

Document Number: 2003/2

© Copyright: National Qualifications Authority of Ireland

Published by:

National Qualifications Authority of Ireland
5th Floor, Jervis House, Jervis Street, Dublin 1

March, 2003

Review of Fees to be Charged
by the
Further Education and Training Awards Council
and the
Higher Education and Training Awards Council

Review of Fees to be Charged by the Further Education and Training Awards Council and the Higher Education and Training Awards Council

Index

Part I

Context

Legal Background

Request for Review from Department

Part II

Policy Approach of the Authority to date

Examination of Existing Practices

Summary of Councils' 2002 Income and Expenditure

Part III

Functions of Awards Councils

Issues Arising

Way Forward

Appendices

Part I

Context

The Authority has been requested by the Department of Education and Science to conduct a review of the levels of fees charged by the Councils, as is provided for in Section 61 of the Qualifications (Education and Training) Act, 1999, at the earliest possible date in 2003, and to advise the Department accordingly subsequent to such a review.

This paper aims to set out the background to the issue of the fees to be charged by the Councils and analyses the issues involved. It also suggests a number of options for the way forward. The aim is to stimulate debate on the issue in order to assist the Authority in undertaking the tasks requested by the Department.

Submissions are invited on this paper and the Authority would wish that all submissions be made by Friday 13 June 2003.

Submissions are asked to specifically address the questions that are raised in Part III of the paper by the Authority. There is a provision on the Authority's website to download a response form to this paper. The website of the Authority is at www.nqai.ie. All those submitting responses are requested to try and return this form as their submission to the Authority, or as part of their submission. Written submissions are requested. The Authority would also request that, if possible, submissions would be made electronically. The intention is that all of the submissions made to the Authority will be publicly available on the website and may also be distributed by the Authority. In this way the views of each of the various stakeholders can be apparent to other stakeholders.

Following the receipt of submissions, the Authority is planning to host a workshop on the issues.

This paper, together with consultation processes set out above will constitute the review requested by the Department. The aim is that the Authority will then advise the Department on the nature and level of fees which may be charged by the two awards Councils.

Legal Background

Qualifications (Education and Training) Act, 1999

Section 11 of the Qualifications (Education and Training) Act, 1999, sets out that the National Qualifications Authority of Ireland may pay a grant to the Further Education and Training Awards Council and the Higher Education and Training Awards Council.

Section 61 of the Qualifications (Education and Training) Act, 1999, sets out that the Further Education and Training Awards Council, the Higher Education and Training Awards Council and the National Qualifications Authority of Ireland shall charge fees in relation to the performance of their functions. The level of fees is to be set by the Minister for Education and Science, with the agreement of the Minister for Finance. The Authority may advise the Minister in respect of the level of fees to be charged and may review the level of fees. Section 61 of the Act is included in appendix 1.

It is important to note that while the Authority has a role to review the level of fees and to make recommendations to the Minister for Education and Science, the Minister also has a statutory role to consult with the Councils directly in determining any arrangements for fees.

Establishment of Authority and Awards Councils

In June 2001, the Qualifications (Education and Training) Act, 1999 was fully enacted when the two awarding Councils, FETAC and HETAC were established. This involved, inter alia, the National Council for Educational Awards Act, 1979, being repealed and the National Council for Educational Awards was consequently dissolved.

On the establishment of the new Councils in June 2001, there was a necessity for the Authority to establish procedures immediately for the performance by the new Councils of their functions. Following advice from the two Councils the procedures that have been established by the Authority have allowed for a transitional period whereby the new awarding Councils will use the existing processes of the awarding bodies previously in place – the National Council for Educational Awards, the National Council for Vocational Awards, FÁS, the National Tourism Certification Board, Bord Iascaigh Mhara and Teagasc.

In this regard, the Act has impacted on the process attached to the making of further and higher education and training awards, and consequently the fees, which the Councils charge in relation to the performance of its functions.

Request for Review from the Department

The Department of Education and Science wrote to the Authority on 22 December 2002 setting out that the Minister was aiming to request the National Qualifications Authority of Ireland to conduct a review of the levels of fees charged by the Councils, as is provided for in Section 61 of the Act, at the earliest possible date in 2003, and that the Authority would advise the Minister accordingly subsequent to such a review.

The Department wrote again to the Authority on 3 February 2003 requesting that the Authority undertake a review and setting out in further detail the context for the Authority review. The key points made in the letter are as follows:

- it is considered useful that the review to be undertaken by the Authority would operate within a number of overarching parameters
- the most important issue is that the implementation of the Qualifications (Education and Training) Act, 1999, and the operation of the awards Councils, in particular, are part of a national endeavour with a view to the betterment of society in general and to the development of a national culture that fosters lifelong learning.
- it is more than appropriate that significant State support would be in place to support the work of the Councils
- it is also of note that the Act requires the Councils to charge fees for the performance of their functions
- it is appropriate that there would be a balanced input from the State, on the one hand, and from those to whom the Councils are providing services, on the other.
- over time, it would be hoped that the Councils would increase the provision of their services to a wide range of providers of education and training and it would be expected that the fees charged by the Councils for such services would help to fund the cost of any such increased service provision.
- the review to be undertaken by the Authority is not related to the review of support for students participating in higher education institutions which is currently being undertaken by the Department.

