

29 July 1999

CIRCULAR

THE FURTHER EDUCATION FUNDING COUNCIL

Allocation of Funds for Childcare Places and Support

Cheylesmore House
Quinton Road
Coventry CV1 2WT

To

Principals of colleges
Heads of external institutions
Chief education officers
Heads of higher education
institutions receiving funds from
the Council

Circular type

Information and invitation for
applications for funding

Summary

Information on the allocation of
funds for childcare support.
An invitation to institutions to
apply for funds for provision of
additional childcare places for
children aged four years and
under. Responses are requested
by 27 August 1999 for childcare
support and 29 September 1999
for childcare places

Reference number: 99/35

Enquiries:
Regional directors
Website <http://www.fefc.ac.uk>

99/35

Allocation of Funds for Childcare Places and Support

Introduction

1 This circular has two parts; their purpose is as follows:

- part 1 – invites applications for funds to establish new childcare places for children aged four years and under
- part 2 – provides information on arrangements for the allocation of funds to assist institutions in providing childcare support.

Timetable

2 Response dates are shown in table 1.

Table 1. Response dates

<i>Date</i>	<i>Return/Information</i>	<i>Return to</i>	<i>Documentation</i>
24 Sep 1999	Applications for funding for places (for children aged four years and under)	Regional office	annex B
27 Aug 1999	Confirmation of acceptance of childcare support funds	Coventry	annex to letter
31 Jan 2000	Report on use of funds for childcare support	Regional office	example given at appendix to annex C

Part 1: Allocation of Funds for Childcare Places for Children Aged Four Years and Under

Introduction

3 This part of the circular invites applications for funding for new childcare places for children aged four years and under.

Background

4 The national childcare strategy is a flagship government policy intended to put high-quality childcare within the reach of parents and children. The green paper, *Meeting the Childcare Challenge*, sets out an ambitious vision for the strategy.

5 The further education sector is well placed to be a major contributor to the government's childcare strategy. It is a major supplier of high-quality training provision for childcare workers; colleges train and certificate over 40,000 childcare workers annually. Colleges also provide over 15,000 childcare places accommodating 20,000 children. The Council provides support for childcare through the funding methodology. In 1996-97, 260,000 units were claimed for childcare support at a cost of £4.42 million.

6 Further information on the sector's role in and contribution to the childcare strategy was published in Circular 99/13.

Funding

7 The government recognises the importance of the sector's role in contributing to the national childcare strategy and has made the following funds available to colleges and external institutions:

- 1998-99: £5 million for out-of-school childcare. An allocation was offered to all colleges and external institutions. Additional funding was also available for project funding for those colleges which were able to provide more places

- 1999-2000: £5 million in 1999-2000 for the establishment of at least 5,000 childcare places for children aged four years and under
- 1999-2001: £12 million (£5 million in 1999-2000, £7 million in 2000-01) funding for childcare support.

8 The DfEE has provided the Council with detailed guidance on how the funds for the establishment of additional places for children aged four years and under are to be used and the reporting information required from institutions. This guidance is included at annex A and is reflected in the information on applying for funds given below. Further information on how the £5 million for childcare support is to be allocated is set out in part 2 of this circular.

Applying for Funds for Places for Children Aged Four Years and Under

Number and type of places

9 Institutions are invited to apply for funds to establish new childcare places for children aged four years and under in 1999-2000. The places should be in addition to current provision and should be capable of being sustained after funding has ceased. Forms are provided at annex B to assist institutions in making applications. Responses are requested by 24 September 1999.

10 The funds are available to provide places within or linked to further education institutions to provide childcare for the children of students and staff in further education institutions, although students should have first call on the places. Institutions applying for places are expected to consider how the provision of childcare places might contribute to the institution's widening participation priorities and to target those parents for whom affordable and convenient childcare might be a contributing factor to their participation in further education.

11 These funds are available to colleges, external institutions and higher education institutions receiving Council funds.

12 The funds available will be used to contribute to the costs of childcare places. Institutions will receive a maximum contribution of £1,000 towards

the cost of each additional place provided. The minimum number of places any institution may apply for is 40; there is no upper limit. Institutions are asked to describe in their applications the type of places to be created and the amount of funding requested for each type of place. Institutions are also asked to indicate in their application when it is likely that the places will become available.

13 Provisional allocations of minimum numbers of places have been made to each of the Council's nine regions. The allocations have been made in proportion to the projected numbers of children aged four years and under in the region for 1999-2000. The minimum number of places for each region are shown in table 2.

Table 2. Minimum number of childcare places, by region

<i>Region</i>	<i>Places</i>
East Midlands	422
Eastern Region	613
Greater London	812
North West	706
Northern Region	242
South East	694
South West	455
West Midlands	551
Yorkshire and Humberside	504
Total	5,000

14 In assessing the applications, the Council will try to make sure that the minimum number of places is provided in each region. If a region does not provide the minimum number of places, the spare places may be transferred to another region where there is demonstrable need and where the additional places can be provided by another partnership.

