



Mayor and Cabinet

Adult Learning Lewisham increase to course fees and café prices

Date: 9 June 2021

Key decision: Yes.

Class: Part 1

Ward(s) affected: All

Contributors: Sidra Hill-Reid, Head of Adult Learning Lewisham

Outline and recommendations

The purpose of this paper is to make a decision on increasing course fees on Community Learning (CL) and Full cost recovery (FCR) courses as well as increasing café prices at Adult Learning Lewisham (ALL) centres.

It is recommended that the course fee and café price increases to be agreed to support ALL in its ability to support the delivery of free provision targeting priority groups and the services continued robust budget management.

Timeline of engagement and decision-making

This decision needs to be made by 27th June 2021, in order to include the increase of course fees for the launch of enrolments for the academic year 2021/22. Café prices will be implemented from September 2021 onwards.

1. Summary

- 1.1. Adult Learning Lewisham (ALL) are proposing to increase Community Learning (CL) and Full Cost Recovery (FCR) course fees by 50p per hour and ALL centre café prices by 20%. The increased will take effect for academic year 2021/22 course enrolments from 28th June 2021 and café's from September 2021. The the main principles for this proposal are cost recovery and increases in line with inflation.
- 1.2. Course fees have not been increased since 2019 and this proposal is for a 50p increase per hour. This will constitute an increase of hourly fees on CL courses from £5.50 to £6 and FCR courses from £7 to £7.50 per hour. Therefore a 10 week, 2 hour CL course would increase from £110 to £120 and a 10 week, 2 hour FCR course would increase from £140 to £150.
- 1.3. ALL's total course fee income for 19/20 (fiscal year) was £522,000, for 20/21 it was £157,000 (due to the impact of COVID-19) - includes Education and Training (E&T), CL, FCR and materials costs. Changes in the E&T funding rules (low wage concessions) mean expected fee income going forward will decrease to between £400,000 - £450,000, if courses are able to recruit to full occupancy. Applying the 50p per hour increase to CL and FCR would increase income by £30,000 per year to contribute to the difference in fee income as well as increases in infrastructure costs such as staff salaries.
- 1.4. This proposal does not affect free provision at ALL which includes: English and maths courses, sessions for people being referred by Social prescribing partners, courses designed in partnership with SLaM for learners with mental health conditions progressing from Recovery College provision, employability, digital skills, supported learning/Mindlift and accredited courses for learners on benefits and low incomes, family learning courses and the adult careers information, advice and guidance service. A 50% concessionary rate will remain available for Community learning courses for the over 60's and those on low incomes and/or benefits.

ALL will continue to offer payment plans and learner support funding to make learning affordable for those on low incomes.
- 1.5. Café prices have not increased since 2017. In terms of the café price increase, the service has experienced increases in food and consumable resources between 3%-60% since 2017. ALL's centre cafes are run on a "not for profit" arrangement to offer good food at affordable prices for learners on low incomes. The cafes at ALL's centres will be developed as a training resource to offer those learners work experience and employment opportunities as part of the supported learning employment pathways provision. Any increase to the café subsidy would either effect the services budgets bottom line and could result in cuts being made in other areas such as staffing, course delivery or additional learner support.

2. Recommendations

Mayor and Cabinet are recommended to agree:

- 2.1. an increase in the fees and charges for courses provided by Adult Learning Lewisham in relation to Community Learning and Full Cost Recovery course by 50p per hour; and an increase in café prices by 20%.

3. Policy Context

- 3.1. ALL is funded as a local authority adult education service, and receives Department for Education funding through the devolution of skills funding the Greater London Authority (GLA) and contributes to the GLA's Skills For Londoners strategy.

Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

ALL charges fees, applies concessions and financial support for residents who are on low incomes in line with Lewishams Corporate Charging Policy (as per the table below). This proposal also aligns with this policy as it is part of a review of charges as an integral part of the services financial planning process at least once every 3 years to ensure consistency with the Council’s corporate priorities and service objectives.

What will Lewisham charge?

All fees and charges will fall under one of the following charging basis:

| Charging Basis | Objective |
|---------------------------|--|
| Commercial charges | Charges are based on what the current market will bear. It should cover the full service cost (including overheads) plus an amount to cover service improvement. Commercial costs should not be |
| | subsidised by the Council Tax payer, but costs can be recovered over a period of time (say three years). If there is any justification for subsidies in this area, they must be approved by Mayor and Cabinet on a case by case basis and can only apply for a limited period of time. |
| Full cost recovery | Charges are based on the need to recover the full cost of providing the service, including overheads, from those who use it |
| Subsidies and concessions | Service users make a contribution to the costs of providing the service. This might be to meet a service objective or allow competition with other providers |
| Free | The Council chooses to make the service available at no charge (fully subsidised) to meet a service objective. The justification for this must be reviewed and agreed by DMT on an annual basis |
| Statutory charges | These are set by statute and the Council has no power to amend the level of charging. Services should seek to recover costs as far as possible by controlling the expenditure incurred in delivering such services. |

