

# **Discretionary Funding Guidance and Requirements 2011/12 - for learners aged 19+ Including an Annex (H) on 2011/12 arrangements for the Adult Learning Grant**

Updated: 5 July 2011

Learner Support Programme

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# Introduction

1. The guidance is for all providers receiving an allocation of adult discretionary Learner Support funding from the Skills Funding Agency. Discretionary Learner Support (DLS) funding is made available to support adult learners with meeting some of the associated costs of learning and includes 19+ Hardship; 20+ Childcare and 19+ Residential Bursary Funds (RBF). These form part of the adult Learner Support Programme that covers a range of schemes available to support the costs of learning (the full list can be found in Annex B).
2. This guidance document sets out the requirements and the actions that will need to be taken into account for the application of each scheme, and sets out the eligibility criteria and the priorities for funding. It explains the process for allocations to providers and describes how the Skills Funding Agency will collect management information and audit the schemes.
3. It should be noted that, from academic year 2011/12, responsibility for all discretionary adult (19+) learner support schemes will be transferred from the YPLA to the Skills Funding Agency and if you have any queries they should be addressed to your designated Skills Funding Agency Account Manager.

# Background

## Important changes to Adult Learner Support from 2011/12

4. The Department for Business, Innovation and Skills (BIS) announced in the November 2010 publication Investing in Skills for Sustainable Growth, the intention to start to change the current arrangements for targeted learner support from the 2011/12 academic year. The announcement followed the FE Consultation in the summer of 2010 which confirmed the sector's view of the need to enhance and simplify adult learner support.
5. These changes are intended to enable colleges and training providers to better meet the needs of their learners by targeting the available funds on those individuals who are financially disadvantaged and in need of support for childcare, transport, books, equipment and other ad hoc essentials whilst in learning.
6. From August 2011, decisions about the use of learner support funding will be fully devolved to Further Education colleges and training providers, in line with the Government's proposals in Skills for Sustainable Growth. The Adult Learning Grant (ALG) budget will be combined with discretionary learner support, and allocated directly to colleges and training providers for them to distribute to those learners most in need. No current learners receiving Adult Learning Grant (ALG), and whose courses are continuing will lose out, as they will continue to receive payments during 2011/12. The total adult learner support budget will rise through the Spending Review period.

7. This change confirms the first stage in the move towards the creation of a new enhanced learner support fund announced in the Skills Investment Strategy, that will enable providers to allocate funds to learners most of need of support to continue their learning.

8. Confirmations of these changes have been disseminated in Provider Update 58 and have been uploaded to the Next Step, YPLA and Agency websites. A detailed Q&A document is available on those sites that should assist with queries.

9. 2011/12 will be a transitional year. Providers who normally receive an allocation of Discretionary Learner Support funding, and who have recruited adults in receipt of an Adult Learning Grant (ALG), will receive an additional allocation from the remaining ALG budget – i.e. once the budget requirements for direct payments to continuing ALG learners are finalised. These additional allocations will be included in the final funding statements which are sent out to providers at the end of June.

10. Payments for Discretionary Learner Support funds will continue to be made in 3 instalments, however, from 2011/12 the spring and summer payments (both 25%) will be moved back one month. This change means that providers will receive their spring payment in January rather than December and their summer payment in April rather than March (confirmation of the payment dates can be found in Annex A).

11. The Agency is also undertaking a review of the adult residential schemes – the Residential Support Scheme (RSS) and the Residential Bursary Fund (RBF). These schemes will continue uninterrupted for learners through academic year 2011/12 and any proposed changes will be introduced in the following 2012/13 academic year.

## Funding Arrangements

12. Allocations will be made from the Skills Funding Agency directly to Providers. The total funds available in 2011/12 for 19+ Hardship, 19+ RBF and 20+ Childcare is approximately £100.7 million, broken down as follows:

|         |                                    |
|---------|------------------------------------|
| £62,946 | 19+ Hardship                       |
| £2,345  | 19+ Residential Bursary Fund (RBF) |
| £35,437 | 20+ Childcare                      |

13. RSS will continue to be managed nationally for the 2011/12 AY.

14. Funding for adult Discretionary Learner Support is provided by the Department for Business, Innovation and Skills (BIS). **There can be no virement of funds between 16-18 learner support fund and 19+ learner support fund. The 16-18 (Youth) fund is provided from a different government department, the Department for Education. The two funds are therefore distinct and must be reported upon separately.**

15. Discretionary Learner Support is available to support learners studying Adult Skills provision in Colleges, External Institutions (EIs), Higher Education Institutions (HEIs), School Sixth Forms and Sixth Form Colleges. It cannot be used to support learners following learning provision funded from the budget provided for Adult Safeguarded Learning (ASL) or University for Industry (Ufi).

It should be noted therefore that:

- a The funds are allocated directly to providers to manage at their own discretion, but in line with Skills Funding Agency guidance and requirements. Additionally a share of the RBF is allocated only to 44 designated providers of specialist provision.
- b Sources of further information on the other forms of financial support made available by the Skills Funding Agency through the Learner Support Programme are provided at Annex B.
- c Learners should exercise their eligibility to other forms of financial support before they pursue an application for Discretionary Learner Support, for example:
  - RSS;
  - Care to Learn.

**16. However, receipt of other forms of learner support is neither a pre-condition, nor an exclusion factor, for the receipt of the discretionary funds.** For example, an adult learner can receive RSS and still be eligible for Discretionary Learner Support to address specific hardship issues. Also learners not eligible for RSS could be eligible to receive Discretionary Learner Support.

17. Providers are required to develop clear criteria showing how they will administer and distribute their funds. The policies must be clear and available to learners and the Skills Funding Agency if requested

18. A timetable of the key dates for allocations, monitoring returns and any redistribution of funds is attached at Annex A.

