

# Funding Guidance for Further Education in 2007/08

**March 2007**

Of interest to everyone involved in delivering  
LSC-funded provision

### **Further information**

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

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# Executive Summary

March 2007

## Funding Guidance for Further Education in 2007/08

This document, *Funding Guidance for Further Education in 2007/08* (referred to here as 'the Guidance') sets out the Learning and Skills Council's approach to, and the authoritative guidance for, the funding of further education (FE) in 2007/08. It is a technical reference document, and should be used as a handbook for FE funding. All colleges, providers and other organisations that receive funding from the Learning and Skills Council (LSC) for the provision of FE are required to comply with the Guidance. It provides the LSC's consolidated funding guidance for FE in 2007/08.

The LSC published a series of documents in January 2007, in line with its business cycle, which outlined the main features of the FE funding arrangements for 2007/08. These are listed below, and are available on the LSC's website ([www.lsc.gov.uk/Providers/funding-policy](http://www.lsc.gov.uk/Providers/funding-policy)).

- *Funding Rates – Changes for 2007/08*
- *Framework for Managing the Balance and Mix of Provision (2007/08)*.

This Guidance should be read in conjunction with the following booklets:

- *LSC Learner Eligibility Guidance 2007/08*
- *FE ILR Funding Compliance Advice 2007/08*
- *FE ILR Funding Estimate/Claim 2007/08*.

These documents will be published shortly after this Guidance. They will update *FE ILR Funding Compliance Advice 2006/07* and *FE ILR Funding Estimate/Claim 2006/07*, which should be used prior to publication of the 2007/08 booklets.

This Guidance is set out as follows, which is similar in structure to that used in previous years' versions.

- **Section 1** provides an introduction to the document and a summary of key changes. It provides details of the Secretary of State for Education and Skills' priorities for 2007/08 and gives a summary of the LSC's decisions in relation to funding for this year.
- **Section 2** reviews the types of provider that receive FE funding, and the arrangements under which this funding is received.
- **Section 3** provides definitions of key terms used in subsequent parts of this document and describes the terminology used in the funding methodology.
- **Section 4** covers key aspects of the national rates and related issues, including the application of the formula, weightings and uplifts.
- **Section 5** provides detailed descriptions of other rates considerations.
- **Section 6** addresses learner and programme eligibility.
- **Section 7** addresses Skills for Life, including basic skills, key skills and entitlement funding.
- **Section 8** reviews additional learning support.
- **Section 9** covers the LSC's approach to distributed and electronic learning.
- **Section 10** deals with European Social Fund (ESF).

All funding rates stated in this Guidance are based on colleges and providers receiving standard funding.

The guidance in this document is the definitive LSC guidance and takes precedence over any other separate documents.

The funding rates for most learning aims will rise between 2006/07 and 2007/08 by the following amounts:

- 2.5 per cent for learners aged 19 or above when they start their programme of study
- 3.7 per cent for learners aged 16–18 when they start their programme of study.

This is 2.5 per cent for inflation plus an additional 1.2 per cent for 16–18 year olds, which is the minimum funding guarantee as announced by the Secretary of State for Education and Skills. It should be noted that the minimum funding guarantee applies to an increase in funding rates: it does not imply that a provider's total funding for 16–18 year olds will increase by 3.7 per cent. The actual increase in funding will depend on a number of factors including numbers of learners and pattern of provision. Learning aims that change by other than these amounts include:

- aims where the LSC and its external advisory group have reviewed actual guided learning hours
- Ufi learndirect rates – readers are advised to refer to separate learndirect guidance for more information on these.

### **Intended recipients**

Principals, chief executives, chief education officers, heads of providers, finance directors and management information officers of providers delivering further education

# 1 Introduction and Background

## Introduction

- 1 This document (the Guidance) sets out the Learning and Skills Council's funding guidance for further education (FE) in 2007/08. All colleges, providers and organisations that receive funding from the Learning and Skills Council (LSC) for the provision of FE are required to comply with the Guidance.
- 2 The information given in this document provides details of the LSC's approach to funding FE in 2007/08. This Guidance will operate in the wider policy contexts of the LSC's *Annual Statement of Priorities 2007/08: Raising our game*, the FE White Paper, and the 14–19 and Skills Strategies. It also reflects the developments set out in LSC Circular 04/02: *Plan-led Funding for Further Education*, and makes explicit the policies stated in *Priorities for Success* and *Annual Statement of Priorities 2007/08*.
- 3 The Guidance forms parts of the LSC's funding agreements with colleges and all other providers of FE provision.

## Funding Priorities for 2007/08

- 4 The Government's priorities for FE for 2007/08 were set out in the grant letter of 18 October 2006 from the Secretary of State for Education and Skills (the Secretary of State) to the Chairman of the LSC.
- 5 The Secretary of State expects the LSC, working with key partners, to continue to deliver the Government's long-term reform strategy, including driving forward Success for All, the Skills Strategy including Skills for Life, and the 14–19 Strategy, particularly in relation to these priorities.

- 6 The Secretary of State's key targets are set out in Annex A to the grant letter.
- 7 The LSC published its *Annual Statement of Priorities 2007/08* in October 2006, which identified the following priorities.
  - Raise the quality and improve the choice of learning opportunities for all young people to equip them with the skills for employment, further or higher learning, and for wider social and community engagement.
  - Raise the skills of the nation, giving employers and individuals the skills they need to improve productivity, employability and social cohesion.
  - Raise the performance of a world-class system that is responsive, provides choice and is valued and recognised for excellence.
  - Raise our contribution to economic development locally and regionally through partnership working.
- 8 All providers of FE should ensure that the provision they plan and deliver supports these annual priorities.
- 9 Our *Annual Statement of Priorities 2007/08* is available on the LSC website ([www.lsc.gov.uk/Aboutus/LSCStrategy/AnnualStatementofPriorities](http://www.lsc.gov.uk/Aboutus/LSCStrategy/AnnualStatementofPriorities)).

## Key Changes for 2007/08

- 10 The LSC published its *Annual Statement of Priorities* in October 2006, which stated the following key changes for 2007/08.
  - Funding rates for 16–18 year olds will be increased by 3.7 per cent in line with the minimum funding guarantee announced by the Secretary of State.
  - Funding rates for learners aged 19 or above will be increased by 2.5 per cent.

- The national fee assumption will be increased in 2007/08 to 37.5 per cent of the national base rate.
- There will be an entitlement to free tuition for all 19–25 year olds working for their first full Level 3 qualification.
- At Skills for Life Levels 1 and 2, only approved literacy, language, numeracy and English for speakers of other languages qualifications will be eligible for funding as basic skills provision.
- Provision in English for speakers of other languages will no longer attract automatic fee remission. Free tuition will still be available to priority groups – primarily people who are unemployed or receiving income-based benefits.
- Specific stand-alone provision where the employer has a mandatory obligation will no longer be eligible for LSC FE funding.
- Updating of qualifications to comply with health and safety regulations will no longer be eligible for LSC FE funding.
- Optional units beyond the minimum required to complete the learning aim will no longer be eligible for LSC FE funding.
- There will be a phased implementation of Progression Pathways (as part of the development of the Foundation Learning Tier) from August 2007. From 2007 to 2010 a comprehensive range of Progression Pathways will be implemented and all existing provision at Entry and Level 1 will be subject to re-specification and fall within the Foundation Learning Tier arrangements (including the introduction of the new Diplomas at Level 1).

11 In addition, some further changes have been made by the LSC as follows.

- The criteria for determining the appropriate funding rate for National Vocational Qualifications have been amended to better align with the cost basis.
- The guidance regarding claiming for distance learning has changed for listed learning aims, in line with the Distance and Electronic Learning Group recommendation that the funding of provision should be mode-free.
- The detailed guidance on determining learner eligibility has been removed from this document for 2007/08. For guidance on learner eligibility for LSC funding, providers should refer to the *LSC Learner Eligibility Guidance 2007/08*.

# 2 Funding Colleges and Other Providers

## Types of Providers Funded to Deliver Further Education

### Further education colleges and higher education providers

- 12 The majority of LSC-funded FE provision is delivered by FE colleges incorporated or designated (specialist designated provider) under the Further and Higher Education Act 1992 and the Learning and Skills Act 2000. The LSC will continue to fund FE colleges in 2007/08 through grant-in-aid and under a financial memorandum. The sector has been consulted on a revised Part 1 to the financial memorandum and this revised financial memorandum has been published ([http://readingroom.lsc.gov.uk/lsc/National/LSC\\_Fin\\_Memo\\_Bkmk.pdf](http://readingroom.lsc.gov.uk/lsc/National/LSC_Fin_Memo_Bkmk.pdf)).
- 13 A key feature of the financial memorandum is the appointment of the college principal as accounting officer. As accounting officer, the college principal has significant personal responsibilities for the use of public funds by the college and may appear before the Public Accounts Committee. The financial memorandum and its practical application also confer many other mutual obligations and responsibilities on both the LSC and the college. While the LSC seeks to work in close partnership with all of its learning providers, the LSC has a unique relationship as being both the main regulator and the main funding body of FE colleges.
- 14 The LSC also funds providers regulated by the Higher Education Funding Council for England (HEFCE) to deliver eligible provision. These providers account for their learner numbers through their returns to the Higher Education Statistics Agency (HESA).

### Former external institutions and independent providers

- 15 The LSC also funds other providers, many of which were formerly known as external institutions, for FE.

The majority of providers are local authority-maintained (LA-maintained providers). A smaller number are voluntary organisations or private businesses.

- 16 LA-maintained providers, as public bodies, are funded under a grant arrangement and are expected under this arrangement to demonstrate proper use of public funds. Voluntary organisations and other independent businesses are funded under a contract for services with the LSC.

### Funding guidance and providers of different types

- 17 This Guidance applies to all FE provision. It may be delivered by FE institutions, former external institutions, higher education (HE) institutions or independent training providers. LSC Circular 04/02: *Funding: Plan-led Funding for Further Education* explains which of these institutions and providers are within scope for plan-led funding.
- 18 Aspects of this Guidance apply to learndirect provision. However, Ufi now operates its own funding model, and issues separate funding guidance to learning centres in respect of the funding they claim from Ufi, which in turn claims its funding from the LSC. learndirect providers are advised to consult Ufi's *Funding Manual* for specific details.
- 19 This Guidance should be applied in different ways according to the nature of the provider and to whether it is within or outside the scope of plan-led funding. This is summarised in Table 1.

**Table 1: Plan-led funding and providers of different types.**

	Providers in scope and eligible**	Providers in scope and not eligible	Providers out of scope***
Relationship with LSC	Grant-in-aid or grant	Grant-in-aid or grant	Contract
Status of funding guidance	Expectation	Rules	Rules
Audit	Regularity audit	Funding audit	Funding audit
Learner existence and eligibility audit	LSC cyclical audit (will vary from one- to seven-year cycle, depending on LSC risk assessment)	Not undertaken at providers facing a funding audit	
Data quality	Cyclical data quality checking	Funding audit	Funding audit
Retrospective clawback	No	Yes, with 3 per cent <i>de minimis</i> limit	Yes

\*\* Institutions currently include FE institutions, HE institutions and those former external institutions with grant-in-aid or grant relationships with the LSC.

\*\*\* Includes all providers that have contractual relationships with the LSC, and currently includes commercial and voluntary organisations and some former external institutions.

- 20 The vast majority of grant-funded providers now receiving FE funding are eligible for plan-led funding. These providers will no longer be held financially to account for the totality of their annual earnings from the LSC, against the LSC's funding guidance. These institutions will not be subject to retrospective clawback and will, as now, be required to spend LSC funds with propriety and regularity. They will be subject to the arrangements for regularity audit, learner existence and eligibility (LEE) audits and cyclical data checking.
- 21 Other providers are in scope but not eligible for plan-led funding. The eligibility criteria are set out in paragraphs 13–18 of Circular 04/02. These providers' compliance with the rules set out in this Guidance will be subject to funding audits similar to the arrangement that applied in 2006/07 and in earlier years. Where their funding out-turns are below target, they will be liable for clawback, subject to the 3 per cent *de minimis* limit, as set out in *FE ILR Funding Estimate/Claim 2007/08*.
- 22 Providers that have a contractual relationship with the LSC will be subject to the rules set out in this Guidance. These providers will, as now, be held financially to account by the LSC for the totality of their earnings under the LSC's funding rules. These providers' earnings will continue to be subject to funding audit. These providers will not be required to return an audited use of funds statement to the LSC.
- 23 Providers with a contractual relationship may seek to move to a grant-funding relationship in future funding years. The LSC will confer grant funding, provided that it is satisfied that the provider is committed to spending LSC funds with propriety and regularity. Such spending must be reasonable and proportionate against public-sector norms for the spending of public money, and precludes profit or other personal gain. This spending will, as for other grant-funded providers, also be subject to regularity audit.
- 24 All colleges and providers, whether within the scope of plan-led funding or not, will continue to be subject to the requirement that they apply LSC funds to learning or costs that have actually occurred and are within the LSC's legal powers to fund. The LSC will continue to audit the existence and eligibility of learners and costs within its broad legal powers and common-sense tests of reasonableness. The extent of this audit will be heavily determined by the risks to LSC funds inherent in the method of delivery. Direct delivery by colleges and providers using their own staffing and resources is likely to be classified as low

risk and receive infrequent, 'light touch' cyclical audit. Indirect delivery through, for example, sub-contracting, partnerships or electronic learning is likely to be classified as higher risk and subject to more frequent and intense audit. Colleges and providers will be encouraged to demonstrate to the LSC that they are managing the risk of indirect delivery, and the LSC will then reduce its audit coverage accordingly. *FE ILR Funding Compliance Advice 2007/08* explains more about LEE audits.

## Funding Agreements and Monitoring

### Funding agreements

25 As part of the development plan, the LSC will enter into a funding agreement with each provider. The funding agreement will set out the funds for the provision of FE that the LSC has agreed to pay to the provider, and the education and training provision that the provider has agreed to provide in return. Specifically, the provider will be expected to provide the mix and level of education and training provision that is contained in its development plan, as agreed with the LSC. Colleges and providers will be expected to:

- generate at least the total number of learners, achievements and cash earned included in the headline target in the development plan and in the provider's funding agreement with the LSC
- increase the number of learners and key outcomes broadly in each growth category
- maintain the number of learners in other categories where the provider's level of funding is maintained
- notify their LSC partnership team in writing at the earliest opportunity of any likely significant shortfall in the learner volume targets in the development plan.

### New providers

26 The LSC will put in place funding agreements that match each provider's legal form, rather than the funding stream to which it relates. FE colleges will continue to be funded through grant-in-aid and a financial memorandum. Other public bodies will be offered a grant-funding agreement. All other bodies will be normally offered a contract for services. All funds paid to providers under these funding agreements will be subject to the terms and conditions of the main funding agreement.

27 Organisations seeking to become funded by the LSC should approach their LSC regional contracting team in the first instance for advice about the application process. The regional LSC will notify the provider of the tendering opportunities and how to access them.

28 In order for a new FE provider to receive LSC funding, the following criteria must be met.

- The regional LSC will set out the provision it needs to meet growth assumptions, gaps and new provision in its regional commissioning plan. A tendering exercise will be conducted to secure new providers and provision.
- The new-provider assessment must be completed successfully. The full assessment process may not be necessary if a provider is already receiving LSC funding; in such cases, advice from the regional LSC should be sought at an early stage.

29 The LSC identifies the funding stream and mechanism by which the new provision will be funded.

### Existing Conditions of Funding

30 The LSC will attach conditions to its funding of colleges and other providers. Conditions (a) to (e) are required by the Secretary of State.

- a Tuition fees shall not be charged to learners aged 16–18 in full-time or part-time education. The LSC has received advice from the Department for Education and Skills that 'no fee should be charged to learners aged 16–18 for instrumental tuition which is part of the syllabus for a prescribed public examination', which includes music qualifications on the Section 96 list. For the purposes of the funding agreement, '18', means 'under 19 on 31 August in the calendar year when the learner commences a programme of study'. It is intended that such learners should continue to receive free tuition in any consecutive subsequent year of study on the same programme.
- b No fees or charges shall be made to learners in relation to Skills for Life learning aims, excluding those in English for speakers of other languages. Further guidance on the funding of basic skills provision is detailed in Section 7 of this Guidance.



- c No compulsory enrolment, registration or examination fees shall be charged to learners aged 16–18 in full-time or part-time education. Providers will, however, be able to seek voluntary contributions from learners or their sponsors.
- i Colleges and providers would be able to apply reasonable conditions of attendance in order to qualify for free examination entry, similar to conditions applied in schools.
  - ii Colleges and providers will be able to charge for examinations and re-sits as follows:
    - where the required attendance or completion of work has not been completed
    - where the learner fails without good reason to sit the examination for which the provider has paid (it is for the provider to determine what constitutes a good reason, and it may wish to lay down broad criteria in its charging and remission policies)
    - where learners are re-taking an examination resulting from an initial examination failure
    - where learners are re-taking an exam with the aim of achieving marginal improvements in grades.
  - iii Colleges and providers should ensure that requirements for attendance and coursework are applied reasonably. Absences or non-completion of coursework because of illness or other acceptable reasons should not be grounds for charging.
  - iv Requests for voluntary contributions must make it clear that there is no obligation to contribute, and that learners would not be treated differently according to whether they or their sponsors have made any contribution in response to the request. Any request for voluntary contributions needs to be adequately communicated in advance of the activity taking place.
  - v The prohibition on charging will not apply to other charges, for example relating to equipment, special clothing or materials for vocational-learning aims. Where clothing or equipment is necessary for the learner's health or safety, a charge may be made for clothing and equipment that the learner retains, but only if the learner also has the option of borrowing the clothing or equipment free of charge.
  - vi Similarly, the prohibition on charging does not apply to the sale of learning materials in bookshops, or similar facilities in institutions, that enable students to secure discounts on books, stationery or similar materials.
  - vii Some charges are not defined as fees, and therefore fall outside the scope of this condition. Fines and deposits are not fees. Examples include fines for the late return of library books or other disciplinary fines (provided such penalties have been made known in advance); and deposits on lockers, ID cards, keys, library cards or smartcards and equipment that are fully refundable except in cases of damage or theft.
  - viii Colleges and providers may charge learners who require additional administrative services that result in extra expense for the provider and that are consequences of a learner being in default and could therefore have been avoided. Examples are charges for replacement of lost items such as keys, ID cards, library cards and smartcards.
  - ix Charges for photocopying and printing, including computer printouts, are not fees, given that they are not course-specific, are optional, and there are alternative sources for these services.
  - x Colleges and providers may charge learners for the recreational use of leisure and other non-academic facilities where the activity taking place is not a requirement of a course syllabus or not part of a student union membership free entitlement.
  - xi Charges may continue to be made for the travel, board and lodging and other additional costs, including any tuition costs, associated with field trips and similar activities that may form part of or be outside the requirement of the course syllabus or agreed learning programme.
  - xii Charges may be made for optional extra activities where the activity is taking place outside a required part of an agreed learning programme and charging is at the discretion of the provider that would otherwise meet the cost of provision. Examples of optional extra activities include theatre, cinema or museum visits or other day or residential visits that are not a requirement of course syllabuses.



- xiii There is no requirement to charge for optional extras. The provider funding the activity is free to determine whether any charge should be made for it and, if so, how much should be charged and to whom.
- d Colleges in the FE sector shall provide the data required by the Secretary of State to permit the publication of comparative performance tables on learner achievement and other matters in the light of consultation. In particular, each college shall:
- provide to the Department for Education and Skills (in a form and at a time to be specified) summary data relating to learner achievements in vocational qualifications
  - subsequently publish, alongside its information published by the college under Section 50 of the Further and Higher Education Act 1992, national summary data relating to all qualifications.
- e Colleges in the FE sector shall have a college charter as envisaged in the Charter for Further Education.
- f Colleges shall publish a disability statement.
- g Colleges and providers should supply other information as required by the LSC in order to enable it to report to the Secretary of State on equality issues.
- h Where the Office for Standards in Education inspectorate has assessed a curriculum or subject area as weak, the provider shall not increase the learner numbers enrolled onto the first year of programmes in the curriculum area or areas in question until the inspectorate is satisfied that the deficiencies have been remedied and the curriculum area has been re-graded as satisfactory or better.
- i If the inspectorate assesses the leadership and management as inadequate, the provider may not enter into new, or extend existing, LSC-funded franchise arrangements until the inspectorate is satisfied that the deficiencies have been remedied. The provider shall not increase the learner numbers for franchise arrangements above the numbers at the date on which the college was notified by the inspectorate of the grade for its leadership and management.
- j Where colleges and providers have grades 4 or 5 outstanding for quality assurance or governance, the LSC will apply the same conditions.
- k The provider shall endeavour to provide for at least the same number of learners with learning difficulties and/or disabilities as it did in 2006/07, and at least to maintain the proportion of such learners in its overall enrolment total.
- l The LSC's duties under the Learning and Skills Act 2000 are to secure proper facilities for learners aged 16–18 and reasonable facilities for learners over 19 years. In performing these duties, the LSC has to take account of the places where facilities are provided, the character of facilities and the way they are equipped. Whilst the responsibility for health and safety remains with the colleges and providers, they shall supply information as required by the LSC on learner health and safety.
- 31 In certain circumstances, the LSC may not wish its funds to be used by a provider for a particular purpose. It may also wish specialist provision to be maintained. In such cases, following discussions with the provider, the LSC partnership team may wish to include a specific condition of funding in that provider's funding agreement. Such conditions will be subject to a moderation process within the LSC to ensure a consistent approach nationally.
- ### Principles of Funding Learning
- 32 The funding provided to colleges and other providers should reflect the directly incurred costs of efficiently delivered provision (with an appropriate contribution to overheads) within the national funding framework and rates.
- 33 Colleges and other providers should:
- claim funding at national rates to reflect the costs of delivery and ensure that multiple funding for provision is not claimed
  - ensure that duplication of provision in a learner's programme of study is avoided and, where this occurs because of an overlap in learning aim content, adjust the funding claimed to reflect the degree of overlap
  - consider guided learning hours as the key driver of costs incurred when determining the level of funding claimed

- discuss with the LSC partnership team what funding should be claimed in circumstances where the calculation of funding to be claimed results in a level of funding that is clearly well in excess of the costs incurred
- discuss with the LSC partnership team what funding should be claimed where colleges and other providers wish to make provision that is in the best interests of their learners but the funding arrangement is viewed to be a barrier
- avoid claiming FE funding for any part of any learner's programme of study fully funded from any other source, for example a different LSC funding stream, their employer or HEFCE
- only claim funding for learners assessed as eligible for LSC funding as stated in *LSC Learner Eligibility Guidance 2007/08*.

# 3 Definitions and Terminology

## Introduction

- 34 This section provides detailed definitions of some of the key terms used in this Guidance. Explanations of acronyms are provided in the glossary at Annex N.

## Definitions

### 16–18-year-old learner

- 35 Two definitions are used for a 16–18-year-old learner:
- **Monitoring:** For monitoring purposes, the definition of a 16–18-year-old learner used by both the DfES and the LSC is that the learner is aged 16, 17 or 18 on 31 August in the relevant funding year. This definition enables the number of 16–18-year-old learners to be monitored in a consistent way.
  - **Funding:** In relation to eligibility for the level of funding available for 16–18-year-old learners, a wider definition is used. For funding purposes, a 16–18-year-old learner is aged 16, 17 or 18 on 31 August in the calendar year when the learner begins a programme of study. This wider definition ensures that the funding of a 16–18-year-old learner does not change during an individual's programme if the learner becomes 19 years old. Such learners, if full time, may be funded for the 16–18 entitlement. They do not have to pay tuition fees if they become 19 during their programme, and colleges and providers may continue to claim fee remission.
- 36 The LSC would not normally fund 16-year-old school-leavers until after they have left school. The official school-leaving date is the last Friday in June of the academic year, and 16-year-old learners (as defined in paragraph 35) would only be eligible for LSC funding after that date. Colleges and providers may seek to develop innovative introductory courses, which strategically target key LSC priority learners,

who might not otherwise stay in education and learning after school. These learners may start in July, but must plan to continue their courses beyond 1 August of that year. Providers have successfully piloted this type of provision across Cumbria since 2002/03. However, colleges and providers should not be seen to extend artificially the duration of their current curriculum offer.

### Additional learning support

- 37 Additional learning support (ALS) is any activity that provides direct support for learning to individual learners, over and above that which is normally provided in a standard learning programme that leads to their learning goal. ALS is required to help learners gain access to, progress towards and successfully achieve their learning goals. The need for additional learning support may arise from a learning difficulty and/or disability, or from literacy, numeracy or language support requirements.

### Adult learner

- 38 The definitions of an adult learner mirror those relating to 16–18-year-old learners. For monitoring purposes, an adult learner is aged 19 or over on 31 August in the relevant funding year. For funding purposes, an adult learner is aged 19 or over on 31 August in the calendar year when the learner begins a programme of study. The funding definition should be used in all situations except when monitoring learner numbers.

### Area costs

- 39 This is a funding uplift that reflects the fact that in some geographical areas, higher salaries are needed to attract staff of a similar standard.

### Assumed fee income

- 40 The LSC's funding approach assumes that all learners other than those eligible for fee remission are charged a tuition fee as a contribution. This assumed

fee income will, where relevant, be reflected in a reduction of the funding payable for the programme by 37.5 per cent of the unweighted national base rate. This is an increase from 32.5 per cent in 2006/07 and continues the move towards 50 per cent by 2010/11 announced in the 2006 White Paper *Further Education: Raising skills, improving life chances*. The planned trajectory for the fee assumption is as follows.

Year	Assumed fee
2007/08	37.5%
2008/09	42.5%
2009/10	47.5%
2010/11	50%

- 41 The 2003 Skills Strategy White Paper clearly set out and reaffirmed the principle that 'employers and individuals have always been expected to contribute [to the cost of their learning] because of the benefits they derive' (paragraph 6.26, *21st Century Skills: Realising our potential* (DfES, 2003)).
- 42 It is recognised that in previous years, the policy drivers in place have resulted in decreasing levels of fee income being collected, and the LSC understands the pressures that resulted in colleges and providers choosing to remit fees.
- 43 The LSC wants to ensure that colleges and providers are able to collect more fees where appropriate and to work together to help foster a culture in which learners are both aware of the extent to which their learning is publicly subsidised, and also accept the principle that it is reasonable and appropriate for them to make a contribution to the costs of their learning where they can afford to do so.
- 44 The LSC and DfES will explore these issues further in a discussion document to be published at a later date. For 2007/08, colleges and providers are encouraged to review their local policies for the setting of fees and their collection. See also 'Fee income measure' at paragraph 53 and 'Fee remission' at paragraph 57.

#### Basic skills

- 45 Adult basic skills provision is defined as provision that caters for the literacy, language and numeracy needs of post-16 learners, including those with learning difficulties and/or disabilities, from Pre-entry Level up to and including Level 2. In the context of basic skills, 'adult' refers to any learner over the age of 16 (that

is, one who is no longer in compulsory education), with no upper age limit. Provision may be delivered as stand-alone or as part of a vocational programme or additional learning aim; it may be delivered full time, part time, or through self-study or ICT. This definition applies to provision that has been approved as basic skills by the Secretary of State, or non-approved Entry Level and Pre-entry Level provision that is based on the National Standards for Adult Literacy or Numeracy.

#### Census date

- 46 Census dates are used to determine whether funding should be claimed in a given triannual period. The census dates are 1 October, 1 February and 15 May. They will continue to be used in 2007/08.

#### Curriculum entitlement

- 47 The introduction of Curriculum 2000 included an entitlement to the development of key skills and tutorials and enrichment activities for all full-time 16–18 year olds starting programmes from the 2000/01 teaching year onwards.
- 48 The LSC expects that the entitlement will include regular tutorials, relevant key skills and enrichment activities, which will be delivered in an appropriate number of guided learning hours (glh) that are additional to the other learning aims within the learner's programme. Consideration of the entitlement provision delivered by colleges and providers is reviewed during inspection.

#### Disadvantage uplift

- 49 The purpose of the disadvantage uplift is to ensure that certain learners attract a funding enhancement, which reflects their relative disadvantage and the expected additional costs incurred by colleges and providers in attracting and retaining such learners.

#### Distributed and electronic learning

- 50 Distributed and electronic learning (DEL) is the term the LSC uses to encompass those forms of learning delivery sometimes called 'distance learning', 'online learning' or 'electronic learning (e-learning)'. Other terms are 'open learning' and 'flexible learning'. The funding for this type of provision is described in detail in Section 9 of this Guidance.

### Employer-dedicated provision

- 51 Employer-dedicated provision is eligible provision delivered by a provider, an independent training provider or an employer, normally on an employer's premises, where that provision is made for that employer's staff. The employer may be from the private, public or voluntary sector.

### Entry

- 52 Entry includes all activities leading to the enrolment of a learner on a learning programme. This is no longer a separate element of the funding formula, and is now fully incorporated into the national base rate. Good-quality entry activity is essential to ensure that learners are enrolled on the most appropriate learning aim(s) to meet their needs and aspirations.

### Fee income measure

- 53 The LSC introduced an income measure in 2005/06 in line with the commitment in the Skills Strategy White Paper. The purpose of the measure is to act as a mechanism for colleges and the LSC to work together in changing the culture and expectations around learner and employer contributions, and to increase the total income for the sector.
- 54 LSC partnership teams will agree income measures with all providers in receipt of FE funding. The fee income measure will be in respect of tuition fee income from individuals and employers engaged with LSC-funded programmes only; other sources of income will not be included.
- 55 The measure will be agreed on an individual basis for each institution. In agreeing an appropriate measure, a number of factors will be taken into account, which are:
- the current position of each institution with regard to the fees it currently collects
  - theoretical fees that could be collected if the 37.5 per cent fee assumption were to be applied
  - the mission of the college and its own local fee remission policy
  - the socio-economic profile of the locality the institution serves
  - benchmarking data with similar institutions
  - regional and local skills priorities.

- 56 Agreeing the fee income measures, and assessing performance against them, will be discussed and assessed as part of the annual review of providers' development plans. See also 'Assumed fee income' at paragraph 40 and 'Fee remission' at paragraph 57.

### Fee remission

- 57 Certain categories of learners are not expected to pay tuition fees, and in such cases the full national base rate will be paid. Further detail is provided in Section 4 of this Guidance.
- 58 See also 'Assumed fee income' at paragraph 40 and 'Fee income measure' at paragraph 53.

### Final funding claim

- 59 The final funding claim is a final claim based on LSC-funded provision for eligible learners recorded on the Individualised Learner Record (ILR). This is prepared after the end of the year, in order to enable all activity to be recorded.

### Foundation Learning Tier

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

### Full-time equivalent

- 63 A learner studying a programme of 450 or more planned glh in a funding year will count as one full-time equivalent (FTE). Providers are reminded that the FTE calculation is derived from the sum of the planned glh recorded within field A32 of the ILR against each respective learning aim from the learner's programme of study.

64 A learner studying a programme of fewer than 450 glh in a funding year will be converted to a fraction of one FTE by dividing the planned glh of the learner's programme by 450.

#### Full-time learner

65 A full-time learner is one enrolled on a programme of at least 450 glh in any 12-month period. This includes a learner who withdraws after a census date. Funding calculations continue to be on a per-period basis. The 450 glh would include the glh associated within the 16–18 entitlement (assumed by the LSC to be 180 glh per year).

66 Colleges and providers with learners aged 16–18 who study programmes of fewer than 450 glh that are equivalent to two AS/A2-levels plus the entitlement may seek approval from their LSC partnership team for those learners to be considered full time on an exceptional basis.

