

# Requirements for Funding Work-based Learning for Young People and Adults 2007/08

This document sets out the  
LSC's approach to funding WBL  
in 2007/08

## August 2007

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**

For further information, please contact the appropriate Learning and Skills Council office. Contact details for each office can be found on the LSC website [www.lsc.gov.uk](http://www.lsc.gov.uk)

#### Learning and Skills Council **National Office**

Cheylesmore House  
Quinton Road  
Coventry CV1 2WT  
T 0845 019 4170  
F 024 7682 3675  
[www.lsc.gov.uk](http://www.lsc.gov.uk)

This publication includes important changes to the delivery of work-based learning for the 2007/08 contract year.

All deliverers of work-based learning should note that this document constitutes an integral part of the LSC 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.

## Summary

The Learning and Skills Council (LSC) has responsibility for planning and funding work-based learning (WBL) for young people and adults in England, and this document sets out the LSC's approach to funding WBL in 2007/08. **Some sections are also relevant to learning agreements, Young Apprenticeships, and Apprenticeships for Adults.** It 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 2007/08.

This 2007/08 edition is based on the 2006/07 edition. It has been updated to:

- integrate the 2007/08 changes into the main text
- notify providers of a limited number of technical changes and points of clarification made for 2007/08
- reflect the LSC's current approach to setting rates for Apprenticeships
- reflect the ongoing development of WBL programmes.

All important policy changes for 2007/08 are identified in paragraphs 19–43.

This publication is supported by the WBL Provider Support Manual, which is designed primarily to be of assistance to programme administrators in correctly completing the Individualised Learner Record.

*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.*

**August 2007**

# Contents

	Paragraph number
<b>Executive Summary</b>	<b>–</b>
<b>1: Introduction and Background</b>	<b>1</b>
Definitions	1
Funding Principles	2
Apprenticeship Rates	4
Approach to Funding and Contracting Work-based Learning 2007/08	6
Background	6
Programme objectives and targets	7
General approach	13
Rate adjustments	15
Approach to contracting and allocations	17
Regional contracting	18
Changes to the Policy, Funding Methodology and Requirements 2007/08	19
Expected employer contribution	20
Apprenticeships Rates Review	24
Policy Developments during 2007/08	28
Foundation Learning Tier	28
Level 4	29
Young Apprenticeships	30
Apprenticeships for Adults	31
Programme-led Apprenticeships	32
Learning agreement pilots	33
Quality	34
Application of the national formula	37
<b>2: Funding Providers</b>	<b>44</b>
Funding Agreement	44
Sub-contracted provision	46
New providers	47
EMA guidance	48
Provider location and delivery	49
<b>3: Applying the Formula</b>	<b>50</b>
Formula Elements	50

Funding for Apprenticeships and Advanced Apprenticeships	52
Pre-entry advice and guidance	54
Age groups	55
NVQs	56
Technical Certificates	57
Key skills	59
Length of programme	62
Probation period	68
Withdrawal and Absence	69
Significant prior learning	74
Disadvantage uplift	79
NVQ learning	80
Temporary frameworks	81
Portability	82
Progression from Apprenticeships to Advanced Apprenticeships	83
Learners changing providers and provision	86
Additional Learning Support	94
Additional learning needs and additional social needs	95
Exceptional learning support	98
Learner income and support arrangements	100
Allowances, EMA and wages	101
EMA	102
Expenses	103
Learning Agreements	105
Funding for Work-based Learning and Other Funding Streams	106
New Deal and Jobcentre Plus	110
Further Education Funding	111
Technical Certificates	111
Eligibility for FE funding	113
European Social Fund	114
Higher Education Funding	115
Ministry of Defence Contracts	116
Train to Gain	117
<b>4: Eligibility</b>	<b>121</b>
Learner Eligibility	121
Work-based Learning Eligibility	123

Learner charges	125
Learners not eligible for work-based learning funding	126
Learners from Wales and Scotland	127
Learners employed temporarily outside England	128
Learners of compulsory school age	131
Eligible Provision	133
Recruitment priorities	135
Ineligible Provision	136
<b>5: Delivering Work-based Learning Provision</b>	<b>137</b>
Policy Aims	137
Marketing	138
Apprenticeships	140
Programme-led and Employer-led Apprenticeships	141
Programme Components	145
Key skills	145
Initial assessment	148
Induction	153
Progress review	154
Individual Learning Plan	156
Those in danger of leaving early	160
Monitoring arrangements and self-assessment	162
Bureaucracy	164
Reduction of administration in Apprenticeships	164
<b>6: Planning and Budgeting</b>	<b>165</b>
Arrangements	165
Learner Profiles	169
Local Planning	171
Plan-led Funding	172
Quality and Growth	173
<b>7: Administering and Funding Entry to Employment</b>	<b>174</b>
Introduction	174
Definition	176
Eligibility	177
Entry to Employment Passport	180
Recruitment	182
Documentation	183

Delivery of Entry to Employment	188
Induction	188
Programme of Activities	189
Curriculum	189
Activity agreements	192
Attendance	193
Progression and review	196
Leavers	201
Financial support	206
Expenses	208
Hardship fund	209
Funding	210
Weekly unit cost and bonuses	210
Non-accredited youth awards	212
Allocations	213
Exceptional learning support	215
Funding rates	217
Provider Administrative Action	218
Evidence requirements	219

## Annexes

A: Acronyms and Glossary
B: National Rates for Work-based Learning for 2007/08
C: National Employer Service and Regional Contracting
D: Ministry of Defence Contracts
E: Additional Learning Support
F: Young People's Terms and Conditions
G: Example of Formula-funding Arrangements for 2007/08
H: Data Collection and Payments
I: Evidence Requirements for Work-based Learning
J: Entry to Employment Evidence Requirements
K: The Apprenticeship Blueprint
L: Education Maintenance Allowance Extension Hardship Funding Guidance
M: Joint Higher Education Funding Council and Learning and Skills Council Protocol on Funding Level 4 Qualifications in Apprenticeships
N: Advanced Apprenticeship in Sporting Excellence

# Executive Summary

## July 2007

**Subject:** Requirements for funding work-based learning for young people and adults 2007/08.

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 2007/08. Some sections are also relevant to learning agreements, Young Apprenticeships, and Apprenticeships for Adults.

In setting out the approach for 2007/08, 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 2007/08 is one of minimal change for WBL: the only changes are those that are essential to operational policy or that provide technical improvements and clarification. All important policy changes for 2007/08 are identified in paragraphs 19–43.

The overriding policy objective for 2007/08 is to continue to significantly improve Apprenticeship framework completions and maintain the volume of apprentices and Entry to Employment learners.

Over the past three years, significant improvements have been made in the performance of the Apprenticeship programme, and current policies are designed to continue this improvement. Some 98,000 apprentices achieved their full framework in the year 2005/06 (significantly exceeding the target of just over 64,000) and the national Apprenticeship achievement rate for 2005/06 was 58 per cent.

The Apprenticeship target for 2007/08, a Public Service Agreement performance indicator, is for 75,511 apprentices to achieve their full framework, with an achievement rate of not less than 63 per cent.

The open and competitive tendering process introduced for 2007/08 (based on minimum levels of performance) will also be applied to contracted provision in 2008/09, with levels determined on the basis of 2006/07 performance data. These will be minimum levels, not acceptable levels, and it is expected that every LSC area and the National Employer Service will increase

volumes with the best-performing providers and reduce volumes with those that have lower achievement rates.

The planned introduction of an entitlement to an Apprenticeship place for all young people with the required entry qualifications, together with improvements in retention and achievement, will create pressure on the available budget. These upward pressures have been managed by reviewing the rates payable, and this will mean that every LSC area should have sufficient funds to increase the number of apprentices starting an Apprenticeship beyond the figure for 2005/06.

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 that logos are available on the LSC's campaign resources website at:  
[http://217.160.210.43/lsc\\_campaignresources/?TTYPE](http://217.160.210.43/lsc_campaignresources/?TTYPE)  
(a short registration process is required for this website).

All marketing and promotional material referring to Apprenticeships is to be accompanied by the Apprenticeships logo.

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

**Status:** An integral part of the LSC's funding agreements, for reference and information.

# 1 Introduction and Background

## Definitions

1 Definitions of some of the key 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 that 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 that 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 evidence available that relates to such costs.

## Apprenticeship Rates

4 During 2006/07, the LSC has 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 that 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 2007/08 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 2007/08

### Background

6 The profile of WBL has never been higher, and never has the need for it been greater. There are now more apprentices in learning than ever, and more than ever are gaining their National Vocational Qualification (NVQ) and achieving their full framework. Entry to Employment (E2E) is in its fourth successful year, and record numbers of young people are 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 learners achieving their full framework.
- For E2E, this means learners progressing to a positive destination.

8 The 2007/08 academic year is the third year of a new performance indicator for Apprenticeships, the focus of which is Apprenticeship framework completions. The performance indicator is:

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

9 In 2007/08, therefore, the LSC is seeking to increase the number of learners who leave an Apprenticeship with a full framework certificate to no less than 63 per cent, and to maintain the number in learning.

10 This performance indicator translates to 75,511 Apprenticeship framework achievements in the contract year 2007/08. For 2006/07, the target was to achieve

70,000 completions. The new target 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 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, FE or work by 2007/08.

**12** This aspiration builds on the significant improvements in positive destination rates in the first four 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.

## General approach

**13** The budget for WBL in 2007/08 has increased by 5 per cent over 2006/07, including an additional £25 million for Adult Apprenticeships. However, as in 2006/07, the balance between improving quality, increased volumes and a finite budget means there are the same pressures on the budget in 2007/08.

**14** The LSC's approach in 2007/08 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
- continue to 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
- revise Apprenticeship rates based on the activity analysis approach, as detailed in Appendix 1 to Annex B
- formalise the expected employer contribution for adults aged 19 or over to reflect the projected trajectory towards 50 per cent

- continue with measures that ensure providers receive the correct funding through Individualised Learner Record (ILR) 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

**15** Changes to the WBL rates for 2007/08 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 at: <http://providers.lsc.gov.uk/lad/default.asp>.

**16** It is the responsibility of contractors to check current funding rates on the LAD before delivery.

## Approach to contracting and allocations

**17** 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 2007/08 the LSC will:

- continue to use an annex describing the planned mix of provision as part of 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

**18** During 2006/07, the LSC moved to regional contracting and allocation arrangements for those organisations delivering learning in multiple LSC areas. The overriding 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 an area, regional or national level. All enquiries regarding this guidance or the contract should be addressed to this person.

## Changes to the Policy, Funding Methodology and Requirements 2007/08

**19** The following specific changes to the policy, methodology and requirements of providers are introduced for 2007/08.

### Expected employer contribution

**20** The expected employer contribution for adults aged 19 or over will be formalised to reflect the projected trajectory towards 50 per cent.

**21** The LSC has been in discussion with ALP, and the two sides have agreed a method for moving the expected employer contribution towards 50 per cent for NVQs and Technical Certificates in WBL. Using the difference between the 16–18 and the over-19 rate in 2006/07, the expected employer contribution will increase or decrease to the nearest anticipated step along the projected trajectory towards 50 per cent for both WBL and FE (see below).

#### Projected trajectory for increasing the expected employer contribution to 50 per cent

- 2007/08      37.5%
- 2008/09      42.5%
- 2009/10      47.5%
- 2010/11      50.0%

**22** If the expected employer contribution is greater than 37.5 per cent after it has been adjusted, it will not be increased until the projected trajectory exceeds it.

**23** Key skills are largely unaffected by this change for consistency, as they are in general Skills for Life qualifications and attract fee remission in FE. The 16–18 rate for key skills will increase with inflation, by 2.5 per cent, and the over-19 rate will remain unchanged in 2007/08.

### Apprenticeship Rates Review

**24** The Apprenticeship Rates Review was commissioned in part to address concerns from the Government that elements of an Apprenticeship were being double-funded. The introduction of Technical Certificates led to suggestions that there was overlap in some frameworks between these and the NVQ. There were also concerns about overlap between NVQ Level 2 and NVQ Level 3 in some frameworks. The review was intended to investigate these issues and to identify the costs involved in delivering frameworks in all sector areas.

**25** The LSC has consulted extensively on the WBL rates for 2007/08 with members of both ALP and AoC and with representatives from sector skills councils (SSCs). The rate changes include changes to NVQ and Technical Certificate rates. The changes have been approved by two external advisory groups, including representatives from providers, SSCs, ALP and AoC.

**26** The Apprenticeship Rates Review has taken three years. The review has based its recommendations on evidence from successful providers and sector specialists, and has specifically designed out any overlap between elements of the Apprenticeship programme. The key findings of the review have been implemented as follows.

- The activity costs of an Apprenticeship programme have been compared with current funding rates, and there are recommendations for both increases and decreases in funding rates.
- The activity costs of an Advanced Apprenticeship – where a learner has already completed an Apprenticeship – have been examined, and there are recommendations for reductions in funding rates.
- The impact on the activity costs of NVQ delivery where part of the underpinning knowledge and skills is delivered through a funded Technical Certificate. This reflects any adjustments to remove overlap from the NVQ rate.

**27** A summary of the NVQ rate changes and funding issues can be found at Annex B. The tables are arranged according to the phase of the review project.

- Phase 1 covers the 10 largest frameworks, and the first year of change was 2006/07 (Tables B1 and B2).
- Phase 2 covers all the remaining frameworks with over 1,000 learners, and the first year of implementation will be 2007/08 (Tables B3 and B4).
- Phases 3 and 4 cover the remaining frameworks with over 100 learners, and the first year of implementation will be 2007/08 (Tables B5 and B6).

## Policy Developments during 2007/08

### Foundation Learning Tier

**28** The LSC and the Qualifications and Curriculum Authority (QCA) have a joint ministerial remit to develop a coherent framework of provision below Level 2 for all learners. This coherent framework will allow units and qualifications, drawn in time from the Qualifications and Credit Framework (QCF), to be

combined in ways that suit the needs and aspirations of a range of learners. A key focus of the Foundation Learning Tier (FLT) will be the development of clear and appropriate Progression Pathways. The priorities for early development of Progression Pathways are to Level 2 (for adults), pre-Apprenticeship Progression Pathways (for young people) or other positive destinations such as supported employment and independent living.

## Level 4

**29** The LSC trial of Higher Apprenticeships at Level 4 in Engineering and Information Technology (IT) will continue throughout 2007/08. A review of the trials will take place during 2007/08 to inform the future policy direction of Higher Apprenticeships. Funding arrangements for Higher Apprenticeships is now in line with those of the main Apprenticeship programme.

## Young Apprenticeships

**30** The expansion of Young Apprenticeships for 14–16-year-olds will continue in 2007/08. Providers are encouraged to link with schools to provide progression opportunities for young apprentices.

## Apprenticeships for Adults

**31** Apprenticeships for Adults are aimed at learners over the age of 25 who wish to follow a full Apprenticeship programme and will be funded at the over-19 rates for WBL. The programme has been rolled out nationally following the successful trials conducted in 2005/06 in the four sectors of construction, engineering, IT and health and social care. The following groups of learners receive priority for the programme:

- those without employment, including those on incapacity benefit, who are seeking to train or retrain in order to enter long-term employment
- individuals, in particular women or people from an ethnic minority, who are seeking to enter atypical careers
- adults working within sectors that have been identified as local, regional or national priorities, and who, though they have existing skills, lack the formal qualifications for these skills, including those who, having achieved an NVQ Level 2 or 3 through Train to Gain, now wish to complete an Apprenticeship.

## Programme-led Apprenticeships

**32** The LSC strategy on Programme-led Apprenticeships was published in January 2007 and is available at: [www.apprenticeships.org.uk/NR/rdonlyres/2D284A02-25B6-434F-A5B0-3198DED79A4B/0/ProgrammeLedApprenticeshipStrategy200710.pdf](http://www.apprenticeships.org.uk/NR/rdonlyres/2D284A02-25B6-434F-A5B0-3198DED79A4B/0/ProgrammeLedApprenticeshipStrategy200710.pdf).

## Learning agreement pilots

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

## Quality

**34** The success of the Apprenticeship programme depends on improving framework achievements. Apprenticeship framework achievement rates have improved from 40 per cent in 2005, to stand at 58 per cent in 2006. Some 98,000 apprentices achieved their full framework in the year 2005/06, significantly exceeding the target of just over 64,000. The Apprenticeship target for 2007/08, a Public Service Agreement performance indicator, is for 75,511 apprentices to achieve their full framework; this means an achievement rate of not less than 63 per cent.

**35** The minimum levels of performance that were introduced in 2005/06 for contracting purposes in 2007/08 constitute an essential prerequisite for all providers to win contracts from the LSC. These are minimum levels, not acceptable levels, and it is expected that volumes will be increased with the best-performing providers and reduced with those whose achievement rates are lower. Where necessary, good providers will be brought in from other areas or regions to replace poorly performing providers. Further details are included in the LSC publication *Identifying and Managing Underperformance*, available at: [http://readingroom.lsc.gov.uk/lsc/National/nat-identifyingmanagingunderperformance\\_pt1-jan07.pdf](http://readingroom.lsc.gov.uk/lsc/National/nat-identifyingmanagingunderperformance_pt1-jan07.pdf).

**36** The LSC will continue to review providers' capacity for improvement by monitoring development plans, self-assessment reports and inspection results. Providers that fail to meet minimum performance levels, or that have below-average framework achievement rates, will be required to agree specific improvement actions, with time-bound objectives, as part of their development plans, clearly showing how achievements will be increased. Failure to implement this development or to meet any performance improvement indicators agreed will clearly have a detrimental effect on future contracts and allocations. Further details are included in the LSC publication *Planning for Success*, available at: <http://readingroom.lsc.gov.uk/lsc/2005/quality/goodpractice/planning-for-success-framework-for-planning-and-quality.pdf>.

## Application of the national formula

**37** The national rates for WBL are derived from elements of the formula, which is made up of the national base rate, including assumed employer contribution and achievement, together with the application of the appropriate occupational sector weighting.

**38** 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, as appropriate.

**39** 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 the priority ascribed by ministers to ensuring that learners remain on their chosen programme and are successful in achieving their planned outcome.

**40** The elements of the national base rates are influenced by ministerial priorities. With regard to 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 on their learning aims at the age of 19 or over, in line with the strategy outlined in *Priorities for Success*, available on the LSC website at: <http://readingroom.lsc.gov.uk/lsc/2005/funding/streams/priorities-for-success-2006-08.pdf>. In 2007/08, the expected employer contribution for adults aged 19 or over will be formalised to reflect the projected trajectory towards 50 per cent.

**41** The Apprenticeship Rates Review, which will be published on the Apprenticeship and LSC websites, has established that providers currently rarely collect the fees due. 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 Office for Standards in Education (Ofsted). In 2007/08, providers are required to collect fees. The amount of fees collected should build up as quickly as possible, and the aim should be to collect 50 per cent of the 16–18 rate for each learner by 2010.

**42** The national rates include an element that is payable when a learner achieves their intended learning aim, apart from key skills and Technical Certificates. This reflects the aim of ministers that the skill level of the workforce should improve through the attainment of nationally recognised qualifications.

**43** 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 dates for the delivery of these elements crosses four monthly census dates, the rate will be paid in four equal instalments.

# 2 Funding Providers

## Funding Agreement

**44** As in previous years, the WBL funding agreement includes 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.

**45** WBL has moved to monthly automatic reconciliation, based on monthly returns of actual activity, compared with the profiled payments. This will be achieved by using the monthly ILR returns. Payments will be adjusted to reflect actual performance up to the maximum contract value. If this method results in an overpayment 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. Reconciliation 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

**46** When sub-contracting any aspect of provision, the LSC contract holder remains responsible for ensuring that all the requirements of the funding agreement are met, including quality of delivery and administration of Education Maintenance Allowance (EMA) as per the guidance on EMA, available on the Directgov website at: <http://ema.direct.gov.uk/ema.html>.

## New providers

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

## EMA guidance

**48** The guidance on EMA that is issued from time to time by the LSC is an integral part of the LSC's funding agreements. Guidance for 2007/08 can be found at: <http://ema.direct.gov.uk/ema.html>.

## Provider location and delivery

**49** Providers should negotiate with each local LSC partnership team regarding the volumes of WBL they wish to deliver. They must reach agreement with each partnership team, or with the regional team, before delivery begins in that area. Where providers, for operational reasons, need to deliver provision to small numbers of learners across local or regional LSC boundaries, they must obtain the written consent both of the partnership team or regional office with which they have the contract, and of the partnership team or regional office in the area where they will be delivering the provision. Providers will have a nominated contact with the LSC at an area, 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 delivery in another. Providers seeking to vary any part of the contract schedule should negotiate this with their LSC contacts for each area.

# 3 Applying the Formula

## Formula Elements

**50** 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. It reflects 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 that lead 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 multiplied by the programme weighting. The result is the weighted national base rate.
- **Disadvantage uplift.** This uplift is applied to the weighted national base rate for all learning aims, in order 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 (IMD 2000). Disadvantage uplifts for individual providers can be found at Annex A to the funding agreement. Postcodes and wards that attract the uplift can be found on the LSC's website at: [www.lsc.gov.uk/providers/Data/Software/Disadvantageduplift/](http://www.lsc.gov.uk/providers/Data/Software/Disadvantageduplift/).
- **Area uplift.** This is a further uplift that is applied to the weighted national base rate, updated 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 of the exact uplifts can be found in Annex G of *Funding Guidance for Further Education in 2007/08*, available at: <http://readingroom.lsc.gov.uk/lsc/National/FEFundingGuidance0708.pdf>.
- **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 their 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.

**51** Within Apprenticeships the NVQ, Technical Certificate and key skills are funded as separate qualifications. In addition to the national formula, funding will also be available through additional learning support (ALS) to meet the individual requirements of learners.

## Funding for Apprenticeships and Advanced Apprenticeships

**52** Apprenticeships are the preferred WBL route for all young people aged 16–24 and adults aged 25 or over who are capable of achieving full frameworks 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.ssd.a.org.uk/default.aspx?page=2097](http://www.ssd.a.org.uk/default.aspx?page=2097)). The LSC sets the funding rates for framework content.

**53** The funding for each element of an Apprenticeship framework is calculated separately, and rates are published separately, as detailed in paragraphs 56–61. An example is included at Annex G.

## Pre-entry advice and guidance

**54** 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 current 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

**55** To reflect the Government's priorities and the LSC's legal responsibilities, there will be differentiation in rates by age group. The rate of WBL funding 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 anyone who starts on or after their 19th birthday attracts over-19 rates. The only exceptions to this are:

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

## NVQs

**56** The funding for the NVQ element is calculated by removing 25 per cent of the rate. This is withheld as the achievement element, to be paid as described in the above paragraph 50. The remaining 75 per cent is paid as on-programme payments and determined by the individual's start and planned end dates. An equal payment is made for each month between these dates.

## Technical Certificates

**57** The funding arrangements give each Technical Certificate a listed rate. The rates for each Technical Certificate can be found in the LSC LAD, available on the LSC website at: <http://providers.lsc.gov.uk/LAD/aims/searchcriteria.asp>. The LSC no longer funds Technical Certificate courses of fewer than nine guided learning hours (glh). Also excluded are health and safety, first aid and food safety. Other standards required by regulations are only funded if they are included in the Apprenticeship framework as a mandatory Technical Certificate and if the LSC has agreed to fund it. The LSC policy and criteria can be found on the website at: [http://readingroom.lsc.gov.uk/lsc/National/A\\_Framework\\_for\\_Managing\\_the\\_Balance\\_and\\_Mix\\_of\\_Provision\\_200708\\_23Feb2007.pdf](http://readingroom.lsc.gov.uk/lsc/National/A_Framework_for_Managing_the_Balance_and_Mix_of_Provision_200708_23Feb2007.pdf).

**58** 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 shorter time than planned 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

**59** For 2007/08, 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 £169 for 16–18-year-olds and £148 for those starting the programme aged 19 or over. This applies to the key skills qualifications of Application of Number, Communication and 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.

**60** 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: 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 the dates for funding and for monitoring the time taken to actually deliver and assess key skills.

**61** Funding for key skills should not be claimed – and will not be paid – if learners are deemed to be exempt. However, the full funding will be paid if the learner only has to complete either the end test or the portfolio. In order to encourage progression, 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. 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 claiming both the entitlement curriculum and WBL key skills funds is double-funding.

## Length of programme

**62** For 2007/08, as in previous years, 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. At the same time, the LSC recognises that an Apprenticeship is a competence-based, rather than a time-limited, programme.

**63** Inspections have shown that learners achieve greater success when they make continuous progress towards their qualification goals. 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.

**64** As part of the reform of qualification success measures, the LSC proposes monitoring the numbers 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, at: [www.lsc.gov.uk/providers/Data/Datacollection/ILR/ILR+Documents+2007-2008.htm](http://www.lsc.gov.uk/providers/Data/Datacollection/ILR/ILR+Documents+2007-2008.htm). 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 sooner than their planned end date (that is, before all 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 that have learners who achieve before their planned end date are advised to check that those learners have not entered the programme with partial achievement. In that case, paragraphs 74–78 would apply.

