

Circular 03/11

For Action: Responses to Annex B, C and K are requested by
31 December 2003

Responses to Annex D, E, F, J, K and L are requested by 9 February 2004

Funding

ILR Interim and ILR Final Funding Claims 2002/03

Summary

This circular provides all ILR funding claim forms and external ILR auditor opinions for the year 2002/03, superseding Circular 02/22, and should be used in conjunction with LSC publications *Funding Guidance for Further Education in 2002/03* and *ILR Audit Guidance for Further Education in 2002/03*.

It also sets out the new responsive growth and funding reconciliation system for 2002/03 and 2003/04.

An annex to this circular will be published on the LSC web site in the summer/autumn 2003 giving up to date technical information to support funding claims.



Foreword

The Learning and Skills Council is committed to simplifying the way it funds colleges and other providers, working in partnership to create a planning led approach, with the minimum of intervention and significantly reducing red tape and bureaucracy. These aims underpin both *Trust in FE* and *Success for All*, the Government's strategy for reforming further education and training.

The new approach to funding reconciliation set out in this circular is an important milestone in meeting these objectives, recognising that colleges need to be able to plan with confidence to deliver the results expected of them. We also recognise that colleges are unlikely to offset relatively small reductions in targeted income through increased productivity and cost savings.

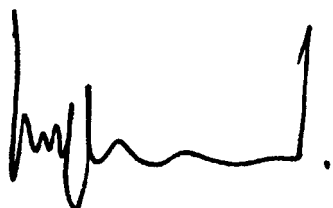
Above all, we do not want to penalise any college or provider that is working hard and getting close to achieving its targets. Rather, we want to offer real incentives to succeed and to recognise and reward those institutions that provide realistic annual forecasts. We are therefore making important changes to the existing system, which since 1994/95 has entailed claw back of shortfalls and reduced allocations where colleges and providers fail to meet their forecast activity in full.

The more flexible allocation system outlined in this circular includes:

- no clawback of funds or reduction in allocation for colleges and providers achieving 97% or more of their planned activity;
- the opportunity for institutions achieving below 97% of planned activity to bring themselves within the 97% threshold by returning baseline funds for the previous year; and
- responsive growth payments for colleges and providers that over deliver in key priority areas, up to a maximum of 5% above their funded target.

Colleges and providers that are achieving between 94% and 97% of their planned activity have until the end of February 2004 to negotiate a reduced allocation for the current academic year. Those achieving below 94% must return baseline funds by September this year to bring themselves within the threshold.

We believe that these new arrangements represent real progress in our journey to streamline and simplify funding arrangements and to minimise unnecessary bureaucracy. They will also enable colleges and other providers to plan more effectively and to benefit from the increased flexibility and freedom these changes are designed to deliver.

A handwritten signature in black ink, appearing to read 'John Harwood', followed by a period.

John Harwood, Chief Executive

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Further information

For further information, please contact the appropriate local Learning and Skills Council office. Contact details for each office can be found on the Council's website: www.lsc.gov.uk.

Responses to this document

Responses to Annex B, C and K are requested by 31 December 2003

Responses to Annex D, E, F, J, K and L are requested by 9 February 2004.

Executive Summary

Date: July 2003

Subject: Every college and other provider is required to provide the LSC with an interim funding claim and a final funding claim of the total funding generated by the college or other provider with reference to the 2002/03 funding allocation.

This circular provides all funding claim forms and external ILR auditor opinions for the year 2002/03 and provides guidance to colleges or other providers and external ILR auditors on how to complete and return them. It also contains the self-assessment checklist as well as an example of a responsive growth/recovery statement and guidance on the calculation of responsive growth and recovery of funds for 2002/03.

An annex to this circular will be published on the LSC web site in autumn 2003 listing valid manual adjustments for 2002/03 and the versions of the LAD and LIS to be used for compiling funding claims.

Intended recipients: principals of colleges, heads of institutions, Executive Directors of local Learning and Skills Councils, external ILR auditors, the National Audit Office, the Audit Commission and heads of other key organisations.

Status: For information and response

Date for action: Interim funding claim by a deadline of no later than 31 December 2003. Final funding claim by a deadline of no later than 9 February 2004.

For colleges and providers achieving below 97% of targeted activity, the following deadlines apply:

- agreement of any planned change in allocation by **29 February 2004** for colleges delivering between 94% and 97% of their allocation, paid to August 2003 for the 2002/03 academic year; and
- agreement of any planned change in allocation by **30 September 2003** for colleges delivering below 94% of their allocation, paid to August 2003 for the 2002/03 academic year.

No action to agree any return of allocation is necessary by any college or provider delivering 97% or above of their funding allocation.

All colleges and providers are reminded that all the above dates are the latest possible. Early returns of both data and unused allocations are encouraged.

New annexes K and L explain how to claim safety netting and targeted additional funding not subject to the responsive growth capping mechanism.

ILR Interim and Final Funding Claims

2002/03

Introduction

1 Colleges or other providers are required to make ILR interim and final funding claims following the end of the teaching year. From 2001/02 colleges and other providers were also required to make new interim claims in the autumn and final claim in the spring term following the end of the teaching year.

2 In this circular, the Learning and Skills Council (LSC) requests the interim funding claim **by a deadline of** no later than 31 December 2003, and a final funding claim **by a deadline of** no later than 9 February 2004 of the total funding generated by institution with reference to the 2002/03 funding allocation. This includes any additional funds allocated to institutions. It also provides guidance on how to make the returns.

3 Claims and audit opinions should be returned to the relevant local Learning and Skills Council (local LSC) in accordance with the timetable agreed between the college, its ILR auditors and local LSC. The LSC welcomes early returns, but any agreed timetable must meet the deadlines given for each return.

In order to access responsive growth payments and the new recovery of funds thresholds set out in this circular colleges or other providers must comply with the deadlines for returns set out in this circular.

4 The LSC will use this information to assess each college or other provider's performance against its funding agreement and to determine whether any adjustments are required to the funding paid to the college or other provider for 2002/03. These claims will form the basis for any responsive growth

payments or any recovery of funds to be carried out in the Spring/Summer terms 2004. Each college or other provider's performance in 2002/03 may also be taken into account in the 2004/05 funding allocation process.

5 Interim and final claims are expected from colleges, higher education (HE) institutions, external institutions and directly funded Ufi hubs, together with the associated audit report requested in this circular.

6 The various returns and example explanatory annexes in this circular are listed in Table 1 overleaf.

Table 1 Explanatory annexes in this circular

Annex	Description
A	Guidance on completing claim forms
B	ILR Interim Claim 2002/03
C	FE College external ILR auditor interim claim opinion 2002/03
D	ILR Final Claim 2002/03 and Final Diff 2002/03
E	HEI and EI external auditor opinion 2002/03
F	FE College external ILR auditor opinion 2002/03
G	Example of Responsive Growth/Recovery statement 2002/03
H	Responsive growth/recovery of funds calculations
I	Summary of funding by allocation type
J	Self assessment checklist 2002/03
K	Safety net cash adjustment claim 2002/03
L	Targeted growth allocation final claim 2002/03

College (and Directly Funded Ufl Hubs) Audit Returns

7 For 2002/03 LSC contracted external ILR auditors are asked to use the audit opinion at Annex F and self-assessment checklist at Annex J of this circular for the final return. For the interim return the auditors will use the audit opinion given in Annex C. The 20 Colleges in the Trust in FE Pilot are only required to return the funding claims for 2002/03 and no audit opinion is required for those colleges.

HE and External Institution Audit Returns

8 For 2002/03 external auditors of higher education institutions and LSC funded external institutions are asked to use the audit opinion in Annex E and the self assessment checklist in Annex J of this circular for the final claim. No audit opinion is yet required for the interim claim. The LSC is likely to provide the Audit Commission with a separate final claim audit opinion to be used for LEA maintained external institutions.

Background

9 Each college or other provider is required to provide the LSC with an audited final return of funding for 2002/03 in the spring term after the end of the 2002/03 teaching year. Colleges or other providers and external ILR auditors are reminded that this return is expected by 9 February 2004. If colleges, other providers or external ILR auditors anticipate that this return will not be received by 9 February 2004, a letter explaining the reasons for the delay, the action to be taken and a firm promise date for submission should normally be sent to the relevant local LSC before the expected return date. For HE institutions the deadline is extended by six weeks to allow for the time needed by the Higher Education Statistical Agency (HESA) for the necessary data conversion exercise.

Arrangements

10 All colleges or other providers are asked to make ILR interim and final claims of funding for 2002/03, by completing forms *ILR Interim Claim 2002/3* at Annex B and *ILR Final Claim 2002/3* at Annex D to this circular. The interim claim will enable the LSC to issue an estimated responsive growth/recovery statement to all colleges or other providers. FE Colleges and their financial statement auditors

will be able to use this document to assist in completing the college's financial statements.

11 Guidance on completing the forms can be found at Annex A. You should pass the final claim to your external ILR auditors and ask them to send it to the LSC with their report on the audit of the 2002/03 final funding claim and supporting data for 2002/03. In order to assist in completing the forms the LSC has provided a report Summary by Funding Allocation Type within the Learner Information Suite (LIS) that provides breakdown of cash to match the interim and final claim forms. Colleges or other providers are asked to send a copy of this report with their claims. An example of this report is shown in Annex I. The interim claim should reach the local LSC no later than 31 December 2003 and the final claim by 9 February 2004.

12 Colleges and external institutions are reminded that ILRF05 (31 December 2003; 2002/03) data should be sent by the web portal to the LSC to arrive no later than 9 February 2004. The final funding claim for 2002/03 cannot be processed until ILRF05 data have been received and validated by the LSC. HE institutions will be sent July HESA data, converted to ILR format by late January or early February 2004. This will enable them to process the data using a version of the Learner Information Suite (LIS), which will be advised on the LSC website nearer the time of the return.

