

# **Qualifications and Credit Framework (QCF) Funding Parameters Guidance**

## **Train to Gain - Version 1**

**26 May 2010**

## Background and Purpose

1. This document sets out the details of what will be funded within the Train to Gain offer, commencing with the policy intent of the programme, the scope of the offer and identifying the technical funding parameters which Sector Skills Councils (SSCs), Standard Setting Bodies (SSBs), Sector Bodies (SBs) and awarding organisations (AOs) should work within. Also included in this document, is the Skills Funding Agency's (Agency) approach to setting funding values for qualifications approved for public funding. This document should be read in conjunction with the general guidance on technical parameters.

## Policy Intent

2. Support through Train to Gain enables individuals and organisations to increase their skills and improve productivity, Train to Gain offers fully-funded or co-funded provision from the Qualifications and Credit Framework (QCF).
3. Provision available will help employees:
  - Acquire the specific skills needed to reach occupational competence for a role set by employer bodies
  - Learn basic literacy, numeracy and English language skills vital for success at work and in society
  - Acquire skills that provide the necessary foundations for progression onto higher levels of skill
  - Learn and practice the skills and competencies required for their job role.
  - Deliver expertise relevant to the business.

## Scope of the offer

4. Train to Gain encompasses Skills for Life (which is outside the scope of this guidance), vocational qualifications which are target bearing at Levels 2 and 3, and vocational qualifications at Level 1 and 4.
5. In line with current Train to Gain policy only Level 1 qualifications that have been agreed in advance by the provider with the Skills Funding Agency will be eligible for funding. This type of qualification is not expected to form a major part of Train to Gain provision and only those QCF qualifications **that directly replace existing NQF Level 1 qualifications and have previously been delivered should be notified to the Skills Funding Agency**. This policy is currently under review in light of QCF developments, further updates and definitive guidance will be issued as soon as it becomes available.
6. Where the Level 1 qualification is intended to deliver occupational competency (full) in an occupational area, we would expect to see a threshold template for Level 1 for the sector and a clear statement of which occupations are achieved at level 1 before the qualification can be considered for funding by the Skills Funding Agency.
7. In line with current Train to Gain policy, level 4 qualifications can only be offered to individuals that do not currently hold a level 3 qualification but have the skills and ability to progress straight to a level 4 qualification (often referred to as level 3 jumpers). This policy is currently under review in light of QCF developments and further updates and guidance will be issued as soon as they become available. We would expect to see a threshold template to support Level 4.

- SSCs/SSBs/SBs will be expected to advise the Agency on vocational qualifications which are fit for purpose and in the main have a primary purpose of delivering occupational competency.

## Technical Funding Parameters

- The technical parameters to be followed by SSCs/SSBs/SBs, when recommending vocational qualifications in the QCF to be considered for funding in Train to Gain, are set out below. It is acknowledged there will on occasion be legitimate exceptions to these. Where this is the case, a clear written rationale must be provided for consideration by the Agency.
- Recommendations for funding qualifications at Level 2 and 3 will apply until the current Public Service Agreement (PSA) targets are reviewed in 2011. The Agency has commissioned an evaluation of the current QCF interim definitions of target bearing qualifications at Levels 2 and 3 which will complete in the summer of 2010.

## Volume of Learning and Challenge

- Train to Gain qualifications will in the main be either Certificates or Diplomas. For target bearing Levels 2 and 3, the size of qualifications may be variable dependant on the occupational credit threshold submitted by the sector body as determining minimum levels of competency. However the direction of travel will be towards the National Skills Strategy (Skills for Growth, November 2009) size restrictions (Certificate or Diploma for target bearing Level 2, Diploma for target bearing Level 3) by August 2011. Up until December 2010 Awards at Level 2 and certificates at Level 3 may be considered as target bearing. These will be considered on an exceptional basis supported by a clear rationale.
- Qualifications where the credit value does not meet (or exceeds) the agreed threshold will not be considered.

## Qualification Purpose

- Qualifications delivered through Train to Gain should in general have a primary purpose of 'D1', (Confirm occupational competence).
- Qualifications at Level 1 should in the main have a primary purpose of 'D' (Confirm occupational competence), but may also encompass purpose 'C' (Prepare for employment) and 'B' (Prepare for further learning or training and/or develop knowledge and/or skills in a subject area).
- Level 2 and 3 qualifications with a purpose 'B' (Prepare for further learning or training and/or develop knowledge and/or skills in a subject area) may also be considered.
- At Level 4 the purpose identifiers should in the main have a primary purpose of 'D' (confirm occupational competence) and the Skills Funding Agency will also consider 'B' (Prepare for further learning or training and/or develop knowledge and/or skills in a subject area).
- The purpose code that is listed on the Action Plan database must match the purpose code submitted for the qualification by the awarding organisation and listed on QMIS.

## Process and Timescales

- The Agency will only accept advice from SSCs/SSBs/SBs via the Action Plan database. Sector bodies must ensure the database is updated regularly and accurately to permit a timely response. The Train to Gain funding flag must be

completed to notify the Skills Funding Agency that a sector requires funding for relevant qualifications in Train to Gain.

