

Funding Rates – Changes for 2007/08

January 2007

Further information

For further information, please contact:

Learning and Skills Council

National Office

Cheylesmore House

Quinton Road

Coventry

CV1 2WT

www.lsc.gov.uk

Contents

	Paragraph number
Introduction	1
School Sixth Forms	5
General increase in funding rates	6
Early notification of rate changes 2008/09	7
Further Education (for LSC FE-funded Providers)	10
General increase in funding rates	10
Tuition fees	14
Funding rates for individual learning aims	15
NVQs	21
Skills for Life	22
Distance learning	31
Entitlement to fee remission for a first Level 3 for those aged 19 to 25	37
Employer-related Provision	40
Apprenticeships	40
Entry to Employment	49
Train to Gain	50
European Social Fund	52

Page
number

Annexes

A: Further Education Funding Rate Changes	10
B: Work-based Learning Funding Rate Changes	16
C: Level 3 GNVQ Successor Figures	29
D: First Full Level 3 Entitlement for Those Aged 19 to 25	31

Introduction

- 1 The Learning and Skills Council (LSC) published its Annual Statement of Priorities on 19 October 2006. The document sets out the LSC's priorities, including key actions for 2007/08. The document discusses each priority and explains these within the context of government policy.
- 2 The Annual Statement of Priorities refers to more information being published in a January 2007 document.
- 3 This document provides more detail of the funding rate arrangements for provision delivered in 2007/08 in school sixth forms, further education (FE), work-based learning, Train to Gain and through the European Social Fund (ESF). The document covers funding rates, but not the funding allocations process or operational guidance on the mix and balance of provision, which are being published separately.
- 4 This document is primarily focused on 2007/08, with some early notification of intended specific significant changes for 2008/09. The LSC is consulting separately on the wider arrangements for funding in 2008/09 and beyond, including a new consistent funding methodology across sectors.

School Sixth Forms

- 5 The funding arrangements for school sixth forms are set out in *School Sixth Forms – Funding Guidance for 2006/07 and 2007/08*.

General increase in funding rates

- 6 The funding rates for each qualification will be increased by the minimum funding guarantee (MFG) of 3.7 per cent in 2007/08 that was announced by the Secretary of State for Education and Skills (the Secretary of State) on 6 December 2005.

Early notification of rate changes 2008/09

- 7 The LSC wants to ensure stability and avoid destabilisation of providers wherever possible. Hence significant changes to funding rates should give providers as much notice as possible so that appropriate steps can be taken to ensure financial stability.
- 8 Two such significant rate changes have been considered by the LSC in its annual review of funding rates:
 - a AS- and A2-level General Studies. General Studies is currently funded at half the rate of other AS/A2-level qualifications. Analysis has shown that delivery of General Studies is on average significantly below the level of funding afforded to it. The funding rate for AS/A2-level General Studies will therefore be reduced to the equivalent of 30–39 guided learning hours (glh) in 2008/09, subject to the LSC's 2008 review of funding rates.
 - b Level 3 GNVQ successors, specifically Edexcel National Diplomas, National Certificates and National Awards and OCR Extended National Diplomas, National Diplomas and National Certificates. The delivery of these qualifications is consistent with the awarding bodies'

recommended glh rather than the current funding rates which are significantly higher for historical reasons. Owing to the significance of these qualifications, the LSC will not implement any changes in 2007/08, but will conduct further research on the costs of delivering these qualifications with a view to revising the rates in line with the awarding body recommended glh in 2008/09, which would mean significant reductions in rates, subject to the results of the research. Any changes to these rates in 2008/09 will be kept within the transition arrangements to ensure stability of funding.

- 9 On 30 November 2006, the Prime Minister and Secretary of State announced that schools and colleges will offer more choices to young people over what they study post-16 by providing greater access to the International Baccalaureate (IB) for those who want it. Funding was committed to ensure that there is at least one institution in every local authority where there is currently no provision. This will mean that up to 100 additional institutions will offer the IB by 2010. The LSC already funds the IB in colleges and schools and will continue to do so in 2007/08. The current rate for the IB is set at the equivalent of 4.5 A-levels and will remain at this level for 2007/08. In addition, the funding of the IB will be reviewed in 2007 in order to inform the 2008/09 rate.

Further Education (for LSC FE-funded Providers)

General increase in funding rates

- 10 Funding rates of learning aims studied by young people aged 16 to 18 and funded using the FE funding methodology will be increased by the MFG of 3.7 per cent in 2007/08.
- 11 Funding rates of learning aims studied by adults aged 19 and over will be increased by 2.5 per cent in 2007/08.
- 12 The definition of '16 to 18' for funding purposes will continue to be based on when the learners start their programmes – this is same as for the current arrangements for fee remission and entitlement as set out in paragraph 35 of *Funding Guidance for Further Education in 2006/07*. For instance, learners who are aged 19 when they start the second year of their programmes are considered as 16 to 18 for funding purposes and the funding rates for these learners will be increased by the MFG.
- 13 The lower adult rates will continue to be quoted in the 2007/08 funding guidance and in the Learning Aims Database. A multiplier in the Learner Information Suite software will be used to calculate the correct level of funding for each age group. For 2007/08, that multiplier will be:

$$\frac{1.034 \times 1.037}{1.025 \times 1.025} = 1.02059$$

This reflects the minimum funding guarantees of 3.4 per cent in 2006/07 and 3.7 per cent in 2007/08. These are in comparison to the 2.5 per cent increase in the adult base rates in both years.

Tuition fees

- 14 The tuition fee element of learning aims will be increased in 2007/08 to 37.5 per cent, as set out in the LSC's Annual Statement of Priorities.

Funding rates for individual learning aims

- 15 The funding rates for all learning aims have been considered by the technical sub-group of the LSC's planning, funding and quality group. The group examined data extracted from the Individualised Learner Records (ILR) (F04) in 2005/06 and has recommended changes to the listed rates for 75 learning aims that are already listed. A further 24 aims that are currently loadbanded should become listed. A final 11 aims are currently listed but have glh data in 2005/06 that is inconsistent, and some changes have been made to their listed rates.
- 16 Two significant changes were identified, one of which will be addressed in 2007/08 and the other in 2008/09:
 - a Level 3 GNVQ successors, specifically Edexcel National Diplomas, National Certificates and National Awards and OCR Extended National Diplomas, National Diplomas and National Certificates. The delivery of these qualifications is consistent with the awarding bodies' recommended glh rather than the current funding rates which are significantly higher for historical reasons. Owing to the significance of these qualifications, the LSC will not implement any changes in 2007/08, but will conduct further research on the costs of delivering these qualifications with a view to revising the rates in line with the awarding body recommended glh in 2008/09, which would mean significant reductions in rates, subject to the results of the research. Any changes to these rates in 2008/09 will be kept within the transition arrangements

to ensure stability of funding. Charts of the distribution of glh across the whole FE sector for each of these qualifications are at Annex C.

- b AS- and A2-level General Studies is delivered in substantially fewer glh than the national rate would imply. Changes to the funding rates for these qualifications have not been introduced in 2007/08. However, subject to the LSC's 2008 review, the rates will be reduced to the equivalent of 30–39 glh, in line with their delivery.
- 17 AS- and A2-level Critical Thinking has also been considered, and will be revisited as part of the LSC's 2008 review of funding rates. AS-level Critical Thinking is currently delivered in approximately half the glh of other AS/A2-level qualifications.
- 18 On 30 November 2006, the Prime Minister and Secretary of State announced that schools and colleges will offer more choices to young people over what they study post-16 by providing greater access to the International Baccalaureate (IB) for those who want it. Funding was committed to ensure that there is at least one institution in every local authority where there is currently no provision. This will mean that up to 100 additional institutions will offer the IB by 2010. The LSC already funds the IB in colleges and schools and will continue to do so in 2007/08. The current rate for the IB is set at the equivalent of 4.5 A-levels and will remain at this level for 2007/08. In addition, the funding of the IB will be reviewed in 2007 in order to inform the 2008/09 rate.
- 19 The review of the Diploma in Foundation Studies (Art and Design) has now been completed. The reduction applied in 2006/07 will stand, but no further reduction is applied to the funding rate in 2007/08.
- 20 Details of all the changes will appear on the LSC's website (www.lsc.gov.uk), and later will be published within the Learning Aims Database.

NVQs

- 21 The criteria for determining the appropriate funding rate for National Vocational Qualifications (NVQs) have been amended. This is not expected to alter radically the rate applicable to a particular learner; however, it does align the funding policy more directly with the cost basis. Table 1 should be used for determining the delivery method of NVQs from 2007/08 onwards.

Table 1: Delivery method for NVQs from 2007/08 onwards.

Components delivered by provider	National base rate
Initial advice, guidance and needs analysis plus support and assessment	£810
As above, plus additional underpinning knowledge and understanding or substantial skills development	£1,212
As above, plus additional underpinning knowledge and understanding and substantial skills development (requiring at least 450 glh)	£3,052

Skills for Life

- 22 From 2007/08, at Level 1 and Level 2, the **only** learning aims that will be eligible for funding as basic skills provision, and funded at the enhanced programme weighting of 1.4, will be the nationally approved Certificates in Adult Literacy, Numeracy and English for Speakers of Other Languages (ESOL) Skills for Life.
- 23 Non-approved basic skills learning aims at Levels 1 and 2 will no longer be eligible for funding as basic skills. In line with our policy on the mix and balance of provision, we expect providers to convert their non-approved provision at these levels to approved qualifications. Although existing non-approved aims at Levels 1 and 2 will be eligible for funding (as other adult provision) at programme weighting A (1.0), we do not expect to give priority to this non-approved provision as it will no longer be part of the Skills for Life offer. Nor will such provision attract automatic fee remission.
- 24 There are no changes to funding arrangements for Entry and Pre-entry Skills for Life provision in literacy or numeracy. At Entry Level, both nationally approved and non-approved aims (where these are based on the National Standards for Adult Literacy and Numeracy) will continue to be funded as basic skills, although we expect providers to continue to offer more approved qualifications at this level. At Pre-entry, provision based on the Skills for Life Pre-entry Curriculum Framework will continue to be eligible for funding as previously.

