

Appendix A: Financial Analysis

1.1. In order to provide more analysis for Cabinet Members to make their decision this appendix has been prepared. It is structured as follows:

- (i) Explaining the budget
- (ii) Quantifying the grant reductions
- (iii) Understanding the over and under spends
- (iv) The achievability of current income targets
- (v) Modelling the alternative options
- (vi) Alternative approaches
- (vii) Miscellaneous other information

1.2. A request for more financial analysis is a clear theme coming from the consultation. Despite the original Cabinet report making it clear that the purpose of any option was to remove financial risk from the council individuals responding to the consultation wanted to better understand the nature of the financial risk and how the other options would be able to reduce that risk.

1.3. The first step is to explore further the nature of the financial risk to the current delivery model: Merton Adult Education. To understand this it is best to start with the SFA grant.

Explaining the budget

1.4. The following tables are based on the 2013/14 budget:

| Revenue £'000s | Budget 2013/14 | Actual 2013/14 |
|----------------------------------|-------------------|-------------------|
| Expenditure | 2,687 | 2,601 |
| Employees | 1,793 | 1,755 |
| Premises | 173 | 140 |
| Transport | 3 | 3 |
| Supplies & Services | 340 | 317 |
| 3rd party payments | 0 | 0 |
| Support services | 286 | 294 |
| Depreciation | 92 | 92 |
| Income | 2,500 | 2,434 |
| Government grants | 1,873 | 1,907 |
| Reimbursements | 0 | 33 |
| Customer & client receipts | 627 | 494 |
| Recharges | 0 | 0 |
| Reserves | 0 | 0 |
| Capital Funded | 0 | 0 |
| Council Funded Net Budget | 187 | 167 |

1.5. The next table shows a breakdown on the expenditure incurred by the council:

| Expenditure Area | Financial Year 2013/14 out-turn |
|------------------|------------------------------------|
|------------------|------------------------------------|

| Expenditure Area | Financial Year 2013/14 out-turn |
|------------------------------------|---------------------------------|
| Employees | £1,754,529 |
| Premises | £139,999 |
| <i>Includes:</i> | £0 |
| Rent | £35,800 |
| Utilities (including water), | £36,990 |
| Business rates | £38,050 |
| Cleaning | £29,159 |
| Other | |
| Transport | £3,181 |
| Supplies and Services | £317,105 |
| Support Services (Overheads) | £294,025 |
| Depreciation and Impairment Losses | £91,536 |

1.6. And the income of the service can be broken down as follows:

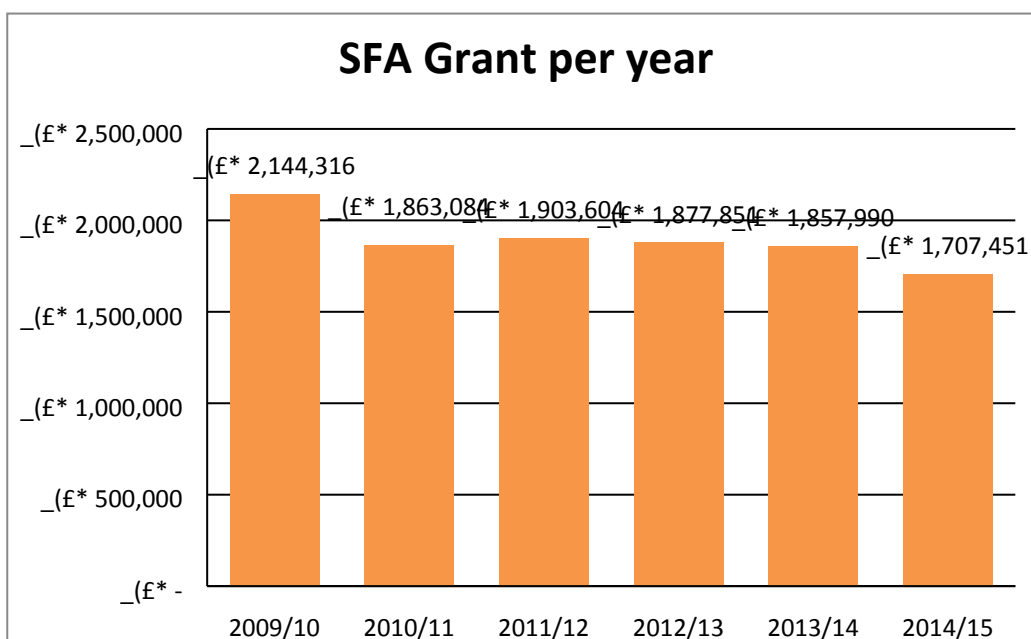
| Funding Source | Financial Year 2013/14 out-turn |
|--|---------------------------------|
| Skills Funding Agency Grant | £1,907,133 |
| Customer and Client Receipts | £494,261 |
| Other Reimbursements and Contributions | £33,227 |

1.7. The remaining costs of the service are represented in the bottom line (£167,000)

1.8. The grant from the Skills Funding Agency has reduced by £156,000 between 2013/14 and 2014/15 with an additional in year reduction of £35,000 being applied in December.

