

For action: Responses are requested by 12 September 2001

FE Learner Support Funds 2001/02

Access to Learning

Summary

Information on the allocation of £102 million of FE learner support funds for the 2001/02 academic year and the terms and conditions that apply.

This circular provides essential guidance for the successful administration of the institution's learner support funds.

Students will benefit if this circular is shared with appropriate operational staff as soon as possible.

Supplements

- A. Annexes A - E
- B. Annexes F - J



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Supplement A to this circular

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Supplement B to this circular

Annex F	Allocations of FE Learner Support Funds
Annex G	Certificate of Acceptance
Annex H	FE Learner Support Monitoring Forms
Annex I	General Guidance for External Auditors
Annex J	Examples of Good Management Practice

Further information

For further information, please contact the appropriate Learning and Skills Council local office, or write to:

The Learning and Skills Council
Cheylesmore House
Quinton Road
Coventry CV1 2WT

Enquiries

Funding and data support desk
024 7649 3724
fundstat.desk@lsc.gov.uk

or write to:

The Learning and Skills Council
101 Lockhurst Lane
Foleshill
Coventry CV6 5SF

Summary

Check Lists

Funds and institutions

FE Learner support funds are available to support students studying in further education (FE) colleges, external institutions and higher education (HE) institutions as shown below

	Institutions		
	<i>FE College</i>	<i>External Institution</i>	<i>HE Institution</i>
FE Access Fund	✓	✓	X
FE Childcare Support Fund	✓	✓	✓
FE Residential Bursary Fund	✓	X	✓

Key dates for action

<i>Key date</i>	<i>Action required</i>	<i>By whom</i>
12 Sep 2001	Acceptance of allocations (annex G)	Principals or heads of institutions
28 Sep 2001	First payment of funds	LSC
20 Dec 2001	Second payment of funds	LSC
20 Mar 2002	Third payment of funds	LSC
30 Aug 2002	Monitoring returns (annex H)	Principals or heads of institutions

FE Learner Support Funds 2001/02

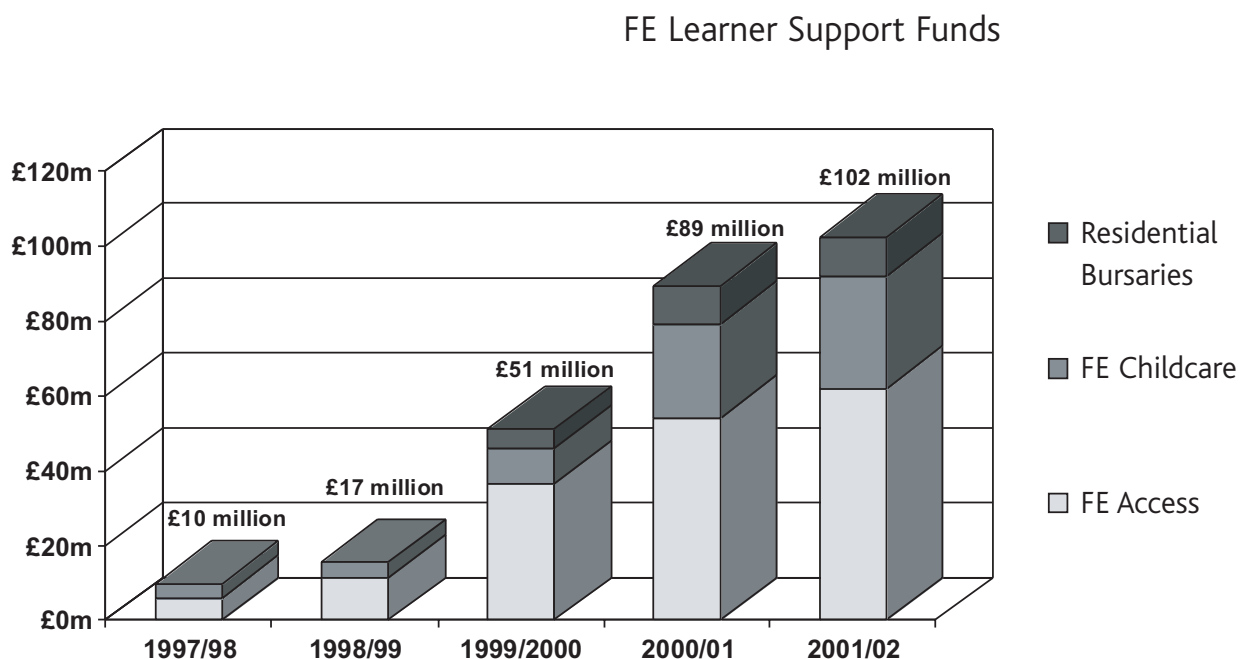
Introduction

1 This circular gives details of the allocation of further education (FE) learner support funds to FE colleges (FECs), external institutions (EIs) and higher education institutions (HEIs) – collectively 'institutions' – for the 2001/02 academic year. FE learner support funds comprise three separate allocations to meet childcare support costs for FE students wherever they study, residential accommodation costs for FE students who have to study away from home and general access costs (living and learning) for FE students studying in FECs and EIs.

