

# **Requirements for Funding Work-based Learning for Young People 2004/05**

## **Summary**

The Learning and Skills Council (LSC) has responsibility for planning and funding work-based learning (WBL) for young people in England up to the age of 24. This document sets out the LSC's approach to funding WBL for young people up to and including the age of 24 years in 2004/05. It constitutes an integral part of the LSC's funding agreement and financial memorandum with providers for the delivery of WBL in 2004/05.

This document is of interest to institution principals, senior managers in further education colleges, chief executives of training providers and their WBL managers.

# Contents

	<i>paragraph number</i>
Executive Summary	-
Section 1: Introduction and Background	1
Definitions	1
Funding principles	1
National Rates Advisory Group	3
Specific Changes to Terminology and Rates for 2004/05	5
Terminology	5
Funding of WBL for 2004/05 and the Funding Formula	23
Changes to the funding formula in 2004/05 for Apprenticeships	31
Section 2: Funding Providers	39
Funding agreement	39
New providers	41
Provider location	43
Section 3: Applying the Formula to Work-based Learning	44
Elements of the formula	44
National Vocational Qualification learning programmes	61
National Vocational Qualification equivalents	69
Learners changing providers and provision	74
Additional learning support	83
Funding for work-based learning	95
Section 4: Eligibility	106
Learners eligible for funding	109
Work-based learning eligibility	113
Provision eligible for work-based learning funding	124
Section 5: Delivering Work-based Learning Provision	127
Apprenticeships	129
Section 6: Planning and Budgeting Arrangements	149
Learner profiles	153
Local planning	154
Quality and growth	155
Section 7: Administering and Funding Entry to Employment	156
Introduction	156
Definition	158

Eligibility	159
Recruitment of learners onto Entry to Employment	163
Delivery of Entry to Employment	170
Leaving Entry to Employment	181
Financial support for Entry to Employment learners	185
Funding Entry to Employment	190
Exceptional learning support and learners with learning difficulties and/or disabilities	194
Funding rates	196
Provider administrative action	197

## **Annexes**

A: Glossary

B: National Rates for Work-based Learning for 2004/05

C: National Employers and Lead Arrangements

D: Ministry of Defence

E: Identifying, Meeting and Funding Additional Learning Needs and Additional Social Needs

F: Young People's Terms and Conditions

G: Examples of Formula Funding Arrangements for 2004/05

H: Data Collection and Payments

I: Evidence Requirements for Formula-funded Provision

J: Entry to Employment Evidence Requirements

## **Further information**

For further information, please contact the appropriate local 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)

# Executive Summary

**Date:** June 2004

**Subject:** Requirements for Funding Work-based Learning for Young People 2004/05

The Learning and Skills Council (LSC) has responsibility for planning and funding work-based learning (WBL) in England. This document sets out the LSC's approach to funding WBL in 2004/05 for young people aged up to and including 24 years. The LSC is also supporting a small number of pilot WBL projects for adults aged over 25.

This document is an integral part of the LSC's funding agreement and financial memorandum with providers for the delivery of WBL in 2004/05. It covers a similar range of policy issues, for 2004/05, as that detailed in *Requirements for Funding Work-based Learning for Young People 2003/04*.

In setting out the approach for 2004/05, the LSC seeks to establish strategic relationships with providers of WBL, with an emphasis on trust and openness. Providers and local LSCs will need to develop strong partnership approaches to ensure that the needs of local learners and employers are met.

**Intended recipients:** Principals, senior managers in further education colleges, chief executives of training providers and their WBL managers

**Status:** For information and guidance

# Requirements for Funding Work-based Learning for Young People 2004/05

## Section 1: Introduction and Background

### Definitions

Definitions of the terms used in this document are set out in Annex A.

### Funding principles

- 1 This document forms part of the general terms and conditions of the funding agreement between the Learning and Skills Council (LSC) and providers. The LSC seeks for all learning sectors to:
  - ensure funding follows the learner
  - fund at a 'fair rate' that recognises the costs incurred by efficiently delivered provision
  - reflect Ministers' priorities in the funding approach
  - ensure these principles are reflected in the funding formula.
- 2 To ensure that the costs of efficiently delivered provision are reflected in the national rates, the LSC gathers and reviews the available evidence that relates to such costs.

### National Rates Advisory Group

- 3 The LSC is advised by the National Rates Advisory Group (NRAG) on the recommended approaches to establishing national rates and differentials between occupational sectors and types of provision. The NRAG is a joint LSC and Jobcentre Plus group. Its membership is drawn from a range of post-16 providers, including providers of work-based learning (WBL), further education (FE), school sixth form provision and adult and community learning (ACL). Representatives of employers, key stakeholders and organisations such as the Association of Learning Providers (ALP) and the Association of Colleges (AoC) are also members of the NRAG.
- 4 The WBL rates for 2004/05 have been established using the evidence available to the LSC, considerations raised by WBL providers and the recommendations of the NRAG.

## Specific Changes to Terminology and Rates for 2004/05

### Terminology

- 5 The Government recently announced the launch of Apprenticeships (formerly known as Foundation Modern Apprenticeships) and Advanced

Apprenticeships (formerly known as Advanced Modern Apprenticeships). This document uses this new terminology throughout.

### **Overall increase**

- 6 The LSC has been able to increase the 2003/04 national formula funded rates and the Entry to Employment (E2E) national weekly rate by 2.5 per cent for 2004/05. The occupational sector weightings are set out in Annex B and are unchanged for 2004/05.

### **Area costs**

- 7 The NRAG has recommended that area uplifts for FE and WBL should be the same and are fully implemented as follows:
- London A to 1.20
  - London B to 1.12
  - South East regions have a range of uplifts between 1.01 and 1.10.

### **Disadvantage uplift**

- 8 The NRAG has recommended that the funding for disadvantage should be based on the most recent Index of Multiple Deprivation 2000 (IMD 2000).

### **Funding for Apprenticeships and technical certificates and changes to the funding of key skills**

- 9 From 2004/05, the LSC is implementing an NRAG recommendation to fund each Key Skill studied at a standard rate of £157. This applies to the Key Skills qualifications of Application of Number and Communication, and to the wider Key Skills of problem-solving, working with others and improving your own learning. The rate is the same irrespective of the level at which the Key Skill is studied, or the age of the learner. Payments for Key Skills will be made on the same basis as technical certificates, that is, in monthly payments determined by the start date and planned end date of each Key Skill studied.
- 10 The National Vocational Qualification (NVQ) element of Apprenticeships will also have a listed rate based on the current funding bands. This will also be drawn down in monthly profiles. These will be based on learner start and expected end dates in the same way as technical certificates and Key Skills.
- 11 Each formula-funded programme has a usual length of programme (LOP). These have been derived from analysis of the actual time taken to complete each programme. The NRAG reviews this. The term 'LOP' replaces the previous terminology of standard length of stay ('SLOS'). The LSC expects providers to forecast the LOP accurately, while accepting that the LOP for some individual learners may vary from that forecast. Providers are not expected to routinely underestimate the LOP to secure financial advantage. LSC account managers will investigate any evidence of such practice.
- 12 The achievement element will be deducted from the NVQ element of the funding. Achievement payments will be 20 per cent of the uplifted NVQ

listed rate. For Apprenticeships, this will be 10 per cent on NVQ achievement and 10 per cent on overall framework achievement. There is no achievement element for Key Skills or technical certificates. For NVQ learning programmes, there will be a 20 per cent achievement element based solely on the NVQ achievement. This will be the same for all NVQ learning programmes. There will be no differential rate for learners with additional learning support (ALS) or additional learning needs (ALN) from 1 August 2004.

### **Removal of conversion rates**

- 13 WBL has historically paid a reduced rate for learners progressing seamlessly from one programme to another. This is termed the 'conversion rate'.
- 14 In the drive to continue to remove differences in funding principles between the funding streams, the LSC has agreed to remove the conversion rate for Apprenticeships to Advanced Apprenticeships and NVQ Level 2 to NVQ Level 3. Learners starting a second progressive programme will now be entitled to the national rate for Advanced Apprenticeships or NVQ Level 3.
- 15 Learners currently attracting conversion rates in 2003/04 will be able to be funded at the main programme rate for any time they continue in learning after 1 August 2004 up to the balance of their programme. No retrospective payments will be made to learners for any period in learning up to 31 July 2004 or for learners leaving before 31 July 2004.

### **Removal of 13-week continuous learning**

- 16 In tandem with the removal of conversion rates, the LSC is removing the concept of 13-week continuous learning.

### **Removal of 16-18 funding entitlement for learners in continuous learning**

- 17 Again, to remove differences between funding streams and with the removal of conversion rates and the concept of 13-week continuous learning, the LSC has removed the 16-18 entitlement. This means that the previous entitlement to continue to claim the 16-18 rate of funding for learners starting new programmes when they are aged 19 at the start of their second programme is removed from 1 August 2004.
- 18 This change will be effective from 1 August 2004 for all new starts and learners already in learning, that is, those learners who started a second programme before 1 August 2004 aged 19 at the start of their programme and for whom the 16-18 rate was claimed in 2003/04. No retrospective deduction will be made for the period of learning up to 31 July 2004. This change will make sure that learners appear in their true age band in reports.
- 19 This change does not affect learners on programmes that they started when below the age of 19 and who continue their existing programme after their 19<sup>th</sup> birthday.

### **Additional learning support**



- 20 The LSC's approach to funding ALS in 2004/05 is changed from 2003/04, in two ways. Allocations to providers will now be based on a formula. The concept of exceptional learning support (ELS) has evolved and is now formalised into a defined process with a national threshold. Further details are provided in Annex E.

### **Entry to Employment bonuses**

- 21 The funding methodology for Entry to Employment (E2E) is unchanged from 2003/04 with the exception of bonuses where differential rates have been introduced. There have been other changes to the delivery specification. These are explained in Section 7.

### **Funding for Apprenticeships and Advanced Apprenticeships 2004/05**

- 22 Apprenticeships are the preferred work-based learning route for all young people aged 16 to 24 who are capable of achieving NVQs at Levels 2 and 3. Frameworks are produced by the Sector Skills Councils (SSCs), sector bodies and approved by the Apprenticeship Approvals Group (AAG), formally known as the Modern Apprenticeships and National Training Advisory group (MANTRA). Apprenticeships are an integrated programme of learning comprising an NVQ, a technical certificate, Key Skills, experience and other sector requirements. Providers are required to deliver the most recently approved framework and these are expected to involve employed learners unless there are specific factors preventing employment. The Apprenticeship programme encompasses:
- a **Apprenticeships.** These usually comprise, as a minimum, an NVQ at Level 2, Key Skills in Communication and Application of Number at Level 1, Employee Rights and Responsibilities (ERR) and technical certificate(s).
  - b **Advanced Apprenticeships.** These usually comprise, as a minimum, an NVQ at Level 3 or 4, Key Skills in Communication and Application of Number at Level 2, Employee Rights and Responsibilities (ERR) and technical certificate(s). Technical certificates are a mandatory component of all approved Advanced Apprenticeships.

## **Funding of WBL for 2004/05 and the Funding Formula**

- 23 The LSC is making a number of changes in approach for 2004/05 as part of the move towards a common funding approach across learning sectors.
- 24 The LSC intends to move WBL away from the traditional close management of contracts and towards contract management at a higher strategic planning level. For provision in colleges, the intention is to move WBL towards the plan-led funding and trust in FE approach from 2005/06. The contractual relationships will be based on the financial memorandum for FE colleges and will be in the form of a standard contract for services for independent providers.

- 25 From 2004/05, the WBL funding agreement will include a contract value that may not be exceeded by any provider without written authority from the LSC. This will usually be based on the previous year's contract value divided by the number of learners. Once the volume and mix are agreed, this can be multiplied to provide a contract value. The development plan will provide the LSC with an indicative mix of provision. This approach should assist in a more strategic perspective to contracts compared to the closer management approach used in the past.
- 26 WBL will continue with quarterly automatic reconciliation based on monthly returns of actual activity that is compared to the profiled allocation. This will be achieved by using the monthly Individual Learner Record (ILR) returns. Payments will be adjusted to reflect actual performance up to the maximum contract value.
- 27 As with FE, the LSC is moving to set national rates for qualifications from which providers will determine learners' start and expected end dates. This will drive the earned monthly values. This means the end of the previous standard length of stay (SLOS) methodology as a means of distribution.
- 28 From 1 August 2004, the following are abolished:
- WBL conversion rates
  - the 13-week continuous learning concept
  - the ability to claim the 16-18 funding rate for learners aged 19 and over who start a programme at the next level when aged 19 or over after completing a funded 16-18 programme
  - the term 'SLOS'. This has been replaced by length of programme (LOP).
- 29 To support claims for funding for delivering Key Skills, providers must retain evidence that the learning took place. This may, for example, include records of study, class attendance or evidence of learners attending the assessment test or achieving the Key Skills qualification.
- 30 Funding for Key Skills will not be paid where learners are deemed to be exempt. However, the full funding will be paid where the learner only has to complete either the end test or the portfolio.

### **Changes to the funding formula in 2004/05 for Apprenticeships**

- 31 The elements of Apprenticeships are funded separately and rates are published for NVQs, Key Skills and technical certificates. The achievement element is 20 per cent of the NVQ rate, being paid at 10 per cent for achieving the NVQ and the remaining 10 per cent for achievement of the full Apprenticeship. An example of this is set out in Annex G.

### **Implementing the formula in work-based learning**

- 32 The national rates for WBL are derived from elements of the formula: the national base rate including assumed employer contribution and achievement, with the appropriate occupational sector weighting applied.
- 33 Adjustments to funding levels relating to disadvantage, area costs and additional learning needs (ALN) and additional social needs (ASN) are made at learner or provider level where appropriate.
- 34 The national rates are intended to reflect the relative costs incurred in efficient delivery of the learning programme. The typical length of programme of learners who achieve their intended learning outcome is an important aspect of establishing national rates. This reflects Ministers' priority of ensuring that learners remain on their chosen programme and are successful in achieving their planned outcome.
- 35 The elements of the national base rates are influenced by ministerial priorities. In terms of assumed fee income (that is, employer contribution), employers are not expected to contribute to the training costs of 16-18-year-old learners. However, for learners aged 19 or over, employers are expected to contribute to the cost of training and the national rates include a 25 per cent reduction to reflect this assumed contribution. The 25 per cent assumed employer contribution is not applicable to the rates for NVQ at Level 1 for learners aged 19 or over, as these learners are usually preparing to enter employment.
- 36 The national rates include an element that is payable when a learner achieves his or her intended learning aim, apart from Key Skills and technical certificates (see paragraph 37). This reflects Ministers' aim that the skill level of the workforce should improve through the attainment of nationally recognised qualifications.
- 37 Technical certificates and Key Skills currently do not have an achievement element in their funding. The rate for a technical certificate or Key Skill is payable in equal monthly instalments over the planned delivery period. For example, if a learner's start and planned end date crossed four monthly census dates, the rate would be paid in four equal instalments. If the learner achieves the qualification before the planned end date, then the balance of funding is earned in the month of achievement. If, however, the learner withdraws from the programme before the end of month funding census date, no monthly payment is due for the month. Withdrawal on the monthly funding census date secures funding for that month.

#### **Developing funding rates for Apprenticeships for 2005/06**

- 38 As stated last year, the LSC is commissioning research into the costs of delivery for different aspects of WBL to inform future funding approaches and rates. These studies are continuing and will take time to cover a diverse provider base and the range of Apprenticeships. For this reason, the LSC intends to use these results to inform future funding approaches for WBL. The study's steering group will review the findings and provide recommendations to various internal and external represented groups, including the NRAG. Following this, the LSC intends to share its findings with all key partners, including WBL providers, the Adult Learning

Inspectorate (ALI), sector bodies, the Sector Skills Development Agency, the ALP and the AoC.

## Section 2: Funding Providers

### Funding agreement

- 39 Existing providers that were not in serious concerns in 2003/04 already have a funding agreement for three years, which commenced in 2003/04. This guidance forms part of the terms and conditions of that funding agreement for 2004/05 and 2005/06. Providers in serious concerns will usually be given shorter agreements depending upon the specific concerns the LSC has raised. The funding agreement may also cover other programmes that the LSC has agreed with the provider to deliver.

### Subcontracted provision

- 40 When subcontracting any aspect of provision, the LSC-contracted provider remains responsible for ensuring all the requirements of the funding agreement and of this document are met and for ensuring the quality of delivery.

### New providers

- 41 Organisations seeking LSC funding should approach their local LSC for further information.
- 42 The local LSC will determine the need for new provision and will confirm the arrangements for securing this.

### Provider location

- 43 Providers are to enter into negotiations regarding the volumes of WBL they wish to deliver with each local LSC. They must reach agreement with each relevant local LSC before delivery begins in that area. Where providers for operational reasons may need to deliver provision to small numbers of learners across LSC boundaries, they must obtain written consent both from the local LSC with which they have the contract and the local LSC in the area where they will be delivering the provision.

## Section 3: Applying the Formula to Work-based Learning

### Elements of the formula

- 44 Formula funding for WBL includes Apprenticeships and Advanced Apprenticeships and NVQ learning. The stages of applying the formula are as follows:
- a **National base rate.** This reflects the length of the programme of study and the basic cost of providing the programme. The national base rate aims to meet the basic costs associated with delivering the relevant learning, reflecting the nature of the provision and the typical duration of the learning aim.

- b **Programme weighting.** This reflects the fact that some programmes of similar length or leading to equivalent qualifications are more costly to deliver than others. The extra costs associated with such learning aims are reflected in programme weighting factors. These factors generate an uplift to the national base rate to meet the extra costs incurred. They are calculated as the national base rate x the programme weighting to equal the weighted national base rate.
  - c **Disadvantage.** This uplift is applied to the weighted national base rate to support the policy intention of widening participation. It reflects the costs of widening participation, and recognises that some learners come from backgrounds that have disadvantaged them.
  - d **Area uplift.** This is a further uplift that is applied to the weighted national base rate, uprated for any disadvantage funding. It reflects the significantly higher costs of delivering provision in London and other high-cost areas.
  - e **Achievement.** This is a percentage of the weighted national base rate, uplifted for disadvantage and area where appropriate. It is payable when a learner successfully achieves his or her intended learning outcome. The achievement percentage is an integral part of the base rate: it is not an additional element. For all Apprenticeships, 20 per cent of the national base rate is payable on achievement, 10 per cent on primary NVQ achievement and 10 per cent on overall Apprenticeship achievement. For NVQ learning, 20 per cent is payable on achievement of the primary NVQ.
- 45 In addition to the national formula, funding will also be available for the delivery of technical certificates and Key Skills. Funding will also be available to meet the individual requirements of learners with ALS and ALN.

