IMPORTANT: Change to CDL Programme Payment Procedure

From 2 June 2008 the LSC is introducing staged payments for course fees if those courses cost over £2000 and are over 3 months in duration.

This means that learners applying for a CDL from 2 June 2008 whose courses meet these criteria will have their course fee payments split into a number of equal stages, up to a maximum of four instalments. It is a requirement of registration for learning providers to accept payments made by means of a CDL on this basis. This change will only come into force in respect of CDLs applied for after the 2 June 2008.

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REQUIREMENTS FOR REGISTRATION AS A CDL LEARNING PROVIDER

Learning Providers should read this document prior to applying for registration. Any Learning Provider who applies for registration will be deemed to have accepted the requirements for registration set out in this document and any subsequent amendments. Failure to comply with the requirements of registration will result in a Learning Provider’s removal from the register.

1. Introduction

Career Development Loans (CDLs) are commercial bank loans. The purpose of CDLs is to support and encourage individuals to take responsibility for and to invest in their own learning. CDLs can pay for living costs, costs associated with learning (such as materials) and for course fees.

The CDL programme is run through a partnership arrangement between the Learning and Skills Council (LSC) and three high street banks: Barclays, The Co-operative Bank and The Royal Bank of Scotland (the Banks).

The Banks check that applicants satisfy the eligibility conditions and that they will be able to repay the loan. All lending decisions are the responsibility of the Bank concerned and they have the right to refuse any loan application. The LSC has no involvement in any of the lending decisions.

The LSC’s role in the CDL application process is to check eligibility of the learner, learning and learning provider for CDL.

General information on the CDL programme can be found on direct.gov, the citizen-facing website. This is where CDL applicants will find the information on CDL which they need:

www.direct.gov.uk/cdl

2. Requirements for Learning Providers

This document for Learning Providers sets out the role and responsibilities of Learning Providers who register to provide learning to learners who use CDLs to fund their learning. It also provides details of how to register.

This document has been produced by the Learning and Skills Council. Any queries on the contents should be sent to:

Email: cdl.learning.providers@lsc.gov.uk
This guide is only available online. The direct hyperlink is:

http://www.lsc.gov.uk/Whatwedo/AdultLearner/cdl.htm

Welsh language and Braille versions can be obtained from:

Email: cdl.learning.providers@lsc.gov.uk or
Telephone: 0845 000 0045

The LSC reserves the right to make changes to the requirements of registration and these will apply to all Learning Providers on the register. Updated versions of this document will be placed on the LSC’s website. The LSC will notify learning providers via email when it makes any change to this document, but Learning Providers should review the requirements regularly to ensure that they are aware of the up to date requirements and are able to comply with the communication requirements described later in this guide.

3. How do CDLs work?

Once a learner has identified and been accepted on a course, the learner applies to the Bank for a CDL. The Bank and the LSC run checks to ensure the application meets the programme regulations. When an application meets the requirements and is approved the Bank will make payment. Payments for living costs and other costs are made direct to the learner; payments for course fees are made directly to the Learning Provider, upon proof that the learner has started the course.

Employees of a CDL registered Learning Provider are not eligible for a CDL to support a course with that Learning Provider. This exclusion also applies to those involved in the sale and delivery of training with the Learning Provider, parent company, subsidiaries or affiliates and the members of their immediate family or persons living in the same household.

4. The CDL Application Pack

Learning Providers will be issued, for information only, with one copy of the CDL Application Pack upon registration as a CDL Learning Provider.

Learning Providers may not request or hold CDL Application Packs or issue these to learners. This measure is designed a) to ensure that learners use the appropriate route to apply for a CDL, using independent, informed, advice from the CDL Helpline; and b) to guard against pressurised ‘selling’ of CDLs.
5. CDL Learning Provider Registration

Learning Providers must be registered in order for learners to undertake a learning opportunity with them funded using a CDL. However, a Learning Provider should not apply for registration on a speculative basis. A learner must wish to undertake a course and require a CDL before the Learning Provider in question can register for CDL.

The CDL is a loan arrangement made between the Banks and the learner. No payment is made by LSC to the Learning Provider. The learner is responsible for choosing the Learning Provider and the course, and for determining whether they wish to take out a CDL. Given the high level of autonomy and responsibility held by learners with CDLs, the LSC does not approve or monitor CDL Learning Providers, i.e. as it might those learning providers it contracts with or funds directly. However, because the CDL programme is supported by public funds the LSC has a responsibility to ensure that the CDL programme is operated with due propriety to protect public funds and with consideration to the needs of learners. The requirements of registration set out in this document are intended to give some measure of protection to learners and minimise the risk that learners will default on their CDL repayments.

While the LSC does not quality assure CDL registered Learning Providers, it reserves the right to undertake certain checks prior to registration, and to ensure compliance with the requirements through monitoring and/or investigation of allegations made by third parties, such as Banks or learners.

