

# **Supplement to Circular 03/11**

(Reference: LSC/0932/03)

## **Circular 03/11: Annex M – Manual Adjustments 2002/03**

Funding claims for 2002/03 should be compiled using learner information suite version (LIS) 10.07 and learning aim database (LAD) versions up to the end of November 2003. This document is only being made available on the new LSC web site. Any additional manual adjustments agreed after this publication will be dated and added to the end of the document. This publication goes up to adjustment number 24.

### **Additional Notice re Circular 03/11 Annex L and a minor technical amendment**

For those providers who complete Annex L, in the first row after reference A the words “Full time” should be deleted and these words appear in front of “16 – 18 additional funding claim (in cash)”.

## Circular 03/11: Annex M – Manual Adjustments 2002/03

Manual adjustments to 2002/03 funding claims derived from specified version of the learner information suite (LIS) using specified versions of the learning aim database (LAD) – see front page of this book for the specified versions.

No.	Possible Reason for Manual Adjustment to Final Funding Claim	LSC Response for 2002/03
<b>Auditor adjustments</b>		
2003-1	Audit adjustments may be proposed to manual adjustments claimed on the form <i>Final Diff 2002/03</i> (part 2) or to reflect errors in institutions claims or the lack of an adequate audit trail.	Manual adjustments will probably not be warranted in cases where the adjustment arises from significant errors in the institution's ILR return.
<b>Calculation of Load Bands</b>		
2003-2	Some institutions run programmes of more than one year's duration where the number of guided learning hours varies significantly between the two years. The LIS calculates funding for such programmes by averaging the number of guided learning hours per period for each aim. In general this generates the appropriate amount of cash but in a few cases the Council has agreed that the circumstances are exceptional and warrant a different approach.	In exceptional cases where the Council has agreed to calculate funding based on the separate GLH for separate years of the programme, a manual adjustment may be warranted.
2003-3	For learning programmes where the total GLH for the loadbanded elements of a programme is 450 or more, the national rate of £2,073 (programme weighting A) may be claimed for those loadbanded elements. Where relevant, the higher programme weighting figure can obviously be claimed. For learning programmes where the loadbanded element consists of two or more loadbanded qualifications, where the GLH for these qualifications are 450 or more, the LIS may not generate the correct result. The LIS is designed to operate by calculating cash value for each qualification separately.	This may lead to an understatement or overstatement of cash value, and may warrant a manual adjustment.

<b>Changes to a Student's Learning Programme</b>		
2003-4	<p>Where an individually listed qualification lasts a number of years, but is completed early, the program may not have enough information on the previous year's funding to calculate cash value correctly.</p> <p>For example an individually listed qualification may be expected to last three years, and is listed at £600. If the student completes after only two years, the program will assign cash at the rate of £300 per year in the second year. However, the institution is likely to have claimed £200 for the first year (based on the original expected length), so £100 will not have been claimed. Similar issues apply to load- banded qualifications.</p>	This could lead to an understatement or overstatement of cash value and would warrant manual adjustment.
2003-5	<p>Where students withdraw from load-banded programmes after the expected end date recorded on the ILR, the LIS will not take account of guided learning hours delivered after the expected end date in determining the load band, as these will not be recorded in the data for the students.</p>	This could lead to an understatement of the amount of cash and may warrant a manual adjustment.
2003-6	<p>Some students transfer from a Council-funded learning programme to a learning programme funded from other sources (for example a work-based learning funded programme), or vice versa. The LIS will have insufficient information to fully reflect this situation and so the LIS is unable to determine the correct cash value.</p>	This could lead to an understatement or overstatement of cash value, and would warrant a manual adjustment.
2003-7	<p>If the delivery method, delivery mode or employer role changes in the middle of the year, then the institution will only be able to record one set of circumstances in fields A17, A18 and A19 in the ILR file.</p> <p>In this case, the LIS will not be able to determine that more than one pattern applied during the year, and may therefore calculate incorrect cash value in cases where these fields affect funding, such as distance learning qualifications, and qualifications delivered by dedicated employer-based provision.</p>	This could lead to an understatement or overstatement of cash value, and would warrant a manual adjustment.
<b>Maximum Cash Value Limits</b>		
2003-8	<p>For learning programmes provided in the workplace, the maximum length of delivery of such programmes will normally be 329 glh a year. The LIS does not have sufficient information to allow it to determine whether a learning programme is being delivered this way, and so does not apply this upper limit.</p>	This could lead to an overstatement of cash value and would warrant a manual adjustment.