**65** 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.

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

**67** Once entered on the ILR, no changes should be made to the planned end date, as this will affect the monthly on-programme payments and the calculation of success rates. Further guidance on structured learning plans can be found in the extension of Recognising and

Recording Progress & Achievement (RARPA) in the New Measures of Success programme, available at: [http://readingroom.lsc.gov.uk/lsc/National/10.\\_RARPA.pdf](http://readingroom.lsc.gov.uk/lsc/National/10._RARPA.pdf).

## Probation period

**68** There will be no formal probation period introduced for funding for 2007/08. However, learners who leave 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: [www.lsc.gov.uk/Providers/Data/Software/DSAT/](http://www.lsc.gov.uk/Providers/Data/Software/DSAT/).

## Withdrawal and Absence

### Withdrawal

**69** Learners who have withdrawn from a programme before the end of a month 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.

**70** Providers must determine the intention of learners who are absent from learning, and discover within four 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, as well as 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 from the programme and the ILR, using the last evidenced date of continued structured learning as the withdrawal date.

### Agreed breaks

**71** This applies when a learner expresses a true intention to return to learning after a break of up to six months, or nine months in the case of maternity leave. They are then recorded as leaving for an agreed break in learning, using the last evidenced date of continued structured learning as the withdrawal date. The purpose 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.

**72** 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 is 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 demonstrate a true intention to return and give a reason for the agreed break. This new requirement in no way reduces the provider's responsibility to have and operate a withdrawal process and a follow-up policy and procedure.

Reasons for agreed breaks include:

- operational deployment where the assessment and review are not continuing (Ministry of Defence)
- work secondment
- sickness or injury
- religious trips or pilgrimages
- maternity (nine months) or paternity leave (see next paragraph).

### Maternity or paternity leave

**73** 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. EMAs are not paid during maternity or paternity leave.

### Significant prior learning

**74** 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.

**75** Some learners enter the Apprenticeship programme with existing achievements. In the interests of funding only what is delivered, the LSC requires providers to 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 dealt with a range of situations that used to result in manual adjustments or overpayments. Providers are now required to estimate and enter the percentage of funding remaining in the situations listed

below. A proportion of on-programme payments will be paid at the percentage entered. The field must be completed for all learners where less than 100 per cent funding is due, including the following:

- a learner starting with substantial prior learning
- transfer between providers
- progression from programme-led pathways and Young Apprenticeships
- restart
- restart after a planned break in learning.

**76** 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 also shown below.

- Chemical and Refining Industries
- Communications
- Electricity Industry
- Engineering Construction
- Food and Drink Manufacturing Operations
- Gas Industry
- Glass Industry
- IT Services and Development
- Land-Based Service Engineering
- Marine Industry
- Meat and Poultry Processing
- Metals Processing
- Plumbing
- Printing
- Rail Transport Engineering
- Security Industry
- Textiles
- Transport Engineering and Maintenance
- Travel Services.

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

**78** 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. 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 remain claimable. It is not acceptable for a provider knowingly to ignore periods of more than two months' prior learning on the same learning aim. 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.

### Disadvantage uplift

**79** Each provider will have a disadvantage uplift, based on the IMD 2000 and calculated on their historic recruitment patterns. The rates for 2007/08 will be calculated using providers' learner data for 2005/06. Providers that did not have a WBL contract with the LSC in 2006/07 will be assigned a default LSC rate of 3.41 per cent for 2005/06 and this will then be used for their 2007/08 contract. 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 at: [www.lsc.gov.uk/providers/Data/Software/Disadvantageduplift/](http://www.lsc.gov.uk/providers/Data/Software/Disadvantageduplift/).

### NVQ learning

**80** Providers may not start learners on NVQ learning at Levels 1, 2 or 3. Starts at Level 4 are permitted if 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 whenever this is 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.

### Temporary frameworks

**81** Temporary frameworks were introduced in 2005/06 and will continue in 2007/08. They provide a complete learning programme that is broadly equivalent to an Apprenticeship in an occupation or sector where no suitable approved framework exists. The temporary framework comprises an NVQ plus key skills that the LSC National Office has agreed in discussion with the appropriate SSC or sector body.

### Portability

**82** In the past, the LSC has discouraged moves from one provider or employer to another. The End to End Review concluded that, if portability were to be encouraged, success rates would improve. The LSC has therefore changed its policy on portability to encourage the apprentice to own the Apprenticeship. Where learners change employers or providers, they should be encouraged to take their Apprenticeship with them. Providers are expected to take this policy on board and implement procedures to follow up leavers when they change employers or providers.

### Progression from Apprenticeships to Advanced Apprenticeships

**83** 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.

**84** 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 Apprenticeship in the same occupational area, the higher programme is funded at the national rates.

**85** In calculating funding for those progressing from one level to another, providers should pay due regard to paragraphs 74–78 on prior learning.

## Learners changing providers and provision

**86** 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

**87** 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 interests of the learner and meets the needs of the individual learner.

**88** 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 of, or asked to adjudicate on, a change in provider 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.

**89** The partial funding field on the ILR is to be used to record the percentage of funding remaining for the learner. See also paragraphs 74–78.

**90** If 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

**91** There may be occasions when learners need to move from one programme to another (for example, Apprenticeship to E2E) before they have completed the current Individual Learning Plan (ILP). Providers should be clear as to the reasons for the change, and be able to demonstrate them to the LSC. In all cases, the priority is for the learner to be on the programme that is most suited to their particular needs.

### Multiple Apprenticeships

**92** In general, the LSC expects learners to access only one Apprenticeship at each level. However, there will be occasions when a second Apprenticeship at the same level is appropriate. This might, for example, be where an 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 areas of learning

**93** There may be situations in which learners have a change of employment, which means they are working within a materially different sector, but nevertheless wish to continue learning. In such circumstances, learners will attract the full funding rate for the new programme, unless the rules on significant prior learning at paragraphs 74–78 apply.

## Additional Learning Support

**94** The LSC expects the responsibility for identifying, planning and delivering ALS for learners with additional needs to rest with the providers. The Learning and Skills Network (formerly the Learning and Skills Development Agency) ran a series of events during 2005/06 to prepare providers for this, and issued an effective practice guide on supporting providers, available at: [www.lsneducation.org.uk/pubs/](http://www.lsneducation.org.uk/pubs/). In outline, the guidance on ALS is as follows.

- The LSC/Connexions endorsement form has been withdrawn as a requirement for evidencing ALS payments.
- Providers are required to document their arrangements for the identification of those learners with additional support needs and for 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 normal operations.
- Providers are required to notify Connexions monthly of those receiving ALS funding. Further details can be found at Annex E.

## Additional learning needs and additional social needs

**95** In common with FE, the LSC has a two-tier ALS system for WBL.

**96** The LSC provides ALS on WBL programmes for those learners with ALN or ASN or both. These funds are allocated to providers using a formula that takes account of past delivery and future needs. In addition, the LSC will meet a provider's costs for offering exceptional learning support (ELS) above a defined threshold.

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

## Exceptional learning support

**98** Where providers identify the fact that support for learning, or for disabilities, over the full length of the programme is likely to exceed the notified threshold, they can access ELS.

**99** Providers claiming ELS need to complete an ALS costs form (PLF) to claim the amount expended over and above the regular ALN and/or ASN payments. This should be claimed on their Training Provider Statement (TPS) as the expense is incurred. The process is explained further at Annex E.

## Learner income and support arrangements

**100** 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

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

## EMA

**102** From 10 April 2006, 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. This guidance forms an integral part of providers' funding agreement with the LSC. Further details and provider guidance are available on the Directgov website at: <http://ema.direct.gov.uk/ema.html>.

## Expenses

**103** The LSC may meet expenses that are reasonably incurred by non-employed learners in overcoming 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.

**104** 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

**105** 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. It should also 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

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

**107** If a learner (or their 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.

**108** It is the provider's responsibility to ensure that any provision delivered 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.

**109** 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 another public funding source more than once. If in doubt, providers should discuss such issues with the LSC to ensure that any necessary adjustments to funding levels or patterns of provision are identified. See also paragraphs 74–78 with regard to prior learning.

## New Deal and Jobcentre Plus

**110** The specifications for the options under the New Deal recommend WBL, 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

**111** 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.

**112** 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

**113** Learners in receipt of WBL funding may qualify 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

**114** 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 the *ESF Co-Financing Operations Guide*.

## Higher Education Funding

**115** 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 and Higher 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 interests of the learner.

## Ministry of Defence Contracts

**116** Annex D sets out any exceptions agreed for Ministry of Defence (MoD) contracts during 2007/08.

## Train to Gain

**117** Train to Gain will be an important way of encouraging employers to offer Apprenticeships. The Apprenticeship is the Government's preferred option for vocational learners in the 19–24 age group, and they should be recruited onto the Apprenticeship programme whenever 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 HE.

**118** As the 19–24 age group will be present in the workforce for a longer time than older learners, this group can benefit most from the Apprenticeship programme, and that is why the policy of not providing funding for NVQ-only learning aims for this age group has been implemented over the last four years.

**119** It is recognised that this policy will place increasing demands for funding on the Apprenticeship programme, and that, while the Apprenticeship budget remains capped, demand will have to be carefully managed. In individual circumstances only (for example, if an employee has a time-limited employment contract that would make an Apprenticeship unfeasible, and if the employee also satisfies the eligibility rules for Train to Gain core funding), NVQ-only programmes for 19–24-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.

**120** The numbers enrolled on NVQ-only programmes will be closely monitored, and the performance of brokers or providers that have significant numbers funded for NVQ-only programmes 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 programmes for this age group.

# 4 Eligibility

## Learner Eligibility

**121** From 2007/08, the LSC learner eligibility criteria are consistent across all the streams that the LSC funds. For this reason, the details of learner eligibility criteria are now set out in the overarching document *LSC Learner Eligibility Guidance 2007/08*, available on the LSC website at:

[http://readingroom.lsc.gov.uk/lsc/National/LSC\\_Learner\\_Eligibility\\_Guidance\\_2007-08-Printed\\_Proof.pdf](http://readingroom.lsc.gov.uk/lsc/National/LSC_Learner_Eligibility_Guidance_2007-08-Printed_Proof.pdf).

**122** Providers are required to ensure that all learners for whom they claim LSC funding are eligible under the guidance set out in *LSC Learner Eligibility Guidance 2007/08*, which forms part of their compliance with the guidance set out in this document.

## Work-based Learning Eligibility

**123** Providers should note that eligibility to participate in a programme should not be confused with the suitability of the programme for a learner's needs. Learners are eligible for WBL under the eligibility criteria set out in *LSC Learner Eligibility Guidance 2007/08* 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 and adults aged 25 or over on the Apprenticeships for Adults programme may be funded at the LSC's discretion
- have completed Year 11 at school at the end of the teaching year 2006/07 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 learners
- are not in HE, including vacation periods, unless an intention not to return to HE has been expressed.

**124** Eligible persons shall not be refused access to WBL on the grounds that they are not resident in their local 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

**125** Except where the LSC agrees, learners shall not be required to contribute financially to the direct cost of learning, unless they 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

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

- graduates, except 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 the 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 WBL joining an HE course. The practice of progressing during an Apprenticeship onto foundation degrees, HNCs/HNDs and so on is established and encouraged
- any school or FE college full-time learner funded under another LSC funding stream.

## Learners from Wales and Scotland

**127** 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, if specialist provision is not offered locally. The LSC has reciprocal arrangements with the funding councils for Wales and Scotland for providers close to the border. 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

**128** Where, as part of the requirements of employment, a learner who is ordinarily resident in England is required to work outside England for short periods, that learner will continue to be eligible for WBL funding. Providers will continue to have responsibility and to provide support, as detailed in the programme specifications,

throughout any period when a learner is in employment outside England. If the period of absence affects the completion of a programme, then an agreed break in learning should be considered (see paragraphs 71 and 72).

**129** 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 their 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 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.

**130** Paragraphs 128 and 129 also apply to the spouses and dependants of BAF personnel on accompanied postings. It does not apply to spouses or dependants who do not join the BAF member overseas, but instead remain in their own country.

## Learners of compulsory school age

**131** 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 next day.

**132** Whenever 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 interests. The LSC does not fund this learning and the provider should seek financial reimbursement for the training from the school.

## Eligible Provision

**133** Providers are reminded that they should consider the eligibility of provision for LSC funding while planning provision and starting learners. In considering the eligibility of any provision, it is important 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 LAD on the LSC's website at: <http://providers.lsc.gov.uk/LAD/aims/searchcriteria.asp>.

**134** Provision that qualifies under E2E covers quite 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 also to make sure that the LSC is aware of the content of their provision.

## Recruitment priorities

**135** The priority groups identified for access to WBL funding are:

- 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 Group 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
- adults aged 25 or over who satisfy one of the priority criteria for the Apprenticeships for Adults programme.

## Ineligible Provision

**136** The LSC no longer funds Technical Certificate courses of fewer than nine glh. Also excluded are health and safety, first aid and food safety. Other standards required by regulations are only funded if they are mandatory elements in an Apprenticeship framework and if the LSC has agreed to fund them. The LSC policy and criteria can be found on the LSC website at: [http://readingroom.lsc.gov.uk/lsc/National/A\\_Framework\\_for\\_Managing\\_the\\_Balance\\_and\\_Mix\\_of\\_Provision\\_200708\\_23Feb2007.pdf](http://readingroom.lsc.gov.uk/lsc/National/A_Framework_for_Managing_the_Balance_and_Mix_of_Provision_200708_23Feb2007.pdf).

# 5 Delivering Work-based Learning Provision

## Policy Aims

**137** WBL programmes should be delivered in accordance with the provider's funding agreement, development plan and this document. They 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 and adults who can benefit most from this route through:

- promoting the growth of Apprenticeships to become the route to NVQ at Level 2 that is preferred by young people, adults and employers; and of Advanced Apprenticeships to become the route to NVQ at Level 3 that is preferred by young people, adults and employers
- ensuring that individually tailored E2E programmes are available to 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 Apprenticeship 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

**138** 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 circumstance
- 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.

**139** 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 at: [http://217.160.210.43/lsc\\_campaignresources/?TTYPE](http://217.160.210.43/lsc_campaignresources/?TTYPE) (a short registration process is required for this website). All marketing and promotional material referring to Apprenticeships is to be accompanied by the Apprenticeship logo.

## Apprenticeships

**140** 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 Apprenticeships Approval Group, summaries of which can be found on the Apprenticeships website ([www.Apprenticeships.org.uk](http://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 may 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. Providers should refer to the framework for specific details on how learners can transfer to new or updated frameworks.

## Programme-led and Employer-led Apprenticeships

**141** The Apprenticeship programme is primarily intended for young people in employment, and this remains the preferred option. However, the number of young people interested continues to be greater than the number of places available to young people in employment and there is therefore a need for a programme-led route that prepares young people for when an appropriate employment-led place becomes available. This route was recognised in the report of the Modern Apprenticeship Advisory Committee.

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

**143** Providers delivering programme-led pathways should actively seek Employer-led 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 must be completed. All starters on Programme-led Apprenticeships are entitled to EMA (if they are eligible and following an income assessment).

**144** Many prospective apprentices will have completed Programme-led Apprenticeships in FE. Normally this will mean that 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 74–78). At the time of recruitment, providers are required to treat Programme-led Apprenticeship applicants fairly in relation to 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 at: [www.apprenticeships.org.uk](http://www.apprenticeships.org.uk).

## Programme Components

### Key skills

**145** 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.

**146** 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 2007/08, the LSC will fund only mandatory key skills at the level contained in the framework. If an Apprentice already has the required level, then the next level up will be funded to aid progression.

**147** There are qualifications that are deemed by QCA to be concessions or proxies for key skills. Details of these qualifications can be found on the QCA website ([www.qca.org.uk](http://www.qca.org.uk)). If the learner claims to have a concession or proxy but 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 level up.

### Initial assessment

**148** All learners must be assessed before or immediately upon 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 must be recorded and used to inform the content of the ILP.

**149** 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.

**150** 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 Learning to Meet Needs* (DfES, 2001) and to implement this good practice as appropriate. This publication is available from the LSC website at:

<http://readingroom.lsc.gov.uk/pre2005/quality/goodpractice/initial-assessment-of-learning-and-support-needs-and-planning-learning-to-meet-needs.pdf>.

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

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

## Induction

**153** 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: the safe learner concept
- disciplinary and grievance procedures
- terms and conditions of learning.

## Progress review

**154** Regular reviews are an important part of the learning process. Learners must be reviewed at least every 12 weeks for Apprenticeships 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.

**155** The frequency of reviews should be adjusted to

reflect the risks of the learner leaving early or not achieving.

## Individual Learning Plan

**156** A written 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 that learners are following, and state 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.

**157** 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 the learner will have achieved this
- 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.

**158** The ILP should be reviewed regularly, and is an integral document in learner formal reviews. To reflect the growing capability of the learner and where changes are made, these should be agreed with the learner and, where appropriate, the employer. The learner should sign their agreement to the changes 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.

**159** Providers should 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

**160** Providers are to have a reliable system for identifying those at risk of leaving early, along with 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, they should be offered alternative opportunities to pursue their original or revised learning objectives – either with the same provider or with another LSC-funded provider. A learner should be considered to have withdrawn from a programme when they:

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

**161** 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 for 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 to leavers may result in recovery of funds paid by the LSC for the learning concerned.

## Monitoring arrangements and self-assessment

**162** LSC officers will monitor the performance of the contract and may re-profile future volumes and payments in discussion with the provider. These discussions should be focused on overall strategic issues rather than on the traditional close management of provision.

**163** 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*, which is available on the LSC website at: [www.lsc.gov.uk/National/Documents/Series/Circulars/planning-for-Success\\_a-framework.htm](http://www.lsc.gov.uk/National/Documents/Series/Circulars/planning-for-Success_a-framework.htm). The LSC will monitor a provider's performance against the criteria in the provider's development plan.

## Bureaucracy

### Reduction of administration in Apprenticeships

**164** All providers are encouraged to implement systems that require the minimum amount of administration to meet LSC and legal requirements 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 is a non-contractual document which can be found on the Apprenticeship website and is designed to assist providers in reducing the resources required to administer Apprenticeships. It includes a number of checklists, hints and tips.

# 6 Planning and Budgeting

## Arrangements

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

**166** 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.

**167** For the avoidance of doubt, the overall maximum value of the funding agreement cannot be exceeded without a formal variation to the contract.

**168** Providers should only be planning numbers of NVQ Level 4 learners. It is anticipated that all NVQ learning at Levels 1, 2 and 3 will be complete by 31 July 2008.

## Learner Profiles

**169** Providers and the LSC will need to work closely together to achieve a rise in participation and achievement, especially as regards to 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 that results from changes to payment profiles. Profiled payments will be reconciled on a monthly basis with actual earned amounts, starting after the first three months of 2007/08.

**170** The payment system has been designed so that a provider cannot be paid above its approved local area contract value. If a provider earns above its contract value, then payments will be restricted to that for the local allocation. If, after 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

**171** 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 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.

## Plan-led Funding

**172** The LSC is continuing with pilots, involving a number of WBL providers, for a plan-led approach to funding. These pilots are informing the LSC policies on funding, planning and the audit of providers. The pilots will continue into 2007/08 and will be formally concluded when the new funding methodology *agenda for change* is introduced in 2008/09. Providers engaged in the pilots 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.

## Quality and Growth

**173** The LSC will restrict growth in any occupational areas that require re-inspection. It will also impose restrictions if the leadership and management of providers require re-inspection. Where success rates are below the average minimum standards or average framework achievement rates, restrictions on growth may also apply.

# 7 Administering and Funding Entry to Employment

## Introduction

**174** 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 identification of the learner's most likely positive progression route, and should ensure a range of activities that will propel the learner into Apprenticeships, FE or training, or employment, preferably with training.

**175** The LSC's approach to administering and funding E2E has been developed in partnership with the E2E advisory group, including all interested parties. Progression Pathways are being developed as part of the FLT programme and will be progressively introduced from September 2007. During 2007/08, there will be no specific funding arrangements for Progression Pathways, and the current E2E funding methodology set out in this section below will apply.

## Definition

**176** 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 comprises three interdependent core strands: basic and key skills, vocational skills and development, and personal and social development. Learners on E2E, 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 normally 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, although fewer hours may be more appropriate for some young people. The provider is required to deliver E2E in accordance with this document and the E2E Prospectus. These documents are available on the LSC website at: <http://e2e.lsc.gov.uk/>.

## Eligibility

**177** 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 have not reached the age of 19 on the day they start E2E; or
- are a member of the Extended Guarantee Group; or
- are aged 19–24, are 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.

**178** 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 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 this occurs, arrangements should be made for the learner to move on as soon as possible. In these cases, the provider has provided legitimate support services to the learner and therefore no abatement is made. If the learner then moves 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 177. If so, the action taken depends on the circumstances. The provider should abate the funding claimed and inform their contract manager.

**179** 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

**180** The E2E Passport, which has been developed in partnership with Connexions, providers and the Adult Learning Inspectorate, 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 this section. 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 electronic versions of the E2E Passport. The E2E Passport can be accessed on the LSC website at: <http://e2e.lsc.gov.uk/>.

**181** It includes the following documents:

- for referrals, two referral forms (one for use by the 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, which 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, which records short-term targets and progress towards them. The E2E review record provides evidence of the learner being in learning
- an E2E moving-on plan to detail the support providers will give during transition from E2E to positive destinations.

## Recruitment

**182** Most young people who access E2E will be referred from Connexions. Most will have been working with a personal adviser to address barriers to learning. This includes those young people taking part in the activity agreement pilots (see paragraph 192). 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 learners are 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. It is clear 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 make 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.

- Connexions or another partner organisation identifies that the young person may have needs that are best met through a period on E2E, when interviewing the young person or when using the Assessment, Planning, Implementation and Review (APIR) framework or as part of agreeing an activity agreement.
- Connexions or another partner organisation documents its findings on the E2E referral form, and, with the young person's agreement, copies its assessment findings, together with any other relevant information, to the provider using 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.
- The provider completes the ILR in accordance with the current guidance, as well as 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 at: [www.lsc.gov.uk/providers/Data/](http://www.lsc.gov.uk/providers/Data/).
- Providers are to record all learning aims on the ILR to ensure that all learning is captured. This especially applies to basic skills and all Skills for Life qualifications, as the LSC believes these qualifications are currently being 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 practicable, and in any case 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

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

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

**184** If a young person goes direct 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. The provider should make contact with Connexions as soon as possible, which must confirm the learner's need for E2E and their suitability within six weeks.

**185** Eligible young people who are working with a 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
- the learner's immediate barriers to learning have been addressed
- the learner is ready to enter E2E and can attend for 16 hours a week.

**186** 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.

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

## Delivery of Entry to Employment

### Induction

**188** 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
- key contacts with the provider.

## Programme of Activities

### Curriculum

**189** 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.

**190** 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 at: <http://e2e.lsc.gov.uk/>.

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

### Activity agreements

**192** The Department for Children, Schools and Families (DCSF) and the Department for Innovation, Universities and Skills (DIUS) are piloting activity agreements in a number of LSC areas. The aim is to motivate young people to take up education, training and employment, and E2E may be an ideal first step to achieve this. Therefore, young people with an activity agreement are to be treated as on the caseload of a personal adviser and thus have a guarantee of a place on E2E.

### Attendance

**193** 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, provided it does not initially exceed 10 hours a week. It may be desirable to build up this time over the length of the programme, if the relevance can be clearly demonstrated.

**194** 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 to be 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. If an E2E learner accesses 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.

**195** 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 that does not lead to full-time attendance. Providers should consider how the learner could be introduced to the pattern of their expected attendance at the likely destination while the learner is on E2E. This will mean that, following the initial assessment period, in the early part of the learner's programme standard attendance patterns are unlikely.

### Progression and review

**196** Where it is likely that learners will progress onto a WBL route, learners should pursue opportunities for securing employment while they are on E2E programmes. Providers should also be preparing young people to study for 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, if this is beneficial to the learner.

**197** During E2E, learners and provider staff will meet regularly for many reasons other than 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.

**198** Any support arrangements that have been identified should be reviewed and their effectiveness established. 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. Through these reviews and assessment materials, providers are required to demonstrate continued progress. Review documents will also provide the primary evidence that the learner is still in learning and is progressing towards the goals of their 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 at: <http://e2e.lsc.gov.uk/>.

**199** If a learner remains on E2E for 22 weeks, the provider must organise a full review of progress involving the learner and their 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. Whenever possible, these should involve the learner's personal adviser. 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.

**200** If it is 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. On the learner's return, a new aim is opened up, and the learner is coded as a returner after an agreed break in learning.

## Leavers

**201** 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 2007/08* and the Provider Support Manual ([www.lsc.gov.uk/providers/Data/Datacollection/ILR/ILR+Documents+2007-2008.htm](http://www.lsc.gov.uk/providers/Data/Datacollection/ILR/ILR+Documents+2007-2008.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 a learner's attainments. The certificate and examples are available on the LSC website at: <http://e2e.lsc.gov.uk/>.