13 Colleges or other providers should note the guidance on the audit of final funding claims set out in the LSC document *ILR Audit Guidance for Further Education in 2002/03*. Particular attention should be paid to the checks regarding franchising and the guidance set out in *Further Education Funding Council (FEFC) Circular 99/37*.

14 The LSC will compare the college or other provider's final funding claim with the cash generated by processing the college or other provider's ILRF05 (31 December 2003; 2002/03) return, or equivalent data derived from the institution's HESA return, through the notified version of the LIS using the notified release of the qualification database. The LSC expects cash generated from ILRF05 to be consistent, after taking account of manual adjustments, with the final funding claim. To assist colleges or other

providers, advice on manual adjustments that are acceptable to the LSC will be published in the Summer/Autumn Annex to this circular.

15 Colleges and other providers are requested not to use their UPIN number as their LSC code on returns for 2003/03 as some of the relevant internal LSC data for 2002/03 pre dates allocation of UPIN numbers.

Changes to Audit Opinions for 2002/03

16 The LSC amended the audit opinion for 2001/02 to assist colleges or other providers and auditors in making more timely returns and emphasise the importance of the accuracy of the funding claim.

17 The audit opinion for both interim and final return requires auditors signing off the final audit opinion after the due date to attach a report identifying the causes for delay. This will mean that any audit opinions submitted after that date will not enable the LSC to record the college or other provider as submitting reliable data returns to the LSC.

18 Colleges are reminded of the need to run relevant ILR audit CAATs reports to verify their own data during the year. For colleges wishing to simplify their ILR audit it is recommended the reports are run and cleared prior to any ILR auditor substantive visits.

19 The National Audit Office (NAO) and the Department for Education and Skills (DfES) are closely monitoring the LSC over timeliness of returns and it is essential that all colleges or other providers meet the timescales set out in this circular. **Those colleges or other providers failing to meet the return timetable lose access to any additional responsive growth allocation or the higher de minimis limits for clawback.**

20 Colleges or other providers who are unable to submit timely returns are advised that they may be required to attend moderation meeting(s) in Coventry with their local LSC and ILR audit firm representative to discuss the reasons for the lateness of their return.

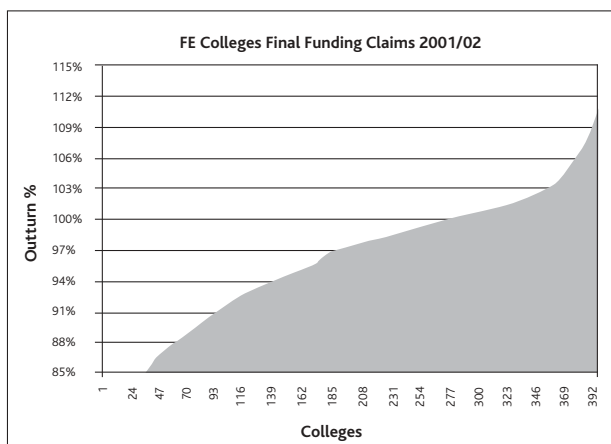
Adjustments to Payments

21 For the purposes of calculating payments to colleges or other providers the LSC will calculate the performance of each institution in 2002/03 as described in this Circular and in *Funding Guidance for Further Education in 2002/03* and in particular, by comparing the college or other provider's total funding eligible for LSC funding with the funded cash in its funding agreement.

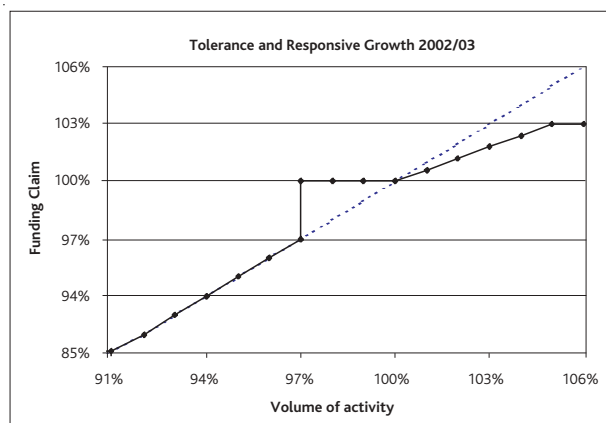
22 These performance measures will be used to calculate the final funding to be paid to the college or other provider for 2002/03. The LSC will make responsive growth payments to eligible colleges or other providers in Spring/Summer 2004. These payments will only be made on receipt of timely audited final funding claims (as stated in paragraph 298 of *Funding Guidance for Further Education in 2002/03*). Annex H provides some examples of responsive growth payments.

23 The LSC is very concerned about the number of providers falling significantly short of their planned activity targets. The LSC wishes to encourage early the return of significant unused allocations to release funds to those providers exceeding their funding agreements. The following graphs set out the FE sectors profile of performance for 2001/02 and a graphical representation of the new funding reconciliation arrangements for 2002/03.

Graph 1 FE Sector performance for 2001/02



Graph 2 Funding reconciliation arrangements for 2002/03



24 The LSC intends to moderate any recovery of funds for colleges or other providers which have not achieved their funding agreement in 2002/03 and in 2003/04 as follows:

- The previous FEFC de minimis limit for clawback is raised from lower of £5,000 or 5% of FE funded allocation to the higher of 3% of the LSC FE funded cash allocation or £5,000 (the £5,000 limit is retained so none of the smaller institutions are adversely affected from this change in the de minimis limit). For most colleges or other providers, this means performance above 97% of the FE cash allocation will not result in any recovery of funds.
- The above calculation will be based on the funding allocated for 2002/03 and actually paid to colleges or other providers for the year. This means any college or other provider wishing to reduce their funding allocation for 2002/03 must agree the reduction in their allocation in time to return the funds to the LSC by no later than their 20 October 2003 recurrent funding payment from the LSC. Colleges or other providers can only return baseline funding with a consequential reduction in their 2003/04 allocation.

- Colleges or other providers facing shortfalls for underperformance where the shortfall in delivery on their final funding claim in January/February 2004 is between 97 and 94 per cent of the FE funded cash allocation will be offered a final opportunity to return part of their baseline funding for 2002/03 and 2003/04 so they can then take advantage of the higher de minimis limit. For these colleges or other providers baseline funding will need to be returned to the LSC by no later than 20 March 2004.
- Colleges or other providers whose underperformance exceeds 6% of the FE funded cash allocation will be subject to full clawback for all underperformance (although this may be reduced where colleges or other providers performance entitles them to protection on the basis of previous published guidance on cash protection). This will be calculated solely by reference to the allocation for 2002/03 that has been paid to the college or other provider by no later than 20 October 2003.

The moderation set out in the first three bullet points above is dependant on the LSC receiving the final funding claim and ILR audit opinion by the 9 February 2004. Those colleges or other providers that **fail to meet the deadline for returns will face full recovery of funds** for underperformance, subject only to the previous published de minimis limit for clawback of £5,000. These arrangements are described in more detail in Annex H.

25 Colleges or other providers are reminded of the need to comply with LSC guidance on return of final accounts. In order to avoid difficulties in agreeing their funding position with their financial and ILR auditors those Colleges or other providers delivering below 97%, but above 94%, are encouraged to ensure that any baseline funding being returned to the LSC is agreed as early as possible this Autumn.

26 The LSC intends to begin phased recovery of funds for 2002/03 under achievement in 2003/04, starting from the Spring/Summer 2004 on a similar basis to previous years. The LSC will be calculating likely underachievement and any sums to be recovered on the basis of either data from the interim claims or where these are not submitted, LSC generated estimates of activity from earlier ILR returns. Colleges or other providers will be sent responsive growth/recovery statements based on these calculations between November and December 2003 and should plan for any recovery on these statements to take place in three equal instalments in the Spring/Summer 2004.

27 Where colleges or other providers submit their final funding claim by 9 February 2004 their profiled recovery for the Spring/Summer 2004 will be based on that return and this data will replace any previously notified interim data. The final recovery of funds for underperformance in 2002/03 will always be determined using ILRF05, the final funding claim 2002/03 (taking account of any audit qualifications) and in exceptional circumstances the results of any separate LSC investigation.

FE College ILR Auditor Form G2 (and any relevant G3 form)

28 For FE colleges whose funding claims are being audited under the LSC audit contract, their interim claim and interim audit opinion should be returned with ILR auditor form G2 (and form G3 if issued). This form has been separately provided to the ILR audit firms by the LSC and is intended to assist colleges or other providers in agreeing their financial statements with their external financial statements auditor.

29 The G2 (and form G3 if issued) will be returned to the college after submission of the interim claim return with a responsive

growth/recovery statement by the relevant local LSC. This will confirm the likely level of over- or underperformance against funding targets for the 2002/03 teaching year.

Annex A: Guidance for Completing Forms ILR Interim and ILR Final Claims 2002/03

Calculation of ILR Cash

1 Guidance on the calculation of funding cash for the 2002/03 funding allocation is given in the document *Funding Guidance for Further Education in 2002/03*. The returns *ILR Interim Claim 2002/03* and *ILR Final Claim 2002/03* are attached at Annexes B and D to this circular. Further guidance is provided in *ILR Audit Guidance for Further Education in 2002/03*.

2 To assist in completing the forms the LSC has provided a report *Summary by Funding Allocation Type* within the LIS that provides breakdown of cash to match the final claim form, and an example report is shown in Annex I. Colleges or other providers are asked to send a copy of this report with their final claim. If a college or other provider has no claim in a category then the program will not show that element within the report and on the claim form itself an entry of '0' should be recorded.