#### **Funding of technical certificates in 2004/05**

- 46 As in 2003/04, the funding arrangements give each technical certificate a listed rate. There will be a differentiation in rates by age group. Funding for learners aged 19 or over on entry to the programme is reduced by 25 per cent, reflecting the expectation that employers will make a contribution towards the cost of learning. The rates for each technical certificate can be found in the LSC learning aims database, available from the LSC website at:  
<http://providers.lsc.gov.uk/LAD/aims/searchcriteria.asp>.
- 47 The funding for technical certificates will be divided equally over the planned in-learning period for that qualification. Technical certificate funding will cease for learners at the point at which they withdraw from that element of learning. Learners who complete and achieve their technical certificate in a time shorter than their planned length of programme will attract the balance of the funding. The worked example of funding in Annex G shows NVQ, technical certificate and Key Skill funding for 2004/05.

#### **Funding of Key Skills in 2004/05**

- 48 Key Skills will be funded and paid on the same basis as technical certificates, as set out in paragraph 47.

### **Pre-entry advice and guidance**

- 49 The funding for each learner's programme is based on the principle that learners are provided with comprehensive and appropriate pre-entry advice and guidance. Such advice and guidance is crucial if the learning programme is to match a learner's aspirations, expectations and abilities. The LSC expects that the provider will supply this advice and guidance to all learners. Advice and guidance arrangements will be a focus of the ALI review of training provision.

### **Length of programme**

- 50 Each formula-funded programme has a usual length of programme (LOP). These have been derived from analysis of the actual time taken to complete each programme. The NRAG has reviewed the data and decided to recommend no changes to the LOPs for 2004/05. As before, the 60th percentile of the LOP is used when establishing rates. This approach is based on the pattern of the actual LOP leading to achievement. It is the case that some learners will take less time and some longer.
- 51 From 2004/05, funding will be determined by the individual start and expected end dates set for each qualification at learner level. This is based on the particular Apprenticeship that the learner will be following. The LSC expects that the start and end dates are set by the provider using their historic achievement pattern and length of stay at learner level. Providers will be expected to consult their local LSC where non-standard LOPs are being applied to any material volume of learners.
- 52 If a provider considers they are significantly disadvantaged by the change to the funding methodology, in the first instance they must make a business case. This will state their current Apprenticeships with their existing length of stay, compared to the previous LSC SLOS in 2003/04. Providers will need to state why they feel that they need to adopt a different approach. The LSC will judge each case individually. It will respond in writing within a month of the case being received.
- 53 Once a learner has exceeded the expected LOP, the programme element of funding has been fully claimed by the provider. In these circumstances, the LSC expects the provider to assist the learner in completing and achieving their programme as they have been fully funded for a complete Apprenticeship.
- 54 Learners who complete and achieve all the elements of their programme in a time shorter than their expected end date (that is, before all the on-programme funding has been drawn down), will attract the balance of their on-programme funding at the point of achievement.
- 55 Providers are reminded that the quality of delivery remains of primary importance. Programmes should not be artificially shortened or lengthened to enhance the funding the provider receives. Local LSCs will monitor the length of time that it takes learners to achieve and will

pay particular attention where groups of learners are achieving their outcomes in substantially less time than the minimum LOPs or significantly longer than the historical durations for a given provider. The *Recommendations of the Modern Apprenticeship Advisory Committee* (the Cassels Report) has recommended that a minimum of 12 months' attendance is required for Apprenticeships and 24 months' attendance for Advanced Apprenticeships.

### **Withdrawal from learning**

- 56 Learners who have withdrawn from a programme before the month-end should not be counted as in learning for that month for payment purposes. They are however counted as being in learning for the purposes of management information statistics.
- 57 Providers must determine the intent of learners who are absent from learning, and discover whether the learner expects to return to learning and the reason for their absence. The LSC expects providers to have robust absence monitoring in place, and a withdrawal policy, which they implement to ensure that they monitor the progress of all their learners. The provider will need to make judgements about periods of learner absence and whether the learner is still engaged on the programme. At the point at which the provider, in line with its policy, judges the learner to have withdrawn or no longer to be engaged in learning, then the provider must withdraw the learner, using the last evidenced date of attendance in learning as the withdrawal date. This change has been made to reduce bureaucracy and the administrative burden of suspending and restarting learners and completing unnecessary paperwork. It will result in a systems-based assurance approach to testing withdrawal.

### **Learners aged 25**

- 58 Under these arrangements, learners who reach their 25<sup>th</sup> birthday during their programme will continue to have on-programme funding for their planned delivery period. Achievement funding remains available.

### **End of cushioning**

- 59 Cushioning was introduced to protect providers who would have lost funding as a result of the new funding approach in 2003/04. That was the final year of cushioning and all providers are moved to being funded at the national rate from 2004/05.

### **Disadvantage uplift**

- 60 Each provider will have a disadvantage uplift based on their historic recruitment patterns. The rates for 2004/05 will be calculated using providers' learner data for 2002/03. Providers who did not have a WBL contract with the LSC in 2002/03 will be assigned a default LSC rate for their contract year 2004/05. This will be 3.22 per cent.

### **National Vocational Qualification learning programmes**

- 61 WBL provision that does not encompass Apprenticeships is now known as NVQ learning (formerly referred to as 'other training'). E2E has now replaced all other training from Entry Level to NVQ Level 1 for all 16-18-

year-old learners. Providers wishing to deliver vocational learning outside E2E or Apprenticeships at any level will need to agree this with their local LSC and must work within the requirements of the LSC's NVQ learning policy dated June 2004.

- 62 In 2004/05, the LSC expects that NVQ learning will be required in only two circumstances:
- a **Sectoral requirements.** This would apply where a framework is not available in a particular sector. Here a programme of study, including NVQ learning and key skills, should be agreed with the local LSC under a heading of 'temporary framework'. This will be funded as an Apprenticeship.
  - b **Individual requirements.** This would apply where, for particular reasons, an individual learner cannot benefit from a framework programme. In this case, the provider should contact the local LSC, which may agree an individual programme. Providers should note that suitability to complete an NVQ usually indicates suitability to complete a full framework.

#### **NVQ programmes at Level 1**

- 63 In 2004/05, NVQ provision at Level 1 under NVQ learning can only be accessed by learners aged 19 or over with additional learner needs (ALN) and/or additional support needs (ASN). All 16-18-year-old learners needing to access NVQ provision at Level 1 should do so under E2E. All other learners are to work towards at least Level 2.
- 64 There is no assumed employer contribution element for learners aged 19 or over on NVQ learning at Level 1 because learners are usually preparing to enter employment and therefore are typically not employed while on this programme.
- 65 Sector weightings are not applied to NVQ Level 1 programmes. This is because the nature and level of this provision does not usually involve specialist or technical activity incurring the higher costs that sector weightings are designed to address.

#### **NVQ at Levels 2 to 4**

- 66 NVQ learning at Level 2 will only be funded in 2004/05 in exceptional cases only. It must be organised and delivered in the form of a temporary framework. Where Apprenticeships do not exist for a specific occupational area at Level 2, temporary frameworks may be funded. Further guidance on this can be found in the LSC NVQ learning policy dated June 2004.
- 67 NVQ learning at Level 3 will be funded in 2004/05 in exceptional cases only. It must be organised and delivered in the form of a temporary framework. The LSC expects that the young person will normally follow an Advanced Apprenticeship.
- 68 Funding of NVQ learning at Level 4 will continue only where it underpins or supports progression to higher education (HE) and/or where the qualification is vocational and is not funded by the Higher Education Funding Council (HEFCE).



## **National Vocational Qualification equivalents**

- 69 Most learners will be able to benefit from Apprenticeships, E2E, or in exceptional circumstances, NVQ learning provision. Where providers believe a learners' needs cannot be satisfied by any of these programmes, the provider should contact its local LSC outlining the reasons for this view. Where equivalent provision is agreed, it must be in the form of an appropriate vocationally related qualification at Level 2 or 3, accredited into the National Qualification Framework. A course is not eligible for LSC funding unless it has been approved under Section 98 of the Learning and Skills Act 2000. Details of which qualifications have been approved can be found on the DfES website at: [www.dfes.gov.uk/section96](http://www.dfes.gov.uk/section96) (for courses for learners under the age of 19) and at: [www.dfes.gov.uk/section97](http://www.dfes.gov.uk/section97) (for courses for learners aged 19 or over).
- 70 NVQ equivalent qualifications delivered without the written authority of the LSC are not eligible for funding through the WBL funding stream.

## **Progression from Apprenticeships to Advanced Apprenticeships**

- 71 It is important that learners are engaged in programmes that are appropriate to their needs. WBL providers will be expected to ensure a good match between learners' needs and the learning programme. Providers should ensure that learners are not, for example, engaged on learning programmes that duplicate or repeat previous attainments, such as an Apprenticeship when a learner is capable of direct entry onto an Advanced Apprenticeship.
- 72 The LSC will investigate cases where learners with appropriate entry qualifications for Advanced Apprenticeships are only enrolled on Apprenticeships.
- 73 However, for some learners, progression from Apprenticeships directly onto Advanced Apprenticeships will be an appropriate learning route. From 2004/05, where such learners move directly from an Apprenticeship onto an Advanced Apprenticeships in the same occupational area, the higher programme is funded at the national rates. This will also apply when learners progress from an NVQ at Level 2 to an NVQ at Level 3 in the same occupational area.

## **Learners changing providers and provision**

- 74 Learners can transfer between providers, between programmes and between occupational areas.

### **Learners changing providers**

- 75 There may be circumstances under which a learner moves from one provider to another. Providers should ensure that any change in learning provider is in the best interest of the learner and meets the needs of the individual learner.
- 76 The LSC is seeking to reduce the prescriptive management of such learners. In building strategic relationships with providers, the LSC does not expect to be notified or asked to judge on changes of providers for each individual learner. Providers are expected to make pragmatic

judgements within the spirit of this guidance and to only claim funding for those elements of the programme that they actually deliver.

- 77 Providers are allowed to make manual adjustments for transferred learners on their Training Provider Statement (TPS) monthly returns. The local LSC will review these, paying particular attention to cases where material numbers of learners (rather than cases of transfer for individual, isolated learners) have recently changed providers.
- 78 Where learners do change providers, the transferring provider is expected to make available to the receiving provider all assessments and records carried out while the learner was an LSC-funded learner.

### **Learners changing programmes**

- 79 There may be occasions where learners need to move from one programme to another (for example, Apprenticeship to Advanced Apprenticeship, or vice-versa, or Apprenticeship to E2E) before completing the current individual learning plan (ILP). Providers should be clear of the reasons for the change and be able to demonstrate them to the local LSC. In all cases, the priority is that the learner is on the most suitable programme to meet his or her particular needs.
- 80 For learners participating on more than one programme at the same level, the provider will need to demonstrate the added value and individual or business need of the second programme.

### **Learners moving between areas of learning**

- 81 There may be situations where learners have a change of employment that means they are working within a materially different sector but wish to continue learning. In such circumstances, learners will be entitled to the full funding rate for the new programme.

### **Learners moving from NVQ learning at Level 2 to an Apprenticeship**

- 82 Where learners are recruited to NVQ learning at Level 2 as the most appropriate route, and they later develop the potential to achieve Apprenticeships, they should be encouraged to follow this progression route when they have completed the NVQ. This will then attract the funding for any technical certificates and Key Skills delivered to the learner and any appropriate Apprenticeship achievement payments.

### **Additional learning support**

- 83 The LSC's approach to funding additional learning support (ALS) in 2004/05 is largely unchanged from 2003/04, with two exceptions. Allocations to providers will now be based on a formula. The concept of exceptional learning support (ELS) has evolved and is now formalised into a defined process with a national threshold.

### **Additional learning needs and additional social needs**

- 84 Building on the consultation process, which ran throughout 2003 and 2004 (Circulars 02/04 and 02/17) the LSC has introduced a two-tier ALS system for WBL.
- 85 The current process and criteria for establishing eligibility for ALS remains unchanged from 2003/04. The LSC provides ALS on WBL

programmes for those learners with additional learning needs (ALN) or additional social needs (ASN) or both. These funds are allocated to providers using a formula that takes into account past delivery and future needs. In addition, the LSC will meet providers costs for meeting ELS above a defined threshold. The needs of learners who have disabilities are met through the same systems. The 'actual earned' value remains at a monthly rate for learners with ALN or ASN or both. Further details are included in Annex E.

### **Exceptional learning support**

- 86 Where providers identify that support for learning, or for disabilities, is over the full length of the programme likely to exceed the notified threshold, they can access ELS. Providers claiming ELS need to complete an ALS support costs form (PLF) to claim the amount expended above the regular ALN and/or ASN payments, on their Training Provider Statement as expense is incurred. The process is explained further at Annex E.

### **Learner support arrangements**

- 87 Learner support in WBL relates to travel, childcare, allowances and expenses.

### **Allowances and wages**

- 88 The LSC provides support for non-employed learners in the form of a minimum training allowance. The Department for Education and Skills (DfES) determines and reviews this allowance.
- 89 The minimum training allowance is currently £40 a week. The provider is to ensure that the learner receives at least this allowance. Where employers are paying the training allowance, providers should not claim the £40 allowance from the LSC. Any amount claimed from the LSC must be passed directly to the learner. The exception to this is E2E, where the allowance is included in the weekly rate.
- 90 Where the employer will not pay the allowance, the LSC will meet the costs of allowances paid to non-employed learners with ALN and/or ASN, and other learners where it is agreed in advance with the local LSC.
- 91 Employers should be encouraged to pay fair wages to Apprentices. The LSC recommends that employed learners receive at least £70 a week on starting WBL, with incremental rises based on competence, achievement and productivity to the organisation.

### **Expenses**

- 92 The LSC may meet expenses that are reasonably incurred by non-employed learners to overcome barriers to learning. These may include:
- travel expenses
  - childcare (provided in partnership with the DfES Care to Learn initiative. Further details are in Annex F)

- personal protective equipment or clothing that employees would normally be expected to supply themselves
  - other costs, for example inoculations, medical examinations or residential accommodation.
- 93 Providers may apply for expenses for employed learners. Local LSCs may, at their discretion, authorise this in exceptional circumstances, for example, where employed learners need to access scarce specialist provision that is not available locally.

#### **Learner terms and conditions**

- 94 Minimum terms and conditions have been established for all learners participating in WBL. Providers are to ensure that these terms and conditions are met. The conditions are detailed in Annex F.

#### **Funding for work-based learning**

- 95 WBL funding covers all mandatory elements of Apprenticeships. Funding should not be claimed from any other government source (apart from an employer contribution where relevant) for any of the mandatory elements, as this may result in multiple funding of the same learning and have unintended consequences for funding levels and local planning.
- 96 If a learner (or his or her employer or training provider) wishes to pursue other learning activity that is outside the mandatory elements of the Apprenticeship, this activity can be funded separately through the most appropriate route (such as through the FE funding stream, by the employer or other sources).
- 97 Local LSCs and providers will ensure that any provision outside the Apprenticeship that a learner is systematically engaged in is reasonable and of benefit to the learner. In particular, if a significant volume of extra provision in addition to Apprenticeships is being supported by LSC funding, the local LSC is likely to review the reasons for this.
- 98 The LSC expects funding to be accessed with discretion by all providers, particularly in relation to previous learning and overlap in programme content. Providers should be clear that funding for the same learning must not be claimed from the LSC more than once. If in doubt, providers should discuss such issues with their local LSC to ensure any necessary adjustments to funding levels or patterns of provision are identified.

#### **New Deal and Jobcentre Plus**

- 99 The specifications for the options under the New Deal recommend WBL, with a particular focus on Apprenticeships for the learning element within the employer option. In these circumstances, WBL funding could not run alongside the New Deal. However, it would be acceptable for the LSC to contribute to the cost of the learning to be completed after the New Deal if resources are available.

#### **Technical certificates and further education funding**

- 100 Learners already studying for a qualification funded under the FE funding stream that subsequently becomes an approved technical certificate should continue to be funded under FE for that element of

learning until they complete the qualification. No further WBL funding should be drawn down for delivery of this qualification.

- 101 Where the technical certificate is delivered by an organisation that is not in direct receipt of WBL funding, it is the responsibility of both providers to ensure double-funding does not occur.

### **European Social Fund**

- 102 The LSC has developed its approach to the European Social Fund (ESF) as a co-financing organisation. Separate guidance covering the relationship between ESF and WBL funding is available from local LSCs as part of their *ESF Co-Financing Operations Guide*.

### **Work-based learning and further education funding**

- 103 Learners in receipt of WBL funding may be eligible for FE funding, including funding from **learnirect**, for learning activities that are materially different to the learning being delivered to fulfil the ILP. For example, a learner following an Apprenticeship in hospitality would be eligible for FE funding for a part-time course in art and design. Providers and colleges should ensure only those elements that are not subsidiary to or essentially the same as the elements being funded under WBL are eligible for FE funding.

### **The Higher Education Funding Council for England**

- 104 The Higher Education Funding Council for England (HEFCE) has the responsibility for funding most learning at Level 4 and above.
- 105 In some circumstances, learners may progress to higher national diploma (HND) or higher national certificate (HNC) or other HEFCE-funded qualifications at Level 4 at the same time as they complete their Advanced Apprenticeships, where this is in the best interest of the learner.

## **Section 4: Eligibility**

- 106 The LSC has adopted a common set of learner eligibility criteria for both the FE and WBL funding streams. These are set out in the following paragraphs 107 to 126.
- 107 The LSC has a duty to secure, in relation to England only, the provision of:
- proper facilities for education (other than HE), training and organised leisure time occupation connected with such education and training suitable to the requirements of persons who are above compulsory school age but have not attained the age of 19
  - reasonable facilities for education (other than HE), training and organised leisure time occupation connected with such education and training suitable for the requirements of persons who have attained the age of 19.
- 108 For funding purposes, the LSC regards as ordinarily resident in a given country or region any person who habitually, normally and lawfully resides from choice and for a settled purpose in that country. Temporary

absences from the relevant area should be ignored. If someone has not been ordinarily resident because he or she, their parent or their spouse were working temporarily abroad, they will be treated as though they have been ordinarily resident in the relevant area.

