Addendum to Funding Guidance for Further Education in 2007/08

Version 1

Date: August 2007

Executive Summary

Purpose

This document is an update to the Funding Guidance for Further Education in 2007/08, published by the LSC in March 2007, and should be read in conjunction with the Guidance.

The purpose of this document is to:

- clarify some points of Guidance where necessary; and
- correct any typographical errors in the Guidance.

This document does not detail all the changes in funding policy in 2007/08. For this purpose read the Guidance and the associated documents identified in the executive summary thereof.

Intended Recipients

Principals, chief executives, chief education officers, heads of providers, finance directors, management information officers of providers delivering further education and any other readers of the Funding Guidance for Further Education in 2007/08.
Addendum to Funding Guidance for Further Education in 2007/08

Clarification of policy

Fee remission
1 Paragraph 131 lists the categories of learners that are entitled to fee remission. As referred to in paragraph 308, offenders on day release from Category D prisons are also entitled to fee remission.

Access to Higher Education
2 Paragraphs 199 to 205 of the Guidance give information on Access to HE provision. In addition to the Access to HE, a learner’s programme may include other separate and distinct learning provided it is part of a coherent programme of learning.
3 Pre-Access to HE programmes are not recognised within the QAA Access Recognition Scheme. The LSC does not normally expect to fund such programmes separately where the provision is wholly or substantially the same as that which is available on a provider’s Access to HE Diploma programme.

Qualifications and Credit Framework Tests and Trials
4 Paragraph 267 states that a key part of the UK Vocational Qualification Reform Programme is the development of the Qualifications and Credit Framework (QCF). The LSC is committed to supporting the QCF tests and trials which began in 2006/07 and will continue in 2007/08.
5 To be eligible for public funding the trial proposals had to evidence:
   • support from Sector Skills Councils (SSCs).
   • alignment with LSC targets and priorities; and
   • support of enhanced achievement and progression of adult learners.
6 The eligibility of provision for funding does not however guarantee funding. Providers will need to agree any funding with their LSC partnership team. The trials have been identified as priority provision for public funding within existing LSC funding streams and agreed allocations and no additional money is available to the LSC specifically to support the QCF tests and trials.
7 The majority of QCF tests and trials provision should either displace existing provision delivered by a provider in the relevant sector or displace other low priority provision.
8 Qualifications delivered as part of the second phase which meet the agreed Level 2 design principles will be treated as a full Level 2.
9 As 2007/08 is a transitional year before the introduction of demand-led systems in 2008/09, and because the QCF is still at a developmental stage, the funding for the QCF tests and trials will operate within the existing funding
methodology and guidance, including the fees policy and existing learner eligibility rules.

10 Further information on the tests and trials is available on the LSC website (http://qfr.lsc.gov.uk).

**Units delivered as additionality**

11 Paragraph 285 should read as follows:

   285 The LSC will cease to fund additional or optional units beyond the minimum required to achieve a qualification (as set by the awarding body). This includes funding of optional units in order to achieve a second pathway within a qualification.

12 Additional or optional units delivered as part of a full-time 16-18 year old learner's programme are eligible for funding if they are part of a coherent programme. Examples of this include A-levels with multiple endorsed routes or an additional unit that has been clearly identified for progression to HE.

13 The additional NVQ unit codes will remain on the Learning Aim Database, however, providers can only use them with the approval of their LSC partnership team.

**Additional uplift for offenders in the community**

14 Paragraphs 306 and 307 give details on the commissioning of LSC-funded providers to deliver Skills for Life provision to offenders serving their sentence in the community.

15 The Learning Skills Network was commissioned to carry out research into the costs of providing education to these learners. As a result of the findings, the funding for these learners will be enhanced by 33 per cent, in addition to the 12 per cent disadvantage uplift. The uplift will be applied automatically to those offenders serving their sentence in the community that are studying either an approved Skills for Life qualification (excluding key skills and GCSEs) or a non-approved Entry Level Skills for Life qualification. Providers should identify all offenders in the community by using code 86 in field A46 of the ILR. Offenders on day release from Category D prisons are not eligible for the uplift.

