



Young People's
Learning Agency

A Guide to Funding Foundation Learning

**For learners aged 16-18 working predominantly at entry and level 1,
and up to age 25 for learners with Learning Difficulties and/or
Disabilities funded by the YPLA**

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❶ For information

Contents

1. Introduction	2
2. Purpose of this guide	2
3. Overview of Foundation Learning	3
4. Key changes relevant to Foundation Learning	6
5. Funding Foundation Learning	10
6. Learners age 19-24	16

Annex A Outline of Demand-led Funding

Annex B Sources of Further Information

Annex C Glossary of Abbreviations

Note on Issue 2

This version updated in January 2011 following a series of events for providers across England, it also includes updated information for 2011/12 academic year.

All updated text shown in **italics**

1. Introduction

1.1 The Young People's Learning Agency (YPLA) funds Foundation Learning (FL) for young people aged 16-18, and up to age 25 for Learners with Learning Difficulties and/or Disabilities (LLDD) through the Demand-led funding (DLF) methodology. The definitive requirements for funding all the YPLA's programmes are documented and can be found in the suite of documents known as The Young People's Learning Agency Funding Guidance 2010/11. These documents are available on the YPLA's web site at the following link.

<http://www.ypla.gov.uk/aboutus/ourwork/guidance/>

2. Purpose of this guide

2.1 The purpose of this guide is to assist training providers to understand how FL is funded within the context of the YPLA's Demand-led funding methodology. This guide is written for both those who have to manage funding and record it accurately and for curriculum heads and practitioners who need an overview of how the funding works. Using the guide will enable providers to estimate income and claim the correct levels of funding. Annex A includes a brief overview of how the funding formula used for allocations and outturn calculations works. Should you be reading this guide without an understanding of the DLF methodology then it is recommended that you read Annex A first. The guide aims to reduce the time providers need to invest in understanding how the funding works and to reduce errors.

2.2 The contents of this guide are based on feedback received from the FL pilot sites and has been consulted on through the Department for Education's (DfE) LLDD Advisory Group and Local Authorities. *This version includes questions, feedback and clarification following a series of events around the country.* The guide is supported by six worked examples and a frequently asked question and answer brief which can be found at the following link.

<http://www.ypla.gov.uk/aboutus/ourwork/funding/funding-foundation-learning/>

2.3 The Information Authority (IA) has produced a guide to recording FL on the Individual Learning Record (ILR) in 2010/11 and this funding guide should be read in conjunction with the IA guide. The guide to recording FL on the ILR is

available on the IA web site at the following link.

http://www.theia.org.uk/downloads/ilrdocuments/201011_guidance.htm

2.4 Adults aged 19-24 whether or not they have received a Section 139a or Section 140 Learning Difficulty Assessment and who have Additional Learning Support (ALS) requirement over £5,500 are funded by the YPLA/LAs and are therefore covered by this guidance. The funding for these learners has been allocated to providers by the YPLA. The Skills Funding Agency has included in its Learner responsive allocations funding for all other adults aged 19 and over, including those that have an assessment but do not require this level of support. The Skills Funding Agency has published its own arrangements for funding adults on FL Programmes. Links to these documents can be found in the section on Further Information at the back of this guide.

2.5 A full reference library of documents on Foundation Learning can be found on the Learning and Skills Improvement Service (LSIS) website at the following link. Other useful sources of information are referenced at Annex B.

www.excellencegateway.org.uk/foundationlearning

3. Overview of Foundation Learning

What is Foundation Learning?

3.1 FL is a national programme of learning for learners aged 14-19 (and up to age 25 for Learners with Learning Difficulties and/or Disabilities) working predominantly at entry level or level 1. Learners follow personalised programmes, accredited through qualifications, designed to support young people to participate, achieve and progress to positive destinations, thereby taking a step towards maximising their potential. The FL programme is made up of the three areas listed below, the balance between each element depends on individual need.

- vocational or subject learning
- personal and social development (PSD)
- and functional skills.

3.2 FL aims to support and improve outcomes for the 20% of young people who do not, currently, achieve a level 2 qualification by the age of 19. Foundation

Learning will provide clear and coherent progression routes to higher level learning and other goals. It offers learners flexibility, choice and the opportunity to concentrate on a specific vocational area - and an easily recognised means of accrediting achievement at entry level and level 1. Providers can deliver any qualification that is valid for funding on the Learning Aims Database at entry level and level 1 with the exception of Key Skills. In addition this can include some aims at level 2, if appropriate to the learner. When planning programmes providers should consider the purpose of FL and ensure that the qualifications delivered will lead to progression i.e. it would not be acceptable to deliver a level 1 qualification that has no logical progression route.

