

Addendum to Funding Guidance for Further Education in 2006/07



Leading learning and skills

31 August 2006

Executive Summary

Date: August 2006

Purpose

This document is an update to the Funding Guidance for Further Education in 2006/07, published by the LSC in April 2006, and should be read in conjunction with the Guidance.

The purpose of this document is to:

- correct any typographical errors in the Guidance
- clarify some points of Guidance where necessary

This document does not detail all the changes in funding policy in 2006/07. For this purpose read the Guidance and the associated documents identified in the executive summary thereof.

Intended Recipients

Principals, chief executives, chief education officers, heads of providers, finance directors, management information officers of providers delivering further education and any other readers of the Funding Guidance for Further Education in 2006/07.

Addendum to Funding Guidance for Further Education in 2006/07

Corrections to typographical errors

- 1 The last two bullet points of paragraph 155 and the whole of paragraph 156 of the Guidance have been repeated after paragraph 155. These two paragraphs should read as follows:

155 The following groups of learners are eligible for the disadvantage uplift factor of 12 per cent:

- basic skills learners (refer to Section 7 and Annex F of this Guidance for clarification of when a basic skills learner is entitled to the disadvantage uplift)
- those living in deprived areas (based on wards – 12 per cent uplift on average)
- those living in hostels and residential centres
- those with mental health problems
- Travellers
- those whose statutory education has been interrupted
- those in care or who have recently left it
- asylum seekers
- refugees
- ex-offenders
- full-time carers
- those recovering from alcohol or drug dependency
- learners funded by the Single Regeneration Budget (SRB).

156 Learners who fall into one of the following groups are not eligible for a disadvantage uplift, unless they also meet one of the criteria outlined above:

- the long-term unemployed
- single parents
- those living in areas of rural deprivation or isolation

- residents of former Coalfields Task Force areas
- learners enrolled on ESF-funded provision. (The connection between the disadvantage uplift and learners enrolled on ESF-funded provision has been discontinued. This applies to both co-financed and traditional ESF projects, and reflects the changes implemented by the LSC in relation to the operation of ESF.)

2 Paragraph 343 lists three bullet points. Paragraphs 344 and 345 then reference these bullet points as (a), (b) and (c). The bullet points should be lettered and paragraph 343 should read as follows:

343 There are three main types of provision outside the NQF available to all eligible learners over compulsory school age:

- a) learning aims that lead to external qualifications or external certificates of attainment not approved by the Secretary of State (for example, locally devised programmes accredited by awarding bodies or external organisations)
- b) learning aims that lead to internal qualifications or internal certificates of attainment (for example, college certificated)
- c) learning aims with attainment but with no certification (for example, record of attendance only).

3 Table 6: Key Skills programme weighting should read as follows:

Qualification	Level	Programme weight
Communication, application of number	1 or 2	1.4 (basic skills)
Communication, application of number	3 or 4	1.0 (A)
IT	1, 2, 3 or 4	1.12 (B)

4 Paragraphs 537 and 538 refer to the minimum learning aim duration for aims delivered via distance learning. These paragraphs incorrectly state the minimum as the equivalent of 6 glh. The minimum should be the equivalent of 9 glh, and the paragraph should read as follows:

537 The minimum size of these DEL programmes will be based on comparison with traditional programmes of equivalent size. For

example, the costs incurred in delivering DEL programmes should be at least equivalent to the national base rate for 9 glh.

- 538 The LSC does not think it is appropriate to deliver 3-glh programmes by distance-learning methods. Only programmes of 9 glh or more are eligible for funding if delivered by distance learning.

Clarification of policy

19-25 Level 3 Entitlement

- 5 An entitlement to a first full level 3 qualification for 19 to 25 year old learners free from tuition fees was announced by the Chancellor of the Exchequer in the UK Budget 2006 and the FE White Paper entitled 'Further Education: Raising Skills, Improving Life Chances'.
- 6 There was no mention of this policy in Funding Guidance for Further Education in 2006/07.
- 7 This policy will be implemented from the 2007/08 academic year and as such does not affect 2006/07 funding policy.

