

**i** For information

## **Funding**

# **Learner Support Funds: Funding Guidance for 2005/06**

### **Summary**

This document provides information for all providers receiving learner support funds from the Learning and Skills Council (LSC) and sets out the actions that will need to be taken into account for the application of these funds.

There are a number of changes affecting learner support funds that providers should be aware of for 2005/06, and these are covered here.

This document is of interest to principals and chief executives of further education colleges, finance directors at further education colleges, executive directors and regional directors of local LSCs, local education authorities and providers.

**June 2005**

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## **Executive Summary**

This document provides information for all providers receiving learner support funds from the Learning and Skills Council (LSC) and sets out the actions that will need to be taken into account for the application of these funds.

There are a number of changes affecting learner support funds that providers should be aware of for 2005/06. These are covered in more detail later in this document, but in summary are as follows.

- Overall learner support budgets (Young People's and Adult) have been reduced. This reduction does not apply to Education Maintenance Allowance or Adult Learning Grant funds.
- In line with the LSC's drive to reduce bureaucracy, it will require significantly less monitoring information from providers for 2005/06.
- Individual childcare and residential bursary awards have been updated for 2005/06 in line with inflation.
- Further education learners in 52 higher education institutions will receive learner support funds from the LSC.

## Introduction

- 1 Learner support funds help learners aged 16 and above with the costs associated with learning, in particular where there are hardship and childcare needs. The funds also help to cover learners' living arrangements where they have to stay away from home because of the location of a particular course, and contribute to transport and other associated learning costs.
- 2 This document brings together information on all learner support funds, whether paid directly by the Learning and Skills Council (LSC), or paid on its behalf by other organisations.
- 3 The main purpose of this document is to provide information and advice to providers receiving learner support funds for 2005/06. It explains the allocations and expenditure, and describes how the LSC will collect monitoring information.
- 4 This guidance provides detailed information to providers receiving the following funds:
  - hardship
  - further education learners in higher education institutions
  - childcare support in further education
  - residential bursary.

Providers who disburse these funds to learners are asked to provide some financial information on their expenditure directly to their local LSC.

- 5 General information is also provided on the following funds, for which monitoring information will be collected on behalf of the LSC by the delivery body that pays the funds:
  - Care to Learn
  - childcare for learners aged over 19 in sixth form colleges and school sixth forms
  - the Further Education Residential Support Scheme.
- 6 Information on the expenditure of dance and drama awards and local education authority (LEA)-led transport partnerships will be collected by LSC national office.
- 7 In addition, general information is provided on the following funds:
  - Education Maintenance Allowance
  - Adult Learning Grant
  - career development loans.

Monitoring information on these funds will also be collected by the delivery body that pays these funds on behalf of the LSC.

- 8 Learner support funds are available to support learners studying in further education (FE) colleges, external institutions (EIs), higher education institutions (HEIs), school sixth forms and sixth form colleges. Learner support funds cannot be used to support learners funded from adult and community learning (ACL), University for Industry (Ufi) or work-based learning (WBL). Further information can be found at paragraph 20 below under 'Learner Eligibility: General Points'.
- 9 Following discussions with the Department for Education and Skills (DfES), there has been an overall reduction of approximately £32 million in the learner support budgets set out in paragraphs 4 and 5 above for 2005/06 over the previous year. This is against the background of the national roll-out of the Education Maintenance Allowance (EMA), the piloting of the Adult Learning Grant (ALG) in 19 local LSC areas, and the need to reduce costs more generally. The 2005/06 learner support fund allocations will be based on previous years' expenditure and will take this overall reduction in funding into account.
- 10 For the learner support funds listed in paragraphs 4 and 5 above, the LSC pays FE providers so that they may provide, at their discretion, financial help to learners whose access to, or completion of, education might be inhibited by financial considerations.

## **Priorities**

- 11 Ministers wish to focus help on those in greatest need. Within the general context of widening participation, they also wish to see allocations used to give priority to groups identified by the Social Exclusion Unit as potentially excluded from further education. The LSC also wants to see particular priority in the use of funds for those aged over 19 given to those who have yet to achieve a qualification at Level 2. Table 1 sets out the priority groups, in no particular order.

