

Circular 00/08

Funding

Individual Learning Accounts

Summary

The information in this circular is of interest to all those concerned with learning accounts, particularly those in Council-funded institutions offering further education provision. It provides guidance to colleges on the introduction during the summer term 2000 of fee discounts for learning account holders for a range of IT courses and qualifications. There are two fee discounts: 80% for IT qualifications at levels 1 and 2, and 100% for IT qualifications at entry level. The information explains how the fee discounts will relate to the existing arrangements for learning accounts and to whom they will apply. The annexes to the circular provide guidance on the types of qualification for which each discount will operate, and describe the arrangements for reimbursing the discounted part of the fees to colleges, including data requirements and audit arrangements.

Contents *paragraph*

Introduction and Background	1
Incentives to Promote IT-related Learning	9
Annexes	
A 80% Fee Discount: Example Qualifications	
B 100% Fee Discount: Example Qualifications	
C Operational Arrangements for Fee Discounts	
D Form for Claiming the Payment of the Discounted Portion of Fees	

Further information

Deirdre Macleod

Tel 024 7686 3067

Fax 024 7686 3100

E-mail deirdre.macleod@fetc.ac.uk

or write to:

The Further Education
Funding Council
Cheylesmore House
Quinton Road
Coventry CV1 2WT.

Website www.fetc.ac.uk

Individual Learning Accounts: Fee Discounts For Learners for IT Courses and Qualifications

Introduction and Background

1 This circular informs further education sector colleges of arrangements for the introduction of fee discounts for learning account holders on a range of IT qualifications up to level 2, delivered by the further education sector. The arrangements described in this circular apply for the summer term 2000 only.

2 The guidance and information in this circular apply to further education sector colleges, including specialist designated institutions, higher education institutions (which receive funding from the Council) and external institutions. For convenience, the term 'college' is used throughout this circular.

3 The circular explains:

- how the fee discounts relate to the national framework of learning accounts, which will be introduced from September 2000
- the learning to which the fee discounts will apply
- arrangements for reimbursing colleges for the cost of the discounted part of the fees
- how learning provision which is eligible for the fee discounts should be recorded on the individual student record
- arrangements for auditing provision which is eligible for the fee discounts
- the relationship of the fee discounts to other incentives available through learning accounts.

4 In a speech at the Knowledge 2000 conference on 7 March 2000, the prime minister set out his view that opportunities within an IT-driven economy should be open to all. To help achieve this aim, the government has recently announced a range of initiatives aimed at promoting skills in Information and Communication Technology (ICT). These include:

- implementing Learndirect from autumn 2000
- establishing 1,000 ICT learning centres by 2001
- providing an 80% discount on IT courses for learners who open learning accounts.

5 Learning accounts are a major part of the government's programme for achieving lifelong learning. A national framework of learning accounts will be implemented from September 2000. Information on the national framework of learning accounts is currently being prepared by the Department for Education and Employment (DfEE) and the Council. It will be issued shortly.

6 In 1999-2000, the government also asked the training and enterprise councils (TECs) to deliver learning accounts using some of their resources. The learning accounts delivered by TECs offer individuals an incentive of £150 in return for a small contribution by the learner¹. Similar arrangements will operate in 2000-2001.

7 In his March 1999 budget speech, the chancellor announced the incentives that will be put in place to support learning accounts from 2000 onwards². These incentives include the 80% fee discount with which this circular is concerned.

¹ See *Individual Learning Accounts*, published by the DfEE, May 1999

² These were set out in the DfEE's publication, *Individual Learning Accounts*, published in May 1999 and in annex A to Council Circular 99/38, published in August 1999.

8 In preparation for the introduction of the national framework, the DfEE asked the Council to implement a pathfinder initiative for learning accounts in the FE sector for 1999-2000³. The pathfinder initiative is now under way and an evaluation of the pathfinder projects will be published later in the year.

Incentives to Promote IT-related Learning

9 In his letter of guidance for 2000-01 to the Council, the secretary of state for education and employment asked the Council to make arrangements to offer provision to attract a new 80% discount for specific IT-related learning from April 2000⁴. These arrangements will operate in advance of the introduction of a national framework of learning accounts, which will introduce a further set of fee discounts for learning account holders from autumn 2000.

