

Skills Funding Agency

Delivery Plan 2010/11

September 2010

Skills Funding Agency Delivery Plan

Introduction

1. In November 2009, the Department for Business, Innovation and Skills (BIS) published the [Skills Investment Strategy and Skills for Growth](#) which set out the priorities for adult skills in 2010/11. Since then, the Skills Funding Agency (the Agency) has been established and a new coalition Government has been elected.
2. This Delivery Plan sets out the way in which the Agency has responded to the priorities set out in the *Skills Investment Strategy and Skills for Growth*, as well as policy commitments outlined in [The Coalition: Our Programme for Government \(May 2010\)](#). The Delivery Plan sets out the work of the Agency in delivering funding allocations for 2010/11, how we are supporting the other priorities in departmental documents, the wider services that we will deliver to support the sector and how we are developing the system to support the aims of the new Government.
3. On 17 June 2010, the Secretary of State for Business, Innovation and Skills set out the new Government's key goals and ambitions for FE in a revised Funding Letter to the Skills Funding Agency for 2010-11. On the same day the Minister of State for Further Education, Skills and Lifelong Learning set out a range of freedoms and flexibilities for FE sector for the academic year 2010/11. The Delivery Plan has been cast in the context of these new arrangements, reflecting the relationship the Agency will have with college and other training organisations. [Guidance Notes 4 and 5](#) provide further detail on these freedoms and flexibilities.
4. The first section of the Delivery Plan sets out both the high level operational functions that the Agency has in terms of funding, allocations and performance managements as well as the key policies and reforms that the Agency is responsible for taking forward. Many of these policies and reforms are subject to separate guidance and so this section provides an overview of key milestones with references to further information where applicable. There are a number of links to a *Policy Summaries* document which has been made available alongside the [Guidance Notes](#) published by the Agency.
5. The second section of the Plan shows final budgets for 2010-11 (financial year) and 2010/11 (academic year).
6. [Guidance Note 5](#), published in July, sets out performance management arrangements for colleges, training organisations and employers in 2010/11. The Agency is also developing the specification for the performance data it will publish on the performance of the sector. In September 2010, the Agency will publish [2010/11 allocations data](#) at college and training organisation level on its website.

Skills Funding Agency Operational Responsibilities

Funding, Allocations and Performance Management					
	Nov 09 – Mar 10	Apr 10 – July 10	Aug 10 – Nov 10	Dec 10 – Mar 11	Additional Info
Funding Policy Changes	<p>Skills Investment Strategy set out plans to introduce a lower rate for large employers (Employer Responsive), reduce funding rates, change Skills for Life programme weighting and re-introduce co-funding for non-first Level 2 qualifications in Train to Gain.</p> <p>Guidance Note 3 published in March includes details of the funding changes made for 2010/11.</p>	<p>Skills Funding Agency publishes their Train to Gain and Apprenticeship 2010/11 Funding Requirements (July 2010) that includes all of the funding changes made for 2010/11.</p> <p><i>A Simplified Further Education and Skills Funding System and Methodology</i> published on 22 July. This consultation asks the sector for views on funding simplification for 2011/12.</p>	<p>End of consultation with the sector on funding simplification and outcomes announced in autumn alongside the publication of the planned investment in Further Education (FE) for 2011/12 which will follow the Spending Review in October 2010.</p> <p>Adult Learner Responsive (ALR) 2010/11 Funding Requirements (September 2010) – rewritten to take account of new flexibilities and freedoms detailed in Guidance Note 4.</p> <p>Proposed changes to funding methodology for 2011/12 and possibly longer term set out.</p>		<p>Adult Learner Responsive Funding Requirements 2010/11</p> <p>Apprenticeship 2010/11 Funding Requirements</p> <p>Guidance Notes</p> <p>Train to Gain 2010/11 Funding Requirements</p>
Funding Allocations / Maximum Contract Values	<p><i>Skills Investment Strategy</i> sets out overall 2010/11 budgets.</p> <p>Guidance Note 1 issued in December on</p>	<p>Assessment of overall impact on colleges and training organisations.</p> <p>On 17 June it was announced that colleges would have a single</p>	<p>Following the funding simplification consultation we expect to announce details in October on how the funding allocations process will operate for 2011/12.</p>	<p>Funding allocations process for 2011/12 completed before the end of March 2011 in line with outcomes of the simplification consultation.</p>	<p>Guidance Notes</p>