**Table 1: Learner support fund priority groups.**

	<b>Learner support funds</b>				
<b>General priorities for all funds (national policies and priorities)</b>	<p>Learners who are economically or socially disadvantaged, disabled, medically ill and/or have learning difficulties who need support with transport, childcare or other associated learning costs.</p> <p>Learners aged over 19 without a qualification at Level 2.</p> <p>Those who have been in care, on probation or are young parents or otherwise considered to be at risk.</p> <p>Lone parents.</p> <p>Those taking programmes where the primary learning goal is adult basic education or English for speakers of other languages (ESOL).</p> <p>Those with hearing impairments who want to learn to lip-read or to use Sign, and those with visual impairments.</p> <p>Unemployed people receiving Job Seekers' Allowance (JSA).</p> <p>Those eligible for fee remission because they are themselves, or they are a dependant of someone who is, receiving a means-tested state benefit or tax credits, particularly where benefits are reduced when the learner attains the age of 19.</p> <p>Learners on low incomes or from low-income families, identified by appropriate means-testing.</p> <p>The unwaged dependants of those listed above.</p>				
	<b>Hardship funds (FE and school sixth forms) and FE learners in HEIs</b>	<b>FE childcare</b>	<b>Care to Learn</b>	<b>Residential bursary</b>	<b>FE Residential Support Scheme</b>
<b>Specific priorities for individual funds</b>	All of the above.	Lone parents and their unwaged dependants.	Lone parents. Young parents.	Agriculture and horticulture and art and design programme areas (51 designated colleges).	Access to provision at Level 3 or Level 2 not available locally. Level 2 only where provision is likely to lead to useful, specific local employment opportunities.

- 12 The LSC encourages providers to consider whether their learner support arrangements have sufficient flexibility to match the short programme delivery schedules set out in *Funding Guidance for Further Education*, that is, childcare arrangements for learners studying between 3 and 6 guided learning hours (glh).
- 13 All providers receiving learner support funds should have a set of written criteria describing how they will prioritise and disburse the funding for

which they are given responsibility, to learners, or on behalf of learners. The criteria should cover the way in which learners are assessed, using the principles set out in this guidance.

- 14 Payments to learners should be made according to individual needs, subject to the limits given in Table 2.

**Table 2: Learner support fund limits.**

	<b>Hardship funds including FE in HE</b>	<b>Childcare support funds</b>	<b>Residential bursary funds</b>
<b>Full-time, full-year learners</b>	Discretionary.	£5,253 for each dependent child in any one academic year.	Normally £3,808 within London or £3,229 outside London, in any one academic year.
<b>Full-time, part-year learners</b>	Discretionary.	Pro rata, based on glh.	Pro rata, based on glh.
<b>Part-time learners</b>	Discretionary.	Pro rata, based on glh.	Part-time learners <b>not</b> eligible.

- 15 The LSC expects learner support funds to have the greatest impact on members of disadvantaged groups, but there may also be exceptional cases of learners who are not in these groups. The priority must be for disadvantaged learners. The following achievements have been made, and the LSC expects this pattern to be maintained.

**16-18 and continuing: ‘Young People’**

- 86.9 per cent retention (for those in receipt)

Of these students:

- 2,700 16-18 (and continuing) students in the 51 residential bursary colleges.

**Over 19: ‘Adults’**

- maintain or improve existing retention rate of 90 per cent or at least 5 per cent above the national retention rate, whichever is higher
- maintain or improve current achievement rate of 74 per cent (as measured by the Institute for Employment Studies (IES) evaluation)
- 92,000 students aged over 19 received support. Of these, 69,643 achieved their goals, representing achievement rate of 74 per cent
- 1,300 students in the 51 residential bursary colleges.

- 16 For learners aged under 19 (but including those who are 19 where they started their course before they reached that age – these learners are referred to as “continuing”), the DfES has set up a website where learners and providers can find further information about all of these

programmes and the funding available to them ([www.dfes.gov.uk/financialhelp](http://www.dfes.gov.uk/financialhelp)). The website also gives people access to a booklet, *Financial Help for Learners*. Hard copies can be obtained by telephoning DfES Publications on 0845 602 2260, quoting reference DfES/0170/2005.