Allocations

3 The final funding claims should be completed so that the LSC can monitor performance against each type of allocation. As in previous years any fundable cash that falls outside the earmarked boxes should be claimed in the main allocation box. Claims for additional types of allocation should comply with the additional guidance given by the LSC for each type of allocation and relevant circulars for additional allocations have been quoted on the claim form. Further guidance on

these additional types of allocation is also available in *ILR Audit Guidance for Further Education in 2002/03*.

Completing the Form

4 All colleges or other providers are asked to indicate on forms *ILR Interim Claim 2002/03* and *ILR Final Claim 2002/03* the total funding cash that they are claiming for the teaching year 2002/03.

5 Colleges or other providers should provide summary numerical information on the final claim diff form relating to manual adjustments. For the interim claim a separate note would be helpful detailing how the entry has been made up.

6 Colleges or other providers are asked to discuss with their ILR auditor before contacting the LSC's funding eligibility team instances where they wish to make a manual adjustment for any matter that does not appear on the list that will be included in the technical Annex that will be published on the web site in the summer/autumn. They will be given an adjustment number if the manual adjustment is agreed by the LSC and with their ILR auditor. Information on any agreed additional manual adjustments is shown on the LSC's website (www.lsc.gov.uk). *ILR Audit Guidance for Further Education in 2002/03* indicates that the LSC expects external ILR auditors to pay particular attention to any such manual adjustment requests made by colleges or other providers.

Learner Information Suite

7 The LSC will provide a version of the LIS to help colleges or other providers make their in-year and final claims for funding in 2002/03 and will notify the version number on our website before claims are due to be returned to the LSC.

8 All colleges or other providers returning the ILR data for 2002/03 are asked to use notified versions of the LIS and notified release, or any updated version of the LAD to calculate their final total of funding. External ILR auditors have been asked to use the same versions of the software when checking colleges or other providers' final funding returns.

9 For all colleges and external institutions, the 2002/03 audit of learner numbers is based on the individualised learner record (ILR). All HE institutions make a similar return of learner records to HESA, from which a return equivalent to ILR is derived and given to the LSC and to the HE institutions. The HE institutions can use the notified version of the LIS to calculate their final total of funding.

Declaration

10 All claim forms should be signed by the principal or the head of the institution. In the case of HE institutions, claim forms should be signed by the person with equivalent responsibility for further education in the institution. Colleges or other providers and external ILR auditors are reminded that the claim forms returned by the external ILR auditor to the LSC should contain an original signature, not a photocopy or facsimile.

Annex B: ILR Interim Claim 2002/03

Please return this form
to the appropriate local
LSC office.

www.lsc.gov.uk

(Reference Circular 03/11 ILR *Interim and ILR Final Funding Claims* 2002/03)

Please return this form to the appropriate local LSC office.

All colleges and other providers receiving ILR funding from the LSC for 2002/03 are asked to photocopy, and then complete and forward this form to the relevant local LSC office by a deadline of no later than 31 December 2003. For FE colleges and directly funded Ufi hubs only, the form should be submitted to the LSC external ILR audit contractor for return to the LSC with the interim audit opinion.



Learning+Skills Council

Name of Council-funded College or other provider in 2002/03 (<i>please print</i>)
LSC code in 2002/03

All institutions are asked to complete this section. The report Summary by Funding Allocation Type from the Learner Information Suite (LIS) provides the necessary information for the total ILR claim in the table. Institutions are encouraged to send a copy of this report with their final claim.

Table 1 Explanatory annexes in this circular

Type of Allocation	Estimated Out-turn
Main allocation (Supported by Council funding)	
University for Industry (Ufi) Claimed by recipient college only	
Sub-total	
Manual adjustment (including an estimate for achievement and audit adjustments)	
Overall estimated total	
Safety Netting Cash Adjustment (Annex K attached if claim is made)	
Adjusted overall estimated total	

Purpose of ILR Interim Claim

The purpose of this claim is to enable the LSC and the college or other provider to determine whether any funds paid for 2002/03 will be recovered for underperformance. The LSC expects the overall total of cash claimed to be consistent with any financial provision being made by the college or other provider for recovery of funds in their financial statements. This is an interim claim, which includes estimates for achievements, final ILR adjustments and an estimated manual adjustment and should be signed off as being materially accurate. As stated in paragraph 24 of this circular, the recovery of funds will be finally determined using the final funding claim 2002/03, taking account of any audit qualifications and, in exceptional circumstances, the results of any separate LSC investigation.

Declaration

I certify that, to the best of my knowledge, the funding claimed above has been calculated from data correctly extracted from the college or other provider's records, which accurately reflect enrolments during 2002/03, in accordance with the guidance and definitions set out in *Funding Guidance for Further Education in 2002/03* and other relevant guidance.

I also certify that to the best of my knowledge, the funding claim is free from misstatement, whether caused by fraud or other irregularity or error and also complies with the audit guidance given in *ILR Audit Guidance for Further Education in 2002/03*.

This form must be signed by the head of the college or other provider.

Signature (<i>head of college or other provider</i>)
Name (<i>please print</i>)
Position
Date

Annex C: Audit Report on Learner Data Interim Returns 2002/03

Please return this form
to the appropriate local
LSC office.

www.lsc.gov.uk

(Reference Circular 03/11 ILR *Interim and ILR Final Funding Claims* 2002/03)

FE College (or Directly Funded Ufl hubs) ILR Audit Opinion for LSC Contractors

Please return this form to the appropriate local LSC office.

**LSC contracted external ILR auditors of FE colleges (or hub) are
requested to complete and return this form to the relevant local LSC
office by a deadline of no later than 31 December 2003.**

ADDRESSEE: Learning and Skills Council



Learning+Skills Council

Name of Council-funded College or other provider in 2002/03 (please print)
LSC code in 2002/03

**The Statement of Responsibilities and the Basis of the Opinion apply to all sections of the
audit report (all sections should be completed)**

Section 1 This section of the audit report should be completed by external ILR auditors for all institutions.

Respective responsibilities

The principal, or equivalent, of the college (or hub) certifies that the funding recorded in the final claim have been calculated correctly from data extracted from the college's records, which accurately reflect enrolments during 2002/03, in accordance with guidance and definitions set out in the booklets *Funding Guidance for Further Education in 2002/03* and *ILR Audit Guidance for Further Education in 2002/03* together with other relevant guidance. Our responsibility as the LSC's contracted auditor is to form an independent opinion, based upon our audit of the final funding claim and individualised learner record, and to report our opinion to the LSC.

In addition, the college makes an interim claim of the estimated total cash for 2002/03, and the estimated number of full time 16-18 year old learners for those colleges (hubs) seeking additional growth funding. Our responsibility as the LSC's contracted auditor is to report on that estimate, based upon our interim audit.

Purpose of interim opinion

The purpose of this report is to provide the LSC with an interim opinion on the college's (hub's) estimated funding entitlement for 2002/03 to enable the LSC to give an assurance to the college (hub) and their financial statements auditor on the expected final funding claim for the year 2002/03 by providing an estimated responsive growth/recovery statement.

Basis of our report

We conducted our audit in accordance with the Council's audit guidelines and programmes. This is the audit report on the interim funding claim for 2002/03.

Report

We have reviewed the attached Interim Claim for prepared by *the above college (or hub) and sent to the local LSC, and have carried out a programme of tests on a sample basis in accordance with the Council's audit approach and guidelines.*

Please select only one of subparagraph (a) to (c) below:

a. We have no comments on the audit, and in our opinion, in all material respects, the information provided in the college's (hub's) interim return and G2 is consistent with data included in the college's (hub's) individualised learner record ILRF04 (31 July 2003; 2002/03) and interim audit adjustments, and has been properly compiled in accordance with relevant guidance issued by the Council. The relevant guidance is specified in the booklets *Guidance on Further Education Funding Eligibility and Rates 2002-03* and *ILR Audit Guidance for Further Education in 2002/03*.

b. We have raised concerns with the college (hub) and local LSC, and further details are contained in the attached report dated _____.

The cash referred to in the attached report has been (*delete one of the points below*):

- i. included in the college's (hub's) estimated funding entitlement for 2002/03
- ii. excluded from the college's (hub's) estimated funding entitlement for 2002/03

With the exception of these areas, we have no comments on the audit, and in our opinion, in all material aspects, the information provided in the college's (hub's) interim return is consistent with data included in the college's (hub's) individualised learner record ILRF04 (31 July 2003; 2002/03) and interim audit adjustments, and has been properly compiled in accordance with relevant guidance issued by the Council. The relevant guidance is specified in *ILR Audit Guidance for Further Education in 2002/03*.

c. We are unable to issue an opinion. Our findings have been separately reported to the LSC.

(Please tick) Paragraph a ☐ Paragraph b ☐ Paragraph c ☐

Section 2 This section must be completed by all auditors.

Signature
Audit firm (please print)
Date
Contact name (please print)
Contact telephone no

Attachments

Yes

No

Original form *ILR Interim Claim 2002/03*☐

ILR auditor form G2 (and any form G3)

☐

Summary by Funding Allocation Type report

☐☐***(*) inclusion of a copy of the ILR Interim Claim 2002/03 and ILR auditor form G2 is mandatory.***

Please ensure that any amendments to forms, where made by the auditor, are written by hand in ink on the attached copies. Please ensure that all of the above documents are returned (including returns where applicable) and that any amendments to forms, where made by the auditor, are written by hand in red ink on the attached copies.

Additional information

Numbers and dossiers/numbers of ESF-funded activity included in the ILR.

Yes ☐No ☐

Annex D: ILR Final Claim 2002/03 (part 1)

Please return this form
to the appropriate local
LSC office.

www.lsc.gov.uk

(Reference Circular 03/11 ILR *Interim and ILR Final Funding Claims* 2002/03)

Please return this form to the appropriate local LSC office. www.lsc.gov.uk

All college or other providers receiving funding from the LSC for 2002/03 are asked to complete and forward this form to their external ILR auditors with a request that the auditors return it in its original form, together with their audit report, to the relevant local LSC office by a deadline of no later than 9 February 2004.