2003-9	<p>The LIS includes a funding taper that limits the base rates that can be calculated in one tri-annual period. In some cases and some patterns of delivery, the operation of the taper has unintended effects in limiting cash in ways which are anomalous.</p> <p>Institutions believing that the operation of the taper should not apply for certain programmes were asked to write to their local LSC office before the programme commenced.</p>	<p>If the local office gave written approval that a programme should be exempt from the taper, before the start of the programme, then this adjustment should be included in the final claim. If agreed, such an adjustment would lead to an increase in cash.</p>
<b>European Social Fund (ESF)</b>		
2003-10	<p>In some cases, ESF funding for a student does not correspond to a calendar year, but ceases before the end of that student's learning programme. For example ESF funding may extend into the spring period, but the student's learning programme may extend into the summer period. The institution will be unable to reflect this situation in the ILR, and therefore the LIS will not be able to generate the correct cash value for the student.</p>	<p>This could lead to an understatement of cash value, and may warrant a manual adjustment.</p>
<b>Sandwich Courses</b>		
2003-11	<p>Where students are engaged in sandwich programmes the LIS can generate an incorrect amount of cash, as the ILR data does not contain information on when students are on placement.</p>	<p>This would warrant a manual adjustment.</p>
<b>Achievement Cash</b>		
2003-12	<p>In some cases students withdraw before the end of their course but return for the final assessment and thereby achieve the qualification. Institutions may claim achievement cash for such students but should not claim any funding for students who enrol at the institution simply to take an examination. The LIS will not calculate the correct amount of cash in such cases.</p> <p>For load banded qualifications, the load band to be used to establish the amount of achievement cash that can be claimed and should be determined from the actual guided learning hours delivered by the institution. For individually listed programmes achievement cash may be claimed in full but the amount of on-programme cash claimed should be reduced to exclude those for tri-annual periods for which the student was recorded as withdrawn on the census date.</p>	<p>This could lead to an understatement of the amount of achievement cash, and would warrant manual adjustment.</p>
2003-13	<p>The LIS will not be able to calculate correctly achievement cash for key skills delivered as part of a full-time programme for 16-18 year-olds if the key skills element has been delivered as part of another qualification and no GLH have been attributed to the key skills qualification.</p>	<p>This could lead to an understatement of the amount of achievement cash, and would warrant manual adjustment.</p>

<b>Additional Support Cash</b>		
2003-14	Where an institution's staff consider that the additional support bands rising from personal counselling may not be recorded on the ILR return on ethical grounds, the LIS will not have the information necessary to calculate the additional support cash.	This would lead to an understatement of the amount of cash and would warrant a manual adjustment. Note. Anonymised additional support forms, with adequate justification for the claimed costs, should still be prepared in a form that may be shared with the auditor.
2003-15	For students attending outside the traditional teaching year (that is, for 2, 4 or 5 terms) a summary manual adjustment can be considered where a case can be made for a net loss of overall funding. This calculation should exclude all full traditional year learners who withdraw from their courses during the year.	Providers should only seek approval to this adjustment for material losses of funding due to their recruitment outside the usual teaching year cycle.
<b>Types of Learner Qualifications</b>		
2003-16	Where learners complete multiple basic skill learning aims where the total glh is 450 or more, separate claims should be made for each learning aim. A manual adjustment to the ILR is needed to claim the full amount of eligible funding (see paragraph 106 of funding guidance 2002/03).	This would warrant a manual adjustment.
2003-17	Where learners complete independent living skills learning aims where the total glh is 450 or more, separate claims should be made for each learning aim. A manual adjustment to the ILR is needed to claim the full amount of eligible funding (see paragraph 108 of funding guidance 2002/03).	This would warrant a manual adjustment.
2003-18	For learners engaging in short learning aims of one week duration and where learners attend less than half of course then a case can be made if the LIS is not generating any funding for these courses. This means if many learners attending three working days out of five and the LIS is using the standard seven days a week so no funding is generated, then a summary manual adjustment can be considered.	Providers should only seek approval to this adjustment for material losses of funding due to their particular recruitment and delivery practice. Only overall positive adjustments should be considered.

