

**① For information**

# **LSC Funding Guidance 2009/10**

## **Update – v4.1**

**September 2009**

Of interest to everyone involved in delivering LSC-funded provision

## Further information

For further information, please contact the appropriate LSC partnership team at the local LSC. Contact details for each office can be found on the LSC's website ([www.lsc.gov.uk](http://www.lsc.gov.uk)).

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## Intended recipients

Principals, chief executives, head teachers and senior staff in colleges, schools sixth forms, training providers and local authorities involved in the delivery of LSC-funded provision

**Status:** An integral part of the LSC's funding agreements, for reference and information.

## For information

# Changes and additions

## v4.0 to v.4.1

Section 2: <i>Funding Rates</i>	Table 3 updated with new E2E rates
Section 4: <i>PRR</i>	Age eligibility for E2E – corrected to say “learners who are over 19” aren’t eligible
	Additional information (paragraphs 165-229) on exceptional learning support
	Additional information (paragraphs 115) on Apprenticeship certificates
Section 6: <i>ILR Funding Compliance Advice</i>	Links to updated ALS costs forms added
Annex F: FLT	Minor amendments
Annex L: Summary of evidence requirements for ER	New annex; new paragraph to replace paragraph 26 on Apprenticeship achievement

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# Executive Summary

**September 2009**

## **LSC Funding Guidance 2009/10**

This document, LSC Funding Guidance 2009/10 (referred to here as 'the Guidance'), sets out the key changes to the Learning and Skills Council (LSC) funding approach for 2009/10. It is a technical reference document, and should be used in conjunction with the various LSC funding guidance booklets issued for 2008/09. All colleges, providers and other organisations that receive funding from the LSC for the provision of further and adult education are required to comply with the Guidance.

This guidance applies to all LSC programme-funding streams, including 16-18 learner-responsive, adult learner-responsive and employer-responsive.

The Funding Guidance 2009/10 will follow the structure of the 2008/09 guidance, in that there will be a section updating each of these booklets.

# 1: Introduction and Background

## Introduction

1 This document (the Guidance) sets out the changes to the Learning and Skills Council's (LSC's) Funding Guidance that relate to 2009/10. In all areas which are not described elsewhere in the final version of this document, the Funding Guidance for 2008/09 will continue to apply. That guidance is set out in the following documents:

- *Funding Rates*
- *Funding Formula*
- *Funding Principles, Rules and Regulations*
- *Learner Eligibility Guidance*
- *ILR Funding Compliance Advice and Audit Guidance for Providers*
- *ILR Funding Claims and Audit Returns*
- *School Sixth Form Guidance.*

2 The structure of this document follows that of the existing funding guidance; that is, there will be a section covering the key changes in each of the separate documents highlighted above.

## 2: Funding Rates

### Section 1: Funding rate principles

*Replaces paragraphs 17 through 20*

#### National funding rates

3 The national funding rates per Standard Learner Number (SLN) for 2009/10 were published in November 2008 in the LSC's *Statement of Priorities*. They are given in Table 1.

**Table 1: National funding rates for 2009/10**

Funding model	National funding rate per SLN
16-18 learner-responsive: School sixth forms	£3,007
16-18 learner-responsive: All other providers	£2,920
Employer-responsive: 16-18 Apprenticeships	£2,920
Adult learner-responsive	£2,817
Employer-responsive: Train to Gain	£2,901
Employer-responsive: 19+ Apprenticeships	£2,817

#### Area-costs uplift

4 Previous research showed that there is a clearly marked difference in relative costs between London and the South East, and the rest of England. These figures are subject to regular review, and Table 2 shows the area-costs uplift for 2009/10.

**Table 2: Area-costs uplift 2009/10**

<b>Local LSC region and districts</b>	<b>Uplift 2009/10</b>
London A (Inner London)	20%
London B (Outer London)	12%
Berkshire (fringe and non-fringe)	12%
Crawley	12%
Surrey	12%
Buckinghamshire fringe	10%
Hertfordshire fringe	10%
Buckinghamshire non-fringe	7%
Oxfordshire	7%
Essex fringe	6%
Kent fringe	6%
Bedfordshire	3%
Hertfordshire non-fringe	3%
Hampshire and Isle of Wight	2%
Cambridgeshire	2%
West Sussex non-fringe	1%
Rest of England	0%

### **Disadvantage uplift**

*Replaces paragraph 22*

5 Disadvantage uplift affects all three funding models; however, in the employer-responsive model disadvantage uplift is only applied to Apprenticeships and not to Train to Gain. In all funding models, one part of this is based on the Index of Multiple Deprivation (IMD) 2004.

## **Section 2: 16-18 funding model**

### **SLN values for specific learning aims**

*Replaces paragraphs 36 to 43*

6 SLN values for all learning aims have been considered by the technical sub-group of the LSC's Funding, Planning and Performance Board. The group examined data on guided learning hours (glh) extracted from the individualised learner record (ILR) for 2007/08 and has recommended

changes to the SLN values for provision funded using the 16-18 and adult learner-responsive funding models. Of these changes to listed values, 74 learning aims were already listed in 2008/09 and a further 68 learning aims were unlisted in 2008/09. A final 21 learning aims were listed in 2008/09 but have glh data in 2007/08 that is inconsistent, and so are no longer listed. These changes are detailed in Annex A to this document.

7 In 2009/10, a number of learning aims that were previously unlisted for LSC providers now have listed values. Providers should note that having a listed value simply means that the LSC will apply a standard rate to the learning aim. It does not imply any sort of priority, as it is purely based on consistent glh delivery.

8 Following the review by the technical sub-group, the listed rates for GCE AS/A2 and A Level Critical Thinking are not being adjusted in 2009/10, as the glh are not sufficiently consistent around the average. The technical sub-group also agreed to keep the rate for the Foundation Diploma in Art and Design unchanged in 2009/10 in line with the recommendations of previous research, although these qualifications are currently delivered in lower glh than the listed rates would imply. As with all other qualifications, the LSC will continue to monitor these two cases on an annual basis.

9 Some learning aims are not delivered in consistent glh and will therefore be unlisted, with the SLN value derived directly from the glh as recorded in the ILR. All listed rates are recorded in the Learning Aims Database (LAD).

10 As in 08/09, for all learners with the 16-18 funding entitlement and with a planned glh in the relevant funding year of at least 450 including the entitlement glh, a record with a listed SLN value is added for the entitlement.

11 Additionally, for learners who do not meet the above criteria but whose planned glh in any 12 month period crossing the relevant funding year and who have not attracted entitlement funding in the previous funding year, a record is added as above.

12 Annex B details the funding arrangements for the new Diplomas, including the new lines which are available in 2009/10. The SLN values and programme weightings for those Diploma lines which were available in 2008/09 are unchanged.

### **Entry to Employment**

*Replaces paragraph 44*

13 The SLN values for E2E have changed. In essence, the bonus rates have been doubled and the weekly rate reduced slightly to make the bonus increase cost neutral. The weekly, enhanced bonus and basic bonus SLN values include an assumption that all learners will require additional learning support (ALS). Therefore, low-level ALS funding (under £5,500) may not be claimed in addition to the E2E weekly funding. For clarity, the cap of 1.75 SLN per learner applies to E2E as it does to all other learner-responsive provision.

14 In 2009/10 a proportion of E2E funding will be specifically identified as relating to ALS. This is intended as a step towards separating ALS completely from the E2E rate in 2010/11. The amount of the E2E SLN values which relates to ALS is shown below. This is based on analysis that shows that on average, E2E learners have the equivalent of 2 F grades in GCSE English and Mathematics. Providers do not have to claim the ALS funding in 2009/10; it will be paid automatically as it is in 2008/09. Providers should not see any change in funding in 2009/10 as a result of this calculation.

**Table 3: E2E rates 2009/10**

<b>Payment type</b>	<b>Full E2E SLN value (including ALS)*</b>	<b>Portion of E2E SLN value identified as ALS</b>	<b>E2E SLN value with ALS portion removed</b>
Weekly	0.037	0.003	0.034
Basic bonus	0.062	0.006	0.056
Enhanced bonus	0.126	0.011	0.115

### **Section 3: Adult learner-responsive funding model**

#### **Tuition fees**

*Replaces paragraph 64*

15 The tuition fee assumption for adult learner responsive provision will be increased in 2009/10 to 47.5 per cent, as set out in the LSC's Statement of Priorities (November 2008). There will be a further increase to 50% in 2010/11.

### **Section 4: Employer-responsive funding model**

#### **Train to Gain**

*Replaces paragraphs 30 through 87*

16 The LSC commissioned work into the activity costs of Train to Gain provision during 2007, following a similar approach to that adopted previously for Apprenticeships. Based on the recommendations of the first phase of that work, the lower and higher rates for this provision were re-balanced in 2008/09.

17 Following the second phase of this work and feedback from providers we are making two further changes to the rates for Train to Gain in 2009/10. Firstly, we are removing the lower and higher rates for this provision and the associated 15 hour rule. This will mean that all aims within Train to Gain will each have a single listed SLN value. For existing funded qualifications this will be equivalent to their 2008/09 higher SLN rate.

18 Secondly, the research also showed that the standard range of programme weightings was too wide. Therefore the existing factors of 1.0, 1.25 and 1.5 will be replaced by factors of 1.0, 1.15 and 1.3. The reduction of the weighting factors allows the listed SLN values to be set at the higher rates.

19 These changes will reduce the bureaucracy related to delivering Train to Gain and mean that the weightings will better reflect the costs of delivery. The LSC also reviewed the rates of some specific level 2 NVQs in early 2009, to see whether it was appropriate to fund them at an increased SLN rate from 2009/10. Some changes to SLN values were made for 2009/10, and further changes were recommended for 2010/11. Further reviews will take place for 2010/11, and may result in decreases for some qualifications as well as increases for others.

20 The reductions to the weighting factors will be moderated in two ways. The change to the 1.25 weighting will be phased over 2 years with a weighting of 1.2 used in 2009/10 and a weighting of 1.15 used in 2010/11. This means that the impact of the reduction in the weighting in 2009/10 is partly mitigated by the increase in the national funding rates for this provision.

21 The reduction to the 1.5 weighting will be made in a single year, but this will be mitigated in part by the payment of transitional protection and also by this provision receiving the most significant overall benefit in the adoption of a single SLN value. The calculation of transitional protection has been made independently of the recent decision to remove the 3% capacity building premium from Train to Gain provision. A review of the rates for some specific NVQs with this weighting may also reduce the potential impact on providers.

22 Where Train to Gain providers would receive a reduction in overall funding in 2009/10 for delivering the same provision as previous years they will be eligible for transitional protection. This eligibility will be based on an analysis of historical ILR data. The level of transitional protection will be informed by a national methodology and agreed on an individual provider basis through the allocation process. More detail on the impact on providers of these changes is available on the LSC website.

23 The SLN values and programme weightings which will apply to Train to Gain provision in 2009/10 are shown in Annex C. The SLN values given apply whether the provision is fully-funded or co-funded. The rates paid for co-funded provision are adjusted to take into account the expected employer contribution of 47.5 per cent.

24 The range of qualifications funded within Train to Gain is likely to expand following the announcement of the interim full level 2 definition for aims in the Qualification and Credit Framework (QCF) and the eligibility for funding of units and thin qualifications through the small and medium enterprise (SME) flexibilities. The LSC will set SLN values for new qualifications that are appropriate for the size of the learning aim. These may be different to the higher SLN values used in 2008/09 and quoted in Annex C.

## **Apprenticeships**

### *Additional information*

25 Weightings for the competence-based elements of Apprenticeship frameworks were aligned in 2008/09 with Train to Gain weightings. As outlined above, the Train to Gain weightings will be changing over the next 2 years. It is not planned to change the weightings for Apprenticeships until the Train to Gain changes are fully implemented, that is in 2010/11. As such there are no changes to the weighting structure for Apprenticeships in 2009/10.

26 The change in weightings is not intended to affect Apprenticeship funding. SLN values for the competence-based elements of frameworks will be adjusted in order to maintain the level of funding when the changes to weightings are made in 2010/11.

### *Funding rates for 25+ Apprenticeships*

27 All new 25+ Apprenticeship starts from 1 August 2009 will be funded at 90% of the 19-24 rate. Providers will need to discount the funding claimed for these Apprenticeships through appropriate use of the field A51a in the ILR.

28 Providers are reminded that the value placed in A51a affects only the on-programme element of the funding and not the achievement element of 25% which applies to the main aim of an Apprenticeship. Hence putting a value of 90 into field A51a against the Apprenticeship framework's main learning aim would in fact only discount the funding to 92.5%, not the required 90%.

29 This means that in the majority of cases for 25+ Apprenticeships, where A51a is not required for any purpose other than that covered by this policy, the value in A51A of the main aim should be 87. As there is no achievement element for the technical certificate and key skills, the value applied in A51a for those aims should be 90.

30 More detail on the exact approach to apply, including situations where use of A51a is also required for other purposes, is given in a guidance note on the LSC website.

### **Employer contributions**

#### *Replaces paragraphs 94 through 96*

31 For Train to Gain, the expected employer contribution for provision which is co-funded will be 47.5 per cent of the fully-funded Train to Gain rate.

32 For Apprenticeships, the approach for moving the expected employer contribution towards 50 per cent by 2010, which was agreed with the Association of Learning Providers (ALP), will continue in 2009/10. That is, the expected employer contribution will increase from its 2008/09 level to the next anticipated step along the projected trajectory towards 50 per cent (see Table 3). If the expected employer contribution is already greater than 47.5 per cent, it will not be increased until the projected trajectory exceeds it.

### **Table 4: Projected trajectory for increasing the expected employer contribution for Apprenticeships to 50 per cent**

<b>Academic year</b>	<b>Expected employer contribution</b>
2009/10	47.5%
2010/11	50.0%

33 The agreed employer contributions for Apprenticeships are expressed as the amount which the fully-funded 16-18 rate is reduced by to give the co-funded 19+ rate. The funding calculations and the values on the Learning Aim Database require the employer contribution to be expressed as a percentage of the 19+ rate; those percentage figures are consequently slightly lower, as the national funding rate for 19+ Apprenticeships is lower than that for 16-18 year olds. In addition, key skills have historically had a lower expected employer contribution than other learning aims and they continue to do so in 2009/10.

# 3: Funding Formula

## Section 2: SLN and provider factors

### Transfers

#### *Additional information*

34 Where a learner transfers between learning aims (that is, when they withdraw from a learning aim and as a direct result, at the same time, start studying for another learning aim within the same provider) the LSC will only fund the latter learner aim in that academic year. The aim that the learner transferred out of, which will be identified on the ILR by the code A34 = 4, will not attract any funding even if the learner has completed the minimum learning period for the aim. This is to avoid double funding of provision. These transferred aims are also excluded from the success rates calculation.

35 Where a learner moves to a new provider or withdraws from the aim for other reasons, as indicated on the ILR by code A34 = 3, the aim will still be eligible for funding in the normal manner but will be included in the success rates calculation.

## Section 3: Additional learning support

### 16-18 and adult learner-responsive models

#### *Replaces paragraphs 92 and 93*

36 Additional learning support (ALS) for learner-responsive provision in all providers except school sixth forms is split into three parts under demand-led funding.

- Calculated lower-level ALS: lower-level ALS meets the needs of those learners who require up to £5,500 of ALS support. 60% of lower-level ALS budget is allocated based on the low-cost ALS formula.
- Negotiated lower-level ALS: 40% of the lower-level ALS budget is allocated through negotiation between providers and the LSC based on historic claim data and the provider's contribution to LSC strategies.
- Higher-level ALS: higher-level ALS meets the needs of learners who require over £5,500 of ALS support. The maximum higher-level ALS for any single learner is £19,000. In 2008/09 the first £5,500 was included in the lower-level ALS budget; from 2009/10 all funding for learners accessing higher-level ALS is included in the higher-level ALS budget. The higher-level ALS budget is negotiated between providers and the LSC based on historical claim data and the number of higher-cost learners planned for the coming year.

37 In addition, learners who require support valued at over £19,000 can be supported from a regional budget on an individual basis.

38 The allocations ALS per SLN rates for 2009/10 are shown in the tables below. They are now shown in tabular format rather than as equations, but the underlying mathematical approach is equivalent. The amount of funding generated by the formula can be found by taking the ALS per SLN rate for each learner and multiplying it by the learner's total SLN for the year.

39 For school sixth forms the ALS allocation is entirely based on the low-level formula. The rates for other 16-18 learner-responsive providers are discounted because of the negotiated element of the allocation, and to take into account the revised approach to higher level claims in 2009/10.

**Table 5: 16-18 learner-responsive ALS per SLN rates**

GCSE English and Mathematics		16-18 LR (School Sixth Forms)	16-18 LR (other providers) *
points	typical grades		
0-15	No passes	£1,076.40	£609.28
16-31	1 G grade	£779.28	£441.10
32-43	2 G grades	£531.34	£300.76
44-55	2 F grades	£377.65	£213.77
56-67	2 E grades	£251.62	£142.43
68-79	2 D grades	£153.26	£86.75
80-91	2 C grades	£82.55	£46.73
92-103	2 B grades	£39.50	£22.36
104 or more	2 A grades or better	£24.12	£13.65

\* Includes reduction for negotiated element.

**Table 6: 19+ learner-responsive ALS per SLN rates**

Learners highest level of study in year	ALS rate per SLN*
Level 1 And Entry	£279.20
Level 2	£90.25
Level 3	£83.13
Level 4, 5 or higher	£50.52
Other/unknown	£0.00

\* Includes reduction for negotiated element.

### Employer-responsive funding model

### *Additional information*

40 In *The 16-18, Adult Learner- and Employer-responsive Funding Models*, it was announced that research would be carried out on the way in which Additional Learning Support (ALS) is used and funded in the employer-responsive model. This research has been completed and is currently being evaluated. Any changes would not affect the way in which ALS is recorded on the ILR. Significant changes to ALS may be introduced in 2010/11 based on further consultation with stakeholder groups.

# 4: Principles, Rules and Regulations

## Section 2: LSC funding for post-16 provision

### Existing conditions of funding

#### *Additional information to paragraph 47*

41 The Learning and Skills Act 2000 has been amended by the Education and Skills Act 2008. This legislation now gives eligible adult learners (those who have attained the age of 19) a legal entitlement to expect the following.

- a. No tuition fees shall be charged to learners aged 19 or over studying towards their first full level 2 vocational qualification.
- b. No tuition fees shall be charged to learners aged 19 or over but under 25 studying towards their first full level 3 qualification.
- c. No tuition fees shall be charged to learners aged 19 or over studying towards level 1 literacy and/or entry level 3 numeracy qualifications. In addition, eligible learners accessing level 1 literacy or entry level 3 numeracy will not have to pay fees in respect of assessment or examination.

42 The amended Act describes the qualifications in scope for the entitlement as 'specified qualifications'. The list of specified qualifications within scope of the new adult entitlement to learning is published and regularly updated by the LSC [online](#).

## Section 3: Definitions and terminology

### Age definitions (16-18 year-old and 19 or over learners)

#### *Additional to paragraphs 52 through 54*

*Definition 1: For allocations and monitoring purposes, including SSoA, allocations, funding claims, national targets, and national modelling*

43 A 16 to 18 year-old learner is aged 16, 17 or 18 on 31 August in the relevant funding year.

44 This is the standard definition and should be the default approach.

*Definition 2: For funding eligibility purposes, including funding rates, entitlement funding and tuition fees*

45 A 16 to 18 year-old learner is aged 16, 17 or 18 on 31 August in the funding year when the learner begins a programme of study.

46 This is an exception which is used to protect the funding eligibility of 16-18 learners once they have started a learning programme.

### *Operational impact*

47 Definition 2 is used within the ILR to show which learners are funded using the 16-18 learner-responsive funding methodology (in the ILR, field A10 = 21). It indicates which rates and eligibility rules applied to a specific learner, but **not** which budget they have been funded from.

48 Definition 1 should be used in all reporting of performance against targets, funding allocations, and claims (use age variables).