## **Learners eligible for funding**

109 The following persons will be eligible for funding (these groups correspond to the groups listed in the Education (Fees and Awards) Regulations 1997 (the Regulations)):

- a person who, on the relevant date, is 'settled' in the UK, and who has been ordinarily resident in the UK and Islands (that is including the Channel Islands and the Isle of Man) for the three years preceding the 'relevant date' and whose main purpose for such residence was not to receive full-time education during any part of the three-year period; 'settled' means having either Indefinite Leave to Enter or Remain (ILE/R) or having Right of Abode in the UK. British citizens and certain other citizens have the Right of Abode in the UK
- a national of any European Union (EU) country or the child of an EU national who has been ordinarily resident in the European Economic Area (EEA) for the three years preceding the 'relevant date', and whose main purpose for such residence was not to receive full-time education during any part of the three-year period. Spouses of nationals are not eligible unless they are eligible in their own right
- learners from the 10 countries joining the EU on 1 May 2004 who have been previously resident in the Accession Countries will be eligible for funding at the 'home' rate from 1 May 2004 for programmes that start on or after that date (subject to the student meeting the normal three-year residency requirements in the new enlarged EU) for tuition fee purposes. Students already on a continuing programme of study will be treated as 'home' students from the next term that starts after 1 May 2004. The names of the 10 new EU countries are set out in Annex A to this document
- an EEA migrant worker or the spouse or child of an EEA migrant worker who has been ordinarily resident in the EEA for the three years preceding the 'relevant date' and whose main purpose for such residence was not to receive full-time education during any part of the three-year period
- anyone who is recognised as a refugee by the UK Government (granted Refugee Status) who has remained ordinarily resident in the UK and Islands since so recognised, or the spouse or child of such a refugee
- anyone refused Refugee Status but who has been granted Exceptional Leave to Enter or Remain (ELE/R) by the UK Government and has remained ordinarily resident in the UK and Islands since so recognised, or the spouse or child of such a person
- learners studying under reciprocal exchange agreements.

- 110 In addition to the groups above, the LSC will also consider the following groups of learners to be eligible for LSC funding:
- persons who have legally been living in England for the three years immediately preceding the start of the programme ignoring temporary absences. This does not include persons with time-limited leave to remain as a student whose leave to remain does not extend to the expected end date of the proposed learning aim of study
  - asylum-seekers and their dependants in receipt of either:
    - i income-based benefits; or
    - ii assistance under the terms of the Immigration and Asylum Act 1999 or the Children Act 1989; or
    - iii voucher assistance from the National Asylum Support Service; or
    - iv assistance under the National Assistance Act 1948
  - persons with Exceptional Leave to Enter or Remain, their spouses and children
  - persons with recently settled status. This means those having been granted Indefinite Leave to Enter or Remain (ILE/R), Right of Abode or British Citizenship within the three years immediately preceding the start of the programme
  - the spouse of a person with settled status, who has been both married and resident in the UK for one year.
- 111 In addition to the groups above, the LSC will also consider the following groups of 16-18-year-old learners as eligible for funding:
- any unaccompanied asylum seekers aged 16–18 who are placed in the care of social services
  - 16-18 year olds accompanying parents who have the Right of Abode or Leave to Enter or Remain in the UK
  - 16-18-year-old dependants of teachers coming to the UK on a teacher exchange scheme
  - 16-18 year olds entering the UK (where not accompanied by their parents) who hold full British Citizen passports (but not British Overseas passports), or 16-18 year olds whose passports have been endorsed to show they have Right of Abode in this country. (Holders of passports describing them as British Overseas Citizens have no automatic Right of Abode in the UK, nor do other non-EEA nationals. Where a 16-18 year old is in the country only for a short stay, the practicality of providing a place needs to be considered
  - from 2004/05, all 16-18-year-old non-employed learners on WBL are eligible for learner support funds.
- 112 As well as the learners in the categories listed in paragraphs 108-111 above, the LSC will consider other exceptional circumstances. Where a provider believes a learner should be considered for funding under exceptional circumstances the provider should contact its local LSC.

## **Work-based learning eligibility**

113 Providers should note that eligibility to participate in a programme should not be confused with the suitability of the programme to a learner's need. Learners are eligible for WBL under the eligibility criteria listed in paragraphs 108 to 111 above and if they:

- are in the priority age group for WBL, that is, those aged 16-18 and those eligible for the Guarantee and Extended Guarantee. Learners who are aged 19-24 may be funded at the LSC's discretion
- have completed Year 11 at school at the end of the teaching year 2003/04 and have indicated an intention not to return to full-time education after the summer vacation or have left compulsory full-time education
- are not attending school or FE college full time as pupils or students
- are not in HE, including vacation periods, unless an intention not to return to HE has been expressed.

114 Eligible persons shall not be refused access to WBL on the grounds that they are not resident in their local LSC area.

115 For those already enrolled on a WBL programme, the entitlement to complete it shall not be prejudiced by any changes in the eligibility criteria.

116 Except where the LSC agrees, learners shall not be required to contribute financially to the direct cost of learning, except where young people are in receipt of a Career Development Loan.

### **Learners not eligible for work-based learning funding**

117 The following groups of learners are not eligible for WBL funding:

- graduates, except for those who have participated in the New Deal and are in the eligible client group
- learners engaged in HE programmes. Responsibility for funding all prescribed HE programmes transferred to the HEFCE from August 1999. The LSC does not expect to fund WBL programmes for groups of HE learners
- any school or FE college full-time learner funded under another LSC funding stream.

### **Learners from Wales and Scotland**

118 Providers are reminded that Wales and Scotland have their own funding arrangements. There may be circumstances where individual Scottish or Welsh learners are employed in England or wish to travel to England to train where specialist provision is not offered locally. The LSC has reciprocal arrangements with the funding councils for Wales and Scotland for providers close to the borders. However, it is not expected that providers in England will target or recruit entire groups of learners from outside their local area.

### **Learners employed temporarily outside England**



- 119 Where, as part of the requirements of employment, a person who is ordinarily resident in England is required to work outside England for short periods, that person will continue to be eligible for WBL funding. Providers will continue to be responsible for and to provide support as detailed in the programme specifications throughout any period when the learner is in employment outside England.

### **Learners of compulsory school age**

- 120 The date when young people can legally leave school is the last Friday in June for people who have completed Year 11 at school. This is the earliest date at which a young person can enrol on a WBL programme.
- 121 Where young people of compulsory school age wish to commence a WBL programme (including E2E), providers must liaise with the school and the local education authority (LEA). There must be a written agreement from both parties that entry onto a WBL-type programme is in the learner's best interest. The LSC does not fund this learning and financial reimbursement for the training should be sought from the school or LEA. If provision is agreed, the young person remains the responsibility of the LEA and not the LSC.

### **Programme eligibility for funding**

- 122 Providers are reminded that they should consider the eligibility of provision for LSC funding while planning provision and starting learners. It is important when considering the eligibility of any provision that providers work within the intention, the spirit and the framework of the funding guidance.
- 123 Where providers intend to deliver any provision that is not clearly within the implied terms and conditions of this document and their funding agreement, they should contact their local LSC and seek written clarification before proceeding. They should retain any guidance given.

### **Provision eligible for work-based learning funding**

- 124 Qualifications that are eligible for funding are listed on the LSC's learning aims database on the LSC website at:  
<http://providers.lsc.gov.uk/LAD/aims/searchcriteria.asp>.
- 125 Provision eligible for E2E includes a range of provision. This may include externally accredited qualifications, non-accredited awards and awards in informal educational settings, such as The Princes Trust, Getting Connected and the Duke of Edinburgh Awards. Providers must work with the E2E partnerships in their area and within the guidance of the E2E entitlement curriculum to ensure that: programmes are fit for purpose and can support positive progression; and that local LSCs are aware of the content of their provision.
- 126 The order of priorities for access to WBL funding is:
- young people aged 16-18 who are in the Guarantee group and those aged 19-24 in the Extended Guarantee group
  - young people aged 16-18 outside the Guarantee group and all young people aged 19-21 entering Apprenticeship learning for the first time

- all other eligible young people aged 19-24 who may be recruited, subject to affordability.

## **Section 5: Delivering Work-based Learning Provision**

127 WBL programmes should be delivered in accordance with the provider's funding agreement, development plan and this document. It should be provided in a manner that maximises the provider's contribution to the national learning targets at Levels 2 and 3 through increasing the take-up of the work-based route by all young people who can benefit most from this route through:

- a promoting the growth of Apprenticeships to become the preferred route to NVQ Level 2 for young people and employers and Advanced Apprenticeships to become the preferred route to NVQ Level 3 for young people and employers
- b ensuring that individually tailored E2E programmes are available for all young people who are identified by the Connexions Partnerships as in need of E2E, and that these programmes meet their specific needs and support their progression
- c delivering the full Apprenticeships including Key Skills and technical certificates
- d ensuring that NVQ learning maximises the opportunities for young people not undertaking Apprenticeships to achieve NVQ qualifications, which will enhance the young person's employment prospects
- e implementing best practice, including mentoring, to maximise the participation, retention and achievement rates of young people covered under this contract
- f continually improving the quality of teaching, learning and initial and continuing assessment.

### **Marketing work-based learning**

128 The provider is expected to contribute to the development of the market for WBL by producing and implementing an annual marketing plan. The marketing plan should address the following:

- marketing objectives in line with the expectations of the three-year development plan
- target audiences, that is, employers by size and sector and learners by age, geography and circumstances
- an overall marketing strategy
- main activities, for example, enquiry and conversion handling, press coverage, advertising, events, literature and direct mail
- relationship management with other agencies, that is, Business Link and Connexions Partnerships
- plans to evaluate marketing activities.

## Apprenticeships

129 Providers must deliver learning that comprises all the elements of the current Apprenticeships document produced by the appropriate sector body or SSC and approved by the Apprenticeships Approvals Group (AAG, previously known as MANTRA). Learners should be registered on the Apprenticeship that is current at their point of entry. If Apprenticeships are subsequently updated, learners have the option to move to the new Apprenticeship or remain on the Apprenticeship that was in place when they originally registered. Providers should note that some SSCs impose entry requirements on employment status.

### Key Skills

130 All Apprenticeships contain a minimum requirement for Key Skills as follows:

- Apprenticeships: Application of Number and Communication at Level 1; and/or
- Advanced Apprenticeships: Application of Number and Communication at Level 2.

131 Sector bodies and/or SSCs are responsible for setting the levels and Key Skills that are included in Apprenticeships. For example, some Apprenticeships may contain Key Skills at Level 2 for Apprenticeships, or may include information technology (IT) or one of the wider Key Skills in addition to Application of Number and Communication. Additional Key Skills and the levels are representative of the type and level needed for an apprentice to operate in that occupational area. Should a learner be able, he or she should complete Key Skills at a higher level than in the Apprenticeship.

132 There are qualifications that are deemed by the Qualifications and Curriculum Authority (QCA) to be concessions or proxies for Key Skills. Full details and the most up-to-date list are held on the QCA website at: [www.qca.org.uk](http://www.qca.org.uk).

### Initial assessment

133 All learners must be assessed before or immediately on entry to WBL. Providers must ensure that the information gained as a result of the assessment appropriately identifies the needs of the learner. The results of the assessment must be recorded and used to inform the content of the individual learning plan (ILP).

134 The provider is to pay due regard to the good practice identified in *Raising Standards in Initial Assessment of Learning and Support Needs and Planning to Meet Needs* (DfES, May 2001 and available from DfES Publications at: [www.dfespublications.gov.uk/cgi-bin/dfes](http://www.dfespublications.gov.uk/cgi-bin/dfes)) and to implement this good practice as appropriate.

135 Learners identified as likely to have ALN and/or ASN are to have their needs further assessed in partnership with Connexions Partnerships. Where the LSC provides extra resources, the identified needs are to be

met by the provider. Further details on identifying and meeting additional needs are detailed in Annex E.

- 136 Once learners have starting learning, providers should complete an Individual Learner Record (ILR). This must be updated throughout the learner's programme and on leaving learning, in accordance with the Provider Support Manual.

### **Induction**

- 137 All learners must receive a comprehensive induction that covers, as a minimum, the following:

- programme content, delivery and assessment arrangements
- equal opportunities
- health and safety
- disciplinary and grievance procedures
- terms and conditions of learning.

### **Review**

- 138 Regular reviews are an important part of the learning process. Learners must be reviewed at least every 12 weeks for Apprenticeships and NVQ learning and at least every 4 weeks for E2E programmes. Reviews must be recorded and documents signed by the learner and the reviewer. Reviews should: identify progress made to date; reflect on progress towards the learning goals; and set realistic but challenging and measurable targets to be achieved before the next review. The frequency of reviews should be adjusted to reflect the risks of the learner leaving early or not achieving.

### **Monitoring provision**

- 139 LSC contract managers will monitor the performance of the contract and re-profile future volumes and payments in discussion with the provider. As set out earlier, these discussions should be focused on overall strategic issues from 2004/05 rather than the traditional close management of provision. Payments will be reconciled to actual earned on a quarterly basis.

### **Individual learning plan**

- 140 A written individual learning plan (ILP) should be produced for each learner. This should contain the learning objectives of the programme they are following and how these will be achieved. The ILP should take account of:
- the content of the NVQ, Apprenticeship or E2E frameworks
  - the learner's needs including any ALN and/or ASN identified and learner support arrangements.
- 141 The format and content of the ILP is at the discretion of the provider. However, an ILP is expected to include:

- the skills, knowledge and competence required and the timescale over which they have to be achieved
  - the training the learner is to receive, where it is delivered and how it is scheduled, who is delivering it and what support is being provided
  - the methods that will be used to deliver training (including on- and off-the-job training)
  - the learner's assessment and review arrangements.
- 142 The ILP should be revised regularly to reflect the growing capability of the learner, any new learning targets and the support needs that are being met. Where changes are made, these should be agreed with the learner and, where appropriate, the employer. The learner should sign their agreement to the amended ILP or review document that records the change.
- 143 Providers shall deliver the learning as described in the ILP. Delivery and assessment are to be in line with the appropriate framework and awarding body requirements.

### **During learning**

- 144 Providers are to have a reliable system for identifying those at risk of leaving early and a strategy for involving the Connexions Professional Advisor, employers and other agencies as appropriate to reduce the number of learners leaving early.
- 145 If, despite the provider's best efforts, learners who are no longer making satisfactory progress against their ILP, the learners shall be offered alternative opportunities to pursue their original or revised learning objectives either with same provider or another LSC-funded provider.

### **Leaving learning**

- 146 A learner should be considered to have withdrawn from a programme when he or she:
- is known to have made a decision to withdraw from the programme
  - has exceeded the provider absence and withdrawal policy or has been dismissed by the provider
  - completes their ILP.
- 147 The learner should be treated as withdrawn for whichever of the above that occurs first. On leaving, the learner must receive written notice of termination. Portfolios, course work, the ILP and all certificates are the property of the learner and must be returned to the learner. They may not be withheld for any reason other than assessment or verification by the provider, without the learner's permission. Learners must be withdrawn to the last evidenced date of contact.

### **Self-assessment**

- 148 Providers must complete an annual self-assessment report and send it to the LSC. Providers will also be required to complete a three-year development plan, as detailed in LSC Circular 03/09 *Success for All*:

*Implementation of the framework for quality and success.* The LSC will monitor providers' performance against the criteria in Circular 03/09.

## **Section 6: Planning and Budgeting Arrangements**

- 149 This section gives guidance on the planning and budgeting arrangements for 2004/05.
- 150 The LSC, through its local offices or the National Contracts Service (NCS), will agree with each provider the provision that provider will deliver. This provision will be expressed in the funding agreement in cash terms and also the number of learners. The indicative mix of the programme type and areas of learning will be detailed in the development plan.
- 151 Providers are free to start as many additional learners as they consider appropriate, but the LSC cannot agree to fund any additional recruitment that is not agreed in advance. Providers should discuss with their local LSC any over-recruitment at the earliest opportunity.
- 152 The LSC expects providers to continue to give priority to Apprenticeship provision where learners are able to enter Apprenticeship learning. Providers should plan to reduce the numbers of NVQ learning starts where the learners are able to enter Apprenticeships.

### **Learner profiles**

- 153 Providers and the LSC will need to work closely together to achieve a rise in participation and achievement at both local and national levels in line with the Government's priorities and targets. It is important, therefore, that providers agree to realistic and achievable targets to minimise re-profiling and the associated instability from changes to payment profiles.

### **Local planning**

- 154 Local LSCs face a variety of different needs and their strategic plans will reflect this. These plans show how each local LSC will contribute to the achievement of the national targets. Local LSCs will want to discuss participation targets and how to address the specific needs of their locality while working within the context of the LSC's national vision, mission and key objectives.

### **Quality and growth**

- 155 The LSC will restrict growth in occupational areas which require re-inspection and to providers overall where leadership and management require re-inspection.

## **Section 7: Administering and Funding Entry to Employment**

### **Introduction**

- 156 E2E provision is from Entry Level to Level 1 on the WBL route. It is aimed at young people who are not yet ready or able to access a Level 2 learning programme, Apprenticeship or employment. The E2E prospectus and E2E Passport require providers to design and implement an individualised E2E programme for each learner. The programme defines the scope and focus of the young person's E2E experience. This must stem from the identification of the learner's most likely positive progression route and should ensure a range of activities that will propel the learner into Apprenticeships, or other Level 2 provision or employment (preferably with training).
- 157 The LSC's approach to administering and funding E2E has been developed in partnership with the E2E Advisory Group and involving all interested parties. This section details this approach and provides references for further guidance where necessary.