	<p>allocations process.</p> <p>Initial ALR allocations in January followed by initial Train to Gain and Apprenticeships allocations.</p> <p>Guidance Note 2 issued to confirm allocations and moderation process with final allocations and maximum contract values issued by the end of March.</p>	<p>budget for ALR and 19+ Employer Responsive. Other training providers and employers would receive a single budget for 19+ Employer Responsive. These changes were detailed in Guidance Note 4 and superseded previous Government policy regarding Earned Autonomy.</p> <p>The funding allocations methodology is part of the funding simplification consultation that will take place over the summer.</p>			
Contracting/ Procurement	<p>Guidance Notes 2, 3, 4 and 5 include details of plans to introduce a minimum contract level.</p>	<p>Contract templates revised to reflect freedoms and flexibilities announced on 17 June.</p> <p>All contracts issued to colleges and training organisation by 30 June (with variation issued by end of July in line with Guidance Note 4).</p> <p>Minimum contract level and future procurement arrangements to form part of funding simplification consultation.</p> <p>Guidance note 5 sets out</p>	<p>Minimum contract level for 2011/12 announced in autumn as part of outcomes of funding consultation.</p> <p>New Approved College and Training Organisation Register (ACTOR) launched in October to streamline procurement and new provider processes.</p>	<p>No contracts agreed for 2011/12 that are less than the minimum contract level announced.</p> <p>Only those on ACTOR to be considered for any new contracts.</p>	<p>Guidance Notes</p>

		approach to sub-contracting in light of position in minimum contract level.			
Performance Management		<p>Announcements on 17 June to move to a light-touch performance management relationship with colleges and reduced performance management for training organisations and employers.</p> <p>Announcement also removed the summary statement of activity.</p> <p>Performance management arrangements for 2010/11 set out as part of Guidance Note 5 with future arrangements forming part of simplification consultation.</p>	<p>Performance management arrangements for 2010/11 proceed as set out in Guidance note 5.</p> <p>Outcomes of simplification consultation in the autumn include performance management arrangements for 2011/12.</p>	<p>Performance management arrangements for 2010/11 continue as set out in Guidance Note 5.</p> <p>Allocations for 2011/12 set on the basis of future performance management arrangements.</p>	Guidance Notes
Fees and co-funding	Announcement of review of FE fees and co-payment by Chris Banks.	<p>Final report of fees review published.</p> <p>Simplification consultation to take account of recommendations of fees review.</p>	Outcomes of consultation sets out proposed approach to fees and co-payment for 2011/12.	Allocations for 2011/12 are set on the basis of any new policy agreed following outcome of fees review and consultation.	

Specific Policy/Delivery Areas

Apprenticeship	£150m re-investment from Train to Gain to Apprenticeship		<p>As part of a package of savings outlined by the new Government, £150m of Train to Gain funds are to be reinvested in Apprenticeships. The Agency will work with the sector to ensure that those colleges and training organisations that deliver both Train to Gain and Apprenticeships will enable this shift to happen on a voluntary basis, using new freedoms and flexibilities granted.</p> <p>These funds are expected to deliver an additional 50,000 Apprenticeship places.</p>	<p>In July 2010, the Agency reallocated £54 million of existing funds to support post-19 Apprenticeship delivery.</p> <p>These funds have been released through underspend on Train to Gain delivery in 2009/10 and unallocated Apprenticeship funds in 2010/11.</p> <p>This reallocation will enable additional resource to be given to those training organisations that deliver Apprenticeships only, as they have not been able to draw on Train to Gain funds to expand Apprenticeship delivery. Training organisations with Apprenticeship only contracts have been awarded twice as much as those with contracts for both Apprenticeships and Train to Gain.</p>		Guidance Note 4 and 5
	New Apprenticeship frameworks that are	The Apprenticeships, Skills, Children and Learning (ASCL) Act sets out requirement	Sector Skills Councils are working on developing new frameworks that are	Revised activity costing template and guidance published along with process flowchart and timetable (mid	All new Apprenticeship starts must be on a new SASE compliant framework from 1 April	Guidance Notes 2 and 3