## Key Dates

17 The key dates are set out in Table 3.

**Table 3: Key dates for providers receiving hardship funds, FE childcare support and residential bursary funds.**

Key date	Action required	By whom
Apr and May 2005	Issue of final allocations via budgeting process to local LSCs.	LSC Regional Directors.
Jun 2005	Issue of draft learner support funding agreement schedule, with proposed 2005/06 allocations to institutions.	Local LSCs.
<b>31 Jul 2005</b>	<b>Learner support funding agreement schedule agreed.</b>	<b>Principals or heads of providers and local LSCs.</b>
Aug 2005	First payment of funds (50 per cent).	Local LSC.
Dec 2005	Second payment of funds (25 per cent).	Local LSC.
Mar 2006	Third payment of funds (25 per cent).	Local LSC.
<b>16 Aug 2006</b>	<b>Financial monitoring returns to local LSCs.</b>	<b>Institutions and LEAs.</b>
30 Sep 2006	Monitoring returns collated, analysed and sent to LSC national office.	Local LSCs.
Sep 2006	Reconciliation of funds.	LSC national office.
Oct and Nov 2006	Recovery of under-expenditure from providers and LEAs.	LSC national office.
Oct 2006	Management information returns to DfES.	LSC national office.
Dec 2006 onwards	Redistribution of unspent learner support funds (if any).	Local LSC.

## Allocations

18 LSC learner support funds in 2005/06 are as follows:

- £66 million in hardship funds to school sixth forms and FE providers for learners aged over 16

- £1.2 million for FE learners in HEIs
  - £30 million in childcare support in FE funds for learners aged over 19
  - £7 million in residential bursary funds at the 51 specialist colleges (£4.67 million for Youth and £2.33 million for Adult)
  - £11 million for the Care to Learn programme
  - £1.5 million in childcare support in sixth form colleges and school sixth forms for learners aged over 19 (formerly a pilot)
  - £12 million to LEA-led transport partnerships
  - £10.11 million for dance and drama schools (see Annex).
- 19 Allocations of learner support funds for learners aged 16-18 (and continuing) hardship, aged over 19 hardship, aged over 19 childcare and aged over 16 residential bursary funds have been made to local LSCs through the Regional Directors, who will in turn agree allocations with individual providers and LEAs. Where in-year changes to individual provider or LEA allocations are agreed locally, the next payment run will need to take account of them, reducing or increasing payments to the relevant institutions. The LSC will also, on behalf of the DfES, directly pass on funds to LEA-led transport partnerships and dance and drama schools.

## **Learner Eligibility: General Points**

- 20 Learner support eligibility criteria and funding arrangements in terms of residency have not changed over 2004/05. Where a learner has been accepted onto, and is studying, a programme of learning funded by the LSC, they will be eligible to apply for learner support funds.
- 21 All learners aged 16 and over and studying in a school sixth form are eligible to apply for learner support funds.
- 22 Eligibility criteria are set out in section 7 of *Funding Guidance for Further Education 2004/05*, as amended by *Funding Guidance for Further Education in 2005/06* (note that these two documents need to be read together), available on the LSC website ([www.lsc.gov.uk/National/Documents/SubjectListing/FundingLearning/FurtherEducation](http://www.lsc.gov.uk/National/Documents/SubjectListing/FundingLearning/FurtherEducation)).
- 23 Another useful link on funding can be found on the LSC website ([www.lsc.gov.uk/National/Documents/SubjectListing/FundingLearning/FurtherEducation/ResidenceConditions.htm](http://www.lsc.gov.uk/National/Documents/SubjectListing/FundingLearning/FurtherEducation/ResidenceConditions.htm)).
- 24 Learners applying for EMA and ALG should ensure that they refer to the specific eligibility criteria for those schemes.
- 25 Reciprocal arrangements exist between Wales and England, meaning that wherever the learner studies, they are eligible to apply for learner support funds. So a learner from Wales studying at a provider in England