- 25 ESOL provision will no longer attract automatic fee remission at any level, whether approved or not. However, approved ESOL Skills for Life qualifications at all levels (that is, Entry, Level 1 and Level 2) and non-approved Pre-entry and Entry Level ESOL Skills for Life provision will continue to attract the 1.4 weighting.
- 26 As signalled in our Annual Statement of Priorities, new qualifications are being developed in ESOL to support a shorter, more job-focused, practical approach to English language skills. These new ESOL for work qualifications will be eligible for funding at programme weighting A (1.0), with a listed rate to be announced once the development of the new qualifications has been finalised.
- 27 The race impact process conducted jointly by the LSC and the DfES is due to conclude shortly. Changes to ESOL policy are not expected; however, some minor adjustments may be made as a result.
- 28 The funding arrangements for key skills qualifications in Communications and Application of Number at Levels 1 and 2, and GCSEs in Maths and English are not affected by the above changes.
- 29 Tables 2 and 3 provide a summary of the impact of the above changes on funding rates and eligibility.

Table 2: Summary of changes to funding rates and eligibility for literacy and numeracy qualifications, 2007/08.

Level	Approved qualifications	Non-approved learning aims*
Pre-entry/ Entry	1.4 weighting automatic fee remission	1.4 weighting automatic fee remission
1	1.4 weighting automatic fee remission	1.0 weighting no automatic fee remission
2	1.4 weighting automatic fee remission	1.0 weighting no automatic fee remission

Table 3: Summary of changes to funding rates and eligibility for ESOL qualifications, 2007/08.

Level	Approved ESOL Skills for Life qualifications	Non-approved learning aims*	ESOL for work
Pre-entry/ Entry	1.4 weighting no automatic fee remission	1.4 weighting no automatic fee remission	1.0 weighting no automatic fee remission
1	1.4 weighting no automatic fee remission	1.0 weighting no automatic fee remission	1.0 weighting no automatic fee remission
2	1.4 weighting no automatic fee remission	1.0 weighting no automatic fee remission	1.0 weighting no automatic fee remission

*Refer to the operational guidance, to be published in January 2007, for further clarification of the 80:20 planning guidance regarding approved and non-approved Skills for Life.

30 Disadvantage uplift will continue to be based on provision funded at a 1.4 weighting. Hence all approved literacy, numeracy and ESOL Skills for Life qualifications and Pre-entry or Entry Level non-approved learning aims would count as basic skills for the purposes of claiming disadvantage uplift.

33 For these reasons, from 2007/08 the funding rates claimed for qualifications with listed rates that are delivered by distance learning should be the listed rate.

34 Providers should no longer claim other than the listed rate on the basis of awarding body recommended glh or weighted average glh data.

Distance learning

31 The LSC's annual review of glh revealed that there is a significant number of learning aims being delivered by distance learning where the level of funding claimed is well in excess of the listed rate.

32 Paragraph 525 of *Funding Guidance for Further Education in 2006/07* states that 'It is expected that the funding rates for delivery by distributed and electronic learning will be close to the funding rates for delivery by traditional modes'.

35 In exceptional circumstances, where the costs incurred significantly exceed the listed rate, the provider may submit a proposal to its regional LSC for a higher rate to be applied. This proposal must include the data collections and costs pro forma, along with an explanation of why the costs exceed those associated with delivery of the same qualification by a traditional mode.

36 The local or regional LSC will want to satisfy itself that the provision in question represents value for money, and may refer cases as it sees fit to the funding policy implementation team at the LSC National Office.

Entitlement to fee remission for a first full Level 3 for those aged 19 to 25

- 37 The White Paper *Further Education: Raising Skills, Improving Life Chances* (March 2006) made a commitment to a new entitlement for a first full Level 3 qualification for those aged 19 to 25, supported by an expanded Adult Learning Grant (ALG), new funding for both of which was announced in the Budget on 23 March 2006. The new 19–25 entitlement and national roll-out of ALG will both be implemented from 2007/08, creating a new, integrated package of support for young adults continuing their initial education to Level 3.
- 38 As indicated in our Annual Statement of Priorities *Raising Our Game*, we expect that the entitlement will benefit some 45,000 learners in 2007/08, enabling more young adults to achieve higher-level technical and professional qualifications.
- 39 The details of the arrangements for meeting the terms of the first full Level 3 entitlement for those aged 19 to 25 can be found at Annex D, and will be included in *Funding Guidance for Further Education in 2007/08*.

Employer-related Provision

Apprenticeships

General increase in funding rates

- 40 Funding rates of learning aims studied by young people undertaking Apprenticeships aged 16 to 18 will be increased for inflation by 2.5 per cent in 2007/08.
- 41 The expected employer contribution for adults aged 19 and over will be formalised to reflect the projected trajectory towards 50 per cent in 2007/08. See below for more detail.

Expected employer contribution

- 42 The LSC has been in discussion with the Association of Learning Providers (ALP) and has agreed a method for moving the expected employer contribution towards 50 per cent for NVQs and Technical Certificates in worked-based learning (WBL) by 2010. Based on the difference between the 16–18 and 19+ rate in 2006/07, the expected employer contribution will increase or decrease to the nearest anticipated step along the projected trajectory towards 50 per cent for both WBL and FE (see Table 4).

Table 4: Projected trajectory for increasing the expected employer contribution to 50 per cent.

Year	Expected employer contribution
2007/08	37.5%
2008/09	42.5%
2009/10	47.5%
2010/11	50%

- 43 If the expected employer contribution is greater than 37.5 per cent once it has been adjusted, it will not be increased until the expected trajectory exceeds it.
- 44 Key skills are unaffected by this change for consistency as they are largely Skills for Life qualifications which attract fee remission in FE. The 16–18 rate for key skills will increase for inflation by 2.5 per cent and the 19+ rate will remain unchanged in 2007/08.

Apprenticeships Rates Review

- 45 The Apprenticeship Rates Review has been in progress for three years. It was commissioned in part to address concerns from the DfES that elements of an Apprenticeship were being double-funded. The introduction of Technical Certificates led to suggestions that there was overlap in some frameworks between them and the NVQ. There were also concerns about overlap between NVQ Level 2 and NVQ Level 3 in some frameworks. The review was intended to investigate these issues and identify the costs of delivering frameworks in all sector areas.

46 The LSC has consulted extensively on the WBL rates for 2007/08 with members of both the ALP and Association of Colleges (AoC) and representatives from Sector Skills Councils (SSCs). The rate changes include changes to NVQ and Technical Certificate rates. The changes have been approved by two external advisory groups, including representatives from providers, SSCs, ALP and AoC.

47 The review has based its recommendations on evidence from successful providers and sector specialists and has specifically designed out any overlap between elements of the Apprenticeship programme. The key findings of the review have been implemented as follows.

- The activity costs of an Apprenticeship have been compared with current funding rates, with recommendations for both increases and decreases in funding rates.
- The activity costs of an Advanced Apprenticeship where a learner has completed an Apprenticeship have been addressed, with recommendations for reductions in funding rates.
- The impact on the activity costs of NVQ delivery where part of the underpinning knowledge and skills is delivered through a funded Technical Certificate has been assessed. Adjustments to remove overlap from the NVQ rate have been made where necessary.

48 A summary of the NVQ rate changes and funding issues can be found in Annex B. The tables are arranged according to the phase of the project in which the frameworks were reviewed.

- **Phase 1** covered the 10 largest frameworks and the first year of changes was implemented in 2006/07 (Tables B1 and B2).
- **Phase 2** covers all the remaining frameworks with over 1,000 learners and the first year of implementation will be 2007/08 (Tables B3 and B4).
- **Phases 3 and 4** cover the remaining frameworks with over 100 learners and the first year of implementation will be 2007/08 (Tables B5 and B6).

Entry to Employment

General increase in funding rates

49 The funding rates for Entry to Employment will be increased by 2.5 per cent in 2007/08.

Train to Gain

General increase in funding rates

50 The funding rates for Train to Gain will be increased by 2.5 per cent in 2007/08.

51 Further work is being considered on the 2007/08 rates for Train to Gain, which will be published in due course.

European Social Fund

52 There will be a new programme of ESF funding (2007–13) that we expect to start tendering for in September 2007 for delivery from January 2008. This new programme will continue to be co-financed in a similar way to the previous programme.

53 Further details of the arrangements will be published in *Funding Guidance for Further Education in 2007/08*.

Annex A:

Further Education

Funding Rate Changes

Table A1: Funding rate changes as a result of the 2005/06 ILR F04 analysis.