# Adult Priorities for Funding

## General

19. Discretionary Learner Support is provided to support learners with a specific financial need that could prevent them participating in learning. Before making an award, therefore, the perceived, specific financial hardship need should be identified.
20. It is **not** appropriate to use the funding to pay weekly attendance allowances, achievement or attendance bonuses or to make awards solely based on income without identifying whether there is any specific financial need.
21. Funding should focus on those individuals who are financially disadvantaged and who need support in areas such as childcare, transport, books and equipment and who align with the priorities for funding or with the groups eligible for a share of this funding, such as fee remission.
22. The budget for Discretionary Learner Support is finite; learners who are eligible for support are not automatically entitled to it.
23. Guidance notes for learner eligibility for funding are attached in Annex F and clarification of fees and other course costs, in Annex G.

## 19+ Hardship Support

24. Hardship funds provide support for learners in exceptional financial circumstances. Providers have discretion to provide payments from their hardship funds but, should they choose to do so, should also report the purpose of the expenditure alongside other monitoring and management information.
25. Funding for learners aged 19+ is provided by BIS via the Skills Funding Agency. Both BIS and the Agency have particular responsibility for adult learners. Budget arrangements for adult learners are distinct from those designated to support younger (i.e. under 19 year old) learners.
26. The funding is provided to increase access, retention and achievement. It can be used for course related costs including, transport and course trips; for books and equipment; for support with domestic emergencies; emergency accommodation and, but only exceptionally, for fees (maximum 20% of hardship allocation see annex G).

27. Support may be provided to a third party, or through the provision of items or services or in cash direct to the learner, and may be in the form of a grant or repayable loan.

28. Providers should decide *in each case*, with reference to the incidence of expenditure:

- first whether payments would most appropriately be made as a grant or as a loan
- second as a lump sum or in (regular) instalments and
- finally whether conditions should be attached to payments for example, attendance agreements.

### **Consideration of other publicly funded benefits**

29. When making decisions about awarding public funds, colleges and other learning providers must take into account the availability of other strands of financial support for learners (including support funding through DWP and Jobcentre Plus – e.g. JCP work programme). Discretionary Learner Support funds must not be used where other sources of funding are being made available.

30. From August 2011 all claimants who have been mandated to training (whether on a full or part time basis) will have their travel and childcare costs met by Jobcentre Plus where required. JCP advisers will also have discretion to pay these expenses for customers who access skills training on a voluntary basis.

31. Disability Living Allowance should be ignored when assessing disabled learners' income in relation to Discretionary Learner Support, to avoid the risk of discrimination under the Disability Discrimination Act 1995.

32. The Social Security Amendment (Students and Income-related Benefits) Regulations 2000 establish how Discretionary Learner Support should be treated for benefit purposes. If a regular payment is made other than for living costs then it will be disregarded and will therefore not affect the level of benefit to which the learner may be entitled. However, it is very important that providers and local authorities make clear at the time they are making the payment to the learner, the purpose for which the payment is given and whether it is one of a series, or a single, lump sum payment.

33. The funds may not be used to replace support and already provided for through national policy or legislation – e.g. through welfare benefits. They can however be used to provide temporary support with domestic emergencies and short term emergency accommodation whilst the learner is waiting for benefit support.

34. Providers should be aware that Discretionary Learner Support falls within the definition of Access Funds for IS/JSA/ESA purposes. A learner in receipt of

welfare benefits – e.g. income support or housing benefit – must declare if they received payments from Discretionary Learner Support.

35. The general rule is that if the payment is a lump sum, one off payment it is treated as capital. If it was intended for items covered by benefit – i.e. food, ordinary clothing or footwear, household fuel, or rent for which housing benefit is payable – then the payment would count towards the person's total capital and would affect the benefit payable, if the learner had savings/capital exceeding £6,000.

36. If the lump sum payment was intended for other items, not covered by benefit, then it would be disregarded as the person's capital for 52 weeks. If the learner received a series of payments then Jobcentre Plus would regard it as income. If the payments were intended for items covered by benefit then a £20 a week disregard would apply with the remainder being taken into account as the person's income and reducing the amount of benefit payable. If the payments were intended for other items not covered by benefit then they would be fully disregarded.

## **20+ Childcare Support**

37. Targeted childcare support for learners who are at risk of not participating or remaining in learning.

38. 20+ childcare funding may be awarded only to fund childcare with a provider who is Ofsted-registered (Early Years Register for children aged 0-5, Compulsory Childcare Register for 5-8 and Voluntary Childcare Register for over 8's).

39. Informal childcare, such as that provided by a relative, cannot be funded.

40. Childcare allocations cannot be used by the college to finance the setting up of childcare places, neither may they be used to make a financial contribution to the costs of a crèche. The awards should be paid only to, or on behalf of, individual learners aged 20 and older, who should be free to use the resource to support the childcare provision of their choice – as long as it is subject to appropriate Ofsted registration.

41. Hardship funding must not be used to provide support with childcare costs for learners aged 19 as there is an expectation that these learners will be supported by the Care to Learn programme. Nor should it be used to top-up childcare payments for those in receipt of Care to Learn.

## **19+ Residential Bursary Funding**

42. A number of designated providers will receive allocations of Residential Bursary Funding (RBF) to support learners attending specialist provision at land-based colleges and colleges of Art and Design on a course which requires a residential element.



43. RBF can be used to help learners reside in private accommodation as well as in accommodation owned or managed by the designated providers.

44. It is for the 44 designated providers to decide the criteria and procedures for considering applications for support from RBF within the eligibility and administration requirements of this document. These providers are also responsible for making the payments to eligible learners. However, priority must be given to learners who are unable to access relevant learning within daily travel from their home or where the costs of this are prohibitive. RBF has a maximum payment allowance of £4,079 within London and £3,458 outside London on a pro-rata basis.