**202** 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 their personal adviser for independent guidance. This also gives the personal adviser the opportunity to be aware of the circumstances leading up 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 for 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 WBL.

**203** 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 to record this on the ILR.

**204** 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 in order 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.

**205** All work conducted by the learner on E2E is the property of the learner and they should be encouraged to take it away as evidence of their achievements. This also applies to portfolios and the full E2E Passport.

## Financial support

**206** All starters on E2E are eligible to apply for EMA and will receive it (if they are eligible and following 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.

**207** Providers are required to administer the EMA system and to support learners in applying for EMAs. Detailed guidance on EMA for providers of LSC-funded E2E and Programme-led Pathway 2006/07 is available on the Directgov website (<http://ema.direct.gov.uk/ema.html>). Providers are reminded that this guidance forms part of their funding agreement.

## Expenses

**208** All E2E learners are to be reimbursed in full for necessary expenses incurred, to overcome barriers to participation on E2E.

## Hardship fund

**209** The LSC has introduced a learner hardship fund from 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

**210** 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 this end, 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 to 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 £430). 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, which is paid for the achievement of any qualification in the NQF 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, and Problem-solving and for any qualifications recognised as counting towards Skills for Life targets
- an **enhanced** qualification bonus, which is paid for achievement of:
  - i. vocationally related or occupational qualifications listed on the NQF at Level 1
  - ii. Level 1 equivalents approved by the LSC
  - iii. 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:
  - i. a place in FE or other structured learning that exceeds 16 hours a week or is classified as a full-time course (that is, over 450 glh a year)
  - ii. paid employment (including with an agency) that exceeds 16 hours a week
  - iii. a full-time place on New Deal
- an **enhanced progression** bonus, which is paid for progressing the learner into one of the following destinations, where this does include accredited learning to at least Level 2:
  - i. a full-time Apprenticeship or an Advanced Apprenticeship, including programme-led pathways or Programme-led Apprenticeships
  - ii. a place in FE or other structured learning that exceeds 16 hours a week or is classified as a full-time course (that is, over 450 glh per year)
  - iii. paid employment (including with an agency) that exceeds 16 hours a week
  - iv. a full-time place on New Deal.

**211** Progression bonuses are only payable if the learner stays in the position for a minimum of four 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

**212** The LSC recognises the role of non-accredited awards in E2E as 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. Enquiries concerning these awards should be directed to the National Youth Agency on **0116 242 7350**.

## Allocations

**213** It is in the best interests of both the provider and the LSC to ensure that allocations are profiled as accurately as possible to reduce the likelihood of over- or underpayments. This will help providers 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 discrepancies, 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 17).

**214** Where profiled numbers are not being met, the LSC recommends that providers should work with their LSC contact and Connexions to address the shortfall before the under-occupancy becomes serious. If this is not successful, then the LSC may, at its discretion, insist on a variation. As was the case last year, in 2007/08 providers are required to deliver all the planned places agreed in their contract or allocation. The LSC will accept reasonable variances from the profile for operational reasons, but not ongoing under-delivery. Where under-delivery is persistent, the LSC reserves the right to initiate a variation to the contract or allocation to lower the number of planned places for the remainder of the year, thereby reducing the overall value of the contract or allocation for the year.

## Exceptional learning support

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

**216** 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

**217** The national rates for E2E, which include expenses, are given below. The rates are uplifted for area costs, but not for 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 – £135
- b. provider bonuses:
  - basic bonus – £109
  - enhanced bonus – £215
  - if the enhanced bonus is achieved after the basic bonus has already been claimed, then it is reduced to £106.

## Provider Administrative Action

**218** 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 ELS and to enter this amount onto the TPS. This will enable the amount due to be taken into account for reconciliation.

## Evidence requirements

**219** It is anticipated that most, if not all, of the evidence required for E2E will be generated by the provider's normal operations and will 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.

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

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

**Table 1: E2E Non-formal awards bonus arrangements**

Award	Qualification for Basic Bonus	Qualification for Enhanced Bonus
AQA Unit Award Scheme	Two or more appropriate units to a total of 60 hours	Four or more units at Level 1 to a total of 120 hours
ASDAN	<ol style="list-style-type: none"> <li>FE award level up</li> <li>Two credits of Level 1 award</li> <li>Short course awards at Entry Level</li> </ol>	<ol style="list-style-type: none"> <li>FE ASDAN award at Level 1</li> <li>Short course award at Level 1</li> </ol>
U Choose (a Chrysalis Club 2000 programme accredited by ASDAN)	1. ASDAN Bronze Award at Entry Level	ASDAN Bronze Award at Entry Level plus one wider key skill at Level 1
Connect Youth	Two credits	OCN accreditation for youth exchanges or group initiatives at Level 1
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 at Preparatory Level	Prince's Trust XL award at Level 1
Scout Association	N/A	Queen's Scout Award at Level 3
Sports Leaders UK Award	N/A	Sports Leaders UK Award in Sports or Community Leadership
Trident Trust	<ol style="list-style-type: none"> <li>C&amp;G Profile of Achievement</li> <li>OCR preparation for employment at Entry Level</li> <li>ASDAN foundation for work at Entry Level</li> </ol>	<ol style="list-style-type: none"> <li>OCR preparation for employment at Level 1</li> <li>ASDAN foundation for work at Level 1</li> </ol>
UK Youth	<ol style="list-style-type: none"> <li>Bronze Award</li> <li>Four challenges at Silver Level</li> </ol>	Silver Award
Weston Spirit	<ol style="list-style-type: none"> <li>C&amp;G Profile of Achievement</li> <li>Edexcel accreditation for Weston Spirit courses</li> </ol>	N/A
Youthtrain	Two credits at Level 1 award	Four credits at Level 1 award

# Annex A: Acronyms and Glossary

## Acronyms

This section provides a list of acronyms used in the document.

Acronym	Non-abbreviated term (includes dates when changes occurred)
AASE	Advanced Apprenticeship in Sporting Excellence
ALG	Adult Learner Grant
ALN	Additional Learning Needs
ALS	Additional Learning Support Note: This should not be confused with Additional Learner Support, which is a separate LSC source of funding for learners. Both are defined in the glossary.
ASN	Additional Social Needs
BAF	British Armed Forces
C&G	City and Guilds
DBERR	Department for Business, Enterprise and Regulatory Reform (new from July 2007)
DCSF	Department for Children, Schools and Families (new from July 2007)
DfES	Department for Education and Skills (replaced from July 2007 by DCSF and DIUS)
DIUS	Department for Innovation, Universities and Skills (new from July 2007)
E2E	Entry to Employment
ELS	Exceptional Learner Support
EMA	Education Maintenance Allowance
ESF	European Social Fund
EU	European Union
FE	Further Education
FLT	Foundation Learning Tier
GLH	Guided Learning Hours
HE	Higher Education
HEFCE	Higher Education Funding Council for England
ILP	Individualised Learning Plan
ILR	Individualised Learner Record
IMD 2000	Index of Multiple Deprivation 2000
LAD	Learning Aims Database
LIS	Learner Information Suite
LSC	Learning and Skills Council
MOD	Ministry of Defence
NES	National Employer Service
NOCN	National Open College Network
NQF	National Qualification Framework
NVQ	National Vocational Qualification
PFR	Provider Funding Report
PLA	Programme-led Apprenticeship
PLP	Programme-led Pathway

Acronym	Non-abbreviated term (includes dates when changes occurred)
QCA	Qualification and Curriculum Authority
QCF	Qualification and Credit Framework
SSCs	Sector Skills Councils
TC	Technical Certificate
TPS	Training Provider Statement
UK	United Kingdom
WBL	Work-based Learning

# Glossary

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 some of the abbreviations and acronyms that are used in this document.

## 16–18 Guarantee Group

The Guarantee Group includes all young people who have not reached the age of 18 but 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.

## 16–18-year-old Learner

For funding purposes, the definition of a 16–18-year-old learner used by both the DCSF and the LSC is that the learner is aged 16, 17 or 18 on the day they commence 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.

## (Learner Aged) 19 or Over

The definition of a learner aged 19 or over mirrors that relating to a 16–18-year-old learner (used by both DIUS and the LSC). A learner aged 19 or over is aged 19 or over on their programme start date. This includes learners who commence new programmes immediately after ending a programme commenced while in the 16–18 age group.

## (Learner Aged) 25 or Over

The definition of a learner aged 25 or over mirrors that relating to a 16–18-year-old learner. A learner aged 25 or over is aged 25 or over on their programme start date.

## Absence

A provider may continue to claim funding for reasonable absences of up to four weeks (28 days) by learners from their programmes. The LSC has, for some time, ceased to distinguish between authorised and unauthorised absence for funding purposes.

## Actual Leaving Date

The date that the learner completed their 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 2007/08*).

## Additional Learner Support Funds

Additional Learner Support Funds include those funds that support the learner to stay in learning. In the WBL context, they include allowances for:

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

## Additional Learning Needs

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

## Additional Learning Support

ALS is the generic term for support given to the provider so that they can address the learning needs of the learner. 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 ALN and/or ASN. ELS and support for learners with disabilities is also included within ALS.

## Additional Social Needs

ASN relate to the emotional, behavioural or motivational abilities of the learner.

## Advanced Apprenticeship in Sporting Excellence

The AASE is unique in purpose and structure, and therefore a number of different features have been agreed for it. These are detailed in Annex N. The AASE can only be delivered by those providers with specific approval from the LSC.

## Advanced Apprenticeships

Advanced Apprenticeships are the preferred WBL route for all young people aged 16–24 and adults aged 25 or over who are capable of achieving a Level 3 framework.

## Agreed Break in Learning

A break in learning may be up to six months (nine months in the case of maternity leave), as agreed between the learner and the provider, the learner having expressed the intention of returning by a set date.

## Apprenticeships

Apprenticeships are the preferred WBL route for all young people aged 16–24 and adults aged 25 or over who are capable of achieving a Level 2 framework.

## 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 final registration date. It was accredited before the QCA certification end date and is approved for funding and is listed on the LSC's LAD at: <http://providers.lsc.gov.uk/lad/default.asp>.

## Average Length of Stay, With Range

The average length of stay is 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 they have a physical or mental impairment which has a substantial and long-term adverse effect on their 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).

## Education 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 they are 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 paragraph 176 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 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.

## 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.

## 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.

## 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.

## 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.

## Formula-funded Provision

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

## Foundation Learning Tier

The FLT is a programme of work that aims to develop a more focused and strategic approach to Entry Level and Level 1 in order to raise participation, achievement and progression at these levels. It will incorporate a range of programmes that offer robust progression opportunities that will propel learners towards Level 2 or other positive outcomes such as employment with training, as well as outcomes such as supported employment and independent living for those not capable of reaching Level 2. These programmes will consist of a coherent offer of units and qualifications drawn, in time, from Entry Level and Level 1 of the Qualifications and Credit Framework (QCF). These units and qualifications make up validated Progression Pathways.

## 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 Apprenticeships 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 450 glh or more a 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 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

The hardship fund is 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 by providers to record all relevant funding data about LSC-funded WBL learners. More information can be found in the LSC's ILR guidance *Specification of the Individualised Learner Record for 2007/08*, available at: [www.lsc.gov.uk/providers/Data/Datacollection/ILR/ILR+Documents+2007-2008.htm](http://www.lsc.gov.uk/providers/Data/Datacollection/ILR/ILR+Documents+2007-2008.htm).

## 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 because they have 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 for a payment for that period (month or week) to be received. 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 that is specifically designed for imparting the knowledge, skills and competence that are required for 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).

## Maximum Hours

A maximum number of 37.5 hours of work was introduced from 2006/07 for all non-employed learners.

## National Employer Service

NES has the responsibility for managing the contracting arrangements with large, national, multi-site employers and with providers that act on behalf of these employers. Its purpose 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 the local level to meet local needs. More information is available from the NES website at: <http://nes.lsc.gov.uk/Generic/default.htm>.

## Non-formula-funded Provision

This comprises the E2E programme only.

## 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.

## Outcome

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

## 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 their learning aims.

## 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.

## Progression Pathways

Progression Pathways are programmes using units and qualifications at Entry Level and Level 1, drawn from the QCF. They are part of the development of the FLT.

## Provider Funding Report

PFRs 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 its profile, based on the information the provider has returned in the form of its data return.

## 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 UK. A refugee seeking entry onto publicly funded training programmes must have the appropriate Home Office documentation giving them 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 1998 (the 1998 Act). A copy of the 1998 Act is available on the DCSF website at: [www.dcsf.gov.uk/tfst](http://www.dcsf.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 under the 1998 Act – 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 contact their local LSC partnership team.

## School

This refers to schools that operate under the DCSF Schools Regulations, but excluding tertiary colleges, community colleges, sixth form or FE colleges.

## 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 in which the majority of pupils have turned 16 years of age by the end of the academic year.

## Self-employed

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

## Start Date

The start date for a learner is the day on which they commence 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 QCA as providing the underpinning knowledge of the NVQ and forming part of the Apprenticeship as approved by the Skills for Business Apprenticeships Approval Group. All approved Technical Certificates are listed on the LAD on the LSC's website at: <http://providers.lsc.gov.uk/lad/default.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, which are intended to help learners improve their skills, get experience and become accustomed to a working regime and environment.

## Annex B:

# National Rates for Work-based Learning for 2007/08

- 1 The definitive rates for WBL can be found on the Learning Aims Database (LAD) (<http://providers.lsc.gov.uk/LAD/aims/searchcriteria.asp>).
- 2 A summary of the funding changes to frameworks is given in this annex.
- 3 Other standard rates are also given in the following tables.

**Table B1.1: Revised NVQ Level 2 rates for frameworks included in phase 1 of the Apprenticeship Rates Review**

NVQ rate – Second year of phase 1											
Code	Framework	Level	Funding category	16–18 rate 06/07	19+ rate 06/07	Expected employer contribution 06/07	% 16–18 change 06/07–07/08	% 19+ change 06/07–07/08	16–18 rate 07/08 (inc. inflation)	19+ rate 07/08 (inc. inflation)	Expected employer contribution 07/08
201	Accounting	2	G	£4,208	£2,519	40.1%	1.5%	–2.5%	£4,271	£2,456	42.5%
102	Administration	2	G	£3,156	£1,814	42.5%	1.1%	1.2%	£3,191	£1,835	42.5%
104	Children’s Care, Learning and Development	2	L	£3,399	£2,124	37.5%	8.5%	8.5%	£3,688	£2,305	37.5%
116	Construction	2	B	£5,133	£2,830	44.9%	13.7%	18.6%	£5,838	£3,357	42.5%
105	Electro-technical (discontinued 1/8/2006)	2	C	£5,428	£2,732	49.7%	2.5%	1.8%	£5,563	£2,782	50.0%
106	Engineering	2	C	£5,875	£2,963	49.6%	10.3%	9.4%	£6,481	£3,240	50.0%
217	Hairdressing	2	K	£5,256	£2,628	50.0%	2.5%	2.5%	£5,388	£2,694	50.0%
236	Health and Social Care	2	L	£3,373	£2,107	37.5%	7.8%	7.8%	£3,635	£2,272	37.5%
112	Retail	2	H	£3,211	£1,848	42.5%	2.9%	2.8%	£3,303	£1,899	42.5%
235	Retail Motor Vehicle	2	C	£5,481	£2,761	49.6%	3.5%	2.7%	£5,672	£2,836	50.0%
329	Roadside Assistance and Recovery	2	C	£5,481	£2,761	49.6%	3.5%	2.7%	£5,672	£2,836	50.0%
330	Vehicle Body and Paint Operations	2	C	£5,481	£2,761	49.6%	3.5%	2.7%	£5,672	£2,836	50.0%
327	Vehicle Fitting	2	C	£5,481	£2,761	49.6%	3.5%	2.7%	£5,672	£2,836	50.0%
328	Vehicle Maintenance and Repair	2	C	£5,481	£2,761	49.6%	3.5%	2.7%	£5,672	£2,836	50.0%
331	Vehicle Parts Operations	2	C	£5,481	£2,761	49.6%	3.5%	2.7%	£5,672	£2,836	50.0%

Table B1.2: Revised NVQ Level 3 rates for frameworks included in phase 1 of the Apprenticeship Rates Review

NVQ rate – second year of phase 1											
Code	Framework	Level	Funding category	16–18 rate 06/07	19+ rate 06/07	Expected employer contribution 06/07	% 16–18 change 06/07–07/08	% 19+ change 06/07–07/08	16–18 rate 07/08 (inc. inflation)	19+ rate 07/08 (inc. inflation)	Expected employer contribution 07/08
201	Accounting	3	G	£5,377	£3,341	37.9%	–19.6%	–19.1%	£4,325	£2,703	37.5%
102	Administration	3	G	£4,613	£2,818	38.9%	–16.9%	–14.9%	£3,835	£2,397	37.5%
104	Children’s Care, Learning and Development	3	L	£5,168	£3,172	38.6%	–3.8%	–2.0%	£4,973	£3,108	37.5%
116	Construction	3	B	£7,508	£3,768	49.8%	–35.4%	–35.6%	£4,850	£2,425	50.0%
105	Electro–technical	3	C	£10,394	£5,235	49.6%	–4.9%	–5.6%	£9,888	£4,944	50.0%
106	Engineering	3	C	£11,302	£5,658	49.9%	4.0%	3.8%	£11,749	£5,874	50.0%
217	Hairdressing	3	K	£6,026	£3,171	47.4%	–3.9%	–4.1%	£5,794	£3,042	47.5%
236	Health and Social Care	3	L	£4,937	£3,025	38.7%	–8.9%	–7.1%	£4,498	£2,811	37.5%
112	Retail	3	H	£4,606	£3,086	33.0%	–6.9%	–13.1%	£4,289	£2,680	37.5%
235	Retail Motor Vehicle	3	C	£4,883	£2,941	39.8%	–14.9%	–11.7%	£4,155	£2,597	37.5%
329	Roadside Assistance and Recovery	3	C	£4,883	£2,941	39.8%	–14.9%	–11.7%	£4,155	£2,597	37.5%
330	Vehicle Body and Paint Operations	3	C	£4,883	£2,941	39.8%	–14.9%	–11.7%	£4,155	£2,597	37.5%
327	Vehicle Fitting	3	C	£4,883	£2,941	39.8%	–14.9%	–11.7%	£4,155	£2,597	37.5%
328	Vehicle Maintenance and Repair	3	C	£4,883	£2,941	39.8%	–14.9%	–11.7%	£4,155	£2,597	37.5%
331	Vehicle Parts Operations	3	C	£4,883	£2,941	39.8%	–14.9%	–11.7%	£4,155	£2,597	37.5%

**Table B2: Summary of funding issues for frameworks included in phase 1 of the Apprenticeship Rates Review**

Summary of funding issues – second year of phase 1									
Code	Framework	Rate changes by the review (#)			Most common progression route	NVQ funding category affected	Required proportion of funding remaining if L1 completed before L2 *	Required proportion of funding remaining if L2 completed before L3 *	Learning aim requiring reduction
		Level 2	Level 3	Nested rate					
201	Accounting	1.5%	-19.6%		L2 to L3 to L4	G			
102	Administration	1.1%	-16.9%		L2 to L3	G			
104	Children's Care, Learning and Development	8.5%	-3.8%		L2 to L3	L			
116	Construction	13.7%	-35.4%	Y	L1 to L2 to L3	B	62		NVQ L2
105	Electro-technical		-4.9%	Y	Direct to L3	C		40	NVQ L3
106	Engineering	10.3%	4.0%	Y	Direct to L3	C		42	NVQ L3
217	Hairdressing		-3.9%		L2 to L3	K			
236	Health and Social Care	7.8%	-8.9%		L2 to L3	L			
112	Retail	2.9%	-6.9%		L2 to L3	H			
235	Retail Motor Vehicle	3.5%	-14.9%		L2 to L3	C			
329	Roadside Assistance and Recovery	3.5%	-14.9%		L2 to L3	C			
330	Vehicle Body and Paint Operations	3.5%	-14.9%		L2 to L3	C			
327	Vehicle Fitting	3.5%	-14.9%		L2 to L3	C			
328	Vehicle Maintenance and Repair	3.5%	-14.9%		L2 to L3	C			
331	Vehicle Parts Operations	3.5%	-14.9%		L2 to L3	C			

\* The 'proportion of funding remaining' (ILR Field A51a) only affects on-programme payments. The achievement element will be unaffected by the reduction. The reduction for the Level 3 NVQs reflects 80% of the Level 2 NVQ rate. The reduction for the Level 2 NVQ reflects 80% of the framework rate.

# All changes recorded next to a framework include an increase for inflation on the 16–18 rate. Where no change is recorded next to the framework, the 16–18 rate will only increase by inflation and the 19+ rate will remain unchanged.

Table B3.1: Revised NVQ Level 2 rates for frameworks included in phase 2 of the Apprenticeship Rates Review

NVQ rate – second year of phase 1											
Code	Framework	Level	Funding category	16–18 rate 06/07	19+ rate 06/07	Expected employer contribution 06/07	% 16–18 change 06/07–07/08	% 19+ change 06/07–07/08	16–18 rate 07/08 (inc. inflation)	19+ rate 07/08 (inc. inflation)	Expected employer contribution 07/08
231	Active Leisure and Learning	2	I	£3,428	£1,714	50.0%	–0.6%	–0.6%	<b>£3,407</b>	<b>£1,703</b>	<b>50.0%</b>
101	Agricultural Crops & Livestock	2	A	£4,114	£2,057	50.0%	2.5%	2.5%	<b>£4,217</b>	<b>£2,108</b>	<b>50.0%</b>
219	Amenity Horticulture	2	A	£4,114	£2,057	50.0%	7.9%	7.9%	<b>£4,440</b>	<b>£2,220</b>	<b>50.0%</b>
232	Communications	2	C	£5,428	£2,714	50.0%	2.5%	2.5%	<b>£5,563</b>	<b>£2,782</b>	<b>50.0%</b>
293	Contact Centres	2	H	£3,200	£1,840	42.5%	2.4%	2.4%	<b>£3,277</b>	<b>£1,884</b>	<b>42.5%</b>
263	Customer Service	2	H	£3,211	£1,848	42.5%	2.0%	1.9%	<b>£3,275</b>	<b>£1,883</b>	<b>42.5%</b>
295	Driving Goods Vehicles	2	E	£5,447	£2,723	50.0%	0.8%	0.8%	<b>£5,491</b>	<b>£2,746</b>	<b>50.0%</b>
247	Equine Industry	2	A	£4,114	£2,057	50.0%	2.1%	2.1%	<b>£4,199</b>	<b>£2,099</b>	<b>50.0%</b>
215	Furniture Industry	2	C	£5,428	£2,714	50.0%	6.7%	6.7%	<b>£5,792</b>	<b>£2,896</b>	<b>50.0%</b>
212	Heating, Ventilation, Air Conditioning and Refrigeration	2	C	£5,428	£2,714	50.0%	4.8%	4.8%	<b>£5,687</b>	<b>£2,844</b>	<b>50.0%</b>
220	Hospitality (Food Processing)	2	F	£3,714	£2,057	44.6%	–0.9%	2.9%	<b>£3,682</b>	<b>£2,117</b>	<b>42.5%</b>
220	Hospitality (Other)	2	J	£3,200	£1,840	42.5%	2.5%	2.5%	<b>£3,280</b>	<b>£1,886</b>	<b>42.5%</b>
220	Hospitality (Prof. Cookery)	2	F	£3,714	£2,057	44.6%	2.5%	6.4%	<b>£3,807</b>	<b>£2,189</b>	<b>42.5%</b>
283	Industrial Applications	2	D	£2,971	£1,828	38.5%	0.8%	2.4%	<b>£2,994</b>	<b>£1,871</b>	<b>37.5%</b>
292	IT Services and Development	2	C	£5,428	£2,714	50.0%	4.3%	4.3%	<b>£5,663</b>	<b>£2,831</b>	<b>50.0%</b>
322	IT User	2	G	£3,200	£1,840	42.5%	14.4%	14.4%	<b>£3,662</b>	<b>£2,106</b>	<b>42.5%</b>
117	Plumbing	2	B	£4,571	£2,492	45.5%	1.5%	–2.3%	<b>£4,639</b>	<b>£2,436</b>	<b>47.5%</b>
260	Team Leadership	2	F	£3,714	£2,160	41.8%	–5.0%	–6.0%	<b>£3,530</b>	<b>£2,030</b>	<b>42.5%</b>
115	Travel Services	2	I	£3,428	£1,714	50.0%	1.2%	1.2%	<b>£3,469</b>	<b>£1,735</b>	<b>50.0%</b>
267	Warehousing & Distribution	2	H	£3,200	£1,840	42.5%	–1.6%	–1.6%	<b>£3,149</b>	<b>£1,811</b>	<b>42.5%</b>