Learning aim reference	Learning aim title	Awarding body	Level	2006/07 19+ National rate	2007/08 19+ National rate
1003318X	Advanced Award In Creative Skills	NOCN	3	£734	£626
10049435	Award for Progression	NOCN	3	£859	£752
10050541	Award in Art and Design	NOCN	2	£734	£407
10051855	Award in Language Skills	NOCN	3	£734	£407
10050012	Award in Reading and Writing in another Language	ABC	1	£273	£407
00101404	Basketball Leaders Award	EBBA	1	£96	£124
10043445	BTEC Advanced Professional Certificate in Management Studies	EDEXCEL	5	£984	£1,136
10040699	BTEC Award in 3D Design	EDEXCEL	2	£734	£626
10030311	BTEC Award in Customer Service	EDEXCEL	2	£610	£407
10040808	BTEC Award in Fashion and Clothing	EDEXCEL	1	£734	£626
1004100X	BTEC Award in Interactive Use of Media	EDEXCEL	2	£734	£626
10041102	BTEC Award in Photography	EDEXCEL	2	£734	£626
10041084	BTEC Award in Photography	EDEXCEL	1	£734	£626
10035941	BTEC Award in Transporting Passengers by Taxi and Private Hire	EDEXCEL	2	£398	£279
10041333	BTEC Award in Visual Arts	EDEXCEL	1	£734	£626
10032253	BTEC Certificate in Early Years Care and Education	EDEXCEL	2	£984	£752
10028687	Certificate for Adult Learner Support	CG	2	£273	£236
10028109	Certificate for Adult Numeracy Subject Specialists	OCNW	4	£734	£626
1003450X	Certificate for ESOL Subject Specialists	UCLES	4	£734	£626
10049496	Certificate for IT Users (CLAiT Advanced)	OCR	3	£984	£752

Table A1: Funding rate changes as a result of the 2005/06 ILR F04 analysis (continued).

Learning aim reference	Learning aim title	Awarding body	Level	2006/07 19+ National rate	2007/08 19+ National rate
10042210	Certificate for Teaching Assistants	OCR	2	£984	£752
10043391	Certificate for the Inspection and Testing of Electrical Equipment (Code and Practice for In-Service Inspection)	CG	3	£231	£124
10043354	Certificate in Air Cabin Crew Skills	OCNW	2	£610	£407
10048091	Certificate in Art and Design	NOCN	1	£984	£752
10037044	Certificate in Art, Design and Creative Studies	ABC	2	£734	£626
10016302	Certificate in Aspects of Multi-Cultural Fashion	ABC	2	£2,576	£1,903
10013775	Certificate in Assistant Fitness Instructing	YMCA	1	£315	£407
1003075X	Certificate in Book-keeping	AAT	2	£734	£407
1005831X	Certificate in British Sign Language	CACDP	1	£315	£407
10016156	Certificate in Business Administration	EDI	1	£859	£626
10052148	Certificate in Business and Administration (Organisations and People)	EDI	2	£984	£752
1000645X	Certificate in Child Care and Education	CACHE	2	£2,781	£2,669
10034882	Certificate in Coaching Football	FIRST	2	£398	£626
10053554	Certificate in Community Mental Health Care (for people aged 18–65 years)	CG	3	£1,483	£1,264
10017987	Certificate in Computer Keyboarding	ABC	1	£231	£149
1005621X	Certificate in Computerised Accounts	CG	1	£231	£149
10028766	Certificate in Computerised Payroll	IAB	3	£273	£236
1002489X	Certificate in Drug Awareness	NCFE	1	£273	£149
10035515	Certificate in Energy Efficiency for Domestic Heating	CG	3	£96	£65
1003514X	Certificate in Heating and Ventilation Installation	CG	3	£1,233	£1,520
1005182X	Certificate in Language Skills	NOCN	1	£734	£407
10051843	Certificate in Language Skills	NOCN	2	£734	£407
1004338X	Certificate in Management of Electrical Equipment Maintenance (Code of Practice for In-Service Inspection)	CG	3	£231	£124
10028754	Certificate in Manual Payroll	IAB	3	£273	£323
10019121	Certificate in Motor Vehicle Studies	ABC	1	£1,233	£1,136
10058503	Certificate in Personal Training	PREMIER	3	£1,233	£1,008

Table A1: Funding rate changes as a result of the 2005/06 ILR F04 analysis (continued).

Learning aim reference	Learning aim title	Awarding body	Level	2006/07 19+ National rate	2007/08 19+ National rate
10057158	Certificate in Photography	NCFE	1	£610	£407
10033579	Certificate in Plumbing Studies	CG	3	£3,490	£3,109
10033622	Certificate in Practical Languages	ABC	3	£610	£407
10011675	Certificate in Preparation for Employment	OCR	2	£398	£323
10049150	Certificate in Psychology	OCNW	2	£610	£407
10018104	Certificate in Salon Hygiene	RIPH	2	£145	£236
10056609	Certificate in Speaking and Listening Skills for Adult Learners	ESB	2	£273	£149
10056610	Certificate in Speaking and Listening Skills for Adult Learners	ESB	3	£398	£279
10033865	Certificate in Stage 1 Horse Knowledge, Care and Riding	BHS	1	£734	£626
1002850X	Certificate in Swimming Pool Supervision and Rescue	IQL	2	£231	£279
10034894	Certificate in the Treatment and Management of Injuries in Football	FIRST	2	£859	£626
10051909	Certificate in The Treatment and Management of Injury in Football	FIRST	3	£398	£279
10011699	Certificate in Working with People who have Learning Disabilities	CG	2	£398	£752
10017112	Certificate of Competence in All Terrain Vehicle Handling	NPTC	2	£121	£98
10016211	Certificate of Competence in Safe Use of Pesticides	NPTC	2	£145	£98
10054005	Certificate of Professional Competence in National Road Haulage	OCR	3	£610	£407
10006448	Certificate of Professional Development in Work with Children and Young People	CACHE	3	£859	£626
00111511	CG 4351-01 Computer-aided Draughting and Design using AutoCAD – Computer-aided Draughting	CG	2	£398	£626
00232010	Cleaning Operators' Proficiency Certificate	BICS	2	£121	£236
00211152	Database (Beginners)	NIAT	X	£121	£98
00211158	Desktop Publishing (Beginners)	NIAT	X	£121	£98
10013817	Diploma for IT Users	CG	2	£984	£752
10025704	Diploma in Epilation	ITEC	3	£1,483	£1,264
10025881	Diploma in Facial Electrical Treatments	ITEC	3	£859	£626

Table A1: Funding rate changes as a result of the 2005/06 ILR F04 analysis (continued).

Learning aim reference	Learning aim title	Awarding body	Level	2006/07 19+ National rate	2007/08 19+ National rate
10015851	Diploma in Medical Reception	AMSPAR	2	£610	£880
10017021	Diploma in Text Processing	OCR	3	£984	£752
10037706	Diploma in Vocational Paralegal Studies	CG	3	£734	£626
10050024	Double Award in Practical Languages	ABC	1	£610	£407
1005005X	Double Award in Practical Languages	ABC	2	£610	£407
00230177	Fitness Instructing (Exercise to Music) Certificate	YMCA	2	£734	£407
00103247	Graduateship	IPD	H	£1,358	£1,264
00237279	Internet Browsing	NIAT	X	£121	£98
10058060	Introductory Certificate in Conflict Handling	HAB	1	£64	£98
10040511	National Award in Health and Social Care	OCR	1	£1,233	£1,520
10031959	Postgraduate Certificate in Personnel and Development (with pathways)	CIPD	5	£1,109	£1,392
00114247	Pre-entry Certificate in Newspaper Journalism (36 week post A-level)	NCTJ	H	£2,694	£2,641
10039351	Professional Diploma in Marketing	CIM	4	£1,732	£1,392
00211155	Spreadsheets (Beginners)	NIAT	X	£121	£149
00114123	Yachtmaster Ocean (shore based)	RYA	3	£315	£279
00101411	Assistant Coach Award	EBBA	1		£124
00119763	Basic Sea Survival for Small Craft	RYA	1		£98
10015954	Certificate in Administration	OCR	3		£2,641
10044097	Certificate in Craft and Design	OCNW	1		£407
10044103	Certificate in Craft and Design	OCNW	2		£407
10022922	Certificate in Preparation for Working Life	AQA	1		£236
00267304	CG 4351-09 Two Dimensional Design and Solid Modelling	CG	3		£626
00274657	Computer Aided Engineering Part 3	CG	3		£626
00270882	Counselling – Level 3 Diploma in Counselling Skills	ABC	3		£1,520
00235163	Creative Crafts	NCFE	X		£407
10024451	Diploma in Diet and Nutrition for Complementary Therapists	ITEC	3		£407
00270789	Diploma in Holistic Crystal Therapy	VTCT	3		£626

Table A1: Funding rate changes as a result of the 2005/06 ILR F04 analysis (continued).

Learning aim reference	Learning aim title	Awarding body	Level	2006/07 19+ National rate	2007/08 19+ National rate
00272144	Domestic Gas Fired Central Heating/Hot Water Boilers & Circulators not exceeding 70kw	CITB	X		£65
00270079	Foundation Certificate in Health and Safety in the Workplace	RIPH	1		£98
10016016	Intermediate Certificate in Counselling Skills	AQA	2		£626
00269300	Intermediate Certificate in Counselling Skills	AQA	2		£407
10007878	Intermediate Music Literacy	ABRSM	2		£236
00220052	Medic First Aid – Care Initiator Course Plus	EMP	1		£98
00274742	National Award in Plumbing	ASET	1		£2,641
00268665	Presentation (Beginner)	NIAT	X		£98
00255083	Progression Award in Humanities (Level 2)	OCNW	2		£407
00270042	RHS (Level 3) Diploma in Horticulture	RHS	3		£1,008
00272169	Unvented Hot Water Storage Systems (Install/Commission/Service)	CITB	X		£65
00237281	Web Design (Beginner)	NIAT	X		£98

Table A2: Funding rate changes due to amendments to the glh recommended by the Qualifications and Curriculum Authority (QCA).