Quantifying the grant reductions

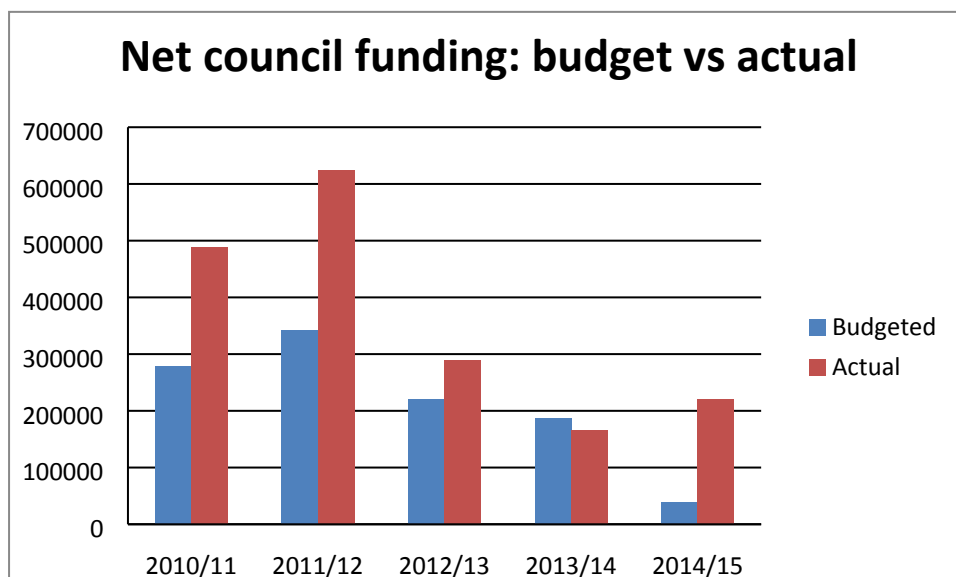
1.9. The following chart shows our Skills Funding Agency (SFA) grant per academic year.



- 1.10. It should also be noted that for the 2013/14 academic year the funding formula changed considerably – this had three major impacts:
- (i) a shift from grant to loans for level 3 upwards (reducing demand),
 - (ii) a shift to payment on outcomes rather than enrolment (requiring more delivery per pound of grant), and ;
 - (iii) a number of re-allocated grants – all of which moved funding away from shorter courses or courses which attracted more fees towards more level 1 and 2 courses which were longer and did not attract the same level of fees (requiring more delivery per pound of grant).
- 1.11. In addition, as mentioned above in December we were informed that the SFA were going to reduce our grant by another £35,000 in year. This £35,000 reduction is still to be fully confirmed but if it is will see a further reduction in the above figure.
- 1.12. The initial reduction in the grant for 2014/15 is due to the 19% reduction to the Adult Skills Budget element of the grant announced in March 2014. The reduction in funding and the running of fewer qualification courses has also impacted on the Fee Income target.
- 1.13. The next announcement re: funding changes from the SFA is expected to be made in March 2015. We expect this to signal a further reduction in the grant. This is due to the Department of Business, Innovation and Skills (BIS) in which the Skills Funding Agency (SFA) sits being a non-ring-fenced department and therefore being responsible for delivering a large amount of the reduction in Government spending announced in the 2014 budget and Autumn statement.
- 1.14. However, it is also possible that as the announcement is due in March 2015 (2 months before an election) further reductions will be ‘saved’ until after the 2015 General Election.
- 1.15. Taken together the grant reductions and the requirement to do more with less have placed additional pressure on the MAE budget. We anticipate this pressure to grow further.