	compliant with the Specification of Apprenticeship Standards for England (SASE)	for frameworks to be compliant with SASE.	SASE compliant. Activity costing model revised and updated, and piloted with number of SSCs with SASE compliant frameworks.	September 2010) Issuing Authorities submit SASE compliant frameworks for rate setting (starting October 2010).	2011.	
	New Apprenticeship certification service	The ASCL Act describes the National Apprenticeship Service (NAS) as having the responsibility for the certification process for England. Tender process initiated to procure the development and delivery of the service. Notice of the introduction of the new service included in Guidance Note 1.	Procurement process continues. Notice of the introduction of the new service included in Guidance Note 3.	Supplier appointed. Detail of changes included in the final published funding guidance for 2010/11.	New service scheduled to commence from 1 December 2010.	Guidance Notes 2 and 3
European Social Fund (ESF)	Arrangements to novate existing ESF contracts to the Agency from 1 April.	Development of regional co-financing plans for 2011-13. The Agency will act as a shared service for the 14-19 co-financing plans which will be developed by the Young People's Learning Agency (YPLA) and local authorities.	Continued development of co-financing plans to support adults in line with the <i>Skills Investment Strategy</i> , supporting and adding value to mainstream participation funding.	The new co-financing plans will commence from January 2011.	Policy Summary 7.4	

<p>Joint Investment Programme</p>	<p>Plans for a joint fund between government and employers for skills to support growth and innovation.</p> <p>Prospectus published on 17 March inviting expressions of interest for the fund.</p>	<p>14 May deadline for receipt of Expressions of Interest (EOI). Selection of EOIs through appraisal and scoring of bids.</p> <p>Detailed plans submitted for initial selection and approval by a selection panel.</p>	<p>On 17 September, the Agency gives final agreement to fully worked up implementation and delivery plans.</p> <p>Delivery begins in line with funding and outcomes agreed in successful bids.</p> <p>Initial evaluation of the performance and effectiveness of the fund ongoing from September.</p>		<p>Further information about the Joint Investment Programme</p>
<p>Qualify with a Business (QwaB) (<i>working title</i>)</p>	<p>Pathfinder announced to support learners in FE colleges to develop key business skills alongside their vocational training so that they are both qualified in a vocational area and ready to run a business.</p> <p>Develop the offer (units and qualifications in the Qualifications and Credit Framework) and funding approach to support the delivery of <i>Qualify with a Business</i> within ALR.</p>	<p>The Agency and Regional Development Agencies (RDA) to identify about five colleges per pathfinder region; Yorkshire and the Humber, East Midlands, North West and North East to be involved.</p> <p>Colleges in other regions may participate with the agreement of the Agency and RDA, subject to there being the necessary regional capacity to deliver the <i>Qualify with a Business</i> offer.</p> <p>Confirm colleges</p>	<p>Pathfinder delivery starts September 2010 for 12 month period leading to mainstream offer.</p> <p>Guidance for participating colleges circulated.</p> <p>Ongoing evaluation and sharing of good practice.</p> <p>Wider participation sought from colleges interested in becoming pathfinders.</p> <p>Ongoing work with Sector Skills Councils, awarding organisations and Small Firms Enterprise Development Initiative (SFEDI) to offer a wider selection of enterprise units</p>	<p>Ongoing work with Sector Skills Councils, awarding organisations and Small Firms Enterprise Development Initiative to offer a wider selection of sectors suitable for QwaB.</p>	<p>Policy Summary 5.8</p>

