



Skills Funding
Agency

Funding rates and formula 2015 to 2016

Summary of changes

Version 2

March 2015

Of interest to further education and skills providers

Introduction

1. This document sets out the changes between the first and second versions of the Funding rates and formula 2015 to 2016 document. There is also a section detailing the changes from the 2014 to 2015 document.

Changes from 2015 to 2016 version 1 to version 2

2. There have been some clarifications to text within the document.

Paragraph and change	Text
Funding rates section	
Amendment 35	Additional sentence added on Functional Skills: 35 To incentivise the take up of English and maths GCSE providers that deliver these qualifications to adults aged 19 and over, outside apprenticeships, will receive a higher rate of funding through the ASB of £811 instead of £724. The increased rate applies to learner starts from 1 August 2015. We will no longer fund English and maths QCF Level 2 qualifications for starts from 1 August 2015. Functional Skills in English and maths will continue to be funded in 2015 to 2016. The full list of fundable English and maths qualifications is available on the Hub .
Amendments and deletion 36	Additional text added to paragraph 36 as clarification and paragraph 37 deleted: 36 Providers offering English for Speakers of Other Languages (ESOL) provision may need to deliver additional GLH to individual learners. For starts from 1 August 2015 where additional hours are required, you can record the number of additional hours delivered on the ILR using the 'Additional delivery hours' field as detailed in the ILR Specification 2015 to 2016 and the Provider Support Manual for 2015 to 2016 .

	<p>37 The additional hours will generate funding using a similar method to non-regulated learning. The hours will be banded as per the table in paragraph 33 to find a 'funding band'. The matrix rate for that funding band will be added to the original rate of the ESOL aim to give an overall rate.</p>
<p>Addition 47</p>	<p>47 All work preparation activity delivered within a traineeship, including non-regulated aims, should be recorded using the appropriate SSA code 14.2. These aims will not attract individual funding values as they will be included within the single traineeship rate for work placement and work preparation.</p>
<p>Funding formula section</p>	
<p>Amendment 60</p>	<p>60 You can work out the contribution a learner or employer makes in a number of ways:</p> <ul style="list-style-type: none"> • learners meeting the criteria for full funding, as shown in the Funding Rules 2015 to 2016, will receive the fully-funded rate shown in the matrix • for training provision we fund that is not an apprenticeship, learners who are not fully funded are expected to contribute 50% of the un-weighted base rate of the learning aim. This is because the government recognises that a learner should not be expected to contribute more for the same size of qualification just because that qualification is more costly to deliver. This means that the government will contribute more towards qualifications with higher operational and delivery costs, such as engineering. Colleges and other training providers will be free to decide how best to grow the level of co-investment, in order to rebalance the contribution made by employers, individuals and government.

Loans section	
<p>Addition</p> <p>84 to 85</p>	<p>84 The loans bursary claimed through the ILR is limited to the maximum length of the loan. The maximum length of a loan is defined by the qualification type:</p> <ul style="list-style-type: none"> • AS Level, A-Level and QAA Access to HE Diploma – maximum 2 years • Certificates (Levels 3 and 4) – maximum 2 years • Diplomas (Levels 3 and 4) – maximum 3 years • Tech Levels: <ul style="list-style-type: none"> i. Certificate – maximum 2 years ii. Diploma – maximum 3 years • Early Years Educator Courses (Level 3): <ul style="list-style-type: none"> i. Certificate – maximum 2 years ii. Diploma – maximum 3 years <p>85 If the planned length of the aim recorded on the ILR is greater than the maximum length of the loan, the total area cost uplift is equally spread across the maximum length of the loan. The total area cost for an aim is unaffected by the maximum length; the only difference is the number of periods the uplift is spread across.</p>
Annex 3: Worked example of provider earnings within an apprenticeship framework	
<p>Amendment</p>	<p>All published funding rates on LARS are the fully-funded rates for learners aged 19-23. As apprenticeship methodology uses a historic rate-setting method, some programme weightings appear that are not used in the matrix of rates shown in paragraph 31 - these weightings are F (1.4), H (1.2), J (1.25), K (1.5) and L (1.15). The earnings in the table above have been calculated according to the principles in paragraph 23, with a 7.23% increase in funding for learners aged 16 to 18 and a 20% reduction in funding for learners aged 24 or older. The calculations are shown below.</p>

Changes from the 2014 to 2015 document to the 2015 to 2016 version 1 document

3. This section sets out the changes to the Funding rates and formula 2015 to 2016 version 1 document from the 2014 to 2015 version.
4. The funding matrix, on which all rates are based, will remain unchanged from 2014 to 2015. Apprenticeship framework rates will remain unchanged for 2014 to 2015. The Trailblazer standards funding model is being trialled in 2014 to 2015 and this trial will continue into 2015 to 2016.
5. Minor amendments to text, applied for purposes of clarity or simplification, are not included within the amendments and additions detailed below.

