

Paper Title:	Annual Review of Tuition Fees
Date of Meeting:	31 January 2023
SLT Lead:	Kevin Williams – Vice Principal Finance & Facilities
Paper Author:	Kevin Williams – Vice Principal Finance & Facilities
Strategic Aim (if applicable):	To meet the needs of the community and contribute to the local and national economy by offering a range of professional, technical, and academic programmes To ensure sustainable financial health, value for money and continued investment in resources in order to maintain modern, high quality, safe learning environments
Executive Summary (May include key strengths and AFIs):	<ul style="list-style-type: none"> • This report identifies the current position on fees and fee remission with recommendations for the academic year 2023/24 for FE Courses and 2024/25 for HE Courses • The following proposals are recommended for 2023/24: <ul style="list-style-type: none"> (i) no change to the fee policy statement (ii) no change to fees for adult co-funded courses; (iii) no change to fees for Loan funded courses; (iv) fees for overseas students to be set at the funding rate per the SAM including programme weighting; (v) no changes to the College remission categories for Carers and Staff or the ability of the Principal to remit fees for students not eligible for full funding; (vi) no change to leisure fees; (vii) the use of a costing model and fee discount structure for employer and other full cost courses as set out in 8.4. (viii) Non-Levy apprenticeship fees payable at the required percentage of the agreed funding rate. • Fees for HE are set a year in advance and members of the Committee are asked to recommend that the Corporation approve the following fee proposals for the 2024/25 academic year (no change to 2023/24): <ul style="list-style-type: none"> • £6,165 for full time courses; • £3,225 for part time courses; • £1,075 per module for Teacher Education courses • The HE strategy going forward is to be discussed at Governor’s Strategic Day on 1 February 2023.
Risks:	Failure to set appropriate fee levels could impact recruitment which in turn could result in reduced tuition fee levels and / or failure to achieve funding targets Ineffective financial management may lead to financial instability.
Financial Implications:	The forecasted level of General Tuition Fees in 2022/23 is £91,000; which is marginally below 2021/22.
Action Required:	Receive, Accept and recommend the Corporation to approve.



**KING
GEORGE V
COLLEGE**



**RESOURCES COMMITTEE MEETING – 31st January 2023
ANNUAL REVIEW OF FEES POLICY
Report by Kevin Williams – Vice Principal Financed & Facilities**

1. Introduction

- 1.1. The Board of Governors sets the policy by which the tuition and other fees payable are determined.
- 1.2. This report identifies the current position on fees and fee remission with recommendations for the academic year 2023/24 for FE Courses and 2024/25 for HE Courses.
- 1.3. The report also seeks ratification of the Tuition and Examination Fee Policy Statement.

2. Tuition and Examination Fee Policy Statement

- 2.1. The Corporation agreed a formal fee policy statement last year and it is suggested it remains unchanged:-

'The College will ensure that it has the following:-

- tuition fee rates
- tuition fee remission categories
- examination fee payment requirements

which are based upon Funding Body policies and the College's own strategic aims and which are approved by the Corporation.'

3. Adult Education Budget, Classroom Based Tuition Fees

3.1. *Devolution and ESFA Funding Policy*

From 2019/20 the Adult Education Budget (AEB) was devolved to the Liverpool City Region (LCR) for learners who reside in the LCR. The LCR are continuing to follow the ESFA AEB funding guidance currently and therefore it is intended to set fees as they have been set in previous years for all adult learners.

Adult funded courses fall into 3 categories; AEB Fully Funded, AEB co-Funded and Loan funded depending on eligibility criteria.

- The ESFA have not yet released their Funding Rules for 2023/24, however, it is not envisaged that there will be any changes to AEB funding rates or eligibility criteria.
- Learners who are not eligible for full funding and who are not in a loan category will be eligible for co-funding which means they will be expected to contribute 50% of the cost of the course (excluding any programme weighting factor).

- Advanced Learner Loan students either need to pay their fee in full or in part with a contribution from the ESFA by way of a loan administered through the student loan company.

3.2. Fully Funded Courses

- For Fully Funded courses no tuition fees or exam fees are currently payable and no changes to this policy are proposed.