Construction Apprenticeship Scheme

- 8 Paragraph 211 states the policy regarding the Construction Apprenticeship Scheme established by the Construction Industry Training Board (CITB). The paragraph should read as follows:

211 The Construction Industry Training Board (CITB) has established a Construction Apprenticeship Scheme to provide a high-quality route for young people entering the construction industry. For the first phase of the scheme, young people may be enrolled as full-time learners by FE providers. The learners may either be employed and released to attend the provision, or not be in employment. Providers should ensure that the learners' programmes lead to appropriate qualifications, normally an NVQ Level 1 plus additional relevant qualifications.

This scheme will be replaced in the longer term by a Programme-Led Pathway.

Princes Trust Provision

- 9 The LSC has issued additional guidance on the funding of Princes Trust provision which is set out in LSC paper listed below which is available from local LSC offices for any partners involved in delivering the Team programme and included at Annex A to this document:

Funding Guidance for Further Education in 2006/07 - Additional advice on claiming funding for Prince's Trust Team Programme 2006/07

Ineligible Provision

- 10 Paragraph 353, point (b) states the eligibility for certain health and safety, food safety and/or first aid learning aims. This paragraph is clarified as follows:

353

- b Health and safety, food safety and/or first aid learning aims that are not approved under Sections 96 and 97 as well as those learning aims that are approved under Section 96 and 97 that are delivered to cover employers' responsibilities. Further details are available in Annex C to *Policy Requirements for Planning: Managing the Balance and Mix of Provision (2006/07)*

Booklet FE ILR Funding Estimate/Claim 2006/07

- 11 The LSC issued the above booklet in May 2006 and since the booklet publication some small changes have been made to Annex E: Reconciliation Statement for 2006/07: All Providers. For all reconciliation statements the LSC now issue for either teaching year 2005/06 or 2006/07 the name of the college financial and funding auditor will no longer be shown. The comment at the bottom of the statement will now read as follows:

"For 2004/05 and 2005/06 please see the explanation in Circular 05/01 FE ILR Funding Claim 2004/05. For 2006/07 please see explanation in booklet FE ILR Funding Estimate / Claim 2006/07. If any further clarification is needed please contact your local LSC office."

National Vocational Qualifications 2006/07

- 12 Paragraph 530 of Funding Guidance for Further Education 2006/07 confirms the LSC will not fund NVQs gained entirely by distance-learning methods, because of the nature of the assessment process. In the light of recent developments in distance learning delivery methods the LSC is now prepared to allow providers to make the case to their local LSC for permission to claim funding for NVQs delivered entirely by distance learning provided that the

provider has the support of the relevant SSC and that they continue to meet QCA's regulatory requirements. The local LSC will be expected to review with the providers the effectiveness of this delivery method, which in the first instance is more likely to be appropriate for NVQs in subjects that are predominately IT based. In developing this type of provision providers need to ensure they are still working within the funding guidance on "out of area recruitment", which can be found in paragraphs 330-333 of the Funding Guidance.

- 13 An NVQ delivered entirely by distance learning is, by definition, not delivered either fully or partly at the provider. Therefore the national rate 3 should be claimed. As with all distance learning, if this listed rate is not sufficient to cover the costs of delivery then a distance learning costing form can be completed for prior approval by the relevant local LSC.

Full-Time Employees

- 14 Paragraph 366 of the Funding guidance for Further Education 2006/07 states the LSC's policy on full-time employees undertaking full-time study. In order to recognise the possibility of release programmes to allow for in-depth training the LSC is amending the paragraph to limit the restriction on funding full-time employees to those currently working full-time hours. The paragraph should read as follows:

366 An individual cannot reasonably be considered to be in both full-time education and working in full-time employment at one and the same time. The LSC does not expect to fund learners on a full-time programme of study who are also working on a full-time basis.

Annex A

Funding Guidance for Further Education in 2006/07 - Additional advice on claiming funding for Prince's Trust Team Programme 2006/07

Purpose

1. This additional note to the *Funding Guidance for Further Education in 2006/07* sets out how providers delivering the Prince's Trust Team Programme should claim further education funding and the amount of funding available in 2006/07.
2. This note is aimed at those providers that deliver the Prince's Trust Team Programme and will primarily be of interest to those involved in planning and funding. If there are any terms that are unfamiliar, the reader should consult the full booklet [Funding Guidance for Further Education in 2006/07](#).

