



Education
Funding
Agency

Funding guidance for young people 2014 to 2015

ILR funding returns

This document explains the final ILR funding claim 2014 to 2015 and how it should be electronically returned to the EFA. This document does not apply to school sixth forms returning school census data. This document is only for the attention of ILR funded institutions.

August 2014

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Summary

Education Funding Agency: funding guidance for young people 2014 to 2015

This document is part of a series of booklets providing Education Funding Agency (EFA) funding guidance for young people 2014 to 2015.

- Funding regulations
- Rates and formula
- ILR funding returns (this booklet)
- Sub-contracting control regulations

This summary applies to all these booklets and as they are published they will be available from the [EFA funding guidance webpage](#).

These documents outline the main features of the EFA funding arrangements for 2014 to 2015 and are an integral part of our funding agreements for young people aged 16 to 19 and those aged 19 to 24. All these documents should be read in this context, unless specifically stated otherwise. This is the definitive guidance for 2014 to 2015 and supersedes any previous funding guidance.

The sub-contracting controls guidance is now issued as a separate document as it only needs to be read by institutions either with sub-contractors or considering sub-contracted delivery.

For further information, please contact the appropriate EFA office, or for maintained schools their local authority. Contact details for each office can be found on the [Department for Education website](#).

Introduction and background

1. The funding guidance for young people 2014 to 2015 is written on behalf of the Secretary of State for Education who funds the provision of education, using the powers she has under section 14 of the Education Act 2002, through the Education Funding Agency (EFA).
2. These documents set out the EFA funding guidance for all funded programmes for young people in 2014 to 2015 and cover all 16 to 19 funding provided by the EFA. Separate funding arrangements apply for 16 to 19 Apprenticeships, through the National Apprenticeship Service and Skills Funding Agency (SFA).
3. The funding guidance documents are an integral part of the EFA's funding agreements. All guidance in the documents should be read in that context, unless specifically stated otherwise.
4. The EFA receives ILR funding returns via the SFA. These data returns include the student numbers and the associated generated total funding with reference to the 2014/15 funding allocation. This data is used to determine future funding allocations. In general, we will use the ILR data for all in-year monitoring purposes.
5. For 2014 to 2015 the EFA will only require the return of separate individual in-year funding claim estimates from:
 - a. contract institutions that are subject to reconciliation **and** that do not hold an agreed funding contract for the 2015 to 2016 funding year, and
 - b. institutions that fail to make relevant ILR returns to the SFA.
6. Any institution that fails to meet the deadlines for EFA ILR returns set out in table 1 will also need to return a funding estimate. We will identify such institutions as high-risk institutions for funding audit purposes. We still require the final signed claim from all institutions for the reasons set out in annex A paragraphs 15 to 17.
7. The funding claim report in the Funding Information Service (FIS) supports the required funding returns. For all final claims the head of the institution must sign the declaration on the final page. When making electronic returns, institutions must state their institution name and unique United Kingdom provider reference number (UKPRN) in the email header. All institutions' final claim returns must be signed and then copied electronically to the EFA as they form part of our assurance arrangements to the National Audit Office (NAO) and are used in monitoring final performance by institutions.
8. For institutions with returns subject to audit by the SFA that appoint and contract with the funding auditor they will copy the auditor report to the EFA. The required returns and the timetable for them are set out in table 1. Table 2 explains the contents of the annexes in this booklet.

Deadlines for returns

9. Institutions must return the funding claim form and all associated audit opinions to the relevant Agency in accordance with the timetable agreed between the institution, its funding auditors and the EFA.

10. In order to meet the returns timetable set out in table 1, institutions must ensure that their funding claims and ILR data are shared with auditors in time for them to meet the return timetable. Funding auditors have requested that final data should be shared with them at least one month before the final claim is due, that is by 23 September 2015.

Table 1: Deadlines for ILR returns 2014 to 2015: all institutions

Funding model (all types of institutions)	Deadlines for returns in 2014 to 2015 (<i>type of return</i>)
In-year monitoring ILR R04 ILR R06 ILR R10 ILR R13	All EFA-funded institutions that make ILR returns must make sure their data on the web portal is uploaded in accordance with the dates set out below: 4 December 2014 (R04 latest return date) 5 February 2015 (R06 latest return date) 4 June 2015 (R10 latest return date) 14 September 2015 (R13 latest return date)
Final ILR and final claim A signed FIS final claim report; and ILR R14 (2014/15)	23 October 2015 (also R14 return date) A pdf copy of the original signed FIS funding claim report is required that matches the final ILR return for 2014/15. Where needed funding audit reports on individual funding claim returns must meet the above deadline.