15 For the purposes of this funding, a place is defined as a childcare place which is available normally Monday to Friday, unless local education/training patterns require alternative arrangements, during the day or evenings or weekends. A place is used on average by two children. The guidance in paragraph 15 of annex A provides further information on the definition of a place.

Partnership activity

16 Institutions applying for places will be required to work in partnerships. These are likely to be the lifelong learning partnerships. Each partnership will identify a lead organisation for funding and reporting purposes. An institution may act as a 'broker' for their partnership and may therefore wish to apply for a number of places, some of which may be provided by a number of other institutions in an area.

17 In exceptional circumstances, for example, where an institution is the sole provider in a rural area, the Council will consider applications from single institutions.

18 Partnerships should include representation from FE colleges and LEAs in the lifelong learning partnership area.

19 It will be important for institutions to build on the existing work of the early years development and childcare partnerships (EYDCPs) which are currently operating as part of the government's childcare strategy. Institutions wishing to apply for funding will need to seek endorsement from these partnerships for their application. This endorsement will indicate that the EYDCP is content that the number of additional places proposed is appropriate and achievable in the area. EYDCPs can be contacted through the local authority. The DfEE has sent guidance to EYDCPs to ensure that the partnerships are aware of the initiative and can expect to be approached by colleges.

Use of funds

20 The funds will represent a contribution to the development of additional places. The funding may be used, for example, to adapt new or existing premises to make them suitable for childcare use; for setting up a childminding network, or for staffing costs, including training, to run the provision, where it can be demonstrated that this will allow for additional provision to be made. The funds are not to be used for providing support or funding for a child's use of a place. Further information on additional funds for childcare support is given in part 2 of this circular.

21 In order to ensure that students' choice is not limited, institutions are encouraged to work with schools in the area and to allow any students aged between 16 and 19 in schools who require childcare to have access to the new places.

22 Institutions should also consider how the childcare facility and the provision of additional places will be integrated with or used for the training of childcare workers.

23 Institutions are reminded that all places provided must comply with the legislation governing the provision of childcare for children aged four years and under. EYDCPs will be able to provide further information on any legal requirements.

Timetable

24 Institutions will have until 31 March 2000 to spend the allocation and to make the places available. Institutions will be asked to provide interim reports on the number of places provided and expenditure with a final report by May 2000.

25 The Council has negotiated some changes to the DfEE deadlines; the timetable is now as shown in table 3.

Table 3. Timetable

<i>Date</i>	<i>Action</i>
Jul 1999	Circular 99/35 invites applications for funding
24 Sep 1999	response date for applications
15 Oct 1999	institutions notified of outcome of applications
15 Oct 1999	Council notifies DfEE of successful projects
1 Dec 1999	institutions provide first interim report on places provided and use of funds
11 Jan 2000	institutions provide second interim report on places provided and use of funds
18 Feb 2000	institutions provide third interim report on places provided and use of funds
1 May 2000	institutions confirm final numbers and expenditure and provide final evaluation of projects.

Assessment and Selection of Applications

Eligibility criteria

26 Institutions should refer to the DfEE guidance at annex A for further information on the objectives of this initiative and the type of information to be included in the proposal. Applications will initially be assessed against the following eligibility criteria:

- identification of lead organisation, contact name
- identification of and endorsement by core partners
- identification of EYDCP area
- endorsement by EYDCP
- identification of numbers, type and costs of places applied for
- indication of when the places will become available
- confirmation that local authority registration requirements will be met
- project summary including confirmation that funds will be used for the establishment of new places.

Selection criteria

27 Applications that meet the eligibility criteria will be shortlisted by regional office staff. The shortlisted projects will then be considered against the following selection criteria:

- explanation of how the proposal will address identified need
- target groups
- indication of value for money in terms of using a range of funds effectively
- flexibility/cost-effectiveness
- quality of proposal: examples of innovation
- plans for sustaining the places after funding from the Council ceases
- integration of facilities with the training of childcare workers.

28 Applications should be sent to the regional director at the appropriate regional office to arrive no later than 24 September 1999, although earlier applications would assist the process. Institutions should discuss their proposals with the appropriate regional office before making an application. Regional office addresses are given in annex E.

Part 2: Allocation of Funds for Childcare Support

Introduction

29 This section of the circular sets out arrangements for the allocation of grant funds to assist Council-funded institutions in providing childcare support for further education students.

Background

30 The secretary of state has allocated £12 million grant funding for the next two years for childcare support. For the financial year 1999-2000, £5 million is available. The existing mechanism for childcare support within the tariff will be used. The purpose of the funds is to increase the financial value of support provided, and to assist a larger number of students by encouraging a greater number of institutions to provide childcare support for students on low incomes. The funds are available to support students, not to increase the number of childcare places institutions provide.