**Table B3.2: Revised NVQ Level 3 rates for frameworks included in phase 2 of the Apprenticeship Rates Review**

NVQ rate – second year of phase 1											
Code	Framework	Level	Funding category	16–18 rate 06/07	19+ rate 06/07	Expected employer contribution 06/07	% 16–18 change 06/07–07/08	% 19+ change 06/07–07/08	16–18 rate 07/08 (inc. inflation)	19+ rate 07/08 (inc. inflation)	Expected employer contribution 07/08
231	Active Leisure and Learning	3	I	£5,485	£3,374	38.5%	–10.0%	–8.6%	<b>£4,935</b>	<b>£3,084</b>	<b>37.5%</b>
101	Agricultural Crops & Livestock	3	A	£5,763	£3,374	41.5%	2.5%	0.7%	<b>£5,907</b>	<b>£3,397</b>	<b>42.5%</b>
219	Amenity Horticulture	3	A	£5,763	£3,374	41.5%	–5.4%	–7.1%	<b>£5,451</b>	<b>£3,134</b>	<b>42.5%</b>
232	Communications	3	C	£11,141	£5,571	50.0%	–3.1%	–3.1%	<b>£10,800</b>	<b>£5,400</b>	<b>50.0%</b>
293	Contact Centres	3	F	£6,932	£3,655	47.3%	–16.5%	–16.9%	<b>£5,787</b>	<b>£3,038</b>	<b>47.5%</b>
263	Customer Service	3	H	£4,606	£3,086	33.0%	–3.0%	–9.5%	<b>£4,468</b>	<b>£2,792</b>	<b>37.5%</b>
295	Driving Goods Vehicles	3	E	£9,408	£5,483	41.7%	–29.7%	–30.7%	<b>£6,611</b>	<b>£3,801</b>	<b>42.5%</b>
247	Equine Industry	3	A	£5,763	£3,374	41.5%	1.2%	–0.6%	<b>£5,832</b>	<b>£3,353</b>	<b>42.5%</b>
215	Furniture Industry	3	C	£11,141	£5,571	50.0%	–31.5%	–31.5%	<b>£7,635</b>	<b>£3,818</b>	<b>50.0%</b>
212	Heating, Ventilation, Air Conditioning and Refrigeration	3	C	£11,141	£5,571	50.0%	–22.8%	–22.8%	<b>£8,596</b>	<b>£4,298</b>	<b>50.0%</b>
220	Hospitality (Prof. Cookery)	3	F	£6,932	£3,655	47.3%	2.5%	2.1%	<b>£7,106</b>	<b>£3,730</b>	<b>47.5%</b>
220	Hospitality (Supervision)	3	J	£5,713	£3,374	40.9%	2.5%	–0.2%	<b>£5,856</b>	<b>£3,367</b>	<b>42.5%</b>
283	Industrial Applications	3	D								
292	IT Services and Development	3	C	£11,141	£5,571	50.0%	–16.9%	–16.9%	<b>£9,259</b>	<b>£4,630</b>	<b>50.0%</b>
322	IT User	3	G	£5,485	£3,374	38.5%	–6.7%	–5.2%	<b>£5,118</b>	<b>£3,199</b>	<b>37.5%</b>
260	Management	3	F	£6,932	£3,655	47.3%	–10.7%	–11.1%	<b>£6,189</b>	<b>£3,249</b>	<b>47.5%</b>
117	Plumbing	3	B	£10,284	£5,142	50.0%	–1.1%	–1.1%	<b>£10,167</b>	<b>£5,083</b>	<b>50.0%</b>
115	Travel Services	3	I	£5,485	£3,374	38.5%	2.5%	4.1%	<b>£5,622</b>	<b>£3,514</b>	<b>37.5%</b>
267	Warehousing & Distribution	3	H	£5,028	£3,374	32.9%	2.5%	–4.5%	<b>£5,154</b>	<b>£3,221</b>	<b>37.5%</b>

Table B4: Summary of funding issues for frameworks included in phase 2 of the Apprenticeship Rates Review

Summary of funding issues – first year of phase 2								
Code	Framework	Rate changes by the review (#)			Most common progression route	NVQ funding category affected	Required proportion of funding remaining if L2 completed before L3*	Learning aim requiring reduction
		Level 2	Level 3	Nested rate				
231	Active Leisure and Learning	-0.6%	-10.0%		L2 to L3	I		
101	Agricultural Crops & Livestock				L2 to L3	A		
219	Amenity Horticulture	7.9%	-5.4%		L2 to L3	A		
232	Communications		-3.1%	Y	Direct to L3	C	46	NVQ Level 3
293	Contact Centres	2.4%	-16.5%		L2 to L3	H		
263	Customer Service	2.0%	-3.0%		L2 to L3	H		
295	Driving Goods Vehicles	0.8%	-29.7%		L2 to L3	E		
247	Equine Industry	2.1%	1.2%		L2 to L3	A		
215	Furniture Industry	6.7%	-31.5%		L2 to L3	C		
212	Heating, Ventilation, Air Conditioning and Refrigeration	4.8%	-22.8%		L2 to L3	C		
220	Hospitality (Food Processing)	-0.9%			L2 to L3	F		
220	Hospitality (Other)				L2 to L3	J		

# All changes recorded next to a framework include an increase for inflation on the 16–18 rate. Where no change is recorded next to the framework, the 16–18 rate will only increase by inflation and the 19+ rate will remain unchanged.

\* The 'proportion of funding remaining' (ILR field A51a) only affects on-programme payments. The achievement element will be unaffected by the reduction. The reduction for the Level 3 NVQs reflects 80% of the Level 2 NVQ rate. The reduction for the Level 2 NVQ reflects 80% of the framework rate.

+ For more specific guidance on the IT User see Appendix 2 to Annex B.

**Table B4: Summary of funding issues for frameworks included in phase 2 of the Apprenticeship Rates Review (cont)**

Summary of funding issues – first year of phase 2								
Code	Framework	Rate changes by the review (#)			Most common progression route	NVQ funding category affected	Required proportion of funding remaining if L2 completed before L3*	Learning aim requiring reduction
		Level 2	Level 3	Nested rate				
220	Hospitality (Prof. Cookery)				L2 to L3	F		
283	Industrial Applications	0.8%			L2 only	D		
292	IT Services and Development	4.3%	-16.9%	Y	Direct to L3	C	80	NVQ Level 3
322	IT User	14.4%	-6.7%		L2 to L3+	G	+	NVQ Level 2 & 3
260	Management	-5.0%	-10.7%		L2 to L3	F		
117	Plumbing	1.5%	-1.1%	Y	Direct to L3	B	52	NVQ Level 3
115	Travel Services	1.2%		Y	Direct to L3	I	36	NVQ Level 3
267	Warehousing & Distribution	-1.6%			L2 to L3	H		

# All changes recorded next to a framework include an increase for inflation on the 16–18 rate. Where no change is recorded next to the framework, the 16–18 rate will only increase by inflation and the 19+ rate will remain unchanged.

\* The 'proportion of funding remaining' (ILR field A51a) only affects on-programme payments. The achievement element will be unaffected by the reduction. The reduction for the Level 3 NVQs reflects 80% of the Level 2 NVQ rate. The reduction for the Level 2 NVQ reflects 80% of the framework rate.

+ For more specific guidance on the IT User see Appendix 2 to Annex B.

**Table B5.1: Revised NVQ Level 2 rates for frameworks included in phases 3 and 4 of the Apprenticeship Rates Review**

NVQ rate – first year of phases 3 and 4											
Code	Framework	Level	Funding category	16–18 rate 06/07	19+ rate 06/07	Expected employer contribution 06/07	% 16–18 change 06/07–07/08	% 19+ change 06/07–07/08	16–18 rate 07/08 (inc. inflation)	19+ 07/08 (inc. inflation)	Expected employer contribution 07/08
262	Animal Care	2	A	£4,114	£2,057	50.0%	2.5%	2.5%	£4,217	£2,108	50.0%
202	Aviation	2	E	£5,447	£2,723	50.0%	–9.3%	–9.3%	£4,940	£2,470	50.0%
279	Beauty Therapy	2	K	£5,256	£2,628	50.0%	–9.4%	–4.9%	£4,762	£2,500	47.5%
282	Building Services Engineers										
228	Carry & Deliver Goods	2	E	£5,447	£2,723	50.0%	–9.8%	–9.8%	£4,913	£2,457	50.0%
103	Chemical, & Refining Industries	2	C	£5,428	£2,714	50.0%	2.5%	2.5%	£5,563	£2,782	50.0%
315	Dental Nursing	2	L	£3,200	£1,994	37.7%	2.5%	2.8%	£3,280	£2,050	37.5%
211	Electricity Industry	2	C	£5,428	£2,714	50.0%	2.5%	2.5%	£5,563	£2,782	50.0%
107	Engineering Construction	2	C	£5,428	£2,714	50.0%	2.5%	2.5%	£5,563	£2,782	50.0%
299	Farriery										
244	Floristry	2	A	£4,114	£2,057	50.0%	2.5%	2.5%	£4,217	£2,108	50.0%
264	Food and Drink Manufacturing Operations	2	D	£2,971	£1,828	38.5%	2.5%	4.1%	£3,045	£1,903	37.5%
316	Game & Wildlife Management	2	A	£4,114	£2,057	50.0%	2.5%	2.5%	£4,217	£2,108	50.0%
265	Gas Industry	2	C	£5,428	£2,714	50.0%	2.5%	2.5%	£5,563	£2,782	50.0%
216	Glass Industry	2	B	£4,571	£2,492	45.5%	2.5%	–1.3%	£4,685	£2,460	47.5%
248	Insurance	2	F	£3,714	£2,160	41.8%	2.5%	1.3%	£3,807	£2,189	42.5%

Note: Sectors listed in blue do not operate a Level 2 framework.

**Table B5.1: Revised NVQ Level 2 rates for frameworks included in phases 3 and 4 of the Apprenticeship Rates Review (cont)**

NVQ rate – first year of phases 3 and 4											
Code	Framework	Level	Funding category	16–18 rate 06/07	19+ rate 06/07	Expected employer contribution 06/07	% 16–18 change 06/07–07/08	% 19+ change 06/07–07/08	16–18 rate 07/08 (inc. inflation)	19+ 07/08 (inc. inflation)	Expected employer contribution 07/08
259	International Trade and Services	2	F	£3,714	£2,160	41.8%	2.5%	1.3%	£3,807	£2,189	42.5%
254	Land-based Service Engineering	2	C	£5,428	£2,714	50.0%	2.5%	2.5%	£5,563	£2,782	50.0%
334	Mail Services	2	H	£3,200	£1,840	42.5%	2.5%	2.5%	£3,280	£1,886	42.5%
234	Marine Industry	2	C	£5,428	£2,714	50.0%	2.5%	2.5%	£5,563	£2,782	50.0%
225	Meat and Poultry Processing	2	D	£2,971	£1,828	38.5%	2.5%	4.1%	£3,045	£1,903	37.5%
113	Metals Processing	2	D	£2,971	£1,828	38.5%	2.5%	4.1%	£3,045	£1,903	37.5%
306	Optical Advisor	2	H	£3,200	£1,840	42.5%	2.5%	2.5%	£3,280	£1,886	42.5%
227	Printing	2	D	£2,971	£1,828	38.5%	2.5%	4.1%	£3,045	£1,903	37.5%
213	Property Services	2	H	£3,200	£1,840	42.5%	2.5%	2.5%	£3,280	£1,886	42.5%
313	Public Services	2	L	£3,200	£1,994	37.7%	2.5%	2.8%	£3,280	£2,050	37.5%
278	Rail Transport Engineering	2	C	£5,428	£2,714	50.0%	2.5%	2.5%	£5,563	£2,782	50.0%
230	Security Industry	2	L	£3,200	£1,994	37.7%	2.5%	2.8%	£3,280	£2,050	37.5%
312	Sporting Excellence										
323	Storage & Warehousing	2	H	£3,200	£1,840	42.5%	-1.6%	-1.6%	£3,149	£1,811	42.5%
276	Textiles	2	D	£2,971	£1,828	38.5%	2.5%	4.1%	£3,045	£1,903	37.5%
206	Transport Engineering and Maintenance	2	C	£5,428	£2,714	50.0%	2.5%	2.5%	£5,563	£2,782	50.0%
317	Veterinary Nursing	2	A	£4,114	£2,057	50.0%	2.5%	2.5%	£4,217	£2,108	50.0%

Note: Sectors listed in blue do not operate a Level 2 framework.

**Table B5.2: Revised NVQ Level 3 rates for frameworks included in phases 3 and 4 of the Apprenticeship Rates Review**

NVQ rate – first year of phases 3 and 4											
Code	Framework	Level	Funding category	16–18 rate 06/07	19+ rate 06/07	Expected employer contribution 06/07	% 16–18 change 06/07–07/08	% 19+ change 06/07–07/08	16–18 rate 07/08 (inc. inflation)	19+ 07/08 (inc. inflation)	Expected employer contribution 07/08
262	Animal Care	3	A	£5,763	£3,374	41.5%	2.5%	0.7%	£5,907	£3,397	42.5%
202	Aviation	3	E	£9,408	£5,483	41.7%	–17.8%	–18.9%	£7,734	£4,447	42.5%
279	Beauty Therapy	3	K	£6,399	£3,374	47.3%	–0.1%	–0.5%	£6,395	£3,357	47.5%
282	Building Services Engineers	3	F	£6,932	£3,655	47.3%	2.5%	2.1%	£7,106	£3,730	47.5%
228	Carry & Deliver Goods	3									
103	Chemical & Refining Industries	3	C	£11,141	£5,571	50.0%	2.5%	2.5%	£11,420	£5,710	50.0%
315	Dental Nursing	3	L	£5,485	£3,374	38.5%	2.5%	4.1%	£5,622	£3,514	37.5%
211	Electricity Industry	3	C	£11,141	£5,571	50.0%	2.5%	2.5%	£11,420	£5,710	50.0%
107	Engineering Construction	3	C	£11,141	£5,571	50.0%	2.5%	2.5%	£11,420	£5,710	50.0%
299	Farriery	3	D	£10,646	£5,981	43.8%	2.5%	4.9%	£10,912	£6,275	42.5%
244	Floristry	3	A	£5,763	£3,374	41.5%	2.5%	0.7%	£5,907	£3,397	42.5%
264	Food and Drink Manufacturing Operations	3	D	£10,646	£5,981	43.8%	2.5%	4.9%	£10,912	£6,275	42.5%
316	Game & Wildlife Management	3	A	£5,763	£3,374	41.5%	2.5%	0.7%	£5,907	£3,397	42.5%
265	Gas Industry	3	C	£11,141	£5,571	50.0%	2.5%	2.5%	£11,420	£5,710	50.0%
216	Glass Industry	3	B	£10,284	£5,142	50.0%	2.5%	2.5%	£10,541	£5,271	50.0%
248	Insurance	3	F	£6,932	£3,655	47.3%	2.5%	2.1%	£7,106	£3,730	47.5%

Note: Sectors listed in blue do not operate a Level 3 framework.

**Table B5.2: Revised NVQ Level 3 rates for frameworks included in phases 3 and 4 of the Apprenticeship Rates Review (cont)**

NVQ rate – first year of phases 3 and 4											
Code	Framework	Level	Funding category	16–18 rate 06/07	19+ rate 06/07	Expected employer contribution 06/07	% 16–18 change 06/07–07/08	% 19+ change 06/07–07/08	16–18 rate 07/08 (inc. inflation)	19+ 07/08 (inc. inflation)	Expected employer contribution 07/08
259	International Trade and Services	3									
254	Land-based Service Engineering	3	C	£11,141	£5,571	50.0%	2.5%	2.5%	£11,420	£5,710	50.0%
334	Mail Services	3									
234	Marine Industry	3	C	£11,141	£5,571	50.0%	2.5%	2.5%	£11,420	£5,710	50.0%
225	Meat and Poultry Processing	3	D	£10,646	£5,981	43.8%	2.5%	4.9%	£10,912	£6,275	42.5%
113	Metals Processing	3	D	£10,646	£5,981	43.8%	2.5%	4.9%	£10,912	£6,275	42.5%
306	Optical Advisor	3	H	£5,028	£3,374	32.9%	2.5%	–4.5%	£5,154	£3,221	37.5%
227	Printing	3	D	£10,646	£5,981	43.8%	2.5%	4.9%	£10,912	£6,275	42.5%
213	Property Services	3	H	£5,028	£3,374	32.9%	2.5%	–4.5%	£5,154	£3,221	37.5%
313	Public Services	3									
278	Rail Transport Engineering	3	C	£11,141	£5,571	50.0%	2.5%	2.5%	£11,420	£5,710	50.0%
230	Security Industry	3	C	£11,141	£5,571	50.0%	2.5%	2.5%	£11,420	£5,710	50.0%
312	Sporting Excellence	3	I	£5,485	£3,374	38.5%	2.5%	4.1%	£5,622	£3,514	37.5%
323	Storage & Warehousing	3	H	£5,028	£3,374	32.9%	2.5%	–4.5%	£5,154	£3,221	37.5%
276	Textiles	3	D	£10,646	£5,981	43.8%	2.5%	4.9%	£10,912	£6,275	42.5%
206	Transport Engineering and Maintenance	3	C	£11,141	£5,571	50.0%	2.5%	2.5%	£11,420	£5,710	50.0%
317	Veterinary Nursing	3	A	£5,763	£3,374	41.5%	2.5%	0.7%	£5,907	£3,397	42.5%

Note: Sectors listed in blue do not operate a Level 3 framework.

**Table B6: Summary of funding issues for frameworks included in phases 3 and 4 of the Apprenticeship Rates Review**

Summary of funding issues – first year of phases 3 and 4								
Code	Framework	Rate changes by the review (#)			Most common progression route	NVQ funding category affected	Required proportion of funding remaining if L2 completed before L3*	Learning aim requiring reduction
		Level 2	Level 3	Nested rate				
262	Animal Care				L2 to L3	A		
202	Aviation	-21.1%	-17.8%		L2 to L3	E		
279	Beauty Therapy	-9.4%	-0.1%		L2 to L3	K		
282	Building Services Engineers				L2 to L3	F		
228	Carry & Deliver Goods	-9.8%			L2 to L3	E		
103	Chemical & Refining Industries			Y	Direct to L3	C	49	NVQ Level 3
315	Dental Nursing				L2 to L3	L		
211	Electricity Industry			Y	Direct to L3	C	49	NVQ Level 3
107	Engineering Construction			Y	Direct to L3	C	49	NVQ Level 3
299	Farriery				Direct to L3 (no L2)	D		
244	Floristry				L2 to L3	A		
264	Food and Drink Manufacturing Operations			Y	Direct to L3	D	71	NVQ Level 3
316	Game & Wildlife Management				L2 to L3	A		
265	Gas Industry			Y	Direct to L3	C	49	NVQ Level 3

# All changes recorded next to a framework include an increase for inflation on the 16–18 rate. Where no change is recorded next to the framework, the 16–18 rate will only increase by inflation and the 19+ rate will remain unchanged.

\* The 'proportion of funding remaining' (ILR field A51a) only affects on-programme payments. The achievement element will be unaffected by the reduction. The reduction for the Level 3 NVQs reflects 80% of the Level 2 NVQ rate.

**Table B6: Summary of funding issues for frameworks included in phases 3 and 4 of the Apprenticeship Rates Review (cont)**

Summary of funding issues – first year of phases 3 and 4								
Code	Framework	Rate changes by the review (#)			Most common progression route	NVQ funding category affected	Required proportion of funding remaining if L2 completed before L3*	Learning aim requiring reduction
		Level 2	Level 3	Nested rate				
216	Glass Industry			Y	Direct to L3	B	53	NVQ Level 3
248	Insurance				L2 to L3	F		
259	International Trade and Services				L2 to L3	F		
254	Land-based Service Engineering			Y	Direct to L3	C	49	NVQ Level 3
334	Mail Services				L2 to L3	H		
234	Marine Industry			Y	Direct to L3	C	49	NVQ Level 3
225	Meat and Poultry Processing			Y	Direct to L3	D	71	NVQ Level 3
113	Metals Processing			Y	Direct to L3	D	71	NVQ Level 3
306	Optical Advisor				L2 to L3	H		
227	Printing			Y	Direct to L3	D	71	NVQ Level 3
213	Property Services				L2 to L3	H		

# All changes recorded next to a framework include an increase for inflation on the 16–18 rate. Where no change is recorded next to the framework, the 16–18 rate will only increase by inflation and the 19+ rate will remain unchanged.

\* The 'proportion of funding remaining' (ILR field A51a) only affects on-programme payments. The achievement element will be unaffected by the reduction. The reduction for the Level 3 NVQs reflects 80% of the Level 2 NVQ rate.

**Table B6: Summary of funding issues for frameworks included in phases 3 and 4 of the Apprenticeship Rates Review (cont)**

Summary of funding issues – first year of phases 3 and 4								
Code	Framework	Rate changes by the review (#)			Most common progression route	NVQ funding category affected	Required proportion of funding remaining if L2 completed before L3*	Learning aim requiring reduction
		Level 2	Level 3	Nested rate				
313	Public Services				L2 to L3	L		
278	Rail Transport Engineering			Y	Direct to L3	C	49	NVQ Level 3
230	Security Industry			Y	Direct to L3	C	49	NVQ Level 3
312	Sporting Excellence				L2 to L3	I		
323	Storage & Warehousing	-1.6%			L2 to L3	H		
276	Textiles			Y	Direct to L3	D	71	NVQ Level 3
206	Transport Engineering and Maintenance			Y	Direct to L3	C	49	NVQ Level 3
317	Veterinary Nursing				L2 to L3	A		

# All changes recorded next to a framework include an increase for inflation on the 16–18 rate. Where no change is recorded next to the framework, the 16–18 rate will only increase by inflation and the 19+ rate will remain unchanged.

\* The 'proportion of funding remaining' (ILR field A51a) only affects on-programme payments. The achievement element will be unaffected by the reduction. The reduction for the Level 3 NVQs reflects 80% of the Level 2 NVQ rate.

# Appendix 1 to Annex B:

## Conclusions of Apprenticeship Rates Review for 2006/07 and 2007/08

### Second-year Effects of Changes Started in Phase One in 2006/07

#### Accountancy

**1** 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 a Level 2 before progressing to Level 3. A learner should only progress direct to Level 3 if other prior qualifications or experiences 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.

**2** The study identified that the enhancement established for knowledge and understanding in 2005/06 (£999) is supported at Level 2 but is not supported at Level 3 or Level 4. Therefore, it will continue at Level 2 and has been removed from the NVQ rate at Level 3 following representations from the Association of Learning Providers (ALP). This change is being implemented over two years. This has meant a 7.5 per cent reduction in the NVQ Level 3 rate for 2006/07 and a further 7.5 per cent for 2007/08.

**3** 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 20–21 per cent. This means an overall reduction of 35 per cent. The reductions have been applied to the 16–18 rates and are being made over two years, with 2007/08 the final year.

**4** The same adjustments have been applied to the Payroll framework.

**5** The expected employer contribution for learners aged 19 or over has been adjusted to 42.5 per cent for Level 2 and to 37.5 per cent for Level 3.

**6** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ increases by 1.5 per cent
- 16–18 Level 3 NVQ decreases by 19.6 per cent
- 19+ Level 2 NVQ decreases by 2.5 per cent
- 19+ Level 3 NVQ decreases by 19 per cent.

#### Business Administration

**7** This framework is funded as two separate episodes of learning. It is assumed that learners will complete a Level 2 before progressing to Level 3. A learner should only progress direct to Level 3 if other prior qualifications or experiences 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.

**8** The study identified that the activities did not fully support the rate in 2005/06 and that there was a funding overlap between the NVQ and the Technical Certificate. Therefore, there has been 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 is being applied over two years, with 2007/08 the final year.

**9** The expected employer contribution for learners aged 19 or over has been adjusted to 42.5 per cent for Level 2 and to 37.5 per cent for Level 3.

**10** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ increases by 1.1 per cent
- 16–18 Level 3 NVQ decreases by 16.9 per cent
- 19+ Level 2 NVQ increases by 1.2 per cent
- 19+ Level 3 NVQ decreases by 14.9 per cent.

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

**12** The Business Administration framework was reviewed again in 2005/06 by a sector-led review. The review confirmed the findings from phase one of the Apprenticeship Rates Review.

## Children's Care, Learning and Development

**13** This framework is funded as two separate episodes of learning. It is assumed that learners will complete a Level 2 before progressing to Level 3. A learner should only progress direct to Level 3 if other prior qualifications or experiences 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.

**14** The study established that the NVQ Level 2 rate was under-funded in 2005/06 due to the expansion of the framework to 0–16-year-olds and it has been increased by 12–13 per cent over two years, with 2007/08 the final year.

**15** The study identified that the activities at Level 3 did not fully support the 2005/06 rate. Therefore, the NVQ Level 3 rate has been reduced by 12 per cent. This reduction has been implemented over two years, with 2007/08 the final year.

**16** The expected employer contribution for learners aged 19 or over has been adjusted to 37.5 per cent for both Level 2 and Level 3.

**17** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ increases by 8.5 per cent
- 16–18 Level 3 NVQ decreases by 3.8 per cent
- 19+ Level 2 NVQ increases by 8.5 per cent
- 19+ Level 3 NVQ decreases by 2 per cent.

## Construction

**18** This framework is funded as two separate episodes of learning. It is assumed that learners will complete a Level 2 before progressing to Level 3. A learner should only progress direct to Level 3 if other prior qualifications or experiences 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.

