

Policy Title	NCG Group FE Fees policy
Policy Category	Cascade
Owner	Group Financial Controller
Group Executive Lead	Mike Wilmot
Date Written	February 2019 – Updated February 2020
Considered By	Update of 19/20 policy approved by Corporation annually
Approved By	Corporation
Date Approved	March 2020
Equality Impact Assessment	The implementation of this policy is not considered to have a negative impact on protected characteristics
Freedom of Information	This document will / will not be publically available through the Groups Publication Scheme.
Review Date	February 2021
Policy Summary	FE Fees and FE Loans policy for 2020-21. The policy continues with the approach adopted in 2019-20, by providing a framework within which NCG colleges, must operate in setting FE fees. It allows some discretion to set appropriate fees which align to the local needs of the college, make commercial sense and ensures compliance with the relevant fee structure/funding rules set by the funding bodies The policy also ensures that due consideration to administering this is given so that fees can be collected fully, efficiently, and effectively.

Applicability of Policy	Consultation Undertaken	Applicable To
Newcastle	Yes	Yes
Newcastle 6th Form	N/A	N/A
Carlisle	Yes	Yes
Kidderminster	Yes	Yes
Lewisham Southwark	Yes	Yes
West Lancashire	Yes	Yes
InTraining	Yes	Yes
Rathbones	Yes	Yes
Group Services	Yes	Yes

Changes to Earlier Versions	
Previous Approval Date	Below are main changes made in this version
May 2018	Reference to the creation of a Credit control policy
May 2018	Stated in the policy that Fee variations must have the approval of the head of the college
May 2018	The approach by each college to the application of the fees policy will be set out explicitly as part of the Business Planning approval process and should form part of the detailed plan presented prior to budget sign off.
May 2018	For clarity all FE fees are clearly set out in the ESFA funding rules and all colleges need to work within the limits of this framework which sets out rates within which an establishment must operate. The discretion a college will have is around what proportion of a course fee is co funded (up to a maximum of 50% of the un weighted LARS value).
Linked Documents	
Document Title	Relevance
Credit Control Policy	To be submitted for approval in May 2020, will set clear guidelines around the ways in which fees will be collected and implications and actions for non-payment

1. Purpose

FE Fees and FE Loans policy for 2020-21. The policy continues with the approach adopted in 2019-20, by providing a framework within which NCG colleges, must operate in setting FE fees. It allows some discretion to set appropriate fees which align to the local needs of the college, make commercial sense and ensures compliance with the relevant fee structure/funding rules set by the funding bodies the policy also ensures that due consideration to administering this is given so that fees can be collected fully, efficiently, and effectively.

2. Background

There has been little change in the approach to fees and charging for classroom provision funded by our external funding bodies for the coming year.

From 1 May 2017 the apprenticeship levy was introduced and provided the funding for the largest employers. Organisations with a payroll bill in excess of £3m are now required to pay a 0.5% levy, which created a digital fund, this is used to fund their own apprentices. In parallel a new funding methodology was introduced for small and medium sized employers – i.e. those not eligible for the levy – requiring them to make a mandatory financial contribution. For these employers and for large employers who have exhausted their levy funds, the provider draws down £9 of funding for every £1 paid by the employer up to a maximum fee cap. The employer fee element, therefore, becomes an important trigger for funding.

This policy also continues the approach adopted in 2019-20, in that it sets the high level principles that are common to all NCG colleges and delegates the specific power to determine fee levels to the Head of the college and their Senior Team. This was a significant change from the practice of previous years, but was essential in ensuring that the decisions on fees are made at the right level and can effectively respond to the local needs of each NCG College, particularly in the light of the increasing number of colleges in the Group. Executive Board retain oversight of the detailed policies via the budget setting process and ensure that they are in line with the NCG framework. For clarity all FE fees are clearly set out in the ESFA funding rules and all colleges need to work within the limits of this framework which sets out rates within which an establishment must operate. The discretion a college will have is around what proportion of a course fee is co funded (up to a maximum of 50% of the unweighted LARS value).