Table 2: Explanatory annexes in this booklet

Annex	Description	Applies to:
A	Guidance for completing forms: ILR funding estimate/claim 2014 to 2015	All institutions
B	FIS ILR funding claim 2014 to 2015	All institutions
C	Funding reconciliation for contract institutions 2014 to 2015	Contract institutions only
D	Funding claim report 2014 to 2015: additional technical information	All institutions

11. Commercial and charitable providers (CCPs) are regarded and referred to as contract institutions. They are usually the only funded institutions that are subject to funding reconciliation in 2014 to 2015, and they will be monitored and where necessary have their payments adjusted through their ILR data returns.

12. This will enable the EFA to determine which contract institutions need an in-year allocation adjustment for under-performance to reduce the value of clawback at the final claim stage. Similarly any in-year payments for over-performance will reduce the value of final growth payments.

13. All higher education institutions (HEIs) that only return funding data through the Higher Education Statistics Agency (HESA) data return must request a final funding claim form for completion from the EFA in autumn 2015

Arrangements

14. All institutions returning ILR final funding claims should use the FIS EFA funding claim report that produces the outturn figures on a similar basis to the allocation statement. In July 2015 (after ILR R10 data has been processed), we will issue an estimated reconciliation statement to contract institutions that are subject to reconciliation. Similarly, final reconciliation statements will be issued to all institutions after the receipt of final claim and data returns. FE colleges and their financial statement auditors will be able to use these documents to help complete the college's financial statements. The statements will confirm any change to allocations and/or retrospective clawback for institutions. Guidance on completing the forms is in annex A.

15. The final claim declaration is now included in the FIS EFA funding claim report as the final page. This must match the final ILR submission for the year and be signed in accordance with the advice in annex A. Institutions must email a pdf version to the funding body.

16. Institutions must keep the original document as a financial record in accordance with the advice in the 'Funding regulations' guidance 2014 to 2015, paragraph 138. All final claims must be returned through the Information Exchange or be emailed to: CVH-ILRReturns.EFA@education.gsi.gov.uk.

17. The EFA expects the funding generated from ILR R14 to be consistent with the final funding claim, after taking account of manual adjustments. Institutions must run the relevant Agency funding compliance and eligibility Provider Data Self-Assessment Toolkit (PDSAT) reports to verify their ILR data during the year.

18. All institutions must use their unique United Kingdom provider reference number (UKPRN) on all funding claim and ILR data returns.

Funding principles: all institutions

19. The EFA expects all institutions to deliver their full funding agreements each year. We will review institutions' performance for previous years, to ensure that allocations are soundly based. Student numbers are the key indicator of performance and have a direct effect on future allocations. Tolerance and non-reconciliation of funding is not designed to reward persistent under-performance.

20. For the purposes of monitoring institutions, the EFA will calculate the performance of each institution in 2014 to 2015 as described in this booklet and in the other funding guidance booklets. In particular, we will compare the institution's student number and funding outturn with their student number and funding in the allocation and/or contract.

Adjustments to payments: all institutions

21. Reconciliation of 16 to 18 funding for either under- or over-performance will not apply to the majority of institutions. This should mean that there are no mid-year or retrospective reconciliation funding adjustments for grant-in-aid institutions. The EFA will not normally fund any growth for grant-in-aid institutions delivering more than their allocation.

22. Final under-performance adjustments (known as clawback) are usually only necessary for contract institutions. Clawback will usually be profiled for recovery in the 2015 to 2016 funding year and within the financial year ending in March 2016.

23. When institutions submit their final funding claim and final ILR return by 23 October 2015, final reconciliation will be based on that return. The data will replace any interim data that has previously been submitted.

24. The final adjustment of funds will usually be determined using ILR R14, the final funding claim (taking account of any audit qualifications) and, in exceptional circumstances, the results of any separate audit or Agency investigation. In the separate sub-contracting control regulations document (paragraphs 13 and 14), the EFA has set out the principles for recovering funding for ineligible or non-existent sub-contracting provision.

25. In exceptional circumstances, the EFA can make grant-in-aid institutions subject to reconciliation. They may be subject to the same funding adjustment rules for under-performance as contract institutions or to any additional conditions of funding being applied to their allocation. We will separately inform such institutions of this decision.

