

### TRAIN TO GAIN

# **ADDITIONAL FLEXIBILITIES** 2008/09

## A GUIDE FOR COLLEGES AND TRAINING PROVIDERS

VERSION 3 11<sup>TH</sup> AUGUST 2008

#### Train to Gain additional flexibilities 2008/09

#### 1. Purpose

This document is intended to give colleges and training providers details of the changes to Train to Gain following the agreement with Department for Innovation, Universities and Skills (DIUS) to a wide range of additional flexibilities. It provides key information to support the delivery of Train to Gain and should be read in its entirety.

This guide details the additions made to Train to Gain eligibility and emerging strategy. It does not replace the *LSC Funding Guidance 2008/09 – Funding Principles and Regulations*. The contents of the document will be updated as areas of policy and interpretation are clarified or change. Updates will be posted on <a href="http://www.lsc.gov.uk/providers/ttg/latest">http://www.lsc.gov.uk/providers/ttg/latest</a> – colleges and training providers should visit the site regularly.

### This document should be read in conjunction with the LSC "suite" of guidance detailed below available at:

http://www.lsc.gov.uk/providers/funding-policy/demand-ledfunding/Further\_Education\_Funding\_Policy\_Documents\_2008-09.htm

The 16-18, Adult Learner and Employer	27.11.07 updated
Responsive Funding Model	to version
Outline of Funding Guidance 2008/09	23.06.08
LSC Funding Guidance 2008/09 - Funding	Vers 1 - January
Principles, Rules and Regulations	2008
	Vers 2 – 23.06.08
LSC Funding Guidance 2008/09 – Funding	16.06.08
Formula for 2008/09	
LSC Funding Guidance 2008/09 - Learner	16.06.08
Eligibility Guidance	
LSC Funding Guidance 2008/09 - Funding	01.04.08
Rates for 2008/09	
LSC Funding Guidance 2008/09 – Funding	16.06.08
Compliance Advice and Audit Guidance	
2008/09	
Employer Responsive Model and Train to	20.06.08
Gain	
Train to Gain changes - letter to all colleges	20.06.08
and training providers	
ILR Funding Claims and Audit Returns	To be issued

#### 2. Background

Train to Gain for 2008/09 comprises the transfer of 'Further Education - NVQs in the workplace' and the 'Train to Gain provision' budgets. It is recognised that provision and practice within Further Education colleges will need some time to adapt to Employer Responsive criteria and regulations. The 2008/09 academic year will be a transitional year for colleges with full implementation of the single set of criteria and regulations in 2009/10. These specific arrangements for the FE transfer element are detailed in this document. These transitional arrangements apply additionally to the National Employer Service.

#### 3. Summary of Significant Enhancements to Train to Gain for 2008/09

Ministers have agreed to a number of additional flexibilities to enhance the delivery of the Train to Gain service. These additional flexibilities build on those announced in *A Plan for Growth* which we published in November 2007.

The new changes represent a further significant improvement to Train to Gain and will support the rapid expansion of the service confirming its major role in delivering the Government's skills strategy and ambitions. By 2010/11 more than £1bn of public funding will be routed through Train to Gain and the service will support in excess of 950,000 employees each year.

These changes are intended to drive up volumes and spend to reach the level required over the entire CSR period. In 08/09 we need to increase the number of learner starts to 750,000.

The changes give colleges and training providers more freedom to respond to employer demand. This should build on the already high levels of employer satisfaction with the service and support an increase in the overall volume of employer demand and learner numbers.

Full details of the announcement can be found <u>Train to Gain changes</u> - <u>letters to all colleges and training providers</u>

The key changes are:

#### a. Allow a proportion of 'additional' Level 2 qualifications

LSC and DIUS will negotiate sector-by-sector flexibilities, to include some relaxation on 'firstness'; i.e. enabling employees to access fully funded training for some 'additional' (sometimes referred to as 'repeat' or 'second') level 2 qualifications where they already have a level 2 qualification or higher.

A maximum of 30% "additional" or "non-first" Level 2 qualifications will be allowed for at a regional level.

The flexibility will only apply to qualifications that are identified by Sector Skills Councils through their Sector Qualification Strategies and the emerging sector compacts (see section 10 [29/7/08]).