Paragraph and change	Text
Funding Rates section	
Addition 30	30 We will review the funding methodology in due course, taking into account the impact of government’s ongoing reform of vocational qualifications and Ofqual’s work on regulatory reform, including the removal of the regulatory rules linked to the QCF review.
Addition 35	35 To incentivise the take up of English and maths GCSE providers that deliver these qualifications to adults aged 19 and over, outside apprenticeships, will receive a higher rate of funding through the ASB of £811 instead of £724. The increased rate applies to learner starts from 1 August 2015. We will no longer fund English and maths QCF Level 2 qualifications for starts from 1 August 2015. The full list of fundable English and maths qualifications is available on the Hub .

<p>Amendment 36 to 37</p>	<p>36 Providers offering English for Speakers of Other Languages (ESOL) provision may need to deliver additional GLH to individual learners. Where additional hours are required, you can record the number of additional hours on the ILR using the planned learning hours field as detailed in the ILR Specification and within the ESOL Guidance.</p> <p>37 The additional hours will generate funding using a similar method to non-regulated learning. The hours will be banded as per the table in paragraph 33 to find a 'funding band'. The matrix rate for that funding band will be added to the original rate of the ESOL aim to give an overall rate.</p>
<p>Deletion in paragraph 40</p>	<p>40 We also apply this uplift to the maximum loan amounts for this provision.</p>
<p>Traineeships</p>	
<p>Amendments and addition 41 to 48</p>	<p>41 Funding for 16 to 18 traineeships is calculated through the EFA funding calculation. Where we fund the provider, the funding follows our funding principles and the provider is paid monthly.</p> <p>42 If the learner was 18 years old in 2014 to 2015 the funding will be calculated using the EFA's funding calculation and we will fund the learner through the adult skills budget.</p> <p>43 We will continue to fund 19 to 24 traineeships that started before 1 August 2015 using the methodology that applied to that learner in the 2014 to 2015 funding year. This may include aims started on or after 1 August 2015 which are part of the traineeship if the traineeship started before 1 August 2015.</p>

	<p>44 There are three aspects of 19 to 24 traineeship funding for traineeships starting from 1 August 2015:</p> <ul style="list-style-type: none">• the single work placement and work-preparation rate. Note that we funded these separately in 2014 to 2015• GCSE English and maths (if required) or other qualifications to support progress towards GCSE English and maths at grade C and above• a flexible element – designed to help the learner move into work or remove a barrier to them entering work <p>45 English and maths and the flexible elements are funded through the matrix.</p> <p>46 The single work placement and work-preparation rate is based upon:</p> <ul style="list-style-type: none">• the rates for work placements are based on your costs of involving employers, establishing placements, carrying out monitoring and mentoring visits, and supporting exit interviews• historical delivery of work placements and work preparation in the funding year 2013 to 2014 <p>47 The single work placement and work-preparation rate is £970.</p> <p>48 The achievement payment for the work placement and work preparation element will be earned when the learner has a positive destination recorded on the ILR for example progressing to an apprenticeship, job or further learning as defined in the Funding Rules.</p>

Apprenticeships	
Addition 59	59 An example of the methodology used to calculate apprenticeship framework funding is detailed in Annex 3. Details of the funding methodology for Apprenticeship Standards, as applied to Trailblazers, can be found in Funding rules for Trailblazer apprenticeship standards 2014 to 2015 .
Other funding adjustments	
Addition 67 to 69	<p>67 Where you have agreement with us to adjust for funding for other reasons apart from prior learning, you should record it in the ILR so this changes the funding calculated.</p> <p>68 This Other funding adjustment factor reduces the funding for that learning, including the achievement funding. However it does not change Learning Support funding.</p> <p>69 If there is also a factor for prior learning recorded, the prior learning factor is multiplied by the other funding adjustment factor and is applied to the appropriate funding.</p>
Monthly funding cap	
Amendment 76	76 We will not be implementing a formal monthly learner funding cap in 2015 to 2016. We will continue to monitor where our analysis shows that delivery is not value for money and will work with the providers involved.
Learning support funding	
Addition 77 to 79	77 Funding is available if a learner has a learning support need or reasonable adjustment under the Equality Act 2010 associated with an identified learning aim. This funding comes from the ASB for adult skills learners and the OLASS budget for offenders.