3.3 FL learners follow carefully personalised programmes, based on an initial assessment to identify their prior achievements, educational needs and future goals. Programmes will include learning provision, to be accredited through an appropriate mix of qualifications, covering the three strands of vocational/subject learning; functional skills and personal and social development (PSD) based on the learner's own attributes, aspirations and abilities as established during initial assessment. Individual elements may be omitted after positive consideration e.g. a learner who has the necessary IT skills to progress onto their chosen positive destination would not need to take an ICT functional skill. Elements can also be combined e.g. some employability qualifications cover vocational and PSD learning; also, when a learner working at the start of an entry level 1 qualification does a personal progress qualification covering all three strands.

3.4 These personalised learning programmes are designed to support the progression of every learner. This may be towards a learning programme at level 2, a return to GCSE study, skilled work or Apprenticeship programme, or it may be towards independent living or supported employment. A successful FL programme provides an integrated and coherent learning experience, which will help the learner move towards their goal. Both the content and duration of learning programmes are flexible, to suit individual needs. The wrap around of advice, guidance, review and support are an integral part of FL and Programmes can be revised as the learner progresses. Further supporting information is available at the following link. www.excellencegateway.org.uk/foundationlearning

Why are we integrating Entry to Employment (E2E) into FL?

3.5 Since 2008 the YPLA (formally LSC) has been working to ensure that E2E and the Key Stage 4 Engagement programme will form part of the FL route from September 2010.

3.6 The YPLA, QCDA and LSIS have been working to ensure that E2E providers are prepared for this change and have the capacity, in house or through partnership arrangements, to deliver the breadth of provision required. 2009/10 was the last year of the Key Stage 4 Engagement and E2E programmes as independently-funded programmes.

3.7 We believe that by utilising bite-size qualifications from the QCF *and other appropriate qualifications*, learners will be enabled to achieve more effective progression than many of the current E2E programmes.

3.8 Pilot schemes have been underway since 2008 and all local authorities have been expected to provide some Foundation Learning to 14-19 year-olds since September 2010.

3.9 The expectation for providers of specialist learning for learners with learning difficulties and/or disabilities is that they should be moving towards delivering all three strands of the FL offer as quickly as possible and as appropriate for their learners.

What are the benefits to learners?

3.10 Practitioners work with learners to develop FL programmes, which are personalised and tailored to an individual's interests and aspirations, and provide nationally-recognised qualifications. FL enables learners to make choices about what they study and in which vocational direction, as well as how they plan their progression. It helps build confidence through positive achievements, and accredits their learning – including vocational qualifications at level 1.

3.11 Improvements in behavior, motivation and engagement pre-16 will increase participation and achievements post-16, with the overarching FL framework smoothing out transition at 16. Young people will be able to build confidence

through positive achievements and to fulfill their potential through real progression.

3.12 Although E2E has been a success in supporting over 30,000 young people each year to progress to a positive destination at the end of their programme, the introduction of FL is an opportunity to expand and build on this success enabling providers to improve on the excellent work done through E2E and increase progression outcomes.

What are the benefits to providers?

3.13 FL offers learners a motivating and challenging curriculum that will engage learners potentially producing improved attendance, less disruption and better achievement. FL achievements also count towards the pupil attainment indicators considered by Ofsted; and, for post-16 providers, contributes to the provider factor in relation to future funding.

3.14 The FL model offers an opportunity to drive up overall demand for and engagement in learning *as we progress towards full participation up to age 18.*

3.15 FL funding is properly individual as funding is based on the qualifications that a learner will actually take. This allows providers to pull together personalised programmes of learning for individuals and receive the funding they need to deliver it.

3.16 The available budget for FL has been increased by £12m for 2010/11 so that providers can extend their teaching time to meet the FL specification and Additional Learning Support by over 8% so that provision to assist vulnerable learners can increase.

4. Key funding changes relevant to FL

4.1 FL for post 16 learners and providers took a major step forward in August 2010 from when E2E and entry and level 1 provision in Further Education (FE) should be delivered as FL programmes. The aim of all YPLA funding mechanisms is to ensure that providers receive sufficient funding to efficiently deliver an

effective programme. To ensure this is the case for FL the YPLA has introduced a number of changes to the methodology and clarified some existing features. **We fully expect these flexibilities to continue throughout the 2011/12 academic year.** The section below summarises these changes and clarifications.

