

Policy Statement

For Information

Funding

Additional Learning Support: Confirmation of Funding Arrangements for the Post-16 Sector from 2004/05

Summary

This policy statement confirms the Learning and Skills Council's approach to funding additional learning support across the post-16 sector from 2004/05. This has followed extensive consultation with key stakeholders from the sector.

This document will be of interest to organisations involved in delivering post-16 learning which is funded by the LSC.

May 2004

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Executive Summary

May 2004

Funding

This policy statement summarises the Learning and Skills Council's work in developing a common funding approach for additional learning support, and how this will be implemented in 2004/05. The developments follow extensive consultation and research with the post-16 sector. Two formal consultations were conducted between February and November 2002. Further research and development work with key stakeholders continued throughout 2003. This work has highlighted the inherent difficulties in working towards the achievement of a common funding approach for additional learning support across the post-16 sector. The work undertaken has facilitated the development of a shared understanding of the issues. The arrangements described show the progress towards a consistent approach across the post-16 sector.

Intended recipients: Organisations involved in delivering post-16 learning which is funded by the LSC.

Status: For information and action

Further information

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Section 1: Development Work

Introduction

- 1 The Learning and Skills Council (LSC) began to review additional learning support (ALS) arrangements across the post-16 sector in early 2002. The aim was to assess the approach to funding ALS in each of the learning sectors. The review was based upon the following observations, and enabled the LSC to review the operation of its statutory obligations in each of the learning sectors:
 - the LSC had inherited learning provision from predecessor organisations that operated different practices
 - administrative requirements for ALS in certain sectors were reported to be unnecessarily bureaucratic
 - the LSC has a duty under Section 13 of the Learning and Skills Act 2000 to consider the needs of people with learning difficulties and/or disabilities in the discharge of its main duties
 - providers funded by the LSC must have regard to the Disability Discrimination Act 1995 and the Special Educational Needs Act 2001. These place significant statutory duties on colleges and providers to address the needs of individuals with learning difficulties and/or disabilities.
- 2 The development of funding arrangements for ALS needs across the post-16 sector are, therefore, a key aspect of the LSC's overarching funding arrangements.

Consultation and Research

- 3 In February 2002, the LSC's Circular 02/04: *First Stage Consultation on Additional Learning Support Arrangements* sought the views of the sector on some overarching principles to take forward the development of a common funding approach for ALS.
- 4 The responses to Circular 02/04 were supportive of the LSC's intention to work towards an equitable approach across the sector. In September 2002, the LSC developed its proposals further in Circular 02/17: *Second Stage Consultation on Additional Learning Support Arrangements from 2003/04*. Responses to the second stage consultation included the following:
 - the need to ensure that any thresholds for funding enable ALS requirements to be funded at a reasonable level, regardless of mode of study
 - concern that the move away from funding actual costs of support might lead to a less flexible system
 - concern that a "table of costs" approach to funding would be difficult to implement, particularly given the difficulty in defining all aspects of ALS

- the need to focus on the funding of equipment costs and small group or workshop provision
 - the importance of making a link to learner support funding in terms of home-to-provider transport costs
 - the need to reduce the amount of administrative and audit time associated with claiming ALS funding.
- 5 The key message from the sector was that the achievement of one approach across all sectors would prove extremely problematic, given the variety of arrangements in operation. The LSC took these comments into account and made the decision to postpone the introduction of a common funding approach until 2004/05, recognising that further work was required to inform the future approach.
- 6 At this stage, the LSC commissioned the Learning and Skills Development Agency (LSDA) to undertake a detailed study of the existing patterns of expenditure on ALS and to consider the scope for standardising the funding approach, leading to increased consistency of practice across post-16 providers.
- 7 The LSDA study included examination of the costs of delivering ALS for a number of providers in the post-16 sector to determine the ranges of costs that exist for different types of support.
- 8 In February 2003, Circular 03/03: *Development of a Common Funding Approach for Additional Learning Support* summarised the responses to the second stage consultation and outlined a programme of further work to develop the ALS funding approach. This included asking providers to express an interest in working with the LSC to shape the approach for 2004/05.
- 9 These circulars are all available for download from the ALS section of the LSC's website at www.lsc.gov.uk/National/Documents/SubjectListing/FundingLearning/AdditionalLearningSupport/default.htm. See Annex A for sources of further information on ALS.