**19** 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.

**20** 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 has been adjusted to follow this route from 2006/07.

**21** 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 has an equivalent qualification, then 20 per cent of the framework has been completed. Therefore, a reduction of 20 per cent in the framework rate will be made. This will be made against the NVQ Level 2 rate by entering 62 per cent into ILR field A51a (see Table B7). All other elements of the framework at Level 2 will be paid in full.

**Table B7: Calculating the required proportion of funding remaining to be claimed in field A51a for framework 116 Construction in 2007/08**

	16–18 2007/08	19+ 2007/08		16–18 2007/08	19+ 2007/08
<b>CONSTRUCTION Level 2</b>					
L2 (framework rate)	£8,521	£5,185	L2 (NVQ) On-programme funding	£4,379	£2,518
L2 (NVQ rate)	£5,838	£3,357	L2 (NVQ) Achievement	£1,460	£839
			<b>Required proportion of funding</b>	<b>62%</b>	<b>62%</b>
20% L2 (framework rate)	£1,704	£1,037	Calculation in A51a	£2,715	£1,561
<b>L2 (reduced NVQ rate)</b>	<b>£4,134</b>	<b>£2,320</b>	<b>Reduction plus achievement</b>	<b>£4,174</b>	<b>£2,400</b>

**22** The NVQ at Level 3 is being funded for NVQ Level 3 activities only. The Level 2 learning has been removed from the rate. The NVQ Level 3 has therefore been reduced by 44 per cent. At the request of the industry, this has been implemented over two years, with 2007/08 the final year.

**23** In 2006/07, a top-up payment was agreed for learners still in learning on their programme who had originally enrolled on the direct Level 3 pathway. It was assumed that this would generally affect learners who started in 2004. It was agreed that this was an interim measure effective until 31 July 2007. Any affected learners still in learning in 2007/08 will therefore not be eligible for a top-up payment.

**24** The study established that the Apprenticeship is where the bulk of the learning takes place and identified that it was under-funded. Therefore, the NVQ Level 2 rate has risen by 25 per cent over two years. In addition, the Level 3 activities did not reflect the 2005/06 rates. Therefore, a further reduction of 10 per cent over two years was made on the NVQ Level 3 rate, with 2007/08 the final year.

**25** The expected employer contribution for learners aged 19 or over has been adjusted to 42.5 per cent for Level 2 and has been capped at 50 per cent for Level 3.

**26** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ increases by 13.7 per cent
- 16–18 Level 3 NVQ decreases by 35.4 per cent
- 19+ Level 2 NVQ increases by 18.6 per cent
- 19+ Level 3 NVQ decreases by 35.6 per cent.

## Electro-technical

**27** This framework is currently funded as a direct Level 3 framework, since this is when an apprentice is deemed skilled. However, there is significant scope to claim over-funding by claiming Level 2 funding before an Advanced Apprenticeship is commenced.

**28** The project established that there is currently an imbalance between Level 2 funding, where activities currently generate more cost than the rate provides for, and Level 3, where funding is not supported by the activities.

**29** 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 Level 2, and is reducing the NVQ Level 3 rate by 13 per cent for 16–18-year-old apprentices over two years, with 2007/08 the final year.

**30** A compulsory reduction of 80 per cent of the NVQ Level 2 rate is also required where an apprentice has completed an Apprenticeship, NVQ Level 2 or an equivalent qualification before commencing an Advanced Apprenticeship. This applies to all apprentices starting from 2006/07 onwards. The reduction will be done by entering 40 per cent into field A51a of the ILR (see Table B8).

**Table B8: Calculating the required proportion of funding remaining to be claimed in field A51a for framework 105 Electro-technical in 2007/08**

ELECTRO-TECHNICAL	16–18	19+		16–18	19+
	2007/08	2007/08		2007/08	2007/08
L2	£5,563	£2,782	L3 On-programme funding	£7,416	£3,708
L3	£9,888	£4,944	L3 Achievement	£2,472	£1,236
<b>Total</b>	<b>£15,451</b>	<b>£7,726</b>	<b>Required proportion of funding</b>	<b>40%</b>	<b>40%</b>
80% L2	£4,451	£2,225	Calculation in A51a	£2,966	£1,483
L3 reduced	£5,437	£2,719	<b>Reduction plus achievement</b>	<b>£5,438</b>	<b>£2,719</b>
<b>Total progression funding</b>	<b>£11,001</b>	<b>£5,500</b>	<b>Total progression funding</b>	<b>£11,002</b>	<b>£5,501</b>

**31** The expected employer contribution has been capped at 50 per cent for both Level 2 and Level 3.

**32** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ increases by 2.5 per cent
- 16–18 Level 3 NVQ decreases by 4.9 per cent
- 19+ Level 2 NVQ increases by 1.8 per cent
- 19+ Level 3 NVQ decreases by 5.6 per cent.

## Engineering

**33** 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.

**34** Therefore, a compulsory 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 42 per cent in field A51a of the ILR (see Table B9).

**Table B9: Calculating the required proportion of funding remaining to be claimed in field A51a for framework 106 Engineering in 2007/08**

ENGINEERING	16–18	19+		16–18	19+
	2007/08	2007/08		2007/08	2007/08
L2	£6,481	£3,240	L3 On-programme funding	£8,811	£4,406
L3	£11,749	£5,874	L3 Achievement	£2,937	£1,469
<b>Total</b>	<b>£18,229</b>	<b>£9,115</b>	<b>Required proportion of funding</b>	<b>42%</b>	<b>42%</b>
80% L2	£5,184	£2,592	Calculation in A51a	£3,701	£1,850
L3 reduced	£6,564	£3,282	<b>Reduction plus achievement</b>	<b>£6,638</b>	<b>£3,319</b>
<b>Total progression funding</b>	<b>£13,045</b>	<b>£6,522</b>	<b>Total progression funding</b>	<b>£13,119</b>	<b>£6,559</b>

**35** 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.

**36** As a result of the activity analysis, the NVQ Level 2 rate was increased by 16 per cent and the NVQ Level 3 rate was increased by 3 per cent, both over two years, with 2007/08 the final year.

**37** The expected employer contribution was capped at 50 per cent for both Level 2 and Level 3.

**38** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ increases by 10.3 per cent
- 16–18 Level 3 NVQ increases by 4 per cent
- 19+ Level 2 NVQ increases by 9.4 per cent
- 19+ Level 3 NVQ increases by 3.8 per cent.

## Hairdressing

**39** This framework is funded as two separate episodes of learning. It is assumed that learners will complete a Level 2 before progressing to Level 3. A learner should only progress direct to Level 3 if other prior qualifications or experiences 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.

**40** The study identified that the activities at Level 3 did not fully support the rate in 2005/06. Therefore, the NVQ Level 3 rate has been reduced by 12 per cent. This reduction is being implemented over two years, with 2007/08 the final year. The reduction at Level 3 has also been applied to the Barbering framework.

**41** The expected employer contribution for learners aged 19 or over has been capped at 50 per cent for Level 2 and has been adjusted to 47.5 per cent for Level 3.

**42** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ increases by 2.5 per cent
- 16–18 Level 3 NVQ decreases by 3.9 per cent
- 19+ Level 2 NVQ increases by 2.5 per cent
- 19+ Level 3 NVQ decreases by 4.1 per cent.

## Health and Social Care

**43** This framework is funded as two separate episodes of learning. It is assumed that learners will complete a Level 2 before progressing to Level 3. A learner should only progress direct to Level 3 if other prior qualifications or experiences 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 the Level 2 was under-funded in 2005/06 and the NVQ Level 2 rate has risen by 11 per cent over two years, with 2007/08 the final year.

**45** The study identified that the activities at Level 3 did not fully support the 2005/06 rate. Therefore, the Level 3 NVQ rate has been reduced by 20–21 per cent. This reduction is being implemented over two years, with 2007/08 the final year. This will apply to both Social Care and Health Care qualifications.

**46** The expected employer contribution for learners aged 19 or over has been adjusted to 37.5 per cent for both Level 2 and Level 3.

**47** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ increases by 7.8 per cent
- 16–18 Level 3 NVQ decreases by 8.9 per cent
- 19+ Level 2 NVQ increases by 7.8 per cent
- 19+ Level 3 NVQ decreases by 7.1 per cent.

## Retail

**48** This framework is funded as two separate episodes of learning. It is assumed that learners will complete a Level 2 before progressing to Level 3. A learner should only progress direct to Level 3 if other prior qualifications or experiences 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.

**49** The study identified that the activities did not fully support the 2005/06 rates, and that there was a funding overlap between the NVQ and the Technical Certificate. Therefore, the NVQ Level 3 has been reduced by 17 per cent. This reduction applies to the 16–18 rates and is being implemented over two years, with 2007/08 the final year. At Level 2, the current rates were more than justified by the activities. There has therefore been a 1 per cent increase in the Level 2 NVQ rate for 16–18-year-old learners over two years, with 2007/08 the final year.

**50** The expected employer contribution for learners aged 19 or over has been adjusted to 42.5 per cent for Level 2 and to 37.5 per cent for Level 3.

**51** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ increases by 2.9 per cent
- 16–18 Level 3 NVQ decreases by 6.9 per cent
- 19+ Level 2 NVQ increases by 2.8 per cent
- 19+ Level 3 NVQ decreases by 13.1 per cent.

## Retail Motor Vehicle

**(includes the following frameworks: Roadside Assistance and Recovery; Vehicle Body and Paint Operations; Vehicle Fitting; Vehicle Maintenance and Repair; and Vehicle Parts Operations)**

**52** This framework was funded in 2005/06 as a direct Level 3 framework, since Level 3 was viewed as the level at which an apprentice becomes skilled. Changes to the working patterns in the industry – and therefore to the framework introduced in 2005 (framework 4) – have meant that it has been funded as separate learning episodes (that is, Level 2 and then Level 3) from 2006/07.

**53** As a result, as of 2006/07, this framework has been funded as two separate episodes of learning. A learner should only progress direct to Level 3 if other prior qualifications or experiences mean the Level 2 is not necessary. Therefore, there is no longer a requirement to reduce Level 3 funding if a Level 2 is delivered before a Level 3.

**54** In 2006/07 a top-up payment was agreed for learners still on programme and in learning who had originally enrolled on the direct Level 3 pathway. It was assumed that this would generally affect learners who started in 2004. It was agreed that this was an interim measure effective until 31 July 2007. Any affected learners still in learning in 2007/08 will therefore not be eligible for a top-up payment.

**55** In addition to removing the Level 2 funding from the Level 3 rate, the activities at Level 2 exceeded the current rates and were therefore increased by 2 per cent over two years, with 2007/08 the final year. The activity data did not support the rate at Level 3, and the rate was reduced by a further 15 per cent over two years, with 2007/08 the final year.

**56** The expected employer contribution for learners aged 19 or over has been capped at 50 per cent for Level 2 and has been adjusted to 37.5 per cent for Level 3.

**57** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ increases by 3.5 per cent
- 16–18 Level 3 NVQ decreases by 14.9 per cent
- 19+ Level 2 NVQ increases by 2.7 per cent
- 19+ Level 3 NVQ decreases by 18.8 per cent.

## First-year Effects of Changes Started in Phase Two in 2007/08

### Active Leisure and Learning

**58** This framework is funded as two separate episodes of learning. It is assumed that learners will complete a Level 2 before progressing to Level 3. A learner should only progress direct to Level 3 if other prior qualifications or experiences 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.

**59** There are a number of pathways through the Active Leisure and Learning framework. The current rates for all NVQs are consistent, although the Playwork NVQs have a different funding category. The activity cost analysis focused on Instructing Exercise and Fitness, as it was felt that this was the most popular and representative route. Therefore, the rate for all the NVQs in the framework will be based on the Instructing Exercise and Fitness route.

**60** Further work is, however, recommended in the following areas.

- The Operational Services route should be reviewed when the framework is renewed, as its delivery structure differs the most from Instructing Exercise and Fitness.
- The large selection of Technical Certificates means that the relationship between the Technical Certificates and NVQs is hard to establish. Skills Active is requested to produce a guide to clarify the various pathways through the framework.

**61** The study identified that the activities 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 6.1 per cent and a reduction in the Level 3 rate of 24.4 per cent. The reductions will apply to the 16–18 rates, and will be made over the two years 2007/08 and 2008/09.

**62** The expected employer contribution for learners aged 19 or over has been capped at 50 per cent for Level 2 and has been adjusted to 37.5 per cent for Level 3.

**63** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ decreases by 0.6 per cent
- 16–18 Level 3 NVQ decreases by 10 per cent
- 19+ Level 2 NVQ decreases by 0.6 per cent
- 19+ Level 3 NVQ decreases by 8.6 per cent.

## Agricultural Crops and Livestock

**64** This framework is funded as two separate episodes of learning. It is assumed that learners will complete a Level 2 before progressing to Level 3. A learner should only progress direct to Level 3 if other prior qualifications or experiences 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.

**65** The project was unable to establish acceptable evidence to assess the activities in the framework. However, the framework will be subject to review upon submission of the next framework revision to the Skills for Business Apprenticeships Approval Group.

**66** The expected employer contribution has been capped at 50 per cent.

**67** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ increases by 2.5 per cent
- 16–18 Level 3 NVQ increases by 2.5 per cent
- 19+ Level 2 NVQ increases by 2.5 per cent
- 19+ Level 3 NVQ increases by 0.7 per cent.

## Amenity Horticulture

**68** This framework is funded as two separate episodes of learning. It is assumed that learners will complete a Level 2 before progressing to Level 3. A learner should only progress direct to Level 3 if other prior qualifications or experiences 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.

**69** There are two pathways through the framework – one for mobile landscape gardeners and another for grounds keepers. The panel was unable to separate the two when considering the evidence. The adjustment to the rates will therefore apply to both pathways.

**70** The study identified that the activities at Level 3 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 15.4 per cent. This reduction will apply to the 16–18 rates and will be made over the two years 2007/08 and 2008/09. At Level 2, the activities exceeded the current rates. There will therefore be a 10.6 per cent increase in the Level 2 NVQ rate over the two years 2007/08 and 2008/09.

**71** The expected employer contribution for learners aged 19 or over has been capped at 50 per cent for Level 2 and has been adjusted to 42.5 per cent for Level 3.

**72** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ increases by 7.9 per cent
- 16–18 Advanced Apprenticeship decreases by 5.4 per cent
- 19+ Level 2 NVQ increases by 7.9 per cent
- 19+ Advanced Apprenticeship decreases by 7.1 per cent.

## Communications

**73** This framework is funded as a direct Level 3. However, an advanced apprentice may complete an Apprenticeship or NVQ at Level 2 (or gain an equivalent qualification) before commencing the Advanced Apprenticeship. Therefore, there is significant scope to claim over-funding by claiming Level 2 funding before an Advanced Apprenticeship is commenced.

**74** All the providers included in the study offered the direct Level 3 route. The Level 2 is most common in the Ministry of Defence (MoD). There was therefore insufficient data to review the Level 2 rate. The study identified that the activities at Level 3 did not fully support the current rates and that there was an overlap between the NVQ and the Technical Certificate. There will therefore be a reduction in the NVQ Level 3 rate of 10.9 per cent. The reduction in the Level 3 rate will be made over the two years 2007/08 and 2008/09. The funding for the Level 2 NVQ will remain unchanged until the framework is next submitted for approval.

**75** Where a new starter commences an Advanced Apprenticeship after completing an Apprenticeship, an NVQ at Level 2 or some equivalent qualification, 80 per cent of the NVQ Level 2 rate is to be abated from the NVQ Level 3 funding. This will be done by entering 46 per cent into field A51a of the ILR (see Table B10).

**Table B10: Calculating the required proportion of funding remaining to be claimed in field A51a for framework 232 Communications in 2007/08**

COMMUNICATIONS	16–18	19+		16–18	19+
	2007/08	2007/08		2007/08	2007/08
L2	£5,563	£2,782	L3 On-programme funding	£8,100	£4,050
L3	£10,800	£5,400	L3 Achievement	£2,700	£1,350
<b>Total</b>	<b>£16,363</b>	<b>£8,182</b>	<b>Required proportion of funding</b>	<b>46%</b>	<b>46%</b>
80% L2	£4,451	£2,225	Calculation in A51a	£3,726	£1,863
L3 reduced	£6,349	£3,174	<b>Reduction plus achievement</b>	<b>£6,426</b>	<b>£3,213</b>
<b>Total progression funding</b>	<b>£11,912</b>	<b>£5,956</b>	<b>Total progression funding</b>	<b>£11,989</b>	<b>£5,995</b>

**76** The expected employer contribution for learners aged 19 or over has been capped at 50 per cent for both Level 2 and Level 3.

**77** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ increases by 2.5 per cent
- 16–18 Level 3 NVQ decreases by 3.1 per cent
- 19+ Level 2 NVQ increases by 2.5 per cent
- 19+ Level 3 NVQ decreases by 3.1 per cent.

## Contact Centres

**78** This framework is funded as two separate episodes of learning. It is assumed that learners will complete a Level 2 before progressing to Level 3. A learner should only progress direct to Level 3 if other prior qualifications or experiences 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.

**79** The study identified that the activities did not fully support the current rates at either Level 2 or Level 3 and that there was a funding overlap between the NVQ and the Technical Certificate. Since this is a relatively new framework, the study also took into consideration other similar and more established frameworks, such as the Customer Service framework. The activities in the Contact Centres framework were lower than in the Customer Service framework, although it is expected that, as a new framework, it will seek to deliver comparable levels of activity as it becomes established. In order to support the establishment of the new framework, the rates for the Level 2 and Level 3 NVQs will be based on the Customer Service rates. This decision will be reviewed following the renewal of the framework.

**80** There will therefore be a reduction in the NVQ Level 2 rate of 0.6 per cent and a reduction in the Level 3 rate of 40.7 per cent. The reductions will apply to the 16–18 rates and will be made over the two years 2007/08 and 2008/09.

**81** The expected employer contribution for learners aged 19 or over has been adjusted to 42.5 per cent for Level 2 and has been capped at 50 per cent for Level 3.

**82** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ increases by 2.4 per cent
- 16–18 Level 3 NVQ decreases by 16.5 per cent
- 19+ Level 2 NVQ increases by 2.4 per cent
- 19+ Level 3 NVQ decreases by 16.9 per cent.

## Customer Service

**83** This framework is funded as two separate episodes of learning. It is assumed that learners will complete a Level 2 before progressing to Level 3. A learner should only progress direct to Level 3 if other prior qualifications or experiences 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.

**84** The Customer Service NVQs were affected by the changes implemented in the first year of phase one for Retail. The Apprenticeship rate was increased by 0.4 per cent and the Advanced Apprenticeship rate was decreased by 9.3 per cent. The framework has now been assessed separately and the rates will be set in line with other changes in phase two.

**Table B11: Calculating the required proportion of funding remaining to be claimed in field A51a for framework 295 Driving Goods Vehicles in 2007/08**

DRIVING GOODS VEHICLES Level 2	16–18 2007/08	19+ 2007/08		16–18 2007/08	19+ 2007/08
L2 (NVQ rate)	£5,400	£2,700	L2 (NVQ) On-programme funding	£4,050	£2,025
Additional costs of learning for category C licence	£1,100	£550	L2 (NVQ) Achievement	£1,350	£675
			<b>Required proportion of funding</b>	<b>73%</b>	<b>73%</b>
			Calculation in A51a	£2,956	£1,478
<b>L2 (reduced NVQ rate)</b>	<b>£4,300</b>	<b>£2,150</b>	<b>Reduction plus achievement</b>	<b>£4,306</b>	<b>£2,153</b>

**85** The study identified that the activities did not fully support the current rates at either Level 2 or Level 3 and that there was a funding overlap between the NVQ and the Technical Certificate. There will therefore be a reduction in the NVQ Level 2 rate of 1 per cent and a reduction in the Level 3 rate of 10.7 per cent. The reductions will apply to the 16–18 rates and will be made over the two years 2007/08 and 2008/09.

**86** The expected employer contribution for learners aged 19 or over has been adjusted to 42.5 per cent for Level 2 and to 37.5 per cent for Level 3.

**87** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ increases by 2 per cent
- 16–18 Level 3 NVQ decreases by 3 per cent
- 19+ Level 2 NVQ increases by 1.9 per cent
- 19+ Level 3 NVQ decreases by 9.5 per cent.

## Driving Goods Vehicles

**88** This framework is funded as two separate episodes of learning. It is assumed that learners will complete a Level 2 before progressing to Level 3. A learner should only progress direct to Level 3 if other prior qualifications or experiences 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.

**89** The review considered funding of the activities required for achievement of a category C licence in the Apprenticeship. As a category C licence is a requirement for completing the Apprenticeship, the activities

required to support the learning towards the licence were included in the review. However, the actual costs of the licence itself were excluded, and providers delivering the framework on behalf of the MoD will also be expected to exclude the additional costs of £1,100 when delivering the Level 2 framework. This reduction will also apply where it is not necessary to deliver the learning for a category C licence (such as when the learner already holds the licence). This will be done by entering 73 per cent into field A51a of the ILR (see Table B11).

**90** Similar consideration was given to whether or not the cost of learning towards the category C + E licence for the Level 3 NVQ was eligible for funding. However, as it is not required for completion of the Level 3 framework it is not eligible for inclusion in the funding.

**91** Currently the NVQ rate at Level 3 supports activities at both Level 2 and Level 3. The NVQ at Level 3 will now be funded for NVQ Level 3 activities only. The Level 2 learning will be removed from the rate. The NVQ Level 3 rate will therefore be reduced by 62.9 per cent. At the request of the sector, this will be reduced over the two years 2007/08 and 2008/09. This may disadvantage some direct Advanced Apprenticeship entrants. Where apprentices are already in learning and did not complete an NVQ at Level 2 or gain an equivalent qualification before starting, they will attract the full direct Level 3 funding for one year until 31 July 2008. This will be by way of a supplement claimed through the TPS.

**92** The activities at Level 2 did not support the current rate. There will therefore be a reduction of 3.3 per cent in the Level 2 NVQ rate for 16–18-year-old learners over the two years 2007/08 and 2008/09.

**Table B12: Calculation of claim for funding category E (Driving Goods Vehicles) before 31 July 2007**

DRIVING GOODS VEHICLES	16–18	19+
2006/07	£9,408.14	£5,482.97
2007/08	£6,610.96	£3,801.30
<b>Difference between 2006/07 and 2007/08</b>	£2,797.18	£1,681.67
<b>Difference as a percentage of 2007/08 rate</b>	42%	44%

**93** The expected employer contribution for learners aged 19 or over has been capped at 50 per cent for Level 2 and has been adjusted to 42.5 per cent for Level 3.

**94** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ increases by 0.8 per cent
- 16–18 Level 3 NVQ decreases by 29.7 per cent
- 19+ Level 2 NVQ decreases by 0.8 per cent
- 19+ Level 3 NVQ decreases by 30.7 per cent.

### Level 3 direct top-up payments for Driving Goods Vehicles

**95** In the case of learners who started an NVQ in framework 295 Driving Goods Vehicles with a funding category of E before 31 July 2007 and who have not completed an NVQ at Level 2 or gained an equivalent qualification, providers are entitled to claim the difference between the 2006/07 and 2007/08 rates through the TPS for 2007/08 only. The recommended means of working out the value of the claim is to calculate the difference as a percentage of the 2007/08 rate, as in Table B12.

### Monthly payments

**96** To calculate the monthly payment uplift amount, the provider is only required to perform the calculation once for 2007/08. For all eligible learners on the 2007/08 PFR for period 1, it is possible to take the monthly rate for the affected qualifications and multiply that by the relevant factor (for 16–18: 0.42 and for 19+: 0.44). This will give the top-up amount to be claimed each month for all learners attracting 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 (see Example 1).

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

<b>Monthly amount:</b>	£203.84 (from PFR 1 07/08)
<b>TPS claim amount:</b>	£203.84 x 0.42 = £85.61
<b>Number of affected learners in learning with similar monthly amount:</b>	20
<b>Total TPS claim for monthly payments:</b>	£85.61 x 20 = £1,712.20

### Balancing payments

**97** 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 eligible learners affected. This amount can be multiplied by the relevant factor in Table B12 to derive the value to be claimed through the TPS (see Example 2).

### Example 2: Two-month balancing payment for a 16–18-year-old learner

<b>Balancing payment:</b>	£407.68
<b>TPS claim amount:</b>	£407.68 x 0.42 = £171.23

### Framework achievement payments

**98** 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 B12 to derive the value to be claimed through the TPS (see Example 3).

### Example 3: Achievement payment for a 16–18-year-old learner completing the NVQ and framework in 2007/08

Achievement payment:	£1,652.74
TPS claim amount:	$£1,652.74 \times 0.42 = £694.15$

## Equine Industry

**99** This framework is funded as two separate episodes of learning. It is assumed that learners will complete a Level 2 before progressing to Level 3. A learner should only progress direct to Level 3 if other prior qualifications or experiences 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.

**100** The study identified that the activities 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 0.8 per cent and a reduction in the NVQ Level 3 rate of 2.6 per cent. The reductions will apply to the 16–18 rates and will be made over the two years 2007/08 and 2008/09.