10 In support of the introduction of the government's ICT learning centres, the Council has decided to extend its definition of basic education to include basic IT-related learning. IT qualifications at entry level will attract fee remission in the form of a 100% fee discount.

11 This means that, during the summer term 2000, two separate fee discounts will be available to learners participating in a range of IT qualifications. An 80% discount will be available on IT qualifications, and units of qualifications, at levels 1 and 2. A 100% discount will be available on IT qualifications, and units of qualifications, at entry level.

12 Rather than prescribe which qualifications the discounts should apply to, colleges are invited to offer the discounts on qualifications, or units of qualifications, at the appropriate level, which will:

- encourage people in the workforce to gain useful IT-related skills
- promote progression into related learning at higher levels
- be completed within the summer term.

13 Some examples of qualifications on which the 80% discount may be offered are set out in annex A. Examples of qualifications on which the 100% discount may be offered are set out in annex B.

14 These discounts will be available only for provision delivered by colleges in the FE sector. Individuals who receive a discount will be regarded as having opened a learning account.

15 The application of the fee discounts to these qualifications will be on a 'trial' basis during the summer term 2000. The DfEE and the Council will use information on qualifications on which the discounts are being offered during the trial period to determine which learning provision should be eligible for fee discounts through the national framework from September 2000. The DfEE and the Council will also commission an evaluation of the impact of the fee discount scheme over this period.

Learners eligible to receive the 80% fee discount

16 All learners who are 19 and over, who wish to participate in one of the courses on which the 80% discount is being offered, and who normally pay a fee, are eligible to receive the 80% discount on their fees. Learners who are already eligible for fee remission, because they are on means-tested benefits, will continue to receive fee remission support at the level of 100%.

³ See Council Circular 99/38, published in August 1999.

⁴ See the Council's letter of guidance for 2000-01, circulated to sector institutions with a letter from David Melville dated 26 November 1999.

17 The discount will apply only to the part of the fee which is paid by learners. It will not apply to any financial contributions made to the cost of an individual's learning by third parties, such as employers. This regulation reflects the government's developing policy for the national framework of learning accounts.

18 Only learners wishing to participate in IT qualifications that meet the criteria set out in paragraphs 11 and 12 will be eligible for the 80% fee discount. Learners may be able to obtain financial assistance with other types of learning through the TEC-delivered learning accounts referred to in paragraph 6.

Learners eligible to receive the 100% fee discount

19 All learners who are 19 and over, who wish to participate in one of the courses on which the 100% fee discount is being offered, and who normally pay fees, are eligible to receive a 100% discount on their fees. Learners who are already eligible for fee remission, because they are on means-tested benefits, will continue to receive fee remission support at the level of 100%, rather than this discount.

20 As with the 80% fee discount, the 100% fee discount will apply only to the part of the fee which is paid by learners. It will not apply to any financial contributions made to the cost of an individual's learning by third parties, such as employers.

Restrictions on the availability of the 80% and 100% fee discounts

21 The government is keen that as many individuals as possible benefit from the financial incentives which it is making available through learning accounts. Individuals who have already benefited from an FE sector pathfinder learning account or a TEC-delivered learning account should not, therefore, receive further support in the form of the fee discounts. Colleges should ask learners when they enrol whether they have already benefited from a learning account.

22 The 80% and 100% fee discounts are only available to learners wishing to participate in IT qualifications that meet the criteria set out in paragraphs 11 and 12. Learners may be able to obtain financial assistance with other types of learning through the TEC learning account referred to in paragraph 6.

23 Learners may take more than one qualification, or unit of a qualification, eligible for either discount; however the maximum total government financial contribution that learners may receive is £100.

Next steps

24 The Council is working with the DfEE to implement the national framework of learning accounts in the FE sector.

25 The Council has set up a small working advisory group comprising the lead college of the largest FE sector pathfinder project in each of the Council's regions. The purpose of the group will be to advise the Council and the DfEE on issues relating to the development and implementation of the national framework.

26 The DfEE has arranged a series of seminars on a regional basis to inform colleges about progress with the development and implementation of the national framework and to consult colleges on specific aspects of this work. Colleges have now been invited to attend these seminars.