The letter also sets out that the aim would be that the Minister would consider the advice of the Authority with a view to putting in place new arrangements for the charging of fees which would impact on the budgets of the Councils for 2004.

Part II

Policy Approach of the Authority to date

The Qualifications Act sets out that the Councils are to charge fees in relation to the performance of their functions. It also sets out that the Authority may pay a grant to each of them. Based on these statutory arrangements it was envisaged at the time that the Act was passed that the funding of the Councils would include some balance between the fees on the one hand and grant on the other.

The approach taken since the commencement of the Act in 2001 has been to introduce such a balanced approach to the funding of the Councils. In 2001, the Councils were established in the middle of the budgetary year and, in effect, the arrangements that had previously been in place remained in place for the remainder of the year.

The following overall approach for funding the Councils was put in place by the Authority for its funding of the Councils for 2002, the first full year of their operation:

- the approach should be that the maximum balance brought forward each year of either of the Councils at any time should be around 5% of their total budget for the year.
- There is a need to look at the budgets of each of the Councils in relation to the context of the functions of the Councils and to critically examine each element of expenditure proposed to be undertaken by the Councils rather than just trying to measure the incremental activity of the Councils.
- Following this process there is a need for the Authority to advocate full and appropriate budgets as being necessary for the Councils to undertake their tasks.
- In the first instance it would be a matter for the Councils to develop a policy in relation to the balance of fees and grants in their own activities and that building from this the Authority could review any proposed approach and advise the Department accordingly.

The policy approach for 2002 was, in effect, in interim position in the circumstances of the transitional nature of the work of the Councils and of the building up of the staffing resources of the Councils.

The funding set aside in the book of estimates for 2003, which includes funding for the Authority itself and the two Councils is €13.421. From this funding, the Authority made grant allocations to the Councils and such allocations were complemented by some fee income to make up the budgets of the Councils.

Examination of Existing Practices

Introduction

It is necessary in the first instance to look at the arrangements for the payment of fees both prior to and following the setting up of the Councils. It is also important to note that the Qualifications Act introduced changes to the functions of awarding bodies in relation to, for example, assessment of learners and external assessment which are in the process of being implemented and this impacts on the nature of the arrangements for fees.

Further Education and Training Awards Council

The Further Education and Training Awards Council is using the existing processes of the awarding bodies previously in place in relation to the National Council for Vocational Awards, FÁS, the National Tourism Certification Board, Bord Iascaigh Mhara and Teagasc and the Council makes all of the awards that were previously made by those bodies. The Council also awards the National Foundation Certificate previously made by the National Council for Education Awards.

In relation to the fees charged by the Council, the Council does not receive any charge in relation to awards previously made by FÁS, the National Tourism Certification Board, Bord Iascaigh Mhara and Teagasc.

The Council continues to receive the fees that were previously charged by the National Council for Vocational Awards.

The fee structure involves charges for receipt of certificates as follows:

- Full certificate or 5 modules or over - €31.74
- 4 modules – €19.05
- 3 modules - €15.24
- 2 modules - €12.70
- 1 modules - €6.35

Fees were charged of all candidates by the National Council for Vocational Awards up to 1 February 2000. From that time, following a decision of the Minister for Education and Science, candidates for NCVA level 2 awards who held a medical card or who were dependent on a parent or guardian who was the holder of a current medical card were not liable for such fees. VTOS and YOUTHREACH candidates were also exempted from level 2 fees.

Total fees received by the Council amounted to €325,000 in 2001 and €425,537 in 2002. The Council is budgeting for a similar figure in 2003.

Higher Education and Training Awards Council

In 1998 the Higher Education Authority established a tripartite working group under an independent chairperson (Mr. Séamus Páircéir) to identify and quantify the costs associated with the awards of the National Council for Educational Awards and to

draw up a proposed structure or schedule of fees to be charged by the Council. In October 1998 the Council agreed to reduce significantly the fees payable by institutions in respect of the Council's awards costs and this fee schedule remained in place until the establishment of the Higher Education and Training Awards Council in June 2001.

On its establishment the Council continued for its first year operating the arrangements for fees that were previously charged by the National Council for Educational Awards. In this regard the payments for external examiners were made on behalf of providers by the Council. These arrangements remained in place for the 2000/01 academic year.

Fee income for the Higher Education and Training Awards Council is generated from three sources - awards, evaluation fees and recognition fees.

Award Fees

Award fees are payable by the institutes of technology and other colleges recognised by the Higher Education and Training Awards Council. Prior to 2002 fees were payable on behalf of each student but were spread over each year of a course leading to a Higher Education and Training Awards Council award. In 2002 a number of changes occurred which necessitated the negotiation of a new fees structure which would apply only to the institutes of technology. These changes related to the payment of external examiners and the granting of delegated authority to certain institutes of technology.

- External Examiners - In 2002 the payment of external examiners was borne by the institutes of technology and this additional cost to the institutes of technology was acknowledged when discussions took place on the award fees payable for 2002. Expenditure on external examiners in 2002, which related only to the non institutes of technology, amounted to €56,093. The amount of fees received in 2001 was €261,959 (all providers).
- Delegated Authority - The institutes of technology fall into two categories. The first category relates to institutes of technology with delegated authority which confers on the institute the right to make awards up to and including National Diplomas. Currently four institutes of technology have been granted this delegated authority status. The second category is the remaining institutes of technology without delegated authority where awards continue to be conferred by the Higher Education and Training Awards Council.

