Discretionary Learner Support Policy Team
Guidance Notes

For the Attention of Providers, Area Teams and Regional Teams

The updated monitoring forms for Discretionary Learner Support for the 2008/09 academic year are attached, please would Area Teams ensure that their providers receive a copy of the relevant form and guidance.

The monitoring return for 2008/09 will require providers to record:
1. The additional ESOL support separately, including data on both applications and awards.
2. The additional Free Childcare for Training and Learning for Work allocation separately.
3. Information on support given to EMA learners during the EMA processing delays (include payments and loans).

Also, please note that 16-18 funds and 19+ must be kept separate, as these are from two different Departments, and virement across the two groups is not allowed.

This year the Policy Team would like copies of all the monitoring forms for analysis. Therefore, please would the Area Teams forward electronic Excel versions of their Area Return, plus all the individual Provider Returns to Kathy.Baird@lsc.gov.uk. Please would the Regional Teams also send their Regional Return to Kathy.

**Deadlines**

<table>
<thead>
<tr>
<th>Action</th>
<th>Date</th>
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<tbody>
<tr>
<td>Providers submit monitoring data to Area Office</td>
<td>11 September 2009</td>
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<tr>
<td>Area Office submits monitoring data to Regional Office</td>
<td>9 October 2009</td>
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<tr>
<td>Area Office sends copies of the Area Return, plus the individual Provider Returns to National Office Policy Team</td>
<td>23 October 2009</td>
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<tr>
<td>Regional Office submits monitoring data to National Office Policy Team</td>
<td>23 October 2009</td>
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**Extensions to Deadline**

If a provider is unable to submit their monitoring return by the deadline of 11 September 2009, if they are running summer courses for example, they will need to negotiate an extension with the Area Office. Any extension to the deadline needs to be within a reasonable timescale and must take into account the additional time the Area Office will need to check and collate the data. Any extension agreed between a provider and Area Office must not encroach upon the Area Office’s ability to submit the data to Regional Office by 9 October 2009.
**Returned monitoring forms**

It is the full responsibility of the Area Office to gather, collate, and if necessary, assist in the correction of the monitoring data submitted to them by providers. It is also the responsibility of the Area Office to ensure that this is done within the designated timescales. When the monitoring forms are returned to the Area Office there are a number of things that need to be checked. They are:

- ‘Funds Received’ declared by providers do not match those accepted on the learner support schedule
  The allocations declared must match exactly those given to the provider at the start of the academic year and any additional in-year allocations. Not only do these forms constitute part of the audit trail but also incorrect allocation details will cause an incorrect display in the ‘Balance of Funds’. This in turn may affect any recovery of funding made by Regional Office.

  Area Offices can verify the allocations declared by providers against the appropriate contracts and schedules signed by the provider for the 2008/09 academic year.

- LA School Sixth Forms and LA External Institutions have returned a separate monitoring form
  LA School Sixth Forms and External Institutions (EI) under Local Authority control who have been awarded separate allocations and who have been paid separately during the academic year must return individual monitoring forms.

- Records not completed as signed, dated and checked
  Monitoring forms must not be accepted if they are not signed and dated. Electronic forms should have an electronic signature displayed in the appropriate field. Where an electronic signature is unavailable a signed hard copy of the form should be sent to the Area Office in addition to the electronic form.

  Providers should not submit a signed form if they disagree with the final balance shown. Where this occurs providers should seek advice from Area Office colleagues.

- Submitted data is incomplete
  Where an allocation has been accepted we expect to receive information for number of awards and expenditure. It is the responsibility of the Area Office to identify gaps in the data and request it from providers. If information is unavailable the provider must indicate why this is the case.

- 5% Administration
  The 5% limit for administration costs cannot be exceeded. Where movements of money have taken place and providers have either given up or received additional funding providers can claim up to 5% of their total allocation.

- ESOL
  The number of applications, awards and the value of these are to be recorded (paragraph 5 of the 2008/09 ESOL Guidance refers).

  5.1 In line with standard dSF guidance 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 funds distributed;
  - identify unspent funds at the end of the academic year.
- **FCTLW**
  Free Childcare for Training and Learning for Work is a new adult childcare scheme, which was launched across England from 1 April 2009. In December 2008, it was announced that just over £6m of additional funding would be made available for supporting learners with the costs of childcare who would normally apply to access Discretionary 20+ Childcare funds. Additional funds were distributed to all regions apart from the South West. The request to providers was that they should focus on the target group for Free Childcare for Training and Learning for Work when allocating these additional funds to learners, with the aim of providing a lead in to the launch of the new scheme.

The regional allocations were confirmed with Regional Finance Controllers on the 15th January 2009. This additional funding appeared in the budget book against the code 2206200 and was flagged as ‘Childcare for Training and Learning at Work’ and included within the DCSF lines as the funds for the new scheme have come from the DCSF. The funds need to be accounted for against the 2206200 code relating to activity April 2008 – March 2009.

