



Skills Funding
Agency

Funding rates and formula 2015 to 2016

Version 2

This document sets out the details of the 2015 to 2016 funding system used to fund provision paid for from the adult skills budget, as well as the funding of 16 to 18 apprenticeships (including traineeships), the Offender Learning and Skills Service, 24+ Advanced Learning Loans and the loans bursary.

March 2015

Of interest to colleges, training organisations and employers

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Foreword

This document sets out the principles behind our funding system and describes the features of the funding system for adult skills for the 2015 to 2016 funding year. For a complete understanding of how the funding system works in practice, read this document along with our [Funding Rules 2015 to 2016](#), our [Operational Performance Management Rules 2015 to 2016](#) and the [Individualised Learner Record Specification 2015 to 2016](#).

We would like to thank our Further Education Technical Advisory Group and the Technical User Group for their advice in preparing this document.

The funding year 2015 to 2016 will be the third year of operating a single, streamlined demand-led funding system. This funding system was developed with the close involvement of, and consultation with, the further education and skills sector.

There are no significant changes in the funding year 2015 to 2016; however, we are reviewing how to simplify the system in the future.

Apprenticeships reform is well underway and we will be developing the funding system so that employers receive the full benefit of these changes. We introduced a new funding model for Trailblazer apprenticeship standards in the funding year 2014 to 2015. For apprenticeships based on frameworks, we will use the existing apprenticeship funding methodology and will continue to support existing delivery as we move to the new system. We will develop future apprenticeship funding arrangements and test them alongside the single demand-led funding system.

The terms 'we' and 'Skills Funding Agency' refer to the Chief Executive of Skills Funding and his staff.

When we refer to 'you' or 'providers', this includes colleges, training organisations, local authorities and employers that receive funding from us, or 24+ Advanced Learning Loans (loans) payments from the Student Loans Company (SLC) on behalf of learners, to deliver education and training.

Introduction

- 1 We are a partner organisation of the Department for Business, Innovation and Skills (BIS). Our job is to fund and promote adult skills in England, including traineeships and apprenticeships, in a way that supports economic growth.
- 2 We create contracts and agreements with providers on the [Register of Training Organisations](#) to deliver publicly-funded adult skills provision, or provision funded through a loan. Depending on what type of provider you are, you will operate through either a grant, a contract for services and/or a loan facility conditions agreement. Our [Funding Rules](#) form part of the terms and conditions of the grant, contract for services or loan facility conditions agreement, and together with the [Individualised Learner Record Specification](#) and the [Operational Performance Management Rules](#), they set out all the requirements you have to meet to receive public funding or loans payments on behalf of learners from the SLC.
- 3 In January each year we confirm the qualifications for inclusion within the next academic years' offer as detailed in the [Approval of Qualifications for Public Funding for Adult Learners](#).
- 4 In March each year we confirm your funding allocation, maximum contract value and/or loans facility value for delivering adult skills provision for the following funding year (which runs from 01 August to 31 July). If you are funded through a grant, we pay you a set amount each month during the funding year. At the end of the year, we compare this against your earnings (evidenced through the [funding claim process](#)) and make any necessary adjustments. If your learners are funding their provision with a loan, the SLC will make payments to you monthly, based on the number of learners in attendance with approved loans.
- 5 You give us information about learners and their learning using a collection of data called the Individualised Learner Record ([ILR](#)). Our funding system uses this information to work out the funding you have earned for delivering this learning (excluding any loan payments).

The publicly-funded offer and 24+ Advanced Learning Loans

- 6 We fund learning aims that have been approved for public funding. These include regulated qualifications and Qualifications and Credit Framework (QCF) units, as well as the non-regulated provision we continue to fund for particular groups of learners. We also designate the qualifications which are eligible to be funded with a loan. We also fund work preparation and placements (regulated, non-regulated, accredited and non-accredited) that are part of traineeship programmes.
- 7 You can find the list of regulated qualifications and apprenticeship frameworks approved for public funding and loans in 2015 to 2016 on the [Hub](#). This is updated as we add newly regulated qualifications that meet our rules for public funding or loans.
- 8 The [Qualifications Information Guide](#) contains information on the regulated qualifications outside of apprenticeships we approve for funding, as well as unit delivery, the Innovation Code, and the circumstances in which we will fund non-regulated provision.

The funding system

Principles

- 9 Our funding system is based on the following principles:
 - fairness
 - transparency
 - recognising the diverse needs of adults
 - protecting public funds
- 10 **Fairness** – it is designed to work for and is fair to all parts of the sector. It offers learning opportunities to the most disadvantaged, and improves the career prospects of those entering a job or an apprenticeship, and those looking to progress in their careers. The contribution the government makes to support the choices of employers and learners reflects the relative costs of delivering provision to make sure we make the most of the availability of adult learning on offer.