		involved. First tranche of sector organisations confirmed and initial guidance on qualification offer in unit funding trials and integrated QwaB and vocational qualifications confirmed and published.	and qualifications.		
Functional Skills	Ongoing Functional Skills pilots to inform decisions on whether current adult basic skills qualifications in literacy and numeracy should be replaced. Functional skills are introduced into Apprenticeship frameworks.	Analysis from pilots in March to inform decision. Ministerial agreement to continue dual running of Key Skills and Functional Skills in Apprenticeships until March 2011.	Key skills no longer funded in ALR provision.	Functional skills will replace key skills within all Apprenticeship frameworks from April 2011.	Policy Summary 5.4
Learners with Learning Difficulties and Disabilities (LLDD)	Continued commitment to maintain provision for LLDD. Confirmation of provision for 19-24 year-olds with high cost Additional Learning Support (ALS) needs transferring to YPLA/local authorities.	Funds allocated as part of 2010/11 allocations round. Funding to be paid from YPLA for 19-24 confirmed in final funding statements.	22 November 2010 deadline for submission of Exceptional Additional Learning Support Claims for 2009/10 .		Policy Summary 5.6

Capital		£50m of Train to Gain funds have now been re-invested in FE capital.			Policy Summary 7.6
Adult Safeguarded Learning	Continued commitment to maintain the Adult Safeguard budget to support Informal Adult Learning.	Coalition Government announces its intention to champion adult and community learning and to develop lifelong learning accounts to support this area of learning.	Development of policy to clarify and support the funding and delivery of (Informal) Adult and Community Learning in 2011/12 continues. Steady state for 10/11 of the existing Adult Safeguard budget and delivery expectations in line with policy summary.	Communication with sector on the arrangements and guidance for Adult and Community Learning from 2011/12.	Policy Summary 2.1 to 2.5
Offender Learning and Skills Service (OLASS)		Development of the OLASS funding methodology for 2011/12. Further Development of Individualised Learner Upload (INU) analysis tool and consultation with providers. Establish referral and partnership arrangements between NextStep and Probation Area Trusts. Plan work for OLASS in secure accommodation.	Consultation on the OLASS funding methodology for 2011/12 with partners and stakeholders. Undertake work to prepare Probation Trusts to align their work fully with Agency mainstream activities. Commence pilot work in secure accommodation. Offender Learning Review call for evidence published August 2010.	Results of review will be published in November 2010 in line with the Ministry of Justice Green Papers on the rehabilitation revolution and sentencing reform.	Policy Summary 2.9
Programmes for the unemployed		The confirmed that it will not be providing Work Focused Training in the	The Agency expects to be able to share further information with the sector	Expected wind up of many of the current Programmes for the Unemployed	Policy Summary 3.1

		Flexible New Deal Phase 2 districts, and stopped the procurement exercise. The Agency also confirmed the continuation of Programmes for the Unemployed activity through to March 2011, along with continued discrete management arrangements.	regarding the fit of the skills offer with the Department for Work and Pensions (DWP) contracted Work Programme.	activities.	to 3.5
Learner Support	Final preparations made to establish the learner support team within the YPLA and draft the shared services agreement (SSA) with the Agency.	<p>Working and monitoring arrangements established between YPLA and the Agency around the SSA.</p> <p>COI report published on ways of increasing the uptake of the Free Childcare for Training and Learning for Work (FCTLW) childcare scheme. Department for Education (DfE) Minister makes decision (13 July) to close FCTLW from August 2010 but with commitment to fund returning learners until July 2011.</p> <p>Minister confirms Adult Learning Grant remains in place for the next academic year (2010/11) and application</p>	<p>The Agency will contribute to submissions to ministers on the future policy direction of adult learner support programmes.</p> <p>Back office administration and IT support systems transferred to Capita in relation to the Personal and Community Development Learning (P&CDL) scheme.</p>	The next phase of the learning application processing (LAPS2) development is scheduled for implementation in January 2011. This will enable online application processing and creates a single learner database.	Policy Summary 4.1 to 4.7

