

Circular 00/14

Funding

Learner Support Funds 2000-01

Summary

The allocation of learner support funds and the terms and conditions that apply for the 2000-01 teaching year. Confirmation of the acceptance of the allocations is requested by 30 June 2000. Monitoring information is requested by 24 August 2001.

Contents	<i>paragraph</i>
Introduction	1
Changes to Learner Support Funds for the 2000-01 Teaching Year	6
Priority Groups for Learner Support	7
Basis of Distribution	8
Payments	30
Use of Learner Support Funds	32
Key Dates	47

Further information

Robin Richmond
Funding Team

Tel 024 7686 3383
Fax 024 7686 3112
E-mail robin.richmond@fefc.ac.uk

or

Funding and research and
statistics helpdesk

Tel 024 7686 3224

or write to:

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

Website www.fefc.ac.uk

Contents

paragraph

Introduction	1
Changes to Learner Support Funds for the 2000-01 Teaching Year	6
Priority Groups for Learner Support	7
Basis of Distribution	8
Education Maintenance Allowances	11
New Deal Schemes	15
Work-based Training	17
New Learning Programmes	18
Learner Support for HE Students in FE Colleges	20
Availability of FE and HE funds for Childcare Support	23
Refugees and Asylum-seekers	24
Benefit Implications	27
Allocations	28
Payments	30
Use of Learner Support Funds	32
Unspent Learner Support Funds	40
Reallocation of Learner Support Funds	43
Identification of Unmet Need	44
Guidance to Institutions	45
Key Dates	47
Related Council Funds: Childcare Places (£5 million)	48

Annexes

Supplement A to this circular

- A Terms and Conditions for the Payment of Access Funds
- B Institutions with Residential Bursaries
- C EMAs: LEA Pilot Areas
- D Guidance Notes: Learner Support Funds for Further Education

Supplement B to this circular

- E Allocation of Learner Support Funds to Colleges
 - External Institutions
 - Higher Education Institutions
- F Certificate of Acceptance of Terms and Conditions Attached to the Payment of Access Funds:
- G Monitoring Information
 - General FE Access Funds
 - HE Learner Support Funds
 - FE Childcare Funds
 - FE Residential Bursary Funds
 - Consolidated Funds Statement
- H Examples of Good Management Practice