Contract institutions (only): funding reconciliation adjustments

26. Contract institutions' allocations are subject to adjustments for under- and over-performance.

27. The EFA will use the final claim clawback to pay growth funding to over-performing institutions. All growth payments are subject to affordability, and therefore the in-year growth will be paid at 50% of the reconciliation value. Final growth payments may be subject to scaling down for the remaining 50%.

28. The principles of contract institution funding adjustment and final reconciliation for 2014 to 2015 are as follows.

- a. In-year allocation payments are made on profile.
- b. Final full year funding variances are calculated by comparing an institution's outturn (their total whole year delivery) with their final funding allocation as paid for the year (subject to the following bullet point).
- c. Under-performance and growth funding adjustments are subject to a tolerance, as small marginal changes in activity are not subject to either upward or downward reconciliation.
- d. Reconciliation applies to all programme funding including block 1 and block 2 of disadvantage funding.
- e. Transitional protection (TP) and formula protection funding (FPF) will not be subject to funding reconciliation for the purposes of calculating clawback. For the purposes of calculating growth funding, TP and FPF are simply added to the programme funding allocation and the combined total (TP + FPF + programme funding) is compared to the programme funding claim.
- f. High needs funding is not usually subject to reconciliation for any institutions. However, institutions are expected to show they are spending their allocation appropriately in supporting high needs students.

Under-performance (clawback) calculation

29. For calculating clawback at the final reconciliation calculation, the EFA will apply a tolerance of the higher of 1.0% of the programme allocation or £5,000 when comparing the total programme cash delivered against the total programme allocation (excluding TP and FPF).

30. The EFA does not apply in-year funding reductions that disadvantage contract institutions when it comes to calculating final reconciliation. Therefore an institution with significant under-performance will be subject to in-year clawback rather than a change to their agreed allocation.

31. Contract institutions whose ILR R06 funding out-turn is below 60% of their programme funding allocation will be subject to clawback from April 2015. The detail is set out in Annex C and the accompanying Contract Institution Reconciliation 2014 to 2015 example workbook.

Over-performance (growth) calculation

32. For the purposes of growth payments, the contract institution's total eligible programme funding cash delivery will be compared to their programme funding allocation plus TP and FPF.

33. As with clawback, the EFA does not fund small marginal changes and therefore does not fund the higher of either the first 1.0% or £5,000 of any positive variance.

34. The growth cap for contract institutions is 30% of the allocation with a minimum value of £100,000 and a maximum value of £1 million.

Contract institutions: adjustment profile

35. The clawback profile for contract institutions will be based on their allocation profile. It will apply to all reconciliations, whether determined by ILR returns or final claims. The clawback profile period will run from April to December 2015, as set out in annex C.

36. The clawback profile is designed to reduce the risk to 2015 to 2016 delivery while also meeting Treasury requirements to recover and protect unused public funds. To meet these requirements contract institutions that are funded in 2015 to 2016 will continue to have their clawback for 2014 to 2015 under-performance spread across their allocation payments for each year.

37. When a contract institution does not have an allocation in 2015 to 2016 the EFA needs to safeguard public funds. The clawback profile below will therefore be applied

- a. during the 2014 to 2015 funding year (between March and July 2015), and
- b. with any final return clawback following receipt of either updated ILR data or final claims in autumn 2015.

38. The EFA will make interim growth payments in April. These will be 50% of the interim reconciliation value for contract institutions that have already achieved their full whole year allocation, according to their ILR R06 data return. We will repeat the process with the ILR R10 return, and any outstanding balance of the initial 50% will be paid in August 2015.

39. The EFA will only make final growth funding payments when all the affordability and eligibility checks explained in this document have been carried out. All final

payments after receiving timely final funding claims are expected to be made in December 2015.

Review of final funding claims: all institutions

40. Annex D explains in detail how the funding outturn figures are calculated on the FIS funding claim report. Institutions must check final funding claims against the funding totals calculated from their ILR data before submitting data and returns. Institutions may find the following checks helpful; they are particularly important before making ILR data submissions.

