

Skills Funding Agency Funding Approval Process

**Confirmation of public funding for
qualifications delivered to learners
aged 19 and above in England**

02 June 2010

Introduction and Purpose

1. This document summarises the new arrangements for the confirmation of public funding for qualifications delivered to learners aged 19 and above in England. These arrangements will take effect from 1 April 2010 and will be managed and operated by the Skills Funding Agency. This forms part of the wider reforms of the Further Education and Skills system and vocational qualification reform, including the implementation of the Qualification and Credit Framework (QCF). The new process replaces the previous arrangements for approving qualifications for public funding (commonly known as the 'Section 97' process), which will come to an end.
2. The Apprenticeships, Skills, Children and Learning Act 2009 sets out significant reforms to education and training for young people and adults. Under the Act, from 1st April 2010, the Skills Funding Agency will have the authority to confirm qualifications for public funding for learners aged 19 and above in England. The Skills Funding Agency will also confirm which qualifications count as target-bearing and which are eligible for the Adult Entitlement to free tuition.
3. The Skills Funding Agency is now putting in place arrangements to take these new responsibilities forward. These have been designed to:
 - a. Be streamlined, transparent and with minimal bureaucracy
 - b. Manage down time to delivery
 - c. Allow the development of qualifications within a known funding context
 - d. Take account of skills priorities, and the needs of employers as expressed through their sector organisations
 - e. Reflect government funding investment priorities
 - f. Provide an authoritative source of information on public funding, with clarity as to the relationship between funding decisions and government priorities
 - g. Take account of and ensure appropriate synergy with arrangements for learners aged under 19 in order to support progression.
4. A separate process to recommend eligibility of public funding for provision for learners aged under 19 in England is overseen by the Joint Advisory Committee for Qualification Approval (JACQA) which is jointly chaired by the Qualifications and Curriculum Development Agency (QCDA) and Young People's Learning Agency (YPLA). The Skills Funding Agency will work closely with JACQA to ensure that there is appropriate alignment of approach and that the opportunity for learners to progress across age range is not adversely affected. However, it is recognised that there are different policy imperatives for learners aged under and over 19, and so different decisions may be made with regard to individual qualifications.

Provision in Scope

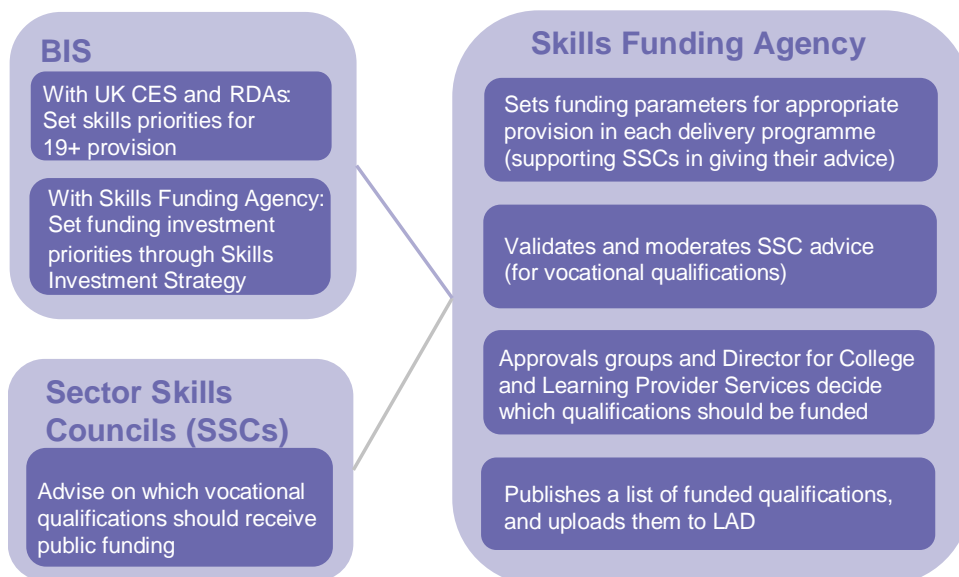
5. The funding approvals process will cover all publicly-funded provision for learners aged 19 and above in England. The Skills Funding Agency will be responsible for confirming the following categories of provision for public funding:
 - a. Vocational qualifications in the QCF, which will be the primary focus
 - b. QCF units for inclusion in the ongoing unit funding trials
 - c. Non-vocational qualifications in the QCF
 - d. Certain categories of National Qualification Framework (NQF) provision

- e. Other provision (including Quality Assurance Agency (QAA) recognised Access to Higher Education), that the Skills Funding Agency will currently continue to fund.
6. Given the Agency's commitment to the QCF, it does not expect to fund vocational qualifications on the NQF beyond the end of 2010 and will only continue to fund vocational qualifications on the NQF between August and 31 December by exception, on the recommendation of the appropriate sector organisation and on a strictly time limited basis. It is acknowledged, however, that the NQF will continue to exist and the Skills Funding Agency will continue to fund some non vocational provision (such as Skills for Life) within the NQF. In addition, it remains the policy to manage down non-accredited provision except where it meets a distinct need.
7. Qualifications within the QCF will be confirmed for funding for one or more of the Agency's delivery programmes (Adult Learner Responsive provision, Offender Learning and Skills Service, Train to Gain, and Programmes for the Unemployed). Apprenticeships will be subject to separate arrangements, in which the Agency will need to work together with JACQA, YPLA and the National Apprenticeships Service (NAS).
8. For the Foundation Learning curriculum within Adult Learner Responsive provision, the Skills Funding Agency will assume responsibility for confirming the appropriateness of the provision to be delivered. The Foundation Learning qualifications criteria and catalogue, operated by the QCDA will therefore not be applicable to post-19 learners.