80% Fee Discount: Example Qualifications

The following are examples of qualifications at levels 1 and 2 on which colleges might offer the 80% fee discount:

Level 1

- GNVQ Foundation part 1 in ICT (level 1)
- Certificate of achievement in ICT (level 1)
- GCSEs in IT/CT (level 1)
- Key skills (level 1)
- CLAIT (level 1)
- C&G 7261 (level 1)
- RSA certificates at level 1 in software applications and the Internet
- BTEC IT desktop skills (level 1)
- LCCI units in IT competencies (level 1)
- Pitmans various (level 1)
- NCFE certificate in telematics (level 1)

Level 2

- European Computer Driving Licence (level 2)
- City and Guilds 7261 in IT (level 2)
- Certificate in information technology (OCR level 2)
- Information technology first certificate (Edexcel level 2)
- Key Skills IT level 2 (OCR, Edexcel, C&G)
- GNVQ intermediate IT (OCR, Edexcel, C&G) and GNVQ part 1 IT (level 2)
- NVQ level 2 using information technology (plus other NVQs at level 2 in IT applications)

100% Fee Discount: Example Qualifications

The following are examples of qualifications at entry level on which colleges might offer the 100% fee discount:

- OCR certificate of achievement in basic information technology
- Edexcel certificate of competence – information technology
- RSA Basic information technology
- OCR National Skills Profile – information technology skills

Operational Arrangements for Fee Discounts

Fee levels for provision that will attract a discount

1 The Council expects that the fee charged to a learner on a course that will attract either the 80% or 100% discount will be that which is currently advertised in the college's course prospectus or other course literature. That is, the fee discount will be applied to that part of the advertised fee which is paid by the learner. Colleges should not charge the learner a fee which is higher than normal for provision which is eligible for a discount. The Council expects that the fees for 2000-01 will be the fee charged to learners for these courses in 1999-2000, updated for inflation.

Implications for college funding

2 Both the 80% or 100% discounts will be applied to the fee to be paid by the learner. The funding which is claimed by colleges from the Council for FE provision as part of colleges' funding allocations will not be affected. The fee discounts do not apply to, or affect, any part of that funding.

3 An example of how the fee discounts will relate to the fee that the learner pays, and the college's funding allocation from the Council for that learner, are set out at the appendix to this annex.

4 Colleges will be able to claim the cost of the discounted part of the fee from the Council.

Arrangements for reimbursing the discounted part of the fee

5 Colleges should use the form at annex D of this circular to notify the Council of students who participate in any provision on which the fee discount is offered.

- in column A of the form at annex D, colleges should list the qualification codes used by the Council to record qualifications in the ISR

- the number of learners eligible for a discount for each qualification should be recorded in column B
- the advertised fee for each course should be recorded in column C
- the fee to be paid by the learner should be recorded in column D. The fee to be paid by the learner will be the advertised fee minus any contribution made by employers or other third parties
- in column E, the level of discount to be applied should be recorded
- in column F, the proportion of the fee to be discounted should be calculated
- column G should set out the fee to be charged to the learner, after the application of the fee discount.

6 The form may be photocopied, if colleges require additional space to complete the claim.

7 The form should be sent to the Council by 30 September 2000 to enable payment to be made.

Data requirements

8 Learners who are eligible for the fee discount should be recorded on the college's individual student record (ISR) using code '09' in the government initiative field, field Q29.

Audit arrangements

9 Colleges' claims for reimbursement of the discounted portions of the fees will be subject to normal audit arrangements for receipt of specific Council grants.

10 Learners receiving the 80% discount or 100% discount will be regarded as having opened a learning account. To enable a smooth transition to the national framework of learning accounts in autumn 2000, the DfEE wishes to gather information about the recipients of learning accounts in the period leading up to the establishment of the national framework. To comply with the provisions of the *Data Protection Act 1998*, colleges should seek learners' consent to their details being made available to the organisation which will operate the information systems underpinning the national framework.

Worked Examples of Fee Discounts

The following examples show how the fee discounts relate to the funding received by a college for an eligible learner.