- a. Check the added value reports on the portal before making the ILR submission. These will show any students that are included on the FIS funding claim report but not included in calculations for lagged funding purposes.
- b. Review the FIS funding claim reports to check that all students who have become 19 during the second or subsequent year of their programme are correctly recorded. See annex D for how to code these students.
- c. Students shown in row C on the funding claim report must have either an S139a Learning Difficulty Assessment (LDA) or an Education Health and Care Plan (EHCP). The ILR field learner funding and monitoring type must equal either LDA or EHCP, and the learner funding and monitoring code must be set to 1.

Compliance and funding audits of ILR data

41. Funding auditors appointed by the SFA must use the audit opinion supplied to them by the SFA under their funding audit contract.

42. Institutions appointing their own funding auditors should use their own audit opinion. Individual audit firms may find the SFA contract audit opinion helpful in drafting their opinions.

43. The ILR return must be sent to funding auditors by 23 September 2015. This applies to institutions subject to a funding audit of their final funding claim as notified by the EFA. It also includes all funding audits undertaken at institutions by the SFA appointed auditor under our agreed joint contract. The return is then due to the EFA by no later than 23 October 2015.

44. If institutions or funding auditors anticipate that the final claim will not be received by 23 October 2015, before this date they must send the EFA a letter that

- a. explains the reasons for the delay,

- b. explains the action to be taken, and
- c. a firm promise date for the signed final claim. All final ILR returns must meet the 23 October 2015 deadline.

45. When funding auditors qualify an institution's funding claim, the Agency is likely to require further work by the institution and its funding auditor. These institutions must pass the final claim to their funding auditor and ask them to send it to the EFA with their report on the audit of the 2014 to 2015 final funding claim and supporting data.

46. The Agency final audit opinion for 2014 to 2015 is similar to the previous final funding audit opinion. The emphasis is on the importance of the accuracy of institutions' funding claims. When funding auditors sign off the funding audit opinion for final returns after the due date, they must attach a report identifying the causes for delay. Submitting funding audit opinions after that date will mean that the EFA records the institution as not submitting timely data returns. The final claim data must be available in good time to sign off college financial accounts, which are due no later than 31 December 2015.

47. Institutions must run relevant ILR funding audit PDSAT reports to verify their own data during the year. When institutions want to simplify their ILR funding audit, the EFA recommends that the reports are run and cleared prior to any substantive visits from the funding auditor.

Verification processes for growth funding payments to contract institutions

48. The EFA will carry out additional funding eligibility compliance tests before paying growth funding. Where this raises any eligibility concerns, growth funding will not be paid until all the additional funding audit assurance is obtained to support the institution funding claim.

49. When institutions are subject to funding audit and have substantial eligibility issues, the EFA may require additional scrutiny or work above the standard funding audit contract. We may charge the institution for this work.

Annex A: Guidance for completing forms: ILR funding claim 2014 to 2015

Calculating funding

51. The funding methodology is set out in the documents that make up the EFA funding guidance.
52. The EFA's default in-year position is to use the ILR data returned through the SFA to monitor all institutions' performance against their funding agreement.
53. To help institutions complete the forms, the Funding Information Service (FIS) includes a funding claim report that matches the funding allocation statement. This includes the final claim declaration on the final page of the report. Technical information on the report is set out in annex D. If an institution has no claim in a category, the report will show '0' (zero).

Completing the form

54. The EFA now mainly monitors performance against each type of allocation through ILR data returns, as most institutions no longer need to make manual adjustments to their final ILR funding total.
55. In the FIS EFA funding claim report, all institutions must give the total student numbers and the cash that they have delivered for the academic year 2014 to 2015.
56. All funding claims must be returned as set out below.
 - a. The EFA funding claim is now solely the FIS EFA funding claim report.
 - b. If an institution needs to record a manual adjustment and/or estimates of future activity being delivered during the year, these must only be entered on the right-hand side of the report.
 - c. Each institution has programme funding as part of its funding allocation. The format of the FIS EFA funding claim report is similar to the allocation statement.

Funding Information Service: all institutions

57. FIS helps institutions make their funding returns for the year. All institutions must read annex D of this document for further advice on the FIS funding claim report for 2014 to 2015, particularly before compiling their ILR returns.
58. All Agency funding audits use institutions' ILR data.

Advice on funding and ILR data monitoring

59. The EFA will use ILR data returns to monitor institutions' delivery against their allocation (contract institutions in particular). We may require separate funding returns from institutions that fail to return ILR data according to the SFA's published timetable for EFA ILR data collections. We will notify institutions when we require such separate funding returns.