- 11 **Transparency** – it is simple and easy to understand. It is a single system that works for the benefit of all employers and learners. It makes sure that the contribution the government makes to support learners' programmes is understood, which is particularly important for loans.
- 12 **Recognising the diverse needs of adults** – it supports qualifications and programmes that provide skills for employability and progression to more advanced skills. Learning support funding makes sure all learners can be supported to achieve their learning aims. This is particularly the case for learners with learning difficulties and/or disabilities.
- 13 **Protecting public funds** – it aims to get the balance right between giving providers (including employers that are also providers) the freedom and flexibility they need to meet the needs of their employers and learners, and protecting public funds. We have set minimum requirements for the evidence you must have. You must make sure you respond to the demands of employers and learners and work through local partnerships so that training provision meets the needs of all local communities.
- 14 We will review whether the education and training provided represents good value for money. If we consider that the funding we have provided is significantly more than the cost of the education and training, we may, after consulting you, reduce the amount of funding we pay.

Features

- 15 Our funding system has the following important features:
- **the funding rates** for learning aims and work placements
 - **the funding formula** that includes uplifts to the rates to account for the extra costs that you may experience when delivering to some types of learners and in some locations
 - **the earnings method**, linked to delivery and achievement, as and when it happens
 - **learning support** where extra help is needed to help learners achieve their learning aim

16 You can find the detailed features of the funding system in the following sections.

17 You will also have access to learner support funds to help learners faced with financial hardship in accessing learning.

18 To get a complete understanding of how the funding system works in practice, read this document along with the following Agency publications:

- [Funding Rules 2015 to 2016](#)
- [Operational Performance Management Rules 2015 to 2016](#)
- [Individualised Learner Record Specification for 2015 to 2016](#)

Funding rates

Funding rate principles

19 The following principles apply to our rates for adult skills provision, including the Offender Learning and Skills Service (OLASS) and the maximum loan amounts for provision funded through a loan:

- rates reflect the typical costs of delivering provision. If your costs are significantly lower than the published rate, you must reduce the funding you earn using the methods we have provided
- rates reflect the different sizes of qualifications while certain qualifications have rates set as a matter of policy
- rates recognise the relative costs of delivering provision in different sectors and subject areas

Funding rate features

20 Each learning aim is funded at the rate that applies when the learner starts that learning aim. This rate will apply for the full duration of the learning aim and will not change between funding years.

- 21 The [Education Funding Agency](#) (EFA) has published its funding arrangements for 16 to 19 study programmes. We will continue with our commitment to fund any 16- to 18-year-old who turns 19 in their second or subsequent funding year of a single programme of study. We will continue to fund these learners (not in sixth-form colleges, schools or academies) at 16 to 19 rates using the EFA's 16 to 19 funding model, but the funding will be earned from the adult skills budget (ASB).
- 22 When starting learners on a qualification, you must make sure that we have approved the qualification for funding and it appears on our list of those available for funding. All rates shown are fully funded rates for 19+ learners. We will adjust these rates by the funding formula for different age groups in apprenticeships and according to our policy (for example, if the government contributes only part of the full rate). You can find qualification rates on the [Hub](#).
- 23 Funding for apprenticeship frameworks depends on the learner's age. We increase funding for 16 to 18 apprenticeships by approximately 7% and reduce funding for apprentices aged 24 or older by 20%.
- 24 All learning aims have a rate published in pounds sterling (£) that includes any programme weighting, to take account of the relative costs of delivering it in different sectors and subjects.
- 25 Outside of apprenticeships, rates are set using a simplified matrix based on funding bands and programme weightings. The funding band of a learning aim is decided either by the credit value if the qualification is unit-based and credit-bearing, or by the qualification's guided learning hours (GLH) or by the government. The programme weighting is set by the sector subject area (SSA). The following sections explain this in more detail.

26 Following the publication of the [Apprenticeship Reform Implementation Plan](#), the government announced Trailblazers that are developing new standards, which will replace the existing apprenticeship frameworks over the next few years. As set out in [The Future of Apprenticeships in England: Funding Reform Technical Consultation – Government Response](#), these new standards will be funded in a different way to the current rates-based system. You can find more information on the development of Trailblazer funding in the [Future of Apprenticeships in England: guidance for trailblazers \(version 2\)](#).

27 For apprenticeship frameworks we will continue to use the same approach of setting rates based on the activity costs information given to us by framework developers, as part of the process for approving frameworks.

The rates matrix

28 There is a single set of rates for all adult skills provision outside of apprenticeships, no matter how that training provision is delivered. In the matrix, the rows represent the funding band and the columns represent the programme weighting. Funding bands reflect the different sizes of qualifications, and programme weightings reflect the relative costs of delivering them in different sectors and subjects.

29 Where qualifications are credit-bearing their funding band is set using their credit value. Otherwise qualifications have their funding band set using their GLH. We currently use both the credit value and GLH recorded on the Register of Regulated Qualifications operated by [Ofqual](#). Other learning aims, including non-regulated provision, have their funding band set by providers' planned GLH, as reported in the ILR using class codes. See Appendix H in the [ILR specification](#).

30 We will review the funding methodology in due course, taking into account the impact of government's ongoing reform of vocational qualifications and Ofqual's work on regulatory reform, including the removal of the regulatory rules linked to the QCF review.