45. The 44 designated providers are allowed to use no more than 15% of their 2011/12 allocation or £25,000, whichever is the greater, to support learners who are able to travel daily, where the payment of fare costs cannot be met from the provider's hardship fund. Daily travel using RBF must be considered only as a last resort.

46. General hardship, including books and course equipment, cannot be funded through RBF and providers must record all payments including daily travel payments separately for audit purposes.

## **Administration of Funds**

47. Providers may vire funding into, and out of, 20+ Childcare, 19+ Hardship and 19+ RBF (if applicable). However, the Agency would not expect to see the current 15% level exceeded without agreement from your Agency Account Manager.

48. Providers must have clearly written criteria for how they distribute the available Discretionary Learner Support funds, including arrangements for assessing learners' hardship, and a written procedure in place for learners who may wish to appeal. The criteria must be made widely available and must clearly reflect the principles of equality and diversity in the process. These documents should be made available to the Skills Funding Agency upon request.

49. If hardship funds are used to buy equipment for individuals in need of financial support, the equipment should remain the property of the provider and, if subsequently returned to the provider for its own use, (rather than being reallocated by the provider to another learner), then the hardship fund should be reimbursed with an amount representing the depreciated value. Where items of equipment, tools or protective clothing may be reusable at a later date by new learners, providers should have criteria in place for enabling the return and re-use of such items. In drawing up a list of items, practical consideration should be given to factors such as hygiene, health and safety, and wear and tear.

50. Any loans made to learners should normally be repaid before the end of the academic year in which they are made, and providers are encouraged to make every effort to ensure that this is done. However, if loans are repaid after the end of

the year, they should be treated as additional funds in the year in which they are repaid.

51. Providers may use up to 5% of their total adult Discretionary Learner Support allocation towards administrative costs. Where it has been agreed that a large, central provider will administer the funding for one or more other providers, the central provider will also be able to use up to 5% of each of the other providers' total adult funds for administration. Providers' bank charges however may not be deducted from Discretionary Learner Support allocations.

52. Providers will want to consider the impact of other initiatives when applying any means-test and the level at which those grants might be paid. Providers can take other income into account when considering levels for awards of Discretionary Learner Support. In making allocation decisions, providers should also consider the extent to which learners aged 19 and over are financially independent.

## **Audit and Management Information**

### **Financial and Data Monitoring**

53. Providers must have administrative procedures that:

- Record the details of learner applications for financial assistance; (including the financial value of applications as well as the number of awards)
- Account for the Discretionary Learner Support distributed
- Identify unspent funds at the end of the academic year and likely underspend at key points in year.

54. Providers must also submit information detailing how Discretionary Learner Support has been used. The data is used to demonstrate the efficacy of Discretionary Learner Support and to demonstrate probity in the use of public funds. The data is collated in two ways:

- completion of a mandatory field of the Individualised Learner Record (ILR). This is L34 for RBF, and L49 for other support reasons (see Annex C)
- financial reconciliation, completion of a monitoring form, (provisional format in Annex D), which will be distributed separately. The return establishes the main uses of the fund and amount of awards. Additional narrative may be required to identify reasons for support. This information will no longer be collected in the YPLA MI Portal from 2011/12. Further information relating to the end of year funding reconciliation will be released in-year.

55. Where a learner has received support from Discretionary Learner Support funds it is mandatory that the relevant fields of the ILR are completed. Non or

incomplete recording on the ILR will affect future years' Discretionary Learner Support allocations.

56. Where a provider has not completed the required data monitoring and financial reconciliation forms by the due dates, the Skills Funding Agency will deem the allocation of funding to be unspent and reserves the right to recover such funding in the next payment run and this will impact future allocation of discretionary funds. Where data is incomplete, providers will be asked to revise and resend the required return.

57. In order to fulfil its duty to protect public funds, the Skills Funding Agency may use the information it holds to prevent and detect fraud. The Skills Funding Agency may also share such information, for the same purpose, with other organisations that handle public funds.

58. When completing the monitoring form and management information return providers need to be aware that the definition of an adult learner, for this purpose, is a learner aged 19 or over on 31 August in the year in which they receive funding.

## Unspent Funding

59. If during the course of the academic year a provider considers that it will be unable to spend any part of its Discretionary Learner Support allocation, it should use the two in-year funding forecasts to inform the Skills Funding Agency of any surplus funds. Any surplus funds may be removed and recycled dependant on budget pressures and affordability, however additional funding cannot be guaranteed. It is not possible to vire funds between the youth and adult budgets – see paragraph 14.

60. The Skills Funding Agency team will use the in-year funding forecasts to distribute any returned funds to other providers that can make use of further funding, and the Skills Funding Agency may recover funds identified by providers as undistributed at the end of the academic year. The dates for the mid-year forecasting exercises will be in November 2011 and February 2012 (see Annex A). Further information relating to the detail of how to submit an in-year forecast will be released prior to the first in-year forecast in November 2011.

61. The Skills Funding Agency cannot guarantee to reimburse overspends. **Institutions are therefore advised not to overspend in the expectation that there will be a reallocation of funds later in the year, as this may not be the case.**

62. Where providers have not fully utilised their 2011/12 allocation the funds will be recovered. The recovery of any Discretionary Learner Support under-expenditure is expected to take place from November 2012 onwards.

## **Audit Requirements for Discretionary Learner Support 2011/12**

63. For audit purposes, hard copies of all documentation for Discretionary Learner Support should be kept for a period of at least six years.

### **General**

#### **Access and Monitoring**

64. The Skills Funding Agency Audit team will give providers reasonable advance notice in writing of proposed visits to the provider or its sub-contractors, to observe the delivery of the services.

65. For monitoring and evaluation purposes, the Skills Funding Agency, the Secretary of State and his agents, the Department for Education, Department for Business, Innovation and Skills, the National Audit Office, Representatives of the European Commission and the European Court of Auditors, the Audit Commission and the Inspectorates will have the right to visit all or any site(s) and view operations relating to the provision and to inspect relevant documents and interview learners and the provider's staff during these visits.