Background

2 The Department for Education and Skills (DfES) has allocated learner support funds for the 2001/02 academic year of £102 million for distribution to institutions offering Learning and Skills Council (LSC) or Higher Education Funding Council for England (HEFCE) funded FE provision. As Figure 1 indicates, this represents an increase of £13 million (15%) from the £89 million available in 2000/01. Separate funding has been made available to local education authorities (LEAs) for School Sixth Forms.

Figure 1. Comparison 1997/98 to 2001/02



3 Funds available for general access needs have increased from £6 million in 1997/98 to £62 million in 2001/02 and for childcare support from £4 million to £30 million. Residential bursaries were first introduced in 1999/2000 and have been increased slightly in 2001/02 (to £10.5 million).

4 In 2001/02, LEAs will retain powers to provide financial support for FE students each year, including transport costs. LEAs will be required to take responsibility for co-ordinating the assessment and planning of transport for FE students. FEIs are expected to contribute to coherent and effective transport arrangements to overcome barriers to access and achievement.

Purpose of FE learner support funds

5 The LSC pays a grant to FE institutions so that they may provide financial help to students whose access to, or completion of education might be inhibited by financial considerations. Institutions must have written policies, which are made widely available and which they are able to defend.

Changes to FE Learner Support Funds for 2001/02

6 The main changes are set out in this paragraph:

Funds

- Circa 20% increase in funds to support growth in adult learners and to enable more students to be helped with childcare
- A 5% increase in learner support funds for young people (access and residential bursaries) in addition to the positive impact of EMA funding
- for second cohorts in the September 2000 pilot areas
- An increase from 10% to 20% of standard allocations for students from EMA pilot areas to give institutions enhanced flexibility to provide for exceptional costs and to provide an effective safety net.

Terms and conditions

- HE students attending FE colleges and participating in courses directly funded by HEFCE are no longer eligible for FE access funds. Funding for associated living and learning costs for these students will be met from the new HE support funds, details of which will be notified to institutions shortly by the DfES. Note: This change does not affect HE students on franchised or partnership courses who should continue to apply for funding for associated living and learning costs from their HE Institution
- Extension of discretionary support to former non-schedule 2 learners with potential to return to mainstream learning
- Greater flexibility in the use of childcare support and residential bursary funds
- Measures to control the risk of fraud that exists with greatly increased discretionary funds.
- Awards for student bursaries must be split by category of support
- **Revised terms and conditions, which are attached to the payment of learner support funds, have been prepared by the DfES and are**

**published in Supplement A,
annexes A, D and E to this circular.**

Ministers have also agreed the following changes in FE transport support:

- To meet Ministerial commitments made in both Houses by introducing new guidelines to LEAs to improve collaborative working with local Learning and Skills Councils (LLSCs) and institutions in the short term
- By using a transport study to produce guidance and good practice and to identify options for improvement in the medium term.

The role of the LLSCs

2001/02 is a transition year. The payment and recovery of funds, and monitoring requirements will therefore follow established procedures.

LLSCs will be provided with details of allocations made to institutions for which they have responsibility and the results of monitoring returns. They will be able to answer queries from institutions as they build up their knowledge of learner support during the year.

Priority Groups for FE Learner Support

7 FE learner support funds may only be used for the benefit of students on LSC or HEFCE funded courses of further education who satisfy the general eligibility conditions for learner support.

8 Ministers wish to focus help through FE learner support funds on those in greatest need. Within the general context of widening participation, ministers also wish to see allocations used to give special priority to groups identified by the Social Exclusion Unit as potentially excluded from further education. Particular programme areas are a priority for residential bursaries. See Table 1.