3.3. Co-Funded Courses

- The expectation is that fees should be collected amounting to 50% of the unweighted rate for each funding band of the Single Adult Matrix (SAM). It is not mandatory to set fees at this level and individual courses can have fees set at a lower or higher amount than the SAM.
- Last year fees were set based on the SAM published by the ESFA uplifted by c5% with discretion to limit any increases or decreases in fees for individual courses so as not to destabilise market demand or the levels of fees collected.
- For higher level courses a bursary amount was set for each band to limit the actual cash paid by qualifying students to that of larger certificate sized courses.
- Based on the SAM this gave course fees in the following bands:-

funding band – hours	activity type	programme weighting (PW)				
		A – Base (unweighted)	B – low	C – medium	D – high	E or G* (specialist)
up to 2	very small provision (1)	£14	£16	£18	£22	£24
3 to 4	very small provision (2)	£21	£24	£27	£34	£36
5 to 6	very small provision (3)	£35	£39	£46	£56	£60
7 to 12	small provision (1)	£50	£56	£65	£80	£86
13 to 20	small provision (2)	£100	£112	£130	£160	£172
21 to 44	small provision (3)	£150	£168	£195	£240	£258
45 to 68	medium provision (1)	£300	£336	£390	£480	£516
69 to 92	medium provision (2)	£450	£504	£585	£720	£774
93 to 100	medium provision (3)	£600	£672	£780	£960	£1,032
101 to 196	large provision (1)	£724	£811	£941	£1,159	£1,246
197 to 292	large provision (2)	£1,265	£1,417	£1,645	£2,025	£2,176
293 to 388	large provision (3)	£1,987	£2,225	£2,583	£3,179	£3,417
389 to 580	very large provision (1)	£2,573	£2,882	£3,345	£4,117	£4,425
581 to 1060	very large provision (2)	£4,170	£4,670	£5,421	£6,671	£7,172
1061 or more	very large provision (3)	£6,602	£7,395	£8,583	£10,564	£11,356

- Total General Tuition Fees collected in 2021/22 were £89,000 (£92,000 in 2020/21) with c£91,000 forecasted in 2022/23.
- Imposing any inflationary increase to fees would have a minimal impact on overall fees collected and could negatively impact on recruitment. It is therefore proposed that fees for co-funded ESFA courses remain unchanged for 2023/24.

- It is proposed that examination fees will continue to be payable as they are currently.

3.4. Loan Funded Courses

- For 2023/24 the College will charge the loan max funding available.
- Where students choose to enrol on a Loan funded course but do not wish to apply for a loan then the tuition fee payable will be equivalent to the loan value.
- Where students choose to enroll on a Loan funded course but do not wish to apply for a loan then the tuition fee payable will be equivalent to the loan value.
- No examination fees are payable for learners on courses funded through the Loan system including self-funding students.

4. Overseas Students

- 4.1. The College attracts very few overseas fee paying students. The College does not sponsor overseas students and can only enroll such students who already have approval to remain in the UK.
- 4.2. It is proposed that the policy on fees for overseas students remains as approved last year – i.e. in line with the ESFA funding system. The fee payable will therefore be the fully funded rate for the course as per the SAM including the programme weighting uplift. This rate will be inclusive of examination fees.

5. College Fee Waivers

- 5.1. The College has two categories of remission, Carers allowance and Staff Waiver. There has been modest take up of these categories of remission over the years and it is proposed they are retained in 2023/24.
- 5.2. In addition, the Principal has the discretion to remit tuition fees for students not eligible for full funding or in any other remission category. No change to this policy is proposed.

6. Higher Education Fees

- 6.1. The 2023/24 fee levels for HE courses (which are set a year in advance) are £6,165 for full time and £3,225 for part time courses with Teacher Education fees set at £1,075 per module.
- 6.2. Fee levels can be set at any value up to £9,000 but when they exceed the basic fee of £6,165 the Office for Students must approve an Access and Participation Plan in order to justify the levels of fees set.
- 6.3. Market intelligence on other local HE providers is limited. It is understood that Hugh Baird College are able to charge £8,000 – aided by their TEF Gold award and their annual Access and Participation Plan. There would require a significant investment, and improvement for the College, to be able to improve from its current TEF Bronze.
- 6.4. It is proposed that fees for HE courses remain as follows for 2024/25:
 - £6,165 for full time courses;
 - £3,225 for part time courses;
 - £1,075 per module for Teacher Education courses.

