



it pays to learn

Operational Rules and Supplementary Guidance for Learning Providers Part-Time Higher Education Grant (ILA500)



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Introduction

1. New support for Higher Education (HE) part-time learners will be introduced from 30th June 2008. This will be in the form of a new part-time HE grant of up to £500 for new and existing learners who earn £18,000 or less and who are undertaking 50% or more of a full time HE course.

This support will be introduced through an enhanced Individual Learning Account and will be referred to in this document as ILA500. Approved learning will be delivered by Scottish Higher Education Institutions and Further Education Colleges and these will be referred to in this document as Learning Providers. The Learning Provider will verify that the learner is studying at 50% or more of a full-time HE course. The Learning Providers will be paid directly by the Student Awards Agency for Scotland (SAAS) in line with current fee payment process timing for full-time learners ie quarterly.

2. This document is a guide to the ILA500 scheme Operating Rules for Learning Providers (Operational Rules).
3. The Operational Rules are set out in full at Annex A and are published on the ILA Scotland website www.ilascotland.org.uk. Any change to the Operational Rules will be published on the ILA Scotland website with immediate effect.
4. The Operational Rules and this guidance apply to all learning providers who are registered with Skills Development Scotland (SDS) to provide approved learning and claim ILA Scotland grants for learners who qualify in the terms of the Scottish scheme.
5. Any queries on the contents of this guidance should be directed to the ILA Scotland learning provider helpline:

Tel: 0141 285 6104

6. Please also refer to the Frequently Asked Questions section on the ILA Scotland website.

What learning providers **must** do

Complying with the Operational Rules and Regulations

7. Learning Providers should be aware that any breach of the Rules or Regulations could render them liable to repay money to the scheme and/or result in their suspension or removal from the scheme.

Learning provider registration

8. ILA500 is only available to eligible part-time HE learners studying at Scotland's Colleges, Universities or designated Higher Education Institutions.
9. Any organisation wishing to provide approved learning and claim ILA Scotland grants for people who qualify in the terms of the Scottish scheme must be registered with SDS as an approved learning provider.
10. As a condition of that registration all learning providers must accept and sign a Learning Provider Registration Agreement (LPRA). This Agreement is designed to ensure that learning providers understand and accept their responsibilities under the scheme and that they will operate in an appropriate manner.
11. Under the LPRA, learning providers are expected to help learners choose learning that is relevant to their needs and abilities by giving clear and unambiguous advice.

The application process

12. Applications for ILA500 grant support should be made before the course start date. However, during the first year, some flexibility will be allowed although we would expect most applications to be submitted no more than one month after the course start date.
13. Learning Providers must consider whether a learner is eligible for Fee Waiver support rather than the ILA500. **Learners must not receive fee waiver and ILA500 for the same learning opportunity.**
14. Learning Providers must confirm to SAAS, by endorsing the learner's application form, that a learner has enrolled on an eligible course and that the learner is studying at 50% or more of a full time HE course. This endorsement will also confirm that the learner is not in receipt of Fee Waiver. It also confirms the 'course start date' and amount of fee. The endorsed form should be signed, dated and stamped by the learning provider.
15. An application only counts towards a year of the course. Therefore, accounts are subject to annual renewal and the learner must submit a new application for each year of their continued study.
16. Learners cannot have an ILA200 and ILA500 account in operation at the same time. However, not to disadvantage learners during the first year of the scheme those learners who already have an ILA200 account by 30 June 2008 can also open and operate an ILA500 account in tandem, only during the academic year 2008-09.

Payment of Learner and any Third Party contributions

17. Learning providers must ensure that they keep appropriate financial records of any third party contributions (e.g. from employers or others) that were made towards the cost of that learning episode, and make these available on demand.
18. The ILA Scotland funds claimed by the provider must always be calculated on the basis of the course price **after** the deduction of any third party contributions and this is the amount that the learning provider must enter under course fee when they endorse the learner's application form.

EXAMPLE

Price of course	£450
less: Employer's contribution	£100
equals: ILA Scotland claim	£350

19. Where the price of an eligible course is greater than £500 the learner will be required to make up the shortfall.

EXAMPLE

Price of course	£800
Employer's contribution	£100
ILA Scotland claim	£500
Learner to pay the shortfall	£200

20. Where there is no third party contribution.

EXAMPLE

Price of course	£450
ILA Scotland claim	£450

Discounting the full, published course price

21. There may be instances where a learning provider offers discounts on the advertised price of a course to certain types of learner – such as pensioners or the unemployed, perhaps as part of the organisation's own wider access/flexible provision policy. Such discounts are permitted provided that details are published in advance, and that these discounts are not offered as an inducement to attract ILA Scotland learners.