Roles and Responsibilities

9. The Skills Funding Agency's funding approval process encompasses input from key partners including the Department for Business, Innovation and Skills (BIS), the UK Commission for Employment and Skills (UK CES), Regional Development Agencies (RDAs), and Sector Skills Councils (SSCs), Standard Setting Bodies (SSBs) and Sector Bodies (SBs). A high level summary of the respective roles of each of these organisations is set out in Diagram 1 below.

Diagram 1: Funding Confirmation for post-19 learners: Roles and responsibilities



The Funding Approval Process

10. The Skills Funding Agency's funding approval process has been designed to meet the commitment in the National Skills Strategy *Skills for Growth* (2009) that by early 2011¹ at the latest no vocational qualification will receive public funding unless it is on the QCF, and approved and recommended for funding by employers through their SSCs. The Agency is also committed to focussing funding of non-vocational provision on the QCF.
11. The following sets out in detail how this is achieved and what will happen at each stage of the process.

Stage 1: Setting priorities and parameters

12. The Skills Funding Agency's funding approval process will be aligned to the skills priorities as identified by BIS, UK CES and RDAs and the funding investment priorities in the annual Skills Investment Strategy.
13. Within the context of these priorities, and of vocational qualification reform and the implementation of the QCF, the Skills Funding Agency has developed a set of technical funding parameters based on size (credit value), purpose, and Level of qualification to support SSCs/SSBs/SBs and Awarding Organisations in the development of provision. Once confirmed across all delivery programmes, guidance on the parameters for funding will be available online.
14. Informed by these priorities and parameters, Awarding Organisations will develop qualifications to meet the identified needs. SSCs/SSBs/SBs will be closely involved in this for vocational qualifications. They will also approve vocational qualifications for accreditation through the 'SSC Approvals' process (which for the moment is separate from the process of advising the Skills Funding Agency on public funding). Ofqual will list accredited qualifications and recognised units on the National Database of Accredited Qualifications (NDAQ). The Agency is working with the Alliance of Sector Skills Councils and the Federation of Awarding Bodies to ensure better synergy and alignment between the SSC Approvals process and the funding approval process.

Stage 2: Sector recommendation or external advice

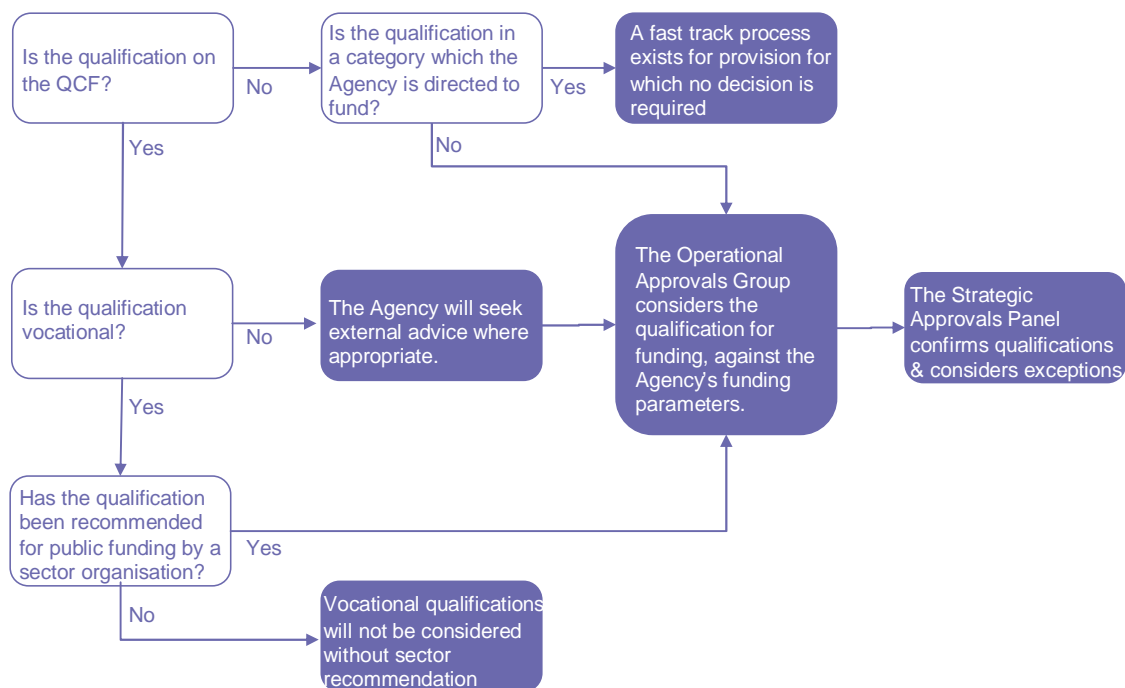
15. For all vocational qualifications, the Skills Funding Agency will take advice from SSCs/SSBs/SBs before considering provision for public funding. The Agency will have early dialogue with SSCs/SSBs/SBs, mediated by skills and funding investment priorities. Recommendations on qualifications for public funding will be communicated through Sector Qualification Strategies and Action Plans, which are reflected in the UKCES Action Planning Database
16. For non-vocational qualifications, SSC/SSB/SB recommendation will not be required and these will be reviewed by the Skills Funding Agency itself, taking external advice where necessary or appropriate.
17. For the avoidance of doubt, in the Foundation Learning curriculum, vocational qualifications at Entry and Level 1 will be subject to SSC/SSB/SB advice. For provision within the Personal and Social Development (PSD) strand, the Skills Funding Agency may seek external advice as appropriate.