31 In 1996-97, 260,000 units were claimed for childcare support by colleges and external institutions, at a cost of £4.42 million (0.15% of total funding units). Some 22,000 children associated with 18,000 students were supported. Individualised student record (ISR) data from 1997-98 will be used as a baseline for allocations of childcare support funding for 1999-2000.

32 The guidance on grant funding provided to the Council by the DfEE is set out at annex C. Guidance on claiming childcare support units provided in Circular 99/01, *Tariff 1999-2000* applies, as amended, by the information provided below.

Tariff for childcare support

33 The tariff for childcare units has been recalibrated on a contribution of £1,000 for each child for an eligible full-time student. This increases the childcare support units claimed for each child in 1999-2000 for a student on a full-time programme to 55.6 units. The rate for 1998-99 is 33.3 units. Table 4 gives the tariff values for childcare support for 1999-2000.

Table 4. Tariff values for childcare support

<i>Loadband</i>	<i>Basic on-programme units</i>	<i>Childcare (100% rate)</i>
0	2	1.3
1	3.8	2.5
2	10	6.6
3	18.4	12.2
4	30.2	20.0
5	43.6	28.9
6	84	55.6

Two rates for childcare support

34 The tariff is available at two rates: 100% and 75%. The former rate is available to the following groups of people on low incomes:

- unemployed people in receipt of job seekers' allowance (JSA)
- those in receipt of a means-tested state benefit
- the unwaged dependants of those listed above
- those taking programmes where the primary learning goal is ABE or ESOL.

35 Institutions will be able to levy a small charge on students receiving 100% subsidy for incidental items, such as meals, where such items do not normally form part of the main childcare fee.

36 Eligibility for the 75% level of support for childcare is a matter for institutions. It is intended to include other students in need of assistance who do not fall into the 100% category. Institutions are advised that the 75% rate may be used only where the needs of students qualifying under the 100% rate have been met.

37 Institutions are expected to charge students funded at the 75% rate a fee, broadly equivalent to 25% of the actual cost, as the student's contribution to the costs of childcare. Institutions have the discretion to use access funds to meet this contribution if they so wish.

38 The individualised student record and funding program will be altered to allocate the 100% rate to students receiving childcare support who meet the Council's fee remission categories. All other students, for which the college claims childcare support, will be allocated the 75% rate.

39 Institutions will be required to complete a report on their use of funds for childcare support in 1999-2000. The appendix to annex C provides an example of the type of information which may be required. The exact information requirements will be confirmed at a later date.

40 Institutions are reminded that the DfEE expects institutions to give priority to low-income students when offering crèche places or other childcare support.

Allocation mechanism

41 Colleges and external institutions will be offered a provisional allocation of childcare support units that reflects the numbers of adult students, as a proxy for size, and their likely use of childcare support units. The allocation will take account of the institution's current use of childcare support. There will be a minimum allocation of 500 units, equivalent broadly to 10 full-time students claiming childcare support for one child. The basis of the allocation and an example are set out at annex D.

42 Very small institutions, higher education institutions funded by the Council, or institutions without adult students, which do not currently make use of the scheme, and which wish to take part, are invited to discuss their needs with the appropriate regional office and to advise the Council in writing by 16 August 1999 that they wish to use childcare support. The government is particularly keen to ensure that teenage mothers are supported.

43 Institutions which have been given a provisional allocation have been asked to confirm their acceptance of the allocation offered. Institutions that do not wish to accept their allocation are asked to complete the form appropriately and return it as soon as possible so that the funds can be reallocated.

Audit

44 Institutions must provide audited accounts to show that the grant was used in 1999-2000. This will normally be achieved by including an appropriate note in the institution's audited accounts.



DfEE Guidance

Funding for New Childcare Places for Young Children in FE Colleges and Institutions

Guidance on Grant Funding for 1999-2000 to be Administered by the FEFC

Introduction

1 The government launched its national childcare strategy in May 1998, with the aim of ensuring a range of good-quality, affordable childcare in every neighbourhood, to promote the well-being of children, offer equal opportunities for parents and to help them balance work and family life. The strategy is backed by some £470 million in England for five years from April 1998, including £170 million for out-of-school childcare through the New Opportunities Fund and £300 million through the Department for Education and Employment.

2 FE colleges and institutions have an important part to play in the implementation of the national childcare strategy. By providing good-quality childcare, they can help parents, particularly women and lone parents, take up training and education opportunities to gain skills and knowledge to make themselves more employable. Many FE colleges and institutions already provide some childcare provision; this grant will help them provide more care for young children aged four and under. FE colleges and institutions are also the major providers of training in childcare and may be able to involve students in 'on the job' training in their college childcare facilities. The FEFC issued Circular 99/13 on 10 March 1999 which sets out how the FE sector is contributing to the national childcare strategy and encourages all FE colleges and institutions to consider what more they can do now the implementation of the strategy is under way.

