



Skills Funding
Agency

Funding Rates and Formula 2016 to 2017

Summary of Changes
Version 1

January 2016

Of interest to colleges, training organisations and employers.

Introduction

1. This document sets out the changes to the Funding rates and formula 2016 to 2017 version from the 2015 to 2016 version.

Key changes from the 2015 to 2016 version to the 2016 to 2017 version

2. There are no significant changes to the funding calculation in the funding year 2016 to 2017. We will fund all learning aims at the same rate as the funding year 2015 to 2016. If we did not fund the learning aim in the funding year 2015 to 2016, we will use a Single Activity Matrix (SAM) to set rates for all eligible learning activity, including eligible qualifications. This will enable funding of planned activity, based on hours. Refer to the [Funding Rules](#) for more information on planned activity. This is to simplify the system by merging the existing matrices and supports the transition to local commissioning by enabling more flexibility to meet learners' and employers' needs locally.
3. For more information about the changes to funding rates, refer to the Funding Rates section of the [Funding Rates and Formula 2016 to 2017](#). These changes are not included in this document.
4. We removed the 'Publicly-funded offer and 24+ Advanced Learning Loans' and the 'Loans' sections as these are explained in the [Adult Education Funding Rules](#) and the [Advanced Learner Loans Funding Rules](#).
5. The funding rates and formula relating to offenders in custody will be included in Version 2 of these documents following the outcomes of Dame Sally Coates' independent review of prison education, commissioned by the Justice Secretary.

Detailed changes from the 2015 to 2016 version to the 2016 to 2017 version

6. Minor amendments to text to clarify or simplify are not included within the amendments, removals or additions detailed in the table below.

Paragraph and change	Text
Disadvantage uplift section	
<p>New paragraphs and updated information</p> <p>(we have increased the factors and there is a change to when the factors apply)</p>	<p>17 To calculate the disadvantage uplift we use the Index of Multiple Deprivation (IMD). This results in a funding increase for learners living in the most deprived areas of the country. It is based on a learner's postcode (based upon the 'Postcode Prior to Enrolment', as recorded in the 'Postcode' field on the ILR). If required the uplift factor is between 1.084 and 1.336, otherwise we default the factor to 1. The disadvantage uplift factors are available on our website.</p> <p>18 In the funding year 2015 to 2016 we used the IMD 2010 data; for the funding year 2016 to 2017 we will use the latest IMD 2015 data. We are using the latest IMD to ensure that this funding is earned in the areas that need it the most.</p> <p>19 We will apply the same principles to the disadvantage uplift in the funding year 2016 to 2017 as we do with the funding rate. The disadvantage uplift factor at the start of the learning aim will apply throughout the duration of the learning aim. We will calculate funding for learning aims starting before 1 August 2016 using disadvantage factors based on the IMD 2010.</p>
Area cost section	
<p>New paragraph</p> <p>(there is a change to when the factors apply)</p>	<p>22 We will apply the same principles to the area cost uplift in the funding year 2016 to 2017 as we do with the funding rate. The area cost uplift factor at the start of the learning aim will apply throughout the duration of the learning aim. We will calculate funding for learning aims starting before 1 August 2016 using area cost factors based on those for the funding year 2015 to 2016. The area cost factors are the same in 2016 to 2017 compared to 2015 to 2016.</p>

Paragraph and change	Text
Large employers section	
<p>New paragraphs and updated information</p> <p>(we have removed the discount for workplace learning and updated the exemption criteria)</p>	<p>26 We do not reduce the funding if:</p> <ul style="list-style-type: none"> • the provider is a Group Training Association • the apprentice is studying a prescribed higher education (HE) learning aim in a higher apprenticeship framework • the learning aim was previously recorded as workplace learning • the individual is employed by any of the following: <ul style="list-style-type: none"> ○ registered charity ○ children’s nursery ○ schools or further education college ○ university ○ community centre ○ Apprenticeship Training Agency <p>27 Employers with a direct grant contract with us have the reduction applied to all 19 and over apprenticeship frameworks. We will relax this rule where the direct grant employer is either:</p> <ul style="list-style-type: none"> • a registered charity <p>OR</p> <ul style="list-style-type: none"> • is not classed as a large employer and does not plan to deliver large volumes of apprenticeship frameworks <p>28 We will apply the same principles to the large employer discount in the funding year 2016 to 2017 as we do with the funding rate. The large employer discount at the start of the learning aim will apply throughout the duration of the learning aim. We will calculate funding for learning aims starting before 1 August 2016 using the large employer list for the funding year 2015 to 2016. The large employer lists are available on our website.</p>

Paragraph and change	Text								
Traineeships section									
<p>Amendment of paragraph</p> <p>(we have included the LARS category to identify work preparation)</p>	<p>63. Work preparation learning aims do not generate funding as they are included within the single traineeship rate for work placement and work preparation. Work preparation learning aims are identified through the learning aims search on the Hub with a category of ‘Work Preparation – SFA Traineeships’. This category is based upon the SSA 14.2 (Preparation for Work). For more information refer to the LARS Category Guidance on the Hub.</p>								
Qualifying period for funding									
<p>New paragraph and updated information</p> <p>(the qualifying period is the same, but is now shown in days instead of weeks. We have added the impact of learners leaving early)</p>	<p>66. If a learner is in learning for at least the qualifying period, they are counted as a ‘funding start’. We calculate this from the ILR ‘Learning Start Date’:</p> <table border="1" data-bbox="472 1093 1281 1339"> <thead> <tr> <th data-bbox="472 1093 916 1167">Length of the learning aim</th> <th data-bbox="916 1093 1281 1167">Qualifying period</th> </tr> </thead> <tbody> <tr> <td data-bbox="472 1167 916 1227">168 days</td> <td data-bbox="916 1167 1281 1227">42 days</td> </tr> <tr> <td data-bbox="472 1227 916 1283">14 to 167 days</td> <td data-bbox="916 1227 1281 1283">14 days</td> </tr> <tr> <td data-bbox="472 1283 916 1339">Fewer than 14 days</td> <td data-bbox="916 1283 1281 1339">1 day</td> </tr> </tbody> </table> <p>67. If the learner leaves before the qualifying period, you will not earn any funding. However, if you have already earned funding before the ILR ‘Learning Actual End Date’ is recorded we will reclaim the funding.</p>	Length of the learning aim	Qualifying period	168 days	42 days	14 to 167 days	14 days	Fewer than 14 days	1 day
Length of the learning aim	Qualifying period								
168 days	42 days								
14 to 167 days	14 days								
Fewer than 14 days	1 day								
Learning Support									
<p>New paragraphs</p> <p>(to identify which budget pays for Learning Support)</p>	<p>75. This funding comes from the 16 to 18 apprenticeships budget, the 19 and over apprenticeship budget or the AEB.</p> <p>76. If you are claiming Learning Support for a learner who is studying an apprenticeship learning aim and a non-apprenticeship learning aim in the same month, we will attribute the funding to the appropriate apprenticeships budget (16 to 18 or 19 and over).</p>								

Paragraph and change	Text
Learner Support	
<p>New paragraph</p> <p>(to identify which budget pays for Learner Support)</p>	<p>80. This funding comes from the 16 to 18 apprenticeships budget, the 19 and over apprenticeship budget, or for 19 to 24 Traineeships from the AEB. You claim this support funding using the EAS. For more information, refer to the Funding Rules.</p>
Monthly funding cap	
<p>Removal of paragraph from 2015 to 2016 version</p> <p>(no longer relevant for 2016 to 2017)</p>	<p>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.</p>



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