These changes meant that the fee arrangements for the 2001/02 academic year also changed. The new fees for the academic year 2001/02 were determined on an interim basis in December 2002 as follows:

- An award fee of €18 per learner, based on the number of whole-time students as reported by institutes of technology to the Department of Education and Science in October 2001.
- A flat fee of €40,000 for each of the four institutes of technology with delegated authority.

In addition students who choose to take single subjects, called ACCS, rather than enrol for a full course were charged a fee of €6.86 per subject, repeats were charged at half of this i.e. €3.43.

The income received from institutes of technology for award fees in 2002 was €477,660. The amount received in 2001 from institutes of technology was €1,580,780.

The private colleges, who do not pay external examiner fees, generated award fees of €568,821 in 2002. The comparable receipts for 2001 were €602,921.

Award fees are also generated from awards to students attending courses outside the state. Income from this source amounted to €43,247 in 2002. The comparable receipts for 2001 were €42,062.

Therefore based on these figures the fee income from award fees in 2002 was €1,089,728. The comparable amount received in 2001 was €2,225,763.

Evaluation Fees

Evaluation Fees are paid by providers who wish to have courses validated by the Higher Education and Training Awards Council. This fee income naturally can fluctuate each year depending on the number of new applications from providers. The amount received in 2002 was €569,270. The comparable figure for 2001 was €537,067.

Recognition Fees

Education providers who wish to become a recognised education establishment under the Higher Education and Training Awards Council must undergo an evaluation and pay a recognition fee. This fee, which hasn't been increased for a number of years, is €5,000 (€6,348.69). No fees under this heading were received in 2001 and 2002.

In summary the income received from all categories of fees in 2002 was €1,658,998. The comparable figure for 2001 was €2,762,831.

The 2002 interim arrangements for the fees to be charged by HETAC will remain in place for 2003.

Summary of Councils' 2002 Income and Expenditure

Further Education and Training Council

The Further Education and Training Awards Council's expenditure for 2002 was €4,978,991, the table below identifies the key headings of expenditure.

Expenditure	€
Personnel	1,948,730
Quality Assurance	951,886
Development of Standards	40,246
Validation	2,982
International Recognition	5,129
Promoting Awards	800,571
Management Information Systems	285,641
Administration	726,945
Professional Fees	78,554
Capital Expenditure	138,306
Total Expenditure	4,978,991

These figures should be viewed in the context of the following:

- The Further Education and Training Awards Council is still in a start up phase and this has impacted on the extent of its functions and on the number of staff employed and when they commenced employment.
- Additional funding was provided in 2002 to facilitate a move from temporary accommodation to permanent accommodation which was achieved in December 2002.
- Year end figures are provisional at this stage in the year.
- Fee income amounted to €425,537.

Higher Education and Training Awards Council

The Higher Education and Training Awards Council's total expenditure for 2002 was €3,569,917, the table below identifies the key headings of expenditure.

Expenditure	€
Personnel	1,689,601
Administration Costs	147,452
Promotion Costs	126,413
Management Information Systems	286,557
Premises	921,217
Award Costs	51,595
Fees Payable	205,891
Capital Expenditure	141,191
Total Expenditure	3,569,917

These figures should be viewed in the context of the following:

- The Higher Education and Training Awards Council is still in a transition phase and this has impacted on the extent of its functions and on the number of staff employed and when they commenced employment.
- Year end figures are provisional at this stage in the year.
- The HETAC fees position, as set out above, was unique for 2002 and some of the fee income for that year will not be received until 2003.
- Fee income for 200s was €1,089,728

Part III

Functions of Awards Councils

The functions of the two awards Councils parallel each other in the Act. It is useful to list these in the context of considering issues relating to the possible charging of fees for the discharge of these functions.

The main functions can be summarised as follows:

- Determining standards for awards
- Making awards and establishing policies and criteria for this, including after validation of programmes or on direct contact from learners
- Recognising awards
- Validating programmes and establishing policies and criteria for this
- Monitoring and evaluating the quality of programmes, agreeing quality assurance procedures and reviewing the effectiveness of such procedures and their implementation
- Ensuring that providers establish procedures for the assessment of learners that are fair and consistent
- Promoting their awards
- Facilitating and assisting the Authority
- Consulting with and advising the Minister
- Ensuring that providers implement the procedures for access, transfer and progression determined by the Authority
- Delegating authority to make awards and associated review processes
- Satisfying themselves in relation to arrangements for the protection of learners

Each of these functions is considered in more detail below. There is an initial analysis of what the emerging picture is of the performance of each function, in turn, and there is an examination of the extent to which each function could be considered to be a service being provided by a Council.

Determining standards for awards

The function of determining standards for awards is a key one for each of the two Awards Councils. This function needs to be undertaken before either of the two Councils can actually make awards or indeed validate programmes leading to standards which will have been set under the new national framework of qualifications which is to be determined by the Authority. It could certainly be argued that this function is a core function of each of the Councils upon which the performance by the Councils of many of their further functions is dependent. It could also be argued that the performance of this function by the Councils is not necessarily a service to any particular range of stakeholders. Indeed, many stakeholders would play a key role in assisting the Councils in performing this function.

Making Awards

Both Councils have a number of related functions in relation to making awards and establishing policies and criteria for this. The Councils can make awards after either the direct validation of programmes or where a learner has approached a Council directly.