- can apply to the institution in England for learner support funds. No such reciprocal agreement exists with Scotland.
- 26 Learners receiving an EMA, ALG or career development loan (CDL) are eligible to receive learner support funds. However, providers must use learner support funds to meet special needs and circumstances where the level of support required is over and above that which learners would reasonably be expected to fund from these other sources.
  - 27 Learners participating in programmes delivered through the University for Industry (Ufi), also known as **learndirect**, are not, as a matter of course, eligible for FE learner support funds. Whether Ufi is able to offer similar support funds is entirely a matter for the Ufi. Individual providers, with a learner support fund allocation from the LSC, make their own decisions about which learners receive learner support funds. Providers are free to choose to support **learndirect** learners.
  - 28 Participants in the New Deal for Lone Parents scheme may not, as part of that scheme, benefit from full payment of childcare support costs. They are however eligible to apply for FE learner support funds, including childcare. Providers should take into account the level of individual New Deal benefits in assessing the level of need for learner support funds. Participants in all other New Deal options are not eligible for FE learner support funds, as their funding needs are met under the New Deal.
  - 29 Learners under the age of 16 are not eligible for learner support funds, although they are eligible to apply for childcare support from the Care to Learn (C2L) programme in 2005/06. Beyond that, it is the LEA's responsibility to fund learners up to the age of 16, regardless of the type of provision accessed. Providers do of course have discretion to fund learners aged under 16 from their own funds.
  - 30 Learners over the age of retirement are eligible for learner support funds.
  - 31 Learner support funds cannot be used to support learners funded from adult and community learning (ACL).
  - 32 Learners participating in work-based learning (WBL), including those funded by the LSC, are not eligible for learner support funds. New entrants to WBL under the age of 19 are, however, eligible for C2L. The LSC also provides childcare support for young people continuing on WBL aged over 19. Details can be found on the LSC website in the document *Requirements for Funding Work-Based Learning for Young People* at Appendix F (see [www.lsc.gov.uk/National/Documents/SubjectListing/FundingLearning/WorkBasedLearning](http://www.lsc.gov.uk/National/Documents/SubjectListing/FundingLearning/WorkBasedLearning)).
  - 33 Learners on prescribed HE, Foundation and Advanced Modern Apprenticeships or provision with learning aims that are deemed to be wholly funded from other sources are not eligible for learner support funds. Full details of the LSC-funded courses for FE learners can be found in *Funding Guidance for Further Education in 2005/06*.

- 34 Exceptionally, LEAs may offer learner support funds to eligible learners in independent (private) schools, city technology colleges, city academies, non-maintained special schools, pupil referral units and other LEA-maintained institutions. The learner must be resident in the LEA area and demonstrate the special circumstances that give rise to their particular need for support.

## **Learner Support Funds**

### **Hardship**

- 35 Hardship funds cover general needs and are sometimes referred to as 'access funds'. Providers have discretion to provide learner bursaries from their hardship funds but, should they choose to do so, the LSC requires them to report the purpose of the expenditure alongside other monitoring and management information.
- 36 Hardship funds may be used to help with childcare support or accommodation, but childcare allocations for learners aged over 19 cannot be used to meet hardship or accommodation costs, nor to finance the setting-up of childcare places.
- 37 A total of 36 per cent of the hardship allocation is intended for learners in the 16-18 age group (including those who reach 19 years of age during the year). The remaining 64 per cent is intended to benefit learners in the adult (aged over 19) group. Providers can vire funds between the age groups if they wish, but the LSC would not want to see significant variances on these percentages. The LSC may seek further information about such variances if it considers that this is adversely affecting either the young people group or providers' ability to meet Skills Strategy objectives for people aged over 19.

### **FE learners in HEIs**

- 38 For 2005/06, 52 HE providers with FE learners will receive a learner support fund allocation from the LSC. This will be based on the allocation previously made in 2004/05 and providers should apply the principles and meet the return dates set out in this document. The LSC has received £1.2 million for these learners. HE providers will be required to sign a contract schedule for the funds. This will be provided by the local LSC. Local LSC staff will also work closely with HE providers to ensure that there is a full understanding of the LSC's learner support funding processes and that, where possible, examples of good practice are shared.
- 39 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 for FE learner support funds, providing the courses are funded by the LSC. Paragraph 1(g) covers courses in preparation for a professional examination above A-level or the examination for the National Certificate or the National Diploma of the Business and Technical Education Council (BTEC). Paragraph 1(h) covers courses

providing education at a higher level (whether or not in preparation for an examination) than A-level or the examination for the National Certificate or the National Diploma of BTEC.

- 40 Providers will be required to report on the expenditure of these funds to the local LSC.

### **Childcare support in FE**

- 41 In general, childcare funds may only be used to fund childcare which is approved or registered with Ofsted in accordance with the requirements of the Children Act 1989 (the Act). The Act states that it is unlawful for a person or organisation to look after a child, for reward, for more than two hours a day without being approved or registered. In very exceptional circumstances, the fund may be used for childcare of up to 2 hours a day that is charged but not registered, where local registered provision is not available. Informal childcare, such as that provided by a relative, cannot be funded.