### **Fee remission, fee and full cost income targets**

#### *Replaces paragraph 93*

49 Providers are able to set the levels of fees charged to learners. LSC partnership teams monitor fee levels to ensure that variations do not adversely affect provision in the area. Where providers do charge more than 47.5 per cent in tuition fees, they will be able to retain the full amount charged. However, the LSC also requires providers to see their provision as full-cost recovery provision where the tuition fee charged to the learner approaches the value of LSC funding that would be generated by multiplying the SLN value for the programme by the programme weight and by the provider area cost uplift and by the LSC published national funding rate for the programme of study. This formula is expressed as follows:

SLN x Programme weighting x area cost uplift x National funding rate

#### *Additional to paragraph 94*

50 From 2009/10, it is a condition of LSC funding that all providers agree with the LSC income generation targets for LSC subsidised learning and learning funded in full by individual learners and employers. Extension of this requirement to wider employer contributions is also being considered by the LSC and the department for Business, Innovation and Skills (BIS).

51 For 2009/10, the LSC has an operational fee and income generation target setting framework for co-funded activity in the adult learner-responsive model and full cost fee income. The target setting framework uses historical data (2007/08) from the ILR and college finance records to establish minimum uplifts to fees collected per co-funded SLN to meet the national fee assumptions, targeting those providers performing below the national average in relation to fee collection rates. To support this process the LSC has [a dedicated web resource](#) with links to support packs and toolkits for providers on fees and income generation.

52 The target setting framework has been delivered alongside the allocations dialogue with the providers, working within the national business cycles. Income targets for 2009/10 will only be applied to the following.

- a. Adult learner-responsive model for individuals engaged in LSC co-funded activity. Providers are reminded that where they do charge more than 47.5 per cent in tuition fees for co-funded activity, they will be able to retain the full amount charged. This flexibility enables the provider to adopt a flexible pricing strategy to take account of the elasticity of demands, and the needs of their learners.
- b. Full income generation. This data is gathered from the college finance records and encompasses the data from the three fields of the finance record that relate to full cost income:
  - i. full-cost non-governmental – learner,
  - ii. international students,
  - iii. full-cost non-governmental – employer.

### **Hardship fund**

*Replaces paragraph 111*

53 Hardship funding in the employer-responsive model is detailed in annex I. Eligible E2E learners are eligible for discretionary Learner Support Funds (dLSF) in the usual way.

### **Agreed breaks in learning**

*Additional information*

54 Agreed breaks in learning described are only applicable to the employer-responsive model.

### **Information, advice and guidance**

*Additional information*

55 The implementation of the QCF will present new opportunities for learners and employers with regard to personalisation of learning and incremental achievement through credit accumulation and transfer. The LSC is taking forward a programme of work to support the embedding of the QCF across information, advice and guidance (IAG) services as part of the Council's remit for the implementation of the new framework. Providers and external IAG services must ensure they are able to support employers and learners in making the right learning choices in the context of the new unit-based qualification and credit framework.

## **Section 4: Qualifications and funding**

### **Qualification reform**

*Replaces paragraphs 180 through 183*

56 Details concerning the Vocational Qualification Reform Programme (paragraphs 180 to 183 in *Principles, Rules and Regulations*) and the

Qualification and Credit Framework (QCF) have been superseded by the publication of the [QCF Policy Update 1](#). The QCF Policy Update will be the authoritative source for information concerning the implementation of the QCF and wider vocational qualification reform.

57 Details concerning the Foundation Learning Tier (FLT – paragraphs 188 to 192) and the implementation of Personalised Learning Programmes will be updated through revisions to *The Prospectus for Progression Pathways* in April 2009. The Prospectus will become the authoritative source for policy updates concerning the FLT and the implementation of Personalised Learning Programmes.

58 For 2009/10, the LSC's Statement of Priorities specifies that as Personalised Learning Programmes begin to replace current programmes at entry level, an aspirational guide has been established that 30% of starts in all Foundation Learning (excluding Skills for Life) are expected to be on Personalised Learning Programmes.

### Foundation learning tier

*Replaces paragraphs 187 through 191*

*Overview of Personalised Learning Programmes*

59 The term 'Progression Pathways' is no longer current and has been replaced with 'Personalised Learning Programmes'. However, the *Prospectus for Progression Pathways* document is still current.

60 Personalised Learning Programmes set down the parameters for designing personalised learning programmes to support individual progression through the achievement of an appropriate combination of qualifications from entry level and level 1 of the QCF.

61 They are supported by a 'wrap-around' of information, advice and guidance, effective initial assessment, comprehensive ongoing review, and provider collaboration.

62 Personalised Learning Programmes encompass three distinct components:

- vocational knowledge, skills and understanding,
- functional skills,
- personal and social development.

63 Personalised Learning Programmes form one of the four national suites/frameworks for learners aged 14 to 19 and are intended to provide progression to:

- an Apprenticeship,
- supported employment,
- living more independently,

- employment (during the transition to RPA) which is sustainable,
- appropriate provision for learners aged 14 to 19, including a Foundation (level 1) Diploma or GCSEs.

64 In addition, a Progression Pathway should be offered post-19 to support progression to a first full Level 2, or supported employment or independent living, where appropriate. It should be noted that this structure is currently under review. However, this review will not affect the funding arrangements covered here or at annex D.

### *Position of Personalised Learning Programmes in the offer for young people*

65 The FLT is funded through the standard Demand-led Funding system, and there are no specific arrangements. Therefore all the requirements of the funding guidance apply to the FLT and Personalised Learning Programmes.

66 For 2009/10 only, FLT programmes and Personalised Learning Programmes can continue to be funded through the E2E budget and funding mechanism.

67 A guide to how the FLT is funded within the Demand-led funding mechanism is included at annex D.

### **Joint Advisory Committee for Qualifications Approval (JACQA)**

#### *Additional information*

68 In 2008, the Department for Children, Schools and Families (DCSF) published [Delivering 14-19 Reform: Next Steps](#), which confirms the commitment to move toward a more streamlined qualification offer for young people aged between 14 and 19 in England between now and 2013. This streamlined offer will be focused on four nationally available suites or frameworks:

- GCSE and A Level
- the new Diplomas
- Apprenticeships
- FLT Personalised Learning Programmes.

69 In future public funding will be focused on these four suites or frameworks, although it is recognised that there may be times when qualifications outside of the four main suites or frameworks may be required to be publicly funded in order to meet the needs of a particular group of learners. Alongside the development and implementation of the four national suites or frameworks there are now new arrangements to determine the funding eligibility of qualifications.

70 A new Joint Advisory Committee for Qualifications Approval (JACQA) has been established. The role of JACQA is to make recommendations to the Secretary of State on which qualifications should be eligible for public funding.

Accreditation into either the National Qualification Framework (NQF) or Qualification and Credit Framework (QCF) by the independent regulator, Ofqual, will still be a prerequisite for funding eligibility but the recommendation on which qualifications should be eligible will rest with JACQA and be in line with Section 96 criteria. Further information on the structure and operation of JACQA can be found on [the DCSF website](#).

## **A-Z of qualifications**

### **Access to Higher Education**

*Replaces paragraph 192*

71 The LSC recognises the importance of Access to Higher Education (HE) provision as a critical part of the DIUS, HEFCE and LSC Joint Progression Strategy, which is concerned with widening progression into HE for underrepresented learners. The importance of continuing to work with HEFCE to secure more flexible routes to HE, and supporting the Access to HE Diploma was emphasised in the LSC's November 2008 grant letter from DIUS and DCSF.

*Replaces paragraph 203*

72 The LSC is currently in discussion with the QAA with regard to future arrangements for Access to HE provision in the context of the UKVQRP. These discussions will not affect funding arrangements for 2009/10. Further details on the outcomes of these discussions will follow in due course.

### **Full level 2 and 3 qualifications in the QCF**

*Additional information*

73 An interim definition for full level 2 in the QCF has been agreed by ministers and a decision on an interim definition for full level 3 is awaited from ministers following a period of limited consultation. The interim definitions will apply up to the start of 2010/11 at which point they will be reviewed prior to final confirmation.

74 Sector skills councils, standard setting bodies and sector bodies will be responsible for determining the content and appropriate credit threshold for full level 2 and 3 qualifications in their sectors. A guide of 13 credits has been identified for full level 2 provision and this threshold can be varied up or down by the sector body as appropriate. Once a qualification in the QCF has been identified as full level 2 or 3 through validation with the appropriate SSC it will be flagged on LAD using the existing fields. Further guidance on the interim definition of full level 2 is available on the [Qualification and Framework Reform website](#).

75 Existing qualifications in the NQF will continue to be measured by the existing definitions at level 2 and 3. The interim definitions for the QCF are not anticipated to significantly affect affordability or learner numbers. Where new full level 2 and level 3 qualifications have been accredited into the QCF,

providers should start to deliver these across all appropriate programmes, including Train to Gain.

## National Vocational Qualifications

*Replaces paragraph 240*

76 The following notes apply to all listed and unlisted NVQs.

- Learners are usually expected to undertake only one full-time NVQ programme in a 12 month period, although providers may apply some individual judgement where this rule would otherwise be a barrier to individual learner progression. In all funding models, providers must consult their LSC partnership team before enrolling whole cohorts of learners on multiple NVQs.
- Where a learning programme consists of two or more NVQs in the same subject area, colleges and providers should consider any overlap in content when determining the funding claimed for the second and any subsequent NVQ. For 09/10 the funding should be reduced using ILR field A51a as described in paragraphs 252 to 256 and below.
- Where support and assessment are provided by a provider, for example to employees, the provision will be eligible for funding if a significant level of support is provided for the programme as a whole, together with assessment. If the provider only provides assessment, this is ineligible for LSC funding unless delivered through Train to Gain.
- The LSC expects all learners enrolled on NVQ programmes to be registered with the relevant awarding body within a reasonable time of starting the learning aim. The LSC recognises that providers may want learners to meet the LSC funding start criteria before incurring the costs associated with this process as these costs are recognised within the LSC funding rates.

## Prior learning and achievement

*Additional information – new arrangements*

77 The funding arrangements for learners with prior learning and/or achievement have been reviewed in light of the implementation of the QCF. This will bring together previous guidance on accreditation of prior experience and learning (paragraphs 204 to 207) and exemption (paragraphs 212 to 213).

78 The LSC expects to support effective and efficient delivery, which includes maximising opportunities to build on prior learning and/or achievement when agreeing a learner's programme. Three alternative routes to achievement have been identified by QCA in the supporting guidance for the QCF, [Claiming Credit: Guidance on the Recognition of Prior Learning with the Qualifications and Credit Framework](#). These are listed below. Please note that a reduction in funding will be required where there is a reduced burden to the learner and cost to the provider – further guidance is provided in below.

- Recognition of prior learning (RPL): For individuals with learning or achievements that have not been certificated, it will be possible to assess and validate these through an RPL process (see below). Where 50% or more of the assessment for a programme is achieved through RPL, a proportionate reduction will be expected.
- Exemption: For individuals with certificated achievements outside the QCF it will be possible to claim exemption for achieving some credits and/or associated assessment for designated units or parts of qualifications. In this case no learning takes place and the LSC would not expect to fund any part of a programme achieved through exemption; therefore a proportionate reduction will be expected.
- Credit transfer (applicable only to the QCF): For qualification achievements in the QCF it will be possible to transfer credits with the Rules of Combination from a previous episode of learning. The LSC would not expect to fund the proportion of a programme where credit is transferred (see below).

79 Where exemption and credit transfer are used toward the partial or full completion of a qualification the LSC would not expect to fund the relevant proportion of the qualification, as no learning is required. Where a qualification has been partially achieved through exemption or credit transfer a reduction in funding is required.

80 The recognition of prior learning (RPL – formerly referred to as the accreditation of prior experience and learning, APEL) is a method of assessment leading to the award of a qualification, or in the context of the QCF, the award of credit as well. RPL considers whether a learner can demonstrate that they can meet the assessment requirements for a unit or qualification through knowledge, understanding or skills they already possess and do not need to develop through a formal course of learning.

81 RPL provides an alternative route to formal learning programmes for learners to achieve the learning, skills or competences required for the award of a qualification or credit. RPL is an alternative route to recognition and not a shortcut. RPL must therefore be an integrated part of a quality-assured assessment process.

82 It would be unusual to gain full certification by RPL, and it is expected that some guided learning would be required. Where colleges and providers are carrying out assessment, for example of employees, leading to the award of an NVQ and 50% or over of the assessment is achieved through RPL, then proportionate reduction of funding is expected.

## Proportioning of funding using ILR field A51a

*Replaces paragraphs 251 through 255*

83 Some learners will start learning aims having already attained some parts of the learning aim, mostly through RPL, exemption or credit transfers. The funding of these learning aims will need to be reduced, using ILR field A51a, in line with the prior attainment to ensure that double funding is not claimed.

84 Field A51a should be used to reduce the funding for a learning aim that does not require the full level of expected input due to prior learning or achievement. It is not intended to be used for learners who simply progress through learning aims quicker than other learners.

85 Where part of a learning aim has been achieved through exemption or credit transfer the proportion of the assessment required for the achievement of the learning aim should be reduced. Funding should only be claimed for the proportion of assessment required for the achievement of the learning aim.

86 For QCF learning aims, the value used in A51a should be calculated using the remaining planned credit to achieve the learning aim divided by the credit value of the learning aim recorded on the LAD.

*Example 1: Calculating proportion of funding remaining for QCF qualifications where there is credit transfer or exemption*

- Learner enrolls on a level 2 Certificate in Business Administration (QCF). The total credit value required to achieve the qualification is 30 credits.
- The learner does not have to take the assessment for two of the units, either through credit transfer within the QCF or exemption based on prior certificated achievement. The two units together have a credit value of 8.
- Therefore, to achieve the qualification, the learner only needs to achieve 22 credits from the remaining units.
- To calculate the relevant value for field A51a the remaining credits, 22, will need to be divided by the credits required to achieve the qualification, 30. The resulting figure is then multiplied by a hundred and rounded to the nearest whole number to give the relevant figure for field A51a. See below for the calculated example:
  - $(22 \div 30) \times 100 = 73.3$
  - Rounding to the nearest whole number gives a value of '73', which should be used in field A51a

87 Where 50% or over of the required assessment for the achievement of a learning aim has been achieved through RPL, a reduction in proportion to the assessment achieved through RPL should be made to discount a value equal to half of the assessment achieved through RPL.

*Example 2: Calculating proportion of funding remaining for QCF qualifications where assessment is achieved through the process of recognition of prior learning (RPL)*

- The learner enrolls on a level 2 Certificate in Business Administration (QCF). The total credit value required to achieve the qualification is 30 credits.
- The learner has no prior certificated achievement that can contribute to the achievement of the qualification. However, the learner has significant prior experience or learning.
- If the learning outcomes for units equivalent to less than 50% of the credit value of the qualification (in this case 15 credits or less) are achieved through a process of RPL then field A51a will not need to be completed.
- If the learning outcomes for units equivalent to more than 50% of the credit value of the qualification (in this case 16 credits or above) is achieved through a process of RPL then funding for the credits achieved through RPL should be discounted by 50% of their proportion of the overall learning outcomes for the learning aim. An example is given below:
  - 20 credits are achieved through RPL – funding should be claimed for the ten remaining credits and 50% of the credits achieved through RPL ( $20 \div 2 = 10$ ). In total, therefore, funding should be claimed for the equivalent of 20 credits.
  - $(20 \div 30) \times 100 = 66.6$
  - Rounding to the nearest whole number gives a value of '67', which should be used in field A51a

88 For non-QCF learning aims, the value used in A51a should be the number of units remaining to achieve the learning aim divided by the minimum number of units required to achieve the learning aim. If recommended glh data is available at unit level, then this can also be used to assess the proportion of the learning, and hence the proportion of funding remaining.

*Example 3: Calculating proportion of funding remaining for non-QCF qualifications where there is exemption*

- The learner enrolls on a level 2 NVQ in Plumbing. The qualification is not in the QCF and is made up of 8 units.
- On the basis of prior certificated achievement the learner is exempted from the assessment for 3 units.
- This leaves 5 units to be achieved by the learner. To calculate the relevant value for field A51a the remaining 5 units will need to be divided by the total number of units for the qualification, in this case 8 units. The resulting figure is then multiplied by a hundred and rounded

to the nearest whole number to give the relevant figure for field A51a. See below for the calculated example:

- $(5 \div 8) \times 100 = 62.5$
- Rounding to the nearest whole number gives a value of '62', which should be used in field A51a

## **Unit funding**

*Replaces paragraph 267*

89 The funding eligibility for the delivery of units for adults was changed for 2008/09 and is limited to specific units as part of the unit funding trials in the adult learner-responsive model and the additional flexibilities for SMEs in the employer-responsive model.

*Additional to paragraphs 268 through 278*

90 In the adult learner-responsive model the unit funding is only available for specific units of accredited qualifications in the QCF that have been identified within the trial. The funding of eligible units at level 2 and 3 is limited to 19+ learners who would not otherwise enrol on a full qualification.

91 Eligible units at entry level and level 1 will only be funded for the purposes of engaging a learner on provision prior to committing to or commencing the formal learning required for a Progression Pathway. Units will not be fundable as additional learning unless otherwise stated in the requirements for the Progression Pathway as defined in the Prospectus. More details can be found in the QCF Policy Update 1 and the *Prospectus for Progression Pathways*.

92 Funding arrangements for units delivered through the additional flexibilities for SMEs can be found on [the Train to Gain website](#).

93 A definitive list of the eligible units for both funding models is available on the LAD.

94 The class codes created for funding QCF units (ZUQA) in 2008/09 ceased to be available for new starts in the adult learner-responsive model as of 2 January 2009.

## **Eligibility of additional qualifications for funding in the 16-18 learner-responsive model**

*Additional information*

95 During 2008 the LSC commissioned the Learning and Skills Network (LSN) to examine the value of additional qualifications for learners, employers and institutions of further and higher educations. The findings were positive and good practice was identified alongside some areas for improvement.

96 Additional qualifications are seen by stakeholders and the sector as adding value where they contribute to a balanced and mixed curriculum which offers and enables progression to further learning and meaningful

employment. However, not all institutions and providers use additional qualifications in this way. The LSC has therefore developed, and agreed with the LSC's Funding Technical Subgroup, a number of good practice principles, which colleges and providers are strongly advised to follow to ensure eligibility for the additional qualifications they deliver. These principles are outlined below.

### **Priority additional qualifications**

97 Research has determined that gaining level 2 standard in literacy and numeracy greatly enhances learners' potential to achieve level 3 standard. Therefore the first priority for funding used to provide additional qualifications should be given to literacy and numeracy qualifications including key or functional skills where the learner is yet to achieve a level 2 standard in literacy or numeracy.

### **Other additional qualifications**

- 98 Other additional qualifications will also be supported where they:
- a. have a sound educational rationale in the context of the learner's initial assessment and aspirations, and
  - b. are directly related or relevant to the learner's main programme of learning, or
  - c. directly support the development of recognised key/functional skills or independent living or thinking skills, or
  - d. directly support progression to employment, or
  - e. enhance the learner's UCAS points score and the qualification is directly relevant to the access requirements for the higher education course that the learner aspires to take, and
  - f. do not duplicate any other learning funded from any other source, and
  - g. do not include any learning which is or could be funded by entitlement funding.

### **Additional qualifications ineligible for funding**

- 99 The LSC will not fund additional qualifications:
- a. that duplicate any other learning funded by the LSC or from any other source,
  - b. that includes any learning which is or could be funded through entitlement funding,
  - c. that are not relevant to the learner's main programme or are not in line with the principles above.

## Definition of additional qualifications

100 A learner's main learning aim is defined as the learning aim with the highest SLN value. Therefore additional qualifications are all other learning aims. There are two exceptions to this rule.

- a. Where the learning aims are a constituent part of a defined programme of learning, i.e. an Apprenticeship framework, a 14-19 diploma or progression pathway, in which case only qualifications outside the framework are classed as additional.
- b. Where the learner is enrolled on a group of AS or A2 qualifications, in which case only qualifications which are not AS or A2 levels are classed as additional.