## **Definition**

- 158 E2E is designed to equip young people to become independent, self-motivated, informed and empowered to take control of their lives. Its primary aim is to enable learners to progress into employment with training or onto further learning programmes. The curriculum offer will comprise three interdependent core strands: basic and Key Skills; vocational skills and development; and personal and social development. Learners on E2E will, where appropriate, have the opportunity to gain qualifications up to and including Level 1 on the National Qualifications Framework. Learners may also work towards units of other qualifications. E2E is a full-time WBL programme and planned attendance should be 30 hours a week. Learners may start by attending for 16 hours a week, but must build this up to 30 hours as soon as possible. The provider is required to deliver E2E in accordance with this document and the E2E Prospectus. These documents are available on the LSC website at:  
[www.lsc.gov.uk/National/Partners/PolicyandDevelopment/EntrytoEmployment/E2E+Prospectus+2004.htm](http://www.lsc.gov.uk/National/Partners/PolicyandDevelopment/EntrytoEmployment/E2E+Prospectus+2004.htm).

## **Eligibility**

- 159 Young people are eligible to enter E2E if they:
- a are eligible for WBL as detailed in paragraphs 108 to 126 of this guidance; and
  - b are not employed (unless specific agreement has been made with the LSC);
  - c are aged 16, 17 or 18 on the day they start E2E; or
  - d are a member of the Extended Guarantee group; or
  - e are aged 19-24, not eligible for New Deal and the LSC has agreed to provide a place; and
  - f are not yet ready to enter a structured learning option leading to a qualification at Level 2 or employment;
  - g are able to attend for at least 16 hours a week (exceptionally 8 hours);

- h can demonstrate the ability and opportunity to progress towards and enter a positive destination, given a reasonable period of development time on E2E; and
  - i it is not expected that learners who hold the entry qualifications for Apprenticeships will be enrolled on E2E.
- 160 Within the first six weeks on E2E, the learner's suitability for the programme is to be confirmed by a member of Connexions. Learners may remain on E2E past their 19<sup>th</sup> birthday to complete the programme since E2E is not a time-limited programme. There is no limit to the number of times a young person can enter E2E, but learners must leave E2E before their 25<sup>th</sup> birthday. The judgement by the Connexions personal advisor could result in one of three outcomes:
- the young person is in need of a period on E2E and is suitable for the programme
  - the learner is ready to move onto a Level 2 programme, that is to say, they no longer need to stay on E2E because they could now sustain a place on a Level 2 option. If so, arrange for the learner to move on as soon as possible. In this case, the provider has provided legitimate support services to the learner and therefore no abatement is made. Should the learner then move into a qualifying positive destination a bonus may also be claimed
  - the young person is clearly ineligible, that is, to say they do not meet the criteria set out in the previous paragraph 159. If so, the action taken depends on the circumstances. The provider should abate the funding claimed and inform their contract manager.
- 161 Local LSCs will issue guidance on the targeting and recruitment of specific young people for E2E in their areas.

### **Entry to Employment Passport**

- 162 The E2E Passport, which has been developed in partnership with Connexions, providers and the ALI, has been designed to facilitate the referral, initial assessment, planning and review of learners and programmes on E2E. It is compulsory for all new learners. The E2E Passport provides documents to support the processes described in the following paragraphs. It does not in itself mean providers meet all the requirements for E2E: it is the way it is used that will determine whether the requirements are met. Providers may also use the E2E Passport online, which is an electronic version of the E2E Passport. The E2E Passport can be accessed on the LSC website. It includes the following documents:
- for referrals, two Referral Forms (one for use by the Connexions personal advisor and another for other agencies). These replace the Individual Development Plan
  - an Initial Assessment Summary Form that providers will complete
  - an E2E Programme detailing the main objectives and confirming the learner's suitability for E2E



- an E2E Activity Plan that records the more short-term detailed activities and progress. Together, the E2E Programme and E2E Activity Plan replace the ILP
- an E2E Review Record that records short-term targets and progress towards them. The E2E Review Record provides evidence of the learner being in learning
- an E2E Moving On Plan to detail the support providers will give during transition from E2E to positive destinations.

## **Recruitment of learners onto Entry to Employment**

163 Most young people who access E2E will be referred from Connexions. Most will have been working with a Connexions personal advisor to address barriers to learning. They may have been working to build up their attendance to 16 hours a week. These young people are classed as being on the caseload of a personal advisor. If aged 16-18, they have a right to a place on E2E in line with the young person's Guarantee. Not all young people will enter E2E by this route. Some will self-refer and others will attend with friends or come from partner organisations on recommendation. Local arrangements have been agreed within partnerships on how this will work. What is clear is that if young people have to wait for a place, or are turned away because they do not have the right piece of paper, they will not return and E2E will not succeed. Providers are free to recruit eligible young people onto E2E from any source they see fit, provided they meet the requirements specified by the relevant local LSC. Contact with Connexions is vital, to make sure that young people gain independent professional advice on career choices. This must take place early in the programme. The outline process, on which the E2E Passport and E2E Programme are based, may be subject to minor local variations, as follows:

- a Connexions or other partner organisations identify that the young person may have needs that are best met through a period on E2E, when interviewing him or her or when using the Assessment, Planning, Implementation and Review (APIR) framework
- b Connexions or other partner organisations document their findings on the E2E Referral Form, and with the young person's agreement, copy their assessment findings together with any other relevant information to the provider with the E2E Referral Form
- c building on the assessments undertaken by the personal advisor or other professional advisor, the provider undertakes a secondary, more detailed assessment, to identify the needs of the learner and to confirm eligibility. In particular, the provider should ensure that the learner has a reasonable possibility of progressing to a positive outcome through E2E
- d the provider completes the ILR in accordance with the current guidance, and also an E2E Programme and E2E Activity Plan covering the likely period the learner will stay on E2E. (This plan will develop in detail over time)

- e the provider will begin delivery of the programme and continue to assess the learner's needs for a period not exceeding six weeks
  - f as soon as practical and in all cases within six weeks, the provider will arrange a case conference with the personal advisor, the learner and the provider's key worker for the learner, during which the key objectives for the learner's time on E2E, the activities to be undertaken for the remainder of the programme, the anticipated length of the programme and the learner's suitability for E2E will be confirmed. The personal adviser will sign the E2E Programme confirming this. This confirmation could result in any one of three outcomes detailed in paragraph 160.
- 164 Therefore, within six weeks, the provider will hold completed versions of the following documents:
- E2E Referral Form (if referred by Connexions or partner organisation)
  - Record of Initial Assessments
  - ILR form
  - E2E Programme and E2E Activity Plan
  - written confirmation by the personal advisor on the learner's suitability for E2E (if not using the E2E programme).
- 165 Should a young person go directly to the provider, the provider should check that the learner meets the requirements specified by the local LSC and if so commence the assessment and delivery of the E2E Programme and E2E Activity Plan. Contact should be made with Connexions as soon as possible, who must confirm the learner's need for E2E and suitability within six weeks.
- 166 Eligible young people who are working with a Connexions personal advisor, under intensive support, have a guarantee of a place on E2E. This guarantee takes effect when the young person has confirmed with their personal adviser that they wish to enter E2E and when the personal adviser is content with the following:
- the learner has reasonable potential to gain a positive destination
  - their immediate barriers to learning have been addressed
  - the learner is ready to enter E2E and can attend for 16 hours a week.
- 167 The personal advisor must record this. Provider staff must work closely together, and in partnership with personal advisers, to agree an appropriate start date that meets the learner's needs. It is not anticipated that this will be delayed by more than six weeks. This transition must be seamless for the learner.
- 168 During this assessment process, the provider may wish to refer to the detailed assessment arrangements for ALN and ASN contained in Annex E of this document.

169 Most young people who join E2E will have a Connexions Card. This card has a number of uses, not least the awarding of attendance and discretionary bonus points. This fits well with the ethos of E2E, in that it rewards good attendance and the achievement of short-term goals. It is strongly recommended that providers register with Capita to be able to apply for cards, where young people do not have them. Alternatively, applications can be made through Connexions. Linking the discretionary points that learners can achieve with the achievement of goals set on the E2E Activity Plan will reinforce the value of achievements for the learner. Further information is available on the Connexions website at: [www.connexionscard.com](http://www.connexionscard.com) or from the helpline on 0808 172 4444.

## **Delivery of Entry to Employment**

170 Induction is an essential part of all WBL programmes, and no less so with E2E. However, it is recognised that with the E2E client group, induction must be delivered innovatively, sensitively and at a pace appropriate to the learner. Therefore the following elements, as a minimum, must be delivered in the first six weeks on E2E programmes:

- terms and conditions of learning
- the E2E Programme and E2E Activity Plan, and their context and purpose
- content of the programme, including the delivery arrangements and preparation for exit
- assessment processes
- equal opportunities policy
- employment and/or placement responsibilities for both the provider and the learner
- disciplinary and grievance procedures
- health and safety responsibilities and legislation
- key contacts with the provider.

171 The detailed curriculum requirements for E2E are contained in the E2E Prospectus. Providers are responsible for developing with the young person a programme of activities that takes into account:

- the assessment of need, individual interests, progression aspirations and career objectives
- the E2E entitlement curriculum, contained in the E2E Prospectus.

172 These activities will be documented on the E2E Programme and E2E Activity Plan. This is likely to be done in blocks of time and informed by reviews (both formal and informal). Providers will need to draw up detailed weekly E2E Activity Plans so that both parties know what to expect during the E2E programme. Further guidance is available on the LSC website at: [www.lsc.gov.uk/National/Partners/PolicyandDevelopment/EntrytoEmployment/E2E+Prospectus+2004.htm](http://www.lsc.gov.uk/National/Partners/PolicyandDevelopment/EntrytoEmployment/E2E+Prospectus+2004.htm).

- 173 The E2E Programme should be used to confirm the involvement of Connexions and the appropriateness of E2E for the learner.
- 174 While it is not expected that young people on E2E will be either studying part time in FE or working part time outside E2E, there may be occasions where parallel study or part-time employment, which is not part of E2E, can be deemed to enhance and contribute to the young person's development. In such circumstances, and where the learning is not part of the E2E programme yet is clearly in the interests of the learner, parallel study and/or employment may be authorised in conjunction with Connexions, providing it does not initially exceed more than 10 hours a week. It may be desirable to build up this time over the length of the programme, where the relevance can be clearly demonstrated.
- 175 Complementary programmes to E2E include Millennium Volunteers and The Prince's Trust TEAM programme. Providers are encouraged to use such programmes to broaden the E2E experience, while ensuring that no double-funding takes place. For example, participation in the Millennium Volunteers programme is not deemed double-funding, provided the learner completes their volunteering outside the minimum 16 hours of E2E. Prince's Trust TEAM funding is jointly funded from E2E and FE, and the requirements of both funding sources must be met.
- 176 During the learner's period on E2E, it is essential that providers prepare the learner for progression and transition to further learning and/or employment. To this end, the provider should build the programme up to full-time attendance at an appropriate pace. Providers should consider how the learner can be introduced to the pattern of his or her expected attendance at the likely destination while the learner is on E2E. This may mean that, following the initial assessment period, standard attendance patterns are unlikely.
- 177 Where it is likely that learners will progress onto a WBL option, they should be pursue opportunities for securing employment while they are on E2E programmes. Providers should also be preparing young people to take qualifications that are appropriate to their likely progression route. Providers may start the delivery of qualifications and assessments while the learner is on E2E, particularly for Key Skills, should this be beneficial to the learner.
- 178 During E2E, learners and provider staff will meet regularly for many reasons, as well as meeting to review the learner's progress. It is critical that the learner understands the function and purpose of all meetings. In addition to these meetings, at least every four weeks, the provider must review each learner's progress on E2E. Minor changes to activities should be agreed with the learner and be noted in review documents. Where the review leads to significant changes to the E2E Programme these should where possible be agreed with the learner's personal adviser.
- 179 Any support arrangements that have been identified should be reviewed and their effectiveness established. Connexions personal advisers must

also conduct progress reviews with their clients. These two requirements can be combined into single reviews where appropriate, and where this will benefit the learner. Providers are required to demonstrate continued progress through these reviews and assessment materials. Review documents will also provide the primary evidence that the learner is still in learning and is progressing against the goals of his or her E2E Programme. It is essential that reviews clearly demonstrate progress, and are formally recorded and signed by the learner. Examples of the review processes and associated paperwork are published on the LSC's website at: [www.lsc.gov.uk](http://www.lsc.gov.uk).

- 180 Should a learner remain on E2E for 22 weeks, the provider must organise a full review of progress involving the learner, and his or her personal adviser and key worker. The review will establish whether the learner's best interests are being served by continuing on E2E. If so, further reviews should be conducted every four weeks, and should involve the learner's personal adviser. If it is agreed that the learner would be better served by moving on from E2E, the personal adviser and the key worker will work together to organise this transition.

## **Leaving Entry to Employment**

- 181 On leaving E2E, the provider must process the ILR as advised in the LSC's ILR published guidance, *Specification of the Individualised Learner Record for 2004/05*. As a minimum, the learner should be awarded an achievement certificate. This certificate should celebrate the distance travelled by the learner, no matter how insignificant this may seem. This is in addition to any certificates for awards or qualifications achieved, which must also be given to the learner. A non-compulsory certificate has been developed by the LSC to support the recording of the learner's attainments. The certificate and examples are available on the LSC website at: [www.lsc.gov.uk](http://www.lsc.gov.uk). The LSC has previously looked at the possibility of an E2E Graduation Diploma and formal progression from E2E. This work has been subsumed by the proposals of the Working Group on 14-19 Reform.
- 182 Before a learner leaves E2E, the provider is to make contact with the learner's personal adviser. The learner should be offered an interview with his or her personal adviser for independent guidance. This also gives the personal adviser the opportunity to be aware of the circumstances leading to the learner's decision to leave. If a meeting is not be possible, the provider is responsible for telling the learner's personal adviser that the learner has left and explaining the circumstances that led up to the learner's departure. If the learner is progressing to NVQ learning or an Apprenticeship, the provider and personal adviser should assess the learner to establish whether there are additional needs, which may lead to the learner having ALN or ASN status while on WBL. The provider must make sure that learners are followed up and supported for at least eight weeks after leaving E2E. The Moving On Plan from the E2E Passport should record both the support arrangements that have been planned and agreed with the

young person to cover this period, and any subsequent activities. The provider is expected to monitor the destination of the learner on leaving E2E and record this on the ILR.

- 183 The LSC expects the transition from E2E to a positive destination to be seamless for the learner. This is vital where the learner may otherwise be dependent on benefits. However, the LSC recognises that this may not always be possible. In these cases, key workers should work with the learner and where necessary the personal adviser to agree the best course of action and act upon it. If immediate progression is impossible, providers and personal advisers should liaise with Jobcentre Plus to establish the learner's eligibility for benefits. Referring a learner to Jobcentre Plus without support is not acceptable. If in doubt, providers should liaise with their LSC contract manager. Providers should also see the advice on processing withdrawals in paragraphs 56 to 57.
- 184 All work conducted by the learner on E2E is the property of the learner and he or she should be encouraged to take it away as evidence of his or her achievements. This also applies to portfolios and the full E2E Passport.

### **Financial support for Entry to Employment learners**

- 185 During their time on E2E, learners are entitled to the financial support detailed in paragraph 186 as a minimum. Local LSCs will issue a statement detailing what financial support and bonuses are available in their area.
- 186 Learners who attend for 16 hours or more a week are entitled to a minimum training allowance of £40 a week. If part-time attendance (8–16 hours) is agreed, the minimum allowance is £20 a week. The allowance learners receive is abated on a pro-rata basis to planned attendance for unauthorised absence (for example, if a learner has a planned attendance of 30 hours and he or she is on unauthorised absence for 10 hours, he or she would receive £26.60).
- 187 Wherever possible, employers should be encouraged to meet the full cost of the allowance. Where employers do not meet the full cost, they are encouraged to top this allowance up above the minimum to reflect the learner's contribution to productivity. In either case the whole of the amount should be used for tax and national insurance purposes.
- 188 Learners are to be reimbursed in full for necessary expenses incurred to overcome barriers to participation on E2E.
- 189 Learners are also entitled to incentive bonuses. The national agreement is that young people who are on the caseload of a personal adviser and start E2E will receive a £50 incentive bonus. Learners who take up employment with training, structured education or training on leaving E2E receive a further £50. Local LSCs may have varied this arrangement in agreement with their local Connexions. All providers in a local LSC area should offer the same bonuses. E2E leavers are only entitled to receive the bonus once. Providers have discretion to pay more than this if they wish. Providers should contact their local LSC for advice on incentive bonuses.

## Funding Entry to Employment

190 The funding arrangements for E2E are designed to contribute to the fixed costs of having places available, and to the learner-associated costs, for example allowances and expenses, as well as to encourage achievement and progression. To achieve this, the weekly unit cost for E2E is split into three parts. These are:

- a **Planned places payment** – This payment is profiled monthly, taking into account the number of E2E weeks the local LSC wishes to purchase from the provider and the provider's capacity. Once paid, it is not reconciled, as the provider will have expended these funds in providing the places. Planned places may be adjusted for the future, depending on past delivery.
- b **In-learning payment** – This payment is included in the monthly profile payment. The payment is to contribute to providers' variable costs. The payment is paid on profile and reconciled based on the number of learners who are in learning at midnight on each Monday.
- c **Provider bonuses** – these are paid to recognise the achievements of providers in helping learners achieve qualifications and progress onto positive destinations. The bonuses can be claimed up to nine calendar months after the learner leaves E2E, if the provider can prove they remained in contact with the learner during this time. The bonuses are paid at two levels, basic and enhanced. Providers may claim a maximum of one enhanced progression and one enhanced qualification bonus for each learner (up to a maximum of £400). Bonuses are included as part of the monthly profiled payment and are reconciled based on achievements. Bonuses are claimed through the TPS. The bonuses are:
  - a Basic Qualification Bonus that is paid for the achievement of any qualification on the National Qualification Framework at Entry Level. Where the qualification has differentiated levels, for example, basic skills qualifications, this means Entry Level 3.
  - an Enhanced Qualification Bonus which is paid for achievement of:
    - i vocationally related or occupational qualifications listed on the National Qualification Framework at Level 1;
    - ii Level 1 equivalents approved by the local LSC; or
    - iii Key Skills in Application of Number or Communications at Level 1 or above (this may be extended following accreditation of wider Key Skills by the QCA)
  - a Basic Progression Bonus that is paid for progressing the E2E learner into one of the following two destinations, where this does not include accredited learning to Level 2:
    - i a place in FE or other structured learning which exceeds 16 hours a week;
    - ii paid employment, which exceeds 16 hours a week

- an enhanced Progression Bonus is paid for progressing the learner into one of the following destinations, where this includes accredited learning to at least Level 2:
    - iii i progression to full-time NVQ learning, an Apprenticeship or an Advanced Apprenticeship;
    - iv ii a place in FE, which exceeds 16 hours a week;
    - v iii paid employment, which exceeds 16 hours a week.
- 191 Progression Bonuses are not payable until the learner leaves E2E.
- 192 It is in the best interests of both the provider and the LSC to ensure allocations are profiled as accurately as possible to reduce the likelihood of over- or underpayments. This will help providers to plan their resource needs for the year effectively. Once the profile is agreed, changes should be kept to the minimum needed to manage the risk of overpayments from the LSC to the provider. The delivery of volumes against profile should be reviewed quarterly. Where there are minor variations (within 10 per cent), both up and down, these should be accepted without variation, or additional payment. Where there are major differences, the provider may need to negotiate a contract variation. Where numbers increase significantly between reviews, the provider may ask to bring the review forward. Providers may not exceed their contract limits without the written authority of the LSC.
- 193 Where profiled numbers are not being met, the LSC recommends that providers work with their local LSC and Connexions to address the shortfall before the under-occupancy becomes serious.