The way in which fees are collected however does require one common approach across NCG. This is undertaken at group and needs to ensure compliant, efficient and effective processes are in place.

Each Colleges approach to the application of the fees policy will be set out explicitly as part of the Business Planning approval process and should form part of the detailed plan presented prior to budget sign off.

Provision for 16-18 year olds on Programmes of Study remains entirely free of fees. The high level principle for the setting of fees for funded classroom and workplace courses for adults is covered in Section A, the principles for fees for adults in receipt of Advanced Learner Loans is covered in Section B, the principles for Apprenticeships in Section C and principles for other fees in Section D.

3. Scope

The policy relates to all fees with the exception of HE fees for which a separate policy exists.

4. FE Classroom Fees Policy 2019-20

The policy requirements in this section apply to the funded FE classroom based provision. Loans based provision is covered in section B.

- NCG Colleges will observe national guidance that currently states that fees are remitted nationally for the following categories of students:
 - 16–18 Students.
 - Unemployed adults in the following categories:
 - In receipt of Jobseeker’s Allowance (JSA), including those receiving National Insurance credits only.
 - In receipt of Employment and Support Allowance (ESA) and are in the work-related activity group (WRAG).
 - receive Universal Credit, and their earned income from employment (disregarding benefits) is less than £338 a month (learner is sole adult in their benefit claim) or £541 a month (learner has a joint benefit claim with their partner) and are determined by Jobcentre Plus (JCP) as being in one of the following groups:
 - All Work Related Requirements Group.
 - Work Preparation Group.
 - Work Focused Interview Group.
 - Other unemployed adults who:
 - Receive other state benefits (not listed in paragraph 150) and their earned income (disregarding benefits) is less than £338 a month (learner is sole adult in their benefit claim) or £541 a month (learner has a joint benefit claim with their partner), and;
 - Want to be employed and are undertaking learning that is directly relevant to their employment prospects and the local labour market needs.

- First Full Level 2 qualification for students aged 19 up to 23 (if the qualification appears in the 'Legal Entitlements' list), 'Full level 2' is defined in the 'Adult education budget: funding rules'.
- First Full Level 3 qualification for students aged 19 up to 23 (if the qualification appears in the 'Legal Entitlements' list), 'Full level 3' is defined in the 'Adult education budget: funding rules'.
- Skills for Life (excluding ESOL) or Functional Skills.
- Foundation learning for adults aged 19 up to 24 with no prior level 2 qualification.
- English and Maths provision for all adults up to and including level 2, who have not previously attained a GCSE grade A* - C or grade 4, or higher.
- Students in receipt of a low wage who:
 - are employed and cannot contribute towards the cost of co-funding fees,
 - are eligible for co-funding, and
 - Earn less than £16,009.50 annual gross salary.
- For college based courses the fee rate, for co-funded students (excluding loans based provision) is 50% of the National Learning Aim Reference System (LARS) matrix rate as shown on the Government system 'The Hub'.
- Unless discretionary or statutory remission applies all courses which can bear a fee will be set at a level which will encourage participation and cover costs. These courses can be commercial, units/credits or full qualifications.
- Where information provided to the college is inaccurate and as a result the student's enrolment does not attract grant funding, the college reserves the right to charge a fee.
- Students who are continuing on the same learning aim which they enrolled to in 2018/19 will continue to be entitled to the same remission conditions that were operational at the time of the commencement of their study on that learning aim.
- Enrolment to new learning aims starting in 2019/2020 will be subject to the relevant funding body's eligibility criteria for 2019/2020.

A reduced fee will be applied for the following adult category:

- Low paid individuals studying at entry to level 2 who are not ESFA fee remitted and have a personal gross income of less than £21,000 per annum or are in receipt of inactive benefits.

The reduced fees for students in this category are;

- £149; where the course duration is 3 terms.
- £99; where the course duration is 2 terms.
- £49; where the course duration is 1 term.