67 In respect of Curriculum 2000, colleges and providers should note that ministers expect full-time programmes for 16–18 year olds to be substantially greater than the minimum threshold level, and that learners will engage in a broader curriculum experience.

#### Guided learning hours

68 Guided learning hours (glh) are defined as all times when a member of staff is present to give specific guidance towards the learning aim being studied on a programme. This definition includes lectures, tutorials and supervised study in, for example, open learning centres and learning workshops. It also includes time spent by staff assessing a learner's achievements, for example in the assessment of competence for National Vocational Qualifications (NVQs). It does not include time spent by staff in the day-to-day marking of assignments or homework where the learner is not present. It does not include hours where supervision or assistance is of a general nature and is not specific to the study of the learners.

#### Key skills

69 There are three key-skills qualifications at Levels 1 to 4: communication, application of number and IT. Awarding bodies offering these qualifications are identified in the Section 96 list, under 'Key skills'. Further detail is provided in Section 7 of this Guidance.

70 There are three wider key-skill units at Levels 1 to 4: working with others, improving own learning and performance, and problem-solving. These are separately fundable through the loadbands.

71 Funding may be claimed for the wider key skills in addition to the entitlement funding, provided that additional glh are delivered at the appropriate level. However, the wider key-skill units could also be delivered as enrichment activity, in which case no additional funding should be claimed.

#### Learner eligibility

72 The LSC will consider as eligible for funding any person who meets the criteria described in *LSC Learner Eligibility Guidance 2007/08*.

#### Learner fees or remission

73 Learners, or their sponsors, are expected to pay tuition fees unless they are entitled to fee remission. See also 'Assumed fee income' at paragraph 40, 'Fee income measure' at paragraph 53 and 'Fee remission' at paragraph 57.

#### Learning aim

74 A learning aim is defined as a single element of learning that attracts a national base rate of funding at either a listed value or a loadbanded value reflecting glh.

#### Learning programme

75 A learning programme comprises all of a learner's activities that involve the use of the resources of the provider at which the learner is enrolled. A learning programme may be composed of one or several learning aims. AS- and A2-levels taken in subsequent years are considered to constitute a single learning programme.

#### Learning provision

76 The Learning and Skills Act 2000 recognises two types of learning provision. These are:

- approved qualifications, that is, learning aims that lead to qualifications approved by the Secretary of State under Sections 96 and 97 of the Learning and Skills Act 2000
- provision outside the National Qualifications Framework, that is, learning aims that do not lead to qualifications as defined above.



77 Further detail is provided in Section 6 of this Guidance.

#### **LSC organisation**

78 The LSC operates a three-tier organisational structure, at national, regional and local level. LSC National Office leads on strategic relationships with national stakeholders and develops national policy. Regional centres provide enhanced strategic capacity for the LSC to engage effectively with regional partners and determine regional priorities and needs. LSC partnership teams translate national and regional strategies and priorities into local delivery and should be the first port of call for any queries from providers.

79 Contact details for LSCs can be found on the LSC website ([www.lsc.gov.uk](http://www.lsc.gov.uk)).

#### **Minimum funding guarantee**

80 The minimum funding guarantee ensures that schools will receive a guaranteed increase in per-pupil funding from one year to the next. For 2007/08, the Secretary of State has determined that the increase in core per-pupil funding shall be 3.7 per cent.

81 For 2007/08, the LSC has increased funding rates for 16-18-year-old learners in school sixth forms and FE by the same amount as the minimum funding guarantee, that is, 3.7 per cent.

#### **National base rate**

82 The national base rate is the funding rate that reflects the size of the learning aim and the basic cost of delivery. It includes the funding elements for assumed fee income and achievement. National base rates are explained in more detail in Section 4 of this Guidance.

#### **Normal recruitment area**

83 LSC partnership teams will usually regard a provider's normal recruitment area as the LSC area the provider is physically situated in and all adjoining LSC areas.

84 This definition may be varied more tightly or loosely by LSC partnership teams, depending on the provider location, and each LSC partnership team can help providers to agree a reasonable definition of their normal recruitment area.

#### **Partnership provision**

85 Partnership provision is learning provision that is delivered with the involvement of a third party.

#### **Part-time learner**

86 A part-time learner is engaged in a programme that is fewer than 450 glh in any 12-month period. Specific guidance relating to such learners who are claiming Jobseekers' Allowance is given in Annex C to this Guidance.

#### **Programme weighting**

87 Programme weighting is a funding uplift reflecting the fact that some learning aims of similar length are more costly to deliver than others; for example, engineering provision is more costly than business administration.

#### **Progression Pathways**

88 Progression Pathways are programmes using units and qualifications at Entry and Level 1, drawn from the Qualifications and Credit Framework (QCF). They are part of the development of the Foundation Learning Tier (FLT).

#### **Start period**

89 The start period for a learner is the first triannual period in which a provider can claim funding for that learner. It is determined by the date on which the learner's learning programme begins and ends. Further details of how start dates relate to start periods are given in Annex D of this Guidance.

#### **Triannual periods**

90 Funding is calculated using three periods per year, known as triannual periods. These are:

- 1 August to 31 December
- 1 January to 30 April
- 1 May to 31 July.

#### **Turbulence**

91 This term refers to changes to the level of funding for the same provision as a result of a change in the funding approach.

#### **Wider key skills**

92 See under 'Key skills' at paragraph 69.

# 4 Calculating Funding and Associated Rates

## Introduction

- 93 Colleges and providers are reminded that, although funding earned by a provider will still be calculated using the funding formula, the results of that calculation will not trigger a retrospective funding adjustment for those colleges and providers within scope and eligible for plan-led funding. Instead, in-year monitoring and annual review will use progress against the learner-numbers target, agreed between the provider and the LSC partnership team, to make any necessary adjustment to the indicative allocation for the following year.
- 94 For other colleges and providers (those out of scope and not eligible for plan-led funding), the funding formula will continue to be used to calculate a funding out-turn after any manual adjustments have been applied.
- 95 The funding formula remains important. The results from it will still affect the provider's funding in future years. It will be used to calculate the average funding per learner and FTE, disaggregated by the types set out in the summary statement of activity. This will reflect changes in the mix of provision that a provider offers and that may result from the size of learning aims or from programme weightings. Hence, it remains important that the provider's provision is accurately recorded in the ILR.
- 96 Whilst the formula in 2007/08 remains largely unchanged from 2006/07, there are changes to some elements of it, as a result of the policy stated in our *Annual Statement of Priorities 2007/08*, which is available on the LSC website ([www.lsc.gov.uk/aboutus/lscstrategy/annualstatementofpriorities](http://www.lsc.gov.uk/aboutus/lscstrategy/annualstatementofpriorities)).
- 97 The Foundation Learning Tier (FLT) is being progressively introduced from September 2007. During 2007/08 there are no specific FLT funding arrangements. FLT provision will be a programme of qualifications and additional learning support grouped together to form Progression Pathways. Funding for each element of the Progression Pathway will be calculated separately in accordance with the guidance in this section.

## Elements of the National Base Rate

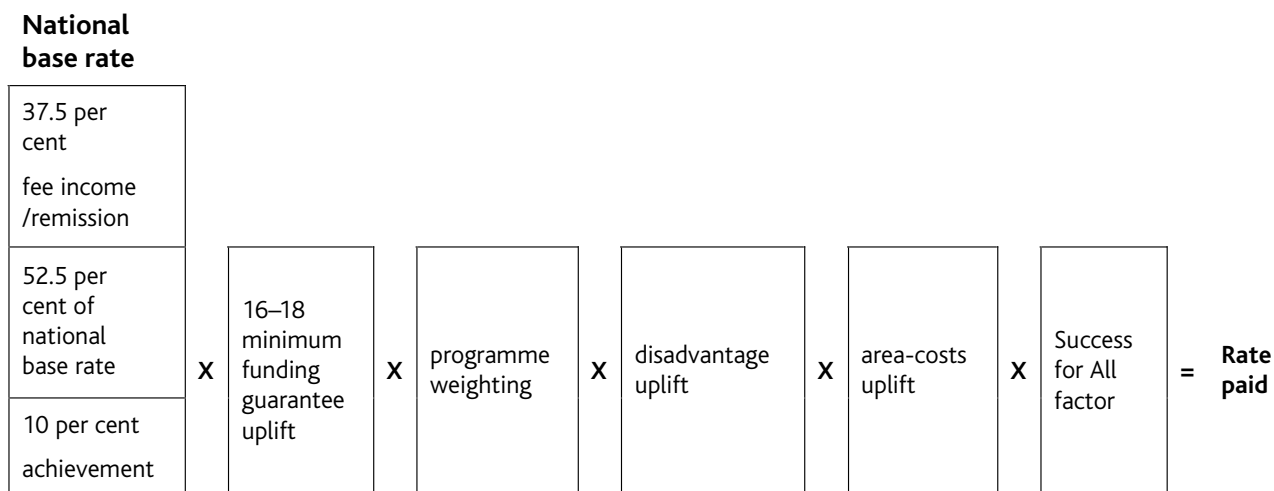
- 98 The funding rates for individual learning aims enable each provider to determine the total amount of funding that may be earned for each enrolled learner. In summary, the key elements of the funding rates are:
- the national base rate (incorporating programme funding, the assumed fee element and achievement)
  - 16–18 minimum funding guarantee uplift
  - programme weighting
  - disadvantage uplift
  - area-costs uplift
  - provider performance (Success for All factor).
- 99 In addition to the funding formula indicated above, there will continue to be additional learning support funding to meet the individual requirements of learners with additional learning needs. See Section 8 of this Guidance for further details.



## Funding Formula for 2007/08

100 Figure 1 illustrates how the key elements of the formula combine to produce the rate paid.

Figure 1: Key elements of the funding formula.



101 It should be noted that the proportion of each element (excluding the achievement element) in the rate paid will vary depending on the weighting and uplifts applied. This is to ensure that the fee element is the same regardless of these weightings.

102 Examples 1–3 illustrate how the proportions vary.

**Example 1: GCE AS-level or A2-level studied during the day (except for General Studies) with a programme weighting of A.**

Rate paid: £845

Fee income or remission	Programme funding	Achievement
£317	£443	£84
(37.5% of rate paid: 37.5% of national base rate)	(52.5%)	(10%)

**Example 2: Loadbanded provision of 55 glh with a programme weighting of B.**

Rate paid: £361

Fee income or remission	Programme funding	Achievement
£121	£204	£36
(33.5% of rate paid: 37.5% of national base rate)	(56.5%)	(10%)

**Example 3: Edexcel National Certificate with a programme weighting of E.**

Rate paid: £8,776

Fee income or remission	Programme funding	Achievement
£1,913	£5,985	£878
(21.8% of rate paid: 37.5% of national base rate)	(68.2%)	(10%)

- 103 Examples 1–3 are rounded to the nearest pound for simplicity. The stated 'rate paid' is the weighted national base rate. The 16–18 minimum funding guarantee uplift, disadvantage uplift, area-costs uplift and performance-related funding do not affect these examples.
- 104 The stages of applying the formula in FE are as follows.
- a **National base rate** – reflecting the length of the learning aim and the basic cost of delivery. The national base rate includes:
- **assumed fee income** – 37.5 per cent of the unweighted national base rate will be met through assumed fee income, reflecting tuition fees paid by the learner to the provider. If the learner is eligible for fee remission, there will be no reduction in the unweighted national base rate
  - **achievement** – 10 per cent of the weighted national base rate, uplifted where appropriate for disadvantage and area costs, which is conditional on the learner achieving in accordance with the LSC's funding guidance. The achievement element is not, therefore, additional funding; it forms a part of the national rate payable for a particular learning aim
  - **programme** – the proportion of the weighted national base rate remaining after subtracting the achievement and assumed fee income. The actual proportion varies depending on the weightings applied in the formula, according to examples 1–3 at paragraph 102.
- b **16–18 minimum funding guarantee uplift** – an uplift factor introduced in 2006/07 to enhance the national base rate to a level consistent with the minimum funding guarantee applied to schools, as announced annually by the Secretary of State. In 2007/08, the uplift will be:
- $$\frac{1.034 \times 1.037}{1.025 \times 1.025} = 1.02059$$
- as the minimum funding guarantees were 3.4 per cent in 2006/07 and 3.7 per cent in 2007/08, compared with the 2.5 per cent increase in the adult base rates in both years.
- c **Programme weighting** – reflecting that some learning aims of similar length or leading to an equivalent qualification but in different programme areas are more costly to deliver than others; for example, engineering provision is more costly than business administration
- d **Disadvantage** – an uplift supporting the policy intention and reflecting the costs of widening participation, and also reflecting that some learners come from backgrounds that have disadvantaged them
- e **Area costs** – a weighting factor reflecting the significantly higher costs of delivering provision in London and related areas
- f **Success for All factor** – an institutional factor reflecting the assessment of a provider in 2004/05 as eligible for premium or standard funding.
- 105 Achievement funding is based on historic data. This was proposed in LSC Circular 03/15 and will enable the final funding calculation to be made much earlier than previously. Data analysis, explained in LSC Circular 03/15, showed that this will have little effect on the accuracy of the calculation.

### Pre-entry Advice and Guidance

- 106 The LSC considers it essential that learners have access to clear and full information on the costs of programmes before enrolment.
- 107 The funding for each learner's programme is still based on the principle that learners are provided with pre-entry advice and guidance. Such advice and guidance are crucial if the learning programme is to match a learner's aspirations, expectations and abilities. Colleges and providers should not claim separate funding for a learning aim that represents provision typically forming part of pre-entry advice and guidance or induction activities.
- 108 The successful outcome of pre-entry advice and guidance is a learning agreement signed on behalf of the provider and by the learner. Whilst recognising that different types of learners may require different approaches to advice and guidance, the learning agreement should provide confirmation that the following broad areas have been covered:
- implications of the choice of learning programme
  - entry requirements for each learning aim within the learning programme

- an assessment of the suitability of the learning programme for the individual
  - support available to the learner, and which, if any, support is needed
  - a brief description of the nature of the procedures involved in the process of advice and guidance.
- 109 The additional costs of specialised assessments of learners with learning difficulties and/or disabilities should be included in the additional learning support (ALS) costs form. Section 8 of this Guidance contains further information on ALS.

### National Base Rates

- 110 Each learning aim has a national base rate reflecting the size of the learning aim. The national base rate includes a contribution to the overheads of the provider, who needs to prioritise how this will be allocated to competing demands within the organisation.
- 111 Learning aims are funded at a listed value, or through the loadbands. Listed values are used where there is a high degree of consistency amongst colleges and providers in the number of glh used to deliver the learning aim.

### Listed rates

- 112 The values for individually listed learning aims are available for a learner who completes the aim, irrespective of the time taken to complete. The same rate is payable irrespective of the duration of the learning aim.
- 113 The national rates for the main individually listed learning aims are set out in Annex A of this Guidance. The full national funding rate is shown for each programme-weighting factor, including programme funding, fee element and achievement funding. The assumed fee income is also shown separately. The rate payable where learners do not attract fee remission is the national rate less the assumed fee element. All figures are rounded to the nearest pound for simplicity.
- 114 The national rates for all listed learning aims may be found in the Learning Aims Database (LAD). These are stated in pounds and pence.
- 115 A briefing note explaining how learning aims are assigned listed funded rates can be found on the LSC website ([www.lsc.gov.uk/providers/funding-policy](http://www.lsc.gov.uk/providers/funding-policy)).

### Loadbanded rates

- 116 Where the number of glh that colleges and providers use to deliver a learning aim varies significantly, the appropriate funding rate is determined through the loadband tables.
- 117 Some types of learning aim are loadbanded due to particular LSC policies, such as basic skills.
- 118 To determine the rate payable for a particular learning aim that is not individually listed, the provider should:
- determine the total expected glh for the learning aim – this is the number of hours initially planned to deliver the learning aim, and will be recorded in the learning agreement
  - refer to Annex A of this Guidance to determine which band the glh for the learning aim falls into
  - refer to the appropriate programme-weighting column to derive the weighted national base rate.
- 119 This method does not apply to distributed and electronic learning, which is described separately in Section 9 of this Guidance.
- 120 Particular guidance applies to large loadbanded learning aims with a duration of more than one year, that is, for those delivered over more than three funding periods at a rate of 450 glh or more per year. In such cases, the appropriate loadband for the maximum glh delivered in any one academic year should be used. Where glh in an academic year do not reach the maximum, the funding claimed should be reduced pro rata.

### Example 1

A learning aim of 1,200 glh is delivered over two funding years. This is 200 glh per funding period, or 600 glh per year. The learning aim is funded at the 600–629 glh loadband rate in each year.

### Example 2

A learning aim of 800 glh is delivered in five triannual periods over three academic years, starting in April 2007 and finishing in December 2008. In each funding period, 160 glh are delivered, giving a maximum of 480 glh in the year when delivery over three triannual periods takes place. The appropriate loadband to be used with this learning aim is, therefore, the 480–509 glh loadband.

In 2006/07, the one triannual period delivered is funded at one-third of the 480–509 glh loadband rate. In 2007/08, when three triannual periods are delivered, the learning aim is funded at the whole of the 480–509 glh rate. In 2008/09, the one triannual period is funded at one-third of the 480–509 glh rate.

#### Loadbands and basic skills

- 121 For 2007/08, the national rates for basic skills provision are given in Annex A of this Guidance. Programmes delivered in 450–659 glh per year continue to be based on the previously listed rate. Programmes delivered in 660 glh or more are funded through the loadbands.
- 122 Where a learner completes multiple basic skills learning aims such that the total glh is 450 or more, separate claims should be made for each learning aim. A manual adjustment to the ILR will be needed to claim the full amount of eligible funding.

#### Loadbands and independent living skills

- 123 In 2007/08, independent living skills programmes delivered in 450–719 glh will be funded at a national base rate of £3,051. Programmes of 720 glh or more will be funded through the loadbands.
- 124 Where a learner completes multiple learning aims in independent living skills such that the total glh is 450–719, the Learner Information Suite (LIS) calculates the individual learning aims separately. A manual adjustment to the ILR will be needed to claim the full amount of eligible funding.

### Fees and Fee Remission

#### Fee remission

- 125 Fee remission is applicable to all 16–18-year-old learners, including those on part-time programmes, and continues to be available for adult learners who meet specified criteria (see paragraph 131). Where fees are remitted for learners who meet these criteria, the provider should not charge the learners tuition fees. In these cases, the full national base rate will be payable, with the achievement element dependent on whether or not the learner achieves (see paragraphs 136–147).
- 126 Where a learner's learning aim is a basic skills qualification that is not English for speakers of other languages (ESOL), this automatically attracts full tuition fee remission. In addition, the learner should not be charged for any other aspect directly relating to his or her basic skills learning aim. If the learner wishes to undertake an additional learning aim that is not basic skills, fee remission may not be claimed for the additional learning aim unless the learner is otherwise eligible for fee remission (see paragraph 131).
- 127 A learner in receipt of an eligible benefit on enrolment shall be eligible for fee remission for the whole of the academic year. If a learner becomes eligible for tuition fee remission during the academic year, the provider can claim tuition fee remission from the next census date until the end of the academic year, and the ILR should be amended accordingly.
- 128 It remains the responsibility of the provider to establish eligibility for tuition fee remission at the start of each academic year, both for learners who are starting and for those who are continuing their studies.
- 129 Providers are reminded of the need to ensure that recruitment of learners is undertaken in a fair and non-discriminatory manner, and the question of eligibility for fee remission should not be used to give preferential enrolment treatment to particular groups of learners on any LSC-funded programmes.
- 130 Providers are also encouraged to ensure that they offer support to all learners in considering their eligibility for fee remission. This is particularly important for learners unable to prove eligibility for fee remission because of language difficulties, or cultural or other reasons. Many providers exercise discretion by enrolling such learners and then working with them to gather the evidence required to claim fee remission prior to the commencement of the learner's programme. In some cases, this may require providers to seek evidence of learners' financial circumstances (such as pay slips, P60s and other tax forms) in order to assist learners to obtain the necessary evidence of means-tested state support. Providers are encouraged to work locally with other government agencies to ensure all eligible learners can evidence their entitlement to fee remission.
- 131 The categories of learners who are entitled to fee remission are (learners only need to be eligible under any single entitlement category):
- 16–18 year olds (the Secretary of State does not expect tuition fees to be charged to full-time or part-time 16–18 year olds)

- learners studying their first full Level 2 qualification. Full Level 2 qualifications are identified on the Learning Aims Database (available at <http://providers.lsc.gov.uk/lad>)
- 19–25-year-old learners studying their first full Level 3 qualification. Further guidance on the introduction of the Level 3 entitlement is available at Annex M to this document
- those in receipt of income-based benefits, formerly known as means-tested benefits, that is:
  - a unemployed people in receipt of income-based Jobseeker's Allowance
  - b those in receipt of Council Tax Benefit
  - c those in receipt of Housing Benefit
  - d those in receipt of Income Support
  - e those in receipt of Working Tax Credit with a household income of less than £15,050
  - f those in receipt of Pension Credits (Guarantee Credit only)
- unemployed people in receipt of contribution-based Jobseeker's Allowance
- the unwaged dependants (as defined by Jobcentre Plus) of those listed above
- offenders who are serving their sentence in the community
- those taking learning aims that are funded as basic skills as defined in Section 3 of this Guidance, excluding English for speakers of other languages
- asylum seekers eligible for LSC FE funding according to the *LSC Learner Eligibility Guidance 2007/08* and in receipt of the equivalent of income-based benefit (assistance under the terms of the Immigration and Asylum Act 1999) and their dependants
- certain learners participating in LSC-funded projects where identified in the project specification.

#### Assumed fee income

- 132 Where fee remission does not apply, 37.5 per cent of the national base rate for the learning aim, before weighting or uplift, is deducted from the funding available. This proportion of funding represents the assumed fee income. See also paragraph 40.

#### Tuition fees

- 133 Colleges and providers are able to set the levels of fees charged to learners. Their LSC Partnership Team will monitor fee levels to ensure that variations do not adversely affect provision in the area. Where colleges and providers do charge more than 37.5 per cent in tuition fees, they will be able to retain the full amount charged. In view of the increased fee assumption, the LSC now expects providers to see their provision as full-cost recovery provision where the tuition fee charged to the learner (or employer) approaches 100 per cent of the programme-weighted national rate available for the learning aim studied.
- 134 The requirement to remit tuition fees for 16–18 year olds applies to provision funded through the formula described in this Guidance. There are well-established arrangements where colleges and providers of work-based learning (WBL) for young people (for example, Apprenticeships and Advanced Apprenticeships) establish agreements for colleges to deliver aspects of the provision, such as qualifications that form part of an Apprenticeship framework. In these circumstances, the provider agrees a funding transfer to the college. These arrangements are not affected by the requirements relating to tuition fees for 16–18 year olds. Colleges may continue to receive funding directly from WBL providers for the delivery of aspects of WBL provision; however they should consider the funding being drawn down by WBL providers in setting the charges for both key skills and technical certificates. Additional LSC funding may not be claimed for this provision.

#### Other fees for 16–18-year-old learners

- 135 No compulsory enrolment, registration or examination fees can be charged to students aged 16–18 in full-time or part-time education (see paragraph 30c).

#### Achievement

- 136 Achievement funding of 10 per cent of the weighted national rate for the learning aim may be claimed for successful certificated completion of qualifications (including basic skills qualifications). Achievement funding may also be claimed for 16–18-year-old learners achieving key skills qualifications that are part of the learners' entitlement. Achievement funding may also be claimed for provision outside the National Qualification Framework (NQF) in the following circumstances:

- higher-level vocational learning aims

- other basic skills learning aims based on the National Standards for Adult Literacy or Numeracy
- externally certificated provision outside the NQF
- provider certificate of achievement as specified in the learner's learning agreement (including provision for learners with learning difficulties and/or disabilities).

137 Achievement funding may not be claimed for provision outside the NQF that does not lead to certification of attainment. A certificate of attendance is not considered to be a certificate of attainment.

138 For 2007/08, achievement funding will continue to be based on the ratio of achievement funding to programme funding from the most recent complete data for the institution. To enable an achievement factor to be based on the 2006/07 ILRF05, providers must return their final ILR return no later than 8 February 2008.

139 Owing to the change in fee assumption from 32.5 per cent to 37.5 per cent and the consequential change to programme funding, it has been necessary to use a revised methodology to calculate achievement factors because the achievement factor is calculated from the programme funding. The change in fee assumption in 2007/08 requires the LSC to estimate what the levels of programme funding would have been in a previous year if the fee assumption had been 37.5 per cent. This adjusted value is used to calculate the institution's funding out-turn, which will be used to determine the funding-per-learner rates used in the allocations process under plan-led funding. These rates will be used in the dialogue between the provider and the local LSC to agree future funding allocations.

140 The methodology for the adjustment is the same as used for 2005/06 and 2006/07. Further information on the adjustment, including examples and pseudo-code, is available on the LSC website ([www.lsc.gov.uk/providers/Data/Software/LIS/LIS13-02.htm](http://www.lsc.gov.uk/providers/Data/Software/LIS/LIS13-02.htm)).

#### **Partial achievement of whole qualifications**

141 Where qualifications and externally certificated provision are not fully achieved, an appropriate proportion of the achievement funding can be claimed if a learner has achieved at least one of the credits, units or modules towards the final award. A credit, unit or module is an identifiable and separately certificated component of the learning aim.

142 For example, if an Applied GCE has a maximum of 12 modules or units and a learner achieves 5 of these, the eligible achievement funding would be five-twelfths of the total funding available for achievement.

143 Achievement, whether partial or full, should be claimed on achievement of each learning aim.

#### **Partial achievement in key skills**

144 Partial achievement for key skills can be claimed where:

- the external assessment is achieved; or
- the portfolio has been successfully completed (that is, the evidence portfolio has been internally verified and externally moderated).

145 Each element attracts half of the full achievement funding.

#### **Programme-weighting Factors**

146 Programme weightings recognise that some programmes are more costly to deliver than others. There are six programme-weighting factors (Table 2).

**Table 2: Programme-weighting factors.**

	<b>LSC programme weightings</b>
A	1
B	1.12
C	1.3
D	1.6
E	1.72
Basic skills	1.4

147 Annex B of this Guidance lists the programme weightings by subject code.

#### **Specialist-institution factor**

148 The 10 per cent uplift for specialist colleges will continue in 2007/08.

149 A specialist institution is defined as an agricultural and horticultural college, or an art and design and



performing arts college, or a college with both of the following: 70 per cent of the total provision in one or two programme areas and 40 per cent of the total provision with programme weightings C, D or E. The position of any new or merged college in relation to the specialist-institution factor will be reviewed on the basis of its pattern of provision as described above.

### Disadvantage uplift

- 150 The national base rate, after application of the relevant programme weighting, is multiplied by the appropriate disadvantage-uplift factor for the individual learner to generate the funding claimed (see paragraphs 156–164 for further details).
- 151 Under the formula, the disadvantage uplift is applied to the national base rate, uplifted by the programme weighting.
- 152 Colleges and providers should note that the connection between the disadvantage uplift and learners enrolled on provision funded by the European Social Fund (ESF) was discontinued prior to 2002/03. This applies to both co-financed and traditional ESF projects.
- 153 The disadvantage uplift is based on the Index of Multiple Deprivation 2000 (IMD 2000). Although there is a more recent Index of Deprivation based on 2001 census data (IMD 2004), this will not be introduced in 2007/08.

### Index of Multiple Deprivation

- 154 IMD 2000 gives a value of relative deprivation for every ward in the country, and is widely used in Government. It is based on income (25 per cent), employment (25 per cent), health deprivation and disability (15 per cent), education, skills and training (15 per cent), housing (10 per cent) and geographical access to services (10 per cent). In summary, it shows an overall reduction in the level of disadvantage for England compared with IMD 1992, but a widening gap between more disadvantaged and more prosperous areas.
- 155 The disadvantage uplift will mean the following.
- Funding for learners living in the 15 per cent most deprived wards of the country will be increased for disadvantage.
  - The funding uplift for these learners ranges from 8–24 per cent, depending on the level of deprivation recorded in IMD 2000.

- The uplift for learners studying basic skills will be 12 per cent, as will the uplift for other learners in the categories specified in paragraph 156.
- The uplift for homeless learners will be 14 per cent (see paragraph 163).

### Learners eligible for the disadvantage uplift

- 156 The disadvantage uplift is applicable to certain groups of learners, including those living in deprived areas and basic skills learners.
- 157 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 E 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 eligible for LSC FE funding according to the *LSC Learner Eligibility Guidance 2007/08*
  - refugees
  - ex-offenders
  - offenders serving their sentence in the community
  - full-time carers
  - those recovering from alcohol or drug dependency
  - learners funded by the Single Regeneration Budget.
- 158 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.

159 The disadvantage-uplift factor for those living in deprived areas is based on the use of postcodes of home addresses to identify areas of disadvantage, which are measured by IMD 2000 (used widely as the best measure of disadvantage). Colleges and providers will need to determine their own procedures for identifying learners whose disadvantage-uplift factor is not determined by postcodes.

160 The latest file of postcodes with disadvantage factors is available on the LSC's website ([www.lsc.gov.uk/providers/Data/Software/Disadvantageduplift](http://www.lsc.gov.uk/providers/Data/Software/Disadvantageduplift)).

161 During the year, a provider will be in the best position to identify whether new postcodes have appeared in areas from which it normally recruits. For most colleges and providers, it is unlikely that they will be significantly affected. If a provider does find a significant number of learners quoting new postcodes, as an interim measure the provider is advised to compare the uplift factors, if any, of adjoining postcodes, and take the predominant one. The annual updating of postcode information should then remove the need for this temporary estimation before the final claim is made.

162 Where learners automatically qualify for the disadvantage uplift, for example in the case of ex-offenders, postcodes are not used.

#### Homeless learners

163 A higher disadvantage uplift of 14 per cent may be claimed for the following individuals:

- people living in supported accommodation provided by a registered social landlord (RSL) or housing association (HA) registered with the Housing Corporation, or provided by another non-profit-making organisation in a building owned by an RSL or HA
- people living in supported accommodation provided by a registered charity
- people living in supported accommodation registered with the local authority or National Housing Federation.

164 'Supported accommodation' means foyers, hostels and other forms of managed accommodation providing housing management support to the residents.

#### Area-costs uplift

165 Previous research commissioned by the National Rates Advisory Group (NRAG) showed there was a clearly marked difference in relative costs between London and the South East, and the rest of England.

166 There is no change to area costs in 2007/08. Table 3 shows the area-costs uplift for 2007/08.

167 A detailed breakdown of area costs by region is provided in Annex G to this Guidance.

**Table 3: Area-costs uplift 2007/08.**

Local LSC region and districts	Uplift 2007/08
London A	20%
Berkshire (fringe and non-fringe)	12%
Crawley	12%
London B	12%
Surrey	12%
Buckinghamshire fringe	10%
Hertfordshire fringe	10%
Buckinghamshire non-fringe	7%
Oxfordshire	7%
Essex fringe	6%
Kent fringe	6%
Bedfordshire	3%
Hertfordshire non-fringe	3%
Hampshire and Isle of Wight	2%
West Sussex non-fringe	1%
Rest of England	0%



### Area-costs uplift factors for merged institutions and geographically dispersed delivery

- 168 The area-costs uplift factor may change when institutions merge, or where provision is delivered across a wide geographical area. Where institutions merge, the area-costs uplift will be determined by the geographical location of the headquarters of the merged institution. However, each situation will be treated on its merits to ensure that no unanticipated outcome occurs as a consequence of applying the principle.
- 169 Where provision is delivered to a wide geographical area, the area-costs uplift will be calculated as a weighted average of the area-costs uplift for each delivery centre. This principle would apply to provision delivered by the National Employer Service.