Learning aim reference	Learning aim title	Awarding body	Level	Original QCA glh value	Revised QCA glh value	2006/07 19+ National rate	2007/08 19+ National rate
10033427	Diploma in Theatre Dance	BTDA	4	40	140	£273	£752
10029217	Certificate in Speech and Drama (Performance Studies)	LAMDA	3	50	180	£315	£1,008
50011170	Certificate in ICT Applications	EDI	3	90–120	150–180	£610	£880
50011108	Certificate in ICT Applications	EDI	2	150–180	100–130	£859	£626
10052331	Diploma in Music Practitioners	RSL	1	360	480	£1,732	£2,641
10034043	Certificate in Insurance	CII	3	420	150	£1,981	£880
10024839	Certificate of Knowledge for the Professional Security Officer	CG	2	540	60	£2,576	£407
50011637	Certificate in Computer Aided Design (CAD) Parametric Modelling	CG	1		60		£407
10027257	Executive Diploma in Management	ILM	7		242		£1,392
10019881	Graded Examination in Music Performance	TVU	2		15		£124
10027269	Introductory Executive Diploma in Management	ILM	7		63		£407

Annex B:

Work-based Learning Funding

Rate Changes

Table B1.1: Revised NVQ Level 2 rates for frameworks included in phase 1 of the Apprenticeship Rates Review.

Code	Framework	Level	Funding category	Second year of phase 1							
				16–18 rate 06/07	19+ rate 06/07	Expected employer contribution 06/07	% 16–18 change 06/07 – 07/08	% 19+ change 06/07 – 07/08	16–18 rate 07/08 (inc. inflation)	19+ rate 07/08 (inc. inflation)	Expected employer contribution 07/08
201	Accounting	2	G	£4,208	£2,519	40.1%	1.5%	-2.5%	£4,271	£2,456	42.5%
102	Administration	2	G	£3,156	£1,814	42.5%	1.1%	1.2%	£3,191	£1,835	42.5%
104	Children's Care, Learning and Development	2	L	£3,399	£2,124	37.5%	8.5%	8.5%	£3,688	£2,305	37.5%
116	Construction	2	B	£5,133	£2,830	44.9%	13.7%	18.6%	£5,838	£3,357	42.5%
105	Electro-technical (discontinued 1/8/2006)	2	C	£5,428	£2,732	49.7%	2.5%	1.8%	£5,563	£2,782	50.0%
106	Engineering	2	C	£5,875	£2,963	49.6%	10.3%	9.4%	£6,481	£3,240	50.0%
217	Hairdressing	2	K	£5,256	£2,628	50.0%	2.5%	2.5%	£5,388	£2,694	50.0%
236	Health and Social Care	2	L	£3,373	£2,107	37.5%	7.8%	7.8%	£3,635	£2,272	37.5%
112	Retail	2	H	£3,211	£1,848	42.5%	2.9%	2.8%	£3,303	£1,899	42.5%

Table B1.1: Revised NVQ Level 2 rates for frameworks included in phase 1 of the Apprenticeship Rates Review (continued).

Second year of phase 1											
Code	Framework	Level	Funding category	16–18 rate 06/07	19+ rate 06/07	Expected employer contribution 06/07	% 16–18 change 06/07 – 07/08	% 19+ change 06/07 – 07/08	16–18 rate 07/08 (inc. inflation)	19+ rate 07/08 (inc. inflation)	Expected employer contribution 07/08
235	Retail Motor Vehicle	2	C	£5,481	£2,761	49.6%	3.5%	2.7%	£5,672	£2,836	50.0%
329	Roadside Assistance and Recovery	2	C	£5,481	£2,761	49.6%	3.5%	2.7%	£5,672	£2,836	50.0%
330	Vehicle Body and Paint Operations	2	C	£5,481	£2,761	49.6%	3.5%	2.7%	£5,672	£2,836	50.0%
327	Vehicle Fitting	2	C	£5,481	£2,761	49.6%	3.5%	2.7%	£5,672	£2,836	50.0%
328	Vehicle Maintenance and Repair	2	C	£5,481	£2,761	49.6%	3.5%	2.7%	£5,672	£2,836	50.0%
331	Vehicle Parts Operations	2	C	£5,481	£2,761	49.6%	3.5%	2.7%	£5,672	£2,836	50.0%

Table B1.2: Revised NVQ Level 3 rates for frameworks included in phase 1 of the Apprenticeship Rates Review.

Second year of phase 1											
Code	Framework	Level	Funding category	16–18 rate 06/07	19+ rate 06/07	Expected employer contribution 06/07	% 16–18 change 06/07 – 07/08	% 19+ change 06/07 – 07/08	16–18 rate 07/08 (inc. inflation)	19+ rate 07/08 (inc. inflation)	Expected employer contribution 07/08
201	Accounting	3	G	£4,852	£2,989	38.4%	-10.9%	-9.5%	£4,325	£2,703	37.5%
102	Administration	3	G	£4,613	£2,818	38.9%	-16.9%	-14.9%	£3,835	£2,397	37.5%
104	Children's Care, Learning and Development	3	L	£5,168	£3,172	38.6%	-3.8%	-2.0%	£4,973	£3,108	37.5%
116	Construction	3	B	£7,508	£3,768	49.8%	-35.4%	-35.6%	£4,850	£2,425	50.0%
105	Electro-technical	3	C	£10,394	£5,235	49.6%	-4.9%	-5.6%	£9,888	£4,944	50.0%
106	Engineering	3	C	£11,302	£5,658	49.9%	4.0%	3.8%	£11,749	£5,874	50.0%
217	Hairdressing	3	K	£6,026	£3,171	47.4%	-3.9%	-4.1%	£5,794	£3,042	47.5%
236	Health and Social Care	3	L	£4,937	£3,025	38.7%	-8.9%	-7.1%	£4,498	£2,811	37.5%
112	Retail	3	H	£4,606	£3,086	33.0%	-6.9%	-13.1%	£4,289	£2,680	37.5%
235	Retail Motor Vehicle	3	C	£4,883	£2,941	39.8%	-14.9%	-18.8%	£4,155	£2,389	42.5%
329	Roadside Assistance and Recovery	3	C	£4,883	£2,941	39.8%	-14.9%	-18.8%	£4,155	£2,389	42.5%
330	Vehicle Body and Paint Operations	3	C	£4,883	£2,941	39.8%	-14.9%	-18.8%	£4,155	£2,389	42.5%
327	Vehicle Fitting	3	C	£4,883	£2,941	39.8%	-14.9%	-18.8%	£4,155	£2,389	42.5%
328	Vehicle Maintenance and Repair	3	C	£4,883	£2,941	39.8%	-14.9%	-18.8%	£4,155	£2,389	42.5%
331	Vehicle Parts Operations	3	C	£4,883	£2,941	39.8%	-14.9%	-18.8%	£4,155	£2,389	42.5%

Table B2: Summary of funding issues for frameworks included in phase 1 of the Apprenticeship Rates Review.

Second year of phase 1										
Code	Framework	Rate changes by the review (including 2.5% general rates increase for 16–18 learners)			Most common progression route	NVQ funding category affected	Required proportion of funding remaining if L1 completed before L2*	Required proportion of funding remaining if L2 completed before L3*	Learning aim requiring reduction	
		Level 2	Level 3	Nested rate						
201	Accounting	1.5%	-10.9%		L2 to L3 to L4	G				
102	Administration	1.1%	-16.9%		L2 to L3	G				
104	Children's Care, Learning and Development	8.5%	-3.8%		L2 to L3	L				
116	Construction	13.7%	-35.4%	Y	L1 to L2 to L3	B	62		NVQ L2	
105	Electro-technical	2.5%	-4.9%	Y	Direct to L3	C		40	NVQ L3	
106	Engineering	10.3%	4.0%	Y	Direct to L3	C		42	NVQ L3	
217	Hairdressing	2.5%	-3.9%		L2 to L3	K				
236	Health and Social Care	7.8%	-8.9%		L2 to L3	L				
112	Retail	2.9%	-6.9%		L2 to L3	H				
235	Retail Motor Vehicle	3.5%	-14.9%		L2 to L3	C				
329	Roadside Assistance and Recovery	3.5%	-14.9%		L2 to L3	C				
330	Vehicle Body and Paint Operations	3.5%	-14.9%		L2 to L3	C				
327	Vehicle Fitting	3.5%	-14.9%		L2 to L3	C				
328	Vehicle Maintenance and Repair	3.5%	-14.9%		L2 to L3	C				
331	Vehicle Parts Operations	3.5%	-14.9%		L2 to L3	C				

*The 'Proportion of funding remaining' (ILR field A51a) only affects on-programme payments. The achievement element will be unaffected by the reduction. The reduction for Level 3 NVQs reflects 80 per cent of the Level 2 NVQ rate. The reduction for Level 2 NVQs reflects 20 per cent of the framework rate.

Table B3.1: Revised NVQ Level 2 rates for frameworks included in phase 2 of the Apprenticeship Rates Review.