NB. It is not permitted to record any discount offered to a learner as a third party contribution to the full price of the course, unless the learner is an employee of the learning provider. If the price reduction is a discount specifically available only to employees of the learning provider, then the discount may be recorded as a third party (i.e. employer's) contribution.

Attendance confirmation

22. When the Learning Provider has signed, dated and stamped the application form it is returned to the learner who sends the completed form to SAAS for eligibility checking, recording and processing.
23. SAAS send the award/rejection letter to confirm the level of funding to the applicants. Learners are advised to present the award letter to the institution as proof of their funding. Learning Providers should take a copy of the award letter from the learner which they should keep for audit purposes.

Definition of the start date of learning

24. The ILA500 course start date is the date recorded as 'course start date' by the institution on the application form.
25. The start of a learning episode is deemed to be the start date of the course in that academic year.
26. Each academic year runs from 1 August to the following 31 July. Only one ILA500 payment can be made per learner per academic year.

Withdrawals

27. Learning Providers must inform SAAS of any learner withdrawals and provide withdrawal dates. SAAS should also be informed of learners who enrol but never attend or formally commence the course. Learning providers must not make a claim for these learners. Any learners who drop below 50% of a full-time course will be treated as a withdrawal and SAAS will need to know the date their programme of study fell below 50% of a full-time course.

Transferring from one scheme to another

28. In these instances learners who decide to study at less than 50% of a full-time course may be able to apply for ILA200 funding once they close their ILA500 account. This can only be done where no payment has been made to the learning provider. An ILA200 account must be opened before the start date of the course.
29. Those who apply for an ILA200 after the launch of ILA500 (ie 1st July 2008 onwards) will not be able to take out an ILA500 unless they close their existing ILA200 account. Learners will be unable to do this if they have used their ILA200 entitlement for that year.

Payment processes

30. When SAAS have received the completed endorsed application form, and confirmation that the learner has attended and no withdrawal information has been received, they will pay the learning provider. Payment will be made in the next fee run after the course start date, provided the endorsed application meets the rules of eligibility. They will be paid on the same frequency as for full-time tuition fee support and this will be recorded separately.
31. If the learner later decides to leave the course (for whatever reason), he/she cannot reclaim any of that element of the ILA Scotland grant for alternative use.

32. Where the learner leaves the course before the payment cut off date, it is at the discretion of the Learning Provider if they wish to claim a proportion/all of the fees directly from the learner in relation to the period of learning undertaken.
33. Payment cut-off dates for ILA500 for 2008-09 are as follows:
- **1 December 2008** – for courses starting between 1 August 2008 and 31 December 2008
 - **1 March 2009** – for courses starting between 1 January 2009 and 31 March 2009
 - **1 June 2009** – for courses starting between 1 April 2009 and 30 June 2009
 - **1 July 2009** – for courses starting between 1 July 2009 and 31 July 2009.

Value Added Tax (VAT) and ILA Scotland grants

34. VAT is not payable on any ILA Scotland grants disbursed by the Student Awards Agency for Scotland (SAAS) on behalf of the Scottish Ministers.
35. If a learning provider qualifies as an eligible body under Schedule 9 of the VAT Act 1994 (in broad terms, such an eligible body is one which provides education or training on a not-for-profit basis), all other contributions towards the cost of ILA Scotland-supported learning are also VAT-exempt.
36. If a learning provider does not qualify as an 'eligible body', VAT is payable on all contributions towards the cost of ILA Scotland-supported learning (e.g. any third party contribution) other than the ILA Scotland grant.

Audit requirements

37. Learning providers must be able to present, on request, to SDS, its representatives or Audit Scotland, documentary evidence of the following:
- the start date of the learning and proof that the learner has commenced that period of learning in line with the definitions of the start date
 - receipt of any third party contribution to the course price
 - a copy of the award letter which is issued to the learner by SAAS to confirm the level of funding to successful applicants (an electronic copy would be acceptable).
38. All of these documents must be retained for a minimum of 6 years, and learning providers should ensure that the documentation is easily retrievable and readable for inspection purposes (electronic copies of the required documents are acceptable). If a learning provider does not hold this documentation as evidence that they have operated in compliance with the ILA Scotland Operational Rules, they may be required to repay in full any ILA Scotland funding for which a valid claim cannot be established.

