

ITEM FOR:

- APPROVAL** ✓
- INFORMATION**
- DISCUSSION**
- MONITORING / REVIEW**

COLLEGE TUITION FEE POLICY FOR 2017/18

Purpose of the Report

1. This report sets out the College's proposals for the charging of tuition fees to learners and employers for the 2017/18 academic year.

Background

2. The College reviews its fee policy on an annual basis and has seen fee levels rise as Government funding has been targeted on specific groups of adult learners.
3. The College did not increase tuition fees at all in 2016/17, choosing to keep fees at the same level as in 2015/16.
4. Due to competition law requirements and restrictions, the Skills Funding Agency (SFA) is not empowered to set college fees. The setting of fees remains a matter of business for the College Corporation and is a key role identified within the Instrument and Articles of Association and the Financial Memorandum. However, the SFA and ministers continue to retain an interest in the levels of income raised by FE colleges through fees and each year as Government policy is to balance the contributions for adult learning between the state and individuals and employers.
5. The College Fee Policy for 2016/17 remained consistent with prior years. Further refinements continue to be made to the credit policy by which adult fee payers utilise a phased payment or instalment plan for more expensive courses, and make a payment for all fee attracting courses if substantive employer or Student Loan Company support is not available.
6. The charging of fees relates primarily to adult learning, either paid by individuals or employers and fee policies are always set around established fee remission categories, in particular for 16-18 learners where legislation requires tuition fees not to be charged and for adults in receipt of certain benefits. In recent years remission categories have included those learners studying first full level 2 qualifications and some basic skills courses. The College has also established and maintained additional remission categories outside of national policy.

Current Fee Position

7. The College collects fees from learners studying under its Further and Higher Education programmes including small amounts of overseas tuition fee income.

8. The table below indicates the amount of income the College has received from charging fees to learners and employers over the past 10 years.

Academic Year	Vocational Fee Income	HE Tuition Fee Income	Other Tuition Fee Income	TOTAL Tuition Fee Income
06/07	£492,848	£231,680	-	£724,528
07/08	£557,215	£342,259	£12,499	£911,973
08/09	£542,161	£486,331	£43,288	£1,071,780
09/10	£583,666	£556,411	£59,629	£1,199,706
10/11	£535,179	£674,478	£49,541	£1,259,198
11/12	£341,377	£636,157	£66,397	£1,043,931
12/13	£307,163	£1,373,188	£86,742	£1,747,093
13/14	£615,271	£1,987,750	£57,648	£2,660,669
14/15	£621,987	£2,214,871	£30,472	£2,867,330
15/16	£350,804	£2,286,538	£24,126	£2,661,468
16/17*	£516,009	£2,180,863	£24,000	£2,720,872

9. In 2016/17 tuition fee income is expected to increase by 2.2% from £2,661,468 to £2,720,872 largely due to the forecast increase in vocational Tuition Fees following the recent mid-year financial forecast.
10. A reduction in vocational tuition fees in 2015/16 was caused by the introduction of advanced learning loans where fees in 2015/16 were £779,342. In 2016/17 the current forecast value of Advanced Learner Loan fees is £614,312. The large values are driven by a number of partners engaging in learner loans which will cease after 2016/17.

Fee Remission Categories

11. The current policy includes reference to the national fee remission categories as required by the funding guidance, including those for 16-18 learners and adults in receipt of means tested benefits or seeking to move away from benefits and into employment. The SFA Skills Funding Statement suggests that there will not be any changes in current fee remission categories into the 2017/18 financial year including the extension of advanced learning loans to 19 year olds for second level 3 courses.
12. All 16-18 year old and 16-24 year old LLDD learners are fully fee remitted as a blanket national policy entitlement. Employers of 16-18 apprentices and 19+ apprentices with an EHC plan or who have been in local authority care and who are with a small employer with less than 50 employees will not be liable to pay any fees for the programme. For adult learners the following will apply from 2017/18:

Fully Remitted Fees

Provision	Learner
English and maths qualifications and units to help adults progress to GCSE A* to C (Level 2)	Learners aged 19 and over
Traineeships to help young people progress to an Apprenticeship or other job	Young people aged 16 to 24
Qualifications and units (up to and including Level 2) to help adults into work	Learners aged 19 and over
Qualifications and units (Level 3 or above) to help adults into work – only first full level 3 (as below)	Learners aged 19 to 23

Provision	Learner
Entry and Level 1 qualifications (not English, maths or ESOL) to help adults to progress to their first full Level 2	Learners aged 19 to 23
First full Level 2 qualification	Learners aged 19 to 23
First full Level 3 qualification	Learners aged 19 to 23

Contribution towards cost of study (co-funded)

Provision	Learner
Intermediate-level Apprenticeships (Level 2)	Apprentices aged 19 and over
Advanced-level Apprenticeships (Level 3)	Apprentices aged 19 and over
Higher Apprenticeships (at Levels 4, 5 and 6) – non-prescribed HE qualifications	Apprentices aged 19 and over
Entry, Level 1 and Level 2 qualifications	Learners aged 19 and over who do not qualify for full-funding
Level 3 or 4 qualifications	Learners aged 19 to 23 who do not qualify for full-funding (first only) Learners aged 24 and over have access to 24+ Advanced Learning Loans

13. In addition, the College has developed and set its own fee remission categories which include:
- a. Staff on College delivered courses: where the course is deemed essential to the employee`s personal development plan (PDP) the College will support the full cost of the programme. Two additional levels of support at 50% and 25% will be made for non-essential qualifications and will be determined by the People Development Panel in line with College policy.
 - b. Adult full time learners will pay a fee of £465 (2016/17: £450) when neither the learners nor learning programmes are included within national fee remission categories for courses of study not covered by the Advanced Learning Loan Facility. A full time Adult learner programme must be greater than or equal to 450 guided learning hours to qualify for this remission. Examination, registration and materials costs are included in this amount.

Proposed Fee Policy for 2017/18

Higher Education

14. HE students are at all times responsible for paying their fees. In some circumstances student fees are paid by either a sponsor or Student Finance England (SFE) using the student loan system. If at the time of enrolment the student does not provide either evidence of sponsorship or acceptance through SFE they will pay a fee of £250. This fee will be refunded if evidence is provided within 8 weeks of the date of enrolment. If this evidence is not provided by this date the £250 will not be refunded and the student will remain liable for the full fee.

15. The College will maintain its full time Higher Education fee levels for 2017/18. Fee levels for 2017/18 will be:
 - a. £5,950 for full time learners
 - b. £3,150 for part time learners
 - c. £1,150 per module - first entry
 - d. £750 per module – resit (new)
16. The fees stated above are annual tuition fees.
17. For students supported by an employer sponsor, evidence of financial support for the annual tuition fees is required at the start of every academic year of study. Students may not be allowed to continue their course if evidence of employer support for their tuition fees is not provided at the start of each academic year.
18. The College no longer has any old regime students.

Arrangements for student withdrawals

19. If a HE student withdraws on or before the 30 September in any academic year, they will be charged an administration fee only of £25. If the student withdraws after 30th September and on or before 31 October in an academic year they will be charged 25% of the total fee due for the year.
20. A HE withdrawal on or after 01 November in an academic year will result in the student being fully liable for the total fee for the year.
21. Students funded through the student loan system via Student Finance England will not receive any refund of monies paid to the College by SFE and will not be liable for any unpaid fees.
22. For students not funded through a sponsor or through the Student Loan Company, an option to pay full time or part time fees in instalments will be available with equal payments due for collection bi-monthly following payment of a 25% deposit at the point of enrolment.
23. If Student Finance England recovers any fees paid on behalf of the student after the date of withdrawal the College reserves the right to require full payment of any recovered fees directly from the student.
24. Exceptions to the policy for the amount of fees liable by the student in the event of withdrawal will only be made on production of a medical certificate which evidences the inability of the student to complete their studies.