Traditionally, the making of an award by an awarding body has been seen as a service being provided by that awarding body. The service can relate simply to printing and issuing a certificate. It could be argued whether the service is being provided directly by the awarding body to the learner or through the provider to the learner, as in most cases the service would not be in place was a programme provided by a provider not validated by a Council.

This awarding function, accordingly links to a range of further functions of a Council and, in particular, to the validation of programmes, to monitoring and evaluating the quality of programmes and to ensuring the providers establish procedures for the assessment of learners that are fair and consistent. These are discussed below.

As has been noted there can also be a direct relationship between a learner and the Council. This involves, for example, the making of an award by the Council where a learner applies directly for an award. However, even in such an instance in the Act, it is envisaged that the Council would be assisted by the provider in forming an opinion as to whether the learner has achieved an appropriate standard of knowledge, skill and competence.

In relation to the establishment of policies and criteria for making awards, as with determining standards, this function needs to be undertaken before either of the two Councils can actually make awards or indeed validate programmes leading to standards which will have been set under the new national framework of qualifications which is to be determined by the Authority. It could certainly be argued that this function is a core function of each of the Councils upon which the performance by the Councils of many of their further functions is dependent. It could also be argued that the performance of this function by the Councils is not necessarily a service to any particular range of stakeholders. Indeed, many stakeholders would play a key role in assisting the Councils in performing this function.

Recognising Awards

The Act sets out that either of the Awards Councils have a function of recognising awards given or to be given to persons who apply for those awards and who in the opinion of the Council, have achieved an appropriate standard. Accordingly, it could be argued that such a service is a service being provided directly to learners who seek to have an award which has been made, or is about to be made, recognised. However, it could also be argued that the recognition of an award is a relationship between one awarding body and another such body. The precise manner in which the Councils will perform this recognition function is still being considered by the Councils and it is not clear quite yet how this will be developed over time.

Validation

The Councils also have key responsibilities in relation to validating programmes and in relation to establishing policies and criteria for such validations. Validation is essentially the process by which an awarding body satisfies itself that a learner through participation in a programme may attain an appropriate standard of knowledge, skill or competence for the purposes of an award to be made by that body. Clearly, it is a core function of the two Councils to have policies and criteria developed and established in relation to validation. The development of such policies and criteria is clearly needed in advance of the actual validation of programmes by the Councils. Indeed, when such policies and criteria have been developed, there may also be a need in future to revise them. It could not really be argued that the development of policies and criteria are actually services being provided by the Councils other than in a very general sense.

What could be considered to be a service, however, would be the actual validation of a programme itself by either of the Councils. This would be the whole process put in place by the Councils in relation to facilitating the receipt of validation proposals and the processing of them. This has traditionally been an area where awarding bodies have charged fees.

Quality Assurance

The Councils have responsibility for monitoring and evaluating the quality of programmes in respect of which awards are to be made and also have a key function in agreeing quality assurance procedures with providers and reviewing the effectiveness of such procedures and their implementation. These are relatively new functions in terms of them being detailed in this way in Irish law for the awards Councils. However, it could be argued that they are the updating of the effective arrangements which are already in place in many instances by previous awarding bodies. In any case, these are functions which are effectively services being provided by the Councils to providers of education and training. It could also be argued that they are linked with the validation functions. To date, it is of note that both Councils are in the process of developing appropriate policies and are consulting with stakeholders in relation to quality assurance.

It is unclear at this time the extent to which the performance by the Councils of their quality assurance function will be initially a one-off policy development and procedural agreement one, followed by a cyclical review one, or one in which there will be a more regular engagement with providers.

Assessment of learners

Both of the Councils have a function in relation to ensuring that providers establish procedures for the assessment of learners that are fair and consistent. It is important to note that neither of the Councils have functions which relate directly to the assessment of learners but rather they have the role of ensuring that the providers' own procedures are fair and consistent. The Councils are at present examining possible ways forward in relation to performing this function and have already had some discussions with stakeholders in this regard. It could be argued that, again,

these functions have some links to the quality assurance and validation functions of the Councils.

Promotion of Awards

The Councils also have a clear role in promoting their own awards. It is vital, of course, that the Councils do so. This could arguably be a service which is being provided to all stakeholders. However, it could also be seen as being a core function of the Councils and not really one that could be considered to be a service to any particular stakeholder.

Facilitating and assisting the Authority

The Councils clearly have a key role in relation to facilitating and assisting the Authority. Whether it would be possible for the Councils to charge a fee to the Authority for performing such functions is arguable. Indeed, the Councils, as has been set out above, may also receive, and have to date received, a grant from the Authority. One could argue that it could be expected that any such grant would cover the costs of the Councils in facilitating and assisting the Authority.

Consulting with and advising the Minister

The Act explicitly excludes the charging of fees by the Councils from the Minister. In any case the costs of any such activity should be met by the grant.

Ensuring that providers implement procedures for access, transfer and progression

It is unclear at this stage how the Councils will ensure that providers implement the procedures for access, transfer and progression determined by the Authority. The implementation of such procedures is a condition of either validation or delegation. However, it is also possible that the Councils will also put further arrangements in place.

