Addendum to FE ILR Funding Estimate/Claim 2007/08

8 February 2008

Executive Summary

Purpose

This document is an update to the FE ILR Funding Estimate/Claim 2007/08, published by the LSC in July 2007.

The sole purpose of this addendum and the requested DLC report is to assist both colleges and other providers and the LSC in accurately profiling the adult learner responsive model funding allocations for 2008/09.

The purpose of this document is to:

- Explain the purpose of the Demand Led Calculator (DLC) report for 2007/08
- Explain the use of the report to both the LSC and providers

This addendum was referred to in paragraph 6 of the main document.

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 and companion documents.
Addendum to FE ILR Funding Estimate/Claim 2007/08

Additional DLC report 2007/08

1 In paragraph 6 of the main document FE ILR Funding Estimate/Claim 2007/08 the LSC stated that further guidance would be issued during 2007/08 in respect of information needed for adult learner responsive funding reconciliation arrangements in 2008/09.

2 The LSC has made available to all FE providers the Demand Led Calculator (DLC) with a report that translates 2007/08 activity into 2008/09 funding output information. This report in the DLC is available from the LSC website at: http://www.lsc.gov.uk/providers/Data/Software/DLC. A quick reference guide which explains how to use the software and how to generate the SLN report is available at http://readingroom.lsc.gov.uk/lsc/National/nat-quickreference-ug-dlc-v1-0-1june2007.pdf

3 For adult learner responsive funding in 2008/09 providers are going to be required to agree a mid-year profile of their 2008/09 allocation. The LSC has now decided that this final profile does NOT need to be agreed between providers and the LSC until whole year 2007/08 data is available. To simplify the current adult learner responsive allocation discussions for 2008/09 a default sector profile will now be used until at least December 2008.

4 The LSC recognise that these new profiles in the new funding methodology may be hard to accurately predict at this time. In view of the serious potential financial consequences to both providers and the LSC if the profiles are incorrect for 2008/09, the LSC wishes to establish in 2007/08 the actual profiles so both the LSC and providers can have an informed debate in December 2008 and January 2009 before the final mid-year profiles for 2008/09 are agreed.

5 In the adult learner responsive funding model for 2008/09, this figure is intended to then be used for the mid-year funding reconciliation payment adjustments in 2008/09 which will be fully explained in LSC Funding Guidance 2008/09 and in the document LSC Funding Estimates/Claims 2008/09.

6 The LSC now intends the return date for mid-year estimates in 2008/09 to be the same as the ILR F02 return date of 16 February 2009. The equivalent date in 2007/08 is the 18 February 2008.

7 The actual SLN profile for 2007/08 should be helpful in agreeing the 2008/09 profile later this year for use in mid-year reconciliation of adult learner responsive provision.

8 It is going to be helpful in December 2008 if a DLC report for 2007/08 is available for:
   • 18 February (matching the 2008/09 return date)
   • 29 August (matching 2007/08 end-year return)
   • 28 November (matching final claim and F05 return dates)
The LSC intend to calculate 2007/08 SLN profiles in December 2008 based on FE ILR F05 (2007/08) returns and where available the above DLC returns made by providers during 2007/08. This information will then be shared with providers in December 2008 before the final profiles for 2008/09 are confirmed for actual reconciliation in 2008/09. All providers wishing to agree any alternative profile to the LSC calculated FE ILR F05 2007/08 figures will be expected to use the above reports in accordance with the timetable above.

LSC recognise that these new profiles in the new funding methodology may be hard to accurately predict at this time. In view of the serious potential financial consequences to both providers and the LSC if the profiles are incorrect for 2008/09, the LSC wishes to establish in 2007/08 the actual profiles so both the LSC and providers can have an informed debate in December 2008 and January 2009 on the final mid-year profiles for 2008/09.

In-year estimates for 2007/08

To assist in consistency between returns, the return date for 2007/08 in-year funding estimate return is now extended to 18 February 2008 for providers yet to make their 2007/08 returns.

Calculating mid-year profiles for 2008/09

Mid-year profiles for 2008/09 will be recorded and calculated as set out below.

Either the FE ILR F05 2007/08 and/or where available the 2007/08 DLC reports will be used to agree the mid-year profile for providers adult learner responsive 2008/09 funding allocations in December 2008 and January 2009.

Where available, and in accordance with the timetable for funding returns in 2007/08, the LSC will use the 2007/08 new DLC funding report to establish in 2007/08:

- actual SLN numbers at the end of January 2008 (18 February return)
- actual SLN numbers at Year End Return (29 August return)
- actual SLN numbers at Year End Return (28 November return)

The LSC will calculate from provider DLC funding reports:

- in September 2008 SLN profile In-Year/End Year
- in December 2008 SLN profile In-Year/Final
- in December 2008 from ILR F05 (2007/08), SLN profile using ILR data to determine learners started or on programme by 31 January 2008.

The LSC will inform providers of these calculated profiles for 2008/09 mid-year reconciliation in December 2008 and January 2009 before any reconciliation adjustments for 2008/09 are calculated in 2009.