Table 1. Priority groups for learner support

Learner Support Funds			
General priorities for all funds (National policies and priorities)	Students who are disadvantaged, disabled and/or have learning difficulties who need support with transport, childcare or other associated learning costs		
	Those who have been in care, on probation, or are young parents or otherwise considered to be at risk		
	Lone parents		
	Those taking programmes where the primary learning goal is adult basic education or English for speakers of other languages (ESOL)		
	Unemployed people receiving job seekers allowance (JSA)		
	Those receiving (or the dependants of) a means-tested state benefit including those on Working Families or Disabled Persons Tax Credit eligible for fee remission particularly where benefits are reduced when a student attains age 19. Students who reach the age of 19 before they complete their GCE A level or other further education courses face particular financial difficulties in this respect		
	Students on low incomes or from low-income families, identified by appropriate means testing		
	The unwaged dependants of those listed above		
	Access	Childcare support	Residential bursary
Specific priorities for individual funds	None	Lone parents and their unwaged dependants	Agriculture & horticulture and art & design programme areas

Basis of Distribution

9 In line with the guidance from ministers, the separate funds within the total FE learner support allocation for 2001/02 of £102.5 million have been distributed among eligible institutions according to the following criteria:

General FE access fund (£62 million)

All FE institutions (FECs and EIs) offering LSC funded provision are eligible for an allocation of general FE access funds.

- £9.48 million for 16–18 year olds. This has been allocated on the basis of full-time equivalent (FTE) numbers of students aged 16–18. The provisional rate is £24.68 per FTE. Allocations to colleges recruiting students eligible for full education maintenance allowances (EMAs) have been based on student numbers excluding estimates of 80% of 16 and 17 year olds from full EMA pilot areas. A similar adjustment has been made in transport EMA pilot areas where support 'in kind' is complemented by a direct financial payment. In areas where the transport EMAs offer support 'in kind' only allocations to colleges recruiting students eligible for these EMAs have not been reduced for 2001/02 due to the more limited nature of the support. (See paragraphs 13 – 15 below)
- £21.44 million for adult students. This has been allocated on the basis of FTE numbers of adult students. The provisional rate is £47.75 per FTE
- £30.92 million for widening participation (50% of total access funds). This has been allocated on the

basis of institutions' proportionate shares of the funds provided in respect of 2001/02 widening participation (WP) factors. The provisional rate is £6.02 per unit.

FE childcare support fund (£30 million)

All institutions offering LSC or HEFCE funded provision are eligible for an allocation of childcare funds to support FE students only.

- £2.00 million for 16–18 year olds (reflects the relative weighting of childcare costs for this group). Of this, 50% has been allocated on the basis of FTE student numbers. The provisional rate is £2.55 per FTE. The remainder has been allocated on the basis of institutions' shares of the funds provided in respect of widening participation. The provisional rate is £0.43 per unit
- £28.12 million for adult students (reflects the relative weighting of childcare costs for this group). Of this, 50% has been allocated on the basis of FTE student numbers. The provisional rate is £30.66 per FTE. The remainder has been allocated on the basis of institutions' shares of the funds provided in respect of widening participation. The provisional rate is £4.56 per unit
- None of the institutions that were allocated childcare units for 1999–2000 will receive less of the childcare support funds than the cash equivalent of:
 - childcare units claimed in 1997–98

- uprating of 1997-98 units to reflect tariff rates for 1999-2000; and
- additional childcare units allocated in 1999-2000.
- v. five HEIs which have merged since incorporation with one or more former specialist FEC(s)
- vi. one FEC approved by ministers as offering specialist provision.

FE residential bursary fund (£10.5 million)

In line with guidance from ministers, residential bursary funds are distributed amongst the eligible institutions listed in Supplement A, annex B to this circular. For 2001/02 these are defined as shown below:

specialist colleges of art and design:

- i. six FECs and five former FECs now in the HE sector

specialist colleges of agriculture and horticulture:

- ii. twenty-four FECs and one former FEC now in the HE sector

other colleges:

- iii. three general FECs with more than 250 full time, full year students enrolled on courses in programme area two – agriculture and horticulture
- iv. five general FECs which merged with a former specialist FEC. One of these colleges also has a particularly wide catchment area serving a very large geographic area with insufficient transport links to allow students to travel to and from college daily. These exceptional features are recognised by its 'unique' status within the LSC's funding methodology and the allocation of residential bursaries for non-specialist programme provision

The £10.50 million for eligible institutions is to support FE students only. This has been allocated on full-time, full-year students in the relevant programme area(s), that is:

- art and design colleges (i) - art and design programme area
- agricultural colleges (ii) - agriculture programme area
- general FE colleges (iii) - agriculture programme area
- merged institutions (iv), (v) - former specialist college programme area(s)
- unique (iv)/specialist (vi) - estimated full-time FE students in residence.

10 The student number data has been taken from ISR17 (31 July 2000: 1999-2000) or the latest data where this has not yet been provided. Any data subsequently received by the LSC will not be used, since this would further delay the learner support funds allocations for the 2001/02 academic year.