3 There are early years development and childcare partnerships (EYDCPs) in every local authority area responsible for drawing up a plan for childcare services which meets the needs of children and their parents in the local area. The interests of FE colleges should be represented on their local partnership. FE colleges and institutions must work

with their local EYDCP as they plan new childcare places to ensure these are consistent with the wider childcare plan and not duplicating existing services.

4 FE colleges and institutions also have objectives to widen participation and improve retention and completion rates. Providing childcare to help parents take up and stay in training or education underpins these objectives too. The FE sector has been allocated an additional £5 million for childcare support for those on low incomes, as well as access funds which can fund childcare costs, and a capital budget. FE colleges and institutions will be able to combine various sources of funds to provide childcare places and help parents pay for care, thus enabling more parents to train or study.

Out-of-school childcare grant in 1998-99

5 DfEE allocated £5 million to FEFC in 1998-99 from its childcare funding to create at least 10,000 new out-of-school childcare places in FE colleges and institutions. Pump-priming grants were made to FE colleges and institutions on the basis that the additional places would be viable and continue beyond the period of the grant. Forecasts provided by FE colleges and institutions in March indicated that they expected to exceed the 10,000 places. Their final reports to FEFC are due in June, including information on innovative approaches and good practice in setting up places.

Childcare for young children aged 0 to 4 grant in 1999-2000

6 In November the minister announced a further £5 million grant to the FEFC to create at least 5,000 new pre-school childcare places for children aged 0 to 4 years.

7 This guidance sets out the objectives of the grant, information to be provided in proposals, criteria for awarding funding and the requirements of the grant regime, including management information. The FEFC will be responsible for administering the grant.

Objectives

8 The secretary of state for education and employment will make £5 million available in 1999-2000 only, to create at least 5,000 childcare places for children aged 0 to 4 within, or linked to, FE colleges, to provide care for the children of students undergoing education or training,

particularly those in greatest need, for staff in FE colleges and where possible to meet the wider needs of the local community. (Students will have the first call on places created.)

9 This is a pump-priming grant to make a contribution to the cost of setting up childcare places. There will be an upper contribution of £1,000 per place; the average contribution will be lower than this. FE colleges and institutions' application for this grant should show how they will combine various sources of funds to deliver these childcare places. There may be wide variation in costs in setting up places, depending on the work involved. FE colleges and institutions should look carefully at the value for money of the places they create. In exceptional circumstances a slightly higher cost per place may be acceptable if they can demonstrate that meeting particular local needs (for example, special needs) is significantly more expensive. All proposals must demonstrate that the new places they plan to provide will be able to generate sufficient income to cover operating costs in the long term, thus being viable after the pump-priming ceases.

10 FE colleges and institutions should develop childcare which meets the needs of the local community, not individual institutions, in a partnership approach. Proposals should be made by groups of FE colleges or institutions servicing a locality, or by a sole provider servicing a rural or smaller area. One institution may act as the lead for their partnership of institutions. To provide reasonable economies of scale in setting up places, proposals for a minimum 40–50 new childcare places in the area the FE colleges and institutions serve would be expected; these places must be in addition to those they currently provide.

11 Proposals must show how their childcare places will complement and integrate with existing services, so that parents have a choice of type and location of services (for example, on college premises, near home or in the wider community; with a crèche, nursery or childminder) and how continuity of care might be achieved as the students take up work at the end of their course. They should involve their local EYDCP and gain its endorsement that their proposals are realistic, achievable and in line with the EYDCP's wider childcare plan.

12 FE colleges and institutions should also consider how the childcare facility will be integrated with, or used for, the training of childcare workers.

Information to provide in proposals

13 Proposals are invited from groups of FE colleges and institutions or single institutions in rural areas, setting out how they will use the funding to deliver new childcare places, including:

- the demand for childcare places from students (and staff, although they are not the priority group), what number and type of childcare places are already provided, and the unmet demand
- the number and type of places they will create, how they will create them, where they will be located and when they will come on stream
- how these will meet identified demand and needs of parents and children, including flexibility, equal opportunities for all children, meeting children's needs
- how these places will complement and fit into other local services in the EYDCP plan (for example, not creating over-supply, making better uses of existing places, encouraging childcare options which can offer continuity of care)
- how will parents be targeted so that students with greatest need have first priority, and the planned take-up of places by different groups
- the costs of the project, the grant contribution needed and other funds which will be used to meet the total cost
- how local authority registration requirements for childcare provision will be met
- timetable for the project
- how the places will be sustained once the grant ends
- letter of support from the local EYDCP.

14 Grant can be used for capital and/or revenue funding to set up facilities or arrangements which will provide childcare places for children aged 0 to 4. There are many ways in which this might be done, depending on local circumstances and the existing facilities or arrangements a college has or can access. For example:

- adapting new or existing premises to make them suitable for childcare use, perhaps in combination with other provision provided
- setting up arrangements such as childminder networks in the community which link into the college
- staffing costs, including training, to run the service in the initial start-up period.