¹ However, it remains the case that the Skills Funding Agency will focus funding on vocational qualifications in the QCF from August 2010 and that vocational NQF provision will only be funded by exception after this date.

Stage 3: Qualifications considered by the Skills Funding Agency

18. The Skills Funding Agency will confirm funding on the basis of SSC/SSB/SB recommendations or external advice (as set out above) and in line with the funding technical parameters. It will also take account of the mix and balance of provision emerging and any affordability issues. If qualifications are recommended for funding outside of the agreed parameters, this will be subject to a business case submitted by and supported by the appropriate SSC/SSB/SB and subject to Skills Funding Agency review and appraisal.
19. Two groups within the Skills Funding Agency will be involved in confirming funding: the Operational Approvals Group (OAG) and Strategic Approvals Panel (SAP), with the majority of qualifications being considered by the OAG and final decisions made by the Director for College and Learning Provider Services with delegated authority from the Chief Executive of Skills Funding. A 'fast track' process will also exist for certain categories of provision that the Agency has a pre-existing commitment to support, and hence that do not require a decision by the approvals groups.
20. The **OAG** will meet on a monthly basis. It will perform an operational role of considering qualifications and making recommendations for funding. The OAG will include representation from JACQA to ensure a link across to pre-19 funding eligibility approval.
21. The **SAP** will meet on a quarterly basis. The SAP will have a remit to take a broader view across the post-19 Further Education and skills system, including mix and balance of provision, affordability, monitoring and sampling of provision (where appropriate) and time to delivery within the approval process. It will also consider exceptions escalated by the OAG. The SAP will be chaired by the Director for College and Learning Provider Services and will include representation from BIS and Ofqual. The Skills Funding Agency intends to consult with provider representative organisations regarding their involvement in the SAP.
22. Diagram 2 below summarises the process by which qualifications will be considered for funding within the Agency.

Diagram 2: Consideration of qualifications for funding within the Skills Funding Agency



23. Whichever route a qualification takes within the Agency, the final decision as to whether or not it will be funded will be signed off by the Director for College and

Learning Provider Services, who will have the authority (delegated from the Chief Executive of Skills Funding) to confirm qualifications for funding.

Stage 4: Publication of funding details

24. Details of qualifications approved for public funding will be published on the Learning Aims Database (LAD) and online at <http://qcf.skillsfundingagency.bis.gov.uk/qcf-funding/confirmationfunding/>. These sources will be updated on an ongoing basis as additional qualifications are added to the QCF and approved for funding. The LAD will remain the key source for comprehensive information on fundable units and qualifications (including funding rates and programme weighting factors) while the online list will provide the earliest notice of newly approved provision and will allow tracking to ensure that adequate notice periods are given during transition to the new system.
25. As part of the transition to the QCF, the Agency will also publish a list of those NQF qualifications where funding will cease for new starts, as well as any NQF qualifications where (by exception and on the advice of an SSC) an extension of funding for a limited period has been agreed.

Time in process

26. The *Skills Investment Strategy 2010-11* (2009) sets a challenge to reduce the amount of time for qualifications to enter the market to an average of six months and maximum of twelve months. To achieve this will require collaboration between the Skills Funding Agency, Ofqual and UK CES. The target turnaround time within Skills Funding Agency will be a maximum of 5 weeks from the point of receiving endorsement from the SSC and information from Ofqual, but this must be managed down. This will be supported by changes currently being made to Skills Funding Agency's systems and processes, and by better alignment with the SSC approvals process.

Further Information and Support

27. Information on the arrangements for transition to the new process is available online at:
http://readingroom.lsc.gov.uk/SFA/Managing_Transition_from_NQF_to_QCF_v2_final.pdf
28. Further information and support is available from: Skills Funding Agency QCF website: <http://qcf.skillsfundingagency.bis.gov.uk/>
29. The Skills Funding Agency QCF Service Desk: tel. 0870 2670054 (8am- 6pm weekdays excluding bank holidays in England) or via email qcfservicedesk@skillsfundingagency.bis.gov.uk

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