## In-year contract value adjustments for 16-18 Apprenticeship providers

101 Private providers are already subject to contract adjustments in-year, and we are looking to formalise this for all 16-18 Apprenticeship providers. The details of how this will work will be developed through a dedicated advisory group, and in a way that means the majority of the sector has a stable allocation and only those that over- or under-recruit outside an agreed tolerance will see changes.

## In-year adjustments to allocations for 16-18 grant-funded providers

### *Additional information*

102 Overall 16-18 providers of all types have exceeded expectations on recruitment and this means we are ahead of our profile for increasing participation. These additional places are in most cases being consolidated into the 2009/10 allocations. We must ensure that the money 'follows the learner' whichever route they choose. This means we need the capacity to re-consider allocations in light of the choices that young people make.

103 Therefore for 2009/10 we are working with representatives of the sector to develop proposals, to ministers, for a system whereby schools and colleges who do underachieve on recruitment targets return some funds so that these funds can be allocated to providers who have over-recruited.

## Section 5: Eligibility arrangements

### Ineligible provision

#### *Update to paragraphs 323 and 324*

104 For adults, units outside of the eligible QCF units identified on the LAD are not eligible for funding. However, the LSC will fund learners on previously eligible provision to the end of their individual learning aim, regardless of any change in eligibility for new learners on such provision in 2009/10.

105 Vendor-certificated courses are not fundable as stand alone provision in the adult learner-responsive model. For the employer-responsive model,

vendor-certificated courses are only fundable as stand-alone aims where they have been identified as eligible through the additional flexibilities for SMEs.

106 From August 2009 there will be some qualifications and learning aims that will no longer be eligible for funding. These qualifications and learning aims will be identified by the SSCs via their Sector Qualification Strategy Action Plans. The number of ineligible qualifications will significantly increase from August 2010. Where a provider is delivering provision that becomes ineligible for funding they should have a plan in place to switch to alternative or new QCF provision. Further details about aligning funding to sector priorities can be found in the QCF Policy Update Issue 1. This document and the List of Ineligible Qualifications for 2009/10 can be found on [the Qualification and Framework Reform website](#).

## **Section 8: Apprenticeships**

### **Recruitment priorities**

*Additional to paragraph 448*

107 Anyone who has obtained a higher education qualification at level 4 or above as defined on the NQF or QCF, including being awarded a first degree by a recognised university or other recognised higher education (HE) institution, is ineligible for Apprenticeship funding, except those who have participated in the New Deal.

### **Enhanced funded provision for first-time entrants aged 19 to 24 in Apprenticeships**

*Additional information*

108 This section covers those learners previously classified as 'extended guarantee' in work-based learning (WBL) in 2007/08. The term 'extended guarantee' will no longer be used although it will still appear in ILR documentation in 2009/10.

109 Eligible learners who have not been available to enter learning prior to their 19th birthday due to a reason beyond their control will be funded at 16-18 rates as long as they start an Apprenticeship before their 25th birthday.

110 Examples of reasons are:

- disability,
- ill health,
- pregnancy,
- a custodial sentence,
- remand in custody,
- they are a carer,

- significant language difficulties (not ESOL),
- as a result of a care order, or
- detention under the Mental Health Act.

This is not an exhaustive list and providers should get in touch with their LSC contact if they are unsure of the validity of the reason.

111 The reason why an individual could not enter into an apprenticeship before their 19th birthday should cover a significant majority of the time between leaving full-time compulsory education and starting an apprenticeship.

112 A learner would not be entitled to enhanced funding if since leaving full-time compulsory education and the proposed start date of their apprenticeship they have been:

- In employment,
- Unemployed (not due to a reason listed above),
- Not resident in England,
- In education, either in school sixth form, a further education college or other educational establishment or
- On E2E, work-based learning or an apprenticeship,
- Or, since the learner's 19th birthday there has been a period of at least six months in which the reasons listed in 102 have not applied.

113 If the learner had started an apprenticeship prior to their 19th birthday and one of the reasons listed above had caused the learner to leave they will be funded at the 16-18 rate to resume and complete their apprenticeship. This would be treated as if the learner had been on a planned break in learning. The provider should consider the use of ILR field A51a where applicable.

114 Providers should record enhanced funding by using both fields L28 and A14 on the ILR. Both values 14 and 15 should be entered in to field L28 and 01 in field A14. Although the term 'extended guarantee' will no longer be used it will not be until 2010/11 that the ILR will reflect this change.

### **Apprenticeship certification and certificates**

#### *Additional information*

115 On completion of the separate aims of an Apprenticeship, a provider must apply for and give to the learner, within three months of achievement and application, the original copy of the aim and framework certificates as issued by awarding bodies and either the SSC or relevant framework issuing authority. Certified copies of certificates should be retained for evidence purposes.

## Section 9: Train to Gain

### Programme and learner eligibility

#### *Removal of paragraph 477*

116 Paragraph 477 is not applicable for 2009/10. The additional eligibility concessions for providers to match previous eligibility guidance for provision funded under either FE or WBL in 2007/08 were temporary arrangements for 2008/09 only but all learners who were started during the 2008/09 funding year are eligible for funding for the remainder of their programme.

### Programme and learner eligibility

#### *Replaces paragraph 482*

117 To access any Train to Gain funding the learner must satisfy the LSC learner eligibility requirements as set out in the *Learner Eligibility Guidance* (paragraphs 14 to 18) as well as being one of the following:

- Employed, which includes direct employment, hired from an employment business by which they are employed or seconded from another employer,
- Self-employed,
- Working as a volunteer.

118 Providers should be aware that not all employees are currently eligible for Train to Gain (Armed Forces personnel, for example). More information can be found on [the Train to Gain section of the LSC website](#).

119 The principle in allowing non-directly employed individuals to be eligible for Train to Gain is that there should be equality of opportunity to access and to benefit from training between an employer's permanent directly contracted workforce and those working on an employers premises either temporarily or as an unpaid volunteer. See paragraphs 129 to 140 below.

120 Where it appears to the LSC that funding has been claimed for any individual who is not engaged in substantive work for an employer then action will be taken, by the LSC, to recover this funding and the LSC will consider this to be a breach of its requirements of funding.

### Employed status

#### *Additional information*

121 For the purposes of Train to Gain 'employed' means that the learner has a contract of employment under which they are obliged to carry out work for the hours specified in the contract and for which they are paid.

### Workers supplied through employment businesses (agency workers)

#### *Additional information*

122 An employment business is defined in the Employment Agencies Act (1973) as the business of supplying persons in the employment of the person carrying on the employment business to act for and under the control of other persons in any capacity. Although an individual has a contract of employment with an employment business, the LSC would only consider them to be eligible for Train to Gain where they are hired to another organisation to carry out substantive paid work. Individuals would not be eligible where they are hired to an organisation for the main purpose of accessing learning through Train to Gain funding.

123 Where the organisation who hires an agency worker to carry out substantive work is willing and able to let the individual engage in training then this could be done through Train to Gain. This hiring organisation should not be the employment business or a provider. The provider will need to demonstrate that the worker has been hired by the hiring organisation to carry out substantive paid work. The learner, the provider and the hiring organisation should jointly agree the timing, location, content and format of any training activity before it commences. There needs to be sufficient time available for the learner to achieve their qualification, so short working assignments may be unsuitable for Train to Gain-hosted training activity.

124 However, it is recognised that a hiring employer may not always be willing to let agency workers take part as they may not see as their responsibility. Therefore individuals who wish to participate in learning, either basic skills or vocational learning, could do so via learner-responsive provision. Neither the employment business nor a provider should manufacture paid work in order for the individual to access Train to Gain.

125 Individuals employed under a contract of employment by an employment businesses who are not on hire in a substantive placement are ineligible for Train to Gain. This includes those who are registered with an employment business who are not on a substantive working assignment and are therefore defined as unemployed and in receipt of Job Seekers Allowance.

### **Temporary workers**

#### *Additional information*

126 Temporary workers are individuals employed directly by an employer on a fixed-term contract. They should have the same access to training afforded to their permanent employees. The overriding factor in their eligibility to Train to Gain is the ability to complete any learning that they start within the time they are contracted to an employer and that they are released by the employer to undertake training. Providers should ensure that sufficient time is still available in order for any qualification to be achieved.

### **Seconded workers**

#### *Additional information*

127 Providers should be aware that employees on secondment may be ineligible for Train to Gain based on their substantive role from the home organisation of the secondee. For example, certain public sector employees

are ineligible for Train to Gain. If an individual from the public sector is seconded to another employer, where the employer is not in the public sector and their employees are eligible, then the seconded individual would still be ineligible due to their substantive role in the public sector. It is the provider's responsibility to ensure that current guidance is adhered to.

### **Self-employed**

#### *Additional information*

128 For the purposes of Train to Gain, a self-employed individual is someone who is registered with HM Revenue and Customs as being self-employed.

129 Self-employed individuals are ineligible for wage compensation.

### **Volunteers**

#### *Additional information*

130 Although Train to Gain is primarily aimed at employed individuals, it is recognised that there is a community of unpaid volunteers who perform similar tasks to those of an employee.

131 Where these volunteers are identified within a workplace they should be afforded the same access to vocational learning through Train to Gain in the workplace as an employee.

132 For the purposes of Train to Gain, a volunteer:

- Is an individual giving unpaid help as part of a group, club or organisation to benefit others or the environment (but not family members),
- Has a regular pattern of volunteering over a period of weeks or months,
- Continues with their volunteering activity after they have completed their learning aim, in all but exceptional cases.

133 A volunteer is not:

- An employee,
- An apprentice,
- In a volunteering role which has been specifically created for the purpose of accessing Train to Gain funding,
- A general helper who has no defined purpose or responsibilities,
- Someone who has been instructed to volunteer by a third party and is compelled to do so.

134 The group, club or organisation will be identifiable in its own right. It can be a formally constituted entity, such as a charity or company, but does not have to be. Informal community based organisations should have at least a

statement of function or purpose and a governance structure. Where no formal record exists, such as listings at the Charity Commission or Companies House, then naturally occurring evidence should be used in identifying the group, club or organisation. This could for example be a copy of a Statement of Principle signed by the management committee, a copy of a signed Mission Statement or other document of a similar nature. This is not an exhaustive list and other suitable documentation could be used.

135 The learner would also have similar documentation in relation to their purpose and role but this would also be in the form of naturally occurring evidence and could include induction material, formal agreements or role descriptions. It is not expected that a volunteer would have timesheets. A learner may vary their pattern of volunteering in order to best complete their qualifications being followed through Train to Gain.

136 Where a volunteer engages in Train to Gain and follows a vocational qualification it must be related to their volunteering activity.

137 A volunteer must be capable of completing and achieving the qualification being followed within the time constraints spent volunteering.

138 Any learning must take place during the time in which the volunteer usually spends at the organisation. The volunteer should not be required to undertake learning outside of this time unless agreed in advance with the learner. This would be seen as an exception, and reasons and agreement should be recorded to why this is happening.

139 A volunteer learner may be in receipt of state benefits but should not be in receipt of any enhancements due to this volunteering activity. Payment of any enhancements to benefits, for example by Job Centre Plus, would render the learner ineligible for Train to Gain. However, there are other programmes that the LSC funds which may be applicable such as the Employability Skills Programme or European Social Fund programmes.

140 A volunteer is not entitled to wage compensation.

141 There will be employed individuals who take part in volunteering activity. This activity has no relation to their paid employment. For example, someone who works during the day in an office and volunteers to cook in a homeless shelter in the evening and weekends can access qualifications in catering through Train to Gain as a volunteer. A learner who is employed elsewhere but accesses Train to Gain because of their volunteering activity should be defined as 'unemployed' in fields L36, L37 and L47 on the ILR.

## **Redundancy support**

### *Additional information*

142 Where an employee is informed of or may be at risk of redundancy the LSC would wish to ensure appropriate support is offered to enable satisfactory completion of learning aims being undertaken by the individual. Learners who have commenced provision can continue to complete the aims through Train to Gain funding. Providers should contact their Regional LSC where such

situations occur and discuss how completion of the qualification can be best provided.

143 Where employees are under notice of redundancy provision can still be agreed; however providers must have clear plans on how an individual would be able to complete any agreed learning aims. This may include such options as ensuring all evidence requirements are completed quickly or gaining employer support to complete necessary input and administration. Providers are not permitted to enrol learners where it is clear they will be unable to complete an aim.

144 In the current economic climate the LSC would encourage providers to proactively work with employers who are considering making people redundant, so that arrangements can be made for learners to complete their learning programme. Any learning undertaken must be agreed with the current employer, but should focus on the development of transferable skills relevant to the local labour market. The LSC should be notified of any such planned activity.

### **Assessment of learner need**

#### *Update to paragraphs 518 through 521*

145 To support the Leitch target of 95% of the working age population to have functional skills in numeracy (entry level 3), all learners accessing Train to Gain funding should be assessed for their numeracy needs.

146 The initial and diagnostic assessment of learners' literacy, language and numeracy needs will determine the appropriate level of qualification required to meet those needs and help the learner improve their skills. Providers should only use initial and diagnostic assessment tools that are mapped to the national literacy and numeracy standards. Improvement within the Skills for Life Strategy is defined by, and measured as, a learner moving up a level of attainment from, for example, entry 3 to level 1. A learner assessed as already having a majority of skills at, for example, Level 1, has a need for provision at Level 2 in order to achieve measurable improvement.

147 It is therefore expected that learners who, having been assessed, as already having the majority of skills at one level are not simply enrolled onto that same skills level and given a few hours of learning to achieve the qualification (at that level). They should be enrolled on to the next qualification level which will mean they have to learn new skills and progress from their original assessment. The Skills for Life core curriculum sets out the teaching and learning required for each level. The newly update curriculum can be accessed online via [the excellence gateway](#).

148 We have not set a minimum level of guided learning hours expected for delivery. However, the expected level of learning required to enable learners to improve their skills and move up an attainment level requires a substantial programme of learning to be delivered, and the funding available is sufficient to support this. We do not expect short course provision to simply accredit learner's existing skills. Should short course provision become systematically delivered we will consider setting a minimum number of guided learning

hours, based on research figures for supporting learners to move up a full level.

149 The majority of learners with literacy, English language and numeracy needs will require a significant amount of learning and teaching time in order to move up a skills level. It is therefore expected that the majority of Skills for Life learners will require longer programmes of study in order to move up a skills level and gain an approved qualification.

150 Assessment may show that a learner already has a reasonable level of literacy or numeracy skills (and therefore no need for a separate basic skills qualification) but would nonetheless benefit from some on-course support to meet any residual needs and to ensure that they achieve their level 2 vocational programme. Good practice suggests that this support should be provided as part of the level 2 vocational programme and is already accounted for in the funding rates. It will therefore not be funded separately.

151 Following initial assessment, where a learner needs to improve skills in more than one subject area (for example both literacy and numeracy, or language and numeracy), both learning aims can be funded through Train to Gain discrete funding. Funding should not support both literacy and language (ESOL) learning aims for the same learner as these programmes are designed to meet very similar needs.

### **Workbooks and distance learning**

#### *Additional information*

152 Use of workbooks and distance learning in the employer-responsive model, both for Apprentices and Train to Gain learners, needs to:

- a. exhibit value for money in usage of public funds,
- b. be utilised in a manner that best supports a learner in both achieving the qualification and gaining useful skills in a vocational context.

153 The use of distance learning and work books is dependent on how the learner uses the technique. The LSC would expect that:

- a. the learners undertaking distance learning or workbooks generally do so in their normal working hours,
- b. the distance learning or workbook would contain elements of underpinning knowledge and understanding,
- c. the distance learning or workbook would be primarily aimed at vocational learning, not devoted to issues only supplementary to the qualification, such as health and safety,
- d. the distance learning or workbook would show signs that it has been assessed and reviewed by a suitably competent and qualified assessor or tutor – not just completed by the learner on

their own time with no outcome or testing that the knowledge gained has been put to use, assessed or checked,

- e. the provider is able to demonstrate that the approach has been dependant on the vocational context, as learning just from a book would not be considered vocational,
- f. ideally, the distance learning or workbook would involve exercises and contact with others to demonstrate research, analysis or application of knowledge,
- g. a record is made of the decision to use such material or provision on the individual learning plan,
- h. the learner and their employer are clear why this method is being used by the provider to deliver the learning outcome,
- i. any material used is adapted to individual learners' needs based on the initial assessment.

154 The use of distance learning and workbooks does not remove the need for providers to identify where Recognition of Prior Learning (RPL) applies, and therefore where an adjustment to the rate of funding by using ILR field A51a must be made (see paragraphs 77 to 82).

155 The LSC recognises that through innovation and using new technology that delivery methods in vocational learning will change and adapt to employers and learners needs. However, these developments should not be detrimental to the quality of provision and learner experience. It is providers' responsibility to ensure that any materials used have been agreed with the appropriate awarding body for use in collecting evidence of competency.

## **Section 10: Entry to Employment**

### **Eligibility**

*Update to paragraph 540*

156 Standard learner-responsive eligibility criteria apply to E2E from 2009/10. This means learners who are over 19 on 31st August in the relevant funding year are not eligible for E2E.

157 Learners who are aged 19-25 and who have a section 140/139a assessment, or are otherwise agreed with the LSC to have a significant learning difficulty or disability, are eligible for E2E up to their 25th birthday.

### **Delivery of Entry to Employment**

*Additional information*

158 It is expected that providers will be working towards introduction of qualifications on the QCF, in line with the *Prospectus for Progression Pathways* published by the LSC and QCA.

159 The priority described for learners on activity agreements pilots also applies to those with a learning agreement.

### **Weekly unit cost and bonuses**

*Update to paragraph 573*

160 The original intent for allowing nine months to claim E2E bonuses was to allow for learners starting a positive destination in September who left early in the year. The current data collection and payment system only allows payments to be recorded up to the submission of the final claim in the November following the end of the academic year. As this meets the original intention, then for 2009/10 and beyond bonuses can only be claimed until the final claim is submitted in November each year.

### **Provider bonuses**

*Additional information to paragraphs 572 and 573*

161 Providers may claim a maximum of one enhanced progression bonus and one enhanced qualification bonus for each learner. Should a basic bonus be claimed followed by an enhanced bonus, the amount claimed for the basic bonus is netted off against the enhanced bonus. Therefore providers should enter both onto the ILR.

162 The requirement for learners to be in a positive destination for four weeks does have to be satisfied before the learner is classed as entering a positive destination. Until this point is reached the learner can not be classed as entering a positive destination on the ILR for any purpose.

## **Section 12: Additional learning support: learner-responsive model – funding arrangements**

### **Recording of ALS claims under £5,500**

*Clarification of paragraph 625, annex G, and paragraphs 125 and 126 in ILR Funding Compliance Advice*

163 Individual ALS costs forms are not mandatory for learners requiring under £5,500 of ALS, as the majority of the allocation is formula-driven. The requirement to ascribe costs to individual learners is still current but the method of apportionment and recording can be prescribed by the provider. Providers will want to ensure that they can evidence how ALS has been used within the principles of ALS and to the benefit of learners, to support their negotiations with the LSC for the negotiated element of ALS.

### **Eligibility for ALS funding**

*Additional information*

164 Learners must be on a programme of learning funded by the LSC to be eligible to receive support from ALS funding.

## Section 13: Additional learning support: Apprenticeships within the Employer-responsive model – funding arrangements

### Funding

*Replaces paragraph 705*

165 The 2009/10 rates for ALN or ASN are:

- learners with either ALN or ASN: £150.00 a month if aged 16 to 18 at start, or £130.00 if aged 19 or over at start,
- learners with both ALN and ASN: £225.00 a month if aged 16 to 18 at start, or £196.00 if aged 19 or over at start.

### Exceptional learning support

*Replaces paragraphs 706 and 707*

166 The changes to exceptional learning support (ELS) for 2009/10 are:

- the removal of the initial £5,500 threshold,
- the introduction of an ability to claim for brief episode support costs for single or short time-framed elements of support which do not warrant ongoing monthly payments.

167 There will be no changes to the following aspects of ELS in 2009/10.

- The ability to ‘top up’ Additional Learning Support (ALS) payments using ELS.
- The initial threshold for claiming any ALS payments to fund support will remain at £171, below which providers are expected to fund support from mainstream funds.
- If the total value of additional support is greater than £18,500 then the provider should discuss the case with their LSC/SFA contact.