Learner Support Funds 2000-01

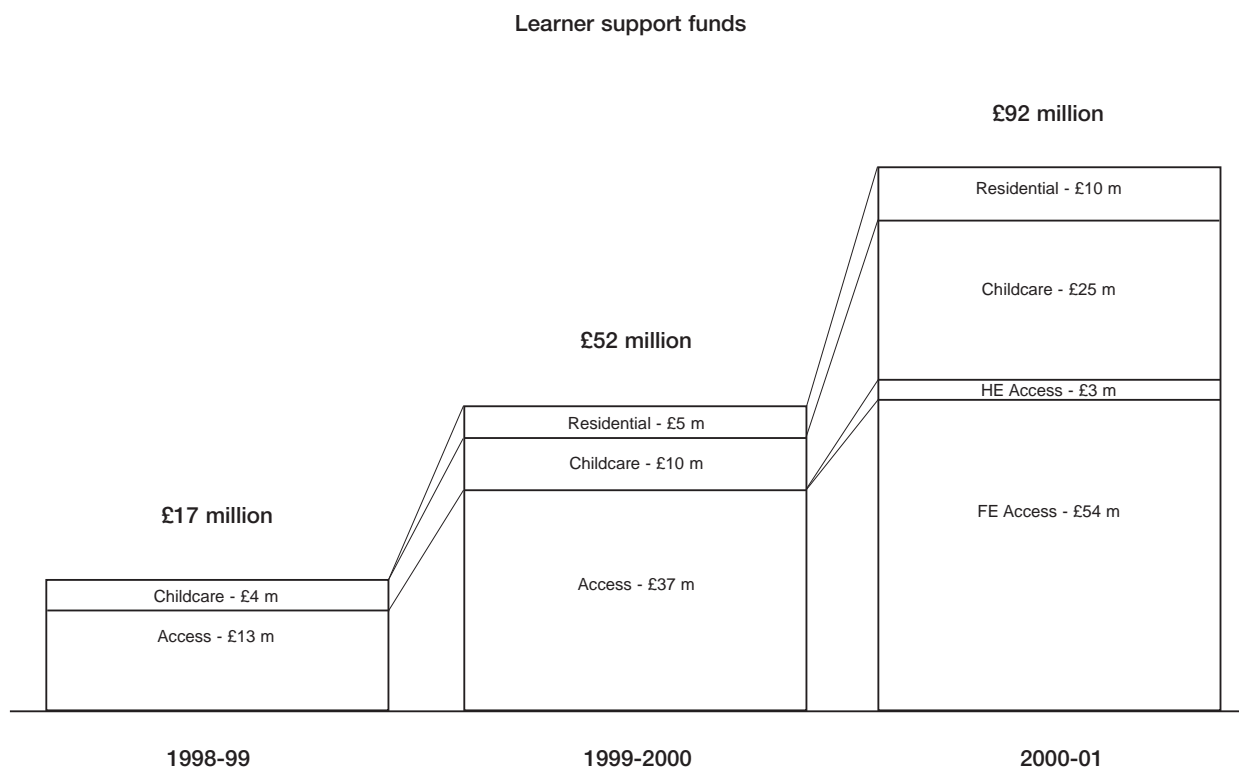
Introduction

1 This circular gives details of the provisional allocation of learner support funds to colleges in the further education sector, external institutions and institutions for higher education (collectively 'institutions') for the 2000-01 teaching year. Learner support funds comprise five separate allocations to meet the general access needs for further education (FE) and higher education (HE) students; the additional costs faced by mature full-time HE undergraduate students, especially lone parents; childcare costs for FE students and residential accommodation costs for FE students who have to study away from home.

Background

2 The Department for Education and Employment (DfEE) has allocated learner support funds for the 2000-01 teaching year of £88 million, including nearly £3 million to support HE students in FE colleges, for distribution within the further education sector. The Council has added a further £4 million from its main grant. As figure 1 indicates, this represents an increase of £40 million from the £52 million available in 1999-2000 and follows an increase in that year of £35 million from the £17 million available in 1998-99.

Figure 1. Comparison of funds, from 1998-99 to 2000-01



3 Funds available for general access needs have increased from £13 million in 1998-99 to £57 million in 2000-01. Total childcare support funds have increased at a greater rate, from £4 million to £25 million. Residential bursaries were first introduced in 1999-2000 and have been increased to £10 million in 2000-01 to allow for the second cohort.

4 In 2000-01, local education authorities (LEAs) will retain responsibility for discretionary awards for any remaining FE students eligible for awards for courses beginning before 1999-2000. LEAs will also retain responsibility for financial support for transport costs for FE students.

Purpose of learner support funds

5 The Council pays grant for learner support to institutions so that they may provide financial help to students whose access to, or completion of, education might be inhibited by financial considerations. This includes students with physical or other disabilities who face financial difficulties. Specific grants for HE students are provided for HE students who lose employment that they rely on for maintenance during their courses, part-time HE students receiving benefits, and HE students with dependent children. The FE access fund grant may be payable to HE students. (See paragraphs 20-22 for a summary of HE learner support.)

Changes to Learner Support Funds for the 2000-01 Teaching Year

6 The main changes are set out in this paragraph:

Learner support funds

- The new arrangements achieve a simplification and rationalisation of learner support. Details of all elements are contained in this circular and are set out in the order of the steps in the funding process (allocation, disbursement and monitoring). Any differences between access, childcare support and residential bursary funds are highlighted at each stage

- Inclusion of students with disabilities as an additional priority group
- Childcare support will no longer be funded through the tariff (see Council booklet *Tariff 2000-01: part C*, and Council Circular 00/03: *Funding Guidance*)
- All colleges in the FE sector, external institutions and institutions for higher education offering Council-funded provision are eligible for childcare support funds
- Changes in the methodology for calculating full-time equivalent student numbers (FTEs)

Terms and conditions

- Clarification of eligibility conditions for FE, HE and 'home' students
- The FE childcare support and residential bursary funds are ring-fenced and cannot be used to meet general access needs
- The £1.3 million access fund for both full-time and part-time HE students has been allocated on the basis of FTEs including both full-time and part-time students
- Revised terms and conditions, which are attached to the payment of learner support funds, have been prepared by the DfEE and are published in Supplement A, annex A to this circular
- Full information on the new £1.36 million bursary fund for mature full-time HE undergraduate students in FE colleges will be published shortly.

