

South & City College Birmingham Corporation

COLLEGE FEE POLICY 2022/2023

Purpose

To advise the Committee on the College's fee policy for 2022/23 and to seek the Corporation's approval of this policy.

Introduction

The College updates its fee policy on an annual basis. This fee policy acts as a guide to both staff and students on whether or not a student needs to pay a fee and the fee payable if the student is required to pay a fee. It also acts as a guide as to the contribution employers are expected to make toward training.

FE Learner Fees

The policy for FE learner fees is based upon ESFA and WMCA funding 'guidance' and legislation. ESFA / WMCA funding 'guidance' sets out which courses and categories of students the ESFA/WMCA will fully fund, co fund or will not fund. On the basis of this guidance, the College fee policy classifies learners into one of the 3 categories below.

- Learners who are *fully funded* by the WMCA or ESFA and pay no fees.
- Learners who are *co-funded* by the WMCA or ESFA and pay a fee which is equivalent to 50% of course cost.
- Learners whom the ESFA or WMCA will not fund and pay a *full fee* which is equivalent to the full cost of their course. Some of these learners will be eligible for a student loan.

To date, both ESFA and WMCA have *not* announced any major changes that will impact upon fees for 2022/23. Therefore, the fee policy for 2022/23 remains unchanged from the current year. However, if changes are announced Corporation will be updated and the policy will be changed to reflect the updates.

Employer Fees (Apprenticeships)

As with FE learners, this policy is based upon ESFA guidance and legislation.

Employers with a turnover of £3.0m or more pay a training levy, which is set at 0.5% of payroll. This levy can be used to pay for Apprenticeship training.

Employers who qualify as small will not pay a levy but will be expected to contribute 5% of the cost of the apprenticeship and the government will fund the other 95%. The employer may receive incentives depending upon its size of the organisation or the age of the Apprentice and these incentives may be greater than the value of the fee. However, the College still needs to collect a fee in order to draw down the government funding. The only exception to this is where an employer has fewer than 50 employees and the apprentice is aged 18 or under when the apprenticeship begins or the apprentice is aged 19-23 and has an EHC plan or was in local authority care.

The fee policy for apprentices reflects the above. For levy paying employers, the fee payable will be the recommended fee for the relevant Apprenticeship framework / standard (For each Apprenticeship framework / standard there is a recommended fee). For employers who do not pay the levy, the fee payable will be 5% of the recommended fee, unless they have the exception outlined above. Employers will be given a contract that sets out the fees and commits the employer to paying these fees.

As with classroom-based funding, the government is likely to update guidance, as growth in Apprenticeships is seen as a keyway of getting people into work. The fee policy will be updated to reflect any changes and corporation updated.

Employer services have the discretion to reduce these fees by up to 20%, if they judge it will give them a competitive advantage.

Higher Education (HE) Fees

The Colleges fee policy with regards HE fees is governed by the Office for Students (OfS). For direct HE courses, the College will charge £6,165 for full time courses and £4,650 for part time courses. For courses which are franchised from BCU, the College will charge £7,500 for full time courses, except for a Music course which will be charged £8,500 and £5,000 for Part time courses.

Commercial Courses

The College will require that commercial courses make at least a 40% contribution towards overheads. This will include courses for Pre 16 students and school links.

Proposed Fee Policy

The proposed fee policy is set out in appendix 1. Appendix 1 sets out the fee policy that applies to classroom-based learning; the main points to note regarding the policy are as follows.

- 16–18-year-old students pay no fees for classroom learning.

- The criteria for classifying a student fully or co funded are set out in Appendices 1, but a student who is aged 19-23 is more likely to be fully funded than a student who is aged 24 or older.
- The College proposes that the *co-funded* fee be set at £2.60 per guided learning hour (glh), with a maximum fee payable, in any academic year of £1,650.
- The ESFA/WMCA guidance also states which learners and courses the ESFA/WMCA will not fund and these are classified as paying *full fee* in Appendix 1. The College proposes that this full fee be set at £5.20 per guided learning hour (glh), with a maximum fee payable, in any academic year of £3,300. This full fee will apply to adult learning loans.
- For commercial or Full cost recovery courses are required to generate a margin of 40%.
- For Apprenticeship, the fee payable will be 5% of the value of the recommended cost of the apprenticeship (unless they qualify for an exemption) or the full cost if a levy payer
- The College recognises that it is working in a competitive environment and fees charged can be varied with the prior approval of the Assistant Principal: Finance

Link to Strategic Objectives

| Strategic Objectives | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
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| 4: Ensures financial resilience and stability | | | | | | | |

Recommendation

To note the contents of this report and approve the College's fee policy for 2022/23.