60. The EFA will issue final reconciliation statements in a format similar to the allocation statement. They will also include the outturn and reconciliation information. They will be sent to:

- a. contract institutions, in autumn 2015 (these will also include the profile of any reconciliation adjustments for 2014 to 2015), and
- b. all ILR funded grant-in-aid institutions, in autumn 2015. These will assist institutions preparing final accounts for sign off by financial statement auditors after the receipt of final ILR data in October 2015.

Declaration on final claim: all institutions

61. The principal or head of the institution must sign the final claim form. For higher education (HE) institutions, the person with responsibility for further education (FE) in the institution must sign the final claim form. All institutions' final claim returns must be signed and then copied electronically to the EFA.

62. The signed final claim forms are part of the EFA's assurance arrangements to the National Audit Office (NAO), and we will use them to monitor final performance. The original signed claim must be kept by the institution as a financial record in accordance with the advice in 'Funding regulations', paragraph 138.

63. The principal or head of the institution is required to certify that, to the best of his or her knowledge, the funding claimed has been calculated from data correctly extracted from the institution's records, which accurately reflect enrolments in accordance with the documents that make up the funding guidance and other relevant guidance.

64. They must also certify that, to the best of their knowledge, the final funding claim is free from misstatement, whether caused by fraud or by other irregularity or error, and that it complies with all the guidance provided by the EFA, including that given in this booklet. This statement is particularly important for institutions not subject to a funding audit, as we have no separate assurance from any independent audit opinion on their funding claim.

Purpose of final claim: all institutions

65. The final claim has several purposes.
- a. It provides the EFA with assurance from the accounting officer over the regularity of the institution's funding claim and ILR data returns.
 - b. It provides an agreed final outturn that can be compared with the allocation on an institution, territorial and national basis.
 - c. It determines whether funding will be adjusted by clawback. The EFA expects the cash claimed to be consistent with financial provision made by the institution in its financial statements.

66. Institutions must sign off the final claim, including final ILR adjustments and any audit manual adjustments, as being materially accurate. To assist them in making good-quality ILR and funding returns to the Agency, all funding institutions must also use the provider data self-assessment toolkit (PDSAT) reports that are relevant to their own provision and data before signing their final claim.

67. As stated in paragraph 24 of the main body of this booklet, the EFA will use the final funding claim to determine retrospective funding adjustments. This will take account of any audit qualifications and, in exceptional circumstances, the results of any separate Agency investigation.

Purpose of Agency funding auditor's opinion on a final claim: all institutions

68. The Agency funding auditor's opinion provides the EFA (and/or the SFA) with supplementary assurance over the funding claimed by institutions, as the EFA requires assurance for its own accounts that the funding claimed poses no risk to public funds. The opinion also provides us with a final opinion on the institution's funding data, which allows us to inform the institution and its financial statement auditor of the expected final funding position for 2014 to 2015.

Manual adjustments (recorded on annex B part 2, funding diff form)

69. The EFA does not expect manual adjustments to be necessary. The only exception is where either the EFA or an Agency appointed funding auditor determine that an error (either individually calculated or calculated through extrapolation) needs to be applied to the final ILR data return. We expect such adjustments to be very rare and exceptional. As such, institutions must agree manual adjustments with us before submitting them on a final claim. Any overall audit adjustments are expected to be

negative: an institution under-claiming must make the necessary changes to their underlying ILR data.

70. The rules on manual adjustments in part 1 and part 2 of the funding claim are not the same for cash and student numbers. The cash adjustments in parts 1 and 2 should match exactly, while the student numbers may be different.

71. In some cases this will include a number of separate calculations and a sheet of background material explaining how the proposed adjustment has been calculated. These calculations and material must reconcile with claim value recorded on part 2 of the claim (annex B: part 2).

72. No manual adjustment numbers used in previous years are claimable and these must not be used for this year.

Annex B: ILR funding claim 2014 to 2015

For all final claims this page should be printed where necessary together with the accompanying FIS EFA funding claim report 2014 to 2015 (which will be treated by the EFA as the funding figure page of the final funding claim). The declaration below is now also included in the final page of the FIS EFA funding claim report and should be signed by the head of the institution. The document(s) (usually only the pdf version of the FIS report) should then be emailed as a single pdf file to the EFA funding returns inbox. The manual adjustment (diff page) must not be returned if no manual adjustment is recorded on the FIS report. The original signed FIS report (pdf version) must be kept by the institution as a financial record in accordance with the advice in 'Funding regulations' 2014 to 2015 paragraph 138.