31 The rates matrix for the funding year 2015 to 2016 is set out below:

Funding band (credits)	Programme weighting (PW)				
	A – Base (un-weighted)	B – Low	C – Medium	D – High	E or F (specialist)
Small provision (1)	£50	£56	£65	£80	£86
Small provision (2)	£100	£112	£130	£160	£172
Small provision (3 to 5)	£150	£168	£195	£240	£258
Small provision (6 to 8)	£300	£336	£390	£480	£516
Small provision (9 to 11)	£450	£504	£585	£720	£774
Small provision (12)	£600	£672	£780	£960	£1,032
Certificate (13 to 24)	£724	£811	£941	£1,159	£1,246
Certificate (25 to 36)	£1,265	£1,417	£1,645	£2,025	£2,176
Diploma (37 to 48)	£1,987	£2,225	£2,583	£3,179	£3,417
Diploma (49 to 72)	£2,573	£2,882	£3,345	£4,117	£4,425
Diploma – Access to Higher Education	£3,022	£3,384	£3,928	£4,835	£5,197
Diploma (73 to 132)	£4,170	£4,670	£5,421	£6,671	£7,172
Diploma (133 or more)	£6,602	£7,395	£8,583	£10,564	£11,356

NOTE: Some specialist provision will receive an extra uplift if it is delivered by certain specialist providers.

32 For the purpose of the funding rates matrix, we will continue to define small provision as regulated qualifications of fewer than 13 QCF credits or (for non-credit-based qualifications) of fewer than 101 GLH. This definition is for funding purposes only. For further information on how we approve regulated qualifications for funding and the size thresholds we apply, please refer to the [Qualifications approved for public funding](#) section of our website on GOV.UK.

33 Where funding bands are set by any form of GLH, including for non-regulated provision, the following mapping applies:

GLH for non-credit-based learning aims	Funding band (credits)
Up to 12	Small provision (1)
13 to 20	Small provision (2)
21 to 44	Small provision (3 to 5)
45 to 68	Small provision (6 to 8)
69 to 92	Small provision (9 to 11)
93 to 100	Small provision (12)
101 to 196	Certificate (13 to 24)
197 to 292	Certificate (25 to 36)
293 to 388	Diploma (37 to 48)
389 to 580	Diploma (49 to 72)
581 to 1060	Diploma (73 to 132)
1061 or more	Diploma (133 or more)

34 Certain qualifications have their funding band set as a matter of policy, including the following:

Qualification	Funding band (credits)
GCE AS	Certificate (13 to 24)
GCE A Level	Diploma (37 to 48)
GCSE	Certificate (13 to 24)
GCSE short course	Small provision (6)
Functional skills in English and in maths	Certificate (13 to 24)
Functional skills in IT	Small provision (6)

35 To incentivise the take up of English and maths GCSE providers that deliver these qualifications to adults aged 19 and over, outside apprenticeships, will receive a higher rate of funding through the ASB of £811 instead of £724. The increased rate applies to learner starts from 1 August 2015. We will no longer fund English and maths QCF Level 2 qualifications for starts from 1 August 2015. Functional Skills in English and maths will continue to be funded in 2015 to 2016. The full list of fundable English and maths qualifications is available on the [Hub](#).

36 Providers offering English for Speakers of Other Languages (ESOL) provision may need to deliver additional GLH to individual learners. For starts from 1 August 2015 where additional hours are required, you can record the number of additional hours delivered on the ILR using the 'Additional delivery hours' field as detailed in the [ILR Specification 2015 to 2016](#) and the [Provider Support Manual for 2015 to 2016](#).

Programme weightings

37 Programme weightings recognise the relative costs of delivering training provision in different sectors and subjects, and are included within the published rates.

38 Programme weightings are set by referring to the SSA, according to the table in Annex 1, along with a limited number of exceptions we have set. For all regulated qualifications awarding organisations decide the SSA. You can find full details of programme weightings in Annex 1.

39 Agriculture courses that need specialist resources (decided each year with support from Lantra) attracts an extra uplift in the ASB and apprenticeships when delivered by providers with specialist resources.

Traineeships

40 Funding for 16 to 18 traineeships is calculated through the [EFA funding calculation](#). Where we fund the provider, the funding follows our funding principles and the provider is paid monthly.

41 If the learner was 18 years old in 2014 to 2015 the funding will be calculated using the EFA's funding calculation and we will fund the learner through the adult skills budget.

42 We will continue to fund 19 to 24 traineeships that started before 1 August 2015 using the methodology that applied to that learner in the 2014 to 2015 funding year. This may include aims started on or after 1 August 2015 which are part of the traineeship if the traineeship started before 1 August 2015.

43 There are three aspects of 19 to 24 traineeship funding for traineeships starting from 1 August 2015.

- The single work-placement and work-preparation rate. Note that we funded these separately in 2014 to 2015.
- GCSE English and maths (if required) or other qualifications to support progress towards GCSE English and maths at grade C and above.
- A flexible element – designed to help the learner move into work or remove a barrier to them entering work.