Overspending / underspending

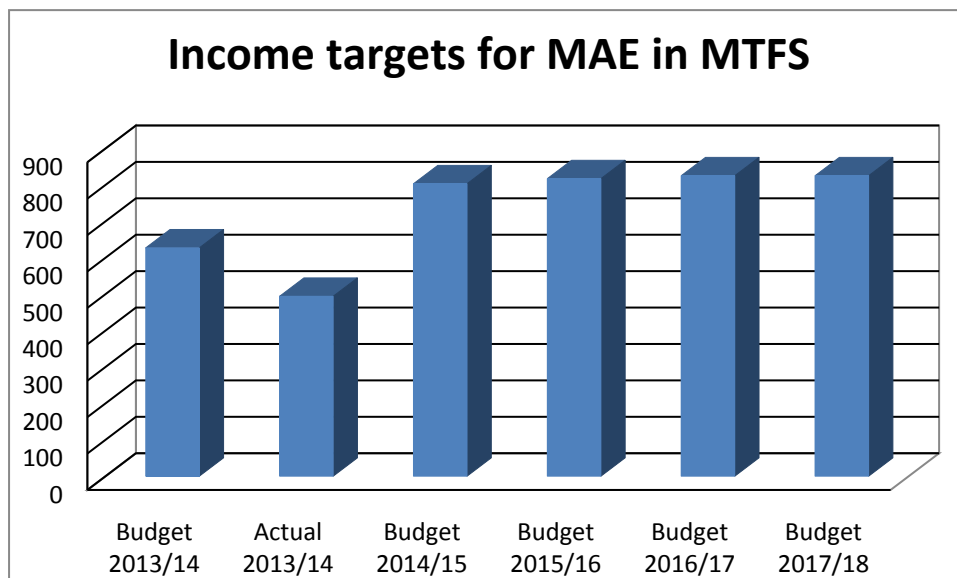
- 1.16. The following table shows the budgeted and actual net council funding received by the MAE service over the past four years.



- 1.17. As can be seen, over the past four years the service has only been able to meet its budget once (in 2013/14) leading to overspends of £209,605, £282,379, £69,388 and then an underspend of £21,196 respectively. In every year the council has committed between £165,000 and £625,000 to the provision of the service. In 2014/15 the budget has been reduced to £39,000 with a current expected overspend forecast of £181,000. This would represent a council contribution of £220,000 in 2014/15; an increase over 2013/14.

Future projections

- 1.18. The current MTFS has the council contribution to MAE staying roughly at £39,000 per year.
- 1.19. However, this is based on two assumptions – firstly a consistency in terms of the amount of funding received and secondly an aggressive series of income targets. These income targets are shown below:



- 1.20. The income targets required to meet the £39,000 council contribution envisaged by the council would require income of between £803,000 and £825,000. When these plans were developed there was hope that these could be achieved but the evidence so far (as shown by the 2013/14 figures) is that the potential to achieve that level of income above and beyond the grant funding is more limited than we had hoped. This is especially the case as reduced grants also have a knock on impact on the fees that can be raised.

Financially Assessing the Options

- 1.21. Many respondents to the consultation wanted to know conclusively what the saving to the council of pursuing the different options would be. The difficulty with this task is not knowing the grant funding allocations we can expect from the SFA and thus being unable to calculate the exact impact.
- 1.22. As such, the below table has been produced to demonstrate a model of each of the options based on a variety of potential grant reductions. It should be emphasised that even the 20% grant reduction used as the maximum cut in this analysis may be low as we do not, as yet, have a sense of what the Government's decision regarding SFA funding will be.

| Net cost to the council | With no grant reduction | With 5% grant reduction | With 10% grant reduction | With 15% grant reduction | With 20% grant reduction |
|-------------------------|-------------------------|-------------------------|--------------------------|--------------------------|--------------------------|
| Option 1 | £180,000.00 | £238,875.31 | £297,750.62 | £356,625.93 | £415,501.24 |
| Option 2 | £0.00 | £0.00 | £0.00 | £0.00 | £32,766.10 |
| Option 3 | £0.00 | £35,351.36 | £76,550.99 | £135,426.30 | £194,301.60 |
| Option 4 | £0.00 | £0.00 | £0.00 | £0.00 | £0.00 |
| Option 5 | £0.00 | £0.00 | £0.00 | £0.00 | £0.00 |

- 1.23. All of the modelling is based on the 2013/14 out-turn although option 1 does use the current budgetary forecast as a starting point re: the council's net contribution so as to

capture changes made in year. This includes a £39,000 net budget and a forecast £181,000 overspend.

1.24. The options above are based on a number of assumptions and these are captured in the individual tables shown below.

1.25. In addition, it should be noted that these analyses do not include the following items:

(i) Implementation costs

(ii) Any saving based on no longer having to fund the backlog maintenance at Whatley Avenue.

(iii) One off capital receipts received from any disposal of the Whatley Avenue site (if that was decided subsequently)

1.26. All of the above items would be one-offs and have no further benefit or dis-benefit to the council's ongoing revenue budget although should be considered as part of the decision making process.

1.27. Whilst the above financial modelling does give a sense of the likely financial impact of the options these are subject to a number of external pressures. Amongst them are the following:

(i) Negotiations with potential partners or providers may lead to different outcomes in terms of financial expectations of the council

(ii) The above figures make assumptions about council overheads which may not be deliverable, at least in the short term

(iii) The composition of grant reductions from the SFA can make a large impact on the remaining budget – such as whether it reduces fee income or increases cost pressures elsewhere in the business.

