

Requirements for Funding Work-based Learning for Young People 2006/07

This document sets out the LSC's approach to funding WBL for young people up to and including the age of 24 years in 2006/07.

July 2006

Of interest to Providers, local LSCs, Connexions, local Social Services, Local Authorities, health organisations, Strategic Health Authorities, Primary Care Trusts, learners, other Government departments and agencies.

Further Information

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This publication includes important changes to the delivery of Work-based Learning for the 2005/06 contract year.

All deliverers of Work-based Learning should note that this document constitutes an integral part of the LSC's funding agreement, conditions of funding (grant), conditions of funding (employers) and the financial memorandum. Therefore all deliverers are advised to review their delivery arrangements to ensure they meet the requirements contained in this document.

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Summary

The Learning and Skills Council (LSC) has responsibility for planning and funding work-based learning (WBL) for young people in England up to the age of 24. This document sets out the LSC's approach to funding WBL for young people up to and including the age of 24 years in 2006/07. *Some sections are also relevant to Learning Agreements, Young Apprenticeships and Apprenticeships for Adults.* This document constitutes an integral part of the LSC's funding agreement, conditions of funding (Grant), conditions of funding (employers) and the financial memorandum with providers for the delivery of WBL in 2006/07.

This 2006/07 edition is based on the 2005/06 edition. It has been updated to:

- integrate the 2005/06 changes into the main text
- notify providers of a limited number of technical changes and points of clarification made for 2006/07
- reflect the LSC's new approach to *setting rates for Apprenticeships*
- *reflect the introduction of Education Maintenance Allowances (EMA) to WBL*
- reflect the ongoing development of WBL programmes.

All important changes are identified by italic type, to clearly identify the differences from the 2005/06 version. This italic type has no other meaning.

This publication is supported by the WBL Provider Support Manual, which is primarily designed to support programme administrators in correctly completing the Individualised Learner Record (ILR).

This document is of interest to institution principals, senior managers in further education colleges, chief executives of training providers, their WBL managers, staff delivering WBL and programme administrators.

July 2006

Executive Summary

July 2006

Subject

Requirements for Funding Work-based Learning for Young People 2006/07

The Learning and Skills Council (LSC) has responsibility for planning and funding work-based learning (WBL) in England. This document sets out the LSC's approach to funding WBL in 2006/07 for young people aged up to and including 24 years. *Some sections are also relevant to Learning Agreements, Young Apprenticeships and Apprenticeships for Adults.* The LSC is also supporting a small number of Apprenticeships for Adults pilot projects in WBL for adults aged over 25.

In setting out the approach for 2006/07, the LSC seeks to *build on existing* strategic relationships with providers of WBL, with an emphasis on trust and openness. Providers and LSC officers will need to develop strong partnership approaches to ensure that the needs of local learners and employers are met.

The academic year 2006/07 is one of minimal change for WBL with only changes that are essential to operational policy, providing technical improvements and clarification. These are identified clearly in italics for ease of reference. *These changes are outlined at paragraph 20 onwards.*

The over-riding policy objectives for 2006/07 are to significantly improve Apprenticeship framework completions *and maintain the volume of apprentices and E2E learners.*

In 2004/05, approximately one in three learners left the programme with an Apprenticeship completion certificate. In 2005/06, *significant improvements have been made, with the framework achievement rate rising to 50 per cent by April 2006.* The LSC aims for providers

to increase this to two in three learners. Providers should bear this in mind when reading this document. *Furthermore, the LSC is developing plans for open and competitive tendering for work-based learning provision for 2007/08. Existing providers who can not demonstrate achievement rates in line with LSC objectives will be at a disadvantage in this process.*

Providers should also be aware of the increasing unit costs per learner to the LSC of WBL. Rate changes have been introduced to control the rising unit costs. Providers should seek to deliver WBL as efficiently as possible, so as to be able to maintain at least their average in learning at 2005/06 levels and meet agreed delivery profiles within their allocated budget.

All providers are reminded that there is a contractual obligation for all use of the Apprenticeship name to be in accordance with the Apprenticeship brand. Guidelines and logos are available on the LSC's campaign resources website (http://217.160.210.43/lsc_campaignresources/?TYPE — a short registration process is required). All marketing and promotional material referring to Apprenticeships must be accompanied by the Apprenticeships logo.

Intended recipients

Principals, senior managers in further education colleges, chief executives of training providers and their WBL managers, staff delivering WBL and programme administrators.

Status

For action

Requirements for Funding Work-based Learning for Young People 2006/07

Section 1: Introduction and Background

Definitions

1 Definitions of the terms used in this document are set out in Annex A.

Funding Principles

2 This document forms part of the general terms and conditions of the funding agreement between the Learning and Skills Council (LSC) and providers. For all learning sectors, the LSC seeks to:

- ensure funding follows the learner
- fund at a 'fair rate' that recognises the costs incurred by efficiently delivered provision that leads to framework completion
- reflect Ministers' priorities in the funding approach
- ensure these principles are reflected in the funding formula
- pay only for what is delivered.

3 To ensure that the costs of efficiently delivered provision are reflected in the national rates, the LSC gathers and reviews the available evidence that relates to such costs.

Apprenticeship Rates

4 During 2005/06, the LSC reviewed Apprenticeship rates and adjustments have been made to many rates. This review was guided by an advisory group. The

group's membership is drawn from a range of providers who have achieved inspection grades 1 or 2, representatives of employers, key stakeholders and organisations such as the Association of Learning Providers (ALP) the Association of Colleges (AoC) and the *Sector Skills Development Agency*.

5 The work-based learning (WBL) rates for 2006/07 have been established, within overall affordability and using the evidence available to the LSC, considerations raised by WBL providers and the recommendations of the advisory group.

Approach to Funding and Contracting Work-based Learning 2006/07

Background

6 The profile and need for WBL has never been higher. There are now more apprentices in learning than ever, more are gaining their National Vocational Qualification (NVQ) and achieving their full framework. Entry to Employment (E2E) is in its third successful year, with record numbers of young people progressing into WBL, further education (FE) and jobs. This high profile and these successes put WBL under the spotlight and increase pressures on the budget.

Programme objectives and targets

7 The programme objectives for Apprenticeships and E2E are simple – to increase the number of learners who succeed.

- For Apprenticeships, this means achieving their full framework.
- For Entry to Employment, this means progressing to a positive destination.

8 The 2006/07 academic year is the second year of a new performance indicator (PI) for Apprenticeships, the focus of which is on Apprenticeship framework completions. The PI is:

to increase the number of apprentices completing their Apprenticeship framework by 75 per cent by 2007/08, over 2002/03.

9 The LSC is therefore seeking in 2006/07 to increase the number of learners who leave an Apprenticeship with a full framework certificate from one in three to two in three, and to maintain the number in learning at 260,000.

10 This PI translates to 75,511 Apprenticeship framework achievements in the contract year 2007/08. For 2006/07, the target is to achieve 70,000 completions. This increase requires the LSC to continue to increase the number of apprentices and the framework achievement rate significantly each year and to maintain the overall number of apprentices in learning.

11 The LSC is developing a structured strategic commissioning process for 2007/08 which places framework achievement clearly at the centre of all procurement decisions. The LSC is working with the four sectors with the lowest achievement rates to improve their overall achievement rate.

12 The LSC has set its own aspirational target for E2E, which builds on recent successes in raising the positive progression rate to 45 per cent:

For 50 per cent of E2E leavers to progress into Apprenticeships, further education or work, by 2007/08.

13 This target builds on the significant improvements in positive destination rates in the first three years and clearly positions E2E as contributing to reducing the number of 16–18 year olds who are not in education, employment or training and as a route into Apprenticeship and other education or training options at Level 2. The key focus for E2E in 2006/07 is the improvement in the quality of basic skills delivery.

General approach

14 The budget for WBL in 2006/07 has increased by 4 per cent over 2005/06, but the balance between improving quality, increased volumes and a finite budget means there are pressures on the budget in 2006/07.

15 The LSC's approach in 2006/07 is to:

- ensure that all providers are aware that their agreed contract maximum value takes precedence over published funding rates
- increase the funding rates for those aged 16–18 when they commence their programme by 2.5 per cent in line with inflation
- increase the funding rates for the E2E programme by 2.5 per cent in line with inflation
- *correct inconsistencies in the rate-setting methodology for Technical Certificates and NVQs, including removing Level 2 funding from those NVQs at Level 3 that are usually preceded by an NVQ at Level 2*
- *introduce revised Apprenticeship rates based on the activity analysis approach*
- *work towards an employer contribution of 50 per cent, for those who start their programme aged 19 or over, by freezing these rates at 2004/05 levels*
- *raise those 19+ NVQ rates that reflect an employer contribution of over 50 per cent to 50 per cent of the 16–18 rate*
- introduce measures that ensure providers receive the correct funding through Individualised Learner Record calculations, thereby reducing the number of retrospective adjustments
- require providers to use realistic lengths of stay in determining planned programme end dates or to gain approval from the LSC
- *encourage providers to improve the quality of their delivery and the consequent framework achievement rates to match the LSC's aims.*

Rate adjustments

16 Changes to WBL rates for 2006/07 can be found at Annex B. The definitive reference source for WBL rates is the Learning Aims Database (LAD), which can be found on the LSC website (<http://providers.lsc.gov.uk/lad/default.asp>).

17 It is the responsibility of contractors to check current funding rates on the Learning Aims Database before delivery.

Approach to contracting and allocations

18 The LSC is refining its capacity to specify more clearly what it wants to purchase from its providers so that local needs, as identified by strategic area reviews, are met. The LSC must also provide funding within its budget. Therefore for 2006/07 the LSC will:

- *continue to use a planned mix of provision annex in the provider development plan to control the mix of provision it purchases*
- expect providers to manage within the overall maximum value specified in their funding agreement and only make payments that exceed this limit if the funding agreement is formally varied in writing.

Regional contracting

19 *During 2006/07, the LSC will be moving to regional contracting and allocation arrangements for those organisations delivering learning in multiple LSC areas. The over-riding aim of regional contracting is to improve the quality and framework achievement rates of large training providers. Further details are included at Annex C. Providers will have a nominated contact with the LSC at local, regional or national level. All enquiries on this guidance or the contract should be addressed to this person.*

Changes to Policy, Funding Methodology and Requirements 2006/07

20 The following specific changes to the policy, methodology and requirements on providers are introduced for 2006/07. There are further minor changes made throughout the document shown in italics.

NVQ learning

21 *NVQ learning is being phased out. Providers may not start learners on NVQ learning at Levels 1, 2 or 3. Starts at Level 4 are permitted where the LSC has specifically agreed this within the provider's development plan or otherwise in writing. Learners currently on NVQ learning may be permitted to complete the qualifications currently recorded on the Individualised Learner Record (ILR). Conversion to an Apprenticeship should be*

considered where practical and in the learner's best interests. It is anticipated that existing NVQ-only learners will complete their current qualifications by the end of 2007/08.

Apprenticeships and Train to Gain

22 *Train to Gain was launched in April 2006. It offers brokerage and training solutions to employees from age 19. The preferred route to Levels 2 and 3 for young people aged 19–25 remains Apprenticeships and Advanced Apprenticeships. Brokers and Train to Gain providers are required to offer Apprenticeships to all employers for this age group. Further details are included at paragraph 140.*

Employer contributions

23 *Priorities for Success outlines the LSC's approach to fees for 2006/07 onwards. In outline, the LSC is moving towards an employer contribution of 50 per cent for learners aged over 18 on Apprenticeships. The Review of Apprenticeship Rates has identified that providers rarely collect the existing fees. The report will be published on the Apprenticeship and LSC websites when published. This contribution is an essential element of the rates for Apprenticeships and if it is not collected, providers will have insufficient funds to deliver the quality of programme required by the LSC and expected by the inspectorates. From 2006/07, providers are required to collect fees. The amount of fees collected should build up as quickly as possible, aiming to collect 50 per cent of the 16–18 rate for each learner by 2010.*

Partial funding at aim level

24 Some learners enter the Apprenticeship programme with existing achievements. In the interests of funding only what is delivered, the LSC requires that providers recognise this prior achievement for funding purposes. The LSC introduced a field on the ILR in 2005/06 to capture the percentage of funding remaining for each learning aim. This resolved a range of situations that had resulted in manual adjustments or overpayments. Providers are now required to estimate and enter the percentage of funding remaining in the situations listed below. The value of on-programme payments will be paid at the percentage entered. The field is required to be completed for all learners where less than 100 per cent funding is due, including the following:

- a start with substantial prior learning

- transfers between providers
- progression from Programme-led Pathways
- restarts
- restart after a planned break in learning.

25 *Where an apprentice starts an Advanced Apprenticeship after completing an Apprenticeship, an NVQ at Level 2 or an equivalent qualification, then the percentage reduction will vary between frameworks. Providers are not required to make a reduction, except in the frameworks listed below. Where this reduction is required, normally 80 per cent of the value of the Level 2 qualification should be abated from the value of the NVQ at Level 3. Further details are included at Annex B. The frameworks that require a reduction are:*

- Plumbing
- Electro-technical
- Engineering.

Existing learners on a direct qualification at Level 3

26 *For 2006/07, the LSC has deliberately removed the Level 2 funding from those NVQs at Level 3 that the SSCs agree normally require the NVQ at Level 2 first. This means some apprentices or NVQ learners may be under-funded if the new rate were to be applied to them in 2006/07. Therefore, for 2006/07 only, providers will be able to claim the difference between the 2006/07 and 2005/06 rate on the Training Provider Statement only for learners who commenced a direct NVQ at Level 3 without having first completed an Apprenticeship, NVQ at Level 2 or equivalent qualification. Further details are in Annex B. The frameworks where this applies are:*

- Motor Vehicle
- Construction.

Courses not eligible for funding

27 *The LSC no longer funds Technical Certificate courses of fewer than 9 guided learning hours (glh). Also excluded are Health and Safety, First Aid and Food Safety provision. Other standards required by regulations are only funded where they are mandatory elements to an Apprenticeship framework and the LSC has agreed to*

fund them. The LSC's policy and criteria can be found on the LSC website. (www.lsc.gov.uk/National/Documents/SubjectListing/FundingLearning/managing_balance-mix-of-provision0607.htm)

Probation period

28 *The End to End Review of Apprenticeships available on the DfES website recommended that a probation period be introduced for Apprenticeships. Many providers already operate a policy of probation and the LSC views this as good practice. There will be no formal probation introduced for funding for 2006/07; however, leavers in the first six weeks will not be counted in calculations of the new measures of success. All leavers are included in all other current achievement and success rates. Success rate reports are available to providers at the following link (www.lsc.gov.uk/National/Partners/Data/ProviderSoftware/DSAT/DSAT2005_06.htm).*

Ministry of Defence contracts

29 *The exceptions agreed for Ministry of Defence (MoD) contracts during 2005/06 are included in Annex D.*

Protocol between the LSC and Higher Education Funding Council for England

30 *The LSC has agreed a protocol with the Higher Education Funding Council for England (HEFCE) for the funding of Apprenticeships. This is included at Annex M.*

Learning agreements

31 *Good practice shows that documenting the arrangements between learners, employers and training providers avoids confusion and duplication. Therefore, in 2005/06, the LSC introduced a requirement for learning agreements. For 2006/07, this requirement is changed to the following:*

Providers are required to document their agreements with learners and employers.

32 *This agreement can take any form but must detail the responsibilities of each party in delivering the Apprenticeship or E2E provision, including the apprentice's employment status and any learner support arrangements.*

Learner hardship fund

33 *The LSC has introduced a learner hardship fund for 2006/07. In outline, the fund is designed to meet the immediate hardship needs of those learners on E2E and Programme-led Apprenticeships. Full details are at Annex L.*

Activity agreements

34 *The Department for Education and Skills (DfES) is piloting activity agreements in a number of LSC areas. The aim is to motivate young people to take up education, training or employment. E2E may be an ideal first step to achieve this. Therefore, young people with an activity agreement are to be treated as being on the caseload of a personal adviser and thus have a guaranteed place on E2E.*

Bureaucracy

Reduction of administration in Apprenticeships

35 *All providers are encouraged to implement systems that require the minimum amount of administration to meet LSC and legal requirements and for the effective management of learning and to evidence the proper use of public funds. In April 2006, the LSC produced an effective practice guide for the reduction of administration in Apprenticeships. This document is designed to assist providers in reducing the resource required to administer Apprenticeships. It includes a number of checklists, hints and tips. The document is not contractual. It can be found on the Apprenticeship website partners page. (www.Apprenticeships.org.uk).*

Bureaucracy reduction

36 *The LSC is keen to reduce bureaucracy further and will be investigating the use of electronic signatures and storage. A dedicated email address has been established to collect comments and ideas. Providers are encouraged to email any ideas for the reduction of bureaucracy to (LSCBureacracyBusting@LSC.gov.uk).*

Additional learning support

37 *In 2005/06, the LSC announced that changes would be made to remove the endorsement form and pass the responsibility for identifying, planning and delivering additional learning support (ALS) for learners with additional needs to providers. During 2005/06, the Learning and Skills Network (LSN) (formerly the Learning and Skills Development Agency) ran a series of events to prepare providers for this change and issued an effective practice guide on supporting providers (www.lsneducation.org.uk/pubs).*

38 *In outline the changes to ALS are as follows.*

- *The LSC/Connexions endorsement form is withdrawn as a requirement for evidencing ALS payments.*
- *Providers are required to document their arrangements for the identification of those with additional support needs, the planning of learning and support to meet needs and progress review arrangements. These records are to be available on request.*
- *Providers are to develop and implement an additional learning support plan for each learner for whom they claim ALS.*
- *The focus of audit will be on naturally occurring evidence generated by the provider's process.*
- *Providers are required to notify Connexions monthly of those learners receiving ALS funding. Further details can be found at Annex E.*

Education Maintenance Allowance

39 *Providers will be aware of the changes introduced on 10 April 2006 which brings those learners on WBL who are participating in E2E and Programme-led Apprenticeships into scope for the Education Maintenance Allowance (EMA). Those receiving the minimum training allowance before this date may continue to receive the allowance until 31 December 2006. EMA guidance can be found at the DfES website (www.dfes.gov.uk/financialhelp/ema). This guidance is now part of the funding agreement.*

Entry to Employment changes

Bonuses

40 *To reduce bureaucracy and align provider bonuses with bonuses for individuals through EMA, progression bonuses will only be paid should the learner maintain their position for a minimum of 4 weeks (28 days). The definition of a full time course has been broadened to include courses in FE that are classified as full time courses (ie over 450 Guided Learning Hours per year)*

Allocation variations

41 *During 2005/06 E2E planned places have been under delivered by approximately 9% and providers have been funded for these places, this is in part due to the wording of the contract giving the LSC a right to insist on a variation if the variance exceeds 10% and providers*

interpreting this as permission to operate within this tolerance. To be absolutely clear for 2006/07 providers are required to deliver all the planned places agreed in their contract/allocation. The LSC will accept reasonable variances from the profile, for operational reasons, but not ongoing under delivery. Where under delivery is persistent then the LSC reserves the right to initiate a variation to the contract/allocation to lower the number of planned places for the remainder of the year, thereby reducing the overall value of the contract/allocation for the year.

Length of programme

42 *To align E2E with the definition of an eligible course in EMA legislation, a minimum planned length of stay is introduced at 10 weeks. This means all learners should plan to attend for at least 10 weeks, which given the objectives of E2E, is not unreasonable. It does not mean that should the learner leave before the end of 10 weeks they have to repay EMA and nor does the provider need to repay any programme funding claimed.*

Recruitment priorities

43 *The recruitment priorities for WBL have been amended to give learners aged 19–25 with disabilities the same priority as 16–18 year olds. (See definition in Annex A)*

Maximum hours

44 *A maximum of 37.5 hours of work is introduced for all non-employed learners.*

Eligibility

45 *To reduce bureaucracy and simplify requirements, the general eligibility rules for Apprenticeships and E2E have been aligned with those for FE.*

Plan-led funding

46 *The LSC is currently piloting a plan-led approach to funding with a number of WBL providers. These pilots have informed our policies on funding, planning and the audit of providers. The pilots will continue into 2006/07 and will be formally concluded when agenda for change is introduced in 2007/08. Providers engaged in the pilot have adopted a different funding relationship and are exempt from monthly reconciliation. Participating providers are subject to a regularity audit process which replaces normal WBL audits.*

Advanced Apprenticeship in Sporting Excellence

47 *The Advanced Apprenticeship in Sporting Excellence (AASE) is unique in purpose and structure and therefore a number of different features have been agreed for it. These are detailed at Annex N. The AASE can only be delivered by those providers with specific approval from the LSC.*

48 *reserved*

49 *reserved*

50 *reserved*

Policy Developments 2006/07

Apprenticeships

Level 4

51 *The LSC trial of Higher Apprenticeships at Level 4 in Engineering and Information Technology will continue throughout 2006/07. Accountancy may be offered at a later date, subject to agreement with the Apprenticeship Approvals Group. Funding guidelines have been issued separately.*

Young Apprenticeships

52 *The expansion of Young Apprenticeships for 14–16 year olds will continue in 2006/07. Providers are encouraged to link with schools to provide progression opportunities for young apprentices.*

Apprenticeships for Adults

53 *Trials for Apprenticeships for Adults started in January 2005 and partnerships' recruitment of learners and employers ended in March 2006. Most learners will complete their programme during 2006/07. Funding guidelines for participating partnerships have been issued separately.*

End to End Review

54 *Work on the major objectives of the Ministerial Delivery Plan is set to continue through 2006/07. This includes work on:*

- ensuring that there are Apprenticeship options at all levels, that progression opportunities

offered by Apprenticeships are clear and well understood and that Apprenticeships fit within broader learning opportunities

- boosting the supply of Apprenticeships by employers and the demand for Apprenticeships from young people, so that both are in balance
- ensuring that those brokering Apprenticeships including *Train to Gain* brokers and those providing formal learning opportunities are offering a service of the highest quality
- increasing the rates of framework completion.

Programme-led Apprenticeships

55 *During 2006/07 the LSC will be publishing a formal strategy for Programme-led Apprenticeships which is being developed by a strategy group involving all key partners. Until this strategy is issued, the position statements issued by the LSC remain in force. The statements can be found on the Apprenticeship website, partners page (www.Apprenticeships.org.uk).*

Learning agreement pilots

56 *Learning agreement pilots are currently under way in eight local LSC areas. The objective is to motivate young people aged 16–18 and in employment to learn. A decision on the national roll-out will be made following evaluation of the pilots.*

Quality

57 The success of the Apprenticeship programme depends on improving framework achievements. In 2005/06, the LSC focused on under-performing occupational sectors, targeting activity to identify the barriers and agreeing actions to improve framework achievements with SSCs.

58 *The LSC will continue to review providers' capacity for improvement by monitoring development plans, self-assessment reports and inspection results. Providers not meeting minimum performance levels or with below-average framework achievement rates will be required to agree specific improvement actions with timebound objectives as part of their development plans, clearly showing how achievements will be increased. Failure to implement this development or meet any performance indicators agreed will clearly have a detrimental effect on future contracts and allocations. Further details are included in the LSC publication *Planning for Success* (www.lsc.gov.uk/National/Documents/ReadingRoom/results.asp?Query=Planning+for+success).*

Application of the national formula

59 The national rates for WBL are derived from elements of the formula: the national base rate including assumed employer contribution and achievement, with the appropriate occupational sector weighting applied.

60 Adjustments to funding levels relating to disadvantage, area costs and additional learning needs (ALN) and additional social needs (ASN) are made at learner or provider level where appropriate.

61 The national rates are intended to reflect the relative costs incurred in efficient delivery of the learning programme and the LSC's policy on fees. The typical length of programme of learners who achieve their intended learning outcome *and the activity required* are important aspects of establishing national rates. This reflects Ministers' priority of ensuring that learners remain on their chosen programme and are successful in achieving their planned outcome.

62 The elements of the national base rates are influenced by ministerial priorities. In terms of assumed fee income (that is, employer contribution), employers are not expected to contribute to the direct training costs of the mandatory elements of an Apprenticeship framework or E2E for 16–18-year-old learners. However, for learners aged 19 or over, employers are expected to contribute to the cost of training and the national rates include a reduction to reflect this assumed contribution. *The LSC is moving towards an employer contribution of 50 per cent for all learners who start their qualification aged 19 or over, in line with the strategy outlined in *Priorities for Success* available on the LSC website at www.lsc.gov.uk/national/documents. This will be achieved by freezing rates at 2004/05 levels and raising those rates that already have a reduction over 16–18 rates of more than 50 per cent. The Review of Apprenticeship Rates which will be published on the Apprenticeship and LSC websites has identified that providers rarely collect the existing fees. This contribution is an essential element of the rates for Apprenticeships and if it is not collected, providers will have insufficient funds to deliver the quality of programme required by the LSC and expected by the inspectorate. From 2006/07, providers are required to collect fees. The amount of fees collected should build up as quickly as possible, aiming to collect 50 per cent of the 16–18 rate for each learner by 2010.*

63 The national rates include an element that is payable when a learner achieves his or her intended learning aim, apart from key skills and Technical Certificates. This reflects Ministers' aim that the skill level of the workforce should improve through the attainment of nationally recognised qualifications.

64 Technical Certificates and key skills currently do not have an achievement element in their funding. The rate for a Technical Certificate or key skill is payable in equal monthly instalments over the planned delivery period. For example, if a learner's start and planned end date for the delivery of these elements crossed four monthly census dates, the rate would be paid in four equal instalments.

Section 2: Funding Providers

Funding Agreement

65 *2006/07 will be a transitional year. Where the LSC wishes to continue to purchase delivery from providers, their funding agreement will be extended by up to one year. As a full procurement exercise is planned for 2007/08, all funding agreements will terminate on or before 31 July 2007. An allocation in 2006/07 does not in any way imply that an allocation will be made for 2007/08.*

66 The LSC has moved away from the traditional close management of contracts and towards contract management at a higher strategic planning level. For provision in colleges, the intention has been to move WBL towards the plan-led funding and Trust in FE approach, and a small number of colleges are involved in WBL plan-led pilots. These arrangements are being reviewed in the light of the LSC's *agenda for change* programme. The contractual relationships will be based on the financial memorandum with colleges and two types of condition of funding (grant) letter, one for public bodies and one for employers. This will be in the form of a contract for services for independent providers.

67 **Since 2004/05, the WBL funding agreement has included a maximum contract value that may not be exceeded by any provider without written authority from the LSC.** This will usually be based on the previous year's contract value divided by the number of learners. Once the volume and mix are agreed, this can be multiplied to provide a contract value. *The provider's development plan will provide the LSC with a planned mix of provision.*

68 WBL has moved to monthly automatic reconciliation based on monthly returns of actual activity, compared with the profiled payments. This will be achieved using the monthly ILR returns. Payments will be adjusted to reflect actual performance up to the maximum contract value. *Should this result in overpayments at the year end, the provider will be required to repay the overpayment. Alternatively the LSC may, at its discretion, take any action it sees fit to limit overpayments. Reconciliations will not result in payments above the overall maximum contract value unless a written variation is issued to the contractor by the LSC.*

Sub-contracted provision

69 When sub-contracting any aspect of provision, the LSC contract holder remains responsible for ensuring all the requirements of the funding agreement, *administering EMA as per the EMA Guidance (www.dfes.gov.uk/financialhelp/ema)* and this document are met and for ensuring the quality of delivery.

New providers

70 *Organisations seeking LSC funding should approach their local LSC partnership team for further information. National or regional organisations should approach the local LSC office in which their head office is situated. For eligibility of contracting with the National Employer Service, see Annex C. Each LSC partnership team will determine the need for new provision and will confirm the arrangements for securing this.*

EMA guidance

71 *Guidance issued from time to time by the LSC on EMA is an integral part of the LSC's funding agreement with providers. Guidance for 2006/07 can be found on the DfES website (www.dfes.gov.uk/financialhelp/ema).*

Provider location and delivery

72 Providers are to enter into negotiations regarding the volumes of WBL they wish to deliver with each LSC *partnership team*. They must reach agreement with each *partnership team* or *the regional team* before delivery begins in that area. Where providers, for operational reasons, need to deliver provision to small numbers of learners across LSC boundaries, they must obtain written consent both from the *partnership team* or *regional office* with which they have the contract and *the partnership team* or *regional office* in the area in which they will be delivering the provision. *Providers will have a nominated contact with the LSC at local, regional or national level. All enquiries on this guidance or the contract should be addressed to this person. Providers should note that there is no automatic right to offset delivery in one area against that in another. Providers seeking to vary any part of the contract schedule should negotiate this with their LSC contacts for each area.*

Section 3: Applying the Formula

Formula Elements

73 Formula-funding for WBL includes Apprenticeships and Advanced Apprenticeships and NVQ learning. The stages of applying the formula are as follows.

- **national base rate:** This reflects the length of the programme of study and the basic costs of providing the programme. The national base rate aims to meet the basic costs associated with delivering the relevant learning, reflecting the nature of the provision and the typical duration of the learning aim. *This element of the formula is progressively being replaced with rates based on activity analysis.*
- **programme weighting:** This reflects the fact that some programmes of similar length or leading to equivalent qualifications are more costly to deliver than others. The extra costs associated with such learning aims are reflected in programme-weighting factors. These factors generate an uplift to the national base rate to meet the extra costs incurred. They are calculated as the national base rate x the programme-weighting factor to equal the weighted national base rate.
- **disadvantage uplift:** This uplift is applied to the weighted national base rate for all learning aims to support the policy intention of widening participation. It reflects the costs of widening participation, and recognises that some learners come from backgrounds that have disadvantaged them. The disadvantage uplift is based on the Index of Multiple Deprivation 2000 (MD 2000). Disadvantage uplifts for individual providers can be found at Annex A to the funding agreement. Postcodes and wards attracting the uplift can be found on the LSC's website (www.lsc.gov.uk/NationalPartners/Data/ProviderSoftware/DisadvantagedUplift/default).
- **achievement percentage:** This is a percentage of the weighted national base rate, uplifted for disadvantage and area where appropriate. It is payable when a learner successfully achieves his or her intended learning outcome. The achievement percentage is an integral part of the base rate: it is not an additional element.

For all Apprenticeships, 25 per cent of the weighted national base rate for the NVQ is payable on achievement of the full Apprenticeship framework. For NVQ learning, 25 per cent is payable on achievement of the primary NVQ.

- **area uplift:** This is a further uplift that is applied to the weighted national base rate, uprated for any disadvantage funding. It reflects the significantly higher costs of delivering provision in London and other high-cost areas. *The uplift is currently based on the provider's base or training centre, not on the location of individual learners.* Details of where these uplifts apply and exact uplifts can be found in Annex H of *Funding Guidance for Further Education 2006/07* (www.lsc.gov.uk/National/Documents/SubjectListing/FundingLearning/FurtherEducation/funding-guidance_fe0607.htm).

74 In addition to the national formula, funding will also be available for the delivery of Technical Certificates and key skills. Funding will also be available through additional learner support (ALS) to meet the individual requirements of learners.

Funding for Apprenticeships and Advanced Apprenticeships

75 Apprenticeships are the preferred WBL route for all young people aged 16–24 who are capable of achieving at Levels 2 and 3. Frameworks are developed by the SSCs or sector bodies, in accordance with the *Apprenticeships Blueprint*, endorsed by Ministers (see Annex K) and approved by the Skills for Business Apprenticeships Approval Group (www.ssda.org.uk/default.aspx?page=2097). The LSC sets the funding rates for framework content.