66. The provider will, and will ensure that its sub-contractors will, permit access at any reasonable time to any of the representatives listed in paragraph 65 in order to:

- a examine, audit or take copies of any original or copy documentation, accounts, books and records of the provider and its sub-contractors that relate to the Contract
- b visit, view or assess the design, management and delivery relating to the Contract at any premises where those operations are carried out (including those of sub-contractors) and conduct relevant interviews, including interviews with learners, during these visits at any reasonable time;
- c carry out examinations into the economy, efficiency and effectiveness with which the provider has used the Skills Funding Agency resources in the performance of the Contract.

67. Where reasonably required, the provider and its sub-contractors will provide copies of any relevant documents required by any of the representatives listed in paragraph 65.

68. The provider will, if required by any of the representatives stated in paragraph 65, provide appropriate oral or written explanations.

## Specific to Discretionary Learner Support 2011/12

69. Provider Financial Assurance (PFA) will audit against the Financial monitoring Returns submitted by the institutions and local authorities. Any audit would seek to validate the funding reported via this return, and, in undertaking the audit, PFA may seek, where appropriate, to place reliance on any recent internal audit work at a particular provider. There are various types of eligible funding and audit would be against these criteria.

70. Eligibility:

- evidence that the learner meets the standard residency criteria as contained in the guidance note – Learner Eligibility Guidance 2011/12;
- evidence that the learner meets one of the priority groups identified in the guidance;
- evidence that the allocation should not have been paid from additional learning support;
- evidence that the provider has identified a specific hardship need;
- evidence that providers make learners in receipt of income support aware of their responsibility to declare any funds received through Discretionary Learner Support.

71. Application Process:

- written policies describing how funding will be prioritised and dispersed;
- records of application for each learner for Discretionary Learner Support detailing the specific need and the amount required;
- records of approved applications;
- evidence of actual spend against each application i.e. invoices.

72. Equipment:

- evidence that equipment is recorded and monitored for future use by other learners i.e. asset register;
- evidence that the fund has been reimbursed for any equipment returned to the pool less depreciation;
- evidence that the ALS fund could not support the need.

73. Administration Costs:

- evidence that the administration costs amount to no more than 5% of the total adult allocation;
- evidence of actual spend on administration of the programme i.e. staff hours, invoices, overhead costs apportioned accordingly.

74. In addition to the above general requirements each element of Discretionary Learner Support has additional evidence requirements as follows:

75. Discretionary Learner Support: Hardship:

- evidence to confirm a learner's need for an award;
- evidence to confirm the actual spend against each application i.e. invoices.

76. Discretionary Learner Support: 20+ Childcare:
- evidence that the childcare provider is registered with Ofsted;
  - evidence of actual spend against each application i.e. invoices;
  - evidence that the actual spend was eligible i.e. not used as set-up costs.
77. Transport:
- evidence that the application was eligible for funding.
78. RBF:
- evidence that providers have used no more than 15% of their adult allocation or £25,000 to support daily travel for learners;
  - evidence to support daily travel payments made against each learner.

## Annex A – Key Dates for Discretionary Learner Support

| Key dates                   | Action required   | By whom  |
|-----------------------------|---|--|
| end of March 2011           | Issue of initial 11/12 adult Discretionary Learner Support allocations to providers   | Skills Funding Agency                                      |
| End June 2011               | Contracts issued to providers   | Skills Funding Agency                                      |
| 14 July 2011                | 11/12 Funding agreement schedule agreed, signed and received by Skills Funding Agency | Principals or heads of providers and Skills Funding Agency |
| 11 Aug 2011                 | First payment of funds (50 per cent)  | Skills Funding Agency                                      |
| end Nov 2011                | 1 <sup>st</sup> In-Year Funding   | Providers  |
| 11 (working day) Jan 2012   | Second payment of funds (25 per cent)   | Skills Funding Agency Finance                              |
| end Feb 2012                | 2nd In-Year Funding Forecast  | Providers  |
| 11 (working day) April 2012 | Third payment of funds (25 per cent)  | Skills Funding Agency Finance                              |
| Sep 2012                    | Financial monitoring returns to National Policy Team                                  | Providers  |

|          |  |                       |
|----------|--|-----------------------|
| Oct 2012 | Monitoring returns collated and analysed     | Skills Funding Agency |
| Nov 2012 | Reconciliation of funds                      | Skills Funding Agency |
| Nov 2012 | Recovery of under-expenditure from providers | Skills Funding Agency |

\* Further Information relating to the details of how to submit an in-year forecast for DISCRETIONARY LEARNER SUPPORT funding will be released prior to November 2011.

\*\* Further information relating to the end of year funding reconciliation will be released during the year.

## **Annex B Other Forms of Financial Support**

### **Care to Learn**

Care to Learn supports young parents aged up to (and including) 19 when learning starts by funding the cost of their (Ofsted-registered) childcare and associated transport costs.

Further information for learners interested in applying for Care to Learn can be found by telephoning the helpline on 0800 121 8989 or by accessing the Directgov [website](#).

### **Residential Support Scheme (RSS)**

The Residential Support Scheme helps learners access education that is not available within reasonable travelling distance of their home. Further details on the Scheme can be obtained by visiting the Directgov [website](#)

### **Professional and Career Development Loans**

A Professional and Career Development Loan is a deferred payment commercial bank loan for which individuals can apply and, if successful with their application, can use to help pay for the costs of employment focused learning or training. Any amount from £300 up to £10,000 may be borrowed from a participating bank. The loan can be used to supplement a grant or bursary or to help with living costs and other associated course costs.

Like any commercial bank loan, the money which is borrowed must be repaid, but with a Professional and Career Development Loan, the Skills Funding Agency pays the interest on the loan while the individual is in learning and for one month afterwards.