### **Exceptional learning support and learners with learning difficulties and/or disabilities**

- 194 Where E2E learners do not attract ALN or ASN payments, and providers identify the need for exceptional learning support to overcome barriers to learning, including those caused by disabilities, they should discuss this with their contract manager. Should the LSC agree that the need is exceptional, it will reimburse the provider for the costs incurred in providing the support in full. This does not imply the right to exceed the contract value. Should this be necessary, a contract variation will be required.
- 195 Where the need includes aids or adaptations to premises for specific learners, providers must take into account the providers' or employers' responsibility under the Disability Discrimination Act 1995 and/or any grants that may be available.

### **Funding rates**

- 196 The national minimum weekly rate for E2E, which includes bonuses, allowances and expenses, is £180 for 2004/05. The rate is uplifted for area costs, but not for the disadvantage uplift. This overall weekly rate may be increased by the local LSC at the start of the funding year. Should the local LSC do this, Planned Places and In-learning Payments are recalculated as set out below. The bonus rates are standard and are



not uplifted or changed if the rate changes. The rate is broken down as follows:

- **Planned Places Payment** – This is 70 per cent of the weekly rate at £126.
- **In-learning Payment** – This is 26 per cent of the weekly rate at £47.
- **Provider bonuses** – The provider bonus fund is the accumulation of 4 per cent of the weekly rate over a notional 22-week period. This fund is paid to providers at the following rates:
  - vii basic bonus - £100;
  - vii ii enhanced bonus - £200
- If the enhanced bonus is achieved after the basic bonus is already claimed, then it is reduced to £100.

### **Provider administrative action**

197 Provided E2E is properly recorded on the ILR, in accordance with the Provider Support Manual, the LSC WBL system will calculate the funds a provider earns for the Planned Places Payments and In-learning Payments. Providers will be required to calculate amounts due for provider bonuses and exceptional learning support (ELS) and to enter this amount onto the TPS. This will enable the amount due to be taken into account for reconciliation.

### **Evidence requirements**

198 It is anticipated that most, if not all, of the evidence required for E2E will be generated by the provider's normal operations and be naturally occurring evidence. The LSC appreciates that the first six weeks of E2E will be fluid. Providers are to work towards gathering all the required documentary evidence during this time. The evidence requirements at each stage and for each payment are detailed in Annex J.

199 Providers should also keep records that record the results of initial and ongoing assessments to support judgements made.

200 If a learner is not able to sign documents, an adult other than their key worker should witness their agreement.

## **Annex A: Glossary**

- 1 This section provides detailed definitions of some of the key terms used in this document and in the funding agreement. It also provides definitions of terms, phrases and abbreviations and acronyms that are used in this document.

### **16-18-year-old learner**

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 the day he or she commences their learning programme. The learner remains in this category for the duration of their existing programme. This ensures that the funding of a 16-18-year-old learner does not change during an individual's programme.

### **16-18 Guarantee Group**

The Guarantee Group includes all young people who have not reached the age of 18 who satisfy the eligibility criteria, are not in education, training or a job and who are registered with Connexions for WBL. Arrangements for the Guarantee for young people will continue. This guarantees:

- two offers of suitable learning opportunities within 8 weeks of applying
- for those leaving Year 11, two suitable offers before the first Monday in January
- adequate support to take up and continue learning; and
- for non-employed learners, the payment of a minimum training allowance and expenses while in training.

### **19-or-over-year-old learner**

The definition of a learner aged 19 or over mirrors that relating to a 16-18-year-old learner. A learner aged 19 or over is aged 19 or over on his or her programme start date. This includes learners who commence new programmes immediately after ending a programme commenced whilst in the 16-18 age group.

### **Absence**

A provider may continue to claim funding for reasonable absence by learners from their programmes. From 2004/05, the LSC no longer distinguishes between authorised and unauthorised absence.

### **Actual leaving date**

The date that the learner completed his or her learning activity, or the date when the learner is deemed to have terminated the learning activity if this is an earlier date, as set out in the ILR guidance (*Specification of the Individualised Learner Record for 2004/05*).

### **Additional learning support**

Additional learning support (ALS) is the generic term for support provided to the learner to address their learning needs. In the WBL context, it includes financial support that enables young people to take up and remain in WBL. It

includes: allowances for young people assessed as having ALN and ASN; LSC-funded allowances for non-endorsed Apprenticeships and NVQ learning; childcare; travel; residential accommodation; and personal protective equipment. Exceptional learning support and support for disabled learners is also included.

### **Additional learning needs**

Additional learning needs (ALN) relate to the learner's intrinsic ability. If a learner is assessed as having additional learner needs, an additional sum of funding is provided.

### **Additional social needs**

Additional social needs (ASN) relate to the emotional, behavioural or motivational abilities of the learner.

### **Advanced Apprenticeships**

Advanced Apprenticeships are the preferred WBL route for all young people aged 16-24 who are capable of achieving an NVQ at Level 3.

### **Allowance**

The national minimum weekly training allowance is £40. All non-employed learners are entitled to this minimum allowance.

### **Apprenticeships**

Apprenticeships are the preferred WBL route for all young people aged 16-24 who are capable of achieving an NVQ at Level 2.

### **Approved qualification**

An approved qualification is a current qualification where the learner started learning and was registered with an appropriate awarding body on or before the QCA last registration date. It was accredited before the QCA certification end date and is approved for funding and listed on the LSC's learning aims database at: <http://providers.lsc.gov.uk/LAD/aims/searchcriteria.asp>.

### **Disability**

The Disability Discrimination Act 1995 describes a person as having a disability if he or she 'has a physical or mental impairment which has a substantial and long-term adverse effect on his ability to carry out normal day-to-day activities'. Guidance about the terms used within the definition, and what is meant by 'day-to-day activities' is given in the Disability Discrimination Act 1995 Part 1, and in *Guidance on Matters to be Taken into Account in Determining Questions Relating to the Definition of Disability*, published by The Stationery Office (ISBN 0-11-270955-9).

### **EC national**

An EC national is defined as a national of any member state of the European Community or Union.

### **EC new EU member states from 1 May 2004**

The new joining countries are: Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.

### **Employed or employment**

‘Employment’ includes full- or part-time work (16 hours or more a week), and permanent, temporary or casual paid employment under a contract of employment. It excludes taking part in voluntary work or other work that is not subject to a contract of employment.

### **Employed status**

A learner has employed status if they are under a contract of employment. This includes self-employment.

### **Entry to Employment**

Entry to Employment (E2E) is a dynamic approach designed to equip young people to become independent, self-motivated, informed and empowered to take control of their lives. Its primary aim is to enable learners to progress into employment with training or onto further learning programmes. It is further defined in Section 7 paragraph 156 in the main body of this document.

### **Entry to Employment Activity Plan**

The E2E Activity plan is a document that describes the programme of activities that individual learners will undertake as part of their participation in E2E.

### **Entry to Employment Curriculum Offer**

The E2E Curriculum Offer refers to the range of learning opportunities for learners that meets the requirements of the E2E entitlement curriculum.

### **Entry to Employment Prospectus**

The E2E Prospectus refers to a set of documents that detail the range of information that is currently available about E2E.

### **Entry to Employment Learning Framework**

The E2E Learning Framework is the overall statement and description of what E2E is, who it is for, and what it strives to be. This includes the ethos and principles upon which it is founded.

### **Exceptional learning support**

Exceptional learning support (ELS) is support that is required to meet the learner’s needs, the costs of which exceed the defined threshold level.

### **Extended Guarantee Group**

The Extended Guarantee Group includes all 18–24 year olds not in education, training or a job who satisfy the eligibility criteria and are seeking entry into learning and who:

- have reached the age of 18 but have not been available to enter learning for the first time because of disability, ill health, pregnancy, a custodial sentence, remand in custody, language difficulties or as a result of a care order; or
- entered learning for the first time before reaching the age of 18 but discontinued their learning for any of the reasons set out above and were unable to resume their learning before reaching the age of 18.

### **Formula-funded provision**

Formula-funded provision comprises Apprenticeships, Advanced Apprenticeships and NVQ learning.

### **Framework of Apprenticeships**

The Framework of Apprenticeships is completed by learners who are engaged in the full Apprenticeships training specification, and is developed by the relevant sector body. Frameworks incorporate the set criteria, outcomes and good practice that are approved by the Apprenticeship Approvals Group (AAG; formerly MANTRA).

### **Framework completion certificate**

The framework completion certificate is a certificate that complies with national requirements and that is approved by the relevant sector body or Sector Skills Council, which is issued to the apprentice on completion of learning to attest that the minimum requirements of the Apprenticeships have been achieved.

### **Full-time education or training**

Learners engaged in education or training of more than 16 hours a week. Education or training includes FE, HE or training at any educational establishment (school, college, university, city technical college) but excludes people on Open College or Open University or other distance learning courses.

### **Gained**

This is the date that an outcome is determined or an approved qualification is achieved (which means the date when a certificate or any other acceptable evidence is first issued). For providers with direct claim status, the date of achievement is the internal verification date. For providers without direct claim status, the date of achievement is the external verification date.

### **Graduate**

A graduate is person who has obtained an HE qualification at Level 5 or has been awarded a first degree by a recognised university or other recognised HE institution.

### **Guided learning hours**

Guided learning hours (glh) are defined as time when a member of staff is present to give specific guidance towards the learning aim being studied on a programme. This includes lectures, tutorials and supervised study in, for example, open learning centres and learning workshops. It also includes time spent by staff assessing learners' achievements, for example in the assessment of competence for 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 learners.

### **Individual development plan**

Individual development plans (IDPs) are agreed between the young person and the Connexions personal adviser. IDPs set out the action to progress the client into leaving or work and beyond.

### **Individualised Learner Record**

The Individualised Learner Record (ILR) is used to record all relevant funding data about LSC-funded WBL learners by providers. See the LSC's ILR guidance *Specification of the Individualised Learner Record for 2004/05* at: [www.lsc.gov.uk/National/Partners/Data/DataCollection/ILR/ILRSpecification/default](http://www.lsc.gov.uk/National/Partners/Data/DataCollection/ILR/ILRSpecification/default).

### **In learning**

A learner who has commenced an agreed course of learning and has not yet finished that course of learning is said to be in learning. A learner continues to be counted as being in learning even if that learner is not attracting funding as he or she has drawn down all the on-programme money attracted by the programme.

### **In-learning census date for formula-funded programmes**

This is the census date at which a learner must be classified as being in learning to receive a payment for that period (month or week). A learner who leaves on a census date is counted as being in learning for that period for funding purposes. A learner who starts on a census date is also counted as being in learning for that month for funding purposes.

### **Learner**

In this guidance, this refers to an eligible learner who has commenced their WBL learning programme. An ex-learner whose learning has been terminated is also referred to as a learner with respect to their terminated course.

### **Learning**

'Learning' is defined as a process of planned activities that the learner engages in, and which is specifically designed for imparting the knowledge, skills and competence that are relevant to effective participation in the labour market.

### **Learning aim**

A learning aim is defined as a single element of learning.

### **Learning opportunity**

This is an opportunity offered to an eligible person to engage in and to complete suitable full-time learning (or, where the Funding Agreement permits and the eligible person so elects, suitable part-time learning as specified in the ILP).

### **Learning programme**

A learning programme is defined as all of a learner's activities that involve the use of the resources of the provider at which the learner is enrolled. Advanced Apprenticeships are considered to constitute a single learning programme. A learning programme may be composed of one or several learning aims. For example, an Advanced Apprenticeship (learning programme) may be composed of an NVQ, Key Skills and a technical certificate (learning aims).

### **Length of programme**

The length of programme (LOP) refers to the expected (or standard) duration of a particular programme. It may also be used to refer to an individual learner's start and expected end dates. The LSC supplies expected LOPs for

WBL programmes. It recommends that providers consult their local LSC for any departure from the standard LOPs for material number of learners.

### **Local LSC**

A local LSC is one of the LSC's 47 local arms throughout England.

### **National Contracts Service**

The National Contracts Service (NCS) has responsibility for managing the contracting arrangements with large national multi-site employers and providers who act on behalf of these employers. The purpose of having an NCS is to simplify the LSC's relationship with large employers and their representatives. This is done through an account management system. The aim is to make sure that large national employers can work with the LSC at a single point, while providing flexibility at local level to meet local needs. The NCS website is at: <http://ncs.lsc.gov.uk/default.htm>.

### **National Rates Advisory Group**

The National Rates Advisory Group (NRAG) is an LSC advisory group that recommends funding rates for all types of provision funded by the LSC.

### **Non-formula-funded provision**

This comprises the Entry to Employment programme only.

### **NVQ learning**

This refers to training provision that meets NVQ standards at Levels 1, 2, 3 or 4.

### **Outcome**

The outcome of a learning programme is the achievement by learners of an approved qualification. This is either an NVQ, or the completion of the whole Apprenticeship.

### **Personal adviser**

A personal advisor is the named Connexions person who works with a young person and who has responsibility for supporting that person to help them enter education or training and to achieve his or her learning aims.

### **PLF**

PLF refers to plan-led funding.

### **Programme Payments**

These are the payments the provider will receive in respect of formula-funded provision for each learner who is in learning on the in-learning last day of the month.

### **Provider Funding Report**

Provider Funding Reports replace the previous Provider Management Reports (PMRs). These reports are available to the provider from the ILR. The reports detail the actual earned current position of a provider against their profile, based on the information the provider has returned in the form of their data return.

### **Provision**

In the WBL context, 'provision' refers to programmes comprising Apprenticeships and Advanced Apprenticeships, NVQ learning (previously Other Training), and E2E.

### **Refugee**

A refugee will be someone with either humanitarian, Indefinite, Limited or Exceptional Leave to Remain in the United Kingdom. A refugee seeking entry onto DfES-funded training programmes must have the appropriate Home Office documentation giving him or her permission to train and work in the UK.

### **Right to time off for study or training**

The right to time off for study or training is defined in Part III of the Teaching and Higher Education Act 1988 (the 1988 Act). A copy of the 1988 Act is available on the DfES website at: [www.dfes.gov.uk/tfst/](http://www.dfes.gov.uk/tfst/).

From September 1999, employees who are aged 16 or 17, who are not in full-time education, and not qualified to Level 2 – as defined by the Regulations – have the right to reasonable paid time off work to study or train for approved qualifications. Certain employees aged 18 also have the right to complete study or training they have already begun.

The LSC's experience to date has been that virtually all enquiries under this law can be met through mainstream WBL or FE provision. If providers receive any queries they are unable to deal with through mainstream provision, they should refer to their local LSC.

### **School**

This refers to a school that operates under the Department of Education Schools Regulations, but excluding a tertiary college, community college, sixth form or FE college.

### **School leaving date**

The school leaving date is the last Friday in June in the school teaching year in which a young person reaches the age of 16.

### **(School) Year 11**

Year 11 is the school year, where, for the majority of pupils, their age is 16 at the end of the academic year.

### **Self-employed**

Learners who are self-employed can be classed under the definition of employed for the purposes of WBL eligibility.

### **Start date**

The start date for a learner is the day on which he or she commences a learning programme or the assessment leading to a learning programme in the case of E2E.

### **Technical certificate**

A technical certificate is a vocationally related qualification that is recognised by the QCA as providing the underpinning knowledge of the NVQ and forming part of the Apprenticeship as approved by the Apprenticeship Approvals Group (AAG; formerly MANTRA). All approved technical certificates are listed



on the learning aims database on the LSC's website at:  
<http://providers.lsc.gov.uk/LAD/aims/searchcriteria.asp>.

### **Temporary framework**

This comprises an NVQ plus Key Skills that a local LSC has agreed provides a complete learning programme that is broadly equivalent to an Apprenticeship in an occupation or sector where no suitable approved framework exists.

### **Training Provider Statement**

The Training Provider Statement (TPS) is an auditable document that details the amount of funding earned for non-formula-funded activity. It is completed on a monthly basis.

### **Training allowance**

See Allowance.

### **Unauthorised absence**

From 2004/05, the LSC no longer distinguishes unauthorised absences from other types of absence. Providers are expected to use good educational judgements (and common sense) to determine whether learners are absent or withdrawn from programmes.

### **Work experience**

'Work experience' refers to non-employed placements with employers aimed at helping learners improve their skills, get experience and become accustomed to a working regime and environment.

## Annex B: National Rates for Work-based Learning for 2004/05

1 NVQ learning Level 1 (learners aged 19 and over only) are all funded at a national listed rate of £2,175 and a sector weighting of 1.0.