### Success for All factor

- 170 The premium rate of 3.5 per cent above inflation that applied in 2004/05 was withdrawn in 2005/06.
- 171 However, the funding formula continues to include a performance-related funding factor to adjust funding for colleges and providers that were eligible for premium funding in 2004/05.

### Multiple Learning Aims

- 172 The LSC is aware that there is a potentially perverse incentive for colleges and providers to split learning aims artificially into multiple learning aims in order to gain additional funding. This is possible due to each aim having an entry element built into the rates. Any artificial splitting of learning aims in order to gain funding must be avoided.

### Funding and Triannual Periods

- 173 Funding is earned by a provider for each triannual period wholly or partly completed by a learner.
- 174 A learner is deemed to have wholly or partly completed a period where:
- the learner is enrolled at and is attending the provider on the census date for the period
  - the learner began and finished a programme between any two census dates and has not withdrawn.

- 175 In this case, the learner is deemed to have wholly or partly attended one period only, even where the learner's programme actually spans two triannual periods.

### Withdrawal

- 176 Learners who have withdrawn from a programme by the census date should not be counted as wholly or partly completing that period. A learner should be considered to have withdrawn from a programme of study where he or she is known to have made a decision to withdraw from the programme of study, or to transfer from a full-time to a part-time programme or from a part-time to a full-time programme. In addition, learners should be considered to have withdrawn where they have not attended classes for at least four continuous weeks, excluding holidays (unless there is evidence of an intention to return).
- 177 These provisions apply also to distance learning. See paragraph 511 and Table 11 in Section 9 of this Guidance for more information.
- 178 The withdrawal date is the last date of actual attendance, or the last contact date for distance-learning programmes.
- 179 Particular care should be taken to monitor withdrawals in flexible open learning and in distance-learning provision.

### Withdrawals from short programmes

- 180 For learning aims of 12 weeks or less in duration, if a learner remains on the learning aim for at least half of the total learning-aim length, this will attract the relevant national rate for the learning aim (with achievement dependent on whether the learner achieves or not). If the learner withdraws from the learning aim before the halfway point, no funding will be payable. This approach is supported by information held on the ILR, which includes the start date, planned end date and actual end date for each learning aim.
- 181 For programmes of one week's planned duration or less, the learner must participate in the programme at least once after enrolment to be eligible for LSC funding.

182 The approach to withdrawals will not change in relation to learning aims that are longer than 12 weeks.

### Maximum Funding per Learner

183 The LSC funds programmes on the basis of costs incurred. When a learner's programme comprises many individual learning aims, there is evidence that the glh delivered do not increase in proportion to the funding available. In such cases, there will be a proportional reduction in additional funding and an eventual cap on the level of funding that may be claimed for an individual learner. The maximum funding per learner comes into play when a learner's programme is unusually large.

184 Colleges and providers should note that the maximum funding per learner applies to both loadbanded and individually listed learning aims.

#### Learners and programmes affected by the maximum funding per learner

185 The maximum funding per learner limits the value of the national base rate for very large learning programmes.

186 The maximum funding per learner applies to:

- all funded learners
- all learning programmes, apart from in exceptional circumstances where the provider's LSC partnership team has provided written authorisation to the provider that the maximum funding per learner should not apply.

#### Operation of the maximum funding per learner

187 The effects of the maximum funding per learner are calculated on national base rates, that is, before any programme-weighting factor is applied and before any discount for franchising or increased fee assumption for dedicated employer provision is applied. The funding for 16–18 entitlement is additional to the maximum funding per learner, and for the purposes of calculating the effects thereof it should be removed from the calculation. The maximum funding per learner will operate as follows.

- Learner programmes funded at national base rates of up to and including £1,196 per triannual period will retain all of the base rate.

- Learner programmes funded at base rates of above £1,196 per triannual period will retain two-thirds of the national base rate funding above £1,196.

- The maximum national base rate per triannual period that may be claimed, unless written authorisation as described in paragraph 186 has been obtained, will be £1,525.

#### Non-application of the maximum funding per learner

188 Examples of programmes where the LSC partnership team would consider not applying the maximum funding per learner would include:

- intensive programmes, where a full-time programme is accelerated to enable learners to complete in less than a year (that is, across only one or two triannual periods) and the maximum funding per learner would unfairly limit funding. In such cases the funding claimed should not exceed the level at which the programme would be funded if it were not accelerated, that is, the funding claimed (in terms of national base rates) for any learner in 2007/08 should not exceed £4,575.
- programmes with a high number of glh, often in practically based subjects and reflecting employment demands that provide high numbers of weekly glh and continue throughout the year.

189 If colleges and providers believe certain learning programmes should be exempt from the maximum funding per learner, they should consult their LSC partnership team before the programmes commence and provide details of:

- the learning programme, including each learning aim, the number of learners, the title, national qualification code, start date, end date, glh and level of funding
- reasons why the provider considers the maximum funding per learner should not apply to the learning programme.

190 Where the LSC partnership team agrees with the provider's view, written approval to make a manual adjustment to the ILR to remove the effects of the maximum funding per learner will be issued.

191 An example of the maximum funding per learner in operation is provided in Annex H to this Guidance.

## Learner Support

- 192 There is a range of programmes providing financial support to learners to promote participation and access.

### Education Maintenance Allowance

- 193 The Education Maintenance Allowance (EMA) is a weekly payment of up to £30, paid directly to young people aged 16–19 who stay on in further education or training after they reach statutory leaving age (that is, after the end of their compulsory schooling). Its aim is to broaden participation, and improve the retention and attainment of young people in this age group, in post-compulsory education.
- 194 There are two helplines to provide support to providers, young people and parent or carers. These are:
- provider helpline: 0800 0562811
  - parent and young person helpline: 0808 1016219.
- 195 Further information and guidance on EMA is also available at the DfES website ([www.dfes.gov.uk/financialhelp/ema/](http://www.dfes.gov.uk/financialhelp/ema/)).

### Learner support funds

- 196 Learner support funds (LSF) are available to support learners studying in FE colleges, sixth form colleges, external institutions, HE providers and school sixth forms. Learner support funds provide funding to help with the costs of:
- particular hardship needs of learners aged 16 and above
  - childcare needs of learners aged over 19 (at the start of their course)
  - learners' living arrangements, where they have to stay away from home because of the location of the course and its non-availability where they live
  - arranging transport facilities.
- 197 The LSC has produced separate guidance on learner support funds, which is available on its website (<http://readingroom.lsc.gov.uk/lsc/2006/funding/streams/nat-learnersupportfundfundingguidance-pu-may2006.pdf>).

- 198 Providers and partners should be aware that, in addition to LSF, further strands of learner support are available to help learners with the costs of learning as follows.

- Career Development Loans are deferred-repayment bank loans that support a wide range of vocational learning. Further information is available from the Directgov website ([www.direct.gov.uk/en/EducationAndLearning/AdultLearning/CareerDevelopmentLoans/index.htm](http://www.direct.gov.uk/en/EducationAndLearning/AdultLearning/CareerDevelopmentLoans/index.htm)).
- Adult Learning Grant provides an income-assessed entitlement of up to £30 per week for adult learners studying full time for their first Level 2 or Level 3. Further information is available from the learndirect website ([www.learndirect-advice.co.uk/featured/alg/](http://www.learndirect-advice.co.uk/featured/alg/)).
- Care to Learn supports young parents with the cost of childcare and related travel while they are in publicly funded learning. Further information is available from the Directgov website ([www.direct.gov.uk/caretolearn](http://www.direct.gov.uk/caretolearn)).
- Dance and Drama Awards are for students aged over 16 who want to work in the performing arts. They are only available from England's leading private dance and drama schools. Further information is available from the Directgov website ([www.direct.gov.uk/danceanddrama](http://www.direct.gov.uk/danceanddrama)).

# 5 A–Z of Rates Considerations

## Access to Higher Education

- 199 The LSC recognises the importance of Access to Higher Education provision as a critical part of the DfES, HEFCE and LSC Joint Progression Strategy, which is concerned with widening progression into HE for under-represented learners.
- 200 In addition, the LSC strategy for HE has made a commitment to support the delivery of the widening participation agenda across higher education. A key component of this strategy is to identify and support appropriate progression routes in HE. In the context of the balance and mix of provision, LSC partnership teams should be aware that Access to HE provision is identified within the HE strategy as a critical and important component of progression and it remains the expectation that this provision, which is regulated by the Quality Assurance Agency for Higher Education (QAA), should be secured and consolidated.
- 201 The LSC therefore considers it important to ensure that, through appropriate planning, sufficient funding is made available to prevent a decline in this provision and support the range of opportunities that it offers. This may include support for new Access to HE programmes to meet identified need, and/or to replace programmes that have outlived their usefulness.
- 202 The QAA-regulated Access to HE Certificate was accepted as a full Level 3 qualification in the Labour Force Survey in autumn 2004. It is therefore to be considered full Level 3 priority provision in strategic discussions with providers for planning and funding purposes. It is also a qualification eligible for fee remission within the 19–25 first full Level 3 entitlement (see Annex M for details).
- 203 The QAA regulates the framework for the recognition and quality assurance of Access to HE programmes through the approved processes of authorised validating agencies, in accordance with the structures and mechanisms described in the *QAA Recognition Scheme for Access to Higher Education in England, Wales and Northern Ireland* (available on the QAA website from [www.qaa.ac.uk/access/recognition/recog\\_intro.asp](http://www.qaa.ac.uk/access/recognition/recog_intro.asp)). The recognition scheme is currently under redevelopment, and a revised qualification specification leading to a newly titled award (the Access to Higher Education Diploma) will be phased in from 2007. All Access to HE programmes leading to the new award will need to be consistent with the requirements of the new qualification and credit specifications, as guided by the authorised validating agency, by July 2008, in order to maintain their status within the recognition scheme. Details of the diploma credit and qualification specifications are available from the QAA website ([www.qaa.ac.uk/access/creditspecificationsdraft06/](http://www.qaa.ac.uk/access/creditspecificationsdraft06/)).
- 204 Under the current legislation (Section 96 of the Learning and Skills Act 2000), 16–18-year-old learners enrolled on Access to HE courses are ineligible for public funding as they are not accredited by QCA nor approved under Section 96 of the Learning and Skills Act 2000.
- 205 Access to HE learning aims that are followed for at least 150 glh per triannual period, for 450 glh or more per year, have been listed in Annex A to this Guidance. All other Access to HE programmes remain in the loadbands.

## Accreditation of Prior Experience and Learning

- 206 Accreditation of prior experience and learning (APEL) is a process whereby the learner's prior knowledge and experience contribute to particular elements of a programme. For an individually listed learning aim, the full value of funding may be claimed when the programme is delivered wholly or partly by APEL, subject to a minimum threshold of 9 glh. This

excludes prior certificated learning that exempts the learner from part or all of the learning aim (see paragraphs 218–219).

- 207 For a learning aim that is funded through the loadbands and delivered wholly or partly by APEL, the full loadband value should be claimed. For example, if a learning aim is usually delivered in 100 glh, but after APEL a learner's programme consists of only 40 glh, the provider should claim the funding equivalent to 100 glh.
- 208 It would be unusual to gain full certification by APEL, and it is expected that some guided learning would be required. Where colleges and providers are carrying out assessment, for example of employees, leading to the award of an NVQ after little or no guided learning input, this would not be eligible for funding (see paragraphs 246–251).

### Advanced Extension Awards

- 209 Advanced Extension Awards (AEAs) were introduced as part of the Government's response to its report *Excellence in Cities* ([www.standards.dfes.gov.uk/local/excellence/index.html](http://www.standards.dfes.gov.uk/local/excellence/index.html)) and superseded Special Papers. They are intended to challenge the top 10 per cent of learners nationally in each subject. They are not eligible for LSC funding as they require no additional teaching content.

### Advanced Levels (GCE, AS or A)

- 210 For AS- and A2-level provision studied in the day (other than General Studies), the rate is based on a typical full-time 16–18-year-old learner studying four AS-level qualifications in year 1, together with entitlement, followed by three A2-level qualifications in year 2, together with entitlement. Hence, there are nine elements in the learning programme. Under the former FEFC funding arrangements, eight entry units could be claimed for this programme. Since 2003/04, the rate for each of these qualifications includes eight-ninths of an entry unit at the national base rate for AS- and A2-levels.
- 211 The national base rate for AS- and A2-levels has been adjusted to maintain funding levels that reflect learners typically achieving one key skills qualification in each year of their study.
- 212 For AS- and A2-level qualifications studied in the evening, the full entry funding is included in the new rates, as typically only one such qualification is studied.

- 213 For AS- and A2-level General Studies studied in the day or evening, no entry funding is included within the new rate, as these qualifications are normally studied as part of a larger programme that already has the entry funding absorbed into it.

### Construction Apprenticeship Scheme

- 214 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.
- 215 This scheme will be replaced in the longer term by a Programme-led Pathway.
- 216 Learners progressing to the next phase of the scheme under Apprenticeship arrangements leading to NVQ Level 2 should be funded through work-based learning. FE providers may not claim additional funding for provision funded through work-based learning for learners in this phase of the scheme.

### Entry Level

- 217 Entry Level is the first level of the NQF, that is, below Level 1. It is currently sub-divided into three levels (Entry 1, Entry 2 and Entry 3) that are broadly comparable with Levels 1, 2 and 3 in the National Curriculum. The range of qualifications covered is below the level of GCSE grade G, and includes subject-based, vocational and skills-based qualifications. The Section 96 and 97 lists (at [www.dfes.gov.uk/Section96](http://www.dfes.gov.uk/Section96) and [www.dfes.gov.uk/Section97](http://www.dfes.gov.uk/Section97) respectively) contain the Entry Level qualifications that are available. Most qualifications at Entry Level are called 'certificates'.

### Exemptions

- 218 A provider may not claim any funding for any part of a learning programme from which a learner is already exempted as a result of previous certification. Colleges and providers are expected to adjust the amount of funding claimed to reflect this Guidance.



- 219 Specific guidance relates to exemptions from the NVQ for IT Users (ITQ). Please see paragraphs 237–238.

### Free-standing Mathematics Qualifications

- 220 There are 11 free-standing mathematics qualifications (FSMQs) at foundation, intermediate and advanced levels. Each is a national qualification in its own right, accredited by the QCA. The QCA has confirmed that these awards do not relate to the key skill of application of number, and can therefore be funded in addition to the entitlement funding for 16–18-year-old learners. FSMQs delivered in glh additional to the learning programme can be funded through the loadbands.

### General Certificates in Education in Applied Subjects

- 221 General Certificates in Education (GCEs) in applied subjects were introduced in September 2005 to replace the Advanced Vocational Certificate of Education (AVCE). These qualifications have an AS- and A2-level structure comparable to existing GCEs.

### General Certificates of Secondary Education

- 222 For conventional General Certificates of Secondary Education (GCSEs) studied in the day, in a similar way as for AS- and A2-level programmes, eight entry units were available under the FEFC approach for full-time GCSE students who typically take five GCSEs. The rate for each daytime GCSE, therefore, includes funding equivalent to eight-fifths (1.6) of an entry unit. For GCSEs studied in the evening, the full entry funding is included in the rates.
- 223 Achievement funding for GCSEs should be claimed for learners who achieve grades A\*–G.

### GCSEs in vocational subjects

- 224 GCSEs in vocational subjects have been available for teaching from September 2002 and are listed qualifications. It should be noted that separate national rates apply for students undertaking GCSEs in vocational subjects at Key Stage 4 and for students of post-compulsory school age taking GCSEs in vocational subjects at FE providers. GCSEs in vocational subjects will cover Levels 1 and 2 (foundation and intermediate) of the NQF.

- 225 Vocational GCSEs enable progression to further study at intermediate or advanced level, including, for example, other GCSEs, NVQs and GCEs, in particular those in applied subjects.

- 226 GCSEs in vocational subjects are considered equivalent to two GCSEs in terms of size and demand, and this is reflected in the listed national base rate for these qualifications.

### GCSE (short-learning aim) qualifications

- 227 These qualifications were introduced in September 1996. They are intended to take half the glh of a conventional GCSE qualification. GCSE (short-learning aim) qualifications are, therefore, individually listed at a national base rate that reflects the size of these qualifications.

### General National Vocational Qualifications

- 228 Six-unit foundation and intermediate General National Vocational Qualifications (GNVQs) are being withdrawn in three stages from summer 2005 onwards, with the process complete by October 2007. For further information, go to [www.qca.org.uk/608.html](http://www.qca.org.uk/608.html), where a timetable for the withdrawal of GNVQs is shown, as well as a mapping to identified alternatives.

### GNVQ successors

- 229 The NRAG reviewed the funding rates for GNVQ successor qualifications in 2005/06. The LSC was recommended to review the funding of GNVQ successors to be consistent with the glh that are recommended by QCA or based on evidence of actual glh. Since 2005/06, some of these qualifications have been funded through the loadbands. These will continue to be funded through the loadbands in 2007/08.
- 230 In addition, Level 3 GNVQ successors (specifically Edexcel National Diplomas, National Certificates and National Awards and OCR Extended National Diplomas, National Diplomas and National Certificates) have been reviewed. The delivery of these qualifications is more consistent with the awarding bodies' recommended glh than the current funding rates, which are significantly higher for historical reasons. Owing to the significance of these qualifications, the LSC will not implement any changes in 2007/08, but will conduct further research on the costs of delivering these

qualifications, with a view to revising the rates in line with the awarding body recommended glh in 2008/09, which would mean significant reductions in rates, subject to the results of the research.

- 231 A list of the qualifications involved is available on the LSC's website ([www.lsc.gov.uk/National/Documents/SubjectListing/FundingLearning/FurtherEducation/FundingBriefing-GNVQ.htm](http://www.lsc.gov.uk/National/Documents/SubjectListing/FundingLearning/FurtherEducation/FundingBriefing-GNVQ.htm)).

### Higher-level Programmes for 16–18-year-old Learners

- 232 Providers can deliver limited amounts of prescribed HE as part of a full-time Level 3 programme for an individual 16–18-year-old learner, and the LSC will fund that HE learning aim, subject to the following conditions.
- The HE provision must fall within either paragraph 1(g) or 1(h) of Schedule 6 to the Education Reform Act 1988. This provision includes vocational courses at Levels 4 and 5, modules of first degrees and components of Higher National Diplomas (HNDs) (but not the full award of degrees or HNDs).
  - The HE provision must be a small part of the provision, typically instead of an AS-level, and the young person must be enrolled on a full Level 3 programme including the HE provision.
  - Providers must substitute higher level and more stretching provision in place of courses and qualifications that learners might otherwise pursue. Providers must not deliver HE as additionality to 16–18-year-old learners' programmes. For example, a learner who would normally take five AS-levels in an academic year could take four AS-levels and an HE course, but not five AS-levels and an HE course.
  - The provision must involve an appropriate amount of teaching or appropriate distance learning; it would not be acceptable for HE provision to be undertaken purely as private study.

- 233 One way in which this ability to offer HE qualifications might be used is by pupils doing an Open University (OU) module as part of the Young Applicants in Schools and Colleges Scheme of the OU, but other courses at higher levels are available.

- 234 OU modules will be funded at a rate consistent with an AS- or A2-level qualification; a 60-point course will attract a full AS- or A2-level funding rate, while 30-point and 10-point courses will be funded at

one-half and one-sixth of the AS- or A2-level funding rate respectively.

### International Baccalaureate

- 235 The LSC has been advised by the NRAG, following guidance from the DfES and QCA, that the International Baccalaureate (IB) should be regarded as equivalent to four GCE A-levels plus one AS-level studied over two years. Therefore the national base rate for the full qualification in 2007/08 is £7,601 (excluding entitlement).
- 236 Given the recently raised profile of the IB, the LSC will conduct a review of the rate to inform 2008/09 and beyond.

### National Vocational Qualification for IT Users

- 237 The National Vocational Qualification for IT Users (ITQ) is a unique suite of qualifications. It is currently the only suite of NVQs to accept, on the basis of accredited prior achievement, recognised contributing qualifications towards the achievement of the final NVQ. Full details of the structure of the qualifications can be found on the e-skills UK website ([www.e-skills.com/ITQ](http://www.e-skills.com/ITQ)).
- 238 In order to account for the innovative structure of the ITQ, the LSC has revised the definitions of the three delivery methods used for NVQs where the NVQ concerned is the ITQ. The normal NVQ rates have been used except for national base rate 3, which has been adjusted to suit the new definitions. That is, national base rate 3 should be claimed for ITQ where the learner is claiming exemptions due to previous attainment. Further details of the new definitions can be found in the ILR specification for 2007/08, available on the LSC website ([www.lsc.gov.uk/providers/Data/Datacollection/ILR](http://www.lsc.gov.uk/providers/Data/Datacollection/ILR)).

### Languages

- 239 In December 2002, the DfES published *Languages for All: Languages for life*, which set out the aims and objectives of the National Languages Strategy (NLS), a key objective of which is to:

*increase the number of people studying languages in further and higher education and in work-based training by stimulating demand for language learning, developing Virtual Language Communities and encouraging employers to play their part in supporting language learning.*

240 The LSC is a key partner in taking forward implementation of the NLS. Since the publication of the NLS, the LSC has sought actively to take forward those recommendations where they impact on both the remit of the LSC and the range and nature of the provision it funds, with a specific emphasis on post-16 provision.

241 The LSC's vision for languages in support of the implementation of the NLS includes ensuring that high-quality language provision is planned and integrated across the broader delivery framework, including personal and community development learning (PCDL) and that this provision reflects the business need for language skills.

### Minimum Learning Aim Duration

242 The minimum learning aim duration for 16–18-year-old learners is 9 glh.

243 For learners aged 19 and over, the minimum is 9 glh, except for qualifications accredited by the QCA for inclusion in the NQF and approved by the Secretary of State under Section 96 and/or 97, for which a 6 glh minimum applies.

244 The minimum learning aim duration for distance-learning provision for learners aged 19 or over should be equivalent to 9 glh or more.

245 For more information on the funding of very short (fewer than 9 glh) learning aims, see *Framework for Managing the Balance and Mix of Provision (2007/08)*, available on the LSC website ([www.lsc.gov.uk/providers/funding-policy](http://www.lsc.gov.uk/providers/funding-policy)).

### National Vocational Qualifications

246 Existing National Vocational Qualifications (NVQs) are funded at a listed rate by the LSC where robust data is available on the number of glh in which the qualification has been delivered in previous years. New accredited and approved NVQs will be assigned listed funding rates when initially approved. The framework of NVQ delivery methods for listed NVQs is set out in Table 4. This framework shows how glh can be counted, and the funding levels available for different approaches to delivery. The national base rate values included in Table 4 refer to one year. Where a listed NVQ is recorded in the Learning Aims Database (LAD) as a two-year NVQ, and is subsequently delivered over two years, the funding associated with the national base rate would apply in both of the two years in which the NVQ was

delivered. Units of NVQs are eligible for funding as described at paragraphs 286–297.

**Table 4: Framework of NVQ delivery methods.**

Components delivered by provider	National base rate
Initial advice, guidance and needs analysis plus support and assessment	£810
As above, plus additional underpinning knowledge and understanding <b>or</b> substantial skills development	£1,212
As above, plus additional underpinning knowledge and understanding <b>and</b> substantial skills development (requiring at least 450 glh)	£3,052

247 The maximum funding should be claimed only where a learner is following a full-time qualification that is delivered in 450 or more glh.

248 In determining the appropriate national funding rate to be claimed for an individually listed NVQ, colleges and providers should consider the following.

- Which of the three components are delivered by the provider?
- How many glh are delivered? Where the provider delivers all aspects of the NVQ (initial advice, guidance and needs analysis, support and assessment, underpinning knowledge and understanding and substantial skills development) but in fewer than 450 glh, the national base rate will be £1,212.
- What is the length of time over which the programme is delivered?
- Is there an overlap in content with any other NVQ or other qualification that is part of the learner's programme of study?
- For provision delivered entirely in the workplace, colleges and providers must be able to demonstrate the delivery of actual glh as distinct from work-related supervision.
- For franchise provision, the provider must be able to demonstrate effective control.



- Where a provider is introducing an NVQ for the first time, it should seek the advice of the awarding body and/or other colleges and providers with experience of offering the qualification, in order to establish the appropriate delivery style.
- 249 Some NVQs are delivered in the workplace and funded through loadbands. Where colleges and providers provide only support and assessment for a loadbanded NVQ, or where the provider and employer jointly deliver the loadbanded NVQ mainly at the workplace, funding should be claimed using the approach for distributed and electronic learning (DEL) (see Section 9 of this Guidance for more details). If the majority of the provision is delivered in groups, colleges and providers may claim the loadband funding values instead of providing costing information.
- 250 Colleges and providers will be required to provide costing information about the delivery of the provision. After approval by the relevant LSC partnership team, this rate will be used to fund the provision. The LSC partnership team will check the costing information for reasonableness and may request the support of external auditors in this process.
- 251 The following notes apply to all listed and loadbanded NVQs.
- Where a learner is in full-time employment, a maximum national base rate of £1,520 may be claimed.
  - Learners are expected to undertake only one full-time NVQ programme in a 12-month period unless exceptional circumstances apply.
  - Where a learning programme consists of two or more NVQs in the same subject area, colleges and providers should consider any overlap in content when determining the funding claimed for the second and any subsequent NVQ.
  - Where support and assessment are provided by a provider, for example to employees, the provision will be eligible for funding if a significant level of support is provided for the programme as a whole together with assessment. If the provider only provides assessment, this is ineligible for LSC funding.
- LSC funding should not be claimed for learners on NVQ programmes who are not registered with an awarding body.
  - From January 2003, assessors and verifiers for NVQs must have obtained the appropriate single-unit qualifications available from a range of awarding bodies. These assessor and verifier (A and V) units replace the 'D' units. Where these qualifications are claimed as part of a learning programme designed to train an individual as an assessor or verifier, the learner should have appropriate experience in his or her work area before commencing the qualifications. The experience and currency required to assess any NVQ is defined by the 'assessment strategy' that accompanies each NVQ. For example, combining assessor and verifier units with diving qualifications below instructor level would be considered inappropriate and would be ineligible for LSC funding.
- ### Performance-related Funding
- 252 Performance-related funding (PRF) was introduced in 2003/04 within the context of Success for All, and was intended to recognise and reward excellence in colleges and other providers of further education.
- 253 In 2003/04, funding was increased by 2 per cent above inflation based on three-year development plans being agreed with local LSCs. This additional funding would be consolidated into future years' allocations for all eligible providers.
- 254 In 2004/05, the premium rate represented a 3.5 per cent increase in real terms compared with the standard real-terms funding increase of 2.5 per cent. Those with poor performance and not in plan-led funding received an inflation-only increase.
- 255 The LSC has now reviewed individually the cases of the small number of FE providers who received inflation-only funding in 2004/05 and no provider will have a Success for All factor below the standard rate in 2007/08.
- 256 In 2007/08, therefore, there are only two possible performance-related funding factors, depending on whether the provider received standard funding or premium funding in 2004/05.
- 257 These factors are shown in Table 5.

**Table 5: 2007/08 factor.**

2007/08 factors	Factor	How factor is calculated
Standard funding (5%)	1.0000	1.05/1.05
Premium funding (6%)	1.0095	1.06/1.05

### Prince's Trust

- 258 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 learning aims (one for employed learners, one for unemployed learners) will be funded through the loadbands. This means that the amount of funding is directly related to the number of glh delivered by the provider.
- 259 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.
- 260 FE 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

- 261 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 on Prince's Trust programmes is set out in Table 6.
- 262 The qualification is exempt from the maximum funding per learner rule. Providers should consult their LSC partnership team for approval to manual adjustment number 2007-9 (see paragraphs 183–186 of this document and Annex H to *FE ILR Funding Estimate/Claim 2007/08*). In agreeing the manual adjustment for 2007/08, each LSC partnership team will expect the college retention rate to be no more than a maximum of 15 per cent of the total programme funding. Any retention figure above that level will require the LSC partnership team to seek additional approval from LSC National Office 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 2007/08.

### Funding for the Prince's Trust programme: employed learners

- 263 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 on Prince's Trust programmes is set out in Table 6.

**Table 6: 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
2007/08	£3,331	£3,264	£1,027	£797	£208

**Joint FE and Entry to Employment funding arrangements**

- 264 The Prince’s Trust team programme can be jointly funded from Entry to Employment (E2E) and FE, and the requirements of both funding sources must be met. Funding arrangements for both the E2E and FE elements are unchanged for 2007/08. Details of how to claim E2E funding and the E2E funding rates are available in *Requirements for Funding Work-based Learning for Young People 2007/08*, which will be published in line with the LSC’s business cycle.
- 265 Should an E2E learner access an FE-funded Prince’s 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 – Prince’s 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 262. The funding available for the FE element is set out in Table 7.

**Table 7: 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
2007/08	£2,375	£2,327

**Qualification Reform**

- 266 The United Kingdom Vocational Qualification Reform Programme (UKVQRP) is taking forward the reform of qualifications across England, Wales and Northern Ireland. The UKVQRP consists of four key strands of work, all underpinned by a communications strand:
  - sector qualification reform (led by the Sector Skills Development Agency)
  - framework development (led by the QCA on behalf of the regulatory authorities)
  - planning, funding and delivery of provision for learners (led by the LSC on behalf of the funding bodies)

- preparatory rationalisation of qualifications (led by the awarding bodies).

- 267 A key part of the UKVQRP is the development of a Qualifications and Credit Framework (QCF) which will be operational from August 2008 and by 2010 will be the key regulatory framework for qualifications (replacing the current National Qualifications Framework (NQF). Currently there are tests and trials of the QCF which began in 2006 and will complete in 2008.
- 268 As a partner in the UKVQRP, the LSC is committed to significant reform of the current NQF and to aligning public funding to priority qualifications identified in reformed sector qualification strategies (SQSs) produced by sector skills councils (SSCs) and sector skills bodies (SSBs). It is intended that, from August 2008, SQSs and the Qualifications and Credit Framework will form the framework that will inform funding priorities, mediated through targets and priorities.
- 269 Because there is likely to be a ‘mixed economy’ of NQF and QCF (certainly until 2010), the LSC will need to work closely with SSCs to focus funding on moving priority qualifications into the QCF and developing qualifications within the QCF where the sector qualification strategy identifies a need for new provision. A clear transition process will be needed to support the move across to the QCF and the focus of funding, within a demand-led system, on provision approved by SSCs and accredited into the QCF. The LSC is currently developing the processes that will enable preferred qualifications within SQSs to influence and drive funding. A timeframe for the overall transfer of funding across LSC-funded provision will be set during 2007/08 in consultation with SSCs and within the UKVQRP.

- 270 The LSC and QCA have a joint ministerial remit to develop a coherent framework of provision below Level 2 for all learners. This coherent framework will allow units and qualifications, drawn in time from the QCF, to be combined in ways that suit the needs and aspirations of a range of learners. A key focus of the Foundation Learning Tier (FLT) will be the development of clear and appropriate Progression Pathways. The priorities for early development of Progression Pathways are to Level 2 (for adults), pre-apprenticeship Progression Pathways (for young people) or other positive destinations such as supported employment and independent living.

## Religious Education

- 271 The courses approved by the National Accrediting Board of Studies will be ineligible for funding for 16–18-year-old learners from 2007/08. Religious education courses accredited by QCA and approved under Section 96 will continue to be eligible.