76 The funding for each element of an Apprenticeship framework is calculated separately, and rates published separately as detailed in paragraphs 79–90. An example is included at Annex G.

Pre-entry advice and guidance

77 The funding for each learner's programme is based on the principle that learners are provided with comprehensive and appropriate pre-entry advice and guidance. Such advice and guidance is crucial if the learning programme is to match a learner's aspirations,

expectations and abilities. Providers are required to recognise existing qualifications, particularly those gained through Programme-led Pathways. The LSC expects providers to supply this advice and guidance to all learners. Advice and guidance arrangements will be a focus of the inspection of training provision.

Age groups

78 *To reflect the Government's priorities and the LSC's legal responsibilities, there will be differentiation in rates by age groups. WBL funding rates eligibility is determined by the age of the learner at the start of each individual programme. For example, a young person who commences a programme before their 19th birthday is funded at 16–18 rates and any learner who starts on or after their 19th birthday attracts 19+ rates. The only exceptions to this are those who are:*

- *in the Extended Guarantee Group*
- *transferring to complete the same aim*
- *returning after an agreed break in learning.*

NVQs

79 *The funding for the NVQ element is calculated by removing 25 per cent of the rate, and withholding this as the achievement element, to be paid as described above. The remaining 75 per cent is paid as on-programme payments and determined by the individual start and planned end dates. An equal payment is made for each month between these dates.*

Technical Certificates

80 The funding arrangements give each Technical Certificate a listed rate. The rates for each Technical Certificate can be found in the LSC Learning Aims Database, available on the LSC website (<http://providers.lsc.gov.uk/LAD/aims/searchcriteria.asp>). *The LSC no longer funds Technical Certificate courses of fewer than 9 guided learning hours (glh). Also excluded are Health and Safety, First Aid and Food Safety provision and all other standards required by regulations unless it is included in the Apprenticeship Framework as a mandatory Technical Certificate and the LSC has agreed to fund it. The LSC policy and criteria can be found on the website (www.lsc.gov.uk/National/Documents/SubjectListing/FundingLearning/managing_balance-mix-of-provision0607.htm).*

81 The funding for Technical Certificates will be divided equally over the planned in-learning period for that qualification. Technical Certificate funding will cease for learners at the point at which they withdraw from that element of learning. Learners who complete and achieve their Technical Certificate in a time shorter than their planned length of programme will attract the balance of the funding on achievement. A worked example of funding in Annex G shows NVQ, Technical Certificate and key skill funding.

Key skills

82 *For 2006/07, funding will only be available for key skills that are mandatory in the framework.* Each key skill studied is funded at a standard rate of £165 for 16–18 year olds and £148 for those that start the programme at age 19 or over. This applies to the key skills qualifications of Application of Number, Communication and Information Technology (IT) and to the wider key skills of Problem-solving, Working with Others and Improving Own Learning. The rate is the same irrespective of the level at which the key skill is studied. Payments for key skills will be made in equal monthly instalments, determined by the start date and planned end date of each key skill studied.

83 To support claims for funding for delivering key skills, providers must retain evidence that the learning took place. This may, for example, include records of study, class attendance or evidence of learners attending the assessment test or achieving the key skills qualification. *Providers' attention is drawn to a common error, in that some providers do not enter realistic start and end dates for key skills, resulting in erroneous claims. It is essential that these dates are accurate as the LSC uses them for funding and for monitoring the time taken to actually deliver and assess key skills.*

84 Funding for key skills should not be claimed and will not be paid where learners are deemed to be exempt. However, the full funding will be paid where the learner only has to complete either the end test or the portfolio. *Apprentices who already have the level of key skills required by their framework will be funded for the mandatory key skills in the framework at the next level in order to support progression. Providers should be aware that FE colleges and schools are funded for the key skills of Literacy, Numeracy and IT through the entitlement curriculum and therefore that claiming both the entitlement curriculum and WBL key skills funds is double-funding.*

Length of programme

85 For 2006/07, as for 2004/05 and 2005/06, funding will be determined by the individual start and planned end dates set for each qualification at learner level. This is based on the particular Apprenticeship that the learner will be following. *Providers* are advised that LSC officers will want to be assured at the contract negotiation stage that these dates are set appropriately. The LSC intends that providers set appropriate lengths of stay in order to match the timing of funding payments to learning being undertaken, while recognising that an Apprenticeship is a competence-based, rather than a time-limited programme.

86 Inspections have shown that learner success is greater when they make continuous progress towards their qualification goals and in this context it is important to assess from the outset an appropriate planned end date. The LSC expects providers to set realistic start and end dates based on past performance, published average lengths of stay and a thorough initial assessment of each learner.

87 As part of the reform of qualification success measures, the LSC proposes to monitor the number of learners who achieve their full framework before and after their planned end date. The LSC has made available from ILR data the average and range of lengths of stay for learning aims to assist providers in making this judgement (www.lsc.gov.uk/National/Partners/Data/DataCollection/ILR/ILR0506.htm#WBL). Setting lengths of stay that are too short will result in full funding being drawn down before the full costs of learning are incurred. Providers are advised that where there is evidence of a provider consistently setting lengths of stay that are shorter than is appropriate and that would if allowed result in drawing full funding before full achievement, the LSC reserves the right at contract negotiation or during the contract year to require the provider to make appropriate adjustments. Learners who complete and achieve all the elements of their programme in a time shorter than their planned end date (that is, before all of the on-programme element has been drawn down) will attract the balance of their on-programme payments at the point of achievement of the full framework (for Apprenticeships) and the NVQ (for NVQ learning). Providers with learners who achieve before their planned end date are advised to check that learners have not entered the programme with partial achievement, for whom paragraphs 97-100 would apply.

88 Where learners have not achieved before their planned end date and the provider has drawn down the programme element for the full Apprenticeship, the LSC

expects the provider to assist the learner to complete and achieve the programme.

89 Providers are also reminded that the quality of delivery remains of primary importance. The Report of the Modern Apprenticeship Advisory Committee (the Cassels Report, DfES 2001) recommended a minimum of 12 months for completion of an Apprenticeship and 24 months for the completion of an Advanced Apprenticeship.

90 Once set on the ILR, no changes should be made to the planned end date as this will affect monthly on-programme payments and the calculation of success rates. Further guidance on structured learning plans can be found in the extension of RARPA in the New Measures of Success programme (www.lsc.gov.uk/National/Partners/PolicyandDevelopment/rarpa.htm).

Withdrawal and absence

Withdrawal

91 Learners who have withdrawn from a programme before the month-end will not be counted as being in learning for that month for payment purposes. They are however counted as being in learning for the purposes of management information statistics.

92 Providers must determine the intent of learners who are absent from learning and discover within 4 weeks (28 days) whether the learner expects to return to learning and the reason for their absence. The LSC expects providers to have robust absence monitoring in place and a withdrawal policy, which they implement to ensure that they monitor the progress of all their learners. The provider will need to make judgements about periods of learner absence and whether the learner is still engaged on the programme. At the point at which the provider, in line with its policy, judges the learner to have withdrawn or no longer to be engaged in learning, the provider must withdraw the learner, using the last evidenced date of continued structured learning as the withdrawal date.

Agreed breaks

93 *Where the learner expresses a true intention to return to learning after a break of up to six months, then they are recorded as leaving for an agreed break in learning using the last evidenced date of continued structural learning as the withdrawal date. The objective of agreeing a planned break in learning is to give the learner every opportunity to return and complete their framework. During an agreed break in learning, no funding will be paid for the learner, and they will not qualify for any ALS payments.*

94 *On the learner's return from an agreed break in learning, a new learning aim is started and the percentage of the funding yet to be claimed entered into the partial funding field on the ILR. This percentage is to be based on the number of monthly payments already received. A non-exhaustive list of examples is given below. It is for the provider to be able to demonstrate the true intention to return and the reason for the agreed break. This new requirement in no way reduces the responsibility on the provider to have and operate a withdrawal process and follow-up policy and procedure. Reasons for agreed breaks include:*

- operational deployment where the assessment and review is not continuing (MoD)
- work secondment
- sickness or injury
- religious trips or pilgrimages
- maternity or paternity leave (see paragraph 92).

Maternity or paternity leave

95 The arrangements for agreed breaks in learning permit the use of an agreed break in learning for maternity or paternity leave and this system is to be used in all cases where the intention to return to learning is identified. This means that no expectant or new mother or father need be refused a place on any WBL programme simply because of their current situation. They can now commence the programme and complete it after maternity or paternity leave. As with any employee or trainee, the additional health and safety risks associated with pregnancy are to be assessed and managed. *Training allowances and EMA are not paid during maternity or paternity leave.*

Learners aged 25

96 Under these arrangements, learners who reach their 25th birthday during their programme will continue to have on-programme funding for their planned delivery period. Achievement funding remains available.

Significant Prior learning

97 Providers are expected to reduce the percentage of funding claimed for individual learners who already have qualifications or units that are part of the framework, for example where a learner on a Programme-led Apprenticeship has completed 50 per cent of the NVQ units during a period in FE.

98 *Where an apprentice starts an Advanced Apprenticeship after completing an Apprenticeship, an NVQ at Level 2 or an equivalent qualification, then the percentage reduction will vary between frameworks. Providers are not required to make a reduction, except in the frameworks listed below. Where a reduction is required, then normally 80 per cent of the value of the qualification at Level 2 should be abated from the value of the NVQ at Level 3. Further details are included at Annex B. The frameworks that require a reduction are:*

- *Plumbing*
- *Electro-technical*
- *Engineering.*

99 The basis for calculating the percentage of funding remaining will be the number of monthly payments previously received by provider for the learners. Providers are responsible for establishing the number of monthly payments previously received or, if this is not available, then to calculate it based on the information given by the learner on initial assessment.

100 Where the learner restarts with the same provider, the provider will have records to refer to. Where the learner has changed provider it will be sufficient for the new provider to estimate the percentage remaining. So, for example, where a learner has completed 12 months of a 24-month programme, it would be safe to assume 50 per cent of the *on-programme payments* remains. It is not acceptable for a provider, knowingly, to ignore periods of prior learning on the same learning aim that exceed two months. Where the above criteria would disadvantage the new provider (for example, where learners are transferred from a provider that has ceased trading and learners had not completed work in line with their time in learning), a case based on the amount of learning still to do is to be submitted to the LSC for approval. Providers are not to assume approval will be given.

Existing learners on direct qualifications at Level 3

101 *For 2006/07, the LSC has deliberately removed the Level 2 funding from those NVQs at Level 3 that the SSCs agree normally require the NVQ at Level 2 first. Therefore some apprentices or NVQ learners may be under-funded if the new rate were to be applied to them in 2006/07. Therefore, for 2006/07 only, a learner who commenced a direct NVQ at Level 3 without first having completed an Apprenticeship, NVQ at Level 2 or equivalent qualification will be able to claim the difference between*

the 2006/07 and 2005/06 rate on the Training Provider Statement. Further details are in Annex B. The frameworks where this applies are:

- Motor Vehicle
- Construction.

Disadvantage uplift

102 Each provider will have a disadvantage uplift based on the Index of Multiple Deprivation 2000 (MD 2000) and calculated on their historic recruitment patterns. The rates for 2006/07 will be calculated using providers' learner data for 2004/05. Providers who did not have a WBL contract with the LSC in 2005/06 will be assigned a default LSC rate for their contract year 2004/05. This will be 3.55 per cent. *The uplift applies to all learning aims in NVQ learning and Apprenticeships but not to E2E. Details can be found on the LSC's website (www.lsc.gov.uk/National/Partners/Data/ProviderSoftware/DisadvantagedUplift/default).*

NVQ learning

103 WBL provision that does not encompass Apprenticeships is now known as NVQ learning (formerly referred to as 'other training'). E2E has now replaced all other training from Entry Level to NVQ at Level 1. *NVQ learning is being phased out. Providers may not start learners on NVQ learning at Levels 1, 2 or 3. Starts at Level 4 are permitted where the LSC has specifically agreed this within the provider's development plan or otherwise in writing. Learners currently on NVQ learning may be permitted to complete the qualifications currently recorded on the ILR. Conversion to an Apprenticeship should be considered where practical and in the learner's best interests. It is anticipated that existing learners will complete their current qualifications by the end of 2007/08. NVQ learning at Level 4 will be progressively replaced with Higher Apprenticeships.*

Portability

104 *In the past, the LSC has discouraged moves between providers and employers. The End to End Review available on the DfES website concluded that if portability were encouraged, success rates would improve. The LSC has therefore changed its policy on portability to encourage the apprentice to own the Apprenticeship. Where learners move employers or providers, they should be encouraged to take their Apprenticeship with them. Providers are expected to replicate this policy and implement procedures to follow up leavers when they move employers or providers.*

Progression from Apprenticeships to Advanced Apprenticeships

105 It is important that learners are engaged in programmes that are appropriate to their needs. WBL providers will be expected to ensure a good match between learners' needs and the learning programme. Providers should also ensure that learners are not, for example, engaged on learning programmes that duplicate or repeat previous attainments, such as an Apprenticeship when a learner is capable of direct entry onto an Advanced Apprenticeship.

106 However, for many learners, progression from Apprenticeships onto Advanced Apprenticeships will be an appropriate learning route. Where such learners move directly from an Apprenticeship onto an Advanced Apprenticeships in the same occupational area, the higher programme is funded at the national rates.

107 Providers should pay due regard to paragraphs 97-100 on prior learning when calculating funding for those progressing from one level to another.

Learners changing providers and provision

108 Learners can transfer between providers, between programmes and between occupational areas. *Learners are to be encouraged to complete their framework when they move from one employer to another.*

Change of provider

109 There may be circumstances in which a learner moves from one provider to another. Providers should ensure that any change in learning provider is in the best interest of the learner and meets the needs of the individual learner.

110 The LSC is seeking to reduce the prescriptive management of such learners. In building strategic relationships with providers, the LSC does not expect to be notified or asked to judge on changes of providers for each individual learner. Providers are expected to make judgements within the spirit of this guidance and only to claim funding for those elements of the programme that they actually deliver.

111 The partial funding field on the ILR is to be used to record the percentage of funding remaining for the learner. See also paragraphs 97-100.

112 Where learners do change providers, the transferring provider is required to make available to the

receiving provider all assessments and records carried out while the learner was an LSC-funded learner. *Failure to do so may result in recovery of funds for the learning and assessment concerned.*

Change of programme

113 There may be occasions where learners need to move from one programme to another (for example, Apprenticeship to E2E) before completing the current individual learning plan (ILP). Providers should be clear of the reasons for the change and be able to demonstrate them to the LSC. In all cases, the priority is that the learner is on the most suitable programme to meet his or her particular needs.

Multiple Apprenticeships

114 *In general, the LSC expects learners to access only one Apprenticeship at each level. However there will be occasions where a second Apprenticeship at the same level is appropriate. This might be for example where a Apprenticeship in Management is delivered after a sector-specific Apprenticeship. It is for the provider to demonstrate the added value to the learner and the need for the second programme.*

Change of area of learning

115 There may be situations in which learners have a change of employment that means they are working within a materially different sector but wish to continue learning. In such circumstances, learners will be entitled to the full funding rate for the new programme, *unless the rules on substantial prior learning at paragraphs 97-100 apply.*

Move from NVQ learning to Apprenticeship

116 Where learners have been recruited to NVQ learning at Level 2 as the most appropriate route, and have developed the potential to achieve an Apprenticeship, they should be encouraged to follow this progression route when they have completed the NVQ. This will then attract the funding for any Technical Certificates and key skills delivered to the learner and any appropriate Apprenticeship achievement payments. *The same principle applies at Advanced Apprenticeship level.*

Additional learning support

117 In 2005/06, the LSC announced that changes would be made to remove the endorsement form and pass the responsibility for identifying, planning and delivering additional learning support (ALS) for learners with additional needs to providers. During 2005/06, the Learning and Skills Network (LSN) (formerly the

Learning and Skills Development Agency) ran a series of events to prepare providers for this change and issued an effective practice guide on supporting providers (www.lsneducation.org.uk/pubs).

In outline the changes to ALS are as follows.

- The LSC/Connexions endorsement form is withdrawn as a requirement for evidencing ALS payments.
- Providers are required to document their arrangements for the identification of those with additional support needs, the planning of learning and support to meet needs and progress review arrangements. These records are to be available on request.
- Providers are to develop and implement an additional learning support plan for each learner for whom they claim ALS.
- The focus of audit will be on naturally occurring evidence generated by the provider's process.
- Providers are required to notify Connexions monthly of those learners receiving ALS funding. Further details can be found at Annex E.

Additional learning needs and additional social needs

118 *In common with FE, the LSC has a two-tier additional learning support system for WBL.*

119 The LSC provides additional learning support on work-based learning programmes for those learners with additional learning needs (ALN) or additional social needs (ASN) or both. These funds are allocated to providers using a formula that takes into account past delivery and future needs. In addition, the LSC will meet providers' costs for meeting exceptional learning support (ELS) above a defined threshold.

120 The needs of learners who have disabilities are met through the same systems. The 'actual payment' remains at a monthly rate for learners with ALN or ASN or both. The rate differs depending on age group. Further details are included in Annex E.

Exceptional learning support

121 Where providers identify that support for learning, or for disabilities, is over the full length of the programme likely to exceed the notified threshold, they can access exceptional learning support (ELS).

122 Providers claiming ELS need to complete an ALS support costs form (PLF) to claim the amount expended above the regular ALN and/or ASN payments, on their Training Provider Statement as expense is incurred. The process is explained further at Annex E.

Additional Learner Support

Learner income and support arrangements

123 *Learner support in WBL relates to learner income, travel, childcare, expenses and EMA. Minimum terms and conditions have been established for all learners participating in WBL. Providers are to ensure that these terms and conditions are met. Further details are included at Annex F.*

Allowances, EMA and wages

124 *Learners who start their programme aged 16–18 that were receiving a minimum training allowance (MTA) on 10 April 2006 can continue to receive the allowances until the earlier of the three events listed at the end of this paragraph. The allowance is claimed on the Training Provider Statement. Where learners transfer between providers, with the same learning aim or within providers on similar learning aims, they can continue to receive MTA. New starts aged 16–18 can no longer receive the MTA. Starts aged 19 and over who are non-employed can still receive MTA if this will not be met by the employer. The three events that mark the cessation of MTA for learners aged 16–18 are the first of:*

- *learner leaves WBL*
- *learner progresses to another programme*
- *31 December 2006.*

125 Providers are required to ensure full-time employed apprentices receive at least £80 per week on starting WBL. It is strongly recommended that apprentices receive incremental rises based on competence, achievement and productivity.

EMA

126 From 10 April 2006, the Education Maintenance Allowance (EMA) replaced training allowances for all non-employed learners on E2E and Programme-led Apprenticeships. Providers with non-employed learners are required to administer EMA systems and assist learners in applying for EMAs. Further details and provider guidance are available on the DfES website (www.dfes.gov.uk/financialhelp/ema). This guidance forms an integral part of providers' funding agreement with the LSC.

Expenses

127 The LSC may meet expenses that are reasonably incurred by non-employed learners to overcome barriers to learning. These may include:

- travel expenses
- childcare (provided in partnership with the Care to Learn initiative – see Annex F)
- personal protective equipment that employees would normally be expected to supply themselves
- other costs, for example inoculations, medical examinations or residential accommodation.

128 Providers may apply for expenses for employed learners. The LSC may, at its discretion, authorise this in exceptional circumstances, for example, where employed learners need to access scarce specialist provision that is not available locally.

Learning agreements

129 *Providers are to ensure that arrangements between themselves, employers and all learners are documented. The agreement can take any form. It must detail the responsibilities of each party in delivering the Apprenticeship or E2E provision including the apprentice's employment status and any learner support arrangements and ensure that all employed learners have a contract of employment. The conditions are detailed in Annex F.*

Funding for Work-based Learning and Other Funding Streams

130 WBL funding covers all mandatory elements of Apprenticeships. Funding should not be claimed from any other public source (apart from an employer contribution where relevant) for any of the mandatory elements as this may result in multiple funding of the same learning and have unintended consequences for funding levels and local planning.

131 If a learner (or his or her employer or training provider) wishes to pursue other learning activity that is outside the mandatory elements of the Apprenticeship, this activity can be funded separately through the most appropriate route (such as through the FE funding stream, by the employer or other sources), *provided it is*

not essentially the same as or subsidiary to the qualifications in the framework.

132 Providers are to ensure that any provision outside the Apprenticeship that a learner is systematically engaged in is reasonable and of benefit to the learner. In particular, if a significant volume of extra provision in addition to Apprenticeships is being supported by LSC funding, the LSC is likely to review the reasons for this.

133 The LSC expects funding to be accessed with integrity by all providers, particularly in relation to previous learning and overlap in programme content. Providers should be clear that funding for the same learning must not be claimed from the LSC or other public funding source more than once. If in doubt, providers should discuss such issues with the LSC to ensure any necessary adjustments to funding levels or patterns of provision are identified. See also paragraph 97-100 with regard to prior learning.

New Deal and Jobcentre Plus

134 The specifications for the options under the New Deal recommend work-based learning, with a particular focus on Apprenticeships for the learning element within the employer option. In these circumstances, WBL funding could not run alongside the New Deal. However, it would be acceptable for the LSC to contribute to the cost of the learning to be completed after the New Deal, if resources are available.

Further education funding

Technical Certificates

135 Learners already studying for a qualification funded under the FE funding stream that subsequently becomes an approved Technical Certificate should continue to be funded under FE for that element of learning until they complete the qualification. No further WBL funding should be drawn down for delivery of this qualification.

136 Where the Technical Certificate is delivered by an organisation that is not in direct receipt of WBL funding, it is the responsibility of both providers to ensure double-funding does not occur.

Eligibility for FE funding

137 Learners in receipt of WBL funding may be eligible for FE funding, including funding from learndirect, for learning activities that are materially different from the learning being delivered to fulfil the ILP. *However it is not acceptable for a learner to be on two full-time programmes at the same time.*

European Social Fund

138 The LSC has developed its approach to the European Social Fund (ESF) as a co-financing organisation. Separate guidance covering the relationship between ESF and WBL funding is available from the LSC as part of its *ESF Co-Financing Operations Guide*.

Higher Education Funding

139 *The LSC has agreed with the Higher Education Funding Council for England (HEFCE) a joint statement on funding higher education (HE) qualifications as part of learning programmes at Level 4 such as Advanced Apprenticeships. This is included at Annex M. In some circumstances, learners may progress to Higher National Diploma (HND) or Higher National Certificate (HNC), foundation degree or other HEFCE-funded qualifications at Level 4 at the same time as they are undertaking an Advanced Apprenticeship. This is acceptable where this is in the best interest of the learner.*

Train to Gain

140 *Train to Gain will be an important route to recruit employers to offer Apprenticeships. The Apprenticeship is the Government's preferred option for vocational learners in the 19–25 age group and they should be recruited onto the Apprenticeship programme wherever possible. Apprenticeships provide not just the skills needed for today's employment market, but also the knowledge and transferable skills that will enable employees to adapt to new employment situations in the future. They also deliver the skills that young people need to progress from Level 2 to Level 3 and beyond to higher education. As they will be present in the workforce for a longer time than older learners, the 19–25 age group can benefit most from the Apprenticeship programme and that is why the policy of not providing funding for NVQ-only funding for this age group has been implemented over the last three years. It is recognised that this policy will place increasing demands for funding on the Apprenticeship programme and that whilst the Apprenticeship budget remains capped, demand will have to be carefully managed. In individual circumstances only, for example where an employee has a time-limited employment contract that would make an Apprenticeship unfeasible and the employee also satisfies the eligibility rules for Train to Gain core funding, NVQ-only for 19–25 year olds will be fundable through Train to Gain as an interim measure, with the aim of enabling the individual to continue their development to achieve a full Apprenticeship in the future. The numbers enrolled on NVQ-only will be closely monitored and the performance of brokers or providers who have significant numbers funded for NVQ-only for this age group will be reviewed to ensure that Train to Gain is not viewed as a means of reintroducing funding for NVQ-only for this age group.*

Section 4: Eligibility

141 The LSC has adopted a common set of learner eligibility criteria for both the FE and WBL funding streams. These are set out in the following paragraphs 142–160. The LSC has a duty to secure, in relation to England only, the provision of:

- proper facilities for education (other than HE), training and organised leisure time occupation connected with such education and training suitable to the requirements of persons who are above compulsory school age but have not attained the age of 19
- reasonable facilities for education (other than HE), training and organised leisure time occupation connected with such education and training suitable for the requirements of persons who have attained the age of 19.

Determination of Learner Eligibility

142 For funding purposes, the eligibility of the learner must be established at the start of his or her programme. Learners who are eligible for LSC funding at the start of their programme will usually be eligible for funding for the whole duration of their learning programme. Learners who are not eligible for LSC funding at the start of their programme are very unlikely to become eligible for funding during the period of their learning programme. In determining learner eligibility, providers should also satisfy themselves that there is a reasonable likelihood that the learner will be able to complete their programme of study before seeking LSC funding for the learner. This should include the practicality of providing a place to a learner who may be unable to complete their programme if they are likely to leave the country permanently during their learning programme. Once a learner is enrolled by a college or provider, colleges and providers are expected to take all reasonable steps to ensure the learner can complete their programme.

143 The LSC expects all college and providers in determining their enrolment priorities to take account of the LSC's duties and responsibilities to their local population of learners. The main basis for assessing learner eligibility is their ordinary residence and the following paragraphs set out the LSC funding eligibility criteria.

144 From 2006/07, any eligibility reference to a spouse should now be read to include a person who has participated in either a formal state-recognised marriage or a state-recognised civil partnership ceremony. Colleges and providers are reminded that they should seek advice from the LSC in any case where they are having difficulty assessing learner eligibility.

Definition of ordinarily resident

145 For funding purposes, the LSC regards as ordinarily resident in a given country or region any person who habitually, normally and lawfully resides from choice and for a settled purpose in that country. Temporary absences from the relevant area should be ignored. Someone who has not been ordinarily resident because he or she or the person's parent or spouse or civil partner was working temporarily abroad will be treated as though the person had been ordinarily resident in the relevant area.

Learners eligible for funding

146 The following persons will be eligible for funding (these groups correspond to the groups listed in the Education (Fees and Awards) Regulations, 1997 ("the Regulations")):

- a a person on the relevant date who is "settled" in the UK, and who has been ordinarily resident in the UK and Islands (that is, including the Channel Islands and the Isle of Man) for the three years preceding the relevant date (see paragraph 145 above), and whose main purpose for such residence was not to receive full-time education during any part of the three-year period. "Settled" means having either indefinite leave to enter or remain (ILE/R) or having the right of abode in the UK. British citizens and certain other people have the right of abode in the UK:
 - those with the European Community – United Kingdom of Great Britain and Northern Ireland passports
 - British Dependent Territory Citizens (now known as British Overseas Territory Citizens)
 - those whose passports have been endorsed to show they have Right of Abode in the UK
 - those who have a certificate of naturalisation or registration as a British Citizen

- b a national of any European Union (EU) country or spouse or civil partner or the child of an EU national who has been ordinarily resident in the European Economic Area (EEA) for the three years preceding the "relevant date"
- c an EEA migrant worker or the spouse or civil partner or child of an EEA migrant worker who has been ordinarily resident in the EEA for the three years preceding the "relevant date"
- d anyone who is recognised as a refugee by the UK Government (granted Refugee Status) who has remained ordinarily resident in the UK and Islands since so recognised, or the spouse or civil partner or child of such a refugee
- e anyone refused refugee status but who has been granted leave to stay by the Secretary of State, granted Humanitarian Protection (HP) or Discretionary Leave (DL), or was granted exceptional leave to enter or remain (ELE/ELR) by the UK Government, and who has remained ordinarily resident in the UK and Islands since so recognised, or the spouse or civil partner or child of such a person
- f learners studying under reciprocal exchange agreements.

147 For funding eligibility purposes, the EEA is defined as all members of the EU and Iceland, Liechtenstein, Switzerland and Norway. From 2006/07, the fees and award regulations confer extended eligibility on EEA citizens and their extended family members (such as grandchildren and grandparents). Providers should consult the LSC before refusing eligibility to any EEA citizens or family members with more than three years' residency in the EEA area.

148 Learners who are nationals of any of the 10 countries that joined the EU on 1 May 2004 who have been previously resident in the Accession Countries (see Annex A) will be eligible for funding at the "home" rate from 1 May 2004 for programmes that start on or after that date (subject to the learner meeting the normal three-year residency requirements in the new enlarged EEA) for tuition-fee purposes. Learners already on a programme of study will be treated as "home" learners from the next term that starts after 1 May 2004.

149 In addition to considering the groups outlined above, the LSC will also consider the following groups of learners to be eligible for LSC funding:

- a persons who have legally been living in England for the three years immediately preceding the start of the programme, ignoring temporary absences (this does not include persons with time-limited leave to remain as a student whose leave to remain does not extend to the expected end date of the proposed learning aim of study)
- b asylum seekers and their dependants (those over 19 are not eligible for learner support funds) in receipt of:
 - income-based benefits; or
 - assistance under the terms of the Immigration and Asylum Act 1999 or the Children Act 1989; or
 - financial assistance (subsistence payments) from the National Asylum Support Service (NASS); or
 - assistance under the National Assistance Act 1948
- c persons with humanitarian protection (HP) or discretionary leave (DL) or exceptional leave to enter or remain (ELE/ELR), their spouses, civil partners and children
- d persons with recently settled status (this means those having been granted indefinite leave to enter or remain, Right of Abode or British Citizenship within the three years immediately preceding the start of the course)
- e the spouse or civil partner of a person with settled status, who has been both married (or has undertaken a recognised civil partnership ceremony), and resident in the UK, for one year. As civil partnership ceremonies were not recognised by the UK Government until December 2005, it is unlikely learners will be able to claim eligibility under these rules for programmes starting before the spring term 2007 at the earliest.

150 In addition to the groups above, the LSC will also consider the following groups of 16–18-year-old learners as eligible for funding:

- any unaccompanied asylum seekers aged 16–18 who are placed in the care of social services

- 16–18 year olds who are accompanying parents who have the Right of Abode or leave to enter or remain in the UK, or 16–18 year olds who are children of diplomats
- 16–18-year-old dependants of teachers coming to the UK on a teacher-exchange scheme
- 16–18 year olds entering the UK (where not accompanied by their parents) who are British Citizens (but not holders of British Overseas passports), or 16–18 year olds whose passports have been endorsed to show they have the Right of Abode in this country (holders of passports describing them as British Overseas Citizens have no automatic right of abode in the UK, nor do other non-EEA nationals).

151 In addition to considering learners in the categories listed in paragraphs 146–150 above, the LSC will consider other exceptional circumstances. Where a provider believes that a learner should be considered for funding under exceptional circumstances, it should contact its local LSC.

Work-based learning eligibility

152 Providers should note that eligibility to participate in a programme should not be confused with the suitability of the programme to a learner's need. Learners are eligible for WBL under the eligibility criteria listed in paragraphs 146–150 above and if they:

- are in the priority age group for WBL, that is, those aged 16–18 and those eligible for the Guarantee and Extended Guarantee. Learners who are aged 19–24 may be funded at the LSC's discretion
- have completed Year 11 at school at the end of the teaching year 2005/06 and have indicated an intention not to return to full-time education after the summer vacation or have left compulsory full-time education
- are not attending school or FE college full time as pupils or students
- are not in HE, including vacation periods, unless an intention not to return to HE has been expressed.