Purpose of funding claim

The purpose of the final claim is to provide the EFA with an assurance statement by the relevant accounting officer over the regularity of the institution's funding claim and ILR data returns, as well as being used for institutions where reconciliation is appropriate to determine whether any funds paid for 2014 to 2015 will be recovered for under-performance. As stated in the 'ILR funding returns 2014 to 2015' paragraph 24, any adjustment of funds will be finally determined using the final funding claim 2014 to 2015, taking account of any audit qualifications and, in exceptional circumstances, the results of any separate Agency investigation.

The head of the institution (or in the case of higher education (HE) institutions, the person with responsibility for further education (FE) in the institution) must sign the declaration below for all final claims.

Declaration

I certify that, to the best of my knowledge, this final funding claim has been calculated from data correctly extracted from the records of the institution, which accurately reflect enrolments during 2014 to 2015, in accordance with the guidance and definitions set out in the booklets that make up the EFA funding guidance for young people 2014 to 2015 and any other relevant guidance.

I also certify that, to the best of my knowledge, the final funding claim is free from misstatement, whether caused by fraud or by other irregularity or error, and also complies with the guidance given in the booklets that make up EFA: funding guidance for young people 2014 to 2015. The head of the institution must sign below.

Signature (*head of institution*):

Name (*please print*):

Position:

Institution:

Date:

UKPRN:

The final funding claim form (part 1) and the funding diff form (part 2) are treated as a single return and must be returned together, usually to the electronic EFA funding claim inbox CVH-ILRReturns.EFA@education.gsi.gov.uk or where necessary to the relevant funding auditor office.

Annex B: final funding diff form 2014 to 2015

This part of the form does not need to be returned unless a valid audit manual adjustment is being made to the ILR funding return as part of the final claim return. If so, this page should be printed together with the accompanying FIS EFA funding claim report 2014 to 2015 (which will be treated by the EFA as the funding figure page of the final funding claim).

Please only return this form to the EFA if any entry other than zero is necessary.

Reference: 'ILR funding returns 2014 to 2015'

Institutions receiving funding from the EFA for 2014 to 2015 are asked to complete this form whenever a manual adjustment is being claimed on part 1 of this form, and to return it with part 1. All institutions should use this form to record the reason(s) for the difference between the funding claim and the cash generated by processing the relevant ILR return through the notified versions of the FIS using the notified release of the LARS, or any updated version. A list of acceptable manual adjustments is included in annex F of the main document.

Part 2 of Final funding claim

Institution name in 2014 to 2015 (please print):

UKPRN code in 2014 to 2015:

Manual adjustment number	Description	Students affected (number)	Difference (funding)
2014/15-001	<p>Audit (or EFA) adjustments may be made to reduce funding in the following circumstances:</p> <ul style="list-style-type: none"> to reflect errors in an institution's claim or the lack of an adequate audit trail, to remove funding for ineligible students or programmes, and/or to remove funding for students duplicated in other funding streams or in other institution funding claims. 		
Total difference arising from manual adjustments (cash adjustments must match total manual cash adjustment in Part 1)			

Annex C: Funding reconciliation for contract institutions 2014 to 2015

1. The examples in Table C1 below are based on the rules set out in paragraphs 26 to 34 in the main section of the document.

Table C1: Final reconciliation examples

1.0	Examples	A	B	C	D
1.1	Funding Allocation	£500,000			
1.2	Transitional Protection (TP) #	£2,000			
1.3	Formula Protection Funding (FPF) #	£3,000			
1.4	Net Allocation (includes TP and FPF for growth reconciliation)	£505,000			
1.5	Funding Allocation (for clawback reconciliation)	£500,000			
1.6	Tolerance - standard 1.0%	£5,000			
1.7	Funding growth cap	£150,000			
1.8	Funding outturn	£485,000	£497,500	£505,000	£535,500
1.9	Growth *	£0	£0	£0	£25,500
1.10	Clawback *	-£10,000	£0	£0	£0
1.11	Performance against Funding Agreement	97.0%	99.5%	101.0%	107.0%

* See notes overleaf for explanation of figures in rows 1.9 and 1.10 above

TP and FPF are excluded from the calculation of the tolerance figures row in 1.6

Notes on the examples from table C1

- A** Contract institution delivers 97% of their funded allocation with EFA clawback of allocation funding as they delivered below 99% of their programme allocation.
- B** Contract institution delivers 99.5% of their funded allocation with zero clawback of allocation funding as they delivered 99.5% of their programme allocation which is within the 1.0 % clawback tolerance.
- C** Contract institution delivers 101% of their funded allocation but is paid no growth funding as all over delivery is within 1.0% growth tolerance.
- D** Contract institution delivers 107% of their funded allocation and subject to affordability receives growth funding of £25,500. All TP and FPF must also be delivered before additional responsive growth funding is paid to a contract institution. In the example any final responsive growth in 1.9 will be capped at the value in 1.7.