### **Residential bursary funds**

- 42 Residential bursaries can only be used for FE learners on full-time courses, which last for 10 weeks or more in any academic year. These funds are intended for learners attending specialist colleges of agriculture and horticulture, and art and design, or on a course that attracts a number of learners from beyond daily travelling distance. There are only 51 designated providers to whom this scheme applies.
- 43 Residential bursary funds can be used to help learners reside in private accommodation as well as in accommodation owned or managed by one of the 51 designated providers. Learners receiving EMA or ALG payments are also eligible for these funds where there is a significant risk of their not joining or completing their course.
- 44 It is for the 51 designated providers to decide the criteria and procedures for considering applications for support from the residential bursary fund. They are also responsible for making payments to eligible learners. However, priority must be given to learners who are unable to access relevant training within daily travel from their home or where the costs of this are prohibitive.
- 45 Learners who are not on a programme of learning at one of the 51 designated providers in the bursary scheme are eligible to apply for support from the FE Residential Support Scheme detailed in paragraph 72 below.
- 46 The 51 designated providers are allowed to use no more than 15 per cent of their 2005/06 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 residential bursary funds must only be considered as a last resort.
- 47 General hardship needs cannot be funded through residential bursary funds and providers must record daily travel payments separately for audit purposes.

## Dance and drama awards

- 48 The dance and drama award (DADA) is a scholarship scheme funded by the LSC. It funds a number of places at schools in the private sector. It is for individuals who want to become professional dancers, actors or stage managers.
- 49 DADAs enable greatly reduced tuition fees and means-tested help with living and learning costs at some of the leading dance and drama training providers in England.
- 50 Learners apply directly to a dance and drama school from the approved LSC list (see Annex) and must audition for a place. Providers select the most talented students to receive a DADA. Further information can be found by logging on to the DfES website ([www.dfes.gov.uk/financialhelp/dancedrama/](http://www.dfes.gov.uk/financialhelp/dancedrama/)).

## Education Maintenance Allowance

- 51 The Education Maintenance Allowance (EMA) is a weekly payment of up to £30, paid directly to young people who stay on in further education after they reach the statutory leaving age (that is, after the end of their compulsory schooling). Young people may also receive bonuses of £100 if they remain on their course and make good progress with their learning. Bonuses will be payable in January and July in the first year of study, and in September, January and July in subsequent years of study. Young people may get EMA support for up to three years.
- 52 Local LSCs are responsible for working with other local partners and helping embed EMAs in their activities. This will help to make young people in the area aware of EMAs, and encourage them to take advantage of this and other financial support where appropriate. This requires activity in the following areas.
- **Partnership** - acting as the lead partner for EMAs, identifying the appropriate partnership forum or creating a new partnership structure through which EMA roles and responsibilities at area level will be agreed.
  - **Promotion** - making sure that schools (pre- and post-16) and colleges as well as partners promote EMAs to all those who might be able to benefit from it, both through mainstream schools but also to the most vulnerable or excluded. Ensure that local partners research, identify and understand the specific local barriers to participation in their area and develop plans to address them.
  - **Sharing best practice** - networking across areas or regions to share good practice and encourage local partners to do the same. An example would be bringing people together to discuss the pros and cons of various attendance and stoppage regimes.
  - **Continuous improvement** - feedback to the Learner Support Directorate at the LSC included suggestions to improve the practical operation of EMA processes. This will include feedback on the

effectiveness of national marketing campaigns and local promotional activities.

- 53 Local LSCs are also responsible for supporting schools and colleges to ensure that EMAs are administered effectively. This will include the following considerations.
- **Management support** - support and oversee schools with sixth forms, and colleges in their preparation for and operation of EMA administrative processes, especially within the organisation's context (for example school improvement activity or Success for All). Ensure that schools and colleges have estimates of the numbers of EMA students likely to enrol at the institution.
  - **Monitoring** - using information on EMA take-up rates, stoppages, and bonuses to inform information on the performance of schools and colleges on participation, retention, and achievement. Highlight anomalies in respect of application and attendance rates and agree remedial action. Monitor the effectiveness of the promotion, support and monitoring activities of local partners.
- 54 Learners who are interested in applying or finding further information can access the website (<http://dfes.gov.uk/financialhelp/ema>).