11 The number of FTE student numbers in further education has been calculated using the methodology set out in *Full-time Equivalent Student Numbers in Further Education 1997-98*, published by the Further Education Funding Council in September 1999. The numbers of students meeting the eligibility criteria for student support funds have been converted to FTEs by dividing their guided learning hours by 663, the estimated average for full-time full-year students.

Education maintenance allowances (EMAs)

12 From September 2000 the government extended the scope of the EMA pilot schemes that were first introduced in September 1999. There are now 51 LEAs participating in full EMA pilot schemes together with a further 5 LEAs participating in transport pilots. In addition, pilot schemes for teenage parents have been established in three of the existing areas. The LEAs participating in the schemes and the type of EMA pilot are listed in Supplement A, annex C to this circular.

Full EMA pilot schemes

13 In 2001/02, full EMAs will be paid to eligible 16 and 17 year olds in all pilot areas. Students receiving a full EMA are eligible for access, childcare support or residential bursary funds where they can demonstrate significant financial need and are at risk of not joining or completing their courses. Learner support funds may also be paid in the form of a loan pending receipt of an EMA. In allocating access funds between colleges, the LSC has excluded 80% of 16 and 17 year olds from all pilot areas. The LSC has deducted numbers for such students from college FTE totals, on the basis of forecast patterns of recruitment from each LEA area.

Transport EMA pilot schemes

14 Three of the transport EMA pilots offer support 'in kind' complemented by a direct financial payment. In allocating access funds between colleges, the LSC has treated these pilot areas in a similar manner to full EMA pilot areas.

15 Two of the transport EMA pilots offer support 'in kind' only. Students who receive one of these transport EMAs in 2001/02 will be eligible for all learner support funds.

Therefore, in allocating FE access, childcare support and residential bursary funds between institutions, the LSC has not deducted any student numbers for 2000/01 to reflect more limited EMA transport pilot schemes.

Teenage parents EMA pilot schemes

16 From September 2000 the government implemented five teenage parents EMA pilot schemes offering childcare support to teenage parents. Three of these schemes are linked to EMAs and operate across the respective LEAs; the other two are confined to specific Early Excellence Centres. Students receiving a payment under one of these pilots will not be eligible for the childcare support fund, but are eligible for other learner support funds to help with other costs. In allocating childcare support funds between institutions, the LSC has not excluded any students from pilot areas in view of the low numbers likely to be involved.

FE Childcare Support

17 Students will be eligible for payments made from the ring-fenced childcare support fund providing that they have a dependent child aged under 15 (16 for children with disabilities) for which they provide care and that they satisfy the general eligibility conditions for learner support funds.

18 FE students in FECs and EIs are eligible for financial assistance from the FE childcare support and access funds. FE students in HEIs are eligible for assistance from the FE childcare support fund. They may also be eligible for hardship and bursary funds administered by HEFCE. See Table 2.

19 Exceptionally, the childcare support fund may be used for childcare that is charged for but not registered.

20 In addition to the five EMA pilot schemes offering childcare support to teenage parents the government announced in February 2001 four other pilots to help teenage mothers. Students receiving a payment under any one of these pilots will not be eligible for the childcare support fund, but are eligible for other learner support funds to help with other costs. However, students receiving EMA payments under full or transport pilot schemes are also eligible for childcare support where justified by significant financial needs and where they are at risk of not joining or completing their course.

21 Further guidance on the specific eligibility conditions applying to the childcare support fund is given in Supplement A, paragraphs 13 – 19 of annex A and paragraphs 22 – 29 of annex D to this circular.

FE Residential Bursaries

22 Residential Bursaries can only be used for FE students on full time courses, which last for 10 weeks or more in any academic year. These funds are intended primarily for students attending specialist colleges of agriculture and horticulture, art and design or on a course that attracts a number of students from beyond daily travelling distance.

23 Funds for residential support can be used to help students reside in private accommodation as well as in accommodation owned or managed by the institution. Students receiving EMA payments are also eligible for

these funds where there is a significant risk of them not joining or completing their course.

24 Additionally, institutions are allowed to use a margin of their allocation of residential funds more flexibly to support students who are able to travel daily but the payment of fare costs from residential funds is necessary and cannot be met from the institution's allocation of access funds.

25 Further guidance on the specific eligibility conditions applying to the residential bursary fund is given in Supplement A, paragraphs 20 – 26 of annex A to this circular.

Students Age Limits

26 Students under the age of 16 years are not eligible for FE learner support funds. Further guidance is given in Supplement A, paragraph 10 – 11 annex A to this circular.