Priority Groups for Learner Support

7 Ministers wish to focus help through 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

	<i>General access funds for FE students</i>	<i>Childcare support funds</i>	<i>Residential bursary funds</i>
Individual funds		Lone parents and their unwaged dependants	Agriculture and art & design programme areas
All funds (national policies and priorities)	Unemployed people receiving job seekers allowance (JSA) Those receiving a means-tested state benefit including those receiving Working Families or Disabled Persons Tax Credit and eligible for fee remission, particularly where benefits are reduced when a student attains age 19 The unwaged dependants of those listed above Those taking programmes where the primary learning goal is adult basic education or English for speakers of other languages (ESOL) Those who have been in care, on probation, or are otherwise considered to be at risk Students from low-income families, identified by appropriate means testing Students of age 16+ with disabilities who need support for transport or other costs		

Students who reach the age of 19 before they complete their GCE A level or other FE courses face particular financial difficulties because their families will cease to receive child benefit and dependency additions in social security benefits. Further guidance is given in Supplement A, annex A to this circular.

Basis of Distribution

8 In line with the guidance from ministers, the separate funds within the total student support allocation for 2000-01 of £91.87 million have been distributed among eligible institutions according to the following criteria:

General FE access fund (£54.22 million)

All colleges in the FE sector and external institutions offering Council-funded FE provision are eligible for an allocation of the general access fund for FE students. This includes provision for HE students who have taken up fully their HE loans and any other HE entitlement.

- £10.05 million for 16-18 year olds, which recognises the impact of the discretionary awards taper (second cohort) and the reductions in

expenditure on post-16 transport made by local education authorities. This has been allocated on the basis of full-time equivalent numbers of students aged 16-18. The provisional rate is £24.75 per FTE. Allocations to colleges recruiting students eligible for full education maintenance allowances (EMAs) have been based on student numbers excluding estimates of 90% of 16 and 17 year olds from full EMA pilot areas. Allocations to colleges recruiting students eligible for transport EMAs have not been reduced for 2000-01, since the detail of these pilots has not yet been settled sufficiently. (See paragraphs 12-13.)

- £16.29 million for adult students, which recognises the reductions in expenditure on post-16 transport made by local education authorities. This has been allocated on the basis of full-time equivalent numbers of adult students. The provisional rate is £37.00 per FTE

- £26.38 million for widening participation (50% of the total college access funds for 2000-01). This has been allocated on the basis of colleges' proportionate shares of the funds provided in respect of 2000-01 widening participation (WP) factors. The provisional rate is £6.86 per unit
- £1.5 million for external institutions. Of this, £750,000 has been allocated on the basis of FTEs including both full-time and part-time students. The provisional rate is £24.93 per FTE. The remainder has been allocated on the basis of external institutions' shares of the funds provided in respect of widening participation. The provisional rate is £3.26 per unit.

Specific HE support (separate funds of £1.3 million and £1.36 million)

All colleges in the FE sector offering Council-funded HE provision are eligible for an allocation of specific HE support funds, as follows:

- The existing access fund of £1.3 million for part-time HE students in FE colleges who need fee remission and other financial support; full-time HE students are also eligible for other financial support. This has been allocated to FE colleges on the basis of eligible full-time equivalent numbers of part-time and full-time HE students. The provisional rate is £29.47 per FTE
- A new fund of £1.36 million for bursaries for full-time undergraduate, and full- and part-time SCITT and PGCE mature students in FE colleges who have dependent children. Eligible HE students should be considered for these before they can be considered for specific HE or general FE access funds under paragraphs 4-6 of the terms and conditions in Supplement A, annex A. Guidance is not yet available from the DfEE and no allocations have been made yet. These will be published shortly as a supplement to this circular.

FE childcare support fund (£25 million)

All colleges in the FE sector, external institutions and HE institutions offering Council-funded provision are eligible for an allocation of childcare funds to support FE students only.