Learning+Skills Council

Name of Council-funded College or other provider in 2002/03 (*please print*)

LSC code in 2002/03

All college or other providers are asked to complete this section. The report *Summary by Funding Allocation Type* from the Learner Information Suite (LIS) provides the necessary information to complete the table. College or other providers are asked to send a copy of this report with their final claim.

Type of Allocation	ILR Total Cash as per Summary by Funding Allocation Type	Manual Adjustment Total (from Final Diff 2002/03)	Total claim
Main allocation (Supported by Council funding)			
University for Industry (Ufi) Claimed by recipient college only			
Total overall claim			
Safety Netting Cash Adjustment (Annex K attached if claim is made)			
Adjusted overall total			

Table 2 Section titles

ILR Claim (2002/03)	Total should match ILR total in box 2 on <i>Final Diff 2002/03</i>
Manual Adjustment Claim	Total should match manual adjustment total in box 1 on <i>Final Diff 2002/03</i>
Total Claim	Total should match total cash claimed in box 3 in <i>Final Diff 2002/03</i>
Safety Netting Cash Adjustment (Annex K attached if claim is made)	Safety netting cash adjustment
Adjusted total funding claim	Total claim plus any safety netting adjustment

Purpose of Final Claim

The purpose of this claim is to enable the LSC and the College or other provider to determine whether any funds paid for 2002/03 will be paid for over performance or recovered for underperformance. As stated in paragraph 24 of this circular the adjustments of funds will be finally determined using the final funding claim 2002/03 taking account of any audit qualifications and in exceptional circumstances the results of any separate LSC investigation.

This declaration must be signed by the head of the college or other provider (or in the case of HE institutions, the person with responsibility for further education in the institution).

Declaration

I certify that, to the best of my knowledge, the funding claimed above have been calculated from data correctly extracted from the college or other provider's records, which accurately reflect enrolments during 2002/03, in accordance with the guidance and definitions set out in *Funding Guidance for Further Education in 2002/03* and other relevant guidance.

I also certify that to the best of my knowledge, the funding claim is free from misstatement, whether caused by fraud or other irregularity or error and also complies with the audit guidance given in *ILR Audit Guidance for Further Education in 2002/03*.

This form must be signed by the head of the college or other provider.

Signature (<i>head of college or other provider</i>)
Name (<i>please print</i>)
Position
Date

The Claim form and the Diff form are treated as a single return and must be returned to the local LSC office together.

(Reference Circular 03/11 ILR *Interim and ILR Final Funding Claims 2002/03*)

Please return this form to the appropriate local LSC office.

All college or other providers receiving funding from the Council for 2002/03 are asked to complete and forward this form to their external ILR auditors with a request that the auditors return it in its original form, together with the rest of form *ILR Final Claim 2002/03* and their audit report, to the local LSC office by a deadline of no later than 9 February 2004. College or other providers should use this form to record the reason(s) for the difference between the final claim and the cash generated by processing the December 2002 ILR (ILRF05) return through the notified versions of the LIS using the notified release of the LAD, or any updated version. A list of acceptable manual adjustments and their numbers will be published on the LSC web site in the annex to this circular later this year.



Learning+Skills Council

Name of Council-funded College or other provider in 2002/03 (*please print*)

LSC code in 2002/03

Manual adjustment number (see annex to this circular)	Description	Learners affected (No.)	Difference (Funding)

1	Total difference arising from manual adjustments	
2	Total calculated using the notified version of the LIS, ILRF05 (31 December 2003; 2002/03) and appropriate updated version of the Qualifications database	
3	Total shown on form <i>ILR Final Claim 2002/03</i> (total of entries at 1 and 2)	
4	Safety Netting Cash Adjustment (Annex K attached if a claim is made)	
5	Adjusted total funding claim (total of 3 and 4 above)	

Annex E: Audit Report on Learner Data Returns 2002/03

HEI and EI External Auditor Opinion

Please return this form to the appropriate local LSC office.

www.lsc.gov.uk

(Reference Circular 03/11 ILR *Interim and ILR Final Funding Claims* 2002/03)

Please return this form to the appropriate local LSC office.

External auditors of higher education institutions and external institutions are requested to photocopy, and then complete and return this form to the relevant local LSC office by a deadline of no later than 9 February 2004.

ADDRESSEE: Learning and Skills Council.



Learning+Skills Council

Name of Council-funded College or other provider in 2002/03 (<i>please print</i>)

LSC code in 2002/03

The Statement of Responsibilities and the Basis of the Opinion Apply to all Sections of the Audit Report (all sections should be completed).

Section 1 This section of the audit report should be completed by external auditors for all institutions.

Statement of responsibilities

The head of the institution certifies that the funding claimed has been calculated from data correctly extracted from the institution's records, which accurately reflect enrolments during 2002/03, in accordance with the guidance and definitions set out in the booklets *Funding Guidance for Further Education in 2002/03* and *ILR Audit Guidance for Further Education in 2002/03* together with other relevant guidance. The external auditor's responsibility is to form an independent opinion, based on our audit of the funding claim, and to report our opinion to the LSC.

Basis of our opinion

We conducted our audit in accordance with the guidelines for institutions and their external ILR auditors set out in *ILR Audit Guidance for Further Education in 2002/03* (and any relevant auditing advice from the Auditing Practices Board). An audit includes examination on a sample test basis of evidence relevant to the funding claim returned by the institution to the LSC, and of the individualised learner record (ILRF05) that supports it. We planned and performed our audit in order to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the funding claim is free from material misstatement, whether caused by fraud or other irregularity or error.

Risk of provision

Delete one of subparagraphs (a) or (b) below:

In accordance with *ILR Audit Guidance for Further Education in 2002/03* and the self-assessment checklist at Annex J of this circular completed by the institution and signed by the head of

institution on (date) , the institution has assessed its provision as risk;

- a. Nothing has come to our attention during the audit that gives us cause to question the college's self-assessment of risk based solely on the profile of its provision.
- b. We disagree with the institution's self-assessment for the reasons set out in the management letter. Our assessment of the provision is that, in accordance with *ILR Audit Guidance for Further Education in 2002/03* and the self-assessment checklist at Annex I of this circular, it is risk.

Opinion

We have examined the entries in the attached claim for funding, form *ILR Final Claim 2002/03* and form *Final Diff 2002/03*, returned by the above institution, and the individualised learner record ILRF05 (31 December 2003; 2002/03) return which supports it, and have carried out a programme of tests on a sample basis that includes those specified in the Learning and Skills Council's guidelines for institutions and their external ILR auditors in *ILR Audit Guidance for Further Education in 2002/03*. The audit opinion for Ufi cash is solely provided within part 2 of the opinion and is not covered in part 1 of the opinion given below.

Delete all but one of subparagraphs (c) to (g) below:

- c. The opinion has been submitted to the LSC **by** 9 February 2004, and we have no comments on the audit, and ...
- d. The opinion has been submitted to the LSC **after** 9 February 2004, (the reasons for the delay in signing are given in the attached report) and we have no comments on the audit, and ...
- e. Subject to the comments in the attached report dated (if signed after 9 February 2004 the reasons for the delay in signing are given in the attached report) and ...
- f. Subject to the amendments shown in red on the attached copies of returns and/or printouts of ILR records, and subject to the comments in the attached report dated , and ...
- g. As explained in the attached report dated , we cannot confirm that ...

...in our opinion, in all material respects, the college's final funding claim has been properly compiled in accordance with relevant guidance issued by the Council. The relevant guidance is specified in *ILR Audit Guidance for Further Education in 2002/03* and in **FE Funding Guidance 2002/03**. Our opinion on any Ufi activity is provided in part 2 of this report.

Section 2 This section should be completed by external ILR auditors for all institutions that have been part of a Ufi learning hub in receipt of Council funds through either a recipient college or directly funded hub. Auditors should be aware that for some institutions this section might not be applicable.

Delete all but one of subparagraphs (a) to (c). Delete also the non-relevant paragraph.

We have reviewed the returns for Ufi activity in accordance with the Council and Ufi guidance for Council-funded learning centres forming part of Council-funded learning hubs. We have carried out a programme of tests on a sample basis in accordance with the Council's audit approach.

Please complete or delete the appropriate sub-paragraphs below

- a. We have no comments on the audit, and ...
- b. Subject to the comments in the attached report dated , and ...
- c. As explained in the report dated , we cannot confirm that ...

...in our opinion, in all material respects, the returns for Ufi activity have been properly compiled in accordance with relevant guidance issued by Ufi and the Council.

Section 3 This section must be completed by all external ILR auditors.

Signature
Audit firm <i>(please print)</i>
Date
Contact name <i>(please print)</i>
Contact telephone no

Attachments

	Yes	No	N/A
Original form <i>ILR Interim Claim 2002/03</i>	<input type="checkbox"/>	<input type="checkbox"/>	
Original form <i>Final Diff 2002/03</i>	<input type="checkbox"/>	<input type="checkbox"/>	
Summary by Funding Allocation Type report	<input type="checkbox"/>	<input type="checkbox"/>	
Copy of management letter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please ensure that any amendments to forms, where made by the auditor, are written by hand in ink on the attached copies. Please ensure that all of the above documents are returned (including returns where applicable) and that any amendments to forms, where made by the auditor, are written by hand in red ink on the attached copies.