15 For this grant, a place is defined as a childcare place which is available normally Monday to Friday, unless local education/training patterns require alternative arrangements, during the day or evening or weekends. A place is used on average by two children. For example, a nursery might provide 20 places during the day for five days per week, used by 40+ children of parents who attend training during the week — this would be 20 new places. If the nursery opened on Saturday for a different set of students and children, that would provide another 20 places.

Criteria for awarding funding

16 It may be that not all FE colleges and institutions which apply for funding will be awarded grant. To make the best use of the funding, FEFC will make an indicative allocation of places and funding to each of its nine regions, based on the projected number of 0 to 4 years olds in the region. The FEFC regional office staff will assess proposals in the light of their knowledge of local FE colleges and institutions' activities and needs. They will make awards of grant, taking into account how far proposals demonstrate:

- a partnership approach – between FE college and institutions(s) and with EYDCPs
- childcare services to be provided are consistent with other services in the EYDCP plan and the EYDCP supports proposals
- contribution to widening participation and targeting parents with greatest needs
- good value for money with a range of funds used effectively, so that grant contribution is minimised and overall places target is delivered
- flexible, cost-effective ways to meet local needs, by building on existing arrangements or by setting up new facilities

- plans for making the provision sustainable once the grant ends
- integration of the childcare facilities with their training of childcare workers in some way.

Timetable

17 The key dates for the FEFC:

FEFC provides DfEE with details of allocations by 15 October 1999

Grant activity starts October onwards

First report by FEFC on places created 15 December 1999

Second report by FEFC on places created 28 January 2000

Third report by FEFC on places created with claim by 6 March 2000

Confirmation of places created end April 2000

Final report by FEFC June 2000.

Requirements of the grant regime

18 The grant is to be used to meet the costs of FE colleges in setting up new childcare services. It is ring-fenced to provide at least 5,000 childcare places. Grant will be paid to the FEFC on receipt of a single claim against costs incurred. The claim form will be issued later and should be sent to Carole Stanley in the Childcare Unit, DfEE. The FEFC will pay the grant to FE colleges against their claims for costs incurred. Total payments must be reconciled against actual costs at the end of the financial year and overpayments returned.

19 The FEFC will be responsible for:

- administering an appropriate system to allocate grants to FE colleges against their proposals to expand or create childcare services which meet the criteria set out and deliver the number of places
- managing delivery by FE colleges so that the funding is fully spent in 1999-2000, an acceptable audit trail which meets the requirements of their Financial Memorandum is in place, funding is used for the purpose intended and the target number of places is achieved

-
- making payments to FE colleges against costs incurred and in line with grants awarded
 - providing information on grant allocations made, listing for each FE college and institution: the EYDCP area involved, numbers of places to be provided by when and a brief description of provision (suggest each FE college and institution completes a pro forma with their proposal for this purpose)
 - providing details by FE college and institution of how many places have been created by December 1999 and January 2000
 - providing details of places created (actual and forecast for March) with their grant claim by 6 March 1999, and confirming total places created (as at end March) by end April 2000
 - providing a plan to evaluate the outcomes of the grant and childcare created by October, which will result in the final report below
 - a final report in June 2000 giving information on the total places created, examples of good practice and innovation in providing good-quality childcare in FE colleges, how far childcare has contributed to widening participation, details of who has taken up childcare places and whether the greatest needs have been met, additional demand identified, how the places will continue to operate, and an audited statement of grant in line with the offer of grant requirements.
- 20 FE colleges receiving grants must:
- deliver their proposals and the number of places as agreed with the FEFC
 - keep acceptable records of payments made as required by the audit trail to support their grant claims
 - provide reports to FEFC on the places created by October 1999 and December 1999
- provide a report to FEFC of expenditure incurred by mid-February 2000, signed by the college principal and including number of childcare places created by January 2000 and forecast for March 2000
 - confirm total places created to FEFC by mid-April 2000 and provide a final evaluation report in May 2000 giving information on total places created, how total costs have been funded, examples of good practice and innovation in providing good-quality childcare in FE colleges, how far childcare has contributed to widening participation, details of who has taken up childcare places and whether the greatest needs have been met, additional demand identified and how the places will continue to operate
 - FE colleges and institutions should include a specific statement in their audited accounts on the use of this grant, which would be subject to audit
 - copy their regular reports of places created, and so on, to their EYDCP to the same timescale, so that the information can be included in quarterly monitoring reports of childcare created which EYDCPs provide to DfEE
 - allow DfEE officials access to schemes funded under the grant regime for monitoring purposes.
- 21 FE colleges and institutions wishing to develop proposals should talk to their local EYDCP contact in the local education authority. DfEE will write to EYDCP contacts with this guidance so that they are aware of what FE colleges and institutions will be planning. They will want to gather FE colleges and institutions' data on demand for childcare to update their childcare audits, and to be updated on progress as places are created to report back to DfEE on new childcare across the local area.
- 22 FE colleges and institutions can apply to the new opportunities fund for funds to create new out-of-school childcare. Their EYDCP contact will be able to provide more information on plans for the area.
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Application for Funding for Childcare Places for Children Aged Four Years and Under 1999-2000

(Reference Circular 99/35)

Please return two copies of each application to the regional director at the appropriate office. Applications must be received by 24 September 1999.