Proposed Fee Policy for 2017/18

Further Education

25. Course fees for adult apprentice programmes are now separately covered in the Tuition Fee Policy. Advanced Learning Loans are no longer available for apprenticeship programmes.
26. The College will increase its tuition fee levels in 2017/18 by an amount equivalent to 2.5% rounded up to the next £5.
27. The College will continue to charge 'Market Rate' fees where these are likely to be greater than the assumed national fee.

28. Any departure from the fee policy in relation to the charging of fees below policy levels will need to be supported by market evidence and a full business case to ensure that appropriate information can support any decision process. Departure from the Policy in this instance must be authorised by the Deputy Principal: Director of Finance.
29. Full cost and commercially competitive course offerings will continue with a margin contribution model. This will be based upon a minimum contribution of 30% margin and will be flexible for group size, delivery location, material and staffing costs. This will allow full cost recovery linked to specific competitive bidding for business within a structured but flexible model. All pricing decisions for full cost and commercial courses are subject to approval by the Vice Principal: Business Development.

Arrangements for student withdrawals

30. For further Education students who withdraw from their course the following arrangements for outstanding fees will apply:
 - a. If the withdrawal occurs on or before 30 September in the Academic year of study an administrative fee of £25 will be payable.
 - b. If the withdrawal occurs between 01 October until the end of the first term of study (31 December) the student will be liable for 25% of the full course fee.
 - c. Any withdrawal after 31 December in each academic year will result in the student being liable for the full course fee.
31. Exceptions to the policy for the amount of fees liable by the student in the event of withdrawal will only be made on production of a medical certificate which evidences the inability of the student to complete their studies.

The Further Education Advanced Learning Loan System

32. Advanced Learning Loans (ALL) are available for qualifying students over the age of 24 who study level 3 programmes and are not eligible for fee remission. For 2017/18 Loans will be applicable to students aged 19 – 23 studying a second full level 3 qualification. No public funding support is available for these students.
33. As with all other fee paying students, those funding through an Advanced Learning Loan are at all times personally responsible for paying their fees.
34. If a student presents themselves for enrolment on a course of study for which an ALL is required and does not provide evidence of acceptance through Student Finance England (SFE) they will be liable to pay a fee of £250. This fee will be refunded if evidence is provided within 8 weeks of the date of enrolment. If this evidence is not provided in this period of time the £250 will not be refunded and the student will remain liable for the full course fee.

Arrangements for student withdrawals

35. Students using the ALL system for funding their studies who withdraw before the end of the course will not receive any refund of monies paid to the College by SFE and will not be liable for any unpaid fees.

Discretion

36. The Head of School will continue to have discretion to set fees at a higher level than the assumed rate to reflect the market conditions. This must be agreed before the commencement of any delivery of the programmes under consideration and should not change once the academic year has begun other than in exceptional circumstances.
37. Discretion to charge fees lower than required by this policy may only be exercised as part of the curriculum planning process and must be approved by the agreement of the Deputy Principal: Teaching & Learning for classroom based courses and the Business Development Director for workplace courses.