168 Claims for ALS and ELS are subject to learner eligibility and the learner still being in learning for the minimum time prescribed in order to be funded, as set out in the *LSC Funding Guidance 2008/09: Funding Formula*, paragraphs 33 through 35. If any funding for ELS has been claimed, where the learner is not in learning for the minimum period, it should be repaid to the LSC/SFA by amending claims on the Training Provider Statement (TPS).

### Detailed changes

#### *Removing the threshold*

169 Claiming ALS will no longer be subject to the threshold of £5,500, to allow continued support for learning. This means that the monthly payments claimed by providers on the ILR for Additional Learning Needs (ALN) and Additional Social Needs (ASN) will not stop once the threshold is reached.

Monthly support will continue to be paid for as long as the learner requires support during their learning.

170 This change will reduce bureaucracy for providers. It will mean that a learner's ILR will not have to be changed during a learning episode and a subsequent ELS claim will not have to be made on the Training Provider Statement (TPS).

171 Providers are reminded that although the monthly ALS payments are not subject to reconciliation to costs, they should reflect directly incurred overall costs. Funds are also paid subject to line level values within the Maximum Contract Value (MCV). The ability to fund does not necessarily accord the right to LSC/SFA funding.

### *Brief episode exceptional learning support*

172 It is recognised that certain learners, who have been diagnostically assessed, require additional support from their provider to access or continue in learning, but for whom the payment of a monthly fee through ALS is inappropriate. In the majority of cases this is because the learner only requires support for a short amount of time, and the costs are greater than a monthly payment would fund. In the past this has been dealt with by providers spreading the support artificially over a series of months, the learner being denied the support that they require, or the learner being refused training. The changes outlined here are designed to prevent learners being disadvantaged and to ensure they receive the support they need.

173 From 1st August 2009, providers will be able to claim for brief episode ELS costs. In determining whether ELS should be used, the provider should estimate the total overall costs and the length of time over which the support will be provided. The maximum length of time for which brief episode ELS will be paid is three months.

174 Where the total costs of brief episode ELS is in excess of £1,000, then the provider should seek written permission from their LSC/SFA contact. The provider should supply the following information:

- unique learner number (ULN),
- type of learning – Apprenticeship or Train to Gain,
- start date,
- planned end date,
- type of support – what support is being funded,
- cost of support,
- any further information that the provider feels is necessary.

175 Providers should be mindful of the security of personal data. It is recognised that a learner's support needs will be varied and specific to that individual. Therefore the type of support required will also be. Providers will

not, in the majority of cases, be expected to provide detailed information about a learner in order to justify an application for ELS. The LSC/SFA will not use the information to judge each case on its merits, but will use the information supplied in order to aid planning for future years. The LSC/SFA will, other than in exceptional cases, approve all requests for support subject to budget.

176 It is the responsibility of the provider to manage funds within their allocation or MCV. The LSC/SFA will endeavour to ensure that learners are fully supported in their aims but the recognition or approval of a support need does not on its own guarantee that funding will be made available. Where a provider has anticipated that the funds required are in excess of their allocation or MCV, they should speak to their LSC/SFA contact as soon as possible.

### *ALS top-up*

177 The ability to 'top-up' ALS monthly payments will continue as in previous years. This is where the monthly ALS payments are insufficient to meet the support needs of an individual or that support is needed over more than three months but is greater than the monthly payments. With the removal of the £5,500 threshold this will become simpler and less bureaucratic. In order to calculate the amount to be claimed, the provider estimates the total costs of support over the planned length of stay. This value is then divided by the number of census points that will generate a monthly instalment. The value of ELS to claim is this amount less the ALS monthly payment.

178 For example, a learner is estimated to have support costs of £10,000 over a planned length of stay of 24 months. This is equal to £416.67 per month. The provider will receive £225 ALS per month based on the learner's age and needs. The amount of ELS to be claimed on the TPS is £191.67 per month.

### *£171 threshold*

179 Where a learners support costs total £171 or less, it is expected that the costs of providing support should come from mainstream funding.

### *Assessment*

180 The costs of diagnostic assessment for a learner's support needs will not be funded from ALS or ELS. Providers should ensure that claims for ELS do not include any costs relating to assessment. The costs of diagnostic assessment should come from mainstream funding and should form part of the initial assessment process.

181 The initial and diagnostic assessment of a learner's literacy, language and numeracy needs will determine the appropriate level of qualification and support, and help the learner improve their skills and achieve their learning aim. Providers should only use initial and diagnostic assessment tools that are mapped to the national literacy and numeracy standards.

### *Train to Gain*

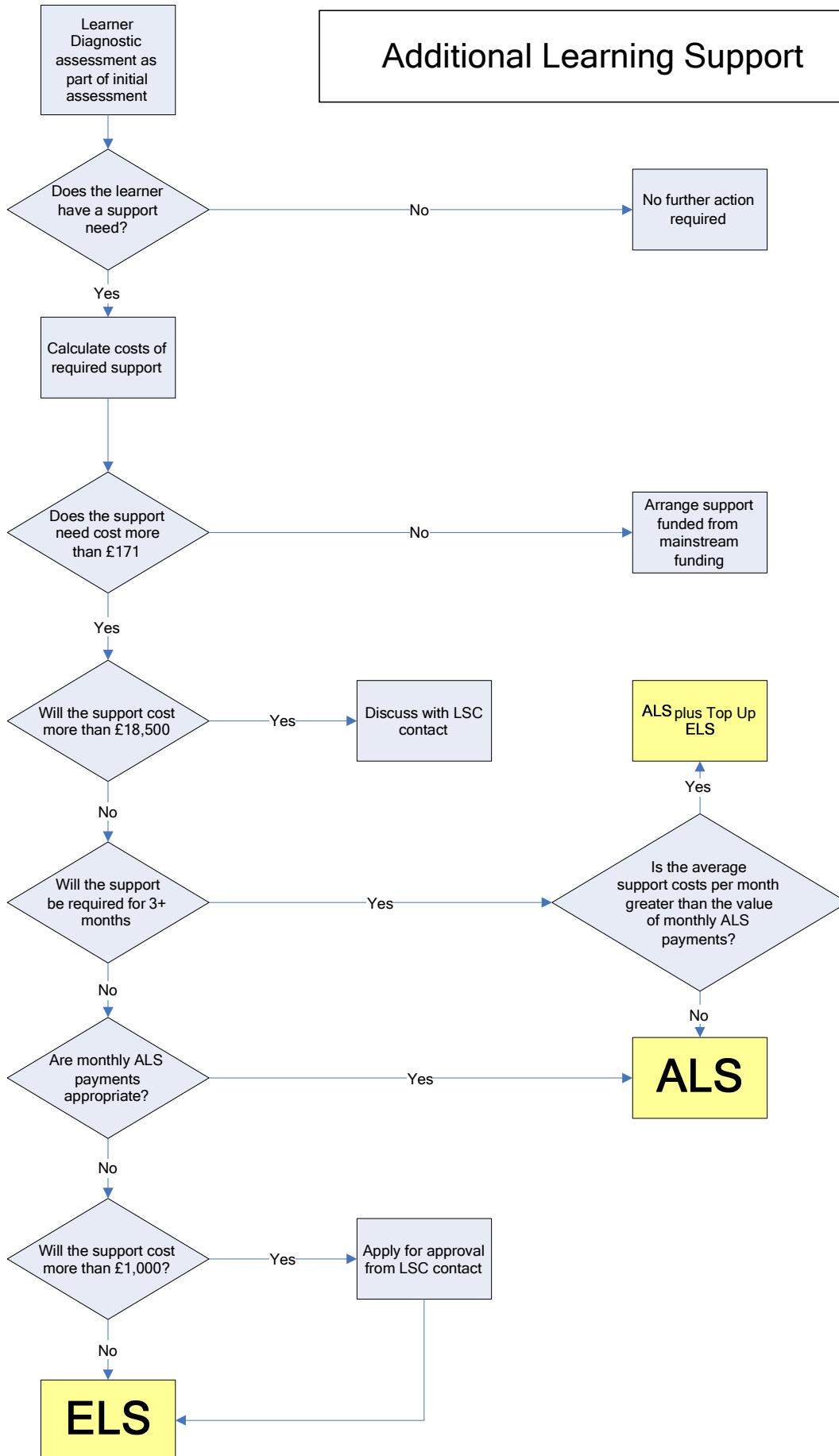
182 It should be noted that only in exceptional circumstances will a Train to Gain learner require support through either ALS or ELS. In the majority of cases it is expected that a learner's employer should support their employee. No support should be claimed without prior discussion with LSC/SFA contact.

### *Process*

183 A flowchart below is provided in order to help understand the ALS and ELS process.

184 Claims for ELS are made through the TPS and are subject to the value of the provider's allocation or MCV. Guidance on the TPS can be found on [the Information Authority's website](#). Claims for ALS are done through the ILR by indicating supports needs in field A53. Further details can be found in the [Employer Responsive Support Manual](#).

# Additional Learning Support



## 5: ILR Funding Claims and Audit Returns

185 The recently published *Addendum to LSC Funding Guidance 2009/10* updated the adult learner-responsive funding reconciliation rules for 2008/09, and all relevant guidance from that document for 2009/10 is repeated in this section.

186 The dates for funding claim returns for 2009/10 are set out below.

**Table 7: Deadlines for returns**

<b>Funding model (all types of provider)</b>	<b>Deadlines for returns</b>
Annex B: Mid-year estimate	15 February 2010
Annex B: Year-end estimate	6 September 2010
Annex B: Final claim	22 November 2010
Annexes C and D: Final audit report	As specified by the LSC on an individual provider basis. Where requested, all audit reports on individual funding claim returns must meet the claim return deadlines set out above.
Annex I: Partner provider self-declaration form	31 August 2009

187 The reconciliation rule changes have however only be agreed for 2008/09 and the rules for 2009/10 remain those previously published in document *ILR Funding Claims and Audit Returns*. These rules are summarised in the table below.

**Table 8: Reconciliation rules and profiles 2009/10**

Tolerance for growth	
Mid-year and final	5 %
Tolerance for clawback	
Mid-year	5 %
Final	3 %
Funding caps	
Maximum growth	
Mid-year	108 % (3% payable)
Final	108 % (3% payable) *
Maximum clawback	
Mid-year	95 % of paid allocation
Final	97 % of paid allocation
Probable profile for reconciliation adjustments (both positive and negative adjustments)	
Mid-year	Yet to be announced
Final	One-third in each month January to March 2011

\* This figure may rise after mid-year claims are received and processed. Payment of growth is subject to affordability.

# 6: ILR Funding Compliance Advice and Audit Guidance for Providers

## Section 2: General LSC funding compliance advice for all providers and for all learners

### Enrolment form

#### *Additional to paragraph 38*

188 Each learner should have completed and signed an enrolment form relating to the learning programme for which LSC funding is being claimed (this may for some providers or learners be a combined document with the learning agreement). The enrolment form for funding eligibility purposes should indicate as a minimum:

- The learner's name, address (including the postcode and time spent at that address), age and residency status, which will indicate whether the learner is a home or overseas learner. For learners not resident in the United Kingdom for the three years prior to the commencement of their programme, providers must be able to evidence alternative learner eligibility as set out in paragraphs 14 to 20 of the *Learner Eligibility Guidance*,
- The data protection statement included in the ILR Specification Document Appendix F must be included in all enrolment forms for learners to sign in accordance with that guidance (this includes all cases where providers have combined enrolment forms and learning agreements as set out in paragraph 36 in the *ILR Funding Compliance Advice*).

189 The provider may wish to use the enrolment form to collect other information as necessary for their learner record and monitoring purposes. An enrolment form completed online by the learner should be printed out at the provider (or learning) centre and posted to the learner's home address. It should then be signed and returned in the post by the learner.

190 This amendment is necessary because of an inconsistency with ILR advice in the previous guidance in respect of the need for providers to ensure all learners have signed their consent to share their ILR data with the provider funding body. The amendment to paragraph 38 similarly applies to paragraph 64 in the *Learner Eligibility Guidance*.

191 The LSC assumes this guidance has been followed for 2008/09 and all LSC funded providers must make sure this requirement is met on all 2009/10 enrolment forms used to support ILR data returns to the LSC and any successor bodies. This guidance has had to be amended following a

documented audit failure by a LSC funded provider in 2008/09 to include the data protection statement in their enrolment procedures.

### **Section 3: Advice on provision delivered with a partner provider**

#### **Classification of partner-provider delivery arrangements**

*Additional to paragraph 78*

192 Providers involved in partnership working, for example with sub-contractors, are reminded that the proportion of funding passed on to sub-contractors should be appropriate and proportionate to the costs of delivery of the provision by both organisations.

193 In this context, providers are reminded that the funding for an Apprenticeship is based on delivery of the full framework. The rates in the learning aims database (LAD) for the individual elements of an Apprenticeship are not necessarily the rates which should be passed on in any sub-contracting arrangements. The actual rates paid to sub-contractors should reflect the actual balance of activities and risk between the two organisations. Where a sub-contractor is delivering specific elements of an Apprenticeship, they do not bear the same risk in terms of the impact of learner achievement on funding, and are likely not to incur all of the costs of, for example:

- Marketing, recruitment and administration,
- Interactions with employers,
- The overall quality assurance of the Apprenticeship programme, in respect to the LSC, Ofsted and the Sector Skills Council.

194 Consequently, a sub-contractor delivering specific elements of an Apprenticeship should not necessarily expect to be paid the rate on the Learning Aims Database and would not be expected to set their charges based solely on those rates.

### **Section 4: Additional learning support**

#### **Compliance evidence for additional learning support**

*Additional to paragraph 125*

195 The costs forms for evidencing the additional learning support (ALS) have been updated for 2009/10; they are available on the LSC webpage [Funding Policy Documents 2009/10](#):

- a. [under £5,500](#),
- b. [over £5,500](#).

# 7: School Sixth Form Guidance

196 A new version of the School Sixth Form Guidance has been written for 2009/10, and is available on [the LSC website](#).

# 8: Learner Eligibility Guidance

## Section 3: Evidence of learner existence and eligibility

### Enrolment form

*Replaces paragraph 64*

197 An amendment to the *ILR Funding Compliance and Advice and Audit Guidance for Providers* at paragraphs 160 to 163. This also replaces paragraph 38 the *Learner Eligibility Guidance*.

## Section 4: Fee remission

### Learner-responsive funding models

*Replaces paragraph 94*

198 The learners who are entitled to fee remission must fall into one of the following categories.

- a. 16- to 18-year-olds (the Secretary of State does not expect tuition fees to be charged to full-time or part-time 16- to 18-year-olds).
- b. Learners studying their first full level 2 qualification. Full level 2 qualifications are identified on the Learning Aim Database ([LAD](#)).
- c. 19- to 25-year-old learners studying their first full Level 3 qualification. It should be noted that, for the purpose of the entitlement, four AS-level qualifications are not regarded as equivalent to a full level 3 and that AS-level qualifications are eligible within the entitlement only where they form steps towards the achievement of two or more A-levels.
- d. Those in receipt of any income-based benefits listed below, formerly known as means-tested benefits, that is:
  - unemployed people in receipt of income-based Jobseeker's Allowance;
  - those in receipt of Council Tax Benefit;
  - those in receipt of Housing Benefit;
  - those in receipt of Income Support;
  - those in receipt of Working Tax Credit with a household income of less than £15,276;

- those in receipt of Pension Credit (Guarantee Credit only); and
  - those in receipt of income-related Employment and Support Allowance (ESA) – a new allowance from 27 October 2008.
- e. Unemployed people in receipt of contribution-based Jobseeker's Allowance.
  - f. The unwaged dependants (as defined by Jobcentre Plus) of those listed above.
  - g. Offenders who are serving their sentence in the community.
  - h. Those taking learning aims that are funded as basic skills as defined in Section 3 of Principles, Rules and Regulations, excluding ESOL.
  - i. Asylum seekers eligible for LSC funding according to the guidance and in receipt of the equivalent of income-based benefit (assistance under the terms of the Immigration and Asylum Act 1999) and their dependants.
  - j. Certain learners participating in LSC-funded projects where identified in the project specification.
  - k. Level 3 jumpers (those taking a full Level 3 without having a full Level 2 qualification).

199 The new adult entitlement describes the legal entitlement for free tuition for some learners in the above categories. See paragraphs 41 and 42 for more information on the new adult entitlement.

### **Learners under threat or notice of redundancy**

#### *Additional information*

200 Learners should usually be assessed for fee remission before starting their programmes but for learners under threat or notice of redundancy, or who are newly made redundant, the LSC is content for providers to claim fee remission for learners who can evidence fee remission at any time during the period used to define a start for funding purposes (up to six weeks for programmes exceeding 24 weeks in duration). This evidence will usually take the part of evidence of either state means tested benefits or contribution-based Jobseeker's Allowance (JSA) but this evidence may not be available at the actual start date of the learning programme. If, however, the evidence is not available within the start period then the provider may not claim fee remission for such learners.

### **Fee remission: training offer for those unemployed for six months**

#### *Additional information*

201 Most learners on the £83m 'training offer for people unemployed for over six months unemployed' will be eligible for wider fee remission and will not be

charged tuition fees when transferring onto adult learner-responsive provision to complete their programme of learning. For those who would not otherwise be eligible, providers will be able to claim fee remission for them for the whole of the academic year in those cases where providers are also reducing funding through field A51a because of the learners' prior attendance on the six month offer. Otherwise learners are only eligible for fee remission for adult learner-responsive provision where they meet the standard fee remission guidance. As is normal practice, for learners who continue with their learning, providers should establish eligibility for fee remission at the start of the next academic year.