(iv) Assumptions about increasing fee income are largely dependent on the ability of the service to bring in more fees – this is an unknown and so the forecast is based on estimates.

1.28. Finally, these numbers are for one year only – projecting these models over five years would require us to estimate grant reductions in each year.

1.29. As the above table demonstrates, reductions in the SFA grant make the in-house option expensive when compared to the cost control provided by options 2, 4 and 5.

1.30. Sometimes it is easier to demonstrate this information in terms of savings to the council through cost avoidance. This estimate is difficult as SFA grants and other circumstances vary a lot year to year. However, this can be presented as follows using the conservative 10% reduction as a basis for defining the savings amount.

| | |
|--|--------------------|
| Saving through cost avoidance for options 2, 4, 5 with a 10% grant reduction | £297,750.62 |
|--|--------------------|

1.31. The cost avoidance achieved would remove a potential additional pressure from the council's already stretched revenue budget.

The individual options modelled

1.32. The below tables show the methodology used for modelling each of the different options.

1.33. Option 1:

| Option 1 | With no grant reduction | With 5% grant reduction | With 10% grant reduction | With 15% grant reduction | With 20% grant reduction | Notes |
|----------------------|-------------------------|-------------------------|--------------------------|--------------------------|--------------------------|-------|
| Take grant reduction | | £85,372.55 | £170,745.10 | £256,117.65 | £341,490.20 | |

| Option 1 | With no grant reduction | With 5% grant reduction | With 10% grant reduction | With 15% grant reduction | With 20% grant reduction | Notes |
|---|-------------------------|-------------------------|--------------------------|--------------------------|--------------------------|---|
| Add in current net contribution | £220,000.00 | £220,000.00 | £220,000.00 | £220,000.00 | £220,000.00 | |
| Subtract percentage of grant reduction (due to flexing variable and some semi-variable costs) | | -£26,497.24 | -£52,994.48 | -£79,491.72 | - | Based on 31% of costs being flexible |
| Account for income increase | -£40,000.00 | -£40,000.00 | -£40,000.00 | -£40,000.00 | -£40,000.00 | Generous assumption assuming £100k PH grant continues and that a 10% increase in income whilst grant reduction doesn't damage fee income. NB: Cuts in CL grant have a larger impact on bottom line as more fees attracted |
| Bottom line for council | £180,000.00 | £238,875.31 | £297,750.62 | £356,625.93 | £415,501.24 | |

1.34. Option 2:

| Option 2 | With no grant reduction | With 5% grant reduction | With 10% grant reduction | With 15% grant reduction | With 20% grant reduction | Notes |
|---|-------------------------|-------------------------|--------------------------|--------------------------|--------------------------|---|
| Take grant reduction | | £85,372.55 | £170,745.10 | £256,117.65 | £341,490.20 | |
| Add in current net contribution | £220,000.00 | £220,000.00 | £220,000.00 | £220,000.00 | £220,000.00 | |
| Assume no savings in overheads, transport and variable staff | £0.00 | £0.00 | £0.00 | £0.00 | £0.00 | Variable staff are tutors and will be needed regardless and any negotiation of a shared service usually leads to overheads remaining in the short term. |
| Less depreciation | -£91,536.00 | -£91,536.00 | -£91,536.00 | -£91,536.00 | -£91,536.00 | |
| Assume 50% reduction in accommodation | -£69,999.50 | -£69,999.50 | -£69,999.50 | -£69,999.50 | -£69,999.50 | We would use the STC site and contribute to that site (to be verified) |
| Assume 10% saving in supplies and savings | -£31,710.50 | -£31,710.50 | -£31,710.50 | -£31,710.50 | -£31,710.50 | Assumption based on shared IT systems and other joint procurement |
| Assume 20% savings in non-tutor staff | - | - | - | - | - | Assume 20% reduction in non-tutor staff |
| Subtract half of grant reduction (due to flexing variable and some semi-variable costs) | | -£26,497.24 | -£52,994.48 | -£79,491.72 | - | Based on 31% of costs being flexible |
| Account for income increase | -£40,000.00 | -£40,000.00 | -£40,000.00 | -£40,000.00 | -£40,000.00 | Generous assumption assuming £100k PH grant continues and that a 10% increase in income whilst grant reduction doesn't damage fee income. NB: Cuts in CL grant have a larger impact on bottom line as more fees |

| Option 2 | With no grant reduction | With 5% grant reduction | With 10% grant reduction | With 15% grant reduction | With 20% grant reduction | Notes |
|-----------------------------------|-------------------------|-------------------------|--------------------------|--------------------------|--------------------------|---|
| | | | | | | attracted |
| Savings re-invested into learning | £202,735.13 | £143,859.82 | £84,984.51 | £26,109.20 | £0.00 | Council will re-invest the grant into more learning |
| Bottom line for council | £0.00 | £0.00 | £0.00 | £0.00 | £32,766.10 | |