### **Adult Learning Grant**

- 55 The Adult Learning Grant (ALG) is a means-tested grant of up to £30 a week offered to adults on low incomes in full-time learning. The ALG operates in 19 local LSC pilot areas, including two regions, the North East and the South East. They are aimed at young adults (aged 19-30) studying towards their first full qualification at Level 3 (2 A-levels or equivalent), and adults of working age studying for their first full qualification at Level 2 (5 GCSEs or equivalent). ALGs are targeted at adults who have missed out on academic qualifications at school and are not involved in further education. They aim to assist with living costs during the period of education and to encourage adults to see learning as an opportunity.
- 56 Manchester City Council administers the scheme on behalf of the LSC and learners who are interested in applying or finding further information can access the website ([www.lifelonglearning.dfes.gov.uk/adultlearninggrant](http://www.lifelonglearning.dfes.gov.uk/adultlearninggrant)).

### **Care to Learn**

- 57 Care to Learn (C2L) supports young parents in learning by providing them with access to guidance and support through the Connexions agency and other advisory services. It also offers financial support for their childcare and associated transport costs.
- 58 Manchester City Council's Care to Learn team administers the scheme on behalf of the LSC. It pays the childcare provider in advance once the application has been approved

- 59 Funding is available for up to £145 for each child a week for childcare and necessary extra travel. The college will receive payment for associated travel costs each term once confirmation of attendance has been sent to the Care to Learn team at Manchester City Council (note that learners will be expected to use the cheapest and most efficient means of travel).
- 60 Further information for learners interested in applying for C2L can be found by calling the Care to Learn team at Manchester on 0161 234 7269 or by accessing the website ([www.dfes.gov.uk/financialhelp](http://www.dfes.gov.uk/financialhelp)).

### **Childcare for learners aged over 19 in sixth form colleges and school sixth forms**

- 61 Adults aged over 19 and attending a school sixth form or sixth form college may be eligible for payments made from the ring-fenced childcare support fund, providing they have a dependent child aged under 15 (16 for children with disabilities) and for whom they provide care. This is also assuming they satisfy the general eligibility conditions for learner support funds (see paragraph 20 above).
- 62 The *Learner Support Funding Guidance for 2003/04* stated, 'institutions should note that the funding for this pilot ends at the end of 2003/04 and so any commitments made beyond that will need to be met by the institution'. The LSC has decided not to end this arrangement and will instead be continuing to support the childcare needs of learners aged over 19 in school sixth forms and sixth form colleges. From 2005/06, the scheme will no longer be a pilot and will be known as the 19+ Childcare in Sixth Form Colleges and School Sixth Forms fund.
- 63 This scheme is administered on behalf of the LSC by Manchester City Council, from whom application forms can be obtained (telephone 0161 234 7026). Applications are means-tested against the learner's household income. A maximum award of £5,253 can be made for each child in a single academic year, based on the actual cost of childcare.
- 64 Part-time learners are eligible to apply and their applications will be assessed on a pro-rata basis. Funding can be made available for the length of the learner's course, to a maximum of three years.
- 65 The budget is limited. Local LSCs will be advised when it has been fully taken up, at which point, applications for childcare support will need to be handled and funded where appropriate by individual institutions.

### **LEA-led transport partnerships**

- 66 The cost of transport from home to school or college is often a barrier, particularly for students with disabilities, from low-income families or in remote rural locations. The Government is committed to removing the barriers and ensuring wider access to, and participation in, further education.
- 67 The LSC has made £12 million available to LEA-led partnerships for 2005-06 to enable them to make real and sustainable progress in improving transport support and services. The funding may be used to

provide individual and/or group services and support. It may be delegated to particular members of the partnership if necessary to deliver the overall policy. These funds are made available to LEA-led partnerships on a voluntary basis. Further information can be found at the website ([www.dfes.gov.uk/financialhelp/16-19transport](http://www.dfes.gov.uk/financialhelp/16-19transport)).