		processing commences.			
Next Step – the Integrated Adult Careers Service	Existing service continues – BIS publish the core operating model for the new, integrated service and the LSC responds with a Service Implementation Model that will deliver, from August 2010, the core, operating model.	Existing contracts for the provision of the Careers Advice Service call centre and the nextstep face-to-face service end on July 31 2010. Preparations continue for the introduction of the new, integrated Next Step service from 1 August. Government confirms its support for the new adult service but also signals its intention to explore the introduction of an all-age careers service in the future.	New Next Step face-to-face and call centre contracts commence on 1 August. Deployment of Next Step web site to follow later; in the interim existing Careers Advice Service and Skills Accounts websites remain operational with link to a Next Step website landing page. New Course Directory deployed and available via existing web sites. Additional functionality to support the delivery of the integrated service introduced. Work continues on the final phase of the core operating model due to be introduced by March 2011.	Final functionality for core operating model introduced.	Policy Summary 6.2
National Skills Academies (NSA)	NSA Round 5 Prospectus issued with 4 successful Expressions of Interest; Rail, Environmental Technologies, Logistics and Emerging Technologies invited to produce Business Plans.	Round 5 Assessment Panels. NSA Round 1 Closure Process.	Application for NSA Trademark and new licensing arrangements.	Round 2 Closure Process.	Policy Summary 1.5
Wider System Reform					

<p>Qualification and Credit Framework (QCF)</p>	<p>Definitions for full Level 2 and Level 3 vocational qualifications in the QCF for Train to Gain and ALR.</p>	<p>The Agency funding confirmation process begins from 1 April 2010.</p> <p>From 1 April – list of QCF qualifications confirmed for public funding and expected to be delivered from 1 August across all programmes available on the Agency website and updated every two weeks.</p> <p>Technical funding parameters for QCF provision within Train to Gain, ALR, Offender Learning and Skills Service, Programmes for the Unemployed published.</p> <p>List of National Qualification Framework (NQF) provision where funding for new starts (outside of existing Apprenticeship frameworks) will cease from 31 July 2010 published.</p> <p>Critical mass of QCF provision accredited, confirmed for public funding and available for delivery from 1 August 2010.</p>	<p>Focus of funding on QCF provision where it is accredited and confirmed for funding.</p> <p>NQF provision funded where QCF offer not yet available.</p> <p>List of NQF provision where funding for new starts (outside of existing Apprenticeship frameworks) will cease from 31 December 2010 published.</p> <p>Further development of QCF success measures.</p> <p>Proposals for supporting more flexible delivery and greater credit accumulation and transfer completed in early autumn Review of funding confirmation process.</p> <p>Ongoing unit funding trials in ALR and OLASS and QwaB.</p>	<p>List of any remaining NQF provision where funding for new starts will cease from 31 March 2011 published as part of Agency annual review of qualification offer in January 2011 .</p>	<p>Policy Summary 5.7 and Appendix</p>
--	---	---	---	--	--