44 English and maths and the flexible elements are funded through the matrix.

45 The single work-placement and work-preparation rate is based upon:

- the costs for work placements are your costs of involving employers, establishing placements, carrying out monitoring and mentoring visits, and supporting exit interviews
- typical delivery of work-placement and work-preparation aims in the funding year 2013 to 2014

46 The single work-placement and work-preparation rate is £970.

47 All work preparation activity delivered within a traineeship, including non-regulated aims, should be recorded using the appropriate SSA code 14.2. These aims will not attract individual funding values as they will be included within the single traineeship rate for work placement and work preparation.

48 You will earn the achievement payment for the work-placement and work-preparation element when the learner has a positive destination recorded on the ILR, for example, progressing to an apprenticeship, job or further learning as defined in the [Funding Rules](#).

Funding formula

49 For most learners, the funding is simply the rate for the learning aim in pounds sterling (£). Where appropriate, the funding formula adjusts funding for disadvantage uplift or area cost uplift, or both:

$$\text{Funding} = \text{rate} \times \text{disadvantage uplift} \times \text{area cost uplift}$$

50 We may expect learners and employers to share responsibility for investing in skills by part-funding the cost of learning and expecting an employer or learner to contribute towards the cost of learning (known as co-funding).

Principle

51 The principle is that the funding formula is adjusted for differences in the relative cost of delivery that are related to factors other than the size and sector or subject of the learning aim being delivered. Further information on the calculation of values for loans can be found in [24+ Advanced Learning Loans: Maximum Loan Amounts for Designated Qualifications](#).

Disadvantage uplift

52 The disadvantage uplift provides extra funding to support the most disadvantaged learners, recognising that they can be more costly to recruit and keep. To work out this uplift we use the Index of Multiple Deprivation (IMD) 2010. This results in a funding uplift for learners living in the most deprived areas of the country and is based on a learner's postcode (based upon the Postcode Prior to Enrolment as recorded in the Postcode field on the ILR). If required, the uplift factor is between 1.08 and 1.32, otherwise it is defaulted to 1.

53 We use a single disadvantage uplift of 12% (or a factor of 1.12) across all OLASS-funded provision.

54 The disadvantage uplift does not apply to provision funded with a loan.

Area cost uplift

- 55 The area cost uplift reflects the higher cost of delivering training provision in some parts of the country, such as London and the South East. We apply this consistently across all ASB-funded adult skills provision, including all apprenticeships frameworks excluding Standards. If required, the uplift factor is between 1.01 and 1.20, or the factor is defaulted to 1. This is based on Delivery location postcode recorded in the ILR. Annex 2 contains details of areas where an uplift is provided.
- 56 In OLASS, area costs are set depending on the location of the prison which is identified through the Delivery location postcode of the ILR.
- 57 As the delivery location of distance and e-learning provision is not set, there is no area uplift and the uplift factor is defaulted to 1.
- 58 If you are delivering training provision funded through a loan in higher-cost areas, you will have your area costs automatically funded from your Loans Bursary Fund allocation.

Apprenticeships

- 59 An example of the methodology used to calculate apprenticeship framework funding is detailed in Annex 3. Details of the funding methodology for Apprenticeship Standards, as applied to Trailblazers, can be found in [Funding rules for Trailblazer apprenticeship standards 2014 to 2015](#).

Financial contributions

- 60 You can work out the contribution a learner or employer makes in a number of ways:
- learners meeting the criteria for full funding, as shown in the [Funding Rules 2015 to 2016](#), will receive the fully-funded rate shown in the matrix

- for training provision we fund that is not an apprenticeship, learners who are not fully funded are expected to contribute 50% of the un-weighted base rate of the learning aim. This is because the government recognises that a learner should not be expected to contribute more for the same size of qualification just because that qualification is more costly to deliver. This means that the government will contribute more towards qualifications with higher operational and delivery costs, such as engineering. Colleges and other training providers will be free to decide how best to grow the level of co-investment, in order to rebalance the contribution made by employers, individuals and government.
- for all 19+ apprenticeships, employers are expected to contribute 50% of the apprenticeship framework fully-funded rate. This contribution is worked out at 50% of the weighted rate
- for learners aged 24 or older wanting to study at Levels 3 and 4, they can apply for a loan for training provision that is eligible for loans

Large employers

- 61 The funding formula reduces funding by 25% for apprenticeship framework provision for those aged 19 and over and other workplace provision delivered to employees of large employers. We define a large employer as one with 1,000 employees or more. If employers have a direct grant contract with us, we will apply the large-employer-rate reduction to all apprenticeship frameworks and other workplace delivery, whether it is to their own employees or others outside the company or group.
- 62 This reduction does not apply to any apprentices who start an apprenticeship before their 19th birthday.
- 63 We do not reduce the funding for registered charities, schools, colleges, universities or for OLASS provision.

Recognition of Prior Learning

- 64 If you record on the ILR in the Funding adjustment for prior learning field, that you are not delivering the full learning aim due to prior learning, we change the funding formula for this.