**Skills for Life**

**ESOL provision – Race Equality Impact Assessment**

16 Paragraph 368 states that a Race Equality Impact Assessment (REIA) was undertaken to determine whether the removal of automatic fee remission from ESOL provision would have an adverse impact on any particular ethnic groups.

17 The REIA reported on 26 March 2007. It highlighted that the removal of automatic fee remission for ESOL provision could have a negative impact and disadvantage two specific learner groups: spouses and low paid workers. In response to the findings of the REIA, the minister announced 12 new measures. Full details of the measures are outlined in the full report.
the concerns of the REIA.

- An additional £4.6m in 2007/08 for Discretionary Learner Support funds to support vulnerable learners, including spouses and low-paid workers. Further guidance on learner support funds is available on the LSC website (http://readingroom.lsc.gov.uk/lsc/National/nat-discretionary-lsc-guidance-0708.pdf)
- Reinstatement of the eligibility for further education funding for asylum seekers without a decision after 6 months; and
- Reinstatement of the eligibility for further education funding for asylum seekers unable to leave the country for reasons beyond their control.

These new measures have been incorporated into the LSC Learner Eligibility Guidance for 2007/08. This is the authoritative guidance for learner eligibility across the LSC funding streams for 2007/08 and is available on the LSC website (http://readingroom.lsc.gov.uk/lsc/National/LSC_learner_Eligibility_Guidance_2007-08-Final.pdf).

International ESOL

In addition to the ESOL for work qualifications referred to in paragraph 369, there will also be a suite of international ESOL qualifications. These qualifications are different to ESOL for Work and intended primarily for the overseas market and for those who want or need an internationally recognised qualification. They will be ineligible for public funding and providers will be expected to charge full cost. The one exception to this is the International English Language Testing System (IELTS) band 6/7 which will continue to be eligible for public funding at programme weighting 1.0.

Skills for Life PSA target

There have been no changes to the calculation of the Skills for Life PSA target in 2007/08. When a learner achieves one of the following qualifications, they will continue to count once to the PSA target.

GCSEs:
- GCSE English (A*- C: Level 2, D-G: Level 1)
- GCSE Maths (A*- C: Level 2, D-G: Level 1)

Key Skills:
- Key skills in communication (Level 1 and Level 2)
- Key skills in application of number (Level 1 and Level 2)

Adult Basic Skills qualifications:
- Certificate in Adult Literacy (Entry Level 3, Level 1 and Level 2)
- Certificate in Adult Numeracy (Entry Level 3, Level 1 and Level 2)
- Certificate in ESOL Skills for Life (Entry Level 3, Level 1 and Level 2)

Table 8 has been updated to outline which adult basic skills provision continues to count towards the Skills for Life PSA target of improving the basic skills levels of 2.25 million adults by 2010.
Table 8: Funding for adult basic skills in literacy, numeracy and ESOL

<table>
<thead>
<tr>
<th>Level</th>
<th>Approved qualifications</th>
<th>Non-approved learning aims</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-entry</td>
<td>1.4 weighting automatic fee remission</td>
<td>1.4 weighting automatic fee remission</td>
</tr>
<tr>
<td>/Entry</td>
<td>counts towards target at Entry Level 3 only</td>
<td>does not count towards target</td>
</tr>
<tr>
<td>1</td>
<td>1.4 weighting automatic fee remission</td>
<td>1.0 weighting no automatic fee remission</td>
</tr>
<tr>
<td></td>
<td>counts towards target</td>
<td>does not count towards target</td>
</tr>
<tr>
<td>2</td>
<td>1.4 weighting automatic fee remission</td>
<td>1.0 weighting no automatic fee remission</td>
</tr>
<tr>
<td></td>
<td>counts towards target</td>
<td>does not count towards target</td>
</tr>
</tbody>
</table>

**ESOL**

<table>
<thead>
<tr>
<th>Level</th>
<th>Approved ESOL Skills for Life qualifications</th>
<th>Non-approved learning aims</th>
<th>ESOL for work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-entry</td>
<td>1.4 weighting no automatic fee remission</td>
<td>1.4 weighting no automatic fee remission</td>
<td>1.0 weighting no automatic fee remission</td>
</tr>
<tr>
<td>/Entry</td>
<td>counts towards target at Entry Level 3 only</td>
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</tr>
</tbody>
</table>