For learners in this category these fees should be paid in full in all instances, there are no exceptions based on specific curriculum areas.

Heads of Curriculum have discretion to waive fees in instances of students wishing to enrol in receipt of registered asylum status.

Any other fee reductions for any other purposes must be agreed in advance of a course starting, with the relevant colleges Head of Funding, Planning and Resources or Head of Finance, no local Director or Head of Curriculum discretion can be used. Where a fee reduction has not been approved by the relevant college, the Student will be liable for the full fee as per the terms stated in this agreement.

4.1. Fee Levels

Fee levels will be determined by each College, published in the fees policy and made readily available to potential customers. The instalment structure will be set by Group Finance and will be detailed in the Group Credit Control Policy.

4.2. Fee Reductions

- The College fees policy must stipulate any fee variations or flexibilities that will apply outside of the national policy in order to reflect the local policy environment.
- Colleges may charge registration and examination fees for the provision in this section at their local discretion. These fees must be clearly set out to learners.
- Local discretion may be given to local management within a College, but this must be clearly stated in the colleges fees policy.

4.3. Fee Refunds

It is recognised that there may be occasions where fee payments need to be refunded back to the learner/sponsor. This process needs to be fair and consistently applied and the following sets out the College Fee Refund Policy.

- Where the college has to cancel a course, the college credits the fee and refunds any fee payments to the student/sponsor.
- If the student agrees to an appropriate alternative, then the original fee payment would need to be credited and the payment would be re-receipted against the new alternative course and in this instance then fees will not be refunded.

- The college fee policy must state where Students may apply to for a refund or partial refund of tuition fee payment in any extenuating circumstances.

5. FE Loans Policy - Advanced Learner Loans

Advanced Learner Loans are available to learners aged 19 or over and undertaking:

- A-levels and AS-levels (up to a maximum of four full A-levels)
- Quality Assurance Agency (QAA) Access to Higher Education Diplomas
- Vocational qualifications including technical and professional qualifications at Levels 3, 4, 5 and 6

Access to HE students will have their Advanced Learner Loans 'written off' if they progress to Higher Education and complete their HE course.

5.1. Fee Levels for loan based provision

The Education Skills Funding Agency allow providers to set a maximum fee for loan –based provision based on the fully funded value set on the HM Government 'Hub'. The minimum threshold to generate a loan is a fee level of £300. This would place the maximum fees for individual qualifications at between £724 and £11,356. It is the responsibility of the learner to enter into an agreement with the Student Loans Company and secure a loan facility to pay for this provision. NCG and its Colleges will offer support and guidance to the learner to undertake the loan application.

- The college fees policy will stipulate any variance from the listed rate or cap on the setting of fees for loans backed provision. Differential fees may be set for workplace and classroom provision.

5.2. Loan Liabilities

All tuition fees are currently due to be paid on enrolment. For Advanced Learner Loans this requires the learner to ensure that the college receives confirmation that the loan facility has been agreed before starting the programme or that a Direct Debit instalment plan is in place.

5.3. Fee Reductions

Any discretion locally to vary fees must be stipulated in the college fees policy, and have the approval of the head of the college.

5.4. Fee Refunds

It is recognised that there may be occasions where loans may need to be refunded back to the student loan company and hence reduce the outstanding debt by the learner to the student loan company. This process needs to be fair and consistently applied and the following sets out the Refund Policy

- Where the college has to cancel a programme, the student loan company will be notified and the loan for this programme cancelled in full.
- If the learner agrees to an appropriate alternative, then the student loan company will be informed if this results in a change of circumstances or loan level.
- The college fees policy must state who Learners may apply to for a refund or partial refund of their current loan liability if there are extenuating circumstances. This would result in a change of circumstances being recorded with the student loans company and the loan liability being adjusted accordingly.

6. Fees Policy – Apprenticeships

The policy requirements in this section apply to the provision of apprenticeship frameworks and standards, where the funding draw-down is predicated by the payment of the employer fee. This will apply to small and medium-sized employers not eligible to pay the levy and also to levy-paying employers who have exhausted their levy funds.