*Source: <https://councilmeetings.lewisham.gov.uk/documents/s61477/07%20Appendix%20B%20-%20Corporate%20Charging%20Policy%20201218.pdf>

- 3.2. ALL contributes to Lewisham Council’s priorities in the following areas (see also table below): in Delivering and defending health, social care and support; in creating an Open Lewisham; in Giving children and young people the best start in life; and in Building an inclusive economy

| LBL Corporate Priorities | ALL working in partnership with LBL services |
|--|--|
| <i>Delivering and defending health, social</i> | <ul style="list-style-type: none"> Social Prescribing – ALL are now an integral part of the social prescribing strategy, to ensure advice and guidance for residents, and provide referrals to courses, reducing pressure on public health services |

Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

| LBL Corporate Priorities | ALL working in partnership with LBL services |
|---|--|
| <i>care and support</i> | <ul style="list-style-type: none"> IAPT – ALL have co-located and worked in partnership with SLaM through its Work Well project and now through IAPT to deliver employment outcomes for adults managing mental ill health |
| <i>Open Lewisham</i> | <ul style="list-style-type: none"> Sanctuary Borough Programme – ALL are working with the Mayor’s team as the key delivery partners for ESOL skills and family learning for families arriving in Lewisham through the Syrian Vulnerable Person Resettlement Programme |
| <i>Giving Children and young people the best start in life.</i> | <ul style="list-style-type: none"> Working with the Young Mayor’s Team ALL have drawn on their outcomes framework to help develop a Curriculum For Life, in partnership with schools and the college this will help ensure better outcomes from education for young people and young adults |
| | <ul style="list-style-type: none"> Family Learning Programme – ALL deliver in schools in the most deprived areas of Lewisham, working with families and parents to develop skills, and provide support for children, to help people take the next steps. |
| <i>Building an inclusive local economy</i> | <ul style="list-style-type: none"> Lewisham Strategic Partnership, and South Lewisham Working Group – ALL have conducted a major piece of research over the past four years, to establish the causes of persistent poverty in the south of the borough. ALL have established, with Lewisham College, CYP, and Economic Development a strategic partnership to ensure that there are opportunities across the borough, especially in the south, for progression through a ‘Skills Highway’ into work, better employment and higher skills. |
| | <ul style="list-style-type: none"> Culture and Community Development – ALL contributing to the London borough of culture programmes in 2022, as well as building networks of learners selling their work across the borough. |

4. Background

- 4.1. ALL receives a GLA Adult Education Budget (AEB) grant of £3.3 million and currently employs approximately 200 staff, 135 of whom are part-time tutors. The service also generates income of approximately £600,000 (although fee income dropped to £522,000 in 2019/20 due to the coronavirus pandemic and changes in skills funding policy), the majority of these additional funds come through fee income that is invested back into the adult learning service. ALL offers over 1,000 courses across ten different curriculum departments and located in three bespoke education centres, as well as in community venues, across the borough. Due to the Coronavirus pandemic which has impacted upon class sizes and delivery there are nearly 3450 learners enrolled on courses, and nearly 8,900 enrolments (each learner enrolling on just over 2 courses on average). As a council service Adult Learning Lewisham has a very high face-to-face interaction with residents and learners – around 270,000 ‘contact hours’ per year in total, making it a powerful civic vehicle for change and impact.
- 4.2. There are significant income pressures that the service is facing through reduced fee income due to changes in fee- concessions in ESOL and reduced rental income. Through its Governance Group ALL has a plan in place to address these income pressures along with the support of Lewisham council.
- 4.3. As mentioned in above, funding in real terms continues to be reduced and additional

Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

costs (including an increase in national insurance, pensions contributions and a nationally agreed pay settlement) has meant that ALL has had to adjust its expenditure (and curriculum provision) to accommodate these budgetary pressures.

- 4.4. This paper outlines the proposal to increase course fees on CL and FCR courses and increase café prices in centres to enable the service to address some of the budgetary pressures on the service.