1.35. Option 3:

| Option 3 | With no grant reduction | With 5% grant reduction | With 10% grant reduction | With 15% grant reduction | With 20% grant reduction | Notes |
|---|-------------------------|-------------------------|--------------------------|--------------------------|--------------------------|---|
| Take grant reduction | | £85,372.55 | £170,745.10 | £256,117.65 | £341,490.20 | |
| Add in current net contribution | £220,000.00 | £220,000.00 | £220,000.00 | £220,000.00 | £220,000.00 | |
| Assume no savings in depreciation, overheads, premises, transport and variable staff | £0.00 | £0.00 | £0.00 | £0.00 | £0.00 | Variable staff are tutors and will be needed regardless and working with another Borough means continuing with our own site so those costs stay |
| Assume 10% saving in supplies and savings | -£31,710.50 | -£31,710.50 | -£31,710.50 | -£31,710.50 | -£31,710.50 | Assumption based on shared IT systems and other joint procurement |
| Assume 20% savings in non-tutor staff | £189,489.13 | £189,489.13 | £189,489.13 | £189,489.13 | £189,489.13 | Assume 20% reduction in non-tutor staff |
| Subtract half of grant reduction (due to flexing variable and some semi-variable costs) | | -£26,497.24 | -£52,994.48 | -£79,491.72 | £105,988.96 | Based on 31% of costs being flexible |
| Account for income increase | -£40,000.00 | -£40,000.00 | -£40,000.00 | -£40,000.00 | -£40,000.00 | Generous assumption assuming £100k PH grant continues and that a 10% increase in income whilst grant reduction doesn't damage fee income. NB: Cuts in CL grant have a larger impact on bottom line as more fees attracted |
| Savings re-invested into learning | £41,199.63 | £17,675.68 | £0.00 | £0.00 | £0.00 | Council will re-invest the grant into more learning |
| Bottom line for council | £0.00 | £35,351.36 | £76,550.99 | £135,426.30 | £194,301.60 | |

1.36. Option 4:

| Option 4 | With no grant reduction | With 5% grant reduction | With 10% grant reduction | With 15% grant reduction | With 20% grant reduction | Notes |
|--------------------------------|-------------------------|-------------------------|--------------------------|--------------------------|--------------------------|---|
| Grant | £1,707,451 | £1,622,078 | £1,536,706 | £1,451,333 | £1,365,961 | |
| Cost of commissioning function | £256,439 | £256,439 | £256,439 | £256,439 | £256,439 | Assumes posts as below and council overheads of £50,243 |

| Option 4 | With no grant reduction | With 5% grant reduction | With 10% grant reduction | With 15% grant reduction | With 20% grant reduction | Notes |
|---|-------------------------|-------------------------|--------------------------|--------------------------|--------------------------|--|
| Commissioning as % of grant | 15% | 16% | 17% | 18% | 19% | |
| Amount remaining for commissioning | £1,451,012 | £1,365,640 | £1,280,267 | £1,194,895 | £1,109,522 | |
| <i>Council subsidy if commissioning team stayed the same size even whilst grant reduced</i> | £321 | £13,127 | £25,933 | £38,739 | £51,544 | <i>If the commissioning team stayed consistent whilst the grant was reduced</i> |
| Bottom line for council assuming no subsidy | £0.00 | £0.00 | £0.00 | £0.00 | £0.00 | Assumes that commissioning team would be reduced to fit the 15% suggested limit. |

1.37. Option 5:

| Option 5 | With no grant reduction | With 5% grant reduction | With 10% grant reduction | With 15% grant reduction | With 20% grant reduction | Notes |
|---|-------------------------|-------------------------|--------------------------|--------------------------|--------------------------|---|
| Grant | £1,707,451 | £1,622,078 | £1,536,706 | £1,451,333 | £1,365,961 | |
| Cost of commissioning function | £236,563 | £236,563 | £236,563 | £236,563 | £236,563 | Assumes posts as below and council overheads of £50,234. This has not been negotiated with Wandsworth and due to the fact that they have a larger commissioning team might not be deliverable. However, if this option was selected this would be the direction we would like to see followed |
| Commissioning as % of grant | 14% | 15% | 15% | 16% | 17% | |
| Amount remaining for commissioning | £1,470,888 | £1,385,515 | £1,300,143 | £1,214,770 | £1,129,398 | |
| <i>Council subsidy if commissioning team stayed the same size even whilst grant reduced</i> | -£19,555 | -£6,749 | £6,057 | £18,863 | £31,669 | <i>If the commissioning team stayed consistent whilst the grant was reduced</i> |
| Bottom line for council assuming no subsidy | £0.00 | £0.00 | £0.00 | £0.00 | £0.00 | Assumes that commissioning team would be reduced to fit the 15% suggested limit |

1.38. NB: For the commissioning options (4 and 5) there are residual overheads that the council would need to decide whether to continue to fund, or to make savings if these corporate items are no longer required. We have calculated this as roughly £72,000. The non-controllable overheads are detailed below. These overheads would not be releasable immediately and so a decision would need to be made about how to fund them until they can be released.