## Re-sits

- 272 Many learning programmes are designed to enable learners to re-sit examinations and assessments. These are eligible for LSC funding. Where a learner fails to complete a learning aim in the expected time span and stays on for additional time to do so, this is not considered to be a re-sit and no further funding should be claimed.
- 273 Where a learner achieves the learning aim but stays on to re-sit the assessment in order to improve the level of achievement, no further achievement funding may be claimed.
- 274 Where a learner re-sits part or all of a learning aim, the provider should claim funding through the loadbands. The level of funding will be determined by the number of glh delivered on the re-sit programme.
- 275 Where a learner re-sits part of or all of a learning aim delivered by distance learning, the provider should complete the data collection form and agree a rate with its LSC partnership team. The agreed rate should reflect the level of activity needed to complete the re-sit programme.

## Short Programmes of Fewer than 9 glh

- 276 Very short learning aims below 9 glh will not be eligible for funding in 2007/08, except learning aims that are:
- approved by the Secretary of State (Sections 96 and 97 of the Learning and Skills Act 2000)
  - accredited by Ufi
  - delivered and funded through the PCDL safeguard.

- 277 Further details on the criteria for determining the eligibility of short courses is provided in Annex B to *Framework for Managing the Balance and Mix of provision (2006/07)* ([www.lsc.gov.uk/providers/funding-policy](http://www.lsc.gov.uk/providers/funding-policy)).

- 278 Further guidance in relation to very short learning aims related to basic skills is given in Section 7 of this Guidance.

## Subsidiary or Equivalent Learning Aims

- 279 The LSC will not fund learning aims that are subsidiary to other learning aims in a learning programme within a 12-month period. Learners will not be funded where they are following two different levels of the same subject at the same time. For example, a learning programme comprising GCSE Spanish and AS-level Spanish at the same time within the same 12-month period would not be funded for the subsidiary GCSE learning aim.

## TUC Learning Aims

- 280 The DfES provides additional funding for Trades Union Congress (TUC) learning aims. These have been discussed in relation to the Health and Safety Executive (HSE) Revitalising Health and Safety initiative ([www.hse.gov.uk/revitalising/strategy.pdf](http://www.hse.gov.uk/revitalising/strategy.pdf)). This funding is intended to pay the tuition fee element for learners on these learning aims who would not otherwise be eligible to claim fee remission.
- 281 The LSC, the DfES and the TUC have agreed that the national base rates for TUC learning aims will automatically include the tuition fee element.
- 282 Colleges and providers should not record learners on TUC learning aims as eligible for fee remission in respect of the TUC learning aim, because these are already funded at the full national rate. If such learners are recorded as eligible for fee remission in relation to TUC learning aims, this will result in double funding of the fee remission element being claimed by the provider.
- 283 Colleges and providers should not charge tuition fees to learners on TUC learning aims, as the full national base rate (with achievement funding payable where the learner achieves according to the LSC's funding guidance) will be available for all learners on these learning aims.

- 284 For further details of the eligibility of TUC health and safety learning aims, see *Framework for Managing the Balance and Mix of Provision (2007/08)* ([www.lsc.gov.uk/providers/funding-policy](http://www.lsc.gov.uk/providers/funding-policy)).

### Units Delivered as Additionality

- 285 The LSC will cease to fund additional or optional units beyond the minimum required to achieve a qualification (as set by the awarding body). This includes funding of optional units in order to achieve a second pathway within a suite of qualifications.

### Unitisation

#### Adults

- 286 The LSC will fund unitised programmes for adult learners that consist of one or more units of approved qualifications. In addition, unitised programmes for adults that consist of one or more units of qualifications outside the NQF may be eligible for funding, subject to the existing conditions attached to the funding of provision outside the NQF.
- 287 Each unit must be a minimum of 9 glh. It is expected that all unitised programmes will have coherence and a clearly stated rationale for an identified learner group. Each programme should better enable progression to further training, learning or employment, take account of the individual learner's needs regarding IT and basic and/or key skills and meet the rationale for offering the identified programme.
- 288 The LSC does not think it appropriate for providers to offer large, incoherent unitised programmes made up of 5 or more units that do not lead to a whole-qualification outcome. Providers should normally seek prior approval from the LSC to deliver unitised programmes made up of 5 units or more where this lies outside the Qualifications and Credit Framework trials or Progression Pathways at Entry and Level 1 developed as part of the Foundation Learning Tier (FLT).
- 289 From August 2006, first phase tests and trials of the QCF began, with second phase test and trials to begin in August 2007. From August 2007, phase implementation of the FLT will begin focusing on Progression Pathways.

#### 16–18 year olds

- 290 The funding of unitised provision continues to apply only to adult learners. The LSC expects learners aged 16–18, either full- or part time, to receive a substantial programme of study, comprising qualifications approved by the Secretary of State under Section 96.
- 291 However, the offer of separate units of qualifications, as opposed to full qualifications, to 16–18-year-old learners may be appropriate in certain circumstances, provided that this does not impact on the whole-qualification provision available to such learners, for instance for learners who are in the not in education, employment or training (NEET) group. Where appropriate, the LSC may agree to fund such provision on a pilot basis, supported by a robust rationale with clear progression outcomes.

#### Units

- 292 Units from approved qualifications at different levels may be combined, but all units included in the programme should be recognised as complete units by the appropriate awarding body. Colleges and providers should seek confirmation that the awarding body (or bodies) will accept candidates registered on unitised programmes, and that separate unit certification is available.

#### Funding of unitised programmes

- 293 Most units will be funded through the loadbands and should be delivered in the glh normally allocated to the same units in the provider's standard, non-unitised provision. The LSC does not expect colleges and providers to extend artificially the glh of units of qualifications that would result in a higher level of funding being claimed for a qualification delivered through unitisation, compared with that delivered as one complete learning aim.
- 294 Learners who, at the start of their programme, intend to achieve the whole qualification incrementally (that is, unit by unit) should register for the whole qualification and not for a unitised programme. This will involve the learner agreeing a programme end date, which may extend beyond the current funding year. Unitised programmes are designed for adults not intending to achieve, or not able to commit to, the whole qualification at the point of signing their learning agreement. Learners who subsequently decide to register for the whole qualification within a complete funding year should have their learning agreements amended to reflect the coding change to an approved-qualification learning aim.

- 295 Guidance on the coding of units of approved and non-approved external qualifications can be found at Annex H of the 2007/08 ILR specification, available on the LSC website ([www.lsc.gov.uk/providers/Data/Datacollection/ILR](http://www.lsc.gov.uk/providers/Data/Datacollection/ILR)).
- 296 For 2007/08, unitised programmes as described above will remain eligible for funding. However, as the UKVQRP is implemented, public funding for units will be clearly aligned to units within the QCF. In the interim, providers are expected to ensure that learners are enrolled on coherent, unitised programmes.
- 297 See also *Framework for Managing the Balance and Mix of Provision (2007/08)* (at [www.lsc.gov.uk/providers/funding-policy/furthereducation](http://www.lsc.gov.uk/providers/funding-policy/furthereducation)).



# 6 Eligibility Arrangements

## Learner Eligibility for Funding

298 Learner eligibility criteria from 2007/08 are consistent across all the streams that the LSC funds. For this reason, the detail of learner eligibility criteria is now set out in the overarching document *LSC Learner Eligibility Guidance 2007/08*, available on the LSC website ([www.lsc.gov.uk/providers/funding-policy/strategic-overview](http://www.lsc.gov.uk/providers/funding-policy/strategic-overview)).

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

## Provision for offenders

300 Offenders' learning and skills is one of the LSC's key priorities from 2007/08.

301 This overview is being included in this Guidance as the new arrangements will impact upon how we expect colleges to plan to meet the needs of offenders in their locality, particularly those who are serving community sentences and under supervision in the community.

302 The LSC assumed responsibility for planning and funding an integrated Offender Learning and Skills Service (OLASS) across England from 31 July 2006. The OLASS seeks to increase the quality and quantity of learning and skills provision offered to offenders in both custodial and community settings.

303 The service needs to ensure a much greater level of integration of learning and skills provision delivered to offenders in custody and in the community. The service specification, the *Offender's Learning Journey* ([www.dfes.gov.uk/offenderlearning](http://www.dfes.gov.uk/offenderlearning)), expects that an offender would be able to commence activities as set out in their agreed learning plan, and to be able to continue or build upon these activities whether in another custodial establishment or as part of a community sentence.

304 The acquisition of learning and skills by offenders, leading to secure and sustained employment, is one of the major contributory factors in reducing re-offending. Skills and qualifications delivered to offenders therefore need to be more closely aligned with the needs of the labour market in the area in which the offender will be resettled.

## Securing and developing Offender Learning and Skills Service provision

305 In order to turn the OLASS vision into reality, the LSC is securing provision for offenders through the following methods.

- **For offenders in custody**, the LSC has a specific budget to deliver learning and skills provision to this group. An open and competitive tendering process has identified the providers that will be responsible for this provision.
- **For offenders in the community**, there is a small budget specifically targeted for Skills for Life provision for offenders in the community, and local arrangements to maintain and build upon this provision will continue where they are working effectively.

306 To promote increased access for offenders in the community to Skills for Life provision and to the wider vocational offer, the LSC will increasingly expect FE providers to meet the needs of offenders in their locality.

307 The LSC, at a regional and local level, will commission mainstream LSC-funded providers to make provision available for this group, utilising existing FE funding allocations combined with significant ESF funds that have been secured. Locally, LSCs will be entering into discussions with FE colleges as to how offender needs can best be addressed.



### Provision for offenders on day release from Category D prisons

308 Most Category D (open) prisons allow offenders on day release to attend work or education and training opportunities during the day. Arrangements for allowing Category D prisoners to attend college are in place. The DfES Offenders' Learning and Skills Unit (OLSU) has identified funding for learning-support purposes, for example to pay for offenders' travel and other costs to attend college provision. This group of offender learners is eligible for full fee remission.

### Young offenders under supervision in the community

309 The LSC and Youth Justice Board are looking to strengthen learning and skills arrangements for young offenders in the community. In a similar way in which we intend ESF funding to be used to complement FE funding, it is envisaged that additional funding will be made available to LSC-commissioned providers that work with young offenders in the community.

### Programme Eligibility for Funding

310 This part sets out the general principles of programme eligibility and the types of programme that may be funded by the LSC.

311 Colleges and providers are reminded that they should consider the eligibility of provision for LSC funding whilst planning provision and before enrolling learners. It is important when considering the eligibility of any provision that colleges and providers work within the intention, spirit and framework of this Guidance.

312 Where a provider intends to deliver provision that is not clearly identifiable within the implied terms of this Guidance, the provider should contact its LSC partnership team, seek written clarification before proceeding and retain evidence of any guidance given. This is especially important where colleges and providers are:

- intending to grow provision outside the NQF, or outside the target and/or priority areas
- intending to deliver provision leading to external qualifications or externally certificated provision not approved by the Secretary of State as additionality for 16–18-year-old learners
- seeking to maintain a high proportion of provision outside the NQF or which does not directly contribute to targets and/or priorities

- planning to deliver health and safety, food safety and/or first-aid learning aims as additionality (see paragraph 337)
- developing new and/or possibly contentious modes of delivery: for example, delivery via the Internet, delivery in new partnership arrangements with third parties, or provision funded through the approach described in Section 9 (the DEL costing approach).

313 LSC partnership teams are likely to wish to ensure that the needs of learners in the locality and travel-to-learn area are given the highest priority in terms of institutional planning and provision. Any planned new or increased provision that requires a costing approach as described in Section 9 or is out of area should be discussed with and agreed in advance by the LSC. It is not intended that there will be any restriction on the delivery of provision to learners from other LSC areas where, for example, this reflects travel-to-learn patterns.

314 The LSC takes the view that provision is likely to achieve the best results and be most useful to the learner where there is some form of face-to-face contact, and opportunities for learners to interact with each other and for peer support are encouraged. Therefore it is expected that the learner would have access to a physical centre within a reasonable travelling distance. Owing to the nature of distance learning and e-learning, the LSC recognises that the learner would normally access this facility only occasionally and therefore may be prepared to travel a greater distance than would be reflected by normal travel-to-learn patterns.

315 Colleges and providers that deliver electronic and/or distance learning and wish to operate on a wider geographical basis without necessarily providing access to a local support centre will need to make the case to the LSC that their provision satisfies at least one of the following criteria.

- It is specialist or unique provision with limited availability.
- It is of particularly high quality, such as that related to a centre of vocational excellence.
- It is innovative or part of a limited pilot project.

316 In formulating its response, the LSC will consider the position on a regional basis and will agree to provision being delivered nationally only in exceptional cases.

317 The LSC reserves the right to disallow funding claims for ineligible programmes. Colleges and providers should note that the eligibility of provision is subject to review by the LSC.

318 Colleges and providers are reminded that the Learning Aims Database (LAD) (at [providers.lsc.gov.uk/lad](http://providers.lsc.gov.uk/lad)) provides information about qualifications and provision both within and outside the NQF. The database should not be used as the sole means of confirming the eligibility of learning aims for LSC funding. It should also be clearly understood that the eligibility of a learning aim on the LAD is not a guarantee of funding.

### Funding of Provision

319 The LSC has powers to fund a wide range of provision. It will use its powers as flexibly as possible to enable colleges and other providers to meet the targets set out in its *Annual Statement of Priorities 2007/08* and local and regional plans. However, ministers continue to emphasise in subsequent grant letters the expectation that the LSC 'will give priority to learning aims that lead to nationally recognised qualifications and – more generally – to encourage learning towards recognised qualifications', in order to equip individuals with the range of skills they need for employability and further progression to higher levels of training.

320 A key focus therefore, of the strategic dialogue with providers in 2007/08 is the volume, balance, mix and quality of provision. The LSC will want to ensure that the balance and mix of provision continues to align with LSC priorities and targets. In order to achieve this, there continues to be the need for providers to re-balance the profile of their mix of provision as well as a step-change in re-balancing public and private contributions towards the cost of learning so that these better reflect the benefits and financial returns to learners and employers. Providers should also be aware of *Framework for Managing the Balance and Mix of Provision (2007/08)*, published in March 2007.

321 The LSC identifies two broad types of provision as eligible for LSC funding:

- approved qualifications: these are learning aims that lead directly to qualifications accredited by the QCA for inclusion in the NQF and approved by the Secretary of State under Section 96 and Section 97 of the Learning and Skills Act 2000. A list of approved qualifications under Section 96 and Section 97 together with their approval start and end dates can be accessed on the DfES website at [www.dfes.gov.uk/section96](http://www.dfes.gov.uk/section96) and [www.dfes.gov.uk/section97](http://www.dfes.gov.uk/section97) respectively

- provision outside the NQF: these are learning aims that do not lead to approved qualifications as defined above.

### Approved Qualifications

322 Qualifications approved for use in England by the Secretary of State under Section 96 and that are available to eligible learners of above compulsory school age and under 19 are normally eligible for LSC funding. A few approved qualifications may be ineligible for funding.

323 Qualifications approved by the Secretary of State under Section 97 and that are available for eligible learners aged 19 and over are also normally eligible for LSC funding. Individual units or modules of these qualifications are eligible for LSC funding for adult learners (that is, aged 19 and over) provided that unit certification is available from the awarding body and a clear rationale for the unitised programme has been established by the provider.

324 Qualifications approved under Sections 96 and 97 are identified in the LSC's LAD. Newly approved qualifications will be added to this list as details become available, normally on a monthly basis.

### Provision outside the National Qualifications Framework

325 Provision that does not consist of approved qualifications (see paragraph 321) may be eligible for funding, apart from ineligible provision identified in paragraph 337.

326 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 outcomes but with no certification (for example, record of attendance only).

- 327 Ministers expect 16–18-year-old learners to engage in provision that leads to the achievement of approved qualifications. The DfES has clarified that for 16–18-year-old learners, Section 96 of the Learning and Skills Act 2000 limits the LSC's powers to fund learning aims defined in category (a). Learning aims defined as category (a) are usually ineligible for funding in addition to the learner's main programme. However, continued monitoring has highlighted that there are still significant volumes of category (a) activity being delivered as additionality. Providers are reminded that the LSC does not expect to fund any provision defined as category (a). It is, however, permissible for colleges and providers to deliver provision defined as category (a) within the entitlement curriculum for full-time 16–18-year-old learners.
- 328 For learners aged 19 and older, all three categories (a–c) may be eligible for LSC funding. However, Section 97 prohibits the LSC from making any payments directly to awarding bodies (or external agencies) in respect of learning aims defined in category (a) (see Section 97, paragraphs (2) (a), (b) and (c); (5); (6) and (7)). In 2007/08, provision outside the NQF will continue to include Access to HE learning aims (see also paragraphs 199–205 in Section 5 of this Guidance) and higher-level vocational learning aims that have not been approved by the Secretary of State as qualifications. The latter are learning aims that fall outside the schedule of prescribed learning aims of HE as defined in the Education (Prescribed Learning Aims of Higher Education) (Wales) (Amendment) Regulations 1998. They are learning aims that are generally professional, leading to accreditation by a professional body. Part-time certificates in HE are not included.
- 329 The LSC has the power under Section 5(d) of the Learning and Skills Act 2000 to fund courses falling within paragraph 1(g) or (h) of Schedule 6 to the Education Reform Act 1988. These include approved qualifications under Sections 96 and 97 of the Learning and Skills Act 2000 at Level 4 and above as well as other higher-level learning aims (externally or internally certificated).
- 330 While the LSC has no specific participation target at Level 4 or above, it has signalled in its *Annual Statement of Priorities 2007/08* a clear commitment to work closely with the HEFCE and key stakeholders in ensuring the availability of fit-for-purpose higher-level skills and vocational learning. In addition, sector skills agreements (SSAs) are expected to have some impact on demand for higher-level learning activity in order to meet the full range of skills training required by employers.
- 331 The UK Vocational Qualification Reform Programme will have significant implications for the NQF and providers should be aware that further reform of the qualifications structure is ongoing. See paragraphs 266–270 in Section 5 of this Guidance.
- ### LSC Funding Priorities
- 332 The LSC regards the funding of qualifications as a key priority in order to meet its challenging Skills for Life and Level 2 Public Service Agreement (PSA) targets and Level 3 targets, as well as meeting its commitment to the other targets in terms of reducing the proportion of young people not in education, employment or training and to increase the number of people entering higher education. However, it is recognised that some funding of provision outside the NQF may be appropriate to achieve the LSC's aim of increasing demand for learning by adults, particularly in the areas of return to learn and 'stepping-stone' provision, for example at Pre-entry Level, and in courses that are responsive to employer priorities.
- 333 Within the overall policy of actively seeking to re-balance the volumes of provision outside the NQF, LSC partnership teams will continue to discuss with colleges and providers the types and amount of provision outside the NQF that they will agree to fund. Colleges and providers must discuss any plans to maintain high volumes of provision outside the NQF with the LSC at an early stage. LSC partnership teams will need to be assured that:
- the needs of learners are being properly met
  - there is no alternative appropriate provision available within the NQF
  - there are no adverse implications for the achievement of local targets
  - the provision in question is contributing to priorities.
- 334 Colleges and providers are reminded that unhelpful competition should be avoided. Such issues will be considered as part of the provider review process, and LSC partnership teams will discuss the outcomes of this with colleges and providers.
- ### Programmes for Learners with Learning Difficulties and/or Disabilities
- 335 The arrangements for this area of provision should ensure that all learners, including those with profound and complex needs, are able to access

education and/or training within the context of *Learning for Living and Work*, the LSC's strategy for provision for learners with learning difficulties and/or disabilities (published October 2006). The strategy will enable the LSC to fund provision for this group of learners that is learner centred and cost-effective in the use of LSC funds.

- 336 Where possible, the LSC expects programmes to include approved qualifications or, for those aged 19 or over, units of approved qualifications. However, provision outside the NQF may be eligible for funding in agreement with the LSC where programmes or elements of programmes have been specifically designed for learners with learning difficulties and/or disabilities. In order to include all learners and different types of provision and colleges and providers, the determining factors for funding eligibility should relate to the programme, its structure and its delivery.

### Ineligible Provision

- 337 The following provision is not eligible for LSC funding:

- a new provision leading to external qualifications or externally certificated provision not approved by the Secretary of State for 16–18-year-old learners except when delivered as part of the entitlement curriculum (as specified in paragraph 327)
- b specific stand-alone learning aims designed to meet employers' statutory or other responsibilities. These include:
  - first aid at work and first-aid provision below Level 2
  - any learning aim in health and safety, food safety, and/or first aid that is not approved under Sections 96 and 97
  - other health- and safety-related aims delivered as stand-alone provision for employers, for example manual handling, health and safety in the workplace, and so on
  - acquisition of forklift truck and HGV and PSV licences
  - updating of qualifications to comply with health and safety regulations, for example CORGI registration renewal within the NVQ

Further details are available in *Framework for Managing the Balance and Mix of Provision (2007/08)* at [www.lsc.gov.uk/providers/funding-policy/furthereducation](http://www.lsc.gov.uk/providers/funding-policy/furthereducation).

- c very short learning aims of fewer than 9 glh, including any one-day provision delivered without prior local LSC approval at a qualification or aim level. Previous experience suggests that it is very difficult to deliver good-quality provision in one day of fewer than 9 glh and local LSCs will need good evidence that the learner will receive a good-quality programme before authorising any LSC funding for one-day provision. See *Framework for Managing the Balance and Mix of Provision (2007/08)* and Annex B to *Managing the Balance and Mix of Provision (2006/07)* ([www.lsc.gov.uk/providers/funding-policy/furthereducation](http://www.lsc.gov.uk/providers/funding-policy/furthereducation))
- d college-devised higher-level provision at notional NQF Levels 4 and 5
- e costs related to obtaining membership of professional bodies
- f provision that was previously approved under Schedule 2a and 2b to the Further and Higher Education Act 1992
- g religious education courses approved by the National Accrediting Board of Studies (for 16–18-year-old learners)
- h adult basic education provision (literacy, numeracy and ESOL) which was formerly regarded as basic skills
- i former 'proxy' or 'legacy' ESOL qualifications that have been replaced by the new Certificates in ESOL, which are based on the National Standards for Literacy
- j qualifications falling out of approval. The LSC does not expect to fund any enrolments onto qualifications after the approval end date where suitable alternative approved qualifications are available. Any learner enrolment onto a course leading to an approved qualification should be either on or before the last date of approval of that qualification. In addition, the course itself (that is, the teaching and learning, and not just the learner induction) must have commenced before the approval end date. Under exceptional circumstances (that is, where there are no

- suitable approved qualifications currently available), colleges and providers should first consult their local LSCs to agree appropriate provision eligible for funding that meets identified learner needs and local priorities. However, the LSC will fund continuing learners enrolled on programmes before the approval end date in order to enable them to complete. Where learners are enrolled onto a course leading to a qualification nearing the end of its approval, colleges and providers are reminded that they are responsible for checking qualification availability, final registration and certification end dates with the awarding body
- k where there are two or more approved qualifications with the same title from the same awarding body, owing to changes in specifications. The qualification with the old specification is not available for new starters from the date when the new revised specification becomes available
- l approved qualifications identified on the LAD as ineligible for funding
- m prescribed HE, including:
- learning aims for the further training of teachers or youth or community workers
  - postgraduate learning aims
  - first-degree learning aims
  - learning aims for the Diploma in HE
  - foundation degrees
  - learning aims for the Certificate in Education
  - learning aims for the HND or HNC
  - learning aims for any diploma awarded by an HE institution
- n provision funded under the following schemes, which are fully funded separately:
- Apprenticeships and Advanced Apprenticeships
  - Entry to Employment funded through work-based learning
  - NVQ training funded through work-based learning
  - progression programmes for young parents funded through 14–19
- o full-cost recovery provision. Colleges and providers are reminded that funding should not be claimed for closed courses run for employees of large employers where the training being provided is highly relevant to core business activities. For this type of training, the guidance on full-cost recovery courses is applicable, and colleges and providers should subject provision to a fundamental test on the displacement of public funding before claiming funding for training activity that was previously funded privately
- p company-specific knowledge learning aims
- q vendor-certificated courses, unless they are approved qualifications or are embedded within and contribute directly towards the generic learning required to achieve an approved qualification. Examples of vendor certificates include those of information technology companies that are specific to those companies' own products and services. Therefore, learners following an NVQ for IT Users, for example, may use the learning associated with a vendor's products in order to achieve their qualifications. Vendor-certificated courses may form part of the enrichment activities included within 16–18-year-old full-time learners' entitlement
- r primary and advanced driving skills (for example defensive driving) or piloting skills
- s inward collaborative provision
- t any other learning aims that are considered to be fully funded from other sources.

## Types of Delivery

### Direct and partnership provision

- 338 Providers engaging with partner providers to assist in their delivery of LSC-funded provision should read *FE ILR Funding Compliance Advice 2007/08*, in particular Section 3: Advice on Provision Delivered with a Partner Provider. This document gives comprehensive advice on the wide variety of partnership arrangements and delivery arrangements that already exist in FE.
- 339 The aim of partnerships is to provide good-quality learning that meets local and national priorities. It can extend the range of learning in areas that LSC providers are unable to offer. In *FE Funding Guidance 2004/05*, paragraph 16 suggested a steer of 5 per cent as a maximum volume of partnership activity.



For 2007/08, no steer figure is mentioned but colleges and providers are advised that the level of partnership activity they undertake will significantly affect their LSC risk assessment in determining their cycle of learner existence and eligibility (LEE) audits. Colleges and providers with the highest levels of partnership activity are likely to face the shortest cycle of LEE audits.

340 The LSC has noticed the growth in partnership and franchise provision in a small number of colleges and the difficulties this has caused in evidencing the control of their partnership provision and the regularity of their provision. The LSC sees the delivery location postcode, field A23, as the key field on the ILR that will identify to colleges and to their LSC partnership team the higher-risk elements of a college's provision.

341 In this context, colleges and providers are reminded of the need to consult their LSC partnership team prior to developing any new partnership or franchise arrangements and the need now to declare the delivery location postcode, field A23, on their ILR returns. This includes any partnership arrangement where a third party is paid a fee by the college for finding or enrolling learners. Colleges and providers should not use any complexities in the definition of the difference between franchising and partner-assisted delivery to avoid the need to consult their LSC partnership team over provision delivered with partners.

342 Partnerships will be built into FE providers' three-year development plans where the aim is to develop long-term, stable relationships between the provider and the partner. The provider has a duty to build capacity within its partners by supporting professional and organisational development with them.

343 In addition to the normal data on partnership provision that providers already record within the ILR and the partner register, the annual self-declaration of partnership provision contained within *FE ILR Funding Estimate/Claim 2007/08* will also need to be returned to the LSC partnership team. This will include:

- details of who the partners are
- details of what provision the partners are providing, and how it fits LSC priorities
- details of out-of-area provision to include learning aims delivered, number of learners and the amount of funding, and confirmation of agreement from the LSCs involved

- details of the levels of top-slicing the providers are retaining.

344 The LSC expects the amount of funding retained by providers to be proportionate to the costs they incur in the delivery of the provision and to take account of the actual costs incurred by their partner providers in delivering any programmes to learners.

345 The determination of the partnership definition and application of the franchise discount factor should now be addressed as part of the provider's planning dialogue with their local LSC. This should also take into account the fundamental principles of funding learning set out in paragraphs 32–33.

### High-risk provision

346 The LSC does not want to stifle innovation and new ventures. However, some provision, including certain partnership arrangements for the delivery of the provision, raises potential issues of eligibility and/or regularity. Care is required to ensure that full compliance with funding and eligibility criteria can be demonstrated by:

- staffing-agency or secondment arrangements, particularly when teaching on the agency's own premises or premises supplied by the organisation supplying the seconded staff
- voluntary tutors who teach in their own workplace, particularly during their normal working time
- ICT centres operated in partnership with third-party companies that offer a restricted curriculum
- provision claimed using the costing approach described in Section 9 of this Guidance, that either involves a franchise or partner organisation or where a significant number of learners is outside the provider's normal recruitment area.

347 The LSC would be particularly concerned about new, previously unplanned partnerships entered into in the spring or summer term where the motivation is to make up a shortfall of activity.

348 Colleges and providers wishing to deliver learning aims online via the Internet, or to enter into partnership arrangements below the black line in Table 1 of *FE ILR Funding Compliance Advice 2007/08*, should contact their local LSC in advance of the delivery of provision. Where a provider fails to do so, the risk that the LSC may subsequently not fund the provision is much higher.

## Learning Associated with Employment

### Length of programmes delivered in the workplace

- 349 In the case of programmes provided in the workplace, the maximum length of delivery of such programmes will normally be 329 glh a year. This includes learning aims delivered by the accreditation of prior learning or by distance learning, and provision for learners with learning difficulties and/or disabilities, or the equivalent, delivered in the workplace. This is based on the rationale that it is unlikely for the number of hours spent in training in the workplace, which should be clearly separate from normal working activity, to exceed a total of 329 glh in a normal working year.

### Full-time employees

- 350 An individual cannot reasonably be considered to be in both full-time education and 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 employed on a full-time basis.



# 7 Skills for Life (Including Basic Skills), Key Skills and Entitlement Funding

## Skills for Life Provision

### Key priority

351 Improving the basic skills of the nation is a key priority for the Government, as reflected in the Secretary of State's remit letter to the LSC, which charges the LSC with ensuring that disadvantaged adults have adequate literacy and numeracy skills, in order to support employability and progression.

352 The Skills for Life Strategy has been highly successful in attracting into learning increasing numbers of people who want and need to improve their literacy, numeracy or language (English for speakers of other languages, or ESOL) skills. By July 2006, almost 5 million people had engaged in Skills for Life learning, with more than 1.6 million of these achieving a first Skills for Life qualification that contributed to the target.

353 The Secretary of State made clear in the LSC's 2007-08 grant letter that the LSC will continue to tackle the adult skills gap and increase the number of adults with the skills required for employability and progression to higher levels of training in part through:

*improving the basic skills levels of 2.25 million adults between the launch of Skills for Life in 2001 and 2010, with a milestone of 1.5 million in 2007.*

354 As the Skills for Life Strategy progresses we need to continue to re-focus resources on meeting the skills needs of those most at risk of disadvantage and the priority groups identified in the original strategy. In planning provision for 2007/08, providers should refer to the LSC's *Annual Statement of Priorities 2007/08* and *Framework for Managing the Balance and Mix of provision (2007/08)*.

### Skills for Life: adult literacy, numeracy and language (ESOL) provision

355 *Skills for Life: The national strategy for improving adult literacy and numeracy* (DfES, 2001) ([www.dfes.gov.uk/readwriteplus/Skills\\_for\\_Life\\_policy\\_documents](http://www.dfes.gov.uk/readwriteplus/Skills_for_Life_policy_documents)) carried forward the approach adopted by the Government in the schools sector, where the literacy and numeracy strategy covers all aspects of these skills, including communications and mathematics. In this context, 'literacy and numeracy' is the generic term for all related activity. From 2007/08, Skills for Life covers and includes the following provision:

- nationally-approved Certificates in Adult Literacy, Numeracy and ESOL Skills for Life at Entry Levels 1, 2 and 3 and Levels 1 and 2
- GCSE Mathematics and GCSE English
- key skills qualifications in application of number and communication at Levels 1 and 2
- non-approved basic skills learning aims (based on the National Standards and curriculum for Adult Literacy or Numeracy) at Entry Level and Pre-entry Level.

356 The funding arrangements for this provision, collectively referred to as Skills for Life provision, are described in paragraphs 358–369.