- 65 If the learning aim involves a learner restarting an aim studied previously, and is recorded in the ILR using the restart indicator, the monthly instalments are reduced to take account of this, but the achievement funding stays at 20% of the full funding rate. However, if the learning aim is not being restarted, the achievement funding is reduced as well – as the learner is assumed to have earned some achievement within the prior learning.
- 66 Where you are not delivering the full learning aim to loan-funded learners due to prior learning, you must reduce the fee you charge the learner. For example, where a learner has already received a loan for an AS qualification and then progresses to take the A level.

Other funding adjustments

- 67 Where you have agreement with us to adjust for funding for other reasons apart from prior learning, you must record it in the “Other funding adjustment” field in the ILR so this changes the funding calculated.
- 68 This Other funding adjustment factor reduces the funding for that learning, including the achievement funding. However it does not change Learning Support funding.
- 69 If there is also a factor for prior learning recorded, the prior learning factor is multiplied by the other funding adjustment factor and is applied to the appropriate funding.

Earnings method

Principles

- 70 The following principles apply to our approach to your earnings (excluding apprenticeship standards for Trailblazers employers):
- funding follows the learner, in other words, the choices they and, where appropriate, their employers make
 - funding is distributed over the learner’s journey from starting the programme to achieving the expected outcome

- funding is directly linked to the learner completing their course and them achieving both qualifications and jobs
- you earn funding for what you deliver, when you deliver it

Qualifying period for funding

71 If a learner is in learning for at least the qualifying period, they are counted as a 'funding start' and that learner will start to earn funding:

Length of the learning aim	Qualifying period
24 weeks or more	6 weeks
2 to 24 weeks	2 weeks
Less than 2 weeks	1 learning engagement

Distribution of funding over time

72 The earnings method has the following features:

- earnings are based on monthly instalments (so that funding follows the learner for as long as they stay in learning) and an achievement element. This applies to all learning aims, including all parts of the learning aims delivered within an apprenticeship framework. Note that this does not include 16 to 18 traineeships funded by the EFA, other EFA-funded learners or learners we fund using the EFA's funding calculation
- for each learning aim we hold back 20% of the funding, which we will only pay when the learner achieves their qualification. For competence and knowledge components of apprenticeship frameworks, we pay it when the framework is achieved. All achievement elements are earned on the learning actual end date recorded on the ILR, except for 19-24 traineeships that started on or after 1 August 2015
- we work out the monthly instalments once we have removed the achievement element (20%). These instalments are spread out across the number of planned months for the learning aim, with a double payment in the first month. The instalment calculation uses the formula 'n+1', where 'n' is the number of planned months. The formula recognises the upfront costs associated with enrolling a learner on a learning aim

- if the learner leaves early, the monthly instalments will stop. However, for eligible learners, we will pay you a job outcome payment (equal to half of the achievement element) if the learner leaves early without achieving their qualification to enter work of 16 hours or more a week for at least four weeks in a row. If the learner then goes on to achieve the learning aim, you will earn the outstanding monthly instalments and the rest of the achievement element

73 The following diagram is a basic example of the earnings method for a learner starting a course in September and achieving in June. The example shows how a course with a total cost of £1,000 would be paid over the 9 month period: 9 monthly on-programme payments (OPP) of £80 plus a double monthly on-programme payment (i.e. n+1) of £160 in the first month and an achievement payment of £200 upon completion.

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
	9 month learning aim											
Payment instalments		OPP	OPP	OPP	OPP	OPP	OPP	OPP	OPP	OPP	Achievement payment	
		OPP										
Payment example		£160	£80	£80	£80	£80	£80	£80	£80	£80	£200	

Annual funding cap

- 74 An annual funding cap applies to each learner you have for each year across all ASB, including OLASS provision, except apprenticeships.
- 75 The annual funding cap is £4,400 for each learner each year, before we apply any weightings or government contributions. If your planned training provision would be above this cap, we will reduce your earnings in line with this.

Monthly funding cap

- 76 We will not be implementing a formal monthly learner funding cap in 2015 to 2016. We will continue to monitor where our analysis shows that delivery is not value for money and will work with the providers involved.

Learning support funding

- 77 Funding is available if a learner has a learning support need or reasonable adjustment under the Equality Act 2010 associated with an identified learning aim. This funding comes from the ASB for adult skills learners and the OLASS budget for offenders.
- 78 You will earn Learning Support at a fixed monthly rate of £150 if it has been identified on the ILR against a learner's learning aim. We expect the total you earn from the monthly rate to be enough to cover your costs. If the cost of you providing support to a learner goes above the total earned from the fixed monthly rate, and you have evidence of the excess, you will be able to claim for this excess through the [Earnings Adjustment Statement](#) (EAS).
- 79 Some learners may need significant levels of support to start or continue learning. These learners are unlikely to be planning to take part in learning without careful consideration of their needs and the ability to meet them, and there will be other agencies involved in their care and support. These learners can get access to Exceptional Learning Support if their support costs more than £19,000. You can find more information in the [Funding Rules 2015 to 2016](#).