First year of phase 2											
Code	Framework	Level	Funding category	16–18 rate 06/07	19+ rate 06/07	Expected employer contribution 06/07	% 16–18 change 06/07 – 07/08	% 19+ change 06/07 – 07/08	16–18 rate 07/08 (inc. inflation)	19+ rate 07/08 (inc. inflation)	Expected employer contribution 07/08
231	Active Leisure and Learning	2	I	£3,428	£1,714	50.0%	-0.6%	-0.6%	£3,407	£1,703	50.0%
101	Agricultural Crops and Livestock	2	A	£4,114	£2,057	50.0%	2.5%	2.5%	£4,217	£2,108	50.0%
219	Amenity Horticulture	2	A	£4,114	£2,057	50.0%	7.9%	7.9%	£4,440	£2,220	50.0%
232	Communications	2	C	£5,428	£2,714	50.0%	2.5%	2.5%	£5,563	£2,782	50.0%
293	Contact Centres	2	H	£3,200	£1,840	42.5%	2.4%	2.4%	£3,277	£1,884	42.5%
263	Customer Service	2	H	£3,211	£1,848	42.5%	2.0%	1.9%	£3,275	£1,883	42.5%
295	Driving Goods Vehicles	2	E	£5,447	£2,723	50.0%	0.8%	0.8%	£5,491	£2,746	50.0%
247	Equine Industry	2	A	£4,114	£2,057	50.0%	2.1%	2.1%	£4,199	£2,099	50.0%
215	Furniture Industry	2	C	£5,428	£2,714	50.0%	6.7%	6.7%	£5,792	£2,896	50.0%
212	Heating, Ventilation, Air Conditioning and Refrigeration	2	C	£5,428	£2,714	50.0%	4.8%	4.8%	£5,687	£2,844	50.0%
220	Hospitality (Food Processing)	2	F	£3,714	£2,057	44.6%	-0.9%	2.9%	£3,682	£2,117	42.5%
220	Hospitality (Other)	2	J	£3,200	£2,057	35.7%	2.5%	-0.3%	£3,280	£2,050	37.5%
220	Hospitality (Prof Cookery)	2	F	£3,714	£2,057	44.6%	2.5%	6.4%	£3,807	£2,189	42.5%
283	Industrial Applications	2	D	£2,971	£1,828	38.5%	0.8%	2.4%	£2,994	£1,871	37.5%
292	IT Services and Development	2	C	£5,428	£2,714	50.0%	4.3%	4.3%	£5,663	£2,831	50.0%
322	IT User	2	G	£3,200	£1,840	42.5%	14.4%	14.4%	£3,662	£2,106	42.5%
117	Plumbing	2	B	£4,571	£2,492	45.5%	1.5%	-2.3%	£4,639	£2,436	47.5%
260	Team Leadership	2	F	£3,714	£2,160	41.8%	-5.0%	-6.0%	£3,530	£2,030	42.5%
115	Travel Services	2	I	£3,428	£1,714	50.0%	1.2%	1.2%	£3,469	£1,735	50.0%
267	Warehousing and Distribution	2	H	£3,200	£1,840	42.5%	-1.6%	-1.6%	£3,149	£1,811	42.5%

Table B4: Summary of funding issues for frameworks included in Phase 2 of the Apprenticeship Rates Review.

First year of phase 2										
Code	Framework	Rate changes by the review (including 2.5% general rates increase for 16–18 learners)			Most common progression route	NVQ funding category affected	Required proportion of funding remaining if L2 completed before L3*	Learning aim requiring reduction		
		Level 2	Level 3	Nested rate						
231	Active Leisure and Learning	-0.6%	-10.0%		L2 to L3	I				
101	Agricultural Crops and Livestock	2.5%	2.5%		L2 to L3	A				
219	Amenity Horticulture	7.9%	-5.4%		L2 to L3	A				
232	Communications	2.5%	-3.1%	Y	Direct to L3	C	46	NVQ Level 3		
293	Contact Centres	2.4%	-16.5%		L2 to L3	H				
263	Customer Service	2.0%	-3.0%		L2 to L3	H				
295	Driving Goods Vehicles	0.8%	-29.7%		L2 to L3	E				
247	Equine Industry	2.1%	1.2%		L2 to L3	A				
215	Furniture Industry	6.7%	-31.5%		L2 to L3	C				
212	Heating, Ventilation, Air Conditioning and Refrigeration	4.8%	-22.8%		L2 to L3	C				
220	Hospitality (Food Processing)	-0.9%			L2 to L3	F				
220	Hospitality (Other)	2.5%	2.5%		L2 to L3	J				
220	Hospitality (Prof Cookery)	2.5%	2.5%		L2 to L3	F				
283	Industrial Applications	0.8%			L2 only	D				
292	IT Services and Development	4.3%	-16.9%	Y	Direct to L3	C	80	NVQ Level 3		
322	IT User†	14.4%	-6.7%		L2 to L3†		†	NVQ Levels 2 and 3		
260	Management	-5.0%	-10.7%		L2 to L3	F				
117	Plumbing	1.5%	-1.1%	Y	Direct to L3	B	52	NVQ Level 3		
115	Travel Services	1.2%	2.5%	Y	Direct to L3	I	36	NVQ Level 3		
267	Warehousing and Distribution	-1.6%	2.5%		L2 to L3	H				

*The reduction for Level 3 NVQs reflects 80 per cent of the Level 2 NVQ rate, except framework 292 'IT Services and Development' which represents 25 per cent of the Level 2 NVQ rate.

†For more specific guidance on IT User, see the *Requirements for Funding Work-based Learning for Young People 2006/07*.

Table B5.1: Revised NVQ Level 2 rates for frameworks included in phases 3 and 4 of the Apprenticeship Rates Review.

First year of phases 3 and 4											
Code	Framework	Level	Funding category	16–18 rate 06/07	19+ rate 06/07	Expected employer contribution 06/07	% 16–18 change 06/07 – 07/08	% 19+ change 06/07 – 07/08	16–18 rate 07/08 (inc. inflation)	19+ rate 07/08 (inc. inflation)	Expected employer contribution 07/08
262	Animal Care	2	A	£4,114	£2,057	50.0%	2.5%	2.5%	£4,217	£2,108	50.0%
202	Aviation	2	E	£5,447	£2,723	50.0%	-9.3%	-9.3%	£4,970	£2,470	50.0%
279	Beauty Therapy	2	K	£5,256	£2,628	50.0%	-3.5%	-3.5%	£5,075	£2,537	50.0%
282	Building Services Engineers	2									
228	Carry and Deliver Goods	2	E	£5,447	£2,723	50.0%	-9.8%	-9.8%	£4,913	£2,457	50.0%
103	Chemical and Refining Industries	2	C	£5,428	£2,714	50.0%	2.5%	2.5%	£5,563	£2,782	50.0%
315	Dental Nursing	2	L	£3,200	£1,994	37.7%	2.5%	2.8%	£3,280	£2,050	37.5%
211	Electricity Industry	2	C	£5,428	£2,714	50.0%	2.5%	2.5%	£5,563	£2,782	50.0%
107	Engineering Construction	2	C	£5,428	£2,714	50.0%	2.5%	2.5%	£5,563	£2,782	50.0%
299	Farriery	2									
244	Floristry	2	A	£4,114	£2,057	50.0%	2.5%	2.5%	£4,217	£2,108	50.0%
264	Food and Drink Manufacturing Operations	2	D	£2,971	£1,828	38.5%	2.5%	4.1%	£3,045	£1,903	37.5%
316	Game and Wildlife Management	2	A	£4,114	£2,057	50.0%	2.5%	2.5%	£4,217	£2,108	50.0%
265	Gas Industry	2	C	£5,428	£2,714	50.0%	2.5%	2.5%	£5,563	£2,782	50.0%
216	Glass Industry	2	B	£4,571	£2,492	45.5%	2.5%	-1.3%	£4,685	£2,460	47.5%
248	Insurance	2	F	£3,714	£2,160	41.8%	2.5%	1.3%	£3,807	£2,189	42.5%
259	International Trade and Services	2	F	£3,714	£2,160	41.8%	2.5%	1.3%	£3,807	£2,189	42.5%

Note: Sectors listed in grey do not operate a Level 2 framework.

Table B5.1: Revised NVQ Level 2 rates for frameworks included in phases 3 and 4 of the Apprenticeship Rates Review (continued).

First year of phases 3 and 4											
Code	Framework	Level	Funding category	16–18 rate 06/07	19+ rate 06/07	Expected employer contribution 06/07	% 16–18 change 06/07 – 07/08	% 19+ change 06/07 – 07/08	16–18 rate 07/08 (inc. inflation)	19+ rate 07/08 (inc. inflation)	Expected employer contribution 07/08
254	Land Based Service Engineering	2	C	£5,428	£2,714	50.0%	2.5%	2.5%	£5,563	£2,782	50.0%
334	Mail Services	2	H	£3,200	£1,840	42.5%	2.5%	2.5%	£3,280	£1,886	42.5%
234	Marine Industry	2	C	£5,428	£2,714	50.0%	2.5%	2.5%	£5,563	£2,782	50.0%
225	Meat and Poultry Processing	2	D	£2,971	£1,828	38.5%	2.5%	4.1%	£3,045	£1,903	37.5%
113	Metals Processing	2	D	£2,971	£1,828	38.5%	2.5%	4.1%	£3,045	£1,903	37.5%
306	Optical Advisor	2	H	£3,200	£1,840	42.5%	2.5%	2.5%	£3,280	£1,886	42.5%
227	Printing	2	D	£2,971	£1,828	38.5%	2.5%	4.1%	£3,045	£1,903	37.5%
213	Property Services	2	H	£3,200	£1,840	42.5%	2.5%	2.5%	£3,280	£1,886	42.5%
313	Public Services	2	L	£3,200	£1,994	37.7%	2.5%	2.8%	£3,280	£2,050	37.5%
278	Rail Transport Engineering	2	C	£5,428	£2,714	50.0%	2.5%	2.5%	£5,563	£2,782	50.0%
230	Security Industry	2	L	£3,200	£1,994	37.7%	2.5%	2.8%	£3,280	£2,050	37.5%
312	Sporting Excellence	2									
323	Storage and Warehousing	2	H	£3,200	£2,057	35.7%	-1.6%	-4.3%	£3,149	£1,968	37.5%
276	Textiles	2	D	£2,971	£1,828	38.5%	2.5%	4.1%	£3,045	£1,903	37.5%
206	Transport Engineering and Maintenance	2	C	£5,428	£2,714	50.0%	2.5%	2.5%	£5,563	£2,782	50.0%
330	Vehicle Body and Paint Operations	2	C	£5,481	£2,761	49.6%	2.5%	1.7%	£5,618	£2,809	50.0%
317	Veterinary Nursing	2	A	£4,114	£2,057	50.0%	2.5%	2.5%	£4,217	£2,108	50.0%

Note: Sectors listed in grey do not operate a Level 2 framework.