357 Colleges and providers should ensure that learners are enrolled on learning aims that are appropriate to their needs and are aiming to improve their skills to a level above their current attainment. For example, prior to enrolment onto basic skills learning aims, learners should have a demonstrable need for this provision, shown, for instance, by previous educational attainment or through initial guidance and assessment.

### Funding adult literacy, numeracy and language (ESOL) provision

358 The LSC's funding approach to eligible basic skills learning aims in 2007/08 will include:

- programme weighting of at least 1.4 to ensure that funding has increased in line with other funding rates
- a disadvantage uplift of 12 per cent, applied to all eligible basic skills learners.

359 Eligible basic skills provision will therefore be funded at a level that is more than 40 per cent higher than learning aims of a comparable size in other curriculum areas (with a programme weighting of 1.0).

### Approved qualifications: a key priority in 2007/08

360 The LSC regards the funding of approved qualifications (that is, those accredited by the QCA and approved by the Secretary of State) as a key priority in order to meet its priorities and challenging targets.

361 For funding purposes, the following provision will be funded as basic skills and attract the relevant uplifts described in paragraph 358.

- Certificates in Adult Literacy, Numeracy and ESOL Skills for Life at Entry Level, Level 1 and Level 2 where the qualifications have been approved by the Secretary of State under Sections 96 and 97 of the Learning and Skills Act 2000
- key skills qualifications in application of number and communication at Levels 1 and 2 for learners aged 19 or over, and for those learners aged 16–18 who are following a part-time programme
- non-approved basic skills learning aims (based on the National Standards and curriculum for Adult Literacy or Numeracy) at Entry Level and Pre-entry Level.

362 In line with our policy on the mix and balance of provision, we expect providers to convert their non-approved provision at Levels 1 and 2 to approved qualifications. **Consequently, non-approved literacy, numeracy and ESOL learning aims at Levels 1 and 2 will no longer be eligible for funding as basic skills and will not be included in the Skills for Life offer.**

363 Although existing non-approved aims at Levels 1 and 2 will be eligible for funding (as 'other adult

provision') at programme weighting A (1.0), we do not expect to give priority to this non-approved provision as it will no longer be part of the Skills for Life offer. Nor will such provision attract automatic fee remission.

364 There are no changes to funding arrangements for Entry and Pre-entry Level Skills for Life provision in literacy or numeracy. At Entry Level, both nationally approved and non-approved aims (where the latter are based on the National Standards for Adult Literacy or Numeracy) will continue to be funded as basic skills, although we expect providers to continue to offer an increasing proportion of approved qualifications at this level. At Pre-entry Level, provision based on the Skills for Life Pre-entry Curriculum Framework will continue to be eligible for funding as previously.

365 In 2007/08, colleges and providers are expected to review the balance and mix of their provision to reflect the LSC's priorities and targets. For further information, refer to *Framework for Managing the Balance and Mix of Provision (2007/08)*.

366 Non-approved Pre-entry and Entry Level provision outside the NQF should be used only when assessment indicates that the learner is unlikely to be ready to take an approved qualification at the end of the programme, and/or where the main purpose of the learning provision is to engage learners from hard-to-reach priority groups. However, learners' abilities should not be underestimated. If it later becomes apparent that a learner could gain a qualification, the college or provider should transfer the learner to a nationally approved qualification and record this on his or her ILR return, using the relevant national qualification learning-aim reference code.

### ESOL provision

367 In response to the requirement set out by the Secretary of State in the grant letter for 2006-07, funding for ESOL provision has been reviewed. ESOL provision will no longer attract automatic fee remission at any level, whether approved or not. However, approved ESOL Skills for Life qualifications at all levels (that is, Entry Level and Levels 1 and 2) and non-approved Pre-entry Level and Entry Level ESOL Skills for Life provision will continue to attract a programme weighting of 1.4.

368 A Race Equality Impact Assessment was undertaken to determine whether the removal of automatic fee remission from ESOL provision would have an adverse impact on any particular ethnic groups.

Further guidance on this will be published on the LSC website when the recommendations have been considered, and the responses finalised.

### ESOL for work

369 As signalled in the LSC's *Annual Statement of Priorities 2007/08*, new qualifications are being developed in ESOL to support a shorter, more job-focused, practical approach to English language skills. These new ESOL for work qualifications will not form part of Skills for Life, but will be eligible for funding at programme weighting A (1.0) with a listed rate to be announced once the development of the new qualifications has been finalised. For further information, please refer to *Framework for Managing the Balance and Mix of Provision (2007/08)*. Table 8 provides a summary of the changes to adult basic skills provision funding rates and eligibility.

### Basic skills learners and disadvantage uplift

370 The disadvantage uplift will continue to be applied to provision funded at a 1.4 weighting. Hence all approved literacy, numeracy and ESOL Skills for Life qualifications and Pre-entry or Entry Level non-approved learning aims would count as basic skills for the purposes of claiming disadvantage uplift.

371 The disadvantage uplift is applied to the learner, and therefore affects all the learning aims within a learning programme. Annex E to this Guidance provides detailed guidance to help colleges and providers determine when a basic skills learner becomes eligible for the disadvantage uplift.

### Very short (3- and 6 glh) Skills for Life learning aims

372 As outlined in *Priorities for Success*, from August 2006 the LSC will not fund enrolments onto very short 3- and 6 glh Skills for Life courses currently used to deliver taster sessions and diagnostic programmes. Colleges and providers should manage appropriate learner assessment in the same way as for other learning provision, through existing pre-course guidance, enrolment and on-course induction processes, and to incorporate diagnostic assessments into longer programmes for learners.

### Funding embedded basic skills provision

373 Each of the vocational and basic skills learning aims delivered as part of an embedded or integrated programme will be funded at the appropriate rate. Further guidance on funding and recording the delivery of embedded literacy, numeracy or ESOL provision can be found at Annex F to this Guidance.

**Table 8: Funding for adult basic skills in literacy, numeracy and language (ESOL).**

Literacy and numeracy			
Level	Approved qualifications	Non-approved learning aims	
Pre-entry/Entry	1.4 weighting automatic fee remission	1.4 weighting automatic fee remission	
1	1.4 weighting automatic fee remission	1.0 weighting no automatic fee remission	
2	1.4 weighting automatic fee remission	1.0 weighting no automatic fee remission	
ESOL			
Level	Approved ESOL Skills for Life qualifications	Non-approved learning aims	ESOL for work
Pre-entry/Entry	1.4 weighting no automatic fee remission	1.4 weighting no automatic fee remission	1.0 weighting no automatic fee remission
1	1.4 weighting no automatic fee remission	1.0 weighting no automatic fee remission	1.0 weighting no automatic fee remission
2	1.4 weighting no automatic fee remission	1.0 weighting no automatic fee remission	1.0 weighting no automatic fee remission

### External candidates taking adult literacy, numeracy and language (ESOL) qualifications

- 374 As indicated in *Priorities for Success*, in order to focus public funds on helping those with the greatest need to improve their skills, the LSC will no longer fund external candidates to take stand-alone tests in adult literacy, numeracy or ESOL Skills for Life. Providers that continue to offer stand-alone tests may charge candidates a fee for this service.

### Key Skills

- 375 Ministers' expectations are that learners who have not achieved Mathematics, English or IT at GCSE grades A\*–C are expected to aim to achieve the appropriate key skills qualifications. These are application of number, communication and IT. In addition, learners commencing Level 3 programmes of study with the aim of pursuing a further professional or higher qualification should be supported by colleges and providers in gaining at least one relevant key skills qualification at Level 3. Awarding bodies offering these qualifications are identified in the Section 96 list, under 'Key skills'.
- 376 For 16–18-year-old full-time learners, the programme funding and fee element for the key skills of communication, application of number and IT are incorporated within the funding for entitlement. Funding for achievement is paid separately, based on the listed values and relevant programme weightings (see Table 9).
- 377 Funding is available for key skills qualifications at a listed rate for all part-time learners aged 16–18 and learners over 19, based on the national base rates for the 30–39 glh loadband.
- 378 The programme-weighting factors that apply to key skills are shown in Table 9.

**Table 9: Key skills programme weighting.**

Qualification	Level	Programme weighting
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)

- 379 The LSC, in line with ministers' priorities, encourages colleges and providers to enable learners to progress towards appropriate key skills levels throughout the whole of their programme. However, the LSC accepts that, within a multi-year programme, the needs of the learner may in some cases require, for example, the delivery of key skills early in the programme and enrichment later in the programme.

### Wider key skills

- 380 The three wider key skills at Levels 1 to 4 (working with others, improving own learning and performance, and problem-solving) are separately fundable through the loadbands.
- 381 Funding may be claimed for the wider key skills in addition to the entitlement funding, provided that additional glh are delivered at the appropriate level. However, the wider key skills qualifications may also be delivered as enrichment activity, in which case no additional funding should be claimed.

### Key skills look-alike list

- 382 Key skills 'look-alikes' are learning aims that the LSC considers demonstrate content similar to the key skills of communication, application of number or IT. Key skills look-alike qualifications are ineligible for funding where a candidate is aged between 16 and 18 and is being funded for the entitlement curriculum. In addition, no further funding will be available for such learners if they are enrolled on provider-certificated or non-certificated provision in literacy, numeracy or IT at the same level as the QCA key skills qualification that they are aiming to achieve.
- 383 Colleges and providers are advised to seek guidance from their LSC partnership team if they are unsure whether a qualification has content that overlaps with one of the key skills qualifications. The LSC has decided to remove the examples of look-alike qualifications that were published on its website because they do not form a definitive list of ineligible qualifications.
- 384 Look-alike qualifications are not proxies for any of the key skills qualifications and therefore do not provide exemption from any aspects of the key skills qualifications.

### Proxy qualifications

- 385 The QCA has published a list of proxy qualifications on its website ([www.qca.org.uk/6446.html](http://www.qca.org.uk/6446.html)). Proxy qualifications are those qualifications that have been agreed to assess the same knowledge and skills as aspects of the key skills. As a result of this overlap, candidates can claim exemption from parts of the key skills where they are able to provide proof of achievement of the proxy qualification.
- 386 Only qualifications that appear on the QCA list have been mapped for the type of overlap required and can guarantee that the candidate has been assessed in the appropriate knowledge and skills.
- 387 Where learners study proxy qualifications instead of the relevant key skills qualifications that form part of the entitlement, colleges and providers should not claim funding for the proxy qualifications. In such cases, funding should only be claimed where the proxy qualifications are additional to the key skills element of the entitlement and are delivered in additional glh.

### Entitlement Curriculum

- 388 The LSC expects that the entitlement curriculum will include regular tutorials, relevant key skills and enrichment activities, which will be delivered in an appropriate number of glh that are additional to the other learning aims within the learner's programme. The glh for both the tutorial and key skills delivery should be included within the learner's ILR.

### Learners eligible for entitlement

- 389 Learners for whom entitlement funding may be claimed must be:
- aged under 19 on 31 August in the calendar year in which they start their programme of study
  - studying on a full-time basis, as defined in Section 3 of this Guidance.
- 390 In line with ministers' expectations, learners are expected to be:
- aiming to achieve any of the relevant QCA key skills qualifications at Level 2 (communication, application of number and/or IT) that they have not already achieved at GCSE grades A\*–C or equivalent. This implies that learners are expected

to register with the awarding body, take the end test and submit their portfolio for each key skill taken. Learners studying GCSEs in appropriate subjects are exempt from this requirement, but key skills learning must still be included in the learner's entitlement

- aiming to achieve one relevant Level 3 key skills qualification if the intention is for the learner to pursue a professional or higher qualification
- undertaking some key skills learning as part of the entitlement package where government expectations outlined above have already been met.

### Basic skills delivered within the entitlement

#### Delivering basic skills to full-time learners aged 16–18

- 391 While it is still ministers' expectation that the clear majority of full-time 16–18-year-old learners should be undertaking the relevant key skills qualifications, the LSC acknowledges that, for a small minority of these learners, basic skills qualifications (that is, the Certificates in Adult Literacy and Adult Numeracy) may be more appropriate as an initial aim. In such cases, learners who undertake the Certificates in Adult Literacy or Adult Numeracy will continue to be eligible for the full entitlement funding.
- 392 Where a learner has learning difficulties and/or disabilities that make the QCA key skills qualifications inappropriate, colleges and providers may still claim entitlement funding if the learner is enrolled on appropriate Entry Level alternatives, for example, Entry Level Certificate in Adult Literacy or Adult Numeracy.

#### Learners for whom basic skills qualifications are more appropriate than key skills

- 393 In addition to the learners described in paragraph 392, there may be other learners who would not normally be identified as having learning difficulties and/or disabilities, but for whom the achievement of the key skills qualification in communication or application of number is shown, after appropriate diagnostic assessment, to be an unrealistic aim.
- 394 In these cases, it may be necessary to apply a manual adjustment in order to claim the correct amount of funding. Guidance on this can be found in Annex H of *FE ILR Funding Estimate/Claim 2007/08*.
- 395 Where learners have identified basic skills needs at



Entry Level (and in exceptional cases at Level 1 or Level 2) and diagnostic assessment indicates that it is more appropriate for them to register for approved qualification alternatives to key skills – that is, the Certificate in Adult Literacy or Adult Numeracy at Entry Level (or in exceptional circumstances at Level 1 or Level 2) – these qualifications may be funded.

- 396 However, where such learners are following basic skills learning aims instead of key skills, the Learner Information Suite (LIS) will not be able to calculate the entitlement funding correctly. In these situations, the LIS funds the key skills element of entitlement funding as well as the basic skills alternative. This could lead to an overstatement of the entitlement funding and would warrant a manual adjustment.
- 397 Where the basic skills learning aim is the same size as the key skills component of entitlement funding, providers should adjust their claim downwards so that it does not include any funding for the key skills that are being replaced by basic skills.
- 398 Where the basic skills learning aim is larger than the key skills component of entitlement funding, providers should further adjust their claim so that it includes funding for the additional glh delivered on the basic skills learning aim. It is assumed that the key skills component of the entitlement is approximately 108 glh, or 36 glh per key skill.
- 399 Therefore, depending on the size of the basic skills programme that replaces the key skills within the entitlement, only those glh above 36 glh, 72 glh or 108 glh delivered on the basic skills alternative should be counted as 'additional'. These additional glh would attract the basic skills uplift and be funded through the loadbands.
- 400 In both of these cases, it is not intended that full-time learners who study basic skills as an alternative to key skills within the entitlement should be counted as basic skills learners. This would apply even if the basic skills alternative were 80 glh or more. Therefore, the disadvantage uplift for basic skills learners should not apply in those situations. Providers should ensure they make a manual adjustment where the LIS allocates the basic skills disadvantage uplift to the whole of the learner's learning programme.

### **Additional learning support for full-time learners on entitlement programmes**

- 401 Colleges and providers may not claim funding through the additional learning support (ALS) mechanism in respect of basic skills support for learners who are already enrolled on literacy, numeracy or language (ESOL) learning aims. Please refer to Section 8 of this Guidance for further clarification on ALS.

### **Enrichment**

- 402 Some examples of appropriate enrichment activities are:
- learning aims that lead to external qualifications or external certificates of attainment not approved by the Secretary of State: for example, Open College Network provision, Young Enterprise and Duke of Edinburgh awards
  - careers guidance
  - sports
  - music, dance and drama
  - industry-related programmes, including vendor-certificated courses such as those offered by IT companies (for example, CISCO, Microsoft or Novell)
  - health education
  - use of learning resource centres.
- 403 Part-time jobs undertaken by learners cannot be considered as eligible for funding as enrichment activities under the entitlement, except in exceptional circumstances. Work experience will be considered as an enrichment activity only where this is undertaken within a structured approach with some tutor input. Conversely, where work experience is provided as a mandatory element of a qualification, it is deemed to be part of the main qualification and should not be considered as an enrichment activity.

### **Funding entitlement**

- 404 Funding may be claimed for the key skills, tutorial and enrichment entitlement in each year of study. This funding will be listed and reflects its broad equivalence to the teaching time expected for a GCE AS-level over one year.

- 405 The funding of the entitlement includes fee remission and is therefore paid at the full national rate. Achievement funding for the proportion of the programme relating to achievements in key skills (application of number, communication and IT) may be claimed (see Annex A to this Guidance).
- 406 Where a learner in receipt of entitlement funding meets the expectations set out in paragraph 390 of this Guidance during the first year of his or her programme, and goes on to achieve the next level in the key skills in the second or subsequent years of the programme, achievement funding may be claimed for each key skill at each level.
- 407 For 16–18-year-old full-time learners, guidance, tutorial skills and study skills are included in the entitlement and will not attract additional funding.



# 8 Additional Learning Support Funding Arrangements

## Introduction

- 408 Colleges and providers can claim funding for additional learning support (ALS) if the costs of the ALS provided fall into one of the ALS cost bands included in Annex K to this Guidance. Colleges and providers that are planning to increase significantly the number of learners requiring ALS should contact their LSC partnership team.
- 409 All colleges and providers will need to reclaim the cost of ALS delivered to their learners through their ILR and funding claim returns to the LSC. The guidance for 2007/08 is very similar for plan-led funding and non-plan-led funding providers except that those in plan-led funding will not face any funding audit assurance work or testing or any retrospective clawback on their ALS claim. As plan-led funding colleges and providers are exempt from the funding audit, they should ensure their record-keeping is consistent with the LSC's desire to reduce ALS bureaucracy as much as possible. In particular, the advice in this section and in Section 4 of *FE ILR Funding Compliance Advice 2007/08* regarding global costing and reconciliation of ALS expenditure may be considered helpful as a means of reducing the cost of ALS administration. This advice may be particularly helpful for the lower-cost ALS learners, that is, those with costs below the £4,500 band.
- 410 In claiming and spending ALS expenditure, all colleges and providers are reminded to consider the spirit and intention set out in this Guidance, which is that ALS should only be claimed for the additional costs incurred in delivering provision to learners with identified wholly and exclusively additional individual support needs. ALS funding should not be claimed for any general running costs incurred by a college or provider; the guidance below and in Section 4 of *FE ILR Funding Compliance Advice 2007/08* sets out some of the differences. The LSC remains very concerned about the small number of colleges and providers who operate outside the spirit and intention of this guidance.
- 411 Learners following a Progression Pathway as part of the FLT may access ALS to fund those elements of the Progression Pathway that are not linked to qualification aims. These activities must be eligible under guidance detailed in this section. FLT activity cannot be regarded as eligible for ALS simply because the learner is on FLT.
- ## Defining the Principles of Use for Additional Learning Support Funding
- 412 The circumstances in which ALS is provided are reaffirmed below. Colleges and providers should ensure that their use of ALS funding reflects these principles.
- 413 The activities for which ALS funds may be used are intended to be additional activities that provide direct learning support to learners. They are not intended to include activities that would more usually be classified as learner financial assistance. Consequently, the definition of ALS used for funding purposes does not include childcare or transport to the college or provider, although it could include transport between different sites of the college or provider for learners with mobility difficulties.
- 414 Where most learners in a group appear to require additional help to succeed in their learning programme, this should be addressed in the design and delivery of the main learning programme or by reconsidering the choice of programme for these learners, rather than by applying the ALS mechanism. This would not, however, apply to discrete groups of learners with learning difficulties and/or disabilities.
- 415 Similarly, where it is apparent that an individual is following a programme at a level above that for which he or she has been assessed as capable of achieving, consideration should be given to a more appropriate choice of programme for the individual. ALS funding should not be used to alleviate such a situation.

- 416 ALS should not be used to lengthen artificially the working week or working year for learners where the college or provider has reduced the hours for the standard learning programme.
- 417 It is not intended that ALS should be used to deal with the everyday difficulties experienced by learners on their programmes (for example, an A-level mathematics learner experiencing difficulty with calculus), nor for such activities as preparing for university entrance.
- 418 Each college and provider should determine which elements of support are additional to those already offered in an individual's learning programme and could, therefore, be costed to substantiate the college's or provider's use of ALS funding. Where a learning programme is designed as discrete provision for individuals with learning difficulties and/or disabilities, there should be clear evidence of the provision of ALS before a claim for additional learning support can be considered.
- 419 The phrase 'standard learning programme' refers to the actual learning programme that the learner is following alongside his or her peers. This may include elements of support delivered as part of the curriculum.
- 420 In many cases, a learner requiring ALS will have had a statement of educational need when a school pupil. Colleges and providers will wish, in designing a learning programme, to have regard to a learner's statement, which is likely to contain useful information.
- 421 The types of ALS provided for learners may include:
- additional teaching, either to reduce class sizes or to provide support in or out of the class
  - other specialist staffing, for example: personal care assistant; mobility assistant; reader; note-taker; amanuensis; in-class support assistant; dedicated technician (for supply, maintenance and training in the use of equipment for learners with disabilities and/or learning difficulties); specialist tutor (for example, teacher of the deaf, or teacher of learners with dyslexia); communication support worker (for example, Brailist or support for deaf learners); additional tutor support for counselling and guidance for individual learners that relate to his or her disability; material adaptation worker; or educational psychologist
  - funding for a speech therapist and/or a physiotherapist (where such support is identified in a learning agreement as necessary to enable a learner to achieve his or her learning aims, and meets the definition of ALS, such support should be funded by the college or provider and is eligible for ALS funding. Normally, the provision of such support should follow an assessment by an appropriately qualified person. Where speech therapy or physiotherapy is not identified in a learning agreement as necessary to enable a learner to achieve his or her learning aims and does not meet the definition of ALS, funding should be sought from the relevant health authority)
  - assessment and review pre-entry and on entry, on programme and on exit, where this involves specialist inputs or a higher level of input than that provided on the individual's learning programme
  - personal counselling, where such support is necessary to enable a learner to achieve his or her learning goal
  - transport between sites and to other off-site activities for learners with mobility difficulties, but not home-to-provider transport
  - administration linked directly to individual learners that is in excess of usual requirements, for example, time spent negotiating or delivering special examination facilities.
- Equipment costs and depreciation**
- 422 Whilst actual equipment costs cannot be reclaimed through the ALS mechanism, a depreciation charge for the equipment may be included. It should be calculated by dividing the actual cost of the equipment by the estimated number of years of its useful life. Only the appropriate element of depreciation for equipment used by the learner for the time it was used is eligible for ALS funding.
- 423 If the lease costs are a revenue charge (for example, for an operating lease), the proportionate cost of the lease charge is also eligible for ALS funding. Where a finance lease is used, the depreciation charge is calculated with reference to the capitalised value divided by the term of lease or useful economic life. This should be calculated by a provider's finance department, and must be shown in a provider's accounts.

### Basic skills

424 Colleges and providers may claim funding for providing programmes in literacy, numeracy and language (ESOL) in one of three ways:

- a as a main programme for which the only learning aim is a set of objectives, ALS costs form (for not-in-scope providers), for basic literacy in English, to teach the basic principles of mathematics, or to improve the knowledge of ESOL
- b the addition of a literacy, numeracy or language (ESOL) Skills for Life learning aim to a learner's main programme of study
- c as ALS where the learner's programme has a learning aim that is not literacy, numeracy or language (ESOL), but where additional help in any of these areas is provided to the learner.

425 Option (b), the addition of an individually listed literacy, numeracy or language (ESOL) learning aim to a learner's programme of study, should be adopted where it is in the learner's best interests and would have a positive effect on the learner's ability to achieve the main learning outcome.

426 Colleges and providers may not claim funding through the ALS mechanism in respect of basic skills support for learners who are already enrolled on literacy, numeracy or language (ESOL) learning aims.

### Additional Learning Support Costs Form

427 Two versions of the ALS costs form are available in 2007/08. The first reflects the new recording arrangements for claims above £4,500, as part of the plan-led funding (PLF) arrangements. This will be referred to as the ALS costs form (PLF). This form should be used only by those providers in scope of and eligible for plan-led funding. The second form is the current version and will be used by providers that are not in scope (NIS) of plan-led funding. This latter form is referred to as the ALS costs form (NIS).

428 Further guidance on the completion of the ALS costs forms is available at Annex J.

429 Providers in plan-led funding may decide to consider global recording methods and systems for learners below the £4,500 threshold to reduce the bureaucracy involved in either completing or in reducing the financial content in the individual costs

forms for ALS learners. All colleges and providers for 2007/08 will, however, need to continue to claim ALS on an ILR basis in their ILR returns.

430 In 2007/08, all FE colleges and providers will receive a block ALS allocation that will form part of the college's or provider's allocation as detailed on the provision and funding profile. At the negotiation stage, LSC partnership teams will issue colleges and providers with an indicative block allocation for ALS. The appropriateness of this amount will be considered during the planning and funding dialogue, as will any requirements for growth, for example to take account of the college's or provider's intention to attract a particular group of learners with specific learning needs.

431 All colleges and providers will be expected to manage this budget to provide ALS for all learners requiring support above £170 for part-time learners, and £501 for full-time learners, up to £19,000.

432 In the case of not-in-scope providers, for all their ALS claims over the bottom band threshold, the LSC will require all colleges and providers to complete the ALS costs form (NIS), which details a breakdown of support costs. This form is available for download from the LSC's website ([www.lsc.gov.uk/Search.htm?Term=als+costs+form&Search=1](http://www.lsc.gov.uk/Search.htm?Term=als+costs+form&Search=1)).

433 Where the college or provider wishes to claim ALS, it should complete the ALS costs form. The form should be signed by a member of the provider's staff and by the learner, as far as is practical. **Where obtaining a learner's signature creates practical difficulties, the signature of the member of staff will be sufficient. Colleges and providers are asked to make a judgement about when only one signature is appropriate.**

434 The form is intended to provide a standard framework against which colleges and providers may assess the additional needs of learners with learning difficulties and/or disabilities and the costs of assessing these needs. The costs should:

- be calculated net of any specific income received from other sources
- exclude the costs of staff training
- exclude support costs associated with learners enrolled at school and following link programmes with a provider.

### Plan-led funding providers

- 435 Colleges and providers within plan-led funding will want to review their actual ALS expenditure during the year and compare that with their planned expenditure. The ILR returns should be based on a reasonable estimate of actual expenditure so that following-year allocations can take account of any variance between actual and planned ALS costs. To keep bureaucracy to a minimum, the LSC is stressing reasonable estimates here rather than precise costs incurred for all learners below the £4,500 band. The same methodology used for the pre-year planning should then be applied to an in-year review of actual costs. Colleges and providers will not face any funding reconciliation adjustment for cost movements either way.
- 436 Within the college's or provider's allocation, the LSC will no longer require providers to make individual claim evidence available for claims up to £4,500, but would expect colleges and providers to maintain records of learner assessment, individual learning and support plans, and monitoring, review and outcome records for learners who are allocated funding under ALS expenditure. These records should be in place as part of normal educational practice and should not therefore represent any increase in bureaucracy.
- 437 For claims over the £4,500 threshold, the LSC will require all colleges and providers to complete the ALS costs form (PLF), which details a breakdown of support costs. This form is available for download from the LSC's website ([www.lsc.gov.uk/Search.htm?Term=als+costs+form&Search=1](http://www.lsc.gov.uk/Search.htm?Term=als+costs+form&Search=1)).

### All providers

#### Claims above £19,000

- 438 The initial £19,000 of a claim will be resourced from the provider's block allocation, and additional payments will be made, where relevant, for the balance above £19,000. For example, if support needs were costed at £21,000, the provider would fund £19,000, with the remaining £2,000 coming from a separate budget held regionally. Any claim above £19,000 should be referred in advance of delivery to the LSC partnership team for approval in principle. The final claim, based on actual costs incurred during the year, must be submitted to the LSC within the timetable for the provider's final funding claim as stated in Table 1 of *FE ILR Funding Estimate/Claim 2007/08*.

### Recording additional learning support in the ILR

- 439 The current threshold system requires colleges and providers to claim funding for ALS at or above £170 for part-time learners and £501 for full-time learners. This reflects the assumption that a degree of ALS is built into the national funding rates. Colleges and providers are expected to provide ALS to all learners with assessed and diagnosed ALS needs, but only where the costs of providing the ALS are in excess of these thresholds will the funding be 'counted' as ALS.
- 440 There is no change to the way the ILR should be completed to record ALS. Values are required in field L31 (additional support cost) where the costs of ALS are at or above the thresholds of £170 or £501 for part-time and full-time learners respectively. It is also good practice to record ALS costs below these thresholds, but this remains optional.
- 441 Claims for ALS funding will continue to be related to the ALS cost bands. The ALS bands and their corresponding cash values are set out in Annex K to this Guidance. The opportunity for colleges and providers to request support beyond £19,000 for a learner in a year is retained, as indicated in paragraph 438.

### Calculating cash values

- 442 Colleges and providers should use the ALS costs form to calculate the costs incurred in meeting the extra needs of the particular learner. The total sum will enable colleges and providers to identify the appropriate ALS band to be claimed.
- 443 The cash values listed in Annex K to this Guidance relate to the cost of the ALS provided for the year, including programmes completed in less than one year. Where a programme is completed in one triannual period, all the ALS costs can be claimed for that period. If the programme is completed in two triannual periods, half the ALS costs may be claimed for each period.

### Thresholds

- 444 The thresholds for part-time and full-time full-year learners' costs remain at £170 and £501 respectively. Expected ALS costs must be at or above these levels before additional funding can be claimed. The definitions of full-time and part-time learners are given in Section 3 of this Guidance at paragraphs 65 and 86 respectively. These thresholds will be applied on a per-period basis where the costs connected with

the planned ALS provided for a learner meet or exceed the threshold for an ALS cost band. If the learner subsequently withdraws from his or her programme, the ALS rate can be claimed on a per-period basis. This will ensure that colleges and providers are still able to claim the appropriate proportion of funding for those learners who withdraw early and who may, therefore, fall below the annual threshold for ALS funding.

- 445 ALS claims should be calculated using the expenditure incurred in a triannual period. This expenditure should be increased in proportion to reflect the number of triannual periods the learner is expected to complete in the academic year. This will give an estimated annual expenditure, which must exceed the relevant threshold values for ALS funding to be claimed.
- 446 If the annual expenditure does exceed the threshold value, the relevant annual cash sum may be claimed. The annual cash value should be claimed in proportion for each triannual period of the programme that the learner completes.
- 447 For example, suppose a learner on a programme planned for three triannual periods withdraws after completing only one period. If the actual amount spent in providing ALS during this period was £200, the ALS claim for the full learning programme would be calculated as the amount spent, multiplied up to the implied amount that would have been spent if the three triannual periods had been completed, that is,  $£200 \times 3 = £600$ .
- 448 Since £600 exceeds an annual support cost threshold (that is, £501–£1,000), the provider can claim one-third of the annual rate, that is,  $£751 \times 1/3 = £250$ .
- 449 Claims for ALS on a per-period basis are not eligible for funding where the planned costs of providing that support for the full learning programme in the academic year do not meet or exceed an appropriate ALS cost band.
- 450 Colleges and providers may apply to their LSC partnership team for specific additional financial support for learners whose ALS costs exceed £19,000. In such cases, it will be necessary to demonstrate the need for such additional funds.
- 451 The LSC is prepared to make further ALS funding available to enable colleges and providers to maintain learner numbers (FTEs; see Section 3 paragraphs 63–64 for definition) whilst meeting the ALS needs of learners. Providers should discuss such a requirement with their LSC partnership team as part of the process of agreeing their funding allocation.