<b>Armed Forces Postings Resulting from either the Conflict in the Gulf or the Firefighters Dispute</b>		
2003-19	The LSC has provided separate guidance to the armed forces Ufl hubs relating to funding that can be claimed to offset disruption to learning from postings to the gulf. This follows the precedent created in 2000/01 and 2001/02 for foot and mouth protection.	This would warrant a manual adjustment.
<b>Adjustments agreed as part of a National Contract Initiative</b>		
2003-20	The LSC has agreed to vary the normal funding rates for some special projects. The difference between the agreed funding rate and the LIS funding rate will need to be claimed by a manual adjustment. A separate alpha code will be given for each project to appear after the number 17.	This would warrant a manual adjustment.
<b>Ufl Adjustments Agreed for 2002/03 Only</b>		
2003-21	The LSC has agreed with Ufl that hubs can claim a manual adjustment for learners on Ufl courses where the Ufl learning materials have been purchased and no other LSC funding is available. This must be agreed with the ILR auditor and LLSC and the purchase of the learning materials is being used as a proxy for proof of on course assessment and support. The LSC does not expect the application of this adjustment in itself to require auditors to qualify their ILR audit opinions.	ILR auditors have been given guidance by the LSC on the application of the National Solution and the calculation of any necessary manual adjustment.
2003-22	The LSC agreed for 2001/02 final funding claims that some hubs could claim a positive cross year learner manual adjustment. This adjustment must be reversed out in 2002/03 as a negative manual adjustment to 2002/03 final funding claims.	A negative adjustment must be made to match any positive manual adjustments agreed for 2001/02. The negative adjustment is applied to the relevant hub in 2002/03.
2003-23	The LSC will consider a positive cross year learner manual adjustment for 2002/03 where hubs demonstrate their recruitment pattern of learners has placed them at a significant disadvantage. This may be relevant where 2002/03 college recipient hubs have become directly funded hubs in 2003/04. The LSC will consider cases where colleges and hubs support the use of this adjustment to assist in agreeing the separation of funding for new directly funded hubs in 2003/04. An offsetting negative manual adjustment will be required to the directly funded hubs 2003/04 final funding claim.	A positive adjustment maybe agreed for hubs with significant recruitment after the summer census date and for learners who complete their courses in the late summer /early Autumn 2003.
2003-24	The LSC agreed a temporary uplift for fifteen ICT Ufl courses for the period 1 January – 31 July 2003. This funding will need to be claimed by a manual adjustment.	This would warrant a manual adjustment.

***Guidance on Possible LIS Adjustments for which no Manual Adjustment is now Required in Accordance with the Recommendations of the Bureaucracy Task Force***

	<p>Providers are not expected to make small changes to their funding claims via manual adjustments. Providers are encouraged to accept their ILR funding totals and are not required by the LSC to work through the guidance on manual adjustments. If, however, providers seek a manual adjustment then both negative and positive adjustments must be made.</p> <p>The audit adjustment can be made in either direction without a provider needing to consider any of the other manual adjustments.</p>	<p>This would <b>not</b> warrant a manual adjustment.</p>
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**Manual adjustments added after the first publication of this document are both numbered, dated and printed below. A new version of the document will then be posted to the web site as the changes are made.**