The CDL register of Learning Providers is primarily maintained for administrative purposes. There is no intention whatsoever on the part of the LSC to enter into a contract or any other binding legal relationship with any Learning Provider on the register. The LSC is not liable for any loss suffered by a Learning Provider as a result of a decision to refuse registration or to remove a Learning Provider from the register or as a result of any decision by the Banks not to approve an application for a CDL.

6. How to register as a CDL Learning Provider

To register, the Learning Provider must complete a Learning Provider Registration Form (Annex A). This requires the Learning Provider to indicate that it has read and agrees to adhere to this guidance. The Learning Provider must also sign the Learning Provider Declaration at the end of Annex A. The form may be completed electronically but it requires a manual signature and therefore needs to be printed out and submitted in hard copy.

The LSC will respond to requests for registration within 30 working days.
Learning providers will need to provide certain information in support of an application to register. This is indicated below and in Annex A.

7. Conditions for registration

Learning providers must have operated for at least one year as a learning provider and have provided the course(s) which will be eligible for CDL support for no less than one year. Applications to the LSC’s Register of CDL Learning Providers need to be from the Learning Provider which is actually going to deliver the training. An application will not be successful if it is from an organisation which intends to subcontract training delivery to another provider.

Learning providers must confirm that their business will not be dependent on income from CDLs.

Learning providers must send to the LSC a signed and completed Annex A, which includes the Learning Provider Declaration.

The LSC requires information to accompany Annex A. The following provides more detail on some particular information requirements:

- Details about the courses offered. Registration will only cover advertised courses which have been offered by the learning provider for at least one year. Learning Providers already registered for CDLs will not be permitted to offer different courses from those for which they originally registered until they have successfully offered the new course(s) for 12 months;
- details of the refund policy - this must be fair and reasonable;
- copy of a model learning agreement - this should include, as a minimum the learner’s details, agreed course details and costs, course start and anticipated finish dates, terms and conditions and be signed by both the learner and a Learning Provider representative;
- a copy of the procedure for dealing with learner complaints;
- a declaration from the directors (if a company) and/or other senior managers in the Learning Provider’s organisation that they have not previously been a director or senior manager of an organisation that has ceased trading with the result that learners with CDLs have been unable to complete their training.

8. Finance and Governance background checks

The LSC will check to see whether a Learning Provider which is receiving LSC funding has a satisfactory financial record.
The LSC may carry out a credit check on the Learning Provider through an appropriate agency to provide additional assurance of financial viability.

The LSC will check the course fee against those for courses with similar content and delivery to ensure fees are reasonable.

The LSC may periodically review course content and course costs charged by Learning Providers to ensure these are reasonable and continue to comply with the programme requirements.

9. Reasons for declining applications to register as a CDL Learning Provider

Applications to register as a CDL Learning Provider will be declined if:

- any of the above conditions are not met and/or if the above checks do not yield satisfactory results;
- a Learning Provider has less than one year’s trading experience in delivering the relevant learning;
- courses are ineligible for CDL support;
- accounts are overdue at Companies House;
- other discrepancies at Companies House give rise to reasonable concern that the provider is not bona fide or cannot deliver the learning outlined in the application;
- any partner, director or owner of a learning provider has previously owned, managed or worked for a CDL Learning Provider which has previously been deregistered;
- applications are from organisations that have previously ceased trading leaving CDL funded individuals with incomplete learning or where the directors or senior managers were previously involved in such an organisation;
- applications are from organisations which are not properly constituted as legal entities. All companies must be registered in their own right even where a parent or subsidiary company is already registered;
- courses are not designed to equip learners to progress either into new employment or within their current job.

The LSC reserves the right at its absolute discretion to refuse to register a Learning Provider.

10. The CDL Learning Provider Registration Number

When a Learning Provider is registered, the LSC allocates it a registration number. Learning Providers must not create a number independently. This will lead to the rejection of CDL applications from learners which contain such
a number and may be deemed sufficient grounds to refuse CDL registration to that Learning Provider.

Registration as a Learning Provider for the purposes of CDL does not in any way indicate approval or accreditation of that Learning Provider or of any course offered by that Learning Provider. The fact that a Learning Provider is registered or any suggestion of LSC approval should not be referred to in any publicity material.

The CDL registration number will apply to the Learning Provider which is to deliver the training. A CDL registered Learning Provider must not subcontract delivery of training funded by a CDL to another Learning Provider.

The registration number must be quoted on the written confirmation to the bank that an individual has started their course.

11. Re-registration and lapsed registration

The LSC reserves the right to require Learning Providers to re-register as a CDL Learning Provider.