Definitions for Use of Additional Learning Support Funding

- 10 The definitions for use of ALS funding can be found in Section 9 of *Funding Guidance for Further Education in 2004/05* and Annex E of *Funding Guidance for Work-based Learning for Young People in 2004/05*.

Developing a Common Funding Approach

Introduction

11 The LSC and the LSDA undertook an extensive programme of work with a wide range of key stakeholders to develop a coherent approach for 2004/05. This work, and the role of its groups, is described in more detail in the following section.

The Learning and Skills Development Agency research programme

12 The LSDA's original programme of work (see paragraph 6) was extended to include:

- a survey of the arrangements in each sector – further education, work-based learning, school sixth forms and adult and community learning (including local education authorities)
- a survey of special school sixth forms and local education authorities
- the funding of embedded basic skills
- a basic skills expert seminar
- an 'access to specialist equipment' survey
- the collection and analysis of further education costs data
- modelling a two-tier approach to funding ALS.

Additional learning support sector panels

13 The LSC established the ALS sector panels, comprising some 70 organisations from further education, work-based learning, school sixth forms and adult and community learning providers. The membership of these panels developed from the expressions of interest sought in February 2003 (see paragraph 8). The panels met on three occasions during 2003, to:

- inform and focus the LSDA's research programme with providers
- review and interpret the research findings
- advise the LSC on the most appropriate means of implementation.

14 These meetings proved to be extremely useful to the LSC and the LSDA in shaping developments. The LSC would like to express its thanks to those colleges and providers who took part in the sector panels. Membership and notes from the three sector panel events can be found on the ALS section of the LSC's website at www.lsc.gov.uk/National/Documents/SubjectListing/FundingLearning/AdditionalLearningSupport/default.htm.

Additional learning support external advisory group

15 An external advisory group was established to advise the LSC and LSDA's development work. This group comprised of key national organisations involved in the additional support, disability and inclusive learning agenda. The group has met regularly throughout the development work, to review and inform the approach and

recommend appropriate actions. Membership of the ALS External Advisory Group is contained in Annex A of Circular 02/17. This is available for download at www.lsc.gov.uk/National/Documents/SubjectListing/FundingLearning/AdditionalLearningSupport/default.htm.

The Learning and Skill Council's response to the Learning and Skills Development Agency's recommendations

- 16 The LSDA submitted its final report and recommendations to the LSC in January 2004. The full report can be found in the ALS section of the LSC website at www.lsc.gov.uk/National/Documents/SubjectListing/FundingLearning/AdditionalLearningSupport/default.htm.
- 17 The LSC accepted the majority of the LSDA's recommendations, and the LSC's approach from 2004 is described below. The LSC will give further consideration to the remaining recommendations, taking account of other developments in the schools and adult and community learning sectors.

Section 2: Funding Additional Learning Support from 2004/05

Introduction

- 18 This section confirms the arrangements for ALS in each sector from 2004/05.

Common Principles

- 19 In developing ALS arrangements, the LSC wishes to ensure a level of consistency and equity across the post-16 sector, and therefore proposes the following overarching principles to provide a framework within which to operate:
- A single definition of ALS should be applied across the post-16 sector.
 - All learners should be entitled to ALS, regardless of age, mode of study, type of programme or provider type.
 - The achievement of a common funding approach (within which arrangements may differ between sectors in some respects).
- 20 The LSC is committed to ensuring that all learners requiring ALS should be supported, but it is evident that a common funding approach is not achievable across the post-16 sector at this time. Schools and adult and community learning sectors will not move to a new approach in 2004/05. This is described in more detail in paragraphs 47–51. The

majority of further education and all work-based learning provision will move to the new arrangements from 2004/05.

Further Education

Issues with the current approach

- 21 The current system for ALS in the further education sector requires colleges and providers to record the same level of claim information per individual learner, regardless of the level of support required. The college or provider costs the additional learning support provided to individual learners in order to meet funding claim and audit requirements. The total costs of this support are then compared to a table of ALS cost bands to identify the funding to be claimed per learner per year. Colleges and providers receive an amount of funding at the median level of the appropriate cost band. This process is seen to be overly bureaucratic.
- 22 ALS has also been a major area of concern raised by auditors. Issues previously highlighted have included eligibility for funding and incomplete and/or inappropriate evidence to substantiate the funding claim.