Alternative approaches

1.39. In consultation with some backbench councillors we agreed to look at the following three additional questions:

- (i) What is the size of additional income generation that would need to be delivered to close the financial gap faced by the College?

- (ii) Would it be possible to commission the Adult Skills Budget element of the budget whilst retaining the Community Learning elements in house? What would be the financial impact of this?
- (iii) What are the residual costs left with the council in each of the options?

- Income generation target

- 1.40. As with a lot of the analysis contained within this work it is based on financial models and the ability to make reasonable, transparent assumptions. The following analysis does the same:
- 1.41. We could assume that the £220,000 overspend projected for 2014/15 is a little higher than the structural overspend expected year on year and thus assume that the budget gap is closer to £200,000 (without any further grant reduction).
- 1.42. This means that to bring the budget back into surplus the college would need to attract income sources that generated a surplus of £200,000. Income generation has been difficult to come by for the college in recent years. Contracts with organisations such as Tesco, Housing Associations and Other partners have largely been used to meet grant targets set by the SFA and therefore are already built into the budget.
- 1.43. However, in the current year the college will be able to generate income of £22,780 against external contracts and £37,876 against room bookings.
- 1.44. The feeling of management is that the room bookings could be further exploited to achieve income of £100,000 pa within 18 months. This would leave a gap of £140,000 which would, assuming a 40% marginal profit on the additional income generation work, require about £350,000 of additional income to be achieved from these contracts. This would be a very large increase (1,500%) on what is currently achieved. Assuming a 60% marginal profit would improve this target to £233,000 which is still a huge increase on the current achieved levels and it is questionable how achievable that margin would be.

- Splitting the ASB and CL provision

- 1.45. Backbench members also asked for a model that demonstrated the impact of commissioning the ASB courses but retaining the Community Learning and provision for learners with disabilities at Whatley Avenue.
- 1.46. The model looks like this:

| Modelling ASB / CL split | | |
|---|-----------------|--|
| Service deficit | £220,000 | As at 14/15 period 9 |
| Add SFA funding for ASB | £735,000 | As in 14/15 |
| Minus ASB funding allocated for 'towards independence' | -£120,000 | As at 14/15 allocation |
| Add in fee income not generated | £168,000 | As in 13/14 for remaining ASB courses |
| Minus support / management staff no longer working on remaining contracts | -£313,050 | As per adjusted estimates from MAE management |
| Minus teaching staff no longer required | -£371,258 | As ASB is 48% of grant we assume 48% of tutor costs of £807,803 (which represent 46% of all staff costs) |
| Minus reduction in corporate overheads | -£100,320 | Assumes 44% reduction in the controllable overheads of £228,000 (13/14 figures) |
| Minus reduction in exam fees | -40,000 | Approximate |
| | | |
| Bottom Line | £178,372 | |

- 1.47. The model suggests that the deficit would be reduced by roughly £40,000. It is also possible that after removing the contract it would be possible to remodel the service to further reduce this number.
- 1.48. In order to compare this option with the others proposed we also produced an analysis looking at the impact in light of future cuts to the grant – although in this case we were just modelling cuts to CL budget, assuming that the portion of the ASB that we retained would be the last element to be reduced. This modelling looks as follows:

| ASB / CL split model | With no grant reduction | With 5% grant reduction | With 10% grant reduction | With 15% grant reduction | With 20% grant reduction |
|---|-------------------------|-------------------------|--------------------------|--------------------------|--------------------------|
| Current deficit | £178,372 | £178,372 | £178,372 | £178,372 | £178,372 |
| Grant reduction (of just CL) | | £39,418.90 | £78,837.80 | £118,256.70 | £157,675.60 |
| Account for increased income | -£40,000.00 | £40,000.00 | £40,000.00 | -£40,000.00 | -£40,000.00 |
| Account for reduction in variable costs | | £12,219.86 | £24,439.72 | -£36,659.58 | -£48,879.44 |
| Bottom Line | £138,372 | £165,571 | £192,770 | £219,969 | £247,168 |

- 1.49. A few things should be noted:
- (i) This model assumes that a provider would take on the staff we wish to move with the grant. The grant transferring would be approx. £780,000 (remaining grant plus fee income) and the staff liabilities we have identified are approximately £680,000. This might reduce the market of interested providers.
 - (ii) The Whatley Avenue site would now be under occupied. This may provide an opportunity but also represents a risk factor.