Registration will be deemed to have lapsed if a provider does not meet communication requirements (see paragraph 14 “Information and Compliance Monitoring”). In particular, if the Learning Provider does not acknowledge agreement to updates or changes to this Guidance; or if direct communications to the Learning Provider do not yield a response within a reasonable time.

The LSC may also lapse registration, if it receives reports of the insolvency or business closure of a Learning Provider, while it investigates whether the Learning Provider is continuing to trade.

The LSC will inform the Learning Provider that their registration has lapsed. The Learning Provider may apply for re-instatement within 3 months of the date of notification of the lapse by using the form at Annex D. If more than 3 months has elapsed since the date of notification, the Learning Provider will be removed from the register and will need to complete a new application for registration.

12. CDL Administration

The Bank will pay course fees for successful applicants direct to the Learning Provider chosen by the applicant once the Bank has received written confirmation from the learning provider that the applicant has started their course. The Start Certificate is given to the learner by the Bank. The learner completes one part of the form which should then be given to the Learning
Provider upon starting the course. The Learning Provider should complete the second part of the form ONLY once they can confirm that the learner has started learning and this is submitted to the Bank. Receipt of this completed form by the Bank will initiate payment.

Where course costs are over £2,000 and over 3 months in duration staged payments will apply. The payments will be divided equally over set intervals throughout the course duration. These intervals have been set based upon the length of the course. The first payment will be initiated at the start of learning upon the banks receiving the learner’s completed start certificate.

The start date is the date the individual actually commences the training course. For distance learning it is the date the individual receives the course materials. This is the date that must be on the Course Start Notification form. The Course Start Notification form must NOT be completed before that date i.e. before the learner has commenced the course.

Learning Providers must, upon receipt of CDL funding, refund any money advanced by an individual as a deposit no later than one calendar month after CDL funds have been received.

If the Learning Provider receives fees for course costs that are greater than the true cost of the course the remainder must be paid back to the Bank. Under no circumstances should a learning provider give any surplus amount to the individual.

Employed applicants may only borrow up to 80% of course fees; applicants who have been unemployed for at least 3 months may borrow up to 100%. Under no circumstances should Learning Providers charge a notionally higher rate to employed applicants, thereby enabling the ‘80% rule’ to be circumvented.

If an individual completes or leaves the course early the Learning Provider must notify the relevant Bank and the LSC within four weeks of the individual leaving. The form is included at Annex C. Alternatively, the Learning Provider can contact the LSC by e-mail at the following address: cdl.learning.providers@lsc.gov.uk. If the Learning Provider has received

\* A course that lasts over 3 months and less than 12 would be drawn down in 2 stages and the payments would be in equal instalments.

For courses that last 12 months the payments will be made in 3 equal instalments in month 1, month 6 and month 9.

For courses lasting 24 months and over, the loan would be drawn down in 4 equal stages - the first payment would be made upon receipt of the Start Certificate in the first month, the second in month 6, the third in month 12 and the final payment in month 18.
payment as part of the individual’s course fees directly from the Bank, refunds that may be due must be repaid to the Bank.

13. Relationship between Learning Providers and Learners

Learning Providers must act responsibly in helping individuals choose learning relevant to their needs and abilities. In particular Learning Providers must:

- provide clear explanation of:
  - any accreditation held (in respect of course, qualification or provider);
  - the qualification a course leads to;
  - the awarding body responsible for the qualification;
- make available any public inspection reports upon request;
- encourage use of Government supported information, advice and guidance services;
- provide clear and consistent information to individuals and LSC on course length, fees payable, complaints procedure and the conditions under which refunds are payable. This would normally form part of the learning agreement. Learning Providers must not change course start and end dates without prior agreement with the Learner, particularly as this may affect the terms of the Learner’s CDL agreement with the Bank;
- have in place a robust process for assessing a learner’s suitability for the course being offered;
- repay, upon demand, any funds that are paid in circumstances that do not comply with the rules of the CDL programme, or where a refund may be due because an individual has failed to complete the course;
- abide by the Data Protection Act 1998 when handling data on individual learners.

Learning Providers must not use the CDL programme as an inducement to encourage learners to enrol on their courses, in particular Learning Providers must not:

- refer directly or indirectly to CDLs in course advertisements. An example of an indirect reference is where the provider or course publicity material refers to loans or support, where this in fact means CDL;
- recommend any particular Bank to learners or contact the Banks on learners’ behalf. Providers must refer learners who require information on CDL to the CDL Helpline or Bank;
- aid or encourage individuals to apply for or obtain CDL funds by deception;
• attempt to obtain CDL application packs. One copy will be supplied upon registration, to be held for information only;

• assist learners in completing CDL application forms. In particular, Learning Providers must not complete any part of the application form on behalf of learners. Only the Learning Provider’s endorsement should be completed by the Learning Provider. If a Bank believes that any part of the application form has been completed by someone other than the applicant, the bank may refuse to approve that loan and subsequent loans for learning with that provider;

• offer ‘cash back’, or other inducements, where that is offered from the proceeds of CDL funding.