The LSC is working with the Sector Skills Councils who will shortly submit their priority qualification list. This list will be available to colleges and training providers by 1<sup>st</sup> September 2008.

In 08\09 only, FE colleges as part of the transitional arrangements will be able to deliver a range of eligible repeat qualifications at Level 2 based upon historic patterns of delivery. (See separate note Page 6, point 4)

#### b. Increase Train to Gain funding rates by 9% over 3 years

To help stimulate increased college and training provider engagement and capacity to deliver Train to Gain, funding rates will be increased by 3% in each of the next 3 years, over and above previously planned 1.5% rates increase in each of these years. The 2008/09 rates will be 3% above the rates published in April 2008 in the draft document *Funding Rates* 2008/09.

#### c. Agree and implement six sector compacts by September 2008

The first four sector compacts have now been agreed with:

- semta (the Sector Skills Council for Science, Engineering and Manufacturing Technologies)
- ConstructionSkills
- People1st
- ProSkills

LSC and DIUS are working with other Sector Skills Councils to develop further compacts proposals with the aim of agreeing these by September 2008. This will help ensure that compacts begin to have an impact on performance in the academic year 2008/09. As each compact is agreed, further guidance on implementation of the compact and any associated regional volumes will be issued.

#### d. Improve take-up of Level 3

Regions have been allocated budgets and targets for provision at Level 3, Level 4 and above. As with Level 2, through sector compacts, LSC and DIUS will negotiate sector-by-sector flexibilities which may include some relaxation on 'firstness'; i.e. enabling employers to access co-funded training for some 'additional' or "non-first" Level 3 qualifications where the employee already has a Level 3 qualification or higher.

At a regional level, a maximum of 20% "additional "or non-first" Level 3 qualifications have been allowed for.

The flexibilities will only apply to qualifications that are identified by Sector Skills Councils through the emerging sector compacts.

In 08\09 only, FE colleges as part of the transitional arrangements will be able to deliver a range of eligible repeat qualifications at levels 3 and 4/5 based upon historic patterns of delivery.

### e. Clarify public sector eligibility for Train to Gain and drive take up through 'public service skills compacts'

Government Departments and their agencies are currently not eligible to access public funding through Train to Gain. Other public sector organisations such as schools and NHS trusts delivering front line services are eligible. Public Service skills compacts will seek to increase the public sector services take up of Train to Gain. This definition is being clarified with DIUS and will be released in due course.

#### f. Improve performance of Basic Skills in Train to Gain

The Skills for Life Strategy sets out the Government's intent to raise the basic skills levels of adults to help ensure they maximise their employment opportunities and lead a fulfilling life within their local communities. These intentions provide the basis of the LSC's approach to Skills for Life through the Employer and Adult Learner Responsive funding routes, including the Train to Gain Service. In particular employers should be encouraged to ensure their employees reach the functional literacy (level 1) and numeracy (entry level 3) levels embraced within the new Leitch targets. These levels are considered to be the standards necessary at which an individual is able to function at work and in society in general . The LSC will monitor the achievement of functional literacy and numeracy qualifications throughout the year.

To help employers raise the basic skills of their workforce, Adult Basic Skills qualifications will be available through Train to Gain on the same basis as Adult Basic Skills delivered through mainstream FE.

- All 3 subjects at all 5 levels literacy, numeracy and ESOL (English for Speakers of Other Languages) at all levels (Entry Level 1, Entry Level 2, Entry Level 3, Level 1 and Level 2)
- Both literacy and numeracy needs will be funded
- Those with prior qualifications at NVQ Level 2 (or equivalent) or above will be eligible for funding through Train to Gain where they have an identified Basic Skills need.
- Where a learner is identified as needing progression, non-target bearing Basic Skills qualifications, will be funded [08/08/08]
- Literacy and numeracy are fully funded entry level will be funded at the same rate as levels 1 and 2
- ESOL Skills for Life are partially subsidised with the expectation that the employer will make a contribution.
- ESOL for Work qualifications will be available across all regions and partially subsidised with the expectation that the employer makes a contribution.