27 Students over the age of retirement are eligible for FE learner support funds.

Individual learning Accounts

28 Students in receipt of an Individual learning Account (ILA) are eligible for FE learner support funds where justified by significant financial needs and where they are at risk of not joining or completing their course.

Career Development Loans

29 Students who have a career development loan (CDL) are eligible for FE learner support funds.

Table 2. Sources of childcare funds for FE students in FE and HE institutions

	<i>FE college (FEC)</i>	<i>External institution (EI)</i>	<i>HE institution (HEI)</i>
FE childcare fund (LSC)	✓	✓	✓
FE access fund (LSC)	✓	✓	✗
HE Hardship & bursary funds (HEFCE)	✗	✗	✓

New Deal Schemes

30 Participants in the New Deal for Lone Parents scheme may not benefit from full payment of childcare support costs and are eligible for FE learner support costs, including childcare. Institutions should take into account the level of individual New Deal benefits in assessing the level of need for learner support funds.

31 Participants in all other New Deal options are not eligible for FE learner support funds, as their funding needs are met under the New Deal.

Work-based Learning

32 Students participating in work-based training programmes, including those funded by the LSC are not eligible for FE learner support funds. Note: Training allowances and expenses are administered by LLSCs.

Short Learning Programmes

33 Institutions may wish to consider whether their learner support arrangements have sufficient flexibility to match the short programme delivery schedules introduced in 2000/01 as defined in FEFC Circular 00/11 *New Funding Arrangements for Adult Learners*, for example childcare for less than three hours.

Ufl/learndirect

34 FE students participating in learning programmes delivered through **learndirect** linked to FECs or EIs are eligible for learner support funds to help with associated living and learning costs.

Learner Support for HE Students in FE Colleges

Students on prescribed HE courses

35 HE students attending FE colleges and participating in courses directly funded by HEFCE are no longer eligible for general FE access funds. Funding for associated living and learning costs for these students will be met from the new HE support funds, details of which will be notified to institutions shortly by the DfES. Note: This change does not affect HE students on franchised or partnership course who should continue to apply for funding for associated living and learning costs from their franchisor or HE institution.

Students on non-prescribed HE courses

36 Students participating in courses of HE falling within paragraph 1(g) or 1(h) of Schedule 6 to the Education Reform Act of 1998 will be eligible for FE learner support funds providing that the courses are funded by the LSC. Paragraph 1(g) covers courses in preparation for a professional examination at a higher level than the standard of 'A' level or the examination for the National Certificate or the National Diploma of the Business and Technical Education Council. Paragraph 1(h) covers courses providing education at a higher level (whether or not in preparation for an examination) than the standard of 'A' level or the examination for the National Certificate or the National Diploma of the Business and Technical Education Council.

Treatment of Income Related Benefits

37 The Social Security Amendment (Students and Income-related Benefits)

Regulations 2000 has changed the treatment of FE learner support funds for benefit purposes. The DfES issued all FECs and EIs with an explanation of the regulations in January 2001. Details of the three key pointers to how learner support payments will be treated for benefit purposes and information on where to obtain copies of the regulations and further guidance are given in Supplement A, paragraphs 18 – 21 of annex D to this circular.

Home Students

38 FE learner support funds can only be paid to eligible 'home students' as defined in Supplement A, paragraph 8 of annex A to this circular.

39 To qualify as a 'home student' a student must satisfy the residence conditions of eligibility for a student loan specified in the *Education (Student Support) Regulations 2001* or, where applicable, the equivalent categories in the *Education (Student Loans) (Scotland) Regulations 2001* or the *Education (Student Support) (Northern Ireland) Regulations 2001* or the *Education (Mandatory Awards) Regulations 2001* made under the *Teaching and Higher Education Act 1998*. This usually means that they must have settled status in the UK and must have been 'ordinarily resident' for the three years before their course began.