Profiles for funding adjustments for contract institutions for 2014 to 2015

2. When making funding adjustments for contract institutions, the EFA uses the principles set out in paragraphs 35 to 39. This annex sets out the percentage profiles used each month used for clawback.

Clawback profile for 2014 to 15 for continuing institutions

3. The clawback profiles for recovery of under delivered allocations for contract institutions with a funding contract agreed for 2015 to 2016 by the 31 March 2015 are set out in tables C2 and C3 below. This will apply to all funding reconciliations, whether determined by ILR returns or final claims.

Table C2: R06 programme out-turn as used to determine in-year clawback for those institutions also funded in 2015 to 2016	
If R06 less than 40% of full year allocation	Clawback = Full allocation payment for April – July
If R06 is between 40% and 60% of full year allocation	Clawback = Half allocation payment for April – July
If R06 is between 60% and 80% of full year allocation	* Clawback = Provisionally half allocation payment for July only
If R06 is greater than 80% of full year allocation	No in-year clawback
*Where out-turn has substantially improved at R10 the EFA will review whether the clawback planned for July is appropriate.	

Table C3: Clawback Profile for 2014 to 2015 for those institutions also funded in 2015 to 2016.

	R10	R13/R14
August	30.00%	
September	25.00%	
October	25.00%	
November	10.00%	50.00%
December	10.00%	50.00%

The above profile from August to December 2015 is applied to the balance of R10 clawback less any in-year clawback already recovered as withheld allocation payments (see Table C2) before the end of July 2015.

The clawback figures will be reviewed at R13 and then finalised at R14 which will impact on the clawback values in November and December.

Clawback profile for 2014 to 2015 for those institutions without an agreed contract for 2015 to 2016

4. The EFA will ensure that payments to contract institutions without an allocation for the following year are restricted to match the institution out-turn at R06 to avoid the need to invoice organisations for the recovery of unused public funding for those institutions that do not have future contracts.
5. This policy also recognises that those institutions that have no contract for the following year may be winding down their operations during the latter part of the funding year and ceasing to recruit any new students later in the funding year.
6. For such contract institutions the EFA will profile the full clawback calculated from the R06 return so that the institution is only paid an allocation profile between March and July 2015 that has already been earned from their R06 return.

Annex D: funding claim report 2014 to 2015

Additional technical information

1. The FIS EFA funding claim report states the funding outturn figures for EFA-funded students. The general layout and coding of the report is shown at the end of this annex.
2. The reporting code reflects that the EFA has funding responsibility for the following groups.
 - a. Students aged 19 to 24 with either a Learning Difficulty Assessment (LDA) or Education Health and Care Plan (EHCP) for 2014 to 2015.
 - b. Students who started programmes aged 18 in the first year of their programme but who are aged 19 or over on the 31 August 2014 are usually the funding responsibility of the SFA for 2014 to 2015 (unless they meet the criteria set out either) above or below.
 - c. Students aged 19 and over who are continuing their studies in sixth form colleges.
3. To keep the funding claim report as simple as possible, it mainly uses the following ILR fields:
 - a. source of funding,
 - b. funding model,
 - c. learner funding and monitoring type,
 - d. learner funding and monitoring code,
 - e. date of birth.
4. Students must have at least one learning aim coded in the ILR data, as set out in table D1, in order to be EFA-funded.
5. The FIS funding claim report puts students in the full and part time funding bands as shown in the allocation statement, and applies the national rate to each band. When calculating students' programme funding, the report uses the same funding factors as the institution's funding allocation.
6. The outturn calculation handles the disadvantage element differently to the other funding factors when calculating the outturn, as disadvantage funding is an additional amount added to the programme funding. The outturn has to include the disadvantage element and at the same time reflect what proportion of the allocation has been delivered

– that is, the difference between the allocation’s student numbers and the actual student numbers recruited during the year. The calculation is as follows.