#### g. Streamline procurement and contracting

A number of changes are to be made to streamline and simplify the procurement and contracting process for Train to Gain. These include:

- Successful colleges and training providers awarded contracts through OCT will be offered three year contracts extendable to five years.
- Existing contracts for Train to Gain or Apprenticeships can be renegotiated to include both elements.
- Colleges and training providers who do not have a contract or are not part of an existing consortium but come to the table with employers will be offered contracts. Colleges and training providers still need to go through the LSC's formal contract approval processes. These include obtaining assurance about the provider's financial capability to deliver, the quality of provision offered and Health and Safety approval.
- Successful colleges and training providers will be able to increase their contracts without the need for re-tendering.
- Where training is addressing the needs of learners and employers, successful colleges and training providers will be able to increase their contracts both in their existing region and across the country, without the need to go through a further tendering exercise.
- In each LSC Region it is expected that colleges and training providers
  will have a single relationship with the LSC either a direct contract or
  through a consortium but not both. However there may be exceptional
  circumstances where a college or training provider is a member of
  more than one consortium. Where this is the case the college or
  training provider will agree this with their local LSC.
- There is an expectation that in 2009/10 a single contract will be issued for colleges and training providers across all Regions.

#### 4. ESF

Where colleges and training providers have queries relating to the impact of the additionalities on European Social Fund activities they should approach their LSC Region.

## 5. FE College NVQs in the workplace transferring into the Employer Responsive Budget

Provision relating to Further Education - NVQs in the workplace for Further Education colleges will transfer into Employer Responsive funding in 2008/09. The 2008/09 academic year will be a transitional year for colleges with full implementation of the single set of criteria and regulations in 2009/10. These specific arrangements for the FE transfer element are detailed in this document.

#### Level 2

Through Sector Qualification Strategies and sector compacts, the new Train to Gain flexibilities permit some relaxation on 'firstness'. Up to 30% of Level 2 qualifications in any region can be 'additional Level 2s', providing funding for individuals who already possess a first Level 2 or above.

FE NVQ in the workplace provision transferring into Employer Responsive will, in some cases, not meet the firstness criteria of 70%. As part of the 2008/09 transitional year arrangements, relaxations in terms of volumes of repeat activity will apply to the FE NVQ in the workplace budget component.

Whilst this flexibility will generally only apply to qualifications identified by Sector Skills Councils through Sector Qualifications Strategies and sector compacts, as part of the transitional arrangements for FE colleges, eligible activity for this flexibility will include a list of additional qualifications beyond those defined by SSC's as described above.

These additional eligible qualifications will take the form of a list agreed between the college and the LSC Partnership Manager based upon the historical patterns of delivery for Levels 1 to 5 as shown in the tables. [01/8/08]

This additional eligibility will only apply to learners starting in 08/09 and is limited to the budget associated with the FE NVQs in the workplace transfer component only.

These additional qualifications form part of the Region's overall 30% additional Level 2 allowable volumes.

2008/09 is a transitional year and the LSC expects that FE colleges will have moved to the 70:30 split by the end of 2008/09. The 2008/09 contract will be clear about the steps that the LSC will take to ensure that the 70:30 split is achieved by the beginning of the 2009/10 academic year.

In 2009/10 sanctions, such as a lower maximum contract values, will apply to those colleges that do not make significant steps to achieving the 70:30 split. Failure to move to the 70:30 split will adversely affect the Government's ability to meet PSA targets and the ambition described by the Leitch Report.

#### Level 3

As with level 2s, the new Train to Gain flexibilities permit some relaxation on "firstness" at Level 3. Up to 20% of level 3 qualifications in any region can be additional level 3s.

This flexibility will generally only apply to qualifications identified by Sector Skills Councils through sector compacts.

2008/09 is a transitional year and the LSC expects that FE colleges will have moved to the 80:20 split by the end of 2008/09. The 2008/09 contract will be clear about the steps that the LSC will take to ensure that the 80:20 split is achieved by the beginning of the 2009/10 academic year.

In 2009/10 sanctions, such as a lower maximum contract values, will apply to those colleges that do not make significant steps to achieving the 80:20 split. Failure to move to the 80:20 split will adversely affect the government's ability to meet PSA targets and the ambition described by the Leitch Report

Regular reviews will manage any ongoing risks, monitor the level of "firstness", the eligibility of qualifications delivered and to challenge colleges to move to the 70:30 (Level 2) and the 80:20 (Level 3) split as agreed.

The LSC regionally and nationally will want to ensure that the mix and balance of additional Level 2/3 qualifications is on a suitable trajectory to meet regional and national targets. Performance will be monitored monthly.