# Annex A

## Changes to SLN values

Replaces Annex B from *Funding Rates 2008/09*

**Table A1: SLN value changes in 16-18 and adult learner-responsive models as a result of the 2008 review of glh**

Learning aim reference	Learning aim title	Awarding body	Level	2008/09 equivalent SLN Value (glh)	2009/10 SLN Value (glh)
1000788X	Advanced Graded Examination in Music Literacy	ABRSM	3	Unlisted	31
10022478	Advanced Graded Examination in Speech	LAMDA	3	Unlisted	36
10049666	Award for Progression	NOCN	2	120	100
1004808X	Award in Art and Design	NOCN	1	90	68
10024232	Award in Conducting Internal Quality Assurance of the Assessment Process	EDI	4	55	38
10053256	Award in Digital Applications for IT Users	EDEXCEL	2	90	113
10053220	Award in Digital Applications for IT Users	EDEXCEL	1	Unlisted	90
50015655	Award in Legislation for the Retail Environment	CG	2	20	Unlisted
10060467	Award in Photo Imaging	CG	1	90	Unlisted
10061691	Award in Playwork for Early Years and Child Care Workers	CG	3	60	Unlisted
50014365	Award in Risk Assessment Principles and Practice	CIEH	3	15	11
10049770	Award in Using ICT as a Tool for Learning	NOCN	2	68	51
50013476	Award in Workplace Hazard Awareness (Entry 3)	BSC AWARDS	E	10	13
00235004	Basic Study Skills	NONE	X	Unlisted	60
1004100X	BTEC Award in Interactive Use of Media	EDEXCEL	2	105	120
10060613	BTEC Award in Introduction to Counselling Skills	EDEXCEL	2	40	33

<b>Learning aim reference</b>	<b>Learning aim title</b>	<b>Awarding body</b>	<b>Level</b>	<b>2008/09 equivalent SLN Value (glh)</b>	<b>2009/10 SLN Value (glh)</b>
1005523X	BTEC Award in Preparing for Enterprise (Pilot)	EDEXCEL	2	72	90
10035941	BTEC Award in Transporting Passengers by Taxi and Private Hire	EDEXCEL	2	45	56
10025339	BTEC Certificate for Teaching Assistants	EDEXCEL	3	135	108
10017367	BTEC Certificate in Preparation for Air Cabin Crew Service	EDEXCEL	2	Unlisted	180
00228955	CAB Certificate in Generalist Advice Work	CAB	M	Unlisted	215
10023987	Certificate for Adult Numeracy Subject Specialists	CG	4	118	120
50015977	Certificate for Entry to the Uniformed Services	NCFE	2	360	450
10061630	Certificate for Event Stewards	NCFE	2	45	56
10049642	Certificate for Progression	NOCN	1	150	113
10049678	Certificate for Progression	NOCN	2	180	135
10043391	Certificate for the Inspection and Testing of Electrical Equipment (Code and Practice for In-Service Inspection)	CG	3	17	13
10053761	Certificate in Animation	NCFE	2	150	113
10050589	Certificate in Art and Design	NOCN	3	300	240
10031947	Certificate in Automotive Vehicle Maintenance (Entry 3)	CG	E	Unlisted	450
10027944	Certificate in British Sign Language	CACDP	2	90	113
1005215X	Certificate in Business and Administration (Organisations and People)	EDI	3	320	230
10011651	Certificate in Career Planning	OCR	1	51	60
10056154	Certificate in Children's Care, Learning and Development	CG	3	300	210
10058229	Certificate in Coaching	FIRST	3	173	130
10034882	Certificate in Coaching Football	FIRST	2	105	79
5001223X	Certificate in Computer Aided Design (CAD) Parametric Modelling	CG	2	90	68

<b>Learning aim reference</b>	<b>Learning aim title</b>	<b>Awarding body</b>	<b>Level</b>	<b>2008/09 equivalent SLN Value (glh)</b>	<b>2009/10 SLN Value (glh)</b>
10017987	Certificate in Computer Keyboarding	ABC	1	25	30
00290876	Certificate in Conflict Management	NCFE	2	Unlisted	60
10061423	Certificate in Cosmetic Make-Up	VTCT	2	99	74
10016016	Certificate in Counselling Skills	AQA	2	105	79
10064059	Certificate in Craft and Design	OCNW	E	Unlisted	120
10047888	Certificate in Dance Education	ISTD	4	Unlisted	144
10056750	Certificate in Developing Environmental Awareness	OCNW	2	45	56
10024712	Certificate in Developing Skills for Early Years Practice	NCFE	2	90	87
1002489X	Certificate in Drug Awareness	NCFE	1	17	13
00259667	Certificate in Effective Customer Care - Level 2	ASET	2	135	78
50018498	Certificate in Energy Efficiency for Domestic Heating	CG	3	24	16
50027037	Certificate in English (IELTS 6/6.5)	UCLES	2	250	158
10023719	Certificate in Enterprise (Young Enterprise)	OCR	2	45	38
10032678	Certificate in ESOL Subject Support	CG	3	90	Unlisted
10047542	Certificate in First Aid for those Caring for Children	ASET	2	15	12
50012356	Certificate in French Listening (Intermediate) (Asset Languages)	OCR	2	40	32
50012472	Certificate in French Reading (Intermediate) (Asset Languages)	OCR	2	40	32
50013026	Certificate in French Speaking (Intermediate) (Asset Languages)	OCR	2	40	30
10051727	Certificate in Geography (Entry 1, 2 and 3)	AQA	E	Unlisted	90
10063286	Certificate in German Listening (Breakthrough) (Asset Languages)	OCR	E	30	23
10050139	Certificate in Health and Safety at Work	BSC AWARDS	1	10	Unlisted

<b>Learning aim reference</b>	<b>Learning aim title</b>	<b>Awarding body</b>	<b>Level</b>	<b>2008/09 equivalent SLN Value (glh)</b>	<b>2009/10 SLN Value (glh)</b>
10043925	Certificate in Health and Safety for those Working in the Equine Industry	NPTC	2	150	188
1003514X	Certificate in Heating and Ventilation Installation	CG	3	403	450
50010463	Certificate in Holistic Therapies	VTCT	2	265	Unlisted
10018773	Certificate in Housing	CIH	2	105	120
10024062	Certificate in Information, Advice and Guidance	NOCN	3	240	Unlisted
50011200	Certificate in Introduction to Therapies	VTCT	1	180	Unlisted
50010281	Certificate in Italian Listening (Preliminary) (Asset Languages)	OCR	1	40	30
10051867	Certificate in Language Skills	NOCN	3	240	150
10010725	Certificate in Manufacturing (Entry 3)	OCR	E	Unlisted	214
10013155	Certificate in Mathematics A	OCR	E	Unlisted	124
10037780	Certificate in Mortgage Advice and Practice	IFS	3	60	Unlisted
00285492	Certificate in Palliative Care	NCFE	3	Unlisted	120
10035606	Certificate in Personal Effectiveness	ASDAN	3	Unlisted	150
10010610	Certificate in Physical Education	EDEXCEL	E	Unlisted	510
10011687	Certificate in Preparation for Employment	OCR	1	45	34
1001004X	Certificate in Preparation for Employment (Entry 3)	OCR	E	Unlisted	60
10022934	Certificate in Preparation for Working Life	AQA	2	48	36
10057444	Certificate in Psychological Perspectives	OCNW	3	Unlisted	120
10010749	Certificate in Retail (Entry 3)	OCR	E	Unlisted	180
00272091	Certificate in Skills for Working Life (Agricultural Animals) Entry 3	NPTC	E	Unlisted	450
00272092	Certificate in Skills for Working Life (Conservation) Entry 3	NPTC	E	Unlisted	175
00272094	Certificate in Skills for Working Life (Construction) Entry 3	NPTC	E	Unlisted	476
10013854	Certificate in Spanish (Entry Level)	OCR	E	Unlisted	68

<b>Learning aim reference</b>	<b>Learning aim title</b>	<b>Awarding body</b>	<b>Level</b>	<b>2008/09 equivalent SLN Value (glh)</b>	<b>2009/10 SLN Value (glh)</b>
50010189	Certificate in Spanish Listening (Preliminary) (Asset Languages)	OCR	1	40	30
50012484	Certificate in Spanish Reading (Intermediate) (Asset Languages)	OCR	2	40	32
50012642	Certificate in Spanish Writing (Intermediate) (Asset Languages)	OCR	2	40	32
10010750	Certificate in Teaching Exercise and Fitness	OCR	2	120	92
10034894	Certificate in the Treatment and Management of Injuries in Football	FIRST	2	70	53
1002900X	Certificate in Training Practice	CIPD	3	Unlisted	135
50010840	Certificate in Turkish Reading (Preliminary) (Asset Languages)	OCR	1	40	Unlisted
10048625	Certificate in Tutoring in Sport	FIRST	3	25	Unlisted
10029114	Certificate of Competence in Chainsaw and Related Operations	NPTC	2	10	16
10016466	Certificate of Competence in Fork Lift Truck Operations	NPTC	2	32	24
50014328	Certificate of Competence in the Transport of Animals by Road (Short Journeys)	NPTC	2	30	18
00270826	CIMA Managerial Level (1)	CIMA	H	Unlisted	180
00271415	Commercial Numeracy	CG	X	Unlisted	72
00274656	Computer Aided Engineering Part 2	CG	3	85	90
00263161	Customer Relations Certificate	ASET	2	105	Unlisted
00211159	Desktop Publishing (Intermediate)	NIAT	X	Unlisted	10
00270762	Digital Photography (Intermediate)	NIAT	X	Unlisted	12
50018619	Diploma for IT Users (e-Quals) - Enhanced	CG	2	315	236
50010499	Diploma in Additional Aromatherapy Techniques	VTCT	3	173	130
1006249X	Diploma in Additional Reflexology Techniques	VTCT	3	160	120
50011194	Diploma in Anatomy and Physiology	VTCT	3	135	96

<b>Learning aim reference</b>	<b>Learning aim title</b>	<b>Awarding body</b>	<b>Level</b>	<b>2008/09 equivalent SLN Value (glh)</b>	<b>2009/10 SLN Value (glh)</b>
5001044X	Diploma in Aromatherapy	VTCT	3	148	111
5001030X	Diploma in Body Massage	VTCT	3	123	92
50027001	Diploma in Complementary and Alternative Therapies	CG	3	600	459
10025704	Diploma in Epilation	ITEC	3	255	Unlisted
1005697X	Diploma in Home-based Childcare	CACHE	3	132	Unlisted
10024438	Diploma in Lymphatic Drainage Massage	ITEC	3	Unlisted	55
1002914X	Diploma in Public Service Interpreting	IOL	4	Unlisted	102
10062506	Diploma in Reflexology	VTCT	3	147	110
10052136	Diploma in Stone Therapy Massage	ITEC	3	80	60
10053438	Diploma in Vehicle Maintenance and Repair	CG	2	575	459
00276209	English for Office Skills - Level 1	CG	1	Unlisted	72
00271378	Equal Skills	BCS	E	Unlisted	30
00271029	Essential Languages (Spanish/Italian)	ABC	X	Unlisted	67
00230812	European Computer Driving Licence	BCS	2	Unlisted	10
00230033	Fitness Instructing (Gym) Certificate	CYQ	2	102	77
00206919	Food Hygiene Options	CIEH	1	Unlisted	9
10023999	Foundation Graded Examination in Music Performance	RSL	1	55	60
10007830	Foundation Graded Examination in Music Performance	ABRSM	1	Unlisted	87
10018281	Foundation Graded Examination in Theatre Dance	GQAL	1	Unlisted	120
00221268	Galileo IATA External Exam	CTS	X	Unlisted	102
10037019	Graded Examination in Music Theatre	TVU	2	Unlisted	54
10025479	Graded Examination in Speech	ESB	3	Unlisted	36
00263233	Interior Design - Intermediate	NCFE	2	Unlisted	90
10022466	Intermediate Graded Examination in Speech	LAMDA	2	Unlisted	66

<b>Learning aim reference</b>	<b>Learning aim title</b>	<b>Awarding body</b>	<b>Level</b>	<b>2008/09 equivalent SLN Value (glh)</b>	<b>2009/10 SLN Value (glh)</b>
10013544	Intermediate Vocational Graded Examination in Dance	ISTD	2	150	Unlisted
00290374	International General Certificate in Occupational Safety and Health	NEBOSH	3	Unlisted	101
00271030	Introduction to Basic Bakery	ABC	X	Unlisted	180
00263236	Introduction to Floristry	NCFE	1	Unlisted	60
00268099	Makaton	NOCN	1	Unlisted	20
00274480	National Award in Skills for Self Employment	ASET	1	75	Unlisted
10055812	National Award in Vehicle Maintenance and Repair	IMIAL	1	700	525
00268921	National Rescue Award for Swimming Teachers and Coaches	IQL	X	Unlisted	16
00252359	National Skills Profile - Information Technology Skills	OCR	E	35	Unlisted
00252355	National Skills Profile - Manufacturing	OCR	E	Unlisted	132
00271421	Office Procedures	CG	X	Unlisted	30
00268665	Presentation (Beginner)	NIAT	X	11	Unlisted
00259836	Principles of COSHH	CIEH	1	7	Unlisted
00267023	Professional Trainer Certificate	CIEH	2	25	19
00255090	Progression Award in Science (Level 3)	OCNW	3	Unlisted	120
00271242	Rough Terrain Telescopic Lift Truck (Pallet and Bulk) (up to 9 metres) - 2 day	LANTRA	X	Unlisted	14
00229796	Safety in the use of Abrasive Wheels	NCFE	2	Unlisted	24
00103706	Shorthand Speed Certificate (40-160 wpm)	TEELINE	1	Unlisted	140
00211155	Spreadsheets (Beginners)	NIAT	X	25	Unlisted
00211156	Spreadsheets (Intermediate)	NIAT	X	7	Unlisted
00116059	Stage 1 Horse Knowledge and Care	EQL	1	Unlisted	105
00116057	Stage 3 Horse Knowledge and Riding	EQL	3	Unlisted	150
00255106	START Award in Technology Computing and Information Technology	OCNW	1	Unlisted	21
00268850	Start Sailing Level 1	RYA	X	Unlisted	16

Learning aim reference	Learning aim title	Awarding body	Level	2008/09 equivalent SLN Value (glh)	2009/10 SLN Value (glh)
00258799	STCW 95 Deck Officer of the Watch	MCA	X	Unlisted	35
00284068	STCW 95 Proficiency in Medical Care	MCA	4	Unlisted	35
00284069	STCW 95 Proficiency in Medical Care (Refresher)	MCA	4	Unlisted	21
00231597	Theory Grade 6	ABRSM	3	Unlisted	30
10021292	Trinity Guildhall Foundation Graded Examination in Drama	TCL	1	Unlisted	62
10021309	Trinity Guildhall Intermediate Graded Examination in Drama	TCL	2	Unlisted	90
00289938	TUC Information Communications Technology - Level 2 (18 glh)	NOCN	2	18	20
00289967	TUC Skills - Level 1 (18 glh)	NOCN	1	18	23
00274923	Using a Chainsaw from a Rope and Harness (CS39)	LANTRA	X	Unlisted	28
00268125	Visual Arts Programme	NOCN	E	Unlisted	30
00270078	Walking Group Leader	MLTE	3	Unlisted	30
00237282	Web Design (Intermediate)	NIAT	X	Unlisted	13
00211151	Word Processing (Advanced)	NIAT	X	Unlisted	15

Note: The LSC has published a list of qualifications that we propose to make ineligible for funding through the adult learner-responsive and employer-responsive models in 2009/10. Some of the above qualifications with rate changes are also included on that list, which can be found online, on [the Qualification and Framework Reform website](#), so may no longer be funded for new learners in those funding models in 2009/10.

## Annex B

# Funding for 14 to 19 Diplomas

### Replaces Annex C from *Funding Rates 2008/09*

1 For over-16 year-olds, funding for 14 to 19 Diplomas will flow through the LSC's funding methodology. This annex outlines:

- how funding is calculated;
- how funding will flow to providers; and
- how data will be used to inform funding and success rates.

### Background

2 The LSC's standard demand-led funding methodology is used to calculate funding for all Diplomas delivered post-16. This methodology uses the Standard Learner Number (SLN) as the measure of size for qualifications for funding purposes and the provider factor as the means by which various cost weightings will be applied. The allocations model is described in 'The 16-18, Adult Learner- and Employer-responsive Funding Models' and funding methodology is detailed in [the LSC Funding Guidance 2008/09](#).

### Summary

3 The principles that will apply to Diploma funding post-16 are:

- The standard LSC funding methodology is used, for simplification and standardisation.
- The programme weightings that apply are those used for further education because of the vocational nature of the Diploma.
- Funding will be allocated to and flow through the learner's **home provider**.
- Success rates will be calculated for achievement of the whole Diploma.
- Funding will be calculated based on the individual component learning aims.

### How funding is calculated

4 Each Diploma is made up of a number of component learning aims. To achieve the overall Diploma qualification, learners will need to pass all of the required components. To ensure that the funding paid reflects a learner's actual programme, each component learning aim is funded separately, as it would be if a learner did a number of A levels or a mixture of qualifications.

5 Funding will be calculated for each learning aim using the LSC's standard Demand-led funding methodology. This means that each component of the Diploma will be allocated a Standard Learner Number (SLN). This is based on guided learning hours (glh) and represents the size of the learning aim and therefore the amount of funding available for that aim. In addition to the SLN for individual learning aims, an additional 0.133 SLN (60glh) is added for embedded Personal Learning and Thinking Skills. To contribute to the additional costs of collaboration and work experience, an additional allowance of 0.067 SLN at Foundation Level; 0.089 SLN at Higher Level 0.120 SLN at Advanced Level is added when the learner registers for the whole Diploma. Table B1 gives a breakdown the SLN values, which have now been confirmed, for each component and Diploma level.

6 Funding for learners taking the whole Diploma will therefore be based on the total SLN of all the aims the learner is taking. Full details are detailed in the tables below.

7 The total SLN will then be multiplied by the standard national funding rate per SLN and the home provider's provider factor. This is a factor which takes into account the provider's mix of programmes, level of disadvantage, success rates and area costs. Application of the 'provider factor' will result in bespoke rates for each provider based on its individual provider characteristics. Full details of the provider factor can be found in the Technical Annex to 'The LSC Funding Guidance: Funding Formula: April 2008'.

8 Example 1 below demonstrates how the SLN would be calculated for a school sixth form delivering a level 3 advanced Diploma.

*Example 1 School Sixth Form delivering the Advanced Diploma*

	<b>SLN</b>
Principal Learning	1.200
Functional Skills (already achieved)	0
Project	0.267
Additional/Specialist Learning	0.800
Personal Learning and Thinking Skills (PLTS)	0.133
Costs of collaboration	0.120
<b>Total SLN</b>	<b>2.520</b>
The national formula is then applied:	
SLN x National Rate for Schools per SLN x Provider Factor	
(Average for School Sixth Forms has been used)	
This would result in funding of:	
2.52 SLN x £3,007 x 1.0227 = £7,750 over 2 years	
or £3,875 (1.26 SLN) per year	

9 Funding for Functional Skills would be outside the Diploma funding if they have not already been achieved.

10 There are a number of important factors of which to be aware when considering how this funding works.

- a. The LSC will not fund more than 1.75 SLNs per learner in any one year.
- b. The PLTS costs and the costs of collaboration will be linked to the Diploma. Therefore learners completing individual learning aims without registering for the Diploma will not qualify for these payments.
- c. Funding for the entitlement curriculum 0.25 SLN (114 glh per year) will apply to Diploma students, and it will contribute to the calculation of the funding cap which is set at 1.75 SLN. There is likely to be some overlap between Diploma and entitlement funding, for example in the area of PLTS. Any savings made in time or resource could possibly contribute further to collaboration and work experience.
- d. The programme weighting for Diplomas will be taken into account within the home provider's provider factor. The Diploma weightings used are based on the learner-responsive model's six programme weightings.

- e. Given the significance of success rates in the funding calculation, consortia will need to consider whether all the funding should be paid on the learning process, or if some should be attached to completion.

### How funding will flow to providers

11 Allocations for Diplomas will be made in SLN terms. In many cases these SLNs will replace the SLNs that would have been allocated for predecessor programmes. Where the Diplomas will extend the size of programmes for existing learners, the provider will need to discuss this with its local partnership team so that any change to SLNs can be agreed. The planning assumption is that learners should be allocated an additional 0.1 SLN for participating in the Diploma, and this applies at all three levels. Where Diploma provision will result in increased learner numbers (i.e., where Diplomas will be taken by learners who would not otherwise be participating) then an increase in learner numbers and therefore SLNs will again need to be discussed with the local partnership team.

12 These discussions will result in an agreed allocation of SLNs which, when multiplied by the rate per SLN for the type of provider and home provider factor, will produce the allocated budget.

13 Allocations will only be made to the learner's home provider. This is the provider where the learner is registered for the whole of their post-16 programme. The provider must be a member of a formally approved Diploma consortium that has successfully completed the gateway process. Learners from outside the consortium may not access the Diploma at this stage. Learners will only be funded if they are registered for the Diploma by their home provider.

14 Where learners are taking any part of their Diploma with another provider within the Diploma consortium, the home provider is required to fund this learning from its Diploma allocation. The learning may be whole learning aims, e.g. principal learning, or specific elements of a learning aim, e.g. the applied aspects of principal learning. It is important to note that the actual funding received by the home provider will be based on its provider factor, so the amount will be individual to that provider.

15 The exact purchasing arrangements for off-site delivery are made at local discretion, and will need to be agreed at consortium and 14 to 19 partnership level. However the following guidelines are offered as a starting point.

- The published LSC rates should always be the starting point.
- Each Diploma component learning aim has an allocated SLN value which should be used when purchasing the whole component learning aim.
- When purchasing elements of an individual learning aim then this should be based on the proportion of the overall SLN to be delivered by the Diploma consortium partner.

- Other factors to be considered locally may include:
  - which provider's premises are to be used;
  - proportion of learning that is workshop-, laboratory- or classroom-based;
  - whether quid pro quo arrangements would save additional costs and bureaucracy;
  - the programme weighting of the learning aim to be purchased; and
  - the impact of success rates on funding, and if any funding should be withheld until the qualifications are achieved.