		<p>Refresh of unit funding trials in OLASS, Qualify with a Business and ALR.</p> <p>Further development of QCF Success Measures.</p>			
<p>Supporting growth sectors: Regional Development Agencies (RDA)/UK Commission for Employment and Skills (UKCES)/Local Enterprise Partnerships</p>	<p>Publication of <i>Skills for Growth and Skills Investment Strategy</i> set out information on key growth areas for 2010/11.</p> <p>Regional Development Agencies produce their Regional Skills Priority Statements 2010/11.</p>	<p>Colleges, training organisations and employers take account of the national and regional information sources in developing their offer to employers and learners.</p>	<p>Colleges and training organisations begin engaging with Local Enterprise Partnerships to ensure their offer meets local needs.</p>		
<p>Migration</p>	<p><i>Skills for Growth</i> announced that we will ensure that there is less need to fill skills gaps through migration.</p> <p>At a national level, the Migration Advisory Committee (MAC) reports at six monthly intervals on the occupations where skills gaps (at Level 3 and above) need to be</p>	<p>Colleges and training organisations take account of the MAC shortage occupation list in developing their offer to ensure it supports upskilling relevant to this agenda and the needs in their locality.</p>			<p>Policy summary 7.4</p>

	filled by migrants. Their latest report was published in April 2010.				
Quality Assurance System	<p>Guidance issued in December on the approach taken for Minimum Levels of Performance (MLP) and the wider range of quality assurance and intervention mechanisms.</p> <p>Application of MLP to provision, including Train to Gain for the first time.</p> <p>Outcomes of MLP application moderated and taken into account as part of allocations process.</p> <p>Review of MLP and the Identifying and Managing Underperformance policy.</p>	<p>Guidance issued on annual performance assessment, MLP, causes for concern, case conferences, statutory reorganisations.</p>	<p>Revision of Statutory Intervention Policy to simplify and clarify roles and responsibilities of the Agency.</p> <p>Testing of strategic solutions to aid recovery – to identify issues and overcome barriers.</p>	<p>Evaluation and dissemination of strategic solutions to aid recovery.</p>	<p>Guidance Note 5</p>
National Employer Service simplification proposal		<p>Work begins to simplify contractual, procurement, funding and data requirements for National Employer Service employers.</p> <p>The National Employer</p>			<p>Policy Summary 1.4</p>

		Service will maintain an ongoing dialogue with their employers about how these simplification arrangements will be implemented.			
Data Services	<p>The Data Service makes available a suite of complementary products to help colleges and training organisations improve and maintain the quality of their data.</p> <p>Findings from the Learner Data Strategy that will inform the Individual Learner Record (ILR), settlement system and Managing Information across Partners (MIAP) development.</p> <p>Importance of accurate and timely data, particularly on firstness and through employer responsive set out (in Guidance Note 3).</p>	“Contact the Provider” support process starts.			<p>Appendix 2</p> <p>Guidance Note 3</p>
Shared Services	<p>Collaboration and innovation projects (shared procurement).</p> <p>Transfer of Procurement Improvement Team to</p>	<p>Establish joint Project Board with AoC to oversee -</p> <ul style="list-style-type: none"> • Sector-wide IT and MIS solutions 	Implementation of strands.	Identification of further opportunities for shared services efficiencies.	

	Association of Colleges (AoC).	<ul style="list-style-type: none">• Collaborative procurement• Releasing efficiencies related to exam costs• Benchmarking to identify efficiencies• Small-scale efficiency innovation fund.			
--	--------------------------------	--	--	--	--

Skills Funding Agency Budgets and 16-18 Apprenticeship Volumes¹

Participation Funding

	2010-11 FY Budget £000s
Workplace learning	757,471
Apprenticeships – total all ages	1,336,410
16-18	788,000 ²
Adult Apprenticeships	548,410
Adult Learner Responsive	1,583,095
Adult Safeguarded Learning	210,000
Offender Learning and Skills Service	146,113
Programmes for the Unemployed	216,284
TOTAL PARTICIPATION	4,249,373

1 _____

¹ See explanatory notes in the [Grant Letter to the Skills Funding Agency](#) (17 June 2010)

² Includes £8m non-participation

Learner Support, Capital and Wider Investment

	2010-11 FY Budget £000s
Learner Support	155,998
FE Development, Capacity and Quality	228,503
Total Capital Grants	558,650
TOTAL GRANT	943,151

European Social Funding (including 14-19 NEET funds)