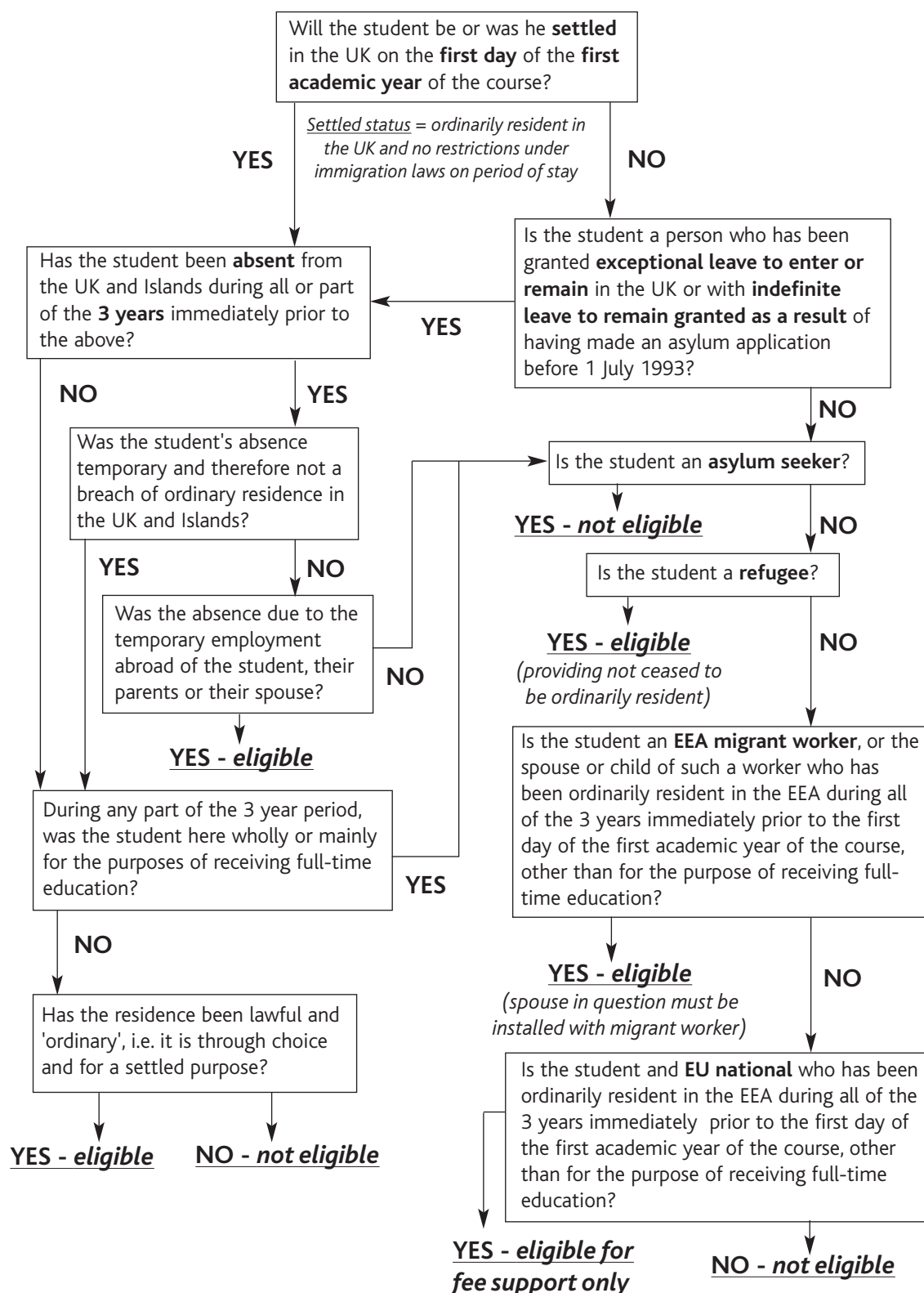
40 To be eligible for help from FE learner support funds a student must meet the residence and immigration requirements. These requirements are the same as those that apply to HE student support and follow Home Office guidance.

41 Asylum seekers, who do not meet the residence and immigration requirements, are not eligible for FE learner support fund payments. However, asylum seekers may be eligible for fee remission through the LSC's tariff funding.

42 Students who meet the residence and immigration requirements after the start of their course are not generally eligible for FE learner support funds. However, refugees and people granted exceptional leave to enter or remain may be eligible for support once they have been granted this status for the remainder of the academic year and subsequent years.

43 Figure 2 will help institutions to determine whether a student meets the residence and immigration requirements. This is to be used as a guide only.

Figure 2. Residency 'decision tree'



44 Institutions must follow the residence and immigration requirements set out in Supplement A, annex E of this circular.

Allocations of FE Learner Support Funds

45 The allocations shown in Supplement B, annex F of this circular are final and may be amended only as a result of validated changes to the enrolment data or in the light of other developments agreed by the LSC.

46 It is open to any institution to decline the allocation offered if it considers that the level of the allocation is such that the administrative burden of complying with the terms and conditions outweighs the possible benefit to students. Institutions declining their allocations are asked to complete the certificate included in Supplement B, annex G to this circular.

Payment of FE Learner Support Funds

47 The DfES has set terms and conditions under which learner support funds may be paid and these are set out in Supplement A, annex A to this circular. Failure to comply with the terms and conditions could result in learner support funds being withheld or recovered from the LSC or individual institutions. Some changes have been made to the terms and conditions this year. These are outlined in

paragraph 6 above, and are included in Supplement A, annex A to this circular.