- **Retained costs**

- 1.50. The following assesses whether the level of retained costs in any proposals for changes has any significant impact on the options appraisal.
- 1.51. In general, when we have moved into shared services with other providers we have negotiated to ensure that any retained overheads are captured within that new entity. This allows for some reduction in back office costs but does not leave costs to be redistributed across the rest of the council services that are not involved in the shared service.
- 1.52. As such, we assume that for option 1 and each of the shared service models (2 and 3) there would be no residual cost for the council.
- 1.53. For the commissioning options (4 and 5) there are residual overheads that the council would need to decide whether to continue to fund, or to make savings if these corporate items are no longer required. We have calculated this as roughly £72,000. The non-controllable overheads are detailed below. These overheads would not be releasable immediately and so a decision would need to be made about how to fund them until they can be released.
- 1.54. The level of residual costs has some impact on the attractiveness of options 4 and 5 however if the council decides to make the required savings to specific corporate functions that are no longer required when the service is commissioned then this could be considerably mitigated. In any event, even with retained costs, options 4 and 5 remain the most financially viable options for the service and for the council.

Miscellaneous other information

Non-controllable overheads:

| |
|--------------------------------|
| Policy & Performance |
| Risk Management |
| Director of Corporate Services |
| Commercial Advisors |
| AD Resources |
| Budget Management team |
| Security |
| AD I&T |
| PDC |
| Health & Safety |
| Data Protection |
| AD Corporate Governance |
| Health & Safety |
| AD Customer Services |
| Communications |
| Human Resources |
| Staff Side |
| AD Business Improvement |

Detailing the funding in more detail

MAE receives two distinct ring fenced grants from the Skills Funding Agency (SFA) Adult Skill Budget (Qualification Courses) and Community Learning (CL). Both have a distinct set of criteria and are not interchangeable due to strict logging of course details on the Management Information System, where returns are submitted to the Skills Funding Agency on a monthly basis

Adult Skill Budget

Qualification courses from a range of SFA approved qualifications allocated a different funding value depending on level and course weighting.

The Management Information calculates the value of this qualification in relation to a particular learner to further ascertain the value of that learner. If a learner lives in a disadvantage ward their formulae is uplifted. If the Learner lives in a disadvantaged ward their formulae is uplifted. Once the learner has successfully completed the course and achieved the qualification the success payment is generated. A provider rating is allocated to this mix based on our provider locality. In the 2013-2014 academic year funding for courses at level 3 and 4 was removed and a student loan facility put in place for qualification at level 3 and 4. If an individual did not want to take out the loan the course cost was doubled. In addition to the grant allocation students have access to a range of support funds to assist with childcare, travel and other relevant resources. In addition MAE is able to fund specialist 1-1 support, dyslexia assessment and support.

| | |
|---|------------|
| • Accredited learners (ASB) | 1736 |
| • New accredited learners | 1032 |
| • Student Loan facility | £93,000 |
| • Fees generated from ASB | £177352.31 |
| • Number of ASB courses run | 211 |
| • Number of ASB guided learning hours generated | 156,062 |

ASB Qualification Student Profile

- 47.4% of our learners live in a Merton disadvantaged ward
- 45.3% of our learners are from ethnic minority communities
- In 2005 17% of our learners were from ethnic minority communities

- In 2005 only 17% of our learners on qualification courses were from an ethnic community. As a result of MAE's widening participation strategy this has increased by 30%

ASB Fee Concessions

- Course is free if actively seeking work, on employment based benefits
- Overseas students have no re-course to public funds and have to pay double the published fee
- Students over 25 enrolling on a level 3, 4 or 5 course have to pay double the published fee as no longer subsidised by the government
- Adults with Learning Disabilities are charged £19 per course

ASB – Qualification Courses

| Curriculum Area | Number of Learners | Funding Generated against SFA contract | Fee Income from students |
|--|--------------------|--|--------------------------|
| Crafts - Horticulture | 23 | £26970.03 | £7,917.40 |
| English | 166 | £98,198.70 | £334.20 |
| ESOL | 530 | £234,885.71 | £64,792.07 |
| Childcare Young People and Education | 132 | £193,273.33 | £35,826.81 |
| Information Technology | 59 | £25,436.94 | £9,269.63 |
| Maths | 103 | £60,792.39 | 0 |
| Beauty Specialist and Complementary Therapy | 52 | £64741.22 | £8,447.84 |
| Modern Languages | 111 | £29,898.92 | £4,931.00 |
| Management, CIPD, Health and Social Care, Teacher Training, Apprenticeships, Traineeships | 154 | £150,241.31 | £36,926.86 |
| Adults with Learning Disabilities range of courses – Computers for visually impaired, Makaton, Lipreading, cookery, Art and Craft, Social Skills, IT etc | 125 | £124,726.62 | £8,906.50 |

