Briefing note

Demand-led Funding – Employer Responsive Model, Transitional funding arrangements and Level 4 Qualifications in 2009/10

Date of issue       June 2009
LSC office         National Office
Publication intent External

Audience
1 Providers delivering Employer Responsive provision.
2 LSC Provider Financial Assurance teams.

Purpose
3 This briefing note is designed to clarify the position of level 4 qualifications within the Employer Responsive model in respect of the eligibility of learners and the funding arrangements in 2009/10.
4 This note deals with carry over learners who started their NVQ level 4 qualifications prior to 1st August 2009, received transitional funding in 2008/09 and are continuing in learning in 2009/10.
5 The briefing note also deals with learners who wish to follow a level 4 qualification under Train to Gain starting in 2009/10.

Carry over Learners from 2007/08 into 2009/10
6 Learners who started prior to 1st August 2008 and were eligible for transitional funding arrangements in 2008/09 will continue to do so for any learning and achievement in 2009/10.

Carry over learners who started in 2008/09 into 2009/10
7 Learners who started after 1st August 2008 but before 31st July 2009 and were eligible for transitional funding arrangements in 2008/09 will continue to do so for any learning and achievement in 2009/10.
Funding for learner who started before 2009/10

8 Only learners who were eligible for transitional funding in 2008/09 will be eligible for transitional funding in 2009/10. See http://readingroom.lsc.gov.uk/lsc/National/Employer_Responsive_Model_and_level_4_qualifications_0809.pdf.

9 Learners who started their learning aim prior to 1st August 2008 will continue to receive funding based on the 2007/08 rate for the aim as listed in the Learning Aims Database, http://providers.lsc.gov.uk/lad/default.asp.

10 Learners who started in 2008/09 will be funded based on the midpoint between the 2007/08 rate and the current rate for the year.

11 All level 4 qualification provision is co-funded and had an expected employer contribution of 42.5% of the funding rate in 2008/09 and 47.5% in 2009/10.

12 All level 4 provision, in common with all provision, will be subject to criteria on quality and success. Regional and Partnership teams can restrict the delivery where it is deemed that the learner is not being delivered quality provision.

13 Providers will work within their financial and volume budgets that are agreed. The entitlement to Transitional Funding is not guaranteed to be paid as sits within the Maximum Contract Value.

Funding 2009/10

14 All new starts in 2009/10 will be funded at the national rate as listed on the Learning Aim Database.

15 Learners on transitional rates, that is, learners who started prior to 2008/09 and those who started in 2008/09, will continue to be funded on their respective transitional rates. They will stay within the same funding streams as they were in 2008/09 until July 2010. Further guidance will be issued in 2009/10 once funding arrangements are known for 2010/11.

16 Funding will be subject to the agreed financial and volume budgets agreed by providers with regional and partnership teams.

Apprenticeships

17 This briefing note does not apply to Apprenticeships where Higher Level Apprenticeship have been developed by Sector Skills Councils that include as part of the framework a NVQ level 4 qualification.

Train to Gain SME flexibilities

18 This briefing note does not apply to learners who are following units of level 4 qualifications under the SME flexibilities.
ILR code A51a

19 Where the provider has used A51A to reduce the amount of funding applicable to the learning aim then the calculation of the transitional funding should also use the same percentage.

NVQ Level 4 in Accounting (AAT)

20 AAT NVQ level 4 in Accounting is not part of an apprenticeship, but has been delivered as a progression from the Advanced Apprenticeship within Work-based Learning (WBL) prior to 2008/09. This qualification is not delivered in the work place but in the classroom with an examination at the end of learning. Although work-based projects may be completed by learners no work-based assessments are carried out.

21 In view of the mode of delivery it has been decided that this qualification will be available to be funded through the Adult Learner Responsive model from 2009/10 subject to negotiations on allocations. During 2008/09 there will be a period of transition where the funding for this qualification will be funded based on the prior funding models used. For providers where this was delivered through FE they will be funded using Adult Learner Responsive funding. Providers who used Work-based Learning will use Employer Responsive funding in 2008/09. Where a provider has both Employer and Adult Learner Responsive funding the provider is expected to fund this qualification through the Adult Learner Responsive model.