Introduction of the FL weekly aim

4.2 Providers should aim to ensure that learners starting on FL are working towards accredited qualifications on the QCF, *or other appropriate qualifications*, and functional skills. However, in some cases it is recognised that some additional flexibility may be required. Therefore a planning assumption of 10% of Standard Learner Numbers (SLNs) which can be delivered as weekly funded, has been built into the model.

4.3 This does not mean the continuation of E2E programmes for some learners, rather it provides some flexibility within the programme for what should be a minority of learners for most providers. *As there are a range of accredited qualifications, within FL, expressly designed to be more flexible and inclusive, and given the importance of achievement of qualifications to sustainable progression, all learners should participate in accredited provision as soon as possible.*

4.4 It is for the provider to determine which learners require a period of weekly funding, subject to the provider remaining within its allocation, for weekly funding. Should a provider believe they require more than 10% of their SLNs as weekly funded it is highly recommended that they liaise with and gain the support of their LA. This is not a funding requirement, but providers should bear in mind that local authorities are the single most important stakeholder in FL because the Director of Children's Services has overall responsibility for reducing the number of young people not in education, training or employment. The local authority will therefore want to satisfy itself that the programme is meeting the needs of young people. To re-enforce this role YPLA (or other funding body) auditors will regard written support from the local authority as sufficient evidence that this flexibility is being deployed appropriately, without this support auditors may question how the provider has used weekly funding.

Entry Level 1 Qualifications

4.5 At entry level 1 learners take significantly different periods of time to achieve qualifications and may need to take the same unit more than once. The recommended structure for entry level 1 is the ten stage achievement continuum. Therefore the YPLA will “unlist” all entry level 1 qualifications that use the ten stage continuum. This means the qualification will be funded at the number of guided learning hours (glh) providers require and subsequently record on the ILR as “planned glh”.

Functional Skills

4.6 For delivery by Learner responsive providers Functional Skills are unlisted. The provider will be funded at the number of guided learning hours (glh) they require and subsequently record on the ILR as “planned glh” and not the standard 36 glh listed on the Learning Aims Database (LAD). Delivery in school sixth forms and Apprenticeships is funded at 36 glh.

Unlisting other qualifications

4.7 The argument presented in paragraph 4.5 above may also apply to qualifications at entry level 2 or 3 and at level 1. The YPLA will therefore accept, and review cases to unlist other qualifications, if they are submitted on behalf of providers by their associations or by groups of local authorities. These will be by individual qualification and by exception only. There are no plans for widespread unlisting other than at entry level 1.

Entitlement Curriculum Funding

4.8 Entitlement funding is not changing *in 2010/11* but it will be new to providers who have previously delivered just E2E. All full time learners, that is those learners who are enrolled on a programme of qualifications which is planned to be delivered in 336 glh or more in any 12 months, are eligible to receive entitlement funding. This 336 glh is based on the planned hours the provider enters onto the ILR and not the listed value of the qualifications. The additional funding for entitlement represents the value of 114 glh per learner, per year, that can be used to fund enrichment, tutorials and the wrap around that makes FL a programme. **Providers should note that the glh for the Entitlement**

Curriculum will reduce from 114 to 30 for 2011/12, the rules for qualification remain the same.

Non-externally certified Learner Responsive provision

4.9 The facility to deliver provision that is not externally accredited will remain in place for 2010/11 and for 2011/12 but only for FL programmes. This is a transition measure that may be withdrawn in future. As was the case with the LSC where providers wish to use this facility it is highly recommended that they liaise with and gain the support of their LA. This is not a funding requirement but providers should bear in mind that local authorities are the single most important stakeholder in FL because the Director of Children's Services has overall responsibility for reducing the number of young people not in education, training or employment. The local authority will therefore want to satisfy itself that the programme is meeting the needs of young people.. To re-enforce this role YPLA (or other funding body) auditors will regard written support from the local authority as sufficient evidence that this flexibility is being deployed appropriately, without this support auditors may question how the provider has used non-externally accredited learning. This facility will allow providers who can not convert all their non-accredited provision to QCF provision, Functional Skills or other qualifications, to claim the time learners plan to spend on non-accredited delivery.

Job Coaching and Supported Employment

4.10 Following a study conducted for the YPLA, funding for Job Coaching and Supported Employment will be through the FL programme and the Demand-led funding methodology. In the longer term we expect Awarding Organisations (AOs) to bring forward bespoke qualifications with assessment regimes suitable for supporting this style of activity. In the meantime where there is sufficient evidence from providers or their associations we will unlist employability qualifications and where qualifications are not possible then, again with LA support, providers will be able to record the activity as non-externally accredited provision (see paragraph 4.9).