5. Course fee and café price increase proposals

- 5.1. ALL is proposing to increase course fees on CL and FCR courses by 50p per hour – this will constitute an increase per hour on CL courses (£5.50 to £6 per hour) and FCR courses (£7 to £7.50 per hour). Therefore a 10 week, 2 hour CL course would increase from £110 to £120 and a 10 week, 2 hour FCR course would increase from £140 to £150. There has not been an increase to courses fees since 2019, whereby the same increase was applied. The course fees would still be comparative with neighbouring ACL local authority providers. Bromley Adult Education apply an annual increase to course fees in line with inflation. For reference see the fee comparison table below for adult learning course fees for Lewisham, Lambeth, Southwark and Greenwich:

| Course type | Adult Learning Lewisham 2020/21 | Lambeth Adult Learning Service 2020/21 | Southwark Adult Learning Service 2020/21 | Greenwich Adult and Community Learning 2020/21 |
|---------------------------------|---|--|---|---|
| Community Learning (CL) | £5.50 plus sundaries charges where applicable | £5.00 plus sundaries charges where applicable | £5.00 plus sundaries charges where applicable | £5.55 – Royal Borough of Greenwich resident £6.80 –Residents from other boroughs |
| Full Cost Recovery (FCR) | £7.00 plus sundaries charges where applicable | £10.00 plus sundaries charges where applicable | £8.50 plus sundaries charges where applicable | £10.00 |

Source: <https://www.southwark.gov.uk/schools-and-education/adult-learning/our-courses/creative-leisure-and-health-courses>; <https://beta.lambeth.gov.uk/sites/default/files/2021-04/lambeth-adult-learning-fees-policy%202020-21%20Jan%2021%20V2.pdf> ; <https://greenwichlearns.org.uk/costs>

- 5.2. The types of course within the FCR category include studio sessions in Pottery, Design, Textile and Floral design. The types of course within the CL category include IT, Pottery, Design, Music Media, Performaing Arts, Art, Textiles, Floral design, Cookery, Languages, Health (Complementary therapies and beauty) and Wellbeing (Yoga, Pilates etc).
- 5.3. The Pound Plus policy is part of the GLA's AEB funding contractual requirements. Pound Plus was developed in 2013 to ensure ACL services across England and Wales could demonstrate value added to funding provided by government for adult education. It does this by looking at the additional investment (or savings made) in ACL which can be estimated in monetary terms to support the most disadvantaged learners in the

Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

borough. Pounds Plus shows how ACL providers make the most of public funding.

In line with this policy ALL uses fee income to meet the costs of free courses and adult careers advice and guidance targeting disadvantaged residents in order to develop skills to enter employment and increase their earning potential.

- 5.4. Free provision at ALL includes: English and maths courses, sessions for people being referred by Social prescribing partners, courses designed in partnership with SLaM for learners with mental health conditions progressing from Recovery College provision, employability, digital skills, supported learning/Mindlift and accredited courses for learners on benefits and low incomes, family learning courses and the adult careers information, advice and guidance service. A 50% concessionary rate is also available for Community learning courses for the over 60's and those on low incomes and/or benefits.

ALL also offer payment plans and learner support funding to make learning affordable for those on low incomes.

- 5.5. The Café prices are proposed to be increased by 20% to cover the increased costs of food and consumable stock supplies. The café is subsidised by the service to ensure that it provides good food at affordable prices for learners on low incomes but the increase stock costs have meant that café prices will need to be increased to ensure that this provision stays within the allocated budget.
- 5.6. The food and consumable resource costs for the cafes has increased between 3% - 60% since we last increased prices in 2017. With this in mind the proposal is to increase prices 20% to ensure that the operational subsidy of the café is not unmanageable within the service budgets. In real terms this would mean an increase of a meal deal from £2.50 to £3.00 which is still less than Supermarket or local café meal deals and very affordable for learners.
- 5.7. ALL is developing an employment pathway provision for adults with learning disabilities and mental health conditions. This provision seeks to use collaboration and partnerships to offer work experience and well paid supported employment for adults with learning disabilities and mental health conditions. The cafes at ALL's centres will be developed as a training resource to offer those learners work experience and employment opportunities facilitating the supported learning hospitality provision.
- 5.8. Capital works at the Brockley Rise centre, part funded by the GLA and ALL, will open up the reception area and café space as well as creating a flexible exhibition space for learners and local community artists. This approach aims to increase the income at this site by extending the use of the café to the local community as well as ALL learners and staff. There will be an opportunity for the café and supported learning learners to deliver a commercial catering service for room bookings, events and exhibitions at ALL centres. An increase of income from the cafes would enable the service to offer supported employment opportunities.
- 5.9. Learner satisfaction rates are high at 94% and they report that they highly value the service. Learners are very motivated, clearly enjoy their studies from feedback through the Support for Learning Visits with the majority attaining higher learning goals. They report feelings of being very well supported and safe when being taught. Learner feedback includes:
- "Classroom experience was encouraging, friendly as well as interactive with great support and an excellent quality of teaching"
 - "Now I feel more confident to speak to a native English speaker. Also I am able to attend and pass formal interviews and assessments."
 - "I think the balance between methods of learning is perfect as we mainly learn

Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

by doing, but are also inspired to understand what is possible and widen our ambitions by the demonstrations”

