

Rationale: During 2007-8 KAES has been exploring a range of new opportunities and has secured early contracts to deliver 'Train to Gain' LSC funded work with employers. (A progress report on business development is included as appendix 1).

- 2.1.5 Examples of the background market research that has informed this approach, and of new courses, will be illustrated at the meeting.

3. No-Fee provision and concessions

- 3.1 Under the LSC contract for Further Education provision (learning which leads to qualifications and is deemed high priority) some courses are free to users:

- English and Maths (Literacy and Numeracy)
- English for Speakers of Other Languages (ESOL)
- Independent Living Skills – for adults with learning difficulties and disabilities

- 3.2 Additionally other courses deemed high priority by KCC are offered at no fee (these are in effect subsidised through fee income):

- Lip reading
- Sign language (for learners who are themselves hard of hearing)
- Special activity programmes for adults with learning difficulties

4. Recommendation

4.1 Members are asked to note the approach to pricing of courses and to managing fee levels, as described in this paper.

Contact

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