5. Funding Foundation Learning

- 5.1 There are no bespoke funding arrangements for FL. FL personalised learning programmes are planned based on initial assessment in light of the learners needs, abilities and aspirations.
- 5.2 To ensure that every personalised learning programme attracts the correct level of funding; funding is calculated for each individual learning aim. Entitlement curriculum funding and Additional Learning Support (ALS) are then added to the value of the learning aims to complete the funding package.
- 5.3 To support this structure providers record both the programme and each individual learning aim, including that for entitlement curriculum funding on the ILR.
- 5.4 FL for young people can only be delivered through the 16-18 learner-responsive model. The standard YPLA funding formula applies to FL.
- 5.5 The model and Funding Formula are described in full in “*YPLA Funding Guidance 2010/11: Funding Rates and Formula*”, which can be found at the link below. An outline of the formula and how it needs to be interpreted for FL is given at Annex A of this document. <http://www.ypla.gov.uk/aboutus/ourwork/guidance/>

Principles of Funding FL

- 5.6 Within the Demand-led funding methodology the following principles apply to funding FL.
- Funding is calculated through the YPLA’s Standard demand-led learner responsive model and formula, this makes the funding truly individual.
 - Individual learning programmes are funded based on the SLN values of all the qualifications taken, plus the value of entitlement funding (where the learner qualifies) plus ALS.
 - Learners with Learning Difficulties and/or Disabilities (LLDD) aged 19-24 who are YPLA funded are funded in line with these principles

with the following exceptions, Adult learner-responsive rates apply, there is no access to entitlement funding, any restrictions imposed by the Skills Funding agency apply and tuition fees may also apply.

- Providers can deliver any qualification that is valid for funding on the Learning Aims Database at entry level and level 1 with the exception of Key Skills. In addition this can include some aims at level 2, if appropriate to the learner.
- All qualifications at entry level 1 that utilise the ten stage achievement continuum are unlisted.
- Where Learners are not immediately able to access accredited qualifications then a period of weekly funding will be made available.
- Where providers are unable to convert all their non-accredited provision to Functional Skills or *accredited* provision suitable for FL learners, then providers may claim additional elements of their learning programme as non-externally accredited learner responsive provision.
- The credit value of the programme has no impact on funding as funding is based on the SLN of the qualifications, not their credit value.
- The FL programme and every individual learning aim, including entitlement, must be recorded on the ILR to be fundable.
- Specialist providers for those with Learning Difficulties and/or Disabilities will be progressively brought onto funding through these principles but in the meantime are funded in line with “Placement Information; LLDD at ISPs 2010/11 April 2010 and later editions.”
<http://readingroom.ypla.gov.uk/ypla/140410-ypla-placement-information-201011.pdf>

Funding Learners

5.7 In 2010/11 there will be three types of learning being funded. Learners age 19-24 funded by the LA/YPLA can only be funded as Group 1 or 3 below as E2E was a programme primarily for those 16-18.

Qualification funded – Group 1

5.8 Learners following an individual learning programme consisting wholly or partly of qualifications suitable for FL programmes and entitlement activity.

5.9 Alternatively qualifications, authorised as available for funding on the Data Service's Learning Aims Database, may form part of the overall programme.

5.10 Where qualifications of any type are not available or suitable then elements of the programme not covered by qualifications or entitlement funding may be made up of non-externally certified learner responsive provision. This includes where a learner has a section 139a LDA that clearly identifies that the learner needs a specialist programme that can not be accredited. *Providers should note that it is highly recommended they obtain the support from their Lead LA before non-externally certified provision is claimed on the ILR.* This facility is due to be reviewed and is therefore only a transition measure.

5.11 Qualifications may be either listed (ie have a set SLN value listed on the Learning Aims Database) or be unlisted (ie where the provider defines the glh the qualification will be delivered in).

5.12 Providers should aim to deliver 90% of the SLNs for new starts on FL in Group 1.

E2E carry-over– Group 2

Note Available for 2010/11 only, there will be no E2E Carry over in 2011/12.

5.13 E2E carry-over learners are funded at a weekly rate with progression and qualification bonuses, as in previous years. See "Funding Rates and Formula" for rates.

5.14 It should be noted that all carry over E2E learners may complete their original planned programme only, should they leave or commence a new programme then this will be funded as a new FL start. Funding for carry over learners will cease on 31st July 2011.