For more information, please visit the Directgov [website](#) or telephone the Next Step helpline 0800 100 900.

## Annex C ILR 2011/12 Extract – Checking against 2011/12 ILR Spec

Highlight the adult fields In bold as DFE and BIS are requiring different data returns

ILR Extract of relevant Discretionary Learner Support funds fields – L34 Code 37 ‘Residential Support Scheme’ should be used to record RBF and L49 for all other forms of Discretionary Learner Support.

| Field                  | L34 Learner support reason – other (occurs 4)   |   |              |            |         |                     |               |
|------------------------|---|---|--------------|------------|---------|---------------------|---------------|
| Required for           | LR ER   | Field length  | 2 (occurs 4) | Field type | Numeric | Field justification | Not necessary |
| <b>Description</b>     | Identifies categories of other learner support for the learner  |   |              |            |         |                     |               |
| <b>Reason required</b> | To identify the demand for, and participation in, learner support and to assist in the evaluation of its effectiveness. |   |              |            |         |                     |               |
| <b>Valid entries</b>   |   |   |              |            |         | <b>L</b>            | <b>R</b>      |
|                        | 24  | Adult Learning Grant (ALG)  |              |            |         | Y                   | N             |
|                        | 25  | Education Maintenance Allowance (EMA)                                 |              |            |         | Y                   | Y             |
|                        | 32  | Professional and Career Development Loan                              |              |            |         | Y                   | N             |
|                        | 35  | E2E / Programme Led Apprenticeships (PLA) hardship fund               |              |            |         | Y                   | Y             |
|                        | 36  | Care to Learn (C2L)   |              |            |         | Y                   | N             |
|                        | 37  | Residential Support Scheme (RSS)                                      |              |            |         | Y                   | N             |
|                        | 41  | Time off for study  |              |            |         | Y                   | Y             |
|                        | 49  | Learner living on campus (accommodation owned or managed by provider) |              |            |         | Y                   | N             |



|       |  |   |   |
|-------|--|---|---|
| 50    | Learner living off campus (accommodation leased by provider and sub-let to learner)          | Y | N |
| 51    | Learner living off campus (privately managed accommodation on provider recommended list)     | Y | N |
| 52    | Learner living off campus (privately managed accommodation not on provider recommended list) | Y | N |
| 53    | Free Childcare for Training & Learning for Work (FCTLW)                                      | Y | Y |
| 54    | Adult Education Bursary (AEB)  | Y | N |
| 55-96 | Unassigned   | Y | Y |
| 99    | no learner support or no more of the above   | Y | Y |

## NOTES

## Validation Rule

### All learners

- Where more than one category of learner support applies to a learner, enter up to four codes in the learner support reason fields. These different reasons should be justified from the left and 99 filled to the right.
- The same learner support reason must not be entered more than once, except an entry of 99.
- Time off for study (code 41) is the government guarantee that any young person who has not reached level 2 and who has become employed in a job without training has the right (by law) to seek time off from their employer to receive training at level 2 or higher.
- The use of the unassigned codes is only to be authorised by *the information authority*, and should not be used by providers unless such authorisation has been published.

L34abcd\_1,  
L34bcd\_1, L34cd\_1,

### Examples

- A learner with only one learner support reason should be entered in this way: 24999999
- A learner with two learner support reasons should be entered in this way: 24259999
- A learner with no learner support should be entered as: 99999999

## LEARNER RESPONSIVE RETURNS

### Notes

### Validation Rule

#### All learners

- This field must be completed with a valid code from the above list.
- Learner in residence codes, codes 49 – 52 should be used for learners who need to live away from usual home for the purposes of study. These codes will be used to monitor the number of learners in residential accommodation and in some cases may be used to allocate funding as specified in the funding guidance.
- Learner support reason entries cannot be a combination of Residential Support Scheme (code 37) and Adult Education Bursary (code 54).

L34a\_5, L34b\_5,  
L34c\_5, L34d\_5

| Field                  | L4<br>9 Discretionary support funds (occurs 4)  |   |              |            |         |                     |               |
|------------------------|---|---|--------------|------------|---------|---------------------|---------------|
| Required for           | LR  | Field length  | 2 (occurs 4) | Field type | Numeric | Field justification | Not necessary |
| <b>Description</b>     | Identifies categories of discretionary support funds for the learner  |   |              |            |         |                     |               |
| <b>Reason required</b> | To identify the demand for, and allocation of discretionary support funds and to assist in the evaluation of its effectiveness. |   |              |            |         |                     |               |
| <b>Valid entries</b>   | 01  | 19+ Hardship – fees   |              |            |         |                     |               |
|                        | 02  | 16-18 Hardship - general (books, equipment, accommodation, etc) |              |            |         |                     |               |
|                        | 03  | 19+ Hardship - general (books, equipment, accommodation, etc)   |              |            |         |                     |               |
|                        | 04  | 16-18 Hardship transport  |              |            |         |                     |               |
|                        | 05  | 19+ Hardship transport  |              |            |         |                     |               |
|                        | 06  | 20+ Childcare   |              |            |         |                     |               |
|                        | 07  | Transport from local authority partnership                      |              |            |         |                     |               |
|                        | 08-10   | Unassigned  |              |            |         |                     |               |
|                        | 99  | No discretionary support funds or no more of the above          |              |            |         |                     |               |

## LEARNER RESPONSIVE RETURNS

| Notes  | Validation Rule                |
|--|--------------------------------|
| <b>All learners in receipt of discretionary support funds</b>  |                                |
| <ul style="list-style-type: none"> <li>The category of discretionary support funds entered in this field must be a valid code from above list.</li> </ul>  | L49a_1, L49b_1, L49c_1, L49d_1 |
| <ul style="list-style-type: none"> <li>The same category of discretionary support funds must not be entered more than once, except an entry of 99.</li> </ul>  | L49abcd_1, L49bcd_1, L49cd_1   |
| <ul style="list-style-type: none"> <li>Where more than one category of discretionary support applies to a learner, enter up to four codes in the discretionary support funds fields. These different reasons should be justified from the left and 99 filled to the right</li> </ul> |                                |
| <ul style="list-style-type: none"> <li>Code 01 (19+ Hardship – fees) should only be used with prior agreement from the SFA. Refer to the Learner Support Programme Discretionary Funding Guidance and Requirements.</li> </ul>   |                                |
| <ul style="list-style-type: none"> <li>The use of the unassigned codes is only to be authorised by the information authority.</li> </ul>   |                                |

### Example

- A learner with only one learner support reason should be entered in this way:
  - 01999999

### All other learners

- Code 99, 'None of the above', must be used.