**Table B1: Apprenticeships and NVQ Level 2 (note funding rate shown below includes the additional funding weighting).**

Funding category		Funding weightings	16-18 year old NVQ rate only	19+ year old NVQ rate only
A	Agriculture	1.2	£3,915	£2,121
B	Construction	1.5	£4,351	£2,651
C	Engineering	1.5	£5,166	£2,651
D	Manufacturing	1.3	£2,828	£1,944
E	Transportation	1.3	£5,184	£2,651
F	Management and Professional	1.3	£3,535	£2,298
G	Business Administration	1.2	£3,045	£1,958
H	Retailing and Customer Service	1.2	£3,045	£1,958
I	Leisure, Sport and Travel	1.2	£3,263	£1,795
J	Hospitality	1.2	£3,045	£1,958
K	Hair and Beauty	1.2	£5,003	£2,774
L	Health, Care and Public Services	1.2	£3,045	£2,121
M	Media and Design	1.2	£3,480	£2,121

**Table B2: Advanced Apprenticeships and NVQ Learning Level 3 (note funding rate shown below includes the additional funding weighting).**

Funding category		Funding weightings	16-18 year old NVQ rate only	19+ year old NVQ rate only
A	Agriculture	1.2	£5,485	£3,590
B	Construction	1.5	£9,789	£4,691
C	Engineering	1.5	£10,604	£5,915
D	Manufacturing	1.3	£10,133	£6,363
E	Transportation	1.3	£8,955	£5,833
F	Management and Professional	1.3	£6,598	£3,889
G	Business Administration	1.2	£5,221	£3,590
H	Retailing and Customer Service	1.2	£4,786	£3,590
I	Leisure, Sport and Travel	1.2	£5,221	£3,590
J	Hospitality	1.2	£5,438	£3,590
K	Hair and Beauty	1.2	£6,091	£3,590
L	Health, Care and Public Services	1.2	£5,221	£3,590
M	Media and Design	1.2	£8,483	£4,568

## **Annex C: National Employers and Lead Arrangements**

### **National employers**

- 1 The National Contracts Service (NCS) is responsible for managing the contracting arrangements with large national multi-site employers and providers who act on behalf of these employers. The purpose is to simplify the LSC's relationship with large employers and their representatives. This is done through an account management system. The aim is to make sure that large national employers can work with the LSC at a single point, while providing flexibility at local level to meet local needs.
- 2 NCS WBL contracts will be available to:
  - national employers with over 500 employees and a centralised personnel and payment system
  - providers acting for these national employers
  - providers set up by employers or trade unions to provide a service to a specific industry sector
  - large multi-site public sector organisations.
- 3 Employers or providers will normally be expected to:
  - cover five or more local LSC areas
  - cover two or more regions; and
  - have the potential for at least 100 learners (it is expected that the learners will be employed).
- 4 National providers who deal with small- and medium-sized employers will not qualify for an NCS contract. If providers have a mix of small-, medium-sized and large national employers, the NCS will contract for the large employers only in line with the criteria detailed above.

### **Lead LSC arrangements**

- 5 The LSC has agreed that there will be lead arrangements for certain types of national and multi-site organisations who do not meet the criteria for a contract with the NCS. Lead arrangements aim to simplify the relationship between the provider and the LSC.
- 6 Volumes and profiles have to be negotiated and agreed at a local level with the local LSC in whose area the provision will be delivered. Following agreement, the sum of the contracts will be managed through one lead LSC office who would liaise with delivery area or 'feeder' LSCs to monitor and report local over- and under-delivery, quality improvement and the achievement of targets. Each provider wishing to work within lead arrangements must approach its local LSC to seek approval and establish arrangements.

## **Annex D: Ministry of Defence**

- 1 The LSC contracts with various branches of the Ministry of Defence (MOD) for delivery of formula-funded provision. As the MOD already receives government funding for training, it is not appropriate for the LSC to pay 100 per cent of the national rate without jointly assessing double-funding. This applies to training providers who hold contracts with the LSC to deliver provision to MOD learners.
- 2 Following the introduction of technical certificates in 2003/04 a new gap analysis is being conducted for use in 2004/05. Percentages of the national rate to be paid will be distributed in the near future.

### **Auditing the time spent in learning**

- 3 The learners covered by an MOD contract may at any time be sent into an environment that does not support one or all of the requirements of an Apprenticeship. This may be as a result of operational deployment or a short-term military exercise. In normal circumstances, this would lead to a learner being signed off the programme and then, if he or she re-joined at a later date, starting a new learner event.
- 4 To keep the process for recording the time spent off-programme by MOD learners as streamlined as possible, the ILR form will not be used in this way. Instead, the following process should be adopted.
  - a A learner starts on a programme and completes an ILR form.
  - b The learner is deployed on military duties for more than two weeks.
  - c The provider fills in an in-learning audit record with the learner's details, the start date of the deployment and the learner's total time in learning to that date.
  - d When the learner returns to his or her training environment, the provider updates the in-learning audit record with the return date and the learner's revised review date.
  - e An authorised signatory signs off the entry in the audit record. (This would be a delegated authority, not the contract signatory).
- 5 During this time no changes have been made to the ILR form or record. For funding purposes, the learner has remained on the programme.
- 6 After funding for the on-programme element has been paid in full, the learner will stay on the programme without drawing down further payments. During this time, the provider will continue to fill in the in-learning audit record each time there is a break in learning. When the learner achieves his or her NVQ or completes his or her Apprenticeship, the provider updates the ILR form and record in the usual way.
- 7 If the learner leaves the programme without completing his or her Apprenticeship or NVQ, the total funding paid will be compared to the funding earned during the total time on the programme as recorded on the in-learning audit record. Any funding that has been paid, but not earned, will be reclaimed by an appropriate manual adjustment on the Training Provider Statement (TPS).

## **Annex E: Identifying, Meeting and Funding Additional Learning Needs and Additional Social Needs**

- 1 2004/05 sees the next stage of the post-16 sector review of additional learning support. This overall approach is detailed in the LSC policy statement on ALS available at:  
<http://www.lsc.gov.uk/National/Documents/SubjectListing/FundingLearning/AdditionalLearningSupport/default.htm>.
- 2 Funding and assessments for additional learning needs (ALN) and additional social needs (ASN) is again substantially unchanged. The changes introduced for 2003/04 have been welcomed and will continue for 2004/05.
- 3 In line with recommendations from the Learning and Skills Development Agency (LSDA), the LSC is introducing a formulaic approach to allocations and formalising the process and threshold for claiming costs associated with exceptional learning needs.

### **Definitions**

- 4 Under the Learning and Skills Act 2000 (the 2000 Act), the LSC has a duty to meet the needs of young people with learning difficulties and/or disabilities. In Chapter 21, paragraph 13 of the 2000 Act, a person is defined as having learning difficulties if:
  - he or she has a significantly greater difficulty in learning than the majority of persons of his or her age; or
  - he or she has a disability, which prevents or hinders him or her from making use of facilities of a kind generally provided by institutions providing post-16 education or training.
- 5 In WBL, there are three categories of ALS that are funded by the LSC. These are:
  - additional learning needs (ALN) – needs related to the learner’s intrinsic ability;
  - additional social needs (ASN) – needs related to emotional, behavioural or motivational difficulties; and
  - both ALN and ASN.
- 6 In addition to making funding available for these categories, the LSC will meet exceptional costs that are likely to exceed the notified threshold, when calculated using estimated costs, over the full length of the programme. Provision of specialist support and equipment for disabled learners will also be met from exceptional learning support (ELS).
- 7 Young people with additional learning support needs will enter different WBL programmes depending on their needs and abilities. The

programmes they can enter and receive ALN or ASN support are as follows.

- **NVQ learning at Level 1** - Only young people assessed as having ALN or ASN and who are aged 19 or over may enter WBL on an NVQ learning programme at Level 1. Young people aged 16-18 who have special needs and who wish to undertake a Level 1 programme should join E2E.
- **NVQ learning at Level 2 or 3** - This applies to young people who wish to undertake a Level 2 or 3 programme and who are assessed as having ALN or ASN. They are assessed as being capable, with appropriate support, of working towards an NVQ or approved qualification at Level 2 or 3.
- **Apprenticeships** – This applies to young people who wish to undertake Apprenticeships, by either the programme-led or employer-led pathway and who are assessed as having ALN or ASN. They are assessed as being capable, with appropriate support, of working towards an Apprenticeship.
- **Advanced Apprenticeships** – This applies to young people who wish to undertake these and are assessed as having ALN or ASN. They are assessed as being capable, with appropriate support, of working towards an Advanced Apprenticeship. It is anticipated that this group will be limited to those with specific learning difficulties, for example severe dyslexia.
- **Learners on E2E** are not eligible for ALN or ASN status. They can however access ELS, including support for learners with disabilities.

## Assessment process

- 8 It is the provider's responsibility to ensure a young person who may have ALN or ASN is properly assessed. Where the young person is 18 or under and has a Connexions personal adviser, their needs must be agreed by the provider with the local Connexions. The process will normally be as follows.
- Connexions staff identify that the young person may have ALN or ASN when interviewing them or when using the Assessment, Planning, Implementation and Review (APIR) framework. Identification may also take place during E2E.
  - Connexions staff should record their findings on the Individual Development Plan (IDP) or E2E Passport and, with the young person's agreement, copy the findings and any other relevant information together with the referral to the provider.
  - Building on the assessments done by the personal adviser, the provider will undertake a second, more detailed assessment, to identify the needs of the young person and their initial likely NVQ achievement level. The provider completes the assessment form and contacts the local Connexions.

- 9 Connexions confirms the assessment by signing the form. This should ideally involve holding a case conference between the learner, the Connexions personal adviser and a member of the provider staff. The learner retains the original copy of the form, with the provider and personal adviser keeping a copy.
- 10 If a young person approaches the provider directly, the provider should make a detailed assessment of learning and additional needs before asking Connexions to confirm the assessment.
- 11 For young people who are aged 19 or over in learning in an area where Connexions will not confirm the assessment, the provider is responsible for confirming the assessment. It is recommended that the provider manager or an ALS specialist signs the assessment form in these cases.

### **Assessment for additional learning needs**

- 12 Personal advisers will have collected information on a young person's educational history and will also have information on particular areas of his or her skill levels. This information will help the personal adviser make the initial judgement as to whether the learner has or has not additional learning needs. In some cases, the personal adviser may also have access to previous detailed assessments of the learner's basic or Key Skills levels, for example, if the young person has had a Statement of Special Educational Needs at school. If this is the case and the young person agrees, the personal adviser should share this information with the provider.
- 13 If sufficient information is not available to make a judgement, or if what is available is out of date (over two years old), the provider will carry out a second, more detailed assessment using the Basic Skills Agency (BSA) Initial Assessment Materials (July 2002) or equivalent materials that are identified by the publisher as "based on the Adult Literacy and Numeracy Standards (2000)." This will identify the learner's current level of basic skills. A formal assessment should not be conducted when the young person is obviously below Level 1 or when it would cause severe stress to the young person to do so.
- 14 Where the initial assessment reveals a basic skills level below Level 1 in literacy or numeracy against the 2000 standards, this confirms the need for ALN support. Where the judgement is made without a formal assessment, it is the agreement of the learner and the Connexions personal adviser that confirms the need for ALN support.
- 15 Some learners will enter WBL having already achieved a Level 1 or Level 2 Key Skills external assessment examination standard by proxy. It is necessary to treat each group separately.
  - **Entry with a Level 2 proxy** - Learners entering WBL with a Level 2 proxy qualification, for example a General Certificate of Secondary Education (GCSE) in English at grade C or higher (for Communications), would not normally qualify for ALN support unless there were special circumstances, for example severe dyslexia. They

should therefore not be required to carry out the assessment for this purpose.

- **Entry with a Level 1 proxy** - Learners entering with a Level 1 proxy may have GCSE grades from G to D in English, Mathematics or IT. Although these are technically Level 1 proxies, it does not mean that the learner does not have a learning need, nor does it mean that he or she will not need substantial support to complete the programme successfully. Where the personal adviser or provider staff believe additional support may be needed, learners in this group should complete the initial assessment. Where the results indicate a need (as above), the ALN support can be accessed.

- 16 Details of proxy qualifications are posted on the QCA website at: [www.qca.org.uk](http://www.qca.org.uk).
- 17 The assessment of the likely NVQ achievement level is separate from the basic skills initial assessment. This is a matter of professional judgement by the provider and the personal adviser. In order to decide which level NVQ the learner is to work towards, all aspects of the initial assessment process, of which the BSA material is only one element, should be used by the learning provider. Providers should refer to the Good Practice Guide *Raising Standards: Initial assessment of learning and support needs and planning to meet those needs*, (Quality and Performance Improvement Dissemination (QPID), DfES, May 2001). The LSC also recognises that some learners have ALN that are over and above those of literacy and numeracy and relate to other needs. The BSA Initial Assessment Materials (July 2002), or an equivalent test, will provide evidence of the need for ALN status in the majority of cases. However, there may be cases where the results do not produce the evidence to warrant the allocation of ALN funding. In such instances it is the provider's responsibility to demonstrate that, despite the initial assessment not indicating a need, they have other evidence that confirms that there is a need for ALN.

### **Assessment of additional social needs**

- 18 The APIR framework covers a wide range of barriers to learning, including social support needs. This means that personal advisers are likely to have gathered assessment information that would help to identify whether a young person has ASN. Again, if the young person agrees, the personal adviser should share this information with the provider to avoid the need for further assessment in these areas.
- 19 The assessment process used by providers needs to consider a young person's social support needs. Providers should use a process similar to the 'two from nine barriers' used since 1998/99 on the Adult Basic Employability Programme This means that there should be clear evidence that the young person has needs relating to two of the ten barriers listed below:
  - recent or current offending behaviour



- poor or erratic attendance during the last year of education, exclusion from school or no record of school
  - an unsupportive or unsupported home environment (including care leavers and carers)
  - significant problems with confidence or self-esteem
  - significant problems with motivation or attendance (on a programme)
  - attitude or behaviour problems (including losing a placement because of this)
  - drug or alcohol problems
  - health problems which affect their programme (including mental health and phobias)
  - significant problems with communicating with and relating to others; and
  - single parents with particular difficulties finding time to learn.
- 20 If the more detailed initial assessment reveals two or more of the above barriers to learning and progress, this identifies the need for ASN. However, in special circumstances where it is clear that one of these barriers is great enough to be a major obstacle to learning, this will be enough to trigger the ASN support.
- 21 The young person's extra social support requirements would not normally affect the level of programme they should follow. However, if ASN is combined with ALN, or there are other special circumstances where the provider and Connexions consider that a programme leading to a lower level of qualification is more suitable, the provider and the Connexions personal adviser should agree this.

### **Further guidance on assessing additional social needs**

- 22 This guidance aims to help the provider and Connexions with arrangements for assessing ASN. This is not, however, meant to provide a definitive set of guidelines for identifying young people with ASN. It should not be used as a rigid tool so that ASN is defined so tightly that it rules out the young people who should receive additional support from the LSC.
- 23 A young person is likely to need a minimum of one lengthy in-depth (one-to-one) interview to identify ASN by a skilled interviewer. Where the young person has been referred by an external organisation, there will also be opportunities for research and investigation. In some cases it is appropriate for the young person to be accompanied to the first interview by a case worker or someone who knows them well and can support them in a discussion of their needs, but this should be followed up with a private interview.
- 24 ASN criteria are described at paragraphs 83 to 87 of the main body of this document.

### **Recent or recurrent offending behaviour**

- 25 The young person should be known to the criminal justice system and considered by others or themselves to be at risk of re-offending, or still offending. Where offending behaviour appears to have come to an end and there is no record of further problems, these criteria should apply only if the original offence is still impacting upon the young person's life (this could include serious offences which make it more difficult for them to gain employment, or to access training without additional supervision and support).

**Poor or erratic attendance during last year of education or excluded from school or no record of school**

- 26 This may be evidenced from the school records held by Connexions, or by the young person themselves, when school records are incomplete or unavailable. It includes all those who missed regular full-time schooling, whether this was as a result of behavioural problems such as bullying, moving around the country or truancy and so on. In the case of a conflict between school records and the evidence of the young person, greater weight should be given to the testimony of the young person. Evidence from parents, guardians or professionals may be used as required. Young people who have been tutored at home or who have attended alternative education programmes, which are often part time and have reduced attendance requirements, may also be included.

**Unsupportive or unsupported home environment (including care leavers or carers)**

- 27 The following should be considered:
- all young people who are living independently (whether they are care leavers or have left home for other reasons)
  - those living in temporary accommodation or who are of no fixed abode should be automatically included
  - those who are carers who have no other substantial support
  - those living away from the family home with other members of the family as this may indicate conflict or other problems
- 28 For young people who have been in care for short periods of time, their home circumstances and the impact that this has had upon them should be evaluated.
- 29 Evidence may be available from support workers, but information from the young person should also be acceptable where substantial problems have been identified. Examples of this may include families that are in crisis or unable to cope, where there are dependency problems within the family, where changes to the family composition have brought young people into conflict with a new partner, where the young person is used to care for siblings to the detriment of their programme, or where the young person comes from a culture of entrenched unemployment that impacts upon their commitment to training.

**Significant problems with confidence or self-esteem**

- 30 While everyone lacks confidence in some situations, young people with significant problems are likely to demonstrate high levels of anxiety about doing anything new, and may dwell on their failures rather than their successes and feel unable to take even small risks. They will be either withdrawn and uncommunicative or extremely disruptive in their attempts to avoid failure. They will probably have unrealistic expectations of what they should achieve, and so attempt little because of this fear. Young people with low self-esteem may show extremes of behaviour, such as aggression and bullying or in avoiding contact with others.
- 31 Further indicators may be in the way that a young person presents themselves. For example, they may have poor personal hygiene, be unkempt or even threatening in their appearance. Young people with low self-esteem are likely to feel rejected, and will therefore be unable to feel positive about themselves, or accept themselves for who they are. Low self-confidence and self-esteem will prevent young people from taking risks and trying new things. Young people demonstrating either or both of these beyond normal levels will require high levels of support and encouragement in order to hold them on a programme.

#### **Significant problems with motivation or attendance**

- 32 Young people who can be shown to have received a thorough initial assessment and to have received support to identify and address any underlying problems, but who still demonstrate significant problems with motivation and attendance should be considered. This may be a continuation of school patterns. The provider shall also consider and address any difference in patterns emerging from attendance at the workplace and in-house learning. The work that the provider undertakes to address the problems may reveal the need for a structured and more intensive programme of support to help address the problems.

#### **Attitudinal or behavioural problems (including loss of placement due to poor attitude or behaviour)**

- 33 This includes young people whose attitudinal or behavioural problems mean that they are likely to need a high level of supervision and additional support to make the transition to the workplace, or a high level of support and supervision in the workplace. Evidence for this may be available from those supporting the young person when he or she joins the programme, or from school records, but young people must also be given the opportunity to make a fresh start where this does not endanger themselves or others. Those who might be considered to be at risk may be expected to have undergone a risk assessment, and this will be acceptable evidence for this criterion. Alternatively, the provider must have evidence, which is generated during the programme. Evidence should show the involvement of more than one member of staff, and that the young person has been fully involved in addressing the problems. Where a learner has lost a placement, this must be shown to be as a result of their poor attitude or behaviour. Evidence may include records of the support the provider has given the young person, corroborated by the employer. It will be important to show that

the problems were not caused as a result of inappropriate placing or a personality clash.