	<p>78 You will earn Learning Support at a fixed monthly rate of £150 if it has been identified on the ILR against a learner’s learning aim. We expect the total you earn from the monthly rate to be enough to cover your costs. If the cost of you providing support to a learner goes above the total earned from the fixed monthly rate, and you have evidence of the excess, you will be able to claim for this excess through the Earnings Adjustment Statement (EAS).</p> <p>79 Some learners may need significant levels of support to start or continue learning. These learners are unlikely to be planning to take part in learning without careful consideration of their needs and the ability to meet them, and there will be other agencies involved in their care and support. These learners can get access to Exceptional Learning Support if their support costs more than £19,000. You can find more information in the Funding Rules 2015 to 2016.</p>
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Loans

<p>Additions and amendments</p> <p>84 to 92</p>	<p>84 You will earn loans bursary funding based on the information you record in the ILR.</p> <p>85 You must claim the loans bursary using one of the three fixed rates shown below. These rates are shown in the learning delivery funding and monitoring fields of the ILR. You can only claim one rate for each learner each month, but the rate you use each month can change to reflect the needs of the learner being supported. The rate you claim must reflect the criteria below and the value of the support provided:</p> <ul style="list-style-type: none"> • Rate 1 (£50) – low-cost learner support, not including childcare and residential
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	<ul style="list-style-type: none"> • Rate 2 (£150) – learning support recognising that the learner could have Learner Support needs as well • Rate 3 (£250) – residential or childcare support recognising that the learner could have other learning support or Learner Support needs as well <p>86 We expect the total you earn from the monthly rate to be enough to cover your costs. If the cost of you providing support to a learner goes above the total earned from the fixed monthly rate, and you provide evidence of the excess, you will be able to claim this excess from your Loans Bursary Fund using the EAS.</p> <p>Grant-funded providers</p> <p>87 You will be paid on profile for the Discretionary Learner Support element of your Loans Bursary Fund. You will be paid 50% in August, 25% in January and 25% in April.</p> <p>88 You will earn Learning Support at a fixed monthly rate of £150 (Rate 2) on the ILR against a learner’s learning aim. You must not claim Rate 1 or 3. We expect the total you earn from the monthly rate to be enough to cover your costs. If the cost of you providing support to a learner goes above the total earned from the fixed monthly rate, and you have evidence of the excess, you will be able to claim for this excess through the EAS.</p> <p>89 If you do not have a DLS allocation, you will need to fill in the funding claim form to show any learner support given to loans-funded learners.</p> <p>90 You can move funds between your DLS and loans bursary funding allocation without any limitation.</p>
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	<p>91 All learner support you provide must be recorded separately on the DLS mid-year and final funding claims for learners funded through a loan.</p> <p>92 At the end of the year we will reconcile the amount of loans bursary and DLS you have used to support learners against your combined Loans Bursary Fund and DLS funding allocations.</p>
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Prince's Trust Team programme

<p>Addition</p> <p>95 to 96</p>	<p>95 The rate for the Prince's Trust Team programme learners will be:</p> <table border="1" data-bbox="536 884 1168 1059"> <thead> <tr> <th></th> <th>Unemployed</th> <th>Employed</th> </tr> </thead> <tbody> <tr> <td>Fully funded</td> <td>£2,670</td> <td>£572</td> </tr> <tr> <td>Co-funded</td> <td>£1,335</td> <td>£286</td> </tr> </tbody> </table> <p>96 Within this programme the funding earned by the Award or Certificate in Employment, Teamwork and Community Skills (QCF) in the funding year 2015 to 2016 is:</p> <table border="1" data-bbox="510 1299 1334 1473"> <thead> <tr> <th colspan="2">Award</th> <th colspan="2">Certificate</th> </tr> <tr> <th>Co-funded</th> <th>Fully-funded</th> <th>Co-funded</th> <th>Fully-funded</th> </tr> </thead> <tbody> <tr> <td>£225</td> <td>£450</td> <td>£633</td> <td>£1,265</td> </tr> </tbody> </table>		Unemployed	Employed	Fully funded	£2,670	£572	Co-funded	£1,335	£286	Award		Certificate		Co-funded	Fully-funded	Co-funded	Fully-funded	£225	£450	£633	£1,265
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Annexes

<p>Addition</p> <p>Annex 3</p>	<p>Worked example of provider earnings within an apprenticeship framework</p> <p>See the annex for detail</p>
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