Note: The use of the unassigned codes is only to be authorised by the information authority, and should not be used by providers unless such authorisation has been published.

## **Annex D - Example Provider Financial Monitoring Data Form for 2011/12 Academic Year**

A provisional copy of the financial monitoring form required is now available on the Agency [website](#). A final version of the form together with further supporting information for in year forecasts and end of year reconciliation will be released during the year. Information relating to 2010/11 funding will be required in October 2011 and will be submitted on the YPLA MI portal in the normal way, an example of the MI required can be found on the Agency [website](#).

## **Annex E - Allocations Methodology 2011/12**

Providers initial 2010/11 allocations have been multiplied by an affordability factor to calculate 2011/12 allocations. All providers allocations for 19+ hardship, 19+FE in HEI's and 19+ residential bursaries have been increased by 1.5%. 20+ childcare allocations have been increased by 6.1%.

For providers that qualify they will note that their initial 19+ Hardship allocations have been increased in the final advice to include the additional Adult Learning Grant funds. The additional funds are allocated following the merger of the ALG scheme with the discretionary funding scheme in July 2011 and will be added to the existing 19+ Hardship allocations. The additional funds to providers have been based on the number of previous (2009/10) ALG learners studying at the institution.

## Annex F – Eligibility for funding

|                                  | Guidance notes-eligibility for funding   |
|----------------------------------|--|
| <b>Learning Programme</b>        | <ul style="list-style-type: none"> <li>• Learners who have been accepted onto a programme of Adult Skills learner provision will be eligible to apply for discretionary funds.</li> <li>• Learners participating in HE access courses or courses of HE falling within paragraph 1(g) or 1(h) of schedule 6 to the Education Reform Act 1998 will be eligible to apply for discretionary funding, providing the courses are funded through the Single Adult Skills Model.</li> <li>• Learners on Higher Education courses, waged Apprenticeships or provision with learning aims that are identified as wholly funded from other sources are not eligible for Discretionary Learner Support.</li> </ul>   |
| <b>Residency</b>                 | <ul style="list-style-type: none"> <li>• The residency eligibility criteria for Discretionary Learner Support is aligned to the residency criteria addressed in the document <i>Agency Funding Guidance 2011/12: Learner Eligibility Guidance</i>. This document can be downloaded from the Agency <a href="#">website</a></li> </ul>  |
| <b>Status</b>                    | <ul style="list-style-type: none"> <li>• Refugees are not required to meet the three year residency rule if their refugee status was confirmed in the three years prior to starting the course.</li> </ul> <p>The Agency will also consider, as eligible for funding,</p> <ul style="list-style-type: none"> <li>• Asylum seekers who have legally been in the UK pending consideration of their claim by the Home Office for longer than six months and no decision has been made</li> <li>• Asylum seekers refused asylum but eligible and granted support under Section 4 of the Immigration and Asylum Act 1999.</li> <li>• It must be noted by providers that the eligibility of failed asylum seekers receiving Section 4 support at the time of issuing this document is being reviewed by the Government. If a change is made, it is the provider's responsibility to ensure that a learner's eligibility is correctly assessed prior to them applying for discretionary funding.</li> </ul> |
| <b>Cross border arrangements</b> | <ul style="list-style-type: none"> <li>• Informal reciprocal arrangements currently exist between the home nations and England for learners attending colleges near the borders. Providers may use their discretion regarding awards in these circumstances.</li> </ul>  |

|                  |   |
|------------------|---|
|                  |   |
| <b>Offenders</b> | <ul style="list-style-type: none"> <li>• Learners in prison or a young offender institution or who have been released on temporary licence (ROTL), for example on day release, are not eligible to apply for Discretionary Learner Support.</li> </ul>  |
| <b>LLDD</b>      | <ul style="list-style-type: none"> <li>• Discretionary Learner Support is not to be directed as a means of support where the learner is eligible and it is more appropriate for them to receive support through Additional Learning Support (ALS), for the same purpose. For example, ALS can be used to fund additional teaching, specialist staffing, transport between sites for learners with mobility difficulties (but not home-to-provider transport).</li> <li>• The document Funding Guidance 2011/12 Additional Learning Support can be found on the Agency <a href="#">website</a>.</li> </ul> |