### **Drug or alcohol problems**

- 34 This does not include those who could be considered to be recreational users, where their use of drugs, alcohol or other substances does not impact upon their programme in any way. These issues should be addressed in the normal course of training. Evidence for drug or alcohol problems will usually come from the young person, staff observation and problems with timekeeping, concentration, behaviour and so on. Whilst some young people may be accessing support, the majority will not and may not even have accepted that they have a problem. It will be important to build trust to facilitate these discussions. In the most severe cases where young people need and are prepared to undertake rehabilitation, it may mean that a more flexible programme should be considered.

### **Health problems that affect the young person's programme (including mental health and phobias)**

- 35 It is important to clarify the difference between health problems that can be addressed by the provision of specialist equipment and those problems that require higher levels of support to ensure that the young person is able to make the most of his or her learning. It is likely that only a small percentage of clients will have seen an educational psychologist or have been statemented at school, and this information will usually be held by Connexions. A higher percentage will have undiagnosed problems leading to behaviours that will mean that some of these clients may be assessed under other categories. Young people are often reluctant to admit to mental health problems because of the stigma attached to it. A young person with a phobia will have intense symptoms of anxiety, but these fears will only arise in the particular situations that frighten them. A phobia is likely to lead to the young person avoiding situations in which they know they will be anxious. In the worst cases, their life will be dominated by the precautions they have to take to avoid the situation they fear. Support may be required to help them to face any issues that impact upon their programme and to seek medical help where appropriate.

### **Significant problems with communication and interaction**

- 36 A young person with significant problems with communication and interaction will usually be identifiable from the first interview. Individuals may have problems communicating with all age groups, or with specific groups. For example, some young people have particular difficulty in communicating with adults, or those who may be perceived as being in authority. Interaction may also be inappropriate to the situation. These young people may have difficulty in listening to what others are saying and reading other people's facial cues and body language. Some young people will talk very quietly, avoid eye contact, and display an inability to hold a normal conversation and a reluctance or inability to ask questions. These young people are often termed as being extremely shy. Others may be unable to hold a normal conversation without

shouting or being overly demanding. They may tend to invade other people's personal space, and appear to be aggressive. In group situations, young people meeting these criteria may be at either end of the continuum, being either extremely withdrawn or disruptive. In the workplace, young people with communication problems will find it hard to build working relationships and to develop the support that they need in order to learn. In some cases this may affect their ability to work safely. This may also apply to young people with language difficulties or those who speak English as a second language.

### **Single parents with particular difficulties in engaging with learning**

- 37 This includes young people who are solely responsible for the support of one or more children, and pregnant young women who are without the support of a partner. These young people would be unlikely to access a course at an FE college or lifelong learning provision. They are likely to have had a disrupted or possibly unsuccessful experience of school. Consideration should also be given to young people entering transient relationships, or where the cohabitee may not have the maturity to support the applicant.

### **Meeting identified needs**

- 38 Having identified ALN or ASN, the provider should plan and deliver a programme of activity designed to address the needs the learner has. In the case of ALN, this should include addressing basic skills needs where these affect the learner's ability to achieve his or her primary learning goal.
- 39 An outline of the activity is to be documented on the ILP with the detail recorded in an appropriate place.
- 40 It is good practice for all assessments to be formally reviewed between the learner, the Connexions personal adviser and provider staff at least once every six months. The purpose of the review is to assess the progress of the learner and the effectiveness of the support being given. It is a learner-focused review and not a review of funding. ALN and/or ASN status is awarded for the length of the time spent on the learning aim.

### **Funding additional learning needs or additional social needs support**

- 41 Where a learner is assessed as having ALN or ASN or both, the LSC will pay a premium on top of the monthly payment for each month the learner stays in learning, attracts a monthly payment for any qualification and requires support provided the following conditions are met:
- the assessment has been conducted in line with this guidance
  - an assessment form, which has been signed by a member of the local Connexions (unless the learner is aged 19 or over) is held by the provider

- the programme of remedial activity is being delivered; and
  - reviews of the assessment are conducted at least every six months.
- 42 Calculations will be automatic and the amount paid for the full length of the time spent on the qualification to which the status is attached. Where ALN and/or ASN status is awarded after the start date or ceases before the end date, providers are required to reduce the claim through the TPS. The provider will be required to profile its cash allocation for ALN and ASN for the funding year. Once agreed, the LSC will pay this amount on profile and reconcile it as necessary, based on actual delivery. The current rates for ALN or ASN are:
- learners with ALN or ASN: £134 a month
  - learners with both ALN and ASN: £202 a month.
- 43 Learners on NVQ learning who are non-employed and have ALN or ASN will also have their allowances (where the employer will not fund them) and expenses met by the LSC.

### **Exceptional learning support and learners with disabilities**

- 44 Where the support needs for learning or to overcome barriers to learning are identified over the full length of the programme as likely to be exceptional, then ELS may be claimed. The definition of ELS is that costs will, when calculated using estimated costs and actual costs incurred, exceed £3,000 over the full length of the programme.
- 45 Where the likely costs over the length of the programme are assessed as exceeding £3,000, the amount over the threshold may be classified as ELS. Should a learner require support for a disability, but not be eligible for ALN or ASN funding, then the necessary amount is claimed at cost on the TPS. This does not imply a right to exceed the overall allocation contract value. Should this be necessary, the provider is to arrange a contract variation through the relevant local LSC. Should providers feel a learner is likely to need ELS or support for a disability, they should complete the Additional Learning Support Costs form (PLF) available at:  
[www.lsc.gov.uk/National/Documents/SubjectListing/FundingLearning/AdditionalLearningSupport](http://www.lsc.gov.uk/National/Documents/SubjectListing/FundingLearning/AdditionalLearningSupport)

### **Provider administrative action**

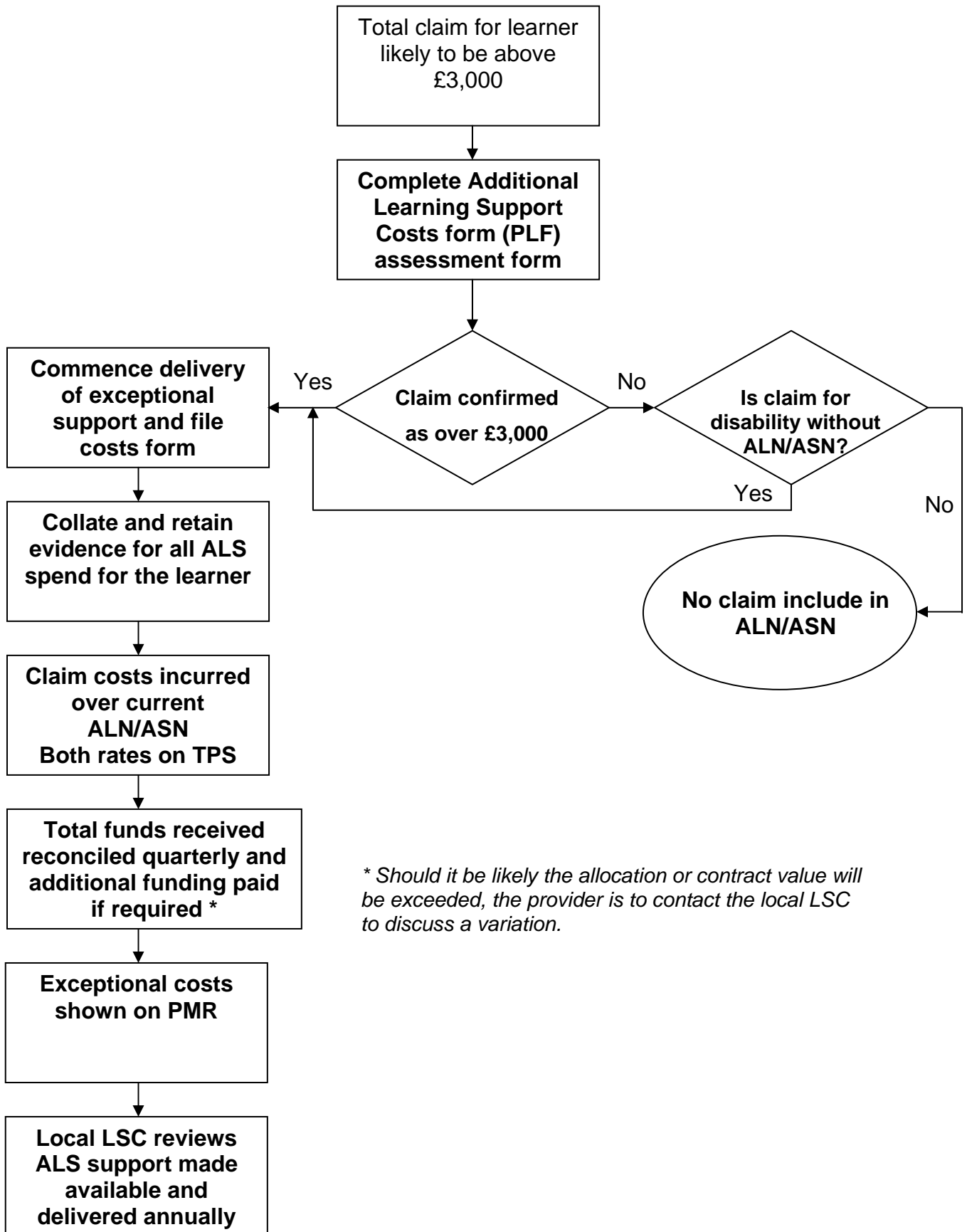
- 46 Claims are made as expenditure occurs, on a monthly basis. Providers should reduce claims by the regular ALN and/or ASN supplement and claim the remainder of the costs on the TPS. The total claim is not to exceed those costs detailed on the standard costs assessment form.
- 47 Providers are required to calculate the exceptional and learning support payments due each month and enter this amount into the TPS promptly. This will enable the amount to be taken into account when performance is reconciled. Provided ALN and ASN are properly recorded on the ILR, the 'actual earned' amount will be calculated and reported on the PMR.
- 48 Providers should keep details of the initial assessment, formal reviews and other key documents to support their judgement as set out on the

assessment forms for learners with ALN and/or ASN. The process is detailed in the flowchart overleaf.

## **Disputes**

- 49 It is for providers and Connexions personal advisers to work together to resolve disputes by putting the learner first. Whether or not support is needed and/or appropriate will to a large extent depend on the learner's view and his or her willingness to accept support. Where disputes cannot be resolved, the provider should contact its local LSC contract manager.

**Figure 1: Additional learning needs and additional social needs decision flowchart.**





## **Examples of additional learning needs and additional support needs claims**

Claims are made as expenditure occurs, on a monthly basis. Providers should reduce claims by the regular ALN and/or ASN supplement and claim the remainder of the costs on the TPS. The total claim is not to exceed those costs detailed on the Additional Learning Support Costs form (PLF).

### **Example A**

Learner A is assessed as needing £8,000 of support over the length of their Apprenticeship, which is estimated as 24 months long.

The first £3,000 is funded from the provider's ALS allocation. The remaining £5,000 may be claimed as ELS.

The support costs £333 a month and the provider is already claiming ALN and ASN to the value of £202 a month. This reduces the ELS claim to £131 a month.

The provider therefore claims £131 on the TPS as ELS. The full £333 a month must be evidenced.

### **Example B**

Learner B is assessed as needing £8,000 of support over the length of their Apprenticeship, which is estimated as 24 months long.

In addition, Learner B attends a residential placement every three months with a support cost of £1,000. The provider is already claiming ALN and ASN to the value of £202 a month for their agreed usual support.

In the months where the residential takes place, the provider claims the remaining £798 on the TPS as ELS. This example assumes the usual monthly support costs are replaced in these months by the residential support costs.

£798 is therefore claimed on the TPS as exceptional learning support. The full £1,000 must be evidenced for the months in which the residential support is provided to the learner.

### **Audit evidence**

Providers should retain evidence of the assessments and evidence that supports all ALS claimed from the LSC (for clarity, this includes all ALN and ASN payments).

# **Annex F: Young People's Terms and Conditions**

## **Hours of participation**

- 1 The hours of participation for all WBL programmes must conform with all relevant requirements under any legislation or local provisions or any local bylaws relating to the employment of young persons.
- 2 All employed learners shall be covered by the terms and conditions contained in their contract of employment and any relevant employment legislation.
- 3 Self-employed learners are treated as employed learners. Terms and conditions for self-employed learners must be at least equal to those for non-employed learners.
- 4 It is anticipated that learners will usually attend for a minimum of 30 hours a week. Exceptions to this rule are:
  - if part-time attendance has been agreed
  - for E2E, where the local LSC has agreed a reduction in the minimum hours of planned attendance to between eight and sixteen (normal minimum for E2E) hours.
- 5 For any learner attending on a part-time basis, they must be given the opportunities to develop the skills required and be able to prove their competence through assessment opportunities.

## **Holidays**

- 6 Employed learners shall be entitled to those holidays provided by their terms of employment.
- 7 Every non-employed learner is entitled to a minimum of paid holiday at the rate of two days for each completed calendar month of learning under the programme.
- 8 All non-employed learners who need to attend their learning programme during Bank and public holidays must receive time off at least equal to the time they attended on that Bank or public holiday.
- 9 Allowances will continue to be paid to each young person who is eligible for such allowances during all absence authorised by the provider.

## **Absence**

- 10 The LSC is ceasing to define absence and expects providers to allow for reasonable absence by learners from funded programmes. See also paragraphs 56 and 57 of the main body of this document on withdrawal from learning.

## **Wages for employed learners and training allowances for non-employed learners**

- 11 All employed learners shall be paid the rate specified in their terms and conditions of employment that shall comply with the National Minimum Wage legislation, where appropriate. Further guidance can be found on

the Department of Trade and Industry website at:  
[www.dti.gov.uk/er/nmw/index.htm](http://www.dti.gov.uk/er/nmw/index.htm)

- 12 In its report *Supporting Young People to Achieve* (HM Treasury, March 2004 available at: [www.hm-treasury.gov.uk](http://www.hm-treasury.gov.uk)), the Government set out its expectation that minimum pay levels for employed learners should be £70 to £80 a week. The LSC recommends that all providers work towards at least this level, starting as soon as possible. Rises linked to the competence, achievements and productivity of the learner to the business are also recommended.
- 13 Where the LSC agrees in advance, owing to redundancies or other emergencies, the cost of allowances for employed learners may be met from LSC funds.
- 14 Non-employed learners are entitled to a minimum learning allowance of £40 a week or a higher minimum amount if specified by the local LSC. No learners will have their allowances reduced due to changes of programme.
- 15 The LSC expects employers to contribute to the costs of their learners' learning. It is assumed that, generally, employers meet the costs of wages or learning allowances for all learners on WBL programmes.
- 16 However the most disadvantaged learners (that is, those with ALN or ASN) may be further disadvantaged if this assumption is applied universally, as it is particularly difficult for providers to convince employers to pay allowances for these learners. To ensure that these learners get the support that they need, where the employer will not pay the allowances for learners with ALN or ASN, the provider will be reimbursed for the cost of the allowance by the LSC.
- 17 Additionally, not all learners who join Advanced Apprenticeships or Apprenticeships will immediately generate employer contributions that will cover the costs of their allowances (whether they have been assessed as having ALN or ASN or not). However, the position here is more complicated as many of these young people will begin to generate employer contributions as they progress through their training programmes and it would not be in the interests of these learners to have in place funding arrangements that might hamper their progression into employment.
- 18 In the case of these learners, the LSC has the flexibility to disapply the assumption that the costs of training allowances will be met through employer contributions. In considering whether or not to contribute towards the allowance costs of these learners, the LSC will have regard to local circumstances, in particular the needs of the young person and the requirements of the local labour market. The LSC may choose to:
  - fund the costs of allowances throughout the course of a learner's stay on a programme
  - fund in full the costs of allowances at the start of a programme only (for example, for the first three months)

- fund in full at the start of the programme, reducing the level of support as the learner progresses through provision; or
  - decide that the provision of funding for allowances is not necessary.
- 19 In deciding the level of support to offer, the LSC will primarily focus on the interests of the learner.
- 20 Allowances are to be abated for unauthorised absence on a pro-rata basis against the planned attendance. For example, if a learner has planned attendance of 30 hours and has unauthorised absence of 10 hours during a week, he or she would receive £26.66. This is the amount the provider can subsequently claim from the LSC as earned.
- 21 Allowances are paid for the whole period of learning.
- 22 Where it has been agreed that the LSC meets the cost of allowances and the employer tops up the allowance, the learner is to receive the top-up in addition to the allowance.
- 23 Providers should note that it is the LSC's intention to reduce the proportion of the budget used for allowances over time by encouraging the use of E2E as an entry route to paid employment for learners and by encouraging employed status on all Apprenticeships and NVQ learning.

### **Trade union membership**

- 24 The following two paragraphs 25 and 26 shall not apply to members of the armed forces.
- 25 The provider shall ensure that any agreed arrangements and procedures that they or their subcontractors have with trade unions at locations where the learning is undertaken are explained to learners at the start of their learning.
- 26 The provider shall ensure that learners are given the opportunity to join a trade union for which they may be eligible under the trade union's rules.

### **Expenses**

- 27 The provider shall ensure that non-employed learners have reasonable expenses met in full where these are needed to overcome barriers to learning. These may include the costs of:
- travelling to or from the place of learning or work placement
  - childcare that is provided in partnership with the DfES Care to Learn initiative (see paragraphs 29 to 34 below on childcare support)
  - personal protective equipment (PPE) that employees would normally be expected to supply themselves
  - medical costs (for example, inoculations); and
  - residential accommodation where it is necessary.
- 28 Rates for expenses payments are specified by local LSCs for their area. Employers and providers should take account of learners' likely transport arrangements when planning off-the-job training, particularly

outside normal hours. All expenses may also be authorised for employed learners at the discretion of the local LSC.