- a. The total block 1 and block 2 funding is calculated as a percentage of the programme funding (less disadvantage and before area cost).
- b. This percentage is applied by FIS (at the same standard percentage) to each individual student’s programme funding (before adding disadvantage funding or using the area cost factor). The standard disadvantage uplift factor for the institution is shown in FIS tables in the column labelled PrvDisadvPropnHist.
- c. FIS calculates the outturn including both the programme and disadvantage funding. This total is then further uplifted by the area cost factor to produce the outturn

7. The SFA issues full guidance on the ILR funding claim report in the FIS guidance, which is available from: www.gov.uk/government/collections/individualised-learner-record-ilr.

ILR data recording issues

8. Institutions must update the data entry in ILR field ‘source of funding’ for all continuing students that change funding body responsibility for a later year of their programme. Therefore the ILR learning aim record for these students will be different across funding years.

9. Of those students who are aged 19 to 24 on 31 August 2014, only those who are coded in accordance with paragraph 11 below **and** for whom the EFA has agreed funding responsibility will be coded in the ‘source of funding code’ field as 107. All other students (except in sixth form colleges) who are aged 19 or over on 31 August 2014 must be coded in ‘source of funding’ as 105.

10. For sixth form colleges only, continuing students aged 19 or over must be coded in ‘source of funding’ as 107; the EFA is responsible for funding these students in 2014 to 2015.

11. All students with either a section 139A LDA or a EHCP must have this recorded in ILR fields ‘Learning funding and monitoring code/type’ so that either the LDA or EHC reference is recorded as 1. This enables the EFA and the SFA to ensure the funding position mirrors their statutory responsibilities.

Provider Data Self-Assessment Tool (PDSAT) reports

12. As stated in paragraph 17, the EFA expects institutions to use PDSAT reports to verify their own ILR data during the year.

13. KPMG have developed the software and will provide support. Support is via their helpdesk facility as detailed on the main PDSAT page, where you can also find a PDSAT e-learning guide: www.gov.uk/government/publications/ilr-data-check-that-it-meets-standards-and-quality-requirements.

Notes on FIS EFA funding reports

14. The notes at the bottom of the FIS EFA funding claim report are set out below.

- 1) Disadvantage is calculated as the total Block 1 and Block 2 elements of your 2014 to 2015 allocation as a proportion of the total programme funding (less disadvantage and before area cost) in your 2014 to 2015 allocation.
- 2) This page includes all students who have funding and are identified in the ILR as EFA funded (i.e. source of funding code = 107).
- 3) Any students coded as Skills Funding Agency funded (i.e. source of funding code = 105) will not appear on this page, even if their funding model is set to 25 (EFA student funding).
- 4) Row C includes students aged 19 to 24 on 31 August 2014 that are funded by the EFA (i.e. source of funding code = 107) and are deemed high needs students.
- 5) Row D includes students aged 19 or over on 31 August 2014 that are funded by the EFA (i.e. source of funding code = 107), and are not included in Row C. This is only applicable to sixth form colleges.
- 6) All factors in this report and used in funding calculations are those used in your 2014 to 2015 allocation.

Table D1: FIS EFA Funding Reports

A summary of the use of ILR fields and correct student coding for EFA funding

Funding claim report Category	ILR field 'source of funding'	ILR field 'funding model'	ILR field 'learner funding and monitoring'	Learning delivery funding and monitoring	Age at 31 st August
A 14 to 16 Direct Funded Students	Equals: 107	Equals: 25	N/A	Type=LDM Code=320	14 or 15
B 16 to 19 Students (including High need students)	16-19 high needs students				
	Equals: 107	Equals: 25	Type=HNS Code=1	N/A	<19
	16-19 Students (excluding High Needs Students)				
	Equals: 107	Equals: 25	Type<>HNS Code<>1	N/A	<19
19 to 24 students with an LDA or EHCP	Equals : 107	Equals: 25	Type=LDA/EHC Code=1	N/A	>=19
D (19+ Continuing students (excluding High needs students) (This is only applicable to Sixth Form Colleges)	Equals : 107 (only sixth form colleges will have any valid students – for all other institutions the EFA will ignore any students recorded in this row)	Equals : 25	Type<>LDA/EHC Code<>1	N/A	>=19
Total Funding	Total (Programme funding only) = A + B + C + D (from above)				

'Not equal to' is denoted by <>



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