Management letter

Yes

No

Issues relevant to this report are included in the financial statements management letter

☐
☐

Issues relevant to this report are included in a separate management letter and attached to this report

☐
☐

A separate management letter will follow this report

☐
☐

Annex F: Audit Report on Learner Data Final Returns 2002/03

FE College (and Directly Funded Ufi hubs) ILR Audit Opinion for LSC Contractors

Please return this form to the appropriate local LSC office.

www.lsc.gov.uk

(Reference Circular 03/11 ILR *Interim and ILR Final Funding Claims* 2002/03)

Please return this form to the appropriate local LSC office.

LSC Contracted external ILR auditors of FE colleges (or Directly Funded Ufi hubs) are requested to complete and return this form to the relevant local LSC office by a deadline of no later than 9 February 2004.

ADDRESSEE: Learning and Skills Council.



Learning+Skills Council

Name of Council-funded College or other provider in 2002/03 (<i>please print</i>)

LSC code in 2002/03

The Statement of Responsibilities and the Basis of the Opinion Apply to all Sections of the Audit Report (all sections should be completed).

Section 1 This section of the audit report should be completed by external ILR auditors for all their colleges or hubs.

Statement of responsibilities

The principal or equivalent of the college certifies that the funding claimed has been calculated from data correctly extracted from the college's records, which accurately reflect enrolments during 2002/03, in accordance with the guidance and definitions set out in *Funding Guidance for Further Education in 2002/03* and other relevant guidance. Our responsibility, as the LSC's contracted auditor, is to form an independent opinion, based upon our audit of the funding claim, and to report our opinion to the LSC.

Basis of our opinion

We conducted our audit in accordance with the Council's audit guidelines (and any relevant advice from the Auditing Practices Board). The audit approach includes examination on a sample test basis of evidence relevant to the funding claim returned by the college to the LSC, and of the individualised learner record (ILRF05) that supports it. We planned and performed our audit in order to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the funding claim is free from material misstatement, whether caused by fraud or other irregularity or error.

College (hub) self-assessment of risk associated with the profile of its provision

Delete one of subparagraphs (a) or (b) below:

In accordance with *ILR Audit Guidance for Further Education in 2002/03* and the self-assessment checklist provided by the LSC in Annex J of this circular and completed by the college (hub) and signed by the principal on (date) , the college (hub) has assessed its provision as risk;

- a. Nothing has come to our attention during the audit that gives us cause to question the college's (hub's) self-assessment of risk based solely on the profile of its provision.
- b. We disagree with the college's (hub's) self-assessment for the reasons set out in the management letter. Our assessment of the provision is that, in accordance with *ILR Audit Guidance for Further Education in 2002/03* and the self-assessment checklist provided by the LSC it is risk.

We have reviewed the attached claim for funding, form *ILR Final Claim 2002/03* and form *Final Diff 2002/03*, returned by the above college (hub) to the local LSC, and have carried out a programme of tests on a sample basis in accordance with the Council's audit approach and guidelines. The audit opinion for colleges on Ufi cash is solely provided within part 2 of the opinion and is not covered in part 1 of the opinion given below.

Delete all but one of subparagraphs (c) to (g) below:

- c. The opinion has been submitted to the LSC **by** 9 February 2004, and we have no comments on the audit, and ...
- d. The opinion has been submitted to the LSC **after** 9 February 2004, (the reasons for the delay in signing are given in the attached report) and we have no comments on the audit, and ...
- e. Subject to the comments in the attached report dated , (if signed after 9 February 2004 the reasons for the delay in signing are given in the attached report) and ...
- f. Subject to the amendments shown in red on the attached copies of returns and/or printouts of ILR records, and subject to the comments in the attached report dated , and ...
- g. As explained in the attached report dated , we cannot confirm that ...

...in our opinion, in all material respects, the college's (hub's) final funding claim has been properly compiled in accordance with relevant guidance issued by the Council. The relevant guidance is specified in *ILR Audit Guidance for Further Education in 2002/03* and in *FE Funding Guidance 2002/03*. Our opinion on any Ufi activity for recipient colleges only is provided in part 2 of this report.

Section 2: This section should be completed by external ILR auditors for all colleges that have been part of a Ufi learning hub in receipt of Council funds through a recipient college. Auditors should be aware that some colleges might have provision in both categories and some in neither (for directly funded hubs ILR auditors must complete section 1 as the main audit opinion on the hubs ILR activity).

Delete all but one of subparagraphs (a) to (c), or all but one of (d) to (f). Delete also the non-relevant paragraph.

We have reviewed the returns for Ufi activity in accordance with the Council and Ufi guidance for Council-funded learning centres forming part of Council funded learning hubs. We have carried out a programme of tests on a sample basis in accordance with the Council's audit approach.

Please complete or delete the appropriate sub-paragraphs below

- a. We have no comments on the audit, and ...
- b. Subject to the comments in the attached report dated , and ...
- c. As explained in the report dated , we cannot confirm that ...

...in our opinion, in all material respects, the returns for Ufi activity have been properly compiled in accordance with relevant guidance issued by Ufi and the Council.

For recipient colleges in receipt of direct Council funding on behalf of their learning hubs

- d. We have no comments on the audit, and ...
- e. Subject to the comments in the attached report dated , and ...
- f. As explained in the report dated , we cannot confirm that ...

...in our opinion, in all material respects, the Ufi claim has been properly compiled in accordance with relevant guidance issued by Ufi and the Council.

Section 3 This section must be completed by all auditors.

Signature
Audit firm (please print)
Date
Contact name (please print)
Contact telephone no

Attachments

Yes No N/A

Original form <i>ILR Interim Claim 2002/03</i>	<input type="checkbox"/>	<input type="checkbox"/>	
Original form <i>Final Diff 2002/03</i>	<input type="checkbox"/>	<input type="checkbox"/>	
Summary by Funding Allocation Type report	<input type="checkbox"/>	<input type="checkbox"/>	
Copy of management letter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please ensure that any amendments to forms, where made by the auditor, are written by hand in ink on the attached copies. Please ensure that all of the above documents are returned (including returns where applicable) and that any amendments to forms, where made by the auditor, are written by hand in red ink on the attached copies.

Management letter

Yes No

Issues relevant to this report are included in a separate management letter and attached to this report	<input type="checkbox"/>	<input type="checkbox"/>
A separate management letter will follow this report	<input type="checkbox"/>	<input type="checkbox"/>

Annex G: Responsive Growth/ Recovery statement for 2002/03

Institution Name: Casterbridge College

Date: 01-Apr-03

Institution Code: CASTE

Institution Payment Code: Q2CAS01

LLSC: Local Office LSC

ILR Auditor: CON

Financial Auditor: KPMG

The Council databases show the following data and recovery of funds for the years 2002/03.

Table 1 ILR funding position 2002/03 including any adjustments cash

1.1	Academic year 2002/03	Cash (£)
1.2	Main allocation	7,942,500
1.3	Additional allocation(s)	
1.4	University for Industry	
1.5	Total allocation	7,942,500
1.6	Out-turn cash	8,000,000
1.7	Adjusted out-turn cash for any cash protection	
1.8	Variance (usually 1.6-1.5, but if a figure shown in box 1.7, then variance will be 1.7-1.5)	57,500
1.9	ILR cash variance	57,500

Table 2 Cash recovery 2002/03

Table 2 in box 2.2 shows the amount of funds to be paid/returned to the LSC

2.1	2.2	2.3	2.4
Academic year	Responsive growth/Cash Recovery	Cash already paid/recovered	Cash to be adjusted
2002/03	0	0	0

Table 3 Audit status

3.1	Academic Year	2002/03
3.2	Audit status	Interim Claim
3.3	London Weighting factor	1.00

Please see explanation in Circular 03/11 *ILR Interim and ILR Final Funding Claim*. If any further clarification is needed please contact your local LSC office.

Responsive growth/recovery statement for 2002/03- guidance notes

Table 1. ILR funding position 2002/03 including any adjustments cash

1.2	Main cash allocation for 2002/03
1.3	Additional cash allocation
1.4	University for Industry allocation
1.5	Total of 1.2 + 1.3 + 1.4
1.6	Expected out-turn cash for 2002/03 (currently based on Interim Claim)
1.7	Adjusted out-turn cash for any cash protection (see Calculation of Cash Protection for 2002/03 Teaching Year on the following page)
1.8	Variance (usually 1.6 - 1.5, but if a figure shown in box 1.7, then variance will be 1.7 - 1.5)
1.9	Cash variance

Table 2. Cash recovery 2002/03

2.2	Total responsive growth/cash recovery calculated for 2002/03. This should only be regarded as final figure if box 3.2 shows 'FLPAID'. Any cash adjustment/recovery shown will be recovered in three equal instalments during the Spring/Summer 2004 from payments sent to colleges or other providers by the LSC. Where any debt exceeds the payment due the balance will be applied to the following month's payment. Response growth payments will appear as positive values and negative values will refer to recovery of funds.
2.3	Cash already recovered. This box refers to payment adjustments already posted to your payment account within the LSC's accounting system.
2.4	Difference of above, that is 2.2 – 2.3.

Table 3: Audit status

3.2	Status of the validation of audit and funding claim returns for 2002/03. The codes and their meanings are shown overleaf.
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ILR Interim & Final Claim Comments

NTRDY	Audit claim not yet received or not yet processed by LSC
PTRDY	Audit claim requires further information prior to validation
FLRDY	Audit claim requires internal LSC sign off
FLPAID	LSC validated audit claim
Final Claim	LSC has received the final funding claim
Interim FLPAID	LSC has received interim claim and clear ILR audit report
Interim Qualified	LSC has received interim claim and qualified audit report
ILR??	Statement based on the ILR return, where ?? is ILR return number
If any further clarification is needed please contact the relevant local LSC.	