How ILA Scotland grants are applied and paid.

39. ILA Scotland grants **cannot** be claimed retrospectively where a learner has already paid in full for their course of learning.
40. The costs of books or other material (e.g. CD-ROMs) are **not** eligible for ILA Scotland funding unless included in the course fees. Computer hardware costs are **not** eligible under any circumstances.
41. In any cases of doubt, ILA Scotland can advise both ILA Scotland learners and learning providers about how ILA Scotland grants apply in individual circumstances.

ILA Scotland grants and other sources of public funding

42. In cases where the learner or the learning provider is in receipt of funding from another public source (or sources) for **some, but not all**, of the price of a learning opportunity (e.g. European Social Fund (ESF), ILA Scotland grant may be applied to the portion **not** paid from those other public funds.
43. There may be circumstances in which the learner may be eligible for funding from another public source on terms which would be more advantageous to the learner (e.g. a fee waiver). In such cases, you must advise the learner of the available options and must recommend the use of that option most advantageous to the learner.

What learning providers **must not** do

44. **As a condition of ILA Scotland registration you must not:**
 - employ or use a marketing company or other agent to promote ILA Scotland-approved learning unless you are assured that their marketing activity fully complies with the ILA Scotland Regulations, Operational Rules and Marketing Guidance. Learning providers will be held directly responsible for any non-compliant practices of any marketing company engaged by them and such practices by the marketing agents may result in the suspension or cancellation of the learning provider's ILA Scotland registration
 - use the logo of the Scottish Government, any other Government Department involved in the ILA Scotland scheme, SAAS or SDS on your promotional literature
 - use the ILA Scotland trademark or logo without express permission
 - imply that you are representing, in partnership with or accredited by, the Scottish Government, any other Government Department involved in the ILA Scotland scheme, SAAS or SDS when promoting your learning
 - imply in any way that ILA Scotland funds can be used only for learning provided by you
 - offer cash or other incentives (such as "expenses", or free or subsidised software/hardware) to ILA Scotland members to sign up for or undertake your course
 - charge students up-front for their tuition fees and then later reimburse them from ILA Scotland funds.

Failure to comply with the Operational Rules

Cancellation of ILA Scotland registration

45. Scottish Ministers, through SDS, reserve the right to suspend or cancel the registration of a learning provider at any time if they consider that the ILA Scotland rules and/or conditions are not met, or the behaviour of the learning provider is likely to bring the ILA Scotland scheme into disrepute. In addition, if it is considered that the learning provider may have been acting inappropriately or improperly, steps may be taken to withhold the payment of outstanding claims while the matter is resolved.
46. Any learning provider considered to have failed to comply with the ILA Scotland Operational Rules and Regulations, or the conditions laid out in this guidance, will be contacted and asked to respond in writing within 10 working days to the concerns that have been identified.
47. Should the learning provider fail to respond or fully address the issues raised within 28 days, the learning provider's ILA Scotland registration may be cancelled.

Investigations

48. Any investigation may involve SDS or its agents undertaking a visit to the learning provider's premises. The purpose of this visit will be to ensure that the learning provider has claimed ILA Scotland funds in accordance with this guidance and the ILA Scotland Operational Rules and Regulations. SDS or its agents will require access to all appropriate material and this may include, among other things, the following:
 - copies of marketing material
 - details of courses for which the learning provider is claiming/has claimed ILA Scotland grants
 - evidence that the learning provider is offering value for money.
 - Copy of the award letter issued to the learner by SAAS to confirm ILA500 award.
49. If the learning provider refuses access or is unable to supply any of the documentation referred to in paragraph 37 they may be required to repay in full any ILA Scotland grant for which they are unable to prove that a valid claim has been made. This may also result in the learning provider's ILA Scotland registration being cancelled.
50. In most cases the learning provider will be given 28 days to respond in writing to any concerns raised. However, SDS reserves the right to suspend or cancel a learning provider's registration without notice, if that learning provider fails to respond or if it is considered that there is sufficient evidence to indicate potential fraud. The identification of any potentially fraudulent activity may also result in direct referral to the police.