Table B5.2: Revised NVQ Level 3 rates for frameworks included in Phases 3 and 4 of the Apprenticeship Rates Review.

First year of phases 3 and 4											
Code	Framework	Level	Funding category	16–18 rate 06/07	19+ rate 06/07	Expected employer contribution 06/07	% 16–18 change 06/07 – 07/08	% 19+ change 06/07 – 07/08	16–18 rate 07/08 (inc. inflation)	19+ rate 07/08 (inc. inflation)	Expected employer contribution 07/08
262	Animal Care	3	A	£5,763	£3,374	41.5%	2.5%	0.7%	£5,907	£3,397	42.5%
202	Aviation	3	E	£9,408	£5,483	41.7%	-17.8%	-18.9%	£7,734	£4,447	42.5%
279	Beauty Therapy	3	K	£6,399	£3,374	47.3%	-0.1%	-0.5%	£6,395	£3,357	47.5%
282	Building Services Engineers	3	F	£6,932	£3,655	47.3%	2.5%	2.1%	£7,106	£3,730	47.5%
228	Carry and Deliver Goods	3									
103	Chemical, and Refining Industries	3	C	£11,141	£5,571	50.0%	2.5%	2.5%	£11,420	£5,710	50.0%
315	Dental Nursing	3	L	£5,485	£3,374	38.5%	2.5%	4.1%	£5,622	£3,514	37.5%
211	Electricity Industry	3	C	£11,141	£5,571	50.0%	2.5%	2.5%	£11,420	£5,710	50.0%
107	Engineering Construction	3	C	£11,141	£5,571	50.0%	2.5%	2.5%	£11,420	£5,710	50.0%
299	Farriery	3	D	£10,646	£5,981	43.8%	2.5%	4.9%	£10,912	£6,275	42.5%
244	Floristry	3	A	£5,763	£3,374	41.5%	2.5%	0.7%	£5,907	£3,397	42.5%
264	Food and Drink Manufacturing Operations	3	D	£10,646	£5,981	43.8%	2.5%	4.9%	£10,912	£6,275	42.5%
316	Game and Wildlife Management	3	A	£5,763	£3,374	41.5%	2.5%	0.7%	£5,907	£3,397	42.5%
265	Gas Industry	3	C	£11,141	£5,571	50.0%	2.5%	2.5%	£11,420	£5,710	50.0%
216	Glass Industry	3	B	£10,284	£5,142	50.0%	2.5%	2.5%	£10,541	£5,271	50.0%
248	Insurance	3	F	£6,932	£3,655	47.3%	2.5%	2.1%	£7,106	£3,730	47.5%
259	International Trade and Services	3									

Note: Sectors listed in grey do not operate a Level 3 framework.

Table B5.2: Revised NVQ Level 3 rates for frameworks included in Phases 3 and 4 of the Apprenticeship Rates Review (continued).

First year of phases 3 and 4											
Code	Framework	Level	Funding category	16–18 rate 06/07	19+ rate 06/07	Expected employer contribution 06/07	% 16–18 change 06/07 – 07/08	% 19+ change 06/07 – 07/08	16–18 rate 07/08 (inc. inflation)	19+ rate 07/08 (inc. inflation)	Expected employer contribution 07/08
254	Land Based Service Engineering	3	C	£11,141	£5,571	50.0%	2.5%	2.5%	£11,420	£5,710	50.0%
334	Mail Services	3									
234	Marine Industry	3	C	£11,141	£5,571	50.0%	2.5%	2.5%	£11,420	£5,710	50.0%
225	Meat and Poultry Processing	3	D	£10,646	£5,981	43.8%	2.5%	4.9%	£10,912	£6,275	42.5%
113	Metals Processing	3	D	£10,646	£5,981	43.8%	2.5%	4.9%	£10,912	£6,275	42.5%
306	Optical Advisor	3	H	£5,028	£3,374	32.9%	2.5%	-4.5%	£5,154	£3,221	37.5%
227	Printing	3	D	£10,646	£5,981	43.8%	2.5%	4.9%	£10,912	£6,275	42.5%
213	Property Services	3	H	£5,028	£3,374	32.9%	2.5%	-4.5%	£5,154	£3,221	37.5%
313	Public Services	3									
278	Rail Transport Engineering	3	C	£11,141	£5,571	50.0%	2.5%	2.5%	£11,420	£5,710	50.0%
230	Security Industry	3	C	£11,141	£5,571	50.0%	2.5%	2.5%	£11,420	£5,710	50.0%
312	Sporting Excellence	3	I	£5,485	£3,374	38.5%	2.5%	4.1%	£5,622	£3,514	37.5%
323	Storage and Warehousing	3	H	£5,028	£3,374	32.9%	2.5%	-4.5%	£5,154	£3,221	37.5%
276	Textiles	3	D	£10,646	£5,981	43.8%	2.5%	4.9%	£10,912	£6,275	42.5%
206	Transport Engineering and Maintenance	3	C	£11,141	£5,571	50.0%	2.5%	2.5%	£11,420	£5,710	50.0%
330	Vehicle Body and Paint Operations	3	C	£4,883	£2,941	39.8%	2.5%	6.4%	£5,005	£3,138	37.5%
317	Veterinary Nursing	3	A	£5,763	£3,374	41.5%	2.5%	0.7%	£5,907	£3,397	42.5%

Note: Sectors listed in grey do not operate a Level 3 framework.

Table B6: Summary of funding issues for frameworks included in phases 3 and 4 of the Apprenticeship Rates Review.

First year of phases 3 and 4									
Code	Framework	Rate changes by the review (including 2.5% general rates increase for 16–18 learners)			Most common progression route	NVQ funding category affected	Required proportion of funding remaining if L2 completed before L3*	Learning aim requiring reduction	
		Level 2	Level 3	Nested rate					
262	Animal Care	2.5%	2.5%		L2 to L3	A			
202	Aviation	-21.1%	-17.8%		L2 to L3	E			
279	Beauty Therapy	-9.4%	-0.1%		L2 to L3	K			
282	Building Services Engineers		2.5%		L2 to L3	F			
228	Carry and Deliver Goods	-9.8%			L2 to L3	E			
103	Chemical and Refining Industries	2.5%	2.5%	Y	Direct to L3	C	49	NVQ Level 3	
315	Dental Nursing	2.5%	2.5%		L2 to L3	L			
211	Electricity Industry	2.5%	2.5%	Y	Direct to L3	C	49	NVQ Level 3	
107	Engineering Construction	2.5%	2.5%	Y	Direct to L3	C	49	NVQ Level 3	
299	Farriery		2.5%		Direct to L3 (no L2)	D			
244	Floristry	2.5%	2.5%		L2 to L3	A			
264	Food and Drink Manufacturing Operations	2.5%	2.5%	Y	Direct to L3	D	71	NVQ Level 3	
316	Game and Wildlife Management	2.5%	2.5%		L2 to L3	A			
265	Gas Industry	2.5%	2.5%	Y	Direct to L3	C	49	NVQ Level 3	
216	Glass Industry	2.5%	2.5%	Y	Direct to L3	B	53	NVQ Level 3	
248	Insurance	2.5%	2.5%		L2 to L3	F			
259	International Trade and Services	2.5%			L2 to L3	F			

*The 'Proportion of funding remaining' (ILR field A51a) only affects on-programme payments. The achievement element will be unaffected by the reduction. The reduction for Level 3 NVQs reflects 80 per cent of the Level 2 NVQ rate.

Table B6: Summary of funding issues for frameworks included in phases 3 and 4 of the Apprenticeship Rates Review (continued).