Education Funding Agency

- MAE receives an allocation for learners aged 16-18 £24,000
- Number of 16-18 Learners 44

| Curriculum Area | Number of Learners | Funding Generated against SFA contract |
|--|--------------------|--|
| English | 5 | £3445.24 |
| ESOL | 5 | £4707.62 |
| Childcare Young People and Education | 1 | £2402.02 |
| Maths | 3 | £1665.63 |
| Beauty Specialist and Complementary Therapy | 7 | £5128.40 |
| Modern Foreign Languages | 1 | £525.99 |
| Management, CIPD, Health and Social Care, Teacher Training, Apprenticeships, Traineeships | 12 | £2673.75 |
| Adults with Learning Disabilities range of courses – Computers for visually impaired, Makaton, Lipreading, | 10 | £3936.18 |

| | | |
|---|--|--|
| cooking, Art and Craft, Social Skills, IT etc | | |
|---|--|--|

Community Learning

A specific grant is allocated by the Skills Funding Agency for use on non-qualification courses MAE is not authorised to use this funding on qualifications, course details and information is put onto the management information system and returns submitted to the SFA on a monthly basis. The government has made the decision to continue these types of courses and a decision regarding the provision type cannot be made at a local level. However there is some flexibility within the various Community Learning streams. The following configuration has been based on maximising fee income generated from PCDL courses

Community learning is comprised of the following

- Personal Community Development Learning (PCDL)
- Neighbourhood Learning for Deprived Communities (NLDC)
- Family English and Maths (Parents or carers learning with children) (FE&M)
- Wider Family Learning – art, craft, languages, fitness etc (WFL)

| | |
|-----------------------------|------|
| Non accredited learners | 3198 |
| New non accredited learners | 1874 |

New Learners were 59% of total learners in 2013/14

| Curriculum Area | Number of Learners | CL Stream | Fee Income |
|--|--------------------|--------------------------|--------------------|
| Creative Arts | 1019 | PCDL | £185,909.29 |
| Creative Arts | 12 | NLDC | 0 |
| Creative Arts | 37 | Family Learning | 0 |
| Careers and Employability | 80 | PCDL | 0 |
| Early Years | 53 | PCDL | £2,619.00 |
| Early Years | 26 | Family Learning | 0 |
| Fitness | 192 | PCDL | £17,423.37 |
| Information Technology and Computers | 176 | PCDL | £5,425.30 |
| Information Technology and Computers | 12 | Family Learning | 0 |
| Beauty Specialist and Complementary Therapy | 157 | PCDL | £14,561.51 |
| Beauty Specialist and Complementary Therapy | 11 | Family Learning | 0 |
| Modern Foreign Languages | 280 | PCDL | £56,082.50 |
| Modern Foreign Languages | 5 | Family Learning | 0 |
| Health and Social Care | 64 | PCDL | £703.40 |
| Business Start up | 93 | NLDC | 0 |
| Adults with Learning Disabilities range of courses | 133 | PCDL | £3,643.08 |
| English | 15 | PCDL | 0 |
| ESOL | 162 | PCDL | 0 |
| ESOL | 16 | Family Learning | 0 |
| Wider Family Learning | 260 | Family Learning | 0 |
| Family English and Maths | 395 | Family English and Maths | 0 |
| | 3198 | | £286,367.45 |

Family Learning includes

- 47 11 – 15 year olds
- 346 under 10's

Number of Community Learners by funding stream

- Personal Community Development Learning (PCDL) - 2331
- Neighbourhood Learning for Deprived Communities 105
- Family English and Maths 367
- Wider Family Learning 395

Partnerships

Robust partnership working has been key to progressing our learners from community learning courses into qualification courses then onto employment

| Partner Type | Number of Partners | Number of Courses | Number of Enrolments |
|---|--------------------|-------------------|----------------------|
| Primary schools | 13 | 26 | 344 |
| Harris Academy | | 8 | 95 |
| Cricket Green School | | 2 | 26 |
| Children's and Family centres | 7 | 31 | 427 |
| Libraries | 5 | 13 | 132 |
| Community centres- Commonsie Trust, St Marks Family Centre, Vestry Hall | 4 | 22 | 224 |
| Adult Social Care Day centres | 3 | 8 | 63 |
| Tesco, Baitul Futuh Mosque, The Ghurka Association, | 6 | 9 | 95 |
| Total | 40 | 119 | 1406 |