48 Before learner support funds may be paid to an institution, the LSC must receive a completed copy of the certificate included at Supplement B, annex G to this circular to confirm that the institution accepts the allocation made, or a reduced amount, and will comply with the terms and conditions. Institutions that return a completed certificate by 12 September 2001 will receive half their allocation during September; 25% of the allocation will then be paid in December and the remaining 25% in March 2002.

Use of FE Learner Support Funds

49 Payments to students should be made according to individual needs, subject to the limits given in Table 3.

50 Loans made to students should normally be repaid before the end of the year in which they are made and institutions are encouraged to make every effort to ensure that this is done. However, if loans are repaid after the end of the year, they should be treated as additional funds in the year in which they are repaid.

Table 3. Individual maximum payments of learner support funds

	<i>FE access fund</i>	<i>FE childcare support fund</i>	<i>FE residential bursary fund</i>
Full-time full-year students	Discretionary	£4,000 per dependent child in any one academic year	Normally £3,500 in any one academic year
Full-time part-year students	Discretionary	Pro-rata based on guided learning hours	Pro-rata based on guided learning hours
Part-time students	Discretionary	Pro-rata based on guided learning hours	Part-time students not eligible

51 Institutions have discretion to provide student bursaries from their FE access fund in the absence of LEA discretionary awards (for example, £300 a year, which was the average LEA rate), but are required to provide monitoring information on the purposes for which they are given.

52 Access funds may be used to help with childcare support or accommodation needs.

53 The FE childcare support fund may not be used to meet general access needs or to finance the setting-up of childcare places.

54 Institutions may vire funds between age groups where separate 16-18 and 19+ allocations have been made (FE access and childcare support funds).

55 There may be a small number of programmes where it is necessary for all students to purchase large items of equipment. In such cases it will not be appropriate to use units from additional learning support. If access funds are used to buy such equipment for individuals in need of financial support, the equipment should remain the property of the institution and, if returned to the institution for its own use, the access fund should be reimbursed with an amount representing the depreciated value.

56 As in previous years, to comply with the terms and conditions, institutions should have administrative procedures that:

- record the details of student applications for financial assistance through learner support funds
- account separately for the learner support funds distributed
- identify unspent funds at the end of the academic year.

57 Institutions may use up to 5% of their allocation of learner support funds towards

administration costs. Where it has been agreed that a large institution will administer learner support funds for other, small institutions, the former will also be able to use up to 5% of the latter's funds for administration. Bank charges may not be deducted from learner support fund allocations.

58 Institutions are not required to hold learner support funds in separate interest-bearing bank accounts. However, they should ensure that administrative procedures exist to ensure that appropriate interest is identified and recorded. For simplicity, institutions may wish to allocate all interest to the FE access fund. Interest earned on an institution's learner support fund accounts may be used to defray audit costs.

58 The Secretary of State for Education and Skills requires institutions to provide information detailing how learner support funds were spent in 2001/02. By the end of each academic year, the LSC will require each institution to demonstrate its contribution to improving access and retention and the national learning targets. For this purpose, forms are provided in Supplement B, annex H to this circular for institutions to photocopy, complete and return to the LSC by 30 August 2002.

Managing the Risk of Fraud

60 The significant increase in learner support funds creates an increased risk of fraud. Therefore institutions are asked to consider ways of controlling this risk. These include a greater use of means testing, the involvement of course tutors to identify need and confirm attendance and the involvement of governors in ensuring robust arrangements are in existence.

61 A new role for the LSC's provider financial assurance teams in checking the use

of funds in depth in a sample of colleges will be developed. This will be implemented progressively from 2001-02.

62 The LSC will continue to require institutions to disclose learner support funds as a note to their financial statements. Supplement B, annex I to this circular provides general guidance to external auditors.

Unspent FE Learner Support Funds

63 If, during the course of the academic year, an institution considers that it will be unable to spend any part of its FE learner support funds allocation, it is asked to contact the LSC and arrange to repay any funds that have not been used under the terms and conditions. The institution may spend any uncommitted access funds on the childcare support or residential bursary needs of eligible students in order to reduce the impact of overspending its ring fenced funds; it may not do the reverse. The LSC will distribute any returned funds to other institutions that can make use of additional learner support funds. Institutions, which do not comply with this request, may prejudice their future eligibility for learner support funds.