5.15 Progression from E2E to a new FL programme is treated as positive for performance monitoring purposes.

Foundation Learning weekly funding – Group 3

5.16 Learners following an initial period of weekly funded activity. This does not mean the continuation of E2E programmes for some learners, rather it provides some flexibility within FL programmes for what should be a minority of learners for most providers. It is for the provider to determine which learners require a period of weekly funding subject to the provider remaining within its allocation for the weekly funding programmes and only in the following circumstances;

- The learner is not currently able to participate in provision that can lead to accredited outcomes because they need a period of stabilisation, orientation or preparation before they can enrol on a qualification. Providers should take account of the opportunities for accreditation even during an induction period for learners.
- Rather than use weekly funding for long periods consideration should be given to how generic qualifications, especially at entry level 1 and 2, can in fact be delivered in specific vocational contexts. Should there not be the immediate prospect of a suitable qualification being available the provider is required to seek alternative NQF or other qualifications and in the meantime apply the principles of Raising and Recording Progress and Achievement (RARPA).
- Should a provider believe they require more than 10% of their SLNs as weekly funded it is highly recommended that they liaise with and gain the support of their LA. *This is not a funding requirement, but providers should bear in mind that local authorities are the single most important stakeholder in FL because the Director of Children's Services has overall responsibility for reducing the number of young people not in education, training or employment. The local authority will therefore want to satisfy itself that the programme is meeting the needs of young people. To re-enforce this role YPLA (or other funding body) auditors will regard written support from the local authority as sufficient evidence that this flexibility is being deployed appropriately, without this support auditors may question how the provider has used weekly funding.*

Recording FL programmes of learning

5.17 FL 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 for all 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. Full guidance is available on the Information Authority website at the link below in ‘Recording Foundation Learning on the ILR in 2011/12’ and in the Learner Responsive Provider Support Manual.

http://www.theia.org.uk/downloads/ilrdocuments/201011_guidance.htm

Performance Measures and FL

5.18 The quality of FL is assessed against the three criteria in its purpose:

- Participation – the local authority and providers working in partnership to reduce the number of young people not in employment, education or training.
- Attainment – through the qualification success rate (providers should assume this WILL include Functional Skills in future) – standard Minimum Levels of Performance apply
- Progression – through the percentage of learners who go into a positive destination for a minimum of 4 weeks on leaving the programme.

5.19 FL 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 and for the calculation of minimum levels of performance (MLP). This does not currently include key or functional skills but providers should expect that Functional Skills will be included for learners registered in 2010/11. *For providers that have previously delivered mostly E2E a standard assumption has been used. This is a success rate of 76%; this has been used because it is the average success rate for Further Education. In the provider factor this is converted to a success factor by taking the mid point between the success rate and 100%. This gives a success factor of 88% which means the provider would receive 88% of the funding rate per SLN. In essence this means a provider whose success rate is below 76% will in future have a lower provider factor and subsequently less funding in future years (it will have no impact in the current year). The success rate for colleges is that for its entire 16-*

18 learner responsive provision. Success rates and their impact on future funding should not however discourage providers from recruiting disadvantaged young people. It is recognised that these learners may need more support so the disadvantage uplift and additional learning support allocate additional funds to meet this need.

5.20 The YPLA is considering further performance measures to assess performance in achieving positive destinations. Therefore providers are advised to record the reasons that learning ended (A50) accurately as these may be used for performance or funding decisions in future. The Skills Funding Agency and YPLA are trialing a credit success rate based on the learner's planned credit and the credits they actually achieve (A59 and A60). This measure may also be used for funding and performance purposes in future.

Allocations

5.21 Allocations are made for all Learner Responsive provision and not specifically for FL provision. All providers have agreed with the YPLA a number of learners they will provide FL places for in the academic year. Providers are expected to provide this level of FL places from within their existing allocation. There is no further funding available during the year. It is possible that providers will deliver more SLNs than notified in their allocation, if so this does not mean they can under deliver on their agreed number of learners.

5.22 Should the learner number target not be reached this will have a significant negative effect on future allocations as the number of learners recruited (either under or over target) is, subject to affordability, consolidated into future allocations.

5.23 For 2010/11 **and 2011/12** grant funded learner responsive providers will be paid on profile and the value of the allocation will not normally change during the year. This also applies to contract funded providers, however where the provider is not on track to deliver the required number of learner places, there will be a mid year adjustment to the contract. *This means that in February we will look at the number of learners the provider has had on the programme in total over the previous 12 months and use this as an all year estimate. If the estimate is at least*

the minimum of 80% of the agreed number of learners for 2010/11 then the contract will stay as it is. If the provider is forecast to deliver less than 80% of the agreed number of learners then there will be an adjustment to remove the surplus learner numbers and the associated funding. The funding that needs to be paid back will be recovered by reducing the profile payments for the remaining months of the year. Providers can not compensate for under delivery of learner numbers by delivering more SLNs (by for example delivering broader programmes to a smaller number of learners). This will be repeated at the year end using final learner numbers against a final tolerance of 95% and any funding due for recovery will be withdrawn. There will be no upward adjustments either in year or at the year end. See Frequently Asked Questions for an example.