14. Information and Compliance Monitoring

• Learning Providers must respond accurately and within 2 weeks, unless otherwise agreed, to requests from the LSC for information.

• Learning Providers must confirm acceptance of changes to this guidance to maintain registration. If confirmation is not received as requested, registration will lapse.

• Learning Providers must advise the LSC promptly of any changes to the registration details and/or course details, no later than one calendar month after the change. A form is included at Annex B of this Guide

• Learning Providers must maintain records of individuals and learning supported by CDLs and make these available upon request to the LSC.

• Learning Providers must notify the LSC within four weeks of an individual’s last day of attendance on the course if the individual completes or leaves the course early, using the form at Annex C of this Guide.

The LSC will undertake a programme of compliance monitoring to ensure the requirements of registration are being adhered to. Learning Providers are required to co-operate with any investigation carried out by the LSC into any allegation that there has been a breach of any of the requirements. The LSC may also contact Learning Providers to obtain their views on programme administration or policy development, or to undertake case studies of CDL learners. In registering as a CDL Learning Provider Learning Providers agree to allow the LSC reasonable access to undertake these functions.

The LSC may share information about Learning Providers with the Banks, companies contracted to the LSC for the purposes of research and evaluation, the Department for Education and Skills, the National Audit Office and any other Government Department as necessary. The LSC is required to comply with the Freedom of Information Act and may provide information about Learning Providers in response to requests from the public.
The LSC will respond to requests for information from Learning Providers within 20 working days of receipt, in line with the requirements of the Freedom of Information Act.

15. The role of the CDL Banks

The CDL is a loan agreement between the Bank and the Learner. The LSC checks eligibility for CDLs but the final decision on whether to provide a loan is a commercial lending decision for the Banks. If the Banks have concerns about applications for loans in respect of courses run by a particular Learning Provider the Banks may suspend or refuse to approve such applications.

If all the Banks decide not to approve any further loans for courses delivered by a particular Learning Provider, then the LSC will remove that Learning Provider from the register.

The LSC will share any information it holds about a Learning Provider with all the Banks.

16. Programme Reputation

The LSC has a responsibility to maintain the reputation of the CDL programme and to ensure that public funds are seen to be disbursed appropriately. If the actions of a Learning Provider applying to go on the CDL register provide poor value for money or may bring the programme into disrepute, the LSC will refuse to register that Learning Provider.

If the LSC believes that the actions of a Learning Provider already on the CDL register provide poor value for money or may bring the programme into disrepute, it will investigate under the procedure described below. Instances of bringing the programme into disrepute might include advertisements which guarantee jobs or salaries where these claims are misleading.

17. Complaints about Learning Providers

Learning Providers must have in place a procedure for dealing with complaints from learners. Due to the nature of the CDL programme, and the fact that the LSC does not contract with CDL Learning Providers or fund them directly, the LSC does not carry out detailed investigations of complaints brought by learners. However, if the LSC receives complaints about a Learning Provider on the register, and investigation indicates there is a risk of bringing the CDL programme into disrepute, the LSC reserves the right to remove that Learning Provider from the register.
18. Complaints Procedure and Removal of Learning Providers from the CDL Register

If the LSC receives information that a Learning Provider is in breach of the requirements of registration set out in this document, the LSC will write to the Learning Provider setting out details of the alleged breach. Processing of CDL applications relating to learning with that Learning Provider may be suspended at that point, pending the outcome of investigations. The Learning Provider will be given the opportunity to respond with any representations as to why they should not be removed from the register. The response must be in writing and be received by the LSC within 10 working days from the date of the letter detailing the allegations. The LSC will then consider any representation made and inform the Learning Provider of the outcome. Possible outcomes include: removal of the Learning Provider from the Register, requiring the Learning Provider to take specific action as a condition of their continued registration or taking no further action. If the Learning Provider is removed from the CDL Register, new applications for CDLs to support learning with that Learning Provider will not be approved with effect from the date of the removal (or from the date of suspension, if that is then followed by removal from the Register).

If a Learning Provider remains dissatisfied with the way in which they have been dealt with by the LSC it can complain under LSC’s complaints procedure. This is set out on the LSC’s website at:

http://www.lsc.gov.uk/National/Documents/SubjectListing/CorporateandStrategic/Corporate/Makingacomplaint.htm

19. Useful numbers and addresses

Learning Providers:

CDL email address: cdl.learning.providers@lsc.gov.uk
CDL Helpline: 0845 000 0045
CDL Learning Provider Guidance website: www.lsc.gov.uk/whatwedo/AdultLearner/cdl.htm

Learners:

CDL Information Line: 0800 585 505
CDL Guidance website: www.direct.gov.uk/cdl