**101** The expected employer contribution for learners aged 19 or over has been capped at 50 per cent for Level 2 and has been adjusted to 42.5 per cent for Level 3.

**102** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ increases by 2.1 per cent
- 16–18 Level 3 NVQ increases by 1.2 per cent
- 19+ Level 2 NVQ increases by 2.1 per cent
- 19+ Level 3 NVQ decreases by 0.6 per cent.

## Furniture Industry

**103** This framework is funded as two separate episodes of learning. It is assumed that learners will complete a Level 2 before progressing to Level 3. A learner should only progress direct to Level 3 if other prior qualifications or experiences 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.

**104** Currently the NVQ rate at Level 3 supports activities at both Level 2 and Level 3. The NVQ at Level 3 will now be funded for NVQ Level 3 activities only. The Level 2 learning will be removed from the rate. The NVQ Level 3 rate will therefore be reduced by 66 per cent. At the request of the sector, this will be implemented over the two years 2007/08 and 2008/09. This may disadvantage some direct Advanced Apprenticeship entrants. In the case of apprentices who are already in learning and who did not complete an NVQ at Level 2 or gain some equivalent qualification before starting, the full direct Level 3 funding can be claimed for one year until 31 July 2008. This will be by way of a supplement claimed through the TPS.

**105** The Level 2 rates were more than justified by the activities. There will therefore be an 8.2 per cent increase in the Level 2 NVQ rate for 16–18-year-old learners over the two years 2007/08 and 2008/09.

**106** The expected employer contribution for learners aged 19 or over has been capped at 50 per cent for both Level 2 and Level 3.

**107** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ increases by 6.7 per cent
- 16–18 Level 3 NVQ decreases by 31.5 per cent
- 19+ Level 2 NVQ increases by 6.7 per cent
- 19+ Level 3 NVQ decreases by 31.5 per cent.

## Level 3 direct top-up payments for Furniture Industry

**108** In the case of learners who started an NVQ in framework 215 – Furniture Industry with a funding category of C before 31 July 2007 and who have not completed an NVQ at Level 2 or gained some equivalent qualification, providers are entitled to claim the difference between the 2006/07 and 2007/08 rates through the TPS for 2007/08 only. The recommended means of working out the value of the claim is to calculate the difference as a percentage of the 2007/08 rate, as in Table B13.

**Table B13: Calculation of claim for category C (Furniture Industry) before 31 July 2007**

FURNITURE INDUSTRY	16–18	19+
2006/07	£11,141.22	£5,570.61
2007/08	£7,635.30	£3,817.65
<b>Difference between 2006/07 and 2007/08</b>	£3,505.92	£1,562.08
<b>Difference as a percentage of 2007/08 rate</b>	46%	31%

### Monthly payments

**109** To calculate the monthly payment uplift amount, the provider is only required to perform the calculation once for 2007/08. For all eligible learners on the 2007/08 PFR for period 1, it is possible to take the monthly rate for the affected qualifications and multiply that by the relevant factor (for 16–18: 0.46 and for 19+: 0.31). This will give the top-up amount to be claimed each month for all learners attracting 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 (see Example 4).

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

<b>Monthly amount:</b>	£238.60 (from PFR 1 07/08)
<b>TPS claim amount:</b>	$£238.60 \times 0.46 = £109.76$
<b>Number of affected learners in learning with similar monthly amount:</b>	20
<b>Total TPS claim for monthly payments:</b>	$£109.76 \times 20 = £2,195.20$

### Balancing payments

**110** 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 eligible learners affected. This amount can be multiplied by the relevant factor in Table B13 to derive the value to be claimed through the TPS (see Example 5).

#### Example 5: Two-month balancing payment for a 16–18-year-old learner

<b>Balancing payment:</b>	£477.20
<b>TPS claim amount:</b>	$£477.20 \times 0.46 = £219.51$

### Framework achievement payments

**111** 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 B13 to derive the value to be claimed through the TPS (see Example 6).

#### Example 6: Achievement payment for a 16–18-year-old learner completing the NVQ and framework in 2007/08

<b>Achievement payment:</b>	£1,908.83
<b>TPS claim amount:</b>	$£1,908.83 \times 0.46 = £878.06$

### Heating, Ventilation, Air Conditioning and Refrigeration

**112** This framework is funded as two separate episodes of learning. It is assumed that learners will complete a Level 2 before progressing to Level 3. A learner should only progress direct to Level 3 if other prior qualifications or experiences 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.

**113** Currently the NVQ rate at Level 3 supports activities at both Level 2 and Level 3. The NVQ at Level 3 will be funded for NVQ Level 3 activities only. The Level 2 learning will be removed from the rate. The NVQ Level 3 rate will therefore be reduced by 49.5 per cent. At the request of the industry, this will be

**Table B14: Calculation of claim for category C (Heating, Ventilation, Air Conditioning and Refrigeration) before 31 July 2007**

HEATING, VENTILATION, AIR CONDITIONING AND REFRIGERATION	16–18	19+
2006/07	£11,141.22	£5,570.61
2007/08	£8,595.61	£4,297.81
<b>Difference between 2006/07 and 2007/08</b>	£2,545.61	£1,272.80
<b>Difference as a percentage of 2007/08 rate</b>	30%	23%

implemented over the two years 2007/08 and 2008/09. This may disadvantage some direct Advanced Apprenticeship entrants. In the case of apprentices who are already in learning and who did not complete an NVQ at Level 2 or gain an equivalent qualification before starting, the full direct Level 3 funding can be claimed for one year until 31 July 2008. This will be by way of a supplement claimed through the TPS.

**114** The Level 2 rates were more than justified by the activities. There will therefore be a 4.4 per cent increase in the Level 2 NVQ rate for 16–18-year-old learners over the two years 2007/08 and 2008/09.

**115** The expected employer contribution for learners aged 19 or over has been capped at 50 per cent for both Level 2 and Level 3.

**116** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ increases by 4.8 per cent
- 16–18 Level 3 NVQ decreases by 22.8 per cent
- 19+ Level 2 NVQ increases by 4.8 per cent
- 19+ Level 3 NVQ decreases by 27.8 per cent.

### Level 3 direct top-up payments for Heating, Ventilation, Air Conditioning and Refrigeration

**117** In the case of learners who started an NVQ in framework 212 – Heating, Ventilation, Air Conditioning and Refrigeration with a funding category of C before 31 July 2007 and who have not completed an NVQ at Level 2 or gained some equivalent qualification, providers are entitled to claim the difference between the 2006/07 and 2007/08 rates through the TPS for 2007/08 only. The recommended means of working out the value of the claim is to calculate the difference as a percentage of the 2007/08 rate, as in Table B14.

### Monthly payments

**118** To calculate the monthly payment uplift amount, the provider is only required to perform the calculation once for 2007/08. For all eligible learners on the 2007/08 PFR for period 1, it is possible to take the monthly rate for the affected qualifications and multiply that by the relevant factor (for 16–18: 0.30 and for 19+: 0.23). This will give the top-up amount to be claimed each month for all learners attracting 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 (see Example 7).

### Example 7: For a 16–18-year-old learner studying over 24 months

<b>Monthly amount:</b>	£268.61 (from PFR 1 07/08)
<b>TPS claim amount:</b>	$£268.61 \times 0.30 = £80.58$
<b>Number of affected learners in learning with similar monthly amount:</b>	20
<b>Total TPS claim for monthly payments:</b>	$£80.58 \times 20 = £1,611.60$

### Balancing payments

**119** 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 eligible learners affected. This amount can be multiplied by the relevant factor in Table B14 to derive the value to be claimed through the TPS (see Example 8).

### Example 8: Two-month balancing payment for a 16–18-year-old learner

Balancing payment:	£537.22
TPS claim amount:	$£537.22 \times 0.30 = £161.17$

### Framework achievement payments

**120** 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 B14 to derive the value to be claimed through the TPS (see Example 9).

### Example 9: Achievement payment for a 16–18-year-old learner completing the NVQ and framework in 2007/08

Achievement payment:	£2,148.90
TPS claim amount:	$£2,148.90 \times 0.30 = £644.67$

## Hospitality

**121** This framework is funded as two separate episodes of learning. It is assumed that learners will complete a Level 2 before progressing to Level 3. A learner should only progress direct to Level 3 if other prior qualifications or experiences 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.

**122** The framework contains multiple pathways at both Level 2 and Level 3. At Level 2, the study was able to review the activities of providers offering the Professional Cookery and Food Processing routes. The study identified that the activities at Level 2 supported the current rates for Professional Cookery, but did not fully support the current rates for the Food Processing route. There will therefore be a reduction in the NVQ Level 2 funding of 6 per cent for the Food Processing route. The reduction in the Level 2 rate will be made over the two years 2007/08 and 2008/09. Funding for the remaining routes at Level 2 and Level 3 NVQs will remain unchanged, pending a full review. If insufficient evidence is produced following this review, the rates will be based on an earlier review, which would indicate reductions at both Level 2 and Level 3.

**123** The expected employer contribution for learners aged 19 or over has been adjusted to 42.5 per cent for all routes at Level 2 in Hospitality. At Level 3, the expected employer contribution has been adjusted to 47.5 per cent for Professional Cookery and to 42.5 per cent for Supervision.

**124** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ increases by 2.5 per cent
- 16–18 Level 3 NVQ increases by 2.5 per cent
- 19+ Level 2 NVQ increases by 2.5 per cent.

In the Hospitality framework there are some exceptions to the general changes above and these are as follows:

- 16–18 Level 2 NVQ in Food Processing decreases by 0.9 per cent
- 19+ Level 2 NVQ in Professional Cookery increases by 6.4 per cent
- 19+ Level 2 NVQ in Food Processing increases by 2.9 per cent
- 19+ Level 3 in Professional Cookery increases by 2.1 per cent
- 19+ Level 3 in Supervision decreases by 0.2 per cent.

## Industrial Applications

**125** This framework consists of a Level 2 only. However, many learners who complete the framework progress to the Engineering Advanced Apprenticeship. As the Engineering Advanced Apprenticeship is funded as a direct Level 3, there is significant scope to claim over-funding by claiming Level 2 funding before the Advanced Apprenticeship is commenced. For further details of the reduction required for learners progressing to the Engineering Advanced Apprenticeship, see the Engineering section of this Appendix.

**126** The study identified that the activities did not fully support the current rates. There will therefore be a reduction in the NVQ Level 2 rate of 3.4 per cent. The reduction will be made over the two years 2007/08 and 2008/09.

**127** The expected employer contribution for learners aged 19 or over has been adjusted to 37.5 per cent.

**128** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ increases by 0.8 per cent
- 19+ Level 2 NVQ increases by 2.4 per cent.

**Table B15: Calculating the required proportion of funding remaining to be claimed in field A51a for framework 292 IT Services and Development in 2007/08**

IT SERVICES AND DEVELOPMENT	16–18 2007/08	19+ 2007/08		16–18 2007/08	19+ 2007/08
L2	£5,762	£2,881	L3 On-programme funding	£6,945	£3,472
L3	£9,259	£4,630	L3 Achievement	£2,315	£1,157
<b>Total</b>	<b>£15,021</b>	<b>£7,511</b>	<b>Required proportion of funding</b>	<b>80%</b>	<b>80%</b>
25% L2	£1,440	£720	Calculation in A51a	£5,556	£2,778
L3 reduced	£7,819	£3,909	<b>Reduction plus achievement</b>	<b>£7,871</b>	<b>£3,935</b>
<b>Total progression funding</b>	<b>£13,581</b>	<b>£6,790</b>	<b>Total progression funding</b>	<b>£13,632</b>	<b>£6,816</b>

## IT Services and Development

**129** This framework is funded as two separate episodes of learning. The learner is not required to complete Level 2 before Level 3. The Level 2 is delivered, however, as preparation for Level 3 where necessary. Evidence from the review indicated that, where a learner completes Level 2 before Level 3, they take on average two years to complete the learning rather than three.

**130** To reflect the reduced length of stay and to discourage the unnecessary enrolment of learners on Level 2, there will be an abatement from the Level 3 NVQ rate of 25 per cent of the Level 2 NVQ rate if learners have completed the Level 2 first. This will be done by entering 80 per cent into field A51a of the ILR (see Table B15).

**131** The study identified that the activities 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 37.8 per cent. This reduction will apply to 16–18 rates and will be made over the two years 2007/08 and 2008/09. At Level 2, the current rates were more than justified by the activities. There will therefore be a 3.6 per cent increase in the Level 2 NVQ rate for 16–18 and 19+ learners over the two years 2007/08 and 2008/09.

**132** The expected employer contribution for learners aged 19 or over has been capped at 50 per cent for both Level 2 and Level 3.

**133** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ increases by 4.3 per cent
- 16–18 Level 3 NVQ decreases by 16.9 per cent
- 19+ Level 2 NVQ increases by 4.3 per cent
- 19+ Level 3 NVQ decreases by 16.9 per cent.

## IT User

**134** This framework is funded as two separate episodes of learning. However, there is a complex relationship between the Level 2 and Level 3 NVQs, as well as between the NVQs and the Technical Certificates in the framework. It is possible under the design of the NVQ for IT Users (also known as ITQ) to use units either from a previous level or from other contributing qualifications towards achievement of the NVQ.

**135** There is existing advice regarding the reduction in funding required where learners claim exemptions on the basis of contributing qualifications. This can be found on page 54 of last year's document (*Requirements for Funding WBL for Young People 06/07*). The reduction is designed to remove the overlap between the NVQ and Technical Certificates.

**136** The study identified that the activities did not fully support the current rates. Therefore, there will be a reduction in the NVQ Level 3 rate of 17.9 per cent. This reduction will apply to the 16–18 rates and will be made over the two years 2007/08 and 2008/09. At Level 2, the current rates were more than justified by

the activities. There will therefore be a 23.3 per cent increase in the Level 2 NVQ rate for 16–18 and 19+ learners over the two years 2007/08 and 2008/09.

**137** The expected employer contribution for learners aged 19 or over has been adjusted to 42.5 per cent for Level 2 and to 37.5 per cent for Level 3.

**138** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ increases by 14.4 per cent
- 16–18 Level 3 NVQ decreases by 6.7 per cent
- 19+ Level 2 NVQ increases by 14.4 per cent
- 19+ Level 3 NVQ decreases by 5.2 per cent.

## Management

**139** This framework is funded as two separate episodes of learning. It is assumed that learners will complete a Level 2 before progressing to Level 3. A learner should only progress direct to Level 3 if other prior qualifications or experiences 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. It is also common for learners to have already completed a Level 2 before doing the Team Leading framework, which makes this a second Level 2 in most cases.

**140** The study identified that the activities 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 14.6 per cent and a reduction in the NVQ Level 3 rate of 25.8 per cent. The reductions will apply to the 16–18 rates and will be made over the two years 2007/08 and 2008/09.

**141** The expected employer contribution for learners aged 19 or over has been adjusted to 42.5 per cent for Level 2 and to 47.5 per cent for Level 3.

**142** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ decreases by 5 per cent
- 16–18 Level 3 NVQ decreases by 10.7 per cent
- 19+ Level 2 NVQ decreases by 6 per cent
- 19+ Level 3 NVQ decreases by 11.1 per cent.

## Plumbing

**143** This framework is funded as a direct Level 3. However, an advanced apprentice may complete an Apprenticeship or NVQ at Level 2 (or gain an equivalent qualification) before commencing the Advanced Apprenticeship. Therefore, there is significant scope to claim over-funding by claiming Level 2 funding before an Advanced Apprenticeship is commenced.

**144** The study identified that the activities did not fully support the current rates at either Level 2 or Level 3, and that there was an overlap between the NVQ and the Technical Certificate. There will therefore be a reduction in the NVQ Level 2 rate of 1.9 per cent and to the NVQ Level 3 rate of 7.1 per cent. The reductions will be made over the two years 2007/08 and 2008/09.

**145** Where a new starter commences an Advanced Apprenticeship after completing an Apprenticeship, an NVQ at Level 2 or some equivalent qualification, 80 per cent of the NVQ Level 2 rate is to be abated from the NVQ Level 3 funding. This will be done by entering 52 per cent into field A51a of the ILR (see Table B16).

**146** The expected employer contribution for learners aged 19 or over has been adjusted to 47.5 per cent for Level 2 and has been capped at 50 per cent for Level 3.

**147** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ increases by 1.5 per cent
- 16–18 Level 3 NVQ decreases by 1.1 per cent
- 19+ Level 2 NVQ decreases by 2.3 per cent
- 19+ Level 3 NVQ decreases by 1.1 per cent.

## Travel Services

**148** This framework is funded as a direct Level 3. However, an advanced apprentice may complete an Apprenticeship or NVQ at Level 2 (or gain an equivalent qualification) before commencing the Advanced Apprenticeship. Therefore, there is significant scope to claim over-funding by claiming Level 2 funding before an Advanced Apprenticeship is commenced.

**149** The study identified that, at Level 2, the activities did not fully support the current rates and that there was an overlap between the NVQ and the Technical Certificate. There will therefore be a reduction in the NVQ Level 2 funding of 2.5 per cent. The reduction in the Level 2 rate will be made over two years. The funding for the Level 3 NVQ will remain unchanged until the framework is next submitted for approval.

**Table B16: Calculating the required proportion of funding remaining to be claimed in field A51a for framework 117 Plumbing in 2007/08**

PLUMBING	16–18 2007/08	19+ 2007/08		16–18 2007/08	19+ 2007/08
L2	£4,639	£2,436	L3 On-programme funding	£7,625	£3,813
L3	£10,167	£5,083	L3 Achievement	£2,542	£1,271
<b>Total</b>	<b>£14,806</b>	<b>£7,519</b>	<b>Required proportion of funding</b>	<b>52%</b>	<b>52%</b>
80% L2	£3,712	£1,949	Calculation in A51a	£3,965	£1,983
L3 reduced	£6,455	£3,135	<b>Reduction plus achievement</b>	<b>£6,507</b>	<b>£3,253</b>
<b>Total progression funding</b>	<b>£11,095</b>	<b>£5,571</b>	<b>Total progression funding</b>	<b>£11,146</b>	<b>£5,689</b>

**150** Where a new starter commences an Advanced Apprenticeship after completing an Apprenticeship, an NVQ at Level 2 or some equivalent qualification, 80 per cent of the NVQ Level 2 rate is to be abated from the NVQ Level 3 funding. This will be done by entering 36 per cent for 16–18-year-olds and 48 per cent for 19+ learners into field A51a of the ILR (see Table B17).

**151** The expected employer contribution for learners aged 19 or over has been capped at 50 per cent for Level 2 and has been adjusted to 37.5 per cent for Level 3.

**152** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ increases by 1.2 per cent
- 16–18 Level 3 NVQ increases by 2.5 per cent
- 19+ Level 2 NVQ increases by 1.2 per cent
- 19+ Level 3 NVQ increases by 4.1 per cent.

## Warehousing and Distribution/ Storage and Warehousing

**153** This framework is funded as two separate episodes of learning. It is assumed that learners will complete a Level 2 before progressing to Level 3. A learner should only progress direct to Level 3 if other prior qualifications or experiences 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.

**154** These frameworks are currently in transition. The Level 2 Warehousing and Distribution route is well established, and the review was able to provide feedback on the activities for Level 2. The Apprenticeship of both frameworks was felt to be similar enough for the funding to remain consistent between frameworks. The study identified that the activities at Level 2 did not fully support the current rates. There will therefore be a reduction in the NVQ Level 2 rate of 8 per cent.

**155** The Level 3 Warehousing and Distribution framework is currently being phased out and merged with Level 3 of the Storage and Warehousing framework. Currently there are not sufficient numbers on the Level 3 framework to conduct a review. The Advanced Apprenticeship will be subject to review upon submission of the next framework revision to the Skills for Business Apprenticeships Approval Group.

**156** The expected employer contribution for learners aged 19 or over has been adjusted to 42.5 per cent for Level 2 and to 37.5 per cent for Level 3.

**157** The overall funding change for 2007/08, including the uplift for inflation for 16–18 rates, translates into the following changes for 2007/08:

- 16–18 Level 2 NVQ decreases by 1.6 per cent
- 16–18 Level 3 NVQ increases by 2.5 per cent
- 19+ Level 2 NVQ decreases by 1.6 per cent
- 19+ Level 3 NVQ decreases by 4.5 per cent.

**Table B17: Calculating the required proportion of funding remaining to be claimed in field A51a for framework 115 Travel Services in 2007/08**

TRAVEL	16–18 2007/08	19+ 2007/08		16–18 2007/08	19+ 2007/08
L2	£3,424	£1,712	L3 On-programme funding	£4,217	£2,635
L3	£5,622	£3,514	L3 Achievement	£1,406	£878
<b>Total</b>	<b>£9,046</b>	<b>£5,226</b>	<b>Required proportion of funding</b>	<b>36%</b>	<b>48%</b>
80% L2	£2,739	£1,370	Calculation in A51a	£1,518	£1,265
L3 reduced	£2,883	£2,144	<b>Reduction plus achievement</b>	<b>£2,923</b>	<b>£2,143</b>
<b>Total progression funding</b>	<b>£6,307</b>	<b>£3,856</b>	<b>Total progression funding</b>	<b>£6,348</b>	<b>£3,856</b>

# Appendix 2 to Annex B:

## Additional Guidance on Funding for NVQ for IT Users

**1** 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 part of an Apprenticeship or Advanced Apprenticeship.

**2** 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.

**3** Please note that this field only reduces the programme element of the NVQ funding, and so will not affect the amount paid upon achievement of the

framework. See Table B18 for an example of the percentage of funding to be claimed if the following units are exempted on the basis of contributing qualifications.

**4** For a 16–18-year-old learner following an Advanced Apprenticeship, this would result in a reduction of funding of £806.12, and for a 19+ learner, the reduction would be £503.83.

**5** Providers should review all learners studying for these qualifications and make the appropriate entry into field A51a of the ILR. If 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.

**6** The reductions in Table B18 will be re-evaluated for 2008/09.

**Table B18: NVQ for IT Users (ITQ) at Level 3: example of percentage of funding claimed if three 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%

# Appendix 3 to Annex B: Standard Rates for 2007/08

**Table B19: Key skills rates**

Funding category	Rates
Age 16–18 at start	£169 per key skill
Age 19 or over at start	£148 per key skill

**Table B20: Entry to Employment (E2E) rates**

Period	Rate
Planned places payment	£135
Basic bonus	£109
Enhanced bonus	£215
Enhanced bonus after basic bonus	£106

**Table B21: Additional learning needs (ALN) and additional social needs (ASN) rates**

	16–18	19+ at start
ALN	£145 per month	£126 per month
ASN	£145 per month	£126 per month
Both ALN and ASN	£217 per month	£190 per month

Note: Rounded to the nearest whole £.

## Annex C:

# National Employer Service and Regional Contracting

## National Employer Service

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

**2** NES WBL contracts may be available to:

- large national employers with over 5,000 employees and a centralised personnel and payment system, and that 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 that 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 that 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 that 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 for each provider
- provide a regional route for contracting with national providers, which ensures that 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 resources to frontline 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 agreement.
- There are separate arrangements that apply where the total number of learners in any one LSC area is fewer than 20 and the total number of LSC-funded learners for that provider across all LSC areas is fewer 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** If fewer than 20 learners are recruited in any LSC area, and if 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. If the total number of learners outside the lead area is 100 or more, 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 that 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 2007/08 are detailed in Table D1.

**3** The LSC is currently undertaking a further review, in partnership with the MoD and British Armed Forces, 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 2007/08

Occupational area	2005/06 MoD rate
Agriculture	77%
Business Administration	87%
Construction	78%
Engineering	90%
Health Care and Public Service	84%
Hospitality	82%
Sport and Recreation	83%
Management and Professional	88%
Manufacturing	81%
Media – Photography	50%
Retailing and Customer Service	83%
Transportation	96%

## Absence in Excess of Six Months

**4** 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.

## Learning Agreements

**5** 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 ILP details the responsibilities of each party, then the requirement for a learning agreement will be waived.

## Annex E:

# Additional Learning Support

**1** The guidance for additional learning support (ALS) in 2007/08 is very substantially the same as that for 2006/07.

**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 ALS for learners with additional needs to providers. During 2005/06, the Learning and Skills Network (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 at: [www.lsneducation.org.uk/pubs](http://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 the planned new funding methodology from 2008/09 *agenda for change*. It is intended that there will be one single system of ALS from August 2008. The changes introduced this year will remove the anomaly of independent endorsement for apprentices.

## Changes Introduced from 2006/07

**5** In 2006/07, a change was 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 Connexions. From 2006/07, greater emphasis is placed on ensuring that appropriate support is 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 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 should maintain their working relationship with them and focus on the needs of the learner rather than on the endorsement form. It is also essential that 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 should not 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 guidance on ALS is as follows.

- The LSC/Connexions endorsement form no longer applies 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 those needs, and progress review arrangements. These records are to be available on request.
- Providers are to develop and implement an ALS 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.