**THE
FURTHER
EDUCATION
FUNDING
COUNCIL**

Cheylesmore House
Quinton Road
Coventry CV1 2WT

Telephone 01203 863000
Fax 01203 863100

Section A: Confirmation of eligibility criteria

College name *(please print)*

Name of institution

Telephone no.

EYCDP area

Total number of places requested

Total amount of grant requested

Project summary (maximum 150 words)

Total

(please give details of partners)

How local authority registration requirements will be met

Section B: Selection criteria

Main aims and outcomes of the proposed project

(Please describe how the proposal meets the selection criteria set out at paragraph 27. Please limit your description to three sides of A4.)

DfEE Guidance

Terms and Conditions for Payment of Funding for the Purposes of Childcare Support for Students

Contents

Section 1	Terms and Conditions
Section 2	Guidance Notes
Appendix	Monitoring Information

Section 1 Terms and Conditions

1 This document sets out terms and conditions for the payment by the secretary of state of funding to the Council specifically earmarked for the purposes of providing childcare assistance for students studying at a college (funding for childcare support).

2 The terms and conditions set out below do not override the duties and powers of the Council under the *Further and Higher Education Act 1992* (the Act). They are in addition to, and not in substitution for, the terms and conditions set out in the Financial Memorandum between the secretary of state and the Council dated 8 April 1997 or any revised version thereof subsequently agreed (the Financial Memorandum) and any guidelines or directions issued by the secretary of state in respect of any of the individual functions, powers and duties of the Council.

3 The definitions in paragraph 3 of the Financial Memorandum shall apply for the purposes of this document and, unless the context otherwise requires, expressions in this document shall have the meanings given to them in the Act.

4 Funding for childcare support shall be subject to such conditions and requirements as the secretary of state may from time to time prescribe, including those in this document. The Council shall ensure that any funding for childcare support is used only in accordance with such terms and conditions.

Purpose of funding

5 Any specific funding for childcare support will be paid by the secretary of state pursuant to section 7 of the Act and is to be used by the Council to provide funding to institutions within the further education sector so that they may provide childcare help for students whose access to, or completion of, further education might otherwise be inhibited by the cost of that childcare.

Accountability

6 The chief executive of the Council has been formally designated by the DfEE principal accounting officer as the accounting officer of the Council. In addition to the responsibilities described in the Financial Memorandum, the accounting officer shall:

- advise the Council on the discharge of its responsibilities under this document; and
- ensure that the uses to which the Council puts funding for childcare support are consistent with the purposes for which such funding was given by the secretary of state and comply with any terms and conditions attaching to it.

7 The Council shall take such steps as the secretary of state may require, from time to time, for the purposes of ensuring that the systems of financial control and management are such as to enable it to fulfil its obligations, under this document.

Payment of funding for childcare support

8 The amount of funding specifically for childcare support to be made available to the Council each year will be notified by the secretary of state. Funding for childcare support will be paid to the Council on request, in the light of the expected need to make payments to institutions in accordance with paragraph 11 below.

9 The amount of payment which the Council shall make available to institutions through their funding agreement for the purpose specified in paragraph 5 above shall be for decision by the Council but shall be in aggregate not less than the amount of funding for childcare support specifically earmarked by the secretary of state. These terms and conditions shall apply to all payments made to institutions by the Council for that purpose.

Terms and conditions for payment to institutions

10 The Council shall make funding units for the purpose specified in paragraph 5 above available to institutions having regard to these terms and conditions and any policy guidance or directions issued by the secretary of state.

11 Payments to institutions in respect of each academic year shall normally be made monthly by the Council during September to March each year. Any funding for childcare support which has not been paid to institutions by 31 March may not be carried over into the following financial year but shall be surrendered to the secretary of state within 30 days.

12 Funding for the purpose specified in paragraph 5 above shall be paid to institutions subject to terms and conditions which, subject to approval by the secretary of state, shall be issued by the Council. Those terms and conditions shall include the following:

- such payment is to be used only for the purpose specified in paragraph 5 above
- such payment is to be made available only in respect of eligible students as specified in paragraphs 16 to 19 below
- the interest on such funding may be used to defray audit costs.

13 The Council shall require each institution to present by the end of each academic year information showing how payment for childcare support was used in that year and the effect of this support on access and retention and the national learning targets (appendix). The use of funds will also need to be verified in the institution's annual audited accounts in accordance with the Council's audit guidance for 1999-2000.