In addition FE colleges will be able to continue to offer modest levels of Level 1 and Level 4/5 activity through the transfer of FE NVQs in the workplace budget into Employer Responsiveness for 08/09.

Learners who have transferred from 07/08 to 08/09 will clearly already be fundable through an Employer Responsive route for 08/09 and **will not count** towards the 30% figure for Level 2 and the 20% figure for Level 3 repeat activity at a regional level.

### 6 Payment for Train to Gain learners continuing from 2007/08 into 2008/09

The majority of Train to Gain learners carrying over into 2008/09 from 2007/08 will be from the Train to Gain provision budget. It is intended that they are aligned to the new funding methodology and that funding will be paid in monthly instalments up to 75% of the funds and 25% paid on achievement. This will also apply to learners within the existing Level 3 Trial.

### 7. Payment for FE college NVQs in the workplace learners continuing from 2007/08 into 2008/09

Learners transferring from FE college NVQs in the workplace provision will be treated as above from Train to Gain learners (see point 6 above). This should not only help colleges with their cash flow but also embed the Employer Responsive model methodology.

In line with general LSC approaches, learners will continue under the conditions in force at the time of enrolment. Therefore those learners transferring from FE college provision will be funded at the new 08/09 rates but will continue on a co-funded basis. Learners who were enrolled on an assessment only basis will be funded at the lower rate in 08/09, with learners enrolled on the basis of assessment and underpinning knowledge funded at the higher rate in 08/09.

FE college transfer learners funded at the higher rate will not be required to demonstrate adherence to the Train to Gain funding regulations regarding 15 hours of underpinning knowledge and understanding for audit purposes.

#### 8. Sector Qualification Strategies

Through the development of Sector Qualification Strategies (SQS) Sector Skills Councils will develop an appropriate range of fit for purpose qualifications for each sector. The aim of each SQS is to:

- Identify key drivers for sector development in relation to qualifications and other learning provision;
- Evaluate how well existing qualifications and other learning provision meets sector needs (current and future);
- Make proposals for any changes required, including a plan for development and implementation of new or merged qualifications:
- Bring coherence and shared direction to ongoing development work;
- Provide a sound basis for future development and decision-making for funding in each broad sector;
- Ensure sector proposals are communicated to, and supported by, key stakeholders.

This will result in a fit for purpose and clear set of qualifications for each sector. This may mean in the future, certain qualifications which are currently funded will no longer attract LSC funding.

#### 9. Funding Rates

There will be two rates of funding at qualification level determined by the amount of underpinning knowledge and understanding delivered within the qualification. The higher rate will apply when 15 hours or more of underpinning knowledge and understanding is delivered, the lower rate when less than 15 hours are delivered. High and low rates of funding will apply at all qualification levels funded through Train to Gain except for Basic Skills.

The 15 hour threshold will apply at all levels of qualification.

Colleges and training providers must ensure they select the appropriate rate of funding (fully or co-funded) as the Individual Learner Record (ILR) or other systems will not automatically select the correct rate.

#### 10. Qualifications and Eligibility

The detail associated with eligibility is outlined in the following section.

Any qualifications classed as co-funded will be funded on the assumption of employer contribution in line with the LSC's expectation of increased fee income from employers. For 2008/09 the assumed level of employer contribution will be 42.5%.

Basic Skills Qualifications	Notes
Full literacy and numeracy qualification(s) at Entry Level, Level 1 or Level 2 for learners irrespective of prior qualification. [08/08/08]  The actual level to be determined by assessment of learner need	Fully funded subject to meeting the general Train to Gain eligibility
Skills for Life ESOL at Entry Level, Level 1 or Level 2 and ESOL for Work at entry Level 3 and Level 1 for learners irrespective of prior qualifications. [08/8/08]	Co-funded with an expected contribution of 42.5% subject to meeting general Train to Gain eligibility rules

NVQ Level 1 – Qualifications	Notes
Full Level 1 for learners irrespective of	Fully funded at the Level 2 rate subject
prior qualifications where it supports progression onto a higher level qualification.	to meeting general Train to Gain eligibility rules.
quamounom	Only fundable through FE colleges with provision which forms part of the FE NVQ in the workplace transitional arrangements (based on historical patterns of provision in that institution) and is on the agreed list of eligible qualifications negotiated between the FE college and the LSC.
	Actual levels of activity will be agreed with each college
High and low rates will apply to all Leve	
threshold of underpinning knowledge ar	nd understanding