- 6.5. The College's HE provision has been declining over a number of years; only 65 HE learners currently. The HE strategy going forward is to be discussed at Governor's Strategic Day on 1 February 2023.

7. **Leisure Courses**

- 7.1. The College has run a Community Learning programme for a number of years that has been funded by the ESFA/LCR. The purpose of the programme is to engage hard to reach learners and/or provide programmes in response to needs identified by the local Community as a precursor to moving on to more substantial programmes within the main Adult Skills Programme.
- 7.2. It is expected that providers add value to the public contribution to Community Learning by attracting additional revenue and making cost savings.
- 7.3. For other non-funded courses ('Leisure type courses') fees are set in accordance with bandings which are:

Banding	2023/24 Proposed Fee Per Hour	2022/23 Fee Per Hour
A	£5.10	£5.10
B	£5.75	£5.75
C	£6.65	£6.65
D	£8.15	£8.15
E	£8.80	£8.80

- 7.4. It is not proposed to alter the policies for Leisure type courses.

8. **Employer, Apprenticeship and Other Full Cost Courses**

- 8.1. The College continues to develop courses specifically for employers and the general public on a full cost basis and not all course fees necessarily fall into the above categories of provision.
- 8.2. In these circumstances a costing model is used to set course fees based primarily on an hourly rate of approximately £80/hr (this is split approximately 50% teaching cost and 50% overhead and profit contribution).
- 8.3. Though this gives the desired pricing of a course, market sensitivity or the need to build up business may require that this price be discounted to ensure viability.
- 8.4. A discount authorisation is in place to agree a lower fee than the fully costed amount, if required, on the following basis:-

Discount Level	Authority Level
Full Cost	Head of Business Development
Up to 10% discount	Head of Business Development / Assistant Principal (MIS & Apprenticeships)
10% to 40% discount	Vice Principal Curriculum & Performance / Vice Principal Finance & Facilities
Over 40% discount	SLT

- 8.5. It is proposed that this authorisation structure continues. In all cases, new courses need to be properly costed and reviewed at the Curriculum Planning Group.
- 8.6. The new apprenticeship reforms have now been implemented and new funding systems are in place for employers depending on whether or not they are Levy payers (Levy payers have a wage bill greater than £3m).
- 8.7. Levy payers use their Levy account to pay for their apprenticeship training, non-levy payers apprenticeship training is part funded through the ESFA with a percentage cash contribution set by the ESFA (currently 5%) which the employer must pay.
- 8.8. Maximum fee levels are set for each Apprenticeship Standard but it is a matter of negotiation between the training provider and the employer of what the fee will be.
- 8.9. For the purposes of fee setting it is proposed that the fees will be set as the maximum for each Standard and to use the discount authorisation process as noted in 8.4 above to agree fees with individual employers.

9. **Financial Implications**

- 9.1. The forecasted level of General Tuition Fees in 2022/23 is £91,000; which is marginally below 2021/22.

10. **Risk Issues**

- 10.1. Failure to set appropriate fee levels could affect recruitment, which in turn could result in reduced tuition fee levels and / or failure to achieve funding targets.
- 10.2. Ineffective financial management may lead to financial instability.

11. **Summary of Recommendations**

- 11.1. Members of the Committee are asked to recommend that the Corporation approve the following fee proposals for the 2023/24 academic year:-
 - (i) no change to the fee policy statement
 - (ii) no change to fees for adult co-funded courses;
 - (iii) no change to fees for Loan funded courses;
 - (iv) fees for overseas students to be set at the funding rate per the SAM including programme weighting;
 - (v) no changes to the College remission categories for Carers and Staff or the ability of the Principal to remit fees for students not eligible for full funding;
 - (vi) no change to leisure fees;
 - (vii) the use of a costing model and fee discount structure for employer and other full cost courses as set out in 8.4.
 - (viii) Non Levy apprenticeship fees payable at the required percentage of the agreed funding rate.
- 11.2. Fees for HE are set a year in advance and members of the Committee are asked to recommend that the Corporation approve the following fee proposals for the 2024/25 academic year (no change to 2023/24):
 - £6,165 for full time courses;
 - £3,225 for part time courses;
 - £1,075 per module for Teacher Education courses.