## Definitions

**8** Under the Learning and Skills Act 2000, 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:

- they have a significantly greater difficulty in learning than the majority of persons of that age; or

- they have a disability which prevents or hinders them from making use of facilities of a kind generally provided by institutions providing post-16 education or training.

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

- ALN – needs related to the learner’s intrinsic ability
- ASN – needs related to emotional, behavioural or motivational difficulties
- both ALN and ASN.

**10** 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 learners with disabilities will also be met from exceptional learning support (ELS).

**11** Young people with ALSN will enter different WBL programmes depending on their needs and abilities. The programmes they can enter and receive ALN or ASN support for 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 Advanced Apprenticeships and who 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 Entry to Employment (E2E): These learners are not eligible for ALN or ASN status. They can, however, access ELS, including support for learners with disabilities.

## Assessment

**12** Existing learners on NVQ learning at Levels 1 to 3 may continue to receive ALSN payments until they leave the programme. If learners restart, they are to meet the requirements for new Apprenticeship starts.

**13** 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* by Lynne Clough (Learning and Skills Development Agency, 2006), which is available from the Learning and Skills Network website at: [www.lsneducation.org.uk/pubs](http://www.lsneducation.org.uk/pubs).

**14** On referral to WBL, it is anticipated that the referral agency will have already gathered relevant information to support the provider in carrying out an initial assessment of a young person. Personal advisers, for example, may have used the Assessment, Planning, Implementation and Review (APIR) framework for this purpose. With the 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.

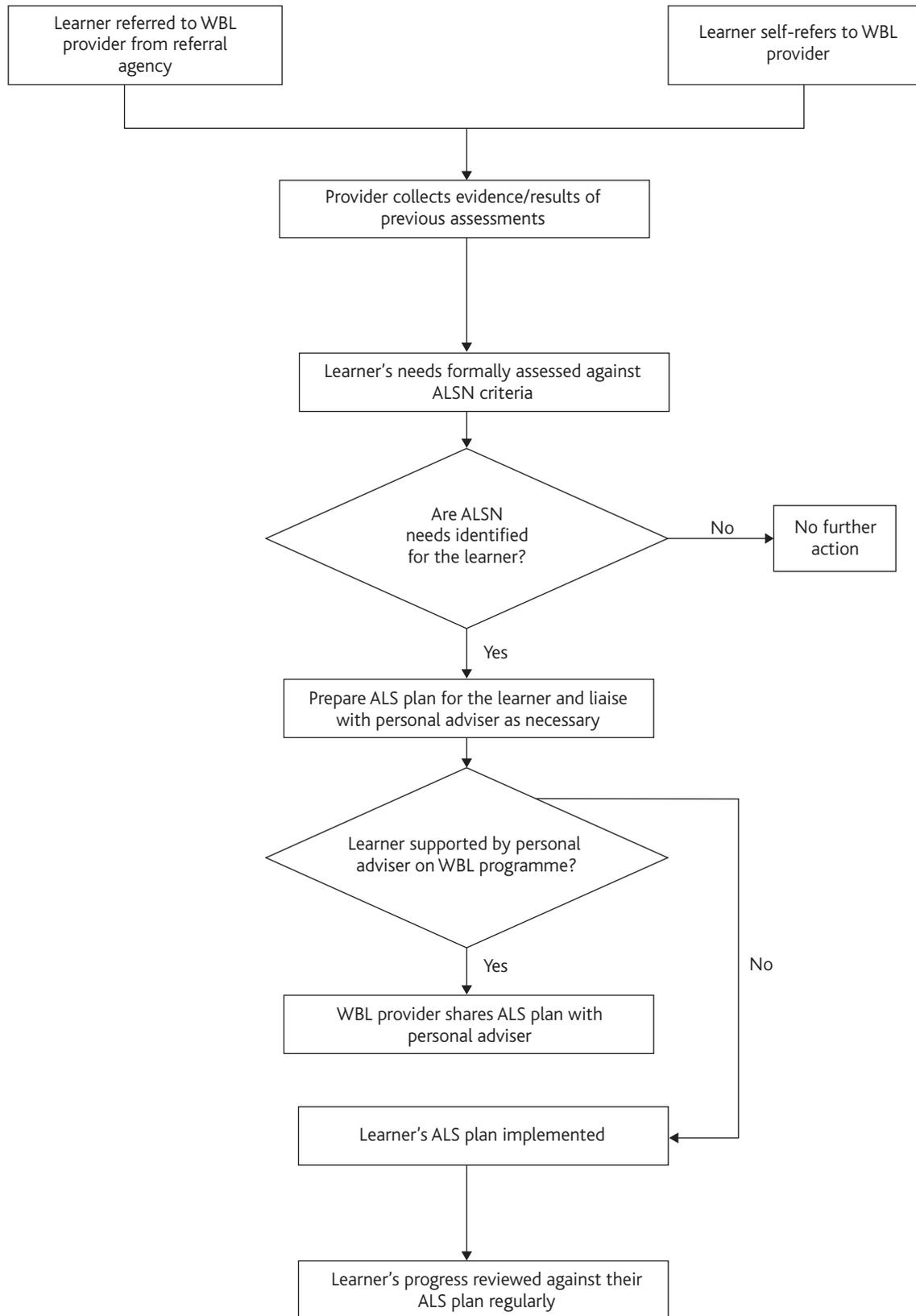
**15** Figure E1 is a diagrammatic representation of the process for assessing ALSN.

## Assessment for Additional Learning Needs

**16** Personal advisers will have collected information on a young person’s educational history and will also have information on particular areas of their skills levels. This information will help the personal adviser make the initial judgement as to whether the learner does or does not have ALN. 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.

**17** 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.

Figure E1: The Additional Learner Support Needs (ALSN) process



**18** 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.

**19** 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. An assessment for this purpose is therefore not required.
- Entry with a Level 1 proxy: Learners entering WBL with a Level 1 proxy qualification 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 they 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.

**20** Details of proxy qualifications are posted on the Qualifications and Curriculum Authority (QCA) website at: [www.qca.org.uk/qca\\_6562.aspx](http://www.qca.org.uk/qca_6562.aspx).

**21** The assessment of the likely NVQ achievement level is separate from the basic skills initial assessment. This is a matter of professional judgement on the part of 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 *Initial Assessment of Learning and Support Needs and Planning Learning to Meet Needs* (Department for Education and Employment, May 2001) which is on the LSC website at: <http://readingroom.lsc.gov.uk/pre2005/quality/goodpractice/initial-assessment-of-learning-and-support-needs-and-planning-learning-to-meet-needs.pdf>.

**22** 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 for Additional Social Needs

**23** The APIR 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.

**24** The assessment process used by providers must consider a young person's social support needs. Providers should use a process that identifies the barriers to learning. If there is clear evidence that the young person has needs relating to 2 or more 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 (including mental health and phobias)
- significant problems with communication and interaction
- single parents with particular difficulties finding time to learn.

**25** If the more detailed initial assessment reveals two or more of the above barriers to learning and progress, this indicates 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.

**26** 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 the personal adviser consider that a programme leading to a lower level of qualification is more suitable, the provider and the personal adviser should agree this.

## Further Guidance on Assessing Additional Social Needs

**27** This guidance aims to help the provider and personal adviser 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.

**28** A young person is likely to need a minimum of one lengthy, in-depth (one-to-one) interview with a skilled interviewer to identify ASN. 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 current offending behaviour

**29** The young person should be known to the criminal justice system and be considered by others or themselves to be at risk of re-offending, or still be 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 affecting 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 during the last year of education, exclusion from school or no record of school

**30** 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

**31** 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 of no fixed abode who 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.

**32** 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.

**33** 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:

- where families are in crisis or unable to cope
- where there are dependency problems within the family
- where changes to the composition of the family 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 affects their commitment to training.

## Significant problems with confidence or self-esteem

**34** 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, feeling 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 they may avoid contact with others.

**35** Further indicators include 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.

## Significant problems with motivation or attendance

**36** 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 should 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.

## Attitude or behaviour problems

**37** This includes young people whose attitude or behaviour 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 they join 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 by inappropriate placing or a personality clash.

## Drug or alcohol problems

**38** 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 their 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

**39** 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 their learning. It is likely that only a small percentage of young people 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 individuals 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 arise only in the particular situations that frighten them. A phobia is likely to lead to the young person avoiding situations that they know will cause them anxiety. 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

**40** 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. They may also interact inappropriately in certain situations. These young people may have difficulty in listening to what others are saying and in 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 – they 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 with particular difficulties finding time to learn

**41** 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

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

**43** 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 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 ALN or ASN.

**44** 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 should be shared with the personal adviser as a matter of effective practice.

**45** 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 depend 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.

**46** 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 the ALS allocations made to FE colleges.

## Funding

**47** 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.

**48** 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 to open a new aim. The percentage of funding remaining for the learner is to be calculated and entered onto the ILR.

**49** 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 either ALN or ASN: £145 a month if aged 16–18 at start, or £126 if aged 19 or over at start
- learners with both ALN and ASN: £217 a month if aged 16–18 at start, or £190 if aged 19 or over at start.

## Exceptional Learning Support and Learners with Disabilities

**50** 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 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.

**51** 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. If a learner requires support for a disability, but is not 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. If this is necessary, the provider is to arrange a contract variation through the relevant LSC office. If providers feel a learner is likely to need ELS or support for a disability, then they should complete the ALS costs form available from the LSC website at: <http://readingroom.lsc.gov.uk/lsc/National/ALSCostFormNIS1.pdf>.

## Provider Administrative Action

**52** 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.

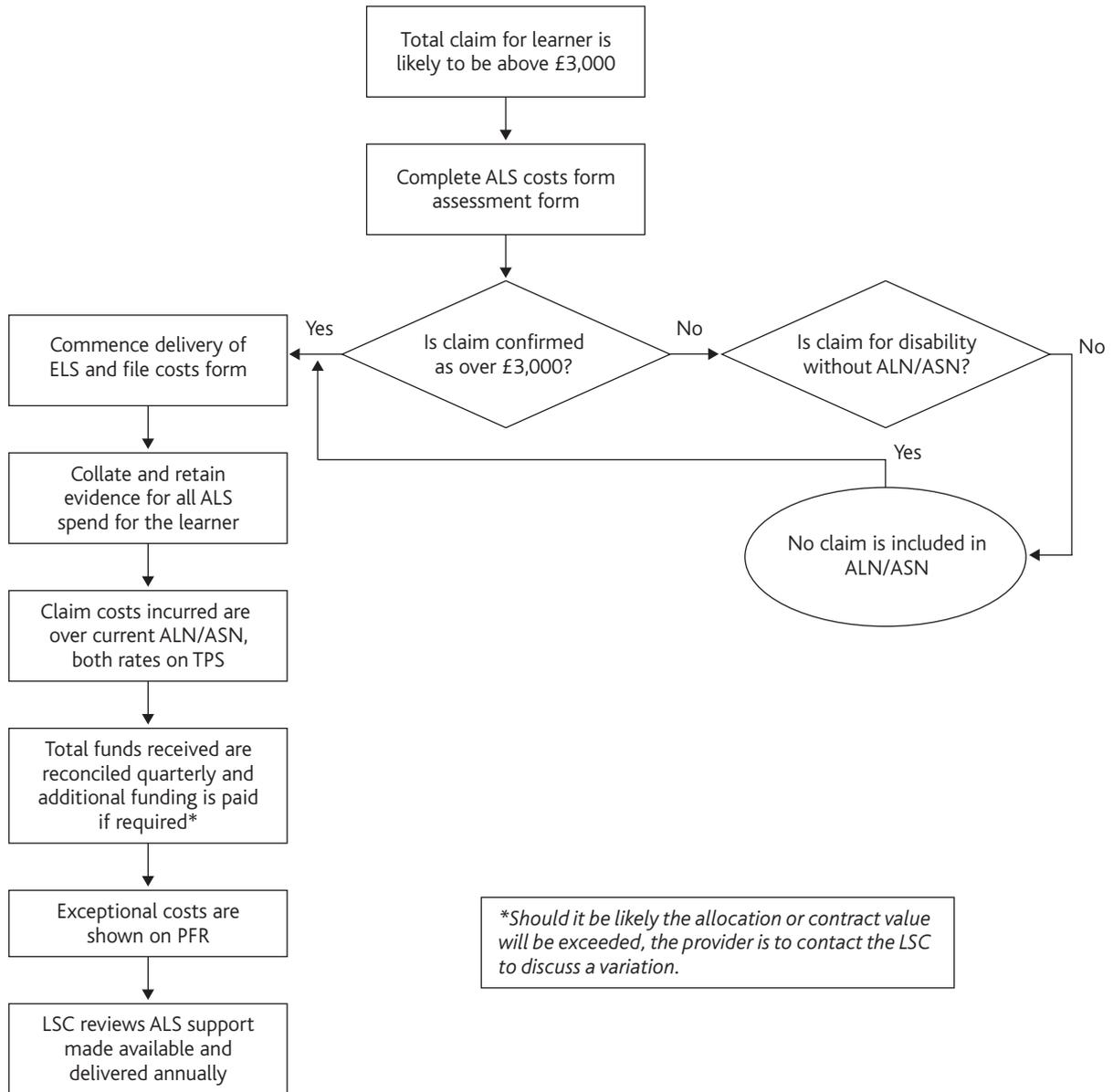
**53** Providers are required to calculate the ELS and ALS payments due each month and to enter this amount on the TPS promptly. This will enable the amount to be taken into account when performance is reconciled. Provided that ALN and ASN are properly recorded on the ILR, the 'actual earned' amount will be calculated and reported on the Provider Funding Report (PFR).

**54** 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 E2.

## Disputes

**55** It is for providers and 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 their willingness to accept support. Where disputes cannot be resolved, the provider should speak to their LSC contact.

**Figure E2: Additional learning needs and additional social needs decision flowchart**



## Examples of Claims

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

### Example 1

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

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

**59** 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.

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

### Example 2

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

**62** 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.

**63** In the months when the residential placement 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.

**64** Therefore, £788 is 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

**65** 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 and Education Maintenance Allowance

**1** All employed learners shall be paid the rate specified in their terms and conditions of employment, which should comply with the national minimum wage legislation, where appropriate. Workers in agriculture must be paid in line with the terms of the Agricultural Board. Further guidance can be found on the Department for Business, Enterprise and Regulatory Reform (DBERR) website at: [www.berr.gov.uk/employment/pay/national-minimum-wage/index.html](http://www.berr.gov.uk/employment/pay/national-minimum-wage/index.html).

**2** In its report, *Supporting Young People to Achieve: A New Deal for Skills* (HM Treasury, March 2004), 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 a week income, based on attendance of between 30 and 35 hours a 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 by-laws relating to the employment of young persons. All employed learners should 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 should usually attend for a minimum of 30 hours a week. Hours of attendance for employed learners should comply with the Working Time Directive, and for non-employed learners should 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 if a learner is not planning on attending for more than 12 hours a week, they will not be eligible for EMA support.)

**5** Any learner attending on a part-time basis 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 (PLP) 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 are able to complete up to 24 hours of part-time work a week before their benefit entitlement is 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 on to 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 that is not part of E2E, but this should not initially exceed 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 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 Authorised Absence

**9** Employed learners shall be entitled to those holidays provided by their terms of employment. The Working Time Directive requires 20 working days' paid holiday a year as a minimum for employees. Further details can be found on the DBERR website at:

[www.berr.gov.uk/employment/employment-legislation/working-time-regs/index.html](http://www.berr.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 will continue to be paid to each young person who is eligible 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 on the Directgov website at: <http://ema.direct.gov.uk/ema.html>.

**13** The LSC is ceasing to define absence and expects providers to allow for reasonable absence by learners from funded programmes. See also paragraphs 69–73 in the main body of this document on withdrawal from learning and agreed breaks in learning. EMA is 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 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 PLP who have been classed as being on approved training, and whose households are therefore eligible for Child Benefit and subject to an income assessment and meeting eligibility requirements, will be eligible for EMA and, if qualifying, Child Tax Credit. This will dramatically reduce the inequalities between education and training programmes.

**16** Providers are required to administer and support learners to apply for EMA. Full guidance is available on the Directgov website (<http://ema.direct.gov.uk/ema.html>). Providers are reminded that this guidance forms part of their funding agreement.

### 19-year-olds

**17** 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 PLP in their 18th year may continue to receive EMA for the duration of their Notice of Entitlement (potentially with extensions to the following January). For learners aged 19 and over please refer to Annex L paragraph 6.

## Trade Union Membership

**18** The following two paragraphs 19 and 20 shall not apply to members of the British Armed Forces.

**19** The provider should 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.

**20** The provider should ensure that learners are given the opportunity to join a trade union for which they are eligible under the trade union's rules.

## Expenses

**21** The provider should 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 24–29 below on childcare support)
- personal protective equipment that employees would normally be expected to supply themselves
- medical treatment (for example, inoculations)
- residential accommodation where it is necessary.

**22** 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 working hours. All expenses may also be authorised for employed learners at the discretion of the local LSC.

**23** The costs of expenses for PLAs are met by the LSC and claimed on the Training Provider Statement (TPS). In E2E the cost is included in the planned places payment.

## Childcare Support

**24** Childcare support is available for all non-employed learners on WBL. In outline, each learner is entitled to up to £160 a week (£175 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, aged under 20 and:

- on E2E, including those who transferred to E2E on 1 August 2003 from existing programmes or from E2E pathfinders and new starts from this date
- on E2E or PLAs or NVQ learning who are employed for fewer than 16 hours a week
- on E2E or PLAs or NVQ learning may progress to other programmes and retain their entitlement provided they still qualify; if learners progress to an Employer-led Apprenticeship then they will no longer qualify

- care for their own children
- live in England
- use registered childcare providers.

**25** Further information, including the application form and leaflet, is available on the Care to Learn website (<http://caretolearn.lsc.gov.uk/>) and from the help line on 0845 600 2809.

**26** All other non-employed learners, including those below, 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. These include:

- 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.

**27** The application process for Care to Learn will normally take between five and seven 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 immediately), 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 its discretion. It should be noted that all payments are subject to the weekly limit set out above.

**28** 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. Should any learners not be eligible, LSC contacts may authorise childcare payments for employed learners at their discretion. More information is available on the Directgov website at: [www.direct.gov.uk/en/MoneyTaxAndBenefits/index.htm](http://www.direct.gov.uk/en/MoneyTaxAndBenefits/index.htm).

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

**30** Further information on all aspects of the LSC Learner Support Funds is available from the LSC website at: <http://lsf.lsc.gov.uk/publications/>.

## Annex G:

# Example of Formula-funding Arrangements for 2007/08

### Introduction

**1** An example of the funding approach and funding calculations for 2007/08 are shown below (rates are indicative only).

### Example

**2** In August 2006, a 17-year-old learner commences 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. See Table G1.

### Actual earned funding calculations

**3** In Table G2, the ILR data show 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.

**Table G1: Apprenticeship in Business Administration age 16–18**

Element	Funding	Comment
<b>Programme funding</b>		
NVQ Level 2	<b>£2,393.45</b>	(excludes achievement element)
Key skills	<b>£338.00</b>	2 Key Skills at £169
Technical Certificate	<b>£895.28</b>	
<b>Achievement element</b>		
NVQ	<b>£0.00</b>	No longer paid
Apprenticeship	<b>£797.82</b>	25% of the NVQ rate
<b>Total funding</b>	<b>£4,424.54</b>	

**Table G2: Example of the funding calculation**

Month	NVQ	Key skills	Technical Certificate	Achievement of full framework	Total
1	£149.59				£149.59
2	£149.59		£89.53		£239.12
3	£149.59		£89.53		£239.12
4	£149.59	£67.60	£89.53		£306.72
5	£149.59	£67.60	£89.53		£306.72
6	£149.59	£67.60	£89.53		£306.72
7	£149.59	£67.60	£89.53		£306.72
8	£149.59	£67.60	£89.53		£306.72
9	£149.59		£89.53		£239.12
10	£149.59		£89.53		£239.12
11	£149.59		£89.53		£239.12
12	£149.59				£149.59
13	£149.59				£149.59
14	£149.59				£149.59
15	£149.59				£149.59
16	£149.59			£797.82	£947.44
<b>Totals</b>	<b>£2,393.45*</b>	<b>£338.00</b>	<b>£895.28</b>	<b>£797.82</b>	<b>£4,424.56*</b>

\* 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 collection framework and the ILR specification for 2007/08. The detailed ILR specification and the Provider Support Manual are published on the LSC website: [www.lsc.gov.uk/providers/Data/Datacollection/ILR/](http://www.lsc.gov.uk/providers/Data/Datacollection/ILR/). 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 2007/08. 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 1998 (DPA) and ensure that its online data collection policy conforms to the DPA and other relevant regulatory requirements.

## Using provider batch

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

**8** 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 2007/08*. 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.

**9** 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.

**10** 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.

**11** The provider may choose to contract with any software supplier to support and maintain its MI system.

**12** 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

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

**14** 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.

**15** 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

**16** 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.

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

**18** 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.

**19** 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.

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

## Training Provider Statement

**21** 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 2007/08. 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

**22** The WBL Provider Funding Reports will be produced on demand during 2007/08 automatically from the ILR data and will be accessed through the LSC's web portal.

## Financial Reconciliation of Contracts

**23** 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 paragraph 25 below.

**24** 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 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.

**25** 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.

**26** Where the LSC carries out a review or Provider Financial Assurance 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.

**27** 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 will 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.

**28** 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

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

**30** 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.

**31** 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

**32** To facilitate the submission of effective data and to reduce bureaucracy, all LSC providers are required to register with the UK Register of Learning Providers ([www.ukrlp.co.uk/ukrlp/ukrlp.first](http://www.ukrlp.co.uk/ukrlp/ukrlp.first)) and to include their UK Provider Reference Number in their ILR return.

**Table H1: Funding periods 2007/08**

Funding month	Calendar month	Census end date	Deadline for the return of WBL data (10th working day after last day of the month)	Payment due date
1	August 2007	31/08/07	14/09/2007	10/09/07
2	September 2007	30/09/07	12/10/2007	08/10/07
3	October 2007	31/10/07	14/11/2007	08/11/07
4	November 2007	30/11/07	14/12/2007	10/12/07
5	December 2007	31/12/07	15/01/2008	09/01/08
6	January 2008	31/01/08	14/02/2008	08/02/08
7	February 2008	29/02/08	14/03/2008	10/03/08
8	March 2008	31/03/08	14/04/2008	08/04/08
9	April 2008	30/04/08	15/05/2008	09/05/08
10	May 2008	31/05/08	13/06/2008	09/06/08
11	June 2008	30/06/08	14/07/2008	08/07/08
12	July 2008	31/07/08	14/08/2008	08/08/08
13	August – October 2008	Late notified activity	07/11/2008	

## 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 (WBL) provision. This approach aims to reduce unnecessary bureaucracy for 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 at: [www.lsc.gov.uk/providers/Data/Software/DSAT/](http://www.lsc.gov.uk/providers/Data/Software/DSAT/).

**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 either the funding agreement or this document, provided that evidence is sufficient, relevant, reliable and robust.

**5** Where the *Requirements for Funding Work-based Learning for Young People and Adults in 2007/08* 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 46 in the main body of this document.

## Data returns

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

- Individualised Learner Record (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 must 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 WBL. 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 evidence should be retained to support participation on the programme:

- a copy of the Individual Learning Plan (ILP)
- 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 154 in the main body of this document.

## NVQ on-programme payments

**11** The following evidence should be retained to support monthly National Vocational Qualification (NVQ) on-programme payments:

- evidence that the learner is registered for the NVQ
- evidence that the learner was registered for the NVQ before the last Qualifications and Curriculum Authority (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 the Higher Education Funding Council for England (HEFCE) or further education (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 and 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 and additional social needs

**14** In addition to the general WBL-based learning evidence requirements detailed in this annex, additional learning needs (ALN) and/or additional social needs (ASN) payments must be supported by evidence that:

- the provider has documented the arrangements for the identification of those with additional learning and support needs (ALSN), the planning of learning and support to meet those needs, and progress review arrangements
- for ALN, the learner has been assessed as having needs as described in Annex E, paragraphs 16–22 through the use of Basic Skills Agency assessment materials (July 2002) or equivalent
- for ASN, a clear indication that the learner has needs relating to 2 out of the 10 barriers (or one serious barrier) detailed in Annex E, paragraph 24
- 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

**15** Where the costs of ALN and/or ASN are assessed as exceeding £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 ALS costs form and retain this as evidence to support ELS claims.

## NVQ achievement

**16** For NVQ achievements (NVQ learning only), 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, the qualification has been achieved, with this evidence supplied by the internal verifier
- for providers that have not been approved for direct claims status, the qualification has been achieved, with this evidence supplied by the awarding body.

## Apprenticeship achievement

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

- a copy of the completion certificate from the relevant sector skills council (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 certificate. 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

**18** 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.

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

- clear written evidence of the last 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 shows that the learner was in continued structured learning

- a written notice of termination from the programme.

## Training Provider Statement

**20** 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 2007/08. The provider must print a copy of the submission, sign it and retain it for audit purposes.