- NCG Colleges will observe national guidance for apprenticeships that states:
 - Fees must be aligned to the appropriate band for the applicable apprenticeship standard or framework. If agreed fees exceed the funding band, the amount over the cap is 100% payable by the employer.
 - Funding will be triggered up to the cap on the basis of £9 for every £1 that the employer pays as a cash contribution for learners commencing before 1st April 2019 and £9.50 for every £0.50 from 1st April 2019 onward.
 - The fee contribution must be cash and not any sort of 'in kind' arrangement and must equal 10% of the total negotiated price for learners starting before 1st April 2019 and 5% of the total negotiated price from 1st April onward.
 - The total cost of the apprenticeship can be set at any level up to the cap and forms part of an 'apprenticeship agreement' with the provider. This will be part of the total cost of apprenticeship, which the employer contribution would be 10% of the total.
 - The employer may be eligible for ESFA incentive payments. These incentive payments must be made to the employer by the provider to a strict timetable
 - The provider has discretion over the nature of the payments from the employer, both in terms of the timing and number of instalments, with the proviso that they are collected every three months at a minimum. Funding, however, will only be paid if fees are evidenced as being received. Invoices must be paid within 30 days or by direct debit if paid in instalments.

- Providers will need to have fair processes in place to ensure that fees and/or funding are repaid if the programme is terminated.
- Apprenticeship costs should be negotiated with each employer and according to the additional requirements of each apprentice. Most employers will be required to pay a fee equalling 10% of apprenticeship total negotiated price in all cases, though the overall TNP may vary. This fee will be increased if the TNP exceeds the funding cap to cover any amount that exceeds the funding cap.
- All employers (except employers with less than 50 employees employing apprentices who are aged 16-18 or who have an Educational Healthcare Plan) must pay the mandatory 10% co-financing fee.
- Colleges may not set discretionary fee remission for employers although they may vary the overall apprenticeship cost. Employers liable for the 10% /5% co-investment fee must always contribute at this level.
- The college fee policy must prescribe who has discretion to vary overall apprenticeship total negotiated price for an employer.
- Normally the fees will be requested in advance for each year of the programme. Colleges may wish to offer an instalment plan for some groups of employers (e.g. SMEs). The arrangements for paying by instalments must be agreed with Group and clearly stated in the college fees policy. Direct Debits are the only option for instalment payments.
- The college fee Policy must prescribe who has discretion to agree the provision of instalment payments for an employer or group of employers.
- Where subcontractors are used to deliver some of a programme, the college must ensure that a specific apprenticeship contract is in place and complies with the subcontractor management framework 'Supply Chain Fees and Charges policy'.

6.1. Fee Refunds

It is recognised that there may be occasions where fee payments need to be refunded back to the employer. This process needs to be fair and consistently applied and the following sets out the college Fee Refund Policy.

- Where the college has to cancel an apprenticeship arrangement, they will normally credit the fee paid for that year and refund any fee payments to the employer.
- If the employer agrees to an appropriate alternative, then the original fee payment would need to be credited and the payment would be re-receipted against the new alternative programme and in this instance the fees will not be refunded.
- The Employer agreement document must state where employers may apply to for a refund or partial refund of their fee payment in any extenuating circumstances.

7. Fees Policy - Other Provision

- A statement on the setting of Commercial Fees and International Fees will be contained within the Colleges Fees policy.
- Fees may be charged on a commercial basis to 16-18 year olds studying additional qualifications outside of their programme of study, based on the Credit Equivalent Fee for adults.
- This policy will be reviewed again in February 2021.
- Higher Education fees are contained within a separate policy.

8. Publication

Group Policy Statements are held centrally on the Group intranet.

http://intranet.ncgrp.co.uk/groupservices/Group_Policies/SitePages/Policies.aspx

9. Policy Assurance

Application of, and compliance with both group and college policies, falls within the remit of the Group Business Assurance Team and could, therefore, be subject to review.