64 The LSC will recover funds identified by institutions as undistributed at the end of the academic year from the normal monthly payments to the institution. **It is anticipated that this recovery will be made in October 2002.**

Reallocation of FE Learner Support Funds

65 Institutions that return their monitoring information (Supplement B, annex H to this circular) by the due date of 30 August 2002 and have shown that they have distributed additional funds from their own resources may

be considered for a share of any unused funds that are returned to the LSC following the academic year-end. The LSC will redistribute funds within the learner support umbrella. **It is anticipated that this redistribution will be made in November 2002.**

Identification of Unmet Need

66 There may be a need for institutions to use their own hardship funds to supplement the funds allocated by the LSC for FE learner support. Institutions may wish to consider using the processes shown in Table 4, which offer potential benefits to themselves, the LSC and the DfES.

Table 4. Budgeting and accounting processes to identify unmet learner support need

<i>Action by college or institution</i>	<i>Benefit</i>
<ul style="list-style-type: none"> • Create a learner support budget for students meeting the eligibility criteria set out in this circular, using allocated LSC funds and a share of the institution's hardship fund • Create a separate budget for any additional local priorities, using a further share of the hardship fund 	<ul style="list-style-type: none"> • The contributions made by the institution towards meeting the DfES aspirations for learner support and any additional local priorities are transparent
<ul style="list-style-type: none"> • Post all expenditure for students meeting the eligibility criteria set out in this circular to learner support account(s) excluding any covered by other external funds available to the institution • Post expenditure to meet any additional local priorities to hardship account(s) 	<ul style="list-style-type: none"> • The institution's monitoring information will identify the total learner support expenditure made on students meeting the eligibility criteria • The LSC and the DfES will have evidence for unmet need and will be in a better position to argue for additional learner support funds • The institution will maximise its opportunity for a share of any unused funds returned to the LSC following the year-end
<ul style="list-style-type: none"> • Following the year-end and any re-allocation of LSC funds, transfer any unfunded expenditure from learner support to hardship account(s) 	<ul style="list-style-type: none"> • The institution will not be perceived as 'overspending' against its allocation of LSC funds

Guidance to Institutions

67 The terms and conditions that are attached to the payment of learner support funds give institutions discretion in the use of funds. Guidance notes, which amplify and explain the terms and conditions, have been prepared by the DfES and are published in Supplement A, annex D to this circular.

68 Institutions should provide full information to students about any extra costs of courses before students enrol. They should develop and publicise processes for application for learner support funds, and decision-making and appeal processes that are fair, transparent and effective. Institutions should aim to make this information available to students both at the institution and through their local careers service.

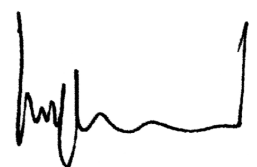
69 Each year, officials from the DfES visit a selection of institutions to identify how the funds are distributed to students. The DfES have identified examples of good management practice and these are listed in Supplement B, annex J to this circular.

Key Dates

70 Table 5 lists key dates and action required by those dates. **Failure by institutions to return annex G or the forms in annex H for the FE learner support funds allocated to them could prevent funds being made available or lead to funds being recovered from the institution.**

Related LSC Funds – Childcare Places (£19 million)

71 The DfES wishes to allocate a further £19 million for the creation of new childcare places, including £4 million of European Social Funds (ESF), during the three years 2001-02 to 2003-04. The £30 million childcare support fund will make childcare more affordable and the childcare facilities set up with the places grant can provide additional capacity for 'on the job' training in childcare to underpin the anticipated expansion in childcare provision. The childcare support fund cannot be used to provide childcare places. Institutions will be invited to apply for project funding for places. Detailed guidance will be published in a separate circular.



John Harwood, Chief Executive

Table 5. Key dates

Key date	Action required	By whom	Consequence of missing key date
12 Sep 2001	Return a certified copy of annex G (FE access, FE childcare support and FE residential bursary funds)	Principals or heads of all institutions allocated learner support funds	Failure to comply with this condition will result in the non-payment of allocated learner support funds
28 Sep 2001	First payment of learner support funds	LSC	
20 Dec 2001	Second payment of learner support funds	LSC	
20 Mar 2002	Third payment of learner support funds	LSC	
30 Aug 2002	Return completed copies, of: annex H(A16-FE) 16-18 FE access annex H(A19-FE) 19+ FE access annex H(C-FE) FE childcare annex H(R-FE) FE residential bursary annex H(CFS) consolidated funds statement	Principals or heads of all institutions allocated learner support funds	Failure to comply with this condition will result in the normal October 2002 monthly payment being reduced by the full amount of allocated learner support funds
	<i>Note: Please make nil returns where funds have not been allocated</i>		

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