**21** 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.

**22** The TPS should contain the following information:

- a provider identification:
  - local LSC code
  - provider reference number (UPIN)
  - provider name
  - collection number.
- b WBL:
  - learner allowances (value)
  - learner expense payments (value)
  - ELS (value).
- c E2E:
  - E2E progression bonus (volume)
  - E2E qualification bonus (volume)
  - E2E bonuses (value)
  - E2E ELS (value)
  - E2E learner support costs.

## Allowances

**23** 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 absences
- the learner actually received the allowance
- the learner was eligible to receive an allowance.

## Learner expenses payments and exceptional learning support

**24** 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 were met, if applicable
- reimbursement of expenditure incurred.

## Learner hardship fund payments

**25** 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 this document
- the learner was in attendance as agreed in the Contract (Part 1), including details of any authorised or unauthorised absence
- there is a need and a rationale for a hardship grant or loan
- LSC contract management authority was granted in cases referred for LSC decisions
- the learner actually received the grant or loan
- the loan has been repaid
- repayments have been made to the LSC.

**26** 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

**27** 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 (E2E) and Courses Leading to an Apprenticeship (PLP)* (LSC, March 2006) and this is available at:

<http://ema.direct.gov.uk/ema.html>. Usually, the LSC audit of EMA payments takes 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 and Adults 2007/08* and in *Education Maintenance Allowance Extension to LSC-funded Entry to Employment and Programme-led Pathways: Guidance for Providers* (January 2006), which is available on the LSC website at:  
<http://readingroom.lsc.gov.uk/lsc/2006/learningopportunities/youngpeople/nat-emaextensionguidance-gn-jan06.pdf>.
- 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 (ILP)
  - achievement of up to two learning goals, as detailed in the ILP, 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.

## Retention of documents

**28** Documents are to be retained for inspection for six years from the end of the contract year (for example, 31 July 2014). Where the funding has been matched to European Social Fund funding, documents are to be retained until 31 December 2015.

## 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 Entry to Employment (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 Education Maintenance Allowance (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 for 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 payment

**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 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 that 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, which identifies the learning objectives informed by the initial assessment
- evidence to indicate that the learner is making progress in continued and structured learning towards their learning objectives, or, where no progress is evident, to show 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 meet the requirements. 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 four-week period or
- a self-declaration from the learner stating that they are in learning or employment, with ongoing learning, for at least 16 hours a week for a four-week period, and giving contact details of the employer and/or provider.

## Exceptional Learning Support

**10** The following evidence applies:

- evidence 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 Individualised Learner Record (ILR).

**12** The overarching criteria for all items of evidence are that they should be 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 and Adults 2007/08*
- the learner was in attendance as agreed in the Contract (Part 1), including details of any authorised or unauthorised absence
- there is a need and a rationale for a hardship grant or loan
- LSC contract management authority was granted in cases referred for LSC decisions
- the learner actually received the grant or loan
- the loan has been repaid
- repayments have been 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 Directgov website (<http://ema.direct.gov.uk/ema.html>). Usually, the LSC audit of EMA payments takes 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 and Adults 2007/08* and in *Education Maintenance Allowance Extension to LSC-funded Entry to Employment and Programme-led Pathways: Guidance for Providers* (January 2006), which is available from the LSC website at: <http://readingroom.lsc.gov.uk/lsc/2006/learningopportunities/youngpeople/nat-emaextensionguidance-gn-jan06.pdf>.

- 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 further education (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 four-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 2014). Where the funding has been matched to the European Social Fund funding, documents are to be retained until 31 December 2015.

## Annex K:

# The Apprenticeship Blueprint

**1** This annex 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 (SSCs), sector bodies and their employers, the LSC, the Government and the Qualifications and Curriculum Authority (QCA).

**2** 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.

**3** 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.

**4** The content of each Apprenticeship is designed by SSCs, sector bodies and their employers in accordance with the following paragraphs.

## Apprenticeships

**5** The following are essential content for all Apprenticeship frameworks:

- a competence-based element
- a knowledge-based element
- transferable or key skills
- employment rights and responsibilities.

**6** Apprenticeships should be directly accessible to those from age 16 who possess the required entry criteria.

**7** 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.

**8** SSCs and sector bodies are responsible for determining and publicising entry criteria.

**9** In addition to the above, Apprenticeships may include other elements as required by employers who employ apprentices, but these will not normally be funded.

**10** While 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.

**11** Paragraphs 12–27 outline the essential content and areas where flexibility is possible for each of the above elements.

## Competence-based Element

### Essential content

**12** The competence-based element must be assembled from the National Occupational 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 (NVQ) and should be assessed using methods designed to test competence. It must be at:

- Apprenticeship Level 2
- Advanced Apprenticeship Level 3.

### Areas of flexibility

**13** The content of the competence-based element may be determined by the SSCs, sector bodies and their employers.

**14** The name of the qualification may be varied to suit the employment sector.

**15** Assessment methods should be determined by the appropriate SSC in collaboration with QCA.

**16** The knowledge-based element may or may not be integrated with the competence-based element at the discretion of the SSCs, sector bodies and their employers.

## Knowledge-based Element

**17** Technical Certificates were introduced to ensure that the underpinning theoretical knowledge required by a successful apprentice would be clearly demonstrated. While some SSCs and sector bodies have effective Technical Certificates that are fit for purpose, others have indicated that they would like to see the knowledge-based element as an integrated but clearly identified and assessed part of the NVQ.

### Essential content

**18** The knowledge-based 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.

**19** The knowledge-based element will normally be independently assessed using methods determined by the SSC and sector bodies, and agreed by QCA as appropriate to the assessment of knowledge.

**20** The knowledge-based 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

**21** The knowledge-based element may be separately accredited or may be accredited as part of the competence-based element.

**22** 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 or Key Skills

### Essential content

**23** The following elements must be included:

- a Apprenticeships:
  - key skill of Application of Number at Level 1
  - key skill of Communication at Level 1.
- b Advanced Apprenticeships:
  - key skill of Application of Number at Level 2
  - key skill of Communication at Level 2.

**24** Key skills assessment must include an end test, unless an exemption/relaxation applies.

### Areas of flexibility

**25** Areas of flexibility for transferable skills are:

- the range of proxy qualifications
- the relaxation requirement, whereby 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.

## Employment Rights and Responsibilities

### Essential content

**26** Employment rights and responsibilities must be included for all Apprenticeships and Advanced Apprenticeships and there should be a requirement for all apprentices to understand their responsibilities for equal opportunities, health and safety and the safe learner concept.

## Areas of flexibility

**27** The content and assessment of employment rights and responsibilities is the responsibility of the SSCs and sector bodies designing the framework.

## Other Considerations

### Qualifications

**28** 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, registration and associated costs.

**29** Cassels recommended the awarding by the SSCs 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.

**30** While some SSCs 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 the sector moves towards a credit-based qualification system, there is value in offering SSCs, 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 as a precursor to any eventual national system.

### Essential content

**31** Key skills, where required by the learner, must be independently accredited (although they may be delivered as part of other qualifications).

**32** Knowledge-based and competence-based elements must lead to accredited qualifications.

### Areas of flexibility

**33** Competence-based and knowledge-based elements may be separately assessed or may be covered by a single, overarching qualification.

**34** SSCs, 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 Hardship Funding Guidance

## Introduction

**1** 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 E2E and WBL-funded PLPs.

## Rationale for hardship funding for E2E/PLP programmes

**2** Experience from running EMA in further education (FE) shows 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

**3** The scope of what can be funded mirrors the existing priorities available under the hardship element of the FE Learner Support Fund (LSF), namely learners who:

- are economically or socially disadvantaged, disabled, medically ill and/or have learning difficulties and who need support with associated learning costs
- have been in care or on probation or are young parents or otherwise considered to be at risk
- are lone parents (who may also be eligible for Care to Learn payments which were expanded to cover 20-year-olds in 2007)
- are on low incomes or from low-income families, identified by appropriate income assessment.

**4** It is also the intention to provide an emergency fund for learners in hardship due to delays or barriers to EMA applications.

**5** 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 European Social Fund-funded provision, NVQ-only learners and Employer-led Apprenticeships) are not eligible for this funding.

## Scope

**6** Typical payments under hardship payments will include payments to learners 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
- do not qualify for EMA and are not supported by an employer, for example, Programme-led Apprenticeship
- 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
- have not pre-applied for EMA and need an advance until their EMA payments start (at which point the advance can be repaid).

**7** 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 learning support (ALS), must not be funded under the hardship fund.

**8** Although exceptional short-term costs can be met, the hardship fund 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.

**9** 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

**10** Providers may use the hardship fund 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 a 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 cannot finalise their EMA application. The LSC's experience of operating LSFs 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

**11** 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 3–5 above) and scope (paragraphs 6–9 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.

**12** 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.

**13** Providers are expected to document their application and recovery processes and must be able to produce these on request.

### Payments and reconciliation

**14** 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 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 will be reconciled through the Training Provider Statement (TPS), and as follows.

- 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 TPS

**15** 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 7 WBL hardship fund value
- for E2E – TPS box 13 E2E hardship fund value.

### Audit requirements

**16** 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 and Adults 2007/08*

- the learner was in attendance as agreed in the 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.

**17** 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**

**18** 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 skills 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 principles that funding should be provided by one organisation only for each element of the Apprenticeship programme, 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 *Blueprint for Apprenticeships* (LSC and DfES, September 2005), which is available at: [www.apprenticeships.org.uk/NR/rdonlyres/A28D2CFF-725E-4D00-9110-429A77CCA2C6/0/ApprenticeshipBlueprintFinalV215Sep05.pdf](http://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-based 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-based 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 LSC is piloting Higher Apprenticeships at Level 4 using the following principles:

- a competence-based element at Level 4
- a knowledge-based element at Level 4
- transferable or key skills at Level 2 or 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-based element, the knowledge-based 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-based 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-based element, the key skills and the employment rights and responsibilities. The LSC will also fund the knowledge-based element if this is defined as non-prescribed HE. The HEFCE will be responsible for setting funding rates and arrangements for funding the knowledge-based element where this is designated as prescribed HE provision.

## Commentary

10 This protocol recognises and promotes the benefit of Level 4 knowledge-based 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-based element within the approved framework
- the mandatory knowledge-based 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 its 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 (WBL), 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 and 7 below.)
- **Competence element:** This is a National Vocational Qualification (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 solutions, 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 further education (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 109 in the main body of this 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 that 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 that 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 learners 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 2007/08*, paragraph 388 onwards, and *School Sixth Forms – Funding Guidance 2006/07 and 2007/08*, paragraph 139 onwards refer.

## Key skills in Premiership football

**6** The Apprenticeship Approvals Group (AAG) and the 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 and not 20, and therefore special arrangements are needed for claiming them within the 780 glh. Enter 66 per cent into field A51a of the ILR for all three additional key skills. This will generate the correct funding and ensure that 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 109 in the main body of this document.

**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 123 in the main body of this document and paragraphs 24, 42 and 48 of *LSC Learner Eligibility Guidance 2007/08*.

**10** For clarity, the maximum funding per learner is described in paragraph 183 onwards of *Funding Guidance for Further Education 2007/08* and the revised maximum qualification funding for schools is described in paragraph 41 onwards of *School Sixth Forms – Funding Guidance 2006/07 and 2007/08*.

## Employment Terms and Conditions

**11** Apprenticeships are primarily an employment programme; in some sports this is possible (for example, football) and in others very unlikely (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 this document.

**12** Apprentices can be employed and, if they are, must receive at least £80 a week. There is no restriction on being employed while undergoing a school sixth-form course. Paragraph 336 of *Funding Guidance for Further Education 2007/08* indicates that the LSC would not expect to fund full-time employees as full-time learners. In the case of the 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, by denying them the opportunity of completing their education.

## Health and Safety

**13** The AASE, although unique in its structure and purpose, is funded as WBL, 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 other's 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.

# Index

Note: Numerical locators are paragraph numbers.  
**Bold** entries indicate key references. *Italic* entries are to annexes.

- 16–18-year-olds 12, 52
  - eligibility for work-based learning 123
  - expected employer contributions 14, 21, 23, 40, 41
  - funding rates 55, 59
  - learning agreement pilots 33
  - recruitment priorities 135
- 19–24-year-olds 52, 117, 118, 119
  - eligibility for Entry to Employment 177, 178
  - eligibility for work-based learning 123
  - expected employer contributions 14, 20, 21, 23, 40
  - funding rates 55, 59
  - recruitment priorities 135
- absence **71–73**
- achievement certificates 201
- achievement percentage 50
- activity agreements **191**
- activity analysis 50
- additional learning needs (ALNs) 38, **96–97**, 151, 202, 215, *Annex E*
- additional learning support (ALS) 51, 94–104, *Annex E*
- additional social needs (ASNs) 38, 96–97, 151, 202, 215, *Annex E*
- administration **164**
- adult learners 52, 137
  - eligibility for work-based learning 123
  - expected employer contributions 14, 40
  - recruitment priorities 135
  - see also Apprenticeships for Adults
- Adult Learning Inspectorate 180
- Advanced Apprenticeship in Sporting Excellence *Annex N*
- Advanced Apprenticeships 26, 140, 210
  - funding **52–93**, 115
  - length of programme **62–67**
  - pre-entry advice and guidance **54**
  - progression from Apprenticeships **83–84**
- advisory group, Apprenticeship rates 4
- age groups **55**
  - see also 16–18-year-olds; 19–24-year-olds; adults
- agreed breaks **71–72**, 200
- allocation arrangements 18, 213–214
- Apprenticeship Rates Review 4–5, **24–27**, 41, *Annex B (Appendix 1)*
- Apprenticeships 79, 81, 117–120, 210
  - absence **71–73**
  - administration **164**
  - age groups **55**, 123
  - agreed breaks **71–72**
  - changing areas of learning **93**
  - changing programmes **91**
  - changing training provider **82, 86–90**
  - conversion from NVQ 80
  - delivery **140–164**
  - framework achievement rates 34, 36
  - funding **52–93**, 106–110, 119, **173**
  - induction **153**
  - initial assessment **148–152**
  - leaving **69–70, 160–161**
  - length of programme **62–67**
  - Level 4 **29**, 80, 115, 168, *Annex M*
  - multiple **92**
  - objectives and targets **7–12**
  - performance monitoring **162**
  - portability **82**
  - pre-entry advice and guidance **54**
  - programme components **145–163**
  - progression to Advanced Apprenticeships **83–85**
  - self-assessment **163**
  - see also Advanced Apprenticeships; Employer-led Apprenticeships; Higher Apprenticeships; Programme-led Apprenticeships; Young Apprenticeships
- Apprenticeships Blueprint 52, *Annex K*
- Apprenticeships for Adults 13, **31**, 123, 135
- area uplift 50
- armed forces 129–130
  - see also Ministry of Defence (MoD) contracts
- Assessment, Planning, Implementation and Review (APIR) framework 182
- Association of Colleges (AoC) 4, 25
- Association of Learning Providers (ALP) 4, 25
- British Armed Forces (BAF) 129–130
  - see also Ministry of Defence (MoD) contracts
- budgeting **165–173**
- Business Link 138
- Care to Learn 103
- Career Development Loan 125
- changing areas of learning **93**
- changing programmes **91**
- Chemical and Refining Industries 76
- childcare 103
- Communications 76
- compulsory school age **131–132**

- Connexions 94, 137, 138, 160, 178, 180, 182, 184, 191, 193, 214
- contracting **17–18**, *Annex C*
- curriculum, Entry to Employment **189–191**
- data collection *Annex H*
- Department for Children, Schools and Families (DCSF) 192
- Department for Innovation, Universities and Skills (DIUS) 192
- Disability Discrimination Act 1995 216
- disadvantage uplift 50, **79**
- Duke of Edinburgh Awards 134
- E2E Passport 174, **180–181**, 203, 205
- E2E Prospectus 174, 176, 189
- Education Maintenance Allowance (EMA) **102**, 143, 182, 206, 207
  - guidance 46, **48**, 207
  - hardship funds *Annex L*
- Electricity Industry 76
- eligibility, of provision **133–136**
  - see also learner eligibility; work-based learning (WBL), eligibility
- employed learners 101, 104
- employer contributions 14, 20–23, 40, 41
- Employer-led Apprenticeships **141–144**
- employment outside England **128–130**
- End to End Review 82
- Engineering Construction 76
- Entry to Employment (E2E) 6, 42, 79, 102, 105, 134, 137, 154, **174–221**
  - achievement certificates 201
  - activity agreements **191**
  - administration **174–209**, **218–221**
  - allocations 213–214
  - attendance **193–195**
  - bonuses 210, 211
  - curriculum **189–191**
  - definition **176**
  - delivery **188**
  - documentation **183–187**
  - eligibility **177–179**
  - evidence requirements **219–221**, *Annex J*
  - exceptional learning support **215–216**, 218
  - expenses **208**
  - financial support **206–209**
  - funding **210–217**
  - funding rates 14, **217**
  - hardship funds **209**, 218, *Annex L*
  - induction **188**
  - leaving **201–205**
  - non-accredited awards 212, *Table 1*
  - planned places payments **210**, **217**, **218**
  - progression bonuses 210, 211
  - provider bonuses **210**, **217**, 218
  - qualification bonuses 210, 217
  - recruitment **182**
  - self-referral 182, 184
  - targets 11
  - weekly unit costs 210
- Entry to Employment (E2E) Passport 174, **180–181**, 203, 205
- Entry to Employment (E2E) Prospectus 174, 176, 189
- ESF Co-Financing Operations Guide* 114
- ethnic minorities 31
- European Social Fund (ESF) **114**
- evidence requirements **219–221**, *Annex I*, *Annex J*
- exceptional learning support (ELS) **98–99**, **215–216**
- expected employer contributions 14, 20–23, 40, 41
- expenses **103–104**, **208**
- Extended Guarantee Group 55, 123, 135, 177
- fees 39, 40, 41
- Financial Help for Young People 209*
- Food and Drink Manufacturing Operations 76
- formula-funding arrangements, example *Annex G*
- foundation degrees 115, 126
- Foundation Learning Tier (FLT) **28**, 175
- full-time learners 126
- funding
  - Apprenticeships **52–93**, 106–110, 119
  - Entry to Employment **210–17**
  - European Social Fund **114**
  - further education 111–113
  - higher education **115**
  - National Vocational Qualifications **56**, 119, 120
  - plan-led **172**
  - Prince's Trust TEAM 194
  - progression reviews **196–200**
  - Train to Gain 119–120
  - work-based learning **106–110**, **123–132**, 143, 172
- funding agreements **44–49**
- Funding Guidance for Further Education in 2007/08* 50
- funding methodology, changes **19–43**
- funding principles **2–3**
- funding providers **44–49**
- funding requirements, changes **19–43**, **172**
- further education (FE), funding **111–113**, 126
- Gas Industry 76
- Getting Connected 134
- Glass Industry 76
- graduates **126**
- growth **173**
- Guarantee Group 123, 135, 182
- Higher Apprenticeships 80
  - funding 115
  - trials 29
- higher education (HE) **115**, 126
- Higher Education Funding Council for England (HEFCE) 115, 126
- Higher National Certificates (HNCs) 115, 126
- Higher National Diplomas (HNDs) 115, 126

- Identifying and Managing Underperformance* 35  
 Index of Multiple Deprivation (IMD) 2000 50, 79  
 Individual Learner Records (ILRs) 14, 64, 72, 75, 80, 143, 182, 184, 201, 203  
 individual learning plans (ILPs) 148, 149, **156–159**  
 induction **153, 188**  
 initial assessment **148–152**  
*Initial Assessment of Learning and Support Needs and Planning Learning to Meet Needs* 150  
 injury 72  
 IT Services and Development 76
- key skills 23, 43, 51, 137, 143, **145–147**  
 funding **59–61**
- Land-Based Service Engineering 76  
 learner contributions 125  
 learner eligibility **121–122**  
 learner income **100–104**  
 learner profiles **169–170**  
 learner support **100–104**  
 learning agreements **105**  
 pilots **33**  
 Learning Aims Database (LAD) 16, 57, 133  
 Learning and Skills Network (formerly Learning and Skills Development Agency) 94  
 leaving a programme **69–70, 160–161, 201–205**  
 length of programme **62–67**  
 local partnership teams **171**  
*LSC Learner Eligibility Guidance 2007/08* 121, 122, 123
- Marine Industry 76  
 marketing **138–139**  
 maternity leave **73**  
 Meat and Poultry Processing 76  
 mentoring 137  
 Metals Processing 76  
 Millennium Volunteers 194  
 Ministry of Defence (MoD) contracts 116, *Annex D*  
 Modern Apprenticeship Advisory Committee 66, 141  
 monitoring arrangements **162**  
 multiple Apprenticeships **92**
- national base rate 50  
 National Employer Service (NES) 47, *Annex C*  
 national formula, application of **37–43, 50–120**  
 National Qualifications Framework (NQF) 176, 210  
 national rates 37, *Annex B*  
 National Vocational Qualification for IT Users *Annex B*  
 National Vocational Qualifications (NVQs) 6, 14, 21, 24, 25, 26, 27, 50, 51, **80**, 137  
 funding **56**, 119, 120  
 rate changes 25  
 National Youth Agency 212  
 New Deal 110, 126, 177, 210  
 New Measures of Success 67  
 non-accredited awards 212, *Table 1*  
 non-employed learners 102, 103
- Office for Standards in Education (Ofsted) 41  
 operational deployment 72
- paternity leave **73**  
 payments *Annex H*  
 pilgrimages 72  
 plan-led funding **172**  
 planned places payments **210, 217, 218**  
 planning **165–173**  
*Planning for Success* 36, 163  
 Plumbing 76  
 policy aims, work-based learning delivery **137**  
 policy changes **28–43**  
 portability **82**  
   *see also* training providers, changing  
 pre-entry advice and guidance **54**  
 Prince's Trust 134, 194  
 Printing 76  
*Priorities for Success* 40  
 probation periods **68**  
 programme objectives and targets **7–12**  
 programme weighting 50  
 Programme-led Apprenticeships **32, 74, 102, 141–144, 210**  
 progress reviews **154–155**  
 progression bonuses 210, 211  
 Progression Pathways 28, 175  
 progression reviews, Entry to Employment **196–200**  
 protective equipment 103  
 provider bonuses **210**  
 Provider Support Manual 152, 200, 201, 218  
 providers *see* funding providers; training providers
- qualification bonuses 210, 217  
 Qualifications and Credit Framework (QCF) 28  
 Qualifications and Curriculum Authority (QCA) 28, 147  
 quality **34–36, 173**
- Rail Transport Engineering 76  
 rate adjustments **15**  
 Recognising and Recording Progress & Achievement (RARPA) 67  
 recruitment priorities **135**  
 regional contracting **18, Annex C**  
 regional contracting teams **171**  
 religious trips 72  
 restarting a programme 75, 78
- Scotland, funding **127**  
 sector skills councils (SSCs) 25, 52, 81, 140, 146  
 Sector Skills Development Agency 4  
 Security Industry 76  
 self-assessment **163**  
 sickness 72  
 significant prior learning **74–78**  
 Skills For Business Apprenticeships Approval Group 52, 140  
 Skills for Life 23, 182

*Specification of the Individualised Learner Record for  
2007/08* 201

sub-contracted provision **46**

success rate reports 68

Technical Certificates 14, 21, 24, 25, 26, 42, 43, 51, 137,  
142

funding **57–58, 111–112**, 136

temporary employment **128–130**

temporary frameworks **81**

Terms and Conditions, Young People's *Annex F*

Textiles 76

Train to Gain 31, **117–120**

funding 119–120

Training Provider Statements (TPSs) 99

training providers **49**

changing 75, **82, 86–90**

transfers 75

see also training providers, changing

Transport Engineering and Maintenance 76

travel expenses 103

Travel Services 76

Wales, funding **127**

women 31

work secondment 72

work-based learning (WBL)

age groups **55**

budgets 13

contracting **17–18**, *Annex C*

delivery **49, 137–164**

eligibility **123–136**

evidence requirements *Annex I*

funding **1–16, 19–43, 106–110, 123–132, 143, 172**

funding methodology, changes **19–43**

funding principles **2–3**

funding rates 5, 15–16, 25, 37, *Annex B*

funding requirements, changes **19–43, 172**

marketing **138–139**

national formula **37–43**

national rates 37, *Annex B*

objectives **7–12**

policy aims, delivery **137**

standard rates *Annex B*

targets **7–12**

Young People's Terms and Conditions *Annex F*

Young Apprenticeships **30**, 75

Young People's Terms and Conditions *Annex F*

Learning and Skills Council  
**National Office**  
Cheylesmore House  
Quinton Road  
Coventry CV1 2WT  
T 0845 019 4170  
F 024 7682 3675  
[www.lsc.gov.uk](http://www.lsc.gov.uk)

© LSC August 2007  
Published by the Learning and Skills Council

Extracts from this publication may be reproduced for non-commercial educational or training purposes on condition that the source is acknowledged and the findings are not misrepresented.

This publication is available in electronic form on the Learning and Skills Council website:  
[www.lsc.gov.uk](http://www.lsc.gov.uk)

If you require this publication in an alternative format or language, please contact the LSC Help Desk: 0870 900 6800

Publication reference: LSC-P-NAT-070121