Delegation of Authority

Both of the Councils have functions which provide that they may, in certain circumstances and in relation to certain providers, delegate authority to make awards. There are also associated review processes leading to such delegation and reviewing such delegation when it has taken place. It would be anticipated that such review processes would be occasional and would have a relatively high resource input on behalf of the Councils when they were taking place. It would be expected that the Councils would determine policies and criteria themselves in relation to delegation and that this policy determination role is not one that is directly linked to providing a service. However, the review process itself could be considered to be a service.

Protection of Learners

The Councils also have a particular function in relation to commercial providers of education and training. The Councils are to satisfy themselves in relation to the

arrangements that the provider has to make provision for learners where the provider might cease to provide the programme concerned. This is a unique function being performed by the Councils and relates to a particular group or groups of providers. It is unclear at this stage the extent of the resources which it will be necessary for the Councils to input into the performance of this function. However, it could certainly be argued that this is the provision of a service by the Councils to a particular group or groups of providers.

Summary of Analysis of the Functions and Services of the Awards Councils

The Qualifications Act clearly sets out that the key relationship of each of the Councils in terms of providing a service is with providers of further and higher education and training. In general, the Councils do not have a direct relationship with learners themselves, other than in actually making an award. All of the arrangements leading to an award being made concern the relationship between the provider and the awards Council. A provider must submit a programme for validation, which is the process by which the Council satisfies itself that a learner may attain the standard of knowledge, skill and competence needed for an award. The provider is responsible for putting in place the quality assurance arrangements necessary for a programme that is validated or to be validated. The provider is responsible for the assessment of learners. Indeed, while the Council does make the award itself, this happens following the validation process and linked quality assurance processes, together with whatever arrangements that the Council needs to ensure that the assessment processes of the provider are fair and consistent for the purposes of compliance with the Council's standards. Accordingly, the Council making the awards is the culmination of the processes referred to.

There are also some functions of the Councils which relate directly to a group or groups of providers. Examples of these would be satisfying themselves in relation to arrangements for the protection of learners that some commercial providers would have in place or the review process in relation to the delegation of authority to make awards to certain providers.

There can be a direct relationship between a learner and the Council. This would involve, for example, the making of an award by the Council where a learner applies directly for an award. However, even in such an instance in the Act, it is envisaged that the Council would be assisted by the provider in forming an opinion as to whether the learner has achieved an appropriate standard of knowledge, skill and competence.

It would appear that the nature of possible functions of the Councils in relation to which it could be argued that services are provided by the Councils for providers would be as follows:

- Making awards (where a programme has been validated) – regular function provided by Councils through provider to learners
- Validating programmes – regular one-off function provided by Councils for all providers seeking validation of programmes
- Agreeing quality assurance procedures and reviewing their effectiveness – regular one-off functions provided by Councils for all providers

- ensuring fairness and consistency of assessment processes – continuing function provided by Councils for all providers with validated programmes and for all providers
- satisfying themselves in relation to arrangements for the protection of learners that providers would have in place – regular one-off function in relation to commercial providers
- the review process in relation to the initial delegation of authority to make awards to certain providers and subsequent reviews – regular one-off function for recognised institutions in the case of the Higher Education and Training Awards Council and FÁS, Cert or Teagasc in the case of the Further Education and Training Awards Council

It would appear that the nature of possible functions of the Councils in relation to which it could be argued that services are provided by the Councils for learners would be as follows:

- Making awards (where a programme has been validated) – regular function provided by Councils through provider to learners
- the making of an award by the Council where a learner applies directly for an award – one-off function for a learner

Question 1 – Functions of Awards Councils

Do you agree with the description of the functions of the awards Councils described in this chapter? Are there other functions which the Authority should consider? Do you agree with the analysis of these functions as set out in this Chapter? How should this analysis be developed further?

Issues Arising

The key issue now is to look at what balance should be put in place for the funding of the Councils between fees on the one hand and grant on the other. There are a number of relevant issues to be considered and these are set out below.

Diversity of Providers

At present State-funded providers constitute the vast bulk of the providers which provide programmes leading to awards of the two Councils, or which have delegated authority from the Higher Education and Training Awards Council to make awards.

These providers would include schools, vocational education committees, FÁS, Cert, Teagasc, Bord Iascaigh Mhara, institutes of technology, community education providers and private third-level colleges (whether commercial or not). The vast majority of these providers are funded in whole or in part by the State and the provision of education and training programmes is funded by the State. There are some exceptions to this and there is no limit to the nature or background of providers who can submit programmes for validation to either of the Councils. Indeed, one of the objects of the Qualifications Act is to have regard to the traditions of providers of education and training and to promote diversity in education and training. It would be expected that there would be increasing demands on the Councils from new and emerging providers for validation of programmes as the Councils put their new arrangements in place.

There is an argument that much of the fees to be charged by the Councils would, in effect, be the charging of one State-funded agency by another for the provision of a service by that agency. On the other hand there are a number of providers which are not funded by the State with programmes leading to awards of the Councils and the hope is that many such providers will seek validation of their programmes by the Councils.

There is also the issue that there are varying traditions for charging fees. For example, there has been a practise of fees being charged for many of the services of the former National Council for Educational Awards for many years. On the other hand, where an organisation was closely linked to an awarding body, such as CERT and the National Tourism Certification Board, or where the body made awards itself and it no longer does so under the Act, there was not a tradition of fees being charged. There are many diverse providers who will have links with the Councils and who are likely to seek to have their programmes validated by the Councils. These could range to small groups of individuals to institutions which could have a national coverage. In relation to any fee that may be charged by a Council, there may be a need to consider the size of the organisation that is seeking to be provided with a service by a Council. Furthermore, where there is a large national provider with a number of different operating centres, there is a need to consider whether the service is being provided to the central provider or on an individual basis to each of the centres.