Background

3. The Prince's Trust offers a programme of personal development and training. The programme is offered to both the unemployed and employed, lasting 12 weeks or 20 days respectively.
4. The qualifications delivered are awarded by City & Guilds and were accredited by QCA in April 2006. Both qualifications could also be delivered outside of the Prince's Trust programme. The qualifications are:
 - Entry Level Certificate in Personal, Teamwork and Community Skills (qual ref. 100/6042/X)
 - Level 1 Certificate in Personal, Teamwork and Community Skills (qual ref. 100/6047/9)
5. The qualifications consist of seven mandatory units and Prince's Trust learners will ultimately complete either the entry level 3 or the level 1 qualification.

FE Funding Arrangements

6. In order to allow for the diverse number of hours that the programme is delivered in, depending on whether the learner is employed or unemployed, both qualifications will be **funded through the loadbands**. This means that

the amount of funding is directly related to the number of guided learning hours (glh) delivered by the provider.

7. The qualification will be funded as basic skills, so will attract a **programme weighting of 1.4** and a minimum **disadvantage uplift of 1.12**.
8. Further Education funding will be claimed by completing an ILR in the usual manner. The key field within the ILR when claiming funding for a qualification that is funded through the loadbands is A32: the number of glh in which it is planned to deliver the learning aim.

Funding for the Prince's Trust Programme – Unemployed Learners

9. It is expected that the programme will last for 12 weeks and 420 glh. Where this is the case, 420 should be entered in field A32 of the ILR. The total funding for unemployed learners is set out in table 1.
10. The qualification is **exempt from the maximum funding per learner** rule. Providers should consult their local LSC (see paragraph 186 of the *Funding Guidance for Further Education in 2006/07* for further information) for approval to manual adjustment number 2007-9 (see Annex H *FE ILR Funding Estimate/Claim 2006/07*). In agreeing the manual adjustment for 2006/07, each local LSC will expect the college retention rate to be no more than a maximum of 15% of the total programme funding. Any retention figure above that level will require the local LSC to seek additional approval from the national LSC in collaboration with the Prince's Trust. For a standard team programme (based on a target mix of 10 unemployed and 2 employed learners), the LSC expects the Prince's Trust to receive £1,400 for 2006/07.

Funding for the Prince's Trust Programme – Employed Learners

11. It is expected that the programme will last for 20 days and 90 glh. Where this is the case, 90 should be entered in field A32 of the ILR. The total funding for employed learners set out in table 1.

Table 1: FE funding available for the Prince's Trust programme

Academic Year	Unemployed learners (420 glh)		Employed learners (90 glh)		
	16-18 year olds	19 and over	16-18 year olds	19 and over funded rate	19 and over fee element
2006/07	£3,133.96	£3,106.67	£965.39	£758.63	£198.35

Joint FE / Entry to Employment Funding Arrangements

12. The Prince's Trust Team programme can be jointly funded from E2E and further education, and the requirements of both funding sources must be met. Funding arrangements for both the E2E and FE elements are unchanged for 2006/07. Details on how to claim E2E funding and the E2E funding rates are available in [Requirements for Funding Work-based Learning for Young People 2006/07](#), which is due to be published in August 2006.
13. Should an E2E learner access an FE funded Princes Trust programme then a charge of £75 per full week should be levied by the FE provider on the E2E provider. If this charge is made then the FE provider is to reduce its LSC claim by the same amount. This is done using code *00284012 - Princes Trust Team Award (Entry to Employment Learners Only)*. The funding rate has been set to ensure that the same learning is not funded twice. This means that a manual adjustment is only required to account for the maximum funding per learner rule as set out in paragraph 10. The funding available for the FE element is set out in table 2.

Table 2: FE funding available for the Prince's Trust Team programme where jointly funded with E2E (code 00284012).

Academic Year	16-18 year olds	19 and over
2006/07	£2,233.96	£2,214.52