153 Eligible persons shall not be refused access to WBL on the grounds that they are not resident in any LSC

area. For those already enrolled on a WBL programme, the entitlement to complete it shall not be prejudiced by any changes in the eligibility criteria.

Learner charges

154 Except where the LSC agrees, learners shall not be required to contribute financially to the direct cost of learning, except where young people are in receipt of a Career Development Loan. *There is no restriction on employers contributing to the costs of Apprenticeships.*

Learners not eligible for work-based learning funding

155 The following groups of learners are not eligible for WBL funding:

- graduates, except for those who have participated in the New Deal and are in the eligible client group
- learners engaged in HE programmes. Responsibility for funding all prescribed HE programmes transferred to HEFCE from August 1999. The LSC does not expect to fund WBL programmes for groups of HE learners. *However, there is no restriction on those undergoing work-based learning joining an HE course. The practice of progressing during an Apprenticeship onto foundation degrees, HNCs or HNDs and so on is established and encouraged*
- any school or FE college full-time learner funded under another LSC funding stream
- *those with British national (overseas) passports or similar and Hong Kong nationals until they have been resident in the UK for three years.*

Learners from Wales and Scotland

156 Providers are reminded that Wales and Scotland have their own funding arrangements. There may be circumstances where individual Scottish or Welsh learners are employed in England or wish to travel to England to train in cases where specialist provision is not offered locally. The LSC has reciprocal arrangements with the funding councils for Wales and Scotland for providers close to the borders. However, it is not expected that providers in England will target or recruit entire groups of learners from outside their local area.

Learners employed temporarily outside England

157 Where, as part of the requirements of employment, a person who is ordinarily resident in England is required to work outside England for short periods, that person will continue to be eligible for WBL funding. Providers will continue to be responsible for and to provide support as detailed in the programme specifications throughout any period when the learner is in employment outside England. *Where the period of absence will affect the completion of a programme, then an agreed break in learning should be considered (see paragraphs 93-94).*

158 Learners of other nationalities serving as members of the British Armed Forces (BAF) should be considered eligible for funding throughout their period of service on the same basis as their British national counterparts. This includes the funding eligibility as follows:

- *where the individual normally resides in other parts of the UK, but is on a posting in England*
- *where an individual normally resides in England but is posted outside England as part of his or her work with the BAF. This includes both cases where the individual begins a programme in England and is posted elsewhere while enrolled on this programme, and cases where the individual commences a programme while posted outside England. In both cases, the LSC will fund the programme to completion. It is expected that such provision will be made through distance learning or through learndirect, other than in exceptional circumstances. Franchised delivery to members of the BAF overseas will not be eligible for funding.*

159 This applies to their spouses and dependants on accompanied postings. This does not apply to spouses of families who do not join members of the BAF and instead remain in their own country.

Learners of compulsory school age

160 The date when young people can legally leave school is the last Friday in June for those who have completed Year 11 at school. The earliest date at which a young person can commence a WBL programme is the following day.

Where young people of compulsory school age wish to commence a WBL programme (including E2E), providers must liaise with the school and the local authority. There must be a written agreement from both parties that entry onto a WBL-type programme is in the

learner's best interest. The LSC does not fund this learning and the provider should seek financial reimbursement for the training from the school.

Eligible Provision

161 Providers are reminded that they should consider the eligibility of provision for LSC funding while planning provision and starting learners. It is important when considering the eligibility of any provision that providers work within the intention, the spirit and the framework of those requirements. Where providers intend to deliver any provision that is not clearly within the implied terms and conditions of this document and their funding agreement, they should contact the LSC and seek written clarification before proceeding. They should retain any guidance given. Qualifications that are eligible for funding are listed on the LSC's Learning Aims Database on the LSC's website (<http://providers.lsc.gov.uk/LAD/aims/searchcriteria.asp>).

162 Provision eligible for E2E covers a range, for example externally accredited qualifications, non-accredited awards and awards in informal educational settings, such as The Prince's Trust, Getting Connected and the Duke of Edinburgh Awards. Providers must work with the E2E partnerships in their area and within the guidance of the E2E entitlement curriculum to ensure that: programmes are fit for purpose and can support positive progression and ensure that the LSC is aware of the content of their provision.

WBL Recruitment Priorities

163 The order of priorities for access to WBL funding is:

- young people aged 16–18 who are in the Guarantee group and those aged 19–24 in the Extended Guarantee group
- young people aged 16–18 outside the Guarantee and young people aged 19–24 with disabilities (as self declared by the learner – see Annex A)
- all other eligible young people aged 19–24 who may be recruited, subject to affordability.

Section 5: Delivering Work-based Learning Provision

Policy Aims

164 WBL programmes should be delivered in accordance with the provider's funding agreement, development plan and this document. It should be provided in a manner that maximises the provider's contribution to the Apprenticeships performance indicator and national targets at Levels 2 and 3 by increasing the take-up of the work-based route by all young people who can benefit most from this route through:

- promoting the growth of Apprenticeships to become the preferred route to NVQ at Level 2 for young people and employers and Advanced Apprenticeships to become the preferred route to NVQ at Level 3 for young people and employers
- ensuring that individually tailored E2E programmes are available for all young people who are identified by Connexions partnerships as in need of E2E, and that these programmes meet their specific needs and support their progression
- delivering the full Apprenticeships *framework* including key skills and Technical Certificates
- implementing best practice, including mentoring, to maximise the participation, retention and achievement rates of young people covered under this contract
- continually improving the quality of teaching, learning and initial and continuing assessment.

Marketing

165 The provider is expected to contribute to the development of the market for WBL by producing and implementing an annual marketing plan. The marketing plan should address the following:

- marketing objectives in line with the expectations of the provider's development plan

- target audiences, that is, employers by size and sector and learners by age, geography and circumstances
- an overall marketing strategy
- main activities, for example, enquiry and conversion handling, press coverage, advertising, events, literature and direct mail
- relationship management with other agencies, that is, Business Link and Connexions Partnerships
- plans to evaluate marketing activities.

166 All providers are reminded that there is a contractual obligation for all use of the Apprenticeship name to be in accordance with the Apprenticeship brand. Guidelines and logos are available on the LSC's campaign resources website (http://217.160.210.43/lsc_campaignresources/?TTYPE). A short registration process is required at this website. All marketing and promotional material referring to Apprenticeships is to be accompanied by the Apprenticeship logo.

Apprenticeships

167 Providers must deliver learning that comprises all the elements of the current Apprenticeships framework document produced by the appropriate sector body or SSC and approved by the Skills for Business Apprenticeship Approval Group, summaries of which can be found on the Apprenticeships website (www.apprenticeships.org.uk). Learners should be registered on the Apprenticeship or Advanced Apprenticeship that is current on their date of entry. If Apprenticeship frameworks are subsequently updated, learners have the option to move to the new Apprenticeship framework or remain on the Apprenticeship framework that was in place when they originally registered. Providers should note that some SSCs impose entry requirements.

Programme-led and Employer-led Apprenticeships

168 The Apprenticeship programme is primarily intended for young people in employment and this remains the preferred option. However, the number of young people continues to be greater than the number of employed places available and there is therefore a need for a programme-led route that prepares young

people for employment when an appropriate employment-led place becomes available. This route was recognised in the report of the Modern Apprenticeship Advisory Committee.

169 A Programme-led Apprenticeship is therefore appropriate where the learner is undertaking one or more elements of an Apprenticeship framework, for example, the Technical Certificate and key skills or *exceptionally* the NVQ in an off-the-job setting or in a non-employed placement. It is a requirement of this pathway for employers to be involved in the programme and for the learner to have the intention of taking up an Employer-led Apprenticeship. (The Apprenticeship becomes employer-led when the apprentice is employed by an employer.)

170 Providers delivering Programme-led Pathways should actively seek employed Apprenticeships for their learners *at the earliest opportunity* and should monitor progression rates as part of quality assurance processes. Programme-led Pathways can be funded from FE or WBL funds but Employer-led Apprenticeships must be funded by WBL and a WBL ILR completed. All starts on Programme-led Apprenticeships are entitled to EMA, subject to eligibility and an income assessment.

171 *Many prospective apprentices will have completed Programme-led Apprenticeships in FE. Normally this will mean full qualifications have already been delivered and funded. This creates an excellent opportunity for providers to achieve framework completions more quickly. However, it also means that double-funding can occur if providers claim the same qualifications again. Where part-qualifications have been achieved, the rules of partial funding are to be applied (see paragraphs 97–100). Providers are required to treat Programme-led Apprenticeship applicants fairly at recruitment in comparison with direct entrants and should have processes that recognise the competence or knowledge already gained so that learners are not asked to repeat learning or assessment they have already undertaken. Position statements on Programme-led Apprenticeships in WBL and FE are available on the Apprenticeship website (www.apprenticeships.org.uk).*

Programme components

Key skills

172 All Apprenticeships contain a mandatory requirement for key skills that includes:

- Apprenticeships: Application of Number and Communication at Level 1

- Advanced Apprenticeships: Application of Number and Communication at Level 2.

173 Sector bodies and/or SSCs are responsible for setting the levels of key skills that are included in Apprenticeships. For example, some Apprenticeships may contain key skills at Level 2 for Apprenticeships, or may include IT or one of the wider key skills in addition to Application of Number and Communication. Additional key skills and the levels are representative of the type and level needed for an apprentice to operate in that occupational area. *For 2006/07, the LSC will fund only mandatory key skills at the level contained in the framework. Where an Apprentice already has the required level, the next level will be funded to aid progression.*

174 There are qualifications that are deemed by the Qualifications and Curriculum Authority (QCA) to be concessions or proxies for key skills. Full details and the most up-to-date list are held on the QCA website (www.qca.org.uk/6446.html). *Should the learner claim to have a concession or proxy and cannot produce any evidence, the key skill will need to be retaken. In this case it may be appropriate for the learner to do the next higher level.*

Initial assessment

175 All learners must be assessed before or immediately on entry to WBL. Providers must ensure that the information gained as a result of the assessment appropriately identifies the needs of the learner. The results of the assessment must include details of previous competence such as any gained through a Programme-led Apprenticeship and be recorded and used to inform the content of the individual learning plan (ILP).

176 The purpose of initial assessment is to ascertain the learner's suitability for the programmes and their exact starting point and development needs. Therefore initial assessment should help shape the programme going forward and inform the ILP. Initial assessment should therefore determine as a minimum:

- *the objectives of the learner and of the programme*
- *the learner's current abilities, attitudes and aptitudes*
- *support and development needs*
- *the most appropriate teaching and learning styles and methodologies.*

177 A summary of the findings and how this will affect the programme are to be carried over onto the ILP. The provider is to pay due regard to the good practice identified in *Raising Standards in Initial Assessment of Learning and Support Needs and Planning to Meet Needs* (DfES, May 2001) and to implement this good practice as appropriate. This publication will be available from the LSC website shortly.

178 Learners identified as likely to have additional learning needs (ALN) and/or additional social needs (ASN) are to have their needs further assessed in partnership with Connexions partnerships. Where the LSC provides extra resources, the identified needs are to be met by the provider. Further details on identifying and meeting additional needs are detailed in Annex E.

179 Once learners have started learning, providers should complete an Individualised Learner Record (ILR). This must be updated throughout the learner's programme and on leaving learning, in accordance with the *Provider Support Manual*.

Induction

180 All learners must receive a comprehensive induction that covers, as a minimum, the following:

- programme content, delivery and assessment arrangements
- equal opportunities
- health and safety and the safe learner concept (www.lsc.gov.uk/National/Documents/SubjectListing/ImprovingQuality/GuidanceandGoodPractice/safe_learner.htm)
- disciplinary and grievance procedures
- terms and conditions of learning.

Progress review

181 Regular progress reviews are an important part of the learning process. Learners must be reviewed at least every 12 weeks for Apprenticeships and NVQ learning and at least every 4 weeks for E2E programmes. Reviews must be recorded and documents signed by the learner and the reviewer. Reviews should:

- identify progress made to date
- reflect on progress towards the learning goals
- record any changes to the ILP

- set realistic but challenging and measurable targets to be achieved before the next review.

182 The frequency of reviews should be adjusted to reflect the risks of the learner leaving early or not achieving.

Individual learning plan

183 A written individual learning plan (ILP) should be produced for each learner. The ILP should not duplicate information recorded elsewhere. It should contain the details of what will be delivered, how it will be delivered, for example, by group work, workbook and so on, and the way it will be delivered in the light of the learner's learning styles and abilities. It should reflect the outcomes of initial assessment. Learner feedback indicates that learners often do not know what they will be doing, when or how. This uncertainty contributes to early drop-out. The ILP should be the document that records these details. It should contain the learning objectives of the programme learners are following and say how these will be achieved. The ILP should take account of:

- the content of the NVQ, Apprenticeship or E2E frameworks
- the learner's needs, including any ALN and/or ASN identified, and learner support arrangements.

184 The format and content of the ILP is at the discretion of the provider. However, an ILP is expected to include:

- skills, knowledge and competence required and the timescale over which these have to be achieved
- training the learner is to receive, where it is delivered and how it is scheduled, who is delivering it and what support is being provided
- methods that will be used to deliver training (including on- and off-the-job training)
- how on- and off-the-job training will be co-ordinated
- learner's assessment and review arrangements.

185 The ILP should be reviewed regularly, and is an integral document in learner formal reviews. To reflect

the growing capability of the learner where changes are made, these should be documented on review documentation or on the ILP itself. Changes should be agreed with the learner and, where appropriate, the employer. The learner should sign their agreement to the change on the review document that records that change. *It is only necessary to change the ILP itself when there are major changes to the programme.*

186 Providers shall deliver the learning as described in the ILP. Delivery and assessment are to be in line with the appropriate framework and awarding body requirements.

Those in danger of leaving early

187 Providers are to have a reliable system for identifying those at risk of leaving early and a strategy for involving the Connexions personal adviser, employers and other agencies as appropriate to reduce the number of learners leaving early. If, despite the provider's best efforts, learners are no longer making satisfactory progress against their ILP, the learners shall be offered alternative opportunities to pursue their original or revised learning objectives either with the same provider or another LSC-funded provider. A learner should be considered to have withdrawn from a programme when he or she:

- is known to have made a decision to withdraw from the programme
- has exceeded the provider absence and withdrawal policy or has been dismissed by the provider
- cannot be contacted for a period of four weeks
- completes their ILP.

188 The learner should be treated as withdrawn for whichever of the above that occurs first. On leaving, the learner must receive written notice of termination. Portfolios, course work, the ILP and all certificates are the property of the learner and must be returned to the learner. They may not be withheld for any reason, other than assessment or verification by the provider, without the learner's permission. Learners must be withdrawn on the last evidenced date of continued structured learning. Failure to make records available for leavers may result in recovery of funds paid by the LSC for the learning concerned.

Monitoring arrangements

189 LSC officers will monitor the performance of the contract and may re-profile future volumes and payments in discussion with the provider. As set out earlier, these discussions should be focused on overall strategic issues rather than the traditional close management of provision.

Self-assessment

190 Providers must complete an annual self-assessment report and send it to the LSC. Providers will also be required to complete a development plan, as detailed in *Planning for Success available on the LSC website*. The LSC will monitor providers' performance against the criteria in the provider's development plan. Planning for Success is available on the LSC website (www.lsc.gov.uk/National/Documents/Series/Circulars/planning-for-Success_a-framework.htm).

Bureaucracy

Reduction of administration in Apprenticeships

191 *All providers are encouraged to implement systems that require the minimum amount of administration to meet LSC and legal requirements and for the effective management of learning and to evidence the proper use of public funds. In April 2006, the LSC produced an effective practice guide for the reduction of administration in Apprenticeships. This document is designed to assist providers in reducing the resource required to administer Apprenticeships. It includes a number of checklists, hints and tips. The document is not contractual. It can be found on the Apprenticeship website partners page (www.Apprenticeships.org.uk). The LSC is keen to reduce bureaucracy further and will be investigating the use of electronic signatures and storage. A dedicated email address has been established to collect comments and ideas. Providers are encouraged to email any ideas for the reduction of bureaucracy to (LSCBureacracyBusting@LSC.gov.uk).*

Section 6: Planning and Budgeting Arrangements

192 The LSC, through its *partnership teams, regional contracting teams* or the National Employer Service (NES), will agree with each provider the provision that the provider will deliver. This provision will be expressed in the funding agreement in cash terms and also the number of learners. The indicative mix of the age group, programme type and sector subject area will be detailed in the development plan.

193 Providers are free to start as many additional learners as they consider appropriate, but the LSC cannot agree to fund any additional recruitment that is not agreed in advance. Providers should discuss with their LSC contact any over-recruitment at the earliest opportunity.

194 For the avoidance of doubt, the overall maximum value of the funding agreement cannot be exceeded without a formal variation.

195 *Providers should plan to reduce the numbers of NVQ learning at Levels 1, 2, and 3 by completing existing programmes and where the learners are able to convert to Apprenticeships. It is anticipated that all NVQ learning will be complete before 31 July 2008.*

Learner Profiles

196 *Providers and the LSC will need to work closely together to achieve a rise in participation and achievement, especially of framework completion at local, regional and national levels in line with the Government's priorities and targets. It is important, therefore, that providers agree realistic and achievable volumes to minimise re-profiling and the associated instability from changes to payment profiles. Profiled payments will be reconciled on a monthly basis to actual earned amounts, starting after the first three months of 2006/07.*

197 *The payment system has been designed so that a provider cannot be paid above their approved local area contract value. If a provider earns above their contract value, then payments will be restricted to that for the local allocation. If through negotiation the LSC agrees to increase the contract value, then the payments to the provider will recommence in accordance with the revised profile, based on the timescale in Annex H (Table H1).*

Local Planning

198 *Local partnership teams* face a variety of different needs and their strategic plans will reflect this. These plans show how each area will contribute to the achievement of the national targets. *Partnership teams* or regional contracting teams will want to discuss participation targets and how to address the specific needs of their locality or region while working within the context of the LSC's national vision, mission and key objectives.

Quality and Growth

199 The LSC will restrict growth in occupational areas which require reinspection and to providers overall where leadership and management require reinspection. Where success rates are below the average minimum standards or average framework achievement rates, restrictions on growth may also apply.

Section 7: Administering and Funding Entry to Employment

Introduction

200 E2E provision is *provision below Level 2* on the WBL route. It is aimed at young people who are not yet ready or able to access a Level 2 learning programme, Apprenticeship or employment. The E2E prospectus and E2E Passport require providers to design and implement an individualised E2E programme for each learner. The programme defines the scope and focus of the young person's E2E experience. This must stem from the identification of the learner's most likely positive progression route and should ensure a range of activities that will propel the learner into Apprenticeships, *further education or training* or employment, preferably with training.

201 The LSC's approach to administering and funding E2E has been developed in partnership with the E2E Advisory Group including all interested parties. On the advice of the E2E Advisory Group, the LSC is enhancing the role of basic skills within E2E. This section details this approach and provides references for further guidance where necessary.

Definition

202 E2E is designed to equip young people to become independent, self-motivated, informed and empowered to take control of their lives. Its primary aim is to enable learners to progress into employment with training or onto further learning programmes. The curriculum offer will comprise three interdependent core strands: basic and key skills, vocational skills and development and personal and social development. Learners on E2E will, where appropriate, have the opportunity to gain qualifications up to and including Level 1 of the National Qualifications Framework (NQF). Learners may also work towards units of other qualifications. E2E is a full-time WBL programme and planned attendance should be 30 hours a week, for a minimum of 10 weeks. Learners may start by attending for 16 hours a week, but must build this up to 30 hours as soon as possible. The provider is required to deliver E2E in accordance with this document and the E2E Prospectus. These documents are available on the LSC website (www.lsc.gov.uk/National/Partners/PolicyandDevelopment/EntrytoEmployment/Default.htm).

Eligibility

203 *It is not expected that learners who hold the entry qualifications for Apprenticeships will be enrolled on E2E.* Young people are eligible to enter E2E if they:

- are eligible for WBL as detailed in Section 4 of this document; and
 - are not employed
 - have reached compulsory school leaving age but not age 19 on the day they start E2E; or
 - are a member of the Extended Guarantee group; or
 - are aged 19–24, not eligible for New Deal and the LSC has agreed to provide a place
- and:
- are not yet ready to enter a structured learning option leading to a qualification at Level 2 or employment
 - are able to attend for at least 16 hours a week
 - can demonstrate the ability and opportunity to progress towards and enter a positive destination, given a reasonable period of development time on E2E

204 Within the first six weeks on E2E, the learner's suitability for the programme is to be confirmed by a member of Connexions. Learners may remain on E2E past their 19th birthday to complete the programme. There is no limit to the number of times a young person can enter E2E, but learners must leave E2E before their 25th birthday. The judgement by the Connexions personal adviser could result in one of three outcomes:

- the young person is in need of a period on E2E and is suitable for the programme
- the learner is ready to move onto a Level 2 programme, that is, they no longer need to stay on E2E because they could now sustain a place on a Level 2 option. If so, arrange for the learner to move on as soon as possible. In this case, the provider has provided legitimate support services to the learner and therefore no abatement is made. Should the learner then move into a qualifying positive destination a bonus may also be claimed

- the young person is clearly ineligible, that is, they do not meet the criteria set out in paragraph 203. If so, the action taken depends on the circumstances. The provider should abate the funding claimed and inform their contract manager.
- an E2E moving-on plan to detail the support providers will give during transition from E2E to positive destinations.

205 LSC *partnership teams or regional contracting teams* may issue guidance on the targeting and recruitment of specific young people for E2E in their areas.

Entry to Employment Passport

206 The E2E Passport, which has been developed in partnership with Connexions, providers and the Adult Learning Inspectorate (ALI), has been designed to facilitate the referral, initial assessment, planning and review of learners and programmes on E2E. It is compulsory for all learners. The E2E Passport provides documents to support the processes described in the following paragraphs. It does not in itself mean providers meet all the requirements for E2E: it is the way it is used that will determine whether the requirements are met. Providers may also use the E2E Passport online, or *similar products*, that are electronic versions of the E2E Passport. The E2E Passport can be accessed on the LSC website (www.lsc.gov.uk/National/Partners/PolicyandDevelopment/EntrytoEmployment/Default.htm).

It includes the following documents:

- for referrals, two referral forms (one for use by the Connexions personal adviser and another for other agencies). These replace the individual development plan
- initial assessment summary form that providers will complete
- E2E programme *agreement* detailing the main objectives and confirming the learner's suitability for E2E
- E2E activity plan that records the more short-term detailed activities and progress. Together, the E2E programme agreement and E2E activity plan replace the individual development plan
- E2E review record that records short-term targets and progress towards them. The E2E review record provides evidence of the learner being in learning
- Connexions or other partner organisations identify that the young person may have needs that are best met through a period on E2E, when interviewing him or her or when using the Assessment, Planning, Implementation and Review (APIR) framework or as part of agreeing an activity agreement.
- Connexions or other partner organisations document their findings on the E2E referral form, and, with the young person's agreement, copy their assessment findings together with any other relevant information to the provider with the E2E referral form.
- Building on the assessments undertaken by the personal adviser or other professional adviser, the provider undertakes a secondary, more detailed assessment to identify the needs of the learner and to confirm eligibility. In particular, the provider should ensure that the learner has a reasonable possibility of progressing to a positive outcome through E2E. *If not, Connexions should continue to work with the young person until they can benefit from E2E.*

Recruitment

207 Most young people who access E2E will be referred from Connexions. Most will have been working with a Connexions personal adviser to address barriers to learning. *This includes those young people taking part in the activity agreement pilots.* They may have been working to build up their attendance to 16 hours a week. These young people, *including those with an activity agreement*, are classed as being on the caseload of a personal adviser. If aged 16–18, they have a right to a place on E2E in line with the young person's Guarantee. Not all young people will enter E2E by this route. Some will self-refer and others will attend with friends or come from partner organisations on recommendation. Local arrangements have been agreed within partnerships on how this will work. What is clear is that if young people have to wait for a place, or are turned away because they do not have the right piece of paper, they will not return and E2E will not succeed. Providers are free to recruit eligible young people onto E2E from any source they see fit, provided they meet the requirements specified by the LSC. Contact with Connexions is vital to making sure young people gain independent professional advice on career choices. This must take place early in the programme. The outline process on which the E2E Passport and E2E programme are based may be subject to minor local variations. The process is as follows.

- The provider completes the ILR in accordance with the current guidance, and also an E2E programme agreement and E2E activity plan covering the likely period the learner will stay on E2E. *The length of stay should not be extended artificially to meet the 10-week minimum stay rule for EMA.* This plan will develop in detail over time. Guidance for completing the ILR is available on the LSC's website (www.lsc.gov.uk/National/Partners/Data/default.htm).
- Providers are to record all learning aims on the ILR to ensure all learning is captured. This especially applies to basic skills and all Skills for Life qualifications, as the LSC currently believes these qualifications are under-reported.
- The provider will begin delivery of the programme and continue to assess the learner's needs for a period not exceeding six weeks.
- As soon as practical, and in all cases within six weeks, the provider will arrange a case conference with the personal adviser, the learner and the provider's key worker for the learner, during which the key objectives for the learner's time on E2E, the activities to be undertaken for the remainder of the programme, the anticipated length of the programme and the learner's suitability for E2E will be confirmed. The personal adviser will sign the E2E programme agreement confirming this.

Documentation

208 Therefore, within six weeks, the provider will hold completed versions of the following documents:

- E2E referral form (if referred by Connexions or partner organisation)
- record of initial assessments
- ILR form
- E2E programme agreement signed by Connexions to confirm suitability and E2E activity plan.

209 Should a young person go directly to the provider, the provider should check that the learner meets the requirements specified by the LSC and, if so, commence

the assessment and delivery of the E2E programme and E2E activity plan. Contact should be made with Connexions as soon as possible, which must confirm the learner's need for E2E and suitability within six weeks.

210 Eligible young people who are working with a Connexions personal adviser under intensive support *or as part of an activity agreement* have a guarantee of a place on E2E. This guarantee takes effect when the young person has confirmed with their personal adviser that they wish to enter E2E and when the personal adviser is content with the following factors.

- The learner has reasonable potential to gain a positive destination.
- Their immediate barriers to learning have been addressed.
- The learner is ready to enter E2E and can attend for 16 hours a week.

211 The personal adviser must record this. Provider staff must work closely together, and in partnership with personal advisers, to agree an appropriate start date that meets the learner's needs. It is not anticipated that this will be delayed by more than six weeks. This transition must be seamless for the learner.

212 During this assessment process, the provider may wish to refer to the detailed assessment arrangements for ALN and ASN contained in Annex E of this document.

213 Most young people who join E2E will have a Connexions card. This card has a number of uses, not least the awarding of attendance and discretionary bonus points. This fits well with the ethos of E2E, in that it rewards good attendance and the achievement of short-term goals. It is strongly recommended that providers register with Capita to be able to apply for cards in cases when young people do not have them. Alternatively, applications can be made through Connexions. Linking the discretionary points that learners can achieve with the achievement of goals set on the E2E activity plan will reinforce the value of achievements for the learner. Further information is available on the Connexions website (www.connexionscard.com) or from the helpline (0808 172 3333). *Providers should note that the Connexions card will cease to be issued in the near future, although providers can still apply and existing cards should be honoured until further guidance is issued. Updates will be issued on the website above.*

Delivery of Entry to Employment

Induction

214 Induction is an essential part of all WBL programmes, and no less so with E2E. However, it is recognised that with the E2E client group, induction must be delivered innovatively, sensitively and at a pace appropriate to the learner. Therefore the following elements, as a minimum, must be delivered in the first six weeks on E2E programmes:

- terms and conditions of learning
- the E2E programme *agreement* and E2E activity plan, and their context and purpose
- content of the programme, including the delivery arrangements and preparation for exit
- *implications of poor basic skills*
- assessment processes
- equal opportunities policy
- employment and/or placement responsibilities for both the provider and the learner
- disciplinary and grievance procedures
- health and safety responsibilities, legislation and the safe learner concept (www.lsc.gov.uk/National/Documents/SubjectListing/ImprovingQuality/GuidanceandGoodPractice/safe_learner.htm)
- key contacts with the provider.

Programme of Activities

Curriculum

215 The detailed curriculum requirements for E2E are contained in the E2E Prospectus. Providers are responsible for developing with the young person an *individual* programme of activities that takes into account:

- assessment of need, individual interests, progression aspirations and career objectives

- E2E entitlement curriculum, contained in the E2E Prospectus.

216 These activities will be documented on the E2E programme agreement and E2E activity plan. This is likely to be done in blocks of time and informed by reviews (both formal and informal). Providers will need to draw up detailed weekly E2E activity plans so that both parties know what to expect during the E2E programme. Further guidance is available on the LSC website (www.lsc.gov.uk/National/Partners/PolicyandDevelopment/EntrytoEmployment/Default.htm).

217 The E2E programme agreement is to be used to confirm the involvement of Connexions and the appropriateness of E2E for the learner.

Attendance

218 While it is not expected that young people on E2E will be either studying part time in FE or working part time outside E2E, there may be occasions where parallel study or part-time employment, which is not part of E2E, can be deemed to enhance and contribute to the young person's development. In such circumstances, and where the learning is not part of the E2E programme yet is clearly in the interests of the learner, parallel study and/or employment may be authorised in conjunction with Connexions, providing it does not initially exceed more than 10 hours a week. It may be desirable to build up this time over the length of the programme, where the relevance can be clearly demonstrated.

219 Complementary programmes to E2E include Millennium Volunteers and The Prince's Trust TEAM programme. Providers are encouraged to use such programmes to broaden the E2E experience, while ensuring that no double-funding takes place. For example, participation in Millennium Volunteers is not deemed double-funding, provided the learner completes their volunteering outside the minimum 16 hours of E2E. Prince's Trust TEAM funding is jointly funded from E2E and FE, and the requirements of both funding sources must be met. *Should an E2E learner access an FE-funded Prince's Trust programme, a charge of £75 per full week may be levied by the FE provider on the E2E provider. If this charge is made, the FE provider is to reduce its LSC claim by the same amount. This ensures the same learning is not funded twice.*

220 During the learner's period on E2E, it is essential that providers prepare the learner for progression and transition to further learning and/or employment. To this end, the provider is to build the programme up to full-time attendance at an appropriate pace. *It is not*

acceptable to deliver a 16-hour programme which does not lead to full-time attendance. Providers should consider how the learner could be introduced to the pattern of his or her expected attendance at the likely destination while the learner is on E2E. This will mean that, following the initial assessment period, standard attendance patterns are unlikely.

Progression and review

221 Where it is likely that learners will progress onto a WBL option, they should pursue opportunities for securing employment while they are on E2E programmes. Providers should also be preparing young people to take qualifications that are appropriate to their likely progression route. Providers may start the delivery of qualifications and assessments while the learner is on E2E, particularly for key skills, should this be beneficial to the learner.

222 During E2E, learners and provider staff will meet regularly for many reasons, as well as meeting to review the learner's progress. It is critical that the learner understands the function and purpose of all meetings. In addition to these meetings, at least every four weeks, the provider must review each learner's progress on E2E. Minor changes to activities should be agreed with the learner and be noted in review documents. Where the review leads to significant changes to the E2E programme agreement, these should where possible be agreed with the learner's personal adviser.

223 Any support arrangements that have been identified should be reviewed and their effectiveness established. Connexions personal advisers must also conduct progress reviews with their clients. These two requirements can be combined into single reviews where appropriate, and where this will benefit the learner. Providers are required to demonstrate continued progress through these reviews and assessment materials. Review documents will also provide the primary evidence that the learner is still in learning and is progressing against the goals of his or her E2E programme. It is essential that reviews clearly demonstrate progress, and are formally recorded and signed by the learner. Examples of the review processes and associated paperwork are published on the LSC's website (www.lsc.gov.uk/National/Partners/PolicyandDevelopment/EntrytoEmployment/Default.htm).