In some cases providers of programmes within the State have joint provision arrangements with providers outside the State, whether within the European Union or outside it.

Diversity of Learners

Given the diverse range of providers referred to above, the range of learners on programmes potentially leading to awards of the Councils is even bigger. Learners will be both part-time and full-time, in employment or not in employment and may come from diverse backgrounds.

Diverse Funding Arrangements for Learners

In many cases, where the State is funding the programme, there may not have been a fee paid by the learner, although there may have been a student registration charge for a higher education programme.

In relation to higher education programmes there is provision for student registration charges. There is a Framework of Good Practice for the Provision for Student Services within the charge which was circulated to all third-level institutions by the Higher Education Authority in January 1998. The framework is designed to facilitate the development of appropriate consultation procedures with students and was aimed at institutions where broad agreement had not been reached on arrangements for the disposition of funding for student services from the Charge. The charge generally includes costs associated with the award fees charged by the Higher Education and Training Awards Council.

There are exemptions from some fees now charged by the Further Education and Training Awards Council but which were previously charged by the National Council for Vocational Awards. This applies for candidates for some awards who hold a medical card or who are dependent on a parent or guardian who is the holder of a current medical card. VTOS and YOUTHREACH candidates were also exempted from fees.

In addition, in some cases at present where a learner is being provided with a service and there is a fee associated with this, there are differing arrangements on whether the provider actually passes the cost of this directly to the learner.

Volume of Providers/Learners availing of services of Councils

It is anticipated that over time there will be an increase in the number of providers seeking validation of their programmes by a Council. In the first instance it is anticipated that all of the providers which are required under the Act to submit their programmes for validation to either of the Councils will continue to do so. Following this, it is anticipated that there would be increasing demands on the Councils from new and emerging providers for validation of programmes as the Councils put their new arrangements in place.

Compulsion on State-funded Providers

It is important to note that the Act requires many providers to submit their programmes for validation to the Councils. This does not preclude them making other additional arrangements. However, it is clear that there is not, accordingly, a free market for the services of the Councils.

Services Provided by Councils

Either of the Councils may be in a position to provide administrative services for providers generally or for a particular group of providers. Any such services would be provided on the basis that they are agreed between the Council in question and the provider and would normally be on a cost-return basis. Furthermore, any such services should not conflict with the statutory roles of those involved.

Delegation and Impact of this on the Nature of the Services being provided by the Councils

Where delegated authority to make awards is given by either of the Councils, and the Higher Education and Training Awards Council has already delegated authority to four recognised institutions to make some awards, the nature of the interaction between these institutions and the Council changes. These institutions no longer submit programmes, leading to the awards that they have delegated authority to make, for validation to the Council and the Council no longer makes the awards. The Council continues to have its standard setting role, its role in ensuring fairness and consistency of assessment processes and its quality assurance role. It also has the additional role of reviewing the recognised institution for the continuation of the delegation at least once every five years.

Objectives of the State and Councils

There is an important issue of that whatever the fees arrangements are, there is a need to ensure that they are consistent with and supportive of the objectives of the State and Councils and that they strike an appropriate balance between incentivising the Councils and not disincentivising providers to access their services.

In this regard the report of the Task Force on Lifelong Learning is relevant. The task force was established by the Department of Enterprise, Trade and Employment, in consultation with the Department of Education and Science, and its report was published on 15 November, 2002. The taskforce strongly supports the establishment of the national framework of qualifications and notes that it is essential that the fees charged by the awards Councils do not stifle innovation and the increasing certification of learning. It would appear that the Taskforce may have had a concern that the fees to be charged by the Councils would either be a disincentive to providers to have programmes validated by the Councils to lead to awards of the Councils or that they would be a disincentive to learners themselves.

Building on this, it would also be important to note that there is a relationship between future potential fees. For example, there is a link between the possible validation fees and delegation fees. Institutions could be encouraged or discouraged to follow

particular approaches depending on the arrangements for fees. There needs to be consistency with the objectives of the State and the Councils needs.

Objectives of the State are also relevant in terms of the levels of awards which are fulfilling what could arguable be refer to as minimum entitlements. It could be argued that fees relating to such levels should be minimal.

Responsibilities of the State for Supporting Councils

The previous chapter examined the possible functions of the Councils in relation to which it could be argued that services are provided by the Councils. It also argued that there are certain functions which cannot really be considered to be functions which are services directly being provided to providers or learners. These would include:

- Determining standards for awards
- establishing policies and criteria for making awards
- establishing policies and criteria for validating programme
- Promoting their awards
- Facilitating and assisting the Authority
- Consulting with and advising the Minister

There is a strong argument that these functions are the ones which the State should fully and directly support and which need to be put in place and kept in place notwithstanding the extent to which the other services of the Councils are availed of.

There is also a strong argument that the State has a responsibility to ensure that the functions which can be considered to be services provided by the Councils to providers and learners are provided effectively and efficiently by the Councils and supported to some extent by the State. The State has a recognised need for the Councils to perform these functions and it is widely recognised that society in general is a principal beneficiary from the performance by the Councils of such functions. This, in turn, creates an argument that such functions should not be fully provided on a cost return basis.