Apprenticeship Programmes

38. From 01 May 2017 the apprenticeship programme will be subject to a new fee charging regime.
39. Employers paying the apprenticeship levy will pay fees directly from their digital apprenticeship accounts.
40. Employers who do not pay the apprenticeship levy will be required under the Agency funding rules to make a co-investment payment towards the total cost of the apprenticeship training of 10% subject to limited remission categories mentioned in paragraph 12.
41. The College will set its initial fees for apprenticeships at the top of the published band within which each apprenticeship framework or standard qualification is placed by the Agency.
42. The fee of 10% charged to non-levy paying employers through co-investment is mandatory and cannot be waived under any circumstances.
43. The fee will be refundable if the apprentice withdraws from the programmes within 42 days of their start date. After this time, the fee paid or payable will be non-refundable.
44. Levy paying employers will pay the full chargeable fee through the Digital Apprenticeship Account in accordance with the system and scheme rules set by the Agency.
45. Partner providers working through the College will be required to charge the same 10% fee to employers. The charge will be invoiced to the employer and payment collected by the College. The College rules for fee waiver and refunds will apply to partner sourced learners.
46. Payment of the apprenticeship 10% will be chargeable at the start of the apprenticeship programme and will be payable in line with the College standard terms of payment.
47. In exceptional circumstances, such as where large volumes of learners are engaged at the same employer, the Vice principal: Business Development and Director of Finance may jointly agree to a revised payment pattern. Any departure from the standard term of payment for apprenticeship fees must be agreed by these two post holders before a training commitment has been made.
48. As a guide, payment by instalments will be considered where the cost of an individual learner apprenticeship is £1,000 or greater and spans a period of greater than 1 year. For multiple year apprenticeships with fees of £1,000 or more the total fee will be due in equal instalments at the start of each planned year of study.

Course Fee Credit Policy

Introduction and Background

The College has a strong interest in collecting fees as early as possible to ensure cash liquidity and to reduce the effort and cost involved in chasing late and overdue debts.

However it is equally in the College's interests to encourage students to enrol on its courses particularly as some students find it difficult to pay all of their fees in advance of their course starting.

It is therefore important that the College allows students to settle course fees in certain circumstances through the granting of credit and payment by instalments. In order to minimise the risk of losses, the policy for granting of credit and the ability to pay by instalments must be strictly followed.

Policy

Important points about responsibility for fees

- The payment of student tuition fees is the responsibility of the student and the student alone.
- The student will be responsible for fees irrespective of whether they are paid by their employer or any other third party organisation.
- In the event of fees remaining unpaid, the College will seek to recover fees from the student.

Individuals

Payment of fees by instalments is only permitted in the following circumstances:

Students studying Further Education courses;

ALL of these conditions must be met:

- The total student fee for the year is £300 or greater.
- The course lasts for more than 3 months.
- The student has relevant identification and valid bank account details.

Instalment payments will only be authorised for direct debits.

Fees under £1,500 may be paid by 4 instalments, 25% deposit payable at enrolment, with a further 3 consecutive monthly payments until the debt is settled.

Fees over £1,500 may be paid by 4 instalments, 25% deposit payable at enrolment, with a further 3 bi-monthly payments until the debt is settled.

Students must sign the direct debit instruction at the point of enrolment.

Employer Payments

If your employer wishes to pay your Course fees, when you enrol you will need to provide;

- A formal letter/purchase order on headed paper detailing the costs covered at the start of each academic year of study.

Fees are payable in full and will be due for payment 30 days from the date of invoice. The enrolled student will at all times be liable for the full payment of fees relating to their course, irrespective of the payment method applied to the course of study.

Collection of Payment Instalments

Overdue Instalments

A failure to make payment on the due date will result in all outstanding fees being immediately due from the student. Continued failure to pay course fees may result in removal from the course of study.

In respect of overdue instalments, one week after the instalment became due the Finance Credit Control Team will inform the student of a failure to make a payment. The student will be given a further one week from the issue of this letter to make the overdue payment.

The letter will inform the student that they may be excluded from their class, exams and access to College facilities if the overdue instalment is not received within the specified time period. A specific date and time will always be provided to the student.

If payment is not received within the specified deadline then the Finance Credit Control Team will instruct the Exams Team to withdraw the student's exam entry and notify the Head of School and Tutor that the student has been excluded from the class. The student will then be treated as a withdrawal.

Details of the outstanding debt will be processed by the Finance Credit Control Team and subject to the standard debt recovery procedure.

Once the debt recovery has entered this phase of collection, tutors should not engage in the provision of advice in relation to those fees. At all times students should be referred to the College Finance Credit Control Team.

The College will make a charge of £25 for each payment where collection has been refused.