Loans

- 80 Provision at Levels 3 and 4 is funded through a loan for learners aged 24 or over when they start their learning. There are exceptions - advanced-level or higher apprenticeships, trades union representatives studying Trade Union Congress learning aims or ex-military personnel undertaking their first full Level 3 qualification. You can find more information in the [Funding Rules 2015 to 2016](#).

Loans Bursary Fund

- 81 The loans bursary provides funding for the following:
- Discretionary Learner Support (DLS) type activity for hardship, childcare and residential support

- Learning support type activity for 'in learning' support, such as support for teaching assistants or necessary adjustments under the Equality Act 2010. You must make sure that you keep enough funding for this purpose
- your area costs, based on information in the ILR about where the learning takes place, are based on the delivery location postcode. Annex 2 contains details of areas where an uplift is provided
- Learning support type activity for learners in custody or released on temporary licence who get a loan from the SLC

82 The methods used for claiming and earnings are different for grant-funded providers and contract-funded providers.

83 If a learner funded through a loan attracts area cost uplift funding, this will be reported automatically based on information in the [ILR](#) about where the learning takes place (as reported in the 'Delivery location postcode' field).

Maximum length of the loan

84 The loans bursary claimed through the ILR is limited to the maximum length of the loan. The maximum length of a loan is defined by the qualification type:

- AS Level, A-Level and QAA Access to HE Diploma – maximum 2 years
- Certificates (Levels 3 and 4) – maximum 2 years
- Diplomas (Levels 3 and 4) – maximum 3 years
- Tech Levels:
 - i. Certificate – maximum 2 years
 - ii. Diploma – maximum 3 years
- Early Years Educator Courses (Level 3):
 - i. Certificate – maximum 2 years
 - ii. Diploma – maximum 3 years

85 If the planned length of the aim recorded on the ILR is greater than the maximum length of the loan, the total area cost uplift is equally spread across the maximum length of the loan. The total area cost for an aim is unaffected by the maximum length; the only difference is the number of periods the uplift is spread across.

Contract-funded providers

- 86 You will earn loans bursary funding based on the information you record in the ILR.
- 87 You must claim the loans bursary using one of the three fixed rates shown below. These rates are shown in the learning delivery funding and monitoring fields of the ILR. You can only claim one rate for each learner each month, but the rate you use each month can change to reflect the needs of the learner being supported. The rate you claim must reflect the criteria below and the value of the support provided:
- Rate 1 (£50) – low-cost learner support, not including childcare and residential
 - Rate 2 (£150) – learning support recognising that the learner could have Learner Support needs as well
 - Rate 3 (£250) – residential or childcare support recognising that the learner could have other learning support or Learner Support needs as well
- 88 We expect the total you earn from the monthly rate to be enough to cover your costs. If the cost of you providing support to a learner goes above the total earned from the fixed monthly rate, and you provide evidence of the excess, you will be able to claim this excess from your Loans Bursary Fund using the EAS.

Grant-funded providers

- 89 You will be paid on profile for the [Discretionary Learner Support](#) element of your Loans Bursary Fund. You will be paid 50% in August, 25% in January and 25% in April.
- 90 You will earn Learning Support at a fixed monthly rate of £150 (Rate 2) on the ILR against a learner's learning aim. You must not claim Rate 1 or 3. We expect the total you earn from the monthly rate to be enough to cover your costs. If the cost of you providing support to a learner goes above the total earned from the fixed monthly rate, and you have evidence of the excess, you will be able to claim for this excess through the EAS.

- 91 If you do not have a DLS allocation, you will need to fill in the funding claim form to show any learner support given to loans-funded learners.
- 92 You can move funds between your DLS and loans bursary funding allocation without any limitation.
- 93 All learner support you provide must be recorded separately on the DLS mid-year and final funding claims for learners funded through a loan.
- 94 At the end of the year we will reconcile the amount of loans bursary and DLS you have used to support learners against your combined Loans Bursary Fund and DLS funding allocations.

Prince's Trust Team programme

- 95 The Prince's Trust Team Programme is for 16 to 25-year-olds. It is a 12-week course designed to improve confidence, motivation and skills. Each 'team' aims to recruit a mix of 16 to 25-year-olds of different abilities and backgrounds, including employees sponsored by their employers. The 'teams' are funded by us but are run and managed locally by providers in partnership with the Prince's Trust.
- 96 We will continue to fund the Prince's Trust Team Programme at 2012 to 2013 levels. As such, you must claim:
- a. As shown in the rates matrix, the funding rate for the award or certificate in employment, teamwork and community skills (QCF) at entry Level 3, Level 1 and Level 2.
 - b. You can claim additional funding from the qualification rate up to the value of the programme rate, where applicable, using the 'Authorised Claims' section on the EAS.
- 97 The rate for the Prince's Trust Team programme will be:

	Unemployed	Employed
Fully funded	£2,670	£572
Co-funded	£1,335	£286

98 The funding earned by the Prince's Trust Award or Certificate in Employment, Teamwork and Community Skills (QCF) in the funding year 2015 to 2016 is:

Award		Certificate	
Co-funded	Fully-funded	Co-funded	Fully-funded
£225	£450	£633	£1,265

Annex 1: Programme weightings by sector subject area

Programme weightings are linked to the SSA. The SSA is set by the awarding organisation and is recorded on the [Register of Regulated Qualifications](#), operated by Ofqual. SSA Tier 1 (where the code does not have a '.' followed by another number) is only used where an aim does not have a Tier 2 SSA assigned.