224 Should a learner remain on E2E for 22 weeks, the provider must organise a full review of progress involving the learner and his or her personal adviser and key worker. The review will establish whether the learner's best interests are being served by continuing

on E2E. If so, the learner can remain on E2E and further reviews should be conducted every four weeks, which should involve the learner's personal adviser whenever possible. If it is agreed that the learner would be better served by moving on from E2E, the personal adviser and the key worker will work together to organise this transition.

225 *Should it be agreed by the provider that a learner is to take an agreed break in learning then the E2E learning aim is to be closed as detailed in the Provider Support Manual, and on the learner's return a new aim opened up, coding the learner as a returner after an agreed break in learning.*

Leavers

226 When the learner leaves their E2E programme, the provider must process the ILR as advised in the LSC's ILR published guidance, *Specification of the Individualised Learner Record for 2006/07 and Provider Support Manual* (www.lsc.gov.uk/National/Partners/Data/default.htm). As a minimum, the learner should be awarded an achievement certificate. This certificate should celebrate the distance travelled by the learner, no matter how insignificant this may seem. This is in addition to any certificates for awards or qualifications achieved, which must also be given to the learner. A non-compulsory certificate has been developed by the LSC to support the recording of learners' attainments. The certificate and examples are available on the LSC website (www.lsc.gov.uk/National/Partners/PolicyandDevelopment/EntrytoEmployment/Default.htm). The LSC has previously looked at the possibility of an E2E graduation diploma and formal progression from E2E. This work has been subsumed by the proposals of the Working Group on 14–19 Reform.

227 Before a learner leaves E2E, the provider is to make contact with the learner's personal adviser. The learner should be offered an interview with his or her personal adviser for independent guidance. This also gives the personal adviser the opportunity to be aware of the circumstances leading to the learner's decision to leave. If a meeting is not possible, the provider is responsible for telling the learner's personal adviser that the learner has left and explaining the circumstances that led up to the learner's departure. If the learner is progressing to an Apprenticeship, the provider and personal adviser should assess the learner to establish whether there are additional needs, which may lead to the learner having ALN or ASN status while on work-based learning.

228 *The provider must make sure that all learners are followed up and supported for at least eight weeks after*

leaving E2E. The moving-on plan from the E2E Passport should record both the support arrangements that have been planned and agreed with the young person to cover this period and any subsequent activities. The provider is expected to monitor the destination of the learner on leaving E2E and record this on the ILR.

229 The LSC expects the transition from E2E to a positive destination to be seamless for the learner. This is vital where the learner may otherwise be dependent on benefits. However, the LSC recognises that this may not always be possible. In these cases, key workers should work with the learner and where necessary the personal adviser to agree the best course of action and act upon it. If immediate progression is impossible, providers and personal advisers should liaise with Jobcentre Plus to establish the learner's eligibility for benefits. Referring a learner to Jobcentre Plus without support is not acceptable. If in doubt, providers should liaise with their LSC contact.

230 All work conducted by the learner on E2E is the property of the learner and he or she should be encouraged to take it away as evidence of his or her achievements. This also applies to portfolios and the full E2E Passport.

Financial Support

231 *All starts on E2E are eligible to apply for Education Maintenance Allowance (EMA) and will receive it depending on eligibility and an income assessment. Learners receiving EMA will qualify for EMA bonuses as detailed in the EMA Guidance. Bonuses for those not receiving EMA are at the discretion of providers and no additional funding is available for this.*

232 Providers are required to administer the EMA system and support learners in applying for EMAs. Detailed guidance *Education Maintenance Allowance for providers of LSC-funded E2E and Programme-led Pathway 2006/07* is available on the DfES website (www.dfes.gov.uk/financialhelp/ema). Providers are reminded that this guidance forms part of their funding agreement.

Learners in Learning prior to 10th April 2006

233 *Learners that were in learning prior to 10 April 2006 and who attend for 16 hours or more a week are entitled to a Minimum Training Allowance (MTA) of £40 a week. If part-time attendance (8–16 hours) is agreed, the MTA is £20 a week. The allowance learners receive is abated on a pro-rata basis to planned attendance for*

unauthorised absence (for example, if a learner has a planned attendance of 30 hours and he or she is on unauthorised absence for 10 hours, he or she would receive £26.60). These funds are claimed separately through the Training Provider Statement (TPS).

234 These learners are also entitled to incentive bonuses. The national agreement is that young people who are on the caseload of a personal adviser and start E2E will receive a £50 incentive bonus. Learners who take up employment with training, structured education or training on leaving E2E receive a further £50. Local LSCs may have varied this arrangement in agreement with their local Connexions. All providers in a local LSC area should offer the same bonuses. E2E leavers are only entitled to receive the bonus once. Providers have discretion to pay more than this if they wish. Providers should contact their LSC contact for advice on incentive bonuses. *Bonuses for these learners are claimed through the TPS.*

235 *Learners continuing to receive MTA may do so until 31 December 2006. Should it be likely that their E2E programme will continue after this date then the provider should encourage them to apply for EMA by the end of October to allow for any queries to be resolved.*

Expenses

236 All E2E Learners are to be reimbursed in full for necessary expenses incurred to overcome barriers to participation on E2E.

Hardship fund

237 The LSC has introduced a learner hardship fund for 2006/07. In outline, the fund is designed to meet the immediate hardship needs of those learners on E2E and Programme-led Apprenticeships. Full details are at Annex L. Providers should hold stocks of the DfES brochure *Financial Help for Young People* to issue to learners in hardship.

Funding

Weekly unit cost and bonuses

238 The funding arrangements for E2E are designed to contribute to the fixed costs of having places available, and to the learner-associated costs, for example expenses, as well as to encourage achievement and progression. To achieve this, the weekly unit cost for E2E is split into two parts. These are:

- a **planned places payment:** This payment is profiled monthly, taking into account the number of E2E weeks the LSC wishes to purchase from the provider and the provider's capacity. Once paid, it is not reconciled, as the provider will have expended these funds in providing the places. Planned places may be adjusted for the future, depending on past delivery.
- b **provider bonuses:** These are paid to recognise the achievements of providers in helping learners achieve qualifications and progress onto positive destinations. The bonuses can be claimed up to nine calendar months after the learner leaves E2E, if the provider can prove they remained in contact with the learner during this time. The bonuses are paid at two levels, basic and enhanced. Providers may claim a maximum of one enhanced progression and one enhanced qualification bonus for each learner (*up to a maximum of £420*). Bonuses are included as part of the monthly profiled payment and are reconciled based on achievements. Bonuses are claimed through the TPS. The bonuses are:
- a **basic** qualification bonus that is paid for the achievement of any qualification in the National Qualification Framework at Entry Level. Where the qualification has differentiated levels, for example, basic skills qualifications, this means Entry Level 3. This basic bonus is also paid for key skills at Level 1 for IT, Working with Others, Improving Own Learning, Problem-solving and for any qualifications recognised as counting towards Skills for Life targets
 - an **enhanced** qualification bonus which is paid for achievement of:
 - vocationally related or occupational qualifications listed on the National Qualification Framework at Level 1
 - Level 1 equivalents approved by the LSC
 - key skills in Application of Number or Communications at Level 1 or above.
 - a **basic** progression bonus that is paid for progressing the E2E learner into one of the following three destinations, where this **does not include** accredited learning to Level 2:
 - a place in FE or other structured learning which exceeds 16 hours a week *or is classified as a full time course (i.e. over 450 GLH per year)*.
 - paid employment, including that with an agency which exceeds 16 hours a week
 - a full-time place on New Deal
 - an **enhanced** progression bonus is paid for progressing the learner into one of the following destinations, where this **does include** accredited learning to at least Level 2:
 - progression to full-time Apprenticeship or an Advanced Apprenticeship including Programme-led Pathways or Programme-led Apprenticeships
 - a place in FE, or other structured learning which exceeds 16 hours a week *or is classified as a full time course (i.e. over 450 GLH per year)*.
 - paid employment, including that with an agency, which exceeds 16 hours a week
- a full-time place on New Deal.
- 239 Progression bonuses are only payable if the learner stays in the position for a minimum of 4 weeks (28 days) and are not payable until the learner leaves E2E. The definitions above also apply to the definition of a positive destination. However the four-week rule does not have to be satisfied for a destination to be deemed positive.

Non-accredited youth awards

240 Providers may be aware that the LSC has during 2004/05 piloted the role of non-accredited awards in E2E. These pilots have clearly demonstrated that non-accredited awards are a valuable and effective method of accrediting personal and social development. For that reason, the LSC now recognises a range of non-accredited awards for E2E bonus purposes. These are shown in Table 1 overleaf. Enquiries on these awards should be directed to the National Youth Agency on **0116 242 7350**.

Table 1: EZE Non-formal awards bonus arrangements

Award	Qualification for basic bonus	Qualification for enhanced bonus
<i>AQA Unit Award Scheme</i>	<i>Two or more appropriate units to a total of 60 hours</i>	<i>Four or more units at Level 1 to a total of 120 hours</i>
ASDAN	1. FE award level up 2. Two credits of Level 1 award 3. Short course awards at Entry Level	1. FE ASDAN Award at Level 1 2. Short course award at Level 1
<i>U Choose (A Chrysalis lub 2000 programme accredited by ASDAN)</i>	<i>1. ASDAN Bronze award at Entry Level</i>	<i>ASDAN Bronze award at Entry Level plus one wider key skill at Level 1</i>
Connect Youth	Two credits exchanges or group initiatives Level 1	OCN accreditation for youth
Duke of Edinburgh's Award	Any two of four sections of Bronze awards	Bronze award
Fairbridge	ASDAN Entry Level award	ASDAN Level 1 award
Getting Connected	Two units of Level 1 award	Five units of OCN full Level 1 award
Girlguiding UK	N/A	Leader qualification Level 1
National Association of Clubs for Young People	Keystone Bronze awards	Keystone Silver awards
National Open College Network (NOCN)	Two credits at Level 1	Four credits at Level 1
Prince's Trust	Prince's Trust XL Award preparatory level	Princes Trust XL Award Level 1
Scout Association	N/A	Queen's Scout Award Level 3
Sport Leaders UK Award	N/A Community Leadership	Sports Leaders UK Award in Sports or
Trident Trust	1. C & G profile of achievement 2. OCR Preparation for Employment at Entry Level 3. ASDAN Foundation for Work Entry Level	1. OCR Preparation for Employment Level 1 2. ASDAN Foundation for Work Level 1
UK Youth	1. Bronze award 2. Four challenges at Silver level	Silver award
Weston Spirit	1. C&G profile of achievement 2. Edexcel accreditation for Weston Spirit courses	N/A
Youthtrain	Two credits at Level 1 award	Four credits at Level 1 award

Allocations

241 It is in the best interests of both the provider and the LSC to ensure allocations are profiled as accurately as possible to reduce the likelihood of over- or underpayments. This will help providers to plan their resource needs for the year effectively. Once the profile is agreed, changes should be kept to the minimum needed to manage the risk of overpayments from the LSC to the provider *and to reflect future needs or capacity*. The delivery of volumes against profile should be reviewed quarterly. Where there are differences, the provider and the LSC may need to negotiate a contract variation. Where numbers increase significantly between reviews, the provider may ask to bring the review forward. Providers may not exceed their allocation for that LSC area without their LSC contact's written permission (see also paragraph 15).

242 Where profiled numbers are not being met, the LSC recommends that providers work with their LSC contact and Connexions to address the shortfall before the under-occupancy becomes serious. *Should this not be successful then the LSC may at its discretion insist on a variation. During 2005/06 E2E planned places have been under delivered by approximately 9% and providers have been funded for these places, this is in part due to the wording of the contract giving the LSC a right to insist on a variation if the variance exceeds 10% and providers interpreting this as permission to operate within this tolerance. To be absolutely clear for 2006/07 providers are required to deliver all the planned places agreed in their contract/allocation. The LSC will accept reasonable variances from the profile, for operational reasons, but not ongoing under delivery. Where under delivery is persistent then the LSC reserves the right to initiate a variation to the contract/allocation to lower the number of planned places for the remainder of the year, thereby reducing the overall value of the contract/allocation for the year.*

Exceptional learning support

243 E2E learners do not attract ALN or ASN payments, and where providers identify the need for exceptional learning support to overcome barriers to learning, including those caused by disabilities, they should discuss this with their contract manager. Should the LSC agree that the need is exceptional, it will reimburse the provider for the costs incurred in providing the support in full. This does not imply the right to exceed the contract value. Should this be necessary, a contract variation will be required.

244 Where the need includes aids or adaptations to premises for specific learners, providers must take into

account the providers' or employers' responsibility under the Disability Discrimination Act 1995 and/or any grants that may be available.

Funding rates

245 The national rates for E2E, which include expenses, are given below. The rate is uplifted for area costs, but not for the disadvantage uplift. These rates are national and may not be varied. The bonus rates are standard and are not and may not be uplifted or changed for any reason. The rates are:

- a *planned places payment* - £132
- b *provider bonus rates:*
 - basic bonus – £106
 - enhanced bonus – £210
 - If the enhanced bonus is achieved after the basic bonus is already claimed, then it is reduced to £104.

246 In addition the LSC will, until 31 December 2006, meet the costs of allowances and bonuses for those learners who were in learning prior to 10 April 2006. The *actual cost incurred* are to be claimed through the TPS.

Provider Administrative Action

247 Provided E2E is properly recorded on the ILR, in accordance with the *Provider Support Manual*, the LSC WBL system will calculate the funds a provider earns for the planned places payments. Providers will be required to calculate amounts due for hardship funds, provider bonuses and exceptional learning support (ELS) and to enter this amount onto the TPS. This will enable the amount due to be taken into account for reconciliation.

Evidence requirements

248 It is anticipated that most, if not all, of the evidence required for E2E will be generated by the provider's normal operations and be naturally occurring evidence. The LSC appreciates that the first six weeks of E2E will be fluid. Providers are to work towards gathering all the required documentary evidence during this time. The evidence requirements at each stage and for each payment are detailed in Annex J.

249 Providers should also keep records of the results of initial and ongoing assessments to support judgements made.

250 If a learner is not able to sign documents, an adult other than their key worker should witness their agreement.

Annex A: Glossary

1 This section provides detailed definitions of some of the key terms used in this document and in the funding agreement. It also provides definitions of terms, phrases and abbreviations and acronyms that are used in this document.

16–18 year-old learner

For funding purposes, the definition of a 16–18-year-old learner used by both the DfES and the LSC is that the learner is aged 16, 17 or 18 on the day he or she commences their learning programme. The learner remains in this category for the duration of their existing programme. This ensures that the funding of a 16–18-year-old learner does not change during an individual's programme.

16–18 Guarantee Group

The Guarantee Group includes all young people who have not reached the age of 18 who satisfy the eligibility criteria, are not in education, training or employment and who are registered with Connexions for WBL. Arrangements for the Guarantee for young people will continue. This guarantees:

- two offers of suitable learning opportunities within eight weeks of applying
- for those leaving Year 11, two suitable offers before the first Monday in January
- adequate support to take up and continue learning.

Learner aged 19 or over

The definition of a learner aged 19 or over mirrors that relating to a 16–18-year-old learner. A learner aged 19 or over is aged 19 or over on his or her programme start date. This includes learners who commence new programmes immediately after ending a programme commenced while in the 16–18 age group.

Absence

A provider may continue to claim funding for reasonable absences of up to 4 weeks (28 days) by learners from their programmes. Since 2004/05, the LSC has ceased to distinguish between authorised and unauthorised absence for funding purposes.

Actual leaving date

The date that the learner completed his or her learning activity, or the date when the learner is deemed to have terminated the learning activity if this is an earlier date, as set out in the ILR guidance, *Specification of the Individualised Learner Record for 2006/07*.

Additional learning support

Additional learning support (ALS) is the generic term for support provided to the learner to address their learning needs. In the WBL context, it includes financial support that enables young people to take up and remain in WBL. It includes enhancements to monthly payments for young people assessed as having additional learning needs (ALN) and/or additional social needs (ASN). Exceptional learning support and support for disabled learners is also included within ALS.

Additional learner support

Additional learner support includes those funds that support the learner to stay in learning. In the WBL context it includes allowances for:

- non-endorsed Apprenticeships and NVQ learning
- childcare
- travel
- residential accommodation
- personal protective equipment.

Additional learning needs

Additional learning needs (ALN) relate to the learner's intrinsic ability. If a learner is assessed as having additional learning needs, an additional sum of funding is provided.

Additional social needs

Additional social needs (ASN) relate to the emotional, behavioural or motivational abilities of the learner.

Advanced Apprenticeships

Advanced Apprenticeships are the preferred WBL route for all young people aged 16–24 who are capable of achieving an NVQ at Level 3.

Agreed break in learning

A break in learning may be up to six months, as agreed between the learner and the provider, the learner having expressed an intention to return by a set date.

Allowance

The national minimum training allowance (MTA) is £40 a week. Only non-employed learners *who were already in learning on 10 April 2006* and those over 19 at start are entitled to the MTA.

Apprenticeships

Apprenticeships are the preferred WBL route for all young people aged 16–24 who are capable of achieving an NVQ at Level 2.

Approved qualification

An approved qualification is a current qualification where the learner started learning and was registered with an appropriate awarding body on or before the QCA last registration date. It was accredited before the QCA certification end date and is approved for funding and listed on the LSC's Learning Aims Database (<http://providers.lsc.gov.uk/LAD/aims/searchcriteria.asp>).

Average length of stay, with range

The mean duration, in months calculated from ILR data for all learners on a given framework in a contract year. Range provides a measure of the spread of values.

Disability

The Disability Discrimination Act 1995 describes a person as having a disability if he or she "has a physical or mental impairment which has a substantial and long-term adverse effect on his ability to carry out normal day-to-day activities". Guidance about the terms used within the definition, and what is meant by "day-to-day activities" is given in the *Disability Discrimination Act 1995 Part 1*, and in *Guidance on Matters to be Taken into Account in Determining Questions Relating to the Definition of Disability*, published by The Stationery Office (ISBN 0-11-270955-9).

EC national

An EC national is defined as a national of any member state of the European Community or Union.

New EU member states from 1 May 2004

The new joining countries are: Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.

Education Maintenance Allowance

Educational Maintenance Allowance (EMA) is a payment to encourage young people from low-income families to stay in learning after the age of 16.

Employed or employment

"Employment" includes full- or part-time work (16 hours or more a week), and permanent, temporary or casual paid employment under a contract of employment. It excludes taking part in voluntary work or other work that is not subject to a contract of employment.

Employed status

A learner has employed status if he or she is under a contract of employment. This includes self-employment.

Entry to Employment

Entry to Employment (E2E) is a dynamic approach designed to equip young people to become independent, self-motivated, informed and empowered to take control of their lives. Its primary aim is to enable learners to progress into employment with training or onto further learning programmes. It is further defined in Section 7 paragraph 202 in the main body of this document.

Entry to Employment activity plan

The E2E activity plan is a document that describes the programme of activities that individual learners will undertake as part of their participation in E2E

Entry to Employment curriculum offer

The E2E curriculum offer refers to the range of learning opportunities for learners that meets the requirements of the E2E entitlement curriculum.

Entry to Employment Prospectus

The E2E Prospectus refers to a set of documents that detail the range of information that is currently available about E2E.

Entry to Employment learning framework

The E2E learning framework is the overall statement and description of what E2E is, who it is for, and what it strives to be. This includes the ethos and principles upon which it is founded.

Exceptional learning support

Exceptional learning support (ELS) is support that is required to meet the learner's needs, the costs of which exceed the defined threshold level.

Extended Guarantee Group

The Extended Guarantee Group includes all 18–24 year olds not in education, training or employment who satisfy the eligibility criteria and are seeking entry into learning and who:

- have reached the age of 18 but have not been available to enter learning for the first time because of disability, ill health, pregnancy, a custodial sentence, remand in custody, language difficulties or as a result of a care order; or
- entered learning for the first time before reaching the age of 18 but discontinued their learning for any of the reasons set out above and were unable to resume their learning before reaching the age of 18.

Expected length of programme

The expected length of programme refers to the expected duration of a particular programme. It may also be used to refer to an individual learner's start and planned end dates. The LSC supplies average length of stay and acceptable ranges for WBL programme aims.

Formula-funded provision

Formula-funded provision comprises Apprenticeships, Advanced Apprenticeships and NVQ learning (*for existing learners only*).

Framework

Frameworks are completed by learners who are engaged in the full Apprenticeships training specification, and are developed by the relevant sector body. Frameworks incorporate the set criteria, outcomes and good practice that are approved by the Skills for Business Apprenticeship Approval Group.

Framework completion certificate

The framework completion certificate is a certificate that complies with national requirements and that is approved by the relevant sector body or SSC, and which is issued to the apprentice on completion of learning to attest that the minimum requirements of the Apprenticeships have been achieved.

Full-time education or training

Learners engaged in education or training of more than 16 hours a week, *or on a course of more than 450 Guided Learning Hours (GLH) or more per year* are considered full time. Education or training includes FE, HE or training at any educational establishment (school, college, university, city technical college) but excludes people on Open College or Open University or other distance learning courses.

Gained

This is the date that an outcome is determined or an approved qualification is achieved (which means the date when a certificate or any other acceptable evidence is first issued). For providers with direct claim status, the date of achievement is the internal verification date. For providers without direct claim status, the date of achievement is the external verification date.

Graduate

A graduate is a person who has obtained an HE qualification at Level 5 or has been awarded a first degree by a recognised university or other recognised HE institution.

Guided learning hours

Guided learning hours (glh) are defined as time when a member of staff is present to give specific guidance towards the learning aim being studied on a programme. This includes lectures, tutorials and supervised study in, for example, open learning centres and learning workshops. It also includes time spent by staff assessing learners' achievements, for example in the assessment of competence for NVQs. It does not include time spent by staff in the day-to-day marking of assignments or homework where the learner is not present. It does not include hours where supervision or assistance is of a general nature and is not specific to the study of learners.

Hardship fund

A fund made available by the LSC to meet the immediate hardship needs of learners on Programme-led Apprenticeships and E2E.

Individualised Learner Record

The Individualised Learner Record (ILR) is used to record all relevant funding data about LSC-funded WBL learners by providers. See the LSC's ILR guidance *Specification of the Individualised Learner Record for 2006/07* (www.lsc.gov.uk/National/Partners/Data/DataCollection/ILR/ILRSpecification/default).

In learning

A learner who has commenced an agreed course of learning and has not yet finished that course of learning is said to be in learning. A learner continues to be counted as being in learning even if that learner is not attracting funding as he or she has drawn down all the on-programme money attracted by the programme.

In-learning census date for formula-funded programmes

This is the census date at which a learner must be classified as being in learning to receive a payment for that period (month or week). A learner who leaves on a census date is counted as being in learning for that period for funding purposes. A learner who starts on a census date is also counted as being in learning for that month for funding purposes. Once the census date has past, if the learner is no longer in learning, funding will not be generated for that learner.

Learner

In this guidance, this refers to an eligible learner who has commenced their WBL learning programme. An ex-learner whose learning has been terminated is also referred to as a learner with respect to their terminated course.

Learning

Learning is defined as a process of planned activities that the learner engages in, and which is specifically designed for imparting the knowledge, skills and competence that are relevant to effective participation in the labour market.

Learning aim

A learning aim is defined as a single element of learning.

Learning opportunity

This is an opportunity offered to an eligible person to engage in and to complete suitable full-time learning (or, where the funding agreement permits and the eligible person so elects, suitable part-time learning as specified in the ILP).

Learning programme

A learning programme is defined as all of a learner's activities that involve the use of the resources of the provider at which the learner is enrolled. Advanced Apprenticeships are considered to constitute a single learning programme. A learning programme may be composed of one or several learning aims. For example, an Advanced Apprenticeship (learning programme) may be composed of an NVQ, key skills and a Technical Certificate (learning aims).

National Employer Service

The National Employer Service (NES) has responsibility for managing the contracting arrangements with large, national, multi-site employers and providers who act on behalf of these employers. The purpose of having a NES is to simplify the LSC's relationship with large employers and their representatives. This is done through an account management system. The aim is to make sure that large national employers can work with the LSC at a single point, while providing flexibility at local level to meet local needs. More information is available from the NES website (<http://nes.lsc.gov.uk/Generic/default.htm>).

Non-formula-funded provision

This comprises the Entry to Employment programme only.

NVQ learning

This refers to training provision that meets NVQ standards at Levels 1, 2, 3 or 4. *The LSC no longer funds NVQ learning at Levels 1, 2 and 3 except for those already in learning.*

Outcome

The outcome of a learning programme is the achievement by learners of an approved qualification. This is either an NVQ, or the completion of the whole Apprenticeship.

On-programme payments

These are the payments the provider will receive in respect of formula-funded provision for each learner who is in learning on the in-learning last day of the month.

Personal adviser

A personal adviser is the named Connexions person who works with a young person and who has responsibility for supporting that person to help them enter education or training and to achieve his or her learning aims.

Provider Funding Report

Provider Funding Reports replace the previous Provider Management Reports (PMRs). These reports are available to the provider from the ILR. The reports detail the actual earned current position of a provider against their profile, based on the information the provider has returned in the form of their data return.

Programme-led apprentice

A Programme-led apprentice is either:

- a learner, funded through FE funding, who is studying, usually full time, on a vocational course where the subjects studied form one or more parts of an Apprenticeship framework, for example a Technical Certificate, and who has the intention of seeking employment in the subject of their programme on completion of their period of study; or
- a non-employed learner on an Apprenticeship funded through WBL.

Provision

In the WBL context, provision refers to programmes comprising Apprenticeships and Advanced Apprenticeships, NVQ learning (previously other training) and E2E.

Refugee

A refugee will be someone with humanitarian, indefinite, limited or exceptional leave to remain in the United Kingdom. A refugee seeking entry onto publicly funded training programmes must have the appropriate Home Office documentation giving him or her permission to train and work in the UK.

Regional contracting team

Regional contracting teams are the teams established at LSC regional level to manage contracting arrangements on behalf of a region.

Right to time off for study or training

The right to time off for study or training is defined in Part III of the Teaching and Higher Education Act 1988 (the 1988 Act). A copy of the 1988 Act is available on the DfES website (www.dfes.gov.uk/tfst).

From September 1999, employees who are aged 16 or 17, who are not in full-time education, and not qualified to Level 2 – as defined by the Regulations – have the right to reasonable paid time off work to study or train for approved qualifications. Certain employees aged 18 also have the right to complete study or training they have already begun.

The LSC's experience to date has been that virtually all enquiries under this law can be met through mainstream WBL or FE provision. If providers receive any queries they are unable to deal with through mainstream provision, they should refer to their local LSC.

School

This refers to a school that operates under the DfES Schools Regulations, but excluding a tertiary college, community college, sixth form or FE college.

School leaving date

The school leaving date is the last Friday in June in the school teaching year in which a young person reaches the age of 16.

(School) Year 11

Year 11 is the school year, where, for the majority of pupils, their age is 16 at the end of the academic year.

Self-employed

Learners who are self-employed can be classed under the definition of employed for the purposes of WBL eligibility.

Start date

The start date for a learner is the day on which he or she commences a learning programme or the assessment leading to a learning programme in the case of E2E.

Technical Certificate

A Technical Certificate is a vocationally related qualification that is recognised by the QCA as providing the underpinning knowledge of the NVQ and forming part of the Apprenticeship as approved by the Skills for Business Apprenticeship Approval Group. All approved Technical Certificates are listed on the Learning Aims Database on the LSC's website (<http://providers.lsc.gov.uk/LAD/aims/searchcriteria.asp>).

Temporary framework

This comprises an NVQ plus key skills that the LSC has agreed in discussion with the appropriate SSC or sector body. It provides a complete learning programme that is broadly equivalent to an Apprenticeship in an occupation or sector where no suitable approved framework exists.

Training Provider Statement

The Training Provider Statement (TPS) is an auditable electronic return that details the amount of funding earned for non-formula-funded activity. It is completed on a monthly basis.

Work experience

Work experience refers to non-employed placements with employers aimed at helping learners improve their skills, get experience and become accustomed to a working regime and environment.

Annex B: National Rates for Work-based Learning for 2006/07

- 1 Italic are not used in this section to denote new material.
- 2 The definitive rates for WBL can be found on the Learning Aims Database (LAD) (<http://providers.lsc.gov.uk/LAD/aims/searchcriteria.asp>).
- 3 During 2005/06, the LSC reviewed the rates for 14 Apprenticeship frameworks and introduced changes to 13 frameworks. Changes are based on the most popular combination of qualifications for each framework. A summary of the changes is given below in Tables B1–B4.
- 4 Other standard rates are also given in paragraph 5 below.

Table B1: Changes to 16–18 framework rates, 2006/07

16–18 framework rate							
FW code	Framework	Level	2005/06 Rate	Percentage change 2005/06-2006/07	2006/07 Rate after inflation	Percentage change 2006/07-2007/08	2007/08 Rate (not inc inflation)
201 A	Accounting	2	£4,468	1.6%	£4,538	-0.9%	£4,497
102 A	Administration	2	£4,296	1.5%	£4,360	-1.0%	£4,317
116 A	Construction	2	£7,013	10.5%	£7,750	7.3%	£8,313
263 A	Customer Service	2	£3,788	2.8%	£3,894	0.3%	£3,906
105 A	Electro-technical	2	£7,728	2.5%	£7,922	0.0%	£7,922
106 A	Engineering	2	£7,449	8.5%	£8,082	5.5%	£8,530
217 A	Hairdressing	2	£5,450	2.5%	£5,586	0.0%	£5,586
104 A	Children's Care, Learning and Development	2	£4,519	6.9%	£4,831	4.1%	£5,031
236 A	Health and Social Care	2	£4,398	6.4%	£4,681	3.7%	£4,855
112 A	Retail	2	£3,972	2.8%	£4,083	0.3%	£4,095
235 A	Retail Motor Vehicle * Note	2	£8,578	3.1%	£8,846	0.6%	£8,898
201 AA	Accounting	3	£6,697	-14.8%	£5,707	-20.3%	£4,550
102 AA	Administration	3	£6,958	-10.0%	£6,260	-13.9%	£5,389
116 AA	Construction	3	£11,744	-21.1%	£9,261	-30.0%	£6,485
263 AA	Customer Service	3	£5,756	-4.8%	£5,478	-7.7%	£5,056
105 AA	Electro-technical	3	£15,253	-2.4%	£14,887	-5.0%	£14,140
106 AA	Engineering	3	£14,973	3.6%	£15,508	1.0%	£15,668
217 AA	Hairdressing	3	£6,565	-3.2%	£6,356	-5.9%	£5,982
104 AA	Children's Care, Learning and Development	3	£7,112	-2.0%	£6,973	-4.5%	£6,657
236 AA	Health and Social Care	3	£6,627	-5.8%	£6,245	-8.8%	£5,697
112 AA	Retail	3	£6,079	-4.4%	£5,809	-7.3%	£5,387
235 AA	Retail Motor Vehicle * Note	3	£14,767	-39.9%	£8,878	-9.3%	£8,048

* Rate corrected by LSC prior to application of recommendations.

+ 19+ rate increased to ensure that the difference between 16–18 and 19+ rates is no greater than 50 per cent.