Introduction of plan-led funding for further education

- 23 In September 2003, the LSC consulted with the sector regarding proposals to fundamentally change the planning and funding of further education. The proposed developments reflect the LSC's statutory role in relation to planning and the strong planning dimension established by *Success for All*. The proposals were made in the context of the funding principles developed by the Council Funding Group and the concept of "trust relationships" articulated by the Bureaucracy Task Force. They showed how specific recommendations in *Trust in the Future* could be implemented in the context of *Success for All* and the Skills Strategy White Paper. These proposals also included the first steps in implementing the funding developments envisaged in the Skills Strategy. Consultation Circular 03/15: *Plan-led Funding for Further Education* is available from the LSC's website at www.lsc.gov.uk/National/Documents/Series/Circulars/Circular0315.htm.
- 24 Responses from the sector were received by the end of December 2003. Overwhelming support was expressed for these proposals. In April 2004, the LSC published Circular 04/02: *Plan-led Funding for Further Education*, which reports the outcomes of consultation Circular 03/15, and outlines how the new arrangements for plan-led funding will be implemented in 2004/05 as part of the implementation of the

LSC's new Business Cycle. This circular is available at www.lsc.gov.uk/National/Documents/Series/Circulars/circular0402.htm.

- 25 The new arrangements for the funding of ALS form a key element of the plan-led funding approach.

Additional learning support arrangements for those providers in scope and eligible for plan-led funding in 2004/05

- 26 The revised arrangements for ALS only apply to those colleges and providers eligible to benefit from the key elements of plan-led funding. These colleges and providers are described as "in scope and eligible" (see Section 2, paragraphs 29–30, of *Funding Guidance for Further Education in 2004/05*). Those colleges and providers not in this position will continue with the current operation of ALS, as described in Section 9, paragraphs 504–519, of *Funding Guidance for Further Education in 2004/05*.

Additional learning support block allocation

- 27 In 2004/05, those further education colleges and providers in scope and eligible will receive a block ALS allocation that will be based upon the level of ALS provided to learners in previous years. This will form part of the provider's allocation as detailed on the provision and funding profile. At the negotiation stage, local LSCs will share with colleges and providers an indicative block allocation for ALS. The appropriateness of this amount will be considered during the planning and funding dialogue, as will any requirements for growth, for example to take account of the provider's intention to attract a particular group of learners with specific learning needs.
- 28 Colleges and providers will be expected to manage this budget to provide ALS for all learners requiring support above £170 for part-time learners and £501 for full time learners, up to £19,000.
- 29 In line with the LSC's commitment to reduce bureaucracy, we are introducing a two-tier approach to funding ALS. Analysis of prior years' data demonstrates that 95 per cent of ALS claims in the further education sector are below £4,500. The current system requires colleges and providers to record the same level of information, including a detailed breakdown of costs per individual learner, regardless of the level of support required.
- 30 Colleges and providers will not be required to complete ALS costs paperwork for learners requiring support up to £4,500. This will cover 95 per cent of all ALS claims, as only 5 per cent of claims are reported to be above £4,500. We believe this

represents a significant reduction in bureaucracy for colleges and providers. In addition, the removal of funding audit reduces the documentation and administration previously required to provide audit evidence to support ALS claims.

- 31 However, colleges and providers will be expected to follow usual educational practice and continue to maintain curriculum records of learner assessment, individual learning and support plans, monitoring, review and outcome records for learners receiving ALS. These records will typically focus upon individual learners' support needs and the support provided, without the requirement for detailed costing breakdowns.
- 32 For claims over the £4,500 threshold, which represents only 5 per cent of claims, the LSC will require colleges and providers to complete the revised ALS costs form, which requires a simple breakdown of support costs (see Annex B). Further explanation is provided in Section 9, paragraph 492, of *Funding Guidance for Further Education in 2004/05*, and guidance for completing the form is contained in Annex J of the same document. This form is available for download from the ALS section of the LSC's website at www.lsc.gov.uk/National/Documents/SubjectListing/FundingLearning/AdditionalLearningSupport/default.htm.