SSA	SSA Tier 2 description	Most likely programme weighting
1	Health, public services and care	B – Low
1.1	Medicine and dentistry	B – Low
1.2	Nursing and subjects and vocations allied to medicine	B – Low
1.3	Health and social care	B – Low
1.4	Public services	A – Base
1.5	Child development and well being	B – Low
2	Science and mathematics	A – Base
2.1	Science	B – Low
2.2	Mathematics and statistics	A – Base
3	Agriculture, horticulture and animal care	B – Low
3.1	Agriculture	E – Specialist
3.2	Horticulture and forestry	E – Specialist
3.3	Animal care and veterinary science	E – Specialist
3.4	Environmental conservation	B – Low
4	Engineering and manufacturing technologies	C – Medium
4.1	Engineering	C – Medium
4.2	Manufacturing technologies	C – Medium
4.3	Transportation operations and maintenance	C – Medium
5	Construction, planning and the built environment	C – Medium
5.1	Architecture	C – Medium
5.2	Building and construction	C – Medium
5.3	Urban, rural and regional planning	C – Medium
6	Information and communication technology	A – Base
6.1	ICT practitioners	B – Low (up to Level 1) C – Medium (Level 2 and over)
6.2	ICT for users	A – Base (up to Level 1) B – Low (Level 2 and over)
7	Retail and commercial enterprise	A – Base
7.1	Retailing and wholesaling	A – Base
7.2	Warehousing and distribution	A – Base
7.3	Service enterprises	B – Low
7.4	Hospitality and catering	C – Medium
8	Leisure, travel and tourism	A – Base
8.1	Sport, leisure and recreation	B – Low
8.2	Travel and tourism	A – Base
9	Arts, media and publishing	A – Base
9.1	Performing arts	B – Low

SSA	SSA Tier 2 description	Most likely programme weighting
9.2	Crafts, creative arts and design	C – Medium
9.3	Media and communication	B – Low
9.4	Publishing and information services	A – Base
10	History, philosophy and theology	A – Base
10.1	History	A – Base
10.2	Archaeology and archaeological sciences	B – Low
10.3	Philosophy	A – Base
10.4	Theology and religious studies	A – Base
11	Social sciences	A – Base
11.1	Geography	B – Low
11.2	Sociology and social policy	A – Base
11.3	Politics	A – Base
11.4	Economics	A – Base
11.5	Anthropology	A – Base
12	Languages, literature and culture	A – Base
12.1	Languages, literature and culture of the British Isles	A – Base
12.2	Other languages, literature and culture	A – Base
12.3	Linguistics	A – Base
13	Education and training	B – Low
13.1	Teaching and lecturing	B – Low
13.2	Direct learning support	B – Low
14	Preparation for life and work	A – Base
14.1	Foundations for learning and life	A – Base
14.2	Preparation for work	A – Base
15	Business, administration and law	A – Base
15.1	Accounting and finance	A – Base
15.2	Administration	A – Base
15.3	Business management	A – Base
15.4	Marketing and sales	A – Base
15.5	Law and legal services	A – Base

The exceptions to the table above are:

- Waste management and recycling in SSA 1.4 is weighted at B – Low.
- Agriculture needing specialist resources (which Lantra set each year) in SSA 3.1, 3.2 or 3.3 is weighted at G – Specialist (with an extra uplift for certain specialist providers).
- Hair and beauty in SSA 7.3 is weighted at C – Medium.
- Music technology in SSA 9.1 is weighted at D – High.
- Music practitioners in SSA 9.1 is weighted at E – Specialist.
- Entry level functional skills in maths is weighted at C – Medium.
- Functional skills in ICT is weighted at B – Low.

Annex 2: Area cost uplifts by region

London A 1.20	London B 1.12
Camden	Barking and Dagenham
City of London	Bexley
Greenwich	Havering
Islington	Redbridge
Kensington and Chelsea	Barnet
Lambeth	Enfield
Southwark	Waltham Forest
Westminster	Bromley
Wandsworth	Croydon
Hackney	Kingston upon Thames
Tower Hamlets	Merton
Lewisham	Richmond upon Thames
Newham	Sutton
Haringey	Brent
Hammersmith and Fulham	Ealing
	Harrow
	Hounslow
	Hillingdon

Bedfordshire and Hertfordshire Non-fringe 1.03

Central Bedfordshire	North Hertfordshire	Stevenage
Bedford	South Bedfordshire	Luton