++ 19+ Rate increased to ensure that the difference between 16–18 and 19+ rates for Automotive NVQs is limited to 38 per cent.

Note Changes made to framework 235 Motor Vehicle also affect the revised frameworks introduced in 2005/06.

The affected revised frameworks are:

328 - Vehicle Maintenance and Repair

331 - Vehicle Parts Operations

329 - Roadside Assistance and Recovery

327 - Vehicle Fitting

330 - Vehicle Body and Paint Operations

Table B2: Changes to 19+ framework rates, 2006/07

19+ framework rate								
FW code	Framework	Level	2005/06 Rate	Percentage change 2005/06-2006/07	2006/07 Rate after inflation	Percentage change 2006/07-2007/08	2007/08 Rate (not inc inflation)	
201 A	Accounting	2	£2,841	-0.9%	£2,815	-0.9%	£2,790	
102 A	Administration	2	£2,722	-1.0%	£2,695	-1.0%	£2,668	
116 A	Construction	2	£4,321	7.8%	£4,659	7.3%	£4,997	
263 A	Customer Service	2	£2,373	0.3%	£2,380	0.3%	£2,387	
105 A	Electro-technical +	2	£4,275	5.6%	£4,515	0.0%	£4,515	
106 A	Engineering +	2	£3,935	12.0%	£4,406	-0.2%	£4,397	
217 A	Hairdressing +	2	£2,924	0.0%	£2,924	0.0%	£2,924	
104 A	Children's Care, Learning and Development	2	£3,028	4.3%	£3,159	4.1%	£3,289	
236 A	Health and Social Care	2	£2,945	3.8%	£3,059	3.7%	£3,172	
112 A	Retail	2	£2,500	0.3%	£2,507	0.3%	£2,514	
235 A	Retail Motor Vehicle * Note	2	£4,859	5.5%	£5,128	-4.1%	£4,918	
201 AA	Accounting	3	£4,374	-16.9%	£3,637	-20.3%	£2,899	
102 AA	Administration	3	£4,553	-12.2%	£3,996	-13.9%	£3,440	
116 AA	Construction +	3	£6,392	-21.5%	£5,018	-31.4%	£3,443	
263 AA	Customer Service	3	£4,034	-7.1%	£3,746	-7.7%	£3,458	
105 AA	Electro-technical +	3	£8,693	-3.9%	£8,358	-5.9%	£7,862	
106 AA	Engineering +	3	£8,353	1.0%	£8,440	1.0%	£8,528	
217 AA	Hairdressing	3	£3,670	-5.5%	£3,467	-5.9%	£3,263	
104 AA	Children's Care, Learning and Development	3	£4,658	-4.3%	£4,456	-4.5%	£4,254	
236 AA	Health and Social Care	3	£4,326	-8.1%	£3,976	-8.8%	£3,627	
112 AA	Retail	3	£4,255	-6.8%	£3,967	-7.3%	£3,679	
235 AA	Retail Motor Vehicle * ++ Note	3	£8,360	-31.5%	£5,730	-5.9%	£5,392	

* Rate corrected by LSC prior to application of recommendations.

+ 19+ rate increased to ensure that the difference between 16-18 and 19+ rates is no greater than 50 per cent.

++ 19+ Rate increased to ensure that the difference between 16-18 and 19+ rates for Automotive NVQs is limited to 38 per cent.

Note Changes made to framework 235 Motor Vehicle also affect the revised frameworks introduced in 2005/06.

The affected revised frameworks are:

328 - Vehicle Maintenance and Repair

331 - Vehicle Parts Operations

329 - Roadside Assistance and Recovery

327 - Vehicle Fitting

330 - Vehicle Body and Paint Operations

Table B3: Changes to 16–19 NVQ rates, 2006/07

		16–19 NVQ rate						
FW code	Framework	Level	2005/06 Rate	Percentage change 2005/06–2006/07	2006/07 Rate after inflation	Percentage change 2006/07–2007/08	2007/08 Rate (not inc inflation)	
201	A	Accounting	2	£4,146	1.5%	£4,208	-1.0%	£4,167
102	A	Administration	2	£3,121	1.1%	£3,156	-1.4%	£3,113
116	A	Construction	2	£4,459	15.1%	£5,133	11.0%	£5,696
263	A	Customer Service	2	£3,121	2.9%	£3,211	0.4%	£3,223
105	A	Electro-technical	2	£5,295	2.5%	£5,428	0.0%	£5,428
106	A	Engineering	2	£5,295	10.9%	£5,875	7.6%	£6,322
217	A	Hairdressing	2	£5,128	2.5%	£5,256	0.0%	£5,256
104	A	Children's Care, Learning and Development	2	£3,121	8.9%	£3,399	5.9%	£3,598
236	A	Health and Social Care	2	£3,121	8.1%	£3,373	5.1%	£3,546
112	A	Retail	2	£3,121	2.9%	£3,211	0.4%	£3,223
235	A	Retail Motor Vehicle * Note	2	£5,295	3.5%	£5,481	1.0%	£5,533
201	AA	Accounting	3	£6,375	-15.7%	£5,377	-21.5%	£4,220
102	AA	Administration	3	£5,351	-13.8%	£4,613	-18.9%	£3,742
116	AA	Construction	3	£10,033	-25.2%	£7,508	-37.0%	£4,731
263	AA	Customer Service	3	£4,905	-6.1%	£4,606	-9.2%	£4,184
105	AA	Electro-technical	3	£10,869	-4.4%	£10,394	-7.2%	£9,647
106	AA	Engineering	3	£10,869	4.0%	£11,302	1.4%	£11,462
217	AA	Hairdressing	3	£6,243	-3.5%	£6,026	-6.2%	£5,652
104	AA	Children's Care, Learning and Development	3	£5,351	-3.4%	£5,168	-6.1%	£4,851
236	AA	Health and Social Care	3	£5,351	-7.7%	£4,937	-11.1%	£4,388
112	AA	Retail	3	£4,905	-6.1%	£4,606	-9.2%	£4,184
235	AA	Retail Motor Vehicle * Note	3	£10,869	-55.1%	£4,883	-17.0%	£4,053

* Rate corrected by LSC prior to application of recommendations.

+ 19+ rate increased to ensure that the difference between 16–18 and 19+ rates is no greater than 50 per cent.

++ 19+ Rate increased to ensure that the difference between 16–18 and 19+ rates for Automotive NVQs is limited to 38 per cent.

Note Changes made to framework 235 Motor Vehicle also affect the revised frameworks introduced in 2005/06.

The affected revised frameworks are:

328 - Vehicle Maintenance and Repair

331 - Vehicle Parts Operations

329 - Roadside Assistance and Recovery

327 - Vehicle Fitting

330 - Vehicle Body and Paint Operations

Table B4: Changes to 19+ NVQ rates, 2006/07

		19+ NVQ rate						
FW code	Framework	Level	2005/06 Rate	Percentage change 2005/06-2006/07	2006/07 Rate after inflation	Percentage change 2006/07-2007/08	2007/08 Rate (not inc inflation)	
201	A	Accounting	2	£2,545	-1.0%	£2,519	-1.0%	£2,494
102	A	Administration	2	£1,840	-1.4%	£1,814	-1.5%	£1,787
116	A	Construction	2	£2,492	13.6%	£2,830	11.9%	£3,169
263	A	Customer Service	2	£1,840	0.4%	£1,848	0.4%	£1,855
105	A	Electro-technical +	2	£2,492	9.6%	£2,732	0.0%	£2,732
106	A	Engineering +	2	£2,492	18.9%	£2,963	6.7%	£3,161
217	A	Hairdressing +	2	£2,628	0.0%	£2,628	0.0%	£2,628
104	A	Children's Care, Learning and Development	2	£1,994	6.5%	£2,124	6.1%	£2,255
236	A	Health and Social Care	2	£1,994	5.7%	£2,107	5.4%	£2,220
112	A	Retail	2	£1,840	0.4%	£1,848	0.4%	£1,855
235	A	Retail Motor Vehicle * <small>Note</small>	2	£2,492	10.8%	£2,761	0.2%	£2,767
201	AA	Accounting	3	£4,078	-18.1%	£3,341	-22.1%	£2,603
102	AA	Administration	3	£3,374	-16.5%	£2,818	-19.7%	£2,261
116	AA	Construction +	3	£5,142	-26.7%	£3,768	-37.2%	£2,366
263	AA	Customer Service	3	£3,374	-8.5%	£3,086	-9.3%	£2,798
105	AA	Electro-technical +	3	£5,571	-6.0%	£5,235	-7.9%	£4,823
106	AA	Engineering +	3	£5,571	1.6%	£5,658	1.5%	£5,745
217	AA	Hairdressing	3	£3,374	-6.0%	£3,171	-6.4%	£2,967
104	AA	Children's Care, Learning and Development	3	£3,374	-6.0%	£3,172	-6.4%	£2,969
236	AA	Health and Social Care	3	£3,374	-10.3%	£3,025	0.0%	£3,025
112	AA	Retail	3	£3,374	-8.5%	£3,086	-9.3%	£2,798
235	AA	Retail Motor Vehicle * ++ <small>Note</small>	3	£5,571	-47.2%	£2,941	-11.5%	£2,603

* Rate corrected by LSC prior to application of recommendations.

+ 19+ rate increased to ensure that the difference between 16-18 and 19+ rates is no greater than 50 per cent.

++ 19+ Rate increased to ensure that the difference between 16-18 and 19+ rates for Automotive NVQs is limited to 38 per cent.

Note Changes made to framework 235 Motor Vehicle also affect the revised frameworks introduced in 2005/06.

The affected revised frameworks are:

328 - Vehicle Maintenance and Repair

331 - Vehicle Parts Operations

329 - Roadside Assistance and Recovery

327 - Vehicle Fitting

330 - Vehicle Body and Paint Operations

Appendix 1 to Annex B: Conclusions of Review of Apprenticeship Rates for 2006/07 and 2007/08

Business Administration

1 This framework is funded as two separate episodes of learning. It is assumed that learners will complete Level 2 before progressing to Level 3. Should they go direct to Level 3 this is because of other prior qualifications or experience which make the Level 2 is not necessary. Therefore there is no requirement to reduce Level 3 funding if a Level 2 is delivered before a Level 3.

2 The study identified that the activity did not fully support the current rates and that there was a funding overlap between the NVQ and the Technical Certificate. Therefore there will be a reduction in the NVQ Level 2 rate of 3 per cent and a reduction in the NVQ Level 3 rate of 32–33 per cent. This reduction will apply to 16–18 and 19+ rates and will be made over two years.

3 Overall for 2006/07 including an uplift for inflation at 16–18, the funding for the full Apprenticeship framework will increase by 1.5 per cent and funding for the Advanced Apprenticeship will decrease by 10 per cent for 16–18 year olds and will decrease by 1 per cent and 12 per cent for 19+ learners.

4 Additionally to reduce confusion and commercial advantage, the Level 2 Diploma in Business Administration (100/5790/0) will be funded at 200 guided learning hours (glh). The Level 3 Award in Administration (100/4258/1) will be funded at 140 glh.

Hairdressing

5 This framework is funded as two separate episodes of learning. It is assumed that learners will complete Level 2 before progressing to Level 3. Should they go direct to Level 3, this is because of other prior qualifications or experience which mean the Level 2 is not necessary. Therefore there is no requirement to reduce Level 3 funding if a Level 2 is delivered before a Level 3.

6 The study identified that the activity at Level 3 did not fully support the current rate. Therefore the

Level 3 NVQ rate will be reduced by 12 per cent. This reduction will apply to 16–18 and 19+ rates and will be made over two years. The reduction at Level 3 will also apply to the Barbering framework.

7 Overall for 2006/07, including an uplift for inflation at 16–18, the funding for the full Apprenticeship framework will increase by 2.5 per cent and for the Advanced Apprenticeship will decrease by 3.2 per cent for 16–18 year olds and will remain the same and decrease by 6 per cent for 19+ learners respectively.

Accountancy

8 This framework is funded as two or three separate episodes of learning (NVQ Level 2, NVQ Level 3, NVQ Level 4). It is assumed that learners will complete Level 2 before progressing to Level 3. Should they go direct to Level 3 this is because of other prior qualifications or experience which mean the Level 2 is not necessary. Therefore there is no requirement to reduce Level 3 funding if a Level 2 is delivered before a Level 3. The same principles apply between Levels 3 and 4.

9 The study identified that the current enhancement (£999) for knowledge and understanding is supported at Level 2 but is not supported at Level 3 or 4. Therefore, it will continue at Level 2 and will be removed from the NVQ rate at Level 3 following representations from the Association of Learning Providers (ALP). This change will be implemented over two years. This means a 7.5 per cent reduction in the NVQ Level 3 rate in 2006/07 and a further 7.5 per cent in 2007/08.

10 Additionally the study concluded that the activities at Levels 2, 3 and 4 do not support the current NVQ rates. Therefore the rate at NVQ Level 2 will be reduced by 2 per cent and the NVQ Level 3 and Level 4 rates further reduced by a further 20–21 per cent. This means an overall reduction of 35 per cent. The reduction will apply to both 16–18 and 19+ rates and will be made over two years.

11 The same adjustments will apply to the Payroll framework.

12 Overall for 2006/07, including an uplift for inflation at 16–18, the funding for the full Apprenticeship framework will increase by 1.6 per cent and for the Advanced Apprenticeship will decrease by 15 per cent for 16–18 year olds and will decrease by 1 per cent and by 17 per cent for 19+ learners respectively.

Retail

13 This framework is funded as two separate episodes of learning. It is assumed that learners will complete Level 2 before progressing to Level 3. Should they go direct to Level 3 this is because of other prior qualifications or experience which mean the Level 2 is not necessary. Therefore there is no requirement to reduce Level 3 funding if a Level 2 is delivered before a Level 3. The same principles apply between Levels 3 and 4.

14 The study identified that the activity did not fully support the current rates and that there was a funding overlap between the NVQ and the Technical Certificate. Therefore there will be a reduction in the NVQ Level 3 rate of 17 per cent. This reduction will apply to 16–18 and 19+ rates and will be made over two years. At Level 2, the current rates were more than justified by the activities. There will therefore be a 1 per cent increase in the Level 2 NVQ rate for 16–18 and 19+ learners over two years.

15 Overall for 2006/07, including an uplift for inflation at 16–18, the funding for the full Apprenticeship framework will increase by 2.8 per cent and for the Advanced Apprenticeship will decrease by 4.4 per cent for 16–18 year olds and will remain the same and decrease by 7 per cent for 19+ learners respectively.

16 Additionally, to reduce confusion and commercial advantage, the three Technical Certificates at Level 2 will all have their funding aligned at 115 glh. At Level 3 the three Technical Certificates will be aligned at 200 glh. Both changes will be made in full for 2006/07.

Customer Services

17 Due to the above changes to Administration and Retail, the LSC is applying the same principles to reductions for the Customer Service framework. To do otherwise would introduce a perverse incentive into the system. Therefore Retail rates will apply for 2006/07.

18 The Customer Services framework will be examined more closely in the next phase and further adjustments made if necessary.

Retail Motor Vehicle

19 This framework is currently funded as a direct Level 3 framework as Level 3 is viewed as the level at which an apprentice becomes skilled. Changes to the framework introduced in 2005 (framework 4) mean that it should be funded as separate learning episodes.

(that is, Level 2 and then Level 3) Currently it is possible for providers to generate additional funds by claiming an NVQ Level 2 before an NVQ Level 3 even though the Level 2 learning is included in the Level 3. This needs to change and would have been changed for 2006/07 regardless of the introduction of framework 4.

20 Since the industry is moving to separate Apprenticeships and Advanced Apprenticeships, the LSC's funding will change to support Level 2 and Level 3 NVQs as standalone qualifications from 2006/07. This requires the Level 2 learning to be removed from the Level 3 rate.

21 This will result in significantly more apprentices at Level 2 and the SSC predicts that 70 per cent will progress to Level 3, adjusting the balance of the programme significantly.

22 Also there have been concerns that this change would disadvantage those who become 19 before they continue their Level 3. Therefore the LSC has re-calculated the 19+ reduction and has now reduced 19+ funding by 40 per cent rather than the previous 49 per cent.

23 These changes will result in a 49 per cent reduction in 16–18 NVQ Level 3 rates and a 38 per cent reduction in the 19+ NVQ Level 3 rate.

24 Furthermore, these changes could result in unfair treatment for those apprentices who commenced framework 3 and are still in learning. These are generally apprentices who started in 2004. These apprentices will be funded at the existing Level 3 rate until 31 July 2007 after which time, if still in learning, they will be funded at the then-current Level 3 rate. A supplement will be claimed on the Training Provider Statement to facilitate this. See instruction at paragraphs 28-31.

25 The same principles of de-nesting will apply to Vehicle Sales and Parts frameworks.

26 In addition, the activity at Level 2 exceeded the current rates and will therefore rise by 2 per cent over two years. Activity did not support the rate at Level 3 and this will be reduced by a further 15 per cent over two years.

27 Overall for 2006/07, including an uplift for inflation at 16–18, the funding for the full Apprenticeship framework will increase by 3.1 per cent and for the Advanced Apprenticeship will decrease by 40 per cent for 16–18 year olds and will increase by 5.5 per cent and decrease by 31.5 per cent for 19+ learners respectively.

Level 3 direct top-up payments for Retail Motor Vehicle

28 Learners who have started an NVQ in frameworks 235/328/331/329/327/330 Retail Motor Vehicle with a funding category of C before 31 July 2006 and have not completed an NVQ at Level 2 or equivalent before starting are eligible to claim the difference between the 2005/06 and 2006/07 rates through the TPS for 2006/07 only. The means of working out the value of the claim is to calculate the difference as a percentage of the 2006/07 rate, as in Table B5 below.

Table B5: Calculation of claim for NVQ in Retail Motor Vehicle

Automotive	16–18	19+
2005/06	£10,869.48	£5,570.61
2006/07	£4,883.34	£2,940.83
Difference between 2005/06 and 2006/07	£5,986.14	£2,629.78
Difference as a percentage of 2006/07 rate	123%	89%

Note: See para. 28 above for specific frameworks.

Monthly payments

29 To calculate the monthly payment uplift amount, the provider is only required to perform the calculation once for 2006/07. For all eligible learners on the 2006/07 PFR for period 1 it is possible to take the monthly rate for the affected qualifications and multiply by the relevant factor (for 16–18: 1.23 and for 19+: 0.89). This will give the top-up amount to be claimed each month for all learners receiving the same monthly payment amount. After this has been done, the provider then only needs to multiply the TPS amount by the number of eligible affected learners in learning for that month. Please see Example 1 below.

Example 1: For a 16–18-year-old learner studying over 24 months.

Monthly amount:	£152.60 (from PFR 1 0607)
TPS claim amount:	$152.60 \times 1.23 = £187.70$
Number of affected learners in learning with similar monthly amount:	20
Total TPS claim for monthly payments:	$187.70 \times 20 = £3,754.00$

Balance payments

30 A similar principle can be applied to balancing payments for learners completing and achieving early. The balance sum can be found on the PFR for the affected eligible learners. This amount can be multiplied by the relevant factor in Table B5 to derive the value to be claimed through TPS (see Example 2).

Example 2: Two-month balance payment for 16–18-year-old learner.

Balancing payment:	£305.20
TPS claim amount:	$305.20 \times 1.23 = £375.40$

Framework achievement payments

31 The PFR will also give the achievement payment for all affected eligible learners once they have completed the framework. This amount can be multiplied by the relevant factor in Table B5 above to derive the value to be claimed through TPS (Example 3).

Example 3: Achievement payment for a 16–18-year-old learner completing the NVQ and framework in 2006/07.

Achievement payment:	£1,220.84
TPS claim amount:	$1,220.84 \times 1.23 = £1,501.63$

Plumbing

32 This framework is currently funded as a direct Level 3 framework as this is when an apprentice is deemed skilled. However there is significant scope to claim additional funding by claiming Apprenticeship or FE funding before commencing an Advanced Apprenticeship.

33 The project was unable to establish acceptable evidence to assess the activities in the framework. There are also issues around Technical Certificates and additional mandatory requirements. The LSC intends to investigate these further before making further changes in 2007/08.

34 Therefore there will only be two changes for 2006/07. Where any new start commences on an Advanced Apprenticeship having completed an Apprenticeship, an NVQ at Level 2 or equivalent qualification, then 80 per cent of the NVQ Level 2 rate is to be reduced from the NVQ Level 3 funding. This will be done by entering 47 per cent into field A51a of the ILR.

35 Also the 19+ reduction has been capped at 50 per cent.

36 Overall for 2006/07, including an uplift for inflation at 16–18, the funding for the full Apprenticeship and Advanced Apprenticeships frameworks will increase by 2.5 per cent for 16–18 year olds and will remain at the same level for Apprenticeships and Apprenticeships for learners age 19 or over.

Electro-technical

37 This framework is currently funded as a direct Level 3 framework as this is when an apprentice is deemed skilled. However there is significant scope to claim additional funding by claiming Apprenticeship funding before commencing an Advanced Apprenticeship.

38 The project established that there is currently an imbalance between Level 2 funding where activity currently generates more cost than the rate provides for and Level 3 where funding is not supported by the activity.

39 However the industry does not support Level 2 Apprenticeships because this level does not qualify the apprentice to work on the majority of tasks. Therefore the LSC will be maintaining the current rate for NVQ at

Level 2 and reducing the NVQ at Level 3 rate by 13–15 per cent for 16–18 and 19+ apprentices respectively over two years.

40 A compulsory reduction of 80 per cent of the NVQ Level 2 rate is also introduced should an apprentice have completed an Apprenticeship, NVQ at Level 2 or equivalent qualification before commencing an Advanced Apprenticeship. This applies to new starts only. This will be done by entering 52 per cent into field A51a of the ILR.

41 The 19+ reduction has been capped at 50 per cent.

42 Overall for 2006/07, including an uplift for inflation at 16–18, the funding for the full Apprenticeship framework will increase by 2.5 per cent for inflation only and for the Advanced Apprenticeship will decrease by 2.4 per cent for 16–18 year olds. For 19+ rates will increase for Apprenticeships by 5.6 per cent, due to the capping of 19+ employer contributions, and for Advanced Apprenticeships decrease by 4 per cent.

Construction

43 This framework is funded as two separate episodes of learning. It is assumed that learners will complete Level 2 before progressing to a Level 3. Should they go direct to Level 3, this is because of other prior qualifications or experience which mean the Level 2 is not necessary. Therefore there is no requirement to reduce Level 3 funding if a Level 2 is delivered before a Level 3.

44 The study established that there is overlap between the Technical Certificates and NVQs at a number of levels. However this was already recognised in the funding rate for the Intermediate Construction Award.

45 It was also identified that there was overlap between NVQs at Level 1 and the Foundation Construction Award and Level 2 qualifications. The activity has been assessed as three discrete learning episodes and funding will follow this route from 2006/07.

46 Following consultation with the industry, it has been agreed that where an apprentice has completed a Foundation Construction Award or NVQ at Level 1 or equivalent qualification, then 20 per cent of the framework has been completed. Therefore a reduction of 20 per cent of the framework rate will be made. This will be made against the NVQ Level 2 rate by entering 60 per cent into ILR field A51a. All other elements of the framework at Level 2 will be paid in full.

47 The NVQ at Level 3 will be funded for NVQ Level 3 activity only. The Level 2 learning will be removed from the rate. The NVQ Level 3 will have the NVQ Level 2 work removed and will therefore be reduced by 44 per cent. At the request of the industry, this will be reduced over two years. This may disadvantage some direct Advanced Apprenticeship entrants. Where apprentices are already in learning and did not complete an NVQ at Level 2 or equivalent qualification before starting, they will be able to claim the full direct Level 3 funding for one year until July 2007. This will be by a supplement claimed through the TPS.

48 The study established that the Apprenticeship is where the majority of the learning takes place and identified that it is under-funded. Therefore the NVQ Level 2 rate will rise by 25 per cent over two years. In addition, the Level 3 activities did not reflect the current rates. Therefore a further reduction of 10 per cent will be made on the NVQ Level 3 rate over two years.

49 The 19+ reduction has been capped at 50 per cent.

50 Overall for 2006/07, including an uplift for inflation at 16–18, the funding for the full Apprenticeship framework will increase by 10.5 per cent and for the Advanced Apprenticeship will decrease by 21 per cent for 16–18 year olds and will increase by 8 per cent and decrease by 22 per cent for 19+ learners.

Level 3 direct top-up payments for Construction

51 For learners who have started an NVQ in framework 116 (Construction) with a funding category of B before 31 July 2006 and have not completed an NVQ at Level 2 or equivalent providers are eligible to claim the difference between the 2005/06 and 2006/07 rates through the TPS for 2006/07 only. The recommended means for working out the value of the claim is to calculate the difference as a percentage of the 2006/07 rate as in Table B6 below.

Table B6: Calculation of claim for category B (Construction) before 31 July 2006.

Construction	16–18	19+
2005/06	£10,033.37	£5,142.10
2006/07	£7,507.71	£3,767.82
Difference between 2005/06 and 2006/07	£2,525.66	£1,374.28
Difference as a percentage of 2006/07 rate	34%	36%

Monthly payments

52 To calculate the monthly payment uplift amount, the provider is only required to perform the calculation once for 2006/07. For all eligible learners on the 2006/07 PFR for period 1 it is possible to take the monthly rate for the affected qualifications and multiply by the relevant factor (for 16–18: 0.34 and for 19+: 0.36). This will give the top-up amount to be claimed each month for all learners receiving the same monthly payment amount. After this has been done, the provider then only needs to multiply the TPS amount by the number of eligible affected learners in learning for that month. Please see Example 4 below.

Example 4: For a 16–18-year-old learner studying over 24 months.

Monthly amount: £234.62 (from PFR 1 0607)

TPS claim amount: $234.62 \times 0.34 = £79.77$

Number of affected learners
in learning with similar monthly amount: 20

Total TPS claim
for monthly payments: $79.77 \times 20 = £1,595.40$

Balance payments

53 A similar principle can be applied to balancing payments for learners completing and achieving earlier than the planned end date. The balance sum can be found on the PFR for the affected eligible learners. This amount can be multiplied by the relevant factor in Table B6 to derive the value to be claimed through TPS (Example 5).

Example 5: Two-month balance payment for 16–18-year-old learner.

Balancing payment: £469.24

TPS claim amount: $469.24 \times 0.34 = \text{£}159.54$ **Framework achievement payments**

54 The PFR will also give the achievement payment for all affected eligible learners once they have completed the framework. This amount can be multiplied by the relevant factor in Table B6 above to derive the value to be claimed through TPS (Example 6).

Example 6: Achievement payment for a 16–18-year-old learner completing the NVQ and framework in 2006/07.

Achievement payment: £1,876.93

TPS claim amount: $1,876.93 \times 0.34 = \text{£}638.16$ **Children's Care, Learning and Development**

55 This framework is funded as two separate episodes of learning. It is assumed that learners will complete Level 2 before progressing to a Level 3. Should they go direct to Level 3 this is because of other prior qualifications or experience which mean the Level 2 is not necessary. Therefore there is no requirement to reduce Level 3 funding if a Level 2 is delivered before a Level 3.

56 The study established that the NVQ Level 2 rate was currently under-funded due to the expansion of the framework to 0–16 year olds and this will rise by 12–13 per cent over two years.

57 The study identified that the activity at Level 3 did not fully support the current rate. Therefore the NVQ Level 3 rate will be reduced by 12 per cent. This reduction will apply to 16–18 and 19+ rates and will be made over two years.

58 Overall for 2006/07, including an uplift for inflation at 16–18, the funding for the full Apprenticeship framework will increase by 6.9 per cent and for the Advanced Apprenticeship will decrease by 2 per cent for 16–18 year olds and will increase by 4 per cent and decrease by 4 per cent for 19+ learners respectively.

Health and Social Care

59 This framework is funded as two separate episodes of learning. It is assumed that learners will complete Level 2 before progressing to a Level 3. Should they go direct to Level 3 this is because of other prior qualifications or experience which mean the Level 2 is not necessary. Therefore there is no requirement to reduce Level 3 funding if a Level 2 is delivered before a Level 3.

60 The study established that the Level 2 is currently under-funded and the NVQ Level 2 rate will rise by 11 per cent over two years.

61 The study identified that the activity at Level 3 did not fully support the current rate. Therefore the Level 3 NVQ rate will be reduced by 20–21 per cent. This reduction will apply to 16–18 and 19+ rates and will be made over two years. This will apply to both Social Care and Health Care qualifications.

62 Overall for 2006/07, including an uplift for inflation at 16–18, the funding for the full Apprenticeship framework will increase by 6.4 per cent and for the Advanced Apprenticeship will decrease by 5.8 per cent for 16–18 year olds and will increase by 4 per cent and decrease by 8 per cent for 19+ learners respectively.

Hospitality

63 The study was inconclusive for Hospitality due to changes to the framework and the lack of evidence covering all seven routes. There are also programme-weighting issues that require investigation. Therefore the LSC will re-evaluate the framework when it comes up for renewal in July 2007.

64 Overall for 2006/07, due to an uplift for inflation at 16–18, the funding for the full Apprenticeship and Advanced Apprenticeship frameworks will increase by 2.5 per cent for 16–18 year olds and will remain unchanged for 19+ learners.

Engineering

65 This framework is funded as a direct Level 3. However many advanced apprentices will complete an Apprenticeship or NVQ at Level 2 (or equivalent qualification) before commencing the Advanced Apprenticeship.

66 Therefore a reduction of 80 per cent of the NVQ Level 2 rate is to be made if a Level 2 is completed before a Level 3. This will be done by entering 52 per cent in field A51a of the ILR.

67 However, this framework is unique in that it is mostly "off the job" at Level 2 and "on the job" at Level 3. The Technical Certificates vary widely in scope and the study treated these as neutral.

68 As a result of the activity analysis, the NVQ Level 2 rate will increase by 16–19 per cent and the NVQ Level 3 rate will increase by 3 per cent, both over two years.

69 The 19+ reduction has been capped at 50 per cent.

70 Overall for 2006/07, including an uplift for inflation at 16–18, the funding for the full Apprenticeship framework will increase by 8.5 per cent and for the Advanced Apprenticeship by 3.6 per cent for 16–18 year olds and will increase by 12 per cent and 1 per cent respectively for 19+ learners respectively.

Information Technology

71 This framework is funded as two separate episodes of learning. It is assumed that learners will complete Level 2 before progressing to a Level 3. Should they go direct to Level 3 this is because of other prior qualifications or experience which mean the Level 2 is not necessary. Therefore there is no requirement to reduce Level 3 funding if a Level 2 is delivered before a Level 3.

72 The IT user strand was scrutinised in 2005 and advice issued in 2006 on abatements due to overlap with the Technical Certificate and NVQ.

73 No further changes are envisaged in 2006. Overall, due to an uplift for inflation at 16–18, the funding for the full Apprenticeship and Advanced Apprenticeship frameworks will increase by 2.5 per cent for 16–18 year olds and will remain unchanged for 19+ learners.

Appendix 2 to Annex B: Additional Guidance on Funding for NVQ for IT Users

74 Providers with learners claiming exemption from specific units of the NVQ for IT Users (ITQ) are required to reduce the amount of funding claimed for the ITQ when it is taken as a part of an Apprenticeship or Advanced Apprenticeship.

75 The proportion of funding for the ITQ should be reduced using field A51a, Proportion of Funding Remaining, in the ILR. The proportion remaining should be set in relation to the number of units being exempted. It is recommended that the proportion of funding should be reduced by 7 per cent for every unit achieved via a contributing qualification irrespective of credit size. This will discount the programme funding of the NVQ rate by approximately the amount of funding attributable to the contributing qualification.