16 As described above, the funding for Diplomas includes an uplift of approximately 5% to contribute towards the costs of collaboration and work experience; these funds are attached to the Diploma learning aim and paid to the home provider. As in pre-16 funding, it is strongly recommended that these funds are pooled to cover the additional costs of collaboration such as joint timetabling, work experience, employer engagement and health and safety. This reflects successful practice established through the evaluation of 14 to 19 pathfinders and schools organisation pilots.

17 The baseline calculation for purchasing components of the Diploma should start with the LSC-published SLN values and programme weightings. This baseline calculation is demonstrated in example 2 below. Consortia will then need to agree local rates for delivery to reflect local circumstances.

18 Schools and colleges will have bespoke rates because of their different provider factors and the different national rates. Therefore using a purely formulaic approach may not always lead to a fair allocation between consortia members, i.e. where programme weighting for the off-site delivery is higher than that recognised in the school's provider factor. Consortia will therefore need to agree their local approach and allow for the circumstances listed above. The example below suggests one method of reflecting performance in calculations; consortia are of course free to develop other methods of so doing.

*Example 2: Advanced Diploma funding where a consortium member delivers the principal learning*

Advanced Diploma in Society, Health and Development (SHD) using Schools Funding Rate (from example 1)	2.52 SLN	£7,750
Principal learning purchased at college rates, with allowance for 80% success rate	1.2 SLN	£3,532 <sup>1</sup>
10% Success Element paid on successful completion	n/a	£392
Contribution to collaboration and work experience	0.12 SLN	£360 <sup>2</sup>
Remaining funding for home school	1.2 SLN	£3,466 <sup>3</sup>

<sup>1</sup> 1.2 SLN x rate per SLN x programme weighting of 1.12 – 10% for success rate of 80%

= 1.2 x £2,920 x 1.12 x 0.9= £3,532. This assumes an expected 80% success rate.

<sup>2</sup> = 0.12 SLN x rate per SLN x programme weighting of 1

= 0.12 x £3,007 x 1 = £360

<sup>3</sup> This may be lower than the value of the Principal Learning because of the relative Programme Weightings

### Data, funding and success rates

19 Home providers are required to record on the school census or ILR the learning aim reference of the Diploma that the learner is following. These can be found on the LAD.

20 This information will be used for three purposes.

- It will inform the Diploma success rate of the home school or college. The learner will need to successfully complete the full Diploma to be counted as a success within the success rate methodology.
- It will record the learner as qualifying for the SLN values attributed to the PLTS and the collaborative costs for that Diploma.
- It will be used for evaluation.

21 In addition each individual learning aim will need to be registered by learning aim reference on the school census or ILR. This will ensure that each learner is funded only for the learning for which they register. For example, a learner may have already completed the additional and specialist learning and therefore not need to complete this component. In this case this learning aim is simply not recorded and no funding will be paid for that aim.

22 This will become increasingly the case as learners progress from one level of Diploma to another, and when Functional Skills are achieved by virtue of completing a GCSE programme of study from 2010/11 onwards.

23 It will also be the case that qualifications that make up the additional and specialist learning component will vary in size and it would not be appropriate to fund a learner doing the smallest allowable qualification the same as a learner who is doing a much larger one, perhaps with a high programme weighting.

24 Learner-aim level data will also be used in evaluation but will not inform success rates as these are based on achieving the full Diploma.

25 The Diploma level success rates and the aggregate programme weighting will inform the provider factor for the following years and therefore funding will increase where success rates improve or high cost learning takes place.

### Further information

26 Advice on curriculum and specification issues is available from QCA on its [dedicated Diplomas pages](#).

27 Further supplementary guidance on additional funding for the higher Diploma for over-16 year-olds will be issued in April.

28 Further queries should be addressed to the relevant LSC partnership teams.

29 The initial report into the evaluation of the Funding and Organisation pilots, including examples of transport arrangements and use of DSG is available in the [funding section of the DCSF 14 to 19 website](#).

### SLN values for diplomas

#### 16-18 and adult learner-responsive models

30 The following tables give example SLN values for the component parts of each of the new Diplomas to be introduced in 2009/10. The Diplomas will be funded at component level; however, the Personal Learning and Thinking Skills and the costs of collaboration are not accredited learning, and will be funded via the Diploma learning aim code at programme weighting A (1.0).

31 In each example below, the minimum glh for the Additional and Specialist Learning is given as the SLN value (tables B1 to B4). The actual funding for this element will depend upon the programme of study and the elements studied.

**Table B1: Level 3 advanced diploma**

<b>Diploma component</b>	<b>SLN value (glh)</b>	<b>SLN</b>
Principal Learning	540	1.200
Extended Project	120	0.267
Additional and Specialist Learning	360	0.800
Personal Learning and Thinking Skills	60	0.133
Costs of collaboration	54	0.120
<b>Total</b>	<b>1134</b>	<b>2.520</b>

**Table B2: Level 3 progression diploma**

<b>Diploma component</b>	<b>SLN value (glh)</b>	<b>SLN</b>
Principal Learning	540	1.200
Extended Project	120	0.267
Personal Learning and Thinking Skills	60	0.133
Costs of collaboration	36	0.080
<b>Total</b>	<b>756</b>	<b>1.680</b>

**Table B3: Level 2 higher diploma**

<b>Diploma component</b>	<b>SLN value (glh)</b>	<b>SLN</b>
Principal Learning	420	0.933
Project	60	0.133
Functional Skills - English	36	0.080
Functional Skills - Mathematics	36	0.080
Additional and Specialist Learning	180	0.400
Personal Learning and Thinking Skills	60	0.133
Costs of collaboration/work experience	40	0.089*
<b>Total</b>	<b>832</b>	<b>1.849</b>

NB: This example assumes the learner has already attained Functional Skills in ICT. The total shown is affected by the rounding in the individual entries.

\* Where the Level 2 Higher Diploma is delivered post-16 in one year, the costs of collaboration/work experience is funded outside the funding formula at a rate of £274 (in 2009/10 only).

**Table B4: Level 1 foundation diploma**

<b>Diploma component</b>	<b>SLN value (glh)</b>	<b>SLN</b>
Principal Learning	240	0.533
Project	60	0.133
Functional Skills - English	36	0.080
Functional Skills - ICT	36	0.080
Functional Skills - Mathematics	36	0.080
Additional and Specialist Learning	120	0.267
Personal Learning and Thinking Skills (PLTS)	60	0.133
Costs of collaboration	30	0.067
Total	618	1.373

### **Programme weightings for the new diplomas**

32 The programme weightings for the new Diplomas will be applied to the principal learning aims (table B5). All other learning aims will be funded at their prevailing programme weighting. Projects will be funded at a programme weighting of A – 1.0 as they are not subject-specific.

**Table B5: Programme weightings for the new diplomas**

<b>Diploma line</b>	<b>Programme weighting (Level 1)</b>	<b>Programme weighting (Levels 2 and 3)</b>
Business, administration and finance	1.0	1.0
Construction and the built environment	1.3	1.3
Creative and media	1.3	1.3
Engineering	1.3	1.3
Environmental and land-based studies	1.6	1.6
Hair and beauty studies	1.3	1.3
Hospitality	1.3	1.3
Information technology	1.12	1.3
Manufacturing and product design	1.3	1.3
Society, health and development	1.12	1.12

## Annex C

# Train to Gain funding values

### Replaces Annex E from *Funding Rates 2008/09*

1 The typical SLN values for existing funded qualifications are set out in table C1. Some specific full level 2 NVQs are being reviewed and may be given an SLN value of 0.493 in 2009/10. Qualifications that become eligible for funding in 2009/10 will be assigned appropriate SLN values, which may differ from those in table C1, based on their size. Please consult the LAD to check the rate for a specific qualification.

2 The SLN values for Skills for Life in Train to Gain have been adjusted to take into account a change in their weighting factor. The weighted funding rate for these aims is unchanged.

**Table C1: Typical Train to Gain SLN values 2009/10**

Programme	SLN
Full Level 2 or below	0.429
Full Level 3 or above	0.644
Skills for Life – Literacy and Numeracy*	0.193
Skills for Life – ESOL*	0.193

\* Skills for Life in Train to Gain are now weighted at F - 1.4.

**Table C2: Programme-weighting factors**

Category	Employer-responsive model programme weighting
A	1
L	1.2 (reducing to 1.15 in 2010/11)
C	1.3
F (Skills for Life only)	1.4

3 In general Train to Gain aims, other than Skills for Life aims, that were funded at a weighting K (1.5) in 2008/09 will be funded at weighting C (1.3) in 2009/10. Similarly, aims that were funded at weighting J (1.25) in 2008/09 will be funded at weighting L (1.2) in 2009/10 and at a weighting of 1.15 in 2010/11. Please consult the LAD to check the weightings for a specific qualification.

## Annex D

# Area costs uplift by region

Replaces Annex H from *Funding Rates 2008/09*

Table D1: Area costs uplift by region

London A – 1.20	London B – 1.12
Camden	Barking and Dagenham
City of London	Barnet
Fulham	Bexley
Greenwich	Brent
Hackney	Bromley
Hammersmith	Croydon
Haringey	Ealing
Islington	Enfield
Kensington and Chelsea	Harrow
Lambeth	Havering
Lewisham	Hillingdon
Newham	Hounslow
Southwark	Kingston upon Thames
Tower Hamlets	Merton
Wandsworth	Redbridge
Westminster	Richmond upon Thames
	Sutton
	Waltham Forest

<b>Bedfordshire and Hertfordshire non-fringe – 1.03</b>	
Bedford	North Hertfordshire
Bedfordshire County Council	South Bedfordshire
Luton	Stevenage
Mid-Bedfordshire	

<b>Berkshire, Surrey and West Sussex fringe – 1.12</b>	
Bracknell Forest	Slough
Crawley	Spelthorne
Elmbridge	Surrey County Council
Epsom and Ewell	Surrey Heath
Guildford	Tandridge
Mole Valley	Waverley
Reigate and Banstead	Windsor and Maidenhead
Runnymede	Woking

<b>Berkshire non-fringe – 1.12</b>	
Reading	Wokingham
West Berkshire	

<b>Buckinghamshire non-fringe – 1.07</b>	
Aylesbury Vale	Wycombe
Milton Keynes	

<b>Cambridgeshire – 1.02</b>	
Cambridge	Huntingdonshire
East Cambridgeshire	Peterborough
Fenland	South Cambridgeshire

<b>Hampshire and Isle of Wight – 1.02</b>	
Basingstoke and Deane	Isle of Wight
East Hampshire	New Forest
Eastleigh	Portsmouth
Fareham	Rushmoor
Gosport	Southampton
Hampshire County Council	Test Valley
Hart	Winchester
Havant	

<b>Hertfordshire and Buckinghamshire fringe – 1.10</b>	
Broxbourne	South Buckinghamshire
Chiltern	St Albans
Dacorum	Three Rivers
East Hertfordshire	Watford
Hertsmere	Welwyn Hatfield

<b>Kent and Essex fringe – 1.06</b>	
Basildon	Harlow
Brentwood	Sevenoaks
Dartford	Thurrock
Epping Forest	

<b>Oxfordshire – 1.07</b>	
Cherwell	South Oxfordshire
Oxford	Vale of White Horse
Oxfordshire County Council	West Oxfordshire

**West Sussex non-fringe – 1.01**

Adur	Horsham
Arun	Mid-Sussex
Chichester	Worthing

## Annex E

# Employability Skills Programme (ESP) funding values

### Additional information

1 The Employability Skills Programme (ESP) is the LSC's primary programme for the delivery of basic (literacy/language and numeracy) and generic employability skills and qualifications to Jobcentre Plus customers. All Jobcentre Plus customers aged 18 and above with an identified basic skills need are eligible for the programme.

2 Funding for ESP is allocated through the adult learner-responsive budget but, uniquely, payment to providers is made via the employer-responsive methodology and system. This ensures that monthly provider returns and payments relate to actual rather than profiled delivery.

3 The following comprise ESP fundable outputs:

- approved basic skills qualifications at all levels up to and including level 2,
- approved employability qualifications at all levels up to and including level 2,
- full-time job outcomes (16 or more hours a week) started within 13 weeks of the end of the programme and that last for at least four weeks,
- provision of an initial assessment that does not result in a programme start.

4 All aims delivered in ESP will be paid at the same national funding rate as Train to Gain, £2,901.

**Table E1: ESP funding values**

	SLN	Weighting	Funding
Basic skills	0.193	1.4	£783.85
Employability qualifications	0.178	1.5	£774.57

5 Under the employer-responsive payment arrangements, 75% of the rate is payable on programme and 25% on outcome achievement.

6 Funding of job outcome achievements will be made at the rate of £120 per eligible outcome. ESP providers must produce and retain evidence as

described in the contract schedule that the learner has worked for at least 16 hours per week for a four week period, in a job that started within 13 weeks of the end of the ESP training period.

7 An additional £50 service fee can be claimed to cover the cost of an initial assessment, information, advice and guidance and referral where an ESP provision offer is not pursued, and either:

- where a potential learner is referred elsewhere to other/more appropriate provision, or
- where a learner has a start date but fails to start the programme.

8 Payment for job outcomes and non-starter service fees should be claimed on a Training Provider Statement (TPS.) A copy of the latest version can be found on the On-Line Data Collection (OLDC) site. Providers must submit a claim for payment of a job outcome achievement within six months of the end of the learner's training period.

## Annex F

# Funding Foundation Learning Tier programmes through the demand-led and E2E funding mechanisms for 2009/10

### New annex

1 There are no bespoke funding arrangements for the Foundation Learning Tier (FLT). FLT personalised learning programmes are destination-led programmes of flexible content and duration to support individual progression. These personalised programmes are funded through the LSC's standard demand-led funding mechanism. Therefore all requirements of the funding guidance apply to the FLT. This annex provides guidance and examples of how the demand-led funding mechanism is applied to FLT programmes.

2 As a transition measure, during 2009/10 only, FLT programmes can also be funded using the weekly funding methodology for E2E. For clarity, where weekly funding is claimed there is no further funding for the qualifications delivered, for entitlement (for 16-18 year olds) or for Additional Learning Support (ALS). Learners placed with specialist providers for those with LLDD continue to be funded as described in *Funding Guidance: Placement for Learners with Learning Difficulties and/or Disabilities*. The intention is to work towards using the demand-led funding methodology to fund these learners' programmes in future.

### Personalised Learning Programmes

3 For the pilot and implementation phases there were four defined Progression Pathways. This structure has now been reviewed based on the experience from the pilots and replaced with destination-led personalised learning programmes. The principles for funding as described in this annex apply equally to the two structures.

### 30% planning aspiration

4 The Statement of Priorities – *Investing in our future through learning and skills* – provides a planning aspiration for FLT programmes. As a guide, in 2009/10 we expect at least 30% of starts in Foundation Learning to start on FLT programmes.

5 The 30% is thus a provider level planning aspiration, in that 30% of a provider's new starts accessing entry level and level 1 provision in 2009/10 should be on FLT programmes. To be clear, we would not expect existing or returning learners to transfer from their existing courses or programme onto

FLT programmes unless it is in the best interests of the learners, and we would not wish to see essential provision being lost.

6 It is important to emphasise that the 30% figure for starts is a preparatory position for negotiations between LSC local partnership team colleagues and providers. We do recognise that:

- for some providers – such as those participating in the developmental delivery of FLT in 2008/09, or those delivering in one vocational area – the figure might be much higher;
- for other providers – perhaps those delivering in one vocational area that is not yet covered in terms of QCF qualifications or specialist colleges for learners with difficulties and/or disabilities – the figure might be much lower than 30% of starts.

7 The 30% of learner starts must not be seen as a target or a baseline, just as a guide for colleagues working locally to begin conversations with providers to establish a clear trajectory for the movement from existing entry level and level 1 provision to the delivery of qualifications from the QCF and towards the full implementation of FLT programmes for 2010/11. However, we will continue to review this date in the context of the full flexibility of FLT being realised and a sufficient range of QCF provision available which is fit for purpose.

### **Funding models**

8 FLT programmes can be delivered and funded through the 16-18 and adult learner-responsive models; the principles are the same. The LSC is currently considering the place of FLT and level 1 NVQs in the employer-responsive funding model.

### **Funding formula**

9 The standard LSC funding formula applies to FLT programmes. Examples are given later in this annex.

### **Standard learner number (SLN) values**

10 The standard SLN guided learning hour (glh) values as published on the Learning Aim Database (LAD) apply to FLT programmes.

### **National funding rates per SLN**

11 National funding rates per SLN as published in section 2 of this update apply to FLT programmes as appropriate to the funding model and provider type.

### **Provider factors**

12 The provider factor is calculated at provider level; therefore FLT learners' characteristics, including their qualifications success rates, form part of the overall provider factor and have a major impact on funding allocations and calculations.

### **Additional learning support (ALS)**

13 ALS is allocated to cover each learner (who would normally qualify for ALS) on an FLT programme. 60% is determined by the published formula (see section 3), and 40% through negotiation. FLT learners are eligible for higher-level ALS (above £5,500).

### **Entitlement curriculum funding (16-18 year olds)**

14 The entitlement can be claimed for any 16-18 year old learner on an FLT programme, provided they meet the eligibility criteria for a full-time learner described from paragraph 381 in the *Principles, Rules and Regulations* onwards as:

- under 19 on 31 August in the teaching year in which they start their programme of study, and
- studying on a full-time basis, defined as on a course of 450glh (1 SLN) or more in a year.

15 This 450 glh (1 SLN) includes the entitlement of 114 glh (0.25 SLN); therefore the planned glh for the other qualifications in the learner's programme must total at least 336 glh (0.75 SLN) to qualify. These aims must be linked together on the ILR by the FLT programme aim to be claimable.

16 The entitlement is based on the learner's planned glh, not on the SLN value of the qualification.

### **Recording of prior learning (RPL), exemptions, and credit transfer**

17 In 2009/10 the LSC is introducing a more structured approach to ensuring funding reflects the QCF requirements for RPL, exemptions, and credit transfer. These requirements apply to FLT programmes and are included in this guidance in paragraphs 77 through 82.

### **Principles of funding FLT programmes**

18 The following principles apply to funding FLT programmes.

- Only vocational qualifications approved by the appropriate sector body for accreditation into the QCF, and recommended by the sector body as a key vocational qualification for public funding, are fundable.
- FLT programmes must include only full qualifications included in the FLT Qualifications Catalogue.

- Funding is truly individual as the total SLN value for the FLT programme is the SLN values for the individual qualifications added together.
- The credit value of the FLT programme has no impact on funding as funding is based on the SLN delivered, not learner achievement.
- The entitlement will be funded for 16-18 year old learners who qualify.
- Learners on FLT programmes qualify for lower and higher level ALS subject to the normal requirements.
- Funding can be accessed through the 16-18 or adult learner responsive funding models, or E2E (for 2009/10 only).
- FLT programmes are recorded on the ILR as a programme of learning and all learning aims are also to be recorded.

## Examples

*Example 1: Programme designed for progression to skilled work or an Apprenticeship (PSD funded separately)*

**Table F1: Qualifications**

Programme	Credits	Learning aim reference	Guided learning hours	SLN
<b>Functional Skills</b>				
English (L1)	5	50027499	36	0.08
Maths (L1)	5	50026811	36	0.08
ICT (L1)	5	50027426	36	0.08
<b>PSD</b>				
Certificate in Employability and Personal Development (L1)	15	50040789	108	0.24
<b>Vocational content</b>				
Certificate in Business Administration (L1)	13	50049926	105	0.23
Award in Computerised Accounts (L1)	3	50042932	30	0.067
Award in Business Finance (L1)	3	5004376/6	30	0.067

Total	49	-	381	0.85
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**Table F2: Total SLN (16-18 year old)**

	SLN
Qualification	0.85
Entitlement	0.25
Total	1.10

**Table F3: ALS funding (16-18 year old)**

GCSE results	GCSE points score	Funding @ 60% per SLN	Add assumed 40% negotiated per SLN	SLNs	Total ALS
Grade G in English and Maths	32-43	£301	£502	1.10	£552

**Table F4: Total funding (16-18 year-old)**

Average for delivery in a GFE provider in 2009/10 shown

Total SLNs	Funding rate per SLN	Provider factor	Programme funding (average)	ALS	Total funding
1.10	£2,920	1.04	£3,340	£552	£3,892

**Table F5: ALS funding (adult)**

Level of study	Funding @ 60% per SLN	Add assumed 40% negotiated per SLN	SLNs	Total ALS
Entry L1	£279	£465	1.1	£512

**Table F6: Total funding (adult)**

Total SLNs	Funding rate per SLN	Provider factor	Programme funding average	ALS	Total funding
0.85	£2,817	1.1	£2,634	£512	£3,146

In this example the following can be seen.