Claims above £19,000

- 33 Previous arrangements will continue for claims that exceed £19,000 with a simpler claims process. In such cases, colleges or providers should complete the new ALS costs form (PLF), and forward this to their local LSC.
- 34 The initial £19,000 of a claim will be resourced from the college's or provider's block allocation, and additional payments will be made, where relevant, for the balance above £19,000. For example, if support needs were costed at £21,000, £19,000 would come from the college's or provider's block ALS allocation, with the remaining £2,000 coming from a separate budget held nationally. This is consistent with current resourcing arrangements for ALS claims over £19,000.

Recording additional learning support in the individual learner record

- 35 The current threshold system requires colleges and providers to claim funding for additional learning support above £170 for part-time learners and £501 for full-time learners. Colleges and providers are expected to provide ALS to all learners with assessed and diagnosed additional learning support needs, but only to claim funding where the costs of providing the ALS are in excess of the thresholds.

- 36 Analysis of individual learner record data demonstrates the good practice of recording all ALS provision but claiming only for the provision of ALS that meets or exceeds the minimum thresholds.
- 37 We are currently developing a new formula approach to determine ALS block allocations in the further education sector. This would represent a shift in emphasis, from using historical data to closely linking ALS funding to planned and agreed activities. While the ALS block allocations for 2004/05 will be based upon historical data, the new method will be run in parallel to test its appropriateness and effectiveness. Until the new allocation process is fully implemented, colleges and providers should continue to record ALS cost information in the individual learner record.
- 38 When the formula approach is fully modelled, the LSC will assess its appropriateness and potential impact on colleges and providers and share the results for comparison against the historically based allocations approach.

Arrangements for FE institutions either out of scope or not eligible for plan-led funding

- 39 Those further education colleges and providers that are deemed either out of scope or not eligible for plan-led funding will continue to be subject to individual learner record audit and will continue to operate the established system for ALS. These arrangements are given in Section 9, paragraphs 504–519, of *Funding Guidance for Further Education in 2004/05*.

Ufi

- 40 New national contracting arrangements for Ufi provision are being established. The ALS approach for Ufi is likely to follow the arrangements for those colleges and providers not in scope for plan-led funding.

Work-based Learning for Young People

Current approach

- 41 The current approach for ALS in the work-based learning sector is based around the assessment of additional learning needs (ALN) and additional social needs (ASN). Standard payments are made to providers where a learner is identified to have ALN and/or ASN. From 2003/04, the LSC promoted the availability of “exceptional support” funding, which provides further funding to support learners’ needs that are identified to be higher than that the standard ALN or ASN funding would cover.

42 The LSC wishes to ensure that ALS is equally accessible in both work-based learning and further education for learners with learning difficulties and/or disabilities. The current funding approach has been reported to be one of the potential causes for learners with significant needs not entering work-based learning.

Additional learning support arrangements for 2004/05

- 43 We want ALS to operate within common principles across the post-16 sector, and a similar two-tier approach to funding ALS in both work-based learning and further education will be introduced. It should be noted that these arrangements do not apply to entry to employment provision, which has a separate funding approach.
- 44 ALN and ASN will remain in place as the method of assessment of need and will cover support up to, and including, £3,000. The LSC will provide ALS for work-based learners with ALN or ASN, or both. These funds are allocated to providers using a formula that takes into account past delivery and future needs. In 2003/04 the system for exceptional support was introduced to cover those claims in which additional funding was required. The LSC intends to retain this system, but this will be formalised as the “upper tier”. The LSC will meet providers’ costs for meeting exceptional learning support above a defined threshold. The needs of learners who have disabilities are met through the same processes.
- 45 Where providers identify that support for a learner over the full length of the programme is likely to exceed the £3,000 threshold, the relevant additional funding above £3,000 can be claimed. This is referred to as “exceptional learning support”. To access this funding, the provider completes an ALS costs form (PLF) to record the total estimated cost (see Annex B). The amount above the regular monthly ALN or ASN payment should be claimed through the training provider statement as the expense is incurred. The process is further explained in Annex E of *Funding Guidance for Work-based Learning for Young People in 2004/05*.
- 46 Both work-based learning providers and those further education colleges and providers in scope and eligible for plan-led funding will use a generic ALS costs form (PLF). This form can be downloaded from the ALS section on the LSC website at www.lsc.gov.uk/National/Documents/SubjectListing/FundingLearning/AdditionalLearningSupport/default.htm.