### Compliance evidence

- 452 Where the college or provider wishes to claim ALS, the individual's learning agreement should give a summary of the additional support to be provided to the learner, and a copy of the ALS costs form should be retained with the learning agreement. It is intended that the form be retained by colleges and providers as auditable evidence in support of a claim for ALS. Care should be taken to ensure that planned expenditure does not make disproportionate use of public funds.
- 453 The college or provider should also be able to make available to its auditors sufficient evidence to show that the ALS claimed was made available to the learner. Further compliance advice for all providers is available in *FE ILR Funding Compliance Advice 2007/08*.

### Advice on Initial Assessment of Learning Support Needs

- 454 The evidence for claiming ALS funding (that is, the completed form) is the outcome of the process of initial assessment for learning support. This initial assessment process generally occurs at the pre-entry and entry stages of the learning programme, and may be considered to have three main elements:
- initial identification of the learners who will need learning support
  - detailed assessment of their learning support needs
  - development of a plan to provide ALS.
- 455 Colleges and providers will use a range of assessment instruments and strategies throughout the learning programme to identify individuals' ALS needs. The assessments carried out should be relevant and identify individuals' needs within the context of the curriculum they will be following. There is no standard assessment method that all colleges and providers should use, and colleges and providers will make their own judgements as to the most relevant assessment methods and materials to use for particular learners.
- 456 Once the provision required to meet an individual's ALS needs has been identified, it can be costed and the ALS costs form completed. This stage of the process will typically take place during the induction phase of the learning programme.



- 457 There are some learners who will have needs that are not identified during the pre-entry and entry stages. It is important that, as soon as these needs are identified, an assessment is carried out and the ALS costs form completed. An individual's learning support needs may change during the programme and, if a review of that person's needs leads to a significant change in the provision being offered to him or her, the form should be revised. This is particularly important where the change in provision may lead to a change in the ALS cost band into which the support costs fall.
- 458 Possible stages in the process of identifying and providing ALS are set out in Table 10.
- Providing Compliance Evidence of Additional Learning Support**
- 459 These paragraphs of guidance are written specifically for providers outside plan-led funding but may be of interest to plan-led funding providers.
- 460 In planning their provision for 2007/08, colleges and providers will have prepared an estimate of the funding for ALS required for the year. The estimate of this funding will draw on information derived from strategic planning activities, including multi-agency collaboration, school links, careers information and other activities.
- 461 Once the learners are engaged on their learning programmes, the college or provider is required to maintain evidence of the ALS being provided in order to account for the ALS funding claimed.
- 462 The ALS costs form provides information on the costs of providing ALS. It will form part of the audit evidence to be retained by the college or provider in support of its claim for ALS funds. In addition, colleges and providers should have available evidence of the assessments that were carried out as part of the process of identifying the support required by the individual.
- 463 The process of initial assessment for learning support should be integrated with the other processes carried out during the entry phase of the learning programme. Colleges and providers should consider how the various documents and auditable evidence required for the entry element are co-ordinated.

**Table 10: Stages in the process of identifying and providing ALS.**

Timing	Process	LSC requirements
Previous provider year	Strategic planning, including activities such as liaison with schools and multi-agency planning	Strategic plan, which includes a needs analysis of learners with learning difficulties and/or disabilities
February of previous year	Estimate of numbers of individuals requiring ALS and the level of their needs	Provision of supporting information to LSC partnership team, including an estimate of the amount of ALS funding required
Pre-entry or entry	Initial identification of needs: that is, admission and induction processes, and detailed assessment of each individual's ALS needs	Back-up evidence for the ALS costs form
Entry or induction	Development of a plan to support learning, and costing of ALS that is to be provided	Completion of the ALS costs form
On programme	Regular review of ALS needs	Revision of the ALS costs form as required
Achievement	Identifying support requirements for end-of-programme review, assessment and accreditation	Estimate of costs to be included in ALS costings



## Costing Additional Learning Support

- 464 These paragraphs apply to all providers as plan-led funding providers will need to consider this advice in costing their provision and agreeing their allocation with their LSC partnership team.
- 465 The outcome of the initial assessment is an ALS plan that details the provision a learner will need in order to achieve his or her learning aims. This provision should be costed as part of the process of completing the ALS costs form. The costings used in completing the form should reflect the actual costs borne by the college or provider. Colleges and providers should adopt costing formulas that reflect the variations in their provision.
- 466 The following points may be helpful when costing the provision.
- Colleges and providers should not include overhead costs such as central services or premises costs in the calculation of additional costs, as these are already met from the base unit of resource in recurrent funding.
  - Additional teaching costs should be based on staff salaries plus on-costs and contracted hours.
  - Costs for support staff could be calculated in the same way as additional teaching costs are.
  - The costings should relate to direct learning support for individual learners. The costs of a learning-support co-ordinator may be included where the member of staff concerned is providing direct support to an individual learner.
  - Where learners are on a discrete programme, the additional costs of teaching smaller groups of learners can be included on the form. Before claiming any additional costs, colleges and providers should reassure themselves that there is a clear rationale for restricting the size of the group, based on the needs and characteristics of the learners.
  - Colleges and providers should calculate the additional costs by subtracting the average teaching cost for each learner on a standard programme from the teaching cost for each learner on a discrete learning aim. The costs of any other additional learning support provided within a discrete programme should also be included in the costing.
- Colleges and providers may include a depreciation charge for capital equipment on the form. This should be calculated by dividing the cost of specialist equipment by the estimated number of years of its expected life.
  - The costs of any assessments required to identify equipment needs can be included in the costing of initial assessment.
  - Maintenance of equipment, and training for the learner in the use of the equipment, may also be included.
  - Where a learner needs to have his or her learning materials adapted, the cost of preparation may be included in the form. This may involve tutor, administrator or support-staff costs.
  - The cost of providing ALS during the assessment of achievement should be included. This might include, for example, extra examination invigilator time, a note-taker or an amanuensis.
  - The cost of transport can be included within the form where the learner is being transported between provider sites or where transport to a particular place is an integral part of meeting the learner's learning support needs, for example, as part of learners' mobility training.
  - Administrative costs in excess of the usual requirements for an individual can be included in the costings. For example, this could include liaison time with other agencies and time spent negotiating special examination facilities.

# 9 Distributed and Electronic Learning

## LSC's Approach

- 467 The Distributed and Electronic Learning Group (DELG) was established by the LSC in 2001 to provide advice on a range of issues with this type of learning, including funding. It considered a range of aspects of delivering distributed and electronic learning (DEL) and received evidence from a wide range of contributors. The report is available on the LSC's website (<http://readingroom.lsc.gov.uk/pre2005/learningopportunities/ict/delg-report.pdf>).
- 468 The DELG report recommended that the funding of DEL should, as far as possible, be the same as for more traditional learning. This has been accepted by the LSC and was implemented from 2003/04. This may be achieved by a process of costing provision and agreeing the appropriate funding rate with the provider's LSC partnership team. The process is described in detail in paragraphs 485–504 but providers delivering listed provision to learners within their agreed LSC partnership team defined local area claiming listed rates are not required to return the distance learning cost form to their LSC partnership team from 2007/08.
- 469 The LSC has published guidance on the definition of the normal recruitment area of a provider in Section 3 of *FE ILR Funding Compliance Advice 2007/08*. The relevant paragraph 69 in the 2006/07 booklet which will be restated for 2007/08 stated that an LSC partnership team will usually regard activity delivered outside its own LSC area, or an adjacent LSC area, as out-of-area activity. This definition may be varied more tightly or loosely by LSC partnership teams, depending on the provider location, and each LSC partnership team can help providers to agree a reasonable definition of their normal recruitment area. It is the responsibility of providers to check with their own LSC partnership team that it is content to fund any activity outside that LSC partnership team area. Providers that have agreed this area with their LSC partnership team can save themselves the bureaucracy involved in completing the distance learning cost form for local learners on listed provision as the LSC is content to fund them on the listed mode-free basis. Any claims above listed rates are subject to the procedures in the following paragraphs.

## Definition of Distributed and Electronic Learning

### Distance learning

- 470 The following definitions provide further detail and explanation to those included in Section 3 of this Guidance.
- 471 Distance learning is defined as delivery in which learners use specially prepared learning materials for their private study and are provided with active tutor support by suitably qualified staff. This enables learners to achieve the qualification or, in the case of non-certificated or accredited learning aims, the intended outcome. Distance learners are typically based at work or at home and have only occasional person-to-person contact with the provider, which typically may be by telephone or email.
- 472 Distance learning involves a substantial amount of self-directed learning. The learning materials and the support may be provided by paper-based correspondence, by videotape or audiotape, or by accessing electronic materials online via the Internet or supplied on other media. The definition of distance learning does not include learning workshops, open access and/or drop-in centres where the provider provides learning support and counselling facilities, together with access to materials and resources.
- 473 A distance-learning programme should include all the following elements, in addition to the learning materials:
- initial assessment to ensure that the programme and the mode of delivery are appropriate to the needs of the learner
  - induction
  - specialist tutor support
  - technician support where appropriate
  - counselling and guidance

- ALS where necessary and appropriate
- clear identification of the delivery method in the programme literature and the learning agreement.

474 Distance learning offers flexibility to learners in the timing and location of study. There is considerable evidence to suggest that learners find it more difficult to achieve their learning goals using this approach unless they are very actively supported. The support should include a robust marking and comments service for their work, which may be in electronic form or on paper. It is expected that the marking and comments service should be provided by suitably qualified subject tutors, who are additionally trained to support distance learners.

475 The marking service provided should include feedback on the programme content and assignments, and on the learner's literacy, numeracy and language skills where appropriate. Given the limited opportunities for oral and other informal interaction with learners, the feedback should be robust: that is, specific, detailed and focused on improvement. Feedback or formative assessment that is no more than an administrative process (for instance, online assessment tools, scoring multiple-choice answer sheets or completing a pro-forma marking template) will not meet the criteria for a robust written comments service. The tutor support may be provided face to face, on an individual basis or in a group; or by telephone, email, videoconferencing or other electronic means.

#### **e-learning**

476 e-learning is learning that involves a substantial amount of ICT, such as using computers and the Internet.

#### **Open learning**

477 The term 'open learning' covers those forms of delivery that take place in learning workshops, open access and/or drop-in centres where the provider provides learning support and counselling facilities, together with access to materials and resources. Open-learning programmes are taught with specially prepared learning materials for private study, and provide a marking and comment service for written work. Learners on open-learning programmes usually proceed through their programmes at a pace and in a sequence that suit their individual needs. The programme would normally be accompanied by

some guidance and/or tutorial support. The term 'open learning' is not intended to apply to situations in which study is essentially based at home or remote and there is only occasional contact with the provider.

478 Colleges and providers should be realistic in the length of time assigned to a particular learning aim delivered by open learning. For example, for a learning aim that is normally delivered in 120 glh in a traditional setting, the provider should not seek to require learners to adopt an unreasonable attendance pattern which they are unlikely to achieve, and which does not necessarily meet their individual needs. It would be inappropriate for the provider to assign a notional study pattern of, say, 6 hours a week for 20 weeks and then to claim 120 glh regardless of the learner's actual attendance.

479 Colleges and providers should give particular attention to retention and achievement in this type of provision. The LSC may decline to fund programmes that constantly have very poor achievement or retention rates.

480 Colleges and providers should claim the national rates for listed or loadbanded learning aims, as shown in Annex A to this Guidance, for provision delivered using open-learning methods.

#### **Blended learning**

481 The term 'blended learning' describes a mix of learning-delivery methods, which includes some traditional learning, combined with distance, open and/or e-learning in a variety of proportions. Traditional learning approaches typically involve a group of learners starting and finishing together in time and at a particular physical location. Lecturers are responsible for the transmission of a sequence of study elements through direct contact with learners using oral and written communication.

482 Evidence from inspection and elsewhere strongly suggests that distance learning is more effective when combined with some whole-group activity. Tutor and peer support have been identified as factors that aid retention and achievement. Conversely, low retention and achievement rates have been shown to be associated with programmes delivered exclusively by distance-learning methods.

## Distributed and Electronic Learning Group Report

483 The DELG report considered the approach to the funding of DEL. It made a number of recommendations, but in essence these are as follows.

- The delivery of DEL is different from traditional methods, but the funding of provision should be mode-free and should neither encourage nor discourage DEL.
- Capacity building, including capital costs and the training of staff, should be separate and not formula-driven, as initial costs are unusually high for e-learning.

484 The funding of DEL will therefore follow the general approach for funding FE: that is, funding rates are based on the costs necessarily incurred in the delivery of the learning aim. The LSC uses guided learning hours (glh) as a proxy for costs in determining funding rates.

## Funding Distributed and Electronic Learning

485 In the revised approach for funding DEL, colleges and providers are now required to estimate the costs of delivering the learning aims, which should be approved by their LSC partnership team before learners are enrolled. The LSC partnership team will include checks on the plausibility of estimated costs in the approval process.

486 The approach to funding DEL will require colleges and providers to use a data collection and costs form to advise their LSC partnership team of the costs of delivering each programme. Colleges and providers are required to submit a completed form to their LSC partnership team prior to enrolling learners onto the provision (other than learners on listed provision with listed rate funding claimed where the learners are living within the provider's normal recruitment area as defined by their LSC partnership team). The data collection and cost form, and guidance on its completion, are available on the LSC's website ([www.lsc.gov.uk/Search.htm?Term=distance+learning+costs+form&Search=1](http://www.lsc.gov.uk/Search.htm?Term=distance+learning+costs+form&Search=1)).

487 The LSC is looking to simplify funding arrangements for colleges and providers. Therefore, as an alternative to completing the costs form, colleges and providers will be able to claim funding for loadbanded learning aims delivered via distance learning based on the weighted average number of glh (WAGLH) in which

the learning aim is delivered across the sector. Data on glh is made available on the LSC's website ([www.lsc.gov.uk/providers/funding-policy/Furthereducation/Further\\_Education\\_Funding\\_Policy\\_Documents\\_2007-08.htm](http://www.lsc.gov.uk/providers/funding-policy/Furthereducation/Further_Education_Funding_Policy_Documents_2007-08.htm)).

488 For newly accredited qualifications, data on glh is provided by the QCA. Colleges and providers will also be able to base their claim for funding on these figures instead of completing the costs form. Data on glh for newly accredited qualifications is available on the QCA 'openQuals' website ([www.openquals.org.uk](http://www.openquals.org.uk)).

489 Where a provider is delivering a loadbanded learning aim for which data is not available or where the number of glh differs significantly from the suggested or expected number of glh for that particular programme, providers should use the costs form to record their estimates of the costs of delivering the provision in order to agree an appropriate funding rate.

490 The approach for determining the appropriate rate for a learning aim delivered via distance learning is as follows.

a If the **learning aim has a listed rate**, this should be the rate applied. This is the simplest approach which requires the least amount of work on both the provider's and LSC's part. It is also entirely consistent with the DELG report's recommendation that funding should be mode-free.

- In exceptional circumstances, where the costs incurred significantly exceed the listed rate, the provider may submit a proposal to their LSC partnership team for a higher rate to be applied. This proposal must include the data collection and costs form, along with an explanation of why the costs exceed those associated with delivery of the same qualification by a traditional mode.

- The LSC partnership team will want to satisfy itself that the provision in question represents value for money, and may refer cases as it sees fit to the funding policy implementation team at LSC National Office. For claims in excess of the listed rate the LSC partnership team may seek auditable evidence to justify funding above listed rates as this is inconsistent with funding rates being mode-free. To reduce bureaucracy, from 2007/08, claims for listed provision for learners living within the provider's normal recruitment area no longer require costs forms to be sent to the provider's LSC partnership team.

- b For **loadbanded learning aims**, providers should use the WAGLH data for the learning aim to identify the appropriate loadband and claim this rate.
- Where the costs incurred significantly exceed the rate implied by WAGLH data, the provider may submit a proposal to their LSC partnership team for a higher rate to be applied. This proposal must include the data collection and costs form.
  - The LSC partnership team would again want to satisfy itself that the provision in question represents value for money.
- c For **loadbanded learning aims where WAGLH data does not yet exist**, and the learning aim has been accredited by the QCA and approved by the DfES for inclusion in Sections 96 and 97 of the Learning and Skills Act 2000, colleges and providers can use the glh figure for the learning aims stated on the QCA website to identify the appropriate loadband and related national base rate.
- d For a **loadbanded learning aim where neither WAGLH data or awarding body data exists** providers should complete a data collection and costs form.
- 491 Where providers complete the data collection and costs form, the LSC partnership team may agree to fund the beginning of the course at an average glh figure in order to prevent delays in learners starting their programmes.
- 492 Colleges and providers and/or awarding bodies should calculate average glh data and agree these with the funding rates and costings team at LSC National Office.
- 493 A revised rate would then be agreed by the LSC partnership team following receipt of a completed data collection and costs form from the provider. It is expected that any revision of rates would be completed within two months of programmes commencing.
- 494 Some learning aims are not included in the list of WAGLH. If colleges and providers can clearly demonstrate evidence that the learning aims that are not included are equivalent in scale and volume to one that is included, with their LSC partnership team's approval they will be able to agree funding based on the data relating to the equivalent qualification.
- 495 For all learning aims delivered by distance learning, other than listed provision claimed at listed rates for learners within the provider's normal recruitment area, a data collection and costs form should be completed. The LSC partnership team will want to be reassured that the level of funding agreed is similar to that currently being claimed for the provision. If the level of funding from the listed rate, or one of the short cuts, is significantly different, the provider will need to demonstrate one of the following:
- there has been a corresponding change in the levels of tutor–learner activity in course delivery
  - the rate in 2006/07 was insufficient to cover costs necessarily incurred in delivering the course.
- 496 Assuming that the level of tutor–learner activity involved in the distance-learning programme is the same in 2007/08 as in 2006/07, the LSC would expect that the level of funding claimed in both years would be similar.
- 497 A signed agreement form confirms that both the provider and their LSC partnership team have been involved in negotiating and determining the funding rate.
- 498 There are no funding caps on either distance learning or NVQs delivered in the workplace by support and assessment. LSC partnership teams are expected to exercise caution where colleges and providers start to claim a level of funding significantly different from the level of funding claimed in previous years.
- 499 The data collection and costs form allows colleges and providers to identify, where appropriate, indirect and overhead costs associated with the learning aim. The guidance accompanying the data collection and costs form states that the indirect and overhead costs requested in Section B of the form relate to the provision of the distance-learning course. The guidance then suggests that colleges and providers should not apportion costs related to premises usage. This appears to be inconsistent with the form. To clarify, colleges and providers can apportion premises costs, but only if the use of the premises can be clearly evidenced to be necessarily incurred in providing the distance-learning programme.
- 500 Where providers use the standard costs form for distance-learning provision delivered by a franchise partner, LSC partnership teams are advised to check the costings carefully. Colleges and providers should include the actual costs of the franchise partner's staff in their cost calculations. The Learner Information Suite (LIS) may also apply a discount to the funding because it is franchise provision.



501 The intention is not to subject providers to a 'double whammy', and therefore LSC partnership teams are asked to confirm with their colleges and providers that in these situations the funding rate agreed does cover the costs necessarily incurred in the delivery.

502 The LSC partnership team will apply credibility checks to the data, which will include comparison with the funding rate of the same learning aim delivered traditionally. It is expected that the funding rates for delivery by DEL will be close to the funding rates for delivery by traditional modes.

#### **Funding parts of learning aims**

503 Funding for units of learning aims delivered by distance learning will use the same process. Colleges and providers will be required to provide costing information in the same way as if the full learning aim was being delivered.

504 Where the provider delivers the whole learning aim by distance learning, it may claim funding for units of the learning aim on a proportional basis. For example, if the provider has agreed a funding rate of £540 for a learning aim of five units delivered by distance learning, it could claim £108 for a unit of the learning aim without compiling additional costing information.

#### **Additional learning support**

505 Additional learning support (ALS) should be made available to distance learners in the same way as it should be for other methods of delivery. Section 8 of this Guidance provides further details of ALS support arrangements.

#### **Supporting activities**

506 Opportunities for learners to interact with each other and for peer support are encouraged in all modes of learning. This has been demonstrated to improve learner retention and achievement.

#### **National Vocational Qualifications**

507 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 LSC partnership team for permission to claim funding for NVQs delivered entirely by distance learning provided that the provider has the support of the relevant sector skills council (SSC) and that they continue to meet the QCA's regulatory requirements.

508 The LSC partnership team 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 315–317.

509 An NVQ delivered entirely by distance learning is, by definition, not delivered either fully or partly at the provider. Therefore the national base rate that should be claimed is £810 in 2007/08. As with all distance learning, if this listed rate is not sufficient to cover the costs of delivery then a distance-learning costs form can be completed for prior approval by the relevant LSC partnership team.

#### **Domicile**

510 The residence criteria set out in *LSC Learner Eligibility Guidance 2007/08* apply equally to distance-learning provision.



**Withdrawal**

- 511 The guidance on learner participation and withdrawal in paragraphs 176–182 in Section 4 of this Guidance in respect of traditional delivery applies to DEL. A learner should be considered to have withdrawn from DEL provision in accordance with Table 11.
- 512 Participation or contact in the DEL context means:
- attendance at a centre or log-on to learning materials
  - receipt of work or projects by the tutor (electronic or hard copy)
  - any communication with the tutor that indicated that the learner was still active on his or her learning aim.
- 513 Colleges and providers and hubs should endeavour to confirm the status of any learner whose continued participation is in doubt.
- 514 Colleges and providers can claim full funding for learners who successfully complete their programmes in less time than the planned duration. It is expected that this will apply only to a small proportion of learners. Where this is not the case, the funding rate should be adjusted accordingly to reflect the time that learners spent in study.

**Minimum course size**

- 515 Whilst it is recognised that glh may not apply to DEL, it remains the case that there is a minimum size of programme below which the LSC will not provide funding.
- 516 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.

**Table 11: Criteria for learner withdrawal in DEL.**

Programme length	Criteria
For programmes of any length:	if he or she is known to have done so.
For programmes of one week's planned duration or less:	if he or she fails to participate in the programme at least once after enrolment. (In this event, no funding is claimable for this learner.)
For programmes of greater than 1 week's and fewer than 12 weeks' planned duration:	if he or she fails to complete at least 50 per cent of the programme (for example, where the provider has no evidence of the learner's continued participation after the 6th week of a 12-week programme).
For programmes of 12 weeks' or more planned duration:	if he or she has failed to make a planned contact and 4 weeks or more have elapsed.
For all programmes:	the withdrawal date is the last date of actual participation.

# 10 European Social Fund

## European Social Fund Co-financing

- 517 The European Structural Funds, including the European Social Fund (ESF) operate in seven-year timeframe programmes. The current programme, originally 2000–2006, has been extended and will continue delivering until July 2008 in most regions. The new programme, 2007–2013, is still being developed, and delivery is expected to start in January 2008.
- 518 Co-financing is the process by which a public body combines mainstream public resources and ESF to commission strategically for the benefit of ESF target groups.
- 519 The LSC intends to invite tenders for delivery of ESF provision in the new programme from autumn 2007.
- 520 The LSC expects to be able to make approved reductions to the data required of match-funded provision in ILR returns for the new programme, for the 2008/09 academic year, after the current programme has closed.
- 521 If you require additional information on the impact of ESF in your region, please contact your LSC partnership team in the first instance.

## Co-financing Funding Principles

- 522 As a co-financing organisation, the LSC co-finances approximately £200 million of ESF projects yearly.
- 523 Contracts are tendered for on an open and competitive basis, or by using appropriate restricted tendering. Tenders are then appraised, and successful tenders will enter the contract negotiation stage.
- 524 Contracts are issued based on costings from the original tender and are linked to outcomes by which the funding is allocated.
- 525 Profile payments are then drawn down, subject to relevant supporting evidence of agreed outcomes being met.

526 Please note that all LSC co-financed activity for FE is 100 per cent funded.

527 It is therefore appropriate that no LSC FE funding should be drawn down for these specific learning aims. This should be done using the funding stream code 70 in the ILR.

## Match funding

528 Match funding is the descriptor given to the mainstream public funding used to co-finance ESF in the strategic commissioning of a co-financing plan (the planned delivery to ESF target groups). The ESF funding is used to fund wholly the additional tendered ESF element of the provision.

529 Currently the LSC uses a wide range of its mainstream funding to match fund ESF including FE, WBL and Train to Gain funding. This is likely to continue in 2007/08.

530 The LSC will be match funding the new programme using mainstream funds which have been tendered, for example: Train to Gain, Apprenticeships, E2E and other programmes to be confirmed later. Any provider delivering any approved match-funded programme could be used to provide match-fund activities in the new programme. It is unlikely that the LSC would consider using FE or school sixth form funding as match funding in the new programme.

531 Under the current match-funding arrangements, ESF match-funded learners require the completion of additional data sets from other mainstream learners. The proposal for the new programme (subject to EC approval) is that the LSC would only collate one set of data for both ESF and mainstream learners. This will result in a net reduction in administration and bureaucracy associated with the match-funding process.

532 Match funding in the new programme will be eligible from January 2007, although the LSC is unlikely to wish to capture any match funding until April 2007 at the earliest. The LSC will also be collecting match funding for the current programme during calendar years 2007 and 2008. If provision you are delivering is to be used as match funding for either programme, you will be notified.

### Funding Calculation for European Social Fund Direct Bid Projects in 2007/08

533 ESF direct bid projects in FE are directly funded by government offices (GOs). The term 'direct bid' is used to distinguish these projects from those funded through the co-financing arrangements. In ESF direct bid projects, ESF has or will be secured through a direct application to the GO by an FE provider (or where an FE provider is a third party to a direct application) and where LSC funds may have been or may be used as match funding for ESF. Such ESF direct bid projects are not covered by the LSC's co-financing arrangements.

534 It is intended that all ESF-supported activity for which LSC funds are used as match funding will become part of the LSC's co-financing approach. The guidance relating to ESF direct bid projects will therefore only apply whilst such projects are supported by LSC match funding.

#### Aim

535 The LSC is seeking to ensure that:

- colleges and providers are confident that retaining ESF monies, even when in a position of under-achievement against funding agreement, will not adversely affect future funding allocations
- the activity in an ESF project that could be eligible for recurrent LSC funding is properly funded according to ESF requirements to reflect costs and match levels. The appropriate funding levels are essentially determined by the ESF project rather than by the LSC's national funding rates.

#### Impact of European Social Fund on FE allocations

536 Paragraph 181 of *Guidance on Further Education Funding Eligibility and Rates 2001/02* states:

*The LSC does not wish to discourage colleges and providers from securing income from sources other than the LSC. Where a provider succeeds in securing other income, including ESF grant, the LSC does not take it into account in determining the distribution of LSC funds, neither will it seek to recover such income from a provider.*

537 The LSC will not, therefore, take into account underperformance against funding agreement in the allocation of future funds where the underperformance relates directly to the receipt of funds from other sources such as ESF. Colleges and providers are encouraged to retain the relevant ESF monies and to discuss their position with their LSC partnership team.

538 Colleges and providers and their LSC partnership teams will wish to ensure that future funding allocations reflect plans for provision and overall funding income, but that under-achievement as a result of ESF-supported activity will not affect future funding allocations.

#### Approach to calculating LSC match funding

539 The level of LSC funding available as match funding to support the costs of delivering learning provision in ESF projects can be increased where appropriate to ensure that the costs of delivering learning provision, as detailed in the ESF project, are met.

540 This approach will enable the cost of the training element of ESF direct bid projects to be met by LSC funding, provided that the overall project level of match funding is not exceeded. The training element or training activity is that part of the ESF project for which recurrent LSC funding would normally be available (that is, eligible learning provision) and includes teaching, management, materials, accommodation and other costs.

541 This approach is used to ensure that the funding generated through the LSC's normal funding mechanism is adjusted to meet the cost of the training element of the ESF project.

542 Learners on ESF-supported projects will not automatically attract the disadvantage uplift.

- 543 The mechanism for adjusting the level of funding available for learners on ESF-supported projects reflects the introduction of the new formula funding approach for FE in 2002/03. This mechanism utilises ILR field A12 (implied rate of LSC funding), which can be adjusted to ensure that an appropriate level of LSC match funding is generated. Where appropriate, an FE provider can adjust the level of funding by applying the methodology detailed here.
- 544 The total amount of funding available from the LSC as match funding to a provider remains limited to the funding allocation, plus any extra funding that has been made available by the LSC to reflect additional activity that is not already funded by ESF.

### Conditions

- 545 The following conditions must be met.
- The provider must be able to demonstrate that such expenditure had been or would be incurred and that the ESF had brought or would bring added value to the project.
  - The LSC funding used as match funding must all relate to the training element, and therefore relate to activity that is eligible for LSC funding.
  - The total funding claimed to support the training element costs cannot exceed 100 per cent of the full level of LSC funding available for the learning provision (that is, the relevant national rate for the learning aim).
  - The total funding claimed from the LSC must not exceed the match-funding level of the project (typically 55 per cent).
- 546 The use of this mechanism should be discussed with the relevant LSC partnership team, although colleges and providers are not required to obtain approval before applying this mechanism. They are, however, required in the financial memorandum to obtain consent in writing to use LSC funds to draw down any European source of funding on their own behalf.

### Audit Arrangements

- 547 Colleges and providers are reminded that ESF funding is dependent on the provider proving added value, and auditors may wish to review relevant parts of the provider's funding claim.

## Procedure to Obtain the Correct LSC Match Funding

### Summary

- 548 Each ESF project will require a funding match that the provider is required to obtain from non-ESF sources. The match may come from LSC funding or from other sources. The procedures set out here should be used to determine the LSC element of the match. All LSC funding claimed must relate to relevant, eligible training activity. The methods are intended to make use of the ILR and the LIS, and should not require manual adjustments to the funding calculation.
- 549 The method uses field A12 in the ILR, which records the implied rate of LSC funding for ESF direct bid projects. This is related to field A11, which records the calendar year in which the ESF funding applies and the objective of the ESF project.
- 550 The calculation method is based on a simple division of the match funding required in the ESF project by the FE funding that the LSC would normally provide.

### Details of the method

- 551 The match funding for these learners is generated by amending ILR field A12 (implied rate of LSC funding) for each learner involved. The adjustment is likely to be different for every programme involved, and may be different for individual learners within each programme.
- 552 The relevant adjustment figure should be applied to ILR field A12 for each learner on the programme.
- 553 This procedure should be applied to every ESF learner with the college or provider, and some colleges and providers have developed systems to do this.
- 554 However, some colleges and providers have stated that calculating the value for each individual learner is burdensome. The LSC will accept funding claims based on overall ESF project activity and patterns of total eligible expenditure relevant to training, to give a generic adjustment to all ESF learners. Such calculations are likely to be monitored closely to ensure that the correct level of funding is being claimed, and should be discussed with the provider's auditors.

### Calculation

555 A stepwise approach for the calculation is shown in Table 12. The method is best demonstrated using a worked example. The example is based on an ESF project involving 500 glh at programme-weighting factor B. The total project value is £52,500 and there are 15 beneficiaries.

#### Stepwise calculation method

556 The key points in this example are as follows.

- The example involves an ESF training project with 15 beneficiaries.
- The total project value is £52,500.

- The intervention rate for the funding match is 55 per cent.
- The length of study is 500 glh over the whole of one academic year.
- The programme weighting is B (1.12).
- The learner has a disadvantage uplift of 8 per cent related to deprivation, assessed through the learner's home address.
- The provider has an area uplift of 3 per cent.
- The provider is not a specialist college.
- The learners do not receive additional learner support.