**Functional skills**

Functional skills qualifications are to be piloted in 2007/08 and will be funded at the same rate as key skills. The funding for functional skills qualifications is included within the agreed 2007/08 allocations as it is expected that they will displace existing provision. For 16-18 year olds on a full-time programme, the per pupil entitlement funding will include an element for covering access to key and functional skills. Further information is available on the QCA website [http://www.qca.org.uk/qca_6066.aspx](http://www.qca.org.uk/qca_6066.aspx)
Corrections to typographical errors

23  The hyperlink within paragraph 115 to the listed rates briefing note should be: http://readingroom.lsc.gov.uk/lsc/National/AllocatedListedFundingRates2.pdf

24  The hyperlink within paragraph 231 to the list of GNVQ successor briefing note should be: http://readingroom.lsc.gov.uk/lsc/National/GNVQSuccessorQualifications.pdf

25  Table H1, Example of the maximum funding per learner in operation, includes an error. Paragraph 187 states that the effects of the maximum funding per learner are calculated on national base rates, that is, before any programme weighting factor is applied. The programme weighting for “individually listed aim 3” is incorrectly included in the base rates within the table. Table H1 should read as follows:
<table>
<thead>
<tr>
<th>Aim</th>
<th>Base rate period 1</th>
<th>Base rate period 2</th>
<th>Base rate period 3</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>NVQ</td>
<td>£1,017.33</td>
<td>£1,017.33</td>
<td>£1,017.33</td>
<td>Base rate for an individually listed full-time NVQ with start and end dates in the same year</td>
</tr>
<tr>
<td>Individually listed aim 1</td>
<td>£135.83</td>
<td>£135.83</td>
<td>£135.83</td>
<td>Individually listed aim (at £407.48) crossing three census periods in the same year</td>
</tr>
<tr>
<td>Individually listed aim 2</td>
<td>£83.38</td>
<td>£83.38</td>
<td></td>
<td>Individually listed aim (at £166.76) crossing two census periods in the same year</td>
</tr>
<tr>
<td>Individually listed aim 3</td>
<td>£250.75</td>
<td>£250.75</td>
<td>£250.75</td>
<td>Loadbanded aim (140 glh at £752.26) crossing three census periods in the same year</td>
</tr>
<tr>
<td>Base rate total per period</td>
<td>£1,487.29</td>
<td>£1,487.29</td>
<td>£1,403.91</td>
<td>Total unweighted base rate for each period</td>
</tr>
<tr>
<td>Maximum funding per learner lower limit</td>
<td>£1,196.00</td>
<td>£1,196.00</td>
<td>£1,196.00</td>
<td>Threshold where maximum funding per learner starts to restrict funding</td>
</tr>
<tr>
<td>Amount above threshold</td>
<td>£291.29</td>
<td>£291.29</td>
<td>£207.91</td>
<td>That part of the unweighted national base rate above the threshold – the difference between the base rate per period and the maximum funding per learner lower limit</td>
</tr>
<tr>
<td>Reduced amount above threshold</td>
<td>£194.19</td>
<td>£194.19</td>
<td>£138.61</td>
<td>Amount retained above threshold (two-thirds of the amount above threshold)</td>
</tr>
<tr>
<td>Final base rate value</td>
<td>£1,390.19</td>
<td>£1,390.19</td>
<td>£1,334.61</td>
<td>The final national base rate value per period. Note that the value can be different in different periods in the same year, due to the start and end dates of individual aims.</td>
</tr>
<tr>
<td>Maximum funding per learner factor</td>
<td>0.93472</td>
<td>0.93472</td>
<td>0.95064</td>
<td>The maximum funding per learner factor for each period. The maximum funding per learner factor is the reduced value divided by the base rate total per period.</td>
</tr>
</tbody>
</table>
Paragraph 17 of Annex M gives examples of qualifications that are of full Level 3 status. The second bullet point should read as follows.

- two or more A-levels, including vocational A-levels.

The first sentence of paragraph 18 of Annex M should read as follows.

- It should be noted that, for the purpose of the entitlement, 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.