14 The Council may reduce childcare support funding at any time within the academic year to account for any allocation unused by the institution. If, at the end of the academic year there are any payments made which have not been used for the purpose allocated, the Council may reduce the payment allocation for the following academic year by the amount of the unspent funds. Where the Council has received no information from an institution on the amount of unspent allocation by the end of the academic year, the Council may

reduce the payment allocation for the following academic year by an amount it deems appropriate.

15 The Council shall, by the end of February each year, provide the secretary of state with a report on the use of funding for the purpose specified in paragraph 5 above in the preceding academic year, to include the information specified in the appendix below.

Eligible students

16 Payment for the purpose specified in paragraph 5 above shall be used only to assist home students attending either a full-time or part-time further education course and able to meet those further conditions set out in paragraphs 18 and 19 below. An age or gender restriction must not be applied.

17 Students eligible for 100% support for childcare costs must be in one of the following groups:

- unemployed people receiving JSA
- those receiving a means-tested state benefit
- 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.

18 The eligibility criteria for disbursing the 75% level of support for childcare will be for individual institutions to determine, subject to any guidance provided by the Council. The groups of students in scope will need to be different from those eligible for the 100% support.

19 In this case 'home students' means persons who satisfy the conditions of eligibility for Council funding outlined in Circular 99/01, *Tariff 1999-2000*, paragraphs 98 to 114 on pages 18 to 20.

Revision

20 After consultation with the Council, the secretary of state may at any time revise, revoke or add to any of the terms and conditions in this document. The Council itself may make representations to the secretary of state for revision, revocation or addition.

Interpretation

21 Questions arising from the interpretation of the arrangements in this document shall be resolved by the secretary of state after consultation with the Council.

Section 2 Guidance Notes

1 These notes are issued by the secretary of state in respect of the exercise by the Council of its responsibilities as set out in the document, *Terms and Conditions for the Payment of Funding for the Purposes of Childcare Support for Students*. For these notes, childcare support comprises the amounts paid to institutions by the Council for the purpose specified in paragraph 5 of that document (see paragraph 5 of section 1 of this annex).

Students eligible for childcare support

2 Childcare support must be disbursed to eligible students, as defined in paragraphs 16 to 19 of the terms and conditions. Children up to the age of 14 may qualify for the childcare provision.

3 To qualify as a home student, a student must meet the conditions of eligibility for Council funding outlined in Circular 99/01: *Tariff 1999-2000*, paragraphs 98 to 114 on pages 18 to 20.

Priorities for childcare support

4 Students who are lone parents or have been in care, on probation or are otherwise at risk should be given priority for childcare support. Students of all ages who are facing financial difficulties with meeting the cost of childcare are eligible for help provided conditions at paragraphs 16 to 19 of the terms and conditions are met.

EMA pilot areas

5 Students aged under 19 living in EMA pilot areas and in receipt of an EMA payment will retain an entitlement to childcare support if appropriate.

Disbursement of childcare support

6 No funding units for childcare may be claimed if the childcare is funded by other means.

7 It is for the Council to determine the method by which amounts of childcare support to be made available to individual institutions will be determined. Account should be taken of the numbers of eligible students at each designated

institution. Other relevant factors may also be taken into account, including any amounts unspent or not taken up in the previous academic year or years.

8 The Council will monitor the use of childcare provision covered by this funding — see appendix — and will provide guidance to institutions on how to ensure that as many students as possible obtain this assistance

9 It will be for each institution to decide its criteria and procedures for considering applications and making payments to eligible students, but these must be consistent with the terms and conditions specified by the Council and any other guidance from the Council.

10 Childcare support is intended to provide support for students in individual cases where a need is established and payments should therefore be made according to individual student needs. Support may be provided in cash direct to the student or to a third party, or through provision of items or services. Childcare support should not be used to provide group or communal facilities, or to make adaptations to buildings.

11 When determining their arrangements for distributing childcare support, institutions will need to take account of departmental guidance and priorities as at paragraph 2 to decide what factors will be taken into account. When they consider applications, institutions may wish to take account of the availability of support from other sources, for example:

- LEA discretionary student awards
- social security benefits
- payments through career development loans, and similar schemes.

12 New Deal participants are **not** eligible for childcare support payments, as their funding should be agreed taking account of associated costs of participation to the student.

13 Students with individual learning accounts (ILAs) must give full details of the use of government moneys within their ILA when making a claim for childcare support (and vice versa) to ensure that double funding does not occur.

14 Institutions must also consider whether the claimed deficit between income and expenditure constitutes real need and cannot reasonably be reduced to a manageable level by action of the student.

15 Institutions will need to decide in each case, with reference to the incidence of expenditure, whether payments would most appropriately be made as a lump sum or as regular instalments, and what conditions should be attached to the payments.