School Sixth Forms and Adult and Community Learning

Introduction

47 The application of the principles for ALS in both school sixth forms and adult and community learning providers is realistically achievable and well supported. However, we want to ensure that arrangements can be applied with minimal disruption to these sectors, so further development and consultation is necessary.

School sixth forms

48 The LSC is undertaking a separate consultation on proposed arrangements for post-16 learners in the school sector, within the context of the overall arrangements for ALS. The LSC has been helped with this by the Special Educational Needs Advisory Group (SENAG), comprising local authority officers and mainstream and special school head teachers. The consultation will address the complex role of the LSC in funding LEAs for the additional needs of post-16 pupils in their schools, both those with and those without statutory statements of special educational needs.

49 Subject to the responses to the consultation, the LSC expects to start to implement new ALS arrangements in the school sector from 2005/06.

Adult and community learning

50 The LSC is developing a funding approach for non accredited learning, which it intends to introduce for 2005/06. The broad principles to be reflected in the approach will be to ensure a minimum of demands on providers in terms of bureaucracy and maximum flexibility for local LSCs and providers. It is intended that the arrangements for additional learning support will also reflect these principles. A consultation document setting out the details of the approach will be published in the summer.

51 As part of the 2002/03 ACL data collection process, providers have been asked to identify the level of ALS provided for learners supported through the ACL funding stream, and this information will be used to inform the development of the approach.

Section 3: Next Steps

52 The LSC wishes to ensure that its new arrangements for ALS are effectively implemented and are fit-for-purpose. The LSC recognises the need for staff development in the areas of learners with learning difficulties and/or disabilities, and ALS and equality and diversity, and is in the process of establishing regional champions from its local LSC staff, who will develop their expertise in the following areas in order to advise local LSC colleagues, colleges and providers:

- ALS funding arrangements in each sector – application, purpose and evidence requirements
- the Disability Discrimination Act and its implications for providers and local LSCs
- monitoring the effects of the revised approach
- supporting providers and local LSCs on ALS issues
- reviewing, with local LSC provider financial assurance teams, the evidence for claims above £19,000, where appropriate
- understanding, promoting and disseminating good practice and its indicators in meeting the needs of learners with learning difficulties and/or disabilities.

53 It is proposed that LSC representatives and regional champions will conduct a sample survey of approximately 10 per cent of providers in the 2004/05 academic year. The sample survey will include assessing the effectiveness of ALS in helping retention and achievement. Further information will be published when this structure has been established.

Annex A: Further Information

1 This section provides signposts to relevant information on ALS.

Learning and Skills Council website – additional learning support

2 The LSC has established a dedicated ALS section on its website. This contains the following information.

- Circular 02/04: *First Stage Consultation on Additional Learning Support Arrangements from 2003/04.*
- Circular 02/17: *Second Stage Consultation on Additional Learning Support Arrangements from 2003/04.*
- Circular 03/03: *Development of a Common Funding Approach for Additional Learning Support.*
- Notes from the three ALS sector panel events.
- The LSDA's report to the LSC, detailing recommendations for ALS.
- The revised ALS costs form (PLF).
- The standard costs form for those providers not in scope for plan-led funding. This can be found at www.lsc.gov.uk/National/Documents/SubjectListing/FundingLearning/AdditionalLearningSupport/default.htm.

Funding Guidance

3 The LSC's *Funding Guidance for Further Education in 2004/05* and *Funding Guidance for Work-based Learning for Young People in 2004/05* contain the operational detail of ALS in 2004/05.

Annex B: Revised Additional Learning Support Costs Form

- 1 Work-based learning providers and those further education colleges and providers in scope and eligible for plan-led funding should use the revised ALS costs form as appropriate for all claims in work-based learning and for claims above £4,500 in further education. This is referred to as the ALS costs form (PLF). Colleges and providers will note that a common form will be used to capture the relevant information required to record the support costs identified for individual learners in both further education and work-based learning sectors.
- 2 Providers are able to download this form from the ALS section of the LSC's website at www.lsc.gov.uk/National/Documents/SubjectListing/FundingLearning/AdditionalLearningSupport/default.htm.
- 3 Guidance on completing this form is available in the following documents:
 - *Annex J of Funding Guidance for Further Education in 2004/05*
 - *Annex E of Funding Guidance for Work-based Learning for Young People in 2004/05.*

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