6 Learners age 19-24 with a Learning Difficulty Assessment (LDA)

6.1 The YPLA funds the provision of suitable education for persons who are over compulsory school age but under 19 or who are under 25 but subject to a learning difficulty assessment (Section 139a/140). Similarly, the Skills Funding Agency is responsible for securing education for individuals aged 19 or over other than persons aged under 25 who are subject to a learning difficulty assessment. These categories will be reviewed by the YPLA and the Skills Funding Agency in spring 2011 and allocations for learners aged 19-24 with LDD will be made according to any agreed definition. Funding for 19-24 year olds for 2010/11 will be as follows:

- **Funded by the YPLA** All learners aged 19-24 who are in receipt of high-level and exceptional-level ALS amounts over £5,500 in-year either with or without a Section 140 or 139A Learning Difficulty Assessment.
- **Funded by the Skills Funding Agency** All learners aged 19+ who are in receipt of low level ALS support amounts below £5,500 in year either with or without a Section 140 or 139A Learning Difficulty Assessment.

Annex A

An outline of the Demand-led Funding Formula (Items of particular interest for FL are in bold *italics*)

The YPLA learner-responsive funding formula is:

Funding	=	(SLN	x	National rate per SLN	x	Provider Factor	+	Additional learning support (ALS)
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Standard learner numbers (SLN)

The SLN is a measure of the volume of activity associated with a qualification, learning aim, learner, contract, or allocation.

Each learning aim has an SLN value that reflects the size of the learning aim, irrespective of its duration.

Listed Aims

Learning aims are either funded at a listed SLN value, or are unlisted.

The SLN values for all listed learning aims may be found in the Learning Aims Database (LAD). The SLN value for a learning aim is the SLN glh value divided by 450. <http://www.thedataservice.org.uk/>

The values for individually-listed learning aims are available for a learner who registers on the aim, irrespective of the time taken to complete. The same SLN value is payable irrespective of the duration of the learning aim.

Unlisted learning aims

In the 16 to 18 learner-responsive model, where the number of glh that colleges and providers use to deliver a learning aim varies significantly, the SLN value is determined from the planned glh recorded in the individualised learner record (ILR) and not the recommended glh given by the awarding organisation.

Unlisted learning aims will not have an SLN value in the LAD.

Some types of learning aim (such as Functional Skills) are all unlisted.

To determine the SLN value for a particular learning aim that is not individually listed, the provider should determine the total planned glh for the learning aim – this is the number of hours initially planned to deliver the learning aim, and will be recorded in the learning agreement and ILR and divide it by 450.

Annual SLN

Annual SLN is the measure used in the funding calculations for the purposes of calculating funding at a learning aim level in the 16 to 18 learner-responsive model.

Annual SLN is calculated separately for each academic year of each learner's programme. Therefore, when a learner is on a two-year programme, annual SLN will be calculated separately for each year, based on multiplying the SLN value for each learning aim by the proportion of the learning aim that occurs in each funding year.

Annual SLNs are based on learner starts. Once the period to qualify as a start has passed, they are not affected by withdrawals, which are taken into account in the calculation of the provider factor.

Definition of a start

A learner is deemed to have started a learning aim once they have remained on that learning aim within the current funding year for the period of time defined in **Table 1. Learners on FL must meet the qualifying period for each learning aim registered.**

For learning aims that span more than one funding year, starts are determined separately for each year, in line with the approach of calculating annual SLN separately for each year.

Table 1 : Criteria for learner-responsive SLN for start purposes

Learning aim length in-year	Start period
= 24 weeks	6 weeks
2 to 24 weeks	2 weeks
< 2 weeks	1 learning engagement

Transfers

Where a learner transfers between learning aims (that is, when they withdraw from a learning aim and as a direct result, and at the same time, start studying for another, usually related, learning aim within the same provider) the YPLA 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.

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 and will also be included in the success rates calculation.

The funding cap

Annual SLN is capped by aggregating the values for individual learning aims to learner level and capping at a maximum of 1.75 annual SLN per learner. **Note:**
This will reduce to around 1.56 SLN for 2011/12.