Calculation of Cash Protection for 2002/03 Teaching Year

Institution Name: Casterbridge College

Date: 01-Apr-03-2004

Institution Code: CASTE

LLSC Code: LSC

LLSC: Local Office LSC

Protected out-turn cash: £6,819,120

This table will only apply to colleges or other providers whose out-turn delivery is below their protected out-turn figure shown above. The protection shown in this table is not available to any institution that received cash protection in both 2000/01 and 2001/02.

	Cash Protection 2002/03	Calculation	
1.1	2002/03 Allocation	7,942,500	
1.2	2001/02 Allocation	7,576,800	
1.3	90% 2001/02 Allocation	6,819,120	
1.4	Recoverable cash	1,123,380	1.1 – 1.3
1.5	Additional Allocations	0	
1.6	UFI cash	0	
1.7	Recoverable cash from 2002/03	- 1,123,380	1.5 + 1.6

For an institution where recovery is reduced by application of cash protection and that received any Ufi allocations (box 1.6 above) and delivered part or all of the Ufi allocation then they will need to request a manual amendment to their responsive growth/recovery statement to adjust their recovery position to recognise the delivery of their Ufi allocation.

For new providers being funded by the LSC the above guidance is tempered as follows:

In Year 1 there is no protection as no allocation in previous year.

In Year 2, protection is limited where actual provision delivered in year 1 is significantly below funding allocation. This can be defined as follows:

- to gain full cash protection in Year 2 then in year 1 at least 90% of Year 1 allocation must have been delivered;
- if delivery in year 1 is below 90% of year 1 allocation, then protection is limited to only 90% of year 1 delivery (and not 90% of allocation);
- the above is also applied in any following years until a provider can demonstrate they have significantly met a funding agreement.

The LSC (like the FEFC before it) cannot guarantee funding to providers without a track record of delivery and performance. For new directly funded hubs in 2002/03 the LSC will take account of the allocation and out-turn provided through the recipient college in 2001/02 in determining any appropriate levels of protection.

Annex H: Calculation of Either Responsive Growth or any Recovery of Funds for 2002/03

This annex sets out in detail how the LSC will calculate responsive growth payments and recovery of funds for 2002/03. The calculation for each is shown separately in this annex. The starting point for any calculation will be the comparison of the agreed final ILR funding claim and audit opinion against the FE funded cash allocation.

The LSC and the college or other provider will need to agree on both the actual level of ILR cash out-turn and the percentage level of out-turn against target. The following terminology will be used throughout this annex:

Terminology	Explanation of terminology
ILR cash allocation	The amount of cash allocated by the LSC to an FE provider for 2002/03. The cash figure includes any supplements for area or specialist college weightings.
ILR cash out-turn	The amount of cash claimed by an FE provider on its final funding claim. It will include any supplements for area or specialist college weightings. It will be made up as the combination of the 2002/03 final ILRF05 return total for the college or other provider together with any agreed manual adjustment figure (which could be either a positive or negative adjustment to the ILR total). During the year this figure may be calculated from ILR or interim returns to the LSC for the purposes of interim adjustments.
Protected out-turn cash figure	For any college or other provider that has exceeded its core funding target in either of the previous two years their minimum cash entitlement for 2002/03. Where out-turn cash falls below this level, any recovery of funds is capped by the application of this relief.
Additional Allocation	Any additional FE allocation paid out for 2002/03 and which is not consolidated into a colleges or other providers main allocation. These allocations are not subject to any tolerance or disregard and all underperformance will be recovered in full.

Terminology	Explanation of terminology
Ufl Allocation	Any allocation paid directly to a recipient college acting as a Ufl learning hub. These allocations are subject to the same tolerance or disregard as recipient college allocations.
Responsive growth allocation and/or payment	The amount being paid by the LSC to FE providers for 2002/03 for exceeding their funding agreement. The application of any entitlement will be affected by any additional FE allocations paid to colleges or other providers (eg payments for full time 16-18 learners in excess of college or other provider targets).
Recovery of funds (for 2002/03)	The amount of funding being recovered from colleges or other providers for shortfalls against funded targets (for 2002/03). This has often been referred to as clawback in the sector.
De minimis limit	In the interests of reducing bureaucracy the FEFC set a de minimis limit for clawback of £5,000. This meant that any assessed recovery of funds below £5,000 was not recovered from colleges or other providers. From 2002/03 the LSC is increasing this limit to the higher of 3% of the colleges or other providers ILR cash allocation or £5,000.
Safety netting 2002/03 (referred to on claims as safety netting cash adjustment)	Colleges or other providers satisfying the criteria set out in Annex H of funding guidance 2002/03 may claim a safety netting cash adjustment on their final funding claim. See Annex K for further details.
Responsive growth payments and the new higher thresholds for recovery of funds are only available to colleges or other providers returning final claim and audit opinions to the LSC by the deadline of 9 February 2004.	

Responsive growth calculations

The LSC is committed to paying adult responsive growth to colleges or other providers whose ILR cash out-turn exceeds their funded target up to a maximum of 5% above the funded target. This capped adult over achievement is then funded at a rate of 60% of the additional cash generated through the ILR funding claim. This means the maximum adult responsive growth payment is 3% of the ILR funding target. The out-turn figure used for all calculations will be the ILR adjusted final claim figure for 2002/03 including any safety netting ratio adjustment.

The table below sets out some examples of Responsive Growth payments. The LSC will pay additional allocations to colleges or other providers over delivering in the targeted areas of full time 16-18 learners, basic skills learning and additional support (the latter capped at 5%). These will appear on responsive growth/recovery statements as additional allocations.

Additional allocations and/or responsive growth allocations are not subject to any tolerance for under performance (see example 5 below).

Responsive growth examples for Casterbridge College 2002/03

	Example 1	Example 2	Example 3	Example 4	Example 5
Allocation	7,942,500	7,942,500	7,942,500	7,942,500	7,942,500
Additional Allocation	0	0	0	0	0
Total Allocation	7,942,500	7,942,500	7,942,500	7,942,500	7,942,500
ILR Cash Out-turn	8,542,500	8,242,500	8,192,500	8,067,500	7,943,000
Variance (In Cash)	600,000	300,000	250,000	125,000	500
Variance (in Cash at responsive growth payment rate of 60%)	360,000	180,000	150,000	75,000	300
Out-turn Variance against target (in %)	108%	104%	103%	102%	100%
Maximum Responsive growth payment	238,275	238,275	238,275	238,275	238,275
Actual responsive growth allocation	238,275	180,000	150,000	75,000	300
Deduct any in year responsive growth payment	50,000	50,000	50,000	50,000	50,000
Year end responsive growth payment adjustment	188,275	130,000	100,000	25,000	-49,700
The in year responsive growth allocation refers to the in year payment made to the small number of colleges or other providers that received interim responsive growth payments in March 2003.				The overpayment is fully recovered as no tolerance/offset is allowed for over performance payments.	

Recovery of funds calculations

For colleges or other providers returning ILR final funding claims and ILR final audit opinions no later than 9 February 2004, the LSC is raising the de minimis limit for recovery of funds to the higher of:

3% of the FE ILR cash allocation for 2002/03 (but based on the allocations agreed with colleges or other providers and on which they were paid to 20 October 2003);

or, £5,000.

No clawback for main ILR FE funding allocations will be recovered for 2002/03 below the de minimis limit. This means that colleges or other providers with out-turns between 97 and 100% of their ILR funded target will be paid 100% of their ILR funding allocation. This will match funding reconciliation with the funding allocation guidance in Circular 03/01 *Success for All*.

This limit does not apply to any additional or responsive growth supplementary allocations. For 2002/03 the LSC expect to calculate the 97% threshold solely by reference to the allocation actually paid for the teaching year 2002/03 and by no later than 20 October 2003. This means any college or other provider wishing to reduce their funding allocation for 2002/03 must agree the reduction in their allocation in time to return the funds to the LSC by no later than their 20 October 2003 recurrent funding payment from the LSC. Colleges or other providers wishing to take advantage of the new de minimis limits can only return baseline funding with a consequential similar reduction in their 2003/04 and subsequent allocations.

For colleges or other providers delivering between 94 and 97% of their ILR funding agreement their recovery of funds may be moderated if they agree to return baseline funding for 2002/03, 2003/04 and subsequent allocations that enables them to meet the 97% threshold for 2002/03 and provide the LSC with robust evidence that they will be

able to meet their revised target for 2003/04. For the few Colleges or other providers that have already agreed reductions in their allocations for 2003/04 this will be taken into account in deciding the reduction in baseline funding for 2003/04 and future years. Colleges or other providers will need to agree the return of their baseline funding to the LSC in time for the LSC to recover the funding from their 20 March 2004 recurrent funding payment. This measure is being introduced so those colleges or other providers with audited performance falling only a little short of the new de minimis threshold do not have to suffer a disproportionate cash penalty for their performance shortfall.

The LSC wishes baseline funding reductions to be agreed as early as possible in order to assist colleges or other providers in gaining early sign off of their claims and financial accounts. The absolute final deadlines that must however be met in order to make the necessary amendments to college or other provider payments are:

For 20 October 2003 payment run funding changes must be agreed by 30 September 2003.

For 20 March 2004 payment run funding changes must be agreed by 29 February 2004.

