

PORTFOLIO HOLDER FOR PARTNERSHIPS

[20/3/24]

REPORT OF THE ASSISTANT DIRECTOR, PARTNERSHIPS

A.1 Partnerships- Proposed Fees and Charges for 2024/25

(Report prepared by Carol Magnus)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To seek the Portfolio Holder's concurrence to the proposed schedule of fees and charges 2024/25 for Partnerships

EXECUTIVE SUMMARY

- This report sets out the proposed fees and charges for 2024/25 for Partnerships. They continue to be considered against a number of key principles that form part of the long term financial forecast approach which are summarised later on in this report.
- Any amendments to income budgets that are required to reflect changes to fees and charges will be included in the Q3 Financial Performance Report 2023/24 that will be considered by Cabinet in April.

N.B. This report does not include any reference to charges relating to the Tendring District Council Careline service. A separate report regarding the financial position of Careline, along with recommendations for charging will be submitted to Cabinet in April 2024. For reference only the current fees have been included in Appendix A

RECOMMENDATION(S)

That the Schedule of Fees and Charges 2024/25 for Partnerships set out in Appendix A be agreed.

REASON(S) FOR THE RECOMMENDATION(S)

To enable the implementation of a revised fees and charges schedule for 2024/25.

ALTERNATIVE OPTIONS CONSIDERED

Please see the considerations / reasons behind the proposed fees and charges later on in this report.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The forecasting and budget setting process, including fees and charges, will have direct implications for the Council's ability to deliver on its objectives and priorities. At its heart, the 10

year approach to the forecast seeks to establish a sound and sustainable budget year on year through maximising income, including income raised from fees and charges, whilst limiting reductions in services provided to residents, businesses and visitors.

OUTCOME OF CONSULTATION AND ENGAGEMENT

Career Track

Consultation with other training providers has been undertaken and all are charging their employers the cost of End Point Assessments (EPA) resits which can range from £150 to £300 per component.

Gov.uk guidance on the apprenticeship gateway and resits for EPA's state that apprentices who fail one or more assessment method will be offered the opportunity to take a resit or a retake. Resits are ineligible costs and are not funded by the Education and Skills Funding Agency (ESFA) and the End Point Assessment Organisation (EPAO) and training provider (Tendring District Council / Career Track) are not responsible for resit costs.

The provider receives 80% of the negotiated price up to the funding band maximum, in equal monthly instalments according to the planned duration of the apprenticeship. The remaining balance (the completion and achievement payment) of the total negotiated price, up to the funding band maximum is paid to the provider when the apprentice has undertaken all the activity relevant to the apprenticeship, including completing all elements of the end-point assessment. If the employer or apprentice withdraw from the final part of the apprenticeship without good reason, then the provider does not receive the remaining balance (20% of the negotiated price). Consultation with other providers show that they are charging the employer if there is a withdrawal. Career Track reserve the right to charge for any unmet costs incurred because of the apprentice failing to complete and achieve the EPA gateway period and the full Apprenticeship.

Partnerships

For other fees and charges across the department, no major changes are being made and so no further consultations have taken place

LEGAL REQUIREMENTS (including legislation & constitutional powers)

Is the recommendation a Key Decision (see the criteria stated here)	No	If Yes, indicate which by which criteria it is a Key Decision	<input type="checkbox"/> Significant effect on two or more wards <input type="checkbox"/> Involves £100,000 expenditure/income <input type="checkbox"/> Is otherwise significant for the service budget
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	N/A

Trading and the power to charge are set out in the Local Authorities (Goods and Services) Act 1970 and the Local Government Act 2003 – Section 93 respectively. The latter also requires that charges for discretionary services should be on a cost recovery basis.

Under Para 4.4.1 (8) Part 3.4 of the Council's Constitution, all Assistant Directors, in consultation with the relevant Portfolio Holder, Management Team Member and the Assistant Director (Finance & IT), are authorised to decide the level of the annual discretionary fees and charges for their service (including any in-year changes that may be required) for inclusion within the Council's corporate schedule of fees and charges. Following the above consultation, an Officer decision must be published.

X	The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:
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The report has been seen by the Monitoring Officer. No further comments to be made.

FINANCE AND OTHER RESOURCE IMPLICATIONS

Finance and other resources

Fees and Charges have been reviewed against the key principles that underpin the long term forecast, which includes the generation of income whilst balancing strategic and external market conditions.

Given the significant on-going financial challenges faced by the Council from 2024/25, a key underlying principle is to consider inflationary increases wherever possible to support corresponding increases in the Council's own costs in delivering the associated service(s). The current rate of inflation remains relatively high and it may not necessarily be practical / possible to 'translate' such an increase into the actual fee increase proposed. Therefore, set against this inflationary context, any proposed increases in fees and charges must be balanced against other considerations / market conditions, whilst also recognising the restrictions placed on local authorities in terms of setting fees and charges as set out within the legal section above. Further details relating to any proposed increases to fees and charges is set out below.

Any changes to income budgets resulting from any changes in the level of fees and charges agreed, will be included within the Q3 Financial Performance Report 2023/24 that will be considered by Cabinet in April. It is also recognised that there may be advantages to allocate some or all of any additional income to associated investment / expenditure, which will also need to be considered as part of the detailed budget.

Yes	The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:
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Although there are no further comments over and above those set out elsewhere in the report, it is important to highlight that the demand / volumes used to calculate the estimated total income figures included within this report are based on those held / estimated by the Service.