It is also the case that it may be difficult for the Councils to separate in their budgeting the separate performance of separate functions. For example, the staffing structure of the Councils was determined by the Department of Education and Science with the agreement of the Department of Finance following an independent review prior to their establishment. The Councils have now advanced to putting in place staffing arrangements in line with these determinations and a further such review is to commence in the near future. It is clearly a matter for the Councils themselves to allocate their staffing resources as they think fit, and as the nature of the work of the Councils changes, it is likely that the demands and staff and the nature of staffing requirements in terms of knowledge, skill and competence will change. It could be argued that the State, having set out that there should be particular numbers of staff in place, has a responsibility to fund such a core staff to the extent that they are responsible for performing the core functions of the body. This argument could also be extended to the funding of the office accommodation of the Councils and related administrative supports.

Real Cost

It is difficult to calculate the real cost of the performance of a function by the Council. Clearly, if a complex cost centred approach were taken this would include full staffing costs, including superannuation etc, as well as an allocation of the administrative and accommodation costs of the Council as well as any other direct costs. Another approach could just be to look at the additional cost of providing the services. If this was to be the approach, the issue of how to cost services which increased significantly over time would arise.

Complexity of any Fees System

The previous chapter examined the possible functions of the Councils in relation to which it could be argued that services are provided by the Councils. The summary of the outcome of that chapter was that these functions could be as follows:

- Making awards (where a programme has been validated) – regular function provided by Councils through provider to learners
- The making of an award by the Council where a learner applies directly for an award – one-off function for a learner
- Validating programmes – regular one-off function provided by Councils for all providers seeking validation of programmes
- Agreeing quality assurance procedures and reviewing their effectiveness – regular one-off functions provided by Councils for all providers
- Ensuring fairness and consistency of assessment processes – continuing function provided by Councils for all providers with validated programmes and for all providers
- Satisfying themselves in relation to arrangements for the protection of learners that providers would have in place – regular one-off function in relation to commercial providers
- The review process in relation to the initial delegation of authority to make awards to certain providers and subsequent reviews – regular one-off function for recognised institutions in the case of the Higher Education and Training Awards Council and FÁS, Cert or Teagasc in the case of the Further Education and Training Awards Council

There are accordingly a wide range of diverse functions in relation to which it could be argued that services are provided by the Councils. Consideration needs to be given to how arrangements for charging fees to meet some or all of the costs of the performance of some or all of these functions.

A first issue that arises is that it would be helpful to have as simple as possible a system of charging fees. This would apply to both the Councils and the providers and would minimise the costs associated with the administration of any fees arrangements. Moreover, the fact that the various the functions of the Council such as setting standards, validating programmes and agreeing quality assurance procedures, are located within the Council implies a synergy which relates to interaction among the functions.

Consistency of any Fees System

It has already been set out that there are varying traditions for charging fees. For example, there has been a practise of fees being charged for many of the services of the former National Council for Educational Awards for many years. On the other hand, where an organisation was closely linked to an awarding body, such as CERT and the National Tourism Certification Board, or where the body made awards itself and it no longer does so under the Act, there was not a tradition of fees being charged.

An issue arises as to whether it would be necessary for the same arrangements for fees to be in place for both of the Councils, or whether there could be different arrangements in place for each. Likewise, the issue arises as to whether the same arrangements are necessary at each level in the framework or whether there could be differences. Practice within the former National Council for Educational Awards supported an approach where the charges were higher where a higher level award was being made.

Services Provided by Councils outside the State

While the Act can only relate to the functions of the Councils as they are performed within the State itself, it is also the case that some services are provided by the Councils outside the State, whether within the European Union or outside it. Such services would normally be in support of joint arrangements made by providers with programmes validated by a Council. Costs which would be additional to the normal costs that would arise within the State would arise in such contexts.

Question 2 – Issues Arising

Do you agree with the range of issues identified in this chapter? Are there other issues which the Authority should consider? Do you agree with the discussion on the issues set out in this Chapter? How should this discussion be developed further?

Way Forward

In the context of the issues set out above and of the functions of the Councils, there is a need to consider now what approach should be taken by the Authority in recommending a balance to put in place for the funding of the Councils between fees on the one hand and grant on the other.

It is considered that in the first instance it would be useful for the Authority to have a set of principles within which the approach can be determined. Building on such principles, it is then considered that the recommendations of the Authority should be made.

For the purposes of this consultation, it is considered that there is a need to suggest a number of possible principles, in relation to what approach should be taken by the Authority in recommending a balance to put in place for the funding of the Councils between fees on the one hand and grant on the other. These possible principles can then form the basis of submissions from stakeholders and building on these a number of possible options for recommendations in relation to the nature of fees to be charged by the Councils are discussed.