**Table 12: ESF stepwise calculation method.**

Step in the calculation	Algebraic	Example calculation
<b>ESF match required</b>		
Total project value	A	£52,500
Number of beneficiaries	B	15
Intervention rate	C	55%
Total value per beneficiary	$D = A/B$	$£52,500/15 = £3,500$
Match funding required per beneficiary	$E = D \times C$	$£3,500 \times 55\% = £1,925$
<b>Normal FE funding</b>		
National base rate using loadbanded method for a 500-glh learning aim	F	£2,394
Apply programme weighting (PW)	$G = F \times PW$	$£2,394 \times 1.12 = £2,681$
Apply disadvantage uplift (DU)	$H = G \times DU$	$£2,681 \times 1.08 = £2,895$
Apply area uplift (AU)	$J = H \times AU$	$£2,895 \times 1.03 = £2,982$
Full national rate for this learning aim	J	£2,982
<i>Find the implied rate of funding to be recorded in ILR field A12 (implied rate of LSC funding)</i>	$K = E/J$	$£1,925/£2,982 = 65\%$
Value of record in ILR field A12	K	065

**Table 13: ESF example calculations.**

Course	glh	PWF	ESF rate	Match needed	LSC rate	Implied A12	Actual A12
Course A	33	A	£231	£127	£214	59%	59%
Course B	150	D	£1,050	£578	£1,277	45%	55%*
Course C	500	B	£3,500	£1,925	£2,982	65%	65%
Course D	450	B	£3,150	£1,733	£2,681	65%	65%
Course E	30	A	£210	£124	£214	58%	58%

\* adjusted as a minimum to the intervention rate – 55 per cent in this example

557 No disadvantage or area uplifts apply to courses A, B, D and E; course C is the example in Table 13.

560 For some learners, the value required for A12 could be above 100 per cent. The value is limited to a maximum 100 per cent.

#### Comments

558 ILR field A12 is able to store two values that relate to the ESF projects defined in field A11. This enables different parts of the academic year to have different values, and should enable the 'academic versus calendar year' issue that exists in some ESF projects to be addressed. For instance, suppose a learner begins studying in September and plans to end the following July. If the ESF support is only for September to December, then this will be defined in A11, and A12 will be used to calculate the ESF match for the first calendar year involved.

561 ESF beneficiaries no longer receive automatic uplifts for disadvantage. Any expected higher costs for teaching ESF-supported learners should be included in the ESF project bid.

562 In the method, learners eligible for disadvantage uplifts and colleges and providers with area uplifts will generate lower values for A12. This reflects the intention to generate the correct match funding determined by the ESF project. Higher costs for teaching such learners or delivering provision in the area should be included in the ESF project bid.

559 For some learners, as in course B in the example calculation in Table 13, A12 is lower than the intervention rate. This means that the implied level of funding for the learning aim in the ESF project is lower than the usual level of LSC funding. Colleges and providers may record the ESF intervention rate (such as 55 per cent) in field A12 in these cases, so as not to receive reduced funding as a result of offering an ESF project.



## Annex A: Further Education Listed and Loadbanded Rates for 2007/08

Table A1: 19+ FE listed rates 2007/08 (whole learning aim).

Qualification	Assumed fee element	National base rates (including programme weighting and assumed fee element)					Basic skills
		A (1.0)	B (1.12)	C (1.3)	D (1.6)	E (1.72)	
GCE AS-level or A2-level studied during the day (except General Studies)	£317	£845	£946				
GCE AS-level or A2-level studied during the evening (excluding General Studies)	£222	£592	£662				
GCE AS-level or A2-level in General Studies (day or evening)	£153	£407	£456				
Applied GCE A-level (Double Award (12 units)) studied during the day	£1,913	£5,103	£5,714	£6,634	£8,164	£8,776	
Applied GCE A-level (Double Award (12 units)) studied during the evening	£1,287	£3,433	£3,845	£4,463	£5,493	£5,905	
Applied GCE AS-level or A2-level (Double Award) or Applied GCE A-level (6 units) studied during the day	£990	£2,641	£2,957	£3,433	£4,225	£4,542	
Applied GCE AS-level or A2-level (Double Award) or Applied GCE A-level (6 units) studied during the evening	£644	£1,717	£1,923	£2,232	£2,747	£2,953	
Applied GCE AS-level or A2-level (3 units) studied during the day	£495	£1,320	£1,479	£1,717	£2,113	£2,271	
Applied GCE AS-level or A2-level (3 units) studied during the evening	£322	£858	961	£1,116	£1,373	£1,476	
GCSE studied during the day	£229	£610	£683				
GCSE studied during the evening	£162	£432	£484				
Short-course GCSE studied during the day	£142	£377	£422				
Short-course GCSE studied during the evening	£98	£261	£292				
Applied GCSE studied during the day	£498	£1,328	£1,488	£1,727	£2,126	£2,285	
Applied GCSE studied during the evening	£324	£864	£968	£1,122	£1,382	£1,485	
Key skills qualifications (application of number, communications and ICT)	£89	£237	£264				£331
GNVQ: Foundation or Intermediate	£990	£2,641	£2,958	£3,434	£4,226	£4,543	
Each additional NVQ or GNVQ unit	£48	£129	£145	£168	£207	£222	
EDEXCEL National Diploma (18 units)	£2,375	£6,333	£7,093	£8,233	£10,132	£10,893	
EDEXCEL National Certificate (12 units)	£1,913	£5,103	£5,714	£6,634	£8,164	£8,776	
EDEXCEL National Award (6 units)	£990	£2,641	£2,958	£3,434	£4,226	£4,543	

Table A1 (Continued).

Qualification	Assumed fee element	National base rates (including programme weighting and assumed fee element)					Basic skills
		A (1.0)	B (1.12)	C (1.3)	D (1.6)	E (1.72)	
OCR National Extended Diploma Level 3 (18 units)	£2,375	£6,333	£7,093	£8,233	£10,132	£10,893	
OCR National Diploma Level 3 (12 units)	£1,913	£5,103	£5,714	£6,634	£8,164	£8,776	
OCR National Certificate Level 3 (6 units)	£990	£2,641	£2,958	£3,434	£4,226	£4,543	
Access to Higher Education (studied at a rate of over 150 glh per triannual period for 3 or more periods)	£1,144	£3,051	£3,417	£3,966	£4,881	£5,247	
International Baccalaureate	£2,850	£7,601	£8,513				

**Comments:** Table A1 shows the **19+ rate** for a selection of the indicative new rates (rounded to the nearest pound).

The complete list of rates will be supplied with the Learning Aims Database (LAD) to be published on the LSC's website.

The figures for 2007/08 include an element for entry funding that is now incorporated into the national rate.

In 2007/08 approved basic skills courses have a weight of 1.4.

Entitlement for 16–18-year-old learners will be funded at £841, which includes core funding and fee remission.

Achievement funding for the key skills element in entitlement will be funded at 10 per cent of the appropriate key skills national base rate.

GCSE and GCE double awards are funded at double the standard rate.

Table A2: Loadbanded rates for FE in 2007/08.

glh range		Assumed fee element	National base rates (including programme weighting and assumed fee element)					
			A (1.0)	B (1.12)	C (1.3)	D (1.6)	E (1.72)	F (Basic skills)
6	8	£24	£65	£73	£85	£104	£112	£91
9	13	£37	£98	£110	£127	£157	£168	£182
14	19	£47	£124	£139	£161	£199	£213	£182
20	29	£56	£149	£167	£194	£238	£256	£230
30	39	£89	£236	£265	£307	£378	£407	£379
40	49	£105	£279	£313	£363	£447	£481	£435
50	59	£121	£323	£361	£419	£516	£555	£494
60	89	£153	£407	£456	£530	£652	£701	£609
90	119	£235	£626	£701	£813	£1,001	£1,076	£876
120	149	£282	£752	£843	£978	£1,204	£1,294	£1,053
150	179	£330	£880	£986	£1,144	£1,408	£1,514	£1,232
180	209	£378	£1,008	£1,129	£1,311	£1,613	£1,734	£1,412
210	239	£426	£1,136	£1,273	£1,477	£1,818	£1,954	£1,591
240	269	£474	£1,264	£1,416	£1,643	£2,023	£2,174	£1,770
270	299	£522	£1,392	£1,559	£1,810	£2,228	£2,395	£1,949
300	329	£570	£1,520	£1,703	£1,976	£2,432	£2,615	£2,128
330	359	£618	£1,647	£1,844	£2,141	£2,635	£2,833	£2,306
360	389	£666	£1,775	£1,988	£2,307	£2,840	£3,053	£2,485
390	419	£714	£1,903	£2,131	£2,474	£3,045	£3,273	£2,664
420	449	£762	£2,031	£2,275	£2,640	£3,249	£3,493	£2,843
450	479	£990	£2,641	£2,958	£3,433	£4,225	£4,542	£3,949
480	509	£990	£2,641	£2,958	£3,433	£4,225	£4,542	£3,949
510	539	£990	£2,641	£2,958	£3,433	£4,225	£4,542	£3,949
540	569	£990	£2,641	£2,958	£3,433	£4,225	£4,542	£3,949
570	599	£1,001	£2,669	£2,990	£3,470	£4,271	£4,591	£3,949
600	629	£1,035	£2,761	£3,092	£3,589	£4,417	£4,749	£3,949
630	659	£1,069	£2,851	£3,193	£3,706	£4,562	£4,904	£3,991
660	689	£1,103	£2,942	£3,296	£3,825	£4,708	£5,061	£4,119
690	719	£1,137	£3,033	£3,396	£3,942	£4,852	£5,216	£4,246
720	749	£1,171	£3,123	£3,497	£4,059	£4,996	£5,371	£4,408
750	779	£1,205	£3,214	£3,600	£4,178	£5,143	£5,528	£4,580
780	809	£1,239	£3,304	£3,701	£4,295	£5,287	£5,683	£4,753
810	839	£1,273	£3,396	£3,803	£4,414	£5,433	£5,840	£4,926
840	869	£1,307	£3,486	£3,904	£4,531	£5,577	£5,995	£5,097
870	899	£1,341	£3,577	£4,006	£4,650	£5,723	£6,153	£5,271
900	929	£1,375	£3,667	£4,107	£4,767	£5,868	£6,308	£5,443
930	959	£1,409	£3,757	£4,208	£4,885	£6,012	£6,463	£5,617
960	989	£1,443	£3,849	£4,311	£5,003	£6,158	£6,620	£5,788
990	1,019	£1,477	£3,939	£4,412	£5,121	£6,302	£6,775	£5,961

**Comments:** Further information on the 6–8 loadband can be found in paragraph 337c concerning the funding of very short courses in 2007/08.

## Annex B:

# Programme Weightings by Subject Codes

1 Different qualifications in some sub-categories may attract different programme-weighting factors. Table B1 shows the most likely programme-weighting factors. The learndirect codes that have replaced the superclass II codes are indicated.

2 Individual qualifications should be checked against the latest version of the Learning Aims Database. Where anomalies in the database are identified, colleges and providers are asked to notify their local LSC.

**Table B1: Programme weightings by subject codes.**

Code	Title	Most likely programme-weighting factor	
<b>A</b>	<b>Business/management/office studies</b>		
AA	business/finance	A	
AB	management (general)	A	
AC	public administration	A	
AD	international business studies	A	
AE	enterprises	A	
AF	management skills (specific)	A	
AG	management planning and control systems	A	
AJ	human resources management	A	
AK	financial management/accounting	A	
AL	financial services	A	
AM	call centres	A	
AY	office skills/administration	A	
AZ	typewriting/shorthand/secretarial skills	A	
<b>B</b>	<b>Sales, marketing and retailing</b>		
BA	marketing/public relations	A	
BB	export/import/European sales	A	
BC	retailing/wholesaling/distributive trades	A	
BD	retailing (specific)	A	
BE	sales work	A	
BF	e-commerce	A	
<b>C</b>	<b>Information technology and information</b>	<b>Entry and Level 1</b>	<b>Level 2 and 3</b>
CJ	computer technology	B	C
CK	computer science/computer systems	B	C
CL	software engineering	B	C
CM	computer operations	B	C
CN	computer use	A	B
CP	using software and operating systems	A	B
CQ	using text/graphics/multimedia software	A	B
CR	using Internet software	A	B
CS	software for specific subjects/industries	A	B
CX	information work/information use	A	A
CY	information systems/management	B	C
CZ	libraries/librarianship	A	A

Table B1 (Continued).

Code	Title	Most likely programme-weighting factor
<b>D</b>	<b>Humanities (history/archaeology/religious studies/philosophy)</b>	
DA	humanities/general studies/combined studies	A
DB	history	A
DC	archaeology	B
DD	religion	A
DE	philosophy	A
DF	classics	A
<b>E</b>	<b>Politics/economics/law/social sciences</b>	
EA	government/politics	A
EB	economics	A
EC	law	A
ED	social sciences	A
EE	social studies	A
<b>F</b>	<b>Area studies/cultural studies/languages/literature</b>	
FB	culture/gender/folklore	A
FC	literature	A
FJ	linguistic studies	A
FK	languages	A
FM	area/diaspora studies	A
	all English for speakers of other languages (ESOL)	F
<b>G</b>	<b>Education/training/teaching</b>	
GA	education/training/learning (theory)	B
GB	teaching/training	B
GC	teaching/training (specific subjects)	B
GD	education/school administration	B
GF	careers/education guidance work	B
<b>H</b>	<b>Family care/personal development/personal care and appearance</b>	
HB	personal and self-development	A
HC	career change/access	A
HD	basic skills	F
HE	personal finance/consumerism/rights	A
HF	parenting/carers	A
HG	people with disabilities (skills/facilities)	B
HH	crisis/illness/self-help	A
HJ	personal health/fitness/appearance	A
HK	therapeutic personal care	C
HL	hair/personal care services	C
<b>J</b>	<b>Arts and crafts</b>	
JA	art studies	C
JB	art techniques/practical art	C
JC	design (non-industrial)	C
JD	museum/gallery/conservation skills and studies	B
JE	collecting/antiques	B
JF	arts and crafts(leisure/combined)	B
JG	decorative crafts	B
JH	decorative metal crafts/jewellery	C
JK	fashion/textiles/clothing (craft)	C
JL	fabric crafts/soft furnishings	C
JP	wood cane and furniture crafts	D
JR	glass/ceramics/stone crafts	C

Table B1 (Continued).

Code	Title	Most likely programme-weighting factor
<b>K</b>	<b>Communication/media/publishing</b>	
KA	communication/media	A
KB	communication skills	A
KC	writing (authorship)	A
KD	journalism	A
KH	print and publishing	D
KJ	moving image/photography	C
<b>L</b>	<b>Performing arts</b>	
LA	performing arts (general)	B
LB	dance	B
LC	theatre and dramatic arts	B
LD	variety circus and modelling	B
LE	theatre production	C
LF	music history/theory	B
LG	music of specific kinds/cultures	B
LH	music performance	E
LJ	music technology	D
<b>M</b>	<b>Sports games and recreation</b>	
MA	sports studies/combined sports	B
MB	air sports	B
MC	water sports	B
MD	athletics, gymnastics and combat sports	A
ME	wheeled sports	B
MF	winter sports	B
MG	ball and related games	A
MH	country/animal sports	E
MJ	indoor games	B
<b>N</b>	<b>Catering/food/leisure services/tourism</b>	
NA	hospitality/catering (general)	C
NB	food/drink services	C
NC	catering operations	C
ND	hospitality operations	C
NE	baking/dairy/food and drink processing	C
NF	cookery	C
NG	home economics	C
NH	food science/technology	B
NK	tourism/travel	A
NL	leisure/sports facilities work	A
NM	country leisure facilities work	E
NN	arts/culture/heritage administration	A
	all NVQs in baking and food preparation	D



Table B1 (Continued).

Code	Title	Most likely programme-weighting factor
<b>P</b>	<b>Health care/medicine/health and safety</b>	
PA	health care management/health studies	B
PB	medical sciences	B
PC	complementary medicine	B
PD	paramedical services/supplementary medicine	A
PE	medical technology/pharmacology	B
PF	dental services	B
PG	ophthalmic services	B
PH	nursing	B
PJ	semi-medical/physical/psycho-therapies	B
PK	psychology	A
PL	health and safety	B
PR	social/family/community work	B
PS	crisis support/counselling/advice work	B
PT	caring skills	B
PV	first aid	B
<b>Q</b>	<b>Environment protection/energy/cleansing/security</b>	
QA	environmental protection/conservation	B
QB	energy economics/management/conservation	B
QC	pollution/pollution control	B
QD	environmental health/safety	B
QE	cleansing	B
QG	funerary services	A
QH	security/police/armed forces	A
QJ	fire and rescue services	B
<b>R</b>	<b>Sciences and maths</b>	
RA	science	B
RB	mathematics	A
RC	physics	B
RD	chemistry	B
RE	astronomy/space science	B
RF	earth sciences	B
RG	land and sea surveying/cartography	C
RH	life sciences	B
RJ	materials science	B
RK	agricultural science	B
RL	pathological sciences	B
<b>S</b>	<b>Agriculture/horticulture/animal care</b>	
SA	agriculture/horticulture (general)	E
SC	crop protection/fertilisers/by-products	E
SD	crop husbandry	E
SE	gardening/floristry	E
SF	amenity horticulture	E
SG	forestry/timber production	E
SH	animal husbandry	E
SJ	fish production/fisheries	E
SK	agricultural/horticultural engineering/farm machinery	D
SL	agricultural/horticultural maintenance	E
SM	rural/agricultural business organisation	B
SN	veterinary services	D
SP	pets/domestic animal care	D
SQ	land-based studies	E

Table B1 (Continued).

Code	Title	Most likely programme-weighting factor
<b>T</b>	<b>Construction and property (built environment)</b>	
TA	built environment (general)	C
TC	property (surveying/planning/development)	A
TD	building design/architecture	B
TE	construction	C
TF	construction management	C
TG	building/construction operations	C
TH	building maintenance/services	C
TJ	interior design/fitting/decoration	C
TK	construction site work	C
TL	civil engineering	C
TM	structural engineering	C
	all NVQs in construction	D
<b>V</b>	<b>Services to industry and commerce</b>	
VD	quality and reliability management	A
VE	industrial control/monitoring	C
VF	industrial design/research and development	C
VG	engineering services	C
VH	facilities management	A
VJ	contracting (business/industry)	A
	all NVQs in engineering services	D
<b>W</b>	<b>Manufacturing/production work</b>	
WA	manufacturing (general)	C
WB	manufacturing/assembly	C
WC	instrument making/repair	C
WD	testing measurement and inspection	C
WE	chemical products	B
WF	glass/ceramics/concretes manufacture	C
WG	polymer processing	C
WH	textiles/fabrics (industrial)	D
WJ	leather footwear and fur	D
WK	woodworking/furniture manufacture	C
WL	paper manufacture	C
WM	food/drink/tobacco (industrial)	C
	all manufacturing NVQs (WA and WB)	D
<b>X</b>	<b>Engineering</b>	
XA	engineering/technology	C
XD	metals working/finishing	C
XE	welding/joining	D
XF	tools/machining	C
XH	mechanical engineering	C
XJ	electrical engineering	C
XK	power/energy engineering	C
XL	electronic engineering	C
XM	telecommunications	C
XN	electrical/electronic servicing	C
XP	aerospace/defence engineering	C
XQ	ship and boat building/marine/offshore engineering and maintenance	C
XR	road vehicle engineering	C
XS	vehicle maintenance/repair/servicing	C
XT	rail vehicle engineering	C
	all NVQs in engineering	D

Table B1 (Continued).

Code	Title	Most likely programme-weighting factor
<b>Y</b>	<b>Oil/mining/plastics/chemicals</b>	
YA	mining/quarrying/extraction	C
YB	oil and gas operations	C
YC	chemicals/materials engineering	B
YD	metallurgy/metals productions	C
YE	polymer technology	C
<b>Z</b>	<b>Logistics/distribution/transport/driving</b>	
ZH	logistics	A
ZN	purchasing/procurement and sourcing	A
ZP	distribution	A
ZQ	transport services	A
ZR	aviation	A
ZS	marine transport	A
ZT	rail transport	A
ZV	road transport	A
ZX	driving/road safety	A
	<b>GCE A-levels, GCE AS-levels, GCSEs and short-learning aim GCSEs, with the exception of those listed below</b>	A
	Agricultural science	B
	Applied physics	B
	Archaeology	B
	Art and design	B
	Astronomy	B
	Biology	B
	Botany	B
	Building studies	B
	Catering	B
	Chemistry	B
	Communications studies	B
	Computer science	B
	Craft and design	B
	Dance	B
	Design and technology	B
	Drama	B
	Earth science	B
	Electronics	B
	Engineering	B
	Engineering and technology	B

Table B1 (Continued).

Code	Title	Most likely programme-weighting factor
	Environmental science	B
	Fashion and textiles	B
	Film studies	B
	Geography	B
	Geology	B
	Graphical communication	B
	Home economics	B
	Human biology	B
	Information studies	B
	Information technology	B
	Land surveying	B
	Marine navigation	B
	Media studies	B
	Meteorology	B
	Motor vehicle	B
	Music	B
	Performing arts	B
	Photography	B
	Physics	B
	Psychology	B
	Science	B
	Social biology	B
	Textiles	B
	Theatre studies	B
	Zoology	B

## Annex C:

# Jobseeker's Allowance, Tax Credits and Pension Credits

### Jobseeker's Allowance

- 1 The Jobseeker's Allowance (JSA) Regulations 1996 (the JSA Regulations) contain rules on study by people who are unemployed and receiving benefit. Full-time learners (excluding those on programmes enabling them to study on a full-time basis, such as New Deal for people over 25 who have been unemployed for two years or more) will continue to be excluded from benefit as unemployed people. People undertaking part-time programmes will be able to receive JSA provided that they meet the conditions of entitlement, including being available for and actively seeking employment. In the case of provision wholly or partly funded by the LSC, the JSA Regulations will define programmes of no more than an average of 16 glh per week as part time.
- 2 The JSA Regulations also provide that the learning agreement, signed on behalf of the college and provider, but not any other document, will provide evidence of a learner's average glh for the purposes of determining entitlement to benefit. Colleges and providers should note that the learning agreement has a legal status in the context of JSA and should be prepared to make the original document available for inspection by Jobcentre Plus or central adjudication service staff if required.

### Working Tax Credit

- 3 In April 2003, two new tax credits, comprising a Working Tax Credit (WTC) and a Child Tax Credit (CTC), were introduced to replace the existing Working Families' and Disabled Person's tax credits and (benefit-related) child support payments. People claiming these credits will be provided with an award notice on form TC602, issued by HM Revenue and Customs.
- 4 Learners, or their partner, in receipt of WTC may be eligible for fee remission and should be asked to produce the award notice. The award notice will state the nature and amount of the award on page 1 of the notice and will detail whether it is for WTC or CTC only, or for both. Only those learners in receipt of WTC, or their partner, and with a household income of less than £15,050, will be eligible for full fee remission. Learners claiming fee remission based on WTC should be asked to produce the award notice. If the award notice is lost, learners should be advised to ask their tax credit office for a duplicate. Photocopies of award notices are not acceptable.
- 5 This figure is based on advice received from the Prescription Pricing Authority.
- 6 The required evidence is provided on pages 1 and 2 of the award notice. The 'Tax credits award' box on page 1 will indicate if WTC has been awarded, and the 'Your income' section on page 2 will confirm the household income. A personal income of less than £15,050 is not acceptable evidence.

### Child Tax Credit

- 7 Learners claiming CTC only will not be eligible for fee remission unless they are in receipt of another means-tested benefit or if they are an eligible partner of a WTC recipient as specified in paragraphs 3 and 4 above. Learners with a household income of £15,050 or above will only be eligible for fee remission if they are receiving another means-tested benefit.
- 8 If an award notice is lost, the tax office should be asked for a duplicate. Photocopies of award notices are not acceptable.

9 If learners require guidance on applying for tax credits, they may call the Tax Credit Office Helpline on 0845 609 5000, which can also provide them with an application pack if they are eligible.

## Pension Credit

10 From 6 October 2003, Pension Credit replaced Minimum Income Guarantee for people aged 60 and over. There are two elements of Pension Credit:

- Guarantee Credit, which provides a contribution to a guaranteed minimum income for those aged 60 and over
- Savings Credit, which may reward pensioners aged 65 and over for modest income and savings they have in retirement.

11 The Pension Service will issue to people claiming Pension Credit an award notice, 'How Pension Credit has been worked out', which will show the amount of each element of the award under the section headed 'Your Pension Credit'.

12 Learners in receipt of Guarantee Credit (on its own or with Savings Credit) will be eligible for fee remission and should be asked to produce the award notice.

13 Learners awarded Savings Credit only will not be eligible for fee remission unless they are in receipt of another means-tested benefit.

14 If an award notice is lost, the relevant Pension Service office should be asked for a replacement. Photocopies of award notices are not acceptable as evidence of eligibility for tuition-fee remission.



## Annex D:

# Learning Programmes and their Corresponding Start Periods

<sup>1</sup> Table D1 shows the start periods for learning programmes in 2007/08.

**Table D1: Learning programmes and their corresponding start periods.**

Learning programme	Start period
Starts between 1 Aug and 1 Oct 2007	Autumn 2007 (1 Aug–31 Dec)
Starts and finishes between 2 Oct and 31 Dec 2007	Autumn 2007 (1 Aug–31 Dec)
Starts between 2 Oct and 31 Dec 2007 and continues into the next triannual period	Spring 2008 (1 Jan–30 Apr)
Starts between 1 Jan and 1 Feb 2008	Spring 2008 (1 Jan–30 Apr)
Starts and finishes between 2 Feb and 30 Apr 2008	Spring 2008 (1 Jan–30 Apr)
Starts between 2 Feb and 30 Apr 2008 and continues into the next triannual period	Summer 2008 (1 May–31 Jul)
Starts between 1 May and 15 May 2008	Summer 2008 (1 May–31 Jul)
Starts and finishes between 16 May and 31 Jul 2008	Summer 2008 (1 May–31 Jul)
Starts between 16 May and 31 Jul 2008 and continues into the next teaching year	Autumn 2008 (1 Aug–31 Dec)

## Annex E:

# Determining when a Basic Skills Learner is Entitled to the Disadvantage Uplift

### Introduction

- 1 There are two fields in the ILR, both in the Learner Data Set, that trigger the claim for the disadvantage uplift (formerly known as the widening-participation factor). Field L32 confirms whether a learner is eligible for the uplift, and field L33 identifies the percentage level of uplift.
- 2 In this instance the significant field is L32. The guidance that follows is intended to clarify when this field can be completed with code 71, that is, implying the study of a basic skills programme.

### Background

- 3 Further Education Funding Council (FEFC) Circular 99/42: *Extension of the Widening Participation Factor for 1999–2000*, confirmed the arrangements for extending the widening-participation factor to additional specific groups of students for 1999–2000. Basic skills students were one of these additional specific groups of students. The widening-participation factor is now called the disadvantage uplift.
- 4 Paragraph 15 of FEFC Circular 99/42 states: 'A student is considered to be a basic skills student if all or most of their programme comprises basic skills qualifications. Institutions should use their judgement in determining whether a student's programme of study is primarily focused on basic skills.'
- 5 This paragraph has sometimes been interpreted as meaning that if 50 per cent of the glh comprising a learner's programme of study are connected to basic skills learning aims, then the learner would be entitled to the disadvantage uplift, as the learner is a basic skills learner. Code 71 would therefore be entered in field L32.
- 6 Whilst the '50 per cent rule' has a mathematical neatness and provides a simple cut-off to allow institutions to apply their judgement, it also has a number of disadvantages, as shown by the following examples.
  - A programme of study comprising 49 per cent basic skills, 26 per cent on a vocational taster and 25 per cent on another such taster could clearly be argued to be 'primarily focused on basic skills'.
  - A learner may begin by studying a basic skills learning aim and nothing else, and is then clearly eligible for the disadvantage uplift. However, if the learner then enrolls on a non-basic skills learning aim that is larger than the initial basic skills one, he or she is no longer eligible for the uplift. The college would have to amend the learner record, which adds to the bureaucracy. This could arise more than once, depending on the pattern of enrolment during the year.

### Determination

- 7 A learner will be deemed to be a basic skills learner, and therefore entitled to the disadvantage uplift allocated to such learners, if his or her learning programme meets at least one of the following criteria.

- a It consists of a single learning aim that is an approved basic skills qualification, or is based on (referenced to) the National Standards for Adult Literacy or Numeracy, that is, a learning aim that attracts the programme weighting of 1.4. Note that GCSE qualifications in Mathematics or English (for all learners) and key skills qualifications in communication and application of number up to and including Level 2 (for full-time 16–18-year-old learners) do not attract the 1.4 programme weighting and therefore do not count towards entitlement to the disadvantage uplift.
- b It consists of two or more learning aims, all of which are basic skills learning aims attracting the 1.4 programme weighting. In this case, 100 per cent of the learning programme is focused on basic skills.
- c It comprises more than one learning aim, at least one of which is a basic skills learning aim attracting the 1.4 programme weighting; and 50 per cent or more of the glh delivered in any academic year are connected to basic skills learning aims. The learner can then be counted as a basic skills learner.
- d It comprises more than one learning aim, at least one of which is a basic skills learning aim attracting the 1.4 programme weighting; and the basic skills learning aim(s) involve at least 80 glh in any academic year. (The figure of 80 glh has been calculated from a statistical analysis of the number of glh per learner on basic skills learning aims attracting the 1.4 programme weighting.) The learner can then be counted as a basic skills learner. This will apply no matter how many glh are delivered on the remaining (that is, the non-basic skills) learning aims that comprise the learning programme.
- e In exceptional cases, if the learning programme does not meet the numerical thresholds described in criteria (c) and (d) above, the local LSC and the college can agree jointly that in their judgement the student's programme of study is 'primarily focused on basic skills'. It is expected that, in these cases, the number of glh connected to the basic skills learning aims would still approach the figures in (c) and (d) above. LSC partnership teams would need to confirm their agreement in writing to the college.

# Annex F:

## Funding the Embedded Delivery of Basic Skills Provision

### Introduction

- 1 This annex explains how the embedded (or integrated) delivery of literacy, numeracy or language (ESOL) provision with vocational or other skills is funded and how it should be recorded on the Individualised Learner Record (ILR).

### Background

- 2 The LSC is aware that there has been some confusion in the sector about how to fund the delivery of embedded basic skills provision. For the purposes of this annex, 'embedded teaching and learning' is defined as follows:

*Embedded teaching and learning combines the development of literacy, language (ESOL) and numeracy with vocational and other skills. The skills acquired provide learners with the confidence, competence and motivation necessary for them to succeed in qualifications, in life and at work.*

- 3 Embedded basic skills combines the delivery of literacy, language (ESOL) or numeracy learning aims with other learning aims.
- 4 There is no single learning aim recognised as an embedded basic skills learning aim, and the LSC does not recognise this concept for funding purposes.
- 5 It follows that embedding basic skills is an approach to curriculum delivery and involves at least one vocational learning aim and one basic skills learning aim. What is required, therefore, is that the teaching and learning of both the vocational and the basic skills learning aims are acknowledged and recorded.

### Funding Embedded Basic Skills Provision

- 6 For funding purposes, an embedded approach requires two or more learning aims to be in place; one for the vocational programme and the other for the additional literacy, language (ESOL) or numeracy programme. Learners will be enrolled on both these learning aims, and funding will be drawn down accordingly. Only the basic skills learning aim will be eligible for the 1.4 programme weighting. The vocational learning aim will be paid at the usual programme weighting for that subject.
- 7 There is a generally held misconception that provided at least 50 per cent of a course comprises basic skills, then the 1.4 uplift would apply to the whole course (sometimes referred to as the '50 per cent rule'). This is not the case: each learning aim receives its related programme weighting.
- 8 Where learners are following multi-learning aim programmes that include basic skills learning aims, they may be eligible for the basic skills disadvantage uplift. Annex E to this Guidance describes in detail how to determine when a basic skills learner is entitled to the disadvantage uplift.