2010-11 FY Budget £000s ³	476,923
2011-2013 ESF allocation ⁴	636,928

16-18 Apprenticeship volumes 2010/11

	Total learners
16-18 Apprenticeships	141,826

1 _____

³ Co-Financing Plans allocation 2007-10 less the amount earned by providers until March 2010

⁴ A proportion of this budget will fall in the 2010-11 financial year

Appendix

Data Quality, Shared Services and Data Issues

1. The Data Service, working with the *information authority*, will continue to support colleges and training organisation in 2010/11 to improve the quality of the Individual Learner Record (ILR) return data. Such data will be validated in accordance with the [ILR validation rules](#), improved guidance and best practice as set by the *information authority*.

2. To improve the accuracy and completeness of data collections and MI, the Data Service will continue to offer a suite of complementary products alongside e-learning modules to help college and training organisations improve and maintain the quality of their ILR data:

- Learner Information Suite ([LIS software](#)) to assist with checking pre-returns, and whether these will pass the *information authority* validation
- Data Self-assessment Toolkit ([DSAT software](#)) (provided by the LSC) aimed at supporting the funding profile
- [Credibility Reports](#) for data submissions by providers to provide key summaries of the data submitted. Credibility reports are being updated for 2009/10 to include Red Amber Green (RAG) colour-coding on key ILR learner fields to indicate the completeness of these fields based on *information authority* data standards ([ILR Appendix P: Data quality, standards and field ownership](#)).
- [Known issues](#) provides detail on the errors or problems which affect the ILR datasets
- [Quality assessments](#) on field completeness, based on *information authority* standards
- MI Credibility Reports, these are produced for the *information authority* to highlight the performance of providers across *information authority* standards, and will be used to guide the joint *information authority* and Data Service 'Contact the Provider' support process aimed at improving provider data, starting Spring 2010
- Pre and post rule violation reports
- Data Quality reports for providers as part of the data quality verification process
- Provider Training, the Data Service will aim to deliver two e-learning modules and a range of workshops to support providers in delivering better quality data as well as reviewing all existing training materials and developing new support materials in 2010/11

3. The *information authority* will continue to lead on a number of initiatives in 2010/11, these include:

- *The Learner Data Strategy* - The *information authority* has commissioned and will develop recommendations from the Learner Data Strategy, which will outline what data is required for FE and training for the foreseeable future and how it might be delivered over a period of time.
- *ILR Specification* - The *information authority* will continue to develop and manage the ILR specification through a controlled process, which carefully considers the impact of changes including policy drivers and costs. The ILR collects information on 4 million learners annually and the data is core to the calculations and decisions for distribution of £11bn of FE and Skills funding; the measurement of all publicly funded FE and Skills providers' performance; and tracking of Public Service Agreement (PSA) targets and policy initiatives such as Apprenticeships and Train to Gain.

- *FE data issues* - The *information authority* will continue to lead on behalf of the Skills Funding Agency/ BIS, YPLA and the sector a number of task and finish groups on specific FE data issues such as improving timeliness of achievement reporting, and the quality of data affecting FE success rates following a critical external report in autumn 2009.

4. *Data Standardisation* - The *information authority* will continue to lead on work to improve data standardisation across FE and Skills e.g. success rate methodologies, and enabling comparisons to / tracking through other phases of education and into employment.

Managing the Transition from funding the National Qualifications Framework to funding the Qualifications and Credit Framework

1. Since 1 April 2010, the Skills Funding Agency has been responsible for confirming provision for public funding for post 19 learners in England. From August 2010 it is the Agency's expectation that the focus of funding will be on provision from the Qualifications and Credit Framework (QCF) where the provision has been accredited and confirmed for public funding. From January 2011 we expect a comprehensive range of provision to be available and to be funded and will only continue to fund National Qualification Framework (NQF) provision in a minority of cases where an appropriate QCF does not yet exist. The Agency will continue to focus funding on qualifications in the QCF and manage down the volume of NQF in receipt of public funding where a successor or replacement QCF qualification exists and is available for delivery and encourage providers to switch to QCF provision as it becomes available.