Principles

Accordingly there is a need to consider possible principles, in relation to the approach should be taken by the Authority in recommending a balance to put in place for the funding of the Councils between fees on the one hand and grant on the other. The Authority is not proposing principles for adoption at this stage. Rather, the approach is to set out a number of possible principles which can then be the subject of discussion. Accordingly, the following principles are advanced for discussion:

- There is a need to have in place full and appropriate budgets necessary for the Councils to undertake their tasks.
- The State has a duty to financially support the work of the Councils so as to support them in performing their functions as set out by the Oireachtas with the key aim of supporting their role in the development of a lifelong learning society
- There is a need for those availing of the services of the Councils to pay fees to the Councils to make a contribution to the cost of performing those functions – the level of fees to be paid should be linked with the extent of the services provided
- Fees to be charged by the Councils should not stifle innovation and the increasing certification of learning
- Where a provider has a programme validated by a Council or authority delegated to make awards from a Council, all fees to be charged in relation to programmes or awards would be charges on the provider and any charge which is passed on to a learner would be a matter for the provider
- Where the State is funding providers, there should be support for disadvantaged learners to ensure that any costs are not passed to them
- Arrangements for the payment of fees should be determined, as far as possible, on a multi-annual basis

- Arrangements for the payment of fees should be reviewed on a regular basis
- Arrangements for the payment of fees should not differ depending on whether or not a provider is funded by the State
- Arrangements for the charging of fees should be as simple, easily understood and communicable as possible
- Where there is agreement between providers and a Council that the Council would provide administrative services to those providers it should be done so on a full cost return basis
- There should be a full recovery of all costs associated with services of the Councils being made available outside the European Union

Options

Building on the possible principles set out above a number of possible options for recommendations in relation to the nature of fees to be charged by the Councils can be considered.

This paper sets out a number of options as follows:

Option 1

Fees would be charged by the Councils on the basis of the real full cost of each of the services that they provide.

Option 2

Fees would be charged by the Councils on the basis of the additional costs of each of the services that they provide. This would, accordingly, not include the staffing costs or appropriate amounts of the overall administrative costs of the Councils.

Option 3

Fees would be charged by the Councils on the basis of the additional costs of a limited range of the services that they provide. This would, accordingly, not include the staffing costs or appropriate amounts of the overall administrative costs of the Councils.

Option 4

Particular weighting could be applied to each of the options set out above so that there would be increasing fees charged relating to the level of the award.

Looking at Options

It is considered that each of the four options set out above would be have some consistency with the possible principles set out above.

It would appear that option 1 would involve the extensive charging of fees by the Councils which could be considered to be excessive.

Options 2 and 3 are similar other than that there would be a limited range of functions in relation to which fees would arise associated with the Option 3. The question would arise in relation to which limited functions fees might apply. A simple solution could be to have a single composite charge for providers with programmes validated by the Councils relating to the number of learners, which would encompass the functions of:

- award-making
- validation
- quality assurance (procedural agreement and review of effectiveness) and
- assessment (ensuring fairness and consistency).

This would still leave the need for further consideration of one-off charges being associated with:

- the making of an award by the Council where a learner applies directly for an award – one-off function for a learner
- satisfying themselves in relation to arrangements for the protection of learners that providers would have in place – regular one-off function in relation to commercial providers, although it could also relate to the volume of learners with increasing risk for more learners
- the review process in relation to the initial delegation of authority to make awards to certain providers and subsequent reviews – regular one-off function for recognised institutions in the case of the Higher Education and Training Awards Council and FÁS, Cert or Teagasc in the case of the Further Education and Training Awards Council.

It would also raise the issue of those providers with delegated authority to make awards themselves – they would still be availing of the services of the Council in relation to quality assurance (procedural agreement and review of effectiveness) and assessment (ensuring fairness and consistency).

In an environment where fees are being charged for services, it is difficult to envisage there not being fees chargeable by the Councils for the performances of these functions.

Option 4, effectively, reflects a greater level of public subsidy to those seeking lower level awards and makes the case that it is appropriate that there would be some additional charge where the level is higher and that charge associated with the lowest levels would be minimal. There would be a need to ensure that any such arrangements did not create too many complexities.

Question 3 – Consideration of Way Forward

Do you agree with the possible principles set out, in relation to the approach to be taken by the Authority in recommending a balance for the funding of the Councils between fees on the one hand and grant on the other? Should these be further developed or are there other principles which the Authority should consider? What is your view on the options set out? Do you agree with the analysis of the options? What steps do you think that the Authority should take now?

Appendix 1

Section 61 of the Qualifications (Education and Training) Act, 1999

61.—(1) A relevant body shall charge, receive and recover fees, other than from the Minister, in relation to the performance of its functions.

(2) Subject to *subsection (3)*, the Minister in consultation with the relevant body, with the concurrence of the Minister for Finance, shall determine the level of fees referred to in *subsection (1)*.

(3) The Authority may advise the Minister in respect of the level of fees referred to in *subsection (1)*.

(4) For the purposes of this section, the Authority may review from time to time the level of fees referred to in *subsection (1)*.

Appendix 2

Questions

Question 1 – Functions of Awards Councils

Do you agree with the description of the functions of the awards Councils described in this chapter? Are there other functions which the Authority should consider? Do you agree with the analysis of these functions as set out in this Chapter? How should this analysis be developed further?

Question 2 – Issues Arising

Do you agree with the range of issues identified in this chapter? Are there other issues which the Authority should consider? Do you agree with the discussion on the issues set out in this Chapter? How should this discussion be developed further?

Question 3 – Consideration of Way Forward

Do you agree with the possible principles set out, in relation to the approach should be taken by the Authority in recommending a balance for the funding of the Councils between fees on the one hand and grant on the other? Should these be further developed or are there other principles which the Authority should consider? What is your view on the options set out? Do you agree with the analysis of the options? What steps do you think that the Authority should take now?