19. SSCs/SSBs/SBs must ensure that the Action Plan database is completed correctly, including all fields and that where more than one awarding organisation offers the qualification, all awarding organisations are referenced. The Action Plan database must include the relevant occupational area/sub-sector for notification of funding.
20. Once approved for funding through the Agency's funding approval process and confirmed by the Strategic Approvals Panel the qualification will be added to the published list of approved qualifications. This list will be a 'live' list and will be available on the Agency web site; the list will be updated on a fortnightly basis between April to December 2010.
21. For further support please see: <http://qcf.skillsfundingagency.bis.gov.uk/qcf-funding/confirmationfunding/> or contact the Skills Funding Agency by email at [qcf servicedesk@skillsfundingagency.bis.gov.uk](mailto:qcf servicedesk@skillsfundingagency.bis.gov.uk)
22. Where an SSC/SSB/SB identifies a qualification which needs to be considered as an exception a written case must be put forward to the Agency Sector Manager setting out the rationale for the recommendation. This will then be considered and a final decision made by the Strategic Approvals Panel.

## **Approach to Setting Funding Values**

23. Qualifications approved for public funding will be given funding values (Standard Learner Numbers (SLN)).
24. The principle behind the Agency's funding is that the rate paid reflects the directly incurred cost of efficiently delivered provision. Activity - delivering provision and assessment in the workplace (together with any associated guided learning hours (glh) is used as the measure of costs incurred in Employer Responsive provision - Train to Gain and Apprenticeships. Please refer to the Learning and Skills Council Funding Guidance 2008/09: Principles, Rules and Regulations paragraphs 20 and 21.
25. In order to set fair and appropriate funding values, the Agency needs to know the following information:
  - Primary and secondary purpose, as a proxy for mode of delivery of the qualification (either classroom or workplace based, or a mix of the two), to determine its relative size (source UKCES)
  - Guided learning hours (which is a sub-set of the qualification's notional learning time) or credit value (source Ofqual)
  - Activity information, where available and appropriate (source SSCs)
  - Number of pathways available within a qualification, to determine the SLN/SLN glh value when the recommended glh covers a range (source Ofqual)
  - LearnDirect Classification System (LDCS code) (source the Data Service) or Sector Subject Area (SSA) classification Tiers 1 and 2 (source Ofqual) or 'sub-sector' (source UKCES), to determine the programme weighting factor
  - Predecessor qualification(s) to maintain consistency in the funding where the QCF version is the same as its predecessor. This information also helps in setting programme weighting factors, where exceptions to the LDCS or SSA classification are not effectively captured when replacement qualifications are introduced (source UKCES or individual search).

## **Annex 1: - Frequently Asked Questions**

**Question 1:** Will the Agency support provision that has different credit values but leads to the same occupational outcome/ job role?

**Answer:** No, the Agency requires employer bodies to agree what constitutes occupational competence in a job role and will only agree funding for the relevant and agreed TtG Target bearing thresholds. Provision that does not meet the threshold (below or exceeds it) will not attract public support. An agreed position on occupational competence needs to be achieved before the provision would be considered under TtG. In determining occupational competence the SSC should identify the appropriate threshold of achievement (credit value) and not a range of credits. This applies to the qualification in whatever context it is delivered.

**Question 2:** What flexibilities are there to revise the thresholds?

**Answer:** Once the thresholds have been submitted as **final** and the Agency has accepted them they will be in place for the duration of the interim period (until the Public Service Agreement targets are reviewed in 2011). At this point in time, however, the Agency is accepting business cases for changes to credit thresholds for occupational competence in TtG as we are aware that the credit and level process across the QCF is still subject to some variation.

**Question 3:** The sector does not have a Level 2 need in an occupational area; do we have to set a threshold?

**Answer:** If there is no Level 2 requirement in a sector / occupational area this should be indicated on the template. However we would expect a threshold to be set that would allow people to progress to gain the appropriate minimum level of competence at Level 3

**Question 4:** An Awarding Organisation or Training Provider has developed a qualification which does not meet the threshold we have set, will you consider funding it?

**Answer:** The simple answer is NO. The Agency will only accept advice on vocational qualifications for funding from SSCs/SSBs/SBs.

**Question 5:** The learning required for a qualification exceeds the threshold set; will the agency fund the additional learning?

**Answer:** It is not the intention to fund above the threshold the SSC/SSB/SB set. The Sector organisation will have taken into consideration learning requirements when setting the threshold – this situation should not occur

**Question 6:** Will the Agency continue to fund repeat Level 2 qualifications in Train to Gain?

**Answer:** The Agency cannot offer any certainty around this policy area. This remains flexibility within Train to Gain and therefore is subject to change at any time. We are allowing the substitution of direct like for like qualifications transferring from NQF to QCF and removing any NQF qualifications that are no longer fundable / expired.

**Question 7:** If a qualification meets the threshold and has a primary purpose of D can I be certain it will receive funding?

**Answer:** The qualification will be eligible for funding as long as it fits all of the funding parameters set out in this guidance. This ensures it is fundable which doesn't necessary lead to it being funded; this will depend on availability and prioritisation of funding. The Agency will work with all SSC/SBs/SSBs to identify priorities within SSC areas.

**Question 8:** Can qualifications at level 5 and higher national's be funded under Train to Gain

**Answer:** The Skills funding agency does not currently fund Level 5 or Higher national qualifications in QCF. This policy is currently under review in light of QCF developments, further updates and definitive guidance will be issued as soon as they become available.

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