76 Please note that this field only reduces the programme element of the NVQ's funding and so will not affect the amount paid upon achievement of the framework. See Table B7 for an example of the percentage of funding to be claimed if the following units are exempted on the basis of contributing qualifications.

Table B7: NVQ for IT Users (ITQ) at Level 3: Example of percentage of funding claimed if 3 ITQ units exempt

Unit title	Percentage reduction
Operate a computer	7%
Word processing software	7%
Database software	7%
Total:	21%
Total proportion of funding remaining to be claimed in field A51a of the ILR:	79%

77 For a 16–18-year-old learner following an Advanced Apprenticeship, this would result in a reduction of funding of £842.80 and for a 19+ learner, the reduction would be £531.43.

78 Providers should review all learners on these qualifications and make the appropriate entry into field

A51a of the ILR. Should providers have already calculated a reduction or choose to make the reduction using a different method, they will be required to demonstrate their method and calculation.

79 The full framework will be re-evaluated for 2007/08.

Appendix 3 to Annex B: Standard Rates for 2006/07

Table B8: Key skills rates

Funding category	Rates
Age 16–18 at start	<i>£165 per key skill</i>
Age 19 and over at start	<i>£148 per key skill</i>

Table B9: Entry to Employment (E2E) rates

Period	Rate
Planned places payment	<i>£132</i>
Basic bonus	<i>£106</i>
Enhanced bonus	<i>£210</i>
Enhanced bonus after basic bonus	<i>£104</i>

Table B10: Additional learning needs (ALN) and additional social needs (ASN) rates.

Type of need	16–18	19+ at start
ALN	<i>£141 per month</i>	<i>£126 per month</i>
ASN	<i>£141 per month</i>	<i>£126 per month</i>
Both ALN and ASN	<i>£212 per month</i>	<i>£190 per month</i>

Note: Rounded to nearest whole £.

Annex C: National Employer Service and Regional Contracting

National Employer Service

1 The National Employer Service (NES) is responsible for managing the contracting arrangements with large, national, multi-site employers and providers who act on behalf of these employers. The purpose is to simplify the LSC's relationship with large employers and their representatives through providing a single focused point of contact. This is done through an account management system.

2 National Employer Service WBL contracts may be available to:

- *large national employers with approximately 5,000 employees and a centralised personnel and payment system and who have the potential to take at least 200 learners.*
- *providers acting on behalf of these national employers*
- *providers set up by employers to provide a service to a specific industry sector.*

3 National providers who deal with small- and medium-sized employers will not qualify for an NES contract. If providers have a mix of small-, medium-sized and large national employers, the NES will contract for the large employers only in line with the criteria detailed above.

Regional Contracting

4 Regional contracting arrangements will apply to all those organisations that deliver learning for the LSC in multiple LSC areas and which do not meet the criteria for a contract with the NES.

5 The purpose of regional contracting arrangements is: *to significantly drive up the performance and quality of learning from large multi-site providers, who work across LSC boundaries, by ensuring global purchasing decisions and regional leadership while retaining national consistency under a single national contract.*

Objectives

6 The objectives of regional contracting arrangements are to:

- most importantly, drive up performance and the quality of learning provision by developing strategic relationships at a regional level with clear accountability between the LSC and regional or national providers
- support the principle of one development plan and one funding agreement per provider
- provide a regional route for contracting with national providers which ensures purchasing decisions are made locally, with in-year management conducted regionally and nationally to ensure consistency in the delivery of national programmes
- reduce unnecessary bureaucracy in managing LSC learning programmes for the LSC and providers, thereby releasing valuable resource to front-line delivery.

Principles

7 The principles by which regional contracting arrangements are to operate are as follows.

- The fundamental LSC principle of local decision-making applies to all regional

contracting arrangements. Therefore decisions concerning whom to contract with, for what and in what volumes will be made locally.

- In-year management of performance and quality will be managed by a single named individual on behalf of the region.
- Concerns over performance, delivery and quality should primarily be addressed at the regional level.
- All providers should have one funding agreement, and one overall development plan with regional pages, except where there is a sound business case for more than one, for example, where a large national provider has a bespoke development plan for a single employer. This development plan is to detail issues, actions *summary statements of volumes and performance indicators by region*.
- *Local partnership teams will feed their requirements into regional leads, who will act as the main point of contact between the LSC and the provider.*
- Regional leads will feed into a national lead, who will negotiate a single national development plan with the provider and issue a single national contract.
- Providers are not permitted to vire volumes or budgets between LSC areas without a formal variation.
- There are separate arrangements that apply where the total learners in any one LSC area is fewer than 20, unless the total learner numbers are more than 100.
- Approaches to the LSC from prospective new providers that wish to operate across boundaries will be directed to the LSC office in the area in which the provider's head office is located.

Contracts with fewer than 20 learners

8 *Where fewer than 20 learners are recruited in any LSC area and another LSC office has a bigger contract, then the volumes for the smaller area will be delivered under the larger area's contract with no adjustment of budgets or volumes. Should the total number of learners outside the lead area total 100 or over, regional arrangements will apply.*

Annex D: Ministry of Defence Contracts

Introduction

1 The LSC contracts with various branches of the Ministry of Defence (MoD) for the delivery of formula-funded provision. As the MoD already receives public funding for training, it is not appropriate for the LSC to pay 100 per cent of the national rate without jointly assessing double-funding. This applies to training providers who hold contracts with the LSC to deliver provision to MoD learners. The gap analysis and resultant reduction applies to all learning aims including Technical Certificates and key skills.

2 The second phase of the gap analysis (revised in 2004/05) has been conducted for use from 2005/06. Percentages of the national rate to be paid in 2006/07 are detailed below.

3 The LSC is currently undertaking a further review in partnership with the MoD and British Armed Forces (BAF) to align with the wider Defence Training Review. Any impact is likely to be reflected in the 2007/08 funding year.

Table D1: MOD gap analysis is rolled forward into 2006/07

<i>Occupational area</i>	<i>2006/07 MoD rate</i>
<i>Agriculture</i>	77%
<i>Business Administration</i>	87%
<i>Construction</i>	78%
<i>Engineering</i>	90%
<i>Health Care and Public Service</i>	84%
<i>Hospitality</i>	82%
<i>Sport and Recreation</i>	83%
<i>Management and Professional</i>	88%
<i>Manufacturing</i>	81%
<i>Media – Photography</i>	50%
<i>Retail and Customer Service</i>	83%
<i>Transportation</i>	96%

Exceptions

Agreed breaks in learning

4 From 1 August 2005, there will no longer be specific arrangements for MoD learners, including the in-learning audit. For all new starts from this date, any break in learning must be claimed as either a withdrawal or an agreed break in learning within four weeks of the learner not being available for training. Further details of agreed breaks in learning or withdrawals can be found at paragraph 93 onwards.

5 The Requirements for Funding Work-based Learning for 2005/06 included a change from using MoD Learner Audit Records, when learners are absent from learning, to suspending them from the programme until they return. This suspension action applied to MoD learners that are absent from learning as from 1 August 2005.

6 Transition arrangements for MoD learners on deployment who carry over into the new funding year will apply. In these instances, the Learner Audit Record must continue to be used and the associated funding accessed with prior approval from the LSC. On their return from deployment, should MoD learners have another agreed break in learning then the procedure detailed at paragraph 93 onwards applies.

Absence in excess of six months

7 In cases where MoD learners are absent from learning in excess of six months and cannot be assessed and reviewed, the following may apply with prior approval from the LSC.

- The provider will need to establish whether the MoD learner wishes to return to learning.
- Where the MoD learner indicates that they do wish to return to learning, then a suspension of up to nine months may be requested from the LSC or NES.

Repayment of Funds

8 A question has been raised over repayments where a learner was deployed during 2004/05, continued their learning in 2005/06 but then withdrew without achievement. In cases such as this, the critical statement in the guidance, when considering repaying LSC funds is "the last evidenced day of learning". If the learner returned and continued on-programme in 2005/06 and there is robust evidence of their learning (for example,

unit completion, key skill test and so on) in 2005/06, then repayment will not apply. The same principles apply for 2006/07.

9 It would be exactly the same scenario if a learner went on maternity leave or indeed long-term sick leave: we do not ask them to go right back to the first time they left learning. If there is no evidence that they returned to learning, then repayments are due. These should be repaid through an invoice.

Learning Agreements

10 It is recognised that the MoD and providers working with the MoD, should already have in place contracts or agreements that detail the arrangements and responsibilities of the MoD and any provider or contractor. Where this is in place and the individual learning plan details responsibilities of each party then the requirement for a learning agreement will be waived.

Annex E: Additional Learning Support

1 Italics are omitted from changes to the material in this annex.

2 In 2005/06, the LSC announced that changes would be made to remove the endorsement form and pass the responsibility for identifying, planning and delivering additional learning support (ALS) for learners with additional needs to providers. During 2005/06, the Learning and Skills Network (LSN) (formerly the Learning and Skills Development Agency) ran a series of events to prepare providers for this change and issued an effective practice guide on supporting providers (www.lsneducation.org.uk/pubs)

3 Notwithstanding the changes above the actual funding and assessments for additional learning needs (ALN) and additional social needs (ASN) are again substantially unchanged.

4 The LSC is currently reviewing the outcomes of its review of provision for those with learning difficulties and/or disabilities in the context of *agenda for change*. It is intended that there will be one single system of additional learning support from August 2007. The changes introduced this year will remove the anomaly of independent endorsement for apprentices.

Changes for 2006/07

5 In 2006/07, a change is introduced in that WBL providers will from 1 August 2006 take full responsibility for determining whether a learner has ALN and/or ASN and there will no longer be the requirement to seek endorsement as such from the Connexions service. From 2006/07 greater emphasis will be placed on ensuring that appropriate support is being given to a young person to meet their identified additional learning and support needs (ALSN). Where a young person is receiving support from a personal adviser during the course of their learning programme, the additional learning and support plan designated to address the learner's needs should be shared with them. ALSN funding is provided to meet the costs of additional support delivered as a result of the assessment of the learner.

6 This does not mean that Connexions personal advisers will no longer be included in the process, only that the responsibility for endorsement passes from them to the provider. The input from personal advisers will be vital and providers are to maintain their working relationship with them and focus on the needs of the learner rather than on the endorsement form. It is also essential providers build on and do not duplicate assessments carried out by the personal advisers. Personal advisers will want to be involved with learners on their caseload and providers are not to restrict their access to learners. The practice of three-way case conferences between providers, personal advisers and learners is still viewed as good practice and should continue where it is established.

7 In outline the changes to additional learning support are that:

8 In outline the changes to ALS are as follows.

- The LSC/Connexions endorsement form is withdrawn as a requirement for evidencing ALS payments.
- Providers are required to document their arrangements for the identification of those with additional support needs, the planning of learning and support to meet needs and progress review arrangements. These records are to be available on request.
- Providers are to develop and implement an additional learning support plan for each learner for whom they claim ALS.
- The focus of audit will be on naturally occurring evidence generated by the provider's process.
- Providers are required to notify Connexions monthly of those learners receiving ALS funding.

- The focus of audit will be on naturally occurring evidence generated by the provider's process.
- Providers are required to notify Connexions monthly of those receiving ALSN funding.

Definitions

9 Under the *Learning and Skills Act 2000* (the 2000 Act), the LSC has a duty to meet the needs of young people with learning difficulties and/or disabilities. In Chapter 21, paragraph 13 of the 2000 Act, a person is defined as having learning difficulties if:

- he or she has a significantly greater difficulty in learning than the majority of persons of his or her age; or
- he or she has a disability which prevents or hinders him or her from making use of facilities of a kind generally provided by institutions providing post-16 education or training.

10 In WBL, there are three categories of ALS that are funded by the LSC. These are:

- additional learning needs (ALN) – needs related to the learner's intrinsic ability
- additional social needs (ASN) – needs related to emotional, behavioural or motivational difficulties
- both ALN and ASN.

11 In addition to making funding available for these categories, the LSC will meet exceptional costs that are likely to exceed the notified threshold, when calculated using estimated costs, over the full length of the programme. Provision of specialist support and equipment for disabled learners will also be met from exceptional learning support (ELS).

12 Young people with additional learning support needs will enter different WBL programmes depending on their needs and abilities. The programmes they can enter and receive ALN or ASN support are as follows:

- **Apprenticeships:** This applies to young people who wish to undertake Apprenticeships, by either the programme-led or employer-led pathway and who are assessed as having ALN

or ASN. They are assessed as being capable, with appropriate support, of working towards an Apprenticeship.

- **Advanced Apprenticeships:** This applies to young people who wish to undertake these and are assessed as having ALN or ASN. They are assessed as being capable, with appropriate support, of working towards an Advanced Apprenticeship. It is anticipated that this group will be limited to those with specific learning difficulties, for example severe dyslexia.
- **Learners on E2E:** These learners are not eligible for ALN or ASN status. They can however access ELS, including support for learners with disabilities.

Assessment

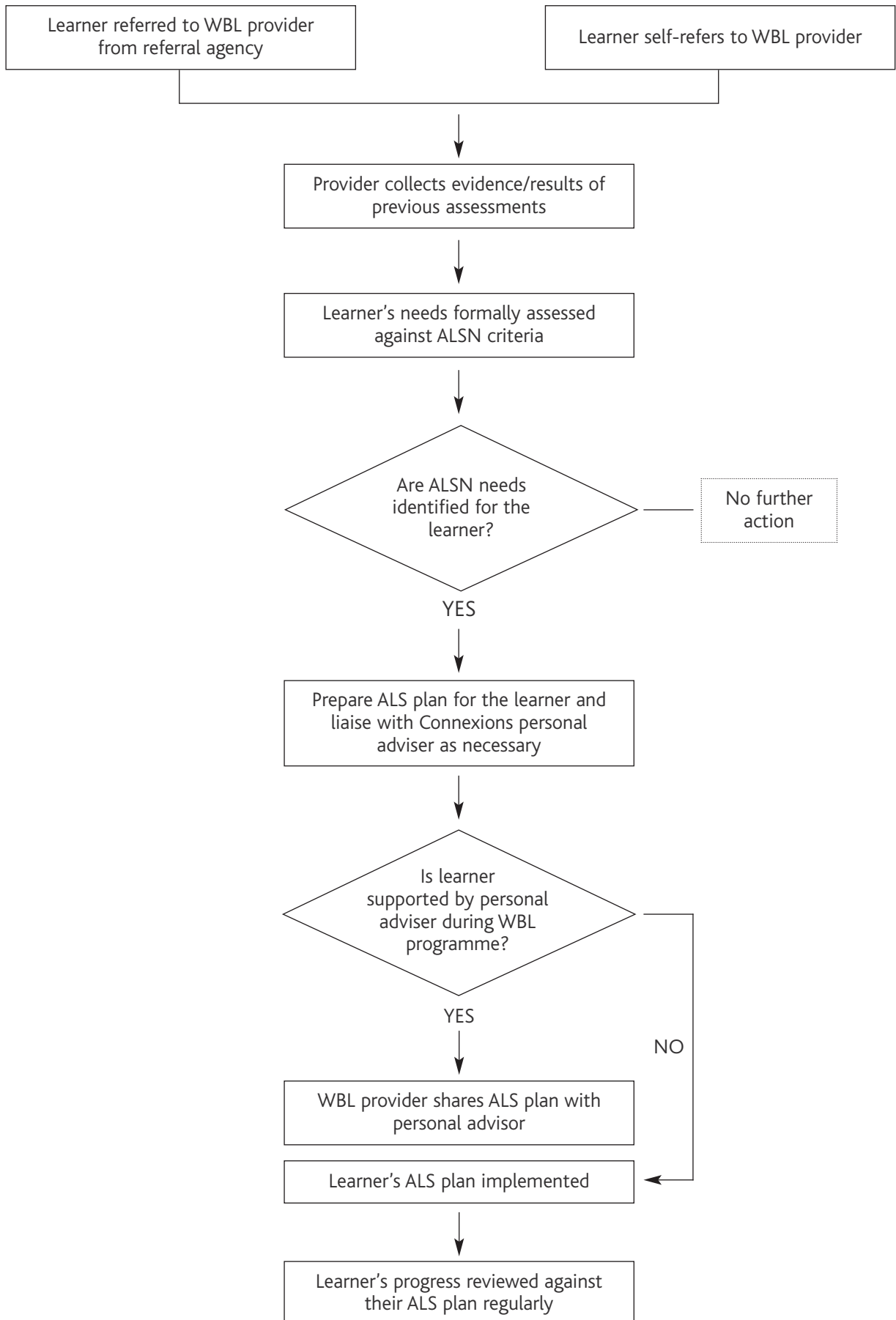
13 Existing learners on NVQ learning at Levels 1 to 3 may continue to receive ALSN payments until they leave the programme. Should they re-start they are to meet the requirements for new Apprenticeship starts.

14 It is the WBL provider's responsibility to ensure that a young person who may have ALN or ASN is comprehensively assessed using recognised methods. This includes interviews, formal assessments, observation, reviewing written information and self-assessment activities. Further guidance is available in the good practice guide, *Identifying and Supporting Learners with Additional Needs* (LSDA, 2006) which is available from the Learning and Skills Network website (www.lsneducation.org.uk/pubs)

15 On referral to WBL, it is anticipated that the referral agency will have already gathered relevant information that can support the provider in carrying out an initial assessment of a young person. Connexions personal advisers for example, may have used the Assessment, Planning, Implementation and Review (APIR) framework for this purpose. With a young person's agreement, this information can be shared and should help ensure that learners are not subjected to repeated initial assessment activities by those professionals working with them.

16 Figure 1 overleaf is a diagrammatic representation of the process for assessing ALSN.

Figure 1: The ALSN process



Assessment for additional learning needs

17 Personal advisers will have collected information on a young person's educational history and will also have information on particular areas of his or her skill levels. This information will help the personal adviser make the initial judgement as to whether the learner has or has not additional learning needs. In some cases, the personal adviser may also have access to previous detailed assessments of the learner's basic or key skills levels, for example, if the young person has had a statement of special educational needs at school. If this is the case and the young person agrees, the personal adviser should share this information with the provider.

18 If sufficient information is not available to make a judgement, or if what is available is out of date (over two years old), the provider will carry out a second, more detailed assessment using the Basic Skills Agency (BSA) initial assessment materials (July 2002) or equivalent materials that are identified by the publisher as being based on the Adult Literacy and Numeracy Standards 2000. This process will identify the learner's current level of basic skills. A formal assessment should not be conducted when the young person is obviously below Level 1 or when it would cause severe stress to the young person to do so.

19 Where the initial assessment reveals a basic skills level below Level 1 in literacy or numeracy against the 2000 standards, this confirms the need for ALN support. Where the judgement is made without a formal assessment, it is the agreement of the learner that confirms the need for ALN support.

20 Some learners will enter WBL having already achieved a Level 1 or Level 2 key skills external assessment examination standard by proxy. It is necessary to treat each group separately.

- **Entry with a Level 2 proxy:** Learners entering WBL with a Level 2 proxy qualification. For example a learner with a General Certificate of Secondary Education (GCSE) in English at grade C or higher (for Communications) would not normally qualify for ALN support unless there were special circumstances, for example severe dyslexia. They should therefore not be required to carry out the assessment for this purpose.
- **Entry with a Level 1 proxy:** Learners entering with a Level 1 proxy may have GCSE grades D–G in English, Mathematics or IT. Although these are technically Level 1 proxies, it does not

mean that the learner does not have a learning need, nor does it mean that he or she will not need substantial support to complete the programme successfully. Where the personal adviser or provider staff believe additional support may be needed, learners in this group should complete the initial assessment. Where the results indicate a need (as above), the ALN support can be accessed.

21 Details of proxy qualifications are posted on the QCA website (www.qca.org.uk/6446.html).

22 The assessment of the likely NVQ achievement level is separate from the basic skills initial assessment. This is a matter of professional judgement by the provider and the personal adviser. In order to decide which level NVQ the learner is to work towards, all aspects of the initial assessment process, of which the BSA material is only one element, should be used by the learning provider. Providers should refer to the good practice guide *Raising Standards: Initial assessment of learning and support needs and planning to meet those needs* (DfES, May 2001) which is on the LSC website (<http://www.lsc.gov.uk/National/Documents/ReadingRoom/results.asp?Query=Initial+assessment+of+learning+and+support+needs>).

23 The LSC also recognises that some learners have ALN that are over and above those of literacy and numeracy and relate to other needs. The BSA initial assessment materials (July 2002), or an equivalent test, will provide evidence of the need for ALN status in the majority of cases. However, there may be cases where the results do not produce the evidence to warrant the allocation of ALN funding. In such instances it is the provider's responsibility to demonstrate that, despite the initial assessment not indicating a need, they have other evidence that confirms that there is a need for ALN.

Assessment of additional social needs

24 The APIR framework covers a wide range of barriers to learning, including social support needs. This means that personal advisers are likely to have gathered assessment information that would help to identify whether a young person has ASN. Again, if the young person agrees, the personal adviser should share this information with the provider to avoid the need for further assessment in these areas.

25 The assessment process used by providers needs to consider a young person's social support needs. Providers should use a process that identifies the barriers to learning. Should there be clear evidence that

the young person has needs relating to 2 of the 10 barriers listed below, then the learner qualifies for ASN. The 10 barriers are:

- recent or current offending behaviour
- poor or erratic attendance during the last year of education, exclusion from school or no record of school
- an unsupportive or unsupported home environment (including care leavers and carers)
- significant problems with confidence or self-esteem
- significant problems with motivation or attendance (on a programme)
- attitude or behaviour problems (including losing a placement because of this)
- drug or alcohol problems
- health problems that affect their programme (including mental health and phobias)
- significant problems with communicating with and relating to others
- single parents with particular difficulties finding time to learn.

26 If the more detailed initial assessment reveals two or more of the above barriers to learning and progress, this identifies the need for ASN. However, in special circumstances where it is clear that one of these barriers is great enough to be a major obstacle to learning, this will be enough to trigger the ASN support.

27 The young person's extra social support requirements would not normally affect the level of programme they should follow. However, if ASN is combined with ALN, or there are other special circumstances where the provider and Connexions consider that a programme leading to a lower level of qualification is more suitable, the provider and the Connexions personal adviser should agree this.

Further guidance on assessing additional social needs

28 This guidance aims to help the provider and Connexions with arrangements for assessing ASN. This is not, however, meant to provide a definitive set of

guidelines for identifying young people with ASN. It should not be used as a rigid tool so that ASN is defined so tightly that it rules out the young people who should receive additional support from the LSC.

29 A young person is likely to need a minimum of one lengthy in-depth (one-to-one) interview to identify ASN by a skilled interviewer. Where the young person has been referred by an external organisation, there will also be opportunities for research and investigation. In some cases, it is appropriate for the young person to be accompanied to the first interview by a case worker or someone who knows them well and can support them in a discussion of their needs, but this should be followed up with a private interview.

Recent or recurrent offending behaviour

30 The young person should be known to the criminal justice system and considered by others or themselves to be at risk of reoffending, or still offending. Where offending behaviour appears to have come to an end and there is no record of further problems, these criteria should apply only if the original offence is still impacting upon the young person's life (this could include serious offences that make it more difficult for them to gain employment, or to access training without additional supervision and support).

Poor or erratic attendance at school

31 This may be evidenced from the school records held by Connexions, or by the young person themselves when school records are incomplete or unavailable. It includes all those who missed regular full-time schooling, whether this was as a result of behavioural problems such as bullying, moving around the country or truancy and so on. In the case of a conflict between school records and the evidence of the young person, greater weight should be given to the testimony of the young person. Evidence from parents, guardians or professionals may also be used as required. Young people who have been tutored at home or who have attended alternative education programmes, which are often part time and have reduced attendance requirements, may also be included.

Unsupportive or unsupported home environment

32 The following should be considered:

- all young people who are living independently (whether they are care leavers or have left home for other reasons)
- those living in temporary accommodation or who are of no fixed abode should be automatically included

- those who are carers who have no other substantial support
- those living away from the family home with other members of the family as this may indicate conflict or other problems.

33 For young people who have been in care for short periods of time, their home circumstances and the impact that this has had upon them should be evaluated.

34 Evidence may be available from support workers, but information from the young person should also be acceptable where substantial problems have been identified. Examples of this may include:

- families that are in crisis or unable to cope
- where there are dependency problems within the family
- where changes to the family composition have brought young people into conflict, for example with a new partner of a parent or carer
- where the young person is used to care for siblings to the detriment of their programme
- where the young person comes from a culture of entrenched unemployment that impacts upon their commitment to training.

Significant problems with confidence or self-esteem

35 While everyone lacks confidence in some situations, young people with significant problems are likely to demonstrate high levels of anxiety about doing anything new, and may dwell on their failures rather than their successes and feel unable to take even small risks. They will be either withdrawn and uncommunicative or extremely disruptive in their attempts to avoid failure. They will probably have unrealistic expectations of what they should achieve, and so attempt little because of this fear. Young people with low self-esteem may show extremes of behaviour, such as aggression and bullying or in avoiding contact with others.

36 Further indicators may be in the way that young people present themselves. For example, they may have poor personal hygiene, be unkempt or even threatening in their appearance. Young people with low self-esteem are likely to feel rejected, and will therefore be unable

to feel positive about themselves, or accept themselves for who they are. Low self-confidence and self-esteem will prevent young people from taking risks and trying new things. Young people demonstrating either or both of these beyond normal levels will require high levels of support and encouragement in order to hold them on a programme.

Significant problems with motivation or attendance

37 Young people who can be shown to have received a thorough initial assessment and to have received support to identify and address any underlying problems, but who still demonstrate significant problems with motivation and attendance should be considered. This may be a continuation of school patterns. The provider shall also consider and address any difference in patterns emerging from attendance at the workplace and in-house learning. The work that the provider undertakes to address the problems may reveal the need for a structured and more intensive programme of support to help address the problems.

Attitudinal or behavioural problems

38 This includes young people whose attitudinal or behavioural problems mean that they are likely to need a high level of supervision and additional support to make the transition to the workplace, or a high level of support and supervision in the workplace. Evidence for this may be available from those supporting the young person when he or she joins the programme, or from school records, but young people must also be given the opportunity to make a fresh start where this does not endanger themselves or others. Those who might be considered to be at risk may be expected to have undergone a risk assessment, and this will be acceptable evidence for this criterion. Alternatively, the provider must have evidence that has been generated during the programme. Evidence should show the involvement of more than one member of staff, and that the young person has been fully involved in addressing the problems. Where a learner has lost a placement, this must be shown to be as a result of their poor attitude or behaviour. Evidence may include records of the support the provider has given the young person, corroborated by the employer. It will be important to show that the problems were not caused as a result of inappropriate placing or a personality clash.

Drug or alcohol problems

39 This does not include those who could be considered to be recreational users, where their use of drugs, alcohol or other substances does not impact upon their programme in any way. These issues should be addressed in the normal course of training. Evidence for drug or alcohol problems will usually come from the

young person, staff observation and problems with timekeeping, concentration, behaviour and so on. While some young people may be accessing support, the majority will not and may not even have accepted that they have a problem. It will be important to build trust to facilitate these discussions. In the most severe cases where young people need and are prepared to undertake rehabilitation, it may mean that a more flexible programme should be considered.

Health problems

40 It is important to clarify the difference between health problems that can be addressed by the provision of specialist equipment and those problems that require higher levels of support to ensure that the young person is able to make the most of his or her learning. It is likely that only a small percentage of clients will have seen an educational psychologist or have been stated at school, and this information will usually be held by Connexions. A higher percentage will have undiagnosed problems leading to behaviours that will mean that some of these clients may be assessed under other categories. Young people are often reluctant to admit to mental health problems because of the stigma attached to them. A young person with a phobia will have intense symptoms of anxiety, but these fears will only arise in the particular situations that frighten them. A phobia is likely to lead to the young person avoiding situations in which they know they will be anxious. In the worst cases, their life will be dominated by the precautions they have to take to avoid the situation they fear. Support may be required to help them to face any issues that impact upon their programme and to seek medical help where appropriate.

Significant problems with communication and interaction

41 A young person with significant problems with communication and interaction will usually be identifiable from the first interview. Individuals may have problems communicating with all age groups, or with specific groups. For example, some young people have particular difficulty in communicating with adults, or those who may be perceived as being in authority. Interaction may also be inappropriate to the situation. These young people may have difficulty in listening to what others are saying and reading other people's facial cues and body language. Some young people will talk very quietly, avoid eye contact, and display an inability to hold a normal conversation and a reluctance or inability to ask questions. These young people are often termed as being extremely shy. Others may be unable to hold a normal conversation without shouting or being overly demanding. They may tend to invade other people's personal space, and appear to be aggressive. In

group situations, young people meeting these criteria may be at either end of the continuum, being either extremely withdrawn or disruptive. In the workplace, young people with communication problems will find it hard to build working relationships and to develop the support that they need in order to learn. In some cases this may affect their ability to work safely. This may also apply to young people with language difficulties or those who speak English as a second language.

Single parents

42 This includes young people who are solely responsible for the support of one or more children, and pregnant young women who are without the support of a partner. These young people would be unlikely to access a course at an FE college or lifelong learning provision. They are likely to have had a disrupted or possibly unsuccessful experience of school. Consideration should also be given to young people entering transient relationships, or where the cohabitee may not have the maturity to support the applicant.

Meeting and reviewing identified needs

43 Having identified ALN or ASN, the provider should plan and deliver a programme of activity designed to address the needs the learner has. In the case of ALN, this should include addressing basic skills needs where these affect the learner's ability to achieve his or her primary learning goal.

44 It is the provider's responsibility to be able to demonstrate how the outcomes of the assessment process have informed the development of an appropriate additional learning support (ALS) plan for each learner. The LSC does not intend to produce a standard format for this, as providers may prefer to produce a learning journey type document similar to the E2E Passport, integrate ALS into the ILP or develop a standalone plan. As a minimum requirement, however, plans will need to detail:

- the nature of support to be provided to meet the identified needs
- when support will be provided and by whom
- the time period covered by the plan
- the learner's confirmation of the plan
- how allocated funds have been used to support the learner above and beyond what

would be provided for a learner without additional learning or social needs.

45 Where a young person is identified as having ALN or ALS status and is being supported by a personal adviser during the course of their learning programme, the young person's ALS plan as a matter of effective practice should be shared with them.

46 All learners require a review at least once every 12 weeks and ALSN assessment should be integrated into this process. The frequency with which learners with ALSN are formally reviewed will be dependent upon the needs of the individual learner. It is envisaged that for many learners, the interval will be less than 12 weeks. The learner's progress will be reviewed in accordance with their plan, the effectiveness of the support will be evaluated and a forward support plan developed at each review. Where a learner is being supported by a personal adviser during their learning programme, they may wish to attend learner reviews. This should be determined with the personal adviser.

47 This streamlined process could mean that providers increase the number of learners with ALSN. However, this does not mean the LSC will fund all learners so endorsed by the provider. The limit the LSC will pay for ALS 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 ALS above the provider's allocation regardless of the number of learners endorsed. This is in common with allocations made to colleges for FE ALS funds.

Funding

48 Where a learner is assessed as having ALN or ASN or both, the LSC will pay a premium on top of the monthly payment for each month the learner stays in learning, attracts a monthly payment for any qualification and requires support provided the following conditions are met.