- £2 million for 16-18 year olds (reflecting the relative weighting of childcare costs for this group). Of this, 50% has been allocated on the basis of FTEs including both full-time and part-time students. The provisional rate is £2.02 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 £0.55 per unit
- £23 million for adult students (reflecting the relative weighting of childcare costs for this group). Of this, 50% (£11.5 million) has been allocated on the basis of FTEs including both full-time and part-time students. The provisional rate is £23.38 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 £4.66 per unit
- None of the institutions that claimed childcare units for 1999-2000 will receive less of the new childcare support funds than the cash equivalent of:
 - childcare units claimed in 1997-98
 - uprating of 1997-98 units to reflect new tariff rates for 1999-2000; and
 - additional childcare units allocated in 1999-2000.

FE residential bursary fund (£10 million)

In line with guidance from ministers, residential bursary funds are distributed among the eligible institutions listed in annex B. For 2000-01 these are defined as shown below:

- specialist colleges of art and design:
 - i. eight FE institutions and three former FE institutions now in the HE sector
- specialist colleges of agriculture and horticulture:
 - ii. twenty-five FE institutions and one former FE institution now in the HE sector
- other colleges:
 - iii. three general FE colleges with more than 250 full-time, full-year students enrolled on courses in programme area 2 – agriculture and horticulture
 - iv. four general FE colleges which merged with a former specialist FE college. 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 Council’s funding methodology and the allocation of residential bursaries for non-specialist programme provision
 - v. five HE institutions which have merged since incorporation with one or more former specialist FE college(s)
 - vi. one FE institution approved by ministers as offering specialist provision.

The £10 million for eligible institutions is to support FE students only. This has been allocated for 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.

9 The student number data has been taken from ISR14 (31 July 1999: 1998-99) or, where this has not yet been provided, from the latest data. Any data subsequently received by the Council will not be used, since this would further delay the learner support funds allocations for the 2000-01 teaching year.

10 The 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 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

11 In September 1999, the government introduced a pilot scheme of Education Maintenance Allowances (EMAs) in 15 LEAs for eligible 16 year olds. Only certain students within the relevant age cohort in South London and Leeds are eligible for EMAs. From September 2000 the government will extend the entitlement for South London and Leeds to both 16 and 17 year olds and add 36 new LEAs. A further four LEAs have been identified for the implementation of transport pilot schemes. In addition, pilot schemes for teenage parents will be established in three of the existing areas. The LEAs participating in the schemes and the type of EMA pilot scheme are listed in Supplement A, annex C.

Full EMA pilot schemes

12 In 2000-01, full EMAs will be paid to eligible 16 and 17 year olds in the existing pilot areas, and 16 year olds in the new pilot areas. Students receiving a full EMA are eligible for the general access fund for FE students, childcare support or residential bursaries, where they can demonstrate significant financial need and are at risk of not joining or completing their courses. In allocating general access funds between colleges, the Council has excluded 90% of 16 and 17 year olds from existing pilot areas and 90% of 16 year olds from new pilot areas. The Council 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

13 The detail of these pilots has not yet been settled sufficiently and it is unlikely that transport EMAs will be paid to eligible 16 year olds in 2000-01. However, students who do receive a transport EMA in 2000-01 will be eligible for all learner support funds. Therefore, in allocating the general access fund for FE students between institutions, the Council has not deducted any student numbers for 2000-01, to reflect the EMA transport pilot schemes.

Teenage parents EMA pilot schemes

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

New Deal Schemes

15 Participants in the New Deal for Lone Parents scheme are eligible for learner support funds.

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

Work-based Training

17 Students participating in work-based training programmes, including those funded by training and enterprise councils, are not eligible for learner support funds.

New Learning Programmes

18 Students studying one of the new packages of courses announced in the Council's Circular 00/11: *Funding: New Arrangements for Adult Learners* will be eligible for learner support funds provided they qualify under the terms and conditions attached to the payment of these funds, as they would for any other course. Institutions may wish to consider whether their learner support arrangements have enough flexibility to match new programme delivery schedules, for example childcare for less than three hours.