22 In 2009/10 learners who started and were funded through the Employer Responsive Model in 2008/09 will continue to be funded through that funding model until the end of the learning of their qualification.
Annex 1

1. The following examples are to show the process in determining the value of transitional funding that can be claimed where a learner is following an NVQ level 4 qualification which was previously funded through Work-based Learning or the provider is continuing to provide provision previously funded through Work-based Learning.

2. The example uses NVQ level 4 Health and Social Care 10047943. This example is for illustration purposes only and does not infer that this qualification would be funded for any provider. For calculating both the 07/08, 08/09 and 09/10 rates both Disadvantage and Area uplift have not been included in order to simplify the example. It is also assumed that an NVQ level 4 would be delivered in more that 15 hours of learning and would therefore be funded at TtG higher rate in 2008/09. It is also assumed that it is Co-funded. The 2009/10 rates take into account the change to programme weighting for this qualification from 1.25 in 2008/09 to 1.2 in 2009/10.

3. The rates for NVQ level 4 Health and Social Care are:

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007/08</td>
<td>19+ NVQ rate</td>
<td>£3513.77</td>
</tr>
<tr>
<td>2008/09</td>
<td>TtG higher rate</td>
<td>£1323.01</td>
</tr>
<tr>
<td>2009/10</td>
<td>TtG rate</td>
<td>£1211.88</td>
</tr>
</tbody>
</table>

Learners continuing in learning from 2007/08 into 2009/10

4. The proportional amount paid in instalments would be the same in 2007/08 as in 2008/09, 75%. The amount paid in instalments in each year would be based on the planned length. If we assume that the learner starts in learning on 14th August 2007 and plans end their learning on 31st July 2010, therefore would be in learning for 36 months. Therefore the monthly payment would be £73.20 in 2007/08, £26.82 in 2008/09 and £24.57 in 2009/10. The outcome payment would have been £878.44 in 2007/08, £330.75 in 2008/09 and £302.97 in 2009/10.

5. Providers will claim £46.38 (£73.20 - £26.82) each month in 2008/09 and £48.63 (£73.20 - £24.57) in 2009/10 where the learner is still in learning and is part of the planned learning duration. When the learner achieves the provider claims £575.47 (£878.44 - £302.97) in 2009/10. If the learner achieves earlier than planned the provider claims the remaining balance of funding.

6. Each claim must be made using the Training Provider Statement using the box ‘Train to Gain Authorised Claims’ for the month that the claim relates to. Claims must be made during the funding year applicable. No claims outside of the funding year that relate to that year will be paid.
Learners starting in learning in 2008/09 continuing in 2009/10

7. The rate that would apply would be the mid point between the 2007/08 and 2008/09 in 2008/09 and 2007/08 rate and 2009/10 rate in 2009/10. In the above example of the NVQ level 4 Health and Social Care 10047943 this would be £2418.39 (£3513.77 + £1323.01) / 2 in 2008/09 and £2362.83 (£3513.77 + £1211.88) / 2 in 2009/10.

8. Using an example of a learner starting in August 2008 and planning to finish in July 2010 the amount paid in instalments for 2008/09 would be £79.38 in the first month and £39.69 for each subsequent 11 months in 2008/09. Using the transitional rate of £2418.39 the provider should be receiving £145.10 in the first month and £72.55 for the rest of planned learning. Therefore the provider claims £65.72 (£145.10 - £79.38) in the first months and £32.86 (£72.55 - £39.69) for the rest of planned learning. In 2009/10 the rate changes and the monthly sum the provider receives is £36.36 therefore the provider would claim £34.53 (£70.88 - £36.36) for each month up to July 2010.

9. The amount paid for achievement during 2008/09 would be £330.75 against a transitional rate of £604.60. Therefore on achievement the provider will claim £273.85 (£604.60 - £330.75). For 2009/10 the achievement would paid £302.97 against a transitional rate of £590.71 (£2362.83 x 25%) and the provider would claim £287.74 (£590.71 – 302.97).

10. If the learner achieves early the balance of any instalments would also be claimed. The rate claimed would have to reflect the funding year in which the learner achieves.

11. It should be noted that because the rates change in 2009/10 from 2008/09 the total amount received, paid and claimed, is not the actual midpoint of the difference in rates between 2007/08 and 2009/10.

12. Each claim must be made using the Training Provider Statement using the box ‘Train to Gain Authorised Claims’ for the month that the claim relates to. Claims must be made during the funding year applicable. No claims outside of the funding year will be paid.

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