## Annex G - Clarification of Fees and other course costs

|   |  |
|---|--|
| <p><b>Tuition fees</b></p>  | <p>If the learner is not eligible for fee remission under the fee remission policy Discretionary Learner Support may be used to support learners with the cost of these. These should be recorded on the MI return on Page 2 under <b>(19+ tuition and exam)</b>. The total amount claimable under this line must be no more than 20% of the provider's total final 19+ hardship allocation, i.e. including any extra funds successfully bid for into this line.</p>   |
| <p><b>Exam fees and re-sit fees</b></p>   | <p>As tuition fees above. NB Fee Remission Policy does not necessarily cover exam fees; it is up to the discretion of providers.</p>   |
| <p><b>Accreditation fees/Professional membership fees/any fees/charges payable to external bodies</b></p> | <p>These may be paid for from Discretionary Learner Support. It is up to providers to use at their discretion as to whether they record these as <b>Fees (19+ tuition and exam)</b> or <b>Additional course costs (e.g. trips)</b> as providers are best placed to determine whether they are fees in the strictest sense of the word or other associated costs of learning.</p>   |
| <p><b>College registration fees</b></p>   | <p>These may <u>currently</u> be paid for with Discretionary Learner Support but must be recorded under the <b>Fees (19+ tuition and exam)</b> line. Note Fee Remission Policy does not necessarily cover any of these fees; it is up to the discretion of providers.</p>  |
| <p><b>Transport</b></p>   | <p>Providers must not:</p> <ul style="list-style-type: none"> <li>use Discretionary Learner Support to make a block contribution to Post-16 Transport Partnerships; or</li> <li>routinely fund transport costs for continuing learners, aged 19 or over, that are covered in the local authority's statutory duty for learners of sixth-form age.</li> </ul> <p>If Discretionary Learner Support is used to support learner's transport costs in these circumstances Providers must keep records showing the amount of support provided and why that support was necessary. Further information on transport policies can be found on the local authority's own website or on the <a href="#">Directgov website</a>.</p> <p>For continuing learners, aged 19 or over, it must not be used to subsidise the local authority's statutory duty in respect of transport for learners of sixth-form age. But in exceptional circumstances it can be used to meet individual learners' transport costs on a temporary basis.</p> |

|  |   |
|--|---|
|  | <p>Examples of exceptional circumstances:</p> <ul style="list-style-type: none"> <li>• A learner may have to move house with their parents, but still attends their previous college to finish a course, this could result in additional transport costs that the learner cannot meet for a limited period of time.</li> <li>• A learner may be in dispute with a local authority over their transport needs, whilst this dispute was being settled, it would be acceptable to use Discretionary Learner Support to support transport costs.</li> </ul> |
|--|---|

## ANNEX H – Adult Learning Grant (ALG)

### ADULT LEARNING GRANT: GUIDANCE FOR 2011/12

#### 1. Purpose

This annex provides guidance to learning providers and other stakeholders responsible for administering Adult Learning Grant in 2011/12.

#### 2. Overview and introduction

The Learner Support programme provides, via a mixture of grants, loans and discretionary funding, support to help overcome the financial barriers to learning that impact on participation. ALG has been one strand of this since its national roll out in 2007.

From August 2011, decisions about the use of learner support funding will be fully devolved to Further Education colleges and training providers, in line with the Government's proposals in Skills for Sustainable Growth. The ALG budget will be combined with discretionary learner support, and allocated directly to colleges and training providers for them to distribute to those learners most in need. No current learners receiving ALG, and whose courses are continuing will lose out, as they will continue to receive payments during 2011/12. The total adult learner support budget will rise through the Spending Review period.

2011/12 is a transitional year for learner support, with further reviews on residential and childcare support taking place. As part of the first phase of the changes however, 2011/12 will see the ALG scheme continuing to support those individuals who were in receipt of the grant in 2010/11 and who are continuing with the learning programme they started (or were continuing with) in that year. The learning programme being followed by the individual must be the same learning programme at the same level to that they were following in 2010/11.

To be eligible for ongoing support from ALG, an individual must be enrolled on the same learning programme (their first full Level 2 or first full Level 3) in 2011/12 as they were in 2010/11, i.e. they must be continuing on the same course at the same level. The learning programme must be undertaken at the same learning provider the individual was enrolled with in 2010/11 unless there are exceptional circumstances which prevent this, for example the provider has discontinued the learning programme the individual was enrolled on.

Learners who were in receipt of ALG in 2010/11 and who are enrolling on new learning programmes in 2011/12 (i.e.: a new programme and not a continuation of their 2010/11 programme) are **NOT** eligible for further support from the scheme.

Learners who received an ALG Notice of Entitlement (NoE) in 2010/11 but who did not enrol for ALG or 'cash in' their NoE at an ALG eligible provider will not be eligible for support from ALG in 2011/12.

### **3. The ALG application process in 2011/12**

All learners in receipt of ALG in 2010/11 will receive a Notice of Entitlement (NoE) from the Learner Support Service (LSS). The NoE states that the individual **may** be eligible for continuing ALG support in 2011/12, subject to their enrolment at a learning provider that is eligible to administer ALG and on confirmation by the learning provider that their learning programme is a full Level 2 or Level 3 and that the individual is continuing on the learning programme from the previous year, i.e: they are following the same learning programme at the same level.

Learners should take their NoE to the provider when they enrol; providers should then undertake the final checks as set out in the NoE and in this document.

If the learning provider is satisfied that the individual's learning programme meets the criteria for continuing ALG support in 2011/12; they should enrol the individual on the LAPS system as they have done in previous years. If the individual does not meet the criteria as set out in this document and in the NoE the provider should **not enrol the individual**.

The provider should then commence weekly attendance reporting, confirming each week whether an individual is eligible to receive an ALG payment based on their attendance as they have done in previous years.

### **4. Eligible learning programmes for ALG support in 2011/12**

- Learners must be continuing on a learning programme (i.e.: the same learning programme at the same level) which will lead to their first full Level 2 or first full Level 3 qualification, listed as such on the Learning Aims Database (LAD).
- Learners must be on a full-time learning programme. This means a learning programme which is delivered in 450 guided learning hours or more over the academic year or that involves 16 guided learning hours or more per week.