19 The Council will make a separate allocation of learner support funds to assist students participating in learning programmes delivered through the University for Industry Hubs. See Ufi Circular 2000/12: *FEFC Funding for Ufi Activities*, 2000-2001 (Ufi website ufild.co.uk)

Learner Support for HE Students in FE Colleges

20 Both part-time and full-time HE undergraduate students are eligible for specific HE support (existing access and new bursary funds) and, where necessary, the general FE access fund: see paragraphs 4–6 in Supplement A, annex A, which details the terms and conditions. Postgraduate students are eligible only if they are facing severe hardship. HE students are not eligible for support from FE childcare or residential funds. See table 2. Further guidance is given in Supplement A, annex A and annex D to this circular.

Table 2. Learner support for HE students in FE colleges

	FE colleges				
	<i>Part-time HE students</i>			<i>Full-time HE students</i>	
Support category	Fee remission	Other access needs	Childcare, travel and other course-related costs	Other access needs	Childcare, travel and other course-related costs
Funding source	Existing specific HE access fund	Existing specific HE access fund	New bursary fund	Existing specific HE access fund	New bursary fund
Funding type			Grant		
Student eligibility criteria	All home students (inc. those on sandwich courses) other than postgraduates, unless facing severe hardship. Students losing employment. Benefit recipients	All home students (inc. those on sandwich courses) other than postgraduates, unless facing severe hardship. Students losing employment. Benefit recipients	Mature home students on SCITT and PGCE training courses with dependent children. Students losing employment	All home students (inc. those on sandwich courses) other than postgraduates, unless facing severe hardship	All mature undergraduate and PGCE home students with dependent children
Priority groups	Students achieving regular and significant part-time attendance	Students achieving regular and significant part-time attendance	National policy and priority groups Lone parents		Lone parents
Not eligible	Students eligible for a student loan, but not applying in full or in part	Students eligible for a student loan, but not applying in full or in part	Mature students in receipt of a TTA bursary	Students eligible for a student loan, but not applying in full or in part	Mature students in receipt of a TTA bursary
	Students on franchised HE courses				

- Notes:*
- i. Specific HE access funds may be paid to recipients of mature student bursaries*
 - ii. General FE access funds may be paid to HE students who have taken up fully their HE loans and any other HE entitlement. Students over 25 do not need to have taken up a hardship loan*
 - iii. HE students are not eligible for FE childcare and residential bursary funds*

General FE access funds cannot be paid to students in FE colleges on franchised HE courses, who can only receive student support from their franchisor or HE institution. The franchise rule also applies to partnership arrangements where the course delivery is split between the HE institution and an FE college and the student is registered at the HE institution. Colleges should liaise with HE

institutions to ensure that adequate support services are available for franchised and partnership students.

21 For the purpose of administering these funds, a part-time HE student is a student who is working to a minimum of 60 credit points in a teaching year where the full-time equivalent is 120 credit points, or 50% of a course in other schemes.

22 Bursaries for full-time undergraduate, and full- and part-time SCITT and PGCE mature students in FE colleges, who have dependent children, will be available for 2000-01. The bursaries, which will be given according to need, will be for up to £1,000. They are to help with the additional costs that many mature students with children – especially lone parents – face on entering higher education, particularly childcare, but also travel and other course-related costs. Both new entrants and existing students will be eligible. The bursaries will be discretionary, and will be administered by institutions. HE students in receipt of bursaries may receive additional help from the general HE access fund.

Availability of FE and HE Funds for Childcare Support

23 FE students in colleges and external institutions are eligible for childcare support from the FE childcare and general access funds. HE students in FE colleges are eligible for childcare support from the HE bursary fund. FE students on Council-funded provision in HE institutions are eligible for childcare support from the FE childcare fund. See table 3.

Refugees and Asylum-seekers

24 For 2000-01 refugees, their spouses and children will be eligible for learner support funds.

25 The following categories of students, who are eligible for home fees (see Council booklet *Tariff 2000-01: Students from overseas*), will not be eligible for learner support funds unless they have satisfied the eligibility conditions for ‘home students’ as set out in paragraphs 10-13 of annex A:

- persons who entered the country as asylum-seekers, their spouses and children, who have subsequently been granted exceptional leave to enter or to remain and those with indefinite leave to remain who have been granted this status as a result of having made an asylum application before 1 July 1993. If a person who has met the residence condition is awarded exceptional leave to enter or remain or indefinite leave to remain in the circumstances above after the start of a course, that person is eligible for learner support funds from the date of the award
- asylum-seekers in receipt of the equivalent of a means-tested benefit
- asylum-seekers in receipt of a means-tested benefit, for example income support, housing benefit or income-based job seekers allowance (JSA)
- young, unaccompanied asylum-seekers aged 16-18 and placed in the care of social services.