- “Very well planned lessons that were challenging and easy to learn at the same time. The tutor was fantastic being patient and making sure that everyone understood and made progress”

6. Financial implications

- 6.1. As mentioned above, funding in real terms continues to be reduced and additional costs (including an increase in national insurance, pensions contributions and a nationally agreed pay settlement) has meant that ALL has had to adjust its expenditure (and curriculum provision) to accommodate these budgetary pressures.
- 6.2. ALL’s total course fee income for 19/20 (fiscal year) was £522,000, for 20/21 it was £157,000 (due to the impact of COVID-19), that includes E&T, CL, FCR and materials costs. Changes in the E&T funding rules (low wage concessions) mean expected fee income going forward will decrease to between £400,000 - £450,000 if courses are able to recruit to full occupancy. Applying the 50p per hour increase to CL and FCR would increase income by £30,000 per year to contribute to the loss in fee income.
- 6.3. The funding gap in fees above which has been exacerbated by 21-22 MTFP savings of £96k, will be mitigated from proposed staff restructuring and vacancies management. These proposals will need to be independently verified and monitored by Finance to ensure a balanced budget
- 6.4. The food and consumable resource costs for the cafes have increased between 3% - 60% since we last increased prices in 2017. With this in mind the proposal is to increase prices 20% to ensure that the operational subsidy of the café is not unmanageable within the service budgets. In real terms this would mean an increase of a meal deal from £2.50 to £3.00.

7. Legal implications

- 7.1. The decision sought is about fixing fees and charges and as such is a key decision.
- 7.2. The power for local authorities to provide an adult education service for adults is a discretionary one. This discretion should be exercised reasonably in the sense that only relevant matters should be taken into account and irrelevant considerations ignored. The report sets out those matters relevant for the proposed decision..

8. Equalities implications

- 8.1. The proposal makes no change to the current position under which there is a fully funded offer to learners who are on low incomes (below LLW) and means tested benefits in relation to E&T provision, other free courses or fee concessions on CL courses. There is also no change to the availability of learner support funds available on E&T courses or the option for learners to pay fees via instalment plans, to ensure fees are affordable in smaller monthly amounts. The cafes at ALL centres are currently used mainly by learners, many of whom are from disadvantaged groups and not by the general public. However, the proposed increases to café prices will mean that the food and beverage prices are still below that of local cafes and Supermarket meal deals, which remains affordable for all learners. Accordingly, any impacts of these proposals on disadvantaged groups have been considered and managed.

9. Climate change and environmental implications

- 9.1. There are no climate change or environmental implications arising from this report

Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

10. Crime and disorder implications

10.1. There are no crime and disorder implications arising from this report

11. Health and wellbeing implications

11.1. ALL contributes to health and wellbeing of the borough in multiple ways. In the broadest sense of wellbeing (as lifelong flourishing) it is the mission of ALL to ensure that together we flourish. Through all the courses available at ALL, the service aims to promote outcomes that will give residents the best opportunity for them to flourish and be well. Through the specific health courses ALL focuses on physical health and mental wellbeing for learners on those course. And through the partnership with the social prescribing team ALL aims to guide residents to the best service (which may include a course at ALL) to help them towards wellbeing

12. Background papers

12.1. There are no background papers

13. Glossary

13.1. See below

| Term | Definition |
|-----------------------------|--|
| ACL | Adult Community Learning |
| AEB | Adult Education Budget |
| IAPT | Adult Improving Access to Physical Therapies programme |
| ALL | Adult Learning Lewisham |
| CL | Community Learning courses (a funding strand – non-accredited courses) |
| DfE | Department for Education |
| E&T | Employment & Training courses (a funding strand – accredited courses) |
| ESFA | Education & Skills Funding Agency |
| ESOL | English for Speakers of Other Languages |
| FE | Further Education |
| FCR | Full Cost Recovery courses |
| GLA | Greater London Authority |
| IMD | Index of Multiple Deprivation |
| LBL | London Borough of Lewisham |
| LLW | London Living Wage |
| SLaM | South London and Maudsley (NHS foundation trust) |
| Supported Learning/Mindlift | ALL's programme for adults with a learning difficulty or disability and/or mental health condition |

Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

14. Report author and contact

- 14.1. Sidra Hill-Reid, Head of Adult Learning Lewisham
(email: Sidra.Hill-Reid@lewisham.gov.uk – Tel: 020 8314 3343/Mobile: 07385 394334
- 14.2. **Legal implications:** Stephanie Fleck, Principal Solicitor Commercial, Education and Employment - email: Stephanie.Fleck@lewisham.gov.uk
- 14.3. **Financial implications:** Yusuf Shaibu, Group Finance Manager for Community Services – email: Yusuf.Shaibu@lewisham.gov.uk

Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>