### **Career development loans**

- 68 Career development loans (CDLs) are deferred repayment bank loans that help learners pay for the cost of vocational learning or education. Anyone aged 18 or over can apply for a CDL but they must be ordinarily resident in the UK. They will not qualify for a CDL if their right to remain within the UK is subject to any restrictions, for example if they hold a study visa.
- 69 Learners can borrow anything between £300 and £8,000 to help fund up to two years of learning plus up to one year's practical work experience where it forms part of the course.
- 70 The LSC pays the interest on the loan whilst they are learning and for up to one month afterwards.
- 71 Learners can find out more or order an application pack by calling 0800 585 505 or by visiting the website ([www.lifelonglearning.dfes.gov.uk/cdl](http://www.lifelonglearning.dfes.gov.uk/cdl)).

### **FE Residential Support Scheme**

- 72 Formerly known as the FE Residential Pilot Scheme, this scheme is intended to help students with residential support where education providers are not available within reasonable daily travelling distance. It is not intended to encourage students to live away from home but to enable access to education not available locally. The scheme doesn't affect the existing 51 residential bursary colleges who already receive funds for residential support.
- 73 The pilot arrangements are being tested by 8 of the 51 residential bursary colleges to ascertain whether the scheme might be applied more widely in future. Further information can be found on the DfES website ([www.dfes.gov.uk/financialhelp](http://www.dfes.gov.uk/financialhelp)). The FE Residential Support Scheme is for people of all ages and the application form is available on the website. Paragraph 90 below contains a list of the colleges in the scheme.

### **Administration**

- 74 Local LSCs can vire funds they receive from the LSC between providers and LEAs in their area, with their agreement.
- 75 Providers must have written policies for how they distribute learner support funds, including arrangements for means-testing and a procedure for learners to appeal if refused funding. These policies must be made widely available and must apply principles of equality and diversity.

- 76 Providers will want to consider the impact of new initiatives when applying any means-test, such as whether learners are also in receipt of an EMA or ALG. They will want to do some careful analysis of the extent to which learners aged 19 and over are financially independent and they may want to review whether tax credits are payable to the learner.
- 77 Where a learner has been means-tested for another payment, for example using tax credits, providers should avoid a second means-test and look particularly carefully at the learner's financial situation and circumstances to ensure that learner support funds will make a difference.
- 78 The LSC's legal advisors have advised that any disability living allowance should be ignored when assessing disabled learners' income in relation to learner support funds, to avoid discrimination under the Disability Discrimination Act 1995.
- 79 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 returned to the provider for its own use, the hardship fund should be reimbursed with an amount representing the depreciated value. Where items of equipment, tools or protective clothing may be re-usable 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.
- 80 Any loans made to learners should 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.
- 81 Providers may use up to 5 per cent of their learner support fund allocation towards administrative costs. Where it has been agreed that a large provider will administer learner support funds for other, small providers, the former will also be able to use up to 5 per cent of the latter's funds for administration. Bank charges may not be deducted from learner support fund allocations.

## Financial and data monitoring

- 82 Providers must have administrative procedures that:
- record the details of learner applications for financial assistance through learner support funds
  - account separately for the learner support funds distributed
  - identify unspent funds at the end of the academic year.
- 83 The Secretary of State for Education and Skills **requires** providers to submit information detailing how learner support funds are used. This will be done in two ways.

- Providers should ensure that the Individualised Learner Record (ILR) field L34 or the PLASC return is fully completed.
  - For financial reconciliation, institutions and LEAs should complete a monitoring form, which has been distributed separately, and will require less information than in previous years. This approach is in line with the LSC's drive to reduce bureaucracy.
- 84 Where a provider has not completed the required data monitoring and financial reconciliation forms by the due dates, the LSC will deem the allocation of funding to be unspent and reserves the right to recover such funding in the next payment run. Where data is incomplete, providers will be asked to revise and resend the required return.
- 85 When completing the monitoring form and management information return, however, providers need to be aware that the definition of a young person, for this purpose, is a learner aged 16, 17 or 18 on 31 August in the year in which they receive funding.