USE OF RESOURCES AND VALUE FOR MONEY

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can	Please see relevant comments elsewhere in this report.
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continue to deliver its services.	
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks.	
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	
MILESTONES AND DELIVERY	
Fees and Charges for 2024/25 form part of the wider budget setting process.	
ASSOCIATED RISKS AND MITIGATION	
<p><u>Career Track</u> There is a slight risk that the introduction of fees regarding apprenticeships that are not completed may deter employers from signing up with Career Track but the charges proposed are in line with sector best practice so this risk is considered to be low. The fees and charges are minimal and will be detailed in the revised Tendring District Council (Career Track) Contract for Services as soon as possible.</p> <p><u>Partnerships</u> No significant risks have been identified. No fees are due to be increased.</p>	
EQUALITY IMPLICATIONS	
None identified	
SOCIAL VALUE CONSIDERATIONS	
All fees and charges are set to be as low as possible to cover cost recuperation only.	
IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030	
None identified	
OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS	
Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.	
Crime and Disorder	The purpose of Career Track is to enable people to gain an apprenticeship qualification increasing their educational attainment and work experience, which in turn encourages employment in the district. CCTV provision is currently under review (see CCTV strategy and implementation reports).
Health Inequalities	
Area or Ward affected	

PART 3 – SUPPORTING INFORMATION

BACKGROUND
Income from fees and charges form an important element of the budget and the financial sustainability of the Council as set out in the long term forecast.

Similarly to previous years, Departments have been asked to review their fees and charges on an individual basis as changes may need to be made to meet specific aims or strategic objectives or in some cases in response to external factors such as market forces.

The review of fees and charges has been set against the following key principles:

- general inflationary increases where possible or lower where appropriate / justified
- amounts rounded for ease of application, which may result in a slightly above inflation increase.
- on a cost recovery basis as necessary
- reflect statutory requirements.
- increases where market conditions allow
- to meet specific priorities or service delivery aims / objectives

As highlighted earlier in this report, the Council continues to face a number of significant financial challenges in 2024/25 and beyond. It is therefore important that fees and charges are considered against this context and to maximise income opportunities where possible, albeit whilst balancing the various issues highlighted above.

Income budgets included in the detailed estimates will reflect any required changes from the proposed fees and charges set out in this report.

PARTNERSHIPS - PROPOSED FEES AND CHARGES 2024/25

Set against the current fees and charges for 2023/24, **Appendix A** includes the schedule of fees and charges proposed for 2024/25, which have been developed by applying the key principles highlighted above.

Career Track

Career Track receives funding via the Education and Skills Funding Agency (from employers) and has always charged the full funding band. Additional costs are incurred that are not covered from employer funding and further clarity has identified the End Point Assessment (EPA) resit costs as outside of this funding which is why we are now looking to recover these costs from the employer if a resit is required.

A very small number of employers and apprentices have withdrawn from their apprenticeship towards the end or returned from a break in learning and decided not to complete the EPA, this results in an approximate 20% loss of the full funding band for each apprenticeship despite 100% of the work being delivered by Career Track – in some cases the 20% is as much as £1,000 per apprentice.

The schedule of fees and charges will be reviewed annually alongside the fees published by the End Point Assessment Organisations (EPAOs), the Education and Skills Funding Agency's (ESFA) Funding Regulations and the Institute for Apprenticeships and Technical Education (IfATE) Apprenticeship funding bands.

The fee's proposed are to cover the additional costs associated with apprentices having to resit aspects of their EPA or from early withdrawal from the apprenticeship programme.

The proposed charges are shown in the table below

Apprenticeship Standard	Full Funding Cost	20% final payment	Cost for Resits	
Customer Service Practitioner L2 (Pearson ACE360)	£3,500	£700	Showcase	£175
			Professional Discussion	£150
			Observation	£225
Team Leader/Supervisor L3 (Pearson ACE360)	£4,500	£900	Presentation with Q&A	£210
			Profession Discussion with portfolio of evidence	£210
Business Administration L3 (Pearson ACE360)	£5,000	£1,000	Multiple Choice Test	£50
			Portfolio	£275
			Project/Presentation	£300
Customer Service Specialist L3 (Pearson ACE360)	£4,000	£800	Project/Interview	£170
			Profession Discussion/Portfolio	£170
			Observation	£170
Public Service Operational Delivery Officer L3 (City & Guilds)	£2500	£500	Presentation	£250
			Professional Discussion	£225

The impact of the above is estimated to generate additional income of £356 in 2024/25. This will support an estimated reduction in the current net cost of the Service to £356 in 2024/25.

CCTV

Charges are to remain the same as set out in 23/24 fees and charges report. Charges primarily apply for the use of deployable cameras.

Print Unit

No changes to the charges set in 23/24 are planned. During 2024 a review of charges for external clients will be carried out to assess whether the current levels are sufficient to ensure full cost recovery.

HR/OD

No changes are proposed to the fees for services such as mediation, training or HR consultancy.

The changes highlighted above are not anticipated to breach the requirement to only recover the cost of providing the service. This will remain under on-going review and will be considered as necessary as part of future fee setting decisions.

PREVIOUS RELEVANT DECISIONS

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

Career Track

Information has been gathered from the End Point Assessment Organisations (awarding bodies) costs and fees, the Education and Skills Funding Agency's Funding Regulations for 2023/2024, and Gov.UK's apprenticeship gateway and resits for end-point assessment (EPA) guidance.

Partnerships

N/A

APPENDICES

Attached – Detailed fees and charges 2024/25 for Partnerships

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