**Collated Returns submitted to Regional/National Office**

Once all the monitoring returns have been received for your Area Office you need to collate these and include all data on a single return to be sent to the Regional Office. Please also send an electronic Excel copy of the final Area Return, plus all the final individual Provider Returns to Kathy.Baird@lsc.gov.uk

Regional colleagues should collate Area Returns and include all data on a single Excel Regional Return to be sent to Kathy.Baird@lsc.gov.uk

(If electronic signatures are not available please also forward a signed hard copy to Kathy Baird, Learning and Skills Council, discretionary Learner Support Team, Learner Support Directorate, 3rd Floor, The Straddle, Victoria Quays, Wharf Street, Sheffield. S2 5SY.)

The other return Area Offices are required to make is a simple list of providers with the corresponding over or under spend and the current payment codes (see attached example template):

- Q2 FE colleges
- Q3 Specialist Designated Colleges
- Q4 Higher Education Institutions
- Q6 External Institutions (LA adult ed etc)
- Q6 LA School Sixth Forms

This return should be sent to your Regional Office. Regional colleagues will be responsible for clawing back funds from under-spending providers.

**Reconciliation**

Following the submission of data and the recovery of under spent funds from providers, any available funding will be redistributed by Regional Directors who will make the decision on how the reimbursements are dispersed locally.

**Reconciliation for merged institutions**

Where an institution has merged during the course of the academic year the manner of their reconciliation will vary dependant upon a number of factors.

- How many institutions have merged
- If they have continued to receive separate payments for each institution

If this is an issue for you please contact National Office to discuss the needs of each individual situation.
Providers who under spend against their allocation
As is clearly stated in the Discretionary Funding Guidance and Requirements 2008/09, the LSC should recover any unspent funding following the submission of monitoring data. A provider cannot carry unused funds forward to the next academic year.

Common Reconciliation Errors
Please also refer to the common monitoring errors detailed in the following section as mistakes in data affect the reconciliation and in particular payments.

Under spent funding is returned to the LSC by cheque
All unspent funding will be recovered via BACs in the same way as the payments were made. All providers should be aware of the situation. If a cheque is submitted it should be returned to the provider with an explanation that the funding will be recovered via the correct route.

Under spent funding is returned to the LSC by cheque and the cheque is processed
If a cheque has been received for unspent funding and it has by error been processed it is the responsibility of the Area Office to ensure that the cheque has been correctly assigned by finance as Learner Support. It is also the responsibility of the local office to make the Regional Office contact aware of the situation. This will prevent the under spent funding being recovered twice.

Providers assume that unspent funds will be recovered from the next academic year’s allocation
Each academic year is treated independently from the next. We will recover under spent funds as soon as possible and the swift receipt of monitoring returns from all providers will assist us to do this.

Information is not passed onto colleges that we are undertaking this exercise
Information regarding the reconciliation process is included in the 2008/09 funding guidance but when payment or recovery of funds finally happens we receive a lot of queries asking us about what this is. Please ensure that the providers in your area have the information to hand.

Errors and omissions in data are not discovered until after recovery or reimbursement has been made
Any errors and omissions in data impact upon the transactions we make against providers. It is the responsibility of the Area Office to check the data and to ensure that it is correct. Once the Area Office return has been submitted to Regional Office and, in turn, the Regional Office has submitted the return to the National Office, no further changes can be made.

Reconciliation Payments
Instructions for the claw back of funds relating to the academic year 2008/09 will be managed at LSC Regional Office. This recovery of funds will appear on remittance advice notes as Learner Support Recycling (sub-nominal code 2206032 for youth and 2303035 for adult). Please make your providers aware of this and that they share the information with their finance department. This sharing of information should help to ease the flow of the many questions that appear at this time.

Questions
Q. Are colleges and LA’s expected to produce any extra learner data above and beyond what is asked for on this form?
A. The form these notes relate to requests expenditure and award data only. All data relating to learners is collected by the ILR which providers are required to complete under separate arrangements.
Q. Can an under spend on 16-18 funding be used to offset an overspend on 19+ funding (or vice versa)?
A: No the funding provided for the two distinct age groups and the corresponding spend by the provider have to be reported on and accounted for entirely separately and cannot be amalgamated. Any underspends on either of the separate Funding Blocks need to be recovered by the LSC and any overspends will only be funded if the resources are available.

Q. Will there be the opportunity for the Area or Regional Office to recycle funds?

A. Yes, regional directors will be responsible for clawing back under spent funds and recycling these funds.

Q. Other – can you explain ‘do not use for bursaries’ or give an example of what it might be used for?

A. There is a specific category for the 50 Residential Bursary Colleges to record how their bursary funding has been spent. ‘Other’ is an exceptional category of support and although it can be used for anything that does not fit into the other categories on the form, we have not always been aware of what this covers. Therefore it is now a requirement for providers to complete the comments box providing details of expenditure in this category. Area and Regional LSC’s should ensure that this is completed satisfactorily before the return is accepted.