### **Childcare support**

- 29 Childcare support is available for all non-employed learners on WBL. In outline, each learner is entitled to up to £5,000 for each child annually, to cover the costs of childcare and travel to and from the childcare setting. Learners who will have their costs met by Care to Learn are those who are non-employed and aged 16-18 (inclusive) and are:
- on E2E, including those who transferred into E2E on 1 August 2003 from existing programmes or from E2E pathfinders and new starts from this date
  - learners on E2E who are employed for less than 16 hours a week
  - new starts on any WBL option since 1 August 2003, including those who move from one programme to another (for example, NVQ learning to Apprenticeships or Apprenticeships to Advanced Apprenticeships); and
  - care for their own children; and
  - live in England; and
  - use registered childcare providers.
- 30 All providers should have received application packs for Care to Learn. Further information is available on the Care to Learn website at: [www.dfes.gov.uk/caretolearn](http://www.dfes.gov.uk/caretolearn) and from the helpline on 0161 234 7269.
- 31 All other non-employed learners, including the following, will have their costs met by the LSC. New starts will receive the same levels of support as those who are eligible for Care to Learn. Carry-over learners will have existing arrangements honoured:
- all learners who were already on NVQ learning, Apprenticeships or Advanced Apprenticeships on 1 August 2003
  - E2E learners who were aged 19 when they started E2E
  - learners starting an E2E programme after their 19<sup>th</sup> birthday
  - learners starting their NVQ learning programme, Apprenticeship or Advanced Apprenticeship after their 19<sup>th</sup> birthday.
- 32 The application process for Care to Learn will normally take 10 days. Therefore where possible applications should be made well in advance. Where an early application is not possible, for example, where the learner wishes to start E2E straightaway, Care to Learn will fund the first 10 days of childcare and necessary deposits retrospectively. Should the applicant subsequently be found not to be eligible, the LSC will meet these costs. It should be noted that all payments are subject to the £5,000 limit.
- 33 Employed learners may be eligible for assistance for childcare costs through the Working Families Tax Credit system. Should any learners

not be eligible, local LSCs may authorise childcare payments for employed learners at their discretion.

- 34 Childcare funded by the LSC is claimed on the TPS as learner expenses.

## Annex G: Examples of Formula Funding Arrangements for 2004/05

### Introduction

1 Examples of the new funding approach for 2004/05 are shown below:

#### Example of the funding calculation

A learner undertakes an Apprenticeship in Business Administration, with Key Skills at Level 2 in Application of Number and Communication, and the Certificate in Administration Level 2 as the technical certificate. The learner successfully completes the full Apprenticeship.

**Table G1: Apprenticeship in Business Administration.**

Element	Funding	Comment
<b>Programme funding</b>		
NVQ Level 2	£2,436	Full NVQ rate of £3,045 less 20%
Key Skills	£314	2 Key Skills at £157
Technical certificate	£620	
<b>Achievement element</b>		
NVQ	£304	
Apprenticeship	£304	
<b>Total funding</b>	<b>£3,978</b>	

### Actual earned funding calculations

In the example of the Apprenticeships in Business Administration shown in Table G1, the ILR data shows that the NVQ is studied over a 16-month period, the Key Skills are studied in months 4 to 8, and the technical certificate is studied in months 2 to 11.

**Table G 2: Example of the funding calculation.**

Month	NVQ	Key Skills	Technical certificate	Achievement	Total
1	£152				£152
2	£152		£62		£214
3	£152		£62		£214
4	£152	£63	£62		£277
5	£152	£63	£62		£277
6	£152	£63	£62		£277
7	£152	£63	£62		£277
8	£152	£63	£62		£277
9	£152		£62		£214
10	£152		£62		£214
11	£152		£62		£214
12	£152				£152
13	£152				£152
14	£152				£152
15	£152				£152
16	£152			£608	£760
<b>Totals</b>	<b>£2,436</b>	<b>£314</b>	<b>£620</b>	<b>£608</b>	<b>£3,978</b>



# Annex H: Data Collection and Payments

## Monthly returns

- 1 The provider must supply to the LSC data on each individual learner in accordance with the data collections framework and the ILR Specification for 2004/05. The detailed ILR specification is published on the LSC website at: [www.lsc.gov.uk](http://www.lsc.gov.uk).
- 2 There are two data collection routes available to the provider for 2004/05. The provider shall select one of these routes:
  - provider online; or
  - provider batch.
- 3 Data must be returned to the LSC no later than the 10<sup>th</sup> working day after the last day of the month.
- 4 Failure to transmit a data return in the month following that in which the activity has taken place may result in the LSC immediately suspending future payments to the provider. Recovery action may be instigated where evidence is unavailable to support profile payments already made on account.
- 5 The provider will not change from one method to another unless this is agreed in writing with the LSC. The LSC reserves the right to require a provider to move to another form of data submission if it is appropriate.
- 6 The LSC will adhere to the requirements of the Data Protection Act (DPA) and ensure that its online data collection policy conforms to the DPA and to the requirements of the *Modernising Government* White Paper and the requirements of the Government's e-envoy.
- 7 Multi-site providers must supply data through one collection route only. This means that a provider that is contracted with six different local LSCs may, with the agreement of the local LSCs concerned, agree to adopt direct input by a provider to the LSC system as the agreed data collection route.
- 8 The LSC may seek to change the data collection route used by the provider in the following circumstances:
  - the provider review indicates issues of data quality or timeliness; or
  - the provider review indicates concerns over the integrity and security of data held by the provider.

## Transmission of data using provider batch

- 9 The provider is required to supply the LSC with data in the form of an extract from the provider's management information (MI) system.
- 10 The extract (or 'batch' file) provided must conform to that published in the LSC's document *Specification of the Individualised Learner Record, Batch Data Capture File for 2004/05*. Where the provider contracts with software suppliers to produce systems to support the submission of data

to the LSC, they must assure themselves that the product purchased is capable of supplying data in the format described in the specification document. The LSC may request a 'test' file from a provider before receiving 'live' data in order to assure itself of the fitness for purpose of a provider's MI system.

- 11 The provider is obliged to transmit the data extract online through the LSC's web portal. The provider is expected to give due regard to the DPA in the storage, integrity and retrieval of learner data held on the provider's MI system. This will include the maintenance of user accounts for access to the LSC's web portal and must include adequate procedures by the provider to remove individual access to the LSC's web portal immediately if data security is compromised.
- 12 The provider may choose to contract with any software supplier to support and maintain its MI system.
- 13 The provider can choose to transmit data more frequently than the minimum requirement specified by the LSC, subject to a maximum of 999 submissions in a month.

### **Input of data using provider online**

- 14 The provider must input data directly to the LSC's system through the LSC's web portal.
- 15 The provider has responsibility for maintaining the security of the data supplied to the LSC. This includes the maintenance of user accounts for access to the LSC's web portal. This must also include adequate procedures by the provider to remove individual access to the LSC's web portal immediately if data security is compromised.
- 16 The provider is expected to give due regard to the DPA in the storage, integrity and retrieval of learner data held on the provider's MI system.

### **Remedial action to improve data quality**

- 17 Where issues of data quality exist, the provider may be required by the LSC to supply data to the LSC more frequently until such time as quality improves.
- 18 The LSC reserves the right to require the provider to carry out such work in order to improve the quality of data. Any associated cost will be borne by the provider.
- 19 Payments made to the provider may be suspended where data quality affects confidence in the robustness of the accuracy of the data. In extreme cases of poor data quality, the LSC may choose to take variation action to change the data capture route.
- 20 Access to the LSC's web portal is restricted. In using the web portal to supply data to the LSC, the provider has signed a contract with the LSC. By signing the funding agreement and agreeing to supply data through the web portal, the provider has agreed to comply with the conditions of use regarding the supply of data to the LSC.

- 21 Unauthorised access to the web portal is an offence and may result in prosecution.

### **Training Provider Statement**

- 22 The mechanism for notifying the LSC of actual data and expenditure incurred outside the ILR process is through the TPS. The submission of the TPS will be online for 2004/05. Audit guidance is given in Annex I, and guidance on completing and submitting the TPS can be found in the *Provider Support Manual*.

### **Work-based learning funding reports**

- 23 The funding reports will be produced on demand during 2004/05 automatically from the ILR data and will be accessed through the LSC's web portal.

### **Financial reconciliation of contracts**

- 24 Financial reconciliation of contracts will be automated and take place on a quarterly basis. The difference between the actual earned and payments made for delivery in a quarter will be added or deducted to the provider's usual Bank Automated Credit Transfer (BACS) payment in the following month. Any late notified actuals will be taken into account at the next quarterly reconciliation point.
- 25 The LSC will monitor the provider's actual delivery against the profile. Formal contract reviews will include reviewing the volumes delivered up to that point. The local LSC's contract manager will compare actual learning delivered against planned delivery. Where the variance is greater than 10 per cent, the LSC contract manager and the provider will discuss the provider's ability to meet future volume profiles. This may result in future volumes being increased or decreased.
- 26 Where the LSC carries out a review or provider financial assurance (PFA) audit of a sample of evidence that supports the provider's claims or payments under the contract, and identifies that errors in that evidence are material (as deemed by the LSC), then the LSC reserves the right to recover from the provider, or adjust future payments to the provider, an estimated amount based on the error rate identified and the total value of the contract or based on the actual error identified. The LSC has the right to recover from the provider any money paid on the basis of delivery volumes for which evidence of eligibility for funding required by the contract is lacking, or where the absence of an audit trail makes the location of evidence impossible.
- 27 A final contract review will take place at the end of the contract year, or earlier in the case of closed contracts. The local LSC contract manager will notify the provider of the actual amount of money that has been earned against the provision delivered and compare this to the total profile payments made. At this stage, final cash reconciliation will take place. Any overpayment made to the provider by the LSC will be repayable within 30 days of receiving an invoice.
- 28 All adjustments to contracted provision outside of the scope of automated reconciliation and as a result of discussions with the LSC

contract manager will be agreed and documented in the form of a variation of agreement. This shall be signed by the provider and countersigned by the LSC.

### Payment process

- 29 All payments will be made by the usual BACS, and will be made on the 6<sup>th</sup> working day of each month.
- 30 At the final payment stage, the LSC will notify the provider of the total value of the contract based on the learning activity that has actually taken place. The LSC and the provider will agree a final balancing amount and issue a statement.
- 31 The LSC will pay any outstanding moneys owed within 30 days of issue of the balancing statement. Wherever possible, any funds owing to the LSC will be recovered from future payment profiles.

**Table G3: Funding periods 2004/05.**

Collection	Month	In-learning census date	Deadline for the return of WBL data (10 <sup>th</sup> working day after last day of the month)	Payment date
1	August 04	31/08/04	14/09/2004	09/09/04
2	September 04	30/09/04	14/10/2004	08/10/04
3	October 04	29/10/04	12/11/2004	08/11/04
4	November 04	30/11/04	14/12/2004	08/12/04
5	December 04	31/12/04	17/01/2005	11/01/05
6	January 05	31/01/05	14/02/2005	08/02/05
7	February 05	28/02/05	14/03/2005	08/03/05
8	March 05	31/03/05	14/04/2005	08/04/05
9	April 05	29/04/05	16/05/2005	10/05/05
10	May 05	31/05/05	14/06/2005	08/06/05
11	June 05	30/06/05	14/07/2005	08/07/05
12	July 05	30/07/05	12/08/2005	08/08/05
13	August – October 05		11/11/2005	

# **Annex I: Evidence Requirements for Formula-funded Provision**

## **Payment conditions**

### **Data returns**

- 1 The LSC intention is to move to system based auditing of WBL as part of the moves to reduce unnecessary bureaucracy for providers. This will represent a substantial change from the previous paper-based approach to auditing WBL. This change will be introduced and consulted on during 2004/05. Until the new arrangements are firmly established, the following shows the current paper-based evidence that should be retained at the provider's premises.
- 2 The LSC requires fully completed, comprehensive and accurate documentation to support data returns.
  - ILR forms to support all data transmitted to the LSC using the Internet-based data collection systems signed by the provider and the learner. ILR forms must be completed in blue or black ink.
  - Correction fluid, for example Tippex, must not be used.
  - Any alteration must be crossed through and initialled by the person authorised to make changes.
  - Evidence shall be available at the time the data return is sent to the LSC.

### **General eligibility for Programme Payments**

- 3 The following evidence applies:
  - evidence that the learner was eligible to enter the programme
  - evidence that the learner is working or making progress towards continued structured learning. Where no progress is being made, there should be evidence of the actions taken to address this.

### **Additional learning needs and additional social needs payments**

- 4 The following evidence applies:
  - evidence that the learner is eligible to receive support costs. For ALN this is the BSA test results or equivalent. For ASN, evidence is that the learner has one significant need or meets two of the ten listed needs
  - evidence that the learning and/or social needs are being addressed and reviewed
  - the LSC assessment form signed by a member of Connexions or, if the learner is over 19, as detailed in Annex E.

### **National Vocational Qualification achievement**

- 5 The following evidence applies:

- evidence that (at the time of award) the qualification is current and approved
- evidence that the learner was registered with an awarding body for the qualification before the last QCA entry date
- providers that have been approved for direct claims status by the awarding body need evidence from the internal verifier that the qualification has been achieved
- providers that have not been approved for direct claims status need evidence from the awarding body that the qualification has been achieved.

### **Apprenticeships achievement**

6 The following evidence applies:

- the completion certificate from the relevant Sector Skills Council or sector body or a copy of the application for the completion certificate with the supporting evidence

### **National Vocational Qualification Programme Payments**

7 The following evidence applies:

- evidence that the learner is registered for and making progress towards the NVQ
- for achievements of the NVQ, evidence of the awarding body that the learner has achieved the qualification.

### **Technical certificate payments**

8 The following evidence applies:

- evidence that the learner is registered for and making progress towards the technical certificates
- for achievements of technical certificates, evidence of the awarding body that the learner has achieved the qualification.

### **Key Skills payments**

9 The following evidence applies:

- evidence that the learner is registered for and working towards the Key Skill(s)
- for achievement of Key Skills, evidence of the awarding body that the learner has achieved the qualification.

### **Leavers**

10 The following evidence applies

- evidence to support the date recorded on the ILR.

### **Allowances**

11 The following evidence applies:

- evidence that the learner was in attendance, including details of authorised and unauthorised absence

- evidence that the learner actually received the allowance
- evidence that the learner was eligible to receive an allowance.

### **Learner expenses payments and exceptional learning support**

12 The following evidence applies:

- evidence that the learner was eligible to incur the expenditure
- evidence that the expenditure was incurred
- evidence of meeting local authorisation requirements, if applicable
- evidence of reimbursement of expenditure incurred.

### **Training Provider Statement**

13 The mechanism for notifying the LSC of actual data and expenditure incurred, which is not captured on the ILR, is through the TPS. The submission of the TPS will be online for 2004/05. The provider must print a copy of the submission, sign it and retain for audit purposes. The TPS should contain the following information:

#### **Provider identification**

- local LSC code
- provider reference number (UPIN)
- provider name
- collection number.

#### **Work-based learning**

- learner allowances (value)
- learner expense payments (value)
- exceptional learning support (value)
- financial adjustments for transferred learners (value)
- technical certificate actual earned adjustments
- reductions for ALN and/or ASN.

#### **Entry to Employment**

- E2E Progression Bonus (volume)
- E2E Qualification Bonus (volume)
- E2E Bonuses (value)
- E2E Exceptional Learning Support (value).

## **Annex J: Entry to Employment Evidence Requirements**

- 1 It is anticipated that most, if not all, of the evidence required for E2E will be generated by the provider's normal operations and will therefore be naturally occurring evidence. It is appreciated that the first six weeks of E2E will be fluid. Providers are to work towards gathering all the required documentary evidence during this time. The evidence requirements at each stage and for each payment are set out in this annex.

### **Learner eligibility**

- 2 Learners must be eligible for E2E to attract any payments. For this reason, providers are to retain evidence that the learner was eligible and suitable to enter the programme and that within six weeks of starting the programme their suitability for E2E has been confirmed by Connexions.

### **Planned places payment**

- 3 These payments will normally be evidenced by the documentation collected for in-learning payments and by the provider having a current contract for the places. However, where the places are not filled, the LSC may require evidence that demonstrates that the full number of planned places were in fact available. Examples of suitable evidence may include the following documents:
  - schedule of learning and/or sessions
  - availability of resources and accommodation
  - staffing arrangements
  - waiting lists, induction arrangements, offers made to learners
  - business plans and/or financial forecasts
  - past occupancy levels.
- 4 Providers may be asked to provide other naturally occurring evidence that demonstrates the places would have been filled if they were required. The LSC may also contact other agencies to confirm the availability of places.

### **In-learning payments**

- 5 The following evidence applies:
  - evidence that the E2E Passport identifies the learning objectives informed by initial assessment
  - evidence that the learner is making progress in continued and structured learning, towards their learning objectives, or, where no progress is evident, what actions have been taken.
- 6 These requirements will normally be met through the initial assessment, E2E activity plan and review process documentation. The



E2E Passport has been designed to meet these requirements. However, the use of this document will not in itself mean the requirements are met. It is the completeness and the quality of the entries that will determine whether the evidence is sufficient.

### **Provider qualification bonus payment**

7 The following evidence applies:

- evidence that the qualification is approved for funding and is consistent with the learning aims database or, where the qualification is locally approved, evidence from the local LSC that it is a locally approved qualification
- evidence that the learner was registered with an awarding body before the last entry date
- evidence that the qualification has been achieved, that is, where the provider has direct claims status evidence from the internal verifier or where the provider does not have direct claims status, evidence from the awarding body.

### **Provider progression bonus**

8 The following evidence applies:

- evidence from a learning provider and/or employer confirming that the learner is in learning or employment, for at least 16 hours a week (aggregated over a four-week period); or
- a self-declaration from the learner stating that he or she is in learning or employment, with ongoing learning, for at least 16 hours a week (aggregated over a four-week period) and giving contact details of the employer and/or provider.

### **Exceptional learning support**

9 The following evidence applies:

- evidence that the amount claimed and authorised by the local LSC was spent in line with that detailed on the standard costs assessment form. The evidence must show that the learner was eligible and that the expenditure was incurred in line with the form.

### **On leaving**

10 The following evidence applies:

- evidence to support the leaving date recorded on the ILR.

11 The overarching criteria for all evidence are that it is sufficient, reliable, and relevant.

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