16 Where an institution claims childcare support units, it must include a statement in the student's learning agreement that:

- a. the student falls within the scope of the Council's childcare support policy;
- b. during the periods when a student is studying with the institution for a programme eligible for Council funding at the 100% level, the institution has provided crèche facilities at no cost to the student or has met in full (but see paragraph 17 below) the care costs incurred by the student for each dependent child. At the 75% funding level the institution must be able to show that the cost to the student does not exceed 25% of the full care cost;
- c. each child for whom childcare support units are claimed is a dependant of the student to whom assistance with childcare costs is being provided.

17 Institutions will still be able to levy a small charge on students receiving a 100% subsidy for incidental items, such as meals, where such items do not normally form part of the main childcare fee.

18 Interest earned on an institution's childcare support account may be used to defray audit costs.

19 Any amounts not spent by the end of the academic year will be deducted by the FEFC for onward payment to the secretary of state.

20 Institutions should ensure that applications are processed within a reasonable time. As a guide, most students should receive a decision within four weeks of applying. Where decisions are taken at particular times during the year, the dates should be published.

Audited accounts

21 It is necessary for institutions to account fully for the public funds which they have disbursed. In addition to the audit requirements set out in the Financial Memorandum, conditions apply as set out in paragraph 13 of the terms and conditions.

22 Institutions are expected to retain evidence for audit purposes that students meet the terms of the Council's childcare support policy.

Advice to students

23 Institutions should ensure that students applying for help are advised that childcare support may have implications for their entitlement to social security benefits particularly income support, housing benefit, family credit and certain payments from the social fund. FEFC will provide further guidance on this issue in their guidance circular.

Appeals

24 Institutions are to provide better information to students about the extra costs of courses, including childcare, before the students actually enrol. Colleges are to develop and publicise application, decision-making and appeal processes which are fair, transparent and effective. It will be for each institution to resolve internally any appeals from or disputes with individual students about the award and payment from the childcare support. Appeals should not be referred to the secretary of state or the DfEE. Arrangements for appeals must be made known to students applying for childcare support. For other general enquiries, colleges should seek advice through FEFC.

Example Monitoring Information: Childcare Support

The information to be provided by the Council to the secretary of state in respect of each academic year shall include the following.

A Expenditure overall

1 Amounts of funding expended on childcare support including DfEE specific funding for childcare support and access funds.

2 Unspent amounts of DfEE specific funding for childcare support.

B Allocation detail

Students (Aged 16–18)

<i>Category</i>	<i>Number of applicants</i>		<i>Number assisted</i>		<i>Total spend by category</i>		<i>Details of fees charged</i>	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
100% assistance								
75% assistance								

Students (Aged 19+)

<i>Category</i>	<i>Number of applicants</i>		<i>Number assisted</i>		<i>Total spend by category</i>		<i>Details of fees charged</i>	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
100% assistance								
75% assistance								

Use of funds (Students aged 16–18)

	<i>Number of students assisted</i>		<i>Total spend by category</i>	
	Full-time	Part-time	Full-time	Part-time
Nursery or crèche provided by college				
Other nursery or crèche				
Childminder				
Other				

Use of funds (Students aged 19+)

	<i>Number of students assisted</i>		<i>Total spend by category</i>	
	Full-time	Part-time	Full-time	Part-time
Nursery or crèche provided by college				
Other nursery or crèche				
Childminder				
Other				

<i>Childcare support</i>	<i>Students aged 16–18</i>
Number of students given childcare support who left before completing their courses	
The staying-on rate for childcare support recipients	
Average college staying-on rate	

<i>Childcare support</i>	<i>Students aged 19+</i>
Number of students given childcare support who left before completing their courses	
The staying-on rate for childcare support recipients	
Average college staying-on rate	

Please give the staying-on rates in percentages for students who received childcare support in the 1999-2000 academic year.

Some, but not all, of the above information is available from the ISR.

Basis of the Allocation of Funds for Childcare Support

1 The childcare allocation has been calculated by uprating the institution's childcare units claimed for 1997-98 and applying a factor based on the number of adult students attending the institution. Childcare units have been allocated if the institution has previously claimed childcare units, or the resulting allocation of childcare units is greater than 500 units.

2 The allocation has been calculated as follows:

- childcare units claimed by the institution in 1997-98 have been uprated to take account of the new tariff rates for childcare for 1999-2000
- the extra childcare units generated are added to the institution's total units for 1999-2000
- the adult units within the revised total units for 1999-2000 are multiplied by the adult factor. This generates the childcare unit allocation for 1999-2000
- childcare unit allocation is multiplied by the institution's ALF to produce a funding allocation for childcare.

Example

Childcare units claimed in 1997-98	3008	
Uprated childcare units	5023	
Difference	2015	(A)
Unit allocation 1999-2000	1,086,020	
Revised allocation 1999-2000	1,088,035	
% adult provision	89.8	
Adult units 1999-2000	975,601	
Adult factor 0.002331587	2274	(B)
Childcare units 1999-2000	4,289	(A+B)
College ALF	£16.79	
Allocation	£72,017	

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