Review

51. Where a learning provider is aggrieved by a decision to suspend or cancel ILA Scotland registration they may, within 21 days of having been notified of the decision in question, request that the decision should be reviewed in accordance with the review process published on the ILA Scotland website.

The right to withhold payment or demand repayment of grants

52. The Scottish Ministers reserve the right to withhold payment or demand repayment of ILA Scotland grants in whole or in part where the claim does not comply with the terms of the ILA Scotland Operational Rules and Regulations.

Data Protection

53. Learning providers are reminded of their obligation to conform to the current Data Protection Act.

Annex A

Operational Rules for learning providers

(as at 30th June 2008)

Non-compliance with any of these rules may invalidate any related claim for ILA Scotland grant funding and could affect the status of your registration as an ILA Scotland-eligible learning provider.

These rules are made by the Scottish Ministers pursuant to section 1 of the Education and Training (Scotland) Act 2000.

These rules may be changed from time to time by the Scottish Ministers. Any change will be published on the ILA Scotland website, with immediate effect.

Definitions

In these Rules, the following words and phrases shall have the meaning set out opposite them:

“Approved Learning” means a validated course of Higher Education for the purposes of the Scheme and as defined by the Regulations;

“ILA Scotland Database” means the database of ILA Scotland Registered Learning Providers;

“Learning Account Administrator” means The Skills Development Scotland Co Limited (a company with registered number SC202659) having its registered office at Alhambra House, 45 Waterloo Street, Glasgow G2 6HS, or such other Learning Account Administrator as may be designated from time to time by the Scottish Ministers for the purposes of administering the ILA Scotland database and registering learning providers as ILA Scotland Registered Providers in terms of the Regulations;

“learning opportunity” means any course of study, instruction, education or training (including distance learning and correspondence courses) made available by a learning provider in terms of the Scheme;

“Learning Provider Registration Agreement” means the formal agreement to be entered into between the Learning Account administrator and the learning provider, specifying the obligations of the parties, including the maintenance of the Quality Standards;

“the Regulations” means the Individual Learning Account (Scotland) Regulations 2004, made by the Scottish Ministers under the Education and Training (Scotland) Act 2000 as the same may be varied, amended or replaced from time to time;

“Quality Standards” means those standards which must be met and maintained by a learning provider in terms of Part 1 of the Schedule of the Learning Provider Registration Agreement entered into with the Learning Account Administrator, and any subsequent version thereof notified to a learning provider by the Learning Account Administrator;

“the Scheme” means the Individual Learning Account Scotland scheme, known as ILA Scotland and established pursuant to the Act and the Regulations.

Changes to your organisation's details

1. You must advise the Learning Account Administrator within 5 working days of any change, after the date of your application to register with the Learning Account Administrator, in how the Quality Standards apply to your organisation. Documentary evidence of any change, if requested, must be supplied to the Learning Account Administrator within 3 working days of demand.
2. You must advise the Learning Account Administrator, within 5 working days in writing, of any change to your organisation's name, address, nominated contact(s) or bank details for ILA Scotland.

Learning opportunity details

3. Although it is not mandatory for Learning Providers to include all part-time HE courses on the ILA Scotland database you must advise the Learning Account Administrator within 5 working days of any change to the details of any learning opportunity which qualifies as Approved Learning and which has been published on the ILA Scotland database.

Marketing of ILA Scotland-eligible learning opportunities

4. All marketing activity in respect of Approved Learning by your organisation or any party acting on your behalf must be in compliance with the ILA Scotland Marketing Guidelines, which may be varied from time to time by the Scottish Ministers or the Learning Account Administrator.

Retention of, and access to, documents relating to ILA Scotland-funded learning

5. You must retain, **for a period of 6 years**, the following documentary evidence in respect of any ILA Scotland grant funding claim:
 - evidence of the learner's agreement with your organisation to undertake the ILA Scotland-funded course;
 - evidence of the actual start date of learning;
 - copy of the award letter which is issued to the learner by SAAS to confirm the level of funding to successful applicants.
 - evidence of the amount and collection of such third party contribution must be retained and made available for inspection on demand, in accordance with rule 6 below.
6. You must allow access to, or deliver, **within 3 working days of demand**, such evidence, in such paper or electronic form as may be required by the Learning Account Administrator or their representatives, officers of the Auditor General Scotland, or such other persons as the Scottish Ministers may reasonably specify from time to time.

