



## Guidance Note: Allocations Methodology for 2015 to 2016

### March 2015 version 2

#### Introduction

- This note sets out the principles we have used to calculate your funding allocations for the 2015 to 2016 funding year. Your funding statement will provide the details on the budgets you deliver. Please read this note in conjunction with [Peter Lauener's letter](#), which explains the context of funding reductions in the 2015 to 2016 funding year, and Keith Smith's letter that will accompany your funding allocation.

#### Adult Skills Budget Baselines and Allocations

- The baselines used to calculate your funding allocations are based upon your latest performance data informing us of your level of delivery in the 2014 to 2015 funding year.
- If you are funded through a grant, your mid-year funding claim has been used as your baseline for the 2015 to 2016 funding year. (Your mid-year funding claim is your actual delivery plus your forecast delivery for the remainder of the year.) We have capped your baseline at the value of your 2014 to 2015 contract value. If you have claimed delivery for adult apprenticeships above your apprenticeship contract value, we have included it in your baseline if this can be offset by your under delivery in non-apprenticeship (other) ASB. Where it cannot be offset by under delivery in your non-apprenticeship (other) ASB then your adult apprenticeship baseline has been capped at your 2014 to 2015 contract value.
- If you are funded through a contract or direct grant, we have used your 2014 to 2015 ASB contract after applying any automated reductions for performance-management point 2 as your baseline. We have capped your baseline at the value of your 2014 to 2015 contract value before any growth awarded at performance-management point 2. We have apportioned your baseline across apprenticeships, traineeships and non-apprenticeship (other) ASB according to their relative proportions in your Individualised Learner Record (ILR) R06 data return.
- For all providers we have protected apprenticeships and traineeships at the level of your current delivery. We will continue to ring-fence your funding for adult apprenticeships within your overall ASB funding allocation.

- We have protected English and maths delivery from within the non-apprenticeship (other) ASB. We have used your delivery of English and maths as submitted in your ILR R06 data return to protect these programmes. Please note that this does not include delivery of learning aims for English for speakers of other languages (ESOL).
- We have allocated additional ESOL plus (mandation) funding in your non-apprenticeship (other) ASB allocation. You will receive additional ESOL plus (mandation) funds if you deliver in priority areas identified by Department for Work and Pensions (DWP), and if your delivery in the 2013 to 2014 funding year demonstrated your capacity to deliver ESOL to this cohort group. We have targeted these limited funds to the largest 200 colleges and training organisations that deliver to this cohort group.
- For all providers, we have protected your 2015 to 2016 non-apprenticeship (other) ASB contract value so that it is a maximum of 24% less than your baseline.
- Your ASB funding allocation continues to include funding for you to provide learning support for learners with learning difficulties and/or disabilities. Learning support enables you to meet the cost of reasonable adjustments as set out in the Equality Act 2010.

#### **24+ Advanced Learning Loans**

- The Skills Funding Letter set out an increase of 25% of funding available for 24+ Advanced Learning Loans. We have increased 24+ Advanced Learning Loans facility values by 25% in the 2015 to 2016 funding year.
- The facility value gives you an indication of the funding which could be available for the delivery of loans. Actual funding is dependent on payment of approved loans by the Student Loans Company.

#### **16 to 18 apprenticeships and SFA-funded traineeships**

- Your 2014 to 2015 16 to 18 apprenticeship and traineeship contract value after performance-management point 2 is also your allocation for the 2015 to 2016 funding year. We have worked closely with the Education Funding Agency (EFA) to ensure that the consistent approach to funding 16 to 18 traineeships continues in 2015 to 2016.
- We will continue to ring-fence your funding for 16 to 18 apprenticeships within your 16 to 18 apprenticeships and traineeships funding allocation.
- Your allocation also includes funds for you to provide discretionary support and the entitlement to free meals for learners aged 16 to 18 on a traineeship.

## **Community Learning**

- Your funding allocation for the 2014 to 2015 funding year will remain the same in 2015 to 2016.

### **Learner Support Budgets**

- For grant-funded providers, we have used your mid-year funding claim as the baseline for your Discretionary Learner Support (DLS) allocation and your 24+ Advanced Learning Loans bursary. The overall total is capped at your combined DLS and 24+ Advanced Learning Loan bursary contract value. In the 2015 to 2016 funding year you can continue to move funds flexibly between DLS and 24+ Advanced Learning Loan bursary funding.
- For providers funded through a contract or direct grant, we have used your 2014 to 2015 mid-year funding claim as the baseline for your DLS allocation. The baseline is capped at your DLS contract value. For 24+ Advanced Learning Loan bursary we have used your 2014 to 2015 contract value as the baseline.
- For both grant-funded providers and providers funded through a contract or direct grant we have reduced DLS funding in line with reductions to the ASB. We have maintained your 24+ Advanced Learning Loan bursary. The loan bursary allocation is at least £500.