### **Unspent FE learner support funds**

- 86 If during the course of the academic year a provider considers that it will be unable to spend any part of its learner support funds allocation, it should contact the local LSC and arrange to repay the unspent amount.
- 87 Providers may spend any uncommitted hardship funds on the childcare support or residential bursary needs of eligible learners in order to reduce the impact of overspending its ring-fenced funds. However, providers **may not** do the reverse.
- 88 The LSC will aim to distribute any returned funds to other providers that can make use of additional learner support funds.
- 89 The LSC will recover funds identified by providers as undistributed at the end of the academic year.
- 90 Because of their participation in the FE Residential Support Scheme (which replaces the FE Residential Pilot Scheme – see paragraph 72 above) and the knock-on effect on their funding, it has been agreed that the colleges participating in the FE Residential Support Scheme in 2005/06 will be given priority when redistributing any under-spent residential funds. The colleges are:
- Warwickshire College
  - Bicton College of Agriculture
  - East Durham and Houghall Community College
  - Oaklands College
  - Merrist Wood College
  - Duchy College (Cornwall College)
  - Leeds College of Music

- Broxtowe College, Nottingham
  - Brooksby College.
- 91 Upon completion of the work identified in the paragraphs above at local level, local LSCs will advise LSC national office of any remaining over- or under-expenditure. LSC national office may redistribute any under-spent funding where possible. It cannot guarantee to do so and indeed expects this to be very difficult in the light of reducing learner support budgets. Institutions are therefore advised not to overspend in the expectation that there will be a reallocation of funds later in the year.
- 92 Recovery of learner support funds under-expenditure is anticipated to take place in October 2006 onwards.

### **Managing the risk of fraud**

- 93 Providers are asked to consider ways of minimising the risk of fraud. These include the development of robust means-testing criteria, the avoidance of double-funding, the involvement of tutors to identify need and confirm attendance and the involvement of governors in ensuring sufficiently robust arrangements are in place. Providers should consider whether learners have already been means-tested and ensure that their own learner support means-testing is coherent with those processes and minimises the burden on learners. In order to fulfil its duty to protect public funds, the DfES may use information it holds to prevent and detect fraud. The DfES may also share such information, for the same purpose, with other organisations that handle public funds.

### **Treatment of income-related benefits**

- 94 The Social Security Amendment (Students and Income-related Benefits) Regulations 2000 changed the treatment of learner support funds for benefit purposes. The DfES issued all FE colleges and EIs with an explanation of the regulations in January 2001.

### **The role of the local LSC**

- 95 This paragraph is for information only. Local LSCs will:
- work with LEAs and providers locally to agree allocations and learner support funding agreement schedules (see paragraph 96 below)
  - work with LSC national office to ensure up-to-date information is held and accurate payments are made to providers and LEAs at the appropriate times
  - liaise with LEAs and providers in July 2006 to ensure expenditure and management information will be available to the required deadline of 16 August 2006
  - reconcile funds locally in July 2006, meeting over-expenditure and recovering under-spent funds as appropriate

- ensure provider management information is processed accurately and is available to LSC national office by the end of August 2006
- answer queries from providers on learner support and make providers aware of who the key day-to-day contact is and who has managerial responsibility for learner support funds in the local LSC office.

### **Learner support funding agreement schedules**

- 96 Each provider that receives funding for a scheme, or programme of funding from the LSC, should have a signed contract schedule in place for that particular programme. The schedule will set out the terms of the funding, including what the funds are to be applied to and how they must be reported upon.
- 97 Agreement to the learner support funding agreement schedule (the schedule), which will include the agreed funding, will be the trigger for local LSCs to initiate the first payment. Subject to securing agreement to the schedule, payments for funds listed in paragraph 4 above will be made on the same basis as before, that is, 50 per cent in August, 25 per cent in December and 25 per cent in March. Local LSCs cannot authorise the release of funding to any provider or LEA until the learner support funding agreement schedule has been agreed.
- 98 During the year, local LSCs can, with the agreement of the relevant providers or LEAs, move money between institutions, varying the terms of the contract in doing so. Any in-year revisions of this kind will result in changes to the annual allocation and therefore changes also to the remaining payments.

# **Annex: Approved Dance and Drama Schools**

The Arts Educational School, Tring

Arts Ed, London

Alra (Academy Of Live and Recorded Arts)

Bird College – Dance and Drama Theatre Performance

Cambridge Performing Arts at Bodywork

Elmhurst School for Dance in association with Birmingham Royal Ballet

English National Ballet School

GSA Conservatoire

The Hammond School

Italia Conti Academy of Theatre Arts Ltd

Laine Theatre Arts

Liverpool Theatre School and College

Millennium Dance 2000 Ltd

Mountview Academy of Theatre Arts

Northern Ballet School

The Oxford School of Drama

Performers College

Rambert School of Ballet and Contemporary Dance

SLP College Leeds

Stella Mann College

Urdang Academy

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