First year of phases 3 and 4										
Code	Framework	Rate changes by the review (including 2.5% general rates increase for 16–18 learners)			Most common progression route	NVQ funding category affected	Required proportion of funding remaining if L2 completed before L3*	Learning aim requiring reduction		
		Level 2	Level 3	Nested rate						
254	Land Based Service Engineering	2.5%	2.5%	Y	Direct to L3	C	49	NVQ Level 3		
334	Mail Services	2.5%			L2 to L3	H				
234	Marine Industry	2.5%	2.5%	Y	Direct to L3	C	49	NVQ Level 3		
225	Meat and Poultry Processing	2.5%	2.5%	Y	Direct to L3	D	71	NVQ Level 3		
113	Metals Processing	2.5%	2.5%	Y	Direct to L3	D	71	NVQ Level 3		
306	Optical Advisor	2.5%	2.5%		L2 to L3	H				
227	Printing	2.5%	2.5%	Y	Direct to L3	D	71	NVQ Level 3		
213	Property Services	2.5%	2.5%		L2 to L3	H				
313	Public Services	2.5%			L2 to L3	L				
278	Rail Transport Engineering	2.5%	2.5%	Y	Direct to L3	C	49	NVQ Level 3		
230	Security Industry	2.5%	2.5%	Y	Direct to L3	C	49	NVQ Level 3		
312	Sporting Excellence		2.5%		L2 to L3	I				
323	Storage and Warehousing	-1.6%	2.5%		L2 to L3	H				
276	Textiles	2.5%	2.5%	Y	Direct to L3	D	71	NVQ Level 3		
206	Transport Engineering and Maintenance	2.5%	2.5%	Y	Direct to L3	C	49	NVQ Level 3		
330	Vehicle Body and Paint Operations	2.5%	2.5%		L2 to L3	C				
317	Veterinary Nursing	2.5%	2.5%		L2 to L3	A				

*The 'proportion of funding remaining' (ILR field A51a) only affects on-programme payments. The achievement element will be unaffected by the reduction. The reduction for Level 3 NVQs reflects 80 per cent of the Level 2 NVQ rate.

Annex C:

Level 3 GNVQ

Successor Figures

Source: 2005/06 FE ILR F04 (November 2006)

Figure C1: 18 unit Level 3 GNVQ successor: Average glh 2005/06.

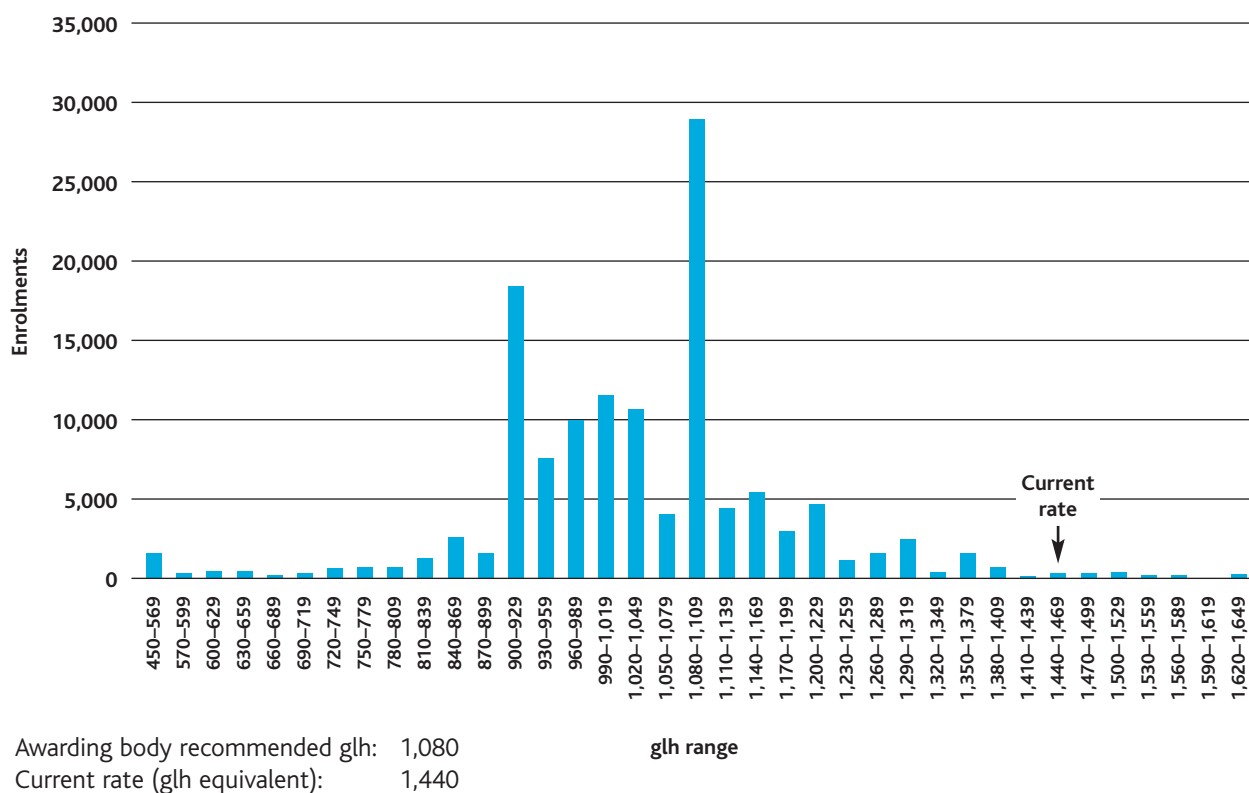


Figure C2: 12 unit Level 3 GNVQ successor: Average glh 2005/06.

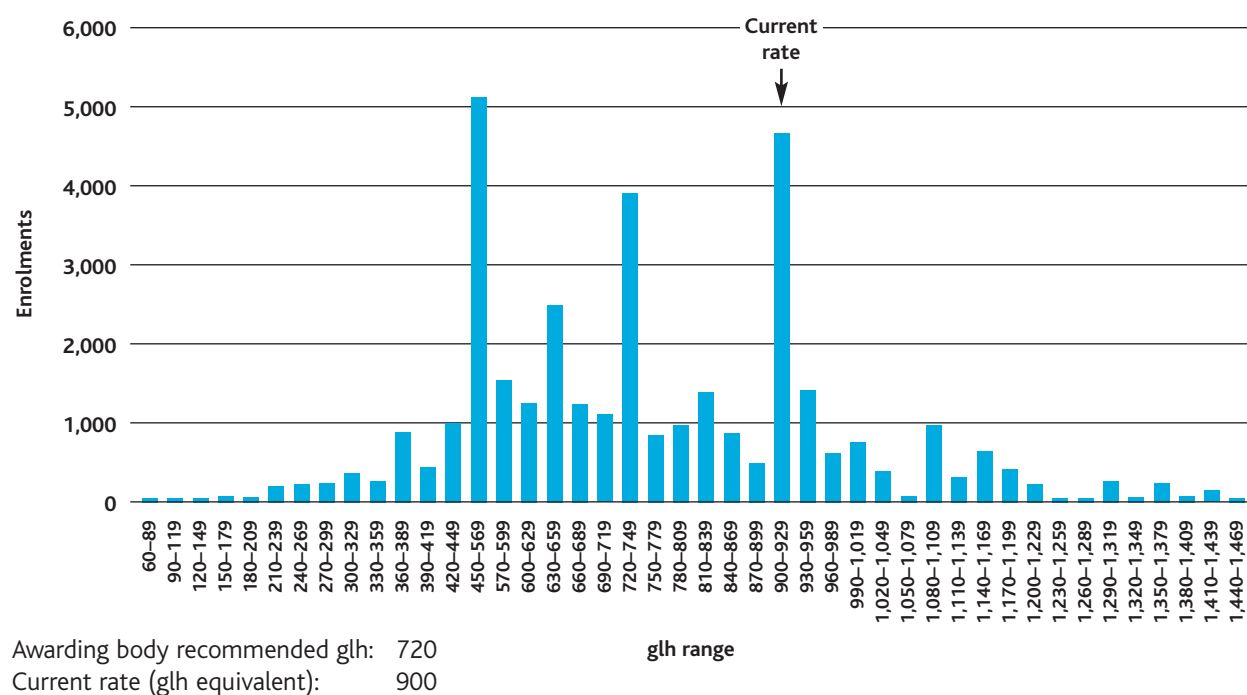
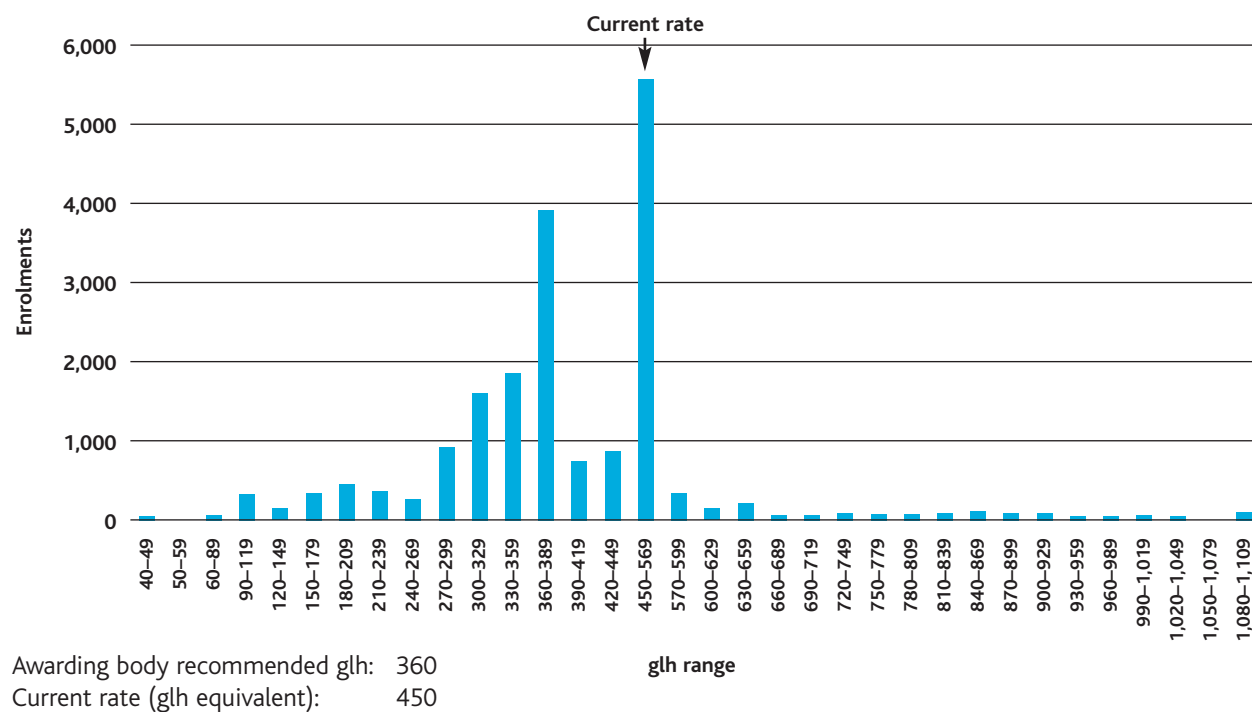


Figure C3: 6 unit Level 3 GNVQ successor: Average glh 2005/06.