Management of your web-based ILA Scotland operations

7. It is not a requirement for Learning Providers to include all part-time HE courses on the ILA Scotland database however, it would be a helpful information source for the learners.
8. You must inform ILA Scotland **within 5 working days** of the details of any change of web administrator.

9. You shall be responsible for maintaining and keeping secure in accordance with the instructions issued by ILA Scotland for such purposes, all user names and passwords issued to you for the ILA Scotland system. You shall be liable to pay any losses, claims and expenses arising as a consequence of any breaches in security of the ILA Scotland system for which you, your agents or your employees are responsible. You shall notify ILA Scotland immediately if any breach of the security of the ILA Scotland system occurs, and provide details of such breach.

Application process

10. The ILA500 application process will be session based. Learners will be required to apply for funding before the start of their course, though there will be some flexibility in the first year of the scheme (2008-09). There will be a deadline each session when applications can be received and processed within SAAS.
11. The start of a learning period is deemed to be the start date of the course in that academic session. An academic session runs from 1st August to 31st July each year.
12. Accounts are subject to annual renewal and therefore the learner must submit a new application for each year of their continued study.
13. During the first year of the scheme (2008-09) SAAS should receive the completed endorsed application form within one month of the course start date. In subsequent years SAAS must receive the endorsed application form before the course start date.
14. Institutions must inform SAAS in respect of withdrawals and students who enrol but they never attend or formally commence the course. Learners who change to study below 50% of a full-time course will be treated as withdrawals from the scheme and SAAS need to know the date they were no longer studying at least 50% of a full-time course.
15. Institutions must only claim payment for learners who are studying at the required level (ie 50% or more of a full time course as defined by the institution) and who have attended up to and including payment cut off dates.

Quality Assurance

16. In addition to satisfying the Quality Standards specified in the Learning Provider Registration Agreement, a learning provider must operate in accordance with the ILA Scotland Quality Guidelines, which may be varied from time to time by the Scottish Ministers or a Learning Account Administrator.

Definition of Eligible Learning (DEL)

Learning eligible for ILA Scotland grant funding

1. General information

- a) This guidance is effective from 30th June 2008 until further notice. The Scottish Ministers reserve the right to vary the eligibility criteria at any time, by giving prior notice to learning providers.
- b) The ILA500 scheme is available **solely** for learners aged 16 years or over, ordinarily resident in Scotland.
- c) The learning account year is an academic session which runs from 1st August to 31st July.

2. Level of grant

- a) Funding of up to £500 per learner account year is available for eligible learning to those with an individual income of £18,000 a year or less including gross annual earned income plus private and state pension; or

Those in receipt of the following benefits:

- Jobseeker's Allowance
 - Income Support
 - Incapacity Benefit
 - Carers Allowance
 - Child Tax Credit (maximum rate)
 - Employment and Support Allowance (as from 27th October 2008)
 - Pension Credit
- b) The actual amount of ILA Scotland grant towards the price of eligible learning is calculated on the basis of the course price after the deduction of any third party (e.g. employer's) contribution.

3. Costs which qualify for grant funding

- a) In addition to course tuition fees, ILA Scotland grants can be used to pay for other costs directly associated with the course, such as registration, examination, accreditation and assessment fees or for qualifications, when such other costs are included within the course fee and provided that they are in reasonable proportion to the actual course costs.

4. Costs which do not qualify for grant funding

- a) Books and other materials (e.g. CD-ROMs), unless included within the course fee
- b) Computer hardware.

5. Distance learning

- a) To be eligible for ILA Scotland funding, distance learning must include a level of qualified tutor support and/or monitoring deemed appropriate by the Learning Account Administrator
- b) Distance learning without tutor support and monitoring, will **not** be eligible for ILA Scotland funding.

6. Eligible learning

ILA Scotland-eligible learning for the ILA500 scheme is limited to:

- part-time higher education courses at Scottish Credit and Qualifications Framework (SCQF) levels 7, 8, 9 and 10 and part-time teacher training (PGCE/PGDE) offered by universities and colleges who are registered with ILA Scotland
- Learners need to study for 50% or more of a full time Higher Education course as defined by the institution.

The following definitions apply:

Higher Education (HE) as defined in section 38(2) (a) (b) or (c) of the Further Education and Higher Education (Scotland) Act 1992. This includes full-time undergraduate degree courses offered by Universities or Colleges and courses such as Higher National Certificates, Higher National Diplomas and Diplomas of Higher Education courses, and excludes postgraduate courses.

Annex C