- The assessment has been conducted in line with this guidance.
- The provider holds evidence of the need and has planned a programme of additional support.
- The programme of remedial activity is being delivered.

- The arrangements are reviewed at least once every 12 weeks.

49 Calculations will be automatic and the amount paid for the full length of time spent on the qualification to which the status is attached. Where ALN and/or ASN status is awarded after the start date or ceases before the end date, providers are required to close the current learning aim to which ALN and/or ASN is attached and open a new aim. The percentage of funding remaining for the learner is to be calculated and entered onto the ILR.

50 The provider will be required to profile its cash allocation for ALN and ASN for the funding year. Once agreed, the LSC will pay this amount on profile and reconcile it as necessary, based on actual delivery. The current rates for ALN or ASN are:

- **Learners with ALN or ASN:** £141 a month if aged 16–18 at start or £126 if aged 19 or over at start
- **Learners with both ALN and ASN:** £212 a month if aged 16–18 at start or £190 if aged 19 or over at start.

Exceptional learning support and learners with disabilities

51 Where the support needs for learning or to overcome barriers to learning are identified over the full length of the programme as likely to be exceptional, then exceptional learning support (ELS) may be claimed. The definition of ELS is that costs will, when calculated using estimated costs and actual costs incurred, exceed £3,000 over the full length of the programme.

52 Where the likely costs over the length of the programme are assessed as exceeding £3,000, the amount over the threshold may be classified as ELS. Should a learner require support for a disability, but not be eligible for ALN or ASN funding, then the necessary amount is claimed at cost on the TPS. This does not imply a right to exceed the overall allocation contract value. Should this be necessary, the provider is to arrange a contract variation through the relevant LSC office. Should providers feel a learner is likely to need ELS or support for a disability, they should complete the additional learning support costs form (PLF) available at the LSC website (www.lsc.gov.uk/National/Documents/SubjectListing/FundingLearning/AdditionalLearningSupport/learning_support_cost_forms.htm).

Provider administrative action

53 Claims are made as expenditure occurs, on a monthly basis. Providers should reduce claims by the regular ALN and/or ASN supplement and claim the remainder of the costs on the TPS. The total claim is not to exceed those costs detailed on the standard costs assessment form.

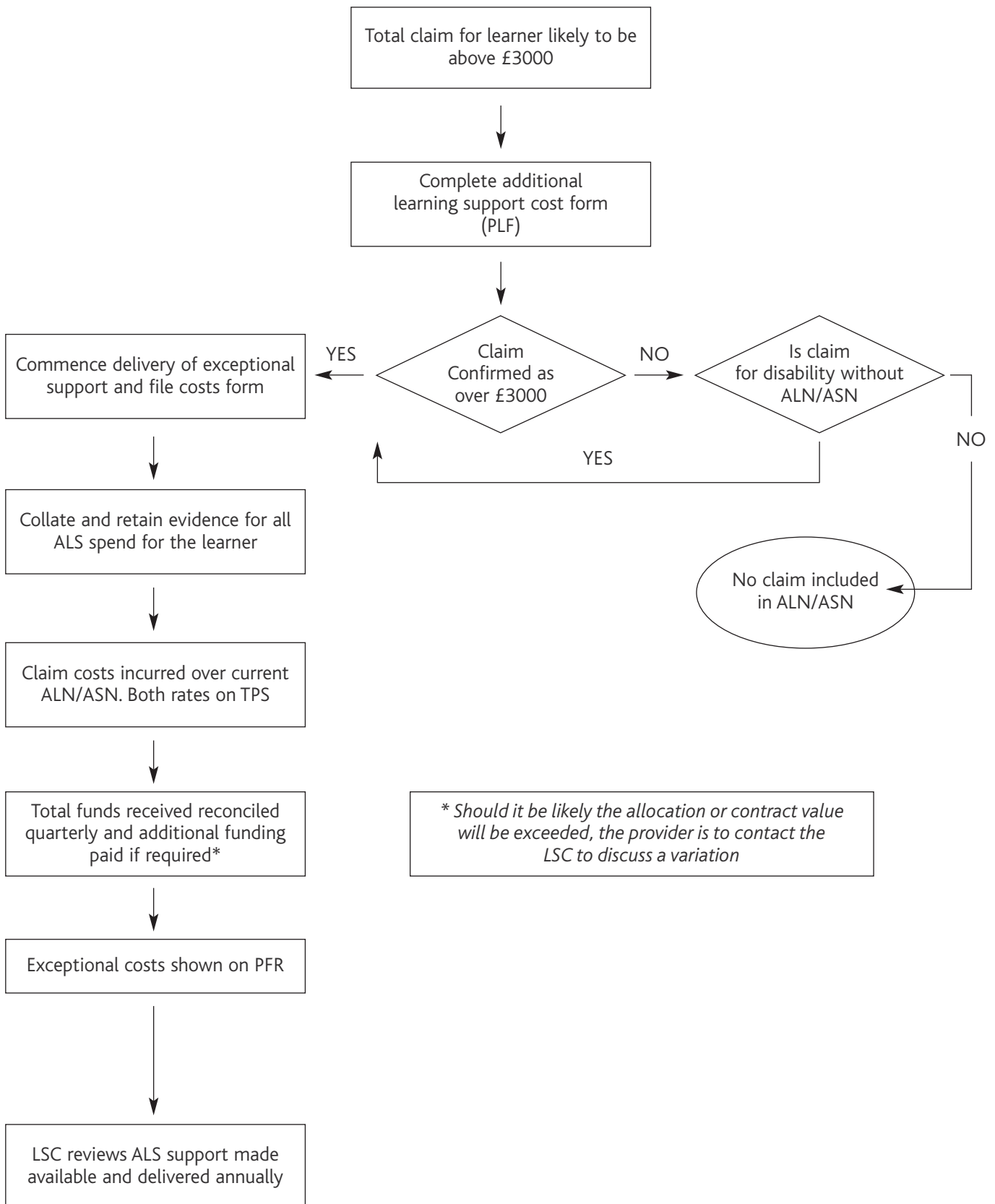
54 Providers are required to calculate the exceptional and additional learning support payments due each month and enter this amount into the TPS promptly. This will enable the amount to be taken into account when performance is reconciled. Provided ALN and ASN are properly recorded on the ILR, the "actual earned" amount will be calculated and reported on the PFR.

55 Providers should keep details of the initial assessment, formal reviews and other key documents to support their judgement as set out on the assessment forms for learners with ALN and/or ASN. The process is detailed in Figure 2.

Disputes

56 It is for providers and Connexions personal advisers to work together to resolve disputes by putting the learner first. Whether or not support is needed and/or appropriate will to a large extent depend on the learner's view and his or her willingness to accept support. Where disputes cannot be resolved, the provider should speak to their LSC contact.

Figure 2: Additional learning needs and additional social needs: decision flowchart



Examples of claims

57 Claims are made as expenditure occurs on a monthly basis. Providers should reduce claims by the regular ALN and/or ASN supplement and claim the remainder of the costs on the TPS. The total claim is not to exceed those costs detailed on the additional learning support costs form (PLF).

Example 1

58 Learner A is assessed as needing £8,000 of support over the length of their Apprenticeship, which is estimated as 24 months long.

59 The first £3,000 is funded from the provider's ALS allocation. The remaining £5,000 may be claimed as ELS.

60 The support costs £333 a month and the provider is already claiming ALN and ASN to the value of £212 a month. This reduces the ELS claim to £121 a month.

61 The provider therefore claims £121 on the TPS as ELS. The full £333 a month must be evidenced.

Example 2

62 Learner B is assessed as needing £8,000 of support over the length of their Apprenticeship, which is estimated as 24 months long.

63 In addition to their normal programme, Learner B attends a residential placement every three months with a support cost of £1,000. The provider is already claiming ALN and ASN to the value of £212 a month for their agreed usual support.

64 In the months when the residential takes place, the provider claims the remaining £788 on the TPS as ELS. This example assumes the usual monthly support costs are replaced in these months by the residential support costs.

65 £788 is therefore claimed on the TPS as ELS. The full £1,000 must be evidenced for the months in which the residential support is provided to the learner.

Audit Evidence

66 Providers should retain evidence of the assessments and evidence that supports all ALS claimed from the LSC (for clarity, this includes all ALN and ASN payments).

Annex F: Young People's Terms and Conditions

Wages, EMA and Training Allowances

1 All employed learners shall be paid the rate specified in their terms and conditions of employment that shall comply with the National Minimum Wage legislation, where appropriate. Further guidance can be found on the DTI website (www.dti.gov.uk/employment/pay/national-minimum-wage/index.html).

2 In its report, *Supporting Young People to Achieve*, HM Treasury, March 2004 available at (http://www.hm-treasury.gov.uk/media/BDA/94/young_people_493.pdf), the Government set out its expectation that minimum pay levels for employed learners should be £70 to £80 a week. *The LSC now requires that all full-time employed apprentices receive at least £80 per week income based on attendance of between 30 and 35 hours per week. This may be aggregated over four weeks if necessary. Pro-rata terms apply to part-time apprentices.* Rises linked to the competence, achievements and productivity of the learner to the business are also recommended. The LSC expects employers to contribute to the costs of their learners' learning. It is assumed that, generally, employers meet the costs of wages for employed learners on WBL programmes.

Hours of Participation

3 The hours of participation for all WBL programmes must conform with all relevant requirements under any legislation or local provisions or any local byelaws relating to the employment of young persons. All employed learners shall be covered by the terms and conditions contained in their contract of employment and any relevant employment legislation. Self-employed learners are treated as employed learners. Terms and conditions for self-employed learners must be at least equal to those for employed learners.

4 *It is anticipated that learners will usually attend for a minimum of 30 hours a week. Hours of attendance for employed learners shall comply with the Working Time Directive and for non-employed learners hours shall not exceed 37.5 hours. Exceptions to the minimum hours required are:*

- *if part-time attendance has been agreed*
- *for E2E, where the minimum is 16 hours and where the LSC has agreed a reduction in the minimum hours of planned attendance to between 8 and 16 hours. (Providers should note that should a learner not be planning on attending for over 12 hours a week, they will not be eligible for EMA support).*

5 For any learner attending on a part-time basis, they must be given the opportunities to develop the skills required and be able to prove their competence through assessment opportunities. *Learners will usually attend a Programme-led Pathway for a minimum of 30 hours a week. In exceptional circumstances, part-time attendance can be agreed, but with the expectation that the learner would progress to full-time attendance as soon as they are able.*

Part-time work

E2E and PLP learners

6 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 EMA would be able to complete up to 24 hours of part-time work in a week before their benefit entitlement was affected. PLA is a full-time programme of 30 hours a week. It is designed to give learners a short period of training to equip them with the skills they need to move onto an Employer-led Apprenticeship as soon as they are able. 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.

7 E2E learners are able to undertake part-time employment, which is not part of E2E, but this should not initially exceed more than 10 hours a week as it is expected that an E2E learner who can work for longer than this would be ready to progress from E2E to a positive destination. Therefore an individual's or their household's benefit entitlement to Child Benefit and/or Child Tax Credit under EMA would be unaffected.

Income Support

8 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.

Holidays/Accrued Authorisation Absence

9 Employed learners shall be entitled to those holidays provided by their terms of employment. The Working Time Directive requires 20 days' paid holiday per year as a minimum for employees. Further details can be found at the DTI website (www.dti.gov.uk/employment/employment-legislation/working-time-regs/index.html).

10 Every non-employed learner is entitled to a minimum of paid holiday at the rate of two days for each completed calendar month of learning under the programme. **For EMA purposes this is termed accrued authorised absence.**

11 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.

Absence Management

12 EMA and/or training allowances will continue to be paid to each young person who is eligible for such allowances during all such absence authorised by the provider. For further details, see Annex 1 of the EMA extension guidance, *Education Maintenance Allowance Extension to LSC-funded Entry to Employment and Programme-led Pathways: Guidance for Providers*, available at the DfES website (www.dfes.gov.uk/financialhelp/ema).

13 The LSC is ceasing to define absence and expects providers to allow for reasonable absence by learners from funded programmes. See also paragraph 91-95 of

the main body of this document on withdrawal from learning and agreed breaks in learning. Allowances or EMA are not payable during agreed breaks in learning.

Maternity and paternity leave

14 *EMA is not payable during maternity or paternity leave. This reflects existing WBL policy with MTA 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 get fully employed status as early as possible in their Apprenticeship.*

EMA and training allowances

EMA from 10 April 2006

15 *Since 10 April 2006, non-employed learners on E2E and Programme-led Pathways who have been classed as being on approved training and therefore their households will be eligible for Child Benefit and subject to an income assessment and meeting eligibility requirements, will be eligible for the Education Maintenance Allowance (EMA) and, if qualifying, Child Tax Credit. This will dramatically reduce the inequalities between education and training programmes. Providers are required to administer EMA systems and support learners to apply for EMAs.*

16 Providers are required to administer EMA and support learners to apply. Full guidance is available at the DfES website (www.dfes.gov.uk/financialhelp/ema). Providers are reminded this guidance forms part of their funding agreement.

17 To minimise disruption to E2E and Programme-led Pathway learners who started their programmes before 10 April 2006, and are therefore in receipt of the minimum training allowance (MTA) at that date, they will continue to receive MTA until:

- they complete their current learning programme
- they leave their current programme without completing it (including those taking a planned or unplanned break)
- 31 December 2006, when all MTA payments will cease for 16–18 year-old learners.

18 In the unlikely event that the learner still has non-employed status after 31 December 2006, the learner must apply for EMA.

19 year olds

19 *Child Benefit regulations changed with effect from 10 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 E2E or Programme-led Pathways in their 18th year may continue to receive EMA for the duration of their Notice of Entitlement (potentially with extensions to the following January). However, if a learner starts E2E or PLP after their 19th birthday, they can receive the MTA.*

20 *The MTA for these learners is £40 a week.*

21 Allowances, but not EMA, are to be abated for unauthorised absence on a pro-rata basis against the planned attendance. For example, if a learner has planned attendance of 30 hours and has unauthorised absence of 10 hours during a week, he or she would receive £26.66. This is the amount the provider can subsequently claim from the LSC as earned. The principle set out in Annex 1 of the EMA guidance for E2E/PLP must be applied to E2E.

22 Allowances are paid for the whole period of learning.

Trade union membership

23 The following two paragraphs 24–25 shall not apply to members of the British Armed Forces.

24 The provider shall 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.

25 The provider shall ensure that learners are given the opportunity to join a trade union for which they may be eligible under the trade union's rules.

Expenses

26 The provider shall ensure that non-employed learners 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

- childcare that is provided in partnership with the Care to Learn initiative (see paragraphs 29–34 below on childcare support)
- personal protective equipment that employees would normally be expected to supply themselves
- medical costs (for example, inoculations)
- residential accommodation where it is necessary.

27 Rates for expenses payments are specified by *local or regional contracting teams* for their area. Employers and providers should take account of learners' likely transport arrangements when planning off-the-job training, particularly outside normal hours. All expenses may also be authorised for employed learners at the discretion of the local LSC.

28 *The costs of expenses for Programme-led Apprenticeships are met by the LSC and claimed on the TPS. In E2E the cost is included in the planned places payment.*

Childcare support

29 Childcare support is available for all non-employed learners on WBL. In outline, each learner is entitled to up to *£155 per week (£170 if London weighting applies)* for each child, to cover the costs of childcare and travel to and from the childcare setting. Learners who will have their costs met by Care to Learn are those who are non-employed and aged under 19 and are:

- on E2E, including those who transferred into E2E on 1 August 2003 from existing programmes or from E2E pathfinders and new starts from this date
- learners on E2E or *Programme-led Apprenticeships or NVQ learning* who are not employed for fewer than 16 hours a week
- *Learners on E2E/Programme-led Apprenticeships or NVQ Learning may progress to other programmes and retain their entitlement provided they still qualify. Should they progress to an Employer-led Apprenticeship then they will no longer qualify.*
- care for their own children

- live in England
- use registered childcare providers.

30 Further information, including the application form and leaflet is available on the Care to Learn website at: (www.dfes.gov.uk/caretolearn) and from the help line on **0845 600 2809**

31 All other non-employed learners, including the following, will have their costs met by the LSC. New starts will receive the same levels of support as those who are eligible for Care to Learn. Carry-over learners will have existing arrangements honoured:

- all learners who were already on NVQ learning, Apprenticeships or Advanced Apprenticeships on 1 August 2003
- E2E learners who were aged 20 when they started E2E
- learners starting an E2E programme after their 20th birthday
- learners starting their NVQ learning programme, Apprenticeship or Advanced Apprenticeship after their 20th birthday.

32 The application process for Care to Learn will normally take 5-7 days. *Applying through the website may shorten this period.* Therefore where possible applications should be made well in advance. Where an early application is not possible, for example, where the learner wishes to start E2E straightaway, Care to Learn will fund the first 10 days of childcare and necessary deposits retrospectively. Should the applicant subsequently be found not to be eligible, the LSC will meet these costs at *their discretion*. It should be noted that all payments are subject to the weekly limit above.

33 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 at the link below. Should any learners not be eligible, LSC contacts may authorise childcare payments for employed learners at their discretion

<http://www.direct.gov.uk/MoneyTaxAndBenefits>

34 Childcare funded by the LSC is claimed on the TPS as learner expenses.

Annex G: Examples of Formula Funding Arrangements for 2006/07

Introduction

1 Examples of the funding approach and funding calculations for 2006/07 are shown below (rates are indicative only).

Example 1

2 A learner, aged 17 years, commences in August 2005 an Apprenticeship in Business Administration, with key skills at Level 2 in Application of Number and Communication, and the Certificate in Administration Level 2 as the Technical Certificate. The learner successfully completes the full Apprenticeship.

Table G1: Example 1: Apprenticeship in Business Administration age 16–18

Element	Funding	Comments
Programme funding		
NVQ Level 2	£3156.47	
Key skills	£330	Two key skills at £165
Technical Certificate	£873.44	
Achievement element		
NVQ	£0	No longer paid
Apprenticeship	£789.12	25% of the NVQ rate
Total funding	£4359.91	

Actual earned funding calculations

3 In Example 1 above, the ILR data shows that the NVQ is studied over a 16-month period, the key skills are studied in months 4 to 8, and the technical certificate is studied in months 2 to 11.

Example 2

Table G2: Example of the funding calculation

Month	NVQ	Key skills	Technical Certificate	Achievement of full framework	Total
1	£147.96				£147.96
2	£147.96		£87.34		£235.30
3	£147.96		£87.34		£235.30
4	£147.96	£66.00	£87.34		£301.30
5	£147.96	£66.00	£87.34		£301.30
6	£147.96	£66.00	£87.34		£301.30
7	£147.96	£66.00	£87.34		£301.30
8	£147.96	£66.00	£87.34		£301.30
9	£147.96		£87.34		£235.30
10	£147.96		£87.34		£235.30
11	£147.96		£87.34		£235.30
12	£147.96				£147.96
13	£147.96				£147.96
14	£147.96				£147.96
15	£147.96				£147.96
16	£147.96			£789.12	£937.08
Totals	£2,367.35*	£330	£873.40	£789.12	£4,359.87*

Note: Rounded to nearest whole pence.

Annex H: Data Collection and Payments

Monthly Returns

1 The provider will supply to the LSC data on each individual learner in accordance with the data collections framework and the ILR Specification for 2006/07. The detailed ILR Specification and Provider Support Manual are published on the LSC website (www.lsc.gov.uk/National/Partners/Data/DataCollection/ILR/default). *The provider will not change the method of data submission during the year unless this is agreed in writing with the LSC.*

2 There are two data collection routes available to the provider for 2006/07. The provider shall select one of these routes:

- provider batch; or
- provider online.

3 Data must be returned to the LSC no later than the 10th working day after the last day of the month.

4 Failure to transmit a data return in the month following that in which the activity has taken place may result in the LSC immediately suspending future payments to the provider. Recovery action may be instigated where evidence is unavailable to support profile payments already made on account.

5 The provider will not change from one method to another unless this is agreed in writing with the LSC. The LSC reserves the right to require a provider to move to another form of data submission if it is appropriate.

6 The LSC will adhere to the requirements of the *Data Protection Act (DPA)* and ensure that its online data collection policy conforms to the DPA and to the requirements of the Modernising Government White Paper and the requirements of the Government's e-envoy.

7 Multi-site providers must supply data through one collection route only. This means that a provider that is contracted with six different LSC areas may, with the agreement of the national lead concerned, agree to adopt direct input by a provider to the LSC system as the agreed data collection route.

Using provider batch

8 The provider is required to supply the LSC with data in the form of an extract from the provider's management information (MI) system.

9 The extract (or "batch" file) provided must conform to that published in the LSC's document *Specification of the Individualised Learner Record, Batch Data Capture File for 2006/07*. Where providers contract with software suppliers to produce systems to support the submission of data to the LSC, they must assure themselves that the product purchased is capable of supplying data in the format described in the specification document. The LSC may request a test file from a provider before receiving live data in order to assure itself of the fitness for purpose of a provider's MI system.

10 The provider is obliged to transmit the data extract online through the LSC's web portal. The provider is expected to give due regard to the DPA in the storage, integrity and retrieval of learner data held on the provider's MI system. This will include the maintenance of user accounts for access to the LSC's web portal and must include adequate procedures by the provider to remove individual access to the LSC's web portal immediately if data security is compromised.

11 *Providers are asked to sign and adhere to the LSC's data-sharing protocol, which sets out a framework for management of data including appropriate registration with the Information Commissioner under the terms of data protection legislation.*

12 The provider may choose to contract with any software supplier to support and maintain its management information (MI) system.

13 The provider can choose to transmit data more frequently than the minimum requirement specified by the LSC, subject to a maximum of 999 submissions in a month.

Using provider online

14 The provider must input data directly to the LSC's system through the LSC's web portal.

15 The provider has responsibility for maintaining the security of the data supplied to the LSC. This includes the maintenance of user accounts for access to the LSC's web portal. The provider should ensure that each individual who needs access to the portal has their own personal log-in set up by the provider's nominated Super-User(s) and that a log-in should not be shared by more than one user. The provider must also have adequate procedures in place to remove individual access to the LSC's web portal immediately if data security is compromised.

16 The provider is expected to give due regard to the DPA in the storage, integrity and retrieval of learner data held on the provider's MI system.

Remedial action to improve data quality

17 Where issues of data quality exist, the provider may be required by the LSC to supply data to the LSC more frequently until such time as the quality improves.

18 The LSC reserves the right to require the provider to carry out such work in order to improve the quality of data. Any associated cost will be borne by the provider.

19 Payments made to the provider may be suspended where data quality affects confidence in the robustness of the accuracy of the data. In extreme cases of poor data quality, the LSC may choose to take variation action to change the data capture route.

20 Access to the LSC's web portal is restricted. In using the web portal to supply data to the LSC, the provider has signed a contract with the LSC. By signing the funding agreement and agreeing to supply data through the web portal, the provider has agreed to

comply with the conditions of use regarding the supply of data to the LSC.

21 Unauthorised access to the web portal is an offence and may result in prosecution.

Training Provider Statement

22 The mechanism for notifying the LSC of actual data and expenditure incurred outside the ILR process is through the Training Provider Statement (TPS). The submission of the TPS will continue to be online for 2006/07. Audit guidance is given in Annex I, and guidance on completing and submitting the TPS can be found in the *Provider Support Manual*.

Funding reports

23 The WBL Provider Funding Reports will be produced on demand during 2006/07 automatically from the ILR data and will be accessed through the LSC's web portal.

Financial reconciliation of contracts

24 Provider profile payments are subject to monthly financial reconciliation based on cumulative earnings and payments made year to date. The reconciliation sum, either a payment or deduction, will adjust the next profile payment due to a provider but subject to Annex H paragraph 25.

25 The LSC will monitor the provider's actual delivery against the profile. Formal contract reviews will include reviewing the volumes delivered up to that point. The *provider's LSC's contact* will compare actual learning delivered against planned delivery. Where there is a variance, the LSC contract manager and the provider will discuss the provider's ability to meet future volume profiles. This may result in future volumes being increased or decreased.

26 The payment system has been designed so that a provider cannot be paid above their approved contract value. If, through reconciliation, a provider earns above their contract value, profile and reconciliation payments will be adjusted so that a payment will only be made in line with the contract value. If through negotiation the LSC agrees to increase the contract value and issues a formal contract variation, payments to the provider will recommence in accordance with the revised profile based on the timescale in Table H1 at the end of this annex .

27 Where the LSC carries out a review or Provider Financial Assurance (PFA) audit of a sample of evidence that supports the provider's claims or payments under the contract, and identifies that errors in that evidence are material (as deemed by the LSC), then the LSC reserves the right to recover from the provider, or adjust future payments to the provider, an estimated amount based on the error rate identified and the total value of the contract or based on the actual error identified. The LSC has the right to recover from the provider any money paid on the basis of delivery volumes for which evidence of eligibility for funding required by the contract is lacking, or where the absence of an audit trail makes the location of evidence impossible.

28 A final contract review will take place at the end of the contract year, or earlier in the case of closed contracts. The *provider's LSC contact* will notify the provider of the actual amount of money that has been earned against the provision delivered and compare this to the total profile and reconciliation payments made. At this stage, final cash reconciliation will take place. Any overpayment made to the provider by the LSC will be offset against future payments, where the LSC is to continue to contract with the provider or will be repayable within 30 days of receiving an invoice, where no further payments are to be made. This in no way implies that the LSC will pay more than the contract limit unless authorised in advance.

29 All adjustments to contracted provision outside the scope of automated reconciliation and as a result of discussions with the LSC contract manager will be agreed and documented in the form of a variation. This shall be signed by the provider and countersigned by the LSC.

Payment process

30 All payments will be made by BACS, and will be made on the sixth working day of each month.

31 At the final payment stage, the LSC will notify the provider of the total value of the contract, based on the learning activity that has actually taken place through the Provider Funding Report.

32 The LSC will pay any outstanding monies owed up to the overall maximum value of the agreement within 30 days of issue of the balancing statement. Wherever possible, any funds owing to the LSC will be recovered from future payment profiles. This in no way implies that the LSC will pay more than the contract limit unless authorised in advance.

UK Register of Learning Providers

33 To facilitate the submission of effective data and reduce bureaucracy, all LSC providers are required to register with the UK Register of Learning Providers (www.ukrlp.co.uk/ukrlp/ukrlp.first).

Table H1: Funding periods 2006/07

Collection	Month	In-learning census date	Deadline for the return of WBL data (10th working day after last day of the month)	Payment date
1	August 06	31/08/06	14/09/2006	08/09/06
2	September 06	30/09/06	13/10/2006	10/10/06
3	October 06	31/10/06	14/11/2006	08/11/06
4	November 07	30/11/06	14/12/2006	08/12/06
5	December 06	31/12/06	15/01/2007	10/01/07
6	January 07	31/01/07	14/02/2007	08/02/07
7	February 07	28/02/07	14/03/2007	08/03/07
8	March 07	31/03/07	17/04/2007	10/04/07
9	April 07	30/04/07	15/05/2007	09/05/07
10	May 07	31/05/07	14/06/2007	08/06/07
11	June 07	30/06/07	13/07/2007	10/07/07
12	July 07	31/07/07	14/08/2007	08/08/07
13	August – October 07	Late notified activity	07/11/2007	

Note: Rounded to nearest whole pence.

Annex I: Evidence Requirements for Work-based Learning

Provider Financial Assurance

1 *The LSC operates a risk-based approach to the auditing of work-based learning provision. This approach aims to reduce unnecessary bureaucracy on providers by targeting audit resources in proportion to risk. Providers assessed as low risk should receive a reduced level of audit activity compared with high-risk providers.*

2 *The LSC makes use of computer-assisted audit techniques (CAATs) and analytical review in its risk assessment of providers. Use of CAATs assists in the identification of areas where audit activity should take place and can lead to reduced testing where reliance can be placed on the data submitted.*

3 *The LSC has made CAATs available for providers to use on their own data. These are known as Data Self Assessment Toolkits (DSATs). There is an expectation that providers will use these on a regular basis to test the integrity of their data. Effective use of DSATs by providers is a factor that can affect audit risk assessment. DSATs are available on the LSC's website (www.lsc.gov.uk/National/Partners/Data/ProviderSoftware/DSAT/DSAT2005_06.htm).*

4 *This annex details evidence requirements for WBL, but it is not exhaustive. Wherever possible, LSC auditors seek to place reliance on evidence that is generated by the natural administration of the learning process, the provider's own systems, or that which is specifically detailed in the main body of this agreement, providing that evidence is sufficient, relevant, reliable and robust.*

5 *Where the Requirements for Funding WBL in 2006/07 indicate that approval should be sought from the LSC, evidence of such approval should be retained for audit purposes.*

6 *The evidence requirements detailed in this annex also apply to any sub-contracted provision. The LSC will hold the provider liable for any evidence deficiencies arising from sub-contracting arrangements or failure by sub-contractors to produce any required evidence. Where provision has been sub-contracted, the provider should retain copies of sub-contractor agreements in accordance with paragraph 69.*

Data returns

7 *The LSC requires fully completed, comprehensive and accurate documentation to support data returns. This includes the following.*

- ILR forms must support all data transmitted to the LSC using the Internet-based data collection systems and should be signed by the provider and the learner. ILR forms must be completed in blue or black ink.
- Correction fluid must not be used on the ILR or other key evidence provided to support funding claims.
- Any alteration to the ILR must be crossed through and initialled by the person authorised to make changes.
- The ILR and all supporting evidence shall be available at the time the data return is sent to the LSC.

Evidence

Eligibility for the programme

8 *The LSC requires the provider to ascertain whether a learner is eligible for LSC funding and eligible to participate in work-based learning. The provider*

should retain evidence to support their assessment of the eligibility of all learners entering the programme. This must clearly evidence or be supported by further evidence that the learner was eligible to enter the programme.

Entry to the programme

9 The following evidence should be retained to support entry and categories of entry to the programme for each learner:

- evidence to support entry under the Extended Guarantee Group, where applicable
- evidence of assessment on entry to WBL
- a copy of the learning agreement signed by the respective parties
- evidence that employed learners have a contract of employment in place
- evidence that the provider has paid due regard to the average length of stay and any prior learning when completing the ILR and submitting data to the LSC.

Participation on the programme

10 The following should be retained to support participation on the programme:

- a copy of the individual learning plan
- evidence that the learner is working or making progress towards continued structured learning
- where progress is not being made, evidence to support the actions taken to address this
- evidence of regular progress reviews in accordance with paragraph 181

NVQ on-programme payments

11 The following evidence should be retained to support monthly NVQ on-programme payments:

- evidence that the learner is registered for the NVQ
- evidence that the learner was registered on the NVQ before the last QCA entry date
- evidence that the NVQ is eligible for WBL funding

- evidence that the learner is making progress towards the NVQ
- where no progress towards the NVQ is being made, there should be evidence of the actions taken to address this.

Technical Certificate payments

12 The following evidence should be retained to support Technical Certificate payments:

- evidence that the Technical Certificate is eligible for WBL funding
- evidence that the learner is registered for and making progress towards the Technical Certificate in line with the planned start and end dates on their ILR
- where no progress towards the Technical Certificate is being made, there should be evidence of the actions taken to address this
- evidence from the awarding body that the learner has achieved the Technical Certificate, where applicable
- evidence that the provider has ascertained that the Technical Certificate is not funded from HEFCE or FE funds.

Key skills payments

13 The following evidence should be retained to support key skills payments.

- evidence that the learner is registered for the key skill(s)
- evidence that the key skill is eligible for WBL funding
- *evidence that learning towards the key skill has taken or is taking place in accordance with paragraph 82, in line with the planned start and end dates of each key skill on the learner's ILR*
- evidence from the awarding body that the learner has achieved the key skill, where applicable.