The table overleaf sets out some more detailed examples of recovery of funds for underperformance:

Recovery of funds examples for Casterbridge College 2002/03

	Example 1	Example 2	Example 3	Example 4	Example 5	Example 6
Allocation	7,942,500	7,942,500	7,942,500	7,942,500	7,942,500	7,942,500
Additional Allocation	0	0	0	0	0	0
Total Allocation	7,942,500	7,942,500	7,942,500	7,942,500	7,942,500	7,942,500
ILR Cash Out-turn	7,937,500	7,752,500	7,692,500	7,552,500	7,342,500	6,342,500
Variance (In Cash)	-5,000	-190,000	-250,000	-390,000	-600,000	-1,600,000
Out-turn Variance against target (in %)	99.94%	97.61%	96.85%	95.09%	92.45%	79.86%
Funding out-turn in % adjusted for de minimis limit	100.00%	100.00%	96.85%	95.09%	92.45%	79.86%
Actual recovery of funds calculations						
Variance (in Cash)	-5,000	-190,000	-250,000	-390,000	-600,000	-1,600,000
De minimis relief	5,000	190,000	*	*	0	0
Cash protection relief	0	0	0	0	0	476,620
Actual Recovery of funds (will show as 0 where recovery below new de minimis threshold)	0	0	-250,000	-390,000	-600,000	-1,123,380 #
Net funding allocation (actual payment) for 2002/03	7,942,500	7,942,500	7,692,500	7,552,500	7,342,500	6,819,120
<p>* Colleges or other providers delivering between 94 & 97% have the opportunity to return baseline funding to access the de minimis relief</p> <p># Recovery limited by cash protection guarantee at 90% of previous years funding</p>						

Annex I: Summary of Funding by Allocation Type

Provider: 115466 Casterbridge College C

Academic Year: 2002/03

Collection F04:

Allocation Type: Supported by LSC FE funding: directly funded Ufl hub provision

Period	Core Funding	Achievement	Fee Remission	Additional Support	Total
1	0.00	0.00	0.00	0.00	0.00
2	0.00	0.00	0.00	0.00	0.00
3	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00

Allocation Type: Supported by LSC FE funding: sector FE colleges and other further education institutions (external institutions).

Period	On-Programme	Achievement	Fee Remission	Additional Support	Total
1	2,328,000.00	70,000	400,000.00	150,000.00	2,948,000.00
2	2,000,000.00	230,000	350,000.00	140,000.00	2,720,000.00
3	1,492,000.00	460,000	250,000.00	130,000.00	2,332,000.00
	5,820,000.00	760,000.00	1,000,000.00	420,000.00	8,000,000.00

Allocation Type: Supported by LSC FE funding: specialist designated college non schedule 2 provision (schedule 2 shown separately where applicable).

Period	On-Programme	Achievement	Fee Remission	Additional Support	Total
1	0.00	0.00	0.00	0.00	0.00
2	0.00	0.00	0.00	0.00	0.00
3	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00

Allocation Type: Supported by LSC FE funding: Ufl provision included in a separate allocation to a recipient further education institute.

Period	On-Programme	Achievement	Fee Remission	Additional Support	Total
1	0.00	0.00	0.00	0.00	0.00
2	0.00	0.00	0.00	0.00	0.00
3	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00
Report Total	5,820,000.00	760,000.00	1,000,000.00	420,000.00	8,000,000.00

Annex J: Self-assessment Checklist 2002/03

(Reference Circular 03/11 ILR Interim and ILR Final Funding Claims 2002/03)

Please return this form to the appropriate local LSC office. www.lsc.gov.uk

Please complete and share with your external ILR auditor. The ILR external ILR auditor should then return this checklist with the audit report to the relevant local LSC office by a deadline of no later than 9 February 2004.



Learning+Skills Council

Name of Council-funded College or other provider in 2002/03 (<i>please print</i>)
Contact at college or other provider
Contact telephone number

	Risk Factor	Benchmark	Yes	No	Comments
Guidance for use	Check the relevant box to identify the particular factor. Then check the benchmark's column. If this feature of the college or other provider's provision exceeds the benchmark value, then identify this as a risk. The more risk factors identified, the higher the risk to the provision, and the more audit checks you and your external ILR auditors should undertake.	These benchmarks identify colleges that are in the top 10% of the sector within each factor.			

	Risk Factor	Benchmark	Yes	No	Comments
Factor 1	A rapid percentage growth in ILR funding activity between 1999/2000 and 2002/03	A growth between these years of more than 75% (measured in cash)	<input type="checkbox"/>	<input type="checkbox"/>	
Factor 2	The percentage of units franchised to other providers	More than 15% of the total provision (measured in cash)	<input type="checkbox"/>	<input type="checkbox"/>	
Factor 3	The number of districts (defined as a local authority) from which the college or other provider recruits	More than 150 districts in total from which the college or other provider recruits	<input type="checkbox"/>	<input type="checkbox"/>	
Factor 4	The percentage of recruitment from outside the college or other provider's wider recruitment area in terms of learners numbers	More than 10% of learners are recruited from outside the college or other provider's wider recruitment area	<input type="checkbox"/>	<input type="checkbox"/>	
Factor 5	The percentage of provision, measured in cash, delivered as one-day courses	More than 10% of ILR cash is delivered as one-day courses	<input type="checkbox"/>	<input type="checkbox"/>	
Factor 6	Any provision delivered via accreditation of prior learning (APL) places this provision in the higher risk category	More than 1% of all ILR cash is delivered by APL places this provision in the higher risk category	<input type="checkbox"/>	<input type="checkbox"/>	
Factor 7	The percentage of provision measured in cash undertaken via open and distance learning	More than 5% of all ILR cash is attributable to this activity	<input type="checkbox"/>	<input type="checkbox"/>	
Factor 8	The percentage of enrolments on qualifications delivered via loadbanded qualifications	More than 50% of all the enrolments on qualifications delivered by the colleges or other providers are loadbanded	<input type="checkbox"/>	<input type="checkbox"/>	

Risk Factor		Benchmark	Yes	No	Comments
Factor 9	The percentage of provision measured in guided learning hours delivered as NVQs	More than 25% of total provision, measured in guided learning hours, is delivered from NVQs	<input type="checkbox"/>	<input type="checkbox"/>	
Factor 10	The total number of learners with non-English postcodes	More than 100 learners with non-English postcodes, that is from Wales, Scotland or Northern Ireland	<input type="checkbox"/>	<input type="checkbox"/>	
Factor 11	The percentage of direct provision measured in cash delivered using facility management or by service level agreements	More than 5% of all ILR cash attributable to this activity	<input type="checkbox"/>	<input type="checkbox"/>	

For comparison purposes, previous year unit values should be converted to cash using the relevant ALF and any college or other provideral weighting factors.

Colleges or other providers should consider their provision against each of the above factors. The level of risk incurred by the provision should be evaluated as follows:

6 or more factors = higher risk provision 4 or 5 factors = medium risk provision 0 to 3 factors = low risk provision

I confirm that, on the basis of the criteria set out above, the provision made by:

Name of college or other provider	is	risk
Signature (Principal/Head of college or other provider)		
Name (please print)	Date	

Annex K: Calculation of Safety Netting to offset any Recovery of funds for 2002/03

This annex sets out in detail how colleges and other providers should calculate any safety netting adjustment to their FE funding claims. The LSC will calculate for all providers later this year their ratio for safety netting in accordance with the guidance in Annex H of *Funding Guidance for FE in 2002/03*. This will be assessed on the basis set out in scenario 1 of Annex H and the starting point for any calculation will be the comparison of the ILR unadjusted funding claim agreed with their ILR auditor against their FE funded cash allocation. Safety net adjustment will need to be agreed with providers' ILR auditors and a form is provided at the end of this annex for this purpose.

In the interests of reducing bureaucracy the LSC will only accept safety net adjustments from colleges and other providers who would otherwise deliver below 97% of their funding allocation. The calculations are not necessary for any college or other provider with a notified ratio for safety netting of 1.0 or where unadjusted delivery is over 97%, as this is the new starting point for any recovery of funds. No responsive growth or additional allocation will be paid to any provider making a safety net claim. The LSC is distinguishing safety net adjustments so all providers can be assessed going forward on the basis of their real level of activity at current funding rates. For this reason, provider delivering above 97% who make safety net claims will simply suffer needless bureaucracy.

Additional Safety Netting in 2002/03

The safety netting arrangement referred to above is based on ensuring that the funding in 2002/03 for the same volume of provision will be at least at the same level as in 2001/02. This will be calculated by the LSC using providers' final ISR25 data for 2001/02. The method is valid where providers' learner numbers are reasonably constant.

The LSC also offers further protection to providers with large increases in the numbers of learners starting programmes of more than one year in 2002/03. This effect comes about because of the effective shift of claiming funding for entry. Previously it was all claimed in the first year and is now spread throughout the programme. Where providers do have large increases in the numbers of such learners they should contact their local LSC, and additional safety netting may then be agreed on an individual provider basis.

There is a similar effect for large increases in learners commencing programmes in 2002/03 containing learning aims lasting more than one year. This effect is caused by the increase in the proportion of the achievement element of the funding. This is claimed in the final year causing a consequent reduction in core funding which is claimed throughout the programme. As above, where providers do have large increases in the numbers of such learners they should contact their local LSC and additional safety netting may then be agreed on an individual provider basis.

Guidance on calculating safety netting adjustment to funding claims

The examples used below build on the scenarios in Annex H of *Funding Guidance for FE in 2002/03*. In the examples below, the funding claim safety net adjustments work in the same way on both Interim and final claims.

In the first scenario, the provider delivers the same volume of activity in both years. The following scenarios will explain how any safety net protection adjustment is calculated where the volume of provision is different.

Scenario 1 (per paragraphs 5–8, page 119 of *Funding Guidance 2002/03*).