- The learner is undertaking all three functional skills at 15 credits in total. Should delivery of further functional skills qualification be required then these qualification could be added and funded.

- The personal and social development (PSD) content is 15 credits. The full 108 glh are funded to achieve the 15 credits. The PSD is delivered as separate qualifications.
- The vocational element has been split between three qualifications at 19 credits in total.
- The total credit value is 43.
- The funding is based on 381 glh or 0.85 SLNs.
- There is currently no funding relationship between the number of credits and glh. This is because funding is based on the input (glh), while credit measures notional learner hours and achievement.
- A 16-18 year old learner would qualify for entitlement as the programme exceeds 336 glh (0.75 SLN).
- ALS may be more or less depending on the negotiable element.

*Example 2 – Programme designed for progression to skilled work or an Apprenticeship (PSD as part of vocational qualification)*

**Table F7: Qualifications**

<b>Programme</b>	<b>Credits</b>	<b>Learning aim reference</b>	<b>Guided learning hours</b>	<b>Standard learner number</b>
<b>Functional Skills</b>				
English (L1)	5	50027372	36	0.08
Maths (E2)	5	50056062	36	0.08
ICT (E2)	5	5002565x	36	0.08
<b>PSD</b>				
Integrated into vocational qualifications below	0	0	0	0
<b>Vocational content</b>				
Certificate in Fashion and Textiles (L1)	24	50043304	300	0.67
Certificate in Personal and Professional Development (E3)	13 (4 credits are PSD; 9 are vocational)	50018930	150	0.33
<b>Total</b>	<b>52</b>	<b>-</b>	<b>558</b>	<b>1.24</b>

**Table F8: Total SLN (16-18 year old)**

	SLN
Qualification	1.24
Entitlement	0.25
Total	1.49

**Table F9: ALS Funding (16-18 year old)**

GCSE results	GCSE points score	Funding @ 60% per SLN	Add assumed 40% negotiated per SLN	SLNs	Total ALS
Grade G in English and Maths	32-43	£301	£502	1.49	£748

**Table F10: Total funding (16-18 year-old)**

Total SLNs	Funding rate per SLN	Provider factor	Programme funding (average)	ALS	Total funding
1.49	£2,920	1.04	£4,524	£748	£5,272

**Table F11: ALS funding (adult)**

Level of study	Funding @ 60% per SLN	Add assumed 40% negotiated per SLN	SLNs	Total ALS
Entry – Level 1 (L1)	£279	£465	1.24	£577

**Table F12: Total funding (adult)**

Total SLNs	Funding rate per SLN	Provider factor	Programme funding average	ALS	Total funding
1.24	£2,817	1.1	£3,842	£577	£4,419

In this example the following is demonstrated.

- Where PSD is integrated into the vocational qualification it is funded through the increased SLN for the vocational qualification, there is no additional funding for the PSD as it is not delivered separately.

*Example 3 – Programme designed for progression to skilled work or an Apprenticeship (where the learner has already achieved some of the required credits)*

- Using the table F7 of example 2 above to calculate funding due where some qualifications/credits are already achieved.
- Initial assessment shows that the learner has already achieved the ICT Functional Skill at level 1 but not the others. Therefore full funding is due for the English and Maths qualifications but not ICT. The learner could attempt ICT Functional Skill at level 2 in which case it would be funded.
- It is also established that the learner has previously achieved units that would give either an exemption (if the units are outside of the QCF) or credit transfer (if inside the QCF) for 50% of the credits for the Certificate in Fashion and Textiles qualification.
- Only 50% of the units/credits need to be delivered and can be claimed; therefore only 50% of the funding is due to be paid. This is achieved by reducing the proportion of funding remaining on the ILR.

**Table F13: Qualifications**

<b>Programme</b>	<b>Credits</b>	<b>Learning aim reference</b>	<b>Guided learning hours</b>	<b>Standard learner number</b>
<b>Functional Skills</b>				
English (L1)	5	50027372	36	0.08
Maths (E2)	5	50056062	36	0.08
ICT (E2)	0	5002565x	0	0
<b>PSD</b>				
Integrated into vocational qualifications below	0	0	0	0

<b>Vocational content</b>				
Certificate in Fashion and Textiles (L1)	24 (12 claimed)	50043304	300 (150 delivered)	0.67 (0.33 SLN due)
Certificate in Personal and Professional Development (E3)	13 (4 credits are PSD; 9 are vocational)	50018930	150	0.33
Total	52	-	558 (393 delivered)	1.24 (0.82 delivered and due)

### Recording FLT programmes

19 FLT programmes are recorded on the ILR as programme level aims. This means a programme level aim must be recorded in addition to the individual learning aim references of the qualifications being taken. This should include the learning aim references for any PSD and/or literacy or numeracy work previously delivered as ALS or enrichment. Full guidance is available on [the Information Authority website](#) in 'Recording Programmes in the ILR in 2008/09' and in the Learner Responsive Provider Support Manual.

### Funding and recording FLT under the E2E funding mechanism

20 Should the provider choose to fund FLT programmes through E2E, then E2E weekly funding and bonuses are claimed as per the *Principles, Rules and Regulations* section 10. In essence this means the following.

- The programme aim is the E2E programme aim.
- All learning aims are recorded on the ILR as LSC-funded programme type E2E (09) so that bonuses are generated.
- Entitlement funding is claimed as a learning aim but is not funded, i.e. "none" (code 999).
- Providers receive weekly E2E funding and bonuses (not funding for learning aims, entitlement and ALS).

### Performance measures and the FLT

21 The FLT is funded based on the qualifications delivered to the learner. Each qualification registered on the ILR will be included in the standard qualification success rate calculation used in the provider factor, the Framework for Excellence and for the calculation of minimum levels of performance (MLP).

22 The LSC is considering further performance measures to assess performance in achieving positive destinations. Therefore providers are

advised to record destinations and the reasons that learning ended accurately as these may be used for performance or funding decisions in future.

23 The LSC is trialling a credit success rate based on the learners planned credit and the credits they actually achieve. This measure may also be used for funding and performance purposes in future.

## Annex G

# Ministry of Defence contracts

### Update to Annex F of *Principles, Rules and Regulations* 2008/09

*Replaces paragraph 2 and table F1*

- 1 Prior to 08/09, the occupational area classification used as a basis for the Ministry of Defence (MoD) gap analysis was the funding category used to assign funding rates to Apprenticeships.
- 2 Since the SLN values for Apprenticeship frameworks have been individually assessed using activity costs, funding categories have not been used in Apprenticeships. As a result they are no longer maintained on the Learning Aims Database and cannot therefore be used as a categorisation for MoD gap analyses.
- 3 As a result the MoD rates have been mapped to sector subject area (SSA) as detailed in table F1, which will be applied until a further gap analysis is undertaken.

**Table G1: Sector subject areas and MoD rates**

<b>Sector subject area (SSA)</b>	<b>SSA description</b>	<b>MoD rate (multiplier)</b>
01	Health, public services and care	0.84
02	Science and mathematics	0.90
03	Agriculture, horticulture and animal care	0.77
04	Engineering and manufacturing technologies	0.90
05	Construction, planning and the built environment	0.78
06	Information and communication technology	0.87
07	Retail and commercial enterprise	0.83
08	Leisure, travel and tourism	0.83
09	Arts, media and publishing	0.50
10	History, philosophy and theology	0.87
11	Social sciences	0.87

<b>Sector subject area (SSA)</b>	<b>SSA description</b>	<b>MoD rate (multiplier)</b>
12	Languages, literature and culture	0.83
13	Education and training	0.87
14	Preparation for life and work	0.87
15	Business, administration and law	0.87

## Annex H

# Employer-responsive learner terms and conditions

### Replaces Annex H of *Principles, Rules and Regulations 2008/09*

1 This annex applies to all learners funded through the employer-responsive funding model. It should be noted that not all aspects of this annex apply to both Apprenticeships and Train to Gain Learners. Where neither Apprenticeships nor Train to Gain are specifically mentioned it should be taken that the paragraph applies to all employer-responsive learners.

#### Employed learners

##### Wages

2 All employed learners shall be paid the rate specified in their terms and conditions of employment, which has to comply with the national minimum wage legislation, where appropriate. Workers in agriculture must be paid in line with the terms of the Agricultural Board. Further guidance can be found on [the DirectGov website](#).

3 In its report, *Supporting Young People to Achieve: A New Deal for Skills* (HM Treasury, March 2004), the Government set out its expectation that minimum pay levels for employed Apprentices should be £70 to £80 a week. In 2008/09 the LSC contractually requires that providers ensure that all full-time employed Apprentices receive at least £80 a week income. From 1st August 2009 this becomes a minimum of at least £95 per week based on 30 to 35 hours per week. Pro-rata terms apply to part-time apprentices below 30 hours per week (see paragraph 7). Failure to comply with the above may result in the termination of a provider's contract. Rises linked to the competence, achievements and productivity of the learner to the business are also recommended.

##### Hours of participation

4 The hours of participation for all learners must conform with all relevant requirements under any legislation or local provisions or any local by-laws relating to employment. All employed learners must be issued with a Contract of Employment.

5 All employed learners should be covered by the terms and conditions contained in their contract of employment and any relevant employment legislation. Self-employed learners are treated in respect of learning as employed learners.

6 It is anticipated that employed Apprentices will usually be engaged in working and learning for a minimum of 30 hours a week. Hours of attendance must comply with the Working Time Directive.

7 An exception to the minimum participation hours required for an employed Apprentice is where part-time weekly attendance, between 16 and 29 hours, has been formally agreed by the providers' LSC contact. Providers should be aware that a part-time Apprentice must be capable of completing and achieving their Apprenticeship during 'normal' working time. There should not be a requirement to undertake learning or assessment activity in their own time. However this does not include projects or assignments as part of a technical certificate which would normally be classed as 'homework'.

8 Any learner following an Apprenticeship is deemed to be undertaking a full-time programme regardless of the number of hours actually in learning. As such they are not eligible to undertake any other full-time funded programme, such as FE or School Sixth Form.

9 There are no minimum hours that a learner has to be employed in order to participate in Train to Gain; only that they have been issued with a Contract of Employment by their employer. It is expected that all Train to Gain activity will normally take place in an employee's normal working hours as defined in their Contract of Employment. Learners with 'zero hours contracts' where their hours of employment vary based on the employer's demand can take part in Train to Gain so long as learning is delivered in accordance with this paragraph. This includes distance learning, although in exceptional circumstances, where agreed by the learner and their employer, it can be delivered in the learner's own time. This does not apply to self-employed learners.

### **Holidays/accrued authorised absence**

10 Employed learners shall be entitled to those holidays provided by their terms of employment. The Working Time Directive requires 20 working days' paid holiday per year as a minimum for employees. Further details can be found on [the DirectGov website](#).

11 It is not normally expected that learners will be given a holiday entitlement by their employer in excess of 12 weeks and therefore providers will be able to abide by the rules on reviewing a learner's progress within a 12 weeks window. However, where employed learners are given an extended leave of absence this must be treated as a 'break in learning' and the procedure covering this must be followed.

12 Providers should ensure that they are aware of learners' holidays in order to comply with the review procedure. If learners undertake learning during their holiday it is expected that their employer would take this into account, for example time off in lieu for attendance at college for their Technical Certificate.

### **Childcare**

13 Learners who are employed for 16 hours or more a week may be eligible for assistance for childcare costs through the Working Families Tax Credit system. More information is available on [the Directgov website](#). Should any learners not be eligible for any assistance the LSC may authorise childcare payments for employed learners at their discretion.

## **Non-employed learners**

### **Hours of participation**

14 A Programme-led Apprentice (PLA) in employer-responsive provision will usually attend learning for a minimum of 30 hours per week. In exceptional circumstances, part-time attendance can be agreed for a period of time, but with the expectation and agreement that the learner would progress on to full-time attendance (30 hours or more) as soon as they are able. The maximum participation for a PLA is 37 hours in learning and work per week. In sectors where working patterns are flexible this could be a rolling average over four weeks.

15 Train to Gain learners who are not employed are not covered by minimum hours of participation. Learners are expected to attend learning in order to complete their learning aim. These learners may have a formal arrangement in place with an employer, i.e. volunteers, or may be learners who have recently become unemployed whilst on Train to Gain and are completing their qualification. The latter category of learner could have started learning when their status was as either employed or a volunteer.

### **Holidays/accrued authorised absence**

16 Every Programme-led Apprentice is entitled to a minimum of paid holiday at the rate of two days for each completed calendar month from their start date of learning. This is in addition to statutory bank holidays. For EMA purposes this is termed 'accrued authorised absence'. Paid holiday should be funded at the same rate and from the same source that would apply when an apprentice is not on holiday.

17 All non-employed learners who need to attend their learning programme during bank and public holidays must receive time off at least equal to the time they attended on that bank or public holiday. Where attendance is on an employer's premises the time-off in lieu must be equivalent to that of the employees of that employer.

18 It is not intended that the section on holidays/accrued authorised absence applies to non-employed learners on Train to Gain.

## **Childcare support**

19 Childcare support is available for Programme-led Apprentices and non-employed Train to Gain learners.

20 Learners under 20 years of age on the date their learning starts can apply for Care to Learn. This scheme will provide up to £160 a week (£175 if

London weighting applies) for each child, to cover the costs of childcare and travel between home and the childcare setting.

21 Learners will have their costs met by Care to Learn where they meet the following eligibility criteria:

- they are under 20 years of age on the date that their course or learning programme starts;
- they are the main carer of their child;
- they meet residency criteria;
- they are living in England.
- they are attending any form of publicly funded learning in England;
- be using registered childcare (registered with Ofsted on the Early Years Register and/ or the compulsory part of the Childcare Register);

22 Employed learners are not eligible for Care to Learn as they are able to receive support from the childcare element of Working Tax Credits. If learners become employed as part of their Apprenticeship then they will no longer qualify.

23 Further information, including the application form and leaflet, is available on the [Care to Learn website](#) and from the helpline on 0845 600 7979.

24 Applications for Care to Learn are normally turned around within three weeks. Therefore, where possible, applications should be made well in advance. Where applications are received within 28 days of the start of the course, childcare payments will be backdated to the start of the course. Where applications are received outside of the 28 day period, childcare payments will be backdated to the Monday of the week in which the application was received. It should be noted that all payments are subject to the weekly limit set out above.

25 Programme-led Apprentices and non-employed Train to Gain learners who are not eligible for Care to Learn may have their childcare costs met by the LSC.

26 Train to Gain learners will only be funded where the childcare is connected solely with learning and not the learner's regular working pattern.

27 Learners aged 20 years and over may be eligible for the Free Childcare for Training and Learning for Work scheme. To be eligible for this scheme learners must have non-employed status and must not be undertaking any form of paid work.

28 This scheme provides up to £175 a week (£215 if London weighting applies) for each child, to cover the costs of childcare and travel between home and the childcare setting. The costs of childcare are paid directly to the childcare provider.

29 Learners will be eligible for Free Childcare for Training and Learning for Work if they:

- are out of work,
- have a partner who is working for 16 hours or more per week, and have a household income of £20,000 or less in the previous tax year,
- are aged 20 years old or over at the point of application,
- are the parent / main carer of a child or children aged 14 years or under (18 years or under if the child has a disability),
- meet the residency conditions for the scheme,
- Are undertaking an LSC funded course (at level 3 or below) at an LSC funded provider and
- are using a childcare provider that is OFSTED registered.

30 Further information, including details about how to apply is available on the [FCTLW website](#) and from the helpline on 0845 600 7979.

31 The limit the LSC will pay for additional learner support is that documented in the provider's funding agreement, and providers are not expected to exceed this amount without receiving agreement from the LSC and a contract variation. For clarity, the LSC accepts no responsibility to pay any Additional Learner Support above the provider's allocation.

32 Further information on all aspects of the LSC learner support funds is available from [the LSC website](#).

### **EMA – Apprenticeships**

33 Providers are required to administer and support learners to apply for EMA. Full guidance is available on the LSC website: [ema.lsc.gov.uk/ema-guidance](http://ema.lsc.gov.uk/ema-guidance). Providers are reminded that this guidance forms part of their funding agreement.

### **Child Benefit for 19-year-olds**

34 Child Benefit regulations changed with effect from 10th April 2006 to allow learners who start their learning provision before their 19th birthday to continue to receive household benefits (or Income Support for those young people who are in receipt of that benefit) until the end of their learning up to their 20th birthday, at which point they are treated as independent adults for benefit purposes. Learners who start a PLA in their 18th year may continue to receive EMA for the duration of their Notice of Entitlement.

### **Part-time work - Apprenticeships**

35 Child Benefit regulations preclude any learner benefiting from Child Benefit from working either for, or in anticipation of, a wage for more than 24 hours a week. Therefore, Programme-led Apprenticeship (PLA) learners in

receipt of Education Maintenance Allowance are able to complete up to 24 hours of part-time work a week before their benefit entitlement is affected. PLA is a full-time programme of 30 hours a week. If a provider becomes aware that a learner on a PLA has been offered part-time employment by their placement employer, then the provider should negotiate progression to an Employer-led Apprenticeship as soon as possible.

### **Income support - Apprenticeships**

36 Learners in receipt of EMA and Income Support would need to consider if the level of Income Support awarded is reduced by the level of income generated from any such part-time work.

### **All learners**

#### **Absence management**

37 The LSC has ceased to define absence and expects providers to allow for reasonable absence by learners from funded programmes. See also paragraphs 439 to 442 in the main document (*Principles, Rules and Regulations*) and Section 5 of the companion document *ILR Funding Compliance Advice and Audit Guidance for Providers* on withdrawal from learning and agreed breaks in learning. EMA is not payable during agreed breaks in learning.

38 EMA will continue to be paid to each young person who is eligible during all such absence authorised by the provider. For further details, see Annex 1 of the [2008/09 Education Maintenance Allowance Guidance for Providers of LSC-funded Entry to Employment and Programme-led Apprenticeships](#).

#### **Maternity and paternity leave**

39 Employed learners taking maternity or paternity leave do so either under current legislation or their employment terms and conditions.

40 Where maternity or paternity leave is greater than 12 weeks this must be treated as a planned break in learning and the provider should ensure that funding ceases until the learner returns back to learning. Details of this process can be found in the [Provider Support Manual](#).

41 EMA is not payable during maternity or paternity leave. This reflects existing Apprenticeship policy and the policy of EMA to encourage continued attendance in learning. This is consistent with current employment legislation where workers do not automatically qualify for maternity/paternity leave. This is one of the reasons why the LSC's strong preference is that learners achieve fully employed status as early as possible in their Apprenticeship.

#### **Trade Union membership**

42 The following two paragraphs do not apply to members of the British Armed Forces.

43 The provider should ensure that any agreed arrangements and procedures that they or their sub-contractors have with trade unions at

locations where the learning is undertaken are explained to learners at the start of their learning.

44 The provider should ensure that learners are given the opportunity to join a trade union for which they are eligible under the trade union's rules.

### Expenses

45 A learner should not be expected to contribute towards the cost of learning within the employer-responsive model. It is expected that employed learners where they are required to attend 'off the job' learning will have their expenses paid for by their employer.

46 The provider should ensure that Programme-led Apprentices have reasonable expenses met in full where these are needed to overcome barriers to learning. These may include the costs of:

- travelling to or from the place of learning or work placement;
- personal protective equipment that employees would normally be expected to supply themselves;
- medical treatment (for example, inoculations);
- residential accommodation where it is necessary as part of learning.

This list is not seen as a checklist but of examples that could be funded.

Providers should contact their LSC contact if there is doubt about whether certain types of expenses could be reimbursed by the LSC. It is not expected that a learner's meals would be paid for or reimbursed to the learner.