National funding rates

Table 2: National funding rates for 2010/11

Funding model	National funding rate per SLN
16 to 18 learner-responsive – school sixth forms	£3,007
16 to 18 learner-responsive – all other providers	£2,920
19 to 24 learner-responsive – YPLA funded	£2,732

Note: May change for 2011/12 see YPLA: 16-19 Funding Statement

Provider factor

While SLN gives a robust measure of volume of learning, the relative cost of that learning must also be taken into account by the funding formula. The provider

factor (and component provider factor weightings, as described below) is the measure that reflects the relative cost of provision. ***FL providers should note that the provider factor applies to all learner-responsive provision and therefore applying it directly to FL programmes will not give an entirely accurate prediction of the funding required to deliver the programme. What it will do is give an accurate sum that the provider will receive from their funding body for any particular programme.*** The Provider Factor includes the following drivers of relative cost:

- The aggregated programme weighting for all the provider's Learner-responsive provision
- The funding for learners from disadvantaged areas and those who qualify because of their circumstances,
- Any uplift for area costs,
- A short programme modifier, applied to the learner's full programme which recognises that the initial phase of all qualifications increases costs,
- Care Standards (relates to residential accommodation for 16 and 17 year-olds),
- The success factor which uses the standard Qualification Success Rate for the provider (including FL qualifications but currently excluding Functional Skills providers should expect Functional Skills to be included for learners in 2010/11) to calculate the impact on funding. In essence 50% of the providers funding will depend on their success rate.

Low Cost Additional Learning Support (ALS)

The formula for additional learning support (ALS) is based on the GCSE points score for English and Mathematics for learners when they are recruited. Allocations use the GCSE points scores of the providers previous year's cohort to estimate ALS requirements.

The full guidance on ALS is set out for 2010/11 in the separate YPLA funding publication *Additional Learning Support* and all providers returning ILR data must read the full guidance document. In FE 60% of the available ALS is allocated

using the formula and the remainder on a discretionary basis. **Note: Changing to a historic basis for 2011/12.**

The ALS allocation for school sixth forms is based entirely on the formula, therefore the values in the table below would require uprating to 100% if applied to schools. The amount of funding generated by the formula can be found by taking the ALS rate for each learner, based on their GCSE points score, and multiplying it by the learner's total SLN for the year.

The ALS rates below are added to a learners programme and calculated per SLN. Should a learner be on an unlisted qualification then the planned glh is converted to SLN for this purpose.

Table 6: 16-18 learner-responsive formulaic (60%) ALS for FE Providers, rates are per SLN for 2010/11

GCSE English and Mathematics		16-18 LR (not schools)
Points	typical grades	
0-15	No passes	£609.28
16-31	1 G grade	£441.10
32-43	2 G grades	£300.76
44-55	2 F grades	£213.77
56-67	2 E grades	£142.43
68-79	2 D grades	£86.75
80-91	2 C grades	£46.73
92-103	2 B grades	£22.36
104 or more	2 A grades or better	£13.65

High Cost ALS (Over £5,500)

Providers who have a history of delivering learning to Learners with ALS costs over £5,500 will have a negotiated allocation for this purpose. The costs for Learners with needs at this level should be met from this allocation. Providers without an allocation who wish to deliver learning for a Learner with ALS needs in excess of £5,500 should contact their funding body.

Entitlement Curriculum Funding

The 16 to 18 entitlement has a listed SLN value of 114 glh ***for 2010/11 reducing to 30 glh for 2011/12***). This does not include any SLN value for key or functional skills, which are now funded entirely outside of the entitlement.

The SLN value associated with entitlement is included in the learner-level SLN value before the application of the cap. That is, the sum of the learner's SLN including the entitlement value will be capped at 1.75 ***in 2010/11 reducing to around 1.56 for 2011/12***, in any one academic year.

All full-time 16 to 18 year-old learners receive funding for their entitlement, which covers tutorials and other enrichment activities and the FL wrap around. The latter include, but are not limited to:

- sport,
- music,
- dance,
- drama (non-examinable),
- Young Enterprise,
- Duke of Edinburgh Awards,
- personal, social and health education (PSHE),
- some religious education and Christian worship.

For the purposes of entitlement funding, 'full-time' means that the learner is studying a programme of at least 450 glh in any period of a year, including the 114 glh assumed to be associated with the tutorials and enrichment – that is, the

learner's planned glh across all their learning aims (excluding any tutorial and enrichment aims) for any period of a year would need to be at least 336. ***The 336 glh is calculated from the planned glh the provider enters onto the ILR and not the listed glh rates on the LAD.***

Providers may not claim for qualifications or any other funding which cover the same or similar learning as the entitlement curriculum funding.

Functional Skills

Functional Skills are now funded separately from the entitlement funding.