- Learners must be studying at a learning provider in England that is funded by the Skills Funding Agency (that funding must be provided via the Adult Skills budget or, in the case of School Sixth form or learners with learning difficulties or disabilities (LLDD) provision, funded by the YPLA).
- The individual's learning programme must be continuing in the 2011/12 academic year (1 August 2011 to 31 July 2012).
- The learning programme must be undertaken at the same learning provider, the individual was enrolled within the previous academic year (2010/11) unless there are exceptional circumstances which prevent this for example, the provider has discontinued the learning programme the individual was enrolled on etc.
- Individuals who received ALG in 2010/11 for a learning programme which led to the achievement of their first full Level 2 and who wish to enrol on a new learning programme in 2011/12 to undertake their first full Level 3 are **not** eligible for ongoing ALG support.
- Apprenticeships are **not** eligible for ALG support.

## **5. Learning providers' responsibilities for ALG in 2011/12**

Providers are responsible for confirming that they are eligible to administer ALG and that the learning programme the individual is continuing with is eligible for ALG.

### ***Enrolling learners on LAPS***

Prior to enrolling the learner on LAPS, the provider must:

- confirm that the individual is enrolled on a continuing learning programme or programmes that will lead to the achievement of their first full Level 2 or first full Level 3 qualification as defined on the LAD. The learning programme must be one which the learner is continuing in 2011/12 and not a new learning programme that the individual is starting in 2011/12.
- confirm that the individual is studying full-time on a learning programme that is delivered in 450 guided learning hours or more over the academic year or that involves 16 guided learning hours or more per week.

Following learner enrolment on LAPS, learning are also requested to complete field L34 (Learner support reason) on the ILR. Code 24 identifies learners in receipt of ALG.

### ***Making weekly payment decisions***

Providers must record payment decisions, based on attendance, on LAPS on a weekly basis. All decisions relating to attendance in any given week rest solely with the learning provider.

Where a decision not to pay has been made, learning providers must ensure that this decision is reported to their ALG administrator. Details of the reason for non-payment must be retained for audit purposes.

Absences may be reviewed some time after the actual event and retrospectively agreed as an authorised absence, for example, if a learner is late in submitting relevant evidence. In such cases, where this was the only unauthorised absence in the week, the learner may be eligible for back-payment of their ALG. This decision must be made within 28 days, and if an attendance pattern cannot be proved within this timeframe then a No decision should be entered onto LAPS.

Payment authorisation must be carried out by someone specifically authorised to do so. The decision is auditable. A No decision should be made if there is insufficient evidence on which to base a Yes decision. Decisions relating to one week should not be used to adjust payments in order to balance an earlier decision made in error.

#### *Attendance and absence*

In order to receive a payment, a learner's attendance on their learning programme must be satisfactory. Any unauthorised absence by the learner will result in payments being suspended.

ALG normally relates to a full week's attendance on a learning programme. However, when a learning provider is only open for part of a week (for example, due to bank holidays, industrial action or college holidays), payment may be made for the full week of attendance.

#### *Authorised absence*

Evidence supporting an acceptable or authorised absence should be collected and retained by the learning provider. Evidence could include self-certification forms for sickness, or notes from GPs.

Absences may be reviewed some time after the actual event and retrospectively agreed as authorised absence. To ensure payment decisions are made promptly, best practice would be to require the learner to hand in additional evidence within two weeks and make it clear that a decision to back-date a payment can only be made during this period. If an attendance pattern cannot be proved within this timeframe, then a 'No' decision can be made and input onto LAPS.

#### *Attendance at medical appointments*

Learners should be encouraged to make appointments outside the attendance times of the learning programme, where possible. However, appointments with medical specialists such as consultants often occur during these hours and these may be classed as authorised absence.

#### *Other types of authorised absence*

The following list is not exhaustive and learning providers are, of course, free to use their discretion:

- parental leave to take care of a child who is sick;
- attendance at a funeral of family/friends;
- confirmation of the breakdown of learner's travel/ transport arrangements;
- attendance at court or probation meeting;
- work experience placement (if this is prearranged and an integral part of the

- learning programme);
- study leave (provided this is clearly stated as an integral part of the learning programme);
- religious festivals (up to three days' absence is permitted each year, to coincide with recognised religious festivals); and
- adverse weather conditions.

### *Unauthorised absence*

All weeks where unauthorised absence has occurred must be recorded as a 'No' decision on LAPS. Payments for the affected week or weeks will then be withheld.

Learners who take holidays during term time are not eligible to receive ALG during that period. Where the holiday absence is for part of the week, no payment can be made for the full week.

### ***Dealing with appeals and complaints***

All decisions on attendance and learner payments in any given week rest solely with the provider. Therefore it is important that learners are made aware of the provider's procedures for reporting absences and that all provider documentation makes the learner's responsibilities clear. If a learner wishes to appeal against a weekly payment being withheld they should discuss this with their provider and not with the LSS.

In the event that the payments appeal involves the LSS, for example as a result of administrative or system problems, then the provider and the LSS should discuss and agree an acceptable solution to the appeal.

Records of all complaints (and responses), whether formal written appeals or discussions about an appeal, must be retained by providers and the LSS for audit purposes.

Any appeals that are not resolved via this process and any complaints about ALG policy should be raised via the Skills Funding Agency complaints procedure.

Details of this can be found on the Agency [website](#).

### ***Fulfilling audit requirements***

ALG is subject to both internal and external audit procedures.

The LSS has its own internal audit procedures to ensure that its systems are robust and that the relevant checks and separation of duties are in place to deter and detect any possible fraudulent activity.

Providers are expected to keep accurate, robust and up-to-date attendance records so they can ensure that a learner's ALG payments are reconciled in line with weekly attendance patterns.

Providers should maintain records of approved absences and key interviews that have taken place with learners regarding absences, showing authorisations and dates. As part of audits, attendance records held by the learning provider may be examined.

If the auditors believe that a provider is not administering the scheme robustly, we may decide to take action with the learning provider to address this.

## **6. Contacts for further information**

If providers have any questions about the processes for administering ALG continuing learners in 2011/12; they can contact the LSS on **0845 600 7979**

Any learners who require further information should be directed to the LSS learner helpline on **0800 121 8989**.

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