Additional learning needs

14 In addition to the general work-based learning evidence requirements detailed in this annex, ALN payments must be supported by evidence that:

- the provider has documented the arrangements for the identification of those with ALSN, the planning of learning and support to meet needs and progress review arrangements
- the learner has been assessed as having additional learning needs as described in Annex E paragraphs 17-23 through the use of Basic Skills Agency assessment materials (July 2002) or equivalent
- an additional support plan has been drawn up and agreed by the provider and the learner that meets the requirements of Annex E paragraph 44
- a programme of support designed to address the needs of the learner is being or has been delivered
- the learner's progress has been reviewed in accordance with their plan, the effectiveness of the support has been evaluated and a forward support plan developed at each review.

Additional social needs

15 ASN payments must be supported by evidence that:

- the provider has documented their arrangements for the identification of those with ALSN, the planning of learning and support to meet needs and progress review arrangements
- clearly indicates that the learner has needs relating to 2 out of the 10 barriers (or one serious barrier) detailed in Annex E paragraph 25
- an additional support plan has been drawn up and agreed by the provider and the learner that meets the requirements of Annex E paragraph 44
- a programme of support designed to address the needs of the learner is being or has been delivered

- the learner's progress has been reviewed in accordance with their plan, the effectiveness of the support has been evaluated and a forward support plan developed at each review.

Exceptional learning support

16 Where the costs of additional learner needs and/or additional social needs are assessed as exceeding over £3,000 over the length of the programme, then the amount over £3,000 is classed as exceptional learning support (ELS) and the provider should complete the Additional Learning Support Costs form and retain this as evidence to support ELS claims.

NVQ achievement (NVQ learning only)

17 For NVQ achievements, there must be evidence that:

- at the time of award, the qualification is current and approved
- the learner was registered with an awarding body for the qualification before the last QCA entry date
- for providers that have been approved for direct claims status by the awarding body, that the qualification has been achieved with this evidence supplied by the internal verifier
- for providers that have not been approved for direct claims status, that the qualification has been achieved, with this evidence supplied by the awarding body.

Apprenticeship achievement

18 For Apprenticeship achievement, there must be evidence in the form of:

- a copy of the completion certificate from the relevant SSC or sector body; or
- a copy of the application for the completion certificate with the supporting evidence; or
- copies of the supporting evidence where the originals have been sent with the application for the completion. *If a copy of the application is used as evidence of completion, then a copy of the completion certificate may also be required within a reasonable timescale.*

Withdrawal

19 It is the responsibility of the provider to have and operate a withdrawal and follow-up policy and procedure. This policy should be retained as evidence to support the systems in place.

20 In addition, the provider should hold the following evidence to support the date of leaving recorded on the ILR:

- *clear written evidence of that last evidenced date of continued structured learning. This may be the last date of evidenced attendance or other documentation such as a review, assessment or observation materials or portfolio work produced by the learner which evidences that the learner was in continued structured learning*
- written notice of termination from the programme.

Training Provider Statement

21 The mechanism for notifying the LSC of actual data and expenditure incurred, which is not captured on the ILR, is through the Training Provider Statement (TPS). The submission of the TPS will be online for 2006/07. The provider must print a copy of the submission, sign it and retain for audit purposes.

22 The provider should hold evidence to support the amounts claimed on the TPS. This includes full details of how the volumes and values claimed on the TPS have been calculated in order to provide an audit trail from individual learner funding to total value of funding claimed. This evidence should be held at the time of submission of the TPS.

23 The TPS should contain the following information:

a provider identification:

- local LSC code
- provider reference number (UPIN)
- provider name
- collection number

b work-based learning:

- learner allowances (value)

- learner expense payments (value)
 - exceptional learning support (value)
- c Entry to Employment:
- E2E progression bonus (volume)
 - E2E Qualification bonus (volume)
 - E2E bonuses (value)
 - E2E exceptional learning support (value).
 - E2E learner support costs (from 10 April 2006).

Allowances

24 At the time of making the claim on the TPS, there must be evidence to show that:

- the learner was in attendance, including details of authorised and unauthorised absence
- the learner actually received the allowance
- the learner was eligible to receive an allowance.

Learner expenses payments and exceptional learning support

25 In respect of expenses and ELS, at the time of making the claim on the TPS, there must be evidence to show that:

- the learner was eligible to incur the expenditure
- the expenditure was incurred
- LSC *authorisation* requirements are met, if applicable
- reimbursement of expenditure incurred.

Learner hardship funds

26 *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 Requirements for Funding Work-based Learning for Young People 2005/06 and 2006/07*

- *the learner was in attendance as agreed in Contract (Part 1) including details of any authorised or unauthorised absence*
- *there is need and rationale for a hardship grant or loan*
- *LSC contract management authority was granted in cases referred for LSC decision*
- *the learner actually received the grant or loan*
- *the loan is repaid*
- *any repayments to the LSC are made.*
- *achievement of up to two learning goals, as detailed in the individual learning plan, such as the achievement of key skills or NVQ modules*
- *progression into a paid Employer-led Apprenticeship. The evidence from a learning provider and/or employer should confirm that the learner is in learning for at least 16 hours a week for a four-week period*
- e *learners have been notified of non-payment decisions.*

27 These requirements could be met through naturally occurring evidence and a single simple application and receipt form. This documentation should be kept for the standard six years plus the current year.

Education Maintenance Allowance

28 *An overview of the LSC's audit arrangements for Education Maintenance Allowance (EMA) in WBL is detailed in Guidance on LSC Audit Arrangements for EMA in LSC-funded Entry to Employment and Courses Leading to an Apprenticeship (DfES, March 2006) and this is available on the DfES website (www.dfes.gov.uk/financialhelp/ema). Usually, the LSC audit of EMA payments will take place at the same time as the WBL audits. For each learner, there should be evidence that:*

- a *the learner satisfies the programme eligibility rules and criteria detailed in Requirements for Funding Work-based Learning for Young People 2006/07 and Education Maintenance Allowance Extension to LSC-funded Entry to Employment and Programme-led Pathways: Guidance for Providers (January 2006)*
- b *the Contract (Part 1) (Attendance) document has been completed correctly*
- c *attendance has supported weekly payment decisions, including evidence supplied by sub-contractors*
- d *bonus payments have been made correctly for:*
 - *agreement of the fully completed individual learning plan*

Retention of documents

29 Documents are to be retained for inspection for six years from the end of the contract year (for example, 31 July 2013). Where the funding has been matched to ESF, documents are to be retained until 31 December 2014.

Annex J: Entry to Employment Evidence Requirements

1 These requirements are in addition to the general WBL evidence requirements detailed in Annex I. Therefore, where general WBL requirements are also applicable to E2E, the evidence detailed in Annex I will also be required, where applicable.

2 It is anticipated that most, if not all, of the evidence required for E2E *including evidence required for EMA payments to learners* will be generated by the provider's normal operations and will therefore be naturally occurring evidence. It is appreciated that the first six weeks of E2E will be fluid. Providers are to work towards gathering all the required documentary evidence during this time. The evidence requirements at each stage and for each payment are set out in this annex.

Learner Eligibility

3 Learners must be eligible for E2E to attract any payments. For this reason, providers are to retain evidence that the learner was eligible and suitable to enter the programme and that within six weeks of starting the programme their suitability for E2E has been confirmed by Connexions.

Evidence Required

Planned places payments

4 These payments will normally be evidenced by the documentation collected for in-learning payments and by the provider having a current contract for the places. However, where the places are not filled, the LSC may require evidence that demonstrates that the full number of planned places was in fact available. Examples of suitable evidence may include the following documents:

- schedule of learning and/or sessions
- availability of resources and accommodation
- staffing arrangements
- waiting lists, induction arrangements, offers made to learners
- business plans and/or financial forecasts
- past occupancy levels.

5 Providers may be asked to provide other naturally occurring evidence that demonstrates the places would have been filled if they were required. The LSC may also contact other agencies to confirm the availability of places.

Continued structured learning

6 The following evidence applies:

- the E2E Passport identifies the learning objectives informed by initial assessment
- the learner is making progress in continued and structured learning, towards their learning objectives, or, where no progress is evident, what actions have been taken.

7 These requirements will normally be met through the initial assessment, E2E activity plan and review process documentation. The E2E Passport has been designed to meet these requirements. However, the use of this document will not in itself mean the requirements are met. It is the completeness and the quality of the entries that will determine whether the evidence is sufficient.

Bonus payments

Qualification bonus

8 For the qualification bonus payment, there must be evidence that:

- the qualification is approved for funding and is consistent with the Learning Aims Database or, where the qualification is locally approved, evidence from the local LSC that it is a locally approved qualification
- the learner was registered with an awarding body before the last entry date
- the qualification has been achieved, that is, where the provider has direct claims status evidence from the internal verifier or where the provider does not have direct claims status, evidence from the awarding body.

Progression bonus

9 *The following evidence applies:*

- evidence from a learning provider and/or employer confirming that the learner is in learning or employment for at least 16 hours a week for a 4-week period; or
- a self-declaration from the learner stating that he or she is in learning or employment, with ongoing learning, for at least 16 hours a week for a 4-week period and giving contact details of the employer and/or provider.

Exceptional learning support

10 The following evidence applies:

- that the amount claimed and authorised by the LSC was spent in line with that detailed on the standard costs assessment form. The evidence must show that the learner was eligible and that the expenditure was incurred in line with the form.

On leaving

11 The following evidence applies:

- evidence to support the leaving date recorded on the ILR.

12 The overarching criteria for all evidence are that it is sufficient, reliable and relevant.

Hardship fund payments

13 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 *Requirements for Funding Work-based Learning for Young People 2006/07*
- the learner was in attendance as agreed in Contract (Part 1), including details of any authorised or unauthorised absence
- there is need and rationale for a hardship grant or loan
- local LSC contract management authority was granted in cases referred for local LSC decision
- the learner actually received the grant or loan
- the loan is repaid
- repayments is made to the LSC.

14 These requirements could be met through naturally occurring evidence and a single simple application and receipt form. This documentation should be kept for the standard six years plus the current year.

Education Maintenance Allowance

15 *Separate guidance is issued on the audit requirements of EMA. This can be found on the DfES website (www.dfes.gov.uk/financialhelp/ema). Usually, the LSC audit of EMA payments will take place at the same time as the WBL audits. For each learner, there should be evidence that:*

- a *the learner satisfies the programme eligibility rules and criteria detailed in Requirements for Funding Work-based Learning for Young People 2006/07 and Education Maintenance Allowance Extension to LSC-funded Entry to Employment and Programme-led Pathways: Guidance for Providers (January 2006)*

- b *the Contract (Part 1) (Attendance) document has been completed correctly*
- c *attendance has supported weekly payment decisions, including evidence supplied by sub-contractors*
- d *bonus payments have been made correctly for:*
 - agreement of the fully completed E2E Passport
 - achievement of up to two learning goals, as detailed in the E2E Passport, such as the achievement of key skills or NVQ modules
 - progression into an Apprenticeship or FE. The evidence from a learning provider or FE college should confirm that the learner is in learning for at least 16 hours a week for a 4-week period
- e learners have been notified of non-payment decisions.

Retention of documents

16 Documents are to be retained for inspection for six years from the end of the contract year (for example 31 July 2013). Where the funding has been matched to ESF, documents are to be retained until 31 December 2014.

Annex K: The Apprenticeship Blueprint

1 The Cassels Report presented a clear vision and objectives for a successful Apprenticeship system and the benefits to the country this will bring. The report identified, at Chapter 4, the need for a clear framework to define the parameters and essential content of the system and for this to be widely accepted by all involved in the delivery of Apprenticeships.

2 This document sets out the essential content and areas where flexibility is possible as a basis for agreement by those principally concerned with the design and implementation of Apprenticeships, that is: Sector Skills Councils, sector bodies and their employers, the Learning and Skills Council, the Department for Education and Skills and the Qualifications and Curriculum Authority.

3 Apprenticeships are intended to provide an integrated programme of learning leading to the acquisition and application of the skills, knowledge and understanding required by employers

4 The completion of an Apprenticeship framework shows both current and potential employers that the holder has achieved competence in the skills covered by the Apprenticeship, has demonstrated the knowledge required by the Apprenticeship and has attained the level of transferable skills required by all Apprenticeships.

5 The content of each Apprenticeship is designed by Sector Skills Councils, sector bodies and their employers in accordance with the following:

- Transferable – or ‘Key’ Skills
- Employment rights and responsibilities.

7 Apprenticeships should be directly accessible to those from age 16 who possess the required entry criteria.

8 Advanced Apprenticeships should be directly accessible to those who possess the required entry criteria. An Apprenticeship in the same employment sector should provide entry to the corresponding Advanced Apprenticeship.

9 Sector Skills Councils and sector bodies are responsible for determining and publicising entry criteria.

10 In addition to the above, Apprenticeships may include other elements as required by employers who employ apprentices but these will not normally be funded.

11 Whilst the aim is for Apprenticeships to be an employed programme, frameworks must be capable of programme led application in educational establishments as outlined in the Cassels Report. However, it is not possible for an Apprenticeship to be achieved without significant employment-based learning and application.

12 The next section outlines the essential content and areas where flexibility is possible for each of the above elements

Apprenticeships: Essential Content

6 All apprentice frameworks must comprise:

- A competence based element
- A knowledge based element

Competence-based element

Essential content

13 The competence-based element must be assembled from the National Occupation Standards from the employment sector for which the framework is designed and, if required, other employment sectors. It should take the form of a National Vocational Qualification and should be assessed using methods designed to test competence. It must be at:

- Apprenticeship Level 2
- Advanced Apprenticeship Level 3.

Areas of flexibility

14 The content of the competence element may be determined by the Sector Skills Councils, sector bodies and their employers

15 The name of the qualification may be varied to suit the employment sector.

16 Assessment methods should be determined by the appropriate Sector Skills Council in collaboration with the QCA

17 The knowledge element may, or may not be integrated with the competence element at the discretion of the Sector Skills Councils, Sector Bodies and their employers.

Knowledge element

18 Technical Certificates were introduced to ensure that the underpinning theoretical knowledge required by a successful apprentice was clearly demonstrated. While some Sector Skills Councils and sector bodies have effective Technical Certificates that are fit for purpose, others have indicated that they would like to see the knowledge element as a integrated but clearly identified and assessed part of the NVQ.

Essential content

19 The knowledge element must be designed to provide evidence that the underpinning theoretical knowledge required by an entrant to the employment sector covered by the framework has been demonstrated.

20 The knowledge element will normally be independently assessed using methods determined by the Sector Skills Council and sector bodies, and agreed by the QCA as appropriate to the assessment of knowledge.

21 The knowledge element should form part of a clearly described progression route from Apprenticeship to Advanced Apprenticeship and on to higher education. It must be at:

- Apprenticeship Level 2
- Advanced Apprenticeship Level 3.

Areas of flexibility

22 The knowledge element may be separately accredited or may be accredited as part of the competence element.

23 Progression from Advanced Apprenticeship to higher education may require additional knowledge, provided that this requirement is clearly stated and the means of progressing is available to apprentices when they start the Apprenticeship.

Transferable skills

Essential content

24 The following elements must be included:

Apprenticeships:

- Key Skill of Application of number at Level 1
- Key Skill of Communication at Level 1.

Advanced Apprenticeships:

- Key Skill of Application of number at Level 2
- Key skill of Communication at Level 2.

25 Key skills assessment must include an end test, unless an exemption/relaxation applies.

Areas of flexibility

26 Areas of flexibility for transferable skills are

- the range of proxy qualifications
- the relaxation requirement where a learner holds other qualifications and the time limit relating to this relaxation
- the end test being adapted for use as an initial assessment
- how the aspiration that apprentices achieve Level 2 key skills and advanced apprentices achieve Level 3 key skills might be expressed within the framework
- contextualisation, integration and embedding of key skills external assessment
- key skills delivery models within the Apprenticeship programme.

Employee rights and responsibilities

Essential content

27 Employment rights and responsibilities must be included for all Apprenticeships and Advanced Apprenticeships and include a requirement for all apprentices to understand their responsibilities for equal opportunities, health and safety and to understand the safe learner concept.

Areas of flexibility

28 The content and assessment of employment rights and responsibilities is the responsibility of the Sector Skills Councils and sector bodies designing the framework.

Other considerations

Qualifications

29 The Apprenticeship is currently not a qualification in its own right. Rather, it is the achievement of a collection of qualification components, each requiring differing assessment methods and requiring registration and associated costs.

30 Cassels recommended the awarding by the Sector Skills Councils and sector bodies of an Apprenticeship diploma on completion, and provided evidence that such publicly-recognised evidence of achievement was highly motivating to young people considering an Apprenticeship.

31 Whilst some Sector Skills Councils and their employers have indicated a reluctance to move from the current system where the Apprenticeship is not a qualification in its own right, others have identified the current structure as a barrier to engagement. Further, as we move towards a, credit based qualification system, there is value in offering Sector Skills Councils, sector bodies and their employers the option of a single, overarching qualification. If the government opts for a Diploma as recommended by Tomlinson, it might be counter-productive to introduce an alternative version. However, it could be considered to be a precursor to any eventual national system.

Essential content

32 Key skills, where required by the learner, must be independently accredited (although they may be delivered as part of other qualifications).

33 Knowledge- and competence-based elements must lead to accredited qualifications.

Areas of flexibility

34 Competence and knowledge elements may be separately assessed or may be covered by a single overarching qualification.

35 Sector Skills Councils, sector bodies and QCA may wish to consider the feasibility of introducing grades to Apprenticeships or their component parts.

Annex L: Education Maintenance Allowance Extension and Hardship Funding

1 The use of italic to denote new material has been omitted from this annex.

Introduction

2 The Education Maintenance Allowance (EMA) was extended to cover LSC-funded Entry to Employment (E2E) and 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 funded Entry to Employment and WBL-funded PLPs.

Rationale

3 Experience from running EMA in FE shows us 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.

Eligibility

4 The scope of what can be funded mirrors the existing priorities available under the hardship element of the FE Learner Support fund, namely learners who:

- are economically or socially disadvantaged, disabled, medically ill and/or have learning difficulties and need support with associated learning costs
- have been in care, on probation or are young parents or otherwise considered to be at risk

- are lone parents (and who may also be eligible for Care to Learn payments, which will be expanded to cover 19 year olds in 2006)
- are on low incomes or from low-income families, identified by appropriate income assessment

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

6 Learners do not need to be eligible for EMA to qualify for a hardship fund payment, but they **must** be on an LSC-funded E2E programme or a PLP. Other work-based learners (such as ESF-funded provision, NVQ-only learners and Employer-led Apprenticeships) are not eligible for this funding.

Scope

7 Typical payments under hardship payments will include payments to young people 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
- 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

- who have not pre-applied for EMA and need an advance until their EMA payments start (at which point the advance can be repaid).

8 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 WBL funding, such as travel or additional learner support must **not** be funded under the hardship fund.

9 Although exceptional short-term costs can be met, hardship funds 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 seek to claim 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.

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

Use of Hardship Fund

Grants and loans

11 Providers may use the hardship funds 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 £3.00 per 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 can not finalise their EMA application. Our experience from operating Learner Support Funds (LSF) in FE is that loans are an excellent method of getting maximum value from the limited funds available and it is recommended that they are used wherever possible.

Process

12 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 4–6 above) and scope (paragraphs 7–10 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.
- The un-recovered loan is then treated as a grant and the LSC will meet the cost.

13 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.

14 Providers are expected to document their application and recovery processes and be able to produce these on request.

Payments and reconciliation

15 Allocations will be made by the LSC to providers in line with need. The hardship fund will be administered through the WBL contract as an extension of additional learner support (ALS). The LSC will make an additional allocation to providers under ALS to include the hardship fund. This will require a variation to the contract and allocation. Payments will be made monthly in line with the agreed profile and reconciled through the Training Provider Statement (TPS).

- 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 Training Provider Statement

16 The cost of grants and loans that are un-recoverable are to be entered onto the TPS, and will be subject to normal monthly reconciliation by entering the amount in the following boxes:

- **for PLPs:** TPS box 8 WBL Hardship fund value
- **for E2E:** TPS box 15 E2E Hardship fund value.

Audit Requirements

17 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 *Requirements for Funding Work-based Learning for Young People 2006/07*.
- the learner was in attendance as agreed in Contract (Part 1) including details of any authorised or unauthorised absence
- there is need and rationale for a hardship grant or loan
- LSC contract management authority was granted in cases referred for LSC decision
- the learner actually received the grant or loan
- the loan is repaid
- any repayments to the LSC are made.

18 These requirements could be met through naturally occurring evidence and a single simple application and receipt form. This documentation should be kept for the standard six years plus the current year.

Role of Sub-contractors

19 The LSC will be following the convention that it only has contact with its direct contractors. Therefore any sub-contractors will not be able to access hardship fund payments directly: they must do so through their lead contractor.

Annex M: Joint Higher Education Funding Council and Learning and Skills Council Protocol on Funding Level 4 Qualifications in Apprenticeships

Purpose

1 The purpose of this protocol is to clarify the funding of the elements of Apprenticeships that contain Level 4 qualifications.

Context

2 There is a growing demand for higher skill levels in some sectors. This has led to pressure from sector skills councils (SSCs) for the development of an Apprenticeship at Level 4. In the past, the funding of such Apprenticeships has been problematic due to the split responsibilities for funding Level 4 qualifications.

Principles

3 The protocol recognises the principle that funding shall be provided by one organisation only for each element of the Apprenticeship programme and that both parties will act to ensure appropriate use of their own funding and that double-funding cannot occur.

4 The content of Apprenticeships and Advanced Apprenticeships is described in the document Blueprint for Apprenticeships (LSC and DfES, September 2005 and available at www.apprenticeships.org.uk/NR/rdonlyres/A28D2CFF-725E-4D00-9110-429A77CCA2C6/0/ApprenticeshipBlueprintFinalV215Sep05.pdf). This outlines the essential content of Apprenticeships as follows:

- a competence element at Level 2
- a knowledge-based element at Level 2
- transferable or “key” skills at a minimum of Level 1
- employment rights and responsibilities (no level).

5 An Advanced Apprenticeship consists of the following elements:

- a competence element at Level 3
- a knowledge-based element at Level 3

- transferable or “key” skills at a minimum of Level 2
- employment rights and responsibilities (no level).

6 The Learning and Skills Council (LSC) is piloting Apprenticeships at Level 4 using the following principles:

- a competence element at Level 4
- a knowledge-based element at Level 4
- transferable skills at Level 3
- employment rights and responsibilities (no level).

Agreement

7 For Advanced Apprenticeships (Level 3), the LSC will be responsible for setting funding rates and arrangements for funding the competence element, the knowledge element, the key skills and the employment rights and responsibilities.

8 For learners on Advanced Apprenticeships (Level 3) who are deemed to have completed their Level 3 knowledge element and wish to study a Level 4 knowledge-based qualification, the Higher Education Funding Council for England (HEFCE) will be responsible for funding this qualification where this is designated as prescribed higher education (HE) provision, which may be studied concurrently with an Advanced Apprenticeship. This would specifically not be considered to be double-funding.

9 At Level 4, for Apprenticeships that are part of the current pilots being run by the LSC, the LSC will be responsible for setting funding rates and arrangements for funding the competence element, the key skills and the employment rights and responsibilities. The LSC will also fund the knowledge element if this is defined as non-prescribed HE. HEFCE will be responsible for setting funding rates and arrangements for funding the knowledge element where this is designated as prescribed HE provision.

Commentary

10 This protocol recognises and promotes the benefit of Level 4 knowledge qualifications as part of an Apprenticeship programme. This may be desirable as:

- an additional progression qualification for learners on Advanced Apprenticeships who are deemed to have completed the knowledge element within the approved framework
- the mandatory knowledge element of a Level 4 Apprenticeship framework.

11 The protocol presumes that SSCs are responsible for the content of the Apprenticeship frameworks.

Allocation of Funding

12 Funds will be allocated to approved providers in accordance with each organisation’s allocations process. It will be the responsibility of the provider of the Apprenticeship to ensure, before learners are enrolled, that funding is available to fund all parts of the Apprenticeship and for the duration of the Apprenticeship.

13 This protocol does not provide an assurance to providers that funds will be available for all parts of the Apprenticeship.

Audit Arrangements

14 Each organisation will be responsible for ensuring the proper use of their funds and for ensuring that each element of the Apprenticeship is funded by only one organisation. Where appropriate, the LSC and HEFCE will share data to ensure the principle of preventing double-funding is maintained.

Annex N: Advanced Apprenticeship in Sporting Excellence

Introduction

1 The Advanced Apprenticeship in Sporting Excellence (AASE) is unique in its structure and purpose, as it is funded as work-based Learning the requirements for funding, terms and conditions and eligibility are identical to those for all other Apprenticeships. However, due to the structure there are additional factors to be considered and these are covered below.

Funding

2 Funding is based on the standard elements of an Apprenticeship as detailed below.

- **underpinning knowledge and understanding:** This is based on 780 guided learning hours (glh) and can be any qualifications from a list in the framework, each qualification contributing to the glh until the 780 is reached when the element is deemed to be complete (see paragraph 3 below).
- **key skills:** The two mandatory key skills at Level 2 are funded at standard national rates in all sports. (For key skills and premiership football see paragraphs 6-7 below).
- **competence element:** This is an NVQ at Level 3 in Achieving Excellence in Sporting Performance and is funded at the normal listed rate. This is always funded through WBL and is therefore straightforward.

Underpinning knowledge

3 There are three scenarios for funding this element. These together with the solution are given below.

- **Scenario 1:** The learning provider is also the college providing (or sub-contracting with another provider for) the underpinning knowledge. In this case, the college may be funding the constituent qualifications through its FE or WBL allocation. It is of no concern which funding stream the funding comes from; however there is a general duty on the provider at paragraph 133 of the *Requirements for Funding Work-based Learning for Young People 2005/06* and paragraph 133 in the 2006/07 edition of the same document to access LSC funds with discretion and with a view to value for money. The LSC would expect this to be respected. The provider is responsible for ensuring the full 780 glh are achieved and that double-funding is avoided.
- **Scenario 2:** The underpinning knowledge is being provided by a different organisation from the learning provider, for example a school sixth form or college, and the school or college is funding the underpinning knowledge through its LSC funding allocation. In this case, the school or college providing the underpinning knowledge will continue to be funded directly for the elements it provides. The underpinning knowledge programme provided by the school may or may not provide the full 780 glh, and where it does not, the provider is responsible for supplying the additional hours of learning and therefore would claim for the additional qualifications provided from its WBL allocation.

- **Scenario 3:** The underpinning knowledge is being provided by a different organisation from the learning provider, and the organisation is funding the underpinning knowledge from private or other non-public funding sources, for example a private school sixth form. In this case, the school or college providing the underpinning knowledge will continue to fund the elements it provides and LSC funds are not to be claimed to substitute any existing funds. The underpinning knowledge programme provided by the school may or may not provide the full 780 glh, and where it does not, the provider is responsible for supplying the additional hours of learning and therefore would claim for the additional qualifications provided from its WBL allocation.

Key Skills

4 The two mandatory key skills are funded at the relevant national rate. This is in addition to the 780 glh underpinning knowledge requirement.

Key Skills and the entitlement

5 Providers and colleges should be mindful of the fact that the key skills of Application of Number and Communication (and IT) are included in the entitlement curriculum for full-time students in school sixth forms and FE colleges and that therefore key skills should only be claimed as part of the Apprenticeship if the entitlement curriculum has not been claimed in the FE college or school. If both the entitlement curriculum and key skills are claimed, this is double-funding. *Funding Guidance for Further Education in 2006/07* paragraph 411 onwards and *School Sixth Forms Funding Guidance 2004/05* (as updated September 2005) paragraph 130 onwards refer.

Key Skills in Premiership Football

6 The Apprenticeship Approvals Group (AAG) and LSC have agreed that the wider key skills of Working with Others, Team Working, and Developing Own Learning will be included within the 780 glh underpinning knowledge element for Premiership Football only. These will be funded at 20 glh each and each will contribute 20 glh to the 780 glh for framework achievement. No additional funds are being made available and therefore the overall funding for the framework is still the same.

7 Key skills rates in WBL are based on 30 glh not 20 and therefore special arrangements are needed for claiming them within the 780 glh. As 20 glh is 66 per cent of the funded 30 glh, providers are required to enter 66 per cent into field A51a of the ILR for all three additional key skills. This will generate the correct funding and ensure the overall framework funding rate is not exceeded.

Eligibility

8 The AASE contains a substantial package of learning, combining full weeks of learning with additional sports training and NVQ training and assessment. The underpinning knowledge element is often provided by A-levels and other school- or college-based qualifications. Therefore the underpinning knowledge element is replacing funding that would normally be made available to fund Technical Certificates. For this reason, the LSC does not regard this as double-funding. However this does not mean providers can disregard paragraph 133 of *Requirements for Funding Work-based Learning for Young People 2005/06* (paragraph 133 in the 2006/07 edition).

9 To facilitate the structure of the AASE, ensure good value for money and allow the underpinning knowledge element to be delivered in schools and colleges without disrupting the current school or college funding arrangements, the LSC is waiving the normal restriction of those in school or FE college on full-time programmes not being able to join Apprenticeships and vice-versa as detailed in paragraph 152 of *Requirements for Funding Work-based Learning for Young People 2005/06* (paragraph 152 in the 2006/07 edition) and paragraphs 286, 304 and 310 of *Funding Guidance for Further Education in 2006/07*.

10 For clarity, the funding taper as described in paragraph 229 onwards of *Funding Guidance for Further Education for 2004/05* and the Maximum Funding per Learner described in paragraph 181 onwards of *Funding Guidance for Further Education 2006/07* and the Revised Maximum Qualification Funding for schools as described in *School Sixth Forms Funding Guidance 2004/05* (as updated September 2005) and paragraphs 28 onwards of *Priorities for Success School Sixth Form Funding* (October 2005) still apply.

Employment terms and conditions

11 Apprenticeships are primarily an employment programme and in some sports this is possible (for example football) and in others very unlikely (as in athletics or aquatic sports). Programme-led

Apprenticeships can accommodate those apprentices who cannot be employed and these can be supported by EMA (if eligible and subject to an income assessment) and expenses in accordance with Annex F of *Requirements for Funding Work-based Learning for Young People 2005/06 and 2006/07*.

12 Apprentices can be employed and if they are must receive at least £80 a week. There is no restriction to being employed whilst undergoing a school sixth form course. Paragraph 336 of *Funding Guidance for Further Education 2006/07* indicates that the LSC would not expect to fund full-time employees as full-time students. In the case of AASE only, the LSC has decided to waive this restriction since to do otherwise would disadvantage those apprentices who have been offered employment by sports clubs the opportunity of completing their education.

Health and safety

13 *The Advanced Apprenticeship in Sporting Excellence (AASE) although unique in its structure and purpose, it is funded as Work-based Learning and therefore the requirements for funding, terms and conditions and eligibility are identical to those for all other Apprenticeships. The learning provider is ultimately responsible for ensuring that roles and responsibilities for health, safety, child protection/vulnerable adults and insurance matters are defined and agreed. The school and the learning provider should have a clear understanding of each others responsibilities and this should be in writing between the parties concerned.*

All other requirements

14 Unless specifically varied in this annex, all other requirements of the relevant funding documents must be observed as a condition of funding.

Notes

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