Executive Summary

1. An annual decision is required to determine any changes to Adult and Community Learning Tutors’ pay rates as there is no national negotiating framework.
2. A decision is required on changes to tuition fees charged for Adult and Community Learning provision in the 2011/12 academic year.
3. Students will need to meet an increasing proportion of costs on non-accredited provision, with the aim of reaching full cost recovery by 2012/13.

Recommendations

That the Cabinet Member for Education and Schools approves:

1. Adult and Community Learning tutor pay rates for the period August 2011-July 2012 be kept at their current level, with no increase, in line with other public sector pay arrangements.
2. The base level of tuition fees for non-accredited courses be increased by 5% from £4.00 to £4.20 per hour with the base tuition rate for accredited courses maintained at current levels.
3. The approach to variable rates across all courses is sustained, to maximise resources, increase income, adjust class sizes and take into account market factors and reduced unit funding.

1. Introduction, Context and Proposals

1.1 Tutor Pay Scales - Introduction and Context

In September 1998 local conditions of service were introduced for all adult education tutors following a period of consultation within the service. These were a direct response to the breakdown of the national negotiating framework, which has not been reinstated since that time. Therefore it was agreed that Cabinet member approval would be sought annually to ratify this process.

Adult and Community Learning tutors are paid on the basis of hours worked and under the existing conditions of service the hourly rate includes an element for annual leave. The rate per hour assumes an element for preparation and evaluation by the tutor outside course contact time. Progression on the scales relates to total hours worked for the Service and holding relevant teaching qualifications. Employer on-costs (national insurance and pension) are applicable to some tutors, depending on their level of income. Under these arrangements it was agreed that the County Council would consider annually any changes to the pay scales to take account of cost
of living increases and teachers’ salaries. All costs of employing tutors fall directly upon the Adult and Community Learning Service’s budget and are met from learner fee income and Skills Funding Agency annual allocations for provision.

1.2 Tutor Pay Rates - Proposals
It is proposed that tutor pay be kept at the levels in place for 2010/11 in line with public sector pay policy.

The current rates are set out below.

<table>
<thead>
<tr>
<th>Point</th>
<th>Hourly rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pt 1</td>
<td>17.44</td>
</tr>
<tr>
<td>Pt 2</td>
<td>18.16</td>
</tr>
<tr>
<td>Pt 3</td>
<td>19.26</td>
</tr>
<tr>
<td>Pt 4</td>
<td>20.22</td>
</tr>
<tr>
<td>Pt 5</td>
<td>21.11</td>
</tr>
<tr>
<td>Pt 6</td>
<td>22.24</td>
</tr>
<tr>
<td>Pt 7</td>
<td>23.57</td>
</tr>
<tr>
<td>Non-teaching rate</td>
<td>13.09</td>
</tr>
</tbody>
</table>

1.3 Fee Levels – Introduction and Context

1.3.1 Introduction
For 2010/11 it was agreed that fee levels for courses were set at a level that is market driven and relates to the costs and funding for each type of course adjusted by related market factors. The basic fee levels for most Personal and Community Development Learning (PCDL) courses were around £4.00 per hour with Learner Responsive (LR) courses costed and calculated individually taking into account funding and all course costs.

1.3.2 Context for changes
Anticipated total service expenditure for 2011/12 academic year is £4.11million against anticipated income of £4.11 million in funding and fee income.

In recent years the PCDL funding from the Skills Funding Agency has not taken account of inflation and has been maintained at current levels. In response to government proposals for prioritising PCDL funding fee income for much of this non-accredited provision will need to meet an increasing proportion of costs, with the aim of reaching full cost recovery by 2012/13 and with students who can afford to do so meeting an increasing proportion of the costs of their learning.

Adult Skills funding has also been reduced in line with the assumption that the contributions paid by learners on accredited courses remain at a high level and fee remission is reduced for a significant number of learners. The SFA expects that more learners on Adult Skills courses who are on non-active means tested benefits (other than Job Seekers Allowance etc) will be expected to contribute towards the fees of their course. Skills for life courses will remain free of charge for literacy and numeracy learners.
Indicative Adult Skills funding levels for 2011/12 are an overall reduction of 3.4% which is a potential loss of up to £40,000 funding with a lower rate per learner, in some areas such as English for Speakers of Other Languages (ESOL) there is a 50% reduction on 2009/10. This means that the Service needs to deliver more provision for the same money and needs to continue to review and adjust the programme it offers, class sizes, costs and ensure financial viability within the context of meeting its funding targets.

It is intended that the fee structure will remain competitive with, and in many cases lower than, other providers in the County.

1.4 Fee Levels - Proposals
The proposals for consideration are that:

- Fee levels for courses continue to be set at a level that is market driven and relates to the costs and funding for each type of course adjusted by related market factors.
- Base fee levels for PCDL courses (1900 courses running in 2010/11 with 2100 planned to be offered in 2011/12) to increase by 5%, from £4.00 to £4.20 per hour. This would potentially raise an additional £40,000 in fees for PCDL courses which meets a greater proportion of the costs of these courses and enables more funding to be used for priority provision.
- Students on Literacy and Numeracy courses, Family Learning and those on accredited courses who are on active benefits (eg Job Seekers Allowance) or are 16-18 years old will not pay any fees, in line with SFA/YPLA funding conditions.
- The concessionary fee structure will continue to support those who are not able to meet the cost of PCDL provision to access learning from a specific budget allocated for this purpose. These concessionary fees are 70% reduction for those on all means-tested benefits and 10% reduction for those over 65 in order to promote mental and physical health of older learners.
- Flexible methods of payment will continue to enable learners to spread the costs on all courses.
- Communication of changes will be carefully managed especially to existing learners.

2. Consultation

2.1 In September 1998 following a period of consultation within the service local conditions of service were introduced for all adult and community learning tutors. These were a direct response to the breakdown of the national negotiating framework, which has not been reinstated since that time. Although there is no formal consultation procedure the proposed rates have been the subject of discussion by management teams within the Service.

2.2 Communications continue with all existing learners explaining the reasons for changes to fee levels, the options for concessionary fees and methods of payment to spread the costs over time.

3. Customer Focus Appraisal

3.1 A Customer Focus Appraisal has been completed and attached to this paper (reference number 10191-AC-DS)
4. **Resource Implications and Value for Money**

4.1 Not increasing tutor pay rates will support the Service in responding to increased costs and lower rates of funding. Flexible course fee setting will contribute to meeting increased costs and maintaining the financial viability of the programme. The fee increases will support the direction of travel towards full cost recovery. Most changes that impact fees and costs to the learners are imposed by national funding policy.

4.2 The approach in this paper aims to balance the impact on learners and participation with the need to respond to national funding changes and service financial viability.

5. **Risk Management Implications**

5.1 The Service is faced with managing major areas of risk:
- Ability to meet agreed targets within the contractual requirements for the funding received from the Skills Funding Agency
- Reduction in the number of learners because of increased fees and changes to eligibility for funding and fee remission
- Generating sufficient fee income to meet the costs of course delivery and within the economic climate

5.2 To address these risks decisions on the level of fees for each type of course, the programme of courses offered and on which courses to run take into account the income and costs and SFA contractual requirements. Setting minimum numbers for courses ensures courses are viable before starting. A major service restructure in 2010 and actions to reduce other costs have placed the Service in a better position to face the challenges of the funding and economic changes.

6. **Crime and Disorder Act Implications**
Not applicable.

7. **Human Rights Act Implications**
Not applicable.

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**Background Papers**
Local conditions of service papers dated September 1998
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