The 80% fee discount

- 1 Learner A wishes to take an OCR certificate in information technology at level 2. She is employed and would normally pay a fee of £100.
- 2 Learner A's employer has agreed to make a contribution of £20 towards the cost of her learning. This means that learner A must pay the remaining fee of £80.
- 3 The college has decided to offer the 80% discount on the OCR certificate in IT at level 2.
- 4 Learner A is over 18 and eligible to pay a fee for her learning. This means that she is eligible for the 80% discount.
- 5 With an 80% discount, learner A is required to pay the college only £16, since 80% of £80 is £64. The college needs to receive the £20 contribution from learner A's employer and to claim the outstanding £64 from the Council using the form at annex D to this circular.
- 6 The college claims FEFC funding units associated with learner A in the normal way. These are not affected in any way by the 80% discount.

The 100% fee discount

- 1 Learner B wishes to take an Edexcel certificate of competence in information technology. He is employed and would normally pay a fee of £60.
- 2 Learner B's employer has agreed to make a contribution of £30 towards the cost of his learning. This means that learner B must pay the remaining fee of £30.
- 3 The college has decided to offer the 100% discount on the Edexcel certificate of competence in information technology.
- 4 Learner B is over 18 and is eligible to pay a fee for his learning. This means that he is eligible for the 100% discount.
- 5 With a 100% discount, learner B is required to pay no fee. The college needs to receive the £30 employer contribution and to claim the outstanding £30 from the Council using the form at annex D to this circular.
- 6 The college claims FEFC funding units associated with learner B in the normal way. These are not affected in any way by the 100% discount.

Form for Claiming the Payment of the Discounted Portion of Fees

**THE
FURTHER
EDUCATION
FUNDING
COUNCIL**

(Reference Circular 00/08)

Please photocopy, complete and return this form to Lee Wilson at the Council's Coventry office.

College name

College code

Contact name (*please print*)

Contact telephone number

Cheylesmore House
Quinton Road
Coventry CV1 2WT

Telephone 024 7686 3000
Fax 024 7686 3100

Claim details

<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>	<i>G</i>
<i>Qualification Code</i>	<i>No. eligible students</i>	<i>Advertised fee</i>	<i>Fee to be paid by the learner</i>	<i>Discount to be applied</i>	<i>Discounted portion</i>	<i>Fee charged after discount</i>

Total

Declaration

I certify that the amount claimed has been applied for the purpose for which the funds have been made available. The college needs to be reimbursed for this expenditure. Please make the payment as soon as you are able to do so.

Signature

Name (*please print*)

Position

Date ____ / ____ / ____

Telephone no.

For internal use only

Authorisation

Checked by _____

Authority 1 _____

Authority 2 _____

Explanatory Notes

Column A	This should set out the qualification code used by the Council to record the qualification on the individual student record.
Column B	This should set out the number of students eligible for the fee discount. See paragraphs 16 to 20 regarding eligibility of learners for the discount. Colleges should retain a list of the names of eligible students with a copy of their claim. College auditors may wish to see this list as part of their validation procedures.
Column C	See annex C, paragraph 1, of the circular for guidance on the college's advertised fee for provision
Column D	See paragraph 17 of Circular 00/08 for guidance on the fee to be paid by the learner.
Column E	The appropriate level of discount should be recorded here
Column F	The Council will reimburse the amount recorded in the box at the foot of column F.
Column G	See the appendix to annex C for guidance on how to calculate the fee payable by the learner after the discount has been applied.

Claims

All claims for payment of funds and queries on payment matters should be sent to:

Lee Wilson
Funding Allocations Team
The Further Education Funding Council
Cheylesmore House
Quinton Road
Coventry
CV1 2WT
Telephone: 024 7686 3204.

To help the Council maintain accurate payments, colleges are asked to quote their five-character Council identification code. Colleges are also asked to ensure that all claims are certified by their head of finance or equivalent postholder.

**Published by the
Further Education
Funding Council**

© FEFC 2000

April 2000

**Published by the Further
Education Funding Council.
Extracts from this publication
may be reproduced for
non-commercial education or
training purposes on
condition that the source is
acknowledged and the
findings are not
misrepresented.**

**This publication is available
in an electronic form on the
Council's website
(www.fefc.ac.uk).**

Further copies can be obtained
by contacting the
communications team at:

The Further Education
Funding Council
Cheylesmore House
Quinton Road
Coventry CV1 2WT.

Tel 024 7686 3265
Fax 024 7686 3025
E-mail fehcpubs@fefc.ac.uk

The print run for this document was
2,900 copies.

Please quote the reference
number below when ordering.

Reference CIRC/944/00