Berkshire, Surrey and West Sussex Fringe 1.12

Bracknell Forest	Runnymede	Reigate and Banstead
Crawley	Slough	Tandridge
Elmbridge	Spelthorne	Waverley
Epsom and Ewell	Surrey Heath	Windsor and Maidenhead
Guildford	Woking	Mole Valley

Berkshire Non-fringe 1.12

Reading	Wokingham	West Berkshire
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Buckinghamshire Non-fringe 1.07

Aylesbury Vale	Milton Keynes	Wycombe
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Hampshire and Isle of Wight 1.02		
Basingstoke and Deane	Hart	Rushmoor
East Hampshire	Havant	Southampton
Eastleigh	Isle of Wight	Test Valley
Fareham	New Forest	Winchester
Gosport	Portsmouth	

Cambridgeshire – 1.02		
Cambridge	Huntingdonshire	South Cambridgeshire
East Cambridgeshire	Peterborough	Fenland

Hertfordshire and Buckinghamshire Fringe 1.10		
Broxbourne	South Buckinghamshire	Watford
Chiltern	St Albans	Welwyn Hatfield
Dacorum	Three Rivers	East Hertfordshire
Hertsmere		

Kent and Essex Fringe 1.06		
Basildon	Harlow	Thurrock
Brentwood	Sevenoaks	Dartford
Epping Forest		

Oxfordshire 1.07		
Cherwell	Vale of White Horse	West Oxfordshire
Oxford	South Oxfordshire	

West Sussex Non-fringe 1.01		
Adur	Arun	Worthing
Chichester	Horsham	Mid-Sussex

Annex 3: Worked example of provider earnings within an apprenticeship framework

As an example of a typical apprenticeship framework, we have used the Composite Engineering framework at Level 2. The full details of this framework are available on the [Learning Aims Reference Service](#) (LARS).

Aim details			Published Weighted Funding Rate	Earnings		
Aim reference	Aim title	Competency element type		16-18	19-23	24+
60080851	Level 2 NVQ Diploma in Composite Engineering (QCF)	Competency aim	£1,968	£2,110	£984	£787
60008805	City & Guilds Level 2 Certificate in Engineering (QCF)	Knowledge aim	£2,267	£2,431	£1,134	£907
60071825	Functional Skills in mathematics Level 1	Functional Skills (Common Component)	£724	£471	£362	£290
50087009	Functional Skills in English Level 1	Functional Skills (Common Component)	£724	£471	£362	£290
60000302	Functional Skills in ICT Level 1	Functional Skills (Common Component)	£345	£224	£173	£138
Total framework earnings*				£5,707	£3,015	£2,412

This framework, as defined by the Issuing Authority (Semta), contains Functional Skills qualifications in English, mathematics and Information & Communication Technology as common components.

The common components specified will vary between frameworks, with some requiring none; however these components are included in this example for illustrative purposes.

All published funding rates on LARS are the fully-funded rates for learners aged 19-23. As the funding methodology uses the rate at the start of the course, some programme weightings appear that are not used in the matrix of rates shown in paragraph 31 - these weightings are F (1.4), H (1.2), J (1.25), K (1.5) and L (1.15). The earnings in the table above have been calculated according to the principles in paragraph 23, with a 7.23% increase in funding for learners aged 16 to 18 and a 20% reduction in funding for learners aged 24 or older. The calculations are shown below.

The basic earnings calculations below exclude a number of adjustments that may influence the actual earnings received by a provider:

- a reduction in funding of 25% for learners who are employees of large employers
- adjustments for area cost and disadvantage uplift, which will vary according to the learner
- any values recorded in the 'Funding adjustment for prior learning' or 'Other funding adjustment' ILR fields

Competency/knowledge aims (example aim 60080851)

The calculated earnings for competency/knowledge aims are:

Published Weighted Rate x Age Adjustment x Co-Funding Factor

Age band	Published Weighted Rate	Age Adjustment factor	Co-Funding Factor	Calculated rate
16 to 18	£1,968	1.0723	1	£2,110
19 to 23	£1,968	1	0.5	£984
24+	£1,968	0.8	0.5	£787

Common component Functional Skills (example aim 60071825)

A change in co-funding proportion was introduced in the funding year 2013 to 2014. To ensure that provider earnings remain the same as the funding year 2012 to 2013 for 16- to 18-year-olds, a 60.61% adjustment is applied to Functional Skills aims.

The calculated earnings for Functional Skills are:

Published Weighted Rate x Age Adjustment x Co-Funding Factor x Functional Skills Adjustment

Age band	Published Weighted Rate	Age Adjustment factor	Co-Funding Factor	Functional Skills Adjustment	Calculated rate
16 to 18	£724	1.0723	1	0.6061	£471
19 to 23	£724	1	0.5	1	£362
24+	£724	0.8	0.5	1	£290

The calculations shown above, with these adjustments applied, produce the values shown in the 'Non-Govt Contribution' column as shown on a provider's PFR Skills Budget Occupancy Report. This figure will be the actual amount earned by the provider, assuming that the learner completes the framework in full (meeting requirements such as minimum duration) and achieves all aims contained within it.



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