Level 2 - Qualifications	Notes
First full level 2 for learners NOT	Fully funded subject to meeting general
possessing a first Level 2 qualification	Train to Gain eligibility rules.
or above.	
Learners who enter Train to Gain via	Fully funded subject to meeting Train to
the Local Employment Partnership	Gain eligibility rules associated with
(LEP) route who already possess a	LEPs.
Level 2 qualification or above.	
	Any full NVQ Level 2 qualification
This LEP flexibility aims to support	identified by the employer can be
individuals who have been out of work	funded. Over time, we expect that

and are engaging in training via an employer

"additional" Level 2s will be identified by the Sector Skills Council in a sector compact and/or the Sector Qualification Strategy (approved list available from 1<sup>st</sup> September)

This provision will count as part of 30% of allowable additional level 2 qualifications in each region.

"Additional" full level 2 for those learners who already possess a Level 2 qualification or above.

An "additional" level 2 may be a second, third or subsequent qualification.

Up to 30% of Level 2 qualifications delivered through Train to Gain in each LSC Region can be additional Level 2 qualifications.

Fully funded subject to meeting general Train to Gain eligibility rules and is a qualification as identified by the Sector Skills Council in a sector compact and/or the Sector Qualification Strategy. (approved list available from 1<sup>st</sup> September)

Or for provision which forms part of the FE NVQ in the workplace transitional arrangements (based on historical patterns of provision in that institution) and is on the agreed list of eligible qualifications negotiated between the FE college and the LSC

The balance of first and 'additional' Level 2s will be agreed with each college and training provider.

The balance between first and additional qualifications will be closely monitored. Excessive levels of additional qualifications may result in the application of sanctions in future contracting years.

High and low rates will apply to all Level 2 qualifications based on a 15 hour threshold of underpinning knowledge and understanding.

There are no co-funded Level 2 qualifications within Train to Gain/Employer Responsive Funding for learners starting in 2008/09.

FE college learners carrying over from 07/08 will continue to be funded on a cofunded basis.

Level 3 Qualifications	Notes
First Full Level 3 for learners NOT possessing a first Level 2 qualification or above. (Level 3 Jumpers)	Fully funded at the Level 3 rate subject to meeting general Train to Gain eligibility rules
First Full Level 3 for learners aged 19- 25 to commence from Autumn 2008.	Extension of 19-25 Entitlement. Fully funded subject to meeting general Train to Gain eligibility rules.
First Full Level 3 for learners possessing a first Level 2 qualification	Co-funded at an expected employer contribution of 42.5% subject to meeting general Train to Gain eligibility rules
"Additional" full level 3 for those learners who already possess a Level 3 qualification or above	Co-funded at an expected employer contribution of 42.5% subject to meeting general Train to Gain eligibility rules
An additional level 3 may be a second, third or subsequent qualification	and Is a qualification identified by the Sector Skills Council in a sector compact.
Up to 20% of Level 3 qualifications delivered through Train to Gain in each LSC Region can be additional Level 3 qualifications.	and/or the Sector Qualification Strategy. (Approved list available from 1 <sup>st</sup> September)-[29/7/08].
	Or for provision which forms part of the FE NVQ in the workplace transitional arrangements (based on historical patterns of provision in that institution) and is on the agreed list of eligible qualifications negotiated between the FE college and the LSC
	The balance of first and 'additional' Level 3s will be agreed with each college and training provider.
High and low rates will apply to all Leve	As further sector compacts are agreed a wider range of Level 3 qualifications will be available for funding.

