

Subject:

FUNDING OF FE PROVISION WITH THIRD PARTY INVOLVEMENT

Circular Number:

FF 01/03

Date of Issue:

01 May 03

Target Audience:

- Principals /Directors of FE Colleges
- Chairs of Governing Bodies
- College Finance Officers
- College MIS Officers

Summary of Contents:

This Circular replaces Circular FE 11/02 which provided clarification on the Department's funding arrangements that apply to further education colleges in respect of partnership arrangements/further education provision with third party involvement. It also introduces the requirement that where funding is being claimed under the FE Funding Formula, Colleges obtain written confirmation from the 'third party' that no other source of public funding has been received in respect of the students or training being provided.

Enquiries:

Status of Contents:

Information

Related Documents:

FE 19/01

Superseded Documents:

FE 11/02

Expiry Date:

N/A

DEL Website:

<http://www.delni.gov.uk/home.htm>

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Introduction

1. This Circular supercedes Circular FE 11/02 which clarified the Department's funding arrangements that apply to further education colleges in respect of partnership arrangements. In addition, it introduces the requirement that, where funding is being claimed under the FE Funding Formula, colleges **must** obtain written confirmation from the 'third party' that no other source of public funding has been received or will be claimed in respect of the students or training being provided. This covers all partnership arrangements excluding those which involve training for employers/work-based learning (Circular FE 19/01 already addresses the arrangements required for this type of provision).

DEL Funding

2. SPURs funding can only be generated from the Department in respect of training partnerships where the college retains ultimate responsibility for the delivery of the provision. In particular, the following general principles must be met:
 - the provision must constitute an integral but identifiable part of the college's development plan;
 - college tutors must deliver the provision which must also be controlled fully by the college and should be subject to the college's quality assurance arrangements;
 - the college must be fully accountable for the students e.g. the college must control the selection and rejection of the students/trainees; the students must be enrolled as students of the college; they must benefit from the same rights as other part-time or full-time students at the college and be appropriately informed; and,
 - the college must be responsible for assessing the progress and achievement of the students.

3. In a number of cases that have been brought to the Department's attention, it is the partner organisation that designs the courses and activities and recruits the students/trainees, with the further education college providing the required teaching hours/tutor support.
4. In these circumstances the students are not recruited by the college, are not college students and, therefore, cannot be used to generate funding through the SPURs Funding Formula. Many of these partner organisations are already in receipt of public funding from other sources, including EU funding, for the students/trainees whom they enrol and it is vital to ensure there is no potential for double funding. Colleges are free to enter into such training partnerships but any such provision must be on a full cost recovery basis.
5. If a College considers that a particular partnership has unique and exceptional circumstances which may justify the drawing down of FE funds, rather than being funded on a full cost recovery basis, then specific details of that partnership, including the College rationale as to why an exception should be made, should be forwarded to the Department for consideration. Such cases, however, would only be considered if the college identifies a need for provision which requires staff, expertise, facilities, plant, equipment, etcetera which either the college itself, or another college, cannot provide and could, therefore only be provided in partnership with a third party organisation.

Written Confirmation

6. Colleges are already required to seek written confirmation from all third parties involved in the delivery of training for employers/work-based learning that no other source of public funding has been received or will be claimed in respect of the students or training being provided (Circular FE 19/01 refers).

7. Where colleges seek to draw down funding under the FE Funding Formula, however, in respect of partnership training other than 'training for employers/work-based learning', there is currently no requirement to seek similar written assurance from the respective third party. A number of enquiries have been received from other Departments seeking to confirm whether or not FE funding has been drawn down in respect of training delivered to students involved in EU projects where community/voluntary bodies are the project promoters.

8. In order to facilitate such enquiries and subsequent audits and to reduce the risk for potential claw-back arrangements, colleges should, **with immediate effect**, seek written confirmation from **any voluntary, community, private or 'other' third party** involved with the college in a training partnership, that no other source of public funding, direct or indirect, has been received (or will be claimed) in respect of the students or training being provided. A copy of a pro forma for this purpose is enclosed. Colleges will be asked to produce a copy of the signed statement to assist with future audits/queries from other funding bodies.

Audit and Accountability

9. Colleges' compliance with the terms of this Circular will be included in audits by the Department.

10. The Principal of each college, as Accounting Officer for the college, will be asked to confirm in writing that all data submitted to the Department for the purpose of drawing down funds conform to this guidance.

**FE CIRCULAR 19/01 TRAINING UNDER-TAKEN IN CONJUNCTION WITH
THIRD PARTIES**

DETAILS OF CONTRACTS ENTERED INTO WITH THIRD PARTIES

College: _____

NAME & ADDRESS OF THIRD PARTY	TITLE OF PROVISION	COURSE CODE (FEMIS)	QUALIFICATION	NUMBER OF STUDENTS	DATE CONTRACT SIGNED

We confirm that:

The funding provided by _____ (College) is the only source of public funding being drawn down in respect of the students and training detailed above. No other source of public funding, direct or indirect, has been received (or will be claimed) by [Third Party Title] in respect of this provision.

Signed: _____ **(Third Party)**

Position: _____

Date: _____