Table 3. Sources of childcare funds in FE and HE institutions

	<i>FE colleges and HE institutions</i>		<i>HE institutions</i>	
	<i>FE students</i>	<i>HE students (colleges only)</i>	<i>FE students</i>	<i>HE students</i>
FE childcare fund	✓	✗	✓	✗
General FE access fund	✓	✗	✗	✗
Specific HE access fund	✗	✗	✗	✗
Specific HE bursary fund	✗	✓	✗	✗

26 **Institutions must follow the rules set out in Supplement A, annex A to this circular.**

Benefit Implications

27 The position regarding the effect of learner support for those on benefits is unchanged. Under the relevant regulations, the following types of expenditure are normally disregarded, and therefore not deducted from benefits:

- tuition fees
- examination fees
- transport to and from college, based on real costs
- books, stationery and photocopying, computer, special equipment or materials.

Any payments made by institutions to students in respect of the following may be deducted from benefits:

- registration fees
- fees for membership of professional bodies
- childcare
- visits and field trips.

Support for students to help them with the costs incurred in studying and made 'in kind' will not normally be offset against benefits. Institutions should, therefore, make payments for registration fees, fees for membership of professional bodies, childcare and visits and field trips direct to a third party to avoid students' social security benefits being reduced under the social security regulations.

Allocations

28 The allocations shown in Supplement B, annex E are provisional and may be amended once the enrolment data have been validated or in the light of other developments.

29 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 F.

Payments

30 The DfEE has set terms and conditions under which learner support funds may be paid and these are set out in Supplement A, annex A. Failure to comply with the terms and conditions could result in access funds being withheld from the Council 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.

31 Before learner support funds may be paid to an institution, the Council must receive a completed copy of the certificate included in Supplement B, annex F to confirm that the institution accepts the allocation made, or a reduced amount, and will comply with the terms and conditions. Institutions which return a completed certificate by 30 June 2000 will receive half their allocation during August; 25% of the allocation will then be paid in December and the remaining 25% in March 2001.

Use of Learner Support Funds

32 Payments to students should be made according to individual needs, subject to the limits given in table 4.

Table 4. Individual maximum payments of learner support funds

	<i>General access funds for FE and HE students</i>	<i>FE childcare support fund</i>	<i>FE residential bursary fund</i>
Full-time full-year students		£4,000 for one dependent child or £6,000 for two or more dependent children in any one teaching year	Normally £3,500 in any one teaching year
Full-time part-year students		Pro-rata based on guided learning hours	Pro-rata based on guided learning hours
Part-time students		Pro-rata based on guided learning hours	
		<i>Working Families Tax Credit (WFTC) and Disabled Persons Tax Credit limit (DPTC) applied</i>	<i>Unchanged from 1999-2000</i>

33 Institutions have discretion to provide student bursaries from their general FE access fund in the absence of LEA discretionary awards (for example, £300 a year, which was the average LEA rate for discretionary student awards). General FE access funds may be used to help with childcare or accommodation needs.

34 FE childcare support and residential bursary funds may not be used to meet general access needs. The FE childcare support fund may not be used to finance the setting-up of childcare places.

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

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

- record the details of student applications for financial assistance through learner support funds, now including age categories (16-18 and 19+)
- account separately for the learner support funds distributed
- identify funds, including interest, which remain unspent at the end of the teaching year.

37 Institutions may use up to 5% of their learner support fund allocation 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.

38 Institutions are not required to hold learner support funds in separate interest-bearing bank accounts. However, they should ensure that administrative procedures exist to identify and record appropriate interest. Institutions are not required to allocate interest to individual learner support funds. Interest earned on an institution's learner support fund accounts may be used to defray audit costs.

39 The secretary of state for education and employment requires institutions to provide information detailing how learner support funds were spent in 2000-01. By the end of each teaching year, the Council 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 G for institutions to photocopy, complete and return to the Council or its successor body by 24 August 2001.