Annex D:

First Full Level 3 Entitlement for Those Aged 19 to 25

- 1 This annex details the arrangements for implementing the first full Level 3 entitlement for those aged 19 to 25 studying through the FE funding route. There are separate arrangements for funding Advanced Apprenticeships; these will continue to be free to the young person, though the employer will be expected to contribute to costs, as at present.

Background

- 2 In many other countries, more young adults achieve Level 2 and 3 qualifications between the ages of 19 and 25. In this country, by contrast, there is at present a sharp divide at the age of 19. The proportion of young people in the UK staying on in education post-16 is low: the UK ranks 20th out of 29 developed nations. We lag well behind France and Germany in the proportion of our young adults achieving a Level 3 qualification in their early 20s. At present in Britain education is free up to 19 but not thereafter (except for certain priority groups, such as Skills for Life and basic employability skills provision). The UK therefore has fewer 19–25 year olds improving their qualifications than on the continent, where education in public colleges is free irrespective of age. Introducing free tuition for a first full Level 3 will help to address this problem and build on the existing entitlement to free tuition towards a first full Level 2 qualification for adults aged 19 and over.
- 3 Most 19 to 25 year olds are more likely than older learners to want to study full time and less likely to have an independent full-time source of income to cover the cost of fees. It is therefore also important that young adults seeking to progress towards

achieving a first full Level 3 are not penalised by the increase in fees to around 50 per cent by 2010.

Aims and objectives

- 4 The entitlement is being introduced to encourage young adults, particularly those from disadvantaged backgrounds, to continue studying until they achieve a first full Level 3. This will increase the number of adults with a full Level 3 qualification, improving their life chances, social mobility and contribution to the economy through productive employment.
- 5 To support the introduction of the entitlement, Sector Skills Councils will identify in their Sector Qualification Strategies those Level 3 qualifications they consider to be most valuable. This will help learners to choose Level 3 qualifications that are economically beneficial.
- 6 The key aims of the entitlement are to:
 - provide free full Level 3 tuition for learners from age 19 up to age 25 across England
 - reduce the discontinuity within the funding arrangements that exist for young adults
 - provide seamless progression to a full Level 3 from age 14 through to age 25
 - create a new, integrated package of support for young adults continuing their initial education to Level 3
 - give young adults, particularly disadvantaged young people, an opportunity to prepare themselves for success in life through the education and training system.

7 The objectives of the entitlement are to:

- increase the numbers of 19 to 25 year olds entering full Level 3 learning
- increase the numbers of disadvantaged young adults entering full Level 3 learning
- increase the number of young people progressing to higher-level learning after completing a full Level 3.

The entitlement

- 8 The entitlement provides free tuition for adults aged 19 but under 25 to pursue their first full Level 3 qualification through either full-time or part-time provision. This entitlement, together with the Adult Learning Grant (ALG) package, will reduce the discontinuity within funding arrangements that currently exists for young adults. It recognises that many young people complete their initial education in their early 20s and provides for seamless transition from 14 through to 25.
- 9 It is worth noting that an eligible adult learner who is over 25, who does not already have a full Level 2 qualification and who commits to a full Level 3 course would qualify for the entitlement to free tuition through the Level 2 entitlement. Should a learner who is under 25, and who has not already achieved a full Level 2, be commencing a full Level 3 programme, then they will do so under this entitlement, not the Level 2 entitlement.
- 10 This entitlement does not guarantee the availability of a learning place in a chosen subject at any one further education college or provider, but it is a general exclusion from paying tuition fees. The entitlement protects young adults seeking to achieve their first full Level 3 qualification from the increase in fees to 50 per cent by 2010 that they would otherwise have to pay.
- 11 The LSC is currently arranging trials of another White Paper commitment – Learner Accounts – which will provide an incentive to achieve a full Level 3 qualification; in 2007/08 eligible learners in trial areas may access their Level 3 entitlement through a Learner Account.

Eligibility

12 The entitlement applies to learners who:

- are aged 19 but not yet 25 when they start the learning programme **and**
- meet the standard LSC eligibility criteria, which can be found at the link below **and**
- have not yet achieved a full Level 3 qualification (for clarity it is not necessary to have already achieved a full Level 2) **and**
- are assessed by the college/provider as having the ability and aptitude to complete a full Level 3 programme **or**
- meet the criteria above and are part way through a qualifying qualification and are commencing a new phase of the qualification for which they would have to pay fees in autumn 2007.

- 13 LSC Funding Policy internet site:
www.lsc.gov.uk/Providers/funding-policy

Eligible qualifications

- 14 To be eligible for the entitlement, an eligible learner must be working towards one of the following qualifications identified as eligible for funding by the LSC on the LSC's Learning Aims Database (LAD):
 - a full Level 3 qualification, that is a qualification equivalent in size and breadth to two GCE A-levels or an NVQ at Level 3;
 - a Level 3 qualification that, if achieved, would mean the learner has reached the full Level 3 threshold
 - a Level 3 qualification that forms part of a full Level 3 qualification programme and would contribute to the achievement of a full Level 3
 - a full Level 3 qualification studied as part of the second phase Qualification and Credit Framework trials which meets the agreed Level 3 design principles.
- 15 Level 3 qualifications that do not directly contribute to the achievement of a first full Level 3 are specifically excluded from the entitlement. To enhance the contribution further education makes to productivity and the economy, sector skills

councils will identify the qualifications employers judge will enhance productivity best, so that learners can be advised accordingly. Increasingly, only these qualifications will be funded by the LSC and therefore the entitlement will progressively only cover these qualifications.

- 16 The following are examples of qualifications of full Level 3 status:

- NVQs at Level 3
- two or more A-levels, including vocational A-levels
- one or more A-level double awards
- Access to HE certificate (regulated by QAA)
- OCR National Diplomas and Extended National Diplomas
- Edexcel National Certificates and National Diplomas
- International Baccalaureate

- 17 It should be noted that four AS-level qualifications are not regarded as equivalent to a full Level 3 and that AS-level qualifications are eligible within the entitlement only where they form steps towards the achievement of two or more A-levels. Should a learner be taking a qualification that is not a full Level 3, then they are to clearly indicate their intention to achieve a full Level 3 qualification; this could be done effectively through the self-declaration statement outlined in paragraph 19 below.

- 18 The LAD contains classifications to indicate full Level 3 qualifications and the contribution other qualifications make towards a full Level 3. These can be found on the 'shared' tab of the database in the 'Level 3 category' and 'Level 3 percentage' fields. The LAD can be accessed via the following link: <http://providers.lsc.gov.uk/lad/default.asp>

Level 2 entitlement. The declaration must clearly state that the learner has not already achieved a full Level 3. It must also confirm the learner's intention to complete a full Level 3 qualification. The provider is responsible for ensuring the learner understands the definition of a full Level 3. It is recommended that a checklist of the main full Level 3 qualifications is provided to prompt the learner and avoid misunderstandings. For guidance a sample declaration is:

'I confirm that all the information on this form is correct and I declare that I do not already have a full Level 3 or higher qualification. I confirm that I intend to continue my learning programme to achieve a full Level 3 qualification. I understand that if I have declared false information action may be taken to reclaim the tuition fees and any associated costs from me.'

Completing the ILR

- 20 The LSC is planning on utilising the prior attainment field on the ILR (L35) to validate the Level 3 entitlement together with field A14 (the reason for full or partial non-payment of tuition fees). This will ensure that only those learners entitled to a free first full Level 3 qualification attract fee remission. It is essential that these two fields are correctly completed for any learner being granted fee remission as part of this entitlement. It is not acceptable to enter 'not known' in field L35 when claiming the entitlement as it is a requirement that the learner's prior attainment is established and a declaration signed to be entitled to the fee remission. Further guidance on completion of the ILR can be found at the following link: www.lsc.gov.uk/Providers/Data/Datacollection/ILR/

Self-declaration

- 19 As there is currently no reliable electronic method of identifying a learner's eligibility for the Level 3 entitlement, the LSC requires that colleges or other providers obtain a self-declaration of eligibility. To avoid unnecessary bureaucracy, it is acceptable for providers to include the eligibility for the Level 3 entitlement as part of their normal enrolment documentation in line with the process used for

Learning and Skills Council
National Office

Cheylesmore House
Quinton Road
Coventry CV1 2WT
T 0845 019 4170
F 024 7682 3675
www.lsc.gov.uk

© LSC January 2007
Published by the Learning and Skills Council

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 Learning and Skills Council website:
www.lsc.gov.uk

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

Publication reference: LSC-P-NAT-070012