Functional skills at entry levels 1,2 and 3 and level 1 and 2 are being rolled out across England in 2010/11. Personal Progress qualifications are available for learners with LDD who are not ready to access Functional Skills qualifications.

Functional skills will continue to be unlisted in 2010/11, except in school sixth forms. This is to reflect the varied client group, and therefore the differential number of hours learners will require to complete the qualification. Due to the requirement for all learning aims delivered in school sixth forms and apprenticeships to have a listed rate, functional skills will be listed at 36 glh.

Key skills are no longer funded for new starts.

Recording of prior learning (RPL), exceptions, and credit transfer

In 2009/10 the LSC introduced a more structured approach to ensuring funding reflects the QCF requirements for RPL, exceptions, and credit transfer. These requirements apply to FL and are included in the YPLA's Funding Guidance 2010/11: Funding Regulations in paragraphs 124 through to 135.

Annex B

Sources of further information

The LSIS website for comprehensive information/ resources on FL

www.excellencegateway.org.uk/foundationlearning

QCDA guidance on FL delivery

<http://orderline.qcda.gov.uk/bookstore.asp?FO=1307426&Action=Book&ProductID=9781849623629&From=SearchResults>

DCSF update to E2E providers

www.excellencegateway.org.uk/page.aspx?o=274913

Funding FL Worked examples

<http://www.ypla.gov.uk/aboutus/ourwork/funding/funding-foundation-learning/>

Funding FL Questions and Answers

<http://www.ypla.gov.uk/aboutus/ourwork/funding/funding-foundation-learning/>

List of recently unlisted entry level 1 Qualifications

http://readingroom.ypla.gov.uk/ypla/funding_rates_and_formula_v2.2.pdf

EMA Guidance

<http://ema.ypla.gov.uk>

LLDD Placement Information

<http://readingroom.ypla.gov.uk/ypla/140410-ypla-placement-information-201011.pdf>

Information on recording Foundation Learning on the ILR

http://www.theia.org.uk/downloads/ilrdocuments/201011_guidance.htm

Joint Learner Eligibility Guidance

http://readingroom.ypla.gov.uk/ypla/learner_eligibility_guidance_2010_to_2011.pdf

Documents published by the Skills Funding Agency on Foundation Learning for Adults:

A fact sheet:

http://readingroom.skillsfundingagency.bis.gov.uk/sfa/adult_flc_-_april_10_-_final.doc

A two page summary

http://readingroom.skillsfundingagency.bis.gov.uk/sfa/adult_flc_-_2_page_summary_-_april_2010.doc

A Question and Answer brief

http://readingroom.skillsfundingagency.bis.gov.uk/sfa/Adult_FLC_-_Q___A_-_April_2010.doc

A PowerPoint presentation

http://readingroom.skillsfundingagency.bis.gov.uk/sfa/adult_flc_-_presentation_-_april_2010.ppt

Annex C

Glossary of Abbreviations

	Non-abbreviated term (includes dates when changes occurred)
2010/11	Denotes YPLA funding year from August 2010 to July 2011
2010-11	Denotes financial year from April 2010 to March 2011
ALS	Additional learning support
AOs	Awarding Organisations
DfE (DCSF)	Department for Education (replaces Department for Children, Schools and Families from May 2010)
DLF	Demand-led funding
E2E	Entry to Employment
EMA	Education Maintenance Allowance
FE	Further Education
FL	Foundation Learning
GCSE	General Certificate in Secondary Education
glh	Guided learning hours
IA	Information Authority
ILR	Individualised learner record
ISP	Independent Specialist Provider (for those with LDD)
LAs	Local Authorities
LAD	Learner Aims Database
LDA	Learner Difficulty Assessment
LLDD	Learners with Learning Difficulties and/or Disabilities
LSC	Learning and Skills Council (abolished from 1 st April 2010)
LSIS	Learning and Skills Improvement Service
MLP	Minimum Levels of Performance
NQF	National Qualifications Framework
OfSTED	Office for Standards in Education

PSD	Personal and Social Development
QCDA	Qualifications and Curriculum Development Agency
QCF	Qualifications Credit Framework
RARPA	Raising and Recording Progress and Achievement
RPL	Recording of Prior Learning
Section 96	This is a list of approved qualifications which are eligible for YPLA funding. Not all such qualifications attract YPLA funding, as some are regarded as being covered by entitlement funding
SEN	Special educational needs
SLN	Standard Learner Number
YPLA	Young People's Learning Agency

Young People's Learning Agency
Cheylesmore House
Quinton Road
Coventry
CV1 2WT
0845 337 2000
ypla.gov.uk

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Young People's Learning Agency

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