Unspent Learner Support Funds

40 If, during the course of the teaching year, an institution considers that it will be unable to spend any part of its learner support funds allocations, it is asked to contact the Council and arrange to repay any funds that are not required. The institution cannot transfer general FE access funds to the FE childcare support or residential bursary funds. The Council 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 to access funds.

41 There is likely to be considerable variability in childcare needs for 16 to 18-year-old students. Since the childcare fund is ring-fenced, institutions without a large number of 19+ students may find that they are significantly over- or under-funded. Sixth form colleges are asked to give an early indication of their need for childcare funds in order to allow other institutions to apply for any funds that are not required.

42 The Council will recover funds identified by institutions as undistributed at the end of the teaching year from the normal monthly payments to the institution. For the 2000-01 teaching year, recovery of such funds will be made in October 2001.

Reallocation of Learner Support Funds

43 Institutions which return their monitoring information (Supplement B, annex G) by the due date of 24 August 2001, 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 Council following the year-end. The Council will redistribute funds within the learner support umbrella. It is anticipated that this redistribution will be made in November 2001.

Identification of Unmet Need

44 There may be a need for institutions to use their own hardship funds to supplement the funds allocated by the Council for learner support. Institutions may wish to consider using the budgeting and accounting processes shown in table 5, which offer potential benefits to themselves, the Council and the DfEE.

Table 5. Identification of unmet learner support need

<i>Action by college or institution</i>	<i>Benefit</i>
a Create a learner support budget for students meeting the eligibility criteria set out in this circular, using allocated Council funds and a share of the institution's hardship fund	<ul style="list-style-type: none">• The contributions made by the institution towards meeting the DfEE aspirations for learner support and any additional local priorities are transparent
b Create a separate budget for any additional local priorities, using a further share of the institution's hardship fund	
c Post all expenditure for students meeting the eligibility criteria set out in this circular to learner support 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 set out in this circular
d Post expenditure to meet any additional local priorities to hardship account(s)	<ul style="list-style-type: none">• The Council and the DfEE 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 Council following the year-end
e Following the year-end and any recovery or reallocation of Council funds, transfer any unfunded expenditure from learner support account(s) to hardship account(s)	<ul style="list-style-type: none">• The institution will not be perceived as 'overspending' against its allocation of Council funds

Guidance to Institutions

45 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 DfEE and are published in Supplement A, annex D to this circular.

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.

46 Each year, officials from the DfEE visit a selection of institutions to identify how the funds are distributed to students. Examples of good management practice identified by the DfEE are listed in Supplement B, annex H.

Key Dates

47 Table 6 lists key dates and action required by those dates. Failure by institutions to return annex F or the relevant forms in annex G (in Supplement B) for learner support funds allocated to them could prevent funds being made available or lead to funds being recovered from the institution.

Table 6. Key dates

<i>Key date</i>	<i>Action required</i>	<i>By whom</i>	<i>Consequence of missing key date</i>
30 Jun 2000	Return a certified copy of annex F (general FE access, specific HE access, HE bursary, FE childcare and FE residential bursary funds)	All institutions allocated learner support funds	Failure to comply with this condition will result in the non-payment of allocated learner support funds
21 Aug 2000	First payment of learner support funds	Council	
20 Dec 2000	Second payment of learner support funds	Council	
12 Jan 2001	Early indication of need for childcare fund	Sixth form colleges only	
20 Mar 2001	Third payment of learner support funds	Council	
24 Aug 2001	Return completed copies, as appropriate, of: annex G(A16-FE) 16-18 annex G(A19-FE) 19+ annex G(AB-HE) annex G(C-FE) annex G(R-FE) annex G(CFS)	FE access FE access HE learner support FE childcare FE residential bursary consolidated funds statement	All institutions allocated learner support funds Failure to comply with this condition will result in the normal October 2001 monthly payment being reduced by the full amount of allocated learner support funds

**Related Council Funds:
Childcare Places (£5 million)**

48 The DfEE wishes to allocate a further £5 million for childcare places in 2000-01. The new £25 million childcare support fund will make childcare more affordable and 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 that must be created before the end of March 2001. Detailed guidance will be published in a separate circular.



**Published by the
Further Education
Funding Council**

© FEFC 2000

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

The print run for this document was
3,000 copies.

Please quote the reference
number below when ordering.

Reference CIRC/968/00