High and low rates will apply to all Level 3 qualifications based on a 15 hour threshold of underpinning knowledge and understanding

Level 4/5 – Qualifications	Notes
First Full Level 4 for learners NOT possessing a first Level 3 qualification or above. (Level 4 Jumpers)	Level 4 Jumpers aged 19-25 will be fully funded as part of the extension of 19-25 Entitlement subject to meeting general Train to Gain eligibility rules.
	Where learner is aged 25+ co-funded at

	the Level 3 rate with an expected employer contribution of 42.5% subject to meeting general Train to Gain eligibility rules
	Actual levels of activity will be agreed with each college and training provider and must be identified by the Sector Skills Council in a sector compact and/or the Sector Qualification Strategy.  (Approved list available from 1 <sup>st</sup> September) [08/08/08].
Level 4/5 Qualifications for any other	Co-funded at the Level 3 rate with an
type of learner.	expected employer contribution of
	42.5% subject to meeting general Train to Gain eligibility rules.
	Only fundable through FE colleges with provision which forms part of the FE NVQ in the workplace transitional arrangements (based on historical patterns of provision in that institution) and is on the agreed list of eligible qualifications negotiated between the FE college and the LSC.
High and low rates will apply to all Leve	•
threshold of underpinning knowledge ar	na unaerstanding

The contents of the document will be updated as areas of policy and interpretation are clarified or change. Updates will be posted on

http://www.lsc.gov.uk/providers/ttg/latest - colleges and training providers

should visit the site regularly.

If you have any quaries please contact your Partnership

If you have any queries please contact your Partnership Manager in the first instance.

### Appendix A - SELF-DECLARATION OF ELIGIBILITY Section 1 – Prior Qualifications

Below is an example of a Self Declaration of Eligibility that will need to be completed by learners undertaking a Level 2 programme. Eligibility documents relating to other levels of qualification will be available before 1<sup>st</sup> August 2008 <a href="http://www.lsc.gov.uk/providers/funding-policy/demand-led-funding/Further\_Education\_Funding\_Policy\_Documents\_2008-09.htm">http://www.lsc.gov.uk/providers/funding-policy/demand-led-funding/Further\_Education\_Funding\_Policy\_Documents\_2008-09.htm</a> from the LSC funding guidance page of the website.

The Train to Gain service is designed to raise the skill levels of people to benefit themselves, employers and the wider community. The Government chooses to prioritise its investment in those employees and volunteers **without** the equivalent of 5 GCSE's (Grades A-C) already except where flexibilities exist regarding additional qualifications. Please tell us about **all** of your existing qualifications. This list is not exhaustive.

School / College Qualifications	Vocational (work related) Qualifications
5 GCSE's (grades A-C) or 'O'	BTEC General Certificate / Diploma
Levels	with Credit
	HND / HNC
5 CSE Grade 1's	Edexcel / BTEC 1 <sup>st</sup> Diploma or higher
	C & G Higher Operative or Craft
1 or more 'A' Levels	GNVQ Intermediate or higher
	NVQ Level 2, 3 or 4
2 AS Levels	Access Course

#### **Prior qualifications**

Please indicate what qualifications you have completed in the past. Where you have no previous qualifications please state "None".

Details of qualification completed or currently undertaking (for example:- title, module names, awarding body, institution where qualification taken)	Date qualification completed (state year where exact date unknown)	Level achieved

If required please continue on an additional sheet and attach to the declaration

### Section 2 - Eligibility to Receive Support through Train to Gain Please tick if applicable

I am normally and lawfully resident in the UK and been for the last 3 years, or I fulfil the LSC's residency criteria (detailed in the LSC's Learner Eligibility Guidance 07/08)	
I am not currently on the New Deal Programme or any other government funded training.	

I am employed	hv.					
Employment.		and	have a	Contrac	t of	
I am self employed (employment with the			have regi	stered my	self	
I am a volunteer for no payment for the payable.						
		Decla	ration			
Learner I confirm that all the in prior qualifications. I u against me to reclaim	understand that if I	have declared fa	lse inform	ation the		
Learner Name						
First or additional qualification	First qualification	st qualification :-				
	Additional qualific	Iditional qualification:-				
Signature		Date				
Employer I confirm that, to the blearner is employed blearner is a volunteer	by me, I declare the	nat they have a c	ontract of			
Employer Name						
Signature						
Position			Date	9		
College or training p I confirm that the info the completion of this to enter Train to Gain.	ormation on this for document and to	the best of my kno	owledge, tl	he above	named	learner is e
Signature						

Official Stamp of the College or Training Provider

Learning and Skills Council **National Office** 

Cheylesmore House Quinton Road Coventry CV1 2WT

T 0845 019 4170 F 02476 825 885

#### www.lsc.gov.uk

A link to this document and further updates can be found at:

http://www.lsc.gov.uk/providers/ttg/latest