LSC Funding Guidance 2008/09

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Introduction
1 This paper sets out the LSC approach to writing the LSC Funding Guidance for 2008/09. The new demand-led funding systems being introduced in 2008/09 together with the reductions and revisions to funding streams for 2008/09 mean there will be some significant changes to previous years guidance.

Background
2 The guidance is being written for 2008/09 as a single set of guidance for providers rather than the previous approach of writing individual funding guidance documents for each particular funding stream. For providers delivering activity across all or most of the LSC funding models this should both reduce the volume of guidance and ensure that those managing and delivering programmes have to adhere to a single set of rules, regulations and guidance.
3 This approach was trialled in 2007/08 with the introduction of a common set of learner eligibility rules and guidance for all LSC programme funding streams in document LSC learner Eligibility Guidance 2007/08. All the various individual learner eligibility rules in each funding streams funding guidance were harmonised into a single guidance set for providers and this approach was welcomed by most providers, especially by those provider staff with responsibility for assessing learner eligibility. For 2008/09 this new approach will be extended to most of the rules, regulations and guidance over learner provision delivery.
4 The LSC Funding Guidance for 2008/09 will consist of 5-6 documents that will be published as a series of booklets during the Spring and Summer terms 2008. Each document will be available as they are published on the LSC website and they will all then be printed and distributed in July 2008.
5 It is expected the final printed versions will only differ from the draft documents to correct for editing and proofing errors and to take account of any late policy or administrative changes. After July 2008 any further amendments will be published in a single Addendum document available only from the LSC website from August 2008 onwards.

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6 LSC Funding Guidance 2008/09 will be published as the following separate documents, listed in order of expected publication:

   a  Funding Rates 2008/09 *
   b  Funding Formula 2008/09 *
   c  Funding Principles, Rules and Regulations for 2008/09
   d  Learner Eligibility Guidance 2008/09
   e  Funding Compliance Advice and Audit Guidance for Providers 2008/09
   f  Funding Claims and Audit Returns 2008/09
   g  Addendum to Funding Guidance 2008/09#

* the first two may be merged later in year as a printed publication
! the first document is already published and available on LSC website
# this will only be published on LSC website during 2008/09 to update any of the above documents as necessary during the year and will not be printed by the LSC.

7 The documents are being written so the relevant information is together in one document. For example, all funding rates are now published in a single document rather than the previous practice of finding funding rates published as Annexes in several different documents. The following paragraphs will explain briefly what is in each different document.

8 **Funding Rates** this document will set out all the LSC funding rates for provision and will include both the national funding rate for each LSC funding model and the SLN values for all listed provision. It also explains briefly the concept of unlisted provision which needs to be applied to provision that has not been listed.

9 **Funding Formula** this document will explain how the new funding formula works across all LSC provision whilst also explaining the individual interpretation and differences for each of the new funding models. It is likely this booklet will be combined with the first one for final printing purposes.
10 **Funding Principles, Rules and Regulations** this document will set out most of the LSC definitive guidance on programme delivery. In 2008/09 both the LSC and all our providers are facing major changes to the funding formula methodology so the intention is that the rules and regulations currently in place for 2007/08 will be rolled over for 2008/09. The only major change will be the simplification often requested by the sector in harmonising the previous rules (principally in FE, WbL and Train to Gain) into a single set of rules and regulations. This is expected to be the largest individual document within the umbrella *LSC Funding Guidance 2008/09*.

11 **Learner Eligibility Guidance** this document replaces its predecessor document in 2007/08 and no policy change is expected to the main rules for 2008/09.

12 **Funding Compliance Advice and Audit Guidance for Providers** this document replaces the current *FE ILR Funding Compliance Advice 2007/08* and is expected to be substantially the same as that document for 2008/09. This document has been used by the LSC for both FE and other funding streams and reflects the LSC intention to set simple compliance rules for the delivery of provision and avoid some of the bureaucracy in the older funding guidance audit methodology introduced by the FEFC. The LSC now issues separate audit guidance to external audit firms which are published on the LSC website within the Data Self Assessment Toolkit (DSATs). The guidance to auditors is over the work and sampling they should do rather than any compliance rules for providers which are published in the compliance advice document.

13 **Funding Claims and Audit Returns** this document replaces the current *FE ILR Funding Estimate/Claim 2007/08*. The new document will reflect the new methodology but will be in spirit and intention in keeping with the previous year document. All funding and audit returns expected in 2008/09 will be included in this document and will be labelled “For action” unlike all the other documents that will be labelled “For information”. It is intended that wherever possible returns will be made available in the most suitable format, such as making funding claim returns available as excel workbooks to simplify any mathematical calculations (mainly adding up!).

14 **Addendum to LSC Funding Guidance 2008/09** this document like the previous Addendums to FE Funding Guidance will only be published on the LSC website as it will remain a “live document” through the year. It will include all and any additional or changed guidance for all the above documents. It is expected and hoped that this will be a small and thin document.
Publication

15 All the documents will be grouped together on the LSC website to make access to them as easy as possible.

16 The documents are being published on the LSC website first so that any errors or omissions can be corrected before expensive printing is commenced. As the guidance needs substantial amendment for 2008/09 this is likely to mean final documents will have a number of small corrections to first web publications but the LSC will not engage in any major rewriting of any individual document once it is published. This will include any comments and corrections from the professional editors employed by the LSC (under the COI contract) in final proof reading processes for printing publications.

17 The documents will be printed and distributed together as has been the case in the last two years with the various FE and WBL funding guidance and related documents.

18 The documents have been referred to as documents as the LSC printers insist this is the correct terminology for these documents which might also be referred to as booklets.

19 A simple presentation on the document and approach has already been given to the sector on the principles outline in this paper.

20 This paper explains the approach and broadly sums up the various documents that will form part of LSC Funding Guidance 2008/09.

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