47 Employers and providers should take account of learners' likely transport arrangements when planning off-the-job training, particularly outside normal working hours.

48 Expenses may also be authorised in exceptional circumstances for employed Apprentices at the discretion of their LSC contact and is subject to budgetary control.

49 The costs of expenses for learners are met by the LSC and claimed on the Training Provider Statement (TPS) in arrears. All costs incurred must be claimed during the funding year in which they are incurred. The LSC will not refund claims to providers which were paid to learners in previous funding years and not claimed within the prescribed time scales.

50 Volunteers and non-employed learners in Train to Gain can be paid expenses where there is a cost outside of their normal work, for example where they are required to attend a training centre or college to undertake instruction, assessments or tests. In this case the cost of transport would be met. It is expected that the cost of transport would be for the most cost-effective and appropriate method. It is not acceptable for meals to be paid for.

## Annex I

# Education Maintenance Allowance extension hardship funding guidance

### Additional information

#### 16-18 Learner-responsive model: new E2E arrangements from 1 August 2008

1 All EMA eligible E2E learners starting a programme of study after 30 June 2008 will receive the maximum £30 weekly EMA payment, regardless of their household income. This is designed to encourage young people not in education, employment or training to enter training and progress.

2 In view of the above the need for a dedicated E2E hardship fund has ended. From 2009/10 E2E learners are eligible for Discretionary Learner Support Funds (dLSF) and providers should contact their local LSC partnership teams for details on this in the usual way.

#### Employer-responsive provision: Programme-Led Apprenticeships

3 The Education Maintenance Allowance (EMA) was extended to cover LSC-funded programme-led pathway (PLP) programmes in April 2006. This annex sets out the rationale, scope and administrative arrangements for a hardship fund that the LSC has made available to providers delivering LSC employer-responsive funded Programme-led Apprenticeships in 2008/09. A Programme-led Apprentice within the employer-responsive model is defined as a learner following a full Apprenticeship framework who is not employed.

4 This annex should be read in conjunction with the *Principles, Rules and Regulations* and *Learner Eligibility Guidance*.

#### Hardship funding for learners in the employer-responsive model

5 Experience from running EMA in further education (FE) shows that running discretionary learner support alongside EMA offers the most vulnerable learners a robust package of support, which can make the difference between a young person participating in learning or not.

6 Providers wishing to access hardship funding must discuss this with their LSC contact. Providers will only be able to access hardship funds if the LSC has allocated funds within their contract. This annex does not infer that any funds will be made available unless agreed to by the LSC.

## Eligibility

7 The scope of available funding supports those Programme-led Apprentices who:

- are economically or socially disadvantaged, disabled, medically ill and/or have learning difficulties who are facing financial difficulty and who need support with associated learning costs
- have been in care or recently left care, or are on probation, or are young parents, or otherwise considered to be at risk
- are lone parents (who may also be eligible for Care to Learn payments which were expanded to cover 19 year-olds in 2007)
- are on low incomes or are from low-income families, identified by appropriate income assessment
- have been made redundant or have become unemployed during their Apprenticeship, who are facing financial difficulty and who need support with associated learning costs.

8 It is also the intention to provide an emergency fund for these learners in hardship due to delays or barriers to EMA applications.

9 Learners do not need to be eligible for EMA to qualify for a hardship fund payment, but they must be on an LSC employer-responsive funded Programme-led Apprenticeship (PLA) and aged under 25 years of age when they start. Apprentices who start after their 25th birthday are not eligible. Other work-based learners (such as ESF-funded provision and Train to Gain learners) are not eligible for this funding.

10 Learners who are eligible for EMA must apply for EMA support. Hardship funding must not be used to replicate EMA where the learner is eligible but chooses not to apply.

## Scope

11 Typical payments under hardship payments will include payments to learners who:

- do not qualify for EMA -
  - but nonetheless have genuine financial needs – most common examples are due to changes in the household's income which cannot be taken into account retrospectively for EMA income assessment, for example unemployment,
  - are not supported by an employer,
  - need short term support, because of redundancy, in order to regain employment or to finish their Apprenticeship.
- qualify for EMA -

- but whose needs are so great that EMA is insufficient – this will not often be the case because EMA sits alongside Child Benefit, Tax Credits and Income Support, but may be necessary for short periods of exceptional need.
- have not pre-applied for EMA ,
- need an advance until their EMA payments start (at which point there is an expectation that the advance will be repaid).

12 There are some items that are specifically out of scope, as follows.

- Providers must not seek to replicate EMA bonuses for learners who are ineligible for EMA (although they may meet essential costs for those who are not eligible for EMA).
- Items that are already funded under employer-responsive funding, such as travel or additional learning support (ALS), must not be funded under the hardship fund.

13 With the exception of exceptional short-term costs, the hardship fund must not fund subsistence for learners who are estranged from their families but have not yet engaged with the Jobcentre Plus benefit system. Estrangement means that a young person has no choice but to live away from their parents, for example because they would be in physical or moral danger if they remained in their household. These learners must be encouraged to apply for Income Support as soon as possible, so they can combine Income Support with the £30 maximum EMA payment. Receipt of Income Support may also qualify the learner for other benefits such as Housing Benefit.

14 Where there is any doubt about whether the provider should authorise a payment, they should consult their LSC contact for advice.

15 Hardship funding does not cover such items as support for expenses for non-employed employer-responsive learners such as travel, equipment and medical treatment (inoculations) which are dealt with in Annex F of this document.

### Redundancy

16 During 2008/09 it has become apparent that due to the changing economic climate additional support is required for learners who are made redundant during their Apprenticeship.

17 For learners aged 16-18, hardship funding may be made available as required to support the learner. These learners, who are now unemployed, are now Programme-led Apprentices and offered the same support anyone within this group would receive. This includes the expectation that they will apply for EMA and would qualify for the benefits associated with someone within that age group. It would be expected that learners are encouraged to return to employment as soon as possible. Where a learner is not eligible for EMA then hardship funding, up to a maximum of £80 per week (£95 per week

from 1<sup>st</sup> August 2009), may be used but will be limited up to a period not exceeding six months.

18 For learners aged 19 to 24, hardship funding should be made available for a period not exceeding six months for a maximum of £80 per week (£95 per week from 1<sup>st</sup> August 2009). It is expected that whilst being supported they continue their learning and re-engage in employment or complete their Apprenticeship.

19 It is expected that learners accessing hardship funding due to redundancy will move back into employment within six months. The provider should request formal permission from the LSC contact if this limit needs to be extended due to exceptional circumstances.

20 All learners are subject to the employer-responsive learner terms and conditions. This includes the stipulation that an apprentice should be normally engaged for a minimum of 30 hours per week. With LSC written permission this may be reduced below but cannot be less than 16 hours per week.

21 The provider should ensure that a learner's progress is monitored regularly, at least every six weeks, during this enforced unemployment and that they are supported to engage with an employer. This reflects that probability of a learner leaving early is higher and the support that this type of learner would required.

22 Hardship funding is not available for apprentices who start after their 25th birthday.

### **Use of the hardship fund**

#### **Grants and loans**

23 Providers may use the hardship fund to make grants or loans. Grants should be modest amounts that enable a learner to commence or continue participating when otherwise they would be unable to do so. For example, an asylum seeker who is not eligible for EMA and who has no means to purchase lunch when away from their accommodation may require a grant of, say, £3 a day for lunch. Loans, however, may be more appropriate where a learner is experiencing a delay in their EMA application, perhaps through difficulty in accessing proof of household income, and therefore they cannot finalise their EMA application.

#### **Process**

24 It is expected that providers will implement a simple process for assessing needs and deciding whether a grant or a loan is the most appropriate approach, based on the following factors.

- The provider assesses the learner's need, factoring in the eligibility (paragraphs 5 to 8 above) and scope (paragraphs 9 to 13 above) of the hardship fund, and decides whether to make a grant or loan, considering the likelihood of repayment and the learner's circumstances.

- The provider and learner sign an agreement specifying the repayment terms of the loan.
- The provider pays the learner the agreed amount and repayment is made by the learner in due course.
- If the learner fails to repay the loan, the provider must seek to recover it through reasonable recovery procedures (for example, written reminders).
- If the loan is written off, this must be done by a person authorised to do so within the organisation.
- The un-recovered loan is then treated as a grant and the LSC will meet the cost.
- Periods of absence should be considered on an individual basis, taking into account the learner's specific circumstances. It is not intended that the learner is penalised for non-attendance or that there are no sanctions available to a provider. However, where justified, hardship may be continued to be paid to encourage retention and to help a learner over a difficult period of their learning. Providers should cease payment when it can be reasonably expected that the learner would not return to learning following a period of absence.

25 As long as the provider puts reasonable measures in place to recover these loans, the LSC will not seek repayment, although this will reduce the funding available to other learners. However, the LSC may seek repayment if there is evidence that the provider has not managed the loan process appropriately.

26 Providers will be expected to have a documented policy on their application and recovery processes for hardship funding and must be able to produce these on request.

### Payments and reconciliation

27 Allocations will be made by the LSC to providers in line with need and should be part of negotiations which take place both before and during each contract year. The hardship fund will be administered through the employer-responsive contract as an extension of ALS. The LSC will make an additional allocation to providers under ALS to include the hardship fund. Payments will be made monthly in arrears through the Training Provider Statement (TPS), and as follows:

- the cost of grants will be met in full,
- the costs of loans will only be met where the learner defaults on the loan and the provider's recovery processes have been exhausted.

### Claiming through the TPS

28 The cost of grants and loans that are un-recoverable are to be entered onto the TPS.

29 Providers should ensure that timely claims are made and final claims for 2009/10 should be made before the final data submission for 2009/10 closes. The LSC will not fund claims that relate to 2009/10 expenditure past the final submission date for that year.

### Train to Gain

30 This guidance does not apply to Train to Gain.

### Audit requirements

31 To support their claims to the LSC for reimbursement of hardship payments made to learners, providers will be expected to hold and maintain for audit examination evidence that:

- the learner satisfies the programme eligibility rules and criteria detailed in *Principles, Rules and Regulations, Learner Eligibility Guidance*, and amendments to the funding guidance issued for 2009/10,
- the learner was in attendance as agreed in the contract, including details of any authorised or unauthorised absence,
- there is a need and rationale for a hardship grant or loan, which would include evidence of redundancy as appropriate,
- LSC authority was granted in cases referred for LSC decision,
- the learner actually received the grant or loan,
- the loan is repaid if applicable,
- any repayments to the LSC are made.

32 These requirements could be met through naturally-occurring evidence and a single simple application and receipt form. Where learners are paid through bank transfer a signature of receipt will not be required.

### Further information

33 For further information providers should contact the LSC within regional or partnership teams who will be able to provide guidance and support.

## Annex J

# ILR funding estimate/claim 2009/10 (mid-year estimate/year- end estimate/final claim): all providers

### **Additional to Annex B in *ILR Funding Claims and Audit Returns***

34 All providers in receipt of any learner-responsive funding must complete the funding estimate/claims set out in annex B of *ILR Funding Claims and Audit Returns*. This includes 16-18 providers in receipt of E2E funding. The LSC use the mid-year estimates for budgetary and allocation planning purposes, and as part of our review process with relevant Government departments. The accuracy of mid-year estimates in relation to final claims is also a part of the LSC funding audit risk assessment.

35 The LSC will provide a workbook on the LSC website that can be used to return providers' learner-responsive funding estimates and final claims in time for 2009/10 estimates and claims.

36 All mid-year estimates should be provided to the LSC in electronic format and should be sent to the relevant LSC contact from a duly authorised official within the provider. It will not be necessary for providers to submit paper copies of either of these returns. Advice on year-end and final claims for 2009/10 will be published by the Young People's Learning Agency (YPLA) and Skills Funding Agency (SFA) later in 2010.

37 The LSC has created the following email accounts for receipt of both 2008/09 and 2009/10 funding claims for any provider who has not received specific advice from their LSC partnership or contract team.

[ilrfundingclaimreturns.eastern@lsc.gov.uk](mailto:ilrfundingclaimreturns.eastern@lsc.gov.uk)

[ilrfundingclaimreturns.eastmidlands@lsc.gov.uk](mailto:ilrfundingclaimreturns.eastmidlands@lsc.gov.uk)

[ilrfundingclaimreturns.london@lsc.gov.uk](mailto:ilrfundingclaimreturns.london@lsc.gov.uk)

[ilrfundingclaimreturns.northeast@lsc.gov.uk](mailto:ilrfundingclaimreturns.northeast@lsc.gov.uk)

[ilrfundingclaimreturns.northwest@lsc.gov.uk](mailto:ilrfundingclaimreturns.northwest@lsc.gov.uk)

[ilrfundingclaimreturns.southeast@lsc.gov.uk](mailto:ilrfundingclaimreturns.southeast@lsc.gov.uk)

[ilrfundingclaimreturns.southwest@lsc.gov.uk](mailto:ilrfundingclaimreturns.southwest@lsc.gov.uk)

[ilrfundingclaimreturns.westmidlands@lsc.gov.uk](mailto:ilrfundingclaimreturns.westmidlands@lsc.gov.uk)

[ilrfundingclaimreturns.yorkshirehumberside@lsc.gov.uk](mailto:ilrfundingclaimreturns.yorkshirehumberside@lsc.gov.uk)

38 All final claims must be returned as paper returns (although the workbook can be printed for this purpose), completed and signed by the provider's head of post-16 funding (for colleges this will be the principal or Chief Executive).

39 The funding claim workbook must be returned to the LSC with an electronic version of the LIS funding claim report (usually a PDF copy). For 2009/10 the return dates of these estimates/claims match the provider ILR return timetable for F02, F04 and F05. It is very important that all providers return the workbook with the funding estimate and their ILR data on a matching basis. Regional and area LSC partnership teams will be aware of the ILR totals when processing the relevant funding return and the LSC will therefore take account of provider compliance in this area as part of our overall funding audit risk assessment for 2009/10.

40 For 2009/10 the funding claim report has now been written to generate actual data using ILR reference dates. This means that for the mid-year estimate based on the ILR F02 return, only learners enrolled with start dates on or before 31 January 2010 will generate funding values on the funding claim report. All values generated for these learners will include the whole of their 2009/10 generated SLN values. All programmes with start dates on or after 1 February 2009 will need to be included in the manual adjustment/rest of year estimate column.

41 For the year-end estimate and final claims the funding claim report, if run against F04 or F05 returns, will simply report all funding figures for the full 2009/10 year.

42 The funding claim data on the LIS funding claim report should be used for all ILR entries on all funding returns. Providers should note that the LIS funding claim report returns SLN, learner numbers and funding cash generated. The relationship between the SLN and the cash is subject to the following alterations.

a. Adult learner-responsive funding

Those learners whose funding is calculated through the 16-18 learner-responsive model when they start their programme but aged 19 or over at the start of the second (or subsequent) year of their programme are funded from the adult learner-responsive funding model. Cash for these learners will be generated using both the 16-18 national rate and by using the 16-18 provider factor. The number and value of such learners are shown in rows D on the funding claim report.

b. 16-18 learner-responsive funding

Any learners coded to the adult learner-responsive funding stream (ILR code A10=22) and whose ILR entered date of birth (L11) means they were aged under 19 at the start of the teaching year will be reported on the funding claim report as 16-18 learners but their funding will be calculated using the adult funding rate and the adult provider factor.

43 To assist providers in identifying any such learners and resolve the underlying ILR data conflict between date of birth entries and funding stream entries, the LSC will provide a DSAT (90-03-222) that identifies all learners aged 16-18 in the teaching year with the funding stream code set to adult learner-responsive funding stream (ILR code A10=22). Providers are requested to resolve the data issues for all such learners before making any future ILR returns to the LSC.

### **Validation of mid-year estimates by LSC partnership teams**

44 In February 2010 the national LSC will provide to regional and area LSC teams a data sheet that can be used to assist in validating provider mid-year returns for 2009/10. This data sheet will be in the format of a single page word document per provider and may be requested by providers from their partnership team. This will include the following information.

- The past accuracy rate of provider in-year estimates in relation to final funding claims. This solely reviews the in-year funding total in light of final funding total as an indicator of a provider's ability to accurately forecast their funding out-turns (this indicator is now part of overall LSC funding assurance risk assessment).
- The profile of provider SLN delivery at the mid-year point in the previous three years – this data analysis uses F05 returns (where available) for the years, 2006/07, 2007/08 and 2008/09. These numbers can then be used to compare the relationship of the whole year estimate to the ILR figure on the mid-year estimate for 2009/10.

45 This data sheet is purely to assist the LSC and providers in making sure that mid-year estimates are as soundly-based as possible so no unnecessary mid-year funding adjustments are made in 2009/10. The LSC recognises that some providers' delivery profiles will have changed in 2009/10 which is why these data profiles do not directly result in any funding reconciliation cash adjustments.

46 Transitional protection is not being paid (or recovered) for adult learner-responsive funding in 2009/10 and so will not affect any reconciliation adjustments.

## Annex K

# Manual adjustments 2009/10: all providers

### Additional to Annex H in *ILR Funding Claims and Audit Returns*

1 All manual adjustments for 2009/10 should start with prefix 2009/10 not 2008/09. Additional manual adjustments for 2000/10 are now listed below.

#### Additional since first publication in *ILR Funding Claims and Audit Returns*

Providers will be expected to include a breakdown of these agreed adjustments on the Funding Diff Form 2009/10 (see page 20 of *ILR Funding Claims and Audit Returns*).

2009/10-4	Up until 2007/08 providers were able to claim E2E bonuses up to nine months after the learner left through the Training Provider Statement (TPS). The facility was withdrawn in 2008/09 as bonuses are claimed through the ILR which closed on the 6 February 2009. To claim a bonus after the initial F05 (2008/09), providers need to return these bonuses on the Manual Adjustment (Diff) form as part of their 2009/10 funding claim returns. Learners must have achieved their 2008/09 bonus on or before 6 February 2010 to be eligible for this adjustment.	This would lead to an understatement of the amount of cash and may warrant a manual adjustment.
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2009/10-5	<p>Adult learner accounts</p> <p>The LSC has paid providers adult learner account allocations outside the adult learner-responsive funding model. But the learner data for these learners is then returned through the ILR as part of adult learner-responsive funding model. To prevent double counting for these learners by both the LSC and by providers, a manual adjustment is needed to deduct the funding generated for these learners from the adult learner-responsive funding claims.</p>	<p>This would lead to an overstatement of the amount of cash and may warrant a manual adjustment.</p>
2009/10-6	<p>16-18 learner-responsive part-year entitlement learners</p> <p>As stated in <i>Principles, Rules and Regulations</i> (paragraphs 105 and 382), providers may claim entitlement for 16-18 funded learners who have been in full time attendance in any 12 month period but whose funded learning period is split across two separate funding years. The manual adjustment should split the additional 114 glh between the two relevant funding years and any claimed adjustment should also be reduced where the learner's funding exceeds in either year the maximum cap on funding at a learner level.</p>	<p>This would lead to an understatement of the amount of cash and may warrant a manual adjustment.</p>

## Annex L

# Summary of evidence requirements for the employer-responsive funding model

### *Additional to Annex B in ILR Funding Compliance Advice and Audit Guidance for Providers*

#### **Apprenticeship achievement**

*Replaces paragraph 26*

- 1 For Apprenticeship achievement, there must be evidence in the form of:
  - a certified true copy of the framework completion certificate as issued by the sector skills council or relevant body, or
  - an original copy of the formal results notification as issued by the sector skills council or relevant body.
  
- 2 If the framework certificate application has been submitted but a response from the sector skills council or relevant body has not been received, then as an interim measure only, it is acceptable to provide evidence that an application has been made – that is, a copy of a valid application to the sector skills council or relevant body supported by evidence of fee payment and evidence of achievement of the framework component learning aims.
  
- 3 Where evidence of application is accepted, three months from the date of application will be allowed for the provider to submit the evidence described above. Failure to provide this evidence within the three month timeframe will result in the achievement payment being treated as a funding error. Auditors may also make enquiries direct to SSCs or relevant bodies to confirm achievement, but this should not be used by the provider as an alternative to providing evidence.