## Recording Embedded Basic Skills Provision

- 9 The teaching and learning of both the vocational and the basic skills learning aims should be recorded. The ILR should contain a separate learning aim record for each learning aim. The learning aim reference (field A09) determines the appropriate programme weighting, as identified by the Learning Aims Database (LAD). The start and planned end dates (fields A27 and A28) plus the number of glh (field A32), will determine the size of each learning aim and the overall learning programme. Where basic skills are embedded within a vocational learning aim, the overall size of the learning programme must be greater than the vocational learning aim delivered in a traditional manner, that is, on its own.
- 10 Register details will confirm that the teaching has been delivered for both (or all) learning aims involved in the programme.

## Annex G:

# Area-costs Uplift by Region

Table G1: Area-costs uplift by region.

London A 1.20	London B 1.12
Camden	Barking and Dagenham
Greenwich	Bexley
Islington	Havering
Kensington and Chelsea	Redbridge
Lambeth	Barnet
Southwark	Enfield
Westminster	Waltham Forest
Wandsworth	Bromley
Hackney	Croydon
Tower Hamlets	Kingston upon Thames
Lewisham	Merton
Newham	Richmond upon Thames
Haringey	Sutton
Hammersmith	Brent
Fulham	Ealing
	Harrow
	Hillingdon
	Hounslow
Bedfordshire and Hertfordshire Non-fringe 1.03	
Bedfordshire County Council	North Hertfordshire
Bedford	South Bedfordshire
Luton	Stevenage
Mid-Bedfordshire	



Table G1 (Continued).

<b>Berkshire, Surrey and West Sussex Fringe 1.12</b>	
Surrey County Council	Runnymede
Bracknell Forest	Slough
Crawley	Spelthorne
Elmbridge	Surrey Heath
Epsom and Ewell	Tandridge
Guildford	Waverley
Mole Valley	Windsor and Maidenhead
Reigate and Banstead	Woking
<b>Berkshire Non-fringe 1.12</b>	
Reading	Wokingham
West Berkshire	
<b>Buckinghamshire Non-fringe 1.07</b>	
Aylesbury Vale	Milton Keynes
Wycombe	
<b>Hampshire and Isle of Wight 1.02</b>	
Basingstoke and Deane	Isle of Wight
East Hampshire	New Forest
Eastleigh	Portsmouth
Fareham	Rushmoor
Gosport	Southampton
Hampshire County Council	Test Valley
Hart	Winchester
Havant	

Table G1 (Continued).

<b>Hertfordshire and Buckinghamshire Fringe 1.10</b>	
Broxbourne	South Buckinghamshire
Chiltern	St Albans
Dacorum	Three Rivers
East Hertfordshire	Watford
Hertsmere	Welwyn Hatfield
<b>Kent and Essex Fringe 1.06</b>	
Basildon	Harlow
Brentwood	Sevenoaks
Dartford	Thurrock
Epping Forest	
<b>Oxfordshire 1.07</b>	
Oxfordshire County Council	West Oxfordshire
Cherwell	Oxford
South Oxfordshire	Vale of White Horse
<b>West Sussex Non-fringe 1.01</b>	
Adur	Arun
Chichester	Horsham
Mid-Sussex	Worthing

## Annex H:

# Example of the Maximum Funding per Learner in Operation

- 1 The following example is based on a full-time learner studying an NVQ plus three individually listed learning aims.
- 2 The funding for 16–18 entitlement is not subject to the maximum funding per learner, and is removed from the calculation. Learner programmes funded at base rates of above £1,196 per triannual period retain two-thirds of the national base rate funding above £1,196. The maximum national base rate per triannual period that may be claimed is £1,525.

**Table H1: Example of the maximum funding by learner in operation.**

Aim	Base rate period 1	Base rate period 2	Base rate period 3	Explanation
NVQ	£1,017.33	£1,017.33	£1,017.33	Base rate for an individually listed full-time NVQ with start and end dates in the same year
Individually listed aim 1	£135.83	£135.83	£135.83	Individually listed aim (at £407.48) crossing three census periods in the same year
Individually listed aim 2	£83.38	£83.38		Individually listed aim (at £166.76) crossing two census periods in the same year
Individually listed aim 3	£325.98	£325.98	£325.98	Loadbanded aim (140 glh PWF C) crossing three census periods in the same year
<b>Base rate total per period</b>	<b>£1,562.52</b>	<b>£1,562.52</b>	<b>£1,479.14</b>	Total unweighted base rate for each period
Maximum funding per learner lower limit	£1,196.00	£1,196.00	£1,196.00	Threshold where maximum funding per learner starts to restrict funding
Amount above threshold	£366.52	£366.52	£283.14	That part of the unweighted national base rate above the threshold, that is, the difference between the base rate per period and the maximum funding per learner lower limit
Reduced amount above threshold	£244.35	£244.35	£188.76	Amount retained above threshold (two-thirds of the amount above threshold)
Final base rate value	£1,440.35	£1,440.35	£1,384.76	The final national base rate value per period. Note that the value can be different in different periods in the same year, due to the start and end dates of individual aims
Maximum funding per learner factor	0.92181	0.92181	0.93619	The maximum funding per learner factor for each period. The maximum funding per learner factor is the reduced value divided by the base rate total per period

*PWF = programme-weighting factor*

## Annex I:

# Calculation of Franchise Discount as Applied to LSC FE Funding

1 The following example is based on loadbanded provision.

**Table I1: Calculation of franchise discount as applied to LSC FE funding.**

	Calculating franchise discount	Programme weighting		Calculation
		A	B	
1.1	National base rate for a loadbanded learning aim of 60 glh	£407	£530	
1.2	Assumed fee element in national base rate	-£153	-£153	Fee element is always unweighted.
1.3	Base rate less the fee element	£254	£377	
1.4	Discount of one-third to unweighted national base rate (that is, £254 regardless of programme weighting), less assumed fee income for franchise provision	-£85	-£85	The cash deduction for all programme weightings B to E is that calculated for programme weighting A.
1.5	LSC funding available after application of discount and assuming no entitlement to fee remission. In effect, the assumed fee element is increased from 37.5 per cent to 58 per cent of the national base rate	£169	£292	1.3-1.4

2 The discount was originally calculated by the FEFC to represent the lower costs of franchise provision. The discount is not applied to programme weightings. As shown in the example above, for any programme the reduction in funding is the same cash value for all weightings.

### Funding of Franchised Provision

3 Further advice and guidance on the differences between partner provider and franchise provision is given in paragraphs 338-345 of this Guidance and in Section 3 (Table 1 in particular) of *FE ILR Funding Compliance Advice 2007/08*. These confirm that the franchise discount factor of 0.67 should be applied to all franchise provision other than for provision:

- where the learner involved attracts a disadvantage uplift; or
- that is community-based and normally within non-profit-making bodies; or
- the provider's LSC partnership team has consented in advance of the delivery of the provision to waive the franchise discount on cost grounds.

# Annex J:

## Guidance on Completing the Additional Learning Support Costs Form for Providers

### Introduction

- 1 Providers can claim funding for additional learning support (ALS) if the costs of the ALS provided fall into one of the ALS cost bands included in Annex K to this Guidance. Providers that are planning to increase significantly the number of learners requiring ALS should contact their LSC partnership team.
- 2 All providers will be expected to manage their ALS block allocation accordingly to meet the needs of learners up to £19,000. Estimated costs of providing ALS should continue to be included in all providers' ILR returns. This will support provider budget management and allow the LSC to demonstrate value for money.

### Plan-led Funding Providers

- 3 All plan-led funding providers should consider the advice in Section 8 paragraphs 435–437 in this Guidance and in Section 4 of *FE ILR Funding Compliance Advice 2007/08* in determining how they evidence expenditure on learners below the £4,500 band. It is likely that plan-led funding providers will want to show in their ILR and funding returns their actual expenditure during the year but compiled on the same simplified basis used to determine their allocation. In this way, they will avoid some of the unnecessary bureaucracy around individual costed support forms but still provide their local LSC with information on their movement in costs during the year to assist in future discussions of ALS funding allocations. In producing any global costing, providers must ensure that the whole of their global costing complies with the guidance on individual ALS claims.
- 4 The guidance below must, however, be followed in full for all learners with ALS claims above the £4,500 band.

### All Providers: Initial Assessment of Learning Support Needs

- 5 The provision of ALS will be identified through the assessment and diagnosis of learner needs. This is the critical process, and should not differ between those colleges and providers who are in or out of scope for plan-led funding.
- 6 The evidence for claiming ALS funding (that is, the completed form) is the outcome of the process of initial assessment for learning support. The form is available on the LSC's website ([www.lsc.gov.uk/Search.htm?Term=als+costs+form&Search=1](http://www.lsc.gov.uk/Search.htm?Term=als+costs+form&Search=1)).
- 7 This initial assessment process generally occurs at the pre-entry and entry stages of the learning programme, and may be considered to have three main elements:
  - initial identification of the learners who will need learning support
  - detailed assessment of their learning support needs
  - development of a plan to provide ALS.

- 8 Providers will use a range of assessment instruments and strategies throughout the learning programme to identify individuals' ALS needs. The assessments carried out should be relevant and identify individuals' needs within the context of the curriculum they will be following. There is no standard assessment method that providers should use, and providers will make their own judgements as to the most relevant assessment methods and materials to use for particular learners.
- 9 Once the provision required to meet an individual's ALS needs has been identified, it can be costed and the ALS costs form completed. This stage of the process will typically take place during the induction phase of the learning programme.
- 10 There are some learners who will have needs that are not identified during the pre-entry and entry stages. It is important that, as soon as these needs are identified, an assessment is carried out and the ALS costs form completed. An individual's learning support needs may change during the programme and, if a review of that person's needs leads to a significant change in the provision being offered to him or her, the form should be revised. This is particularly important where the change in provision may lead to a change in the ALS cost band into which the support costs fall.
- 11 Possible stages in the process of identifying and providing ALS are set out in Table J1.

**Table J1: Stages in the process of identifying and providing additional learning support.**

Timing	Process	LSC requirements
Previous provider year	Strategic planning, including activities such as liaison with schools and multi-agency planning	Strategic plan, which includes a needs analysis of learners with learning difficulties and/or disabilities
February of previous year	Estimate of numbers of individuals requiring ALS and the scale of their needs	Provision of supporting information to LSC partnership team, including an estimate of the amount of ALS funding required
Pre-entry or entry	Initial identification of needs: that is, admission and induction processes, and detailed assessment of each individual's ALS needs	Back-up evidence for the ALS costs form
Entry or induction	Development of a plan to support learning, and costing of ALS that is to be provided	Completion of the ALS costs form
On programme	Regular review of ALS needs	Revision of the ALS costs form as required
Achievement	Identifying support requirements for end-of-programme review, assessment and accreditation	Estimate of costs to be included in ALS costings

### Providing Audit Evidence of Additional Learning Support

- 12 In planning their provision for 2007/08, providers will have prepared an estimate of the funding for ALS required for the year. The estimate of this funding will draw on information derived from strategic planning activities, including multi-agency collaboration, school links, careers information and other activities.
- 13 Once the learners are engaged on their learning programmes, the provider is required to maintain evidence of the ALS being provided in order to account for the ALS funding claimed.
- 14 The ALS costs form provides information on the costs of providing ALS. It will form part of the audit evidence to be retained by the provider in support of its claim for ALS funds. In addition, providers should have available evidence of the assessments that were carried out as part of the process of identifying the support required by the individual.

- 15 The process of initial assessment for learning support should be integrated into the other processes carried out during the entry phase of the learning programme. Providers should consider how the various documents and auditable evidence required for the entry element are co-ordinated.

### Costing Additional Learning Support

- 16 The outcome of the initial assessment is an ALS plan that details the provision a learner will need in order to achieve his or her learning aims. This provision should be costed as part of the process of completing the ALS costs form. The costings used in completing the form should reflect the actual costs borne by the provider. Providers should adopt costing formulas that reflect the variations in their provision.

- 17 The following points may be helpful when costing the provision.

- Providers should not include overhead costs such as central services or premises costs in the calculation of additional costs, as these are already met from the base unit of resource in recurrent funding.
- Additional teaching costs should be based on staff salaries plus on-costs and contracted hours.
- Costs for support staff could be calculated in the same way as additional teaching costs are.
- The costings should relate to direct learning support for individual learners. The costs of a learning-support co-ordinator may be included where the member of staff concerned is providing direct support to an individual learner.
- Where learners are on a discrete programme, the additional costs of teaching smaller groups of learners can be included on the form. Before claiming any additional costs, providers should reassure themselves that there is a clear rationale for restricting the size of the group, based on the needs and characteristics of the learners.
- Providers should calculate the additional costs by subtracting the average teaching cost for each learner on a standard programme from the teaching cost for each learner on a discrete learning aim. The costs of any other additional learning support provided within a discrete programme should also be included in the costing.
- Providers may include a depreciation charge for capital equipment on the form. This should be calculated by dividing the cost of specialist equipment by the estimated number of years of its expected life.
- The costs of any assessments required to identify equipment needs can be included in the costing of initial assessment.
- Maintenance of equipment, and training for the learner in the use of the equipment, can also be included.
- Where a learner needs to have his or her learning materials adapted, the cost of preparation can be included in the form. This may involve tutor, administrator or support-staff costs.
- The cost of providing ALS during assessment of achievement should be included. This might include, for example, extra examination invigilator time, a note-taker or an amanuensis.
- The cost of transport can be included within the form where the learner is being transported between provider sites or where transport to a particular place is an integral part of meeting the learner's learning support needs, for example, as part of learners' mobility training.
- Administrative costs in excess of the usual requirements for an individual can be included in the costings. For example, this could include liaison time with other agencies and time spent negotiating special examination facilities.



## Annex K:

# Additional Learning Support Bands 2007/08

Table K1: Additional learning support bands in 2007/08.

Band	ALS costs per learner per year (£)	Rate per learner per year (£)
0	170–500 (for part-time students only)	335
1	501–1,000	751
2	1,001–1,500	1,251
3	1,501–2,000	1,751
4	2,001–2,500	2,251
5	2,501–3,000	2,751
6	3,001–3,500	3,251
7	3,501–4,000	3,751
8	4,001–4,500	4,251
9	4,501–5,000	4,751
10	5,001–5,500	5,251
11	5,501–6,000	5,751
12	6,001–6,500	6,251
13	6,501–7,000	6,751
14	7,001–7,500	7,251
15	7,501–8,000	7,751
16	8,001–8,500	8,251
17	8,501–9,000	8,751
18	9,001–9,500	9,251
19	9,501–10,000	9,751
20	10,001–10,500	10,251
21	10,501–11,000	10,751
22	11,001–11,500	11,251
23	11,501–12,000	11,751
24	12,001–12,500	12,251

Table K1 (Continued).

Band	ALS costs per learner per year (£)	Rate per learner per year (£)
25	12,001–12,500	12,251
26	13,001–13,500	13,251
27	13,501–14,000	13,751
28	14,001–14,500	14,251
29	14,501–15,000	14,751
30	15,001–15,500	15,251
31	15,501–16,000	15,751
32	16,001–16,500	16,251
33	16,501–17,000	16,751
34	17,001–17,500	17,251
35	17,501–18,000	17,751
36	18,001–18,500	18,251
37	18,501–19,000	18,751

## Annex L:

# The National Rates Advisory Group

- 1 The National Rates Advisory Group (NRAG) was established at the inception of the LSC in 2001. Its main purpose is defined as advising the chief executives of the LSC and Jobcentre Plus on the factors influencing the **relative** costs of provision across the learning and skills sector. It has commissioned research on key issues such as area costs, programme weightings and disadvantage. It undertakes detailed work to ensure that changes in the pattern of provision for client groups are reflected in the LSC's funding systems.
- 2 The new funding approach being developed for 2008/09 and beyond is intended, over time, to provide a consistent system for all parts of the learning and skills sector. Within the funding formula, the key elements are a measure of learner volumes (standard learner numbers) and a provider factor. The provider factor will include programme weightings, disadvantage, area costs and success rates. After the initial determination of these elements, there will be a continuing need to update their values as circumstances change; for example, changes in the pattern of relative disadvantage across England, or changes in the additional resources required for particular curriculum areas, requiring an update of the programme weighting.
- 3 As such, there will be a need for a group such as NRAG to look at these issues. The LSC has established a technical sub-group with broad external representation across the FE sector which advises the LSC on these matters. The technical sub-group reports directly to the Finance and Funding Board of the Management Group of the LSC.

## Annex M:

# First Full Level 3 Entitlement for those Aged 19–25

- 1 This annex details the arrangements for implementing the first Level 3 entitlement for those aged 19–25 studying through the FE funding route. There are separate arrangements for funding Advanced Apprenticeships: those will continue to be free to the young person, though the employer will be expected to contribute to costs, as at present.
- 2 The FE White Paper *Further Education: Raising skills, improving life chances* (DfES, 2006) committed to a new entitlement for a first full Level 3 qualification for those aged 19–25, supported by an expanded Adult Learning Grant (ALG), new funding for both of which was announced in the Budget on 23 March 2006. The new 19–25 entitlement and national roll-out of ALG will both be implemented from 2007/08, creating a new integrated package of support for young adults continuing their initial education to Level 3.
- 3 As indicated in our *Annual Statement of Priorities 2007/08*, we expect that the entitlement will benefit some 45,000 learners in 2007/08, enabling more young adults to achieve higher-level technical and professional qualifications.

### Background

- 4 In many other countries, more young adults achieve qualifications at Levels 2 and 3 between the ages of 19 and 25. In this country, by contrast, there is at present a sharp divide at the age of 19. The proportion of young people in the UK staying on in education post-16 is low: the UK ranks 20th out of 29 developed nations. We lag well behind France and Germany in the proportion of our young adults achieving a Level 3 qualification in their early 20s. At present in Britain education is free up to 19 but not thereafter (except for certain priority groups, such as Skills for Life and basic employability skills provision). The UK therefore has fewer 19–25 year olds improving their qualifications than on the continent, where education in public colleges is free irrespective of age. Introducing free tuition for a first full Level 3 will help to address this problem and build on the existing entitlement to free tuition towards a first full Level 2 qualification for adults aged 19 and over.
- 5 People aged 19–25 are more likely to want to study full time and less likely to have an independent full-time source of income to cover the cost of fees. It is therefore also important that young adults seeking to progress towards achieving a first full Level 3 are not penalised by the increase in fees to around 50 per cent by 2010.

### Aims and Objectives

- 6 The entitlement is being introduced to encourage young adults, particularly those from disadvantaged backgrounds, to continue studying until they achieve a first full Level 3. This will increase the number of adults with a full Level 3 qualification, improving their life chances, social mobility and contribution to the economy through productive employment.
- 7 To support the introduction of the entitlement, sector skills councils (SSCs) will identify in their sector qualification strategies those Level 3 qualifications they consider to be most valuable. This will help learners to choose Level 3 qualifications that are economically beneficial.
- 8 The key aims of the entitlement are to:
  - provide free full Level 3 tuition for learners from age 19 up to age 25 across England

- reduce the discontinuity within the funding arrangements that exist for young adults
- provide seamless progression to a full Level 3 at any time from age 14 through to age 25
- create a new integrated package of support for young adults continuing their initial education to Level 3
- give young adults, particularly disadvantaged young people, an opportunity to prepare themselves for success in life through the education and training system.

9 The objectives of the entitlement are to:

- increase the number of 19–25 year olds entering full Level 3 learning
- increase the number of disadvantaged young adults entering full Level 3 learning
- increase the number of young people progressing to higher-level learning after completing a full Level 3.

## Entitlement

10 The entitlement provides free tuition for adults aged 19 but under 25 to pursue their first full Level 3 qualification. This entitlement together with the ALG package will reduce the discontinuity within funding arrangements that currently exists for young adults. It recognises that many young people complete their initial education in their early 20s and provides for seamless transition from 14 through to 25. The entitlement applies until the qualification is achieved and is not affected by the mode of study, so study can be full- or part time.

11 It is worth noting that an eligible adult learner who is over 25 and who does not already have a full Level 2 qualification and who commits to a full Level 3 course would qualify for the entitlement to free tuition through the Level 2 entitlement. Should a learner who is under 25 and who has not already achieved a full Level 2 be commencing a full Level 3 programme, they will do so under this entitlement not the Level 2 entitlement.

12 This entitlement does not guarantee the availability of a learning place in a chosen subject at any one FE college or provider, but it is a general exclusion from paying tuition fees. The entitlement protects young adults seeking to achieve their first full Level 3 qualification from the increase in fees to 50 per cent by 2010 that they would otherwise have to pay.

13 The LSC is currently arranging trials of another White Paper commitment, learner accounts, which will provide an incentive to achieve a full Level 3 qualification. In 2007/08, eligible learners in trial areas may access their Level 3 entitlement through a learner account.

## Eligibility

14 The entitlement applies to learners who:

- are aged 19 but not yet 25 when they start the learning programme; and
- meet the standard LSC eligibility criteria (see the *LSC Learner Eligibility Guidance 2007/08* and the LSC funding policy website at [www.lsc.gov.uk/Providers/funding-policy](http://www.lsc.gov.uk/Providers/funding-policy)); and
- have not yet achieved a full Level 3 qualification (it is not necessary to have already achieved a full Level 2); and
- are assessed by the college or provider as having the ability and aptitude to complete a full Level 3 programme; or

- meet the criteria above and are part-way through a qualifying qualification and are commencing a new phase of the qualification for which they would have to pay fees in autumn 2007.

## Eligible qualifications

15 To be eligible for the entitlement a learner must be an eligible learner and working towards one of the following qualifications identified as eligible for funding by the LSC on the LSC's Learning Aim Database (LAD) and which are:

- a full Level 3 qualification, that is a qualification equivalent in size and breadth to two GCE A-levels or an NVQ at Level 3
- a Level 3 qualification that if achieved would mean the learner has reached the full Level 3 threshold
- a Level 3 qualification that forms part of a full Level 3 programme and would contribute to the achievement of a full Level 3
- a full Level 3 qualification studied as part of the second phase of the Qualification and Credit Framework trials and which meets the agreed Level 3 design principles.

16 Level 3 qualifications that do not directly contribute to the achievement of a first full Level 3 are specifically excluded from the entitlement. To enhance the contribution the FE sector makes to productivity and the economy, SSCs will identify the qualifications that employers judge will enhance productivity best, so that learners can be advised accordingly. Increasingly, only these qualifications will be funded by the LSC and therefore the entitlement will progressively only cover these qualifications.

17 The following are examples of qualifications of full Level 3 status:

- NVQs at Level 3
- one or more A-levels, including vocational A-levels
- one or more A-level double awards
- Access to HE certificate (regulated by QAA)
- OCR National Diplomas and Extended National Diplomas
- Edexcel National Certificates and National Diplomas
- International Baccalaureate.

18 It should be noted that four AS-level qualifications are not regarded as equivalent to a full Level 3 and that AS-level qualifications are eligible within the entitlement only where they form steps towards the achievement of two or more A-levels. Should a learner be taking a qualification that is not a full Level 3, then they are to indicate clearly their intention to achieve a full Level 3 qualification; this could be done effectively through the self-declaration statement outlined in paragraph 20 below.

19 The LAD contains classifications to indicate full Level 3 qualifications and the contribution other qualifications make towards a full Level 3. These can be found on the shared tab of the LAD in the Level 3 category and percentage fields. (The LAD can be accessed at: <http://providers.lsc.gov.uk/lad/default.asp>).

## Self-declaration

20 As there is currently no reliable electronic method of identifying a learner's eligibility for the Level 3 entitlement, the LSC requires that colleges or other providers obtain a self-declaration of eligibility. To avoid unnecessary bureaucracy it is acceptable for providers to include the eligibility for the Level 3 entitlement as part of their normal enrolment documentation in line with the process used for Level 2 entitlement. The declaration must clearly state that the learner has not already achieved a full Level 3. It is also to confirm the learner's intention to complete a full Level 3 qualification. The provider is responsible for ensuring the learner understands the definition of a full Level 3. It is recommended that a checklist of the main full Level 3 qualifications is provided to prompt the learner and avoid misunderstandings. For guidance, a sample self-declaration is:

*I confirm that all the information on this form is correct and I declare that I do not already have a full Level 3 or higher qualification. I confirm that I intend to continue my learning programme to achieve a full Level 3 qualification. I understand that if I have declared false information, action may be taken to reclaim the tuition fees and any associated costs from me.*

## Completing the ILR

21 The LSC is planning on utilising the prior attainment field on the ILR (L35) to validate the Level 3 entitlement together with field A14 (reason for full or partial non-payment of tuition fees). This will ensure that only those learners entitled to a free first full Level 3 qualification attract fee remission. Therefore it is essential that these two fields are correctly completed for any learner being granted fee remission as part of this entitlement. It is not acceptable to enter 'not known' in field L35 when claiming the entitlement as it is a requirement that the learner's prior attainment is established and a declaration signed to be entitled to the fee remission. Further guidance on completing the ILR can be found at the LSC's ILR website (at [www.lsc.gov.uk/Providers/Data/Datacollection/ILR](http://www.lsc.gov.uk/Providers/Data/Datacollection/ILR)).



## Annex N:

# Glossary

2007/08	Denotes an academic year
2006-07	Denotes a financial year
A2	The second half of a full A-level qualification
A and V	Assessor and verifier
ABSSU	Adult Basic Skills Strategy Unit (now the Skills for Life Strategy Unit)
Accession countries	The 10 countries that joined the EU on 1 May 2004
ACL	Adult and community learning provision for adults previously funded by local authorities. See also PCDL
AEA	Advanced Extension Award
ALG	Adult Learning Grant
ALI	Adult Learning Inspectorate (from 1 April 2007, to become part of the new Ofsted)
ALS	Additional learning support
APEL	Accreditation of prior experience and learning
AS	Advanced subsidiary: a stand-alone qualification valued as half a full A-level qualification
AU	Area-costs uplift
AVCE	Advanced Vocational Certificate of Education (replaced by applied GCEs in September 2005)
CITB	Construction Industry Training Board
CTC	Child Tax Credit
CoVE	Centre of vocational excellence
DEL	Distributed and electronic learning
DELG	Distributed and Electronic Learning Group
DfES	Department for Education and Skills
DL	Discretionary Leave
DU	Disadvantage uplift (previously widening-participation factor)
E2E	Entry to Employment
EEA	European Economic Area, consisting of the states of the EU (see below) plus Iceland, Liechtenstein, Switzerland and Norway
EFL	English as a foreign language
ELE/R or ELE/ELR	Exceptional leave to enter or remain

EMA	Educational Maintenance Allowance. EMAs were made available nationally from 2004. EMAs provide weekly payments to young people to encourage them to stay in education or training
ESF	European Social Fund, which supports projects targeting unemployment and workforce development
ESOL	English for speakers of other languages
EU	European Union, the member states of which are Austria, Belgium, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden and the United Kingdom
FE	Further education
FEFC	Further Education Funding Council, predecessor to the Learning and Skills Council
FLT	Foundation Learning Tier
FSMQ	Free-standing mathematics qualification
FTE	Full-time equivalent
GCE	General Certificate of Education
GCSE	General Certificate of Secondary Education
glh	Guided learning hours
GNVQ	General National Vocational Qualification
GO	Government office
Guidance, the	<i>Funding Guidance for Further Education in 2007/08</i>
HA	Housing association
HE	Higher education
HEFCE	Higher Education Funding Council for England
HEI	Higher education institution
HESA	Higher Education Statistics Agency
HNC	Higher National Certificate
HND	Higher National Diploma
HSE	Health and Safety Executive
HP	Humanitarian Protection
IB	International Baccalaureate
ICT	Information and communications technology
ILE/R or ILE/ILR	Indefinite leave to enter or remain
ILR	Individualised Learner Record, the data collection used by LSC-funded providers. This provides comprehensive data about learners and is returned regularly throughout the year. The ILR replaced the individualised student record (ISR) from 2002/03

IMD	Index of multiple deprivation
IT	Information technology
ITQ	NVQ for IT Users
JSA	Jobseeker's Allowance
LAD	Learning Aims Database (at <a href="http://providers.lsc.gov.uk/lad">http://providers.lsc.gov.uk/lad</a> )
LA	Local authority
learnirect	The brand name for provision delivered by learning centres and Ufi hubs
LEE	Learner existence and eligibility
LIS	Learner Information Suite
Loadbands	Ranges of guided learning hours to which specific national base rates are allocated (see Annex A)
LSDA	Learning and Skills Development Agency. From April 2006, the work of the LSDA was split between two organisations, the Learning and Skills Network (LSN) and the Quality Improvement Agency (QIA)
LSC	Learning and Skills Council
LSF	Learner support funds
LSN	The Learning and Skills Network, one of two successor bodies to the LSDA which is responsible for research, training and consultancy projects
NEET	Not in education, employment or training
NLS	National Languages Strategy
NIS	Not in scope (of plan-led funding)
NQF	National Qualifications Framework
NRAG	National Rates Advisory Group, an independent group of provider representatives that advises the LSC on the national funding rates and programme weightings for all provision funded by the LSC. See Annex L of this Guidance for details of changes in the allocation of NRAG's work
NVQ	National Vocational Qualification
OCN	Open College Network
ODPM	Office of the Deputy Prime Minister, now replaced by Communities and Local Government
Ofsted	Office for Standards in Education. From 1 April 2007, this will comprise the current Ofsted, the Adult Learning Inspectorate, the Commission for Social Care Inspection and Her Majesty's Inspectorate of Court Administration
OLASS	Offenders' Learning and Skills Service
OLSU	Offenders' Learning and Skills Unit (part of the DfES)
PCDL	Personal and community development learning
PFA	Provider financial assurance

PLF	Plan-led funding
PRF	Performance-related funding
PSA	Public Service Agreement
PW	Programme weighting
PWF	Programme-weighting factor
QAA	Quality Assurance Agency for Higher Education
QCA	Qualifications and Curriculum Authority
QCF	Qualifications and Credit Framework
QIA	Quality Improvement Agency, one of two successor bodies to the LSDA and which is responsible for policy and strategy
RDA	Regional development agency
RSL	Registered social landlord
Secretary of State	Secretary of State for Education and Skills
SQS	Sector qualification strategy
SRB	Single Regeneration Budget
SSA	Sector skills agreement. SSAs are formal agreements between SSCs, trade associations and employer bodies, and organisations that supply and fund education and training
SSB	Sector skills body
SSC	Sector skills council. SSCs are employer-led, independent organisations that cover a specific sector across the UK, for example IT, the retail industry or manufacturing. There are 25 SSCs in the UK
SSDA	Sector Skills Development Agency, the lead body for sector skills councils (SSCs)
Train to Gain	Train to Gain is a service designed to help businesses get the training they need to succeed, targeted at first full Level 2 qualifications and basic skills
TUC	Trades Union Congress
Ufi	Originally, 'University for industry'. The Ufi is the organisation that contracts with providers to deliver learndirect provision
UKVQRP	United Kingdom Vocational Qualification Reform Programme
UPIN	Unique provider identification number
VCE	Vocational Certificate of Education (vocational A-level) (replaced Advanced Vocational Certificate of Education in September 2005)
WAGLH	weighted average guided learning hours
WBL	work-based learning
WTC	Working Tax Credit

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## For information

### Further information

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© LSC March 2007

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Publication reference: LSC-P-NAT-070055