The provider in this example generates the following funding (same volume delivered in both years)

Table 1		Funding in 2001/02 £	Funding in 2002/03 £
1.1	Funding Allocation	5,000,000	5,000,000
1.2	Funding claim 2001/02 (calculated by 2001/02 final funding claim in units * ALF * LWF * Specialist College Factor)	5,000,000	4,800,000 (2001/02 out-turn assessed using new 2002/03 funding methodology, but at 2001/02 rates)
1.3	Inflation increase for 2002/03 (2.5%)		120,000
1.4	Funding total for safety net ratio calculation		4,920,000
1.5	Ratio calculation, defined as $\text{£5m} * 1 / \text{£4.920} = 1.0163$		1.0163 (not £)
1.6	The required funding claim cash adjustment is:		80,000

For this scenario, the 2002/03 funding claim will look as follows:

Table 2		£
2.1	Main Allocation	4,920,000
2.2	University for industry	0
2.3	Total claim	4,920,000
2.4	Safety net cash adjustment	80,000
2.5	Adjusted overall claim	5,000,000

To determine if activity volume in 2002/03 is greater, the same or less than 2001/02 the following calculation should help provide the answer:

Compare unadjusted 2002/03 out-turn plus maximum safety net cash adjustment with 2001/02 cash out-turn?

If:

- 2001/02 actual cash out-turn larger then volume has reduced;
- 2001/02 actual cash out-turn lower then volume has increased; and
- 2001/02 actual cash out-turn the same then volume is the same.

Scenario 2 (per paragraph 9, page 120 of *Funding Guidance 2002/03*)

The provider in this example generates the following funding (a lower volume delivered in 2002/03 than in 2001/02)

Table 3		Funding in 2001/02 £	Funding in 2002/03 £
3.1	Funding Allocation	5,000,000	5,000,000
3.2	Funding claim 2001/02 (calculated by 2001/02 final funding claim in units * ALF * LWF * Specialist College Factor)	5,000,000	
3.3	Unadjusted funding claim total 2002/03		4,850,000
3.4	Ratio calculation, for this example it is the same as in scenario 1		1.0163 (not £)
3.5	The required funding claim cash adjustment is: ((4,850 * 1.0163) – (4,850))		79,000

For this scenario, the 2002/03 funding claim will look as follows:

Table 4		£
4.1	Main Allocation	4,850,000
4.2	University for industry	0
4.3	Total claim	4,850,000
4.4	Safety net cash adjustment	79,000
4.5	Adjusted overall claim	4,929,000

The safety netting will be proportionate to the level of provision the provider actually delivers. Where the provider delivers less provision in

2002/03 than in 2001/02, the same percentage protection will be applied, but to the lower cash figure, as set out in Table 4.

Scenario 3 (per paragraph 10 - 11, page 120 of *Funding Guidance 2002/03*)

The provider in this example generates the following funding (a higher volume delivered in 2002/03 than in 2001/02)

Table 5		Funding in 2001/02 £	Funding in 2002/03 £
5.1	Funding claim 2001/02 (calculated by 2001/02 final funding claim in units * ALF * LWF * Specialist College Factor)	5,000,000	
5.2	Funding allocation	5,000,000	5,425,000
5.3	Unadjusted funding claim total 2002/03		5,200,000
5.4	Ratio calculation, for this example it is the same as in scenario 1		1.0163 (not £)
5.5	The required funding claim cash adjustment is (cannot be more than that calculated for same volume of provision)		80,000

For this scenario, the 2002/03 funding claim will look as follows:

Table 6		£
6.1	Main Allocation	5,200,000
6.2	University for industry	0
6.3	Total claim	5,200,000
6.4	Safety net cash adjustment	80,000
6.5	Adjusted overall claim	5,280,000

As the unadjusted claim plus maximum safety netting adjustment (as shown in scenario 1) is less than the funding allocation, the cash adjustment is still £80,000.

The institution has increased its volume of delivery and all growth is funded strictly at 2002/03 funding levels and is not subject to the safety net protection, as shown in examples above and overleaf.

Scenario 4-6 (per paragraph 12 - 15, pages 120/1 of *Funding Guidance 2002/03*)

The provider in this example generates the following funding (a higher volume delivered in 2002/03 than in 2001/02)

Table 7		Funding in 2001/02 £	Funding in 2002/03 £
7.1	Funding claim 2001/02 (calculated by 2001/02 final funding claim in units * ALF * LWF * Specialist College Factor)	5,000,000	
7.2	Funding allocation	5,000,000	5,425,000
7.3	Unadjusted funding claim total 2002/03		5,400,000
7.4	Ratio calculation, for this example it is the same as in scenario 1		1.0163 (not £)
7.5	The required funding claim cash adjustment is (cannot be more than that calculated for same volume of provision or exceed shortfall against funding agreement)		25,000

For this scenario, the 2002/03 funding claim will look as follows:

Table 8		£
8.1	Main Allocation	5,400,000
8.2	University for industry	0
8.3	Total claim	5,400,000
8.4	Safety net cash adjustment	0
8.5	Adjusted overall claim	5,400,000

The unadjusted claim plus maximum safety netting adjustment (as shown in scenario 1) cannot exceed the funding allocation so the cash adjustment would be £25,000. However, the safety net protection is capped by the amount of under delivery. In the scenario above no safety netting would now be claimed as the provider has exceeded 97% of their

allocation and face no clawback for under performance.

The LSC will publish the results of the safety netting calculations for 2002/03 to providers in the following format in the early Autumn 2003.

Learning and Skills Council

Further Education Safety Netting 2002/03

Institution Name: Casterbridge College **Date:** 07/02/03

ISR Code: CASTR **Time:** 11.23

ISR 25 File: **Size:** 8,887 kB

The level of safety netting in 2002/03 is calculated from converting the institution's 2001/02 ISR into ILR format and then calculating the funding claim for each year using the LIS.

2001/02	ISR	Total Units	ALF	Area Cost Factor	Specialist College Factor	Total Funding (excluding manual adjustments)		Source	Date	LAD	LIS
	25	290,360.04	£17.22	1.00	1.0	£5,000,000.00	(A)	RMS	07/02/03	22/01/03	9.02a

2002/03						Total Funding		Source	Date	LAD	LIS
						£4,920,000.00	(B)	Converted ISR 25	21/08/03	22/01/03	10.07

Safety Netting Factor 1.0163 (A/B)

Note

A safety netting factor greater than one means that the institution is eligible for safety netting.

The institution should apply the safety netting factor to its funding claim in accordance with the guidance in Annex K of Circular 03/11. No safety netting claim should be made by any provider seeking growth funding.

Further details are set out in *Funding Guidance for Further Education in 2002/03*, Annex H.

A safety netting factor of one or less means that the institution does not require safety netting.

The following advice may assist providers in completing the claim form overleaf and in determining whether they are likely to be eligible to make a successful safety netting claim:

Claim is calculated as follows:

If $A > F$, then cash adjustment is G , unless $G > (B - A)$ in which case adjustment is $(B - A)$

If $A < F$, then safety net adjustment is reduced as follows:

Sum $((A \times D) - A) = \text{cash adjustment}$

Annex K: ILR Safety Net Claim 2002/03

Please return this form
to the appropriate local
LSC office.

www.lsc.gov.uk

(Reference Circular 03/11 ILR *Interim and ILR Final Funding Claims* 2002/03)

Please return this form to the appropriate local LSC office. www.lsc.gov.uk

All colleges and other providers receiving ILR funding and wishing to claim a safety net cash adjustment on their funding claim (Annexes B and D) must complete this form and provide to their ILR auditor with their funding claims.



Learning+Skills Council

Reference	Description	Value £
A	Pre safety netting cash out-turn 2002/03 (as shown on funding claim)	
B	Funding allocation 2002/03 (excludes any pre paid responsive growth)	
C	Funding variation (a – b)	
D	Funding safety net ratio (provided by LSC)	
E	Funding claim total for 2001/02 in cash (£) as generated by the LS using the 2002/03 funding methodology and then up rated for inflation	
F	Funding claim total for 2001/02 in cash (£) (use final funding claim units * ALF * LW * Special College Factor)	
G	Maximum possible safety net cash adjustment, (as calculated and provided by LSC); i.e. $\text{Sum}((E \times D) - E)$	
H	Funding claim cash adjustment for safety net (all rules applied)	

Declaration

I certify that, to the best of my knowledge, the funding claimed above has been calculated correctly in accordance with the guidance and definitions set out in *Funding Guidance 2002/03*, Circular 03/11 and other relevant guidance.

This form must be signed by the head of the college or other provider.

Signature (head of college or other provider)

Name (please print)

Position

Date

Annex L: Targeted Funding Claim 2002/03

Please return this form
to the appropriate local
LSC office.

www.lsc.gov.uk

(Reference Circular 03/11 *ILR Interim and ILR Final Funding Claims 2002/03*)

Please return this form to the appropriate local LSC office. www.lsc.gov.uk

All colleges and other providers receiving ILR funding and wishing to claim specific targeted additional funding must complete this form and provide it to their ILR auditor with their funding claims.



Learning+Skills Council

Reference	Description	Value £
A	Full time 16 – 18 additional funding claim (in cash)	*
B	Basic Skills additional funding (in cash)	*
C	Additional Learning Support extra growth funding (in cash)	*

*** Providers should only claim for the value of the additional funding being claimed from the LSC.
DO NOT ENTER THE TOTAL VALUE OF DELIVERY.**

Declaration

I certify that, to the best of my knowledge, the funding claimed above has been calculated correctly in accordance with the guidance and definitions set out in *Funding Guidance 2002/03*, Circular 03/11 and other relevant guidance.

This form must be signed by the head of the college or other provider.

Signature (<i>head of college or other provider</i>)
Name (<i>please print</i>)
Position
Date

Providers only wishing to claim responsive growth are not required to complete this form as the main funding claims provide sufficient information to pay responsive growth where the overall cash activity exceeds the funding allocation.

Any provider wishing to claim additional funding in any of the above three categories is required to complete this form to assist the LSC in calculating additional funding in excess

of the capping limits on the overall responsive growth funding arrangements.

Providers should note that any claim on this form in any category will be capped by:-

- total additional funding paid cannot exceed the difference between funding claim and funding allocation; and
- the limits previously expressed by LSC for each of the above individual targets.

Notes

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