2. In June the Agency published the first list of those NQF qualifications where funding for new starts will be withdrawn from 31 July 2010 as an appropriate QCF offers exists, is confirmed for funding and available for delivery. Following a period for challenges, the final list of NQF qualifications where funding for new starts will cease from 31 July 2010 was confirmed and published on 14 July 2010. A further list of NQF qualifications will be published at the end of September where it is intended to withdraw funding for new starts from 31 December 2010 as an appropriate QCF offer exists, has been confirmed for funding and is available for delivery. Going forward, the Agency will each January annually publish a list of those qualifications where funding for new starts will be withdrawn in advance of the commencement of the new delivery year. The first annual list published in January 2011 will include any outstanding NQF qualifications that will continue to be funded for an interim period as an appropriate QCF offer is not available. Given that it is expected that the QCF will contain more than 95% of all vocational qualifications by the end of 2010, the Agency would not expect to continue to fund large volumes of NQF provision beyond the end of December.

3. In managing the transition from funding the NQF to funding the QCF it is important to point out that funding decisions are independent of and taken separately from regulatory decisions made by the independent regulator, Ofqual. Although Ofqual have recently published information relating to the regulatory arrangements surrounding the transition to the QCF (May 2010) these are separate from funding arrangements. It remains the case that the Agency is committed to supporting the transition to the QCF and ensuring that the QCF can support greater flexibility both in the delivery of provision and in the way in which learner's achieve. With the exception of NQF provision within existing Apprenticeship frameworks, and acknowledging the different timescales for the transition to the Specification of Apprenticeship Standards for England (England), the Agency will continue to prioritise QCF provision.

4. The QCF has been designed to be more responsive to learner and employer need, and to support incremental learning and achievement through credit accumulation and transfer. Throughout the next 12 months the Agency intends to continue to work closely with key stakeholders and delivery partners to ensure that the QCF becomes a reality and that all learners can access QCF provision more flexibly. As part of this

work the Agency will review its funding confirmation process in order to ensure that a broader full range of QCF provision can be made available for learners.

5. We are also seeking to work more closely with awarding organisations, particularly in terms of encouraging awarding organisations to share timescales for transition of qualifications to the QCF with their centres so that providers are better aware of what qualifications are in development and when they are likely to be available.

6. In identifying August as the key point to focus funding on QCF provision, the Agency also recognises that the QCF itself is still in its first phase of transition and that the full flexibilities of a qualification and credit framework, including credit accumulation and transfer will need to be realised over the subsequent period of the QCF's development. During the next 12 months the Agency will continue to examine how QCF success measures can be further developed and applied, and how funding might be based on credit as part of the wider simplification work.

7. Full details of the Agency's timetable for the transition of funding to the QCF, along with the list of [QCF qualifications confirmed for funding are available](#) on the Agency website.

8. Qualifications and units approved for funding will continue to be added to the Learning Aims Database (LAD), which will remain the primary source for funding returns and will include funding rates and programme weighting factors. The online list, meanwhile, will provide the earliest notice of newly approved provision and will allow easy tracking of the notice periods set out above.

Skills Funding Agency

Cheylesmore House
Quinton Road
Coventry CV1 2WT
T 0845 377 5000
F 024 7682 3675
www.bis.gov.uk/skillsfundingagency



© Skills Funding Agency

Published by the Skills Funding Agency
Extracts from this publication may be reproduced for non-commercial, educational or training purposes on condition that the source is acknowledged and the findings are not misrepresented.
This publication is available in electronic form on the Skills Funding Agency website: www.bis.gov.uk/skillsfundingagency

If you require this publication in an alternative format or language, please contact the Skills Funding Agency Help Desk: 0870 900 6800.

Skills Funding Agency - P-100015